



# COUNTY OF ACCOMACK

## FINANCE DEPARTMENT

23296 Courthouse Ave – Suite 204|P.O. Box 620|Accomac, Virginia 23301  
Telephone:(757) 787-5709 | Fax: (757) 787-2468

Margaret Lindsey, CPA  
Director of Finance

**TO:** Potential Offerors for RFP #313

**FROM:** Lucy Huffman, Procurement Specialist

**DATE:** March 24, 2022

**SUBJECT:** **Addendum #1–RFP #313- Q’s/ A’s and Additional Information**

Please note the receipt of the following addendum on the Signature Page (page 7 of 31) of Request for Proposals #313.

### **Addendum #1**

#### **Questions/ Answers and Additional Information**

**Q1.** Who is the incumbent performing these services? **A: Boomershine Consulting Group, LLC**

**Q2.** Are you able to disclose the budget for these services or the fees paid to the prior vendor? **A: \$13,880**

**Q3.** Can you provide a copy of the most recently prepared actuarial valuation report? **A: Report attached.**

**Q4.** Please confirm whether the County and County Schools are requesting separate valuations and reports for each entity or one comprehensive, combined report? **A: Two separate valuations are needed. The reports are not to be combined.**

**Q5.** Are the County and County Schools requesting annual full OPEB valuations and reporting each year or biennial full OPEB valuations with an interim (roll-forward) valuation and report every other year? **A: Biennial full valuations and interim roll forward in the off year.**

**Q6.** When was the most recent full OPEB actuarial valuation and report completed for the County and the County Schools? **A: June 30, 2021**

**Q7.** Can we receive a copy of the most recent full OPEB actuarial valuation and report? **A: Attached.**

**Q8.** What fees were charged to the County/County Schools for the most recent full OPEB actuarial valuation and report? **A: \$13,880**

**Q9.** What is the name of the firm that completed the most recent full OPEB actuarial valuation and report? **A: See previous.**

**Q10.** When was the last interim (or roll-forward) OPEB actuarial valuation and report completed for the County and the County Schools? **A: June 30, 2021**

**Q11.** Can we receive a copy of the last interim (or roll-forward) OPEB actuarial valuation and report? **A: Attached.**

**Q12.** What fees were charged to the County/County Schools for the last interim (or roll-forward) OPEB actuarial valuation and report? **A: 11,700**

**Q13.** What is the name of the firm that completed the last interim (or roll-forward) OPEB actuarial valuation and report? **A: See previous.**

**Q14.** Please provide descriptions and/or examples of any Optional Services that were performed by the previous Actuarial Services vendor (if any). **A: None.**

**Q15.** Can we receive a copy of the previously awarded vendor's previously submitted proposal? **A: The Virginia Public Procurement Act allows for public inspection of proposal records after award of the contract. In accordance with Section 2.2-4342 D., an appointment may be scheduled to examine the previously awarded vendor's proposal, but it will not be mailed, emailed or publically posted electronically.**

**Q16.** Can we receive a copy of the bid tabulation/evaluation summary from the previous contract award? **A: tally sheet attached.**

**Q17.** Jefferson Solutions, Inc. is registered as a 'C' corporation in the state of New York and does not maintain a local office in Virginia or possess a current SCC Vendor Identification #. Will the County/County Schools accept our proposal with the commitment that JEFISI will register with the SCC if awarded the contract? **A: Yes.**

**Q18.** Given the ongoing nature of the current COVID pandemic, can any meetings be performed using teleconference and or web meeting services? **A: Yes, these types of meetings are actually preferred.**

**Q19. What is the anticipated budget for this contract? A. This may vary. We do not expect less than prior year for full valuation, and slightly less for the roll forward.**

**ALL OTHER SPECIFICATIONS AND TERMS & CONDITIONS REMAIN AS ISSUED IN THE ORIGINAL REQUEST FOR PROPOSALS.**

County of Accomack, Virginia  
Other Post-Employment Benefits

Actuarial Valuation Information for  
Financial Reporting under  
Governmental Accounting Standards  
Board Statements 74 and 75

---

as of June 30, 2021 (Fiscal Year 2021)

October, 2021

## Table of Contents

EXECUTIVE SUMMARY .....	3
GASB 74: PLAN REPORTING .....	4
<i>Plan Fiduciary Net Position</i> .....	5
<i>Money-Weighted Investment Return</i> .....	6
NET OPEB LIABILITY .....	7
<i>Changes in Net OPEB Liability</i> .....	8
<i>Employer Contributions</i> .....	9
<i>Actuarial Information</i> .....	10
EXPECTED RETURN .....	16
DISCOUNT RATE .....	17
GASB 75: EMPLOYER REPORTING .....	18
<i>OPEB Expense</i> .....	19
<i>Deferred Inflow/Outflow Summary</i> .....	20
<i>Deferred Inflows and Outflows by Source</i> .....	21
PLAN MEMBERSHIP .....	22
PLAN DESCRIPTIONS .....	23
GLOSSARY OF TERMS .....	27

## Executive Summary

The purpose of this report is to provide the information needed for financial reporting and accounting for the Retiree Healthcare Plan (the Plan) of the County of Accomack (the County), in accordance with Governmental Accounting Standards Board (GASB) Statements 74 and 75.

The funding report for this plan is sent under separate cover, and serves a separate purpose. All the figures presented in this report are to be used for accounting purposes only.

The County implemented GASB Statement 74 in fiscal year 2017. Statement 75 was implemented for fiscal year 2018.

This report is prepared in accordance with generally accepted actuarial principles and practices. In the opinion of the Employer and its actuaries, the actuarial assumptions used are reasonable related to Retirement System experience and expectations, and represent the best estimate of Retirement System experience.

The Net OPEB Liability as of June 30, 2021 is \$1,069,925 (pages 7-8). The ratio of the Plan's Fiduciary Net Position to the Total OPEB Liability is 35.0%, an increase of 14.0% versus the prior year.

The County's OPEB expense for fiscal year 2021 is \$21,717 (page 19), and the net amount of deferred (inflows)/outflows of resources is (\$624,226) (pages 20-21).

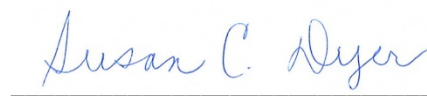
The first two undersigned are members of the American Academy of Actuaries, and are qualified to render the actuarial opinions presented in this report.

Respectfully Submitted,

BOOMERSHINE CONSULTING GROUP, L.L.C.



David S. Boomershine, EA, MAAA, FCA, MSPA  
President & Senior Actuary



Susan C. Dyer, EA, MAAA, FCA  
Senior Actuary



Marshal Banks  
Senior Consultant

## **GASB 74: Plan Reporting**

The measurement date for GASB 74 is the County's fiscal year end, June 30, 2021. Plan assets (Fiduciary Net Position) are measured as of this date. The Total OPEB Liability (TOL) as of this date is based on an actuarial valuation as of June 30, 2020, with timing adjustments for service cost, interest and benefit payments for one year (also known as a roll forward).

Under GASB 74, the Net OPEB Liability (NOL) is established as the difference between the Total OPEB Liability and the Plan Fiduciary Net Position. The NOL is very much like the unfunded actuarial accrued liability that is developed for the funding valuation, with adjustments for timing as needed.

### Relevant Dates

Valuation Date:	June 30, 2020
Measurement Date:	June 30, 2021
Reporting Date:	June 30, 2021

**Plan Fiduciary Net Position**

<b>NET POSITION AS OF JULY 1, 2020</b>	<b>\$393,155</b>
<u>Receipts</u>	
+	
Employee Contributions	106,780
Employer Contributions	125,814
Net Investment Income	120,765
<b>Total Receipts</b>	<b>353,359</b>
<u>Disbursements</u>	
-	
Benefit Payments*	170,420
Administrative Expenses	500
<b>Total Disbursements</b>	<b>170,920</b>
Excess of Receipts Over Disbursements	182,439
<b>NET POSITION AS OF JUNE 30, 2021</b>	<b>575,594</b>

\* does not include implicit subsidy

The information above was provided to us by the County.



## Money-Weighted Investment Return

For the year ended June 30, 2021, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was 29.15%. The money weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested and other cash flows during the year.

### History of Money Weighted Returns

<u>Fiscal Year</u>	<u>Return</u>
2021	29.15%
2020	3.05%
2019	4.03%
2018	9.42%

## Net OPEB Liability

The components of the net OPEB liability are as follows:

	June 30, 2021	June 30, 2020
Total OPEB Liability	\$1,645,519	\$1,873,341
Plan Fiduciary Net Position	575,594	393,155
Net OPEB Liability	\$1,069,925	\$1,480,186
Plan Fiduciary Net Position as a percentage of Total OPEB Liability	35.0%	21.0%

### Sensitivity of the net OPEB liability to changes in the discount rate

The following presents the net OPEB liability of the plans, calculated using the discount rate of 6.92%, as well as what each plan's net OPEB liability would be if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Discount Rate	<u>5.92%</u>	<u>6.92%</u>	<u>7.92%</u>
Total OPEB Liability	\$1,794,260	\$1,645,519	\$1,516,898
<u>Plan Net Position</u>	<u>575,594</u>	<u>575,594</u>	<u>575,594</u>
Net OPEB Liability	\$1,218,666	\$1,069,925	\$941,304
Ratio of Plan Net Position to Total OPEB Liability	32.1%	35.0%	37.9%

### Sensitivity of the net OPEB liability to changes in the trend rate

The following presents the net OPEB liability of the plans, calculated using the healthcare trend rate of from 5.50% to an ultimate rate of 4.25%, as well as what each plan's net OPEB liability would be if it were calculated using trend rates that are 1.00% lower or 1.00% higher than the current rates:

	1% Decrease	Current Ultimate Trend Rate	1% Increase
Ultimate Trend Rate	<u>3.25%</u>	<u>4.25%</u>	<u>5.25%</u>
Total OPEB Liability	\$1,504,743	\$1,645,519	\$1,809,386
<u>Plan Net Position</u>	<u>575,594</u>	<u>575,594</u>	<u>575,594</u>
Net OPEB Liability	\$929,149	\$1,069,925	\$1,233,792
Ratio of Plan Net Position to Total OPEB Liability	38.3%	35.0%	31.8%

### Changes in Net OPEB Liability

	Fiscal Year				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<u>Total OPEB Liability</u>					
Service Cost	\$16,785	\$16,296	\$20,186	\$118,484	\$115,033
Interest	125,843	119,921	107,064	78,474	72,863
Changes in benefit terms	0	0	0	0	0
Difference between expected and actual experience	(258,054)	0	0	180,090	0
Changes in assumptions	(48,756)	(28,772)	(225,408)	(361,325)	0
<u>Benefit payments*</u>	<u>(63,640)</u>	<u>(63,071)</u>	<u>(77,051)</u>	<u>(86,085)</u>	<u>(50,793)</u>
Net Change in Total OPEB Liability	(\$227,822)	\$44,374	(\$175,209)	(\$70,362)	\$137,103
Total OPEB Liability - Beginning of Year	\$1,873,341	\$1,828,967	\$2,004,176	\$2,074,538	\$1,937,435
Total OPEB Liability - End of Year	\$1,645,519	\$1,873,341	\$1,828,967	\$2,004,176	\$2,074,538
<u>Plan Fiduciary Net Position</u>					
Contributions - employer	\$125,814	\$121,561	\$131,847	\$138,543	\$44,552
Contributions - member	0	0	0	0	0
Net investment income	120,765	11,434	12,294	21,638	19,008
Benefit payments	(63,640)	(63,071)	(77,051)	(86,085)	0
Admin. Expenses	(500)	(500)	(1,002)	(1,008)	(500)
<u>Other</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Plan Fiduciary Net Position	\$182,439	\$69,424	\$66,088	\$73,088	\$63,060
Plan Fiduciary Net Position - Beginning of Year	\$393,155	\$323,731	\$257,643	\$184,555	\$121,495
Plan Fiduciary Net Position - End of Year	\$575,594	\$393,155	\$323,731	\$257,643	\$184,555
Net OPEB Liability - Beginning of Year	\$1,480,186	\$1,505,236	\$1,746,533	\$1,889,983	\$1,815,940
Net OPEB Liability - End of Year	\$1,069,925	\$1,480,186	\$1,505,236	\$1,746,533	\$1,889,983
Net Position as a percentage of Total OPEB Liability	35.0%	21.0%	17.7%	12.9%	8.9%
Covered Employee Payroll	\$13,039,941	\$13,025,827	\$12,515,330	\$12,139,885	\$11,036,000
Net OPEB Liability as a percentage of Covered Payroll	8.2%	11.4%	12.0%	14.4%	17.1%

\*Includes implicit subsidy.

## Employer Contributions

Fiscal Year	Actuarially Determined Employer Contribution	Actual Employer Contribution	Contribution Deficiency/(Excess)	Covered Employee Payroll	Contribution as a Percent of Payroll
2011	\$562,000	\$119,230	\$442,770	\$9,863,000	1.21%
2012	593,000	123,000	470,000	9,863,000	
2013	514,000	68,000	446,000	10,077,000	0.67%
2014	651,000	92,000	559,000	10,329,000	
2015	232,000	147,000	85,000	10,973,000	1.34%
2016	241,000	175,000	66,000		
2017	126,000	97,000	29,000	11,036,000	1.14%
2018	133,000	138,543*	(5,543)	12,139,885	1.14%
2019	132,829	131,847*	982	12,515,330	1.05%
2020	133,435	121,561*	11,874	13,025,827	0.93%
2021	100,318	125,814*	(25,496)	13,039,941	0.96%

\* includes implicit subsidy

## Actuarial Information

### Actuarial assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

Investment Return: 7.00%, net of investment expense and including inflation  
 Healthcare Trend: 5.50% initially, grading down to 4.25% ultimate

Mortality rates are based on the PUB2010 Headcount tables for General employees and for Safety employees and for males and females, fully generational, projected using scale SSA2020. (Old mortality was RP2014 tables fully generational projected using scale MP2016).

#### *Changes in Actuarial assumptions.*

There were no changes in assumptions during fiscal year 2021, except the change in discount rate based on an updated bond rate and depletion analysis and the change to the mortality rates.

Retirement Rates  (representative rates)	Males	VRS General Employees Plan 1				
	Age/Svc	0	5	10	20	30+
	50	0.0%	5.0%	5.0%	5.0%	9.0%
	51	0.0%	5.0%	5.0%	5.0%	9.0%
	52	0.0%	5.0%	5.0%	5.0%	7.0%
	53	0.0%	5.0%	5.0%	5.0%	7.0%
	54	0.0%	5.0%	5.0%	5.0%	10.0%
	55	0.0%	5.0%	5.0%	5.0%	14.0%
	56	0.0%	6.0%	6.0%	6.0%	14.0%
	57	0.0%	6.0%	6.0%	6.0%	10.0%
	58	0.0%	6.0%	6.0%	6.0%	11.0%
	59	0.0%	6.0%	6.0%	6.0%	11.0%
	60	0.0%	6.0%	6.0%	6.0%	11.0%
	61	0.0%	10.0%	10.0%	10.0%	25.0%
	62	0.0%	17.0%	17.0%	17.0%	35.0%
	63	0.0%	15.0%	15.0%	15.0%	25.0%
	64	0.0%	15.0%	15.0%	15.0%	27.0%
	65	0.0%	30.0%	30.0%	30.0%	33.0%
	70	0.0%	100%	100%	100%	100%

Retirement Rates (representative rates)	Females	General Employees VRS Plan 1				
	Age/Svc	0	5	10	20	30+
	50	0.0%	4.0%	4.0%	4.0%	8.0%
	51	0.0%	4.5%	4.5%	4.5%	8.0%
	52	0.0%	4.5%	4.5%	4.5%	8.0%
	53	0.0%	4.5%	4.5%	4.5%	8.0%
	54	0.0%	4.5%	4.5%	4.5%	10.0%
	55	0.0%	5.5%	5.5%	5.5%	11.5%
	56	0.0%	5.0%	5.0%	5.0%	11.5%
	57	0.0%	5.0%	5.0%	5.0%	12.5%
	58	0.0%	5.0%	5.0%	5.0%	13.0%
	59	0.0%	5.0%	5.0%	5.0%	11.5%
	60	0.0%	7.5%	7.5%	7.5%	13.0%
	61	0.0%	7.5%	7.5%	7.5%	17.5%
	62	0.0%	17.0%	17.0%	17.0%	25.0%
	63	0.0%	13.0%	13.0%	13.0%	25.0%
	64	0.0%	13.0%	13.0%	13.0%	17.5%
	65	0.0%	30.0%	30.0%	30.0%	40.0%
	70	0.0%	100%	100%	100%	100%

Retirement Rates (representative rates)	Males	General Employees VRS Plan 2				
	Age/Svc	0	10	20	30	40+
	50	0.0%	0.0%	0.0%	0.0%	9.0%
	51	0.0%	0.0%	0.0%	0.0%	9.0%
	52	0.0%	0.0%	0.0%	0.0%	7.0%
	53	0.0%	0.0%	0.0%	0.0%	7.0%
	54	0.0%	0.0%	0.0%	0.0%	7.0%
	55	0.0%	0.0%	0.0%	0.0%	10.0%
	56	0.0%	0.0%	0.0%	0.0%	14.0%
	57	0.0%	0.0%	0.0%	0.0%	14.0%
	58	0.0%	0.0%	0.0%	0.0%	10.0%
	59	0.0%	0.0%	0.0%	0.0%	11.0%
	60	0.0%	6.0%	6.0%	6.0%	11.0%
	61	0.0%	10.0%	10.0%	10.0%	25.0%
	62	0.0%	17.0%	17.0%	17.0%	35.0%
	63	0.0%	15.0%	15.0%	15.0%	25.0%
	64	0.0%	15.0%	15.0%	15.0%	25.0%
	65	0.0%	30.0%	30.0%	30.0%	25.0%
	70	0.0%	100%	100%	100%	100%

Retirement Rates (representative rates)	Females	General Employees VRS Plan 2				
	Age/Svc	0	10	20	30	40+
	50	0.0%	0.0%	0.0%	0.0%	8.0%
	51	0.0%	0.0%	0.0%	0.0%	8.0%
	52	0.0%	0.0%	0.0%	0.0%	8.0%
	53	0.0%	0.0%	0.0%	0.0%	8.0%
	54	0.0%	0.0%	0.0%	0.0%	10.0%
	55	0.0%	0.0%	0.0%	0.0%	11.5%
	56	0.0%	0.0%	0.0%	0.0%	11.5%
	57	0.0%	0.0%	0.0%	0.0%	12.5%
	58	0.0%	0.0%	0.0%	0.0%	13.0%
	59	0.0%	0.0%	0.0%	0.0%	11.5%
	60	0.0%	7.5%	7.5%	7.5%	13.0%
	61	0.0%	7.5%	7.5%	7.5%	17.5%
	62	0.0%	17.0%	17.0%	17.0%	25.0%
	63	0.0%	13.0%	13.0%	13.0%	25.0%
	64	0.0%	13.0%	13.0%	13.0%	25.0%
	65	0.0%	30.0%	30.0%	30.0%	25.0%
	70	0.0%	100%	100%	100%	100%

Retirement Rates (representative rates)	Male	Public Safety Employees VRS			
	Age/Svc	0	10	20	30+
	50	8.5%	8.5%	8.5%	25.0%
	51	9.0%	9.0%	9.0%	14.0%
	52	7.0%	7.0%	7.0%	12.0%
	53	8.0%	8.0%	8.0%	12.0%
	54	8.0%	8.0%	8.0%	10.5%
	55	8.5%	8.5%	8.5%	17.5%
	56	8.5%	8.5%	8.5%	16.5%
	57	8.5%	8.5%	8.5%	18.5%
	58	9.5%	9.5%	9.5%	19.0%
	59	11.5%	11.5%	11.5%	28.5%
	60	35.0%	20.0%	20.0%	35.0%
	61	35.0%	25.0%	25.0%	35.0%
	62	50.0%	30.0%	30.0%	50.0%
	63	50.0%	30.0%	30.0%	50.0%
	64	50.0%	40.0%	40.0%	50.0%
	65	100.0%	100.0%	100.0%	100.0%

Retirement Rates (representative rates)	Female	Public Safety Employees VRS			
	Age/Svc	0	10	20	30+
	50	25.0%	25.0%	25.0%	8.5%
	51	20.0%	20.0%	20.0%	9.0%
	52	20.0%	20.0%	20.0%	7.0%
	53	20.0%	20.0%	20.0%	8.0%
	54	20.0%	20.0%	20.0%	8.0%
	55	25.0%	25.0%	25.0%	8.5%
	56	25.0%	25.0%	25.0%	8.5%
	57	25.0%	25.0%	25.0%	8.5%
	58	25.0%	25.0%	25.0%	9.5%
	59	30.0%	30.0%	30.0%	11.5%
	60	35.0%	35.0%	35.0%	20.0%
	61	40.0%	40.0%	40.0%	25.0%
	62	45.0%	45.0%	45.0%	30.0%
	63	45.0%	45.0%	45.0%	30.0%
	64	45.0%	45.0%	45.0%	40.0%
	65	100.0%	100.0%	100.0%	100.0%

**WITHDRAWAL**

General Employees ,VRS Plan 1, Representative Rates

Male

Age/Service	0	1	5	10+
25	23.5%	23.5%	14.0%	0.0%
30	21.0%	21.0%	12.5%	6.0%
35	18.5%	18.5%	10.5%	5.5%
40	16.5%	16.5%	9.0%	4.0%
45	15.5%	15.5%	8.0%	3.0%
50	13.0%	13.0%	6.5%	2.5%
55	12.0%	12.0%	6.5%	1.0%
60	12.0%	12.0%	7.0%	1.0%
65	12.0%	12.0%	8.0%	0.0%

Female

Age/Service	0	1	5	10+
25	25.5%	25.5%	16.5%	0.0%
30	22.0%	22.0%	14.0%	6.0%
35	19.0%	19.0%	11.5%	6.0%
40	16.5%	16.5%	10.0%	4.5%
45	15.0%	15.0%	8.0%	3.5%
50	13.5%	13.5%	7.0%	3.0%
55	12.5%	12.5%	6.5%	0.0%
60	12.0%	12.0%	7.0%	0.0%
65	13.0%	13.0%	9.0%	0.0%



General Employees ,VRS Plan 2, Representative Rates  
 Male

<b>Age/Service</b>	<b>0</b>	<b>1</b>	<b>5</b>	<b>10+</b>
25	23.5%	23.5%	14.0%	0.0%
30	21.0%	21.0%	12.5%	6.0%
35	18.5%	18.5%	10.5%	5.5%
40	16.5%	16.5%	9.0%	4.0%
45	15.5%	15.5%	8.0%	3.0%
50	13.0%	13.0%	6.5%	2.5%
55	12.0%	12.0%	6.5%	1.0%
60	12.0%	12.0%	7.0%	1.0%
65	12.0%	12.0%	8.0%	0.0%

Female

<b>Age/Service</b>	<b>0</b>	<b>1</b>	<b>5</b>	<b>10+</b>
25	25.5%	25.5%	16.5%	0.0%
30	22.0%	22.0%	14.0%	6.0%
35	19.0%	19.0%	11.5%	6.0%
40	16.5%	16.5%	10.0%	4.5%
45	15.0%	15.0%	8.0%	3.5%
50	13.5%	13.5%	7.0%	3.0%
55	12.5%	12.5%	6.5%	0.0%
60	12.0%	12.0%	7.0%	0.0%
65	13.0%	13.0%	9.0%	0.0%

Public Safety, Representative Rates  
 Male

<b>Age/Service</b>	<b>0</b>	<b>1</b>	<b>5</b>	<b>10+</b>
25	13.0%	13.0%	8.5%	0.0%
30	11.0%	11.0%	7.5%	5.0%
35	11.0%	11.0%	7.0%	3.8%
40	10.0%	10.0%	6.0%	2.8%
45	13.0%	13.0%	6.0%	2.4%
50	11.0%	11.0%	6.0%	3.2%
55	15.0%	15.0%	8.0%	0.5%
60	11.0%	11.0%	10.0%	0.5%
65	22.0%	22.0%	10.8%	0.5%

Female

Age/Service	0	1	5	10+
25	13.0%	13.0%	10.0%	0.0%
30	12.0%	12.0%	8.0%	4.5%
35	14.0%	14.0%	8.0%	4.5%
40	14.0%	14.0%	7.0%	3.5%
45	12.0%	12.0%	6.0%	3.5%
50	12.0%	12.0%	6.0%	3.5%
55	12.0%	12.0%	5.0%	0.5%
60	12.0%	12.0%	5.0%	0.5%
65	22.4%	22.4%	10.8%	0.5%

**DISABILITY**

No disabilities are assumed

Age Difference/ Family Assumptions

Males are assumed to be 3 years older than females; For current retirees and actives, actual family status and ages were used when available.

Coverage

100% of active participants who retire and are eligible for the Health Insurance Credit are assumed to receive the credit in retirement. Prior to age 65, 10% of active participants who retire are assumed to elect medical coverage in retirement. 25% of retiring employees who elect to be covered are assumed to also elect coverage for a spouse in retirement.

**Actuarial Methods for Determining Employer Contributions**

The same demographic assumptions are used for both funding and financial reporting purposes under GASB 74/75; the discount rate used for funding is 7.00%, for the GASB 74/75 purposes, it is 6.92%.

The Entry Age method is used for accounting/GASB purposes; therefore all of the actuarial figures within this Report are based on it. Actuarially Determined Contributions are also based on the Entry Age method, with a 30-year amortization of the unfunded liability.

## Expected Return

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimates of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. This is then modified through a Monte-Carlo simulation process, by which a (downward) risk adjustment is applied to the baseline expected return.

Best estimates of real rates of return for each major asset class included in the OPEB fund's target asset allocation as of June 30, 2021, and the final investment return assumption, are summarized in the following table:

<b>Asset Class</b>	<b>Long-Term Expected Real Return - Portfolio</b>	<i>weight</i>
Domestic Equity	6.10%	36%
International Funds	6.45%	18%
Fixed Income – U.S.	1.35%	21%
Long/Short Equity & Absolute Return	3.00%	10%
Real Estate	4.85%	10%
Private Equity	8.10%	5%
<b>Total Weighted Average Real Return</b>	<b>4.83%</b>	
Plus Inflation	2.50%	
Total Return w/o Adjustment	7.33%	
Risk Adjustment	-0.33%	
<b>Total Expected Return on Investments</b>	<b>7.00%</b>	

The County's OPEB fund is invested in the VML/VACO Portfolio I.

## Discount Rate

The discount rate used to measure the total OPEB liability 6.92%. The County's funding expectations/policy is to contribute the plan benefit claims for the fiscal year on a pay-as-you-go basis as well as an additional amount (currently about \$50,000 changing year to year based an internal calculation) to the trust. For the purpose of this projection, we have assumed that benefits will be paid from the trust once a 50% funding level is reached.

Based on this analysis, benefits are expected to be paid from the OPEB trust beginning in 2024. Benefits prior to 2024 have been discounted using the bond index rate, and after 2024 using the expected return on plan assets.

Therefore, the expected trust return of 7.00% is blended with the 20-year Aa bond rate \* of 1.92%. The blended rate is 6.92%. The prior discount rate was 6.77%.

\* Source: Fidelity general obligation municipal bond index.

## **GASB 75: Employer Reporting**

The Net OPEB Liability as of June 30, 2017 was established under GASB 74. The purpose of GASB 75 is to outline the changes in the NOL over time, via the OPEB Expense.

The OPEB Expense under GASB 75 includes the cost of benefits accrued, interest cost for elapsed time, administrative expenses, decreases for benefits paid and for employee contributions, differences between actual and assumed experience, and other adjustments resulting from changes in assumptions or plan provisions.

GASB 75 was implemented as of June 30, 2018, and includes information on the OPEB Expense, Deferred Inflows and Outflows of Resources, and recognition schedules for such.

Investment gains and losses for each year as relevant, beginning with FY2018, are recognized over five years. Demographic gains and losses as well as assumption changes will be recognized over the average remaining working lifetimes of all plan participants, which could vary from year to year. In general, any plan changes will be recognized immediately.

## OPEB Expense

### County's OPEB Expense

Item	Fiscal Year 2021	Fiscal Year 2020
Service Cost	\$16,785	\$16,296
Interest on Total OPEB Liability	125,843	119,921
Difference between expected and actual experience*	(10,664)	18,009
Changes in actuarial assumptions*	(66,968)	(61,551)
Changes in benefit terms	0	0
Employee contributions	0	0
Projected Earnings on Plan investments	(29,098)	(26,208)
Difference between projected and actual earnings*	(14,681)	3,652
Administrative expense	500	500
Other changes in Fiduciary Net Position	0	0
<b>Total OPEB Expense</b>	<b>\$21,717</b>	<b>\$70,619</b>

\* Portions recognized for expense

### Development of Gains/Losses

Total OPEB Liability (TOL) - Prior	\$1,873,341
Service Cost	16,785
Benefit Payments	(63,640)
<u>Interest</u>	<u>125,843</u>
Expected TOL	\$1,952,329
Actual TOL, before Changes	1,694,275
Experience (Gain)/Loss	(258,054)
Benefit Changes	0
Assumption Changes (change in discount rate and mortality)	(48,756)
Total OPEB Liability	\$1,645,519
Net Position, Prior	\$393,155
Contributions	125,814
Benefit Payments + Expenses	(64,140)
<u>Expected Earnings</u>	<u>29,098</u>
Expected Net Position	\$483,927
Actual Net Position	575,594
Investment (Gain)/Loss	(\$91,667)

### Deferred Inflow/Outflow Summary

As of June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual earnings on plan investments	\$12,481	(\$74,445)
Differences between expected and actual experience	108,054	(229,381)
Changes in actuarial assumptions	0	(440,935)
<b>Total</b>	<b>\$120,535</b>	<b>(\$744,761)</b>
<b>Net Total</b>	<b>(\$624,226)</b>	

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEBs will be recognized in OPEB expense as follows:

Year ended June 30	Net Amount of Outflow/(Inflow)
2022	(92,312)
2023	(91,202)
2024	(93,011)
2025	(95,967)
2026	(77,632)
After 2026	(174,102)
<b>Total Amount to be Recognized</b>	<b>(624,226)</b>

Full schedules are shown on the next page.

### Deferred Inflows and Outflows by Source

# Years <sup>1</sup>	Fiscal Year	Investment (Gain)/Loss	2021 Recognized	2021 Remaining	2022 Recognized	2022 Remaining	2023 Recognized	2023 Remaining	2024 Recognized	2024 Remaining	2025 Recognized	2025 Remaining
5	2018	(\$5,559)	(1,112)	(1,111)	(1,111)	0						
5	2019	\$9,044	1,809	3,617	1,809	1,808	1,808	0				
5	2020	\$14,774	2,955	8,864	2,955	5,909	2,955	2,954	2,954	0		
5	2021	(\$91,667)	(18,333)	(73,334)	(18,333)	(55,001)	(18,333)	(36,668)	(18,335)	(18,335)	(18,335)	0
		Net Total	(14,681)	(61,964)	(14,680)	(47,284)	(13,570)	(33,714)	(15,379)	(18,335)	(18,335)	0
		<b>Experience (Gain)/Loss</b>										
10	2018	\$180,090	18,009	108,054	18,009	90,045	18,009	72,036	18,009	54,027	18,009	36,018
9	2021	(\$258,054)	(28,673)	(229,381)	(28,673)	(200,708)	(28,673)	(172,035)	(28,673)	(143,362)	(28,673)	(114,689)
		Net Total	(10,664)	(121,327)	(10,664)	(110,663)	(10,664)	(99,999)	(10,664)	(89,335)	(10,664)	(78,671)
		<b>Assumption Changes (Gain)/Loss</b>										
10	2018	(\$361,325)	(36,133)	(216,793)	(36,133)	(180,660)	(36,133)	(144,527)	(36,133)	(108,394)	(36,133)	(72,261)
10	2019	(\$225,408)	(22,541)	(157,785)	(22,541)	(135,244)	(22,541)	(112,703)	(22,541)	(90,162)	(22,541)	(67,621)
10	2020	(\$28,772)	(2,877)	(23,018)	(2,877)	(20,141)	(2,877)	(17,264)	(2,877)	(14,387)	(2,877)	(11,510)
9	2021	(\$48,756)	(5,417)	(43,339)	(5,417)	(37,922)	(5,417)	(32,505)	(5,417)	(27,088)	(5,417)	(21,671)
		Net Total	(66,968)	(440,935)	(66,968)	(373,967)	(66,968)	(306,999)	(66,968)	(240,031)	(66,968)	(173,063)
		Net of All	(92,313)	(624,226)	(92,312)	(531,914)	(91,202)	(440,712)	(93,011)	(347,701)	(95,967)	(251,734)
		Total (Inflows)	(115,086)	(744,761)	(115,085)	(629,676)	(113,974)	(515,702)	(113,974)	(401,728)	(113,976)	(287,752)
		Total Outflows	22,773	120,535	22,773	97,762	22,772	74,990	20,963	54,027	18,009	36,018

<sup>1</sup> For investment experience, the recognition period is five years. For other changes, it is the remaining average working lifetime of all participants.



## Plan Membership

The following is a summary of plan membership as of June 30, 2020.

Number of Participants	Total
Active	268
Retired/Beneficiaries	63
Total Participants	<hr/> 331

## Plan Descriptions

### Eligibility Conditions

A Full-time regular or limited-term employee who is participating in the employer’s medical program is eligible to elect post-retirement coverage is he/she:

- Is at least age 65 with at least 15 year if County service and is eligible for immediate retirement benefits under VRS,
- Is under 65 with at least 15 years of County service and is eligible for immediate retirement benefits under VRS, or
- Is disabled and injured in the line of duty and is eligible for immediate disability retirement benefits under the VRS. VRS Eligibility is as follows:

Benefit	Plan 1	Plan 2 or Plan H
Reduced Pension Benefit (General Employees)	Age 50 & 10 Years of Service OR Age 55 & 5 Years of Service	Age 60 & 5 Years of Service
Unreduced Pension Benefit (General Employees)	Age 65 & 5 Years of Service OR Age 50 & 30 Years of Service	Age + Service = 90 OR Social Security Age & 5 Years of Service
Reduced Pension Benefit (Hazardous Duty)	Age 50 & 5 Years of Service	Age 50 & 5 Years of Service
Unreduced Pension Benefit (Hazardous Duty)	Age 30 & 5 Years of Service OR Age 50 & 25 Years of Service	Age 60 & 5 Years of Service OR Ag Age 50 & 25 Years of Service

### Amendments

There have been no changes in eligibility or cost-sharing since the prior valuation. The Employer reserves the right to amend the Plan at any Time.

Group	Pre-65 Medical Coverage	Pre-65 Retiree Contribution	Post-65 Medical Coverage	Post-65 Retiree Contribution	County Supplemental Health Insurance Credit
Grandfathered Retirees as of January 1, 2017 - RETIREE	N/A. Must Retire >65 to be in this group	N/A. Must Retire >65 to be in this group	Anthem Key Care 15 w/basic or Major Vision	The County pays 50% of the retiree only premium for KC 15 w/ Basic Vision	Not Applicable
Grandfathered Retirees as of January 1, 2017 – Spouse	Not Eligible for Employer Health Plan	Not Eligible for Employer Health Plan	Not Eligible for Employer Health Plan	Not Eligible for Employer Health Plan	Not Applicable
Non-Grandfathered Hired by June 30, 2014 - RETIREE	Any Pre-65 Medical Plan until 65	100% of Retiree Premium minus any Credit	Not Eligible for Employer Health Plan	Not Eligible for Employer Health Plan	\$2.50/month/YOS with VRS received pre and post 65
Non-Grandfathered Hired by June 30, 2014 - SPOUSE	Any Pre-65 Medical Plan until 65	100% of Spousal Premium	Not Eligible for Employer Health Plan	Not Eligible for Employer Health Plan	Not Eligible
Non-Grandfathered Hired after June 30, 2014 - RETIREE	Any Pre-65 Medical Plan until 65	100% of Retiree Premium	Not Eligible for Employer Health Plan	Not Eligible for Employer Health Plan	Not Eligible
Non-Grandfathered Hired after June 30, 2014 - SPOUSE	Any Pre-65 Medical Plan until 65	100% of Spousal Premium	Not Eligible for Employer Health Plan	Not Eligible for Employer Health Plan	Not Eligible

**Grandfathered Retirees:** This is a closed group of retirees as of January 1, 2017. To be in this group, you had to be 65 or older at the time of retirement.

**Health Insurance Credits:** These credits cannot be greater than the monthly retiree-only insurance premium and can be applied towards any employer-sponsored or qualifying outside health plan. Examples of qualifying health benefit plans include Medicare Part B coverage and other employer-sponsored or publically available medical, vision, dental or prescription drug plans.

**Post-65 Employer Health Benefits:** Only the Grandfathered Retiree group is eligible to stay on the employer plan post-65. The retiree must be enrolled in Medicare Parts A and B; the plan is a Medicare

Carve-Out policy; Prescription Drug Coverage is included. The premium rates are fully insured and are developed solely for the post-65 retiree population.

**Dental Coverage:** Non-Grandfathered retirees and their spouses can carry coverage pre-65 but pay 100% of the premium. Grandfathered retirees receive a subsidy equal to 50% of the retiree-only premium for Basic dental.

**Disability Coverage:** The retiree pays 100% of the premium minus the County Health Insurance Credits which will include an additional \$450 per month. Coverage continues until the retiree drops coverage, reaches age 65, or dies. A covered spouse may not continue after reaching age 65. To qualify, the retiree must be disabled in the line of duty; there is no length-of-service requirement. The \$450 subsidy is not provided if the retiree is receiving an LODA benefit or becomes Medicare eligible due to disability. No credits will be provided to or may be used by a dependent. The total of all credits (including any VRS credits) may not exceed the retiree-only insurance premium.

**Dependent Coverage:** Non-Grandfathered retirees may cover dependents prior to reaching age 65.

**Discontinuance of Coverage:** In addition to the provisions above, coverage will cease if the retiree fails to pay the required premium, declines coverage (re-enrollment is not permitted), or dies.

**Virginia Retirement System Health Insurance Credits:** These credits are not the responsibility of the County of Accomack and are therefore not considered in this valuation.

**COBRA Coverage:** Any additional required COBRA coverage is not addressed in this plan description and is not valued within this report.

**Premium Information:**

	Monthly Plan Premium			
	Anthem Key Care 15 w/Basic Vision	Anthem Key Care 15 w/Major Vision	Anthem Key Care 20 w/Basic Vision	Anthem Key Care 20 w/Major Vision
<b>MEDICAL Pre-65 Coverage</b>				
Employee	\$597.64	\$603.15	\$591.07	\$596.58
Employee/Spouse	\$1,255.05	\$1,264.99	\$1,241.23	\$1,251.17
Employee/Child	\$1,016.00	\$1,025.94	\$1,004.81	\$1,014.75
Family	\$1,613.64	\$1,629.60	\$1,595.87	\$1,611.82

	Monthly Plan Premium	
	Anthem Basic	Anthem Major
<b>DENTAL Pre-65 Coverage</b>		
Employee	\$13.96	\$23.66
Employee/Spouse	\$26.52	\$44.96
Employee/Child	\$27.92	\$47.34
Family	\$41.88	\$70.98

<b>MEDICAL Post-65 Coverage</b>	<b>Monthly Plan Premium</b>			
	<b>Anthem Key Care 15 w/Basic Vision</b>	<b>Anthem Key Care 15 w/Major Vision</b>	<b>Anthem Key Care 20 w/Basic Vision</b>	<b>Anthem Key Care 20 w/Major Vision</b>
Employee	\$611.39	N/A	N/A	N/A
Employee/Spouse	N/A	N/A	N/A	N/A
Employee/Child	N/A	N/A	N/A	N/A
Family	N/A	N/A	N/A	N/A

<b>DENTAL Post-65 Coverage</b>	<b>Monthly Plan Premium</b>	
	<b>Anthem Basic</b>	<b>Anthem Major</b>
Employee	\$13.96	\$23.66
Employee/Spouse	N/A	N/A
Employee/Child	N/A	N/A
Family	N/A	N/A

There were no changes in plan provisions since the prior year.

## Glossary of Terms

Actuarial Accrued Liability (AAL)*:	The portion of benefits deemed to be accrued by participants based on past service. The AAL serves as the asset <b>funding</b> target, when annual contributions are determined.
Actuarial Value of Assets (AVA)*:	The smoothed value of assets, used to compute the Unfunded AAL. The purpose of the AVA is to control volatility in annual <b>cash contributions</b> .
Amortization of Unfunded Liability*:	The portion of the <b>annual cash contribution</b> that represents a portion of the Unfunded AAL. The amortization can be positive or negative.
Actuarially Determined Employer Contribution (ADEC):	The contribution determined by the actuary for <b>funding purposes</b> .
Employer's Contributions:	Contributions made in relation to the ADEC. An employer has made a contribution in relation to the ARC if the employer has (a) made payments of benefits directly to or on behalf of a retiree or beneficiary, (b) made premium payments to an insurer, or (c) irrevocably transferred assets to a trust, or an equivalent arrangement, in which plan assets are dedicated to providing benefits to retirees and their beneficiaries in accordance with the terms of the plan and are legally protected from creditors of the employers(s) or plan administrator.
Deferred Inflow of Resources:	An acquisition of net assets by the government that is applicable to a future reporting period.
Deferred Outflow of Resources:	A consumption of net assets by the government that is applicable to a future reporting period.
Discount Rate:	The rate used to adjust future benefit payments or a stream of payments, to reflect the time value of money. This rate may be different for accounting purposes versus plan funding.
Market Value of Assets (MVA):	The total value of Plan assets available to pay benefits.
Net OPEB Liability:	The difference between the Total OPEB Liability and the Plan Fiduciary Net Position. Can be positive or negative.
OPEB Expense:	The change in Net OPEB Liability during the fiscal year, with partial recognition of deferred inflows/outflows.
Plan Fiduciary Net Position:	The fair market value of assets on the measurement date, for accounting purposes. It is often equal to the MVA.
Service Cost:	That portion of the annual contribution that represents one year's accrual of benefits. In funding calculations, this is known as the Normal Cost.
Total OPEB Liability:	The present value of past service benefits for all plan members, as determined for accounting purposes.
Unfunded Actuarial Accrued Liability*:	The difference between the Actuarial Value of Assets and the Actuarial Accrued Liability, used for <b>funding purposes</b> .

\* actuarial **funding** terminology

**RFP 300 - Actuarial Valuation  
Tallysheet - All Scores**

<b>Offerors:</b>	1 Align	2 Bolton	3 USI	4 CBIZ	5 Lewis & Ellis	6 BoomerShine	7 PRM	8	9	10
<b>Evaluators:</b>										
Mike Mason	82.00	90.00	57.00	86.00	85.00	91.00	90.00			
Amy Ford	81.00	88.00	66.00	76.00	87.00	97.00	86.00			
total percent	163	178	123	162	172	188	176			
average score	81.50	89.00	61.50	81.00	86.00	94.00	88.00			