



Tulare County Employees' Retirement Association

GASB 67/68 Report as of June 30, 2020

Produced by Cheiron

October 2020

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October 26, 2020

Board of Retirement
Tulare County Employees' Retirement Association
136 N. Akers St.
Visalia, CA 93291

Dear Members of the Board:

The purpose of this report is to provide accounting and financial reporting information under GASB 67 for the Tulare County Employees' Retirement Association (TCERA) and under GASB 68 for participating employers. This information includes:

- Determination of the discount rate as of June 30, 2020,
- Disclosure of the TCERA's Total Pension Liability and Net Pension Liability as of the measurement date,
- Note disclosures and required supplementary information under GASB 67 for TCERA,
- Determination of collective amounts under GASB 68, and
- Schedules for the financial reporting of participating employers under GASB 68.

If you have any questions about the report or would like additional information, please let us know.

Sincerely,
Cheiron



Graham A. Schmidt, ASA, EA, FCA, MAAA
Consulting Actuary



Steven M. Hastings, FSA, EA, FCA, MAAA
Consulting Actuary



**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
GASB 67 AND 68 REPORTING FOR JUNE 30, 2020 MEASUREMENT DATE**

SECTION I – BOARD SUMMARY

The purpose of this report is to provide accounting and financial disclosure information under Governmental Accounting Standards Board Statements 67 and 68 (as amended by Statement 82) for the Tulare County Employees' Retirement Association and the participating employers. This information includes:

- Determination of the discount rate as of June 30, 2020,
- Disclosure of TCERA's Total Pension Liability and Net Pension Liability as of the measurement date,
- Note disclosures and required supplementary information under GASB 67 for TCERA,
- Determination of collective amounts under GASB 68, and
- Schedules for the financial reporting of participating employers under GASB 68.

Highlights

The measurement date for the Tulare County Employees' Retirement Association (TCERA) is June 30, 2020. Measurements are based on the fair value of assets as of June 30, 2020 and the Total Pension Liability as of the valuation date, June 30, 2020.

The table below provides a summary of the key collective results during this measurement period.

Table I-1 Summary of Collective Results			
		Measurement Date	
		6/30/2020	6/30/2019
Net Pension Liability	\$	439,041	\$ 297,606
Deferred Outflows		(186,958)	(91,414)
Deferred Inflows		70,072	43,851
Net Impact on Statement of Net Position	\$	322,155	\$ 250,043
Pension Expense/(Income)	\$	107,422	\$ 111,904
Pension Expense/(Income) (% of Payroll)		37.87%	42.35%

Numbers may not add to totals due to rounding.

Amounts in Thousands

The Net Pension Liability (NPL) increased by approximately \$141.4 million since the prior measurement date, primarily due to the changes in assumptions resulting from the recent Experience Study. Investment gains or losses are recognized over five years, and Actuarial Liability gains or losses and assumption changes are recognized over the average remaining service life, which is five years. Unrecognized amounts are reported as deferred inflows and deferred outflows.

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
GASB 67 AND 68 REPORTING FOR JUNE 30, 2020 MEASUREMENT DATE**

SECTION I – BOARD SUMMARY

As of the end of the reporting year, the participating employers in TCERA would report a Net Pension Liability of \$439,041,000, collective Deferred Inflows of \$70,072,000, and collective Deferred Outflows of \$186,958,000. Consequently, the net impact on the aggregate of participating employers' Statements of Net Position due to TCERA would be \$322,155,000 at the end of the measurement year. In addition, any contributions between the measurement date and each individual employer's reporting date would be reported as deferred outflows to offset the cash outflow reported.

For the measurement year ending June 30, 2020, the collective annual pension expense is \$107,422,000 or 37.87% of covered payroll. This amount is not equal to the participating employers' contributions to TCERA (\$35,310,000), but instead represents the change in the net impact on participating employer's Statements of Net Position plus employer contributions (\$322,155,000 – \$250,043,000 + \$35,310,000). The collective pension expense is smaller than the collective expense for the prior year. Volatility in pension expense from year to year is to be expected. It will largely be driven by investment gains or losses, but other changes can also have a significant impact. A breakdown of the components of the net pension expense is shown in Section VI of the report.

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
GASB 67 AND 68 REPORTING FOR JUNE 30, 2020 MEASUREMENT DATE**

SECTION II – CERTIFICATION

The purpose of this report is to provide accounting and financial reporting information under GASB 67 for the Tulare County Employees' Retirement Association (TCERA) and under GASB 68 for the employers that participate in TCERA. This report is for the use of TCERA, the participating employers, and their auditors in preparing financial reports in accordance with applicable law and accounting requirements. This report is not appropriate for other purposes, including the measurement of funding requirements for TCERA.

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

Future actuarial measurements may differ significantly from the current measurements due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; and, changes in plan provisions or applicable law.

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

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

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

Graham A. Schmidt, ASA, EA, FCA, MAAA
Consulting Actuary

Steven M. Hastings, FSA, EA, FCA, MAAA
Consulting Actuary

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
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SECTION III – DETERMINATION OF DISCOUNT RATE

The discount rate used to measure the Total Pension Liability was 6.96%.

The projection of cash flows used to determine the discount rate assumed that plan member contributions will continue to be made at the required rates. Employer contributions were assumed to be made in accordance with the contribution policy in effect for the June 30, 2020 actuarial valuation. That policy includes contributions equal to the actuarially determined contribution, reflecting a payment equal to annual normal cost and an amount necessary to amortize the total June 30, 2015 Unfunded Actuarial Liability (UAL) as a level percentage of payroll over a closed 19-year period with payments as a level percentage of payroll, assuming payroll increases of 3.00% per year. Subsequent gains and losses are being amortized over new 19-year closed periods, also as a level percentage of payroll. The Board elected to phase-in the impact of the 2020 assumption changes on the employer contribution rate over the next three fiscal years.

The UAL and contribution rates do not directly reflect any liability associated with past or future transfers to the Supplemental Retiree Benefit Reserve (SRBR), which the Board has elected not to pre-fund. However, the projection of benefit payments does include the value of the expected benefit payments to the members from the SRBR, based on both the current SRBR assets and the expected future transfers to the SRBR, as estimated using a stochastic model. Those benefit payments result in actuarial losses, which are funded through the plan's amortization policy.

Based on these assumptions, TCERA's fiduciary net position was projected to be available to make projected future benefit payments for current members until FYE 2087, when only a portion of the projected benefit payments can be made from the projected fiduciary net position. Projected benefit payments are discounted at the long-term expected return on assets of 7.15% to the extent the fiduciary net position is available to make the payments and at the municipal bond rate of 2.21% to the extent they are not available. The 7.15% expected return on assets is equal to the 7.00% investment return assumption used in the June 30, 2020 actuarial valuation, plus 0.15% for administrative expenses. The administrative expense adjustment results from the fact that the 7.00% valuation assumption is assumed to be net of both administrative and investment expenses, whereas GASB 67 and 68 require an expected return on assets that is net of investment expenses only. The 2.21% municipal bond rate is based on the Bond Buyer 20-year Bond GO Index as of June 25, 2020.

The single rate that is equivalent to a 7.15% discount rate until the projected fiduciary net position is no longer available to make benefit payments (in FYE 2087), and 2.21% thereafter, is 6.96%. The discount rate used to determine the Total Pension Liability as of June 30, 2020 is therefore 6.96%.

Appendix D shows the details of this calculation.

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
GASB 67 AND 68 REPORTING FOR JUNE 30, 2020 MEASUREMENT DATE**

SECTION IV – DETERMINATION OF TOTAL PENSION LIABILITY

The Total Pension Liability (TPL) at the end of the measurement year, June 30, 2020, is measured as of a valuation date of June 30, 2020.

Between the June 30, 2019 and June 30, 2020 measurement dates, the discount rate was reduced from 7.30% to 6.96% due to the results of the crossover test and a decrease in the assumed investment rate of return from 7.40% to 7.15%. The details of this calculation are shown in Appendix D. The following assumptions were changed as a result of the recent Experience Study: inflation, COLA increases, percent married, merit-based pay increases, termination rates, retirement rates, rates of deferred vested termination, reciprocal transfer rates, adjustments to base mortality tables for healthy General males, mortality improvement scale for all members, and sick leave conversion load. Please see Appendix B of the June 30, 2020 actuarial valuation report for a more detailed description of assumptions.

The TPL measurement includes the accrued portion of expected benefit payments associated with the current SRBR assets, as well as the accrued portion of expected benefit payments associated with future anticipated SRBR transfers (as determined using a stochastic model).

The total impact of the assumption changes – the change in discount rate, and changes resulting from the recent Experience Study – increased the TPL measurement by approximately \$71 million as of the end of the measurement year.

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SECTION V – GASB 67 REPORTING INFORMATION

Note Disclosures

The table below shows the changes in the Total Pension Liability, the Plan Fiduciary Net Position (i.e., fair value of System assets), and the Net Pension Liability during the measurement year.

Table V-1 Change in Collective Net Pension Liability			
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 6/30/2019	\$ 1,943,777	\$ 1,646,171	\$ 297,606
Changes for the year:			
Service cost	49,424		49,424
Interest	140,390		140,390
Changes of benefits	0		0
Differences between expected and actual experience	(54,091)		(54,091)
Changes of assumptions	70,788		70,788
Contributions - employer		35,310	(35,310)
Contributions - member		23,104	(23,104)
Net investment income		9,515	(9,515)
Benefit payments	(91,427)	(91,427)	0
Administrative expense		(2,853)	2,853
Net changes	<u>115,084</u>	<u>(26,351)</u>	<u>141,435</u>
Balances at 6/30/2020	<u>\$ 2,058,861</u>	<u>\$ 1,619,820</u>	<u>\$ 439,041</u>

Numbers may not add to totals due to rounding.

Amounts in Thousands

During the measurement year, the collective NPL increased by approximately \$141.4 million. The service cost, interest cost, and recognition of administrative expense increased the collective NPL by approximately \$193 million while actuarial gains, contributions, and investment income decreased the collective NPL by approximately \$122 million.

There were no changes in benefits during the year. As discussed in Section IV, there were assumption changes, which increased the TPL by approximately \$71 million.

Changes in the discount rate affect the measurement of the TPL. Lower discount rates produce a higher TPL and higher discount rates produce a lower TPL. Because the discount rate does not affect the measurement of assets, the percentage change in the NPL can be very significant for a relatively small change in the discount rate. The table on the next page shows the sensitivity of the collective NPL to the discount rate.

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
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SECTION V – GASB 67 REPORTING INFORMATION

Table V-2			
Sensitivity of Collective Net Pension Liability to Changes in Discount Rate			
	1% Decrease 5.96%	Discount Rate 6.96%	1% Increase 7.96%
Total Pension Liability	\$ 2,358,092	\$ 2,058,861	\$ 1,815,769
Plan Fiduciary Net Position	<u>1,619,820</u>	<u>1,619,820</u>	<u>1,619,820</u>
Collective Net Pension Liability	<u>\$ 738,272</u>	<u>\$ 439,041</u>	<u>\$ 195,949</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.7%	78.7%	89.2%

Numbers may not add to totals due to rounding.

Amounts in Thousands

A one percent decrease in the discount rate increases the TPL by approximately 15% and increases the collective NPL by approximately 68%. A one percent increase in the discount rate decreases the TPL by approximately 12% and decreases the collective NPL by approximately 55%.

Required Supplementary Information

The schedules of Required Supplementary Information generally start with information as of the implementation of GASB 67, and eventually will build up to 10 years of information. The schedule on the following page shows the changes in collective NPL and related ratios required by GASB for the seven years since implementation.

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SECTION V – GASB 67 REPORTING INFORMATION

Table V-3 Schedule of Changes in Collective Net Pension Liability and Related Ratios							
	FYE 2020	FYE 2019	FYE 2018	FYE 2017	FYE 2016	FYE 2015	FYE 2014
<u>Total Pension Liability</u>							
Service cost (MOY)	\$ 49,424	\$ 49,484	\$ 46,838	\$ 38,203	\$ 38,307	\$ 35,168	\$ 39,672
Interest (includes interest on service cost)	140,390	133,895	126,586	118,664	115,716	97,473	94,277
Changes of benefit terms	0	0	0	0	0	0	0
Differences between expected and actual experience	(54,091)	(6,667)	10,342	11,936	(40,602)	7,591	0
Changes of assumptions	70,788	(37,996)	41,149	69,608	23,923	180,187	13,588
Benefit payments, including refunds of member contributions	(91,427)	(85,097)	(80,716)	(76,961)	(72,332)	(68,560)	(65,954)
Net change in total pension liability	\$ 115,084	\$ 53,619	\$ 144,199	\$ 161,449	\$ 65,011	\$ 251,858	\$ 81,583
Total pension liability - beginning	1,943,777	1,890,158	1,745,959	1,584,510	1,519,499	1,267,640	1,186,057
Total pension liability - ending	\$ 2,058,861	\$ 1,943,777	\$ 1,890,158	\$ 1,745,959	\$ 1,584,510	\$ 1,519,499	\$ 1,267,640
<u>Plan fiduciary net position</u>							
Contributions - employer	\$ 35,310	\$ 33,494	\$ 286,263	\$ 33,616	\$ 31,297	\$ 30,992	\$ 25,953
Contributions - member	23,104	22,325	18,512	18,190	16,815	18,887	18,969
Net investment income	9,515	90,779	95,857	132,865	(20,309)	122,400	179,878
Benefit payments, including refunds of member contributions	(91,427)	(85,097)	(80,716)	(76,961)	(72,332)	(68,560)	(65,954)
Administrative expense	(2,853)	(2,806)	(2,666)	(2,612)	(2,616)	(2,408)	(1,639)
Net change in plan fiduciary net position	\$ (26,351)	\$ 58,695	\$ 317,250	\$ 105,098	\$ (47,145)	\$ 101,312	\$ 157,207
Plan fiduciary net position - beginning	1,646,171	1,587,476	1,270,226	1,165,127	1,212,272	1,110,961	953,754
Plan fiduciary net position - ending	\$ 1,619,820	\$ 1,646,171	\$ 1,587,476	\$ 1,270,226	\$ 1,165,127	\$ 1,212,272	\$ 1,110,961
Net pension liability - ending	\$ 439,041	\$ 297,606	\$ 302,682	\$ 475,734	\$ 419,383	\$ 307,226	\$ 156,680
Plan fiduciary net position as a percentage of the total pension liability	78.68%	84.69%	83.99%	72.75%	73.53%	79.78%	87.64%
Covered payroll*	\$ 283,640	\$ 264,218	\$ 256,049	\$ 243,366	\$ 238,559	\$ 229,431	\$ 234,438
Net pension liability as a percentage of covered payroll	154.79%	112.64%	118.21%	195.48%	175.80%	133.91%	66.83%

Numbers may not add to totals due to rounding.

Amounts in Thousands

* Payroll for FYE 2014 was determined by the prior actuary. Subsequent payroll figures are based on amounts provided by the participating employers for the respective fiscal year.



**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
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SECTION VI – GASB 68 COLLECTIVE AMOUNTS

Employers that participate in TCERA were required to implement GASB 68 for their first fiscal year that commenced after June 15, 2014. The amounts reported as of their fiscal year end (their reporting date) must be based on a measurement date up to 12 months prior to their reporting date. For employers with a reporting date of June 30, their 2020 disclosures can be based on either the June 30, 2019 or 2020 measurement dates. If an employer elects to base their 2020 disclosures on the June 30, 2019 measurement date, the GASB 68 schedules in this report with a measurement date of June 30, 2020 will be used for their 2021 reporting date.

Because TCERA is a cost-sharing multiple-employer pension plan, each employer participating in TCERA must reflect a portion of the collective Net Pension Liability, Pension Expense, and Deferred Outflows and Inflows in their financial statements. This section develops the collective amounts that are allocated to participating employers.

The impact of experience gains or losses and assumption changes on the TPL are recognized in expense over the average expected remaining service life of all active and inactive members of TCERA. As of the beginning of the measurement period, this recognition period was five years.

During the year, there was an experience gain of approximately \$54.1 million. Approximately \$10.8 million of that gain was recognized as a decrease in collective pension expense in the current year and an identical amount will be recognized in each of the next four years, resulting in a collective deferred inflow of resources as of June 30, 2020 of approximately \$43.3 million. Unrecognized experience gains from prior periods were approximately \$13.5 million, of which \$9.5 million was recognized as a decrease in the collective pension expense in the current year. Unrecognized experience losses from prior periods were approximately \$11.0 million, of which \$4.5 million was recognized as an increase in the collective pension expense in the current year. The combination of gains and losses from this year and in prior periods results in a net collective deferred outflow of resources as of June 30, 2020 of approximately \$6.5 million and a net collective deferred inflow of approximately \$47.3 million.

During the year, there were changes in the assumptions that increased the NPL by approximately \$70.8 million. Approximately \$14.2 million of that increase is recognized as an increase in collective pension expense in the current year and an identical amount will be recognized in each of the next four years. Unrecognized gains due to assumption changes from prior periods were approximately \$30.4 million in deferred inflows, of which \$7.6 million was recognized as an reduction in the collective pension expense in the current year. Unrecognized losses due to assumption changes from prior periods were approximately \$58.2 million in deferred outflows, of which \$27.8 million was recognized as an increase in the collective pension expense in the current year. The combination of changes from assumptions this year and in prior periods results in a collective deferred outflow of resources as of June 30, 2020 of approximately \$87.0 million and a net collective deferred inflow of approximately \$22.8.

The impact of investment gains or losses is recognized over a period of five years. During the measurement year, there was an investment loss of approximately \$111.0 million. Approximately \$22.2 million of that loss was recognized in the current year and an identical amount will be recognized in each of the next four years. Unrecognized net investment losses

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GASB 67 AND 68 REPORTING FOR JUNE 30, 2020 MEASUREMENT DATE**

SECTION VI – GASB 68 COLLECTIVE AMOUNTS

from prior periods were approximately \$22.3 million, and the net recognition of prior investment experience resulted in a \$17.6 million increase in collective pension expense in the current year. The combination of unrecognized investment losses this year and unrecognized net investment losses from prior periods results in a collective deferred outflow of resources as of June 30, 2020 of approximately \$93.4 million.

The table below summarizes the current balances of collective deferred outflows and deferred inflows of resources along with the net recognition over the next five years.

Table VI-1 Schedule of Collective Deferred Inflows and Outflows of Resources		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,523	\$ 47,274
Changes in assumptions	87,012	22,798
Net difference between projected and actual earnings on pension plan investments	93,423	0
Total	<u>\$ 186,958</u>	<u>\$ 70,072</u>
Amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense as follows:		
Measurement year ended June 30:		
2021	38,210	
2022	31,432	
2023	21,709	
2024	25,535	
2025	0	
Thereafter \$	0	

Numbers may not add to totals due to rounding.

Amounts in Thousands

The collective annual pension expense recognized by the participating employers can be calculated two different ways. First, it is the change in the amounts reported on the participating employers' Statements of Net Position that relate to TCERA and are not attributable to employer contributions. That is, it is the change in collective NPL plus the changes in collective deferred outflows and inflows plus participating employer contributions.

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SECTION VI – GASB 68 COLLECTIVE AMOUNTS

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

Table VI-2 Calculation of Collective Pension Expense			
	Measurement Year Ending		
	2020	2019	
Change in Net Pension Liability	\$ 141,435	\$ (5,076)	
Change in Deferred Outflows	(95,544)	55,875	
Change in Deferred Inflows	26,221	27,611	
Employer Contributions	<u>35,310</u>	<u>33,494</u>	
Pension Expense	\$ 107,422	\$ 111,904	
Pension Expense as % of Payroll	37.87%	42.35%	
Operating Expenses			
Service cost	\$ 49,424	\$ 49,484	
Employee contributions	(23,104)	(22,325)	
Administrative expenses	<u>2,853</u>	<u>2,806</u>	
Total	\$ 29,173	\$ 29,965	
Financing Expenses			
Interest cost	\$ 140,390	\$ 133,895	
Expected return on assets	<u>(120,513)</u>	<u>(116,307)</u>	
Total	\$ 19,877	\$ 17,588	
Changes			
Benefit changes	\$ 0	\$ 0	
Recognition of assumption changes	34,345	35,227	
Recognition of liability gains and losses	(15,816)	(3,480)	
Recognition of investment gains and losses	<u>39,843</u>	<u>32,604</u>	
Total	\$ 58,372	\$ 64,351	
Pension Expense	\$ 107,422	\$ 111,904	

Numbers may not add to totals due to rounding.

Amounts in Thousands

First, there are components referred to as operating expenses. These are items directly attributable to the operation of the plan during the measurement year. Service cost less employee contributions represents the increase in employer-provided benefits attributable to the year, and administrative expenses are the cost of operating TCERA for the year.

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Second, there are the financing expenses: the interest on the Total Pension Liability less the expected return on assets.

The final category is changes. This category will drive most of the volatility in pension expense from year to year. It includes any changes in benefits made during the year and the recognized amounts due to assumption changes, gains or losses on the TPL, and investment gains or losses. The total collective pension expense decreased by about \$4.5 million. In the current year pension expense, the recognition of changes decreased by approximately \$6.0 million and was offset by increases in financing expenses of approximately \$2.3 million, compared to the prior year.

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SECTION VII – GASB 68 REPORTING INFORMATION FOR PARTICIPATING EMPLOYERS

Proportionate Shares

GASB 68 requires that the proportionate share for each employer be determined based on the “employer’s projected long-term contribution effort to the pension ... as compared to the total projected long-term contribution effort of all employers ...” Although not required as part of TCERA’s GASB 67 reporting requirements, TCERA is following the advice of the AICPA and making a determination of each employer’s proportionate share, which will be reviewed by TCERA’s auditor.

GASB 82, which is effective for reporting periods beginning after June 15, 2016, requires that employer-paid member contributions be classified as employee contributions for purposes of determining each employer’s proportionate share. TCERA has indicated that their auditor has determined the amount of such contributions to be immaterial for the purposes of GASB 82.

Proportionate shares for each participating employer are generally determined based on the ratio of each participating employer’s actual contributions to TCERA during the measurement year to the sum of the employer contributions. In Table VII-1, each employer’s proportionate share as of June 30, 2020 has been determined using this method.

Table VII-1 Determination of Employers' Proportionate Share					
Employer	June 30, 2020			June 30, 2019	
	Employer Contribution	Proportionate Share		Employer Contribution	Proportionate Share
County	\$ 32,146	91.0394%		\$ 30,578	91.2940%
Courts	2,965	8.3971%		2,730	8.1507%
SPUD	25	0.0708%		23	0.0687%
TCAG	174	0.4928%		163	0.4867%
Total	\$ 35,310	100.0000%		\$ 33,494	100.0000%

Numbers may not add to totals due to rounding.

Amounts in Thousands

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SECTION VII – GASB 68 REPORTING INFORMATION FOR PARTICIPATING EMPLOYERS

Table VII-2 Schedule of Employers' Proportionate Share of Collective Amounts at June 30, 2020							
Employer	Proportionate Share	Share of NPL @ 5.96%	Share of NPL @ 6.96%	Share of NPL @ 7.96%	Share of Deferred Outflows	Share of Deferred Inflows	Pension Expense
County	91.0394%	672,118	399,700	178,391	170,205	63,793	97,796
Courts	8.3971%	61,993	36,867	16,454	15,699	5,884	9,020
SPUD	0.0708%	523	311	139	132	50	76
TCAG	0.4928%	3,638	2,163	966	921	345	529
Total	100.0000%	\$ 738,272	\$ 439,041	\$ 195,949	\$ 186,958	\$ 70,072	\$ 107,422

Numbers may not add to totals due to rounding.

Amounts in Thousands

The proportionate share allocated to each individual employer will change on each measurement date. The net effect of the change in proportion on the share of the collective NPL, collective deferred outflows, and collective deferred inflows allocated to each employer becomes a deferred outflow or inflow for that employer and is recognized over the average future working life of TCERA's active and inactive members (five years).

Similarly, the difference between each employer's actual contributions and the employer's proportionate share of collective employer contributions becomes a deferred outflow or inflow for that employer and is recognized over the average future working life of TCERA's active and inactive members (five years).

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
GASB 67 AND 68 REPORTING FOR JUNE 30, 2020 MEASUREMENT DATE**

SECTION VII – GASB 68 REPORTING INFORMATION FOR PARTICIPATING EMPLOYERS

The table below shows the change in proportion and the impact of that change in proportion on the proportionate share of the collective NPL, collective deferred outflows, and collective deferred inflows. It also shows any contribution differences.

Table VII-3 Schedule of Employers' Changes in Proportion and Contribution Differences										
Employer	Proportionate Shares		Impact of Change in Proportion				Contributions			
	6/30/2019	6/30/2020	Net Pension Liability	Deferred Outflows	Deferred Inflows	Net Effect	Actual	Proportionate Share	Difference	
County	91.2940%	91.0394%	\$ (758)	\$ (233)	\$ 112	\$ (637)	\$ 32,146	\$ 32,146	\$ 0	
Courts	8.1507%	8.3971%	733	225	(108)	616	2,965	2,965	0	
SPUD	0.0687%	0.0708%	6	2	(1)	5	25	25	0	
TCAG	0.4867%	0.4928%	18	6	(3)	15	174	174	0	
Total	100.0000%	100.0000%	\$ 0	\$ 0	\$ 0	\$ 0	\$ 35,310	\$ 35,310	\$ 0	

Numbers may not add to totals due to rounding.

Amounts in Thousands

The table below shows the reconciliation of deferred outflows and inflows due to proportion changes for each participating employer from the prior measurement date to the current measurement date.

Table VII-4 Reconciliation of Deferred Outflows and Inflows Due to Proportion Change									
Employer	Deferred Outflows				Deferred Inflows				
	6/30/2019	Current Year		6/30/2020	6/30/2019	Current Year		6/30/2020	
		Net Effect	Recognition			Net Effect	Recognition		
County	\$ 2,199	\$ 0	\$ 550	\$ 1,649	\$ (11,006)	\$ (637)	\$ (4,011)	\$ (7,632)	
Courts	9,958	616	3,633	6,941	(1,585)	0	(396)	(1,189)	
SPUD	91	5	34	62	(42)	0	(14)	(28)	
TCAG	963	15	349	629	(576)	0	(144)	(432)	
Total	\$ 13,209	\$ 637	\$ 4,565	\$ 9,281	\$ (13,209)	\$ (637)	\$ (4,565)	\$ (9,281)	

Numbers may not add to totals due to rounding.

Amounts in Thousands

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
GASB 67 AND 68 REPORTING FOR JUNE 30, 2020 MEASUREMENT DATE**

SECTION VII – GASB 68 REPORTING INFORMATION FOR PARTICIPATING EMPLOYERS

The table below shows the reconciliation of deferred outflows and inflows due to differences between the proportionate share of contributions and actual contributions made by each employer. Because the proportionate shares are determined based on each employer's share of the contributions, there should be no differences between the actual and proportionate contributions.

Table VII-5 Reconciliation of Deferred Outflows and Inflows Due to Contribution Differences										
Employer	Deferred Outflows				Deferred Inflows					
	Current Year		Recognition	6/30/2020	Current Year		Recognition	6/30/2020	6/30/2019	6/30/2020
	6/30/2019	Difference			Difference	Difference				
County	\$ 16,475	\$ 0	\$ 5,492	\$ 10,984	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
Courts	0	0	0	0	(14,874)	0	(4,958)	(9,916)	(9,916)	
SPUD	0	0	0	0	(153)	0	(51)	(102)	(102)	
TCAG	0	0	0	0	(1,449)	0	(483)	(966)	(966)	
Total	\$ 16,475	\$ 0	\$ 5,492	\$ 10,984	\$ (16,475)	\$ 0	\$ (5,492)	\$ (10,984)	\$ (10,984)	

Numbers may not add to totals due to rounding.

Amounts in Thousands

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
GASB 67 AND 68 REPORTING FOR JUNE 30, 2020 MEASUREMENT DATE**

SECTION VII – GASB 68 REPORTING INFORMATION FOR PARTICIPATING EMPLOYERS

The table below summarizes the deferred outflows allocated to each employer for experience, assumption changes, investment returns, proportion changes, and contribution differences.

Table VII-6 Schedule of Employers' Deferred Outflows at June 30, 2020						
Employer	Proportionate Shares	Experience	Assumption Changes	Investment Return	Proportion Change	Contribution Difference
County	91.0394%	\$ 5,938	\$ 79,215	\$ 85,052	\$ 1,649	\$ 10,984
Courts	8.3971%	548	7,306	7,845	6,941	0
SPUD	0.0708%	5	62	66	62	0
TCAG	0.4928%	32	429	460	629	0
Total	100.0000%	\$ 6,523	\$ 87,012	\$ 93,423	\$ 9,281	\$ 10,984

Numbers may not add to totals due to rounding.

Amounts in Thousands

The table below summarizes the deferred inflows allocated to each employer for experience, assumption changes, investment returns, proportion changes, and contribution differences.

Table VII-7 Schedule of Employers' Deferred Inflows at June 30, 2020						
Employer	Proportionate Shares	Experience	Assumption Changes	Investment Return	Proportion Change	Contribution Difference
County	91.0394%	\$ 43,038	\$ 20,755	\$ 0	\$ 7,632	\$ 0
Courts	8.3971%	3,970	1,914	0	1,189	9,916
SPUD	0.0708%	33	16	0	28	102
TCAG	0.4928%	233	112	0	432	966
Total	100.0000%	\$ 47,274	\$ 22,798	\$ 0	\$ 9,281	\$ 10,984

Numbers may not add to totals due to rounding.

Amounts in Thousands

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
GASB 67 AND 68 REPORTING FOR JUNE 30, 2020 MEASUREMENT DATE**

SECTION VII – GASB 68 REPORTING INFORMATION FOR PARTICIPATING EMPLOYERS

The table below shows the net amount of deferred outflows and inflows to be recognized by each participating employer in each of the next five years and the total thereafter.

Table VII-8							
Schedule of Employers' Recognition of Deferred Outflows and Inflows at June 30, 2020							
Employer	Recognition for Measurement Year Ending						Thereafter
	2021	2022	2023	2024	2025		
County	\$ 37,049	\$ 31,058	\$ 20,186	\$ 23,119	\$ 0	\$ 0	
Courts	1,275	559	1,550	2,267	0	0	
SPUD	(1)	(9)	7	19	0	0	
TCAG	(113)	(175)	(34)	129	0	0	
Total	\$ 38,210	\$ 31,432	\$ 21,709	\$ 25,535	\$ 0	\$ 0	

Numbers may not add to totals due to rounding.

Amounts in Thousands

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
GASB 67 AND 68 REPORTING FOR JUNE 30, 2020 MEASUREMENT DATE**

SECTION VII – GASB 68 REPORTING INFORMATION FOR PARTICIPATING EMPLOYERS

The table below shows the calculation of the pension expense for each participating employer. The calculation is shown first as the sum of the proportionate share of the collective pension expense and the amounts recognized for proportion changes and contribution differences. The right side of the table shows the calculation as the sum of the changes in NPL and deferred amounts not attributable to contributions.

Table VII-9 Schedule of Employers' Pension Expense for the Measurement Year Ending June 30, 2020										
Employer	Collective Pension Expense	Change in Proportion	Contribution Difference	Employer Pension Expense	Change in Employer			Employer Contributions	Employer Pension Expense	
					Net Pension Liability	Deferred Outflows	Deferred Inflows			
County	\$ 97,796	\$ (3,461)	\$ 5,492	\$ 99,827	\$ 128,004	\$ (80,709)	\$ 20,386	\$ 32,146	\$ 99,827	
Courts	9,020	3,236	(4,958)	7,299	12,610	(5,231)	(3,044)	2,965	7,299	
SPUD	76	20	(51)	45	106	(41)	(45)	25	45	
TCAG	529	205	(483)	251	715	(143)	(495)	174	251	
Total	\$ 107,422	\$ 0	\$ 0	\$ 107,422	\$ 141,435	\$ (86,124)	\$ 16,801	\$ 35,310	\$ 107,422	

Numbers may not add to totals due to rounding.

Amounts in Thousands

The table below summarizes the information needed for each employer's schedules of required supplementary information.

Table VII-10 Schedule of Employers' RSI Information at June 30, 2020									
Employer	Proportionate Shares	Proportionate Share of NPL	Covered Payroll	Share of NPL as a % of Payroll	Plan Fiduciary Net Position as % of TPL	Contractually Required Contribution	Actual Contributions	Contribution Deficiency	Contributions as a % of Payroll
County	91.0394%	\$ 399,700	\$ 265,770	150.4%	78.7%	\$ 32,146	\$ 32,146	\$ 0	12.1%
Courts	8.3971%	36,867	16,191	227.7%	78.7%	2,965	2,965	0	18.3%
SPUD	0.0708%	311	123	252.3%	78.7%	25	25	0	20.3%
TCAG	0.4928%	2,163	1,556	139.0%	78.7%	174	174	0	11.2%
Total	100.0000%	\$ 439,041	\$ 283,640	154.8%	78.7%	\$ 35,310	\$ 35,310	\$ 0	12.4%

Numbers may not add to totals due to rounding.

Amounts in Thousands

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
GASB 67 AND 68 REPORTING FOR JUNE 30, 2020 MEASUREMENT DATE**

APPENDIX A – MEMBERSHIP INFORMATION

SUMMARY OF ACTIVE GENERAL MEMBERSHIP			
	June 30, 2019	June 30, 2020	Change
General Tier 1			
Count	13	8	-38.5%
Average Age	65.1	67.6	3.9%
Average Service	34.8	36.5	4.7%
Annual Projected Payroll	\$ 1,007,983	\$ 651,897	-35.3%
Average Annual Pay	\$ 77,537	\$ 81,487	5.1%
General Tier 2 & 3			
Count	2,009	1,880	-6.4%
Average Age	47.9	48.5	1.2%
Average Service	15.0	15.9	5.8%
Annual Projected Payroll	\$ 126,303,821	\$ 123,014,040	-2.6%
Average Annual Pay	\$ 62,869	\$ 65,433	4.1%
General Tier 4			
Count	1,704	1,848	8.5%
Average Age	35.9	36.5	1.8%
Average Service	2.9	3.4	16.7%
Annual Projected Payroll	\$ 82,281,048	\$ 94,939,152	15.4%
Average Annual Pay	\$ 48,287	\$ 51,374	6.4%
General Total			
Count	3,726	3,736	0.3%
Average Age	42.5	42.6	0.4%
Average Service	9.5	9.7	2.1%
Annual Projected Payroll	\$ 209,592,852	\$ 218,605,089	4.3%
Average Annual Pay	\$ 56,251	\$ 58,513	4.0%

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
GASB 67 AND 68 REPORTING FOR JUNE 30, 2020 MEASUREMENT DATE**

APPENDIX A – MEMBERSHIP INFORMATION

SUMMARY OF ACTIVE SAFETY MEMBERSHIP				
	June 30, 2019	June 30, 2020	Change	
Safety Tier 1				
Count	0	0	0.0%	
Average Age	0	0	0.0%	
Average Service	0	0	0.0%	
Annual Projected Payroll	\$ 0	\$ 0	0.0%	
Average Annual Pay	\$ 0	\$ 0	0.0%	
Safety Tier 2 & 3				
Count	550	503	-8.5%	
Average Age	43.3	44.0	1.6%	
Average Service	15.1	15.7	4.5%	
Annual Projected Payroll	\$ 42,313,399	\$ 41,496,639	-1.9%	
Average Annual Pay	\$ 76,933	\$ 82,498	7.2%	
Safety Tier 4				
Count	343	366	6.7%	
Average Age	31.4	31.9	1.7%	
Average Service	2.7	3.3	22.3%	
Annual Projected Payroll	\$ 20,509,342	\$ 24,170,274	17.9%	
Average Annual Pay	\$ 59,794	\$ 66,039	10.4%	
Safety Total				
Count	893	869	-2.7%	
Average Age	38.7	38.9	0.5%	
Average Service	10.3	10.5	1.8%	
Annual Projected Payroll	\$ 62,822,741	\$ 65,666,913	4.5%	
Average Annual Pay	\$ 70,350	\$ 75,566	7.4%	

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
GASB 67 AND 68 REPORTING FOR JUNE 30, 2020 MEASUREMENT DATE**

APPENDIX A – MEMBERSHIP INFORMATION

SUMMARY OF INACTIVE MEMBERSHIP*			
	June 30, 2019	June 30, 2020	Change
General			
Count	1,774	1,852	4.4%
Average Age	43.9	43.7	-0.4%
Total Contribution Balance	\$ 41,393,272	\$ 43,402,585	4.9%
Average Contribution Balance	\$ 23,333	\$ 23,436	0.4%
Safety			
Count	308	331	7.5%
Average Age	39.5	39.2	-0.7%
Total Contribution Balance	\$ 11,151,367	\$ 12,835,551	15.1%
Average Contribution Balance	\$ 36,206	\$ 38,778	7.1%
Total			
Count	2,082	2,183	4.9%
Average Age	43.3	43.1	-0.5%
Total Contribution Balance	\$ 52,544,639	\$ 56,238,136	7.0%
Average Contribution Balance	\$ 25,238	\$ 25,762	2.1%

**Includes unclaimed accounts.*

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
GASB 67 AND 68 REPORTING FOR JUNE 30, 2020 MEASUREMENT DATE**

APPENDIX A – MEMBERSHIP INFORMATION

SUMMARY OF RETIRED MEMBERSHIP			
	June 30, 2019	June 30, 2020	Change
General			
Count	2,749	2,815	2.4%
Average Age	70.9	71.2	0.4%
Total Annual Allowance	\$ 59,081,180	\$ 62,618,882	6.0%
Average Annual Allowance	\$ 21,492	\$ 22,245	3.5%
Safety			
Count	563	593	5.3%
Average Age	64.9	64.9	-0.1%
Total Annual Allowance	\$ 19,889,881	\$ 21,793,355	9.6%
Average Annual Allowance	\$ 35,328	\$ 36,751	4.0%
Total			
Count	3,312	3,408	2.9%
Average Age	69.9	70.1	0.3%
Total Annual Allowance	\$ 78,971,061	\$ 84,412,237	6.9%
Average Annual Allowance	\$ 23,844	\$ 24,769	3.9%

Please refer to the June 30, 2020 actuarial valuation report for a more complete summary of the data.

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
GASB 67 AND 68 REPORTING FOR JUNE 30, 2020 MEASUREMENT DATE**

APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS

A summary of the actuarial assumptions and methods used to calculate the Total Pension Liability as of June 30, 2020 is provided below. Please refer to the June 30, 2020 actuarial valuation report for a complete description of all other assumptions. The economic and demographic assumptions were selected by the Board. With the exception of the discount rate, administrative expense assumption, and the municipal bond yield, the assumptions used in this report and the June 30, 2020 actuarial valuation report reflect the results of the Experience Study performed by Cheiron covering the period July 1, 2017 through June 30, 2020.

Key Actuarial Assumptions

Expected Return on Assets	7.15% net of investment expenses as of June 30, 2020.
Municipal Bond Yield	2.21% net of investment expenses as of June 30, 2020 (Bond Buyer 20-year Bond GO Index, June 25, 2020).
Discount Rate	6.96%
Inflation	The cost-of-living as measured by the Consumer Price Index (CPI) will increase at the rate of 2.75% per year.
Post Retirement COLA	Benefits are assumed to increase after retirement at the rate of the Consumer Price Index (CPI) subject to the maximum of 2.60% per year for Tier 1 and 2.00% per year for Tiers 2-4.
Administrative Expenses	Administrative Expenses used in the cashflow projection are assumed to average 0.15% of assets annually.

APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS

Contribution Allocation Procedure

The contribution allocation procedure primarily consists of an actuarial cost method, an asset smoothing method, and an amortization method as described below.

1. Actuarial Cost Method

The actuarial valuation is prepared using the Entry Age Actuarial Cost Method (CERL 31453.5). Under the principles of this method, the actuarial present value of the projected benefits of each individual included in the valuation is allocated as a level percentage of the individual's projected compensation between entry age and assumed exit (until maximum retirement age). For members who transferred between plans, entry age is based on original entry into the system. The normal cost for the Plan is based on the sum of the individual normal costs for each member (Individual Entry Age Method).

2. Asset Valuation Method

Beginning in fiscal year 2009, the assets are valued using a 10-year smoothed method based on the difference between the expected market value and the actual market value of the assets, net of expenses, as of June 30 and December 31 of each year. The expected market value at the end of each period is the beginning market value increased with the net increase in the cash flow of funds, all increased with interest at the expected investment return rate assumption.

A 30% asset corridor limit is applied.

3. Amortization Method

The Unfunded Actuarial Liability is the difference between the Actuarial Liability and the Actuarial Value of Assets. The UAL (or Surplus) is amortized as a percentage of the projected salaries of present and future members of TCERA. At its October 28, 2015 meeting, the Board adopted 19-year layered amortization of the UAL. Starting as of June 30, 2015, the UAL is amortized over a closed 19-year period as a level percentage of payroll, assuming payroll increases of 3.00% per year. Subsequent changes in the UAL due to experience gains and losses, assumption changes, or plan changes will be amortized over new closed 19-year periods.

4. Contributions

The employer (County or District) contributes to the retirement fund a percentage of the total compensation provided for all members based on an actuarial investigation, valuation, and recommendation of the actuary.

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
GASB 67 AND 68 REPORTING FOR JUNE 30, 2019 MEASUREMENT DATE**

APPENDIX C – SUMMARY OF PLAN PROVISIONS

The plan provisions are the same as those summarized in the June 30, 2020 actuarial valuation report.

Plan provisions include liabilities associated with the Supplemental Retiree Benefit Reserve (SRBR).

The county has adopted the financial provisions of Article 5.5 of the 1937 Act for Tiers 1-3. The Article requires that in certain cases, a portion of investment earnings be allocated to a Supplemental Retiree Benefit Reserve (SRBR). Earnings allocated to the SRBR are to be used for the benefit of members in Tiers 1-3. Members of Tier 4 are not eligible for supplemental benefits. (31618)

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
GASB 67 AND 68 REPORTING FOR JUNE 30, 2020 MEASUREMENT DATE**

APPENDIX D – DETERMINATION OF DISCOUNT RATE

FYE	Projected Beginning Fiduciary Net Position*	Normal Cost Contribution - Employer and Employee	UAL Contribution	Projected Admin Expenses	Projected Benefit Payments	Projected Investment Earnings	Projected Ending Fiduciary Net Position	"Funded" Portion of Benefit Payments	"Unfunded" Portion of Benefit Payments
2021	\$ 1,619,820	\$ 45,633	\$ 18,370	\$ 2,430	\$ 108,479	\$ 114,169	\$ 1,687,084	\$ 108,479	\$ 0
2022	1,687,084	45,116	22,342	2,531	107,386	119,135	1,763,760	107,386	0
2023	1,763,760	44,688	25,553	2,646	112,844	124,519	1,843,031	112,844	0
2024	1,843,031	44,178	28,910	2,765	118,164	130,096	1,925,286	118,164	0
2025	1,925,286	42,401	32,805	2,888	123,856	135,847	2,009,595	123,856	0
2026	2,009,595	40,625	36,193	3,014	129,829	141,718	2,095,288	129,829	0
2027	2,095,288	38,875	38,756	3,143	135,698	147,663	2,181,741	135,698	0
2028	2,181,741	37,177	41,445	3,273	141,525	153,670	2,269,235	141,525	0
2029	2,269,235	35,518	44,434	3,404	147,498	159,758	2,358,042	147,498	0
2030	2,358,042	33,904	46,798	3,537	153,777	165,908	2,447,338	153,777	0
2031	2,447,338	32,350	49,178	3,671	159,835	172,105	2,537,466	159,835	0
2032	2,537,466	30,829	51,130	3,806	166,144	178,337	2,627,812	166,144	0
2033	2,627,812	29,324	53,145	3,942	172,394	184,591	2,718,535	172,394	0
2034	2,718,535	27,818	55,224	4,078	178,609	190,874	2,809,765	178,609	0
2035	2,809,765	26,317	30,606	4,215	184,801	196,257	2,873,930	184,801	0
2036	2,873,930	24,846	26,982	4,311	190,620	200,458	2,931,285	190,620	0
2037	2,931,285	23,379	44,808	4,397	196,889	204,911	3,003,097	196,889	0
2038	3,003,097	21,901	43,505	4,505	203,139	209,724	3,070,584	203,139	0
2039	3,070,584	20,415	43,684	4,606	209,432	214,279	3,134,924	209,432	0
2040	3,134,924	18,957	36,882	4,702	216,044	218,353	3,188,370	216,044	0
2041	3,188,370	17,534	32,471	4,783	222,135	221,753	3,233,211	222,135	0
2042	3,233,211	16,133	29,469	4,850	228,188	224,589	3,270,364	228,188	0
2043	3,270,364	14,740	26,282	4,906	234,344	226,867	3,299,004	234,344	0
2044	3,299,004	13,347	22,227	4,949	240,524	228,504	3,317,609	240,524	0
2045	3,317,609	11,981	19,135	4,976	246,276	229,475	3,326,948	246,276	0

* Fiduciary Net Position based on financial statements provided by TCERA dated October 16, 2020.

Amounts in Thousands



**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
GASB 67 AND 68 REPORTING FOR JUNE 30, 2020 MEASUREMENT DATE**

APPENDIX D – DETERMINATION OF DISCOUNT RATE

FYE	Projected Beginning Fiduciary Net Position*	Normal Cost Contribution - Employer and Employee	UAL Contribution	Projected Admin Expenses	Projected Benefit Payments	Projected Investment Earnings	Projected Ending Fiduciary Net Position	"Funded" Portion of Benefit Payments	"Unfunded" Portion of Benefit Payments
2046	3,326,948	10,655	17,566	4,990	251,909	229,843	3,328,113	251,909	0
2047	3,328,113	9,372	15,855	4,992	257,430	229,627	3,320,544	257,430	0
2048	3,320,544	8,138	13,695	4,981	262,819	228,777	3,303,354	262,819	0
2049	3,303,354	6,957	12,714	4,955	267,719	227,301	3,277,652	267,719	0
2050	3,277,652	5,848	11,783	4,916	272,411	225,228	3,243,184	272,411	0
2051	3,243,184	4,827	11,689	4,865	276,470	222,584	3,200,949	276,470	0
2052	3,200,949	3,923	11,570	4,801	279,706	219,417	3,151,351	279,706	0
2053	3,151,351	3,137	11,426	4,727	282,198	215,753	3,094,742	282,198	0
2054	3,094,742	2,465	11,260	4,642	283,779	211,623	3,031,669	283,779	0
2055	3,031,669	1,900	11,072	4,548	284,607	207,061	2,962,547	284,607	0
2056	2,962,547	1,433	10,863	4,444	284,542	202,101	2,887,958	284,542	0
2057	2,887,958	1,059	10,634	4,332	283,691	196,781	2,808,410	283,691	0
2058	2,808,410	766	10,386	4,213	282,132	191,133	2,724,350	282,132	0
2059	2,724,350	542	10,120	4,087	279,740	185,194	2,636,379	279,740	0
2060	2,636,379	375	9,838	3,955	276,729	178,999	2,544,907	276,729	0
2061	2,544,907	255	9,542	3,817	273,132	172,575	2,450,329	273,132	0
2062	2,450,329	170	9,235	3,675	269,005	165,949	2,353,002	269,005	0
2063	2,353,002	111	8,917	3,530	264,387	159,144	2,253,258	264,387	0
2064	2,253,258	71	8,591	3,380	259,316	152,183	2,151,408	259,316	0
2065	2,151,408	45	8,259	3,227	253,811	145,087	2,047,761	253,811	0
2066	2,047,761	27	7,924	3,072	247,897	137,877	1,942,621	247,897	0
2067	1,942,621	16	7,587	2,914	241,587	130,575	1,836,299	241,587	0
2068	1,836,299	9	7,249	2,754	234,888	123,201	1,729,116	234,888	0
2069	1,729,116	5	6,913	2,594	227,809	115,780	1,621,412	227,809	0
2070	1,621,412	3	6,580	2,432	220,360	108,335	1,513,537	220,360	0

* Fiduciary Net Position based on financial statements provided by TCERA dated October 16, 2020.

Amounts in Thousands

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
GASB 67 AND 68 REPORTING FOR JUNE 30, 2020 MEASUREMENT DATE**

APPENDIX D – DETERMINATION OF DISCOUNT RATE

FYE	Projected Beginning Fiduciary Net Position*	Normal Cost Contribution - Employer and Employee	UAL Contribution	Projected Admin Expenses	Projected Benefit Payments	Projected Investment Earnings	Projected Ending Fiduciary Net Position	"Funded" Portion of Benefit Payments	"Unfunded" Portion of Benefit Payments
2071	1,513,537	1	6,250	2,270	212,551	100,890	1,405,857	212,551	0
2072	1,405,857	0	5,926	2,109	204,399	93,472	1,298,747	204,399	0
2073	1,298,747	0	5,607	1,948	195,923	86,106	1,192,589	195,923	0
2074	1,192,589	0	5,294	1,789	187,147	78,818	1,087,766	187,147	0
2075	1,087,766	0	4,988	1,632	178,104	71,636	984,654	178,104	0
2076	984,654	0	4,689	1,477	168,829	64,584	883,621	168,829	0
2077	883,621	0	4,397	1,325	159,364	57,688	785,016	159,364	0
2078	785,016	0	4,112	1,178	149,756	50,970	689,165	149,756	0
2079	689,165	0	3,835	1,034	140,053	44,453	596,368	140,053	0
2080	596,368	0	3,567	895	130,310	38,156	506,886	130,310	0
2081	506,886	0	3,307	760	120,586	32,095	420,942	120,586	0
2082	420,942	0	3,055	631	110,943	26,285	338,708	110,943	0
2083	338,708	0	2,813	508	101,446	20,735	260,301	101,446	0
2084	260,301	0	2,580	390	92,159	15,451	185,782	92,159	0
2085	185,782	0	2,357	279	83,143	10,435	115,153	83,143	0
2086	115,153	0	2,144	173	74,458	5,687	48,353	74,458	0
2087	48,353	0	1,942	73	66,157	1,199	(14,736)	48,353	17,804
2088	(14,736)	0	1,750	0	58,291	0	(56,540)	0	58,291
2089	(56,540)	0	1,570	0	50,900	0	(49,330)	0	50,900
2090	(49,330)	0	1,401	0	44,020	0	(42,619)	0	44,020
2091	(42,619)	0	1,243	0	37,679	0	(36,436)	0	37,679
2092	(36,436)	0	1,097	0	31,895	0	(30,798)	0	31,895
2093	(30,798)	0	962	0	26,681	0	(25,718)	0	26,681
2094	(25,718)	0	839	0	22,036	0	(21,197)	0	22,036
2095	(21,197)	0	727	0	17,954	0	(17,227)	0	17,954

* Fiduciary Net Position based on financial statements provided by TCERA dated October 16, 2020.

Amounts in Thousands

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
GASB 67 AND 68 REPORTING FOR JUNE 30, 2020 MEASUREMENT DATE**

APPENDIX D – DETERMINATION OF DISCOUNT RATE

FYE	Projected Beginning Fiduciary Net Position*	Normal Cost Contribution - Employer and Employee	UAL Contribution	Projected Admin Expenses	Projected Benefit Payments	Projected Investment Earnings	Projected Ending Fiduciary Net Position	"Funded" Portion of Benefit Payments	"Unfunded" Portion of Benefit Payments
2096	(17,227)	0	625	0	14,417	0	(13,792)	0	14,417
2097	(13,792)	0	534	0	11,400	0	(10,866)	0	11,400
2098	(10,866)	0	453	0	8,868	0	(8,415)	0	8,868
2099	(8,415)	0	382	0	6,780	0	(6,398)	0	6,780
2100	(6,398)	0	319	0	5,090	0	(4,771)	0	5,090
2101	(4,771)	0	265	0	3,749	0	(3,483)	0	3,749
2102	(3,483)	0	219	0	2,706	0	(2,487)	0	2,706
2103	(2,487)	0	179	0	1,912	0	(1,733)	0	1,912
2104	(1,733)	0	146	0	1,322	0	(1,176)	0	1,322
2105	(1,176)	0	118	0	893	0	(775)	0	893
2106	(775)	0	94	0	589	0	(495)	0	589
2107	(495)	0	75	0	379	0	(304)	0	379
2108	(304)	0	60	0	238	0	(178)	0	238
2109	(178)	0	48	0	146	0	(98)	0	146
2110	(98)	0	38	0	87	0	(49)	0	87
2111	(49)	0	30	0	51	0	(21)	0	51
2112	(21)	0	24	0	29	0	(4)	0	29
2113	(4)	0	20	0	16	0	4	0	16
2114	4	0	16	0	9	1	11	0	9
2115	11	0	13	0	5	1	20	0	5
2116	20	0	10	0	3	2	30	0	3
2117	30	0	8	0	1	2	39	0	1
2118	39	0	7	0	1	3	48	0	1
2119	48	0	5	0	0	4	56	0	0
2120	56	0	5	0	0	4	65	0	0
							Discount Rate:	7.15%	2.21%
							Present Value:	\$ 2,433,287	\$ 77,330
							Total Present Value:		\$ 2,510,617
							GASB Discount Rate:		6.96%

*Fiduciary Net Position based on financial statements provided by TCERA dated October 16, 2020.

Amounts in Thousands



APPENDIX E – GLOSSARY OF TERMS

1. Actuarially Determined Contribution

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

2. Actuarial Valuation Date

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

3. Deferred Inflow of Resources

An acquisition of net assets by a government employer that is applicable to a future reporting period. In the context of GASB 68, these are experience gains on the Total Pension Liability, assumption changes reducing the Total Pension Liability, or investment gains that are recognized in future reporting periods.

4. Deferred Outflow of Resources

A consumption of net assets by a government employer that is applicable to a future reporting period. In the context of GASB 68, these are experience losses on the Total Pension Liability, assumption changes increasing the Total Pension Liability, or investment losses that are recognized in future reporting periods.

5. Entry Age Actuarial Cost Method

The actuarial cost method required for GASB 67 and 68 calculations. Under this method, the actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis over the earnings of the individual between entry age and assumed exit ages. The portion of this actuarial present value allocated to a valuation year is called the service cost. The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future service costs is called the Total Pension Liability.

6. Measurement Date

The date as of which the Total Pension Liability and Plan Fiduciary Net Position are measured. The Total Pension Liability may be projected from the actuarial valuation date to the measurement date. The measurement date must be the same as the reporting date for the plan.

APPENDIX E – GLOSSARY OF TERMS

7. Net Pension Liability

The liability of employers and nonemployer contributing entities to employees for benefits provided through a defined benefit pension plan. It is calculated as the Total Pension Liability less the Plan Fiduciary Net Position. The Net Pension Liability is not appropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling TCERA's benefit obligations in the event of a plan termination or other similar action.

8. Plan Fiduciary Net Position

The fair or Market Value of Assets.

9. Reporting Date

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

10. Service Cost

The portion of the actuarial present value of projected benefit payments that is attributed to the current period of employee service in conformity with the requirements of GASB 67 and 68. The service cost is the normal cost calculated under the Entry Age Actuarial Cost Method.

11. 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 GASB 67 and 68. The Total Pension Liability is the Actuarial Liability calculated under the Entry Age Actuarial Cost Method.



Classic Values, Innovative Advice