The Water and Power Employees' Retirement Plan of the City of Los Angeles

Governmental Accounting Standards Board Statement 74 (GAS 74) Actuarial Valuation for the Death Benefit Funds

As of June 30, 2023

- Family Death Benefit Allowance Fund
- Supplemental Family Death Benefit Allowance Fund
- Insured Lives Portion of the Death Benefit Fund

Segal

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September 22, 2023

Board of Administration
The Water and Power Employees' Retirement Plan of the City of Los Angeles
111 North Hope Street, Room 357
Los Angeles, CA 90012

Dear Board Members:

We are pleased to submit this Governmental Accounting Standards (GAS) 74 Actuarial Valuation of the Death Benefit Fund as of June 30, 2023. It contains various information that will need to be disclosed in order to comply with GAS 74.

This report was prepared in accordance with generally accepted actuarial principles and practices at the request of the Board to assist in administering the Retirement Plan. The census and financial information on which our calculations were based was prepared by the Retirement Office. 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; and changes in plan provisions or applicable law.

The actuarial calculations were completed under the supervision of Eva Yum, FSA, MAAA, 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. The assumptions used in this actuarial valuation were selected by the Board based upon our analysis and recommendations. In our opinion, the assumptions are reasonable and take into account the experience of the Plan and reasonable expectations. In addition, in our opinion, the combined effect of these assumptions is expected to have no significant bias.

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

Sincerely,

Segal

Paul Angelo, FSA, MAAA, FCA, EA Senior Vice President and Actuary	Todd Tauzer, FSA, MAAA, FCA, CERA Senior Vice President and Actuary	Eva Yum, FSA, MAAA, EA Vice President and Actuary

Table of Contents

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 74 (GAS 74) for the Water and Power Employees' Death Benefit Fund as of June 30, 2023. This valuation is based on:

- The benefit provisions of the Fund, as administered by the Board;
- The characteristics of covered active members, inactive vested members, and retired and disabled members as of March 31, 2023, provided by the Retirement Office;
- The assets of the Fund as of June 30, 2023, provided by the Retirement Office;
- Economic assumptions regarding future salary increases and investment earnings adopted by the Board for the July 1, 2023 valuation; and
- Other actuarial assumptions, regarding employee terminations, retirement, death, etc. adopted by the Board for the July 1, 2023 valuation.

General observations on GAS 74 actuarial valuation

1. The Governmental Accounting Standards Board (GASB) rules only define OPEB liability and expense for financial reporting purposes, and do not apply to contribution amounts for OPEB funding purposes. Employers and plans should develop and adopt funding policies under current practices.
2. When measuring OPEB Death Benefit liability, GASB uses the same actuarial cost method (Entry Age method) and the same type of discount rate (expected return on assets) as WPERP uses for funding. This means that the Total OPEB Liability (TOL) measure for financial reporting shown in this report is determined on the same basis as WPERP's Death Benefit 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 OPEB Liability (NOL) is equal to the difference between the TOL and the Plan Fiduciary Net Position. The Plan Fiduciary Net Position is equal to the market value of assets and therefore, the NOL measure is very similar to an Unfunded Actuarial Accrued Liability (UAAL) calculated on a market value basis. The NOL reflects all investment gains and losses as of the measurement date.

Highlights of the valuation

1. The NOLs measured as of June 30, 2023 and 2022 have been determined from the actuarial valuations as of July 1, 2023 and July 1, 2022, respectively.
2. The NOL decreased from $112.7 million as of June 30, 2022 to $108.7 million as of June 30, 2023. The primary reason for the decrease in NOL was the employer contributions made during 2022-2023 to pay down the Unfunded Actuarial Accrued Liability partially offset by the unfavorable investment return during the year ending June 30, 2023 (-0.64% return which was lower than the assumed return of 2.75%). Changes in these values during the last two fiscal years ending June 30, 2022 and June 30, 2023 can be found in Section 2, Schedule of changes in Net OPEB Liability on page 14.
3. The discount rate used to determine the TOL and NOL as of June 30, 2023 and 2022 was 2.75%. Details on the derivation of the discount rate as of June 30, 2023 can be found in Section 2, Determination of discount rate and investment rates of return on page 12. Various other information that is required to be disclosed can be found throughout Section 2. Actuarial assumptions and methods can be found in the Actuarial Assumptions and Methods subsection in Section 2.
4. It is important to note that this actuarial valuation is based on plan assets as of June 30, 2023. 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 is based on Plan data as of March 31, 2023 (adjusted to June 30, 2023 by adding 3 months of age and service and increasing benefit by the assumed July 1 COLA for members in pay status) and it does not include any possible short-term or long-term impacts on mortality of the covered population that may emerge after March 31, 2023, except for actual death benefit payments that are reflected in the plan assets as of June 30, 2023. 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.

Summary of key valuation results

Measurement Date	June 30, 2023	June 30, 2022
Disclosure elements for fiscal year ending June 30:		
Service Cost[1]	$5,957,755	$5,052,420
Total OPEB Liability	155,233,537	153,187,434
Plan Fiduciary Net Position[2]	46,533,638	40,525,139
Net OPEB Liability	108,699,899	112,662,295
Schedule of contributions for fiscal year ending June 30:		
Actuarially determined contributions[3]	$15,236,875	$13,075,979
Actual contributions	14,631,549	13,133,730
Contribution deficiency (excess)	605,326	(57,751)
Demographic data for plan year ending June 30:		
Number of beneficiaries[4]	85	93
Number of retired members	7,819	7,760
Vested terminated members[5]	575	595
Number of active members[6]	11,039	10,799
Key assumptions as of June 30:		
Discount rate	2.75%	2.75%
Inflation rate	2.50%	2.50%
Real across-the-board salary increases	0.50%	0.50%
Projected salary increases[7]	4.25% to 10.00%	4.25% to 10.00%
Cost of living adjustments	2.75% for Tier 1 and 2.00% for Tier 2	2.75% for Tier 1 and 2.00% for Tier 2

1 The service cost is always based on the previous year's assumptions, meaning that the June 30, 2023 and June 30, 2022 measurement values are based on the valuation as of July 1, 2022 and July 1, 2021, respectively. The key assumptions in the July 1, 2021 valuation were as follows:
- Discount rate: 3.50%
- Inflation rate: 2.75%
- Real across-the-board salary increases: 0.50%
- Projected salary increases: 4.50% to 10.25%, varying by service, including inflation and real across-the-board salary increases
- Cost of living adjustments: 2.75% for Tier 1 and 2.00% for Tier 2

2 Based on preliminary unaudited financial statements as of June 30, 2023.

3 Based on actual covered payroll reported by the Retirement Office.

4 Receiving Family Death or Supplemental Family Death benefits.

5 Includes members receiving Permanent Total Disability (PTD) benefits. Excludes terminated members with less than five years of service who are not eligible for death benefits.

6 Includes 1,583 and 1,587 active members who have Supplemental Family Death Benefit coverage for 2023 and 2022 respectively.

7 Includes inflation at 2.50% per year plus real across-the-board salary increases of 0.50% plus merit and promotion increases that vary by service as of June 30, 2023 and 2022.

Important information about actuarial valuations

An actuarial valuation is a budgeting tool with respect to the financing of future projected obligations of an OPEB 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:

Plan provisions	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. Even where they appear precise, outside factors may change how they operate. It is important to keep Segal informed with respect to plan provisions and administrative procedures, and to review the plan summary included in our report to confirm that Segal has correctly interpreted the plan of benefits.
Participant information	An actuarial valuation for a plan is based on data provided to the actuary by the Retirement Office. 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.
Financial information	This valuation is based on the market value of assets as of the measurement date, as provided by the Retirement Office.
Actuarial assumptions	In preparing an actuarial valuation, Segal starts by developing a forecast of the benefits to be paid to existing plan participants for the rest of their lives and the lives of their beneficiaries. This requires actuarial assumptions as to the probability of death, disability, withdrawal, and retirement of participants in each year, as well as forecasts of the plan's benefits for each of those events. In addition, the benefits forecasted for each of those events in each future year reflect actuarial assumptions as to salary increases and cost-of-living adjustments. The forecasted benefits are then discounted to a present value, typically based on an estimate of the rate of return that will be achieved on the plan's assets. All of these factors are uncertain and unknowable. Thus, there will be a range of reasonable assumptions, and the results may vary materially based on which assumptions are selected within that range. That is, there is no right answer (except with hindsight). It is important for any user of an actuarial valuation to understand and accept this constraint. The actuarial model may use approximations and estimates that will have an immaterial impact on our results. In addition, the actuarial assumptions may change over time, and while this can have a significant impact on the reported results, it does not mean that the previous assumptions or results were unreasonable or wrong.
Models	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. 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:

The valuation is prepared at the request of the WPERP to assist the Plan in preparing their financial reports. Segal is not responsible for the use or misuse of its report, particularly by any other party.
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.
If WPERP 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.
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 WPERP should look to their other advisors for expertise in these areas.
While Segal maintains extensive quality assurance procedures, an actuarial valuation involves complex computer models and numerous inputs. In the event that an inaccuracy is discovered after presentation of Segal's valuation, Segal may revise that valuation or make an appropriate adjustment in the next valuation.
Segal's report shall be deemed to be final and accepted by WPERP upon delivery and review. Trustees should notify Segal immediately of any questions or concerns about the final content.

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

Section 2: GAS 74 Information

General information about the OPEB Plan

Plan Description

Plan administration. The Water and Power Employees' Retirement Plan of the City of Los Angeles (WPERP) was established by the Los Angeles Department of Water and Power in 1938. WPERP is a single employer public employee retirement system whose main function is to provide retirement benefits to employees of the Los Angeles Department of Water and Power.

Under the provisions of the City Charter, the Board of Administration (the "Board") has the responsibility and authority to administer the Plan and to invest its assets. The Board members serve as trustees and must act in the exclusive interest of the Plan's members and beneficiaries. The Board has seven members: one member of the Board of Water and Power Commissioners, the General Manager, the Chief Accounting Employee, three employee members who are elected for three-year terms by active members of the Plan, and one retiree who is appointed by the Board of Water and Power Commissioners for a three-year term.

Plan membership. At June 30, 2023, the members of the Death Benefit Fund consisted of the following:

Beneficiaries currently receiving benefits from Death Benefit Fund	85
Retired members currently receiving benefits from Retirement Plan	7,819
Vested terminated members entitled to, but not yet receiving benefits[1]	575
Active members	11,039
Total	19,518

[1] Includes members receiving Permanent Total Disability (PTD) benefits. Excludes terminated members with less than five years of service who are not eligible for death benefits.

Benefits provided. The WPERP Death Benefit Fund pays death benefits to the beneficiaries of eligible employees. Generally, to be eligible for the Family Death Benefit allowance, an employee must be a full member of WPERP and contributing to WPERP at the time of death. If death occurs after retirement, the retired member must be receiving a monthly retirement allowance from WPERP, and had a least five years of Department Service at retirement. The Family Death Benefit program pays a monthly allowance of $416 to the surviving spouse of a member with minor (or disabled) children plus $416 for each minor (or disabled) child up to a maximum monthly allowance of $1,170. In addition, the spouse's portion will not be paid if the spouse is receiving a Survivor's Optional Death Benefit Allowance or an Eligible Spouse Allowance from the Retirement Plan.

Section 2: GAS 74 Information

The Supplemental Family Death program is similar, but is optional and subject to making additional member contributions. The Supplemental Family Death Benefit program pays a monthly allowance of $520 for each surviving spouse or child, in addition to the amounts payable from the Family Death Benefit program, subject to a maximum of $1,066 for the additional benefits.

The Insured Lives Death Benefit Fund for Contributing Members[1] provides death benefits to employees that die while employed by the Department. Generally, to be eligible, an employee must be a full member of WPERP and contributing to WPERP at time of death. The benefit paid from the Death Benefit Fund is a single sum that is equal to 14 times the member's monthly compensation with no maximum.

The Insured Lives Death Benefit Fund for Noncontributing Members[1] provides death benefits to employees that were employed by the Department for at least five years and death occurred after retirement. The death benefit is paid in a single sum that is equal to the lesser of 14 times the member's Full Retirement Allowance or $20,000.

The LADWP contributes to the Death Benefit Fund based upon actuarially determined contribution rates adopted by the Board of Administration. Employer contribution rates are adopted annually based upon recommendations received from WPERP's actuary after the completion of the review of the death benefit fund. The employer and member contribution rates as of June 30, 2023 are as follows:

		Members	
	Department	**Active**	**Retired**
Total Death Benefit Fund	1.21% of payroll		
Family Death Benefit		N/A	N/A
Supplemental Family Death Benefit		$2.25 biweekly	$4.90 monthly
Insured Lives:			
Contributing		$1.00 biweekly	N/A
Noncontributing		N/A	N/A

[1] The Retirement Board adopted Plan amendment on November 9, 2022 regarding circumstances where interest are paid on unpaid death benefit after one year of the member's death. The Plan amendment has no material impact on the WPERP Death Benefit Fund valuation.

Net OPEB Liability

Measurement Date	June 30, 2023	June 30, 2022
Components of the Net OPEB Liability		
Total OPEB Liability	$155,233,537	$153,187,434
Plan Fiduciary Net Position	(46,533,638)	(40,525,139)
Net OPEB Liability	$108,699,899	$112,662,295
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	29.98%	26.45%

The Net OPEB Liability (NOL) was measured as of June 30, 2023 and 2022 and determined based upon the Plan Fiduciary Net Position (plan assets) and Total OPEB Liability (TOL) from actuarial valuations as of July 1, 2023 and 2022, respectively.

Plan provisions. The plan provisions used in the measurement of the NOL are the same as those described previously.

Actuarial assumptions. The TOL as of June 30, 2023 and 2022 were determined by the actuarial valuation as of July 1, 2023 and 2022, respectively. The actuarial assumptions used in the June 30, 2023 and June 30, 2022 measurements were based on results of an experience study for the period from July 1, 2018 through June 30, 2021. They are the same as the assumptions used in the July 1, 2023 and July 1, 2022 actuarial valuations for the Retirement Plan, with the exception of a 2.75% investment return assumption and additional assumptions regarding family composition for the Family Death Benefit and Supplemental Family Death Benefit. In particular, the following assumptions were applied to all periods included in the June 30, 2023 and June 30, 2022 measurements:

Investment rate of return	2.75%, net of investment expense, including inflation
Inflation	2.50%
Real across-the-board salary increases	0.50%
Salary increases	4.25% to 10.00%, varying by service, including inflation and real across-the-board salary increases
Cost of living adjustment	2.75% for Tier 1 and 2.00% for Tier 2
Other assumptions	Same as those described in the Actuarial assumptions and Methods subsection in Section 2.

Determination of discount rate and investment rates of return

The long-term expected rate of return on OPEB plan investments was determined in 2022 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. This information is 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, 2023 are 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 Real Rate of Return
Fixed Income	100%	0.36%
Total	100%	

Discount rate: The discount rate used to measure the TOL was 2.75% as of June 30, 2023 and June 30, 2022. A "crossover test" was not explicitly performed as of June 30, 2023 since the municipal bond rate as of June 30, 2023 was 3.65%, which was higher than the 2.75% long-term expected rate of return on the Death Benefit Fund's investments. Therefore, the long-term expected rate of return on the Death Benefit Fund's investments was applied to all periods of projected benefit payments to determine the TOL as of June 30, 2023.

Also, a "crossover test" was not explicitly performed as of June 30, 2022 since the municipal bond rate as of June 30, 2022 was 3.54%, which was higher than the 2.75% long-term expected rate of return on the Death Benefit Fund's investments. Therefore, the long-term expected rate of return on the Death Benefit Fund's investments was applied to all periods of projected benefit payments to determine the TOL as of June 30, 2022.

Discount rate sensitivity

Sensitivity of the Net OPEB Liability to changes in the discount rate. The following presents the NOL of the Plan as of June 30, 2023, calculated using the discount rate of 2.75%, as well as what the Plan NOL would be if it were calculated using a discount rate that is 1-percentage-point lower (1.75%) or 1-percentage-point higher (3.75%) than the current rate:

	1% Decrease (1.75%)	Current Discount Rate (2.75%)	1% Increase (3.75%)
Net OPEB Liability as of June 30, 2023	$134,853,839	$108,699,899	$87,975,711

Because there is no trend rate assumption used in valuing these benefits, the NOL is unaffected by any changes in trend rates.

Schedule of changes in Net OPEB Liability

Measurement Date	June 30, 2023	June 30, 2022
Total OPEB Liability		
• Service Cost	$5,957,755	$5,052,420
• Interest	4,256,540	4,704,713
• Change of benefit terms	0	0
• Differences between expected and actual experience	555,646	1,508,032
• Changes of assumptions	0	17,224,419
• Benefit payments	(8,723,838)	(9,340,216)
Net change in Total OPEB Liability	**$2,046,103**	**$19,149,368**
Total OPEB Liability – beginning	**$153,187,434**	**$134,038,066**
Total OPEB Liability – ending (a)	**$155,233,537**	**$153,187,434**
Plan Fiduciary Net Position		
• Contributions – employer (including those for administrative expenses)	$16,497,224	$14,991,933
• Contributions – employee	378,022	372,258
• Net investment income	(279,861)	(4,381,121)
• Benefit payments	(8,723,838)	(9,340,216)
• Administrative expense	(1,863,048)	(1,855,962)
Net change in Plan Fiduciary Net Position	**$6,008,499**	**($213,108)**
Plan Fiduciary Net Position – beginning	**$40,525,139**	**$40,738,247**
Plan Fiduciary Net Position – ending (b)	**$46,533,638**	**$40,525,139**
Net OPEB Liability – ending (a) – (b)	**$108,699,899**	**$112,662,295**
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	**29.98%**	**26.45%**
Covered payroll	**$1,259,245,870**	**$1,178,016,102**
Plan Net OPEB Liability as percentage of covered payroll	**8.63%**	**9.56%**

Schedule of Employer Contributions – Last Eight Fiscal Years

Year Ended June 30	Actuarially Determined Contributions[1,2]	Contributions in Relation to the Actuarially Determined Contributions[1]	Contribution Deficiency / (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	$7,206,780	$7,206,780	$0	$861,818,854	0.84%
2017	7,137,953	7,137,953	0	892,332,196	0.80%
2018	7,137,211	7,137,211	0	953,635,670	0.75%
2019	7,259,955	7,259,955	0	1,028,212,002	0.71%
2020	13,334,780	13,299,775	35,005	1,130,066,141	1.18%
2021	12,565,096	12,898,727	(333,631)	1,121,883,556	1.15%
2022	13,075,979	13,133,730	(57,751)	1,178,016,102	1.11%
2023	15,236,875	14,631,549	605,326	1,259,245,870	1.16%

See accompanying notes to this schedule on the next page.

[1] Excludes employer contributions towards administrative expenses.

[2] Starting in 2020, the actuarially determined contribution is determined based on actual covered payroll reported by the Retirement Office.

Notes to Schedule:

Methods and assumptions used to establish "actuarially determined contribution" (ADC) rates:

Valuation date:	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
Actuarial cost method:	Entry Age Actuarial Cost Method
Asset valuation method:	The market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual and expected returns on a market value basis and is recognized over a five-year period.
Amortization Method:	Level dollar amortization
Remaining amortization period:	The July 1, 2019 Unfunded Actuarial Accrued Liability is amortized over a fifteen-year period commencing July 1, 2019 (fully amortized as of July 1, 2034). Any subsequent changes in Unfunded Actuarial Accrued Liability are amortized over separate fifteen-year periods effective with that valuation. The funding policy was revised and adopted by the Retirement Board on November 9, 2022. In particular, if the Plan is in a surplus position and the surplus is 20% or greater (i.e., the funded ratio is 120% or greater), the surplus in excess of 20% will be amortized over a 30-year period in equal dollar amounts. In a year where the Plan is in a surplus position following a previous unfunded liability position, or an unfunded liability position following a previous surplus position, the previous amortization layers will be considered fully amortized (i.e., set to zero) and a new series of amortization layers will start.

Actuarial assumptions:

Valuation Date:	July 1, 2023 Valuation Date	July 1, 2022 Valuation Date
Investment rate of return:	2.75%, net of investment expenses	2.75%, net of investment expenses
Inflation rate:	2.50%	2.50%
Real across-the-board salary increase:	0.50%	0.50%
Projected salary increases:[1]	4.25% to 10.00%	4.25% to 10.00%
Cost of living adjustments:	2.75% (actual increases are contingent upon CPI increases with a 3.00% maximum for Tier 1, 2.00% maximum for Tier 2)	2.75% (actual increases are contingent upon CPI increases with a 3.00% maximum for Tier 1, 2.00% maximum for Tier 2)
Other assumptions:	Same as those used in the July 1, 2023 funding actuarial valuation	Same as those used in the July 1, 2022 funding actuarial valuation

[1] Includes inflation at 2.50% plus real across-the-board salary increases of 0.50% plus merit and promotion increases as of July 1, 2023 and 2022.

Actuarial Assumptions and Methods

Actuarial assumptions:

Net Investment Return:	2.75%, net of investment expenses.
Family Composition at Death for Active Members:	See table below. No benefits are assumed to be payable upon deaths of active members age 55 or over or deaths of inactive vested members (receiving a Permanent Total Disability benefit) or retirees at any age. Healthy child payments are assumed to end when the child reaches age 18. Disabled child payments are assumed to continue for life.

Plan	Family Death Benefits	Supplemental Family Death Benefit
Not Married; No Children	20%	0%
Not Married; One Child	5%	15%
Not Married; 2+ Children	7%	17%
Married; No Children	16%	0%
Married; One Child	15%	22%
Married; 2+ Children	30%	39%
Married; One Disabled Child	7%	7%
1st Child's Age	10	10
2nd Child's Age	8	8

Other Actuarial Assumptions:	Same as those used in the July 1, 2023 actuarial valuation report for the Retirement Plan
Actuarial cost method:	Entry Age Actuarial Cost Method.
Changes in Actuarial Assumptions:	There have been no changes in actuarial assumptions since the last valuation.
Changes in Funding Policy:	The Retirement Board adopted the revised Plan's funding policy on November 9, 2022. In particular, if the Plan is in a surplus position (i.e., the Actuarial Value of Assets (AVA) is greater than the Actuarial Accrued Liability (AAL)), the previous amortization layers are considered fully amortized. If the surplus is 20% or greater, the surplus that is in excess of 20% of the AAL will be amortized over a 30-year period in equal dollar amounts.

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