

# **TriMet Other Postemployment Benefit Plan**

**GASB 74/75 Report  
as of January 1, 2021**

**Produced by Cheiron  
June 2021**

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**TRIMET OTHER POSTEMPLOYMENT BENEFIT PLAN  
GASB 74/75 REPORTING FOR JANUARY 1, 2021 MEASUREMENT DATE**

**SECTION I – EXECUTIVE SUMMARY**

The purpose of this report is to provide accounting and financial disclosure information under Governmental Accounting Standards Board (GASB) Statement Nos. 74 and 75 for the Other Postemployment Benefits Plan provided by the Tri-County Metropolitan Transportation District of Oregon. This information includes:

- Determination of the discount rate as of January 1, 2020 and January 1, 2021;
- Sensitivity of the Net OPEB liability to changes in discount rates and health care cost trend rates;
- Note disclosures and required supplementary information under GASB 74 for the Plan; and,
- Note disclosures and required supplementary information under GASB 75 for the employer.

**Highlights**

The Other Postemployment Benefit Plan (OPEB Plan) provided by the Tri-County Metropolitan Transportation District of Oregon (TriMet) is currently funded on a pay-as-you-go basis, but there is an OPEB trust with a small amount of assets. As a result, this report contains disclosures required by GASB 74 as well as GASB 75. The measurement date is January 1, 2021, which is used for the Plan's GASB 74 reporting and for TriMet's GASB 75 reporting as of June 30, 2021. Measurements are based on the Total OPEB Liability and the fair value of assets as of January 1, 2021.

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**SECTION I – EXECUTIVE SUMMARY**

Table I-1 below summarizes the January 1, 2021 and January 1, 2020 actuarial valuation results.

<b>Table I-1 Summary of Key Valuation Results</b>		
<b>Valuation Date</b>	<b>GASB 75</b>	
	<b>01/01/2021</b>	<b>01/01/2020</b>
Discount Rate	2.12%	2.74%
<b>Total OPEB Liability</b>		
<u>Union</u>		
Active	\$ 418,357,623	\$ 385,502,586
Inactive	422,996,375	405,581,022
Total Union	\$ 841,353,998	\$ 791,083,608
<u>Non-Union</u>		
Active	\$ 54,499,087	\$ 56,385,051
Inactive	48,851,315	54,375,467
Total Non-Union	\$ 103,350,402	\$ 110,760,518
<b>Total</b>	<b>\$ 944,704,400</b>	<b>\$ 901,844,126</b>
Market Value of Assets	431,073	424,585
<b>Net OPEB Liability</b>	<b>\$ 944,273,327</b>	<b>\$ 901,419,541</b>

The Total OPEB Liability increased from \$901.8 million to \$944.7 million. The expected liability for this year reflects an additional year of service and interest offset by the benefits paid was \$936.9 million. The higher actual liability represents an increase of \$7.8 million compared to the expected liability. This increase is primarily attributable to assumption changes, including a \$50.9 million increase due to the lower discount rate and a \$40.2 million increase due to changes in demographic assumptions. These increases were offset by \$83.3 million in experience gains, including an \$8.2 million decrease due to demographic changes and a \$75.1 million decrease due to healthcare experience gains.

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**SECTION I – EXECUTIVE SUMMARY**

Table I-2 below provides a summary of the key GASB 75 results during this measurement period. Contributions between the measurement date of January 1, 2020 and the fiscal year-end are reported as a deferred outflow of resources.

<b>Table I-2 Summary of Key Results</b>				
<b>Reporting Date</b>	<b>6/30/2021</b>		<b>6/30/2020</b>	
<b>Measurement Date</b>	<b>1/1/2021</b>		<b>1/1/2020</b>	
Net OPEB Liability	\$	944,273,327	\$	901,419,541
Deferred Outflows		197,508,328		143,433,715
Deferred Inflows		143,825,397		89,700,036
Net Impact on Statement of Net Position	\$	890,590,396	\$	847,685,862
<b>Contributions Subsequent to Measurement Date</b>				
<b>Explicit Subsidy</b>				
Union	\$	10,335,144	\$	10,541,049
Non-Union		1,091,364		1,169,060
<b>Implicit Subsidy</b>				
Union		1,317,565		1,228,686
Non-Union		137,481		162,981
Total	\$	12,881,554	\$	13,101,776
OPEB Expense (\$ Amount)	\$	67,216,233	\$	63,599,703
OPEB Expense (% of Payroll)		28.70%		26.95%

At the June 30, 2021 reporting date, TriMet will report a Net OPEB Liability (NOL) of \$944,273,327, deferred outflows of resources of \$197,508,328, and deferred inflows of resources of \$143,825,397 related to the Plan. Consequently, the net impact on TriMet’s statement of net position due to the Plan would be \$890,590,396 [ $\$890,590,396 = \$944,273,327 - \$197,508,328 + \$143,825,397$ ]. In addition, any contributions between the measurement date and the reporting date are to be reported as deferred outflows of resources to offset the cash outflows reported. We estimate explicit subsidy payments of \$11.4 million and implicit subsidy payments of \$1.5 million between January 1, 2021 and June 30, 2021. The estimated explicit subsidy payments shown in Table I-2 should be replaced with actual amounts when those amounts are known after the fiscal year-end.

The NOL increased approximately \$42.85 million during the measurement period. The change in NOL due to actuarial gains and losses as well as assumption changes is recognized over the average remaining service life, determined at the beginning of each measurement period, which is seven years as of both the current and prior measurement period for the Plan. The change in NOL due to investment gains and losses is recognized in OPEB expense over five years, beginning in the year of occurrence. Unrecognized amounts are reported as deferred outflows of resources and deferred inflows of resources.

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**SECTION I – EXECUTIVE SUMMARY**

For the reporting year ending June 30, 2021, the annual OPEB expense is \$67,216,233 or 28.70% of covered-employee payroll. This amount reflects TriMet’s contributions to the Plan during the measurement period, \$24,311,699, plus the change in the net impact on TriMet’s statement of net position [ $\$67,216,233 = \$24,311,699 + \$890,590,396 - \$847,685,862$ ]. Volatility in OPEB expense from year to year is to be expected. A breakdown of the components of the net OPEB expense is shown in Section V of this report.

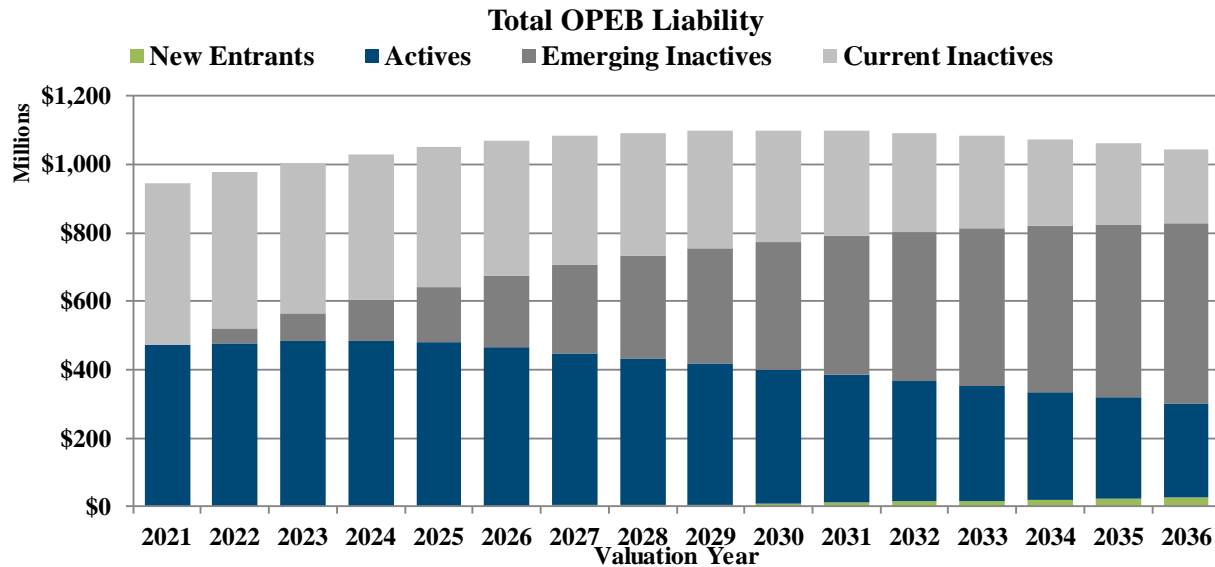
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**SECTION I – EXECUTIVE SUMMARY**

The chart below shows the projection of the Total OPEB Liability (TOL) for the combination of union and non-union members assuming the discount rate remains constant and all other assumptions are met. Each year, the TOL increases with interest and the accrual of additional benefits and decreases for the benefits that are paid.

The small green bars on the bottom represent the projected liability for new hires after the valuation date. Because new hires earn benefits under Tier 3, the liability for these members is much lower than for Tiers 1 and 2. The dark blue bars represent the liability for current active members while they remain active employees, and the dark gray bars represent the liability for current active members as they retire. The light gray bars represent the liability for participants currently receiving benefits.

The Total OPEB Liability is projected to grow until 2030 when it is expected to start declining, as Tier 3 becomes the dominant Tier of benefits.

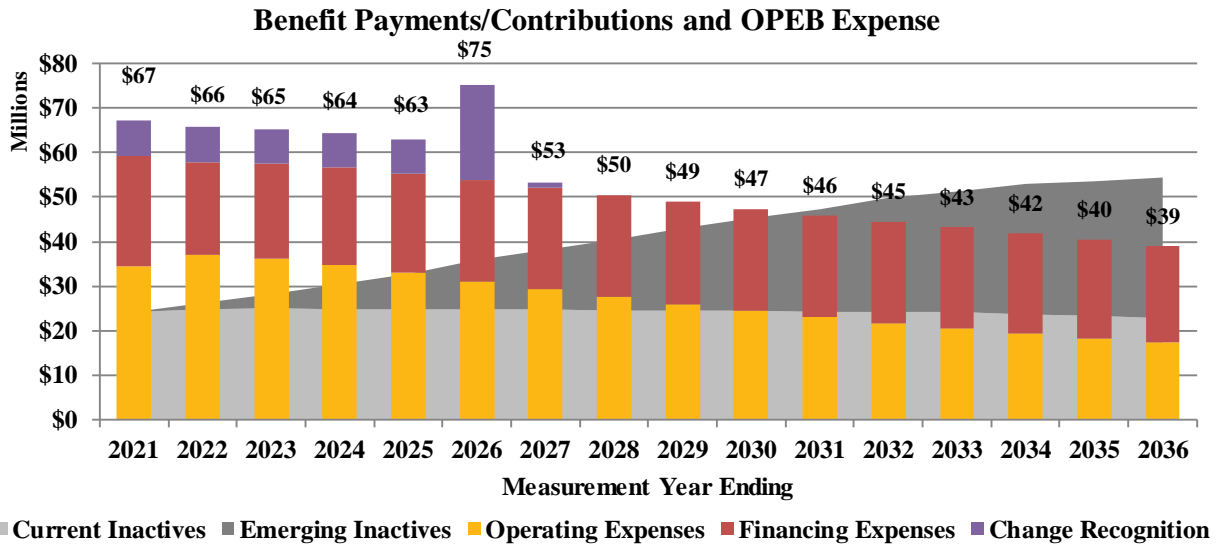


The chart on the following page shows a projection of benefit payments and OPEB expense for the next 15 years assuming the discount rate remains constant, all assumptions are met, and contributions are equal to the benefit payments each year.

The light gray area in the background represents projected benefit payments for participants currently receiving benefits. The dark gray area in the background represents projected benefit payments for participants who are currently active employees. Benefit payments (also TriMet contributions) are expected to grow significantly, as current employees retire increasing from under \$24.3 million in 2020 to almost \$55 million by the end of the projection period.

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**SECTION I – EXECUTIVE SUMMARY**



The annual OPEB expense under GASB 75 is shown by its key components assuming there are no changes in the discount rate and all assumptions are met. The gold bars represent the operating expenses of the OPEB Plan. These expenses are primarily due to the benefits for active employees attributed to additional years of service. As Tier 2 employees retire and are replaced with Tier 3 employees, the operating expenses of the OPEB plan are expected to decline over the projection period from approximately \$35 million to approximately \$17 million.

The red bars represent the financing expenses of the OPEB Plan, which are largely interest on the TOL. If the OPEB Plan were prefunded, the interest costs would be offset by the expected return on assets. Assuming the discount rate remains at 2.12% and all other assumptions are met, the financing expense is expected to remain relatively stable over the projection period decreasing from approximately \$25 million to approximately \$22 million.

Assumption changes and experience gains and losses are also recognized over time as a component of OPEB expense. These amounts, represented by the purple bars, represent an additional charge for the next seven years due primarily to the change in discount rate this year. As experience emerges, these changes are likely to be the most volatile component of OPEB expense.

The numbers at the top of the stacked bars represent the annual OPEB expense projected for each year. Over the period, the OPEB expense is expected to decline gradually from \$67 million in the current year to \$63 million in 2025 before spiking to \$75 million in 2026 and dropping to \$53 million in 2027. Once the assumption changes and experience gains and losses are fully recognized, OPEB expense is expected to be \$50 million in 2028 and then decline gradually to about \$39 million by 2036.



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**SECTION II – CERTIFICATION**

The purpose of this report is to provide accounting and financial disclosure information under Governmental Accounting Standards Board (GASB) Statement Nos. 74 and 75 for the Other Postemployment Benefits (OPEB) Plan provided by the Tri-County Metropolitan Transportation District of Oregon (TriMet). This report is for the use of TriMet and their auditors in preparing financial reports in accordance with applicable law and accounting requirements. This report is not appropriate for other purposes, including the measurement of funding requirements for the Plan.

In preparing our report, we relied on information (some oral and some written) supplied by TriMet. This information includes, but is not limited to, the plan provisions, employee data, and financial information. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice No. 23.

Cheiron utilizes ProVal, an actuarial valuation software leased from Winklevoss Technologies (WinTech) to calculate the liabilities, normal costs, and projected benefit payments. We have relied on WinTech as the developer of ProVal. We have reviewed ProVal and have a basic understanding of it and have used ProVal in accordance with its original intended purpose. We have not identified any material inconsistencies in assumptions or output of ProVal that would affect this actuarial valuation.

Projections in this report were developed using *H-Scan*, our proprietary tool for developing deterministic projections of the future financial status of the plan. The *H-Scan* projection uses standard roll-forward techniques that implicitly assume a stable active population. Changes in the demographic characteristics of the active population will lead to different results.

Future actuarial measurements may differ significantly from the current measurements 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; and, changes in plan provisions or applicable law.

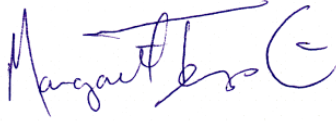
This report does not contain any adjustment for the potential future impact of COVID-19. We anticipate the virus may impact both mortality and claims in the short term, as well as potentially other demographic experiences. However, the net impact is not determinable at this time.

This report and its contents have been prepared in accordance with generally recognized and accepted actuarial principles and practices and our understanding of the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board as well as applicable laws and regulations. Furthermore, as credentialed actuaries, we meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in this report. This report does not address any contractual or legal issues. We are not attorneys and our firm does not provide any legal services or advice.

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**SECTION II – CERTIFICATION**


This report was prepared for TriMet for the purposes described herein and for the use by the auditors in completing an audit related to the matters herein. Other users of this report are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to any such other user.



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**SECTION III – DETERMINATION OF DISCOUNT RATE**

The discount rate used to measure the Total OPEB Liability as of January 1, 2020 was 2.74%. The discount rate used to measure the Total OPEB Liability as of January 1, 2021 was 2.12%. Additional information about these rates are provided in Appendix B.

In developing the projection of cash flows used to determine the discount rate, we assumed that employer contributions to the Plan will continue to follow the pay-as-you-go contribution policy. Based on the assumptions of a pay-as-you-go plan, the discount rate used at the January 1, 2020 and 2021 measurement dates is equal to the yield on the Bond Buyer 20-Bond GO Index as of December 27, 2019 and December 26, 2020, respectively.

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**SECTION III – DETERMINATION OF DISCOUNT RATE**

Table III-1 below summarizes the total expected net benefit payments for the next 30 years.

Table III-1 Expected Net Benefit Payments - Total				
Measurement Year Ending December 31	Implicit Medical	Explicit Medical	Retiree Life Insurance	Total
2021	\$ 2,941,659	\$ 22,583,309	\$ 522,938	\$ 26,047,906
2022	3,355,590	24,413,787	548,136	28,317,513
2023	3,668,183	26,272,974	574,063	30,515,220
2024	3,881,213	28,270,896	601,245	32,753,354
2025	4,441,820	30,695,830	630,075	35,767,725
2026	4,695,685	32,857,486	658,946	38,212,117
2027	4,885,019	35,012,716	688,073	40,585,808
2028	5,176,270	37,161,731	718,476	43,056,477
2029	5,386,454	39,181,203	748,861	45,316,518
2030	5,544,389	41,024,889	778,953	47,348,231
2031	6,090,798	43,036,450	807,676	49,934,924
2032	6,059,310	44,343,651	832,744	51,235,705
2033	6,378,113	45,718,074	855,292	52,951,479
2034	6,138,929	46,504,380	875,245	53,518,554
2035	6,166,182	47,312,118	892,880	54,371,180
2036	5,976,051	47,811,849	907,823	54,695,723
2037	6,083,903	48,250,799	920,035	55,254,737
2038	5,959,532	48,194,427	929,100	55,083,059
2039	5,790,082	48,338,182	935,251	55,063,515
2040	6,084,882	48,548,347	938,023	55,571,252
2041	5,809,747	48,166,370	937,404	54,913,521
2042	5,814,599	47,941,170	933,464	54,689,233
2043	5,799,491	47,505,757	926,500	54,231,748
2044	5,699,259	46,933,590	916,579	53,549,428
2045	5,643,786	46,259,839	903,851	52,807,476
2046	5,513,256	45,399,953	888,747	51,801,956
2047	5,546,049	44,637,472	871,521	51,055,042
2048	5,437,587	43,702,121	852,430	49,992,138
2049	5,297,659	42,687,856	831,665	48,817,180
2050	5,050,554	41,392,420	809,455	47,252,429

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**SECTION III – DETERMINATION OF DISCOUNT RATE**

Table III-2 below summarizes the Union expected net benefit payments for the next 30 years.

Table III-2 Expected Net Benefit Payments - Union					
Measurement Year		Implicit	Explicit	Retiree Life	
Ending		Medical	Medical	Insurance	Total
December 31					
2021	\$	2,663,604	\$ 20,422,287	\$ 476,364	\$ 23,562,255
2022		3,056,380	22,104,318	498,580	25,659,278
2023		3,324,752	23,781,964	521,602	27,628,318
2024		3,510,606	25,598,997	545,870	29,655,473
2025		4,034,997	27,839,430	571,777	32,446,204
2026		4,230,122	29,799,646	597,641	34,627,409
2027		4,388,934	31,768,375	623,704	36,781,013
2028		4,599,178	33,707,280	650,995	38,957,453
2029		4,813,999	35,584,356	678,206	41,076,561
2030		4,931,689	37,265,808	705,160	42,902,657
2031		5,409,195	39,094,827	730,677	45,234,699
2032		5,397,905	40,306,555	752,559	46,457,019
2033		5,689,153	41,583,534	771,972	48,044,659
2034		5,395,484	42,258,814	788,865	48,443,163
2035		5,456,602	43,014,910	803,543	49,275,055
2036		5,222,522	43,394,011	815,676	49,432,209
2037		5,303,845	43,748,049	825,251	49,877,145
2038		5,180,216	43,640,284	831,949	49,652,449
2039		5,017,667	43,729,361	836,006	49,583,034
2040		5,250,568	43,861,407	837,068	49,949,043
2041		5,011,841	43,495,080	835,165	49,342,086
2042		5,029,066	43,295,996	830,430	49,155,492
2043		4,995,215	42,853,574	823,129	48,671,918
2044		4,841,179	42,310,334	813,422	47,964,935
2045		4,810,557	41,729,244	801,486	47,341,287
2046		4,737,070	40,982,587	787,721	46,507,378
2047		4,759,219	40,295,914	772,293	45,827,426
2048		4,693,384	39,492,590	755,454	44,941,428
2049		4,586,526	38,587,485	737,336	43,911,347
2050		4,340,202	37,429,673	718,080	42,487,955

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**SECTION III – DETERMINATION OF DISCOUNT RATE**

Table III-3 below shows the Non-Union expected net benefit payments for the next 30 years.

<b>Table III-3</b>					
<b>Expected Net Benefit Payments - Non Union</b>					
<b>Measurement Year</b>		<b>Implicit</b>	<b>Explicit</b>	<b>Retiree Life</b>	
<b>Ending</b>		<b>Medical</b>	<b>Medical</b>	<b>Insurance</b>	<b>Total</b>
<b>December 31</b>					
2021	\$	278,055	\$ 2,161,022	\$ 46,574	\$ 2,485,651
2022		299,210	2,309,469	49,556	2,658,235
2023		343,431	2,491,010	52,461	2,886,902
2024		370,607	2,671,899	55,375	3,097,881
2025		406,823	2,856,400	58,298	3,321,521
2026		465,563	3,057,840	61,305	3,584,708
2027		496,085	3,244,341	64,369	3,804,795
2028		577,092	3,454,451	67,481	4,099,024
2029		572,455	3,596,847	70,655	4,239,957
2030		612,700	3,759,081	73,793	4,445,574
2031		681,603	3,941,623	76,999	4,700,225
2032		661,405	4,037,096	80,185	4,778,686
2033		688,960	4,134,540	83,320	4,906,820
2034		743,445	4,245,566	86,380	5,075,391
2035		709,580	4,297,208	89,337	5,096,125
2036		753,529	4,417,838	92,147	5,263,514
2037		780,058	4,502,750	94,784	5,377,592
2038		779,316	4,554,143	97,151	5,430,610
2039		772,415	4,608,821	99,245	5,480,481
2040		834,314	4,686,940	100,955	5,622,209
2041		797,906	4,671,290	102,239	5,571,435
2042		785,533	4,645,174	103,034	5,533,741
2043		804,276	4,652,183	103,371	5,559,830
2044		858,080	4,623,256	103,157	5,584,493
2045		833,229	4,530,595	102,365	5,466,189
2046		776,186	4,417,366	101,026	5,294,578
2047		786,830	4,341,558	99,228	5,227,616
2048		744,203	4,209,531	96,976	5,050,710
2049		711,133	4,100,371	94,329	4,905,833
2050		710,352	3,962,747	91,375	4,764,474

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**SECTION IV – GASB 74 REPORTING INFORMATION**

**Note Disclosures**

The tables below show the changes in the Total OPEB Liability (TOL), the Plan fiduciary net position (i.e., fair value of Plan assets) (FNP), and the Net OPEB Liability (NOL) during the measurement period ending on January 1, 2021.

<b>Table IV - 1 Change in Net OPEB Liability</b>					
	Increase (Decrease)			Plan Fiduciary Net Position	Net OPEB Liability
	Union	Total OPEB Liability Non Union	Total		
<b>Balances at 1/1/2020</b>	\$ 791,083,608	\$ 110,760,518	\$ 901,844,126	\$ 424,585	\$ 901,419,541
<b>Changes for the year:</b>					
Service cost	31,993,868	2,529,948	34,523,816		34,523,816
Interest	21,814,251	3,035,239	24,849,490		24,849,490
Changes of benefits	0	0	0		0
Differences between expected and actual experience	(68,446,142)	(14,883,301)	(83,329,443)		(83,329,443)
Changes of assumptions	86,719,619	4,408,491	91,128,110		91,128,110
Contributions - employer				24,311,699	(24,311,699)
Contributions - member				0	0
Net investment income				6,488	(6,488)
Benefit payments					0
Explicit subsidy	(19,576,029)	(2,199,288)	(21,775,317)	(21,775,317)	
Implicit subsidy	(2,235,177)	(301,205)	(2,536,382)	(2,536,382)	
Administrative expense				0	0
<b>Net changes</b>	<u>50,270,390</u>	<u>(7,410,116)</u>	<u>42,860,274</u>	<u>6,488</u>	<u>42,853,786</u>
<b>Balances at 1/1/2021</b>	<u>\$ 841,353,998</u>	<u>\$ 103,350,402</u>	<u>\$ 944,704,400</u>	<u>\$ 431,073</u>	<u>\$ 944,273,327</u>

During the measurement year, the NOL increased by approximately \$42.85 million. The service cost and interest cost increased the NOL by approximately \$59.37 million while contributions plus investment gains decreased the NOL by approximately \$24.32 million.

There were no changes in benefits during the year. There were changes in assumptions during the measurement year, which increased the TOL by approximately \$91.1 million. There was a liability gain during the year due to experience (population and health claims experience), which decreased the TOL by approximately \$83.3 million.

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**SECTION IV – GASB 74 REPORTING INFORMATION**

Changes in the discount rate affect the measurement of the TOL. Lower discount rates produce a higher TOL and higher discount rates produce a lower TOL. The table below shows the sensitivity of the NOL to the discount rate.

<b>Table IV - 2</b>			
<b>Sensitivity of Net OPEB Liability to Changes in Discount Rate</b>			
	<b>1% Decrease 1.12%</b>	<b>Discount Rate 2.12%</b>	<b>1% Increase 3.12%</b>
Total OPEB Liability	\$ 1,099,694,940	\$ 944,704,400	\$ 819,451,325
Plan Fiduciary Net Position	<u>431,073</u>	<u>431,073</u>	<u>431,073</u>
Net OPEB Liability	<u>\$ 1,099,263,867</u>	<u>\$ 944,273,327</u>	<u>\$ 819,020,252</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.0%	0.0%	0.1%

A one percent decrease in the discount rate increases the TOL by approximately 16% and increases the NOL by approximately 16%. A one percent increase in the discount rate decreases the TOL by approximately 13% and decreases the NOL by approximately 13%.

Changes in healthcare trends also affect the measurement of the TOL. Lower healthcare trends produce a lower TOL and higher healthcare trends produce a higher TOL. The table below shows the sensitivity of the NOL to healthcare trends.

<b>Table IV - 3</b>			
<b>Sensitivity of Net OPEB Liability to Changes in Healthcare Cost Trend Rates</b>			
	<b>1% Decrease</b>	<b>Healthcare Trend</b>	<b>1% Increase</b>
Total OPEB Liability	\$ 824,032,979	\$ 944,704,400	\$ 1,096,814,718
Plan Fiduciary Net Position	<u>431,073</u>	<u>431,073</u>	<u>431,073</u>
Net OPEB Liability	<u>\$ 823,601,906</u>	<u>\$ 944,273,327</u>	<u>\$ 1,096,383,645</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.1%	0.0%	0.0%

A one percent decrease in the healthcare trends decreases the TOL by approximately 13% and decreases the NOL by approximately 13%. A one percent increase in the healthcare trends increases the TOL by approximately 16% and increases the NOL by approximately 16%.



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**SECTION IV – GASB 74 REPORTING INFORMATION**

**Required Supplementary Information**

The schedules of Required Supplementary Information generally start with information as of the implementation of GASB 74 and eventually will build up to 10 years of information.

The schedules below show the changes in NOL and related ratios required by GASB.

Table IV - 4 Schedule of Changes in Net OPEB Liability and Related Ratios				
	FYE 2021	FYE 2020	FYE 2019	FYE 2018
<b><u>Total OPEB Liability</u></b>				
Service cost (MOY)	\$ 34,523,816	\$ 27,058,839	\$ 33,512,062	\$ 34,417,175
Interest (includes interest on service cost)	24,849,490	29,810,733	27,235,927	28,332,896
Changes of benefit terms	0	0	0	0
Differences between expected and actual experience	(83,329,443)	(22,271,619)	(32,503,320)	1,528,926
Changes of assumptions	91,128,110	165,525,233	(66,328,099)	1,192,225
Benefit payments, including refunds of member contributions	(24,311,699)	(23,714,966)	(23,022,074)	(22,646,628)
<b>Net change in total OPEB liability</b>	<b>\$ 42,860,274</b>	<b>\$ 176,408,220</b>	<b>\$ (61,105,504)</b>	<b>\$ 42,824,594</b>
<b>Total OPEB liability - beginning</b>	<b>901,844,126</b>	<b>725,435,906</b>	<b>786,541,410</b>	<b>743,716,816</b>
<b>Total OPEB liability - ending</b>	<b>\$ 944,704,400</b>	<b>\$ 901,844,126</b>	<b>\$ 725,435,906</b>	<b>\$ 786,541,410</b>
<b><u>Plan fiduciary net position</u></b>				
Contributions - employer	\$ 24,311,699	\$ 23,714,966	\$ 23,022,074	\$ 22,646,628
Contributions - member	0	0	0	0
Net investment income	6,488	13,468	7,777	1,914
Benefit payments, including refunds of member contributions	(24,311,699)	(23,714,966)	(23,022,074)	(22,646,628)
Administrative expense	0	0	0	0
<b>Net change in plan fiduciary net position</b>	<b>\$ 6,488</b>	<b>\$ 13,468</b>	<b>\$ 7,777</b>	<b>\$ 1,914</b>
<b>Plan fiduciary net position - beginning</b>	<b>424,585</b>	<b>411,117</b>	<b>403,340</b>	<b>401,426</b>
<b>Plan fiduciary net position - ending</b>	<b>\$ 431,073</b>	<b>\$ 424,585</b>	<b>\$ 411,117</b>	<b>\$ 403,340</b>
<b>Net OPEB liability - ending</b>	<b>\$ 944,273,327</b>	<b>\$ 901,419,541</b>	<b>\$ 725,024,789</b>	<b>\$ 786,138,070</b>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	0.05%	0.05%	0.06%	0.05%
<b>Covered employee payroll</b>	\$ 234,229,741	\$ 236,032,015	\$ 219,239,977	\$ 198,559,646
<b>Net OPEB liability as a percentage of covered employee payroll</b>	403.14%	381.91%	330.70%	395.92%

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**SECTION V – GASB 75 REPORTING INFORMATION**

The schedules in this section provide the information TriMet needs to report under GASB 75. The impact of experience gains or losses and assumption changes on the TOL are recognized in expense over the average expected remaining service life of all active and inactive members of the Plan. As of the measurement date, this recognition period was seven years.

The table below summarizes the current balances of deferred outflows and deferred inflows of resources related to the Plan along with the net recognition over the next five years and the total recognition thereafter if any. Amounts are split between the union and non-union groups, but only the total applies to TriMet’s financial statements. For this purpose, the assets in the Trust were allocated to the union and non-union groups in proportion to the TOL at the beginning and end of the year, and the actual earnings for each group also include the impact of any change in proportion during the year.

Table V - 1 Schedule of Deferred Inflows and Outflows of Resources as of January 1, 2021						
	Deferred Outflows of Resources			Deferred Inflows of Resources		
	Union	Non-Union	Total	Union	Non-Union	Total
Differences between expected and actual experience	\$ 0	\$ 722,407	\$ 655,254	\$ 87,243,774	\$ 18,730,242	\$ 105,906,863
Changes in assumptions	177,707,853	21,639,311	196,853,074	32,466,679	7,929,181	37,901,770
Net difference between projected and actual earnings on OPEB plan investments	0	3,390	0	20,154	0	16,764
<b>Total</b>	<b>\$ 177,707,853</b>	<b>\$ 22,365,108</b>	<b>\$ 197,508,328</b>	<b>\$ 119,730,607</b>	<b>\$ 26,659,423</b>	<b>\$ 143,825,397</b>
Amounts reported as deferred outflows and deferred inflows of resources will be recognized in OPEB expense as follows:						
	<b>Year ended June 30:</b>	<b>Union</b>	<b>Non-Union</b>	<b>Total</b>		
	2022	9,039,319	(1,196,391)	7,842,928		
	2023	9,040,231	(1,196,923)	7,843,308		
	2024	9,041,958	(1,197,092)	7,844,866		
	2025	8,064,867	(606,043)	7,458,824		
	2026	20,180,376	1,398,526	21,578,902		
	Thereafter	\$ 2,610,495	\$ (1,496,392)	\$ 1,114,103		

During the year, the actual experience differed from the assumed experience decreasing the TOL by approximately \$83.3 million. Approximately \$11.9 million of that decrease was recognized as a reduction in OPEB expense in the current year and an identical amount will be recognized in each of the next six years.

Assumption changes (the decrease in the discount rate and adjustment to healthcare trends) increased the TOL by approximately \$91.1 million. Approximately \$13.0 million of that decrease was recognized as an increase in OPEB expense in the current year and an identical amount will be recognized in each of the next six years.

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**SECTION V – GASB 75 REPORTING INFORMATION**

The impact of investment gains or losses is recognized over a period of five years. Because the OPEB trust holds so few assets, we have assumed no investment income. As a result, all actual investment income is treated as a gain. During the measurement year, there was an investment gain of \$6,488. Of that gain, \$1,298 was recognized in the current year as a reduction in OPEB expense and an identical amount will be recognized in each of the next four years.

**Annual OPEB Expense**

The annual OPEB expense can be calculated in two different ways. First, it is the change in the amounts reported on TriMet’s Statement of Net Position that relate to the Plan and are not attributable to employer contributions. That is, it is the change in the NOL minus the change in deferred outflows plus the change in deferred inflows plus employer contributions during the year.

Alternatively, annual OPEB expense can be calculated by its individual components. While GASB does not require or suggest the organization of the individual components shown in the table on the next page, we believe it helps to understand the level and volatility of the OPEB expense.

In the calculation of OPEB expense by individual components, there are three separate sections: operating expenses, financing expenses, and changes. Operating expenses are items directly attributable to the operation of the Plan during the measurement year. Service cost less employee contributions represents the increase in employer-provided benefits attributable to the measurement year, and administrative expenses are the cost of operating the Plan for the year.

Financing expenses equal the interest on the TOL less the expected return on assets.

The final category is changes. This category drives most of the volatility in OPEB expenses from year to year. It includes any changes in benefits made during the year and the recognized amounts due to assumption changes, gains or losses on the TOL, and investment gains or losses.

**TRIMET OTHER POSTEMPLOYMENT BENEFIT PLAN  
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**SECTION V – GASB 75 REPORTING INFORMATION**

The table shows the development of OPEB expenses through both of these methodologies. In addition to the information shown below, any contributions between the measurement date and the reporting date would be reported as deferred outflows of resources to offset the cash outflows reported.

Table V - 2 Calculation of OPEB Expense				
	Measurement Year Ending 2021			2020
	Union	Non-Union	Total	
Change in Net OPEB Liability	\$ 50,258,915	\$ (7,405,129)	\$ 42,853,786	\$ 176,394,752
Change in Deferred Outflows	(53,255,081)	30,825	(54,074,613)	(141,490,036)
Change in Deferred Inflows	44,032,396	9,242,608	54,125,361	4,980,021
Employer Contributions	21,811,206	2,500,493	24,311,699	23,714,966
<b>OPEB Expense</b>	<b>\$ 62,847,436</b>	<b>\$ 4,368,797</b>	<b>\$ 67,216,233</b>	<b>\$ 63,599,703</b>
<b>Operating Expenses</b>				
Service cost	\$ 31,993,868	\$ 2,529,948	\$ 34,523,816	\$ 27,058,839
Employee contributions	0	0	0	0
Administrative expenses	0	0	0	0
Total	\$ 31,993,868	\$ 2,529,948	\$ 34,523,816	\$ 27,058,839
<b>Financing Expenses</b>				
Interest cost	\$ 21,814,251	\$ 3,035,239	\$ 24,849,490	\$ 29,810,733
Expected return on assets	0	0	0	0
Total	\$ 21,814,251	\$ 3,035,239	\$ 24,849,490	\$ 29,810,733
<b>Changes</b>				
Benefit changes	\$ 0	\$ 0	\$ 0	\$ 0
Recognition of assumption changes	25,347,868	2,011,768	27,359,636	14,341,336
Recognition of liability gains and losses	(16,301,414)	(3,209,365)	(19,510,779)	(7,606,573)
Recognition of investment gains and losses	(7,137)	1,207	(5,930)	(4,632)
Total	\$ 9,039,317	\$ (1,196,390)	\$ 7,842,927	\$ 6,730,131
<b>OPEB Expense</b>	<b>\$ 62,847,436</b>	<b>\$ 4,368,797</b>	<b>\$ 67,216,233</b>	<b>\$ 63,599,703</b>

**TRIMET OTHER POSTEMPLOYMENT BENEFIT PLAN  
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**SECTION V – GASB 75 REPORTING INFORMATION**

The table below shows the projection of OPEB expense for the 2021 measurement year assuming that all assumptions are exactly met and that the discount rate, which is based on a municipal bond index, remains at 2.12%.

	Measurement Year Ending 2022		
	Union	Non-Union	Total
Change in Net OPEB Liability	\$ 28,998,669	\$ 2,208,091	\$ 31,206,761
Change in Deferred Outflows	33,464,538	4,443,912	37,908,450
Change in Deferred Inflows	(24,425,219)	(5,640,303)	(30,065,522)
Employer Contributions	<u>23,562,893</u>	<u>2,485,690</u>	<u>26,048,583</u>
<b>OPEB Expense</b>	<b>\$ 61,600,881</b>	<b>\$ 3,497,391</b>	<b>\$ 65,098,272</b>
<b>Operating Expenses</b>			
Service cost	\$ 34,608,389	\$ 2,502,575	\$ 37,110,964
Employee contributions	0	0	0
Administrative expenses	<u>0</u>	<u>0</u>	<u>0</u>
Total	\$ 34,608,389	\$ 2,502,575	\$ 37,110,964
<b>Financing Expenses</b>			
Interest cost	\$ 17,953,173	\$ 2,191,207	\$ 20,144,380
Expected return on assets	<u>0</u>	<u>0</u>	<u>0</u>
Total	\$ 17,953,173	\$ 2,191,207	\$ 20,144,380
<b>Changes</b>			
Benefit changes	\$ 0	\$ 0	\$ 0
Recognition of assumption changes	25,347,868	2,011,768	27,359,636
Recognition of liability gains and losses	(16,301,414)	(3,209,365)	(19,510,779)
Recognition of investment gains and losses	<u>(7,135)</u>	<u>1,206</u>	<u>(5,929)</u>
Total	\$ 9,039,319	\$ (1,196,391)	\$ 7,842,928
<b>OPEB Expense</b>	<b>\$ 61,600,881</b>	<b>\$ 3,497,391</b>	<b>\$ 65,098,272</b>

**TRIMET OTHER POSTEMPLOYMENT BENEFIT PLAN  
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**APPENDIX A – MEMBERSHIP INFORMATION**

The census data used to develop the Total OPEB Liability (TOL) as of January 1, 2021 was provided by TriMet.

Union Membership Summary			
Valuation Date	1/1/2020	1/1/2021	% Change
<b>Actives with coverage</b>			
Kaiser Permanente	1,281	1,290	0.7%
Regence HSA	204	198	-2.9%
Regence PPO 80/20	586	628	7.2%
Regence Union PPO 90/10	515	468	-9.1%
<b>Total Actives with medical coverage</b>	<b>2,586</b>	<b>2,584</b>	<b>-0.1%</b>
Actives without medical coverage, with Dental	59	72	22.0%
Actives above with medical coverage, without Dental	9	8	-11.1%
Actives without medical coverage, without Dental	0	0	-
<b>Total Actives</b>	<b>2,645</b>	<b>2,656</b>	<b>0.4%</b>
<b>Retirees with coverage</b>			
Kaiser	112	109	-2.7%
Regence	170	170	0.0%
Kaiser Senior Advantage	589	586	-0.5%
UnitedHealthcare PPO	768	764	-0.5%
Total Retirees with medical and dental coverage	1,639	1,629	-0.6%
Total Retirees with Life Insurance	1,529	1,530	0.1%
<b>Total Retirees with Stipend</b>	<b>42</b>	<b>51</b>	<b>21.4%</b>
<b>Inactive Population Distribution</b>			
Retirees	1,313	1,385	5.5%
Disableds	216	145	-32.9%
Survivors	179	182	1.7%
<b>Total Inactive Population</b>	<b>1,708</b>	<b>1,712</b>	<b>0.2%</b>

Non-Union Membership Summary			
Valuation Date	1/1/2020	1/1/2021	% Change
<b>Actives with coverage</b>			
Kaiser Permanente	215	214	-0.5%
Regence HSA	45	47	4.4%
Regence PPO 80/20	246	253	2.8%
<b>Total Actives with medical coverage</b>	<b>506</b>	<b>514</b>	<b>1.6%</b>
Actives without medical coverage, with Dental	5	4	-20.0%
Actives above with medical coverage, without Dental	1	0	-100.0%
Actives without medical coverage, without Dental	23	23	0.0%
<b>Total Actives</b>	<b>534</b>	<b>541</b>	<b>1.3%</b>
<b>Retirees with coverage</b>			
Kaiser Retiree - Open	10	8	-20.0%
Kaiser Permanente	0	0	-100.0%
Regence HSA-Retiree	1	1	0.0%
Regence Retiree - Closed	2	2	0.0%
Regence Retiree 80/20	30	21	-30.0%
Kaiser Senior Advantage	49	52	6.1%
UnitedHealthcare PPO	124	134	8.1%
<b>Total Retirees with medical and dental coverage</b>	<b>216</b>	<b>218</b>	<b>0.9%</b>
<b>Total Retirees with Life Insurance</b>	<b>213</b>	<b>220</b>	<b>3.3%</b>
<b>Inactive Population Distribution</b>			
Retirees	208	217	4.3%
Disableds	5	3	-40.0%
Survivors	14	13	-7.1%
<b>Total Inactive Population</b>	<b>227</b>	<b>233</b>	<b>2.6%</b>

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**APPENDIX A – MEMBERSHIP INFORMATION**

**Active Member Data as of January 1, 2021:**

ACTIVE UNION EMPLOYEES WITH MEDICAL COUNTS BY AGE/SERVICE											
Age	Service										Total
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up	
Under 25	34	19	0	0	0	0	0	0	0	0	53
25 to 29	33	81	19	0	0	0	0	0	0	0	133
30 to 34	34	112	73	5	0	0	0	0	0	0	224
35 to 39	31	116	105	31	3	0	0	0	0	0	286
40 to 44	22	114	92	44	17	12	0	0	0	0	301
45 to 49	18	120	118	49	20	35	9	0	0	0	369
50 to 54	24	109	119	52	39	60	36	8	0	0	447
55 to 59	20	91	110	54	38	55	34	19	5	0	426
60 to 64	8	60	85	41	27	23	28	9	9	1	291
65 to 69	2	16	34	9	10	14	6	5	6	2	104
70 & up	1	1	9	2	2	4	2	0	1	0	22
<b>Total</b>	<b>227</b>	<b>839</b>	<b>764</b>	<b>287</b>	<b>156</b>	<b>203</b>	<b>115</b>	<b>41</b>	<b>21</b>	<b>3</b>	<b>2,656</b>

ACTIVE NON-UNION EMPLOYEES WITH MEDICAL COUNTS BY AGE/SERVICE											
Age	Service										Total
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up	
Under 25	0	1	0	0	0	0	0	0	0	0	1
25 to 29	4	13	1	0	0	0	0	0	0	0	18
30 to 34	8	40	6	0	0	0	0	0	0	0	54
35 to 39	5	46	17	6	0	0	0	0	0	0	74
40 to 44	7	28	15	13	8	5	0	0	0	0	76
45 to 49	6	44	17	9	7	7	3	0	0	0	93
50 to 54	4	16	14	11	9	12	8	1	0	0	75
55 to 59	4	27	8	9	6	10	12	8	0	0	84
60 to 64	6	11	6	3	3	5	6	1	1	0	42
65 to 69	2	2	6	0	2	3	3	1	0	1	20
70 & up	0	1	2	1	0	0	0	0	0	0	4
<b>Total</b>	<b>46</b>	<b>229</b>	<b>92</b>	<b>52</b>	<b>35</b>	<b>42</b>	<b>32</b>	<b>11</b>	<b>1</b>	<b>1</b>	<b>541</b>

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**APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS**

The discount rate and per person health care cost trend assumptions were updated as described below. Other assumptions were selected based on recent experience and expectations for the future as described in our letter dated May 16, 2018. Many of the demographic assumptions were selected by the prior actuary based on their 2013 experience study and subsequent update letters dated May 14, 2015; June 2, 2016; and May 31, 2017. We have not performed our own experience study, but reviewed the reports and letters of the prior actuary and believe the assumptions to be reasonable.

**Economic Assumptions**

- 1. Expected Return on Assets**      0.00% per year. There is a very small amount of assets in an OPEB trust that if used to pay benefits would not last a month. The assets are invested in short-term fixed-income securities. For simplicity, we have assumed no investment earnings on these assets.
  
- 2. Municipal Bond Yield**      2.74% as of January 1, 2020  
2.12% as of January 1, 2021  
Bond Buyer 20-Bond GO Index, December 27, 2019 and December 26, 2020
  
- 3. Discount Rate:**      2.74% as of January 1, 2020  
2.12% as of January 1, 2021
  
- 4. Wage Inflation:**      2.75% per year for purposes of attributing individual costs under the Entry Age actuarial cost method
  
- 5. Price Inflation:**      2.25% per year
  
- 6. Dental Trends:**      Dental premiums and costs are assumed to increase at 3.5% per year in all years.
  
- 7. Stipend Trends:**      The monthly stipend are assumed to increase at 2.25% per year (same as inflation). Tier 3 stipend does not increase until 2025.



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**APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS**

**8. Per Person Health Care Cost Trends:**

Medical Trend assumptions were developed using the Society of Actuaries (SOA) Long-Run Medical Cost Trend Model version 2020\_b. The following assumptions were input into this model:

Trend Assumption Inputs	
Variable	Rate
Rate of Inflation	2.25%
Rate of Growth in Real Income/GDP per capita 2029+	1.50%
Extra Trend due to Taste/Technology 2029+	1.10%
Expected Health Share of GDP 2029	20.00%
Health Share of GDP Resistance Point	25.00%
Year for Limiting Cost Growth to GDP Growth	2040

The SOA Long-Run Medical Cost Trend Model and its baseline projection are based on an econometric analysis of historical U.S. medical expenditures and the judgments of experts in the field. The long-run baseline projection and input variables have been developed under the guidance of the SOA Project Oversight Group.

We have reviewed the baseline assumptions for the model and found them to be reasonable and consistent with the other economic assumptions used in the valuation with the exceptions discussed below.

The trends selected from 2021 to 2024 were based on plan design, population weighting, renewal projections from the current health care actuary, and market analysis.

The rate of inflation is the same assumption used in the retirement plan valuations. Please refer to our management and staff plan presentation dated May 6, 2020, and our union plan experience study report dated April 29, 2020 for the rationale for the pension plan assumptions.

Health care expenditures as a percentage of GDP have been relatively flat since 2009; between 2009 and 2019, the percentage has increased from 17.3% to 17.7% and has been flat at 17.7% since 2016. Given this historical pattern, we expect that health care costs as a percentage of GDP will increase moderately through 2040 when it reaches 20.4% of GDP, at which point it will remain constant and grow at the same rate as GDP. The continued pressure on constraining health care costs, the continuing focus on preventive care and disease management, and improvements in diagnosing and treating chronic illness earlier are expected to keep the excess growth relatively low and limit the growth of health care expenditures over the next 20 years.

We have relied on the Society of Actuaries as the developer of the Model. We have reviewed the Model and have a basic understanding of the Model and have used the Model in accordance with its original intended purpose. We have not identified any material inconsistencies in assumptions or output of the Model that would affect this report.

**TRIMET OTHER POSTEMPLOYMENT BENEFIT PLAN  
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**APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS**

Medicare Part B Trends are developed from the published 2020 Medicare Trustees Report. The trend rates from 2021 through 2026 are the short-term trends stated in the report. The Trustee report then grades the trend down to an assumption of GDP plus 0.2% by 2044 and GDP plus 0.1% by 2094. The Trustee report is based on a long-term GDP assumption of between 3.7% and 3.6%, which is lower than our assumption of 3.78%, which is between the two assumption points from the Trustee report (3.9% in 2044 and 3.7% in 2094). We have used our 3.78% assumption in place of the Trustee report assumption so that the trend grades down from 7.28% in 2026 to 3.78% by 2040.

Deductibles, Co-payments, and Out-of-Pocket Maximums are assumed to increase at the above trend rates. The ultimate trend rate reflects an assumed nominal per capita GDP growth.

**Per Person Health Care Cost Trends:**

Year	Union Plans Trend			Non Union Plans Trend		
	Medical and Prescription Drug		Medicare Part B	Medical and Prescription Drug		
	Pre-Medicare	Medicare		Year	Pre-Medicare	Medicare
2021	8.25%	6.40%	4.82%	2021	6.40%	6.40%
2022	8.00%	6.20%	3.98%	2022	6.20%	6.20%
2023	7.75%	6.00%	5.74%	2023	6.00%	6.00%
2024	7.50%	5.80%	5.62%	2024	5.80%	5.80%
2025	7.07%	5.65%	4.79%	2025	5.65%	5.65%
2026	6.64%	5.51%	7.28%	2026	5.51%	5.51%
2027	6.21%	5.36%	7.03%	2027	5.36%	5.36%
2028	5.78%	5.22%	6.78%	2028	5.22%	5.22%
2029	5.35%	5.07%	6.53%	2029	5.07%	5.07%
2030	4.93%	4.93%	6.28%	2030	4.93%	4.93%
2031	4.35%	4.35%	6.03%	2031	4.35%	4.35%
2032	4.16%	4.16%	5.78%	2032	4.16%	4.16%
2033	4.07%	4.07%	5.53%	2033	4.07%	4.07%
2034	4.01%	4.01%	5.28%	2034	4.01%	4.01%
2035	3.97%	3.97%	5.03%	2035	3.97%	3.97%
2036	3.95%	3.95%	4.78%	2036	3.95%	3.95%
2037	3.93%	3.93%	4.53%	2037	3.93%	3.93%
2038	3.91%	3.91%	4.28%	2038	3.91%	3.91%
2039	3.90%	3.90%	4.03%	2039	3.90%	3.90%
2040+	3.78%	3.78%	3.78%	2040+	3.78%	3.78%

**9. Changes Since the Last Valuation**

The discount rate decreased from 2.74% to 2.12% as of January 1, 2021. The per person health care cost trends rates were updated to reflect the current marketplace.

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**APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS**

**Demographic Assumptions**

**1. Retirement Rates**

Retirement Assumptions					
Age	Union				Non-Union
	Male < 20 yrs	Male 20+ yrs	Female < 20 yrs	Female 20+ yrs	
55	3.00%	4.00%	4.00%	6.00%	2.00%
56	3.00%	4.00%	6.00%	6.00%	2.00%
57	3.00%	7.50%	8.00%	8.00%	2.00%
58	4.00%	15.00%	15.00%	20.00%	7.00%
59	6.00%	7.00%	15.00%	15.00%	7.00%
60	8.00%	11.00%	15.00%	15.00%	7.00%
61	10.00%	15.00%	25.00%	25.00%	15.00%
62	20.00%	35.00%	35.00%	35.00%	35.00%
63	17.50%	20.00%	25.00%	25.00%	30.00%
64	22.50%	25.00%	20.00%	25.00%	30.00%
65	27.50%	30.00%	35.00%	35.00%	30.00%
66	35.00%	35.00%	40.00%	40.00%	30.00%
67	35.00%	35.00%	40.00%	40.00%	100.00%
68	35.00%	35.00%	40.00%	40.00%	100.00%
69	35.00%	35.00%	40.00%	40.00%	100.00%
70 +	100.00%	100.00%	100.00%	100.00%	100.00%

**2. Rates of Termination/Withdrawal**

Service	Termination Assumptions			
	Union		Non-Union	
	Male	Female	Male	Female
0	2.00%	3.00%	12.00%	12.00%
1 - 2	2.00%	3.00%	12.00%	12.00%
3 - 4	2.00%	3.00%	9.00%	9.00%
5 - 6	2.00%	3.00%	5.00%	5.00%
7 - 9	2.00%	3.00%	3.50%	3.50%
10	5.00%	5.00%	3.50%	3.50%
11	3.50%	3.50%	2.50%	2.50%
12	3.00%	3.00%	2.50%	2.50%
13	2.50%	2.75%	2.50%	2.50%
14	2.25%	2.60%	2.50%	2.50%
15	2.00%	2.50%	2.50%	2.50%
16	1.90%	2.40%	1.00%	1.00%
17	1.80%	2.30%	1.00%	1.00%
18	1.70%	2.20%	1.00%	1.00%
19	1.60%	2.10%	1.00%	1.00%
20 +	1.50%	2.00%	1.00%	1.00%

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**APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS**

**3. Rates of Mortality**

Union Employees

*Healthy Mortality:* RP-2014 Annuitant and Non-Annuitant Mortality Tables with Blue Collar Adjustment, set forward 1 year for males and 2 years for females projected fully generational with SOA Scale MP-2019, base year 2016.

*Disabled Mortality:* RP-2014 Disabled Mortality projected fully generational with SOA Scale MP-2019, base year 2016.

Non-Union Employees

*Healthy Mortality:* PubG-2010(A) Healthy Retiree projected fully generational with SOA Scale MP-2019.

*Disabled Mortality:* PubG-2010(A) Healthy Retiree projected fully generational with SOA Scale MP-2019.

**4. Disability Rates**

Sample rates of disability for Union employees are shown in the following table.

Disability Assumptions - Union Employees			
Age	Disability Rate	Age	Disability Rate
20	0.10%	45	0.57%
25	0.14%	50	0.85%
30	0.21%	55	1.47%
35	0.30%	60	2.17%
40	0.41%	62 +	0.00%

No disability was assumed for Non-Union employees.

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**5. Percent of Retirees Electing Coverage**

All active union members are assumed to elect coverage at retirement. All active non-union members hired before May 1, 2009, and 50% of active non-union members hired on or after May 1, 2009, are assumed to elect coverage at retirement.

Non-union members hired on or after May 1, 2009 are assumed to decline renewal of coverage after retirement at a rate of 3% per year.

**6. Medical and Dental Plan Elections**

Below is a summary of medical plan election rates for future union retirees by Medicare status.

<b>Medical Plan Elections for Future Union Retirees</b>			
<b>Plan</b>	<b>Pre-Medicare</b>	<b>Plan</b>	<b>Medicare Eligible</b>
Kaiser	48%	Kaiser	44%
Regence HSA	7%	UHC	54%
Regence PPO	45%	Stipend	2%

Below is a summary of medical plan election rates for future non-union retirees by Medicare status.

<b>Medical Plan Elections for Future Non Union Retirees</b>		
<b>Plan</b>	<b>Pre-Medicare</b>	<b>Medicare Eligible</b>
Kaiser	30%	30%
UHC	0%	70%
Regence PPO	70%	0%

Below is a summary of dental plan election rates for future union and non-union retirees.

<b>Dental Elections for Future Retirees</b>		
<b>Gender</b>	<b>Union</b>	<b>Non-Union</b>
Moda	80%	95%
Kaiser	20%	5%

These weights were used to blend premium and claims cost for pre-Medicare medical plan, Medicare plan, and dental plan.

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**7. Spousal Coverage:**

The table below shows the percentage of future retirees who are assumed to elect to cover a spouse at retirement.

<b>Retiree Gender</b>	<b>Union</b>	<b>Non-Union Tier 2</b>	<b>Non-Union Tier 3</b>
Male	65%	79%	70%
Female	30%	56%	35%

**8. Dependent Age:**

For current retirees, the actual spouse date of birth was used when available.

- For future union retirees, male retirees are assumed to be three years older than their partner, and female retirees are assumed to be two years younger than their partner.
- For future non-union retirees, male retirees are assumed to be two years older than their partner, and female retirees are assumed to be two years younger than their partner.

**9. Administrative Expenses**

Administrative expenses for the Trust and operation of the OPEB plan are assumed to be \$0.

**10. Changes Since the Last Valuation**

The Union retirement rates and termination rates were updated to match the new pension assumptions. The mortality tables were set to have fully generational mortality improvements. The Non-Union mortality table was updated to the PUBG-2010(A) table. The pre-Medicare medical plan elections were adjusted for the future Union retirees.

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**APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS**

**Claim and Expense Assumptions**

Different methods are used to develop the claims and expense assumptions for the self-insured plans and the fully insured plans.

**Self-Insured Plans:** The claims costs were developed based on actual medical, prescription drug, and dental claims paid from January 1, 2018 to December 31, 2020. The claims analysis combined plans offered to Union Retirees (Regence PPO plans, Regence HSA plan, and Regence Closed Retiree plan for medical and prescription drug, and Moda dental). As well, 85% of enrollees and claims paid from the Regence / Moda Open Retiree plan were assumed to be of Union Retirees, since separate Union and Non-Union claims data was not available for these plans. An adjustment is made to the claims to account for the children of retirees and 2021 contractual administrative expenses are added. The resulting per person per month (PPPM) cost is then adjusted using age curves.

**Fully Insured Plans:** The claims costs are based on the fully insured Kaiser premiums charged to TriMet in 2021. For pre-Medicare retirees, this is solely based on Kaiser's medical/dental plans. An adjustment is made to the premiums to account for the children of retirees. For Medicare retirees, the premiums of Kaiser Senior Advantage and United Healthcare's plan were blended based on enrollment data for the 2021 calendar year for eligible members. The resulting per person per month (PPPM) costs are then adjusted using age curves.

**1. Average Annual Claims and Expense Assumptions**

The following claims costs were developed based on actuarial experience paid from January 1, 2018 to December 31, 2020 for the self-insured plans, and based on the premiums in effect on January 1, 2021 for the fully-insured plans.

Union Members

Age	Regence Medical		Kaiser Medical		Moda Dental		Kaiser Dental	
	Male	Female	Male	Female	Male	Female	Male	Female
40	\$ 7,069	\$10,115	\$ 7,727	\$11,057	\$ 623	\$ 713	\$ 554	\$ 634
45	8,623	10,976	9,427	11,998	691	778	615	692
50	10,650	12,563	11,642	13,733	795	860	707	765
55	13,439	14,788	14,690	16,165	914	941	813	837
60	17,375	16,909	18,993	18,484	1,001	995	890	885
64	21,668	17,598	23,686	19,237	1,054	1,025	938	911

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Age	<u>Kaiser Medicare</u>		<u>UHC Medicare</u>		<u>Moda Dental</u>		<u>Kaiser Dental</u>	
	Male	Female	Male	Female	Male	Female	Male	Female
65	\$ 4,405	\$ 3,886	\$ 3,908	\$ 3,448	\$ 1,068	\$ 1,032	\$ 950	\$ 918
70	4,678	3,962	4,150	3,515	1,135	1,070	1,010	952
75	5,377	4,456	4,770	3,953	1,009	956	898	850
80	6,105	5,053	5,417	4,483	884	841	786	748
85	6,594	5,522	5,850	4,899	758	726	674	646
90	6,697	5,713	5,942	5,069	633	611	563	544

Non-Union Members

Age	<u>Regence Medical</u>		<u>Kaiser Medical</u>		<u>Moda Dental</u>		<u>Kaiser Dental</u>	
	Male	Female	Male	Female	Male	Female	Male	Female
40	\$ 5,960	\$ 8,528	\$ 6,241	\$ 8,930	\$ 645	\$ 738	\$ 738	\$ 845
45	7,270	9,254	7,613	9,690	716	805	819	922
50	8,979	10,592	9,402	11,091	823	890	942	1,019
55	11,330	12,468	11,864	13,055	946	974	1,083	1,115
60	14,648	14,256	15,339	14,927	1,037	1,030	1,187	1,179
64	18,268	14,837	19,129	15,536	1,092	1,061	1,250	1,215

Age	<u>Kaiser Medicare</u>		<u>UHC Medicare</u>		<u>Moda Dental</u>		<u>Kaiser Dental</u>	
	Male	Female	Male	Female	Male	Female	Male	Female
65	\$ 4,405	\$ 3,886	\$ 3,908	\$ 3,448	\$ 1,106	\$ 1,069	\$ 1,266	\$ 1,224
70	4,678	3,962	4,150	3,515	1,175	1,108	1,345	1,269
75	5,377	4,456	4,770	3,953	1,045	989	1,197	1,133
80	6,105	5,053	5,417	4,483	915	871	1,048	997
85	6,594	5,522	5,850	4,899	785	752	899	861
90	6,697	5,713	5,942	5,069	655	633	750	725

Health plan administrative expenses are included in the average monthly premiums. For Union Regence plans, we assumed \$25.40 per member per month, for Non-Union Regence plans, we assumed \$23.70 per member per month and for Moda dental plans, we assumed \$2.95 per member per month.



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**2. Average Annual Premium Assumptions**

The following table shows the blended premium for pre-Medicare medical, Medicare, and dental plans. We used the composite premium (per-employee-per-month) for each plan and weighted based on TriMet retirees’ enrollment.

Union Plans	Employee/ Retiree	Spouse	Weights Used for Blending
Medical	\$ 1,054.06	\$ 1,054.06	PPO 90 / PPO 80 / HSA / Kaiser: 20% / 25% / 7% / 48%
Dental	\$ 69.00	\$ 69.00	80% / 20% for all
Medicare	\$ 379.84	\$ 379.84	Kaiser / UHC / Stipend: 44% / 54% / 2%

Non Union Plans	Employee/ Retiree	Spouse	Weights Used for Blending
Medical	\$ 871.76	\$ 871.76	PPO 80 / HSA / Kaiser: 70% / 0% / 30%
Dental	\$ 77.72	\$ 77.72	95% / 5% for all
Medicare	\$ 371.77	\$ 371.77	Kaiser / UHC: 30% / 70%

**3. Medicare Part D Subsidy**

Per GASB guidance, the Part D Subsidy has not been reflected in this valuation.

**4. Medicare Stipend**

Tier	Stipend
Tier 3 Retiree	\$ 800.00
Tier 2 Retiree	\$ 486.43
Tier 2 Surviving Spouse	\$ 479.15

**5. Medicare Part B**

All Union Medicare eligible retirees in Tier 1 and 2 are assumed to participate in Medicare Part B and receive monthly premium reimbursement.

**6. Medicare Eligibility**

All retirees who turn age 65 are assumed to be eligible for Medicare.

**7. Geography**

Implicitly assumed to remain the same as current retirees.

**8. Changes Since the Last Valuation**

There was no change to the claims costs process. The claim costs were updated to reflect experience over the past two years. Health plan administrative expenses were updated to

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reflect the current market experience. The blended percentages for the average annual premiums for the pre-Medicare Union plan were updated based on current enrollment.

**Contribution Allocation Procedure**

Contributions to the Plan are made on a pay-as-you-go basis.

Pursuant to GASB 75, the Entry Age actuarial cost method is used, and assumption changes and experience gains and losses are recognized over the average future working life of Plan participants. For this valuation, the average future working life is seven years.

**APPENDIX C – SUMMARY OF PLAN PROVISIONS**

**Summary of Key Substantive Plan Provisions – Union Members**

**Eligibility:** Retirees who were employees immediately prior to retirement after attaining age 55 and 10 years of continuous service or who became disabled after 10 years of continuous service are eligible for the benefit.

**Healthcare Benefit:**

**Tier 1 – Retirees who retired prior to February 1, 1992**

Medical, prescription drug, and dental benefits are provided to all covered retirees, spouses, and domestic partners. Dependents receive all benefits except for dental. Retirees also are reimbursed for Medicare Part B premiums.

Benefits are payable over the life of the retiree and spouse or domestic partner while both are alive. Following the retiree’s death, benefits continue to the surviving spouse or domestic partner until the earlier of the survivor’s death or 16 years after the retiree’s death.

Retirees and their dependents under age 65 may continue to receive the same healthcare coverage received prior to retirement, subject to plan changes made by insurers from time to time.

**Tier 2 – Retirees who retire on or after February 1, 1992 and were hired on or before October 24, 2014**

Medical, prescription drug, and dental benefits are provided to all covered retirees, spouses, and domestic partners until the age of 65. Dependents receive all benefits except for dental.

Benefits are payable over the life of the retiree and spouse or domestic partner while both are alive. Following the retiree’s death, benefits continue to the surviving spouse or domestic partner until the earlier of the survivor’s death or 16 years after the retiree’s death.

Upon attaining Medicare eligibility, retirees and dependents may enroll in a Medicare Advantage plan and dental plan or elect to receive a monthly stipend. But he/she must maintain Medicare Parts A & B. Once the stipend option is selected, the retiree may not opt back to the Medicare Advantage plan and dental plan option. Retirees who maintain Medicare Part B are reimbursed for the premiums.

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Retirees and their dependents under age 65 may continue to receive the same healthcare coverage received prior to retirement. Retirees under age 65 and are non-Medicare eligible, and who do not elect a stipend, will pay a monthly contribution according to the schedule shown in the previous section.

**Tier 3 – Retirees hired on or after October 25, 2014**

A monthly stipend is provided to retirees until the age of 65. Retiree health benefits cease when the employee turns 65. There are no benefits for the spouse, domestic partner, or dependents.

**Retiree Contributions**

Tier 1 retirees do not contribute to coverage. Tier 2 retirees who are not Medicare eligible and do not elect the stipend option to contribute according to the following schedule:

Union Plans	Premium Contribution
Regence 90/10	Retirees pay the difference between Regence 90/10 premium and TriMet's employer contribution for the Regence PPO 80/20
Regence 80/20	Retirees pay 5% of the premium cost
Regence HSA	Retirees receive HSA deposit from TriMet equal to the difference between the HSA premium and TriMet's employer contribution for the Regence PPO 80/20
All other Medical and Dental	Retirees pay 5% of the premium cost

**Life Insurance Benefits:**

Eligible retirees in all tiers are provided a \$10,000 whole life insurance fully paid by TriMet.

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**Summary of 2021 Benefit Plans:**

<b>TriMet Medical Plan - Union</b>				
<b>Plan</b>	<b>Regence PPO 90/10</b>	<b>Regence PPO 80/20</b>	<b>Regence HSA</b>	<b>Kaiser HMO</b>
<b><u>In-Network (INN) Benefits</u></b>				
Deductible (Individual / Family)	\$150 / \$450	\$300 / \$900	\$1,500 / \$3,000	None
Coinsurance	90%	80%	80%	100%
Out-of-Pocket Max (Individual / Family)	\$1,650 / \$4,950	\$2,300 / \$6,900	\$5,000 / \$10,000 <sup>1</sup>	\$600 / \$1,200
<b>Coverages</b>				
Preventive Care	Fully Covered	Fully Covered	Fully Covered	Fully Covered
Well Woman (Mamm / Annual GYN / Pap)	Fully Covered	Fully Covered	Fully Covered	Fully Covered
Office Visit (OV)-Primary Care (PCP)	Deduct + Coinsurance	Deduct + Coinsurance	Deduct + Coinsurance	\$10 Copay
OV - Specialist Care Provider (SCP)	Deduct + Coinsurance	Deduct + Coinsurance	Deduct + Coinsurance	\$10 Copay
Hospital Emergency Room (ER)	\$50 Copay <sup>2</sup>	\$50 Copay <sup>2</sup>	Deduct + Coinsurance	\$100 Copay <sup>2</sup>
Ambulance	Fully Covered up to 500 Miles	\$50 Copay; 500 Mile annual limit	Deduct + Coinsurance	\$75 Copay
Outpatient Surgery	Deduct + Coinsurance	Deduct + Coinsurance	Deduct + Coinsurance	\$20 Copay
Hospital Inpatient	Deduct + Coinsurance	Deduct + Coinsurance	Deduct + Coinsurance	\$50 Copay/day, up to \$250/admission
Lifetime Max	No Limit	No Limit	No Limit	No Limit
<b><u>Out-of-Network (OON) Benefits</u></b>				
Deductible (Individual / Family)	\$450 / \$1,350	\$900 / \$2,700	Combined with INN	
Coinsurance	70%	60%	60%	
Office Visits (PCP) & (SCP)	Deduct + Coinsurance	Deduct + Coinsurance	Deduct + Coinsurance	
Out-of-Pocket Max (Individual / Family)	\$3,450 / \$10,350	\$4,900 / \$14,700	Combined with INN	
Lifetime Max	No Limit	No Limit	No Limit	
<b><u>Prescription Drugs</u></b>				
Out-of-Pocket Max (Individual / Family)	\$1,000 / \$3,000	\$2,000 / \$5,000	Combined with Medical	N/A
Retail (30 Days)	20% with \$5 min / 20% with \$15 min / 50%	\$10 / 20% with \$25 min / 50%	Deduct + Coinsurance	\$10 Copay
Mail Order (90 Days)	20% with \$5 min / 20% with \$15 min / 50%	\$10 / 20% with \$25 min / 50%	Deduct + Coinsurance	\$20 Copay
<b><u>Mental Health and Substance Abuse</u></b>				
Mental Health and Substance Abuse Inpatient	Deduct + Coinsurance	Deduct + Coinsurance	Deduct + Coinsurance	\$50 Copay/day, up to \$250/admission
Mental Health and Substance Abuse Outpatient	Coinsurance only (no Deduct)	Coinsurance only (no Deduct)	Deduct + Coinsurance	\$10 Copay
<b><u>Vision Care Services</u></b>				
Exam	Fully Covered	Fully Covered	Fully Covered	\$10 Copay
Frames / Lens	Hardware: Up to \$200 allowance	Hardware: Up to \$200 allowance	Hardware: Up to \$200 allowance	Up to \$150 allowance every two calendar years <sup>3</sup>

<sup>1</sup> For the family out-of-pocket maximum, an individual's out-of-pocket expenses won't exceed \$6,850 (2019)

<sup>2</sup> Copay waived if admitted

<sup>3</sup> If you are age 18 years or younger, there is no charge for one pair of standard frames and lenses (or contact lenses) every 12 months

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<b>TriMet Medicare Plans - Union</b>		
<b>Plan</b>	<b>United Healthcare</b>	<b>Kaiser Senior Advantage</b>
<b><u>In-Network (INN) Benefits</u></b>	<b>In- / Out-of-Network</b>	<b>In-Network Only</b>
Deductible	None	None
Coinsurance	N/A	N/A
Out-of-Pocket Max	\$1,500	\$600 / \$1200
<b>Coverages</b>		
Preventive Care	Fully Covered	Fully Covered
Office Visit (OV)-Primary Care (PCP)	\$10 Copay	\$10 Copay
OV - Specialist Care Provider (SCP)	\$20 Copay	\$10 Copay
Hospital Emergency Room (ER)	\$65 Copay <sup>1</sup>	\$100 Copay <sup>1</sup>
Outpatient Surgery	\$100 Copay	\$20 Copay
Hospital Inpatient	\$250 Copay	\$50 Copay/day, up to \$250/admission
<b><u>Prescription Drugs</u></b>		
Out-of-Pocket Max	None	None
Retail (30 Days)	\$10 / \$25 / 50% up to \$95 / 33% up to \$95	\$10 Copay
Mail Order (90 Days)	\$30 / \$75 / 50% up to \$95 / 33% up to \$95	\$20 Copay
<b><u>Vision Care Services</u></b>		
Exam	\$20 Copay every 12 months	\$10 Copay
Frames / Lens	Up to \$130 allowance (\$175 for contacts) every 2 years	Up to \$150 allowance every 2 years

<sup>1</sup> Copay waived if admitted

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**APPENDIX C – SUMMARY OF PLAN PROVISIONS**

**Summary of Key Substantive Plan Provisions – Non-Union Members**

**Eligibility:** Retirees who were employees immediately prior to retirement are eligible for OPEB benefit if the following requirements are met:

Tier 1 (hired prior to April 27, 2003): Age 55 and 5 years of credited service as a Non-Union employee

Tier 2 (hired on or after April 17, 2003 and before May 1, 2009): Age 55 and 10 years of credited service as a Non-Union employee

Tier 3 (hired on or after May 1, 2009): Age 62 and 3 years of credited service as a Non-Union employee

**Healthcare Benefit:**

Medical, prescription drug, dental, and vision benefits are provided to all covered retirees, spouses, and domestic partners. Dependents receive all benefits.

Benefits are payable over the life of the retiree and spouse or domestic partner while both are alive. Following the retiree’s death, benefits continue to the surviving spouse or domestic partner, and qualified dependent(s) until the earlier of the survivor’s death or 10 years after the retiree’s death.

Retirees and their dependents under age 65 and non-Medicare eligible may continue to receive the same healthcare coverage received prior to retirement. Upon Medicare eligibility, retirees must enroll in a Medicare Advantage plan.

Retiree health benefits cease for Tier 3 retirees when the employee becomes Medicare eligible

**Retiree Contributions**

Retirees pay a portion of the health care premium according to the following schedule:

Non-Union Tiers	Premium Contribution
Grandfathered (retired prior to January 1, 1988)	0%
Tier 1 and Tier 2 (hired before May 1, 2009)	
Full Time	6%
Part Time (over 30 hours / week)	6%
Part Time (less than 30 hours / week)	25%
Tier 3	100%

**TRIMET OTHER POSTEMPLOYMENT BENEFIT PLAN  
GASB 74/75 REPORTING FOR JANUARY 1, 2021 MEASUREMENT DATE**

**APPENDIX C – SUMMARY OF PLAN PROVISIONS**

**Life Insurance Benefits:**

Grandfathered retirees and eligible retirees in Tiers 1 and 2 are provided a \$10,000 whole life insurance fully paid by TriMet.

**Summary of 2021 Benefit Plans:**

<b>TriMet Medical Plan - Non Union</b>			
<b>Plan</b>	<b>Regence PPO 80/20</b>	<b>Regence HSA</b>	<b>Kaiser HMO</b>
<b><u>In-Network (INN) Benefits</u></b>			
Deductible (Individual / Family)	\$300 / \$900	\$1,500 / \$3,000	None
Coinsurance	80%	80%	100%
Out-of-Pocket Max (Individual / Family)	\$2,300 / \$6,900	\$5,000 / \$10,000 <sup>1</sup>	\$600, \$1,200
<b>Coverages</b>			
Preventive Care	Fully Covered	Fully Covered	Fully Covered
Well Woman (Mamm / Annual GYN / Pap)	Fully Covered	Fully Covered	Fully Covered
Office Visit (OV)-Primary Care (PCP)	Deduct + Coinsurance	Deduct + Coinsurance	\$10 Copay
OV - Specialist Care Provider (SCP)	Deduct + Coinsurance	Deduct + Coinsurance	\$10 Copay
Hospital Emergency Room (ER)	\$50 Copay <sup>2</sup>	Deduct + Coinsurance	\$100 Copay <sup>2</sup>
Ambulance	\$50 Copay; 500 Mile annual limit	Deduct + Coinsurance	\$75 Copay
Outpatient Surgery	Deduct + Coinsurance	Deduct + Coinsurance	\$20 Copay
Hospital Inpatient	Deduct + Coinsurance	Deduct + Coinsurance	\$50 Copay/day, up to \$250/admission
Lifetime Max	No Limit	No Limit	No Limit
<b><u>Out-of-Network (OON) Benefits</u></b>			
Deductible (Individual / Family)	\$900 / \$2,700	Combined with INN	
Coinsurance	60%	60%	
Office Visits (PCP) & (SCP)	Deduct + Coinsurance	Deduct + Coinsurance	
Out-of-Pocket Max (Individual / Family)	\$4,900 / \$14,700	Combined with INN	
Lifetime Max	No Limit	No Limit	
<b><u>Prescription Drugs</u></b>			
Out-of-Pocket Max (Individual / Family)	\$2,000 / \$5,000	Combined with Medical	N/A
Retail (30 Days)	\$10 / 20% with \$25 min / 50%	Deduct + Coinsurance	\$10 Copay
Mail Order (90 Days)	\$10 / 20% with \$25 min / 50%	Deduct + Coinsurance	\$20 Copay
<b><u>Mental Health and Substance Abuse</u></b>			
Mental Health and Substance Abuse Inpatient	Deduct + Coinsurance	Deduct + Coinsurance	\$50 Copay/day, up to \$250/admission
Mental Health and Substance Abuse Outpatient	Coinsurance only (no Deduct)	Deduct + Coinsurance	\$10 Copay
<b><u>Vision Care Services</u></b>			
Exam	Fully Covered	Fully Covered	\$10 Copay
Frames / Lens	Up to \$200 allowance every 24 months	Up to \$200 allowance every 24 months	Up to \$150 allowance every two calendar years <sup>3</sup>

<sup>1</sup> For the family out-of-pocket maximum, an individual's out-of-pocket expenses won't exceed \$6,850 (2019)

<sup>2</sup> Copay waived if admitted

<sup>3</sup> If you are age 18 years or younger, there is no charge for one pair of standard frames and lenses (or contact lenses) every 12 months



**TRIMET OTHER POSTEMPLOYMENT BENEFIT PLAN  
GASB 74/75 REPORTING FOR JANUARY 1, 2021 MEASUREMENT DATE**

**APPENDIX C – SUMMARY OF PLAN PROVISIONS**

<b>TriMet Medicare Plans - Non Union</b>		
<b>Plan</b>	<b>United Healthcare</b>	<b>Kaiser Senior Advantage</b>
<b><u>In-Network (INN) Benefits</u></b>	<b>In- / Out-of-Network</b>	<b>In-Network Only</b>
Deductible	None	None
Coinsurance	N/A	N/A
Out-of-Pocket Max	\$1,500	\$600
Coverages		
Preventive Care	Fully Covered	Fully Covered
Office Visit (OV)-Primary Care (PCP)	\$10 Copay	\$10 Copay
OV - Specialist Care Provider (SCP)	\$20 Copay	\$10 Copay
Hospital Emergency Room (ER)	\$65 Copay <sup>1</sup>	\$50 Copay <sup>1</sup>
Outpatient Surgery	\$100 Copay	\$20 Copay
Hospital Inpatient	\$250 Copay	\$50 Copay/day, up to \$250/admission
<b><u>Prescription Drugs</u></b>		
Out-of-Pocket Max	None	None
Retail (30 Days)	\$10 / \$25 / 50% up to \$95 / 33% up to \$95	\$10 Copay
Mail Order (90 Days)	\$30 / \$75 / 50% up to \$95 / 33% up to \$95	\$20 Copay
<b><u>Vision Care Services</u></b>		
Exam	\$20 Copay every 12 months	\$10 Copay
Frames / Lens	Up to \$130 allowance (\$175 for contacts) every 2 years	Up to \$150 allowance

<sup>1</sup> Copay waived if admitted

**APPENDIX D – GLOSSARY OF TERMS**

**1. Actuarially Determined Contribution**

A target or recommended contribution for the reporting period, determined in conformity with Actuarial Standards of Practice based on the most recent measurement available when the contribution for the reporting period was adopted.

**2. Actuarial Valuation Date**

The date as of which an actuarial valuation is performed. This date may be up to 24 months prior to the measurement date and up to 30 months prior to the employer's reporting date.

**3. Deferred Inflow of Resources**

An acquisition of net assets by a government employer that is applicable to a future reporting period. In the context of GASB 75, these are experience gains on the Total OPEB Liability, assumption changes reducing the Total OPEB Liability, or investment gains that are recognized in future reporting periods.

**4. Deferred Outflow of Resources**

A consumption of net assets by a government employer that is applicable to a future reporting period. In the context of GASB 75, these are experience losses on the Total OPEB Liability, assumption changes increasing the Total OPEB Liability or investment losses that are recognized in future reporting periods.

**5. Entry Age Actuarial Cost Method**

The actuarial cost method required for GASB 74 and 75 calculations. Under this method, the actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis over the earnings of the individual between entry age and assumed exit ages. The portion of this actuarial present value allocated to a valuation year is called the service cost. The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future service costs is called the Total OPEB Liability.

**6. Measurement Date**

The date as of which the Total OPEB Liability and plan fiduciary net position are measured. The Total OPEB Liability may be projected from the actuarial valuation date to the measurement date. The measurement date must be the same as the reporting date for the plan.

**APPENDIX D – GLOSSARY OF TERMS**

**7. Net OPEB Liability**

The liability of employers and nonemployer contributing entities for employees for benefits provided through a defined benefit OPEB plan. It is calculated as the Total OPEB Liability less the plan fiduciary net position.

**8. Plan Fiduciary Net Position**

The fair or Market Value of Assets.

**9. Reporting Date**

The last day of the plan or employer's fiscal year.

**10. Service Cost**

The portion of the actuarial present value of projected benefit payments that is attributed to the current period of employee service in conformity with the requirements of GASB 74 and 75. The service cost is the normal cost calculated under the Entry Age actuarial cost method.

**11. Total OPEB Liability**

The portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service in conformity with the requirements of GASB 74 and 75. The Total OPEB Liability is the Actuarial Liability calculated under the Entry Age actuarial cost method.



*Classic Values, Innovative Advice*