



BARTEL
ASSOCIATES, LLC

**City of Belvedere
Retiree Healthcare Plan**

June 30, 2020 GASBS 75 Accounting Information
As of Measurement Date June 30, 2019
Based on the June 30, 2019 Actuarial Valuation

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Bartel Associates, LLC

October 12, 2020

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Applicable Dates

Applicable Dates and Periods

	Fiscal Year Ended June 30, 2020
■ Measurement date	June 30, 2019
■ Measurement period	July 1, 2018 to June 30, 2019
■ Actuarial valuation date	June 30, 2019



Note Disclosures

Plan Information

	Fiscal Year Ended June 30, 2020
■ Plan type	Single Employer
■ OPEB trust	No
■ Special funding situation	No
■ Nonemployer contributing entities	No



Note Disclosures

Covered Participants

At June 30, 2019, the measurement date, the following numbers of participants were covered by the benefit terms:

	Number of Covered Participants
■ Inactives currently receiving benefits	11
■ Inactives entitled to but not yet receiving benefits	7
■ Active employees	18
■ Total	36



Note Disclosures

Total OPEB Liability

	Fiscal Year Ended	
	6/30/19	6/30/20
	Measurement Date 6/30/18	Measurement Date 6/30/19
■ Total OPEB Liability (TOL)	\$ 1,254,000	\$ 1,312,304



Note Disclosures

Changes in Total OPEB Liability

	Total OPEB Liability
■ Balance at 6/30/19 (6/30/18 measurement date)	\$ 1,254,000
■ Changes for the year	
● Service Cost	61,217
● Interest	50,048
● Changes of benefit terms	-
● Actual vs. expected experience	(60,362)
● Assumption changes	51,401
● Benefit payments*	(44,000)
■ Net Changes	58,304
■ Balance at 6/30/20 (6/30/19 measurement date)	\$ 1,312,304

* See the measurement period column on page 16 for details.



Note Disclosures

Sensitivity of Total OPEB Liability

■ **Changes in the Discount Rate**

	Discount Rate		
	1% Decrease (2.50%)	Current Rate (3.50%)	1% Increase (4.50%)
■ Total OPEB Liability	\$ 1,503,696	\$ 1,312,304	\$ 1,158,491

■ **Changes in the Healthcare Trend Rate**

	Healthcare Trend Rate		
	1% Decrease	Current Trend	1% Increase
■ Total OPEB Liability	\$ 1,150,755	\$ 1,312,304	\$ 1,512,498



Note Disclosures

OPEB Expense for Fiscal Year

	2019/20
	Measurement Period 2018/19
■ OPEB Expense*	\$ 69,181

* See page 21 for OPEB expense detail, which is not required disclosure.



Note Disclosures

Deferred Outflows/Inflows Balances at June 30, 2020

	June 30, 2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources
■ Differences between expected and actual experience	\$ -	\$ 46,324
■ Changes in assumptions	39,447	64,000
■ Employer contributions made subsequent to the measurement date*	56,873	-
■ Total	96,320	110,324

* See page 16 for details.



Note Disclosures

**Recognition of Deferred Outflows and Inflows of Resources
in Future OPEB Expense**

FYE June 30	Deferred Outflows/(Inflows) of Resources
■ 2021	\$ (42,084)
■ 2022	(23,084)
■ 2023	(5,084)
■ 2024	(625)
■ 2025	-
■ Thereafter	-

Note Disclosures

Significant Actuarial Assumptions Used for Total OPEB Liability

Actuarial Assumption	June 30, 2019 Measurement Date
■ Actuarial Valuation Date	■ June 30, 2019
■ Contribution Policy	■ No pre-funding
■ Discount Rate	■ 3.50% at June 30, 2019 (Bond Buyer 20-Bond Index) ■ 3.87% at June 30, 2018 (Bond Buyer 20-Bond Index)
■ General Inflation	■ 2.75% annually
■ Mortality, Retirement, Disability, Termination	■ CalPERS 1997-2015 Experience Study
■ Mortality Improvement	■ Mortality projected fully generational with Scale MP-2019

Note Disclosures

Significant Actuarial Assumptions Used for Total OPEB Liability

Actuarial Assumption	June 30, 2019 Measurement Date
■ Salary Increases	<ul style="list-style-type: none"> ■ Aggregate - 3% annually ■ Merit - CalPERS 1997-2015 Experience Study
■ Medical Trend	<ul style="list-style-type: none"> ■ Non-Medicare - 7.25% for 2021, decreasing to an ultimate rate of 4% in 2076 ■ Medicare - 6.30% for 2021, decreasing to an ultimate rate of 4% in 2076
■ PEMHCA Minimum Increase	■ 4.25% annually
■ Healthcare Participation at Retirement	<ul style="list-style-type: none"> ■ Currently covered – 60% ■ Currently waived – 30%

Note Disclosures

Changes Since June 30, 2018 Measurement Date

	June 30, 2019 Measurement Date
■ Changes of assumptions	<ul style="list-style-type: none"> ■ Discount rate was updated based on municipal bond rate as of the measurement date ■ Participation at retirement was updated. ■ Mortality improvement scale was updated to Scale MP-2019
■ Changes of benefit terms	■ None

Required Supplementary Information

Schedule of Changes in Total OPEB Liability and Related Ratios

	2019/20
	Measurement Period 2018/19
■ Changes in Total OPEB Liability	
● Service Cost	\$ 61,217
● Interest	50,048
● Changes of benefit terms	-
● Actual vs. expected experience	(60,362)
● Assumption changes	51,401
● Benefit payments	(44,000)
■ Net Changes	58,304
■ Total OPEB Liability (beginning of year)	1,254,000
■ Total OPEB Liability (end of year)	1,312,304

Required Supplementary Information

Schedule of Changes in Total OPEB Liability and Related Ratios

	2019/20
■ Total OPEB Liability	\$ 1,312,304
■ Covered employee payroll*	2,463,250
■ Total OPEB Liability as a percentage of covered employee payroll	53.3%

* For the 12-month period ended on June 30, 2019 (Measurement Date).
As reported by the City.

Actuarial Certification

This report presents City of Belvedere Retiree Healthcare Plan 2019/20 disclosure under Governmental Accounting Standards Board Statement No. 75 (GASBS 75).

The report provides information intended for reporting under GASBS 75, but may not be appropriate for other purposes. Information provided in this report may be useful to the City for the Plan's financial management. Future valuations may differ significantly if the Plan's experience differs from our assumptions or if there are changes in Plan design, actuarial methods, or actuarial assumptions. The project scope did not include an analysis of this potential variation.

The June 30, 2019 valuation is based on Plan provisions and participant data provided by the City, which we relied on and did not audit. We reviewed the census data for reasonableness. As the actuary, Bartel Associates has recommended the assumptions used in this report, and we believe they are reasonable.

To the best of my knowledge, this report is complete and accurate and has been conducted using generally accepted actuarial principles and practices. Additionally, in my opinion, actuarial methods and assumptions comply with GASBS 75. As a member of the American Academy of Actuaries meeting the Academy Qualification Standards, I certify the actuarial results and opinions herein.

Respectfully submitted,



Marilyn M. Oliver, FSA, FCA, MAAA
 Vice President
 Bartel Associates, LLC
 October 12, 2020

Supporting Calculations

Employer Contributions

	Measurement Period	Measurement Date to FYE	Prior Measurement Date to Prior FYE
	7/1/18 to 6/30/19	7/1/19 to 6/30/20	Same as Measurement Period
■ Cash benefit payments	\$ 34,000	\$ 38,962	\$ 34,000
■ Implied subsidy benefit payments	10,000	17,578	10,000
■ Total benefit payments	44,000	56,540	44,000
■ Administrative expenses	-	333	-
■ Total employer contributions	44,000	56,873	44,000

Measurement period (7/1/18 to 6/30/19): \$44,000

Fiscal year (7/1/19 to 6/30/20): \$56,873

Supporting Calculations

Average of the Expected Remaining Service Lives

As of July 1, 2018 (beginning of the measurement period):

	2019/20 Measurement Period 2018/19
■ Total expected remaining service lives*	145.9 years
■ Covered participants*	34
■ Average of the expected remaining service lives (not less than 1 year)	4.3 years

* Estimated based on the average from the two most recent valuations (valuation dates 6/30/19 and 6/30/17). Participants with no liability excluded for the purpose of calculating the average.



Supporting Calculations

Recognition of Deferred Outflows/Inflows at June 30, 2020

Differences between Expected and Actual Experience

Fiscal Year	Initial Amt	Initial Recog Period	Amount Recognized in OPEB Expense for FY							Deferred Balances June 30, 2020	
			19/20	20/21	21/22	22/23	23/24	24/25	25/26+	Outflows	(Inflows)
17/18	-	-	-	-	-	-	-	-	-	-	-
18/19	-	-	-	-	-	-	-	-	-	-	-
19/20	(60,362)	4.3	(14,038)	(14,038)	(14,038)	(14,038)	(4,210)	-	-	-	(46,324)
Total			(14,038)	(14,038)	(14,038)	(14,038)	(4,210)	-	-	-	(46,324)



Supporting Calculations

Recognition of Deferred Outflows/Inflows at June 30, 2020 Changes of Assumptions

Fiscal Year	Initial Amt	Initial Recog Period	Amount Recognized in OPEB Expense for FY							Deferred Balances June 30, 2020	
			19/20	20/21	21/22	22/23	23/24	24/25	25/26+	Outflows	(Inflows)
17/18	(126,000)	4.3	(29,000)	(29,000)	(10,000)	-	-	-	-	-	(39,000)
18/19	(47,000)	4.3	(11,000)	(11,000)	(11,000)	(3,000)	-	-	-	-	(25,000)
19/20	51,401	4.3	11,954	11,954	11,954	11,954	3,585	-	-	39,447	-
Total			(28,046)	(28,046)	(9,046)	8,954	3,585	-	-	39,447	(64,000)



Supporting Calculations

Recognition of Deferred Outflows/Inflows in Future OPEB Expense

	20/21	21/22	22/23	23/24	24/25	Thereafter 25/26+
■ Differences between Expected and Actual Experience	(14,038)	(14,038)	(14,038)	(4,210)	-	-
■ Changes of Assumptions	(28,046)	(9,046)	8,954	3,585	-	-
■ Total	(42,084)	(23,084)	(5,084)	(625)	-	-



Supporting Calculations

Components of GASBS 75 OPEB Expense

	2019/20
	Measurement Period 2018/19
■ Service Cost	\$ 61,217
■ Interest on Total OPEB Liability	50,048
■ Administrative expense	-
■ Changes of benefit terms	-
■ Recognition of deferred outflows/(inflows)	
● Experience	(14,038)
● Assumptions	(28,046)
■ OPEB Expense	69,181



Supporting Calculations

Components of GASBS 75 OPEB Expense
Calculation of Interest on Total OPEB Liability

	Dollar Amount	Discount Rate	Portion of Year	Interest
■ Total OPEB Liability	\$ 1,254,000	3.87%	100%	\$ 48,530
■ Service Cost	61,217	3.87%	100%	2,369
■ Changes of benefit terms	-	3.87%	0%	-
■ Experience*	(60,362)	3.87%	0%	-
■ Assumption changes*	51,401	3.87%	0%	-
■ Benefit payments	(44,000)	3.87%	50%	(851)
■ Total interest				<u>50,048</u>

* Liability determined as of the end of the measurement period, so no interest charge is applicable.



Supporting Calculations

GASBS 75 Balance Equation

	Fiscal Year Ended	
	6/30/19	6/30/20
	Measurement Date 6/30/18	Measurement Date 6/30/19
■ Total OPEB Liability	\$ 1,254,000	\$ 1,312,304
■ Fiduciary Net Position	-	-
■ Net OPEB Liability	1,254,000	1,312,304
■ Deferred inflows of resources	104,000	110,324
■ Deferred (outflows) of resources	-	(39,447)
■ Balance Sheet	1,358,000	1,383,181

Check:

■ Balance Sheet 6/30/19	\$ 1,358,000
● OPEB Expense	69,181
● Employer Contributions*	(44,000)
■ Balance Sheet 6/30/20	1,383,181

* See the measurement period column on page 16 for details.

Supporting Calculations

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Plan Summary

<ul style="list-style-type: none"> ■ Eligibility 	<ul style="list-style-type: none"> ■ Retire directly from City under CalPERS <ul style="list-style-type: none"> ● Service – Age 50¹ & 5 years CalPERS service, or ● Disability 																
<ul style="list-style-type: none"> ■ Retiree Medical Benefit 	<ul style="list-style-type: none"> ■ City contributes PEMHCA minimum for retirees participating in PEMHCA medical plan: <table style="margin-left: 40px; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"><u>Year</u></th> <th style="text-align: left;"><u>PEMHCA Minimum</u></th> </tr> </thead> <tbody> <tr> <td>2019</td> <td>\$ 136</td> </tr> <tr> <td>2020</td> <td>139</td> </tr> <tr> <td>2021</td> <td>143</td> </tr> <tr> <td>2022+</td> <td>Increase at CPI-U Medical</td> </tr> </tbody> </table> ■ City contributions for City Managers capped at 60% of the pre-Medicare Kaiser Bay Area/Region 1 2-Party rate. <table style="margin-left: 40px; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"><u>Year</u></th> <th style="text-align: left;"><u>Cap</u></th> </tr> </thead> <tbody> <tr> <td>2019</td> <td>\$ 921.90</td> </tr> <tr> <td>2020</td> <td>922.19</td> </tr> </tbody> </table> 	<u>Year</u>	<u>PEMHCA Minimum</u>	2019	\$ 136	2020	139	2021	143	2022+	Increase at CPI-U Medical	<u>Year</u>	<u>Cap</u>	2019	\$ 921.90	2020	922.19
<u>Year</u>	<u>PEMHCA Minimum</u>																
2019	\$ 136																
2020	139																
2021	143																
2022+	Increase at CPI-U Medical																
<u>Year</u>	<u>Cap</u>																
2019	\$ 921.90																
2020	922.19																
<ul style="list-style-type: none"> ■ Surviving Spouse 	<ul style="list-style-type: none"> ■ Surviving spouse coverage based on retirement plan election ■ Same benefit continues to surviving spouse 																
<ul style="list-style-type: none"> ■ Other 	<ul style="list-style-type: none"> ■ No City-paid dental, vision, life, Medicare Part B 																
<ul style="list-style-type: none"> ■ Implied Subsidy 	<ul style="list-style-type: none"> ■ Participating retirees pay active rates vs actual cost ■ Implied subsidy included in valuation 																

Actuarial Valuation Results

Actuarial Obligations

June 30, 2019

	Cash Subsidy	Implied Subsidy	Total
■ Present Value of Benefits			
● Actives	\$ 498,600	\$ 324,550	\$ 823,150
● Retirees	780,866	154,174	935,040
● Total	1,279,466	478,724	1,758,190
■ Actuarial Accrued Liability			
● Actives	232,859	144,405	377,264
● Retirees	780,866	154,174	935,040
● Total	1,013,725	298,579	1,312,304
■ Service Cost (2019/20)	27,587	18,883	46,470

Actuarial Valuation Results

Projected Benefit Payments

June 30, 2019

Fiscal Year Ended	Cash Subsidy	Implied Subsidy	Total
2020*	\$ 38,962	\$ 17,578	\$ 56,540
2021	36,153	24,391	60,544
2022	38,734	27,711	66,445
2023	41,231	34,764	75,995
2024	43,972	34,988	78,960
2025	47,271	38,754	86,025
2026	49,144	42,265	91,409
2027	51,006	38,629	89,635
2028	52,504	27,220	79,724
2029	53,841	31,136	84,977

* Actual cash subsidy shown for fiscal year ended 2020.

Actuarial Valuation Results

Premiums

2019 PEMHCA Monthly Premiums

Bay Area Region

Plan	Non-Medicare Eligible			Medicare Eligible		
	Single	2-Party	Family	Single	2-Party	Family
Anthem Select	\$ 831.44	\$ 1,662.88	\$ 2,161.74	n/a	n/a	n/a
Anthem Traditional	1,111.13	2,222.26	2,888.94	\$ 357.44	\$ 714.88	\$ 1,072.32
Blue Shield Access+	970.90	1,941.80	2,524.34	n/a	n/a	n/a
Health Net SmartCare	901.55	1,803.10	2,344.03	n/a	n/a	n/a
Kaiser	768.25	1,536.50	1,997.45	323.74	647.48	971.22
UnitedHealthcare	n/a	n/a	n/a	299.37	598.74	898.11
Western Health Advantage	767.01	1,534.02	1,994.23	n/a	n/a	n/a
PERS Choice	866.27	1,732.54	2,252.30	360.41	720.82	1,081.23
PERS Select	543.19	1,086.38	1,412.29	360.41	720.82	1,081.23
PERSCare	1,131.68	2,263.36	2,942.37	394.83	789.66	1,184.49

Actuarial Valuation Results

Premiums
2020 PEMHCA Monthly Premiums
Region 1

Plan	Non-Medicare Eligible			Medicare Eligible		
	Single	2-Party	Family	Single	2-Party	Family
Anthem Select	\$ 868.98	\$ 1,737.96	\$ 2,259.35	\$ 388.15	\$ 776.30	\$ 1,164.45
Anthem Traditional	1,184.84	2,369.68	3,080.58	388.15	776.30	1,164.45
Blue Shield Access+	1,127.77	2,255.54	2,932.20	n/a	n/a	n/a
Health Net SmartCare	1,000.52	2,001.04	2,601.35	n/a	n/a	n/a
Kaiser	768.49	1,536.98	1,998.07	339.43	678.86	1,018.29
UnitedHealthcare	899.94	1,799.88	2,339.84	327.03	654.06	981.09
Western Health Advantage	731.96	1,463.92	1,903.10	n/a	n/a	n/a
PERS Choice	861.18	1,722.36	2,239.07	351.39	702.78	1,054.17
PERS Select	520.29	1,040.58	1,352.75	351.39	702.78	1,054.17
PERSCare	1,133.14	2,266.28	2,946.16	384.78	769.56	1,154.34

Actuarial Valuation Results

Participant Statistics
June 30, 2019

	Total
■ Actives	
● Counts	
» < 65	17
» ≥ 65	<u>1</u>
» Total	18
● Average	
» Age	50.0
» City Service	10.8
■ Retirees	
● Counts	
» < 65	12
» ≥ 65	<u>6</u>
» Total	18
● Average	
» Age	62.7
» Retirement Age*	59.6

* Service Retirees only.

Actuarial Valuation Results

Data Reconciliation

	Actives	Retirees			
		Service	Disabled	Survivors	Total
■ June 30, 2017	20	10	3	1	14
● Terminations	(1)	-	-	-	-
● New Participating Retirees & Survivors	(4)	2	2	-	4
● New Non-Participating Retirees & Survivors*	(2)	2	-	-	2
● Retiree Deaths with Survivor	-	-	-	-	-
● Retiree Deaths without Survivor	-	(2)	-	-	(2)
● New Participants	5	-	-	-	-
■ June 30, 2019	18	12	5	1	18

* One retiree waived coverage while active.

Actuarial Valuation Results

Active Age Service Distribution

June 30, 2019

Age	City Service							Total
	<1	1-4	5-9	10-14	15-19	20-24	25+	
Under 25	-	-	-	-	-	-	-	-
25-29	-	1	-	-	-	-	-	1
30-34	-	-	1	-	-	-	-	1
35-39	1	2	-	-	-	-	-	3
40-44	-	2	-	-	-	-	-	2
45-49	1	-	-	-	-	-	-	1
50-54	1	-	-	-	-	-	1	2
55-59	-	-	1	-	1	-	1	3
60-64	-	1	-	-	1	1	1	4
65+	-	-	-	-	1	-	-	1
Total	3	6	2	-	3	1	3	18

Actuarial Valuation Results

Active Medical Coverage by Age Group

June 30, 2019

Age	Single	2-Party	Family	Waived	Total
Under 30	-	1	-	-	1
30-34	1	-	-	-	1
35-39	-	-	2	1	3
40-44	-	-	2	-	2
45-49	1	-	-	-	1
50-54	-	-	1	1	2
55-59	-	1	2	-	3
60-64	-	2	1	1	4
65+	-	1	-	-	1
Total	2	5	8	3	18
Average Age	40.5	55.2	48.8	51.1	50.0

Actuarial Valuation Results

Retiree Medical Coverage by Age Group

June 30, 2019

Age	Single	2-Party	Family	Waived	Total
Under 50	-	-	-	2	2
50-54	1	-	-	-	1
55-59	1	1	-	-	2
60-64	1	1	-	5	7
65-69	1	-	-	-	1
70-74	-	2	-	-	2
75-79	3	-	-	-	3
80-84	-	-	-	-	-
Over 85	-	-	-	-	-
Total	7	4	-	7	18
Average Age	67.3	67.3	n/a	55.5	62.7

Actuarial Valuation Results

Active Medical Coverage

June 30, 2019

Medical Plan	Single	2-Party	Family	Waived	Total
Kaiser	2	4	6	-	12
UnitedHealthcare	-	-	-	-	-
Western Health Advantage	-	1	-	-	1
PERS Choice	-	-	2	-	2
PERSCare	-	-	-	-	-
Waived	-	-	-	3	3
Total	2	5	8	3	18

Actuarial Valuation Results

Retiree Medical Coverage

Under Age 65

June 30, 2019

Medical Plan	Single	2-Party	Family	Waived	Total
Kaiser	3	1	-	-	4
UnitedHealthcare	-	-	-	-	-
Western Health Advantage	-	-	-	-	-
PERS Choice	-	1	-	-	1
PERSCare	-	-	-	-	-
Waived	-	-	-	7	7
Total	3	2	-	7	12

Actuarial Valuation Results

Retiree Medical Coverage

Over Age 65

June 30, 2019

Medical Plan	Single	2-Party	Family	Waived	Total
Kaiser	2	-	-	-	2
UnitedHealthcare	1	-	-	-	1
Western Health Advantage	-	-	-	-	-
PERS Choice	1	1	-	-	2
PERSCare	-	1	-	-	1
Waived	-	-	-	-	-
Total	4	2	-	-	6



Actuarial Valuation Results

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ACTUARIAL VALUATION RESULTS

Complete Actuarial Assumptions

Actuarial Assumption	June 30, 2019 Valuation
■ Actuarial Valuation Date	■ June 30, 2019
■ Funding Policy	■ No pre-funding
■ Discount Rate	■ 3.50% at June 30, 2019 Bond Buyer 20 Index ■ 3.87% at June 30, 2018 Bond Buyer 20 Index
■ General Inflation	■ 2.75% per annum
■ Salary Increases	■ Aggregate – 3.00% ■ Merit – CalPERS 1997-2015 Experience Study
■ Mortality, Disability, Termination	■ CalPERS 1997-2015 Experience Study ■ Mortality projected fully generational with Scale MP- 19
■ Retirement	■ CalPERS 1997-2015 Experience Study ■ Expected Retirement Age <u>Hired < 1/1/13</u> <u>Hired > 1/1/13</u> Misc 2.5% @ 55: 66.3 <u>Classic</u> Safety 3% @ 55: 58.1 Misc 2% @ 55: 60.0 Safety 2% @ 50: n/a <u>PEPRA</u> Misc 2% @ 62: 63.6 Safety 2.7% @ 57: 58.9

ACTUARIAL VALUATION RESULTS

Complete Actuarial Assumptions

Actuarial Assumption	June 30, 2019 Valuation																																				
■ Medical Trend	<table border="0"> <thead> <tr> <th></th> <th colspan="2"><u>Increase from Prior Year</u></th> </tr> <tr> <th><u>Year</u></th> <th><u>Non-Medicare</u></th> <th><u>Medicare</u></th> </tr> </thead> <tbody> <tr> <td>2019</td> <td colspan="2">Actual Premiums</td> </tr> <tr> <td>2020</td> <td colspan="2">Actual Premiums</td> </tr> <tr> <td>2021</td> <td>7.25%</td> <td>6.30%</td> </tr> <tr> <td>2022</td> <td>7.00%</td> <td>6.10%</td> </tr> <tr> <td>2023</td> <td>6.75%</td> <td>5.90%</td> </tr> <tr> <td>2024</td> <td>6.50%</td> <td>5.70%</td> </tr> <tr> <td>2025</td> <td>6.25%</td> <td>5.50%</td> </tr> <tr> <td>2026</td> <td>6.00%</td> <td>5.30%</td> </tr> <tr> <td>⋮</td> <td>⋮</td> <td>⋮</td> </tr> <tr> <td>2076+</td> <td>4.00%</td> <td>4.00%</td> </tr> </tbody> </table>		<u>Increase from Prior Year</u>		<u>Year</u>	<u>Non-Medicare</u>	<u>Medicare</u>	2019	Actual Premiums		2020	Actual Premiums		2021	7.25%	6.30%	2022	7.00%	6.10%	2023	6.75%	5.90%	2024	6.50%	5.70%	2025	6.25%	5.50%	2026	6.00%	5.30%	⋮	⋮	⋮	2076+	4.00%	4.00%
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■ PEMHCA Minimum Increase	■ 4.25% annually after 2019																																				
■ Participation at Retirement	■ Currently covered – 60% ■ Currently waived and not covered by TRICARE – 30%																																				
■ Medical Plan at Retirement	■ Same as current election																																				
■ Dependent Coverage at Retirement	■ Same as current election																																				
■ Waived Retiree Re-election	■ 25% are assumed to elect single coverage with PERS Choice at age 65																																				

ACTUARIAL VALUATION RESULTS

Complete Actuarial Assumptions

Actuarial Assumption	June 30, 2019 Valuation																																																							
■ Medicare Eligibility	<ul style="list-style-type: none"> ■ 100% ■ All Medicare eligible will elect Part B coverage 																																																							
■ Medical Claims Costs	<ul style="list-style-type: none"> ■ Sample estimated 2020 monthly claims costs Bay Area Region - Non-Medicare Eligible <table border="1" style="margin-left: 40px; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">Age</th> <th colspan="2">HN SmartCare</th> <th colspan="2">Kaiser</th> <th colspan="2">UnitedHealthcare</th> </tr> <tr> <th>M</th> <th>F</th> <th>M</th> <th>F</th> <th>M</th> <th>F</th> </tr> </thead> <tbody> <tr> <td>25</td> <td>\$281</td> <td>\$492</td> <td>\$337</td> <td>\$591</td> <td>\$252</td> <td>\$471</td> </tr> <tr> <td>35</td> <td>358</td> <td>607</td> <td>430</td> <td>730</td> <td>332</td> <td>592</td> </tr> <tr> <td>45</td> <td>512</td> <td>745</td> <td>614</td> <td>896</td> <td>495</td> <td>738</td> </tr> <tr> <td>55</td> <td>849</td> <td>988</td> <td>1,020</td> <td>1,188</td> <td>861</td> <td>1,001</td> </tr> <tr> <td>60</td> <td>1,071</td> <td>1,122</td> <td>1,286</td> <td>1,350</td> <td>1,105</td> <td>1,149</td> </tr> <tr> <td>65</td> <td>1,214</td> <td>1,215</td> <td>1,457</td> <td>1,461</td> <td>1,264</td> <td>1,254</td> </tr> </tbody> </table>	Age	HN SmartCare		Kaiser		UnitedHealthcare		M	F	M	F	M	F	25	\$281	\$492	\$337	\$591	\$252	\$471	35	358	607	430	730	332	592	45	512	745	614	896	495	738	55	849	988	1,020	1,188	861	1,001	60	1,071	1,122	1,286	1,350	1,105	1,149	65	1,214	1,215	1,457	1,461	1,264	1,254
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ACTUARIAL VALUATION RESULTS

Complete Actuarial Assumptions

Actuarial Assumption	June 30, 2019 Valuation
■ Basis for Assumptions	<ul style="list-style-type: none"> ■ CalPERS December 2017 experience study covering 1997 to 2015 experience ■ Mortality improvement based on Society of Actuaries table ■ Inflation based on the Plan's long-term time horizon ■ Participation takes into account typical rates for similar plans ■ Short-term medical trend developed in consultation with Axene Health Partners' healthcare actuaries ■ Long-term medical trend developed using Society of Actuaries' Getzen Model of Long-Run Medical Cost Trends

ACTUARIAL VALUATION RESULTS

Complete Actuarial Methods

Method	June 30, 2019 Valuation
■ Actuarial Cost Method	■ Entry Age Normal ■ Required by GASBS 75
■ Amortization Method	■ n/a
■ Amortization Periods	■ n/a
■ Implied Subsidy	■ Valuation includes implied subsidy