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GASB STATEMENT NO. 68 REPORT

FOR THE

NEBRASKA PUBLIC EMPLOYEES

RETIREMENT SYSTEM

SERVICE ANNUITY PLAN

MEASUREMENT DATE: JUNE 30, 2021

FOR STATE FISCAL YEAR ENDING JUNE 30, 2022





Cavanaugh Macdonald

CONSULTING, LLC

The experience and dedication you deserve

July 14, 2022

Public Employees Retirement Board
Nebraska Public Employees Retirement System
Post Office Box 94816
Lincoln, NE 68509

Dear Members of the Board:

Presented in this report is information to assist the Nebraska Public Employees Retirement Systems in providing information required under the Governmental Accounting Standards Board (GASB) Statement No. 68 to the State of Nebraska. GASB Statement No. 68 establishes accounting and financial reporting requirements for governmental employers who provide pension benefits to their employees through a trust. This report, which has been prepared as of June 30, 2021, is intended for use in the State's financial reporting for fiscal year 2022. Please note that although the funding for both the Nebraska School Retirement System and Service Annuity Fund are commingled in one trust, separate reporting has been prepared under GASB 68. This report includes only the relevant GASB 68 information and schedules for the Service Annuity Fund. Please note that the discount rate used to determine the Total Pension Liability (TPL) changed from 7.50% at the Prior Measurement Date to 7.30% at the current Measurement Date.

The annual actuarial valuation used as the basis for much of the information presented in this report was performed as of July 1, 2021. The valuation was based upon data, furnished by the staff of the Nebraska Public Employees Retirement Systems with the consent of the Omaha School Employees' Retirement System, concerning active, inactive and retired members along with pertinent financial information. This information was reviewed for completeness and internal consistency but was not audited by us. The valuation results depend on the integrity of the data. If any of the information is inaccurate or incomplete, our results may be different and our calculations may need to be revised. Please see the actuarial valuation for additional details on the funding requirements for the System including actuarial assumptions and methods and the Plan's funding policy.

To the best of our knowledge, the information contained in this report is complete and accurate. Certain information about the Plan and where additional information can be found was provided by the Nebraska Public Employees Retirement System and used in this report. The calculations were performed by qualified actuaries according to generally accepted actuarial principles and practices, as well as in conformity with Actuarial Standards of Practice issued by the Actuarial Standards Board. In order to prepare the results in this report, we have utilized actuarial models that were developed to measure liabilities and develop actuarial costs. These models include tools that we have produced and tested, along with commercially available valuation software that we have reviewed to confirm the appropriateness and accuracy of the output. In utilizing these models, we develop and use input parameters and assumptions about future contingent events along with recognized actuarial approaches to develop the needed results. The calculations are based on the current provisions of the System, and on actuarial assumptions that are



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July 14, 2022
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internally consistent and individually reasonable based on the actual experience of the System. In addition, the calculations were completed in compliance with applicable law and, in our opinion, meet the requirements of GASB 68.

These results are only for financial reporting and may not be appropriate for funding purposes or other types of analysis. Calculations for purposes other than satisfying the requirements of GASB 68 may produce significantly different results. Future actuarial results may differ significantly from the current results presented in this report due to such factors as changes in plan experience or changes in economic or demographic assumptions.

We, Patrice A. Beckham, FSA, and Brent A. Banister, FSA, are members of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein. We are available to answer any questions on the material contained in this report or to provide explanations or further details as may be appropriate.

Respectfully submitted,

A handwritten signature in blue ink that reads 'Patrice Beckham' in a cursive script.

Patrice Beckham, FSA, EA, FCA, MAAA
Principal and Consulting Actuary

A handwritten signature in blue ink that reads 'Brent A. Banister' in a cursive script.

Brent A. Banister, PhD, FSA, EA, FCA, MAAA
Chief Actuary



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GASB STATEMENT NO. 68
NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEM

OMAHA SERVICE ANNUITY

SECTION I - SUMMARY OF PRINCIPAL RESULTS

Valuation Date (VD):	July 1, 2021
Prior Measurement Date:	June 30, 2020
Measurement Date (MD):	June 30, 2021
Membership Data:	
Inactive Vested Members	1,213
Active Employees	<u>7,182</u>
Total	8,395
Single Equivalent Interest Rate (SEIR):	
Long-Term Expected Rate of Return	7.30%
Municipal Bond Index Rate at Prior Measurement Date	2.19%
Municipal Bond Index Rate at Measurement Date	2.13%
Year in which Fiduciary Net Position is Projected to be Depleted	N/A
Single Equivalent Interest Rate at Prior Measurement Date	7.50%
Single Equivalent Interest Rate at Measurement Date	7.30%
Net Pension Liability:	
Total Pension Liability (TPL)	\$17,003,994
Fiduciary Net Position (FNP)	<u>13,763,743</u>
Net Pension Liability (NPL = TPL – FNP)	\$3,240,251
FNP as a percentage of TPL	80.94%
Pension Expense:	\$867,698
Deferred Outflows of Resources:	\$2,784,862
Deferred Inflows of Resources:	\$3,298,205



SECTION II – INTRODUCTION

The Governmental Accounting Standards Board issued Statement No. 68 (GASB 68), “*Accounting and Financial Reporting for Pensions*” in June 2012. GASB 68’s effective date for employers was the first fiscal year beginning after June 15, 2014.

For purposes of reporting under GASB 68, the School Employees Retirement Plan and Service Annuity Fund (Plan) are reported separately because they have separate benefit structures and separate funding of those benefits. Therefore, the liability and expense calculations should be made in a manner that reflects those separate relationships. The Service Annuity Fund is treated as a single employer defined benefit pension plan under GASB 68 because only employees of the Omaha Public School District are covered by the Plan.

This report, prepared as of June 30, 2021 (the Measurement Date), presents information to assist the Nebraska Public Employees Retirement System in providing the required information under GASB 68 to the State of Nebraska for their use in financial reporting for the fiscal year ending June 30, 2022. GASB 68 permits the measurement date as of a date no earlier than the end of the employer’s prior fiscal year. Because the fiscal year for the Omaha Public School District ends August 31, 2022, it is our understanding that this report cannot be used by the Omaha Public School District for their fiscal year ending August 31, 2022.

Much of the material provided in this report is based on the results of the July 1, 2021 Actuarial Valuation report for the School Employees Retirement Plan, which was issued November 9, 2021. See that report for more information on the member data, actuarial assumptions and methods used in developing these results.

GASB 68 requires the inclusion of a Net Pension Liability (NPL) on the employer’s Statement of Net Position and a determination of a Pension Expense (PE) in the Notes to the Financial Statements that may bear little relationship to the employer’s funding requirements. In fact, it is possible in some years for the NPL to be an asset or the PE to be an income item. The NPL is set equal to the Total Pension Liability (TPL) minus the Fiduciary Net Position (FNP). The benefit provisions recognized in the calculation of the TPL are summarized in Appendix B.

PE includes amounts for Service Cost (the Normal Cost under Entry Age Normal (EAN) for the year), interest on the TPL, employee contributions, administrative expenses, other cash flows during the year, recognition of increases/decreases in the TPL due to changes in the benefit structure, actual versus expected experience, actuarial assumption changes, and recognition of investment gains/losses. The actual experience and assumption change impacts are recognized over the average expected remaining service life of the Plan membership as of the beginning of the measurement period, while investment gains/losses are recognized equally over five years. The development of the PE is shown in Section III. The unrecognized portions of each year’s experience, assumption changes and investment gains/losses are used to develop Deferred Inflows of Resources and Deferred Outflows of Resources, which also must be included on the employer’s Statement of Net Position.



Among the items needed for the TPL calculation is a discount rate, as defined by GASB, or a Single Equivalent Interest Rate (SEIR). To determine the SEIR, the FNP must be projected into the future for as long as there are anticipated benefits payable under the plan's provision applicable to the membership and beneficiaries of the Plan on the Measurement Date. If the FNP is not projected to be depleted at any point in the future, the long-term expected rate of return on plan investments expected to be used to finance the benefit payments may be used as the SEIR.

If, however, the FNP is projected to be depleted at a future measurement date, the SEIR is determined as the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by discounting all projected benefit payments through the date of depletion by the long-term expected rate of return, and the present value determined by discounting those benefits after the depletion date by a 20-year tax-exempt municipal bond (rating AA/Aa or higher) rate (Municipal Bond Index Rate). The rate used, if necessary, for this purpose is the monthly average of the Bond Buyer General Obligation 20-year Municipal Bond Index (formerly published monthly by the Board of Governors of the Federal Reserve System).

Our calculations indicated that the FNP is not projected to be depleted, so the Municipal Bond Index Rate is not used in the determination of the SEIR for either the June 30, 2020 or the June 30, 2021 TPL. The SEIR for the Prior Measurement Date was 7.50% and the SEIR for the current Measurement Date is 7.30%, the long-term assumed rate of return on investments. The SEIR for both the Measurement Date and Prior Measurement Date meets the requirements of GASB 67 and 68.

The FNP projections are based upon the Service Annuity Fund's financial status on the Measurement Date, the indicated set of methods and assumptions, and the requirements of GASB 67 and 68. As such, the FNP projections are not reflective of the cash flows and asset accumulations that would occur on an ongoing plan basis, reflecting the impact of future members. Therefore, the results of this test do not necessarily indicate whether or not the fund will actually run out of money, the financial condition of the Service Annuity Fund, or the Fund's ability to make benefit payments in future years.

The benefits provided to both members of the Nebraska School Retirement System (whose membership includes school employees in all school districts in the state other than the Omaha Public School District) and the Service Annuity Fund (which covers only employees of the Omaha Public School District) are funded through one trust. However, separate contribution amounts are determined for each plan on a standalone basis. Paragraph 49 of GASB 68 provides "to the extent that different contribution rates are assessed based on separate relationships that constitute the NPL, the determination of the employer's proportionate share of the NPL should be made in a manner that reflects those separate relationships." Therefore, the calculation of NPL, PE, and Deferred Inflows of Resources and Deferred Outflows of Resources was performed separately for each of the two groups: School Employees Retirement System and the Service Annuity Fund. Only the information for the Service Annuity Fund is reported here. A separate report has been prepared for the School Retirement System.

The sections that follow provide the results of all the required calculations, presented in the order laid out in GASB 68 for note disclosure and Required Supplementary Information (RSI). Some of this information was provided by the Nebraska Public Employees Retirement System for use in this report. These sections, not prepared by Cavanaugh Macdonald LLC, are: Paragraphs 37, 38, 40(a)-(b), 40(d)-(e), 43 and 45(e)-(f).



SECTION III – PENSION EXPENSE

As noted earlier, the Pension Expense (PE) consists of a number of different items. GASB 68 refers to the first item as Service Cost, which is the Normal Cost using the Entry Age Normal (EAN) actuarial funding method. The second item is interest on the TPL at 7.50%, the SEIR in effect as of the Prior Measurement Date.

The next three items refer to any changes that occurred in the TPL due to:

- benefit changes,
- actual versus expected experience, or
- changes in actuarial assumptions or other inputs.

Benefit changes, which are reflected immediately, will increase PE if there is a benefit improvement for existing Plan members, or decrease PE if there is a benefit reduction. For the year ended June 30, 2021, there were no benefit changes to be recognized.

The next item to be recognized is the portion of current year changes in TPL due to actual versus expected experience for the year. The portion to recognize in the current year is determined by spreading the total change over the average expected remaining service life of the entire Plan membership at the beginning of the measurement period. The average expected remaining service life of active members is the average number of years the active members are expected to remain in covered employment. At the beginning of the measurement period this number is 11.64 years. The average expected remaining service life of the inactive members is zero. Therefore, the recognition period is the weighted average of these two amounts, or 10.06 years.

The last item under changes in TPL is changes in actuarial assumptions or other inputs. There were a number of changes in the actuarial assumptions or other inputs since the Prior Measurement Date. These changes will be recognized over the average expected remaining service life of the entire Plan membership, using the same approach applied to experience gains and losses as described in the prior paragraph.

Employee contributions for the year and projected earnings on the FNP at the long-term expected rate of return are subtracted from the amount determined thus far. One-fifth of current-period differences between projected and actual earnings on the FNP is recognized in the PE.

The current year portions of previously determined experience, assumption changes and earnings amounts, recognized as Deferred Outflows of Resources and Deferred Inflows of Resources are included next. Deferred Outflows of Resources are added from the PE while Deferred Inflows of Resources are subtracted from the PE. Finally, administrative expenses and other miscellaneous items are included.

The calculation of the PE for the year ended June 30, 2021 is shown in the following table.



**Pension Expense
For the Year Ended**

June 30, 2021	
Service Cost at end of year	\$815,968
Interest on the Total Pension Liability	1,161,781
Benefit term changes	0
Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	133,840
Expensed portion of current-period assumption changes	(30,123)
Employee contributions	0
Projected earnings on plan investments	(847,544)
Expensed portion of current-period differences between projected and actual earnings on plan investments	(500,468)
Administrative expenses	0
Other changes	0
Recognition of beginning Deferred Outflows of Resources	409,997
Recognition of beginning Deferred Inflows of Resources	(275,753)
Total Pension Expense	\$867,698

Note: Average expected remaining service life for all members is 10.06 years.



SECTION IV – NOTES TO FINANCIAL STATEMENTS

The material presented herein will follow the order presented in GASB 68. Paragraph numbers are provided for ease of reference.

Paragraph 37: This information is available in the State’s Annual Report online at:

<https://das.nebraska.gov/accounting/fin-report.html>

Paragraph 38: The State of Nebraska is the plan sponsor for the Service Annuity Fund, the Schools’ Retirement System, the Judges’ Retirement System, the State Patrol Retirement System, and the State Employees’ Retirement System Cash Balance Benefit Fund. All are single-employer defined benefit pension plans. Information for paragraphs 39 to 45 for the Service Annuity Fund (which provides benefits only to the employees of the Omaha Public School District) can be found on the following pages. Similar information for the Judges Retirement System, State Patrol Retirement System and the State Employees’ Cash Balance Benefit Fund can be found in the GASB 68 report for those systems.

Paragraph 39: Not Applicable.

Paragraph 40(a): The name of the pension plan is the Service Annuity Fund, and it is administered by the Nebraska Public Employees Retirement Board which was created in 1971 to administer all of the Nebraska retirement plans. The Service Annuity Fund is a single-employer defined benefit pension plan that provides benefits for the employees of the Omaha Public School District. A special funding situation exists because the benefits provided to the employees of the Omaha Public School District are funded exclusively by the state of Nebraska (considered a non-employer contributing entity for GASB 68 purposes).

The Service Annuity Fund has been created in accordance with Internal Revenue Code Sections 401(a) and 414(h), and 414(k). Please refer to Neb. Rev. Stat. § 79-916 (Reissue 2014, Cum. Supp. 2018) for the establishment of the Fund within the NPERS trust. Benefit and contribution provisions are established by State law and may be amended only by the Nebraska Legislature.

Paragraph 40(b):

(1) Classes of employees covered: The membership includes employees of the Omaha Public School District.

(2) Types of benefits: The benefit provided is a retirement benefit (called a service annuity) that is equal to \$3.50 times years of service.

(3) Key elements of the pension formulas: Retirement is at age 65 with five years of service. Early retirement is at age 55 with 10 years of service, five of which must be with the Omaha Public School District. The benefit vests when the member has five years of service.

(4) Terms with respect to automatic postemployment benefit changes, including automatic COLAs and ad hoc COLAs: There is no automatic COLA with this benefit.



(5) Authority under which benefit terms are established or may be amended: Benefit and contribution provisions are established by State law (Neb. Rev. Stat. §§ 79-901 through 79-977.03 (Reissue 2014, Cum. Supp. 2018) and may be amended only by the Nebraska Legislature.

Paragraph 40(c): The data required regarding the membership of the Plan were furnished by the Omaha School Employees’ Retirement System at the request of NPERS. The following table summarizes the membership of the Plan as of July 1, 2021 (the Valuation Date). The July 1, 2021 valuation was used to determine the June 30, 2021 TPL.

Membership

Number as of July 1, 2021	
Inactive Members Entitled To But Not Yet Receiving Benefits	1,213
Active Members	<u>7,182</u>
Total	8,395

Paragraph 40(d):

- (1) **Basis for determining the employer’s contributions to the plan:** Pursuant to state statute, the State pays an amount equal to the actuarial required contribution for the Service Annuity Fund.
- (2) **Identification of the authority under which contribution requirements of the employer and employees are established or may be amended:** contribution provisions are established by State law (Neb. Rev. Stat. §§ 79-901 through 79-977.03 (Reissue 2014, Cum. Supp. 2018) and may be amended only by the Nebraska Legislature.
- (3) **The contribution rates (in dollars or as a percentage of covered payroll) of those entities for the reporting period:**

Members: No member contributions are required.

State contributions: An amount equal to the actuarial required contribution for the Service Annuity benefit for employees of the Omaha Public School District.

Amount of contributions recognized by the pension plan from the employer during the reporting period (only the total amounts recognized as additions to the plan’s fiduciary net position are reflected here): For the fiscal year ending June 30, 2021, the plan received \$1,219,620 in non-employer contributions from the State. There are no employer contributions made to the Plan.



Paragraph 40(e): Whether the pension plan issues a stand-alone financial report (or the pension plan is included in the report of a public employee retirement system or another government) that is available to the public and, if so, how to obtain the report: Annually, the Nebraska Public Employees Retirement System prepares stand-alone financial statements for the Service Annuity Fund. The audited financial statement reports can be found at:

<http://www.nebraska.gov/auditor/FileSearch/entityresults.cgi?id=Retirement%20Systems%2C%20Public%20Employees>

Paragraph 41: This paragraph requires information to be disclosed regarding the significant actuarial assumptions and other inputs used to measure the TPL. The complete set of actuarial assumptions and other inputs utilized in developing the TPL are outlined in Appendix C. The TPL as of June 30, 2021 was determined by an actuarial valuation performed as of July 1, 2021, using the following key actuarial assumptions and other inputs:

Price Inflation	2.65 percent
Wage Inflation	3.15 percent
Salary increases, including wage inflation	3.15 – 13.15 percent
Long-term Rate of Return, net of investment expense, including price inflation	7.30 percent
Cost-of-Living-Adjustment	None
Municipal Bond Index Rate	2.13 percent
Year FNP is projected to be depleted	N/A
Single Equivalent Interest Rate, net of investment expense, including price inflation	7.30 percent
Mortality	
a. Healthy lives – Active members	Pub-2010 General Members (Above Median) Employee Mortality Table (100% of male rates, 95% of female rates), both male and female rates set back one year, projected generationally using MP-2019 modified to 75% of the ultimate rates.



- | | |
|------------------------------------|--|
| b. Healthy lives – Retired members | Pub-2010 General Members (Above Median) Retiree Mortality Table (100% of male rates, 95% of female rates), both male and female rates set back one year, projected generationally using MP-2019 modified to 75% of the ultimate rates. |
| c. Healthy lives – Beneficiaries | Pub-2010 General Members (Above Median) Contingent Survivor Mortality Table (100% of male rates, 95% of female rates), both male and female rates set back one year, projected generationally using MP-2019 modified to 75% of the ultimate rates. |
| d. Disabled members | Pub-2010 Non-Safety Disabled Retiree Mortality Table (static table). |

The actuarial assumptions used in the valuation are based on the results of an actuarial experience study which covered the four-year period ending June 30, 2019. The experience study report is dated December 21, 2020.

Paragraph 42:

(a): Discount rate (SEIR). The discount rate used to measure the TPL at June 30, 2021 was 7.30%. The discount rate used to measure the TPL at June 30, 2020 was 7.50%.

(b): Projected cash flows. The projection of cash flows used to determine the discount rate assumed that plan contributions from the State of Nebraska will be made at the current contribution rates as set out in state statute:

- a. State contribution amount: The actuarially determined contribution amount based on the funding policy in state statute.

Based on those assumptions, the Plan’s FNP was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on Plan investments of 7.30% was applied to all periods of projected benefit payments to determine the TPL.

The FNP projections are based upon the Plan’s financial status on the Measurement Date, the indicated set of methods and assumptions, and the requirements of GASB 68. As such, the FNP projections are not reflective of the cash flows and asset accumulations that would occur on an ongoing plan basis, reflecting the impact of future members. Therefore, the results of this test do not necessarily indicate whether or not the fund will actually run out of money, the financial condition of the Plan, or the Plan’s ability to make benefit payments in future years.



(c): Long-term rate of return. The long-term expected rate of return on pension plan investments is reviewed regularly as part of the experience study. The experience analysis used to determine the long-term rate of return in this report was performed and results provided in a report dated December 21, 2020. Generally, several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and an analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation), along with estimates of variability and correlations for each asset class, were developed by the System's investment consultant. These ranges were combined to develop the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by investment consultants are often intended for use over a 10-year investment horizon and are not always useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The long-term rate of return assumption is intended to be a long-term assumption (30 to 50 years) and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

(d): Municipal bond rate. A municipal bond rate was not used in determining the discount rate. If it were required, the rate would be 2.13% on the Measurement Date.

(e): Periods of projected benefit payments. Projected future benefit payments for all current plan members were projected through 2120.

(f): Assumed asset allocation. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class as of the most recent experience study, as provided by the System's investment consultant, Aon Investments USA, Inc., are summarized in the following table:



Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
U.S. Equity	27.0%	4.5%
Non-U.S. Equity	11.5%	5.8%
Global Equity	19.0%	5.3%
Fixed Income	30.0%	0.7%
Private Equity	5.0%	7.4%
Real Estate	<u>7.5%</u>	4.2%
Total	100.0%	

*Arithmetic mean, net of investment expenses

(g): Sensitivity analysis. This paragraph requires disclosure of the sensitivity of the NPL to changes in the discount rate. The following presents the NPL of the System, calculated using the discount rate of 7.30 percent, as well as the System’s NPL calculated using a discount rate that is 1-percentage-point lower (6.30 percent) or 1-percentage-point higher (8.30 percent) than the current rate.

	1% Decrease (6.30%)	Current Discount Rate (7.30%)	1% Increase (8.30%)
Total Pension Liability	\$19,712,486	\$17,003,994	\$14,760,680
Fiduciary Net Position	<u>13,763,743</u>	<u>13,763,743</u>	<u>13,763,743</u>
Net Pension Liability	\$5,948,743	\$3,240,251	\$996,937

Paragraph 43: The Plans’ financial statements were prepared on the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when a liability is incurred. Employee and employer contributions are recognized in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Investments as reported in the financial statements include long-term investments. Law or legal instruments may restrict these investments. All investments are stated at fair value, based on quoted market prices. For investments where no readily ascertainable fair value exists, management has received an estimate of fair value from the investment fund manager based, in part, on real estate appraisals. The State Treasurer is the



custodian of all funds; however, investment of funds is under the responsibility of the Nebraska Investment Council.

There have been no changes since the measurement date that would materially alter the pension plans' financial report.

This information can be found in the published financials online at:

<http://www.nebraska.gov/auditor/FileSearch/entityresults.cgi?id=Retirement%20Systems%2C%20Public%20Employees>



Paragraph 44 (a) – (c): This paragraph requires a schedule of changes in NPL. The necessary information is provided in the table below for fiscal year ended June 30:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balances at June 30, 2020	\$16,720,714	\$11,932,102	\$4,788,612
Changes for the year:			
Service Cost at end of year	815,968		815,968
Interest on TPL	1,161,781		1,161,781
Benefit term changes	0		0
Differences between expected and actual experience	1,346,431		1,346,431
Assumption changes	(303,038)		(303,038)
Employer contributions		0	0
Non-Employer contributions		1,219,620	(1,219,620)
Employee contributions		0	0
Net investment income		3,349,883	(3,349,883)
Benefit payments, including member refunds	(2,737,862)	(2,737,862)	0
Administrative expenses		0	0
Other changes		0	0
Net changes	<u>283,280</u>	<u>1,831,641</u>	<u>(1,548,361)</u>
Balances at June 30, 2021	\$17,003,994	\$13,763,743	\$3,240,251

- Paragraph 44(d):** (1) The non-employer contributing entity is the State, whose proportionate share of the collective NPL is 100%.
- (2) The employer is the Omaha Public School District and their proportionate share of the collective NPL is 0%.



Paragraph 45:

(a): The Measurement Date of the NPL is June 30, 2021. The TPL as of June 30, 2021 was determined based upon an actuarial valuation performed as of the Valuation Date, July 1, 2021.

(b): The employer's proportion of the collective NPL is 0%. The State pays for 100% of the cost of providing the Service Annuity benefit for the Omaha Public School District's employees, and, therefore, has a 100% proportionate share of the collective NPL. There has been no change in proportionate share since the Prior Measurement Date.

(c): There were a number of changes in the actuarial assumptions since the Prior Measurement Date. These changes are detailed in Appendix C of this report.

(d): There were no changes in the benefit terms since the Prior Measurement Date.

(e): There were no benefit payments in the measurement period attributable to the purchase of allocated insurance contracts.

(f): Based on the available information, the Nebraska Public Employees Retirement System believes that there are no changes between the Measurement Date of the NPL (June 30, 2021) and the employer's reporting date (June 30, 2022) that are expected to have a significant effect on the NPL.

(g): Please see Section III of this report for the development of the PE.

(h): Since certain expense items are recognized over closed periods each year, the deferred portions of these items must be tracked annually. If the amounts serve to reduce PE they are labeled Deferred Inflows of Resources. If they will increase PE they are labeled Deferred Outflows of Resources. The recognition of these amounts is accomplished on a level dollar basis, with no interest included in the deferred amounts. Experience gains/losses and the impact of changes in actuarial assumptions, if any, are recognized over the average expected remaining service life of the active and inactive Plan members at the beginning of the measurement period. Investment gains and losses are recognized equally over a five-year period.



The following tables provide a summary of the amounts of the Deferred Outflows of Resources and Deferred Inflows of Resources as of the Measurement Date (June 30, 2021). Per GASB 68, reporting of the differences between projected and actual earnings should be on a net basis, with only one Deferred Outflow or Inflow. This information is provided in the following table:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows/(Inflows) of Resources
Differences between expected and actual experience	\$1,252,421	\$1,006,935	\$245,486
Changes of assumptions	1,089,532	272,915	816,617
Differences between projected and actual earnings	<u>442,909</u>	<u>2,018,355</u>	<u>(1,575,446)</u>
Total	\$2,784,862	\$3,298,205	(\$513,343)



The following tables show the Deferred Outflows of Resources and Deferred Inflows of Resources separately to provide additional detail.

Deferred Outflows of Resources				
	June 30, 2020	Additions	Recognition	June 30, 2021
Differences between expected and actual experience				
2014 Base	\$ 9,058	\$ 0	\$ 3,070	\$ 5,988
2015 Base	46,015	0	12,173	33,842
2016 Base	0	0	0	0
2017 Base	0	0	0	0
2018 Base	0	0	0	0
2019 Base	0	0	0	0
2020 Base	0	0	0	0
2021 Base	0	1,346,431	133,840	1,212,591
Total	\$ 55,073	\$ 1,346,431	\$ 149,083	\$ 1,252,421
Changes of assumptions				
2014 Base	\$ 0	\$ 0	\$ 0	\$ 0
2015 Base	0	0	0	0
2016 Base	0	0	0	0
2017 Base	1,326,902	0	237,370	1,089,532
2018 Base	0	0	0	0
2019 Base	0	0	0	0
2020 Base	0	0	0	0
2021 Base	0	0	0	0
Total	\$ 1,326,902	\$ 0	\$ 237,370	\$ 1,089,532
Differences between projected and actual earnings				
2017 Base	\$ 0	\$ 0	\$ 0	\$ 0
2018 Base	0	0	0	0
2019 Base	87,725	0	29,242	58,483
2020 Base	512,568	0	128,142	384,426
2021 Base	0	0	0	0
Total	\$ 600,293	\$ 0	\$ 157,384	\$ 442,909
Total	\$ 1,982,268	\$ 1,346,431	\$ 543,837	\$ 2,784,862



Deferred Inflows of Resources				
	June 30, 2020	Additions	Recognition	June 30, 2021
Differences between expected and actual experience				
2014 Base	\$ 0	\$ 0	\$ 0	\$ 0
2015 Base	0	0	0	0
2016 Base	100,261	0	21,795	78,466
2017 Base	54,789	0	9,801	44,988
2018 Base	240,080	0	32,753	207,327
2019 Base	304,616	0	36,264	268,352
2020 Base	457,053	0	49,251	407,802
2021 Base	0	0	0	0
Total	\$ 1,156,799	\$ 0	\$ 149,864	\$ 1,006,935
Changes of assumptions				
2014 Base	\$ 0	\$ 0	\$ 0	\$ 0
2015 Base	0	0	0	0
2016 Base	0	0	0	0
2017 Base	0	0	0	0
2018 Base	0	0	0	0
2019 Base	0	0	0	0
2020 Base	0	0	0	0
2021 Base	0	303,038	30,123	272,915
Total	\$ 0	\$ 303,038	\$ 30,123	\$ 272,915
Differences between projected and actual earnings				
2017 Base	\$ 109,405	\$ 0	\$ 109,405	\$ 0
2018 Base	32,968	0	16,484	16,484
2019 Base	0	0	0	0
2020 Base	0	0	0	0
2021 Base	0	2,502,339	500,468	2,001,871
Total	\$ 142,373	\$ 2,502,339	\$ 626,357	\$ 2,018,355
Total	\$ 1,299,172	\$ 2,805,377	\$ 806,344	\$ 3,298,205



(i): Amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions will be recognized in PE in future fiscal years as follows:

Fiscal Year Ending June 30:	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows/(Inflows) of Resources
2023	\$543,837	\$696,939	(\$153,102)
2024	543,684	680,455	(136,771)
2025	508,848	680,455	(171,607)
2026	371,210	671,740	(300,530)
2027	273,892	154,175	119,717
Thereafter	543,391	414,441	128,950

(j): The amount of revenue the Omaha Public School District receives from the non-employer contributing entity (the State) for the Service Annuity benefit is 100% of the Pension Expense.



SECTION V – REQUIRED SUPPLEMENTARY INFORMATION

There are several tables of Required Supplementary Information (RSI) that need to be included in the Plan's financial statements:

Paragraphs 46(a) - (c): The required tables of schedules are provided in Appendix A.

Paragraph 47: Significant methods and assumptions used in calculating the Actuarially Determined Contributions, if any, should be presented as notes to the schedule required by paragraph 46(c). In addition, for each of the schedules required by paragraph 46, information should be presented about factors that significantly affect trends in the amounts reported.

Changes of benefit and funding terms: The following changes to the plan provisions were made by the Nebraska Legislature and reflected in the valuation performed as of July 1 listed below:

2021: Legislative Bill 17 (LB 17), which was passed by the 2021 Nebraska Legislature, changed the amortization period for amortization bases established on or after July 1, 2021 from 30 to 25 years. If the UAAL is less than or equal to zero, then all prior amortization bases are considered fully funded and the UAAL is reinitialized and amortized over a 25-year period as of the actuarial valuation date.

Changes in actuarial assumptions:

11/2021 valuation:

- Price inflation decreased from 2.75% to 2.65%.
- Long-term investment return decreased from 7.50% to 7.30%.
- General wage growth decreased from 3.50% to 3.15%.
- Payroll growth decreased from 3.50% to 3.15%.
- Salary merit increases were adjusted to partially reflect observed experience.
- An explicit assumption for administrative expenses was adopted as a component of the actuarial contribution rate and was set to 0.16% of pay.
- Mortality assumptions for non-disabled participants was changed to the Pub-2010 General Members (Above Median) Mortality Tables (100% of male rates, 95% female rates), set back one-year, projected generationally using MP-2019 modified to 75% of ultimate rates.
- Mortality assumption for disabled participants was changed to the Pub-2010 Non-Safety Disabled Retiree Mortality Table (static).
- Retirement rates changed to better fit the observed experience.
- Termination rates for males changed to better fit the observed experience.
- The assumed retirement age for deferred vested members was increased from 62 to 64.

1/1/2017 valuation:

- Price inflation decreased from 3.25% to 2.75%.
- Long-term investment return decreased from 8.00% to 7.50%.
- Covered payroll growth assumption decreased from 4.00% to 3.50%.



- Salary increase assumption decreased by 0.50% at each age.
- Mortality assumptions changed to reflect recent mortality experience and future projected improvements.
- Retirement rates changed to better fit the observed experience.
- Termination rates changed to better fit the observed experience.
- Disability rates changed to better fit the observed experience.

9/1/2012 valuation:

- Salary increases were changed to rates grading down from 9.00% for less than one year of service to 4.00% at 40 years of service. Prior valuation rates graded from 7.46% for less than one year to 4.55% at 40 years of service.
- Retirement rates are based on age and retirement eligibility. 100% retirement age was extended to age 80 from age 70. Unreduced rates were decreased at age 63.
- Pre-retirement healthy mortality assumptions were changed from the 1994 Group Annuity Mortality (GAM) table projected to 2010 (for pre-retirement males rates were 65% of rates and female rates were 50% of rates) to the 1994 GAM table, with a 1 year age setback, projected to 2015 (pre-retirement rates are adjusted by 55% for males and 40% for females).
- Termination rates are service based and were decreased from the prior valuation based on actual experience.
- Disability rates were decreased by 50% from the prior valuation.
- Price inflation assumption was lowered to 3.25% from 3.50%.
- Economic productivity assumption was lowered to 0.75% from 1.00%.



Method and assumptions used in calculations of Actuarially Determined Contributions.

The Plan is funded with contribution amounts from the State which are actuarially determined to fund the Service Annuity benefit. The Actuarially Determined Contributions in the *Schedule of Employer Contributions* are calculated as of the beginning of the fiscal year in which contributions are reported.

The following actuarial methods and assumptions were used to determine the Actuarially Determined Contribution reported for the most recent Measurement Date, June 30, 2022 (based on the July 1, 2021 actuarial valuation).

Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	Range from 15 to 29 years (Single Equivalent Amortization Period is 8 years)
Asset valuation method	5-year smoothed market
Price Inflation	2.65 percent
Wage Inflation	3.15 percent
Salary increases, including wage inflation	3.15 to 13.15 percent
Long-term rate of return, net of investment expense, and including inflation	7.30 percent
Cost-of-Living-Adjustment	None

Please see the information presented earlier in regard to Paragraph 47 for detailed information on the benefit changes and assumption changes that may have impacted the Actuarially Determined Contributions shown in the *Schedule of Employer Contributions*.



APPENDIX A

Exhibit A

**GASB 68 Paragraphs 46(a) – (b)
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY**

Fiscal Year Ended June 30

	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability								
Service Cost	\$815,968	\$807,050	\$842,344	\$830,323	\$720,729	\$731,466	\$734,712	\$728,208
Interest	1,161,781	1,211,708	1,208,817	1,197,372	1,087,339	1,104,435	1,096,269	1,089,529
Benefit term changes	0	0	0	0	0	0	0	0
Differences between expected and actual experience	1,346,431	(506,304)	(377,144)	(338,339)	(93,993)	(209,236)	119,053	30,548
Assumption changes	(303,038)	0	0	0	2,276,382	0	0	0
Benefit payments, including member refunds	<u>(2,737,862)</u>	<u>(1,721,378)</u>	<u>(1,565,355)</u>	<u>(1,513,422)</u>	<u>(1,700,186)</u>	<u>(1,954,480)</u>	<u>(1,904,983)</u>	<u>(1,505,548)</u>
Net change in Total Pension Liability	\$283,280	(\$208,924)	\$108,662	\$175,934	\$2,290,271	(\$327,815)	\$45,051	\$342,737
Total Pension Liability - beginning	\$16,720,714	\$16,929,638	\$16,820,976	\$16,645,042	\$14,354,771	\$14,682,586	\$14,637,535	\$14,294,798
Total Pension Liability - ending (a)	\$17,003,994	\$16,720,714	\$16,929,638	\$16,820,976	\$16,645,042	\$14,354,771	\$14,682,586	\$14,637,535
Plan Fiduciary Net Position								
Employer contributions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Non-Employer contributions	1,219,620	1,216,131	1,248,297	1,243,169	992,451	997,118	997,858	909,638
Employee contributions	0	0	0	0	0	0	0	0
Net investment income	3,349,883	259,401	724,876	907,440	1,357,891	149,410	439,224	1,805,028
Benefit payments, including member refunds	<u>(2,737,862)</u>	<u>(1,721,378)</u>	<u>(1,565,355)</u>	<u>(1,513,422)</u>	<u>(1,700,186)</u>	<u>(1,954,480)</u>	<u>(1,904,983)</u>	<u>(1,505,548)</u>
Administrative expenses	0	0	0	0	0	0	0	0
Other changes	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net change in Plan Fiduciary Net Position	\$1,831,641	(\$245,846)	\$407,818	\$637,187	\$650,156	(\$807,952)	(\$467,901)	\$1,209,118
Plan Fiduciary Net Position – beginning	\$11,932,102	\$12,177,948	\$11,770,130	\$11,132,943	\$10,482,787	\$11,290,739	\$11,758,640	\$10,549,522
Plan Fiduciary Net Position - ending (b)	\$13,763,743	\$11,932,102	\$12,177,948	\$11,770,130	\$11,132,943	\$10,482,787	\$11,290,739	\$11,758,640
Net Pension Liability - ending (a) - (b)	\$3,240,251	\$4,788,612	\$4,751,690	\$5,050,846	\$5,512,099	\$3,871,984	\$3,391,847	\$2,878,895
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	80.94%	71.36%	71.93%	69.97%	66.88%	73.03%	76.90%	80.33%
Covered payroll	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Employers' Net Pension Liability as a percentage of covered payroll	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.



Exhibit B
GASB 68 Paragraphs 46(c)
SCHEDULE OF EMPLOYER CONTRIBUTIONS
Fiscal Year Ended June 30

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	TBD	1,219,620	1,216,131	1,248,297	1,243,169	992,451	997,118	997,858	909,638	969,396
Actual non-employer contributions	<u>TBD</u>	<u>1,219,620</u>	<u>1,216,131</u>	<u>1,248,297</u>	<u>1,243,169</u>	<u>992,451</u>	<u>997,118</u>	<u>997,858</u>	<u>909,638</u>	<u>969,396</u>
Annual contribution deficiency (excess)	<u>TBD</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Covered-employee payroll	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Actual contributions as a percentage of covered-employee payroll	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD



APPENDIX B

SUMMARY OF PLAN PROVISIONS

Monthly pension benefit	A service annuity equal to \$3.50 per year of service.
Normal Retirement Date (NRD)	Age 65 and five years of creditable Omaha service.
Eligibility for Benefits	
Deferred vested	Termination for reasons other than death or disability retirement after completing five years of service.
Disability retirement	Retirement by reason of disability.
Early retirement	Retirement before NRD and on or after both attaining age 60 and completing five years of service, or attaining 35 years of service regardless of age, or age plus service equals at least 85 (Rule of 85).
Normal retirement	Retire on NRD.
Postponed retirement	Retire after NRD.
Pre-retirement spouse benefit	Death prior to retirement.
Monthly Benefits Payable	Monthly pension benefit determined as of NRD. Earlier commencement of a reduced benefit is available.



APPENDIX C

STATEMENT OF ACTUARIAL ASSUMPTIONS

Economic Assumptions

- 1. Long-term Expected Rate of Return 7.30% per annum, compounded annually, net of expenses.
Note: The assumption will decrease by 0.10% per year until reaching the ultimate rate of 7.00% in the 2024 valuation.

- 2. Inflation 2.65% per annum, compounded annually
Note: The assumption will decrease by 0.10% per year until reaching the ultimate rate of 2.35% in the 2024 valuation.

- 3. Salary Increases Rates vary by service. Sample rates are as follows:

Years	Rates by Service			
	Inflation	Productivity	Merit	Total
1	2.65%	0.50%	10.00%	13.15%
2	2.65	0.50	5.00	8.15
3	2.65	0.50	4.50	7.65
4	2.65	0.50	3.50	6.65
5	2.65	0.50	3.00	6.15
6	2.65	0.50	3.00	6.15
7	2.65	0.50	2.75	5.90
8	2.65	0.50	2.50	5.65
9	2.65	0.50	2.25	5.40
10	2.65	0.50	2.00	5.15
11	2.65	0.50	1.75	4.90
12	2.65	0.50	1.50	4.65
13	2.65	0.50	1.30	4.45
14	2.65	0.50	1.15	4.30
15	2.65	0.50	1.05	4.20
16	2.65	0.50	0.95	4.10
17	2.65	0.50	0.85	4.00
18	2.65	0.50	0.75	3.90
19	2.65	0.50	0.65	3.80
20	2.65	0.50	0.55	3.70
21	2.65	0.50	0.45	3.60
22	2.65	0.50	0.35	3.50
23	2.65	0.50	0.25	3.40
24-39	2.65	0.50	0.15	3.30
40+	2.65	0.50	0.00	3.15

Note: The inflation assumption will decrease by 0.10% per year until reaching the ultimate rate of 2.35% in the 2024 valuation.



- 4. Payroll Growth 3.15% per annum
 Note: The assumption will decrease by 0.10% per year until reaching the ultimate rate of 2.85% in the 2024 valuation.
- 5. Investment on Employee Contributions 2.50% per annum compounded annually.
- 6. Increase in Compensation And Benefit Limits 2.65% per annum on the 401(a)(17) compensation limit and 415 benefit limit
 Note: The assumption will decrease by 0.10% per year until reaching the ultimate rate of 2.35% in the 2024 valuation.

Demographic Assumptions

1. Mortality

- a. Healthy lives - Active members Pub-2010 General Members (Above Median) Employee Mortality Table (100% of male rates, 95% of female rates), both male and female rates set back one year, projected generationally using MP-2019 modified to 75% of the ultimate rates.
- b. Healthy lives – Retired members Pub-2010 General Members (Above Median) Retiree Mortality Table (100% of male rates, 95% of female rates), both male and female rates set back one year, projected generationally using MP-2019 modified to 75% of the ultimate rates.
- c. Healthy lives –Beneficiaries Pub-2010 General Members (Above Median) Contingent Survivor Mortality Table (100% of male rates, 95% of female rates), both male and female rates set back one year, projected generationally using MP-2019 modified to 75% of the ultimate rates.
- d. Disabled lives Pub-2010 Non-Safety Disabled Retiree Mortality Table (static table).
- e. Healthy mortality rates and life expectancies are shown below at sample ages:

Sample Age	Pre-retirement Mortality	
	Mortality Rate (Base Rates)	
	Males	Females
20	0.04%	0.01%
30	0.04	0.01
40	0.07	0.03
50	0.11	0.06
60	0.27	0.16



Post-retirement Mortality		
Mortality Rate (Base Rates)		
Sample Age	Males	Females
50	0.11%	0.06%
60	0.53	0.35
70	1.17	0.80
80	3.60	2.60
90	11.73	9.07

Projection Scale – Post-retirement Mortality						
Sample Age	Scale (2020)		Scale (2030)		Scale (2040)	
	Males	Females	Males	Females	Males	Females
50	0.0004	0.0030	0.0026	0.0036	0.0075	0.0075
60	0.0004	-0.0041	0.0063	0.0069	0.0075	0.0075
70	0.0017	0.0052	0.0069	0.0063	0.0075	0.0075
80	0.0064	0.0061	0.0066	0.0070	0.0075	0.0075
90	0.0048	0.0032	0.0067	0.0067	0.0069	0.0069

f. Disabled mortality rates and life expectancies are shown below at sample ages:

Sample Age	Males	Females
30	0.35%	0.26%
40	0.65	0.63
50	1.61	1.48
60	2.50	1.96
70	3.90	2.86
80	7.35	6.01



2. Retirement

Rates vary by age and eligibility for benefits.
Rates are as follows:

Retirement Rates When Eligible for Unreduced Benefits	
Age	Rate
<62	17%
62	24
63	24
64	24
65	30
66	38
67	35
68	25
69	25
70	30
71	30
72	25
73	25
74	25
75	25
76	30
77	30
78	30
79	30
80	100

Retirement Rates When Eligible for Reduced Benefits	
Age	Rate
60	5%
61	6
62	8
63	10
64	12

3. Termination

Rates vary by service.
Sample rates are as follows:

Rates by Service		
Years	Male	Female
<1	27.5%	31.7%
1	15.0	19.0
5	6.0	8.0
10	3.5	4.7
15	2.3	3.1
20	1.0	2.0
25+	1.0	1.0



4. Disability

Rates vary by age.
Sample rates are as follows:

Age	Male	Female
Under 35	0.00%	0.00%
35	0.02	0.01
40	0.02	0.01
45	0.03	0.03
50	0.05	0.04
55	0.07	0.06
60	0.10	0.08

Other Assumptions

1. Form of Payment

Life annuity

Members who terminated vested are assumed to take a refund of contributions if it is more valuable than their deferred benefit.

2. Marital Status

a. Percent married

85% married

b. Spouse's age

Females assumed to be two years younger than males.

3. Administrative Expense

0.16% of covered payroll

4. Commencement age for deferred vested benefit

Age 64

5. Cost of Living Adjustment

None

6. State Contribution

State contributions for the current plan year are assumed to be contributed in a lump sum on the July 1 following the plan year end. These amounts from the prior plan year are treated as a contribution receivable on the plan's financial statements.



Changes in Assumptions since the Prior Year

At their meeting on December 21, 2020, the Public Employees Retirement Board adopted a new set of actuarial assumptions based on the recommendations in the 2020 experience study. Changes to the set of economic assumptions are phased in over four years.

- Price inflation assumption was lowered from 2.75% to 2.65%.
- Investment return assumption was lowered from 7.50% to 7.30%.
- General wage inflation assumption was lowered from 3.50% to 3.15%.
- Payroll growth assumption was lowered from 3.50% to 3.15%.
- Salary merit increases were adjusted to partially reflect observed experience.
- An explicit assumption for administrative expenses of 0.16% of payroll is included as a component of the actuarial contribution rate.
- Retirement rates were adjusted to better reflect observed experience.
- The assumed retirement age for deferred vested members was increased from 62 to 64.
- Termination rates for males were adjusted to better reflect observed experience.
- Mortality assumption for non-disabled participants was changed to the Pub-2010 General Members (Above Median) Mortality Tables (100% of male rates, 95% of female rates), set back one-year, projected generationally using MP-2019 modified to 75% of ultimate rates.
- Mortality assumption for disabled participants was changed to the Pub-2010 Non-Safety Disabled Retiree Mortality Table (static).

TECHNICAL VALUATION PROCEDURES

The compensation amounts used in the projection of benefits and liabilities for active members were prior plan year compensations. Salary increases are assumed to apply to annual amounts.

Projected benefits were limited by the dollar limitation required by the Internal Revenue Code Section 415 as it applies to governmental plans and compensation limited by Section 401(a)(17).

Decrement assumptions are assumed to occur mid-year, except that immediate retirement is assumed for those who are at or above the age at which retirement rates are 100%. Standard adjustments are made for multiple decrements.

No actuarial accrued liability is included for participants who terminated without being vested prior to the valuation date, except those due a refund of contributions.