



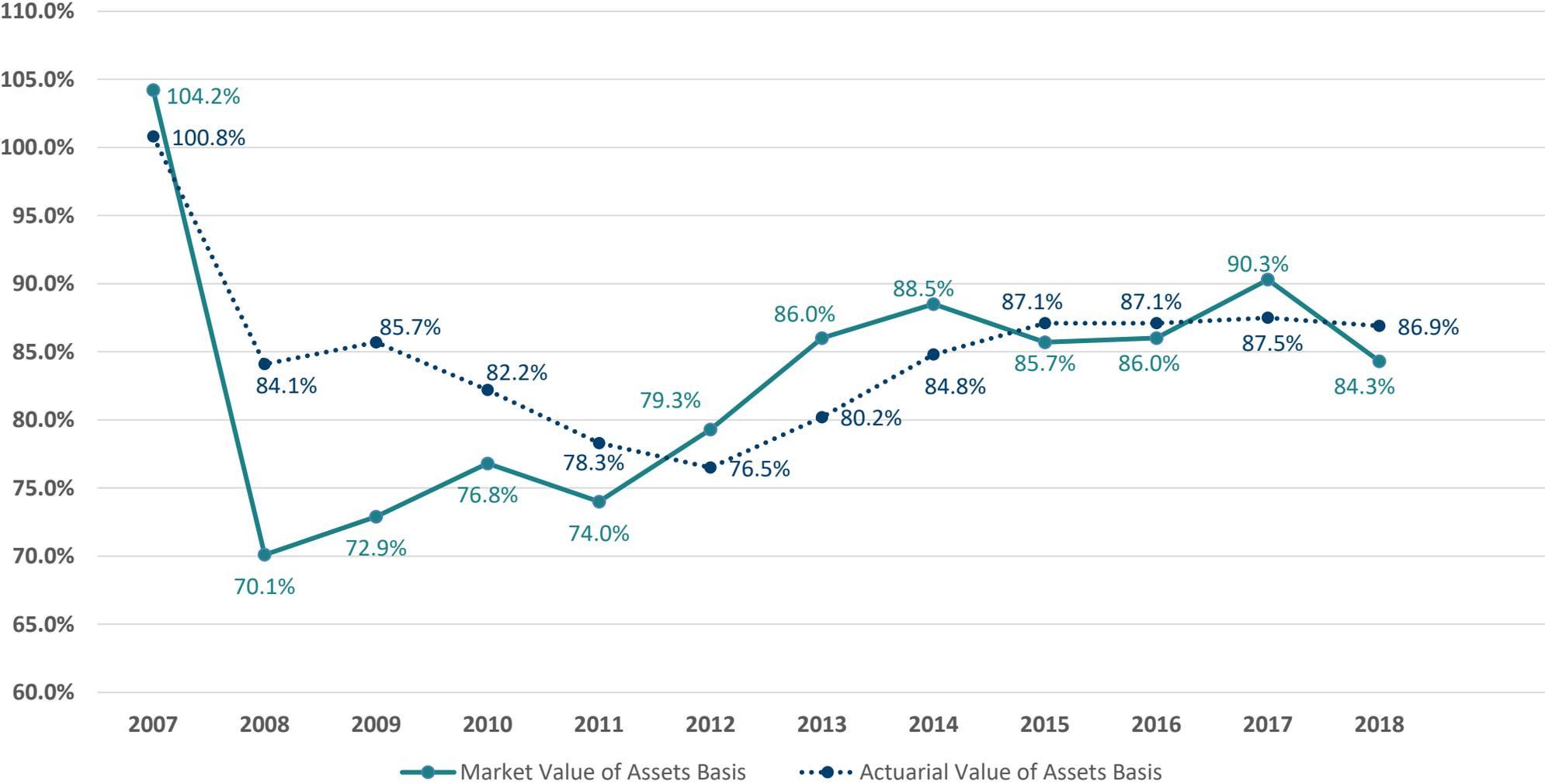
# Retirement and Independent Entities Appropriations Subcommittee

February 5, 2020



**Trust • Commitment • Value • Innovation • Excellence**

# Funded Ratio





# Experience Study

# Actuarial Valuation Calculations

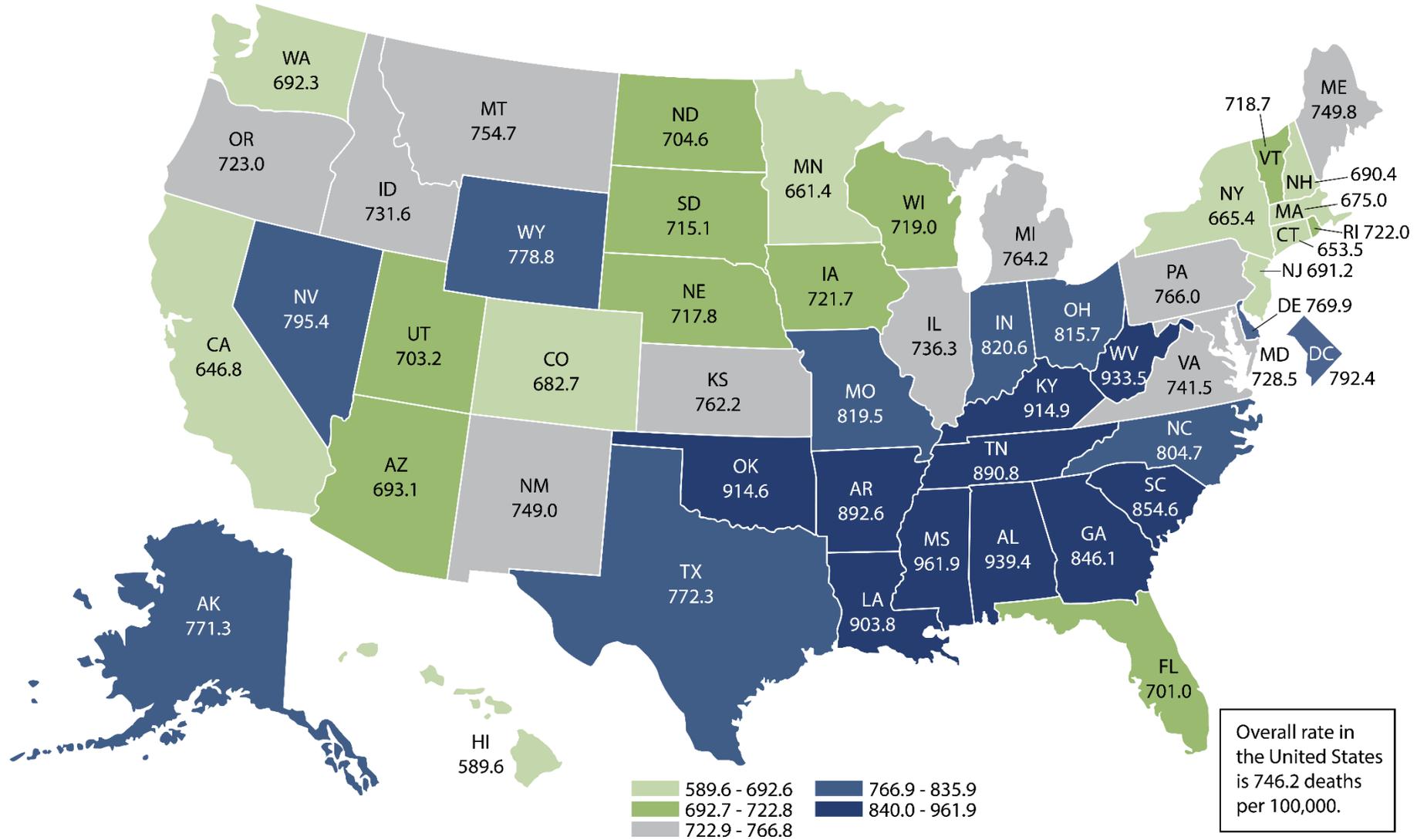
## Historical Known Information

- » Age
- » Gender
- » Current salary
- » Service in URS
- » Occupation

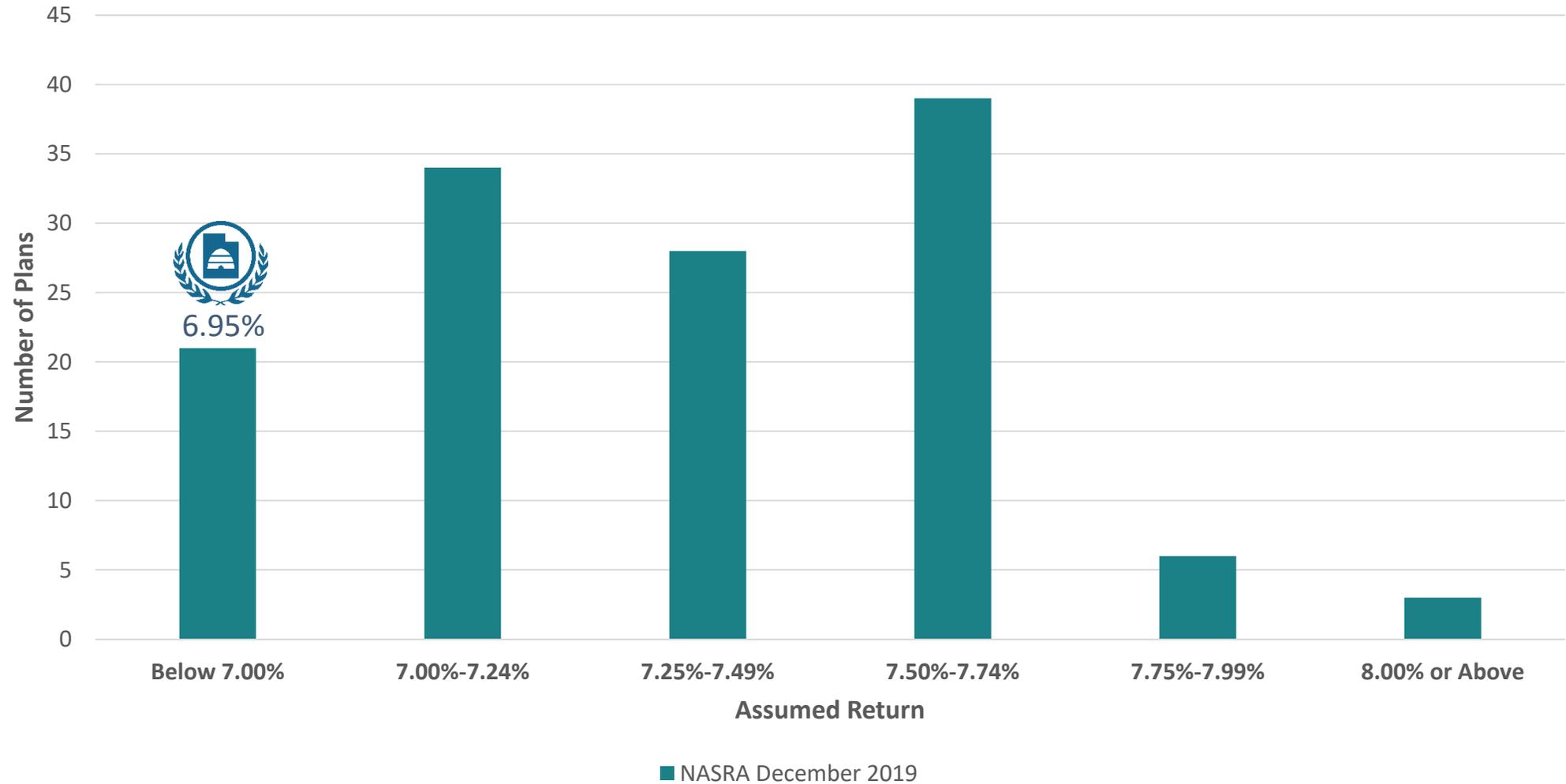
## Assumed / Projected into the Future

- » Future salary increases
- » Retirement age(s)
- » Disability / Termination
- » Life expectancy
- » Investment return

# Mortality Rates by State



# Investment Return Assumption

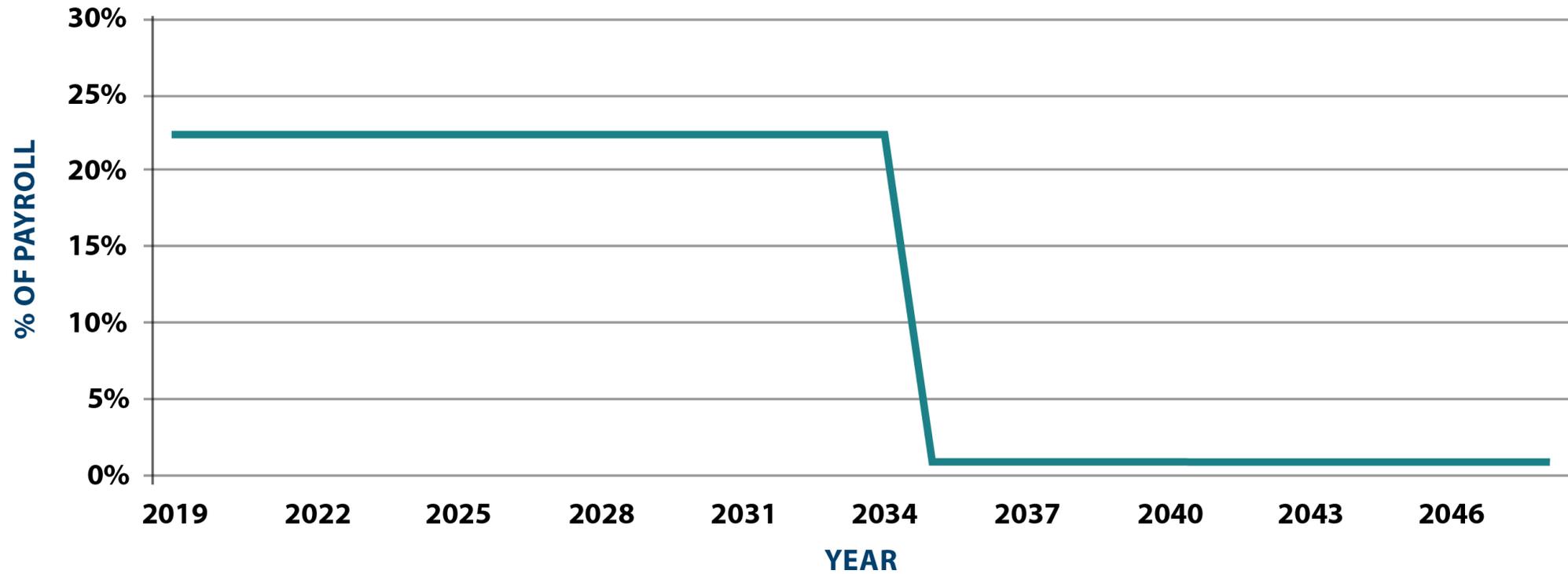




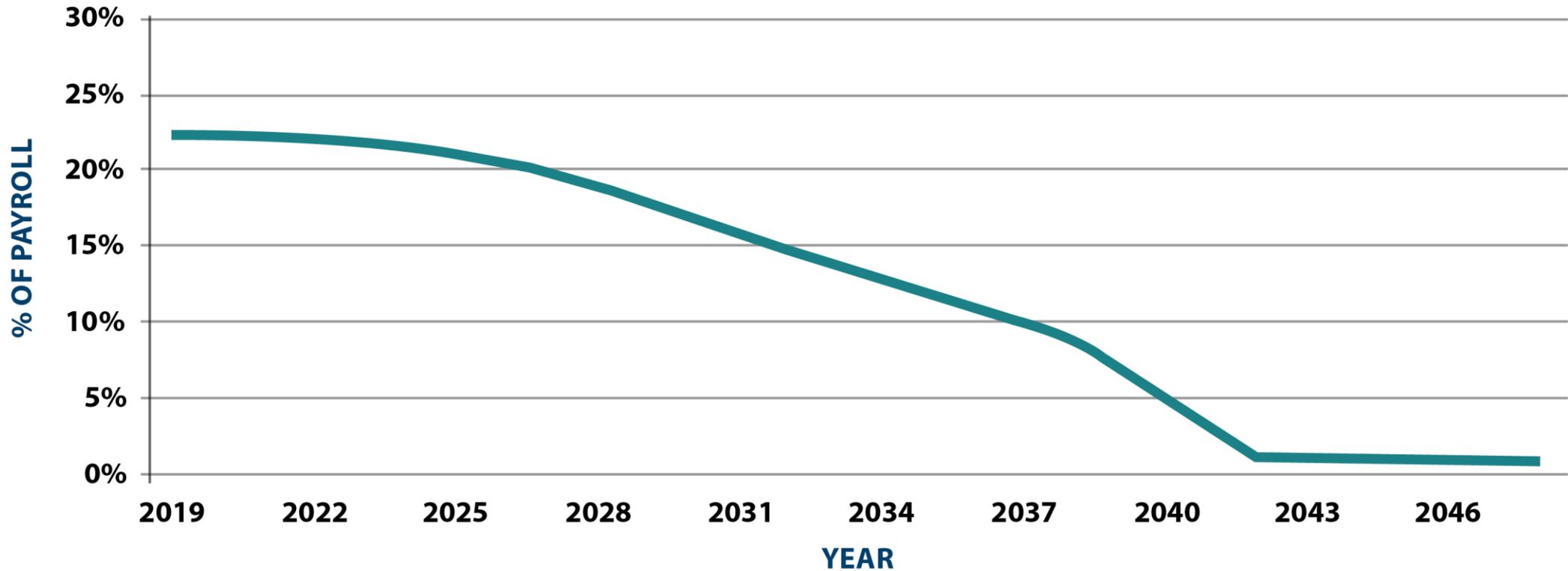
# Contribution Rate Management Plan

- » To assure we have a prudent method for managing the reduction of the contribution rate in accordance with the 110% funding rule adopted by the legislature

# Without The Plan



# With The Plan



# Triggers to Decrease Rates

<b>Funded Ratio</b> <small>Actuary basis</small>	<b>Max Effective Funding Period</b>	<b>Change in Contribution Rate From Prior Year</b> <small>Actuary rate</small>	<b>Contribution Rate Margin</b> <small>Difference between Board certified rate and actuarially determined rate</small>	<b>Contribution Rate Decrease</b>
Less Than <b>90%</b>	<b>No Reduction</b>			<b>N/A</b>
<b>90% - 95%</b>	<b>13 Years</b>	<b>Decrease</b>	<b>&gt; 2.00%</b>	<b>Max 0.50%</b>
<b>95% - 105%</b>	<b>10 Years</b>	<b>Decrease</b>	<b>&gt; 1.00%</b>	<b>Max 1.00%</b>
<b>105% - 110%</b>	<b>N/A</b>	<b>May not increase by more than 0.5%</b>	<b>N/A</b>	<b>Max 2.00%</b>
Greater Than <b>110%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>Maintain 110% FR</b>