

# Fresno County Employees' Retirement Association

## **Governmental Accounting Standards Board Statement No. 68 (GAS 68) Actuarial Valuation**

Actuarial Valuation Based on June 30, 2022  
Measurement Date for Employer Reporting  
as of June 30, 2023



This report has been prepared at the request of the Board of Retirement to assist the sponsors of the Fund in preparing their financial report for their liabilities associated with the FCERA pension plan. This valuation report may not otherwise be copied or reproduced in any form without the consent of the Board of Retirement and may only be provided to other parties in its entirety, unless expressly authorized by Segal. The measurements shown in this actuarial valuation may not be applicable for other purposes.

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**Segal**



June 22, 2023

Board of Retirement  
Fresno County Employees' Retirement Association  
7772 N Palm Ave  
Fresno, CA 93711

Dear Board Members:

We are pleased to submit this Governmental Accounting Standards Board Statement No. 68 (GAS 68) Actuarial Valuation based on a June 30, 2022 measurement date for employer reporting as of June 30, 2023. It contains various information that will need to be disclosed in order for Fresno County Employees' Retirement Association (FCERA) employers to comply with GAS 68.

This report was prepared in accordance with generally accepted actuarial principles and practices at the request of the Board to assist the sponsors in preparing their financial report for their liabilities associated with the FCERA pension plan. The census and financial information on which our calculations were based was provided by FCERA. That assistance is gratefully acknowledged.

The measurements shown in this actuarial valuation may not be applicable for other purposes. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements; and changes in plan provisions or applicable law.

The actuarial calculations were completed under the supervision of Andy Yeung, ASA, MAAA, FCA and Enrolled Actuary. We are members of the American Academy of Actuaries and we meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of our knowledge, the information supplied in the actuarial valuation is complete and accurate. Further, in our opinion, the assumptions as approved by the Board are reasonably related to the experience of and expectations for the Plan.

We look forward to reviewing this report with you and to answering any questions.

Sincerely,

Segal

A handwritten signature in blue ink, appearing to read "Paul Angelo", written over a horizontal line.

Paul Angelo, FSA, MAAA, FCA, EA  
Senior Vice President and Actuary

A handwritten signature in blue ink, appearing to read "Andy Yeung", written over a horizontal line.

Andy Yeung, ASA, MAAA, FCA, EA  
Vice President and Actuary

A handwritten signature in blue ink, appearing to read "Molly Calcagno", written over a horizontal line.

Molly Calcagno, ASA, MAAA, EA  
Actuary

OH/jl

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# Section 1: Actuarial Valuation Summary

## Purpose and Basis

This report has been prepared by Segal to present certain disclosure information required by Governmental Accounting Standards Board Statement No. 68 (GAS 68) for employer reporting as of June 30, 2023. The results used in preparing this GAS 68 report are comparable to those used in preparing the Governmental Accounting Standards Board Statement No. 67 (GAS 67) report for the plan based on a reporting date and a measurement date as of June 30, 2022. This valuation is based on:

- The benefit provisions of FCERA, as administered by the Board;
- The characteristics of covered active members, inactive vested members, and retired members and beneficiaries as of June 30, 2021, provided by FCERA;
- The assets of the Plan as of June 30, 2022, provided by FCERA;
- Economic assumptions regarding future salary increases and investment earnings adopted by the Board for the June 30, 2022 valuation; and
- Other actuarial assumptions regarding employee terminations, retirement, death, etc., adopted by the Board for the June 30, 2022 valuation.

## General Observations on GAS 68 Actuarial Valuation

1. It is important to note that the Governmental Accounting Standards Board (GASB) rules only define pension liability and expense for financial reporting purposes, and do not apply to contribution amounts for actual pension funding purposes. Employers and plans should develop and adopt funding policies under current practices.
2. When measuring pension liability, GASB uses the same actuarial cost method (Entry Age method) and the same type of discount rate (expected return on assets) as FCERA uses for funding. This means that the Total Pension Liability (TPL) measure for financial reporting shown in this report is determined on generally the same basis as FCERA's Actuarial Accrued Liability (AAL) measure for funding. We note that the same is generally true for the Normal Cost component of the annual plan cost for funding and financial reporting.
3. The Net Pension Liability (NPL) is equal to the difference between the TPL and the Plan's Fiduciary Net Position. The Plan's Fiduciary Net Position is equal to the market value of assets and therefore, the NPL measure is very similar to an Unfunded Actuarial Accrued Liability (UAAL) calculated on a market value basis.

## Section 1: Actuarial Valuation Summary

4. The pension expenses shown in this report for each employer exclude any expense attributable to employer-paid member contributions. It is our understanding upon discussion with FCERA that the employer contributions reported by FCERA do not include any employer-paid member contributions.

### Highlights of the Valuation

1. For this report, the reporting dates for the employer are June 30, 2023 and June 30, 2022. The NPL was measured as of June 30, 2022 and June 30, 2021, respectively, and determined based upon rolling forward the TPL from actuarial valuations as of June 30, 2021 and June 30, 2020. The Plan's Fiduciary Net Position (plan assets) was valued as of the measurement dates. In addition, any changes in actuarial assumptions or plan provisions that occurred between the valuation date and the measurement date have been reflected. Consistent with the provisions of GAS 68, the assets and liabilities measured as of June 30, 2022 and June 30, 2021 are not adjusted or rolled forward to the June 30, 2023 and June 30, 2022 reporting dates, respectively.
2. The NPL increased from \$467 million as of June 30, 2021 to \$1,236 million as of June 30, 2022 primarily due to the -9.93% return on the market value of assets during 2021-2022 fiscal year (that was less than the assumed return of 6.50% for a loss of \$1,029 million), partially offset by changes in actuarial assumptions and other inputs<sup>1</sup>. Changes in these values during the last two fiscal years ending June 30, 2022 and June 30, 2021 can be found in *Section 2, Schedule of Changes in Net Pension Liability* on page 18.
3. The pension expense increased from \$34.8 million as of June 30, 2021 to \$193.9 million as of June 30, 2022. The primary cause of the increase is the recognition of a charge of \$205.8 million in this year's pension expense that is associated with the \$1,029.2 million asset loss as of June 30, 2022.
4. The discount rate used to measure the TPL and NPL as of June 30, 2022 and 2021 was 6.50% following the same assumption used by FCERA in the pension funding valuations as of the same dates. The detailed derivation of the discount rate of 6.50% used in calculation of the TPL and NPL as of June 30, 2022 can be found in *Section 3, Appendix A*. Various other information that is required to be disclosed can be found throughout *Section 2*.
5. The Safety membership class has only one employer (i.e., County of Fresno) that was making contributions in 2020-2021 and 2021-2022, so all of the NPLs for Safety as of both June 30, 2021 and June 30, 2022 are allocated to the County.

<sup>1</sup> Includes new demographic assumptions adopted for use in the June 30, 2022 valuation and a refinement to the Entry Age Actuarial Cost Method calculation for active members by computing eligibility service using the date of hire or the entry age provided for member contribution rate purposes, whichever is later. Before the refinement, eligibility service used to determine entry age was determined primarily using benefit service.

## Section 1: Actuarial Valuation Summary

For General membership, the NPLs as of June 30, 2021 and June 30, 2022 are allocated based on the actual employer contributions within the General membership class made during 2020-2021 and 2021-2022 respectively. The steps we used are as follows:

- a. Calculate ratio of employer's contributions to the total contributions for the membership class.
- b. Multiply this ratio by the NPL for the membership class to determine the employer's proportionate share of the NPL for the membership class.

If the employer is in both membership classes (i.e., County of Fresno), the employer's total allocated NPL is the sum of its allocated NPL from each membership class. Proportionate share of total plan NPL is then the ratio of the employer's total allocated NPL to the total NPL of all employers. The NPL allocation can be found in *Section 2, Determination of Proportionate Share* on page 22.

6. It is important to note that this actuarial valuation is based on plan assets as of June 30, 2022. Due to the COVID-19 pandemic, market conditions have changed significantly since the onset of the Public Health Emergency. The plan's funded status does not reflect short-term fluctuations of the market, but rather is based on the market values on the last day of the plan year. Moreover, this actuarial valuation does not include any possible short-term or long-term impacts on mortality of the covered population that may emerge after June 30, 2022. While it is impossible to determine how the pandemic will affect market conditions and other demographic experience of the plan in future valuations, Segal is available to prepare projections of potential outcomes upon request.

# Section 1: Actuarial Valuation Summary

## Summary of Key Valuation Results

Reporting Date for Employer under GAS 68		June 30, 2023 <sup>1</sup>	June 30, 2022 <sup>2</sup>
Measurement Date for Employer under GAS 68		June 30, 2022	June 30, 2021
<b>Disclosure Elements for Plan Year Ending June 30:</b>	• Service cost <sup>3,4</sup>	\$118,209,665	\$114,661,714
	• Total Pension Liability	6,859,193,836	6,749,558,488
	• Plan's Fiduciary Net Position	5,623,399,292	6,282,921,666
	• Net Pension Liability	1,235,794,544	466,636,822
	• Pension expense	193,912,050	34,755,484
<b>Schedule of Contributions for Plan Year Ending June 30:</b>	• Actuarially determined contributions	\$251,733,000	\$273,973,000
	• Actual contributions	251,733,000	273,973,000
	• Contribution deficiency / (excess)	0	0
<b>Demographic Data for Plan Year Ending June 30:<sup>5</sup></b>	• Number of retired members and beneficiaries	8,175	7,982
	• Number of inactive vested members <sup>6</sup>	4,848	4,308
	• Number of active members	7,466	7,660
<b>Key Assumptions as of June 30:</b>	• Investment rate of return	6.50%	6.50%
	• Inflation rate	2.50%	2.50%
	• Projected salary increases <sup>7</sup>	General: 4.10% to 12.00% Safety: 4.50% to 11.50%	General: 4.10% to 11.50% Safety: 4.50% to 11.50%
	• Cost of living adjustments		
	– Tiers with 3.00% COLA	2.50%	2.50%
	– Tiers without COLA	0.00%	0.00%

<sup>1</sup> The reporting date and measurement date for the plan are June 30, 2022.

<sup>2</sup> The reporting date and measurement date for the plan are June 30, 2021.

<sup>3</sup> The service cost is based on the previous year's valuation, meaning the June 30, 2022 and June 30, 2021 measurement date values are based on the valuations as of June 30, 2021 and June 30, 2020, respectively. The 2022 measurement date service cost has been calculated using the assumptions shown in the 2021 measurement date column and the 2021 measurement date service cost has been calculated using the assumptions used in the 2020 valuation. The key assumptions as of June 30, 2020 are as follows:

Investment rate of return: 7.00%  
 Inflation rate: 2.75%  
 Projected salary increases:\* General: 4.35% to 11.75%; Safety: 4.75% to 11.75%  
 Cost of living adjustments: Tiers with 3.00% COLA: 2.75%; Tiers without COLA: 0.00%

\*Includes inflation at 2.75% plus real across-the-board salary increase of 0.50% plus merit and promotion increases.

<sup>4</sup> Excludes administrative expense load.

<sup>5</sup> Data as of June 30, 2021 is used in the measurement of the TPL as of June 30, 2022.

<sup>6</sup> Includes terminated members due a refund of member contributions.

<sup>7</sup> Includes inflation at 2.50% plus real across-the-board salary increases of 0.50% plus merit and promotion increases.

## Section 1: Actuarial Valuation Summary

### Important Information about Actuarial Valuations

An actuarial valuation is a budgeting tool with respect to the financing of future projected obligations of a pension plan. It is an estimated forecast – the actual long-term cost of the plan will be determined by the actual benefits and expenses paid and the actual investment experience of the plan.

In order to prepare a valuation, Segal relies on a number of input items. These include:

<b>Plan of benefits</b>	Plan provisions define the rules that will be used to determine benefit payments, and those rules, or the interpretation of them, may change over time. It is important to keep Segal informed with respect to plan provisions and administrative procedures, and to review the plan description in this report (as well as the plan summary included in our funding valuation report) to confirm that Segal has correctly interpreted the plan of benefits.
<b>Participant data</b>	An actuarial valuation for a plan is based on data provided to the actuary by FCERA. Segal does not audit such data for completeness or accuracy, other than reviewing it for obvious inconsistencies compared to prior data and other information that appears unreasonable. It is important for Segal to receive the best possible data and to be informed about any known incomplete or inaccurate data.
<b>Assets</b>	This valuation is based on the market value of assets as of the measurement date, as provided by FCERA.
<b>Actuarial assumptions</b>	In preparing an actuarial valuation, Segal projects the benefits to be paid to existing plan participants for the rest of their lives and the lives of their beneficiaries. This projection requires actuarial assumptions as to the probability of death, disability, withdrawal, and retirement of each participant for each year. In addition, the benefits projected to be paid for each of those events in each future year reflect actuarial assumptions as to salary increases and cost-of-living adjustments (if any). The projected benefits are then discounted to a present value, typically based on the assumed rate of return that is expected to be achieved on the plan's assets. There is a reasonable range for each assumption used in the projection and the results may vary materially based on which assumptions are selected. It is important for any user of an actuarial valuation to understand this concept. Actuarial assumptions are periodically reviewed to ensure that future valuations reflect emerging plan experience. While future changes in actuarial assumptions may have a significant impact on the reported results, that does not mean that the previous assumptions were unreasonable.
<b>Models</b>	Segal valuation results are based on proprietary actuarial modeling software. The actuarial valuation models generate a comprehensive set of liability and cost calculations that are presented to meet regulatory, legislative and client requirements. Deterministic cost projections are based on a proprietary forecasting model. Our Actuarial Technology and Systems unit, comprised of both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility and user control. The client team programs the assumptions and the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible actuary.



## Section 1: Actuarial Valuation Summary

The user of Segal's actuarial valuation (or other actuarial calculations) should keep the following in mind:

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The valuation is prepared at the request of the Board to assist the sponsors of the Fund in preparing items related to the pension plan in their financial reports. Segal is not responsible for the use or misuse of its report, particularly by any other party.

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An actuarial valuation is a measurement of the plan's assets and liabilities at a specific date. Accordingly, except where otherwise noted, Segal did not perform an analysis of the potential range of future financial measures. The actual long-term cost of the plan will be determined by the actual benefits and expenses paid and the actual investment experience of the plan.

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If FCERA is aware of any event or trend that was not considered in this valuation that may materially change the results of the valuation, Segal should be advised, so that we can evaluate it.

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Segal does not provide investment, legal, accounting, or tax advice. Segal's valuation is based on our understanding of applicable guidance in these areas and of the plan's provisions, but they may be subject to alternative interpretations. The Board should look to their other advisors for expertise in these areas.

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As Segal has no discretionary authority with respect to the management or assets of FCERA, it is not a fiduciary in its capacity as actuaries and consultants with respect to FCERA.

# Section 2: GAS 68 Information

## General Information about the Pension Plan

### Plan Description

*Plan administration.* The Fresno County Employees' Retirement Association (FCERA) was established by the County of Fresno Board of Supervisors on January 1, 1945. FCERA is administered by the Board of Retirement and governed by the County Employees' Retirement Law of 1937 (California Government Code Section 31450 et seq.). FCERA is a cost-sharing multiple employer defined benefit public employee retirement system whose main function is to provide service retirement, disability, death and survivor benefits to the General and Safety members employed by the County of Fresno. FCERA also provides retirement benefits to the employee members of the Superior Court County of Fresno, Clovis Veterans Memorial District, Fresno-Madera Area Agency on Aging and Fresno Mosquito and Vector Control District.

The management of FCERA is vested with the FCERA Board of Retirement. The Board consists of nine members and one alternate. The County Treasurer is elected by the general public and a member of the Board of Retirement by law. Four members are appointed by the Board of Supervisors, one of whom may be a County Supervisor. Two active members are elected by the General members; one active member is elected by the Safety members; one retired member and one alternate are elected by the retired members. All members of the Board of Retirement serve terms of three years except for the County Treasurer whose term runs concurrent with his term as County Treasurer.

*Plan membership.* At June 30, 2022, pension plan membership consisted of the following:

Retired members or beneficiaries currently receiving benefits	8,175
Inactive vested members entitled to, but not yet receiving benefits <sup>1</sup>	4,848
Active members	<u>7,466</u>
<b>Total</b>	<b>20,489</b>

Note: Data as of June 30, 2022 is not used in the measurement of the TPL as of June 30, 2022.

*Benefits provided.* FCERA provides service retirement, disability, death and survivor benefits to eligible employees. All regular full-time employees and permanent part-time employees who work 50% or more for the County of Fresno or the other participating agencies become members of FCERA effective on the first day of the first full pay period after employment in a permanent position.

<sup>1</sup> Includes terminated members due a refund of member contributions.

## Section 2: GAS 68 Information

There are separate retirement benefits for General and Safety members. Safety membership is extended to those involved in active law enforcement, fire suppression, and district attorney investigators. All other employees are classified as General members. The tiers and their basic provisions are listed below:

Tier Name	Governing Code	Effective Date	Basic Provisions	Final Average Salary Period	Plan Sponsors
Pre-Ventura General	§31676.12	Various	2.0% at 57; maximum 3% COLA	Highest 1-year	All
General Tier 1	§31676.14 and the Settlement Agreement	January 1, 2001	2.5% at 55; maximum 3% COLA	Highest 1-year	All
General Tier 2	§31676.16	February 26, 2006	2.0% at 55; maximum 3% COLA	Highest 1-year	County and FMAAA
General Tier 3	§31676.15	December 17, 2007	2.0% at 55; maximum 3% COLA	Highest 3-years	County
General Tier 4	§31676.1	June 11, 2012	2.0% at 61; no COLA	Highest 3-years	County
General Tier 5	§7522.20(a)	January 1, 2013	2.5% at 67; no COLA	Highest 3-years	All
Pre-Ventura Safety	§31664	Various	2.0% at 50; maximum 3% COLA	Highest 1-year	All
Safety Tier 1	§31664 and the Settlement Agreement	January 1, 2001	2.5% at 50; maximum 3% COLA	Highest 1-year	County and NCFPD
Safety Tier 2	§31664.2	February 26, 2006	3.0% at 55; maximum 3% COLA	Highest 1-year	County
Safety Tier 4	§31664	June 11, 2012	2.0% at 50; no COLA	Highest 3-years	County
Safety Tier 5	§7522.25(d)	January 1, 2013	2.7% at 57; no COLA	Highest 3-years	All

Note: FMAAA – Fresno-Madera Area Agency on Aging  
 NCFPD – North Central Fire Protection District (NCFPD withdrew active membership from FCERA as of August 31, 2007)  
 There is no Safety Tier 3 offered by FCERA

Any new member who becomes a member on or after January 1, 2013 is placed into Tier 5 and is subject to the provisions of California Public Employees’ Pension Reform Act of 2013 (PEPRA) and California Government Code 7522 et seq.

General members enrolled in Tiers 1, 2, 3, or 4 are eligible to retire once they attain the age of 70 regardless of service or at age 50 and have acquired 10 or more years of retirement service credit. A member with 30 years of service is eligible to retire regardless of age. General members enrolled in General Tier 5 are eligible to retire once they attain the age of 70 regardless of service or at age 52 and have acquired five years of retirement service credit.

Safety members enrolled in Tiers 1, 2, or 4 are eligible to retire once they attain the age of 70 regardless of service or at age 50 and have acquired 10 or more years of retirement service credit. A member with 20 years of service is eligible to retire regardless of age. Safety members enrolled in Safety Tier 5 are eligible to retire once they attain the age of 70 regardless of service or at age 50 and have acquired five years of retirement service credit.

## Section 2: GAS 68 Information

The retirement benefit the member will receive is based upon age at retirement, final average compensation, years of retirement service credit and retirement plan and tier.

For members enrolled in Tier 1, 2, 3, or 4, the maximum monthly retirement allowance is 100% of final compensation. There is no maximum for members enrolled in Tier 5. However, for members with membership dates on or after January 1, 2013 the maximum amount of pensionable compensation that can be taken into account for 2022 is equal to \$134,974 for those enrolled in Social Security (\$161,969 for those not enrolled in Social Security). This limit is adjusted on an annual basis. Members are exempt from paying member contributions and employers are exempt from paying employer contributions on compensation in excess of the annual cap.

The member may elect an unmodified retirement allowance, or choose an optional retirement allowance. The unmodified retirement allowance provides the highest monthly benefit and a 60% continuance to an eligible surviving spouse or domestic partner. An eligible surviving spouse or domestic partner is one married to or registered with the member one year prior to the effective retirement date. Certain surviving spouses or domestic partners may also be eligible if marriage or domestic partnership was at least two years prior to the date of death and the surviving spouse or domestic partner has attained age 55 on or prior to the date of death. There are four optional retirement allowances the member may choose. Each of the optional retirement allowances requires a reduction in the unmodified retirement allowance in order to allow the member the ability to provide certain benefits to a surviving spouse, domestic partner, or named beneficiary having an insurable interest in the life of the member.

FCERA provides an annual cost-of-living benefit to all retirees in Tier 1, 2, or 3. The cost-of-living adjustment, based upon the ratio of the past two annual Consumer Price Indices for the West Region, is capped at 3.0%.

The County of Fresno and the other participating agencies contribute to the retirement plan based upon actuarially determined contribution rates adopted by the Board of Retirement. Employer contribution rates are adopted annually based upon recommendations received from FCERA's actuary after the completion of the annual actuarial valuation. The average employer contribution rate as of June 30, 2022 for 2021-2022 (based on the June 30, 2020 valuation) was 54.28% of compensation.

Members are required to make contributions to FCERA regardless of the retirement plan or tier in which they are included. The average member contribution rate as of June 30, 2022 for 2021-2022 (based on the June 30, 2020 valuation) was 9.06% of compensation.

## Section 2: GAS 68 Information

### Net Pension Liability

Reporting Date for Employer under GAS 68	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 68	June 30, 2022	June 30, 2021
Total Pension Liability	\$6,859,193,836	\$6,749,558,488
Plan's Fiduciary Net Position	<u>(5,623,399,292)</u>	<u>(6,282,921,666)</u>
<b>Net Pension Liability</b>	<b>\$1,235,794,544</b>	<b>\$466,636,822</b>
Plan's Fiduciary Net Position as a percentage of the Total Pension Liability	81.98%	93.09%

The Net Pension Liability (NPL) was measured as of June 30, 2022 and 2021. The Plan's Fiduciary Net Position (plan assets) was valued as of the measurement date while the Total Pension Liability (TPL) was determined based upon rolling forward the TPL from actuarial valuations as of June 30, 2021 and 2020, respectively.

*Plan provisions.* The plan provisions used in the measurement of the NPL as of June 30, 2022 and 2021 are the same as those used in the FCERA actuarial valuations as of June 30, 2022 and 2021, respectively.

*Actuarial assumptions.* The TPL as of June 30, 2022 was remeasured by (1) revaluing the TPL as of June 30, 2021 (before the roll forward) to include the following actuarial assumptions that the Retirement Board has adopted for use in the funding valuation as of June 30, 2022 and (2) using this revalued TPL in rolling forward the results from June 30, 2021 to June 30, 2022. The TPL determined as of June 30, 2022 also included a refinement to the Entry Age Actuarial Cost Method calculation for active members by computing eligibility service using the date of hire or the entry age provided for member contribution rate purposes, whichever is later. Before the refinement, eligibility service used to determine entry age was determined primarily using benefit service.

## Section 2: GAS 68 Information

<b>Investment rate of return</b>	6.50%, net of pension plan investment expense, including inflation
<b>Inflation</b>	2.50%
<b>Real across-the-board salary increase:</b>	0.50%
<b>Salary increases</b>	General: 4.10% to 12.00% and Safety: 4.50% to 11.50%, vary by service, including inflation and real across-the-board salary increase.
<b>Administrative expenses</b>	1.30% of payroll allocated to both the employer and member based on the components of the total contribution rate (before expenses) for the employer and member.
<b>Cost of Living Adjustments (COLA):</b>	Retiree COLA increases of 2.50% per year for General Tiers 1, 2 and 3, and Safety Tiers 1 and 2 and 0.00% for General Tiers 4 and 5 and Safety Tiers 4 and 5. For non-Tiers 4 and 5 members that have COLA banks, we assume they receive 3.0% COLA increases until their COLA banks are exhausted and 2.50% thereafter.
<b>Other assumptions</b>	Same as those used in June 30, 2022 funding valuation

The TPL as of June 30, 2021 was remeasured by (1) revaluing the TPL as of June 30, 2020 (before the roll forward) to include the following actuarial assumptions that the Retirement Board has adopted for use in the funding valuation as of June 30, 2021 and (2) using this revalued TPL in rolling forward the results from June 30, 2020 to June 30, 2021.

<b>Investment rate of return</b>	6.50%, net of pension plan investment expense, including inflation
<b>Inflation</b>	2.50%
<b>Real across-the-board salary increase:</b>	0.50%
<b>Salary increases</b>	General: 4.10% to 11.50% and Safety: 4.50% to 11.50%, vary by service, including inflation and real across-the-board salary increase.
<b>Administrative expenses</b>	1.30% of payroll allocated to both the employer and member based on the components of the total contribution rate (before expenses) for the employer and member.
<b>Cost of Living Adjustments (COLA):</b>	Retiree COLA increases of 2.50% per year for General Tiers 1, 2 and 3, and Safety Tiers 1 and 2 and 0.00% for General Tiers 4 and 5 and Safety Tiers 4 and 5. For non-Tiers 4 and 5 members that have COLA banks, we assume they receive 3.0% COLA increases until their COLA banks are exhausted and 2.50% thereafter.
<b>Other assumptions</b>	Same as those used in June 30, 2021 funding valuation

## Section 2: GAS 68 Information

### Determination of Discount Rate and Investment Rates of Return

The long-term expected rate of return on pension plan investments was determined in 2021 using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation but before deducting investment expenses, used in the derivation of the long-term expected investment rate of return assumption as of June 30, 2022 is summarized in the following table. This information will change every three years based on the actuarial experience study.

Asset Class	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return
Large Cap Equity	22.5%	5.39%
Small Cap Equity	5.5%	6.58%
Developed Int'l Large Cap Equity	12.5%	6.39%
Developed Int'l Small Cap Equity	3.0%	5.64%
Emerging Market Equity	5.5%	8.60%
Core Bonds	15.0%	0.83%
High Yield Bonds	2.0%	3.06%
Bank Loans	2.0%	2.73%
Global Sovereign ex U.S.	4.0%	-0.73%
Local Emerging Market Debt	3.0%	2.72%
Core Real Estate	4.0%	5.01%
Private Credit	8.0%	5.02%
Private Equity	6.0%	10.00%
Value-add Real Estate	1.5%	7.10%
Opportunistic Real Estate	1.5%	9.80%
Infrastructure	4.0%	7.60%
<b>Total</b>	<b>100.00%</b>	<b>5.07%</b>

## Section 2: GAS 68 Information

*Discount rate.* The discount rate used to measure the TPL was 6.50% for both June 30, 2022 and 2021. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employer contributions that are intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL as of both June 30, 2022 and 2021.



## Section 2: GAS 68 Information

### Discount Rate Sensitivity

*Sensitivity of the Net Pension Liability to changes in the discount rate.* The following presents the NPL of FCERA as of June 30, 2022, calculated using the discount rate of 6.50%, as well as what the FCERA's NPL would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50%) or 1-percentage-point higher (7.50%) than the current rate:

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
County of Fresno	\$2,013,183,988	\$1,147,990,867	\$438,255,581
Fresno-Madera Area Agency on Aging	5,617,147	3,203,102	1,222,812
Clovis Veterans Memorial District	2,155,457	1,229,120	469,227
Fresno Mosquito and Vector Control District	2,924,741	1,667,794	636,695
Superior Court County of Fresno	<u>143,280,323</u>	<u>81,703,661</u>	<u>31,191,089</u>
<b>Total for all Employers</b>	<b>\$2,167,161,656</b>	<b>\$1,235,794,544</b>	<b>\$471,775,404</b>

## Section 2: GAS 68 Information

### Schedule of Changes in Net Pension Liability – Last Two Fiscal Years

Reporting Date for Employer under GAS 68 Measurement Date for Employer under GAS 68	June 30, 2023 June 30, 2022	June 30, 2022 June 30, 2021
<b>Total Pension Liability</b>		
• Service cost	\$118,209,665	\$114,661,714
• Interest	435,847,383	439,979,185
• Change of benefit terms	0	0
• Differences between expected and actual experience	(106,422,775)	(5,978,692)
• Changes of assumptions	(13,151,317) <sup>1</sup>	185,354,422
• Benefit payments, including refunds of member contributions	(324,847,608)	(310,426,704)
<b>Net change in Total Pension Liability</b>	<b>\$109,635,348</b>	<b>\$423,589,925</b>
<b>Total Pension Liability – beginning</b>	<b>6,749,558,488</b>	<b>6,325,968,563</b>
<b>Total Pension Liability – ending</b>	<b>\$6,859,193,836</b>	<b>\$6,749,558,488</b>
<b>Plan's Fiduciary Net Position</b>		
• Contributions – employer <sup>2</sup>	\$251,733,095	\$273,973,459
• Contributions – employee <sup>2</sup>	42,037,901	41,620,768
• Net investment income	(621,985,430)	1,348,533,276
• Benefit payments, including refunds of member contributions	(324,847,608)	(310,426,704)
• Administrative expense	(6,460,332)	(6,073,739)
• Other	0	0
<b>Net change in Plan's Fiduciary Net Position</b>	<b>\$(659,522,374)</b>	<b>\$1,347,627,060</b>
<b>Plan's Fiduciary Net Position – beginning</b>	<b>6,282,921,666</b>	<b>4,935,294,606</b>
<b>Plan's Fiduciary Net Position – ending</b>	<b>\$5,623,399,292</b>	<b>\$6,282,921,666</b>
<b>Net Pension Liability – ending</b>	<b>\$1,235,794,544</b>	<b>\$466,636,822</b>
Plan's Fiduciary Net Position as a percentage of the Total Pension Liability	81.98%	93.09%
Covered payroll <sup>3</sup>	\$463,807,000	\$454,782,000
Net Pension Liability as percentage of covered payroll	266.45%	102.61%

#### Note to Schedule:

*Benefit changes:* None

<sup>1</sup> Includes new demographic assumptions adopted for use in the June 30, 2022 valuation and a refinement to the Entry Age Actuarial Cost Method calculation for active members by computing eligibility service using the date of hire or the entry age provided for member contribution rate purposes, whichever is later. Before the refinement, eligibility service used to determine entry age was determined primarily using benefit service.

<sup>2</sup> See footnote 1 under *Section 2, Schedule of Employer Contributions* on next page.

<sup>3</sup> Covered payroll represents payroll on which contributions to the pension plan are based.

## Section 2: GAS 68 Information

### Schedule of Employer Contributions – Last Ten Fiscal Years

Year Ended June 30	Actuarially Determined Contributions <sup>1</sup>	Contributions in Relation to the Actuarially Determined Contributions <sup>1</sup>	Contribution Deficiency / (Excess)	Covered Payroll <sup>2</sup>	Contributions as a Percentage of Covered Payroll
2013	\$158,572,000	\$158,572,000	\$0	\$346,808,000	45.72%
2014	165,309,000	165,309,000	0	350,326,000	47.19%
2015	184,213,000	184,213,000	0	351,109,000	52.47%
2016	191,529,000	191,529,000	0	370,318,000	51.72%
2017	198,472,000	198,472,000	0	386,345,000	51.37%
2018	210,535,000	210,535,000	0	403,018,000	52.24%
2019	225,492,000	225,492,000	0	423,092,000	53.30%
2020	247,474,000	247,474,000	0	451,525,000	54.81%
2021	273,973,000	273,973,000	0	454,782,000	60.24%
2022	251,733,000	251,733,000	0	463,807,000	54.28%

See accompanying notes to this schedule on the next page.

<sup>1</sup> All "Actuarially Determined Contributions" through June 30, 2016 were determined as the "Annual Required Contribution" under GAS 25 and 27.

<sup>2</sup> Covered payroll represents payroll on which contributions to the pension plan are based.

## Section 2: GAS 68 Information

### Schedule of Employer Contributions – Last Ten Fiscal Years (continued)

#### Notes to schedule:

#### Methods and assumptions used to establish “actuarially determined contribution” rates:

<b>Valuation Date:</b>	Actuarially determined contribution rates are calculated as of June 30, one year prior to the end of the fiscal year in which contributions are reported
<b>Actuarial Cost Method:</b>	Entry Age Actuarial Cost Method
<b>Amortization Method</b>	Level percent of payroll (3.25% payroll growth assumed in the June 30, 2020 valuation)
<b>Remaining Amortization Period:</b>	UAAL established as of June 30, 2003 is amortized over a declining period (with 13 years remaining as of the June 30, 2020 valuation which set the rates for the 2021-2022 fiscal year) plus 15 years (declining) for UAAL due to actuarial gains or losses, changes in actuarial assumptions or plan amendments <sup>1</sup> established on each subsequent valuation.
<b>Asset Valuation Method:</b>	The actuarial value of assets is determined by recognizing any difference between the actual and the expected market return over 10 six-month interest crediting periods. The actuarial value of assets is further adjusted, if necessary, to be within 30% of the market value of assets. The valuation value of assets is the actuarial value of assets reduced by the value of the non-valuation reserves.

<sup>1</sup> Prior to the Board’s most recent review of actuarial funding policy in April 2011, a 30-year amortization period was used for plan amendments.

## Section 2: GAS 68 Information

### Schedule of Employer Contributions – Last Ten Fiscal Years (continued)

**Actuarial Assumptions:**

Valuation Date:	June 30, 2020 valuation (for year ended 2022 ADC)
<b>Investment rate of return</b>	7.00%, net of pension plan investment expense, including inflation
<b>Inflation rate</b>	2.75%
<b>Real across-the-board salary increase:</b>	0.50%
<b>Projected salary increases</b>	General: 4.35% to 11.75% and Safety: 4.75% to 11.75%, varying by service, including inflation and real across-the-board salary increase.
<b>Administrative expenses</b>	1.20% of payroll allocated to both the employer and member based on the components of the total contribution rate (before expenses) for the employer and member.
<b>Cost of Living Adjustments (COLA):</b>	Retiree COLA increases of 2.75% per year for General Tiers 1, 2 and 3, and Safety Tiers 1 and 2 and 0.00% for General Tiers 4 and 5 and Safety Tiers 4 and 5. For non-Tiers 4 and 5 members that have COLA banks, we assume they receive 3.0% COLA increases until their COLA banks are exhausted and 2.75% thereafter.
<b>Other assumptions</b>	Same as those used in the June 30, 2020 funding actuarial valuation

## Section 2: GAS 68 Information

### Determination of Proportionate Share

#### Actual Employer Contributions by Employer and Membership Class June 30, 2020 to June 30, 2021

Employer	General	General Percentage <sup>1</sup>	Safety	Safety Percentage	Total Contributions	Total Percentage
County of Fresno	\$195,331,640	91.589%	\$60,703,098	100.000%	\$256,034,738	93.452%
Fresno-Madera Area Agency on Aging	613,082	0.288%	0	0.000%	613,082	0.224%
Clovis Veterans Memorial District	244,060	0.114%	0	0.000%	244,060	0.089%
Fresno Mosquito and Vector Control District	349,925	0.164%	0	0.000%	349,925	0.128%
Superior Court County of Fresno	<u>16,731,654</u>	<u>7.845%</u>	<u>0</u>	<u>0.000%</u>	<u>16,731,654</u>	<u>6.107%</u>
<b>Total for all Employers</b>	<b>\$213,270,361</b>	<b>100.000%</b>	<b>\$60,703,098</b>	<b>100.000%</b>	<b>\$273,973,459</b>	<b>100.000%</b>

#### Allocation of June 30, 2021 Net Pension Liability

Employer	General	General Percentage	Safety	Safety Percentage	Total NPL	Total Percentage
County of Fresno	\$332,749,709	91.589%	\$103,328,295	100.000%	\$436,078,004	93.451%
Fresno-Madera Area Agency on Aging	1,044,392	0.288%	0	0.000%	1,044,392	0.224%
Clovis Veterans Memorial District	415,759	0.114%	0	0.000%	415,759	0.089%
Fresno Mosquito and Vector Control District	596,101	0.164%	0	0.000%	596,101	0.128%
Superior Court County of Fresno	<u>28,502,566</u>	<u>7.845%</u>	<u>0</u>	<u>0.000%</u>	<u>28,502,566</u>	<u>6.108%</u>
<b>Total for all Employers</b>	<b>\$363,308,527</b>	<b>100.000%</b>	<b>\$103,328,295</b>	<b>100.000%</b>	<b>\$466,636,822</b>	<b>100.000%</b>

<sup>1</sup> The unrounded percentages are used in the allocation of the Net Pension Liability (NPL) amongst the General employers.

## Section 2: GAS 68 Information

### Notes:

Results may not total due to rounding.

Based on the July 1, 2020 through June 30, 2021 employer contributions as provided by FCERA. Upon further discussion with FCERA, it is our understanding that the employer contributions reported by FCERA do not include any employer-paid member contributions.

The Net Pension Liability (NPL) for each membership class is the Total Pension Liability (TPL) minus the Plan's Fiduciary Net Position (plan assets). The TPL for each membership class is obtained from internal valuation results. The Plan's Fiduciary Net Position for each membership class was estimated by adjusting the Valuation Value of Assets (VVA) for each membership class by the ratio of the total FCERA Plan's Fiduciary Net Position to total FCERA VVA.

The Safety membership class has only one employer (i.e., County of Fresno) that was making contributions in 2020-2021, so all of the NPL for Safety is allocated to the County.

For General, the NPL is allocated based on the actual employer contributions within the General membership class.

- Calculate ratio of employer's contributions to the total contributions for the membership class.
- Multiply this ratio by the NPL for the membership class to determine the employer's proportionate share of the NPL for the membership class.

If the employer is in both membership classes (i.e., County of Fresno), the employer's total allocated NPL is the sum of its allocated NPL from each membership class. Proportionate share of total plan NPL is then the ratio of the employer's total allocated NPL to the total NPL of all employers.

For purposes of developing the above results, the reporting date for the employer under GAS 68 is June 30, 2022. The reporting date and measurement date for the plan under GAS 67 are assumed to be June 30, 2021. Consistent with the provision of GAS 68, the assets and liabilities measured as of June 30, 2021 are not adjusted or "rolled forward" to June 30, 2022. Other results, such as the total deferred inflows and outflows would also be allocated based on the same proportionate shares determined above.

## Section 2: GAS 68 Information

### Determination of Proportionate Share (continued)

#### Actual Employer Contributions by Employer and Membership Class June 30, 2021 to June 30, 2022

Employer	General	General Percentage <sup>1</sup>	Safety	Safety Percentage	Total Contributions	Total Percentage
County of Fresno	\$177,096,293	91.147%	\$57,436,683	100.000%	\$234,532,976	93.167%
Fresno-Madera Area Agency on Aging	627,465	0.323%	0	0.000%	627,465	0.249%
Clovis Veterans Memorial District	240,776	0.124%	0	0.000%	240,776	0.096%
Fresno Mosquito and Vector Control District	326,709	0.168%	0	0.000%	326,709	0.130%
Superior Court County of Fresno	<u>16,005,169</u>	<u>8.238%</u>	<u>0</u>	<u>0.000%</u>	<u>16,005,169</u>	<u>6.358%</u>
<b>Total for all Employers</b>	<b>\$194,296,412</b>	<b>100.000%</b>	<b>\$57,436,683</b>	<b>100.000%</b>	<b>\$251,733,095</b>	<b>100.000%</b>

#### Allocation of June 30, 2022 Net Pension Liability

Employer	General	General Percentage	Safety	Safety Percentage	Total NPL	Total Percentage
County of Fresno	\$904,046,401	91.147%	\$243,944,466	100.000%	\$1,147,990,867	92.896%
Fresno-Madera Area Agency on Aging	3,203,102	0.323%	0	0.000%	3,203,102	0.259%
Clovis Veterans Memorial District	1,229,120	0.124%	0	0.000%	1,229,120	0.099%
Fresno Mosquito and Vector Control District	1,667,794	0.168%	0	0.000%	1,667,794	0.135%
Superior Court County of Fresno	<u>81,703,661</u>	<u>8.238%</u>	<u>0</u>	<u>0.000%</u>	<u>81,703,661</u>	<u>6.611%</u>
<b>Total for all Employers</b>	<b>\$991,850,078</b>	<b>100.000%</b>	<b>\$243,944,466</b>	<b>100.000%</b>	<b>\$1,235,794,544</b>	<b>100.000%</b>

<sup>1</sup> The unrounded percentages are used in the allocation of the Net Pension Liability (NPL) amongst the General employers.



## Section 2: GAS 68 Information

### Notes:

Results may not total due to rounding.

Based on the July 1, 2021 through June 30, 2022 employer contributions as provided by FCERA. Upon further discussion with FCERA, it is our understanding that the employer contributions reported by FCERA do not include any employer-paid member contributions.

The Net Pension Liability (NPL) for each membership class is the Total Pension Liability (TPL) minus the Plan's Fiduciary Net Position (plan assets). The TPL for each membership class is obtained from internal valuation results. The Plan's Fiduciary Net Position for each membership class was estimated by adjusting the Valuation Value of Assets (VVA) for each membership class by the ratio of the total FCERA Plan's Fiduciary Net Position to total FCERA VVA.

The Safety membership class has only one employer (i.e., County of Fresno) that was making contributions in 2021-2022, so all of the NPL for Safety is allocated to the County.

For General, the NPL is allocated based on the actual employer contributions within the General membership class.

- Calculate ratio of employer's contributions to the total contributions for the membership class.
- Multiply this ratio by the NPL for the membership class to determine the employer's proportionate share of the NPL for the membership class.

If the employer is in both membership classes (i.e., County of Fresno), the employer's total allocated NPL is the sum of its allocated NPL from each membership class. Proportionate share of total plan NPL is then the ratio of the employer's total allocated NPL to the total NPL of all employers.

For purposes of developing the above results, the reporting date for the employer under GAS 68 is June 30, 2023. The reporting date and measurement date for the plan under GAS 67 are assumed to be June 30, 2022. Consistent with the provision of GAS 68, the assets and liabilities measured as of June 30, 2022 are not adjusted or "rolled forward" to June 30, 2023. Other results, such as the total deferred inflows and outflows would also be allocated based on the same proportionate shares determined above.

## Section 2: GAS 68 Information

### Notes (continued):

The following items are allocated based on the corresponding proportionate share within each membership class:

1. Net Pension Liability
2. Service cost
3. Interest on the Total Pension Liability
4. Current-period benefit changes
5. Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability
6. Expensed portion of current-period changes of assumptions or other inputs
7. Member contributions
8. Projected earnings on plan investments
9. Expensed portion of current-period differences between actual and projected earnings on plan investments
10. Administrative and other expenses
11. Recognition of beginning of year deferred outflows of resources as pension expense
12. Recognition of beginning of year deferred inflows of resources as pension expense

## Section 2: GAS 68 Information

### Pension Expense

#### Total for All Employers

Reporting Date for Employer under GAS 68	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 68	June 30, 2022	June 30, 2021
• Service cost	\$118,209,665	\$114,661,714
• Interest on the Total Pension Liability	435,847,383	439,979,185
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	0	0
• Current-period benefit changes	0	0
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	(24,242,090)	(1,328,598)
• Expensed portion of current-period changes of assumptions or other inputs	(2,995,745)	41,189,872
• Member contributions	(42,037,901)	(41,620,768)
• Projected earnings on plan investments	(407,169,958)	(345,438,905)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	205,831,078	(200,618,874)
• Administrative expense	6,460,332	6,073,739
• Other	0	0
• Recognition of beginning of year deferred outflows of resources as pension expense	132,813,790	91,485,505
• Recognition of beginning of year deferred inflows of resources as pension expense	(228,804,504)	(69,627,386)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	0	0
<b>Pension Expense</b>	<b>\$193,912,050</b>	<b>\$34,755,484</b>

## Section 2: GAS 68 Information

### Pension Expense (continued)

#### County of Fresno

Reporting Date for Employer under GAS 68	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 68	June 30, 2022	June 30, 2021
• Service cost	\$110,106,005	\$107,228,735
• Interest on the Total Pension Liability	405,544,428	410,863,730
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	(721,753)	510,175
• Current-period benefit changes	0	0
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	(22,736,268)	(1,340,240)
• Expensed portion of current-period changes of assumptions or other inputs	(3,099,985)	38,501,041
• Member contributions	(39,128,861)	(38,897,119)
• Projected earnings on plan investments	(378,845,092)	(322,560,924)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	191,555,104	(187,257,831)
• Administrative expense	6,018,111	5,676,084
• Other	0	0
• Recognition of beginning of year deferred outflows of resources as pension expense	123,700,677	85,527,111
• Recognition of beginning of year deferred inflows of resources as pension expense	(212,984,840)	(65,050,747)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	<u>1,352,978</u>	<u>905,662</u>
<b>Pension Expense</b>	<b>\$180,760,504</b>	<b>\$34,105,677</b>

## Section 2: GAS 68 Information

### Pension Expense (continued)

#### Fresno-Madera Area Agency on Aging

Reporting Date for Employer under GAS 68	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 68	June 30, 2022	June 30, 2021
• Service cost	\$295,625	\$254,033
• Interest on the Total Pension Liability	1,105,460	995,063
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	58,026	(91,884)
• Current-period benefit changes	0	0
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	(54,933)	398
• Expensed portion of current-period changes of assumptions or other inputs	3,803	91,895
• Member contributions	(106,123)	(93,085)
• Projected earnings on plan investments	(1,033,299)	(781,888)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	520,791	(456,633)
• Administrative expense	16,132	13,590
• Other	0	0
• Recognition of beginning of year deferred outflows of resources as pension expense	332,449	203,637
• Recognition of beginning of year deferred inflows of resources as pension expense	(577,106)	(156,413)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	<u>(86,045)</u>	<u>(23,160)</u>
<b>Pension Expense</b>	<b>\$474,780</b>	<b>\$(44,447)</b>

## Section 2: GAS 68 Information

### Pension Expense (continued)

#### Clovis Veterans Memorial District

Reporting Date for Employer under GAS 68	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 68	June 30, 2022	June 30, 2021
• Service cost	\$113,440	\$101,128
• Interest on the Total Pension Liability	424,196	396,122
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	15,515	8,538
• Current-period benefit changes	0	0
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	(21,079)	158
• Expensed portion of current-period changes of assumptions or other inputs	1,459	36,582
• Member contributions	(40,722)	(37,056)
• Projected earnings on plan investments	(396,506)	(311,260)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	199,842	(181,780)
• Administrative expense	6,190	5,410
• Other	0	0
• Recognition of beginning of year deferred outflows of resources as pension expense	127,570	81,065
• Recognition of beginning of year deferred inflows of resources as pension expense	(221,452)	(62,266)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	(449)	(26,205)
<b>Pension Expense</b>	<b>\$208,004</b>	<b>\$10,436</b>

## Section 2: GAS 68 Information

### Pension Expense (continued)

#### Fresno Mosquito and Vector Control District

Reporting Date for Employer under GAS 68	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 68	June 30, 2022	June 30, 2021
• Service cost	\$153,926	\$144,993
• Interest on the Total Pension Liability	575,592	567,946
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	6,664	15,747
• Current-period benefit changes	0	0
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	(28,602)	227
• Expensed portion of current-period changes of assumptions or other inputs	1,980	52,450
• Member contributions	(55,256)	(53,129)
• Projected earnings on plan investments	(538,019)	(446,274)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	271,166	(260,630)
• Administrative expense	8,400	7,757
• Other	0	0
• Recognition of beginning of year deferred outflows of resources as pension expense	173,100	116,229
• Recognition of beginning of year deferred inflows of resources as pension expense	(300,488)	(89,275)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	<u>(18,301)</u>	<u>(8,026)</u>
<b>Pension Expense</b>	<b>\$250,162</b>	<b>\$48,015</b>

## Section 2: GAS 68 Information

### Pension Expense (continued)

#### Superior Court County of Fresno

Reporting Date for Employer under GAS 68	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 68	June 30, 2022	June 30, 2021
• Service cost	\$7,540,669	\$6,932,825
• Interest on the Total Pension Liability	28,197,707	27,156,324
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	641,548	(442,576)
• Current-period benefit changes	0	0
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	(1,401,208)	10,859
• Expensed portion of current-period changes of assumptions or other inputs	96,998	2,507,904
• Member contributions	(2,706,939)	(2,540,379)
• Projected earnings on plan investments	(26,357,042)	(21,338,559)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	13,284,175	(12,462,000)
• Administrative expense	411,499	370,898
• Other	0	0
• Recognition of beginning of year deferred outflows of resources as pension expense	8,479,994	5,557,463
• Recognition of beginning of year deferred inflows of resources as pension expense	(14,720,618)	(4,268,685)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	(1,248,183)	(848,271)
<b>Pension Expense</b>	<b>\$12,218,600</b>	<b>\$635,803</b>



## Section 2: GAS 68 Information

### Deferred Outflows of Resources and Deferred Inflows of Resources

#### Total for All Employers

Reporting Date for Employer under GAS 68	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 68	June 30, 2022	June 30, 2021
<b>Deferred Outflows of Resources</b>		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions <sup>1</sup>	\$4,614,572	\$4,174,596
• Changes of assumptions or other inputs	106,966,452	144,164,550
• Net excess of projected over actual earnings on pension plan investments (if any)	368,995,849	0
• Difference between expected and actual experience in the Total Pension Liability	<u>9,388,311</u>	<u>18,037,947</u>
• Total Deferred Outflows of Resources	<b>\$489,965,184</b>	<b>\$166,377,093</b>
<b>Deferred Inflows of Resources</b>		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions <sup>1</sup>	\$4,614,572	\$4,174,596
• Changes of assumptions or other inputs	21,962,388	22,843,966
• Net excess of actual over projected earnings on pension plan investments (if any)	0	574,773,170
• Difference between expected and actual experience in the Total Pension Liability	<u>86,277,519</u>	<u>14,453,423</u>
• Total Deferred Inflows of Resources	<b>\$112,854,479</b>	<b>\$616,245,155</b>
<b>Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:</b>		
<b>Reporting Date for Employer under GAS 68 Year Ended June 30:</b>		
2023	N/A	\$(95,990,714)
2024	\$97,549,322	(81,043,921)
2025	86,448,057	(92,145,186)
2026	(2,094,998)	(180,688,241)
2027	195,208,324	0
Thereafter	0	0

<sup>1</sup> Calculated in accordance with Paragraphs 54 and 55 of GAS 68.

## Section 2: GAS 68 Information

### Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

#### County of Fresno

Reporting Date for Employer under GAS 68	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 68	June 30, 2022	June 30, 2021
<b>Deferred Outflows of Resources</b>		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions <sup>1</sup>	\$1,618,156	\$3,219,645
• Changes of assumptions or other inputs	99,538,361	134,753,641
• Net excess of projected over actual earnings on pension plan investments (if any)	343,988,656	0
• Difference between expected and actual experience in the Total Pension Liability	<u>8,573,805</u>	<u>16,547,446</u>
• Total Deferred Outflows of Resources	<b>\$453,718,978</b>	<b>\$154,520,732</b>
<b>Deferred Inflows of Resources</b>		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions <sup>1</sup>	\$2,804,601	\$606,372
• Changes of assumptions or other inputs	21,471,894	21,481,679
• Net excess of actual over projected earnings on pension plan investments (if any)	0	535,933,210
• Difference between expected and actual experience in the Total Pension Liability	<u>81,172,779</u>	<u>13,915,105</u>
• Total Deferred Inflows of Resources	<b>\$105,449,274</b>	<b>\$571,936,366</b>
<b>Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:</b>		
<b>Reporting Date for Employer under GAS 68 Year Ended June 30:</b>		
2023	N/A	\$(89,014,076)
2024	\$89,941,789	(75,333,834)
2025	79,576,296	(85,743,266)
2026	(2,609,975)	(167,324,458)
2027	181,361,594	0
Thereafter	0	0

<sup>1</sup> Calculated in accordance with Paragraphs 54 and 55 of GAS 68.

## Section 2: GAS 68 Information

### Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

#### Fresno-Madera Area Agency on Aging

Reporting Date for Employer under GAS 68	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 68	June 30, 2022	June 30, 2021
<b>Deferred Outflows of Resources</b>		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions <sup>1</sup>	\$229,255	\$95,136
• Changes of assumptions or other inputs	270,979	321,632
• Net excess of projected over actual earnings on pension plan investments (if any)	912,269	0
• Difference between expected and actual experience in the Total Pension Liability	<u>29,713</u>	<u>50,940</u>
• Total Deferred Outflows of Resources	<b>\$1,442,216</b>	<b>\$467,708</b>
<b>Deferred Inflows of Resources</b>		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions <sup>1</sup>	\$307,944	\$456,577
• Changes of assumptions or other inputs	17,893	46,558
• Net excess of actual over projected earnings on pension plan investments (if any)	0	1,327,412
• Difference between expected and actual experience in the Total Pension Liability	<u>186,222</u>	<u>18,398</u>
• Total Deferred Inflows of Resources	<b>\$512,059</b>	<b>\$1,848,945</b>
<b>Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:</b>		
<b>Reporting Date for Employer under GAS 68 Year Ended June 30:</b>		
2023	N/A	\$(331,447)
2024	\$208,056	(297,239)
2025	245,743	(256,020)
2026	31,147	(496,531)
2027	445,211	0
Thereafter	0	0

<sup>1</sup> Calculated in accordance with Paragraphs 54 and 55 of GAS 68.

## Section 2: GAS 68 Information

### Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

#### Clovis Veterans Memorial District

Reporting Date for Employer under GAS 68	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 68	June 30, 2022	June 30, 2021
<b>Deferred Outflows of Resources</b>		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions <sup>1</sup>	\$90,399	\$57,774
• Changes of assumptions or other inputs	103,982	128,037
• Net excess of projected over actual earnings on pension plan investments (if any)	350,063	0
• Difference between expected and actual experience in the Total Pension Liability	<u>11,402</u>	<u>20,279</u>
• Total Deferred Outflows of Resources	<b>\$555,846</b>	<b>\$206,090</b>
<b>Deferred Inflows of Resources</b>		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions <sup>1</sup>	\$9,046	\$29,464
• Changes of assumptions or other inputs	6,866	18,534
• Net excess of actual over projected earnings on pension plan investments (if any)	0	528,426
• Difference between expected and actual experience in the Total Pension Liability	<u>71,459</u>	<u>7,324</u>
• Total Deferred Inflows of Resources	<b>\$87,371</b>	<b>\$583,748</b>
<b>Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:</b>		
<b>Reporting Date for Employer under GAS 68 Year Ended June 30:</b>		
2023	N/A	\$(75,773)
2024	\$131,085	(58,666)
2025	109,445	(79,361)
2026	9,318	(163,858)
2027	218,627	0
Thereafter	0	0

<sup>1</sup> Calculated in accordance with Paragraphs 54 and 55 of GAS 68.

## Section 2: GAS 68 Information

### Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

#### Fresno Mosquito and Vector Control District

Reporting Date for Employer under GAS 68	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 68	June 30, 2022	June 30, 2021
<b>Deferred Outflows of Resources</b>		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions <sup>1</sup>	\$61,958	\$56,563
• Changes of assumptions or other inputs	141,093	183,576
• Net excess of projected over actual earnings on pension plan investments (if any)	475,001	0
• Difference between expected and actual experience in the Total Pension Liability	<u>15,471</u>	<u>29,075</u>
• Total Deferred Outflows of Resources	<b>\$693,523</b>	<b>\$269,214</b>
<b>Deferred Inflows of Resources</b>		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions <sup>1</sup>	\$31,441	\$66,937
• Changes of assumptions or other inputs	9,317	26,574
• Net excess of actual over projected earnings on pension plan investments (if any)	0	757,639
• Difference between expected and actual experience in the Total Pension Liability	<u>96,962</u>	<u>10,501</u>
• Total Deferred Inflows of Resources	<b>\$137,720</b>	<b>\$861,651</b>
<b>Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:</b>		
<b>Reporting Date for Employer under GAS 68 Year Ended June 30:</b>		
2023	N/A	\$(133,787)
2024	\$154,608	(94,028)
2025	136,200	(112,030)
2026	7,033	(252,592)
2027	257,962	0
Thereafter	0	0

<sup>1</sup> Calculated in accordance with Paragraphs 54 and 55 of GAS 68.

## Section 2: GAS 68 Information

### Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

#### Superior Court County of Fresno

Reporting Date for Employer under GAS 68	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 68	June 30, 2022	June 30, 2021
<b>Deferred Outflows of Resources</b>		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions <sup>1</sup>	\$2,614,804	\$745,478
• Changes of assumptions or other inputs	6,912,037	8,777,664
• Net excess of projected over actual earnings on pension plan investments (if any)	23,269,860	0
• Difference between expected and actual experience in the Total Pension Liability	<u>757,920</u>	<u>1,390,207</u>
• Total Deferred Outflows of Resources	<b>\$33,554,621</b>	<b>\$10,913,349</b>
<b>Deferred Inflows of Resources</b>		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions <sup>1</sup>	\$1,461,540	\$3,015,246
• Changes of assumptions or other inputs	456,418	1,270,621
• Net excess of actual over projected earnings on pension plan investments (if any)	0	36,226,483
• Difference between expected and actual experience in the Total Pension Liability	<u>4,750,097</u>	<u>502,095</u>
• Total Deferred Inflows of Resources	<b>\$6,668,055</b>	<b>\$41,014,445</b>
<b>Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:</b>		
<b>Reporting Date for Employer under GAS 68 Year Ended June 30:</b>		
2023	N/A	\$(6,435,631)
2024	\$7,113,784	(5,260,154)
2025	6,380,373	(5,954,509)
2026	467,479	(12,450,802)
2027	12,924,930	0
Thereafter	0	0

<sup>1</sup> Calculated in accordance with Paragraphs 54 and 55 of GAS 68.

## Section 2: GAS 68 Information

There are changes in each employer's proportionate share of the total Net Pension Liability (NPL) during the measurement period ended June 30, 2022. The net effect of the change on the employer's proportionate share of the collective NPL and collective deferred outflows of resources and deferred inflows of resources for the current period (i.e., 2021-2022) is recognized over the average of the expected remaining service lives of all employees that are provided with pensions through FCERA which is 4.39 years determined as of June 30, 2021 (the beginning of the measurement period ending June 30, 2022). This is described in Paragraph 33a. of GAS 68.

In addition, the difference between the actual employer contributions and the proportionate share of the employer contributions during the measurement period ended June 30, 2022 is recognized over the same period.

The net effects of the change on the employer's proportionate share of the collective NPL and collective deferred outflows of resources and deferred inflows of resources for prior periods are continued to be recognized based on the expected remaining service lives of all employees calculated as of those prior measurement dates.

The average of the expected service lives of all employees is determined by:

- Calculating each active employee's expected remaining service life as the present value of \$1 per year of future service at zero percent interest.
- Setting the remaining service life to zero for each nonactive or retired member.
- Dividing the sum of the above amounts by the total number of active employee, nonactive and retired members.

## Section 2: GAS 68 Information

### Schedule of Proportionate Share of the Net Pension Liability

Total for All Employers

Reporting date for employer under GAS 68 as of June 30	Proportion of the Net Pension Liability	Proportionate share of Net Pension Liability	Covered payroll <sup>1</sup>	Proportionate share of the Net Pension Liability as a percentage of its covered payroll	Plan's Fiduciary Net Position as a percentage of the Total Pension Liability
2014	100.000%	\$1,350,830,222	\$346,808,063	389.50%	72.15%
2015	100.000%	878,054,003	350,326,471	250.64%	82.18%
2016	100.000%	1,085,121,867	351,109,181	309.06%	78.79%
2017	100.000%	1,533,010,423	370,318,316	413.97%	72.34%
2018	100.000%	1,306,316,965	386,345,262	338.12%	77.14%
2019	100.000%	1,181,979,279	403,018,382	293.28%	79.90%
2020	100.000%	1,129,867,575	423,092,385	267.05%	81.37%
2021	100.000%	1,390,673,957	451,525,232	307.99%	78.02%
2022	100.000%	466,636,822	454,782,164	102.61%	93.09%
2023	100.000%	1,235,794,544	463,806,914	266.45%	81.98%

<sup>1</sup> Covered payroll represents payroll on which contributions to the pension plan are based.



## Section 2: GAS 68 Information

### Schedule of Proportionate Share of the Net Pension Liability (continued)

#### County of Fresno

Reporting date for employer under GAS 68 as of June 30	Proportion of the Net Pension Liability	Proportionate share of Net Pension Liability	Covered payroll <sup>1</sup>	Proportionate share of the Net Pension Liability as a percentage of its covered payroll	Plan's Fiduciary Net Position as a percentage of the Total Pension Liability
2014	92.708%	\$1,252,321,370	\$319,904,770	391.47%	72.11%
2015	92.930%	815,975,668	324,102,475	251.76%	82.14%
2016	93.078%	1,010,008,367	325,382,476	310.41%	78.77%
2017	92.992%	1,425,569,599	343,434,550	415.09%	72.31%
2018	92.747%	1,211,571,877	357,537,552	338.87%	77.11%
2019	93.145%	1,100,961,080	373,991,976	294.38%	79.87%
2020	93.330%	1,054,509,800	393,996,969	267.64%	81.35%
2021	93.200%	1,296,104,391	419,771,981	308.76%	78.01%
2022	93.451%	436,078,004	423,529,190	102.96%	93.08%
2023	92.896%	1,147,990,867	430,395,649	266.73%	82.01%

<sup>1</sup> Covered payroll represents payroll on which contributions to the pension plan are based.

## Section 2: GAS 68 Information

### Schedule of Proportionate Share of the Net Pension Liability (continued)

#### Fresno-Madera Area Agency on Aging

Reporting date for employer under GAS 68 as of June 30	Proportion of the Net Pension Liability	Proportionate share of Net Pension Liability	Covered payroll <sup>1</sup>	Proportionate share of the Net Pension Liability as a percentage of its covered payroll	Plan's Fiduciary Net Position as a percentage of the Total Pension Liability
2014	0.317%	\$4,279,994	\$1,174,125	364.53%	72.64%
2015	0.312%	2,741,295	1,223,759	224.01%	82.71%
2016	0.295%	3,199,297	1,056,905	302.70%	79.14%
2017	0.278%	4,258,515	1,158,908	367.46%	72.77%
2018	0.258%	3,364,621	1,058,746	317.79%	77.46%
2019	0.253%	2,988,322	1,111,415	268.88%	80.36%
2020	0.281%	3,172,649	1,300,919	243.88%	81.58%
2021	0.261%	3,635,306	1,249,280	290.99%	78.10%
2022	0.224%	1,044,392	1,055,619	98.94%	93.15%
2023	0.259%	3,203,102	1,253,925	255.45%	81.65%

<sup>1</sup> Covered payroll represents payroll on which contributions to the pension plan are based.

## Section 2: GAS 68 Information

### Schedule of Proportionate Share of the Net Pension Liability (continued)

#### Clovis Veterans Memorial District

Reporting date for employer under GAS 68 as of June 30	Proportion of the Net Pension Liability	Proportionate share of Net Pension Liability	Covered payroll <sup>1</sup>	Proportionate share of the Net Pension Liability as a percentage of its covered payroll	Plan's Fiduciary Net Position as a percentage of the Total Pension Liability
2014	0.094%	\$1,273,120	\$359,610	354.03%	72.64%
2015	0.079%	690,297	301,313	229.10%	82.71%
2016	0.096%	1,042,901	364,020	286.50%	79.14%
2017	0.102%	1,559,493	394,517	395.29%	72.77%
2018	0.091%	1,187,091	443,055	267.93%	77.46%
2019	0.088%	1,035,685	468,880	220.88%	80.36%
2020	0.082%	922,735	429,925	214.63%	81.58%
2021	0.086%	1,202,796	487,489	246.73%	78.10%
2022	0.089%	415,759	484,336	85.84%	93.15%
2023	0.099%	1,229,120	548,733	223.99%	81.65%

<sup>1</sup> Covered payroll represents payroll on which contributions to the pension plan are based.

## Section 2: GAS 68 Information

### Schedule of Proportionate Share of the Net Pension Liability (continued)

#### Fresno Mosquito and Vector Control District

Reporting date for employer under GAS 68 as of June 30	Proportion of the Net Pension Liability	Proportionate share of Net Pension Liability	Covered payroll <sup>1</sup>	Proportionate share of the Net Pension Liability as a percentage of its covered payroll	Plan's Fiduciary Net Position as a percentage of the Total Pension Liability
2014	0.096%	\$1,301,673	\$351,468	370.35%	72.64%
2015	0.101%	884,371	405,365	218.17%	82.71%
2016	0.118%	1,281,908	403,071	318.04%	79.14%
2017	0.117%	1,787,578	469,250	380.94%	72.77%
2018	0.135%	1,762,384	538,972	326.99%	77.46%
2019	0.134%	1,588,616	593,152	267.83%	80.36%
2020	0.127%	1,439,355	601,002	239.49%	81.58%
2021	0.123%	1,705,539	614,392	277.60%	78.10%
2022	0.128%	596,101	643,272	92.67%	93.15%
2023	0.135%	1,667,794	674,738	247.18%	81.65%

<sup>1</sup> Covered payroll represents payroll on which contributions to the pension plan are based.

## Section 2: GAS 68 Information

### Schedule of Proportionate Share of the Net Pension Liability (continued)

#### Superior Court County of Fresno

Reporting date for employer under GAS 68 as of June 30	Proportion of the Net Pension Liability	Proportionate share of Net Pension Liability	Covered payroll <sup>1</sup>	Proportionate share of the Net Pension Liability as a percentage of its covered payroll	Plan's Fiduciary Net Position as a percentage of the Total Pension Liability
2014	6.785%	\$91,654,065	\$25,018,090	366.35%	72.64%
2015	6.578%	57,762,372	24,293,559	237.77%	82.71%
2016	6.413%	69,589,394	23,902,709	291.14%	79.14%
2017	6.512%	99,835,238	24,861,091	401.57%	72.77%
2018	6.769%	88,430,992	26,766,936	330.37%	77.46%
2019	6.380%	75,405,576	26,852,960	280.81%	80.36%
2020	6.180%	69,823,036	26,763,571	260.89%	81.58%
2021	6.330%	88,025,925	29,402,090	299.39%	78.10%
2022	6.108%	28,502,566	29,069,748	98.05%	93.15%
2023	6.611%	81,703,661	30,933,869	264.12%	81.65%

<sup>1</sup> Covered payroll represents payroll on which contributions to the pension plan are based.

## Section 2: GAS 68 Information

### Schedule of Reconciliation of Net Pension Liability

Total for All Employers

Reporting Date for Employer under GAS 68	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 68	June 30, 2022	June 30, 2021
<b>Beginning Net Pension Liability</b>	<b>\$466,636,822</b>	<b>\$1,390,673,957</b>
• Pension Expense	193,912,050	34,755,484
• Employer Contributions	(251,733,095)	(273,973,459)
• New Net Deferred Inflows/Outflows	730,988,053	(662,961,041)
• Change in Allocation of Prior Deferred Inflows/Outflows	0	0
• New Net Deferred Flows Due to Change in Proportion	0	0
• Recognition of Prior Deferred Inflows/Outflows	95,990,714	(21,858,119)
• Recognition of Prior Deferred Flows Due to Change in Proportion	<u>0</u>	<u>0</u>
<b>Ending Net Pension Liability</b>	<b>\$1,235,794,544</b>	<b>\$466,636,822</b>

## Section 2: GAS 68 Information

### Schedule of Reconciliation of Net Pension Liability (continued)

#### County of Fresno

Reporting Date for Employer under GAS 68	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 68	June 30, 2022	June 30, 2021
<b>Beginning Net Pension Liability</b>	<b>\$436,078,004</b>	<b>\$1,296,104,391</b>
• Pension Expense	180,760,504	34,105,677
• Employer Contributions	(234,532,976)	(256,034,738)
• New Net Deferred Inflows/Outflows	678,635,520	(618,968,529)
• Change in Allocation of Prior Deferred Inflows/Outflows	1,565,370	467,613
• New Net Deferred Flows Due to Change in Proportion	(2,446,740)	1,785,616
• Recognition of Prior Deferred Inflows/Outflows	89,284,163	(20,476,364)
• Recognition of Prior Deferred Flows Due to Change in Proportion	<u>(1,352,978)</u>	<u>(905,662)</u>
<b>Ending Net Pension Liability</b>	<b>\$1,147,990,867</b>	<b>\$436,078,004</b>

## Section 2: GAS 68 Information

### Schedule of Reconciliation of Net Pension Liability (continued)

#### Fresno-Madera Area Agency on Aging

Reporting Date for Employer under GAS 68	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 68	June 30, 2022	June 30, 2021
<b>Beginning Net Pension Liability</b>	<b>\$1,044,392</b>	<b>\$3,635,306</b>
• Pension Expense	474,780	(44,447)
• Employer Contributions	(627,465)	(613,082)
• New Net Deferred Inflows/Outflows	1,909,835	(1,503,508)
• Change in Allocation of Prior Deferred Inflows/Outflows	(125,849)	(84,218)
• New Net Deferred Flows Due to Change in Proportion	196,707	(321,595)
• Recognition of Prior Deferred Inflows/Outflows	244,657	(47,224)
• Recognition of Prior Deferred Flows Due to Change in Proportion	<u>86,045</u>	<u>23,160</u>
<b>Ending Net Pension Liability</b>	<b>\$3,203,102</b>	<b>\$1,044,392</b>



## Section 2: GAS 68 Information

### Schedule of Reconciliation of Net Pension Liability (continued)

#### Clovis Veterans Memorial District

Reporting Date for Employer under GAS 68	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 68	June 30, 2022	June 30, 2021
<b>Beginning Net Pension Liability</b>	<b>\$415,759</b>	<b>\$1,202,796</b>
• Pension Expense	208,004	10,436
• Employer Contributions	(240,776)	(244,060)
• New Net Deferred Inflows/Outflows	732,857	(598,527)
• Change in Allocation of Prior Deferred Inflows/Outflows	(33,649)	7,826
• New Net Deferred Flows Due to Change in Proportion	52,594	29,882
• Recognition of Prior Deferred Inflows/Outflows	93,882	(18,799)
• Recognition of Prior Deferred Flows Due to Change in Proportion	<u>449</u>	<u>26,205</u>
<b>Ending Net Pension Liability</b>	<b>\$1,229,120</b>	<b>\$415,759</b>

## Section 2: GAS 68 Information

### Schedule of Reconciliation of Net Pension Liability (continued)

#### Fresno Mosquito and Vector Control District

Reporting Date for Employer under GAS 68	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 68	June 30, 2022	June 30, 2021
<b>Beginning Net Pension Liability</b>	<b>\$596,101</b>	<b>\$1,705,539</b>
• Pension Expense	250,162	48,015
• Employer Contributions	(326,709)	(349,925)
• New Net Deferred Inflows/Outflows	994,414	(858,148)
• Change in Allocation of Prior Deferred Inflows/Outflows	(14,453)	14,433
• New Net Deferred Flows Due to Change in Proportion	22,590	55,115
• Recognition of Prior Deferred Inflows/Outflows	127,388	(26,954)
• Recognition of Prior Deferred Flows Due to Change in Proportion	<u>18,301</u>	<u>8,026</u>
<b>Ending Net Pension Liability</b>	<b>\$1,667,794</b>	<b>\$596,101</b>

## Section 2: GAS 68 Information

### Schedule of Reconciliation of Net Pension Liability (continued)

#### Superior Court County of Fresno

Reporting Date for Employer under GAS 68	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 68	June 30, 2022	June 30, 2021
<b>Beginning Net Pension Liability</b>	<b>\$28,502,566</b>	<b>\$88,025,925</b>
• Pension Expense	12,218,600	635,803
• Employer Contributions	(16,005,169)	(16,731,654)
• New Net Deferred Inflows/Outflows	48,715,427	(41,032,329)
• Change in Allocation of Prior Deferred Inflows/Outflows	(1,391,419)	(405,654)
• New Net Deferred Flows Due to Change in Proportion	2,174,849	(1,549,018)
• Recognition of Prior Deferred Inflows/Outflows	6,240,624	(1,288,778)
• Recognition of Prior Deferred Flows Due to Change in Proportion	<u>1,248,183</u>	<u>848,271</u>
<b>Ending Net Pension Liability</b>	<b>\$81,703,661</b>	<b>\$28,502,566</b>

## Section 2: GAS 68 Information

### Schedule of Recognition of Changes in Total Net Pension Liability

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of Differences between Expected and Actual Experience on Total Pension Liability (Dollars in \$000s)

Reporting Date for Employer under GAS 68 Year Ended June 30	Differences between Actual and Expected Experience	Recognition Period (Years)	Reporting Date for Employer under GAS 68 Year Ended June 30:						
			2022	2023	2024	2025	2026	2027	Thereafter
2018	\$(70,198) <sup>1</sup>	4.51	\$(7,938)	\$0	\$0	\$0	\$0	\$0	\$0
2019	(70,095) <sup>1</sup>	4.52	(15,508)	(8,064)	0	0	0	0	0
2020	12,058 <sup>1</sup>	4.52	2,668	2,668	1,387	0	0	0	0
2021	22,279 <sup>1</sup>	4.44	5,018	5,018	5,018	2,208	0	0	0
2022	(5,979)	4.50	(1,329)	(1,329)	(1,329)	(1,329)	(664)	0	0
2023	(106,423)	4.39	N/A	(24,242)	(24,242)	(24,242)	(24,242)	(9,454)	0
<b>Net increase/(decrease) in pension expense</b>			<b>\$(17,089)</b>	<b>\$(25,949)</b>	<b>\$(19,166)</b>	<b>\$(23,363)</b>	<b>\$(24,906)</b>	<b>\$(9,454)</b>	<b>\$0</b>

Note: Results may not total due to rounding.

As described in *Section 2, Deferred Outflows of Resources and Deferred Inflows of Resources*, for the current period, the average of the expected remaining service lives of all employees that are provided with pensions through FCERA (active and inactive employees) determined as of June 30, 2021 (the beginning of the measurement period ending June 30, 2022) is 4.39 years.

<sup>1</sup> The amortization amounts prior to June 30, 2022 have been omitted from this exhibit. Those amounts can be found in prior years' GAS 68 reports.

## Section 2: GAS 68 Information

### Schedule of Recognition of Changes in Total Net Pension Liability (continued)

Increase (Decrease) in Pension Expense Arising from the Recognition  
of the Effects of Assumption Changes (Dollars in \$000s)

Reporting Date for Employer under GAS 68 Year Ended June 30	Effects of Assumption Changes	Recognition Period (Years)	Reporting Date for Employer under GAS 68 Year Ended June 30:						
			2022	2023	2024	2025	2026	2027	Thereafter
2018	\$0 <sup>1</sup>	4.51	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2019	0 <sup>1</sup>	4.52	0	0	0	0	0	0	0
2020	(67,931) <sup>1</sup>	4.52	(15,029)	(15,029)	(7,815)	0	0	0	0
2021	0 <sup>1</sup>	4.44	0	0	0	0	0	0	0
2022	185,354	4.50	41,190	41,190	41,190	41,190	20,595	0	0
2023	(13,151)	4.39	N/A	(2,996)	(2,996)	(2,996)	(2,996)	(1,168)	0
<b>Net increase/(decrease) in pension expense</b>			<b>\$26,161</b>	<b>\$23,165</b>	<b>\$30,379</b>	<b>\$38,194</b>	<b>\$17,599</b>	<b>\$(1,168)</b>	<b>\$0</b>

Note: Results may not total due to rounding.

As described in *Section 2, Deferred Outflows of Resources and Deferred Inflows of Resources*, for the current period, the average of the expected remaining service lives of all employees that are provided with pensions through FCERA (active and inactive employees) determined as of June 30, 2021 (the beginning of the measurement period ending June 30, 2022) is 4.39 years.

<sup>1</sup> The amortization amounts prior to June 30, 2022 have been omitted from this exhibit. Those amounts can be found in prior years' GAS 68 reports.

## Section 2: GAS 68 Information

### Schedule of Recognition of Changes in Total Net Pension Liability (continued)

Increase (Decrease) in Pension Expense Arising from the Recognition of Differences between Projected and Actual Earnings on Pension Plan Investments (Dollars in \$000s)

Reporting Date for Employer under GAS 68 Year Ended June 30	Differences between Projected and Actual Earnings	Recognition Period (Years)	Reporting Date for Employer under GAS 68 Year Ended June 30:						
			2022	2023	2024	2025	2026	2027	Thereafter
2018	\$(137,635) <sup>1</sup>	5.00	\$(27,527)	\$0	\$0	\$0	\$0	\$0	\$0
2019	(4,747) <sup>1</sup>	5.00	(949)	(949)	0	0	0	0	0
2020	73,595 <sup>1</sup>	5.00	14,719	14,719	14,719	0	0	0	0
2021	332,023 <sup>1</sup>	5.00	66,405	66,405	66,405	66,405	0	0	0
2022	(1,003,094)	5.00	(200,619)	(200,619)	(200,619)	(200,619)	(200,619)	0	0
2023	1,029,155	5.00	N/A	<u>205,831</u>	<u>205,831</u>	<u>205,831</u>	<u>205,831</u>	<u>205,831</u>	<u>0</u>
<b>Net increase/(decrease) in pension expense</b>			<b>\$(147,972)</b>	<b>\$85,386</b>	<b>\$86,336</b>	<b>\$71,617</b>	<b>\$5,212</b>	<b>\$205,831</b>	<b>\$0</b>

Note: Results may not total due to rounding.

The differences between projected and actual earnings on pension plan investments are recognized over a five-year period per Paragraph 33b of GAS 68.

<sup>1</sup> The amortization amounts prior to June 30, 2022 have been omitted from this exhibit. Those amounts can be found in prior years' GAS 68 reports.

## Section 2: GAS 68 Information

### Schedule of Recognition of Changes in Total Net Pension Liability (continued)

Total Increase (Decrease) in Pension Expense (Dollars in \$000s)

Reporting Date for Employer under GAS 68 Year Ended June 30	Total Differences	Reporting Date for Employer under GAS 68 Year Ended June 30:						Thereafter
		2022	2023	2024	2025	2026	2027	
2018	\$(207,833) <sup>1</sup>	\$(35,465)	\$0	\$0	\$0	\$0	\$0	\$0
2019	(74,842) <sup>1</sup>	(16,457)	(9,013)	0	0	0	0	0
2020	17,723 <sup>1</sup>	2,358	2,358	8,291	0	0	0	0
2021	354,302 <sup>1</sup>	71,422	71,422	71,422	68,612	0	0	0
2022	(823,719)	(160,758)	(160,758)	(160,758)	(160,758)	(180,688)	0	0
2023	909,581	N/A	<u>178,593</u>	<u>178,593</u>	<u>178,593</u>	<u>178,593</u>	<u>195,208</u>	<u>0</u>
<b>Net increase/(decrease) in pension expense</b>		<b>\$(138,899)</b>	<b>\$82,603</b>	<b>\$97,549</b>	<b>\$86,448</b>	<b>\$(2,095)</b>	<b>\$195,208</b>	<b>\$0</b>

Note: Results may not total due to rounding.

<sup>1</sup> The amortization amounts prior to June 30, 2022 have been omitted from this exhibit. Those amounts can be found in prior years' GAS 68 reports.

## Section 2: GAS 68 Information

### Allocation of Changes in Total Net Pension Liability

In addition to the amounts shown in *Section 2, Schedule of Recognition of Changes in Total Net Pension Liability*, there are changes in each employer's proportionate share of the total NPL during the measurement period ending on June 30, 2022. The net effect of the change on the employer's proportionate share of the collective NPL and collective deferred outflows of resources and deferred inflows of resources is also recognized over the average of the expected remaining service lives of all employees shown above. These amounts are shown on the following table, with the corresponding amounts for the measurement periods ending each June 30 beginning in 2018 shown on the following pages. While these amounts are different for each employer, they sum to zero over the entire FCERA.

#### Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of the Change in Proportion and Change in Employer and Member Contributions for the Year Ended June 30, 2022

	Total Change	Recognition Period (Years)	2023	2024	2025	2026	2027
County of Fresno	\$(3,168,493)	4.39	\$(721,753)	\$(721,753)	\$(721,753)	\$(721,753)	\$(281,481)
Fresno-Madera Area Agency on Aging	254,733	4.39	58,026	58,026	58,026	58,026	22,629
Clovis Veterans Memorial District	68,109	4.39	15,515	15,515	15,515	15,515	6,049
Fresno Mosquito and Vector Control District	29,254	4.39	6,664	6,664	6,664	6,664	2,598
Superior Court County of Fresno	<u>2,816,397</u>	4.39	<u>641,548</u>	<u>641,548</u>	<u>641,548</u>	<u>641,548</u>	<u>250,205</u>
<b>Total for All Employers</b>	<b>\$0</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>



## Section 2: GAS 68 Information

### Allocation of Changes in Total Net Pension Liability (continued)

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of the Change in Proportion and Change in Employer and Member Contributions for the Year Ended June 30, 2021

	Total Change	Recognition Period (Years)	2022	2023	2024	2025	2026
County of Fresno	\$2,295,791	4.50	\$510,175	\$510,175	\$510,175	\$510,175	\$255,091
Fresno-Madera Area Agency on Aging	(413,479)	4.50	(91,884)	(91,884)	(91,884)	(91,884)	(45,943)
Clovis Veterans Memorial District	38,420	4.50	8,538	8,538	8,538	8,538	4,268
Fresno Mosquito and Vector Control District	70,862	4.50	15,747	15,747	15,747	15,747	7,874
Superior Court County of Fresno	<u>(1,991,594)</u>	4.50	<u>(442,576)</u>	<u>(442,576)</u>	<u>(442,576)</u>	<u>(442,576)</u>	<u>(221,290)</u>
<b>Total for All Employers</b>	<b>\$0</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of the Change in Proportion and Change in Employer and Member Contributions for the Year Ended June 30, 2020

	Total Change	Recognition Period (Years)	2021	2022	2023	2024	2025
County of Fresno	\$(1,103,394)	4.44	\$(248,511)	\$(248,511)	\$(248,511)	\$(248,511)	\$(109,350)
Fresno-Madera Area Agency on Aging	(241,223)	4.44	(54,330)	(54,330)	(54,330)	(54,330)	(23,903)
Clovis Veterans Memorial District	50,754	4.44	11,431	11,431	11,431	11,431	5,030
Fresno Mosquito and Vector Control District	(62,661)	4.44	(14,113)	(14,113)	(14,113)	(14,113)	(6,209)
Superior Court County of Fresno	<u>1,356,524</u>	4.44	<u>305,523</u>	<u>305,523</u>	<u>305,523</u>	<u>305,523</u>	<u>134,432</u>
<b>Total for All Employers</b>	<b>\$0</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## Section 2: GAS 68 Information

### Allocation of Changes in Total Net Pension Liability (continued)

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of the Change in Proportion and Change in Employer and Member Contributions for the Year Ended June 30, 2019

	Total Change	Recognition Period (Years)	2020	2021	2022	2023	2024
County of Fresno	\$2,979,011	4.52	\$659,074	\$659,074	\$659,074	\$659,074	\$342,715
Fresno-Madera Area Agency on Aging	282,900	4.52	62,588	62,588	62,588	62,588	32,548
Clovis Veterans Memorial District	(78,638)	4.52	(17,398)	(17,398)	(17,398)	(17,398)	(9,046)
Fresno Mosquito and Vector Control District	(96,651)	4.52	(21,383)	(21,383)	(21,383)	(21,383)	(11,119)
Superior Court County of Fresno	<u>(3,086,622)</u>	4.52	<u>(682,881)</u>	<u>(682,881)</u>	<u>(682,881)</u>	<u>(682,881)</u>	<u>(355,098)</u>
<b>Total for All Employers</b>	<b>\$0</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of the Change in Proportion and Change in Employer and Member Contributions for the Year Ended June 30, 2018

	Total Change	Recognition Period (Years)	2019	2020	2021	2022	2023
County of Fresno	\$3,757,156	4.52	\$831,229	\$831,229	\$831,229	\$831,229	\$432,240
Fresno-Madera Area Agency on Aging	(21,015)	4.52	(4,649)	(4,649)	(4,649)	(4,649)	(2,419)
Clovis Veterans Memorial District	(26,264)	4.52	(5,811)	(5,811)	(5,811)	(5,811)	(3,020)
Fresno Mosquito and Vector Control District	12,588	4.52	2,785	2,785	2,785	2,785	1,448
Superior Court County of Fresno	<u>(3,722,465)</u>	4.52	<u>(823,554)</u>	<u>(823,554)</u>	<u>(823,554)</u>	<u>(823,554)</u>	<u>(428,249)</u>
<b>Total for All Employers</b>	<b>\$0</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

# Section 3: Actuarial Assumptions and Methods and Appendices

## Actuarial Assumptions and Methods

For June 30, 2022 Measurement Date and Employer Reporting as of June 30, 2023:

<b>Rationale for Assumptions:</b>	The information and analysis used in selecting each assumption that has a significant effect on this actuarial valuation is shown in the Review of Economic Actuarial Assumptions report dated June 8, 2021 and the July 1, 2018 through June 31, 2021 Analysis of Demographic Actuarial Experience dated April 12, 2022. Unless otherwise noted, all actuarial assumptions and methods shown below apply to members for all tiers. These assumptions were adopted by the Board.
<b><u>Economic Assumptions</u></b>	
<b>Net Investment Return:</b>	6.50%, net of investment expenses. Based on the Review of Economic Actuarial Assumptions report reference above, expected investment expenses represent about 0.60% of the Actuarial Value of Assets.
<b>Administrative Expenses:</b>	1.30% of payroll allocated to both the employer and member based on the components of the total average contribution rate (before expenses) for the employer and member.
<b>Member Contribution Crediting Rate:</b>	2.50%, compounded semi-annually. (The difference between the 6.50% net investment return assumption and 2.50% is credited to the other valuation reserves.)
<b>Consumer Price Index (CPI)</b>	Increase of 2.50% per year.
<b>Cost of Living Adjustments (COLA):</b>	Retiree COLA increases of 2.50% per year for General Tiers 1, 2 and 3, and Safety Tiers 1 and 2. General and Safety Tiers 4 and 5 receive no COLA increases. For members that have COLA banks, we assume they receive 3.00% COLA increases until their COLA banks are exhausted and 2.50% thereafter.
<b>Payroll Growth:</b>	Inflation of 2.50% per year plus “across the board” real salary increases of 0.50% per year.
<b>Increase in Internal Revenue Code Section 401(a)(17) Compensation Limit:</b>	Increase of 2.50% per year from the valuation date.
<b>Increase in Section 7522.10 Compensation Limit:</b>	Increase of 2.50% per year from the valuation date.

## Section 3: Actuarial Assumptions and Methods and Appendices

### Salary Increases:

The annual rate of compensation increase includes: Inflation at 2.50%, plus “across the board” salary increases of 0.50% per year, plus the following merit and promotion increases:

Years of Service	Rate (%)	
	General	Safety
Less than 1	9.00	8.50
1 - 2	8.00	8.00
2 - 3	7.00	6.75
3 - 4	5.25	5.00
4 - 5	4.75	4.50
5 - 6	3.75	3.75
6 - 7	3.25	3.50
7 - 8	2.25	2.75
8 - 9	1.50	2.00
9 - 10	1.25	1.60
10 & Over	1.10	1.50

## Section 3: Actuarial Assumptions and Methods and Appendices

### Demographic Assumptions:

#### Post-Retirement Mortality Rates:

##### *Healthy*

- **General Members:** Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 5% for males and increased by 10% for females, projected generationally with the two-dimensional mortality improvement scale MP-2021.
- **Safety Members:** Pub-2010 Safety Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 5% for males, projected generationally with the two-dimensional mortality improvement scale MP-2021.

##### *Disabled*

- **General Members:** Pub-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Table (separate tables for males and females) with rates increased by 5% for males and decreased by 5% for females, projected generationally with the two-dimensional mortality improvement scale MP-2021.
- **Safety Members:** Pub-2010 Safety Disabled Retiree Amount-Weighted Mortality Table (separate tables for males and females) with rates increased by 5% for females, projected generationally with the two-dimensional mortality improvement scale MP-2021.

##### *Beneficiary*

- **Beneficiaries not currently in Pay Status:** Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 5% for males and increased by 10% for females, projected generationally with the two-dimensional mortality improvement scale MP-2021.
- **Beneficiaries in Pay Status:** Pub-2010 Contingent Survivor Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 10%, projected generationally with the two-dimensional mortality improvement scale MP-2021.

The Pub-2010 mortality tables and adjustments as shown above reasonably reflect the mortality experience as of the measurement date. These mortality tables were adjusted to future years using the generational projection to reflect future mortality improvement between the measurement date and those years.

## Section 3: Actuarial Assumptions and Methods and Appendices

### Pre-Retirement Mortality Rates:

- **General Members:** Pub-2010 General Employee Amount-Weighted Above-Median Mortality Table (separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2021.
- **Safety Members:** Pub-2010 Safety Employee Amount-Weighted Above-Median Mortality Table (separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2021

Age	Rate (%) <sup>1</sup>			
	General		Safety	
	Male	Female	Male	Female
20	0.04	0.01	0.04	0.02
25	0.02	0.01	0.03	0.02
30	0.03	0.01	0.04	0.02
35	0.04	0.02	0.04	0.03
40	0.06	0.03	0.05	0.04
45	0.09	0.05	0.07	0.06
50	0.13	0.08	0.10	0.08
55	0.19	0.11	0.15	0.11
60	0.28	0.17	0.23	0.14
65	0.41	0.27	0.35	0.20
70	0.61	0.44	0.66	0.39

All pre-retirement deaths are assumed to be non-service connected.

<sup>1</sup> Generational projections beyond the base year (2010) are not reflected in the above mortality rates.

### Mortality Rates for Member Contributions:

- **General Members:** Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 5% for males and increased by 10% for females, projected 30 years with the two-dimensional mortality improvement scale MP-2021, weighted 35% male and 65% female.
- **Safety Members:** Pub-2010 Safety Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 5% for males, projected 30 years with the two-dimensional mortality improvement scale MP-2021, weighted 80% male and 20% female.

## Section 3: Actuarial Assumptions and Methods and Appendices

### Disability Incidence Rates:

Age	Rate (%)	
	General	Safety
20	0.01	0.05
25	0.01	0.11
30	0.02	0.33
35	0.03	0.54
40	0.09	0.69
45	0.19	0.96
50	0.26	1.34
55	0.30	2.10
60	0.37	2.80
65	0.55	3.00
70	0.65	3.00

65% of General disabilities are assumed to be service connected disabilities (duty) and the other 35% are assumed to be non-service connected (ordinary) disabilities.

100% of Safety disabilities are assumed to be service connected (duty) disabilities.

## Section 3: Actuarial Assumptions and Methods and Appendices

### Termination Rates:

Years of Service	Rate (%)	
	General	Safety
Less than 1	18.00	13.00
1 - 2	11.25	7.50
2 - 3	9.25	6.50
3 - 4	8.00	4.50
4 - 5	7.50	4.00
5 - 6	6.50	3.25
6 - 7	5.50	3.00
7 - 8	5.00	2.75
8 - 9	4.75	2.50
9 - 10	4.50	2.50
10 - 11	4.25	2.25
11 - 12	4.00	2.25
12 - 13	3.75	2.00
13 - 14	3.75	2.00
14 - 15	3.75	1.75
15 - 16	3.00	1.50
16 - 17	2.50	1.40
17 - 18	2.50	1.30
18 - 19	2.50	1.20
19 - 20	2.00	1.10
20 & Over	1.75	1.00

### Proportion of Total Termination Assumed to Receive Refunds and Deferred Vested Benefits

Years of Service	Rate (%)	
	General	Safety
0 - 4	40.00	60.00
5 - 9	30.00	70.00
10 - 14	20.00	80.00
15 - 19	15.00	85.00
20 & Over	10.00	90.00

No termination is assumed after a member is first assumed to retire.



## Section 3: Actuarial Assumptions and Methods and Appendices

### Retirement Rates:

Age	Rate (%)					
	General Tier 1 (Less than 30 Years of Service)	General Tier 1 (30 or More Years of Service)	General Tier 2	General Tier 3	General Tier 4	General Tier 5
50	5.00	12.00	3.00	3.60	3.00	0.00
51	3.75	12.00	3.00	3.60	3.00	0.00
52	3.50	12.00	3.60	4.20	3.50	4.50
53	3.50	15.00	3.60	4.20	3.50	2.00
54	5.00	15.00	4.20	5.00	4.00	2.50
55	8.00	16.00	8.40	10.00	5.00	3.50
56	9.00	16.00	10.00	12.00	6.00	4.50
57	11.00	30.00	10.00	12.00	7.00	5.50
58	12.00	30.00	10.00	12.00	8.00	6.50
59	16.00	30.00	10.00	14.00	9.00	7.50
60	17.00	30.00	15.00	16.00	10.00	8.50
61	18.00	30.00	15.00	16.00	11.00	9.50
62	25.00	35.00	25.00	30.00	16.00	15.00
63	20.00	35.00	24.00	22.00	16.00	15.00
64	25.00	35.00	24.00	22.00	19.00	18.00
65	40.00	50.00	35.00	35.00	23.00	22.00
66	40.00	50.00	34.00	30.00	20.00	20.00
67	40.00	50.00	34.00	30.00	20.00	20.00
68	35.00	50.00	35.00	35.00	25.00	25.00
69	35.00	50.00	35.00	35.00	30.00	30.00
70	35.00	50.00	35.00	35.00	35.00	35.00
71	50.00	50.00	50.00	50.00	50.00	50.00
72	50.00	50.00	50.00	50.00	50.00	50.00
73	50.00	50.00	50.00	50.00	50.00	50.00
74	50.00	50.00	50.00	50.00	50.00	50.00
75 & Over	100.00	100.00	100.00	100.00	100.00	100.00

## Section 3: Actuarial Assumptions and Methods and Appendices

### Retirement Rates (continued):

Age	Rate (%)		
	Safety Tiers 1 & 2 (Less Than 30 Years of Service)	Safety Tier 4	Safety Tier 5
45	8.00	1.00	0.00
46	3.00	1.00	0.00
47	3.00	1.00	0.00
48	3.00	1.00	0.00
49	4.00	2.00	0.00
50	8.00	4.00	4.00
51	6.00	4.00	4.00
52	10.00	5.00	5.00
53	12.00	6.00	6.00
54	30.00	11.00	11.00
55	40.00	18.00	18.00
56	25.00	18.00	18.00
57	25.00	20.00	22.00
58	25.00	20.00	20.00
59	25.00	23.00	23.00
60	35.00	40.00	40.00
61	35.00	40.00	40.00
62	40.00	40.00	40.00
63	40.00	40.00	40.00
64	40.00	40.00	40.00
65 & Over	100.00	100.00	100.00

Retirement rate for Safety Tiers 1 and 2 is 100% after a member accrues a benefit of 100% of final average earnings.

## Section 3: Actuarial Assumptions and Methods and Appendices

<b>Retirement Age and Benefit for Deferred Vested Members:</b>	<p>For current and future deferred vested members, retirement assumptions are as follows:</p> <p>General with Reciprocity: 60            General without Reciprocity: 56            Safety with Reciprocity: 56            Safety without Reciprocity: 52</p> <p>20% of future General and 25% of future Safety deferred vested members terminated with less than five years of service will continue to work for a reciprocal employer. For those future deferred vested members terminated with five or more years of service, 30% of General and 45% of Safety will continue to work for a reciprocal employer.</p> <p>For reciprocals, 4.10% and 4.50% compensation increases are assumed per annum for General and Safety, respectively.</p>
<b>Future Benefit Accruals:</b>	<p>1.0 year of service per year of employment.</p>
<b>Unknown Data for Members:</b>	<p>Same as those exhibited by members with similar known characteristics. If not specified, members are assumed to be male.</p>
<b>Definition of Active Members:</b>	<p>First day of pay period following employment.</p>
<b>Form of Payment:</b>	<p>All active and inactive members are assumed to elect the unmodified option at retirement.</p>
<b>Percent Married:</b>	<p>For all active and inactive members, 65% of male members and 55% of female members are assumed to be married at pre-retirement death or retirement.</p>
<b>Age and Gender of Spouse:</b>	<p>For all active and inactive members, 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.</p>
<b>Annual Leave Conversion:</b>	<p>Eligibility for annual leave plans is determined based on hire date along with other factors. The following assumptions for the amount of service converted from unused annual leave at retirement are used:</p> <p><u>New Annual Leave Plan:</u>            45 hours per year of service.</p> <p><u>Annual Leave Plan II:</u>            20 hours per year of service.</p> <p><u>Vacation/Sick Leave Plans:</u>            30 hours per year of service for General and 45 hours per year of service for Safety.</p> <p><u>Annual Leave IV Plan or the Old Annual Leave Plan:</u>            Based on actual hours in a member's frozen time-off bank.</p>

## Section 3: Actuarial Assumptions and Methods and Appendices

### Actuarial Methods

#### **Actuarial Cost Method:**

Entry Age Actuarial Cost Method. Entry Age is the age at the member's hire date. Normal Cost and Actuarial Accrued Liability are calculated on an individual basis and are based on costs allocated as a level percentage of compensation.

#### **Expected Remaining Service Lives:**

The average of the expected service lives of all employees is determined by:

- Calculating each active employee's expected remaining service life as the present value of \$1 per year of future service at zero percent interest.
- Setting the remaining service life to zero for each nonactive or retired member.
- Dividing the sum of the above amounts by the total number of active employee, nonactive and retired members.

## Section 3: Actuarial Assumptions and Methods and Appendices

**Changed Actuarial Assumptions:** Previously, these assumptions and methods were as follows:

**Prior Actuarial Assumptions:**

*Salary Increases:*

The annual rate of compensation increase includes: inflation at 2.50%, plus “across the board” salary increases of 0.50% per year, plus the following merit and promotion increases:

Years of Service	Rate (%)	
	General	Safety
Less than 1	8.50	8.50
1-2	7.50	7.75
2-3	6.50	6.50
3-4	5.25	5.50
4-5	4.75	4.75
5-6	3.75	3.75
6-7	3.00	3.50
7-8	2.00	2.50
8-9	1.50	1.70
9-10	1.25	1.60
10 & Over	1.10	1.50

*Post-Retirement Mortality Rates:*

*Healthy*

- **General Members and All Beneficiaries:** Pub-2010 General Healthy Retiree Amount-Weighted Above Median Mortality Table (separate tables for males and females) times 110%, projected generationally with the two-dimensional mortality improvement scale MP-2018.
- **Safety Members:** Pub-2010 Safety Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2018.

*Disabled*

- **General Members:** Pub-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Table (separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2018.
- **Safety Members:** Pub-2010 Safety Disabled Retiree Amount-Weighted Mortality Table (separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP 2018.

The Pub-2010 mortality tables and adjustments as shown above reasonably reflect the mortality experience as of the measurement date. These mortality tables were adjusted to future years using the generational projection to reflect future mortality improvement between the measurement date and those years.

## Section 3: Actuarial Assumptions and Methods and Appendices

### Changed Actuarial Assumptions (continued):

#### *Pre-Retirement Mortality Rates:*

- **General Members:** Pub-2010 General Employee Amount-Weighted Above-Median Mortality Table (separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2018.
- **Safety Members:** Pub-2010 Safety Employee Amount-Weighted Above-Median Mortality Table (separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2018.

Age	Rate (%) <sup>1</sup>			
	General		Safety	
	Male	Female	Male	Female
20	0.04	0.01	0.04	0.02
25	0.02	0.01	0.03	0.02
30	0.03	0.01	0.04	0.02
35	0.04	0.02	0.04	0.03
40	0.06	0.03	0.05	0.04
45	0.09	0.05	0.07	0.06
50	0.13	0.08	0.10	0.08
55	0.19	0.11	0.15	0.11
60	0.28	0.17	0.23	0.14
65	0.41	0.27	0.35	0.20
70	0.61	0.44	0.66	0.39

All pre-retirement deaths are assumed to be non-service connected.

<sup>1</sup> Generational projections beyond the base year (2010) are not reflected in the above mortality rates.

#### *Mortality Rates for Member Contributions:*

- **General Members:** Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) times 110%, projected 30 years with the two-dimensional mortality improvement scale MP-2018, weighted 35% male and 65% female.
- **Safety Members:** Pub-2010 Safety Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females), projected 30 years with the two-dimensional mortality improvement scale MP-2018, weighted 80% male and 20% female.

## Section 3: Actuarial Assumptions and Methods and Appendices

### Changed Actuarial Assumptions (continued):

#### Disability Incidence:

Age	Rate (%)	
	General	Safety
20	0.01	0.05
25	0.01	0.11
30	0.02	0.24
35	0.04	0.42
40	0.11	0.65
45	0.21	0.90
50	0.28	1.30
55	0.33	1.80
60	0.44	2.60
65	0.65	3.00
70	0.75	3.00

50% of General disabilities are assumed to be service connected disabilities (duty) and the other 50% are assumed to be non-service connected (ordinary) disabilities.

100% of Safety disabilities are assumed to be service connected (duty) disabilities.

## Section 3: Actuarial Assumptions and Methods and Appendices

### Changed Actuarial Assumptions (continued):

#### Termination:

Years of Service	Rate (%)	
	General	Safety
Less than 1	18.00	13.00
1-2	11.00	8.00
2-3	9.00	7.00
3-4	8.00	4.00
4-5	7.50	3.50
5-6	6.00	3.25
6-7	5.50	3.00
7-8	5.00	2.75
8-9	4.75	2.50
9-10	4.00	2.25
10-11	4.00	2.00
11-12	4.00	1.90
12-13	3.75	1.80
13-14	3.75	1.70
14-15	3.75	1.60
15-16	3.50	1.50
16-17	2.75	1.40
17-18	2.75	1.30
18-19	2.75	1.20
19-20	2.50	1.10
20 & Over	2.25	1.00

#### Proportion of Total Termination Assumed to Receive Refunds and Deferred Vested Benefits

Years of Service	Rate (%)	
	General	Safety
0-4	50.00	50.00
5-9	30.00	70.00
10-14	25.00	75.00
15-19	15.00	85.00
20 & Over	10.00	90.00

No termination is assumed after a member is first assumed to retire.



## Section 3: Actuarial Assumptions and Methods and Appendices

Changed Actuarial Assumptions (continued):		Rate (%)					
		General Tier 1 (Less than 30 Years of Service)	General Tier 1 (30 or More Years of Service)	General Tier 2	General Tier 3	General Tier 4	General Tier 5
<i>Retirement Rates:</i>							
Age							
50		5.00	15.00	3.00	3.60	2.00	0.00
51		3.75	11.25	3.00	3.60	2.00	0.00
52		3.50	10.50	3.60	4.20	2.50	4.50
53		3.50	10.50	3.60	4.20	2.50	2.00
54		5.00	15.00	4.20	5.00	3.00	2.50
55		8.00	16.00	8.40	10.00	4.00	3.50
56		10.00	20.00	10.00	12.00	5.00	4.50
57		13.00	26.00	10.00	12.00	6.00	5.50
58		14.00	28.00	10.00	12.00	7.00	6.50
59		15.00	30.00	10.00	14.00	8.00	7.50
60		16.00	24.00	15.00	16.00	9.00	8.50
61		18.00	27.00	15.00	16.00	10.00	9.50
62		26.50	31.50	25.00	30.00	16.00	15.00
63		21.00	31.50	24.00	22.00	16.00	15.00
64		25.00	37.50	24.00	22.00	19.00	18.00
65		40.00	60.00	35.00	35.00	23.00	22.00
66		40.00	60.00	34.00	30.00	20.00	20.00
67		40.00	60.00	34.00	30.00	20.00	20.00
68		35.00	52.50	35.00	35.00	25.00	25.00
69		35.00	52.50	35.00	40.00	30.00	30.00
70		35.00	52.50	70.00	60.00	60.00	60.00
71		50.00	75.00	70.00	60.00	60.00	60.00
72		50.00	75.00	70.00	60.00	60.00	60.00
73		50.00	75.00	70.00	60.00	60.00	60.00
74		50.00	75.00	70.00	60.00	60.00	60.00
75 & Over		100.00	100.00	100.00	100.00	100.00	100.00

## Section 3: Actuarial Assumptions and Methods and Appendices

### Changed Actuarial Assumptions (continued):

#### Retirement Rates:

Age	Rate (%)		
	Safety Tiers 1 & 2	Safety Tier 4	Safety Tier 5
45	10.00	1.00	0.00
46	2.00	1.00	0.00
47	2.00	1.00	0.00
48	2.00	1.00	0.00
49	3.00	2.00	0.00
50	5.00	4.00	4.00
51	6.00	4.00	4.00
52	10.00	5.00	5.00
53	12.00	6.00	6.00
54	30.00	11.00	11.00
55	40.00	18.00	18.00
56	25.00	18.00	18.00
57	25.00	20.00	22.00
58	20.00	20.00	20.00
59	20.00	23.00	23.00
60	30.00	40.00	40.00
61	30.00	40.00	40.00
62	35.00	40.00	40.00
63	35.00	40.00	40.00
64	35.00	40.00	40.00
65 & Over	100.00	100.00	100.00

Retirement rate for Safety Tier 1 and Safety Tier 2 is 100% after a member accrues a benefit of 100% of final average earnings.

#### Retirement Age and Benefit for Deferred Vested Members:

For current and future deferred vested members, retirement assumptions are as follows:

General Retirement Age: 59

Safety Retirement Age: 54

20% of future General and 30% of future Safety deferred vested members terminated with less than five years of service will continue to work for a reciprocal employer. For those future deferred vested members terminated with five or more years of service, 30% of General and 50% of Safety will continue to work for a reciprocal employer.

For reciprocals, 4.10% and 4.50% compensation increases are assumed per annum for General and Safety, respectively.

## Section 3: Actuarial Assumptions and Methods and Appendices

Changed Actuarial Assumptions (continued):	
<i>Percent Married:</i>	For all active and inactive members, 70% of male members and 50% of female members are assumed to be married at pre-retirement death or retirement.
<i>Annual Leave Conversion:</i>	<p>Eligibility for annual leave plans is determined based on hire date along with other factors. The following assumptions for the amount of service converted from unused annual leave at retirement are used:</p> <p><u><i>New Annual Leave Plan:</i></u> 40 hours per year of service.</p> <p><u><i>Annual Leave Plan II:</i></u> 25 hours per year of service.</p> <p><u><i>Vacation/Sick Leave Plans:</i></u> 35 hours per year of service for General and 45 hours per year of service for Safety.</p> <p><u><i>Annual Leave IV Plan or the Old Annual Leave Plan:</i></u> Based on actual hours in a member's frozen time off bank.</p>

## Section 3: Actuarial Assumptions and Methods and Appendices

### Appendix A: Projection of Plan's Fiduciary Net Position for use in the Calculation of Discount Rate as of June 30, 2022 (\$ in millions)

Year Beginning July 1,	Projected Beginning Plan's Fiduciary Net Position (a)	Projected Total Contributions (b)	Projected Benefit Payments (c)	Projected Administrative Expenses (d)	Projected Investment Earnings (e)	Projected Ending Plan's Fiduciary Net Position (f) = (a) + (b) - (c) - (d) + (e)
2021	\$6,283	\$294	\$325	\$6	\$(622)	\$5,623
2022	5,623	264	358	6	361	5,885
2023	5,885	261	364	5	378	6,154
2024	6,154	243	380	5	394	6,406
2025	6,406	203	395	5	409	6,618
2026	6,618	219	411	5	423	6,843
2027	6,843	227	428	5	437	7,075
2028	7,075	205	445	5	451	7,281
2029	7,281	213	461	4	464	7,492
2060	5,356	3	589	0 *	327	5,096
2061	5,096	2	576	0 *	311	4,833
2062	4,833	2	561	0 *	294	4,568
2063	4,568	1	545	0 *	278	4,302
2080	945	0	176	0	55	824
2081	824	0	158	0	48	715
2082	715	0	141	0	42	615
2083	615	0	125	0	36	526
2100	18	0	5	0	1	15
2101	15	0	4	0	1	12
2102	12	0	3	0	1	10
2103	10	0	2	0	1	8
2110	2	0	1	0	0	1
2111	1	0	0 *	0	0	1
2112	1	0	0 *	0	0	1
2113	1	0	0 *	0	0	0
2114	0	0	0 *	0	0	0
2135	0	0	0 *	0	0	0
2136	0					
2136	Discounted Value:	0				

\* Less than \$1 million, when rounded.

## Section 3: Actuarial Assumptions and Methods and Appendices

### Appendix A: Projection of Plan's Fiduciary Net Position for use in the Calculation of Discount Rate as of June 30, 2022 (continued)

Notes:

- (1) Amounts may not total exactly due to rounding.
- (2) Amounts shown in the year beginning July 1, 2021 row are actual amounts, based on the financial statements provided by FCERA.
- (3) Various years have been omitted from this table.
- (4) Column (a): Except for the "discounted value" shown for 2136, none of the projected beginning Plan's Fiduciary Net Position amounts shown have been adjusted for the time value of money.
- (5) Column (b): Projected total contributions include employee and employer normal cost contributions based on closed group projections (based on covered active members as of June 30, 2021); plus employer contributions to the unfunded actuarial accrued liability; plus employer and employee contributions to fund each year's annual administrative expenses. Contributions are assumed to occur halfway through the year, on average.
- (6) Column (c): Projected benefit payments have been determined in accordance with paragraph 39 of GASB Statement No. 67, and are based on the closed group of active, inactive vested, retired members, and beneficiaries as of June 30, 2021. The projected benefit payments reflect the cost of living increase assumptions used in the June 30, 2022 valuation report. Benefit payments are assumed to occur halfway through the year, on average.
- (7) Column (d): Projected administrative expenses are calculated as approximately 1.30% of the closed group payroll. Administrative expenses are assumed to occur halfway through the year, on average.
- (8) Column (e): Projected investment earnings are based on the assumed investment rate of return of 6.50% per annum.
- (9) As illustrated in this Exhibit, the Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments for current Plan members. In other words, there is no projected "cross-over date" when projected benefits are not covered by projected assets. Therefore, the long-term expected rate of return on Plan investments of 6.50% per annum was applied to all periods of projected benefit payments to determine the Total Pension Liability as of June 30, 2022 shown earlier in this report, pursuant to Paragraph 44 of GASB Statement No. 67.
- (10) This projection is based on a model developed by our Actuarial Technology and Systems unit, comprised of both actuaries and programmers. The model allows the client team, under the supervision of the responsible actuary, control over the entry of future expected contribution income, benefit payments and administrative expenses. The projection of fiduciary net position and the discounting of benefits is part of the model.

## Section 3: Actuarial Assumptions and Methods and Appendices

### Appendix B: Definition of Terms

Definitions of certain terms as they are used in Statement 68. The terms may have different meanings in other contexts.

<b>Active Employees</b>	Individuals employed at the end of the reporting or measurement period, as applicable.
<b>Actual Contributions</b>	Cash contributions recognized as additions to a Pension Plan's Fiduciary Net Position.
<b>Actuarial Present Value of Projected Benefit Payments</b>	Projected benefit payments discounted to reflect the expected effects of the time value (present value) of money and the probabilities of payment.
<b>Actuarial Valuation</b>	The determination, as of a point in time (the actuarial valuation date), of the service cost, Total Pension Liability, and related actuarial present value of projected benefit payments for pensions performed in conformity with Actuarial Standards of Practice unless otherwise specified by the GASB.
<b>Actuarial Valuation Date</b>	The date as of which an actuarial valuation is performed.
<b>Actuarially Determined Contribution</b>	A target or recommended contribution to a defined benefit pension plan 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.
<b>Ad Hoc Cost-of-Living Adjustments (Ad Hoc COLAs)</b>	Cost-of-living adjustments that require a decision to grant by the authority responsible for making such decisions.
<b>Automatic Cost-of-Living Adjustments (Automatic COLAs)</b>	Cost-of-living adjustments that occur without a requirement for a decision to grant by a responsible authority, including those for which the amounts are determined by reference to a specified experience factor (such as the earnings experience of the pension plan) or to another variable (such as an increase in the consumer price index).
<b>Closed Period</b>	A specific number of years that is counted from one date and declines to zero with the passage of time. For example, if the recognition period initially is five years on a closed basis, four years remain after the first year, three years after the second year, and so forth.
<b>Collective Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions</b>	Deferred outflows of resources and deferred inflows of resources related to pensions arising from certain changes in the collective Net Pension Liability.
<b>Collective Net Pension Liability</b>	The Net Pension Liability for benefits provided through (1) a cost-sharing pension plan or (2) a single-employer or agent pension plan in circumstances in which there is a special funding situation.
<b>Collective Pension Expense</b>	Pension expense arising from certain changes in the collective Net Pension Liability.

## Section 3: Actuarial Assumptions and Methods and Appendices

<b>Contributions</b>	Additions to a Pension Plan's Fiduciary Net Position for amounts from employers, non-employer contributing entities (for example, state government contributions to a local government pension plan), or employees. Contributions can result from cash receipts by the pension plan or from recognition by the pension plan of a receivable from one of these sources.
<b>Cost-of-Living Adjustments</b>	Postemployment benefit changes intended to adjust benefit payments for the effects of inflation.
<b>Cost-Sharing Employer</b>	An employer whose employees are provided with pensions through a cost-sharing multiple-employer defined benefit pension plan.
<b>Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Cost-Sharing Pension Plan)</b>	A multiple-employer defined benefit pension plan in which the pension obligations to the employees of more than one employer are pooled and pension plan assets can be used to pay the benefits of the employees of any employer that provides pensions through the pension plan.
<b>Covered Payroll</b>	The payroll of members that are provided with pensions through the pension plan.
<b>Defined Benefit Pension Plans</b>	Pension plans that are used to provide defined benefit pensions.
<b>Defined Benefit Pensions</b>	Pensions for which the income or other benefits that the employee will receive at or after separation from employment are defined by the benefit terms. The pensions may be stated as a specified dollar amount or as an amount that is calculated based on one or more factors such as age, years of service, and compensation. (A pension that does not meet the criteria of a defined contribution pension is classified as a defined benefit pension for purposes of Statement 68.)
<b>Defined Contribution Pension Plans</b>	Pension plans that are used to provide defined contribution pensions.
<b>Defined Contribution Pensions</b>	Pensions having terms that (1) provide an individual account for each employee; (2) define the contributions that an employer is required to make (or the credits that it is required to provide) to an active employee's account for periods in which that employee renders service; and (3) provide that the pensions an employee will receive will depend only on the contributions (or credits) to the employee's account, actual earnings on investments of those contributions (or credits), and the effects of forfeitures of contributions (or credits) made for other employees, as well as pension plan administrative costs, that are allocated to the employee's account.
<b>Discount Rate</b>	<p>The single rate of return that, when applied to all projected benefit payments, results in an actuarial present value of projected benefit payments equal to the total of the following:</p> <ol style="list-style-type: none"> <li>1. The actuarial present value of benefit payments projected to be made in future periods in which (a) the amount of the pension Plan's Fiduciary Net Position is projected (under the requirements of Statement 68) to be greater than the benefit payments that are projected to be made in that period and (b) pension plan assets up to that point are expected to be invested using a strategy to achieve the long-term expected rate of return, calculated using the long-term expected rate of return on pension plan investments.</li> <li>2. The actuarial present value of projected benefit payments not included in (1), calculated using the municipal bond rate.</li> </ol>

## Section 3: Actuarial Assumptions and Methods and Appendices

<b>Entry Age Actuarial Cost Method</b>	A method under which 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 or service of the individual between entry age and assumed exit age(s). The portion of this actuarial present value allocated to a valuation year is called the <i>normal cost</i> . The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future normal costs is called the <i>actuarial accrued liability</i> .
<b>Inactive Employees</b>	Terminated individuals that have accumulated benefits but are not yet receiving them, and retirees or their beneficiaries currently receiving benefits.
<b>Measurement Period</b>	The period between the prior and the current measurement dates.
<b>Multiple-Employer Defined Benefit Pension Plan</b>	A defined benefit pension plan that is used to provide pensions to the employees of more than one employer.
<b>Net Pension Liability</b>	The liability of employers and non-employer contributing entities to employees for benefits provided through a defined benefit pension plan.
<b>Pension Plans</b>	Arrangements through which pensions are determined, assets dedicated for pensions are accumulated and managed, and benefits are paid as they come due.
<b>Pensions</b>	Retirement income and, if provided through a pension plan, postemployment benefits other than retirement income (such as death benefits, life insurance, and disability benefits). Pensions do not include postemployment healthcare benefits and termination benefits.
<b>Plan Members</b>	Individuals that are covered under the terms of a pension plan. Plan members generally include (1) employees in active service (active plan members) and (2) terminated employees who have accumulated benefits but are not yet receiving them and retirees or their beneficiaries currently receiving benefits (inactive plan members).
<b>Postemployment</b>	The period after employment.
<b>Postemployment Benefit Changes</b>	Adjustments to the pension of an inactive employee.
<b>Projected Benefit Payments</b>	All benefits estimated to be payable through the pension plan to current active and inactive employees as a result of their past service and their expected future service.
<b>Public Employee Retirement System</b>	A special-purpose government that administers one or more pension plans; also may administer other types of employee benefit plans, including postemployment healthcare plans and deferred compensation plans.
<b>Real Rate of Return</b>	The rate of return on an investment after adjustment to eliminate inflation.
<b>Service Costs</b>	The portions of the actuarial present value of projected benefit payments that are attributed to valuation years.



## Section 3: Actuarial Assumptions and Methods and Appendices

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**Termination Benefits**

Inducements offered by employers to active employees to hasten the termination of services, or payments made in consequence of the early termination of services. Termination benefits include early-retirement incentives, severance benefits, and other termination-related benefits.

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**Total Pension 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 Statement 68.

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