VENTURA COUNTY
RETIREE MEDICAL EXPENSE REIMBURSEMENT COMMITTEE

Point Mugu Conference Room, CEO 4th floor
Hall of Administration, County Government Center
800 S. Victoria Ave, Ventura CA 93009

May 29, 2024
11:00 a.m.

1. **Public Comments.**
2. **Committee Member Comments.**
3. **Minutes of Regular Meeting- October 31, 2023.**
4. **Request to Participate in Healthcare Reimbursement Arrangement.**
5. **Section 115 Trust Alternative Funding Scenarios Review.**

*If any accommodations are needed, please contact the HRA program at **805-654-5033** or by email at: HRA.Benefits@ventura.org.*
Requests should be made as soon as possible but at least 48 hours prior to the scheduled meeting.

VENTURA COUNTY
RETIREE MEDICAL EXPENSE REIMBURSEMENT COMMITTEE
Channel Islands Conference Room or via Zoom
Hall of Administration, County Government Center
800 S. Victoria Ave, Ventura CA 93009

Meeting Minutes for October 31, 2023

10:00 a.m.

Members present	Members absent	Also present
Shawn Atin		Patti Dowdy
Kaye Mand		Andrew Gratt
Emily Gardner		
Jeff Burgh		
Sue Horgan		

Ms. Mand called the meeting to order at 10:01 a.m.

1. **Public Comments.**
   a. No public comments.

2. **Committee Member Comments.**
   a. No Committee member comments were provided. Ms. Patti Dowdy, Benefits Manager for the County of Ventura CEO/Benefits division, provided an update to the Committee on the current standing and timeline for launch of the Healthcare Reimbursement Arrangement (HRA) Plan. Ms. Dowdy noted the County of Ventura, Board of Supervisors approval of the HRA Plan with the initial funding amount of $6.8 million, of which $800,000 will be allocated for contributions to Ventura County Professional Firefighters Association (VCPFA) retirees as VCPFA has negotiated funding into a union administered trust currently in use for member health related expenses. The funding scenarios and actuarial process for cost impact to the County are ongoing at the time of Committee meeting. The monthly enrollment file between the County and P&A Group is being finalized as well.

3. **Minutes of Regular Meeting – August 8, 2023.**
   Motion to approve: 1. **Mr. Burgh** 2. **Ms. Gardner** **Motion Carries**

4. **Establishment of Float Account with P&A Group.**
   Ms. Dowdy provided a background and overview of the discussion points before the Committee. Initially, the Section 115 Trust Agreement (the Trust) was established under Principal Asset Management with an understanding that access would be granted to the P&A Group, the HRA Plan's Third-Party Administrator (TPA), to allow them access to the

trust in order to facilitate claim reimbursement from authorized debit card transactions. Without this access, reimbursement would only be through submission of claims. During the set-up phase with P&A Group, it was discovered that Principal Asset Management will not grant access to the trust from a TPA.

The proposed establishment of a Float account with P&A Group would allow access to the necessary monies for reimbursement of paid claims. The initial funding of the Float account would be equivalent to 10% of projected annual claims which is estimated to be roughly $150,000. This estimation was derived from the total estimated benefit amounts for retirees in the first year of Plan operation ($2,250,000) with a 75% utilization rate for claims ($1,687,500). P&A Group has reviewed the estimates provided by the County and agrees to the determined amount of $150,000 as the initial funding for the Float account. This funding will be facilitated by a transfer from the Trust to P&A Group.

Mr. Shawn Atin, Assistant County Executive Officer – Human Resources/Labor Relations, inquired as to any additional funding needed for the ongoing purpose of the Float account. Ms. Dowdy advised that no additional funding to the Float account is needed at this time, however, it was noted that as the retiree population increases additional funding may become necessary in the future at the direction of the Committee. Ms. Emily Gardner, County Counsel, requested confirmation that the Committee will be required to convene in order to authorize additional funding due to the increase in retirees which was confirmed by Ms. Dowdy. Mr. Atin opined that this type of arrangement would not be suitable for the long term and urges the Committee to consider changing the administrator of the 115 Trust as the Float account process is not sustainable.

Ms. Sue Horgan, County Tax Collector, inquired as to what precisely the float account is and possible outcomes if the Committee votes to oppose its creation. Ms. Dowdy highlighted the need for P&A Group to have the ability to submit invoices for repayment of debit card reimbursements to Principal for reimbursement via ACH/EFT transfer and if opposed then all reimbursements would be handled through the manual claim process which would delay payment to participants. Other concerns from Committee members revolved around adding additional balancing requirements for the Trust and whether Principal was made to complete a Request for Proposal (RFP) as other administrators were requested to do. Principal was not made to complete an RFP as they have a long-standing established relationship with the County.

The motion to approve the establishment of the Float account with P&A Group was amended to include the stipulation that the Committee review the administrative process' viability in 6 months by Mr. Atin.

A. Motion to Approve the Establishment of Float Account with P&A Group with Amendment to Review Administrative Process in 6 months.

Motion made: 1. **Mr. Atin** 2. **Mr. Burgh** **Motion Carries**

Ms. Mand adjourned the meeting at 10:22 a.m.

Respectfully submitted,

Andrew Gratt
Deferred Compensation Personnel Assistant

COUNTY OF VENTURA
MEMORANDUM
HUMAN RESOURCES DIVISION

DATE: May 29, 2024

TO: Retiree Medical Expense Reimbursement Committee

FROM: Patti Dowdy, Employee Benefit Manager

SUBJECT: Request to Participate in Healthcare Reimbursement Arrangement

Discussion

We've recently received a request to extend participation in the County's Healthcare Reimbursement Account (HRA) to Legacy VCERA District Management employees. Presently, the HRA Plan only allows for County employees to participate in the plan, rendering VCERA executive management ineligible due to their status as VCERA District Employees.

Eligibility for the HRA benefit is determined by both the Plan document and the Memorandum of Agreement (MOA) or the County of Ventura Management Resolution applicable to the member upon retirement as detailed below.

MOA and Management Resolution Eligibility Stipulations:

1. Be represented by a union or association that has adopted the Plan as part of its Memorandum of Understanding or be covered by the Management Resolution.

2. Have commenced employment with the County no later than one day before the VCERA Board of Retirement’s adoption of the Resolution on April 17, 2023.

3. Retire from County service on or after July 30, 2020, and be an annuitant from VCERA as a participant in a VCERA legacy retirement plan.

4. Have pension benefits reduced pursuant to the VCERA Alameda Resolution

Retire Medical Expense Retirement Plan Document Definitions:

Section 2.15 Participating Group: “Participating Group” means any group of County employees that are represented for collective bargaining by an association or union which adopts this Plan as part of the memorandum of understanding, or other agreement, with the County. The term shall also refer to any group of County employees that are covered by the County of Ventura Management, Confidential Clerical and Other Represented Employees Resolution.

Section 2.19 Retired Employee: Retired Employee” means a regular full-time or part-time employee of the County, whose first day of employment with the County was no later than one day before April 17, 2023, who is a member of a Participating Group, and that retires from service with the County through VCERA as a Legacy Member on or after July 30, 2020, and who has had their retirement annuity reduced as a result of the Resolution of the Board of Retirement of VCERA. For purposes of this Section, an individual is deemed to be “Retired from Service” with the County if he or she is receiving a retirement annuity from VCERA resulting from the individual’s service with the County.

To facilitate the inclusion of VCERA district employees in the HRA Plan, an amendment to the Plan document would be necessary to extend eligibility beyond County employees. If the Committee decides to amend the HRA Plan document the amendments exclusively accommodate VCERA District employees’ and not extend eligibility to other non-County employers, such as the Courts. The distinction is due to VCERA District employees having previously been covered under the Management Resolution.

Should the Committee opt to include VCERA District employees in participation, it should be contingent upon VCERA's agreement with the established funding mechanism. Presently, our Budget and Finance team, in collaboration with the Auditor Controller, is reviewing the following methodologies:

1. Flat Percentage Rate: Apply a uniform percentage rate across all personnel, making it a department-based expense.

2. Department-Based Allocations: Allocate costs based on the percentage of eligible members within each department. This methodology is incumbent on our ability to obtain

the data required to delineate by department/budget unit.

Contributions necessary for the continuous funding of the HRA plan are anticipated to commence at the beginning of FY26. This timeline allows ample time to inform departments about the forthcoming budget implications of the HRA Plan.

Action Items

- Decide whether to amend the HRA Plan document to allow for participation by non- County employees.

- Decide whether to direct staff to work with County Counsel on HRA Plan documents to allow for participation by VCERA District employees and submit to the Board of Supervisors for approval.

COUNTY OF VENTURA
MEMORANDUM
HUMAN RESOURCES DIVISION

DATE: May 29, 2024

TO: Retiree Medical Expense Reimbursement Committee

FROM: Patti Dowdy, Employee Benefit Manager

SUBJECT: Section 115 Trust Alternative Funding Scenarios Review

Discussion

Established on May 1, 2023, the HRA Plan provides a monthly healthcare subsidy to participating members credited to their individual HRAs to reimburse eligible healthcare expenses when the member begins receiving Ventura County Employees' Retirement Association ("VCERA") annuity payments.

The funding of the HRA Plan will be facilitated through an Internal Revenue Code Section 115 approved trust that has been established through Principal Financial Services. In October 2023, the Board of Supervisors approved an initial funding of $6 million for the trust. This amount was determined based on the anticipated savings in required retirement contributions resulting from the Alameda decision.

The next step is to establish a sustainable funding methodology for the trust, ensuring it accumulates sufficient assets to provide financial security for the HRA Plan and secure benefit payments to eligible retirees in the future. To assist in this determination, the Committee requested that Cavanaugh Macdonald, LLC prepare various funding scenarios for the HRA Plan. This analysis has been completed and is included in the attached alternative funding scenarios report for the Committee's review.

The calculations contained in the report were performed as of June 30, 2023, with actuarial contributions starting in fiscal year 2025. A few comments/highlights are listed below:

- The census data used to value the costs and liabilities of the HRA Plan were provided by the County and Segal (actuary for VCERA).

- Most of the actuarial assumptions mirror those used in the Ventura County Employees' Retirement Association actuarial valuation as of June 30, 2023. This includes the inflation assumption of 2.50%, which is used in this analysis as the HRA subsidy annual trend assumption.

- The investment return/discount rate used to estimate investment return and value liabilities is 7.00%. This rate was set by the Committee during the August 2023 meeting, and is the same rate currently used for the Supplemental Retirement Plan and mirrors the assumption rate utilized by VCERA.

- In the actuarial-based funding policy scenarios, the employer contribution consists of a payment for the cost of benefits accruing during the year (Normal Cost), projected administrative expenses, and a method to pay off the Unfunded Actuarial Accrued Liability ("UAAL") over a period of time.

- Four alternative funding scenarios have been provided. (1) Pay-as-you-go funding where the employer contribution is equal to the amount of benefits paid each year , (2) an actuarial based funding policy with the UAAL amortized over 20 years, (3) an actuarial based funding policy with the UAAL amortized over 15 years, and (4) an actuarial based funding policy with the UAAL amortized over 10 years. The employer contribution for fiscal year 2025 ranges from $4.2 million in the pay-as-you-go scenario to $28.8 million under the 10-year amortization scenario.

- Based on the understanding that most retirees have not had their pension benefit reduced by VCERA yet but will within the next year retiree HRA benefits were deferred by one year.

Given that the Plan covers a closed population of eligible Legacy employees (approximately 3,391 active, 978 retired, 388 terminated vested, and 44 beneficiaries) with an estimated retirement window of 5-20 years, there is a limited time horizon to build the necessary assets to fund the HRA benefits in perpetuity. Achieving this requires a pre-funding approach. Overfunding, as much as possible, will allow assets to grow through investment earnings, thereby promoting asset growth and financial security for the HRA.

The 10-year amortization period is the most aggressive and costliest, requiring a $28.8 million contribution in FY 2025. The 15-year amortization period, with a FY 2025 contribution of $23.2 million, is the most feasible from a budgetary standpoint and provides a reasonable time horizon for asset accumulation. The 20-year amortization, with a cost of $20.5 million in FY 2025, is less impactful from a budgetary perspective but overly conservative for accumulating the necessary trust assets.

Mr. Ryan Gunderson, Senior Consultant Cavanaugh Macdonald Consulting, LLC, will attend the meeting to review the proposed funding scenarios and answer any questions the Committee may have.

The Budget and Finance team is currently collaborating with the Auditor-Controller to establish a suitable method of cost allocation to departments, facilitating the required funding outside of the General Fund. Two approaches are being considered:

1. Flat Percentage Rate: Apply a uniform percentage rate across all personnel, making it a department-based expense.

2.Department-Based Allocations: Allocate costs based on the percentage of eligible members within each department, which will be determined by our ability to identify actual eligible members.

To ensure departments receive sufficient notice, this new budget item will not be implemented until FY 26.

The annual contribution amount will be actuarially developed through the annual OPEB valuation process. Once a funding mechanism has been vetted by the finance team, staff will report back to the Committee.

Action Items

- Decide whether to fund the Section 115 trust utilizing a pay-as -you-go funding methodology, or pre-funding through an actuarial based funding method.

- Decide on amortization period of 10, 15, or 20 years if determined to utilize the actuarial based funding policy.

- Receive and file County of Ventura Retiree Medial Expense Reimbursement Plan Funding Scenarios report.

Attachment(s)

- County of Ventura Retiree Medical Expense Reimbursement Plan Funding Scenarios

Cavanaugh Macdonald
CONSULTING, LLC
The experience and dedication you deserve

May 6, 2024

Ventura County Retiree Medical
Expense Reimbursement Committee
County Government Center
800 S. Victoria Ave
Ventura County, California 93009

Re: County of Ventura Retiree Medical Expense Reimbursement Plan Funding Scenarios

Dear Committee:

As requested, we have prepared funding scenarios for the County of Ventura Retiree Medical Expense Reimbursement Plan ("HRA Plan" or "the Plan"). Established on May 1, 2023, the HRA Plan provides a monthly healthcare subsidy to participating members credited to their individual HRAs to reimburse eligible healthcare expenses when the member begins receiving Ventura County Employees' Retirement Association ("VCERA") annuity payments. The funding of the HRA Plan will be facilitated through an Internal Revenue Code Section 115 approved trust with an initial investment of $6 million in October 2023. This analysis provides alternative funding scenarios, as of June 30, 2023, for the trust to accumulate sufficient assets to provide financial security to future HRA Plan benefit payments.

Background

The Alameda Resolution, approved by the VCERA Board of Retirement on April 17, 2023 stipulates that significant portions of the County's Flexible Credit Allowance will no longer be factored into the retirement compensation calculation for legacy (non-PEPRA) retirement plan participants. Because of this, members hired before January 1, 2013, or who have attained reciprocity with VCERA due to service prior to January 1, 2013, will have a reduction in their pension benefits. To mitigate the impact of this Resolution, the Board of Supervisors approved the implementation of the HRA Plan. Under this plan, a monthly healthcare subsidy will be provided to eligible members through payments to their individual HRAs.

The County has provided the following eligibility and participation requirements for the HRA Plan:

- Members must be currently represented by a union/association that has accepted the Plan through its Memorandum of Agreement or be covered by the Management Resolution.

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- Members should have their employment with the County before April 17, 2023, which was the date the Board of Retirement adopted the Resolution.
- Members must have retired from County service on or after July 30, 2020, and have begun receiving their pension benefit from VCERA due to participation in a VCERA legacy retirement plan.
- Members' pension benefits should have been reduced according to VCERA resolution.

Results

Based on the data received from the County and Segal and the eligibility provisions, we have valued the members below in our funding projections. In addition, we have provided the Actuarial Accrued Liability for each status and the Normal Cost for fiscal year 2024 for actives.

	Plan Membership				
	General	**Safety**	**VCPFA General**	**VCPFA Safety**	**Total**
Active					
Counts	2,561	621	12	197	3,391
Total Salary	$242,237,734	$79,378,281	$1,326,686	$24,956,719	347,899,421
Average Salary	$94,587	$127,823	$110,557	$126,684	$102,595
Average Age	52.0	46.7	53.7	46.7	50.7
Average Service	19.0	20.6	24.5	19.6	19.4
Retirees					
Counts	762	181	1	34	978
Total Mo. Benefits	$154,942	$46,427	$210	$9,180	210,759
Average Mo. Benefits	$203	$257	$210	$270	$215
Average Age at Retirement	62.2	54.3	64.0	58.3	60.6
Beneficiaries					
Counts	17	27	0	0	44
Total Benefits	$2,700	$4,227	$0	$0	$6,927
Average Mo. Benefits	$159	$157	$0	$0	$157
Average Age	59.7	49.0	0.0	0.0	53.1
Terminated Vested					
Count	341	40	1	6	388
Expected Avg. Mo. Benefits	$136	$139	$210	$270	$139
Average Age	50.4	45.5	43.0	45.8	49.8
Total Plan Membership	3,681	869	14	237	4,801

Actuarial Liabilities as of June 30, 2023	Total	
1. Present Value of Projected Benefits		
a. Actives	$ 157,877,447	
b. Retired Members and Beneficiaries Receiving Benefits	38,861,484	
c. Inactive Members with Deferred Benefits	7,190,319	
Total	**$ 203,929,250**	
2. Present Value of Future Normal Costs (1 - 3)	**$ 33,709,011**	
3. Total Actuarial Accrued Liability		
a. Active Members	$ 124,168,436	
b. Retired Members and Beneficiaries Receiving Benefits	38,861,484	
c. Inactive Members with Deferred Benefits	7,190,319	
Total	**$ 170,220,239**	
4. Market Value of Assets	**$ 6,000,000**	
5. Unfunded Actuarial Accrued Liability (3 - 4)	**$ 164,220,239**	
6. Funded Ratio (4 / 3)	**3.52%**	
7. Total Payroll as of June 30, 2023	**$ 347,567,084**	
	Amount	% of Pay
8. Employer's Normal Cost for FY 2024	**$ 4,157,023**	**1.20%**
9. Expected Benefit Payments and Admin. Exp. for FY 2024	**$ 889,858**	
10. Expected Benefit Payments and Admin. Exp. for FY 2025	**$ 4,155,212**	

Using the information above, we developed three alternative funding scenarios along with a pay-as-you-go projection. The alternative funding scenarios are based on an actuarial funding policy where contributions consist of a payment for cost of benefits accruing each year (Normal Cost), projected administrative expenses, and a method to pay off the Unfunded Actuarial Accrued Liability ("UAAL") over a period of time. Given that the plan is closed to new entrants, we recommend using a level-dollar amortization approach in each of the alternative funding scenarios. Following is the Actuarial Determined Contribution for Fiscal Year 2025 under the three alternative funding scenarios with the length of the amortization payment schedule varying from 20 to 10-year periods in five-year increments.

Actuarially Determined Contribution for Fiscal Year Ending June 30, 2025	Dollar Amount	Percentage of Payroll
Total Normal Cost as of June 30, 2024	$ 3,998,885	1.20%
Estimated Actuarial Accrued Liability as of June 30, 2024	$ 185,678,710	
Estimated Market Value of Assets as of June 30, 2024	6,404,484	
Estimated Unfunded Actuarial Liability as of June 30, 2024	$ 179,274,226	
Payroll for Fiscal Year 2025	$ 333,572,967	
Actuarially Determined Contribution for 2025 (20-year Amortization):		
Normal Cost	$ 3,998,885	1.20%
Projected Administrative Expenses	14,864	0.00%
UAAL Amortization Payment	15,815,151	4.74%
Total Actuarial Contribution	$ 19,828,900	5.94%
Adjustment for Mid-Year Timing	682,274	
Actuarially Determined Contribution	$ 20,511,173	6.15%
Actuarially Determined Contribution for 2025 (15-year Amortization):		
Normal Cost	$ 3,998,885	1.20%
Projected Administrative Expenses	14,864	0.00%
UAAL Amortization Payment	18,395,590	5.51%
Total Actuarial Contribution	$ 22,409,339	6.71%
Adjustment for Mid-Year Timing	771,062	
Actuarially Determined Contribution	$ 23,180,400	6.95%
Actuarially Determined Contribution for 2025 (10-year Amortization):		
Normal Cost	$ 3,998,885	1.20%
Projected Administrative Expenses	14,864	0.00%
UAAL Amortization Payment	23,854,884	7.15%
Total Actuarial Contribution	$ 27,868,633	8.35%
Adjustment for Mid-Year Timing	958,905	
Actuarially Determined Contribution	$ 28,827,538	8.64%

Under the funding scenarios above, the employer contribution for fiscal year 2025 increases as the amortization period decreases from $20.5 million under the 20-year policy to $28.8 million under the 10-year policy. With the pay-as-you-go scenario, the employer contribution for fiscal year 2025 is the expected benefit payments and administrative expenses for 2025, or $4.2 million. As can be seen in later exhibits, the pay-as-you-go policy contributes expected benefit payments each year which doesn't allow for sufficient asset growth and projects a funded ratio of 13.34% after 30 years. Pre-funding, shown in each of the alternative funding scenarios promotes asset growth and financial security of the HRA Plan by funding the plan to 100% in 20, 15, or 10-years dependent on scenario.

The next exhibits compare the employer contributions and funded ratio of each funding scenario over the next 30 years. At the end of this letter, we presented results of the funding scenarios through 30-year projections.

County of Ventura Retiree Medical Expense Reimbursement Plan as of June 30, 2023				
Scenario	**1**	**2**	**3**	**4**
Funding Policy	**Pay-as-you-go**	**Actuarial Funding of Normal Cost plus Level-Dollar Amortization of the UAAL over 20 years**	**Actuarial Funding of Normal Cost plus Level-Dollar Amortization of the UAAL over 15 years**	**Actuarial Funding of Normal Cost plus Level-Dollar Amortization of the UAAL over 10 years**
Fiscal Year	**Contribution Dollar Amount ($ in Millions)**			
2024	$0.89	$0.89	$0.89	$0.89
2025	4.16	20.51	23.18	28.83
2026	4.96	20.34	23.01	28.66
2027	5.82	20.17	22.84	28.49
2028	6.70	20.00	22.67	28.32
2029	7.62	19.82	22.49	28.14
2030	8.60	19.65	22.32	27.97
2031	9.63	19.47	22.14	27.79
2032	10.66	19.29	21.96	27.61
2033	11.72	19.11	21.77	27.42
2034	12.81	18.92	21.59	27.24
2035	13.93	18.74	21.41	2.38
2036	15.08	18.55	21.22	2.19
2037	16.28	18.37	21.04	2.01
2038	17.49	18.18	20.85	1.82
2039	18.70	17.99	20.66	1.63
2040	19.92	17.80	1.44	1.44
2041	21.11	17.63	1.27	1.27
2042	22.30	17.46	1.10	1.10
2043	23.46	17.29	0.93	0.93
2044	24.53	17.13	0.77	0.77
2045	25.56	0.63	0.63	0.63
2046	26.48	0.51	0.51	0.51
2047	27.31	0.41	0.41	0.41
2048	28.03	0.32	0.32	0.32
2049	28.64	0.25	0.25	0.25
2050	29.14	0.19	0.19	0.19
2051	29.53	0.14	0.14	0.14
2052	29.79	0.11	0.11	0.11
2053	29.95	0.08	0.08	0.08
Total Cont. Through 2053	**$530.81**	**$379.95**	**$338.20**	**$299.52**
Present Value of Total Cont.	**$163.00**	**$198.00**	**$198.00**	**$198.00**

County of Ventura Retiree Medical Expense Reimbursement Plan as of June 30, 2023				
Scenario	**1**	**2**	**3**	**4**
Funding Policy	**Pay-as-you-go**	**Actuarial Funding of Normal Cost plus Level-Dollar Amortization of the UAAL over 20 years**	**Actuarial Funding of Normal Cost plus Level-Dollar Amortization of the UAAL over 15 years**	**Actuarial Funding of Normal Cost plus Level-Dollar Amortization of the UAAL over 10 years**
Fiscal Year	**Funded Ratio**			
2024	3.52%	3.52%	3.52%	3.52%
2025	3.46%	3.45%	3.45%	3.45%
2026	3.46%	11.97%	13.35%	16.30%
2027	3.47%	19.54%	22.24%	27.96%
2028	3.51%	26.34%	30.30%	38.67%
2029	3.55%	32.50%	37.68%	48.63%
2030	3.61%	38.13%	44.50%	57.99%
2031	3.69%	43.31%	50.88%	66.88%
2032	3.78%	48.12%	56.88%	75.43%
2033	3.89%	52.62%	62.61%	83.73%
2034	4.01%	56.88%	68.12%	91.89%
2035	4.15%	60.94%	73.47%	100.00%
2036	4.31%	64.84%	78.74%	100.00%
2037	4.49%	68.64%	83.97%	100.00%
2038	4.69%	72.37%	89.22%	100.00%
2039	4.91%	76.06%	94.54%	100.00%
2040	5.17%	79.76%	100.00%	100.00%
2041	5.45%	83.52%	100.00%	100.00%
2042	5.77%	87.37%	100.00%	100.00%
2043	6.13%	91.36%	100.00%	100.00%
2044	6.53%	95.55%	100.00%	100.00%
2045	6.98%	100.00%	100.00%	100.00%
2046	7.48%	100.00%	100.00%	100.00%
2047	8.05%	100.00%	100.00%	100.00%
2048	8.69%	100.00%	100.00%	100.00%
2049	9.42%	100.00%	100.00%	100.00%
2050	10.23%	100.00%	100.00%	100.00%
2051	11.14%	100.00%	100.00%	100.00%
2052	12.18%	100.00%	100.00%	100.00%
2053	13.34%	100.00%	100.00%	100.00%

Data, Assumptions and Methodology

In preparing this letter, we relied, without audit, on information (some oral and some in writing) supplied by Ventura County staff and Segal (VCERA actuary). This information includes, but is not limited to, statutory provisions, employee data, and financial information. The valuation and funding results depend on the integrity of this information. If any of this information is inaccurate or incomplete our results may be different, and our calculations may need to be revised. The benefit provisions are outlined in Appendix A.

The liabilities and projections contained in this letter are based on an actuarial valuation as of June 30, 2023 for the County of Ventura Retiree Medical Expense Reimbursement Plan. Most assumptions mirror those used in the VCERA June 30, 2023 actuarial valuation. In our opinion the assumptions used in the valuation and funding projections meet the parameters set by the Actuarial Standards of Practice. A summary of the actuarial assumptions and methods used in this valuation and funding projection are shown in Appendix B.

In order to prepare the results in this report, we have utilized appropriate actuarial models that were developed for this purpose. Models are designed to identify anticipated trends and to compare various scenarios rather than predicting some future state of events. The projections are based on the HRA Plan's estimated financial status on June 30, 2023, and project future events using one set of assumptions out of a range of many possibilities. A different set of assumptions would lead to different results. The projections do not predict the HRA Plan's financial condition or its ability to pay benefits in the future and do not provide any guarantee of future financial soundness of the HRA Plan. Over time, a defined benefit plan's total cost will depend on a number of factors, including the amount of benefits paid, the number of people paid benefits, the duration of the benefit payments, plan expenses, and the amount of earnings on assets invested to pay benefits. These amounts and other variables are uncertain and unknowable at the time the projections were prepared. Because not all of the assumptions will unfold exactly as expected, actual results will differ from the projections. To the extent that actual experience deviates significantly from the assumptions, results could be significantly better or significantly worse than indicated in this study.

The comments and analysis contained in this letter are not intended to give exact calculations of costs. They should be considered to be estimates. The emerging costs will vary from those presented in this letter to the extent that actual experience differs from that projected by the actuarial assumptions. This analysis has been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the principles prescribed by the Actuarial Standards Board (ASB) and the Code of Professional Conduct and Qualification Standards for Public Statement of Actuarial Opinion of the American Academy of Actuaries.

Alisa Bennett, FSA, is a Member of the American Academy of Actuaries and in combination meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained in this letter. To the best of her knowledge, the actuarial statement contained in this letter is complete and accurate. The calculations in this report have been prepared in accordance with all Applicable Actuarial Standards of Practice. We are available to answer any questions on the material contained in this letter, or to provide explanations or further details as may be appropriate.

Cavanaugh Macdonald Consulting, LLC

Alisa Bennett, FSA, EA, FCA, MAAA	Ryan Gundersen
President	Senior Consultant

AB/RG

Exhibit 1 – Pay-As-You-Go Projection As Of June 30, 2023 ($ in Thousands)

Valuation Date June 30,	Market Value of Assets	Actuarial Accrued Liability	Unfunded Liability	Funded Ratio	Fiscal Year Ending June 30,	Employer Normal Cost	Amortization of Unfunded Liability	Projected Admin. Expenses	Actuarially Determined Contribution	Employer Contribution	Benefit Payments & Admin. Exp.	Net Cashflow
2023	$6,000	$170,220	$164,220	3.52%	2024	$4,300	$14,652	$15	$18,967	$890	$890	$0
2024	6,420	185,679	179,259	3.46%	2025	4,136	16,358	15	20,510	4,155	4,155	0
2025	6,869	198,673	191,803	3.46%	2026	3,964	17,940	16	21,920	4,963	4,963	0
2026	7,350	211,563	204,213	3.47%	2027	3,795	19,626	16	23,437	5,815	5,815	0
2027	7,865	224,299	216,435	3.51%	2028	3,624	21,431	17	25,071	6,699	6,699	0
2028	8,415	236,837	228,421	3.55%	2029	3,449	23,376	17	26,841	7,624	7,624	0
2029	9,004	249,114	240,110	3.61%	2030	3,275	25,486	17	28,778	8,604	8,604	0
2030	9,635	261,057	251,422	3.69%	2031	3,095	27,792	18	30,905	9,631	9,631	0
2031	10,309	272,589	262,280	3.78%	2032	2,912	30,338	18	33,268	10,658	10,658	0
2032	11,031	283,676	272,645	3.89%	2033	2,727	33,185	19	35,931	11,717	11,717	0
2033	11,803	294,254	282,451	4.01%	2034	2,542	36,414	19	38,975	12,807	12,807	0
2034	12,629	304,254	291,625	4.15%	2035	2,360	40,140	20	42,519	13,934	13,934	0
2035	13,513	313,600	300,087	4.31%	2036	2,174	44,527	20	46,722	15,082	15,082	0
2036	14,459	322,221	307,762	4.49%	2037	1,989	49,826	21	51,835	16,280	16,280	0
2037	15,471	330,014	314,543	4.69%	2038	1,797	56,423	21	58,241	17,487	17,487	0
2038	16,554	336,907	320,353	4.91%	2039	1,607	64,973	22	66,602	18,705	18,705	0
2039	17,713	342,827	325,114	5.17%	2040	1,420	76,655	22	78,097	19,915	19,915	0
2040	18,953	347,716	328,763	5.45%	2041	1,243	93,832	23	95,098	21,113	21,113	0
2041	20,280	351,526	331,246	5.77%	2042	1,074	122,024	23	123,121	22,301	22,301	0
2042	21,699	354,200	332,500	6.13%	2043	909	177,784	24	178,717	23,457	23,457	0
2043	23,218	355,694	332,476	6.53%	2044	750	343,916	25	344,691	24,534	24,534	0
2044	24,843	356,016	331,172	6.98%	2045	610	342,567	25	343,202	25,556	25,556	0
2045	26,582	355,159	328,576	7.48%	2046	486	339,882	26	340,394	26,482	26,482	0
2046	28,443	353,156	324,713	8.05%	2047	380	335,886	26	336,292	27,315	27,315	0
2047	30,434	350,043	319,609	8.69%	2048	291	330,606	27	330,923	28,031	28,031	0
2048	32,565	345,879	313,315	9.42%	2049	219	324,095	28	324,342	28,641	28,641	0
2049	34,844	340,719	305,875	10.23%	2050	161	316,400	29	316,589	29,145	29,145	0
2050	37,283	334,618	297,334	11.14%	2051	115	307,565	29	307,709	29,530	29,530	0
2051	39,893	327,643	287,750	12.18%	2052	79	297,651	30	297,760	29,794	29,794	0
2052	42,686	319,872	277,186	13.34%	2053	53	286,723	31	286,807	29,945	29,945	0

Projections are based on the June 30, 2023 actuarial valuation and assume that all assumptions are met in the future, including the 7.00% assumed rate of return. To the extent actual experience differs from what is assumed, the actual valuation results in future years will also differ from the projections shown here. Under pay-as-you-go funding, employer contributions are equal to expected benefit payments each year. The projections assume an initial asset value of $6 million as of June 30, 2023 and a first year administrative expense of $15,000 projected to increase each year with inflation. Retiree benefit payments are deferred until 2025 to account for the delay in the reduction of their VCERA benefits.

EXHIBIT 2 – ACTUARIAL BASED FUNDING PROJECTION WITH 20-YEAR AMORTIZATION AS OF JUNE 30, 2023 ($ IN THOUSANDS)

Valuation Date June 30,	Market Value of Assets	Actuarial Accrued Liability	Unfunded Liability	Funded Ratio	Fiscal Year Ending June 30,	Employer Normal Cost	Amortization of Unfunded Liability	Projected Admin. Expenses	Actuarially Determined Contribution	Employer Contribution	Benefit Payments & Admin. Exp.	Net Cashflow
2023	$6,000	$170,220	$164,220	3.52%	2024	$4,300	$14,652	$15	$18,967	$890	$890	$0
2024	6,404	185,679	179,274	3.45%	2025	4,136	16,359	15	20,511	20,511	4,155	16,356
2025	23,772	198,673	174,901	11.97%	2026	3,964	16,359	16	20,340	20,340	4,963	15,377
2026	41,341	211,563	170,222	19.54%	2027	3,795	16,359	16	20,170	20,170	5,815	14,355
2027	59,084	224,299	165,215	26.34%	2028	3,624	16,359	17	20,000	20,000	6,699	13,301
2028	76,979	236,837	159,858	32.50%	2029	3,449	16,359	17	19,825	19,825	7,624	12,201
2029	94,988	249,114	154,126	38.13%	2030	3,275	16,359	17	19,651	19,651	8,604	11,047
2030	113,064	261,057	147,993	43.31%	2031	3,095	16,359	18	19,472	19,472	9,631	9,841
2031	131,159	272,589	141,430	48.12%	2032	2,912	16,359	18	19,290	19,290	10,658	8,631
2032	149,268	283,676	134,408	52.62%	2033	2,727	16,359	19	19,105	19,105	11,717	7,389
2033	167,360	294,254	126,894	56.88%	2034	2,542	16,359	19	18,921	18,921	12,807	6,114
2034	185,400	304,254	118,855	60.94%	2035	2,360	16,359	20	18,739	18,739	13,934	4,805
2035	203,347	313,600	110,252	64.84%	2036	2,174	16,359	20	18,554	18,554	15,082	3,472
2036	221,173	322,221	101,048	68.64%	2037	1,989	16,359	21	18,369	18,369	16,280	2,088
2037	238,815	330,014	91,199	72.37%	2038	1,797	16,359	21	18,177	18,177	17,487	691
2038	256,247	336,907	80,660	76.06%	2039	1,607	16,359	22	17,988	17,988	18,705	(717)
2039	273,442	342,827	69,384	79.76%	2040	1,420	16,359	22	17,802	17,802	19,915	(2,114)
2040	290,397	347,716	57,319	83.52%	2041	1,243	16,359	23	17,625	17,625	21,113	(3,488)
2041	307,117	351,526	44,409	87.37%	2042	1,074	16,359	23	17,457	17,457	22,301	(4,844)
2042	323,604	354,200	30,595	91.36%	2043	909	16,359	24	17,292	17,292	23,457	(6,165)
2043	339,879	355,694	15,815	95.55%	2044	750	16,359	25	17,134	17,134	24,534	(7,400)
2044	356,016	356,016	0	100.00%	2045	610	0	25	635	635	25,556	(24,921)
2045	355,159	355,159	0	100.00%	2046	486	0	26	512	512	26,482	(25,970)
2046	353,156	353,156	0	100.00%	2047	380	0	26	406	406	27,315	(26,909)
2047	350,043	350,043	0	100.00%	2048	291	0	27	318	318	28,031	(27,713)
2048	345,879	345,879	0	100.00%	2049	219	0	28	247	247	28,641	(28,395)
2049	340,719	340,719	0	100.00%	2050	161	0	29	189	189	29,145	(28,956)
2050	334,618	334,618	0	100.00%	2051	115	0	29	144	144	29,530	(29,386)
2051	327,643	327,643	0	100.00%	2052	79	0	30	109	109	29,794	(29,685)
2052	319,872	319,872	0	100.00%	2053	53	0	31	84	84	29,945	(29,861)

Projections are based on the June 30, 2023 actuarial valuation and assume that all assumptions are met in the future, including the 7.00% assumed rate of return. To the extent actual experience differs from what is assumed, the actual valuation results in future years will also differ from the projections shown here. Under an actuarial based funding policy, employer contributions are equal to the cost of benefits accrued for the year (Normal Cost), projected administrative expenses, and a level-dollar payment on the amortization of the Unfunded Actuarial Accrued Liability using a period of 20 years. The projections assume an initial asset value of $6 million as of June 30, 2023 and a first year administrative expense of $15,000 projected to increase each year with inflation. Retiree benefit payments are deferred until 2025 to account for the delay in the reduction of their VCERA benefits.

EXHIBIT 3 – ACTUARIAL BASED FUNDING PROJECTION WITH 15-YEAR AMORTIZATION AS OF JUNE 30, 2023 ($ IN THOUSANDS)

Valuation Date June 30,	Market Value of Assets	Actuarial Accrued Liability	Unfunded Liability	Funded Ratio	Fiscal Year Ending June 30,	Employer Normal Cost	Amortization of Unfunded Liability	Projected Admin. Expenses	Actuarially Determined Contribution	Employer Contribution	Benefit Payments & Admin. Exp.	Net Cashflow
2023	$6,000	$170,220	$164,220	3.52%	2024	$4,300	$16,806	$15	$21,121	$890	$890	$0
2024	6,404	185,679	179,274	3.45%	2025	4,136	19,029	15	23,180	23,180	4,155	19,025
2025	26,533	198,673	172,140	13.35%	2026	3,964	19,029	16	23,009	23,009	4,963	18,046
2026	47,057	211,563	164,507	22.24%	2027	3,795	19,029	16	22,839	22,839	5,815	17,024
2027	67,961	224,299	156,339	30.30%	2028	3,624	19,029	17	22,669	22,669	6,699	15,970
2028	89,237	236,837	147,599	37.68%	2029	3,449	19,029	17	22,494	22,494	7,624	14,870
2029	110,866	249,114	138,248	44.50%	2030	3,275	19,029	17	22,321	22,321	8,604	13,716
2030	132,815	261,057	128,242	50.88%	2031	3,095	19,029	18	22,141	22,141	9,631	12,511
2031	155,053	272,589	117,535	56.88%	2032	2,912	19,029	18	21,959	21,959	10,658	11,301
2032	177,597	283,676	106,079	62.61%	2033	2,727	19,029	19	21,775	21,775	11,717	10,058
2033	200,433	294,254	93,821	68.12%	2034	2,542	19,029	19	21,590	21,590	12,807	8,783
2034	223,549	304,254	80,706	73.47%	2035	2,360	19,029	20	21,408	21,408	13,934	7,474
2035	246,928	313,600	66,672	78.74%	2036	2,174	19,029	20	21,223	21,223	15,082	6,141
2036	270,565	322,221	51,655	83.97%	2037	1,989	19,029	21	21,038	21,038	16,280	4,758
2037	294,426	330,014	35,588	89.22%	2038	1,797	19,028	21	20,846	20,846	17,487	3,360
2038	318,511	336,907	18,396	94.54%	2039	1,607	19,029	22	20,657	20,657	18,705	1,952
2039	342,827	342,827	0	100.00%	2040	1,420	0	22	1,442	1,442	19,915	(18,473)
2040	347,716	347,716	0	100.00%	2041	1,243	0	23	1,266	1,266	21,113	(19,847)
2041	351,526	351,526	0	100.00%	2042	1,074	0	23	1,097	1,097	22,301	(21,203)
2042	354,200	354,200	0	100.00%	2043	909	0	24	933	933	23,457	(22,524)
2043	355,694	355,694	0	100.00%	2044	750	0	25	775	775	24,534	(23,760)
2044	356,016	356,016	0	100.00%	2045	610	0	25	635	635	25,556	(24,921)
2045	355,159	355,159	0	100.00%	2046	486	0	26	512	512	26,482	(25,970)
2046	353,156	353,156	0	100.00%	2047	380	0	26	406	406	27,315	(26,909)
2047	350,043	350,043	0	100.00%	2048	291	0	27	318	318	28,031	(27,713)
2048	345,879	345,879	0	100.00%	2049	219	0	28	247	247	28,641	(28,395)
2049	340,719	340,719	0	100.00%	2050	161	0	29	189	189	29,145	(28,956)
2050	334,618	334,618	0	100.00%	2051	115	0	29	144	144	29,530	(29,386)
2051	327,643	327,643	0	100.00%	2052	79	0	30	109	109	29,794	(29,685)
2052	319,872	319,872	0	100.00%	2053	53	0	31	84	84	29,945	(29,861)

Projections are based on the June 30, 2023 actuarial valuation and assume that all assumptions are met in the future, including the 7.00% assumed rate of return. To the extent actual experience differs from what is assumed, the actual valuation results in future years will also differ from the projections shown here. Under an actuarial based funding policy, employer contributions are equal to the cost of benefits accrued for the year (Normal Cost), projected administrative expenses, and a level-dollar payment on the amortization of the Unfunded Actuarial Accrued Liability using a period of 15 years. The projections assume an initial asset value of $6 million as of June 30, 2023 and a first year administrative expense of $15,000 projected to increase each year with inflation. Retiree benefit payments are deferred until 2025 to account for the delay in the reduction of their VCERA benefits.

EXHIBIT 4 – ACTUARIAL BASED FUNDING PROJECTION WITH 10-YEAR AMORTIZATION AS OF JUNE 30, 2023 ($ IN THOUSANDS)

Valuation Date June 30,	Market Value of Assets	Actuarial Accrued Liability	Unfunded Liability	Funded Ratio	Fiscal Year Ending June 30,	Employer Normal Cost	Amortization of Unfunded Liability	Projected Admin. Expenses	Actuarially Determined Contribution	Employer Contribution	Benefit Payments & Admin. Exp.	Net Cashflow
2023	$6,000	$170,220	$164,220	3.52%	2024	$4,300	$21,171	$15	$25,486	$890	$890	$0
2024	6,404	185,679	179,274	3.45%	2025	4,136	24,676	15	28,828	28,828	4,155	24,672
2025	32,374	198,673	166,299	16.30%	2026	3,964	24,676	16	28,656	28,656	4,963	23,693
2026	59,148	211,563	152,415	27.96%	2027	3,795	24,676	16	28,486	28,486	5,815	22,671
2027	86,740	224,299	137,560	38.67%	2028	3,624	24,676	17	28,316	28,316	6,699	21,617
2028	115,173	236,837	121,664	48.63%	2029	3,449	24,676	17	28,141	28,141	7,624	20,517
2029	144,458	249,114	104,656	57.99%	2030	3,275	24,676	17	27,968	27,968	8,604	19,363
2030	174,600	261,057	86,457	66.88%	2031	3,095	24,676	18	27,788	27,788	9,631	18,158
2031	205,604	272,589	66,984	75.43%	2032	2,912	24,676	18	27,606	27,606	10,658	16,948
2032	237,528	283,676	46,149	83.73%	2033	2,727	24,675	19	27,421	27,421	11,717	15,705
2033	270,399	294,254	23,855	91.89%	2034	2,542	24,676	19	27,237	27,237	12,807	14,430
2034	304,254	304,254	0	100.00%	2035	2,360	0	20	2,379	2,379	13,934	(11,555)
2035	313,600	313,600	0	100.00%	2036	2,174	0	20	2,195	2,195	15,082	(12,888)
2036	322,221	322,221	0	100.00%	2037	1,989	0	21	2,009	2,009	16,280	(14,271)
2037	330,014	330,014	0	100.00%	2038	1,797	0	21	1,818	1,818	17,487	(15,669)
2038	336,907	336,907	0	100.00%	2039	1,607	0	22	1,628	1,628	18,705	(17,076)
2039	342,827	342,827	0	100.00%	2040	1,420	0	22	1,442	1,442	19,915	(18,473)
2040	347,716	347,716	0	100.00%	2041	1,243	0	23	1,266	1,266	21,113	(19,847)
2041	351,526	351,526	0	100.00%	2042	1,074	0	23	1,097	1,097	22,301	(21,203)
2042	354,200	354,200	0	100.00%	2043	909	0	24	933	933	23,457	(22,524)
2043	355,694	355,694	0	100.00%	2044	750	0	25	775	775	24,534	(23,760)
2044	356,016	356,016	0	100.00%	2045	610	0	25	635	635	25,556	(24,921)
2045	355,159	355,159	0	100.00%	2046	486	0	26	512	512	26,482	(25,970)
2046	353,156	353,156	0	100.00%	2047	380	0	26	406	406	27,315	(26,909)
2047	350,043	350,043	0	100.00%	2048	291	0	27	318	318	28,031	(27,713)
2048	345,879	345,879	0	100.00%	2049	219	0	28	247	247	28,641	(28,395)
2049	340,719	340,719	0	100.00%	2050	161	0	29	189	189	29,145	(28,956)
2050	334,618	334,618	0	100.00%	2051	115	0	29	144	144	29,530	(29,386)
2051	327,643	327,643	0	100.00%	2052	79	0	30	109	109	29,794	(29,685)
2052	319,872	319,872	0	100.00%	2053	53	0	31	84	84	29,945	(29,861)

Projections are based on the June 30, 2023 actuarial valuation and assume that all assumptions are met in the future, including the 7.00% assumed rate of return. To the extent actual experience differs from what is assumed, the actual valuation results in future years will also differ from the projections shown here. Under an actuarial based funding policy, employer contributions are equal to the cost of benefits accrued for the year (Normal Cost), projected administrative expenses, and a level-dollar payment on the amortization of the Unfunded Actuarial Accrued Liability using a period of 10 years. The projections assume an initial asset value of $6 million as of June 30, 2023 and a first year administrative expense of $15,000 projected to increase each year with inflation. Retiree benefit payments are deferred until 2025 to account for the delay in the reduction of their VCERA benefits.

Eligibility for Allowance	To be eligible for the HRA (Health Reimbursement Arrangement) Plan, individuals must meet the following criteria: • They must be currently represented by a union/association that has accepted the Plan through its Memorandum of Agreement or be covered by the Management Resolution. • They should have started their employment with the County before April 17, 2023, which was the date the Board of Retirement adopted the Resolution. • They must have retired from County service on or after July 30, 2020, and have begun receiving their pension benefit from VCERA (Ventura County Employees' Retirement Association) due to participation in a VCERA legacy retirement plan. • Their pension benefits should have been reduced according to the VCERA Resolution.
Amount of Allowance	The Plan provides a monthly healthcare subsidy for members, which will be credited to their individual HRAs. This subsidy can be used to reimburse eligible healthcare expenses when the member begins receiving VCERA annuity payments. The benefit provided, with the exception of VCPFA, will be based on the age and years of service at the time of retirement. Eligible safety members who retire will have an HRA account created and receive a monthly HRA contribution ranging from $85 to $426, based on the retiree's age and number of County years of service at the time of retirement. For non-safety eligible retirees, the County HRA contribution will range from a minimum of $59 for individuals who retire at age 50 with 10 years of service, to a maximum of $500 for individuals who retire at age 65 with 42 years of service. For VCPFA, the County will make contributions on behalf of eligible retirees to an existing VCPFA administered

medical trust which has previously been established to pay for member health-related expenses. Under the VCPFA agreement the County will contribute a flat $270 per month for each eligible Safety retiree and $210 per month for each eligible non-safety retiree to the VCPFA administered trust regardless of age and service.

Additionally, the Board approved an increase to the maximum monthly healthcare subsidy by the change in Consumer Price Index (CPI), but not less than zero percent, based on the CPI for the Los Angeles area for the previous twelve (12) months immediately before the new plan year up to a maximum of three percent (3%).

Each member's HRA balance will roll over and remain available every Plan Year.

Surviving Beneficiary Benefits

When a retiree passes away, if the retiree has a surviving beneficiary that receives a pension payment from VCERA, the surviving beneficiary will be able to access the balance of the HRA and will receive monthly benefits until they pass away. However, once both the retiree and their eligible beneficiary pass away, their remaining HRA funds will be forfeited and returned to Plan general assets after the end of the one-year (12-month) Claim Run-Out Period.

Retiree Monthly HRA Amounts

The table below summarizes the monthly benefit for VCPFA retirees:

Group	Monthly HRA Benefit
VCPFA General	$210
VCPFA Safety	$270

The tables on the following two pages provide the monthly HRA amounts for General and Safety retirees.

Legacy Retirement Plan – General Members

Legacy Retiree Healthcare Subsidy Benefit

	Age at Retirement															
Svc	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65+
10	59.10	62.15	65.15	68.20	71.30	74.65	78.20	82.05	86.25	90.85	95.85	99.55	104.55	109.90	115.55	121.60
11	65.00	68.35	71.65	75.00	78.45	82.10	86.00	90.25	94.90	99.90	105.40	109.50	115.00	120.85	127.10	133.75
12	70.90	74.55	78.15	81.80	85.55	89.55	93.80	98.45	103.50	109.00	115.00	119.45	125.50	131.85	138.65	145.95
13	76.80	80.80	84.75	88.65	92.70	97.00	101.65	106.65	112.15	118.05	124.60	129.45	135.95	142.85	150.20	158.10
14	82.75	87.00	91.20	95.45	99.80	104.45	109.45	114.85	120.75	127.15	134.15	139.40	146.40	153.85	161.75	170.25
15	88.65	93.20	97.70	102.25	106.95	111.90	117.25	123.10	129.40	136.25	143.75	149.35	156.85	164.80	173.30	182.40
16	94.55	99.45	104.20	109.10	114.10	119.40	125.10	131.30	138.00	145.30	153.35	159.30	167.30	175.80	184.85	194.55
17	100.45	105.65	110.75	115.90	121.20	126.85	132.90	139.50	146.65	154.40	162.90	169.25	177.75	186.80	196.40	206.75
18	106.35	111.85	117.25	122.70	128.35	134.30	140.75	147.70	155.25	163.50	172.50	179.20	188.20	197.80	207.95	218.90
19	112.30	118.05	123.75	129.55	135.45	141.75	148.55	155.90	163.90	172.55	182.10	189.15	198.70	208.80	219.55	231.05
20	118.20	124.30	130.25	136.35	142.60	149.25	156.35	164.10	172.50	181.65	191.65	199.10	209.15	219.75	231.10	243.20
21	124.10	130.50	136.80	143.15	149.75	156.70	164.20	172.30	181.15	190.75	201.25	209.05	219.60	230.75	242.65	255.40
22	130.00	136.70	143.30	150.00	156.85	164.15	172.00	180.50	189.75	199.80	210.85	219.05	230.05	241.75	254.20	267.55
23	135.90	142.80	149.80	156.80	164.00	171.60	179.80	188.70	198.40	208.90	220.40	229.00	240.50	252.75	265.75	279.70
24	141.80	149.15	156.30	163.60	171.10	179.10	187.65	196.90	207.00	218.00	230.00	238.95	250.95	263.70	277.30	291.85
25	147.75	155.35	162.85	170.45	178.25	186.55	195.45	205.15	215.65	227.05	239.60	248.90	261.40	274.70	288.85	304.00
26	153.65	161.55	169.35	177.25	185.40	194.00	203.30	213.35	224.25	236.15	249.15	258.85	271.85	285.70	300.40	316.20
27	159.55	167.80	175.85	184.10	192.50	201.45	211.10	221.55	232.90	245.25	258.75	268.80	282.35	296.70	311.95	328.35
28	165.45	174.00	182.40	190.90	199.65	208.95	218.90	229.75	241.50	254.30	268.35	278.75	292.80	307.65	323.50	340.50
29	171.35	180.20	188.90	197.70	206.75	216.40	226.75	237.95	250.15	263.40	277.90	288.70	302.75	318.65	335.05	352.65
30	177.30	186.45	195.40	204.55	213.90	223.85	234.55	246.15	258.75	272.50	287.50	298.65	313.70	329.65	346.65	364.85
31	183.20	192.65	201.95	211.35	221.05	231.30	242.35	254.35	267.40	281.55	297.10	308.65	324.15	340.65	358.20	377.00
32	189.10	198.85	208.40	218.15	228.15	238.75	250.20	262.55	276.00	290.65	306.65	318.60	334.60	351.65	369.75	389.15
33		205.05	214.95	225.00	235.30	246.25	258.00	270.75	284.65	299.70	316.25	328.55	345.05	362.60	381.30	401.30
34			221.45	231.80	242.45	253.70	265.80	278.95	293.25	308.80	325.85	338.50	355.55	373.60	392.85	413.50
35				238.60	249.55	261.15	273.65	287.20	301.90	317.90	335.40	348.45	366.00	384.60	404.40	425.65
36					256.70	268.60	281.45	295.40	310.50	326.95	345.00	358.40	376.45	395.60	415.95	437.80
37						276.10	289.30	303.60	319.15	336.05	354.60	368.35	386.90	406.60	427.50	450.00
38							297.10	311.80	327.75	345.15	364.15	378.35	397.35	417.55	439.05	462.10
39								320.00	336.40	354.20	373.65	388.30	407.80	428.55	450.60	474.30
40									345.00	363.30	383.35	398.25	418.30	439.55	462.20	486.45
41										372.40	392.90	408.20	428.75	450.55	473.75	498.60
42											402.50	418.15	439.20	461.50	485.30	500.00

Legacy Retirement Plan – Safety Members

Legacy Retiree Healthcare Subsidy Benefit

	Age at Retirement														
Svc	**41**	**42**	**43**	**44**	**45**	**46**	**47**	**48**	**49**	**50**	**51**	**52**	**53**	**54**	**55**
10										85	90	94	100	105	112
11										94	99	104	110	116	123
12										102	108	113	120	126	134
13										111	116	123	130	137	145
14										119	125	132	139	147	156
15										128	134	142	149	158	167
16										136	143	151	159	168	179
17										145	152	160	169	179	190
18										153	161	170	179	189	201
19										162	170	179	189	200	212
20	98	113	119	126	133	140	148	155	162	170	179	189	199	210	223
21	112	119	125	132	140	147	155	163	170	179	188	198	209	221	234
22	117	124	131	139	146	154	163	170	178	187	197	208	219	231	246
23	123	130	137	145	153	161	170	178	187	196	206	217	229	242	257
24	128	135	143	151	160	168	177	186	195	204	215	227	239	252	268
25	133	141	149	158	166	175	185	194	203	213	224	236	249	263	279
26	139	147	155	164	173	182	192	201	211	222	233	245	259	273	290
27	144	152	161	170	180	189	200	209	219	230	242	255	269	284	301
28	149	158	167	176	186	196	207	217	227	239	251	264	279	294	312
29	155	164	173	183	193	203	214	224	235	247	260	274	289	305	324
30	160	169	179	189	199	210	222	232	243	256	269	283	299	315	335
31	165	175	185	195	206	217	229	240	252	264	278	293	309	326	346
32	171	181	191	202	213	224	237	248	260	273	287	302	319	336	357
33	176	186	197	208	219	231	244	255	268	281	296	311	329	347	368
34	181	192	203	214	226	238	251	263	276	290	305	321	339	357	379
35	187	198	209	221	233	245	259	271	284	298	314	330	349	368	391
36	192	203	215	227	239	252	266	279	292	307	323	340	359	378	402
37	197	209	221	233	246	259	274	286	300	315	332	349	369	389	413
38	203	214	227	239	253	266	281	294	308	324	340	359	379	399	424
39	208	220	233	246	259	273	288	302	316	332	349	368	389	410	426

Summary of Principal Actuarial Assumptions and Methods
This section presents a description of the actuarial basis used in the valuation. It includes a description of the funding method, the valuation procedures, and the actuarial assumptions.

1. Funding Method

The actuarial funding method used is the Entry Age Normal Cost Method. Under this method, projected benefits are determined for all participants and the associated liabilities are spread in a manner that produces level annual cost as a percent of pay in each year from the age of hire (entry age) to the assumed retirement age. The cost allocated to the current fiscal year is called the normal cost.

The actuarial accrued liability for active participants is then calculated as a portion of the total cost of the plan allocated to prior years. The actuarial accrued liability for participants currently receiving benefits, for active participants beyond the assumed retirement age, and for participants entitled to deferred benefits, is equal to the present value of the benefits expected to be paid. No normal costs are applicable for these participants.

2. Valuation Assets

The market value of assets is used.

3. Unfunded Actuarial Accrued Liability ("UAAL") Amortization Method

The UAAL amortization method determines the length of time and the structure of the increase or decrease in contributions required to systematically fund the UAAL.

Closed or open amortization: Under a closed amortization the amortization period decreases by one each year and the associated UAAL is "paid off"; under an open amortization, the UAAL is amortized over the same amortization period and the associated UAAL is not "paid off".

Single base or amortization layers: Under a single base all UAAL is amortized as one component; under amortization layers the UAAL is broken down into several layers, with new layers added each valuation.

Level Dollar or level percent of payroll: Under level dollar the payments are calculated so the payment is the same dollar amount in the future; under level percent of payroll the payments are projected to increase each year.

The UAAL amortization method used for the calculated contribution amounts under the funding scenarios is a level dollar closed single-layer amortization period as of June 30, 2023 with amortization periods varying from 20 to 10 years depending on scenario.

4. Actuarial Assumptions

Investment Rate of Return:	An annual rate of 7.00% per year, net of expenses.
Rate of Inflation:	An annual rate of 2.50% per year.
Pre-Retirement Mortality:	General: Pub-2010 General Employee Amount-Weighted Above-Median Mortality Table, projected generationally with scale MP-2020 Safety: Pub-2010 Safety Employee Amount-Weighted Above-Median Mortality Table, projected generationally with scale MP-2020
Post-Retirement Mortality:	General: Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table, with rates increased by 5% for females, projected generationally with scale MP-2020 Safety: Pub-2010 Safety Healthy Retiree Amount-Weighted Above-Median Mortality Table, with rates increased by 5% for females, projected generationally with scale MP-2020 Beneficiary: Pub-2010 General Contingent Survivor Amount-Weighted Above-Median Mortality Table, with rates increased by 10% for females, projected generationally with the scale MP-2020.
Turnover:	VCERA termination rates for General Employees and Firefighters (Safety).
Retirement:	VCERA retirement rates for General Employees and Firefighters (Safety).
Disability:	VCERA disability rates for General Employees and Firefighters (Safety). 30% of Geneal disabilities are assumed to be service connected (duty) disabilities and the other 70% are assumed to be non-service connected (ordinary) disabilities. 90% of Safety disabilities are assumed to be service connected (duty) disabilities and the other 10% are assumed to be non-service connected (ordinary) disabilities.

Marriage:	For current retirees, current marital status and actual spouse dates of birth are used. For future retirees, 70% of male members and 55% of female members are assumed to be married at pre-retirement death or retirement. Male members are assumed to have a female spouse who is 3 years younger than the member and female members are assumed to have a male spouse who is 2 years older than the member.
Retirement Age and Benefit for Deferred Vested Members:	Future current and future deferred vested members retirement age assumptions are as follow: General Retirement Age: 60 Safety Retirement Age: 55
HRA Monthly Subsidy Trend Assumption:	2.50% per year