



ADDENDUM NO. 1

Issue Date: June 21, 2023

Project Name: Actuary Services for OPEB

RFP Number: 2023053

RFP Opening Date: **July 20, 2023**

This addendum is being released to answer questions received.

The information and documents contained in this addendum are hereby incorporated in the request for proposals.

Questions and Answers

1. Were there any issues regarding service and/or work quality with the current actuary?
No issues.
2. Is it possible to obtain a copy of the most recent full valuation and most recent interim valuation reports?
Please see attachments.
3. How much did the actuary charge for the most recent full valuation GASB 74 & 75 reports? And the Full Valuation Report?
Total cost for 74/75 reports was \$4,000. Full Valuation Report Fee was \$13,000.
4. How much did the actuary charge for the most recent interim valuation GASB 74 & 75 reports?
Total cost for 74/75 reports was \$6,000.

Attachments

OPEB Funding Report FYE 93022
GASB 74 Report FYE 93022
GASB 75 Report FYE 93022

INDIAN RIVER COUNTY, FLORIDA

Other Post-Employment Benefits (OPEB)

Actuarial Report for Funding During the Year Ending
September 30, 2022





March 16, 2022

Ms. Elissa Nagy
Finance Director
Indian River County Clerk of Circuit Court and Comptroller
1840 25th Street
Vero Beach, FL 32960-3365

**Re: October 1, 2021 Actuarial Funding Report for Other Post-Employment Benefits (OPEB)
For Funding During the Year Ending September 30, 2022**

Dear Ms. Nagy:

Gabriel Roeder Smith & Company (GRS) has been engaged by Indian River County (the County) to perform an Actuarial Valuation of its Other Post-Employment Benefits (OPEB) provided to its retiring employees. We are pleased to present the results herein.

The Valuation was performed as of October 1, 2021 with results applicable to the fiscal year ending September 30, 2022 and covers medical (including prescription drug) and life insurance benefits provided to all County retirees. The contribution amount shown on page A-1 may be considered as a minimum contribution amount that complies with the County's funding policy. Users of this report should be aware that contributions made at that rate do not guarantee benefit security. Given the importance of benefit security to any retirement system, we suggest that contributions to the System in excess of those presented in this report be considered.

The actuarial calculations were prepared for the purposes of funding the County's OPEB program. Determinations of the liability associated with the benefits in this report for purposes other than this purpose (accounting, for example) may produce significantly different results. This Report may be provided to parties other than Indian River County only in its entirety and only with the permission of the County. GRS is not responsible for unauthorized use of this report.

The results in this report are determined using the actuarial assumptions and methods disclosed in Section D of this report. This report does not include a robust assessment of the risks of future experience not meeting the actuarial assumptions. Additional assessment of risks is outside the scope of this assignment. We encourage a review and assessment of investment and other significant risks that may have a material effect on the plan's financial condition.

The Actuarial Valuation was performed on the basis of employee, retiree, claims information and financial information through September 30, 2021 as supplied by the County officials. Although we did not audit this information, it was reviewed for reasonableness. All actuarial calculations were performed on the basis of the Summary of Substantive Plan Provisions and the Actuarial Assumptions and Methods, as set forth in the respective sections of this Report.

The calculations are based upon assumptions regarding future events, which may or may not materialize. They are also based upon plan provisions outlined in this Report. If you have reason to believe that the assumptions that were used are unreasonable, that the plan provisions are incorrectly described, that important plan provisions relevant to this proposal are not described, or that conditions have changed since

the calculations were made, you should contact the author of this Report prior to relying on information in the Report.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of the actuary's assignment, the actuary did not perform an analysis of the potential range of such future measurements.

This valuation assumed the continuing ability of the plan sponsor to make the contributions necessary to fund this plan. A determination regarding whether or not the plan sponsor is actually able to do so is outside our scope of expertise and was not performed.

This report was prepared using our proprietary valuation model and related software which in our professional judgement has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.

To the best of our knowledge the information contained in this report is accurate and fairly presents the actuarial position of the plan as of the valuation date. All assumptions and calculations have been made in conformity with generally accepted actuarial principles and practices and with the Actuarial Standards of Practice issued by the Actuarial Standards Board. If you have reason to believe that the information provided in this report is inaccurate, or is in any way incomplete, or if you need further information in order to make an informed decision on the subject matter of this report, please contact the authors of the report prior to making such decision. The actuarial assumptions used for the Valuation produce results which are reasonable.

Nicolas Lahaye and Piotr Krekora are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. The signing Actuaries are independent of the plan sponsor.

We will be pleased to answer any questions pertaining to this Actuarial Valuation.

Respectfully submitted,

GABRIEL, ROEDER, SMITH & COMPANY



Nicolas Lahaye, FSA, EA, MAAA, FCA
Consultant & Actuary



Piotr Krekora, ASA, EA, MAAA, FCA
Senior Consultant & Actuary



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SECTION A

EXECUTIVE SUMMARY

Executive Summary

This Actuarial Valuation and Report, prepared as of October 1, 2021, presents the employer contribution required under the County’s Funding Policy for the year ending September 30, 2022.

The following table summarizes the funding requirements along with amounts expected to be reimbursed to the County from the Trust for benefit provided to retirees:

Funding Summary			
Results Applicable to the Year Ending	September 30		
	2023	2022	2021
Actuarially Determined Contribution (ADC)	\$ 967,707	\$ 927,450	\$ 1,049,479
Employer Deposits to the Trust*	967,707	927,450	1,049,479
Expected Reimbursements from the Trust	3,180,031	3,058,315	2,757,044

*Under the current funding policy, deposit amounts are projected to be the same as the ADC.

This report covers the OPEBs provided to the current and future retirees of Indian River County. The term County as used in this Report includes these employees, retirees and their dependents. The Substantive Plan Provisions for the County’s OPEBs are described in Section E of this Report.

ADVANCE-FUNDING OPEBS

Management of Indian River County decided to advance-fund the OPEB obligation. This is accomplished by making periodic deposits into a separate trust for investment and accumulation of reserves, which is then used to pay the retiree subsidies defined by the OPEB Plan documents.

This approach provides for systematically financing the long term OPEB obligation and it has distinct advantages over a pay-as-you-go method. Rather than the County paying the entire cost of the Plan each year, the OPEB Fund’s internal buildup of reserves is expected to generate substantial investment earnings (assuming prudent investments) throughout its lifetime. These earnings will pay a significant portion of the benefits, thereby relieving the County and taxpayers from having to pay them directly. Under this approach, the OPEB obligation is decreased with the OPEB fund similar to how the County decreases its pension obligation with separate pension funds. To the extent that the County advance-funds its OPEB obligation, it will reduce the long term cost of the Plan to the County and its taxpayers.

For the purpose of this valuation, it is assumed that the County will continue its policy of contributing the Actuarially Determined Contribution (ADC) into the OPEB Trust Fund. It has been determined that the County’s Funding Policy is expected to provide sufficient revenue over time to enable the OPEB Trust to provide the benefits. The investment discount rate used for this Actuarial Valuation is at the rate appropriate for a fully funded Trust with the current Investment Policy. The County has selected 6.00% compounded annually as its investment discount rate.



It is important to note, in the event that the Investment Policy is changed or a pattern evolves that deviates from this stated intent, the costs and liabilities presented in this or subsequent Reports would need to be re-calculated using a discount rate other than 6.00%.

DIRECT SUBSIDY

The County provides a direct subsidy to retirees' OPEB coverage by charging them premiums which are significantly lower than the true cost. The amount of the subsidy depends on how long the retiree had worked for the County. Subsidy amounts are presented in Section E of this report.

IMPLICIT RATE SUBSIDY

It may appear, at first glance, that the County's obligation for subsidizing retirees' OPEB coverage is limited to the direct subsidy described above. However, the full illustrative premiums are based on a blending of the experience among younger active employees and older retired employees. Since the older retirees actually have higher costs, this means that the County is actually subsidizing the cost of the retiree coverage beyond the direct premium discounts because it pays all or a significant portion of that premium on behalf of the active employees.

This is the "implicit rate subsidy". Even though it appears that there is no additional County subsidy of retiree coverage, there really is, and it can be a significant amount. A group of 62-year-old retirees can easily cost over 50% more than the County is collecting from them for coverage. The County, therefore, has assumed an obligation to pay for that implicit subsidy for the covered lifetimes of the current retirees and their dependents, as well for the covered lifetimes of the current employees after they retire in the future.

Measuring the current year's implicit and direct subsidies, projecting them for decades into the future and making an allocation of that cost to different years is the subject of this report.

ACTUARIAL ASSUMPTIONS

In any long-term Actuarial Valuation (such as for Pensions and OPEBs), certain demographic, economic and behavioral assumptions are made concerning the population, the investment discount rates and the benefits provided. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Future determinations of the employer's annual required contributions are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. These Actuarial Assumptions form the basis for the actuarial model which is used to project the future population, the future benefits provided, and the future contributions collected. Then the investment discount rate assumption is used to discount those projected net OPEB benefits to a present value. This and other related present values are used to calculate the Annual OPEB Cost that will be expensed in the County's financial statements and the Unfunded Actuarial Accrued Liability disclosed in the statements as well.

Calculations for financial reporting purposes are based on the benefits provided under terms of the substantive plan (the plan as understood by the employer and the plan members) in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. Actuarial calculations reflect a long-term perspective.



Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

It would be instructive to review the Section D of this Report for details of all the relevant Actuarial Assumptions used in this Valuation.

ACTUARIAL COST METHODS

The results presented herein have been obtained with Entry Age Normal actuarial cost method with an amortization of the unfunded actuarial accrued liability as a level percent of expected payroll. This method spreads the costs evenly throughout the collective careers of those in the covered workforce.

SUMMARY

Following is a chart that summarizes the results of this Actuarial Valuation for the County's OPEB. Results applicable to fiscal years ending September 30, 2021 and September 30, 2020 are also shown for your reference, as developed in the October 1, 2019 valuation. More details can be found on the following pages.

Valuation Summary			
Valuation As of	October 1, 2021	October 1, 2019	October 1, 2019
Actuarial Accrued Liability	\$ 35,380,722	\$ 34,029,288	\$ 34,029,288
Actuarial Value of Assets	33,318,437	31,085,791	31,085,791
Unfunded Actuarial Accrued Liability	2,062,285	2,943,497	2,943,497
Applicable to FYE	September 30, 2022	September 30, 2021	September 30, 2020
Actuarially Determined Contribution	927,450	1,049,479	1,005,952
Per Covered Active Employee	593	683	655
As % of Expected Payroll	1.1%	1.4%	1.3%

FACTORS IMPACTING COSTS AND LIABILITIES

Although a detailed Gain-Loss analysis is beyond the scope of this report, below we present the major factors driving the changes in results from the previous valuation:

- *Population Changes:* The number of covered active employees increased from 1,536 as of the prior valuation date to 1,565 as of October 1, 2021. At the same time, the number of retirees covered under the health plans as of the valuation date decreased from 335 in the previous valuation to 321 as of October 1, 2021. These combined population changes had a decreasing effect on the costs and liabilities.
- *Initial Cost of Coverage:* The total cost of coverage increased from \$1,049 per employee per month (as expected for the 2019 plan year) to \$1,238 per employee per month for 2021. This is higher than the \$1,198 per employee per month projected for 2021 at the time the prior valuation was performed. This had an increasing effect on the cost and liabilities.



- *Medical Trend Assumption:* We revised the assumed trend of medical/Rx cost and premium increases. It was assumed previously that costs and premiums would increase at a rate of 6.05%, 5.89%, and 5.73% for plan years beginning in 2022, 2023, and 2024, respectively. We are revising the trend rates to be 6.00% for 2022, 5.75% for 2023, and 5.60% for 2024. In addition, the long-term trend rates were lowered from 4.24% in the prior valuation to 3.75% this year. This had a decreasing effect on the cost and liabilities.

- *Investment Income:* Investment earnings on the trust assets were higher than expected: a 6% rate of return was assumed but a 7.54% rate of return was realized on a smoothed actuarial value of assets (13.46% return realized on a market value basis). These investment gains had a decreasing effect on the actuarially determined contribution developed in this valuation.

- *Demographic Assumptions:* The following demographic assumptions were changed to align with updated assumptions adopted by the Florida Retirement System for its July 1, 2020 actuarial valuation:
 - Rates of salary increases
 - Rates of retirement
 - Rates of withdrawal
 - Rates of mortality
 - Rates of disability

The assumptions were developed in a statewide experience study conducted by FRS covering the period 2013 through 2018. These demographic changes had a decreasing effect on the cost and liabilities.

SECTION B

SUMMARY OF ACTUARIAL VALUATION RESULTS

ACTUARIAL VALUATION RESULTS AS OF OCTOBER 1, 2021				
	Total Medical/Rx Costs	Retirees' Medical/Rx Premiums	Net Life Insurance Costs	Net Employer Costs
<u>Number of Participants Covered</u>				
Active Participants	1,346	1,346	1,565	1,565
Retired Participants	321	321	378	543
Total Participants	1,667	1,667	1,943	2,108
Expected Payroll of Active Participants	\$ 79,865,034	\$ 79,865,034	\$ 87,784,222	\$ 87,784,222
<u>Actuarial Present Value of Benefits</u>				
Active Participants	41,661,320	(24,349,297)	621,347	17,933,370
Retired Participants	47,653,475	(24,840,042)	1,367,717	24,181,150
Total Participants	89,314,795	(49,189,339)	1,989,064	42,114,520
<u>Actuarial Accrued Liability</u> (Entry Age Normal Cost Actuarial Method)				
Active Participants	25,746,674	(14,948,199)	401,097	11,199,572
Retired Participants	47,653,475	(24,840,042)	1,367,717	24,181,150
Total Participants	73,400,149	(39,788,241)	1,768,814	\$ 35,380,722
Actuarial Value of Assets				33,318,437
Unfunded Actuarial Accrued Liability (UAAL)				2,062,285
Actuarially Determined Contribution (ADC) of the Employer for FYE 9/30/22 under the Entry Age Normal Cost Actuarial Method				
Normal Cost	1,322,769	(807,200)	32,129	547,698
6-Year Amortization of UAAL	787,826	(427,060)	18,985	379,752
Interest	-	-	-	-
Total ADC for FYE 9/30/22	\$ 2,110,595	\$ (1,234,260)	\$ 51,114	\$ 927,450
Per Active Participant	\$ 1,568	\$ (917)	\$ 33	\$ 593
As % of Expected Payroll	2.6%	(1.5%)	0.1%	1.1%

Note: The number of retirees covered shown in the right-most column is the number of retirees with either medical or life insurance coverage, or both.



ACTUARIAL VALUATION RESULTS BY POPULATION AS OF OCTOBER 1, 2021			
	Regular	Special Risk	Total Subsidy
<u>Number of Participants Covered</u>			
Active Participants	959	606	1,565
Retired Participants	398	145	543
Total Participants	1,357	751	2,108
Expected Payroll of Active Participants	\$ 49,324,835	\$ 38,459,387	\$ 87,784,222
<u>Actuarial Present Value of Benefits</u>			
Active Participants	6,333,151	11,600,219	17,933,370
Retired Participants	10,206,968	13,974,182	24,181,150
Total Participants	16,540,119	25,574,401	42,114,520
<u>Actuarial Accrued Liability</u> (Entry Age Normal Cost Actuarial Method)			
Active Participants	4,415,910	6,783,662	11,199,572
Retired Participants	10,206,968	13,974,182	24,181,150
Total Participants	14,622,878	20,757,844	35,380,722
Actuarial Value of Assets			33,318,437
Unfunded Actuarial Accrued Liability (UAAL)			2,062,285
Actuarially Determined Contribution (ADC) of the Employer for FYE 9/30/22 under the Entry Age Normal Cost Actuarial Method			
Normal Cost	203,315	344,383	547,698
6-Year Amortization of UAAL	156,952	222,800	379,752
Interest	-	-	-
<u>Total ADC for FYE 9/30/22</u>	\$ 360,267	\$ 567,183	\$ 927,450
Per Active Participant*	\$ 376	\$ 936	\$ 593
As % of Expected Payroll	0.7%	1.5%	1.1%

*For FYE 2023, the Per Active Participant Cost is \$392 for Regular Class and \$977 for Special Risk.

Note: The number of retirees covered shown is the number of retirees with either medical or life insurance coverage, or both. Assets are not allocated to groups covered. Payments to amortize the Unfunded Actuarial Accrued Liability are presented for illustration purposes only and were determined by prorating the total amortization payment in proportion to the Actuarial Accrued Liability attributed to each group.



ACTUARIAL VALUATION RESULTS FOR SUBSIDIES AS OF OCTOBER 1, 2021			
	Direct Subsidy	Implicit Subsidy (incl. Life Ins.)	Total Subsidy
<u>Number of Participants Covered</u>			
Active Participants	1,346	1,565	1,565
Retired Participants	303	543	543
Total Participants	1,649	2,108	2,108
Expected Payroll of Active Participants	\$ 79,865,034	\$ 87,784,222	\$ 87,784,222
<u>Actuarial Present Value of Benefits</u>			
Active Participants	7,733,521	10,199,849	17,933,370
Retired Participants	13,106,539	11,074,611	24,181,150
Total Participants	20,840,060	21,274,460	42,114,520
<u>Actuarial Accrued Liability</u>			
(Entry Age Normal Cost Actuarial Method)			
Active Participants	4,918,554	6,281,018	11,199,572
Retired Participants	13,106,539	11,074,611	24,181,150
Total Participants	18,025,093	17,355,629	35,380,722
Actuarial Value of Assets			33,318,437
Unfunded Actuarial Accrued Liability			2,062,285
<u>Actuarially Determined Contribution (ADC)</u>			
of the Employer for FYE 9/30/22 under the Entry Age Normal Cost Actuarial Method			
Normal Cost	214,587	333,111	547,698
6-Year Amortization of UAAL	193,468	186,284	379,752
Interest	-	-	-
Total ADC for FYE 9/30/22	\$ 408,055	\$ 519,395	\$ 927,450
Per Active Participant	\$ 303	\$ 332	\$ 593
As % of Expected Payroll	0.5%	0.6%	1.1%

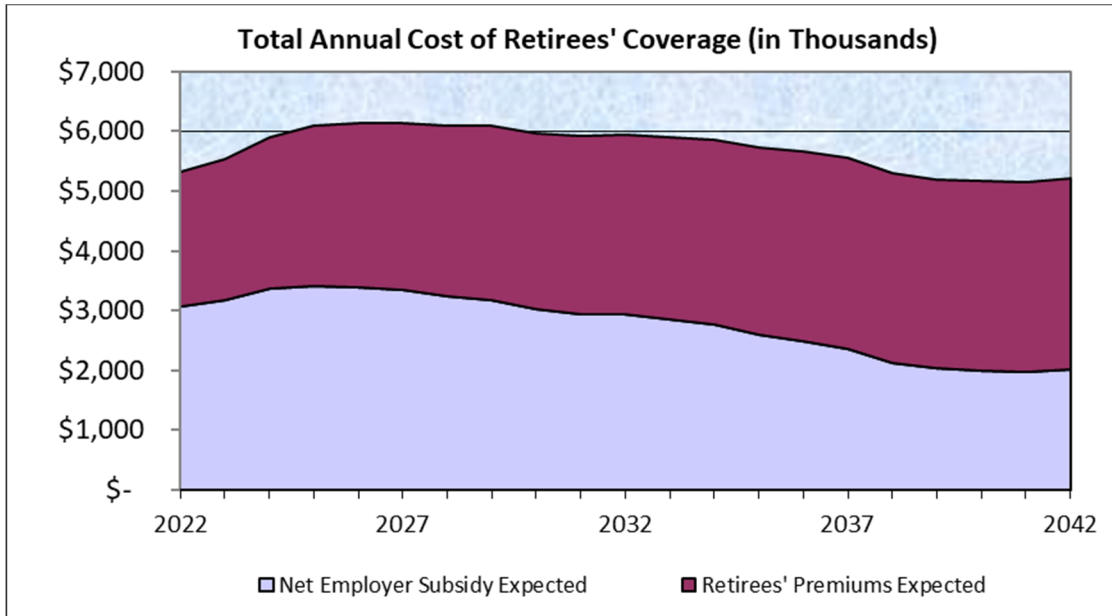
Note: The number of retirees covered shown is the number of retirees with either medical or life insurance coverage, or both. Assets are not allocated to benefits provided. Payments to amortize the Unfunded Actuarial Accrued Liability are presented for illustration purposes only and were determined by prorating the total amortization payment in proportion to the Actuarial Accrued Liability attributed to each subsidy type.



Twenty-Year Projection of Benefit Cash Flow

Premiums collected from employees and retirees account only for a portion of the cost of the health care provided, with the balance subsidized by the Employer. The table and graph below illustrate, based on a closed group projection, how the cost of the benefits is distributed between the Employer and the retirees.

Fiscal Year Ending 9/30	Total Benefits Expected	Retirees' Premiums Expected	Net Employer Subsidy Expected
2022	\$ 5,317,081	\$ 2,258,766	\$ 3,058,315
2027	\$ 6,138,765	\$ 2,800,191	\$ 3,338,574
2032	\$ 5,946,045	\$ 3,017,232	\$ 2,928,813
2037	\$ 5,552,657	\$ 3,193,611	\$ 2,359,046
2042	\$ 5,211,186	\$ 3,201,426	\$ 2,009,760



Age/Service Distribution for Plan Participants

Regular Active Members

Age Group	Years of Service to Valuation Date - Active Employees							Total
	0-5	6-9	10-14	15-19	20-24	25-29	30&Up	
0 - 14	-	-	-	-	-	-	-	-
15 - 19	5	-	-	-	-	-	-	5
20 - 24	32	-	-	-	-	-	-	32
25 - 29	54	8	-	-	-	-	-	62
30 - 34	56	17	1	-	-	-	-	74
35 - 39	27	20	7	17	-	-	-	71
40 - 44	36	13	4	17	6	-	-	76
45 - 49	51	23	10	11	12	9	2	118
50 - 54	40	13	17	19	8	17	10	124
55 - 59	33	17	14	24	21	13	22	144
60 - 64	32	16	17	22	25	20	19	151
65 - 69	18	8	5	9	5	5	4	54
70 - 74	17	8	2	6	-	1	-	34
75 - 99	3	4	3	1	2	-	1	14
Total	404	147	80	126	79	65	58	959

Special Risk Active Members

Age Group	Years of Service to Valuation Date - Active Employees							Total
	0-5	6-9	10-14	15-19	20-24	25-29	30&Up	
0 - 14	-	-	-	-	-	-	-	-
15 - 19	-	-	-	-	-	-	-	-
20 - 24	36	-	-	-	-	-	-	36
25 - 29	104	20	-	-	-	-	-	124
30 - 34	51	42	7	-	-	-	-	100
35 - 39	24	25	33	10	-	-	-	92
40 - 44	14	9	20	29	10	-	-	82
45 - 49	5	1	14	21	12	2	-	55
50 - 54	4	5	6	14	17	23	8	77
55 - 59	2	3	3	5	3	5	7	28
60 - 64	1	-	1	2	3	1	1	9
65 - 69	-	-	-	-	1	1	-	2
70 - 74	-	-	-	-	-	-	1	1
75 - 99	-	-	-	-	-	-	-	-
Total	241	105	84	81	46	32	17	606

Retirees And Surviving Spouses			
Age Group	Regular	Special Risk	Total
0 - 44	2	1	3
45 - 49	3	-	3
50 - 54	10	15	25
55 - 59	30	39	69
60 - 64	46	52	98
65 - 69	69	16	85
70 - 74	86	14	100
75 - 79	72	3	75
80 - 84	50	4	54
85 - 89	20	1	21
90 - 94	7	-	7
95 - +	3	-	3
Total	398	145	543

Note: Numbers of retirees shown are the numbers of retirees with either medical or life insurance coverage, or both.

Age Group	Retirees With Med/Rx		Retirees With Subsidy		Retirees With Life		With Any Coverage
	Male	Female	Male	Female	Male	Female	
0 - 44	2	1	1	1	-	-	3
45 - 49	1	1	1	1	-	1	3
50 - 54	22	2	21	2	4	2	25
55 - 59	53	11	53	10	21	6	69
60 - 64	69	22	69	20	33	12	98
65 - 69	16	6	15	4	38	33	85
70 - 74	25	5	17	5	59	35	100
75 - 79	13	11	12	10	38	31	75
80 - 84	12	24	12	24	18	24	54
85 - 89	6	11	6	11	8	7	21
90 - 94	2	3	2	3	4	2	7
95 - +	1	2	1	2	1	1	3
Total	222	99	210	93	224	154	543

SECTION C

DEVELOPMENT OF INITIAL PER CAPITA COSTS

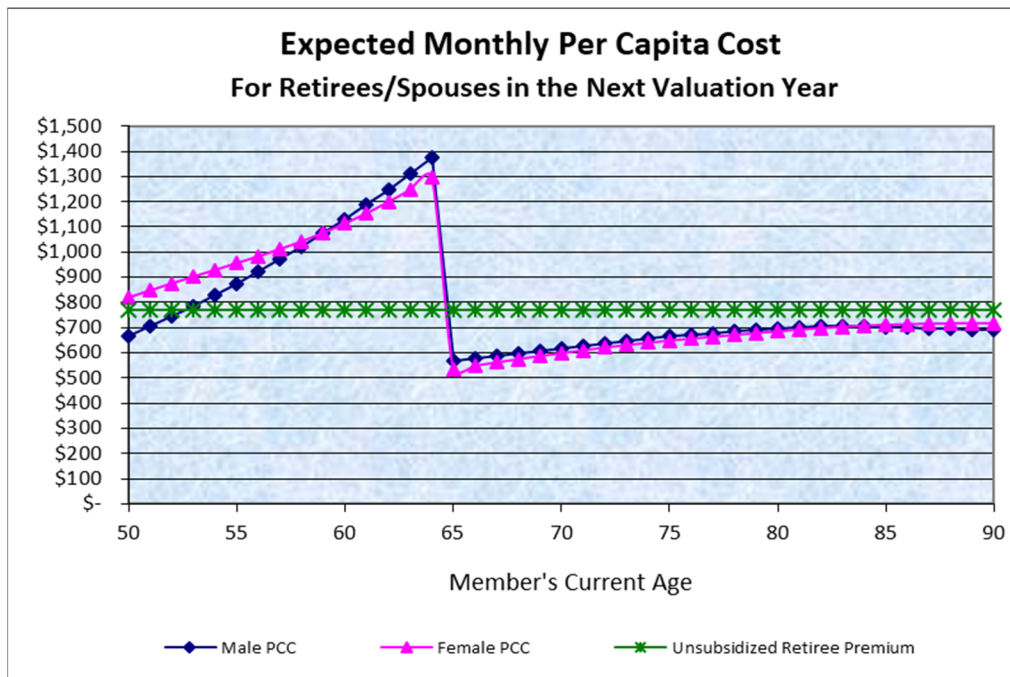
Development of Initial Per Capita Costs

By offering medical coverage to employees, retirees and their dependents, the Employer assumes the responsibility for the expected cost of claims incurred by the members of the plan. These costs are partially offset by contributions from employees and retirees. While the total premium amount charged for covering employees and retirees and their dependents is the same without regard to the age or gender of the member, the true costs of medical and prescription coverage in any given year, depends on these factors. As the ages of employees, retirees and dependents in the covered population increase, so do their costs of benefits.

Following tables summarize the expected initial monthly Per Capita Costs (PCC) applicable to current retirees in the coming year:

Monthly Per Capita Cost By Age/Sex					
Medicare Not Eligible Retirees			Medicare Eligible Retirees		
Sample Ages	Male	Female	Sample Ages	Male	Female
45	\$ 510.82	\$ 704.99	65	\$ 567.70	\$ 535.45
50	665.14	819.39	70	618.43	598.43
55	875.25	955.64	75	664.20	648.12
59	1,076.00	1,076.00	80	697.28	685.09
60	1,130.43	1,113.09	85	702.36	710.63
64	1,374.64	1,297.29	90	689.34	717.75

The graph below illustrates the expected monthly Per Capita Costs (PCC) applicable to current retirees of the Board in the coming year. The full premium charged is also shown. For clarity, premium contributions applicable to a spouse are not presented in the graph. The spread between the Per Capita Cost and the premium actually collected from the retiree is the expected monthly cost borne by the Employer when providing medical coverage to a particular retiree.



The amounts of Per Capita Costs illustrated above have been developed by employing the morbidity tables discussed below. The table shows select values of age grading factors reflecting rates at which medical costs increase with age of the member. The age grading factors have been developed based on the results of the study published (June 2013) in Health Care Costs – From Birth to Death sponsored by the Society of Actuaries and authored by Mr. Dale H. Yamamoto. These percentages are separate from the annual Trend, which operates to increase costs independent of and in addition to the Aging Factors. For example, in any single year a group of 61-year old males are expected to cost 5.02% more than a group of 60-year old males.

Sample Ages	Medical/Rx Cost Increase By Age		Sample Ages	Medical/Rx Cost Increase By Age	
	Male	Female		Male	Female
30	4.80%	3.74%	65	1.68%	2.46%
35	4.45%	-0.32%	70	1.72%	1.89%
40	4.42%	0.44%	75	1.07%	1.20%
45	4.89%	2.34%	80	0.62%	0.97%
50	5.81%	3.46%	85	-0.37%	0.36%
55	5.44%	2.84%	90	-0.28%	-0.14%
60	5.02%	3.66%	95	-0.38%	-2.21%

The total cost expected (based on claims and other costs for the self-insured plan) for the entire covered population was allocated by age/sex, based upon the age/sex distribution of all plan members and the morbidity tables above. This procedure resulted in a table of age/sex-specific initial Per Capita Costs for the coming year. These calculations were based upon the benefits provided under the plan options available to employees and retirees as of the Valuation Date.

In the development of the PCC amounts, retirees and dependents age 65 and older are assumed to be Medicare-eligible. The “% of Total Claims Paid by Medicare” is an assumption regarding whether the core plan or Medicare pays as primary for Medicare-eligible retirees and dependents. The employer’s cost for a claim incurred by a Medicare covered retiree is assumed to be lower than the cost of the same claim incurred by a retiree who is not eligible for Medicare benefits. We are referring to that offset as “% of Total Claims Paid by Medicare” although some of it may be paid by a retiree. According to the Summary of Substantive Plan Provisions, the plan requires Medicare-eligible members to enroll in Medicare Parts A and B. For such eligible retirees, we have assumed that the plan pays as secondary payer for claims that would be otherwise covered under Medicare Parts A and B only for those who are actually covered under Parts A and B.

Furthermore, we are recognizing the fact, that healthy retirees are less likely to select the medical coverage when required to pay a full blended premium. The impact of this phenomenon is usually less when retirees are offered direct subsidies and continuation of medical coverage is more common among retirees. This adjustment is made through application of the “Anti-selection Load” presented below. These adjustments are summarized below:

Factors used in PCC Development	
Antiselection Load	10%
% of Total Claims Paid by Medicare	60%



The Monthly Per Capita Costs (PCC) by age and sex represent the costs of coverage after taking out deductibles, coinsurance, co-pays, and Medicare payments, but before applying any monthly retiree contributions (premiums) charged for coverage. The Medicare Part D subsidy, if any, has not been given any consideration, since it may not be used to offset the OPEB obligation.

Per Capita Costs applicable to retirees who retire under disability provisions are assumed to be the same as for all other similarly situated retirees. Although disabled retirees are generally more expensive to cover, such retirees may qualify for benefits under the Medicare program, which offsets the increased costs. We did not assess the relative magnitude of these factors but given the fact that they offset each other combined with a relatively low incidence of disability retirements, we believe the overall materiality of this aspect does not warrant more detailed analysis. Consequently, all retirees are subjected to the same model regardless of disability status.

Amounts for each age/sex combination for this Valuation were developed based on census data for all participants of the Health Care Plans and on the total premiums paid to the insurance provider. The number of subscribers included in the Actuarial Valuation may be slightly different from the number used to develop the Per Capita Costs. The present distribution of subscribers for the purpose of Per Capita Cost Development is summarized below.

Coverage	Number of Subscribers			
	Active/COBRA		Retired	
	Single	Family/Spouse	Single	Family/Spouse
Gold Plan	383	573	119	174
Silver Plan	224	172	11	17

SECTION D

ACTUARIAL ASSUMPTIONS AND METHODS

Actuarial Assumptions and Methods

- Actuarial Valuation Date:** October 1, 2021 for employee and retiree population purposes, for development of per capita cost purposes and for valuation purposes.
- Actuarial Cost Method:** Entry Age Normal Cost Method with an increasing Normal Cost pattern consistent with the salary increase assumptions used in the FRS pension plan valuation.
- Asset Valuation Method:** Actuarial Value of Assets. The Actuarial Value of Assets is calculated by recognizing 20% of the difference between the Market Value of Assets and the expected Actuarial Value of Assets. The Actuarial Value of Assets will be further adjusted to the extent necessary to fall within the corridor whose lower limit is 85% of the Market Value of Assets and whose upper limit is 115% of the Market Value of Assets. During periods when investment performance exceeds the assumed rate, the Actuarial Value of Assets will tend to be less than the Market Value. During periods when investment performance is less than the assumed rate, the Actuarial Value of Assets will tend to be greater than the Market Value.
- Investment Discount Rate:** The County's Funding Policy is expected to provide sufficient revenue over time to enable the OPEB Trust to be the sole provider of the benefits. The Investment Discount Rate used for this Actuarial Valuation is at the rate appropriate for a fully funded Trust with the current investment policy. The County has selected 6.00% per annum, compounded annually.
- Amortization Period and Method:** The Unfunded Actuarial Accrued Liability, as calculated pursuant to the Individual Entry Age Actuarial Cost Method, is amortized as a level percent of payroll over a six-year period. The assumed rate of payroll growth is 3.00%.
- Florida Retirement System:** Unless noted otherwise, demographic assumptions employed in this Actuarial Valuation were the same as those employed in the July 1, 2020 Pension Actuarial Valuation of the Florida Retirement System (FRS). These demographic assumptions were developed by FRS from an Actuarial Experience Study, and therefore are appropriate for use in this OPEB Actuarial Valuation. These include assumed rates of future termination, mortality, disability, and retirement. In addition, salary increase assumptions (for development of the pattern of the Normal Cost increases) were the same as FRS uses. Assumptions used in valuation of benefits for participants of the FRS Investment Plan are the same as for similarly situated participants of the FRS Defined Benefits Pension Plan.

In the following pages, we outline assumptions with respect to different employment classes under FRS. Due to composition of the population,



assumptions applicable to Regular (not K-12 Instructional Class) and Special Risk classifications have been used in this valuation.

Rates of Termination from Active Employment:

These rates do not apply to participants eligible to retire and do not include separation on account of death and disability. Termination rates are used to measure the probabilities of participants terminating employment for other reasons. During the select period, the rates are based on the number of years of service, regardless of age, thereafter, during the ultimate period, termination rates are based on age. In addition, any employees terminating with at least 6 years of service (8 years if hired on or after July 1, 2011) and who are within ten years from Normal Retirement are assumed to commence monthly pension benefits and, thus, become eligible to accept retiree medical coverage.

% Separating Within Next Year - Regular Class						
Years of Service	Male					
	Attained Age					
	Under 25	25 - 29	30 - 34	35 - 44	45 - 54	55+
0	27.0%	25.0%	23.0%	22.0%	21.0%	27.0%
1	19.0%	17.0%	15.0%	13.5%	12.5%	12.5%
2	17.5%	13.5%	12.0%	10.5%	9.5%	9.0%
3	16.0%	11.5%	10.0%	9.0%	7.8%	7.8%
4	15.5%	10.0%	8.5%	8.0%	6.5%	6.5%
5	10.5%	9.0%	8.5%	7.5%	6.0%	6.0%
6	10.5%	8.5%	7.5%	6.5%	6.0%	6.0%
7	8.0%	8.0%	6.5%	6.0%	5.0%	5.0%
8	5.5%	5.5%	5.0%	5.5%	5.0%	4.0%
9	5.0%	5.0%	5.0%	4.5%	4.0%	4.0%
10	4.0%	4.0%	4.0%	4.0%	4.0%	3.0%
11	3.5%	3.5%	3.0%	3.5%	3.5%	3.0%
12	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
13	3.0%	3.0%	3.0%	3.0%	3.0%	2.5%
14	2.5%	2.5%	1.5%	2.5%	2.5%	2.5%
15	2.5%	2.5%	1.5%	2.0%	2.5%	2.5%
16	2.0%	2.0%	1.5%	2.0%	2.0%	2.0%
17	2.0%	2.0%	1.5%	2.0%	2.0%	2.0%
18	2.0%	2.0%	1.5%	1.5%	2.0%	2.0%
19	2.0%	2.0%	1.5%	1.5%	2.0%	2.0%
20	1.5%	1.5%	1.5%	1.0%	1.5%	1.5%
21	1.3%	1.3%	1.3%	1.0%	1.3%	1.3%
22	1.3%	1.3%	1.3%	1.0%	1.3%	1.3%
23	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
24	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
25	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
26	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
27	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
28	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
29	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
30+	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%



% Separating Within Next Year - Regular Class						
Years of Service	Female					
	Attained Age					
	Under 25	25 - 29	30 - 34	35 - 44	45 - 54	55+
0	28.0%	28.0%	27.0%	26.0%	25.0%	30.0%
1	18.0%	17.0%	16.0%	15.0%	12.5%	12.5%
2	16.0%	13.5%	12.5%	11.5%	10.0%	10.0%
3	16.0%	11.5%	10.5%	9.5%	9.0%	9.0%
4	16.0%	10.0%	9.0%	8.0%	7.5%	7.5%
5	13.0%	8.0%	8.0%	7.5%	7.5%	7.5%
6	12.0%	8.0%	8.0%	7.5%	7.5%	7.5%
7	7.5%	7.5%	7.5%	6.5%	6.5%	6.5%
8	6.0%	6.0%	6.0%	5.5%	5.5%	5.5%
9	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
10	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
11	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
12	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
13	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
14	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
15	3.0%	3.0%	3.0%	2.8%	2.8%	2.8%
16	3.0%	3.0%	3.0%	2.5%	2.5%	2.5%
17	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
18	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
19	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
20	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
21	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
22	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
23	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%
24	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%
25	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
26	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
27	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%
28	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%
29	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
30+	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%

% Separating Within Next Year - Special Risk Class						
Years of Service	Male					
	Attained Age					
	Under 25	25 - 29	30 - 34	35 - 44	45 - 54	55+
0	17.5%	15.5%	15.5%	17.5%	17.5%	17.5%
1	10.0%	9.0%	9.0%	10.0%	9.0%	9.0%
2	8.0%	8.0%	8.0%	8.0%	7.0%	8.0%
3	7.0%	7.0%	7.0%	7.0%	5.5%	7.0%
4	5.0%	6.0%	6.0%	6.0%	5.5%	6.0%
5	4.0%	5.0%	5.0%	5.0%	4.0%	5.0%
6	4.0%	5.0%	5.0%	5.0%	4.0%	5.0%
7	4.0%	5.0%	4.0%	4.0%	3.5%	4.0%
8	3.5%	4.5%	3.5%	3.5%	3.0%	3.5%
9	3.0%	3.5%	3.0%	3.0%	3.0%	3.0%
10	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
11	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
12	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
13	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
14	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
15	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
16	1.0%	1.0%	1.0%	1.0%	1.5%	1.5%
17	1.0%	1.0%	1.0%	1.0%	1.5%	1.5%
18	1.0%	1.0%	1.0%	1.0%	1.5%	1.5%
19	1.0%	1.0%	1.0%	1.0%	1.5%	1.5%
20	1.0%	1.0%	1.0%	1.0%	1.5%	1.5%
21	1.0%	1.0%	1.0%	1.0%	1.5%	1.5%
22	0.8%	0.8%	0.8%	0.8%	1.0%	1.0%
23	0.5%	0.5%	0.5%	0.5%	1.0%	1.0%
24	0.5%	0.5%	0.5%	0.5%	1.0%	1.0%
25	0.5%	0.5%	0.5%	0.5%	1.0%	1.0%
26	0.5%	0.5%	0.5%	0.5%	1.0%	1.0%
27	0.5%	0.5%	0.5%	0.5%	1.0%	1.0%
28	0.5%	0.5%	0.5%	0.5%	1.0%	1.0%
29	0.5%	0.5%	0.5%	0.5%	1.0%	1.0%
30+	0.5%	0.5%	0.5%	0.5%	1.0%	1.0%

% Separating Within Next Year - Special Risk Class						
Years of Service	Female					
	Attained Age					
	Under 25	25 - 29	30 - 34	35 - 44	45 - 54	55+
0	24.0%	24.0%	24.0%	26.0%	30.0%	30.0%
1	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%
2	11.0%	11.0%	9.0%	10.5%	10.5%	10.5%
3	8.0%	8.0%	8.5%	10.5%	10.0%	10.0%
4	8.0%	8.0%	7.0%	7.0%	10.0%	10.0%
5	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%
6	6.5%	6.5%	6.5%	6.0%	6.0%	6.0%
7	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
8	5.0%	5.0%	4.5%	4.5%	6.0%	6.0%
9	3.5%	3.5%	3.5%	3.5%	6.0%	6.0%
10	3.5%	3.5%	3.5%	3.5%	5.0%	5.0%
11	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
12	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
13	2.5%	2.5%	2.5%	2.5%	3.0%	3.0%
14	2.5%	2.5%	2.5%	2.5%	3.0%	3.0%
15	2.3%	2.3%	2.3%	2.3%	3.0%	3.0%
16	2.0%	2.0%	2.0%	2.0%	3.0%	3.0%
17	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
18	1.5%	1.5%	1.5%	1.5%	2.0%	2.0%
19	1.5%	1.5%	1.5%	1.5%	2.0%	2.0%
20	1.5%	1.5%	1.5%	1.5%	2.0%	2.0%
21	1.5%	1.5%	1.5%	1.5%	2.0%	2.0%
22	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
23	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
24	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
25	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
26	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
27	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
28	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
29	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
30+	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%

Rates of Disability:

Disability rates are used to measure the probabilities of active participants becoming disabled.

% Becoming Disabled Within Next Year - Line-of-Duty				
Sample Ages	Regular Class		Special Risk	
	Male	Female	Male	Female
20	0.001%	0.001%	0.005%	0.005%
25	0.001%	0.001%	0.005%	0.005%
30	0.001%	0.001%	0.005%	0.005%
35	0.001%	0.001%	0.005%	0.005%
40	0.001%	0.001%	0.005%	0.005%
45	0.001%	0.001%	0.050%	0.050%
50	0.002%	0.002%	0.050%	0.050%
55	0.005%	0.005%	0.090%	0.090%
60	0.006%	0.006%	0.090%	0.090%
65	0.001%	0.001%	0.090%	0.090%

% Becoming Disabled Within Next Year - Non-Duty				
Sample Ages	Regular Class		Special Risk	
	Male	Female	Male	Female
20	0.010%	0.010%	0.020%	0.020%
25	0.010%	0.010%	0.020%	0.020%
30	0.010%	0.010%	0.040%	0.040%
35	0.010%	0.010%	0.040%	0.040%
40	0.020%	0.020%	0.040%	0.040%
45	0.040%	0.040%	0.040%	0.040%
50	0.080%	0.080%	0.070%	0.070%
55	0.160%	0.160%	0.070%	0.070%
60	0.210%	0.210%	0.070%	0.070%
65	0.040%	0.040%	0.070%	0.070%

Price Inflation:

Long term price inflation is assumed to be 2.25% per year.

Salary Increases:

These Rates are used to measure changes in salary. Salary increase rates are shown in the following tables and are the same as used by the actuary for the Florida Retirement System. Rates presented in tables below reflect the assumptions pertaining to annual salary increases due to promotion and longevity, and include general price inflation.

Salary Increases in the Coming Year				
Years of Service	Regular Class		Special Risk	
	Female	Male	Female	Male
0	7.80%	7.80%	7.40%	7.40%
1	5.80%	5.80%	5.70%	5.70%
2	5.40%	5.40%	5.40%	5.40%
3	5.10%	5.10%	5.40%	5.40%
4	4.70%	4.70%	5.40%	5.40%
5	4.60%	4.60%	5.40%	5.40%
6	4.60%	4.60%	5.40%	5.40%
7	4.50%	4.50%	5.30%	5.30%
8	4.40%	4.40%	5.30%	5.30%
9	4.40%	4.40%	5.30%	5.30%
10	4.40%	4.40%	5.30%	5.30%
11	4.30%	4.30%	5.10%	5.10%
12	4.20%	4.20%	5.10%	5.10%
13	4.20%	4.20%	5.00%	5.00%
14	4.20%	4.20%	5.00%	5.00%
15	4.20%	4.20%	5.00%	5.00%
16	4.20%	4.20%	4.80%	4.80%
17	4.20%	4.20%	4.80%	4.80%
18	4.10%	4.10%	4.80%	4.80%
19	4.10%	4.10%	4.80%	4.80%
20	4.10%	4.10%	4.80%	4.80%
21	4.00%	4.00%	4.80%	4.80%
22	4.00%	4.00%	4.80%	4.80%
23	3.90%	3.90%	4.80%	4.80%
24	3.90%	3.90%	4.80%	4.80%
25	3.80%	3.80%	4.80%	4.80%
26	3.70%	3.70%	4.80%	4.80%
27	3.60%	3.60%	4.80%	4.80%
28	3.50%	3.50%	4.80%	4.80%
29	3.40%	3.40%	4.80%	4.80%
30	3.40%	3.40%	4.80%	4.80%
31	3.40%	3.40%	4.80%	4.80%

Mortality Tables:

Mortality Rates are used to measure the probabilities of participants dying before and after retirement.

Healthy Mortality (Post-Retirement): PUB-2010 base table listed below, generational mortality using gender-specific MP-2018 mortality improvement projection scale.

- *Female (other than Special Risk)*: Headcount Weighted General Below Median Healthy Retiree
- *Female (Special Risk)*: Headcount Weighted Safety Healthy Retiree, set forward one year
- *Male (other than Special Risk)*: Headcount Weighted General Below Median Healthy Retiree, set back one year
- *Male (Special Risk)*: Headcount Weighted Safety Below Median Healthy Retiree, set forward one year

Active Mortality (Pre-Retirement): PUB-2010 base table listed below, generational mortality using gender-specific MP-2018 mortality improvement projection scale.

- *Female (other than Special Risk)*: Headcount Weighted General Below Median Employee
- *Female (Special Risk)*: Headcount Weighted Safety Employee, set forward one year
- *Male (other than Special Risk)*: Headcount Weighted General Below Median Employee, set back one year
- *Male (Special Risk)*: Headcount Weighted Safety Below Median Employee, set forward one year

Disabled Mortality: PUB-2010 base table listed below, no projection scale.

- *Female (other than Special Risk)*: Headcount Weighted General Disabled Retiree, set forward three years
- *Female (Special Risk)*: 80% Headcount Weighted General Disabled Retiree/ 20% Headcount Weighted Safety Disabled Retiree
- *Male (other than Special Risk)*: Headcount Weighted General Disabled Retiree, set forward three years
- *Male (Special Risk)*: 80% Headcount Weighted General Disabled Retiree/ 20% Headcount Weighted Safety Disabled Retiree

Rates of Retirement:

Rates of retirement are used to measure the probabilities of an eligible active employee retiring during the next year. The following rates are applicable to employees retiring from active employment without regard to whether or not the employee first entered the DROP program. For the purpose of this valuation, employees entering the DROP program are not considered as retiring. DROP participants are treated as active employees until their DROP exit date, which is assumed to be 3 years after DROP entry.

Annual Retirement Rates - Non-Instructional Regular Class												
Sample Ages	Tier I						Tier II					
	Male			Female			Male			Female		
	DROP Eligible	DROP Entry	Not DROP Eligible	DROP Eligible	DROP Entry	Not DROP Eligible	DROP Eligible	DROP Entry	Not DROP Eligible	DROP Eligible	DROP Entry	Not DROP Eligible
40	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
45	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
50	2.5%	9.0%	0.0%	2.5%	10.0%	0.0%	2.5%	9.0%	0.0%	2.5%	10.0%	0.0%
55	2.5%	12.0%	0.0%	2.5%	18.0%	0.0%	2.5%	12.0%	0.0%	2.5%	18.0%	0.0%
60	8.0%	50.0%	5.0%	6.0%	55.0%	5.0%	2.5%	55.0%	0.0%	2.5%	55.0%	0.0%
65	9.5%	5.0%	13.0%	9.0%	5.0%	15.0%	9.5%	25.0%	13.0%	9.0%	30.0%	15.0%
70	9.5%	5.0%	13.0%	9.0%	5.0%	15.0%	9.5%	5.0%	13.0%	9.0%	5.0%	15.0%
75	9.5%	5.0%	13.0%	9.0%	5.0%	15.0%	9.5%	5.0%	13.0%	9.0%	5.0%	15.0%
80	100.0%	0.0%	100.0%	100.0%	0.0%	100.0%	100.0%	0.0%	100.0%	100.0%	0.0%	100.0%
85	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Annual Retirement Rates - Special Risk Class												
Sample Ages	Tier I						Tier II					
	Male			Female			Male			Female		
	DROP Eligible	DROP Entry	Not DROP Eligible	DROP Eligible	DROP Entry	Not DROP Eligible	DROP Eligible	DROP Entry	Not DROP Eligible	DROP Eligible	DROP Entry	Not DROP Eligible
40	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
45	5.0%	13.0%	0.0%	4.0%	8.0%	0.0%	5.0%	13.0%	0.0%	4.0%	8.0%	0.0%
50	5.0%	15.0%	0.0%	4.0%	11.0%	0.0%	5.0%	15.0%	0.0%	4.0%	11.0%	0.0%
55	7.0%	27.5%	5.0%	7.0%	32.0%	5.0%	5.0%	36.0%	0.0%	5.0%	17.0%	0.0%
60	7.0%	5.0%	7.0%	7.0%	5.0%	7.0%	7.0%	5.0%	7.0%	7.0%	20.0%	7.0%
65	7.0%	5.0%	20.0%	7.0%	5.0%	20.0%	7.0%	5.0%	20.0%	7.0%	5.0%	20.0%
70	100.0%	0.0%	100.0%	100.0%	0.0%	100.0%	100.0%	0.0%	100.0%	100.0%	0.0%	100.0%
75	100.0%	0.0%	100.0%	100.0%	0.0%	100.0%	100.0%	0.0%	100.0%	100.0%	0.0%	100.0%
80	100.0%	0.0%	100.0%	100.0%	0.0%	100.0%	100.0%	0.0%	100.0%	100.0%	0.0%	100.0%
85	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%



Health Coverage Assumptions

Coverage Acceptance Rates: Not everyone who retires will accept coverage and pay the required premium upon retirement. Following are the assumptions as to future Medical Coverage Acceptance Rates. Lapse rates presented below reflect the discontinuation of coverage under the County’s plan. Retirees migrating to the Medicare Advantage Plan, when available, are considered lapsing.

Acceptance and Lapsing rate	With Subsidy		Without Subsidy	
	Ret Only	Ret + 1	Ret Only	Ret + 1
Acceptance at Retirement (before age 65)	25%	35%	7%	13%
Acceptance at Retirement (age 65 and after)	25%	35%	1%	2%
Lapsing at age 65	0%	0%	85%	85%
Continuation of Survivors	N/A	50%	N/A	50%

For Life Coverage, the acceptance rate assumed is 50% at all ages, and the lapse rate assumed is 0% at all ages.

Expenses: Expenses are included in the Per Capita Costs.

Per Capita Costs: As described in a previous section of this Report, expected monthly Per Capita (or per person) Costs were developed for the year following the Actuarial Valuation Date.

Expected Retiree Contributions: Members are required to make monthly contributions in order to maintain their coverage. For the purpose of this Valuation a weighted average has been used with weights derived from the current distribution of members among plans offered. Such average expected retiree premium contributions for the first year are shown in the table below.

Average Monthly Premium (as of Valuation Date)		
Plan	Non-Medicare	Medicare
Retiree	\$771.00	\$771.00
Spouse	\$483.00	\$483.00

Health Care Cost Trend Rates: Monthly Per Capita Costs (PCC) and Retiree Contributions for Medical and Rx benefits are assumed to increase each year according to the rates set forth in the following table. For example, the Per Capita Costs for the year beginning 10/1/2022 are expected to increase 6.00% over the Per Capita Costs in for the year beginning 10/1/2021.

The trend rate for the cost of benefits and premiums for years after 2023 are based on the forecasting model built and published (December 2007, and updated September 2019) in *Modeling Long-Term Health Care Cost Trends* sponsored by the Society of Actuaries and authored by Prof.



Thomas E. Getzen. The long term rates reflect a 2.25% assumed ultimate inflation rate, 25% resistance level for health care spending as a percent of GDP and a 17-year convergence period.

Annual Increase Rates					
Year	Medical/Rx	Contribution	Year	Medical/Rx	Contribution
2022	6.00%	6.00%	2037	3.85%	3.85%
2023	5.75%	5.75%	2038	3.84%	3.84%
2024	5.60%	5.60%	2039	3.83%	3.83%
2025	5.42%	5.42%	2040	3.75%	3.75%
2026	5.24%	5.24%	2041	3.75%	3.75%
2027	5.07%	5.07%	2042	3.75%	3.75%
2028	4.89%	4.89%	2043	3.75%	3.75%
2029	4.71%	4.71%	2044	3.75%	3.75%
2030	4.53%	4.53%	2045	3.75%	3.75%
2031	4.14%	4.14%	2046	3.75%	3.75%
2032	4.01%	4.01%	2047	3.75%	3.75%
2033	3.95%	3.95%	2048	3.75%	3.75%
2034	3.91%	3.91%	2049	3.75%	3.75%
2035	3.88%	3.88%	2050	3.75%	3.75%
2036	3.86%	3.86%	Thereafter	3.75%	3.75%

Miscellaneous and Technical Assumptions

Pay Increase Timing:	End of (fiscal) year. This is equivalent to assuming that reported pays represent amounts paid to members during the year starting on the valuation date.
Decrement Timing:	Decrements of all types are assumed to occur at the middle of the year.
Eligibility Testing:	Eligibility for benefits is determined based upon the age nearest birthday and service nearest whole year on the date the decrement is assumed to occur.
Decrement Relativity:	Decrement rates are treated as absolute rates of decrement.
Adjustments:	None.
Decrement Operation:	All decrements operate simultaneously. Disability and termination rates cease upon eligibility for normal or early retirement.

Definitions of Technical Terms

Actuarial Accrued Liability:	Actuarial Accrued Liability is the actuarial present value of projected future benefits that are attributable to an employees' service to date. Sometimes it is expressed as the difference between the actuarial present value of all future benefit payments and the actuarial present value of future normal costs.
Actuarial Assumptions:	These are factors for estimating expected future experience with respect to occurrences of mortality, disability, turnover, retirement, rates of investment income and salary increases, coverage acceptance, trend, aging, etc.
Actuarial Cost Method:	This is a mathematical budgeting procedure for allocating the dollar amount of the "actuarial present value of future benefit payments" between future normal costs and actuarial accrued liabilities. It is often referred to as the "Actuarial Funding Method" or "Actuarial Valuation Cost Method".
Actuarial Present Value:	Actuarial Present Value of a series of payments (or a single payment) is the amount of funds currently required to provide those payments in the future. This amount is determined by discounting future payments at predetermined rates of interest, taking into account the probability of payment. It is also referred to as "Present Value."
Amortization:	Amortization is a process of paying off, or recognizing, an interest-discounted amount with periodic payments of interest and principal, (similar to paying off an installment loan) -- as opposed to paying it off with a single sum.
Actuarially Determined Contribution (ADC):	The ADC is the portion of the present value of projected benefits that is attributable to the current period. Usually it is determined as the normal cost (as defined below) plus the portion of the unfunded actuarial accrued liability amortized in the current period. The ADC is an amount that is actuarially determined to ensure that, if paid on an ongoing basis, it would provide sufficient resources for future benefit payments.
Normal Cost:	Normal Cost is the actuarial cost of a portion of projected future benefits allocated to the current year by the actuarial cost method. It is sometimes referred to as "Current Service Cost."
Unfunded Actuarial Accrued Liability (UAAL):	UAAL is the difference between actuarial accrued liability and the actuarial value of plan assets.



SECTION E

SUMMARY OF SUBSTANTIVE PLAN PROVISIONS

SUMMARY OF SUBSTANTIVE PLAN PROVISIONS as of October 1, 2021

ELIGIBILITY FOR RETIREE BENEFITS

Any employee of Indian River County who participates in and satisfies the Vesting, Disability, Early or Normal Retirement provisions of the Florida Retirement System (FRS) may be eligible for certain Other Post-Employment Benefits. Currently, the eligibility requirements for retirement under the FRS Defined Benefit Pension Plan are as follows.

VESTING RETIREMENT *Enrolling in FRS prior to July 1, 2011:* Termination after 6 years of creditable service.
Enrolling in FRS after June 30, 2011: Termination after 8 years of creditable service.

However, there will be no OPEB benefits available after termination of employment, unless employee satisfies eligibility requirements for any other retirement benefits listed below and starts receiving retirement benefits from FRS.

DISABILITY RETIREMENT *Line of Duty:* Members are eligible if totally and permanently disabled during the actual performance of duty. There is no service credit requirement.
Non-Duty: Members are eligible if totally and permanently disabled after completing at least 8 years of creditable service.
However, Members with renewed membership and DROP participants are not eligible for Disability Retirement.

SURVIVORSHIP *Line of Duty:* Member died during the actual performance of duty. There is no service credit requirement.
Non-Duty: Employment is terminated as a result of death after 6 years of creditable service for all classes of membership.

EARLY RETIREMENT All employees may retire with a reduced pension benefit upon accrual of 6 years of creditable service (8 years if hired after June 30, 2011) and age 59½.

NORMAL RETIREMENT *Regular, Elected Officers' and Senior Management Classes:*

- *Enrolling in FRS prior to July 1, 2011:* Age 62 with 6 years of creditable service, or 30 years of creditable service regardless of age; eligible immediately.
- *Enrolling in FRS after June 30, 2011:* Age 65 with 8 years of creditable service, or 33 years of creditable service regardless of age; eligible immediately.

Special Risk:

- *Enrolling in FRS prior to July 1, 2011:* Age 55 with 6 years of creditable service, or 25 years of special risk creditable service regardless of age, or



age 52 and 25 years of creditable combined service (including special risk service and military) or 30 years of any creditable service, regardless of age; eligible immediately.

- *Enrolling in FRS after June 30, 2011:* Age 60 with 8 years of special risk creditable service, or 30 years of special risk creditable service regardless of age, or 33 years of any creditable service regardless of age; eligible immediately.

Special Risk Administrative Support Class: With at least 6 years of special risk class service, same as apply to *Special Risk*, above, otherwise same as apply to *Regular Class* above.

DROP PARTICIPANTS

DROP Participants are considered active employees while still in the DROP period. Upon actual retirement at the end of or during the DROP period the employee becomes eligible for certain post-employment benefit coverage.

Eligibility requirements for retirement under the FRS Investment Plan are as follows.

INVESTMENT PLAN

Participants become vested after one year of service. There are no other age or service requirements that must be met to “retire” under the provisions of the FRS Investment Plan. However, to be eligible for OPEBs, employees must attain age 59½ with at least 6 years of creditable service, or meet eligibility criteria applicable to similarly situated participants of the DB plan.

OTHER POST-EMPLOYMENT BENEFITS

The post-employment benefits include continued access to purchase of coverage for the retiree and dependents in the Medical/Prescription Plans. Retirees have continued access to purchase retiree life insurance.

HEALTH-RELATED BENEFITS

Eligible retirees may choose from the same Medical Plan options available to active employees of the Employer, subject to premium payment. In addition a Medicare Advantage plan is offered to eligible retirees. Similar to active members, retirees have the option to have their dependents covered, subject to the premium payment. Prescription Drug coverage is automatically extended to retirees and their dependents who continue coverage under the Medical Plan.

Covered retirees and their dependents are subject to all the same Medical and Prescription benefits and rules for coverage as are active employees. The Plan is a secondary payer Medicare. Retirees and their dependents, who are Medicare eligible who elect not to enroll in Medicare Parts A and B when first eligible may be subject to secondary payer provisions under the Medical and Prescription Plans. The retiree or dependent who does not elect to enroll in Medicare when first eligible may also be subject to Medicare late entrant penalties.

Any retiree who elects to switch from the County’s Health Insurance Plan to the Blue Medicare Advantage Plan shall not be allowed to change back to the previous Plan (unless the Medicare Advantage Plan is no longer offered).

Results presented in this report are based on the healthcare plan design in effect as of October 1, 2021.



RETIREE CONTRIBUTIONS FOR MEDICAL/PRESCRIPTION

In order to begin and maintain retiree Medical/Prescription coverage, premium contributions are required from the retiree. For dependent coverage, the retiree is required to pay a premium as well. If any required amounts are not paid timely, the coverage for the retiree and/or the dependent(s) will cease. The amount of the contributions required for retiree and dependent coverage may change from time to time.

The chart below summarizes the current total monthly contribution amounts required from retirees and their spouses to maintain medical/prescription coverage. These rates went into effect on October 1, 2021 and do not reflect any direct subsidy paid by the County on behalf of retiree. A retiree's FRS Health Insurance Subsidy (HIS) payment provided by the State may be directed toward the payment of these amounts.

Monthly Medical & Prescription Drug Premium Rates as of October 1, 2021		
Plan	Single	Retiree + Family
PPO Gold Plan	795.00	1,297.50
PPO Silver Plan	700.00	1,105.00
Blue Medicare Advantage	257.42	514.84

RETIREE HEALTH SUBSIDY

In addition to the Health Insurance Subsidy paid by FRS, certain retired employees of Indian River County will receive a subsidy from the County. The amount of subsidy depends on: the date of employment, date of retirement and the total service with the county (rounded to whole years). For retirees that are eligible to receive a subsidy, in the event of their death, the subsidy continues on to their surviving spouse until the spouse remarries.

The chart below summarizes the retiree health subsidy, expressed as a percent reduction off the stated monthly premium for the tier selected (e.g., 2% of the single premium for single coverage or 2% of the family premium for family coverage).

Hired Before 2/1/2006				Hired On or After 2/1/2006
Retirement Date	Service	Under Age 65	Retiree or Spouse Medicare Eligible***	
Before 1/31/2009**	Less than 15 years	No Subsidy	20% Subsidy*	No Subsidy
	At least 15 years	2% per Year of Service (maximum of 40%)	Additional 20% Subsidy (maximum of 60%)*	
On and After 1/31/2009**	Less than 15 years	No Subsidy	No Subsidy	
	At least 15 years	2% per Year of Service (maximum of 40%)	Subsidy Ceases	

*Additional Subsidy will be paid to Medicare Eligible retirees regardless of whether they are enrolled in Medicare Advantage Plan and regardless of whether they become Medicare Eligible before or after October 1, 2004.

**Employees who commit by June 1, 2008 to retire before January 31, 2009 will receive subsidy as if retired before June 1, 2008.

***Employees who retired after January 31, 2009, the subsidy will be eliminated when both the member and spouse reach Medicare eligibility at age 65.



DISABLED RETIREES PREMIUM CONTRIBUTIONS

Members eligible for disability retirement are subject to premium payments the same as all regular retirees. An exception is made to law enforcement officers who had sustained catastrophic injuries in the line of duty. Premiums for health coverage of such members, their spouses and any dependent children will be paid by the County as prescribed by the Florida Statute Section 112.19(h)1 (first introduced as the Alu-O'Hara Public Safety Act).

SURVIVORSHIP BENEFITS

The surviving spouse of a retiree is eligible to continue coverage under the group plan subject to premium payments applicable to an individual retiree at the current subsidized rate until the spouse remarries. No benefit (other than COBRA) is offered to surviving beneficiary of the active employee.

LIFE INSURANCE

Retiring employees have an option of participating in the Employer sponsored group life policy. Retirees who retired before October 1, 1999 are eligible for a \$10,000 policy, with the benefit being reduced to \$5,000 upon attainment of age 70. The cost of insurance to this group of retirees is \$7.50 per month for \$10,000 policy (\$0.75 per \$1,000 of the face value), with the premium being decreased to \$3.75 per month at age 70. Retirees who retired after October 1, 1999, the cost of insurance is \$15.00 per month for a \$20,000 policy (\$0.75 per \$1,000 of the face value), with the premium being decreased to \$7.50 per month at age 70 for a \$10,000 policy.

COBRA BENEFITS

Former employees, retirees and dependents may be eligible for an extended benefit under COBRA, regardless of the terms of the employer's other post-employment benefits. COBRA benefits are not considered as other post-employment benefits for the purposes of this valuation.

FUNDING VEHICLE

An OPEB trust was established on September 23, 2008 as a single-employer, defined benefit plan. The County funded the plan in the amount of \$1,095,455 for the fiscal year ending September 30, 2021. The County intends to fund the ADC (actuarially determined contribution) each fiscal year.

A group of firefighters who became County employees upon consolidation of the County Emergency Service Department elected to continue participation in the City of Vero Beach Firefighters Pension Fund. Upon retirement under the pension plan many of such members became eligible for retiree health benefits through the County program., with retiree portion of premiums paid by the City of Vero Beach Salem Trust Firefighters Pension Fund. However, since the County is not expected to assume any obligation for payments from the City of Vero Beach Salem Trust Firefighters Pension Fund, liability amounts determined in this valuation did not include any such payments.

TERMINATION AND AMENDMENT

The post-employment benefits are extended to retirees and continued at the discretion of the Employer, which reserves the right (subject to State Statute and any collective bargaining agreements) to change or terminate benefits and to change premium contributions required from retirees in the future as circumstances change.



SECTION F

SUMMARY OF TRUST ASSETS

Summary of Trust Assets

Indian River County established a qualifying trust (the OPEB Trust). As assets accumulate in the Trust, it will help pay for the benefits provided to the current and future retirees. The following table summarizes Trust fund assets allocation and activity:

Statement of Assets at September 30, 2021		
Asset Category	Market Value	% of Assets
<u>Cash and Cash Equivalents</u>	\$ 13,006	0.04 %
<u>Short-Term Portion</u>		
Fidelity Treasury Money Market	0	0.00
<u>Long-Term Portion</u>		
Vanguard 500 Index	7,783,740	22.07
Vanguard All World Ex-US	6,996,611	19.83
Vanguard Mid Cap Index	1,734,645	4.92
Vanguard Small Cap index	874,848	2.48
Vanguard Short Term Treasury	10,733,423	30.42
Vanguard Intermediate Treasury	3,562,298	10.10
Vanguard Prime Money Market	3,577,808	10.14
Vanguard Federal Money Market	0	0.00
Total Market Value	\$ 35,276,379	100.00 %
Accounts Payable	\$ -	
<u>Benefits Payable</u>	\$ -	
Net Assets	\$ 35,276,379	

Fund Activities for the Year Ending September 30, 2021	
Net Assets as of October 1, 2020	\$ 32,654,503
Funding Contributions	1,095,455
Asset Earnings	4,283,465
Disbursements (Reimbursements)	(2,757,044)
Net Assets as of September 30, 2021	\$ 35,276,379

ACTUARIAL VALUE OF ASSETS

Development of Actuarial Value of Assets	
	Year Ending September 30, 2021
A. Beginning of Year Assets	
1. Market Value	\$ 32,654,503
2. Actuarial Value	\$ 32,585,271
B. End of Year Market Value	35,276,379
C. Contributions Less Distributions	(1,661,589)
D. Actual Net Investment Earnings	4,283,465
E. Expected Investment Earnings	1,905,269
F. Expected Actuarial Value End of Year: A2 + C + E	32,828,951
G. Market Value End of Year Less Expected Actuarial Value End of Year: B - F	2,447,428
H. 20% of Difference	489,486
I. End of Year Assets	
1. Actuarial Value: F + H	33,318,437
2. Final Actuarial Value Within 85% to 115% of Market Value	33,318,437
J. Recognized Investment Return: E + H + I2 - I1	2,394,755
K. Gain/(Loss) Due to Investments	489,486
L. Recognized Rate of Return	7.54%
M. Market Value Rate of Return	13.46%



November 1, 2022

Ms. Elissa Nagy
Finance Director
Indian River County Clerk of Circuit Court and Comptroller
1840 25th Street,
Vero Beach, FL 32960-3365

**Re: GASB Statement No. 74: Other Post-Employment Benefits (OPEB)
Actuarial Disclosures for Fiscal Year Ending September 30, 2022**

Dear Ms. Nagy:

Gabriel, Roeder, Smith & Company (GRS) has been engaged by Indian River County (the County) to prepare an actuarial report to assist the County in compliance with GASB Statement No. 74 "Financial Reporting for Postemployment Benefit Plans other than Pension Plans" with respect to its Other Post-Employment Benefits (OPEB) provided to its retiring employees. We are pleased to present the results herein. The Valuation covers medical (including prescription drug) and life insurance benefits provided to all County retirees.

The information presented in this report is intended to assist in preparation of the financial statements of the Indian River County OPEB Plan. Financial statements are the responsibility of management subject to the auditor's review. Please let us know if the auditor recommends any changes.

The calculation of the liability associated with the benefits described in this report was performed for the purpose of satisfying the requirements of GASB Statement No. 74. The calculation of the plan's liability for this report is not applicable for funding purposes of the plan. A calculation of the plan's liability for purposes other than satisfying the requirements of GASB Statement No. 74 may produce significantly different results. This report may be provided to parties other than the County only in its entirety and only with the permission of the County. GRS is not responsible for unauthorized use of this report.

This report complements the actuarial valuation report for funding prepared as of October 1, 2021, and information herein should be considered along with the information from that report, especially for additional discussions of the nature of actuarial calculations and for more information related to participant data, economic, demographic, health care trend, morbidity assumptions, and benefit provisions. All actuarial assumptions used are reasonable for the purposes of the valuation. All actuarial assumptions and methods used in the valuation follow the guidance in the applicable Actuarial Standards of Practice. Additional information about the actuarial assumptions is included in the section of that report entitled Actuarial Assumptions and Method.

This report is based upon information, furnished to us by the County, concerning other postemployment benefits (OPEB), active members, deferred vested members, retirees and beneficiaries, and financial data. This information was checked for internal consistency, but it was not audited.

Based on the available data, the information contained in this report is accurate and fairly represents the actuarial position of the County as of the reporting date. All calculations have been made in conformity with generally accepted actuarial principles and practices as well as the Actuarial Standards of Practice. If you have reason to believe that the information provided in this report is inaccurate, or is in any way incomplete, or if you need further information in order to make an informed decision on the subject matter of this report, please contact the author of the report prior to making such decision.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements; and changes in plan provisions or applicable law.

This report was prepared using our proprietary valuation model and related software which in our professional judgment has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.

Nicolas Lahaye and Piotr Krekora are Members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. The signing individuals are independent of the plan sponsor.

Respectfully submitted,

GABRIEL, ROEDER, SMITH & COMPANY



Nicolas Lahaye, FSA, EA, MAAA, FCA
Consultant & Actuary



Piotr Krekora, ASA, EA, MAAA, FCA
Senior Consultant & Actuary



Statement of Fiduciary Net Position As of September 30

	2022	2021
Assets		
Cash and Deposits	\$ 73,791	\$ 13,006
Receivables		
Accounts Receivable - Sale of Investments	\$ 0	\$ 0
Accrued Interest and Other Dividends	0	0
Contributions	0	0
Accounts Receivable - Other	0	0
Total Receivables	\$ 0	\$ 0
Investments		
Fixed Income	\$ 11,604,097	\$ 14,295,721
Equities	14,356,796	17,389,844
Primary Money Market Fund	2,902,758	3,577,808
Real Estate	0	0
Other	0	0
Total Investments	\$ 28,863,651	\$ 35,263,373
Total Assets	\$ 28,937,442	\$ 35,276,379
Liabilities		
Payables		
Accounts Payable - Purchase of Investments	\$ 0	\$ 0
Accrued Expenses	0	0
Accounts Payable - Other	0	0
Total Liabilities	\$ 0	\$ 0
Net Position Restricted for OPEB	\$ 28,937,442	\$ 35,276,379

Statement of Changes in Fiduciary Net Position for Year Ended September 30

	2022	2021
Additions		
Contributions		
Employer	\$ 1,111,473	\$ 1,095,455
Nonemployer contributing entities	0	0
Active Employees	0	0
Other	0	0
Total Contributions	\$ 1,111,473	\$ 1,095,455
Investment Income		
Net Appreciation in Fair Value of Investments	\$ (4,852,933)	\$ 3,617,554
Interest, Dividends and Other Income	463,043	668,101
Less Investment Expense	(2,205)	(2,190)
Net Investment Income	\$ (4,392,095)	\$ 4,283,465
Other	\$ 0	\$ 0
Total Additions	\$ (3,280,622)	\$ 5,378,920
 Deductions		
Benefit Payments	\$ 3,058,315	\$ 2,757,044
OPEB Plan Administrative Expense	0	0
Other	0	0
Total Deductions	\$ 3,058,315	\$ 2,757,044
Net Increase in Net Position	\$ (6,338,937)	\$ 2,621,876
 Net Position Restricted for OPEB		
Beginning of Year	\$ 35,276,379	\$ 32,654,503
End of Year	\$ 28,937,442	\$ 35,276,379

Schedules of Changes in Net OPEB Liability and Related Ratios (Ultimately 10 years will be displayed)

Fiscal year ending September 30,	2022	2021	2020	2019	2018	2017
Total OPEB liability						
Service cost	\$ 631,763	\$ 623,279	\$ 638,013	\$ 528,585	\$ 498,665	\$ 673,067
Interest on the total OPEB liability	1,980,301	1,997,034	1,953,393	1,943,022	2,443,943	2,405,638
Changes of benefit terms	0	0	0	0	0	0
Difference between expected and actual experience	72,372	0	2,869,333	0	2,762,722	0
Changes of assumptions	1,405,528	0	(2,051,215)	0	(11,946,117)	0
Benefit payments	(3,058,315)	(2,757,044)	(2,577,846)	(2,238,521)	(2,037,101)	(2,494,672)
Net Change in Total OPEB Liability	1,031,649	(136,731)	831,678	233,086	(8,277,888)	584,033
Total OPEB Liability - beginning	33,902,412	34,039,143	33,207,465	32,974,379	41,252,267	40,668,234
Total OPEB Liability - ending (a)	\$ 34,934,061	\$ 33,902,412	\$ 34,039,143	\$ 33,207,465	\$ 32,974,379	\$ 41,252,267
Plan Fiduciary Net Position						
Employer contributions	\$ 1,111,473	\$ 1,095,455	\$ 2,206,025	\$ 2,178,500	\$ 2,461,947	\$ 2,274,341
Nonemployer contributing entities contributions	0	0	0	0	0	0
Employee contributions	0	0	0	0	0	0
OPEB plan net investment income	(4,392,095)	4,283,465	2,518,479	1,047,018	1,425,540	2,387,483
Benefit payments	(3,058,315)	(2,757,044)	(2,577,846)	(2,238,521)	(2,037,101)	(2,494,672)
OPEB plan administrative expense	0	0	0	0	0	0
Other	0	0	0	0	0	0
Net Change in Plan Fiduciary Net Position	(6,338,937)	2,621,876	2,146,658	986,997	1,850,386	2,167,152
Plan Fiduciary Net Position - beginning	35,276,379	32,654,503	30,507,845	29,520,848	27,670,462	25,503,310
Plan Fiduciary Net Position - ending (b)	\$ 28,937,442	\$ 35,276,379	\$ 32,654,503	\$ 30,507,845	\$ 29,520,848	\$ 27,670,462
Net OPEB Liability - ending (a) - (b)	\$ 5,996,619	\$ (1,373,967)	\$ 1,384,640	\$ 2,699,620	\$ 3,453,531	\$ 13,581,805
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	82.83 %	104.05 %	95.93 %	91.87 %	89.53 %	67.08 %
Covered-Employee Payroll	\$ 98,252,603	\$ 97,844,181	\$ 88,630,805	\$ 82,697,197	\$ 80,387,008	\$ 77,080,800
Net OPEB Liability as a Percentage of Covered-Employee Payroll	6.10 %	(1.40)%	1.56 %	3.26 %	4.30 %	17.62 %



**Schedules of the Net OPEB Liability
(Ultimately 10 years will be displayed)**

FY Ending September 30,	Total OPEB Liability	Plan Net Position	Net OPEB Liability	Plan Net Position as a % of Total OPEB Liability	Covered- Employee Payroll	Net OPEB Liability as a % of Covered-Employee Payroll
2017	41,252,267	27,670,462	13,581,805	67.08 %	77,080,800	17.62 %
2018	32,974,379	29,520,848	3,453,531	89.53 %	80,387,008	4.30 %
2019	33,207,465	30,507,845	2,699,620	91.87 %	82,697,197	3.26 %
2020	34,039,143	32,654,503	1,384,640	95.93 %	88,630,805	1.56 %
2021	33,902,412	35,276,379	(1,373,967)	104.05 %	97,844,181	(1.40)%
2022	34,934,061	28,937,442	5,996,619	82.83 %	98,252,603	6.10 %



Notes to Schedule of Net OPEB Liability

Valuation Date:	October 1, 2021
Measurement Date:	September 30, 2022
Roll Forward Procedure	The Total OPEB Liability was rolled-forward 12 months from the Valuation Date to the end of the Fiscal Year using standard actuarial techniques.

Methods and Assumptions Used to Determine Net OPEB Liability:

Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Discount Rate	6.00%
Salary Increases	3.4% to 7.8%, including inflation; varies by plan type and years of service.
Retirement Age	Experience-based table of rates that are specific to the plan and type of eligibility condition.
Mortality	Mortality tables used in the July 1, 2020 actuarial valuation of the Florida Retirement System. These rates were taken from adjusted Pub-2010 mortality tables published by the Society of Actuaries with generational mortality improvements using Scale MP-2018. Adjustments to referenced tables are based on the results of a statewide experience study covering the period 2013 through 2018.
Healthcare Cost Trend Rates	Based on the Getzen Model, with trend starting at 6.0% and gradually decreasing to an ultimate trend rate of 3.75%.
Aging factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death". See Section C of the October 1, 2021 Actuarial Valuation Report dated March 16, 2022.
Expenses	Investment expenses are net of the investment returns; Administrative expenses are included in the per capita health costs.

Other Information:

Notes Refer to Section A of the October 1, 2021 Actuarial Valuation Report dated March 16, 2022 for more details.

There were no benefit changes during the year.



Schedule of Contributions
(Ultimately 10 years will be displayed)

FY Ending September 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered- Employee Payroll	Actual Contribution as a % of Covered-Employee Payroll
2017	2,583,447	2,274,341	309,106	77,080,800	2.95%
2018	1,061,118	2,461,947	(1,400,829)	80,387,008	3.06%
2019	1,107,134	2,178,500	(1,071,366)	82,697,197	2.63%
2020	1,005,952	2,206,025	(1,200,073)	88,630,805	2.49%
2021	1,049,479	1,095,455	(45,976)	97,844,181	1.12%
2022	927,450	1,111,473	(184,023)	98,252,603	1.13%



Notes to Schedule of Contributions

Valuation Date:	October 1, 2021
Notes	Actuarially determined contribution rates are calculated as of October 1, the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	6 years
Asset Valuation Method	Market Value
Inflation	2.25%
Salary Increases	3.4% to 7.8%, including inflation; varies by plan type and years of service.
Investment Rate of Return	6.00%
Retirement Age	Experience-based table of rates that are specific to the plan and type of eligibility condition.
Mortality	Mortality tables used in the July 1, 2020 actuarial valuation of the Florida Retirement System. These rates were taken from adjusted Pub-2010 mortality tables published by the Society of Actuaries with generational mortality improvements using Scale MP-2018. Adjustments to referenced tables are based on the results of a statewide experience study covering the period 2013 through 2018.
Health Care Trend Rates:	Based on the Getzen Model, with trend starting at 6.0% and gradually decreasing to an ultimate trend rate of 3.75%.
Aging factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death". See Section C of the October 1, 2021 Actuarial Valuation Report dated March 16, 2022.
Expenses	Investment expenses are net of the investment returns; Administrative expenses are included in the per capita health costs.

Other Information:

Notes	Refer to Section A of the October 1, 2021 Actuarial Valuation Report dated March 16, 2022 for more details. There were no benefit changes during the year.
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**Schedule of Investment Returns Multiyear
(Ultimately 10 years will be displayed)**

<u>FY Ending September 30,</u>	<u>Annual Return¹</u>
2017	9.00 %
2018	4.95 %
2019	3.45 %
2020	7.99 %
2021	12.93 %
2022	(12.27)%

Calculation of the Single Discount Rate

GASB Statement No. 74 includes a specific requirement for the discount rate that is used for the purpose of the measurement of the Total OPEB Liability. This rate considers the ability of the fund to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses and investment returns are projected into the future. The Plan Net Position (assets) in future years can then be determined and compared to its obligation to make benefit payments in those years. As long as assets are projected to be on hand in a future year, the assumed valuation discount rate is used. In years where assets are not projected to be sufficient to meet benefit payments, the use of a municipal bond rate is required, as described in the following paragraph.

The Single Discount Rate (SDR) is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods. The SDR reflects (1) the long-term expected rate of return on OPEB plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on OPEB plan investments is 6.00%; the municipal bond rate is 4.40%; and the resulting Single Discount Rate is 6.00%.

The County has a policy and a track record of depositing at least the full amount of the Actuarially Determined Contribution developed under the Entry Age Method. Consequently, the plan's fiduciary net position is projected to be sufficient to pay benefits and the resulting Single Discount Rate is 6.00%.

Summary of Membership Information

The following table provides a summary of the number of participants in the plan as of October 1, 2021 (the latest valuation date):

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	543
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	-
Active Plan Members	<u>1,565</u>
Total Plan Members	2,108



Sensitivity of Net OPEB Liability

Regarding the sensitivity of the net OPEB liability to changes in the Single Discount Rate, the following presents the plan's net OPEB liability, calculated using a Single Discount Rate of 6.00%, as well as what the plan's net OPEB liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

Sensitivity of Net OPEB Liability to the Single Discount Rate Assumption

1% Decrease 5.00%	Current Single Discount Rate Assumption 6.00%	1% Increase 7.00%
\$ 8,455,562	\$ 5,996,619	\$ 3,770,685

Regarding the sensitivity of the net OPEB liability to changes in the healthcare cost trend rates, the following presents the plan's net OPEB liability, calculated using the assumed trend rates as well as what the plan's net OPEB liability would be if it were calculated using a trend rate that is one percent lower or one percent higher:

Sensitivity of Net OPEB Liability to the Healthcare Cost Trend Rate Assumption

1% Decrease (5.0% down to 2.75%)	Current Healthcare Cost Trend Rate Assumption	1% Increase (7.0% down to 4.75%)
\$ 3,341,331	\$ 5,996,619	\$ 9,044,354



November 1, 2022

Ms. Elissa Nagy
Finance Director
Indian River County Clerk of Circuit Court and Comptroller
1840 25th Street,
Vero Beach, FL 32960-3365

**Re: GASB Statement No. 75: Other Post-Employment Benefits (OPEB)
Actuarial Disclosures for Fiscal Year Ending September 30, 2022**

Dear Ms. Nagy:

Gabriel, Roeder, Smith & Company (GRS) has been engaged by Indian River County (the County) to perform an actuarial report of its Other Post-Employment Benefits (OPEB) provided to the County's retiring employees. We are pleased to present the results herein.

This report provides information on behalf of Indian River County in connection with the Governmental Accounting Standards Board (GASB) Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." This information is intended to assist in preparation of the financial statements of the County. Financial statements are the responsibility of management, subject to the auditor's review. Please let us know if the auditor recommends any changes.

This report was prepared at the request of the County and is intended for use by the County and those designated or approved by them. This report may be provided to parties other than the County in its entirety and only with their permission. GRS is not responsible for unauthorized use of this report.

Our actuarial calculations for this report were prepared for the purpose of complying with the requirements of GASB Statement No. 75. These calculations have been made on a basis that is consistent with our understanding of this Statement.

The calculation of the liability associated with the benefits described in this report was performed for the purpose of satisfying the requirements of GASB Statement No. 75. The calculation of the plan's liability for this report is not applicable for funding purposes of the County's OPEB plan. A calculation of the plan's liability for purposes other than satisfying the requirements of GASB Statement No. 75 may produce significantly different results.

The actuarial valuation of the liabilities was determined as of October 1, 2021 (based on the actuarial valuation results as reported in the October 1, 2021 actuarial valuation report dated March 16, 2022) and rolled-forward to the September 30, 2022 measurement date. These liabilities are used for GASB Statement No. 75 reporting for the reporting period ending September 30, 2022. In addition, assets as of September 30, 2022 reporting period were provided to complete the calculations in this report. If significant changes occur during the year, such as benefit changes or changes in assumptions or methods, these should be noted in the footnotes.

This report is based upon information furnished to us by the County for the October 1, 2021 actuarial valuation. This information was checked for internal consistency, but it was not audited. We are not responsible for the accuracy or completeness of the information provided by the County.

This report complements the October 1, 2021 actuarial valuation report dated March 16, 2022, and information herein should be considered along with the information from that report, especially for additional discussions of the nature of actuarial calculations and for more information related to participant data, economic, demographic, health care trend and morbidity assumptions, and benefit provisions. All actuarial assumptions used are reasonable for the purposes of the valuation. All actuarial assumptions and methods used in the valuation follow the guidance in the applicable Actuarial Standards of Practice. Additional information about the actuarial assumptions is included in the section of that report entitled Actuarial Assumptions and Method.

The calculations are based upon assumptions regarding future events, which may or may not materialize. They are also based upon plan provisions outlined in October 1, 2021 actuarial valuation report. If you have reason to believe that the assumptions that were used are unreasonable, that the plan provisions are incorrectly described, that important relevant plan provisions are not described or referenced, or that conditions have changed since the calculations were made, you should contact the author of this report prior to relying on information in this report.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements; and changes in plan provisions or applicable law. The scope of this report does not include an analysis of the potential range of such future measurements.

This report was prepared using our proprietary valuation model and related software which in our professional judgment has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.



This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. To the best of our knowledge, the information contained in this report is accurate and fairly represents the actuarial position of the plan as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, with the Actuarial Standards of Practice, and with applicable statutes. If you have reason to believe that the information provided in this report is inaccurate, or is in any way incomplete, or if you need further information in order to make an informed decision on the subject matter of this report, please contact the author of the report prior to making such decision.

Nicolas Lahaye and Piotr Krekora are Members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. The signing actuaries are independent of the plan sponsor.

We will be pleased to answer any questions pertaining to this report.

Respectfully submitted,

GABRIEL, ROEDER, SMITH & COMPANY



Nicolas Lahaye, FSA, EA, MAAA, FCA
Consultant & Actuary



Piotr Krekora, ASA, EA, MAAA, FCA
Senior Consultant & Actuary

Executive Summary

Actuarial Valuation Date	October 1, 2021
Measurement Date of the Net OPEB Liability	September 30, 2022
Employer's Fiscal Year Ending Date (Reporting Date)	September 30, 2022

Membership as of the Actuarial Valuation Date

Number of	
- Retirees and Beneficiaries	543
- Inactive, Nonretired Members	0
- Active Members	1,565
- Total	2,108
Covered-Employee Payroll	\$ 98,252,603

Net OPEB Liability

Total OPEB Liability	\$ 34,934,061
Plan Fiduciary Net Position	28,937,442
Net OPEB Liability	\$ 5,996,619
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	82.83 %
Net OPEB Liability as a Percentage of Covered-Employee Payroll	6.10 %

Development of the Single Discount Rate

Single Discount Rate	6.00 %
Long-Term Expected Rate of Return	6.00 %
Long-Term Municipal Bond Rate*	4.40 %
Last year ending September 30 in the 2022 to 2121 projection period for which projected benefit payments are fully funded	2121

Total OPEB Expense	\$ 650,020
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Summary of Deferred Outflows and Deferred Inflows of Resources by Source:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 3,215,950	\$ -
Changes in assumptions and other inputs	1,256,004	6,684,378
Net difference between projected and actual earnings on OPEB plan investments	5,304,706	1,704,090
Total	\$ 9,776,660	\$ 8,388,468

*Source: "Fidelity General Obligation AA" rate as of September 30, 2022. This is the rate for Fixed Income Market Data/Yield Curve/Data Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity's "20-Year Municipal GO AA Index." In describing this index, Fidelity notes that the municipal curves are constructed using option adjusted analytics of a diverse population of over 10,000 tax exempt securities.



Schedule of Changes in Net OPEB Liability and Related Ratios Measurement Year Ended September 30, 2022 (Ultimately 10 Years Will Be Displayed)

Measurement Year Ending September 30,	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
A. Total OPEB liability					
1. Service Cost	\$ 631,763	\$ 623,279	\$ 638,013	\$ 528,585	\$ 498,665
2. Interest on the Total OPEB Liability	1,980,301	1,997,034	1,953,393	1,943,022	2,443,943
3. Changes of benefit terms	-	-	-	-	-
4. Difference between expected and actual experience of the Total OPEB Liability	72,372	-	2,869,333	-	2,762,722
5. Changes of assumptions and other inputs	1,405,528	-	(2,051,215)	-	(11,946,117)
6. Benefit payments	(3,058,315)	(2,757,044)	(2,577,846)	(2,238,521)	(2,037,101)
7. Net change in Total OPEB Liability	\$ 1,031,649	\$ (136,731)	\$ 831,678	\$ 233,086	\$ (8,277,888)
8. Total OPEB Liability – beginning	33,902,412	34,039,143	33,207,465	32,974,379	41,252,267
9. Total OPEB Liability – ending	\$ 34,934,061	\$ 33,902,412	\$ 34,039,143	\$ 33,207,465	\$ 32,974,379
B. Plan Fiduciary Net Position					
1. Contributions – employer	\$ 1,111,473	\$ 1,095,455	\$ 2,206,025	\$ 2,178,500	\$ 2,461,947
2. Contributions - Benefits Paid from Employer's Resources	-	-	-	-	-
3. Net investment income	(4,392,095)	4,283,465	2,518,479	1,047,018	1,425,540
4. Benefit payments	(3,058,315)	(2,757,044)	(2,577,846)	(2,238,521)	(2,037,101)
5. Reimbursements to Employer	-	-	-	-	-
6. OPEB Plan Administrative Expense	-	-	-	-	-
7. Net Change in Plan Fiduciary Net Position	\$ (6,338,937)	\$ 2,621,876	\$ 2,146,658	\$ 986,997	\$ 1,850,386
8. Plan Fiduciary Net Position – beginning	35,276,379	32,654,503	30,507,845	29,520,848	27,670,462
9. Plan Fiduciary Net Position – ending	\$ 28,937,442	\$ 35,276,379	\$ 32,654,503	\$ 30,507,845	\$ 29,520,848
C. Net OPEB liability	\$ 5,996,619	\$ (1,373,967)	\$ 1,384,640	\$ 2,699,620	\$ 3,453,531
D. Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	82.83%	104.05%	95.93%	91.87%	89.53%
E. Covered-Employee Payroll	\$ 98,252,603	\$ 97,844,181	\$ 88,630,805	\$ 82,697,197	\$ 80,387,008
F. Net OPEB Liability as a Percentage of Covered-Employee Payroll	6.10 %	(1.40)%	1.56%	3.26%	4.30%



Notes to Schedule of Changes in Net OPEB Liability and Related Ratios

Valuation Date	October 1, 2021
Measurement Date	September 30, 2022
Roll-forward Procedures	The Total OPEB Liability was rolled-forward 12 months from the Valuation Date to the Measurement Date using standard actuarial techniques.

Methods and Assumptions Used to Determine Net OPEB Liability:

Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Investment Rate of Return	6.00%
Salary Increases	3.4% to 7.8%, including inflation; varies by plan type and years of service.
Retirement Age	Experience-based table of rates that are specific to the plan and type of eligibility condition.
Mortality	Mortality tables used in the July 1, 2020 actuarial valuation of the Florida Retirement System. These rates were taken from adjusted Pub-2010 mortality tables published by the Society of Actuaries with generational mortality improvements using Scale MP-2018. Adjustments to referenced tables are based on the results of a statewide experience study covering the period 2013 through 2018.
Healthcare Cost Trend Rates	Based on the Getzen Model, with trend starting at 6.0% and gradually decreasing to an ultimate trend rate of 3.75%.
Aging Factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death". See Section C of the October 1, 2021 Actuarial Valuation Report dated March 16, 2022.
Expenses	Investment expenses are net of the investment expenses. Administrative expenses are included in the per capita health costs.

Other Information:

Notes Refer to Section A of the October 1, 2021 Actuarial Valuation Report dated March 16, 2022 for more details.

There were no benefit changes during the year.



Statement of OPEB Expense
Employer Fiscal Year Ended September 30, 2022
(Based on Measurement Year Ended September 30, 2022)

OPEB Expense

1. Service Cost	\$ 631,763
2. Interest on the Total OPEB Liability	1,980,301
3. Current-Period Benefit Changes	-
4. Employee Contributions (made negative for addition here)	-
5. Projected Earnings on Plan Investments (made negative for addition here)	(2,058,177)
6. OPEB Plan Administrative Expense	-
7. Other Changes in Plan Fiduciary Net Position	-
8. Recognition of Outflow/(Inflow) of Resources due to Liabilities	(773,251)
9. Recognition of Outflow/(Inflow) of Resources due to Assets	869,384
10. Total OPEB Expense	\$ 650,020

Recognition of Deferred Outflows and Inflows of Resources

Differences between expected and actual experience and changes in assumptions are recognized in OPEB expense using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the OPEB plan (active employees and inactive employees) determined as of the beginning of the measurement period.

At the beginning of the current measurement period, the average of the expected remaining service lives for purposes of recognizing the applicable combined deferred outflows and inflows of resources established in the current measurement period is 9.4 years.

**Statement of Outflows and Inflows Arising
from Current Reporting Period
Employer Fiscal Year Ended September 30, 2022
(Based on Measurement Year Ended September 30, 2022)**

A. Outflows/(Inflows) of Resources due to Liabilities

1. Difference between expected and actual experience of the Total OPEB Liability (gains) or losses	\$ 72,372
2. Assumption Changes (gains) or losses	1,405,528
3. Recognition period for Liabilities: Average of the expected remaining service lives of all employees {in years}	9.4
4. Outflow/(Inflow) of Resources to be recognized in the current OPEB expense for the difference between expected and actual experience of the Total OPEB Liability (1 ÷ 3)	7,699
5. Outflow/(Inflow) of Resources to be recognized in the current OPEB expense for assumption changes (2 ÷ 3)	149,524
6. Outflow/(Inflow) of Resources to be recognized in the current OPEB expense due to Liabilities (4 + 5)	157,223
7. Deferred Outflow/(Inflow) of Resources to be recognized in future OPEB expenses for difference between expected and actual experience of the Total OPEB Liability (1 - 4)	64,673
8. Deferred Outflow/(Inflow) of Resources to be recognized in future OPEB expenses for assumption changes (2 - 5)	1,256,004
9. Deferred Outflow/(Inflow) of Resources to be recognized in future OPEB expenses due to Liabilities (7 + 8)	\$ 1,320,677

B. Outflows/(Inflows) of Resources due to Assets

1. Net difference between projected and actual earnings on OPEB plan investments (gains) or losses	\$ 6,450,272
2. Recognition period for Assets {in years}	5.0
3. Outflow/(Inflow) of Resources to be recognized in the current OPEB expense due to Assets (1 ÷ 2)	1,290,054
4. Deferred Outflow/(Inflow) of Resources to be recognized in future OPEB expenses due to Assets (1 - 3)	5,160,218



Statement of Outflows and Inflows Arising From Current and Prior Reporting Periods Employer Fiscal Year Ended September 30, 2022 (Based on Measurement Year Ended September 30, 2022)

A. Outflows and Inflows of Resources due to Liabilities and Assets to be Recognized in Current OPEB Expense

	Outflows of Resources	Inflows of Resources	Net (In)/Outflows of Resources
1. Due to Liabilities	\$ 779,503	\$ 1,552,754	\$ (773,251)
2. Due to Assets	1,484,025	614,641	869,384
3. Total	\$ 2,263,528	\$ 2,167,395	\$ 96,133

B. Outflows and Inflows of Resources by Source to be Recognized in Current OPEB Expense

	Outflows of Resources	Inflows of Resources	Net (In)/Outflows of Resources
1. Differences between expected and actual experience	\$ 629,979	\$ -	\$ 629,979
2. Assumption Changes	149,524	1,552,754	(1,403,230)
3. Net Difference between projected and actual earnings on OPEB plan investments	1,484,025	614,641	869,384
4. Total	\$ 2,263,528	\$ 2,167,395	\$ 96,133

C. Deferred Outflows and Deferred Inflows of Resources by Source to be Recognized in Future OPEB Expenses

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred (In)/Outflows of Resources
1. Differences between expected and actual experience	\$ 3,215,950	\$ -	\$ 3,215,950
2. Assumption Changes	1,256,004	6,684,378	(5,428,374)
3. Net Difference between projected and actual earnings on OPEB plan investments	5,304,706	1,704,090	3,600,616
4. Total	\$ 9,776,660	\$ 8,388,468	\$ 1,388,192

D. Deferred Outflows and Deferred Inflows of Resources by Year to be Recognized in Future OPEB Expenses

Year Ending September 30	Net Deferred (In)/Outflows of Resources
2023	\$ 46,648
2024	(97,836)
2025	41,995
2026	516,805
2027	247,126
Thereafter	633,454
Total	\$ 1,388,192



**Statement of Remaining Deferred Outflows and
Inflows of Resources
Employer Fiscal Year Ended September 30, 2022
(Based on Measurement Year Ended September 30, 2022)**

<u>Date Established</u>	<u>Source</u>	<u>Recognition Period (years)</u>	<u>Original Amount</u>	<u>Years Remaining</u>	<u>Amount Unrecognized Beg of Period</u>	<u>Amount Recognized in Current Expense</u>	<u>Amount Deferred to Future Periods</u>
<u>Deferred Outflows of Resources</u>							
9/30/2018	Investment Experience	5.0	247,433	1.0	49,485	49,485	-
9/30/2018	Liability Experience	9.0	2,762,722	5.0	1,534,846	306,969	1,227,877
9/30/2019	Investment Experience	5.0	722,432	2.0	288,974	144,486	144,488
9/30/2020	Liability Experience	9.1	2,869,333	7.1	2,238,711	315,311	1,923,400
9/30/2022	Investment Experience	5.0	6,450,272	5.0	6,450,272	1,290,054	5,160,218
9/30/2022	Assumption Changes	9.4	1,405,528	9.4	1,405,528	149,524	1,256,004
9/30/2022	Liability Experience	9.4	<u>72,372</u>	9.4	<u>72,372</u>	<u>7,699</u>	<u>64,673</u>
		SUBTOTAL:	14,530,092		12,040,188	2,263,528	9,776,660
<u>Deferred Inflows of Resources</u>							
9/30/2018	Assumption Changes	9.0	(11,946,117)	5.0	(6,636,733)	(1,327,346)	(5,309,387)
9/30/2020	Investment Experience	5.0	(699,163)	3.0	(419,497)	(139,833)	(279,664)
9/30/2020	Assumption Changes	9.1	(2,051,215)	7.1	(1,600,399)	(225,408)	(1,374,991)
9/30/2021	Investment Experience	5.0	<u>(2,374,042)</u>	4.0	<u>(1,899,234)</u>	<u>(474,808)</u>	<u>(1,424,426)</u>
		SUBTOTAL:	(17,070,537)		(10,555,863)	(2,167,395)	(8,388,468)
		GRAND TOTAL:	(2,540,445)		1,484,325	96,133	1,388,192



Schedule of Contributions (Ultimately 10 years will be displayed)

FY Ending September 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered- Employee Payroll	Actual Contribution as a % of Covered-Employee Payroll
2017	\$ 2,583,447	\$ 2,274,341	\$ 309,106	\$ 77,080,800	2.95%
2018	\$ 1,061,118	\$ 2,461,947	\$ (1,400,829)	\$ 80,387,008	3.06%
2019	\$ 1,107,134	\$ 2,178,500	\$ (1,071,366)	\$ 82,697,197	2.63%
2020	\$ 1,005,952	\$ 2,206,025	\$ (1,200,073)	\$ 88,630,805	2.49%
2021	\$ 1,049,479	\$ 1,095,455	\$ (45,976)	\$ 97,844,181	1.12%
2022	\$ 927,450	\$ 1,111,473	\$ (184,023)	\$ 98,252,603	1.13%

Notes to Schedule of Contributions

Valuation Date:	October 1, 2021
Notes	Actuarially determined contribution rates are calculated as of October 1, the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	6 years
Asset Valuation Method	Market Value
Inflation	2.25%
Investment Rate of Return	6.00%
Salary Increases	3.4% to 7.8%, including inflation; varies by plan type and years of service.
Retirement Age	Experience-based table of rates that are specific to the plan and type of eligibility condition.
Mortality	Mortality tables used in the July 1, 2020 actuarial valuation of the Florida Retirement System. These rates were taken from adjusted Pub-2010 mortality tables published by the Society of Actuaries with generational mortality improvements using Scale MP-2018. Adjustments to referenced tables are based on the results of a statewide experience study covering the period 2013 through 2018.
Healthcare Cost Trend Rates	Based on the Getzen Model, with trend starting at 6.0% and gradually decreasing to an ultimate trend rate of 3.75%.
Aging Factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death". See Section C of the October 1, 2021 Actuarial Valuation Report dated March 16, 2022.
Expenses	Investment expenses are net of the investment expenses. Administrative expenses are included in the per capita health costs.
Other Information:	
Notes	Refer to Section A of the October 1, 2021 Actuarial Valuation Report dated March 16, 2022 for more details. There were no benefit changes during the year.

Single Discount Rate

GASB Statement No. 75 includes a specific requirement for the discount rate that is used for the purpose of the measurement of the Total OPEB Liability. This rate considers the ability of the fund to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses and investment returns are projected into the future. The Plan Net Position (assets) in future years can then be determined and compared to its obligation to make benefit payments in those years. As long as assets are projected to be on hand in a future year, the assumed valuation discount rate is used. In years where assets are not projected to be sufficient to meet benefit payments, the use of a municipal bond rate is required, as described in the following paragraph.

The Single Discount Rate (SDR) is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods. The SDR reflects (1) the long-term expected rate of return on OPEB plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on OPEB plan investments is 6.00%; the municipal bond rate is 4.40%; and the resulting Single Discount Rate is 6.00%.

Summary of Membership Information

The following table provides a summary of the number of participants in the plan as of October 1, 2021 (the latest valuation date):

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	543
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	-
Active Plan Members	<u>1,565</u>
Total Plan Members	2,108

Sensitivity of Net OPEB Liability

Regarding the sensitivity of the net OPEB liability to changes in the Single Discount Rate, the following presents the plan’s net OPEB liability, calculated using a Single Discount Rate of 6.00%, as well as what the plan’s net OPEB liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

Sensitivity of Net OPEB Liability to the Single Discount Rate Assumption

1% Decrease 5.00%	Current Single Discount Rate Assumption 6.00%	1% Increase 7.00%
\$ 8,455,562	\$ 5,996,619	\$ 3,770,685

Regarding the sensitivity of the net OPEB liability to changes in the healthcare cost trend rates, the following presents the plan’s net OPEB liability, calculated using the assumed trend rates as well as what the plan’s net OPEB liability would be if it were calculated using a trend rate that is one percent lower or one percent higher:

Sensitivity of Net OPEB Liability to the Healthcare Cost Trend Rate Assumption

1% Decrease (5.0% down to 2.75%)	Current Healthcare Cost Trend Rate Assumption	1% Increase (7.0% down to 4.75%)
\$ 3,341,331	\$ 5,996,619	\$ 9,044,354