

# The State of Louisiana

## Actuarial Valuation Report As of July 1, 2022

Information Required Under Governmental Accounting Standards Board  
Statement No. 75

Fiscal Year Ending: June 30, 2023

May 2023





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June 6, 2023

Buck, a Gallagher Company, was retained to complete this actuarial valuation report which provides information for the State of Louisiana Postretirement Benefits Plan (“Plan”) for the fiscal year ending June 30, 2023. The purposes of the valuation are to provide reporting and disclosure information for financial statements of the Plan and of the State of Louisiana, as well as for governmental agencies and other interested parties. This valuation report contains information that is required for compliance with the Governmental Accounting Standards Board’s Statement 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions (“GASB 75”).

### **Purpose of This Report**

GASB 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, replaces Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions, and Statement No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, and is effective for fiscal years beginning after June 15, 2017. The State of Louisiana elected to adopt GASB 75 for Fiscal Year 2018.

The State of Louisiana may use this report as a source of information for its financial statements. Use of this report for any other purpose may not be appropriate and may result in mistaken conclusions due to failure to understand applicable assumptions, methodologies, or inapplicability of the report for that purpose. This report should not be provided except in its entirety.

Because of the risk of misinterpretation of actuarial results, you should ask Buck to review any statement you wish to make on the results contained in this report. Buck will accept no liability for any such statements made without prior review by Buck.

Future actuarial measurements may differ significantly from current measurements due to such factors as the following: retiree group benefits program experience differing from that anticipated by the assumptions, changes in assumptions, changes expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period), and changes in plan provisions, applicable law or regulations. Retiree group benefit models necessarily rely on the use of approximations and estimates and are sensitive to changes in these approximations and estimates. Small variations in these

approximations and estimates may lead to significant changes in actuarial measurements. An analysis of the potential range of such future differences other than the required disclosures related to the sensitivity to discount rate and healthcare cost trend rate assumptions is beyond the scope of this report.

### **Data, Assumptions, Methods and Plan Provisions**

This valuation was performed using employee census data, premiums, claims and enrollment data, and plan provisions provided by the State of Louisiana personnel. Although we did not audit the data, we reviewed the data for reasonableness and consistency with the prior year's information. A detailed review of the data and its sources beyond that necessary to develop the analysis was not performed and is beyond the scope of the analysis. The results of the valuation are dependent on the accuracy of the data.

Based on input from the Office of Statewide Reporting & Accounting Policy, an adjustment was made to the employer's actual benefit payments for the year ending June 30, 2022 for excluded agencies that were provided to Buck by the OGB. More detail about this adjustment is provided on page 11 of this report.

Life insurance premium rates were updated, resulting in a decrease in the plan's liability.

The entry age normal liabilities presented herein were determined as of July 1, 2022 using data as of that date provided by the State of Louisiana. Liabilities and certain expense items are allocated to each agency based on the individual agency's proportionate share percentage as of July 1, 2022. The individual agency's proportionate share percentage is based on the agency's individual OPEB actuarial accrued liability (AAL) in relation to the total OPEB AAL liability for all participating entities included in the State of Louisiana reporting entity. For excluded agencies, liabilities and expense items are calculated directly by agency.

The assumptions, methods, and plan provisions used were the same as those in the State of Louisiana Actuarial Valuation as of July 1, 2021 dated June 16, 2022, except for the following:

- The discount rate increased from 2.18% to 4.09% since the previous valuation, which decreased the Plan's liability.
- Baseline per capita costs (PCCs) and medical plan election percentages were updated to reflect 2022 claims and enrollment. Plan claims and premiums increased less than had been expected, which decreased the Plan's liability.
- The termination rate for LASERS Wildlife participants was updated to be consistent with the rates used in the LASERS pension valuation. This resulted in an increase in the Plan's liability.
- The mortality rates for LASERS Public Safety participants were updated to be consistent with the rates used in the LASERS pension valuation. This resulted in an increase in the Plan's liability.

The impact of these changes from the prior valuation are as follows:

**Change in Actuarial Accrued Liability from 7/1/2021 Valuation (in \$1,000s):**

	<u>Included Agencies</u>		<u>Excluded Agencies</u>	
<b>7/1/2021 Valuation</b>	9,156,641		5,880,187	
Expected growth during the year	<u>155,268</u>		<u>149,319</u>	
Expected at 7/1/2022	9,311,909		6,029,506	
<u>Change due to Experience:</u>				
Updated Census	132,763	1.4%	17,376	0.3%
Change in Life Insurance Premiums	(16,454)	-0.2%	(6,684)	-0.1%
Other	<u>11,340</u>	0.1%	<u>15,758</u>	0.3%
Total Plan Experience	127,649		26,450	
<u>Change due to Assumptions:</u>				
Discount rate (from 2.18% to 4.09%)	(2,228,550)	-23.9%	(1,451,757)	-24.1%
Updated PCCs / Premiums / Plan Election %	(492,278)	-5.3%	(314,298)	-5.2%
LASERS Wildlife Term Rates	1,278	0.0%	0	0.0%
LASERS Public Safety Mortality	<u>28,564</u>	0.3%	<u>141</u>	0.0%
Total Assumption Changes	(2,690,986)		(1,765,914)	
Net Change	(2,563,337)	-27.5%	(1,739,464)	-28.8%
<b>7/1/2022 Valuation</b>	6,748,572		4,290,042	

**COVID-19**

We considered the potential impact of the COVID-19 pandemic on the July 1, 2022 liabilities; however, we did not make any explicit adjustments to our calculations. We will continue to monitor the impact of the pandemic and will adjust our valuation if deemed necessary.

**ASOP 56**

Actuarial Standards of Practice No. 56 ("ASOP 56") requires actuaries to disclose information when performing actuarial services with respect to designing, developing, selecting, modifying, using, reviewing, or evaluating models. In performing this assignment, we used the models discussed below.

<b>Model Name</b>	<b>Intended Purpose</b>	<b>Material Inconsistencies, Unreasonable Output, Limitations or Weaknesses</b>	<b>Reliance</b>
ProVal	Valued the OPEB liabilities, expense and projected pay-as-you-go costs	None known	Buck relied on the model, which was developed by actuaries at Winklevoss Technologies. We reviewed the model for reasonableness before using it.
Comprehensive Benefit Pricing Model, 2018v1.01	Provided benchmark data and pricing capabilities. Enabled us to calculate per capita costs and actuarial values of different commercial health plans.	None known	Buck relied on the model, which was developed using industry data by actuaries and consultants at OptumInsight. We reviewed the model for reasonableness before using it.

### **Inflation Reduction Act (“IRA”)**

The Inflation Reduction Act of 2022 was signed into law on August 16, 2022. The law makes several changes that will impact Medicare Part D plan design and financing beginning in 2024. Additionally, the law will extend expanded ACA premium tax credits through 2025. As it currently stands, the law is expected to impact EGWP plans. Based on information that we have received from PBMs and discussions with the Big Four Audit firms, we have not made any adjustments to our valuation as a result of this Act. There are several varying viewpoints on this topic, ranging from cost increases, no overall impact, and cost savings. We will monitor emerging regulatory guidance for the potential impacts of this legislation on the valuation.

### **Healthcare Reform**

The Patient Protection and Affordable Care Act (PPACA), was signed March 23, 2010, with further changes enacted by the Health Care and Education Affordability Reconciliation Act (HCEARA), signed March 30, 2010. This legislation included many reforms including changes to the Medicare Part D drug program, expansion of child coverage, changes in funding to Medicare Advantage programs, elimination of limits for essential health benefits, and the implementation of a variety of revenue raisers. These changes have been incorporated into the operation of the plan and we have not identified any specific provision of health care reform that would be expected to have a significant future impact on the measured obligation.

## **Actuarial Certification**

The assumptions used for financial accounting purposes were selected by the plan sponsor with our advice. In our opinion, the actuarial assumptions used are appropriate for purposes of the valuation and are reasonably related to the experience of the Plan and to reasonable long-term expectations. The cost results and actuarial exhibits presented in this report were determined on a consistent and objective basis in accordance with applicable Actuarial Standards of Practice and generally accepted actuarial procedures. To the best of our knowledge, the information fairly presents the actuarial position of the State of Louisiana Postretirement Benefits Plan in accordance with the requirements of GASB Statement No. 75.

It is important to note that the measurement of postretirement medical obligations is extremely sensitive to the assumptions chosen. The results presented above and in more detail in the next sections are based upon one set of reasonable assumptions. Other sets of equally reasonable assumptions can yield materially lesser or greater obligations.

This report represents a statement of actuarial opinion by the undersigned actuary. Stephen Oates is an Associate of the Society of Actuaries, and a Member of the American Academy of Actuaries. He has met the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein. This report has been prepared in accordance with all applicable Actuarial Standards of Practice and he is available to answer questions about it.

Respectfully submitted,

A handwritten signature in cursive script that reads "Stephen Oates".

Stephen Oates, ASA, EA, MAAA  
Principal, Health Actuary  
Buck

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## Summary – Included Agencies

This section summarizes results for Primary Government, Component Units, and Fiduciary Funds of the State of Louisiana Annual Comprehensive Financial Report in total. Appendix A presents results by Agency, summarized into subtotals for Primary Government, Component Units, and Fiduciary Funds. Liabilities and certain expense items are allocated to each agency based on the individual agency's proportionate share percentage as of July 1, 2022. The individual agency's proportionate share percentage is based on the agency's individual OPEB actuarial accrued liability (AAL) in relation to the total OPEB AAL liability for all participating entities included in the State of Louisiana reporting entity.

The results for the Excluded Agencies are summarized later in this report, using the same assumptions and plan provisions as documented for all other agencies.

To the extent that Agencies offer subsidies to their employees that differ from those documented in this report, these results do not reflect these differences and may not be suitable for financial reporting.

### Plan membership

Membership Status as of July 1, 2022	Medical <sup>[1]</sup>	Life Insurance	Medical <sup>[1]</sup> and/or Life
Inactive plan members currently receiving benefits	33,886	23,615	40,557
Spouses of Inactive plan members currently receiving benefits	9,998	7,789	12,449
Inactive plan members entitled to but not yet receiving benefits	N/A	N/A	N/A
Active plan members	<u>43,135</u>	<u>52,525</u>	<u>52,525</u>
Total	87,019	83,929	105,531

[1] Participants with current LSU medical coverage are not included in this valuation.

The State of Louisiana funds the Plan on a pay-as-you-go basis.

### Total OPEB Liability

Measurement Date	July 1, 2022	July 1, 2021	July 1, 2020
Reporting for Fiscal Year End	June 30, 2023	June 30, 2022	June 30, 2021
Total OPEB liability (in 1,000s)	\$6,748,572	\$9,156,641	\$8,284,688



# GASB 75 Results – Included Agencies

## Schedules of Changes in Total OPEB Liability

Change in Total OPEB Liability			
Measurement Date	July 1, 2022	July 1, 2021	July 1, 2020
Reporting for Fiscal Year End	June 30, 2023	June 30, 2022	June 30, 2021
Total OPEB liability at beginning of year	\$9,156,641	\$8,284,688	\$7,722,339
Service cost	249,314	207,768	191,013
Interest	201,842	222,000	216,859
Changes of benefit terms		0	0
Differences between expected and actual experience	127,649	71,276	159,216
Changes of assumptions or other input	(2,690,986)	666,033	278,487
Benefit payments	<u>(295,888)</u>	<u>(295,124)</u>	<u>(283,226)</u>
Net changes	(2,408,069)	871,953	562,349
Total OPEB liability at end of year	\$6,748,572	\$9,156,641	\$8,284,688

**A. Benefit changes:** None.

**B. Changes of assumptions:**

1. The discount rate has increased from 2.18% to 4.09%.
2. Baseline per capita costs (PCCs) were updated to reflect 2022 claims and enrollment.
3. Medical plan election percentages were updated based on the coverage elections of recent retirees.
4. The withdrawal assumption for LASERS Wildlife participants and the mortality rate assumptions for LASERS Public Safety participants have been updated.

## Sensitivity of the Total OPEB Liability

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate	1% Decrease 3.09%	Current Discount Rate 4.09%	1% Increase 5.09%
Total OPEB liability	\$ 7,791,946	\$ 6,748,572	\$ 5,910,549

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate	1% Decrease	Current Trend Rate	1% Increase
Total OPEB liability	\$ 5,904,239	\$ 6,748,572	\$ 7,808,815

## GASB 75 OPEB Expense

Components of OPEB Expense for the Fiscal Year Ended	June 30, 2023	June 30, 2022	June 30, 2021
Service cost	\$249,314	\$207,768	\$191,013
Interest on the total OPEB liability and net cash flow	201,842	222,000	216,859
Projected earnings on OPEB plan investments	0	0	0
Current period effect of benefit changes	0	0	0
Current period difference between expected and actual experience	28,366	15,839	35,381
Current period effect of changes in assumptions or other input	(597,997)	148,007	61,886
Current period recognition of prior years' deferred outflows of resources	287,793	123,947	26,680
Current period recognition of prior years' deferred inflows of resources	(290,010)	(394,076)	(462,700)
<b>Total OPEB expense</b>	<b>\$(120,692)</b>	<b>\$323,485</b>	<b>\$69,119</b>

## Deferred Inflows and Outflows of Resources

Following are the details of the recognized and deferred inflows and outflows of resources.

Annual Amortization of Deferred (Inflows)/Outflows	
Amounts reported as deferred (inflows)/outflows of resources related to OPEB will be recognized in future fiscal years as follows:	
2024	(419,822)
2025	(357,150)
2026	(487,706)
2027	(284,813)
2028	0
Thereafter	0

## Deferred Inflows and Outflows of Resources (continued)

Amortization of Experience (Gains)/Losses -

Fiscal Year Ending									
June 30,	2018	2019	2020	2021	2022	2023	Outflows	Inflows	Total
Amount established	\$ -	\$ (47,837)	\$ 120,061	159,216	71,276	127,649			
Recognition Period	-	4.50	4.50	4.50	4.50	4.50			
Amount recognized in FY									
2018	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2019	-	(10,630)	-	-	-	-	-	(10,630)	(10,630)
2020	-	(10,630)	26,680	-	-	-	26,680	(10,630)	16,050
2021	-	(10,630)	26,680	35,381	-	-	62,061	(10,630)	51,431
2022	-	(10,630)	26,680	35,381	15,839	-	77,900	(10,630)	67,270
2023	-	(5,317)	26,680	35,381	15,839	28,366	106,266	(5,317)	100,949
2024	-	-	13,341	35,381	15,839	28,366	92,927	-	92,927
2025	-	-	-	17,692	15,839	28,366	61,897	-	61,897
2026	-	-	-	-	7,920	28,366	36,286	-	36,286
2027	-	-	-	-	-	14,185	14,185	-	14,185
2028	-	-	-	-	-	-	-	-	-
Deferred Balance at 6/30									
2018	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2019	-	(37,207)	-	-	-	-	-	(37,207)	(37,207)
2020	-	(26,577)	93,381	-	-	-	93,381	(26,577)	66,804
2021	-	(15,947)	66,701	123,835	-	-	190,536	(15,947)	174,589
2022	-	(5,317)	40,021	88,454	55,437	-	183,912	(5,317)	178,595
2023	-	-	13,341	53,073	39,598	99,283	205,295	-	205,295
2024	-	-	-	17,692	23,759	70,917	112,368	-	112,368
2025	-	-	-	-	7,920	42,551	50,471	-	50,471
2026	-	-	-	-	-	14,185	14,185	-	14,185
2027	-	-	-	-	-	-	-	-	-

The average of the expected remaining service lives of all employees that are provided with benefits through the plan (active and inactive employees) determined at July 1, 2021 is 4.5 years.

## Deferred Inflows and Outflows of Resources (continued)

### Amortization of Changes in Assumptions or Other Inputs

Fiscal Year Ending June 30,	2018	2019	2020	2021	2022	2023	Outflows	Inflows	Total
Amount established	\$ (591,241)	\$ (318,631)	\$ (1,121,805)	\$ 278,487	\$ 666,033	\$ (2,690,986)			
Recognition Period	4.48	4.50	4.50	4.50	4.50	4.50			
Amount recognized in FY									
2018	\$ (131,973)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (131,973)	\$ (131,973)
2019	(131,973)	(70,807)	-	-	-	-	-	(202,780)	(202,780)
2020	(131,973)	(70,807)	(249,290)	-	-	-	-	(452,070)	(452,070)
2021	(131,973)	(70,807)	(249,290)	61,886	-	-	61,886	(452,070)	(390,184)
2022	(63,349)	(70,807)	(249,290)	61,886	148,007	-	209,893	(383,446)	(173,553)
2023	-	(35,403)	(249,290)	61,886	148,007	(597,997)	209,893	(882,690)	(672,797)
2024	-	-	(124,645)	61,886	148,007	(597,997)	209,893	(722,642)	(512,749)
2025	-	-	-	30,943	148,007	(597,997)	178,950	(597,997)	(419,047)
2026	-	-	-	-	74,005	(597,997)	74,005	(597,997)	(523,992)
2027	-	-	-	-	-	(298,998)	-	(298,998)	(298,998)
2028	-	-	-	-	-	-	-	-	-
Deferred Balance at 6/30									
2018	\$ (459,268)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (459,268)	\$ (459,268)
2019	(327,295)	(247,824)	-	-	-	-	-	(575,119)	(575,119)
2020	(195,322)	(177,017)	(872,515)	-	-	-	-	(1,244,854)	(1,244,854)
2021	(63,349)	(106,210)	(623,225)	216,601	-	-	216,601	(792,784)	(576,183)
2022	-	(35,403)	(373,935)	154,715	518,026	-	672,741	(409,338)	263,403
2023	-	-	(124,645)	92,829	370,019	(2,092,989)	462,848	(2,217,634)	(1,754,786)
2024	-	-	-	30,943	222,012	(1,494,992)	252,955	(1,494,992)	(1,242,037)
2025	-	-	-	-	74,005	(896,995)	74,005	(896,995)	(822,990)
2026	-	-	-	-	-	(298,998)	-	(298,998)	(298,998)
2027	-	-	-	-	-	-	-	-	-

The average of the expected remaining service lives of all employees that are provided with benefits through the plan (active and inactive employees) determined at July 1, 2021 is 4.5 years.

## Summary – Excluded Agencies

This section summarizes results for Excluded Agencies. Excluded agencies are those agencies excluded from the State of Louisiana Annual Comprehensive Financial Report. Appendix B presents results by Agency for the Excluded Agencies, using the same assumptions and plan provisions as documented for all other agencies. Liabilities and expense items are calculated directly by agency.

To the extent that Agencies offer subsidies to their employees that differ from those documented in this report, these results do not reflect these differences and may not be suitable for financial reporting.

### Plan membership

Membership Status as of July 1, 2022	Medical <sup>[1]</sup>	Life Insurance	Medical <sup>[1]</sup> and/or Life Insurance
Inactive plan members currently receiving benefits	21,435	12,032	24,214
Spouses of Inactive plan members currently receiving benefits	5,896	3,174	6,726
Inactive plan members entitled to but not yet receiving benefits	N/A	N/A	N/A
Active plan members	<u>30,154</u>	<u>31,120</u>	<u>31,120</u>
Total	57,485	46,326	62,060

[1] Participants with current LSU medical coverage are not included in this valuation.

The State of Louisiana funds the Plan on a pay-as-you-go basis.

### Total OPEB Liability

Measurement Date	July 1, 2022	July 1, 2021	July 1, 2020
Reporting for Fiscal Year End	June 30, 2023	June 30, 2022	June 30, 2021
Total OPEB liability (in \$1,000s)	\$4,290,042	\$5,880,187	\$5,287,608

# GASB 75 Results – Excluded Agencies

## Schedules of Changes in Total OPEB Liability

Change in Total OPEB Liability			
Measurement Date	July 1, 2022	July 1, 2021	July 1, 2020
Reporting for Fiscal Year End	June 30, 2023	June 30, 2022	June 30, 2021
Total OPEB liability at beginning of year	\$5,880,187	\$5,287,608	\$5,031,032
Service cost	194,838	161,897	151,573
Interest	130,527	142,685	142,340
Changes of benefit terms	0	0	0
Differences between expected and actual experience	26,450	21,748	63,101
Changes of assumptions or other input	(1,765,914)	438,157	62,299
Benefit payments	<u>(176,046)</u>	<u>(171,908)</u>	<u>(162,737)</u>
Net changes	<u>(1,590,145)</u>	<u>592,579</u>	<u>256,576</u>
Total OPEB liability at end of year	\$4,290,042	\$5,880,187	\$5,287,608

Benefit payments for Fiscal Year End June 30, 2023 were adjusted as described on page 11.

**A. Benefit changes:** None.

**B. Changes of assumptions:**

1. The discount rate has increased from 2.18% to 4.09%.
2. Baseline per capita costs (PCCs) were updated to reflect 2022 claims and enrollment.
3. Medical plan election percentages were updated based on the coverage elections of recent retirees.
4. The withdrawal assumption for LASERS Wildlife participants and the mortality rate assumptions for LASERS Public Safety participants have been updated.

## Sensitivity of the Total OPEB Liability

<b>Sensitivity of the Total OPEB Liability to Changes in the Discount Rate</b>	<b>1% Decrease 3.09%</b>	<b>Current Discount Rate 4.09%</b>	<b>1% Increase 5.09%</b>
Total OPEB liability	\$ 4,969,362	\$ 4,290,042	\$ 3,745,059

<b>Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate</b>	<b>1% Decrease</b>	<b>Current Trend Rate</b>	<b>1% Increase</b>
Total OPEB liability	\$ 3,722,882	\$ 4,290,042	\$ 5,007,922

## GASB 75 OPEB Expense

<b>Components of OPEB Expense for the Fiscal Year Ended</b>	<b>June 30, 2023</b>	<b>June 30, 2022</b>	<b>June 30, 2021</b>
Service cost	\$194,838	\$161,897	\$151,573
Interest on the total OPEB liability and net cash flow	130,527	142,685	142,340
Projected earnings on OPEB plan investments	0	0	0
Current period effect of benefit changes	0	0	0
Current period difference between expected and actual experience	5,510	4,531	13,146
Current period effect of changes in assumptions or other input	(367,899)	91,283	12,979
Current period recognition of prior years' deferred outflows of resources	132,896	37,082	10,957
Current period recognition of prior years' deferred inflows of resources	(192,017)	(237,932)	(237,932)
<b>Total OPEB expense</b>	<b>\$(96,145)</b>	<b>\$199,546</b>	<b>\$93,063</b>

## Deferred Inflows and Outflows of Resources

Following are the details of the recognized and deferred inflows and outflows of resources.

<b>Annual Amortization of Deferred (Inflows)/Outflows</b>	
Amounts reported as deferred (inflows)/outflows of resources related to OPEB will be recognized in future fiscal years as follows:	
2024	(336,364)
2025	(245,675)
2026	(285,740)
2027	(289,908)
2028	0
Thereafter	0

# Deferred Inflows and Outflows of Resources (continued)

Amortization of Experience (Gains)/Losses -

Fiscal Year Ending June 30,	2018	2019	2020	2021	2022	2023	Outflows	Inflows	Total
Amount established	\$ -	\$ (56,040)	\$ 52,594	63,101	21,748	26,450			
Recognition Period	-	4.80	4.80	4.80	4.80	4.80			
Amount recognized in FY									
2018	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2019	-	(11,675)	-	-	-	-	-	(11,675)	(11,675)
2020	-	(11,675)	10,957	-	-	-	10,957	(11,675)	(718)
2021	-	(11,675)	10,957	13,146	-	-	24,103	(11,675)	12,428
2022	-	(11,675)	10,957	13,146	4,531	-	28,634	(11,675)	16,959
2023	-	(9,340)	10,957	13,146	4,531	5,510	34,144	(9,340)	24,804
2024	-	-	8,766	13,146	4,531	5,510	31,953	-	31,953
2025	-	-	-	10,517	4,531	5,510	20,558	-	20,558
2026	-	-	-	-	3,624	5,510	9,134	-	9,134
2027	-	-	-	-	-	4,410	4,410	-	4,410
2028	-	-	-	-	-	-	-	-	-
Deferred Balance at 6/30									
2018	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2019	-	(44,365)	-	-	-	-	-	(44,365)	(44,365)
2020	-	(32,690)	41,637	-	-	-	41,637	(32,690)	8,948
2021	-	(21,015)	30,680	49,955	-	-	80,635	(21,015)	59,621
2022	-	(9,340)	19,723	36,809	17,217	-	73,749	(9,340)	64,410
2023	-	-	8,766	23,663	12,686	20,940	66,055	-	66,055
2024	-	-	-	10,517	8,155	15,430	34,102	-	34,102
2025	-	-	-	-	3,624	9,920	13,544	-	13,544
2026	-	-	-	-	-	4,410	4,410	-	4,410
2027	-	-	-	-	-	-	-	-	-

The average of the expected remaining service lives of all employees that are provided with benefits through the plan (active and inactive employees) determined at July 1, 2021 is 4.8 years.



## Deferred Inflows and Outflows of Resources (continued)

### Amortization of Changes in Assumptions or Other Inputs

Fiscal Year Ending June 30,	2018	2019	2020	2021	2022	2023	Outflows	Inflows	Total
Amount established Recognition Period	\$ (370,163) 5.44	\$ (131,347) 4.80	\$ (628,072) 4.80	\$ 62,299 4.80	\$ 438,157 4.80	\$ (1,765,914) 4.80			
Amount recognized in FY									
2018	\$ (68,045)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (68,045)	\$ (68,045)
2019	(68,045)	(27,364)	-	-	-	-	-	(95,409)	(95,409)
2020	(68,045)	(27,364)	(130,848)	-	-	-	-	(226,257)	(226,257)
2021	(68,045)	(27,364)	(130,848)	12,979	-	-	12,979	(226,257)	(213,278)
2022	(68,045)	(27,364)	(130,848)	12,979	91,283	-	104,262	(226,257)	(121,995)
2023	(29,938)	(21,891)	(130,848)	12,979	91,283	(367,899)	104,262	(550,576)	(446,314)
2024	-	-	(104,680)	12,979	91,283	(367,899)	104,262	(472,579)	(368,317)
2025	-	-	-	10,383	91,283	(367,899)	101,666	(367,899)	(266,233)
2026	-	-	-	-	73,025	(367,899)	73,025	(367,899)	(294,874)
2027	-	-	-	-	-	(294,318)	-	(294,318)	(294,318)
2028	-	-	-	-	-	-	-	-	-
Deferred Balance at 6/30									
2018	\$ (302,118)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (302,118)	\$ (302,118)
2019	(234,073)	(103,983)	-	-	-	-	-	(338,056)	(338,056)
2020	(166,028)	(76,619)	(497,224)	-	-	-	-	(739,871)	(739,871)
2021	(97,983)	(49,255)	(366,376)	49,320	-	-	49,320	(513,614)	(464,294)
2022	(29,938)	(21,891)	(235,528)	36,341	346,874	-	383,215	(287,357)	95,858
2023	-	-	(104,680)	23,362	255,591	(1,398,015)	278,953	(1,502,695)	(1,223,742)
2024	-	-	-	10,383	164,308	(1,030,116)	174,691	(1,030,116)	(855,425)
2025	-	-	-	-	73,025	(662,217)	73,025	(662,217)	(589,192)
2026	-	-	-	-	-	(294,318)	-	(294,318)	(294,318)
2027	-	-	-	-	-	-	-	-	-

The average of the expected remaining service lives of all employees that are provided with benefits through the plan (active and inactive employees) determined at July 1, 2021 is 4.8 years.

# Actuarial Assumptions and Methods

## Methods

### Valuation Date

July 1, 2022.

### Measurement Date

July 1, 2022.

### Actuarial Cost Method

Entry Age Normal, level percent of pay. Service Costs are attributed through all assumed ages of exit from active service. For current DROP participants, assumed exit from active service is the date at which DROP ends.

### Asset Valuation

N/A. Benefit payments are funded on a pay-as-you-go basis.

### Employer's Actual Benefit Payments for Excluded Agencies

Based on input from the Office of Statewide Reporting & Accounting Policy, an adjustment was made to the employer's actual benefit payments for the year ending June 30, 2022 for excluded agencies that were provided to Buck by the OGB. These payments are from the OGB Billing Premiums and Adjustments Report for the employer portion of the 2022 OPEB Benefit Payments (i.e., the employer portion of the OGB insurance premiums for retirees). The billing report classifies premiums for rehired retirees as "active" employer premiums instead of "retiree" premiums, but rehired retirees are included in the census data as retirees. The adjustment was made by multiplying the reported payments by the ratio of the expected payments determined in the valuation for total retirees (including those who have returned to work) to the expected payments for retirees who have not returned to work. This approach was first implemented for the 2021 valuation and differs from prior years, in which the benefit payments provided were used without adjustment. Note that this adjustment was only made for excluded agencies. Benefit payments for retirees who return to work in included agencies are correctly reported as retiree payments.

### Miscellaneous

The valuation was prepared on an on-going plan basis. This assumption does not necessarily imply that an obligation to continue the plan actually exists.

## Economic Assumptions

### Discount Rate

The discount rate used as of July 1, 2022 is 4.09% based on the June 30, 2022 S&P 20-year municipal bond index rate.

The discount rate used as of July 1, 2021 is 2.18% based on the June 30, 2021 S&P 20-year municipal bond index rate.

### Inflation

2.40%

### Salary Increases

Consistent with the pension valuation assumptions. Rates are shown below by group. For those employers that do not participate in one of the four state retirement systems, the rates for the LASERS Regular members were assumed.

### LASERS

The rates of salary increase are consistent with the assumption used in the June 30, 2022 Louisiana State Employees' Retirement System Actuarial Valuation. Sample rates are shown below.

Years of Service	Regular	Judges	Other*
0	12.80%	5.05%	13.80%
5	4.90%	2.55%	5.55%
10	3.60%	2.55%	4.80%
15	3.20%	2.55%	3.55%
20	3.00%	2.55%	3.55%
25	3.00%	2.55%	3.55%
30	3.00%	2.55%	3.55%

\*Other includes Corrections, Hazardous Duty, and Wildlife employee types.

### TRSL

The rates of salary increase are consistent with the assumption for Regular Teachers used in the June 30, 2022 Teachers' Retirement System of Louisiana Actuarial Valuation. Sample rates are shown below.

Years of Service	
<= 1	4.60%
2 – 5	3.70%
6 – 13	3.50%
14+	3.20%

### LSERS

The rate of salary increase is consistent with the assumption used in the June 30, 2022 Louisiana School Employees' Retirement System Actuarial Valuation.

3.25%

**LSPRS**

The rate of salary increase is consistent with the assumption used in the June 30, 2022 Louisiana State Police Retirement System Actuarial Valuation.

5.25%

**Assumed Trend**

The combined effect of price inflation and utilization on gross eligible medical and prescription drug charges is according to the table below. The initial trend rate was developed using our National Health Care Trend Survey. The survey gathers information of trend expectations for the coming year from various insurers and pharmacy benefit managers. These trends are broken out by drug and medical, as well as type of coverage (e.g. PPO, HMO, POS). We selected plans that most closely match The State of Louisiana’s benefits to set the initial trend. The ultimate trend is developed based on a building block approach which considers CPI, GDP, and Technology growth. The healthcare cost trend rates are as follows:

Year	Medical and Drug	
	Pre-65	Post-65
2022 – 2023	7.00%	5.50%
2023 – 2024	6.75%	5.40%
2024 – 2025	6.50%	5.30%
2025 – 2026	6.25%	5.20%
2026 – 2027	6.00%	5.10%
2027 – 2028	5.75%	5.00%
2028 – 2029	5.50%	4.90%
2029 – 2030	5.25%	4.80%
2030 – 2031	5.00%	4.70%
2031 – 2032	4.75%	4.60%
Thereafter	4.50%	4.50%

Retiree contribution trend: Same as medical and drug trend.

## Health Care Claim Cost

Per capita costs for the self-insured plans administered by BCBS were based on medical and prescription drug claims for retired participants for the period January 1, 2021 through December 31, 2022. The claims experience was trended to the valuation date.

Per capita costs for the fully insured HMO and Medicare Advantage plans were based on calendar year 2023 premiums adjusted to the valuation date using the trend assumptions above.

Per capita costs were adjusted for expected age-related differences in morbidity applicable to retirees, except for costs for the Via Benefits HRA plan, which provides a flat monthly subsidy. Details regarding the Age Morbidity Curve are found under Age-related Morbidity assumptions on the following page.

The table below indicates the assumed 2022 per capita costs normalized to male retiree age 65:

Plan	Without Medicare Retirement date before 3/1/15	With Medicare	Without Medicare Retirement date after 3/1/15	With Medicare
Medical Home HMO	22,350	5,315	21,867	5,203
People's MA HMO	N/A	1,567	N/A	1,567
Vantage MA HMO	N/A	1,596	N/A	1,596
BCBS MA HMO	N/A	1,978	N/A	1,978
Humana MA HMO	N/A	1,126	N/A	1,126
Via Benefits HRA	N/A	2,400	N/A	2,400
BCBS Pelican HRA	15,391	2,988	15,391	2,988
BCBS Magnolia Local/Local Plus	20,712	3,705	19,893	3,596
BCBS Magnolia Open Access	20,764	3,304	19,843	3,223

## Administrative Expenses

Included in medical claim costs, 10% load for life insurance. The 10% load is consistent with industry standards and covers insurer administrative costs, premium taxes as well as insurer margin and profit.

## Age Related Morbidity

Per capita costs are adjusted to reflect expected cost differences due to age and gender. Age morbidity factors for pre-Medicare morbidity were developed from "Health Care Costs—From Birth to Death" sponsored by the Society of Actuaries and prepared by Dale H. Yamamoto (May 2013) <sup>1</sup>. Table 4 from Mr. Yamamoto's study formed the basis of Medicare morbidity factors that are gender distinct and assumed a cost allocation of 60% for pharmacy, 20% for inpatient, 10% for outpatient, and 10% for professional services. Adjustments were made to Table 4 factors for inpatient costs at age 70 and below to smooth out what appears to be a spike in utilization for Medicare retirees gaining healthcare for the first time through Medicare. While such retirees were included in the study, their specific experience is not applicable for a valuation of an employer retiree medical plan where participants had group active coverage before retirement.

<sup>1</sup> <https://www.soa.org/resources/research-reports/2013/research-health-care-birth-death/>  
The State of Louisiana

Morbidity factors at sample ages are shown below:

Age	Male Factor	Female Factor
50	0.4612	0.5736
55	0.6085	0.6667
60	0.7829	0.7791
65	1.0000	0.9438
70	1.1873	1.1094
75	1.2752	1.2009
80	1.3381	1.2697
85	1.3479	1.3171
90	1.3235	1.3303
95	1.3047	1.2765
100	1.2878	1.1701

## Demographic Assumptions

### Basis for Assumptions

We relied upon the assumptions used in the June 30, 2022 Louisiana State Employees' Retirement System, Louisiana State Police Retirement System, the Louisiana School Employees' Retirement System, and the Teachers' Retirement System of Louisiana pension valuations for the mortality, retirement, termination, disability, and salary scale assumptions.

The assumptions used in the June 30, 2022 LASERS pension valuation were revised as of the June 30, 2019 valuation based on an experience study for the period July 1, 2013 through June 30, 2018.

The assumptions used in the June 30, 2022 TRSL pension valuation were revised as of the June 30, 2018 valuation based on an experience study for the period July 1, 2012 through June 30, 2017.

The assumptions used as of the June 30, 2022 LSERS pension valuation were revised as of the June 30, 2019 valuation based on an experience study for the period July 1, 2011 through June 30, 2018.

The assumptions used as of the June 30, 2022 LSPRS pension valuation were revised as of the June 30, 2018 LSPRS valuation based on an experience study for the period July 1, 2012 through June 30, 2017.

### Mortality

#### LASERS

For General active lives: the RP-2014 Blue Collar Employee Table, adjusted by 0.978 for males and 1.144 for females, projected from 2014 on a fully generational basis by Mortality Improvement Scale MP-2018.

For General healthy retiree lives: the RP-2014 Blue Collar Healthy Annuitant Table, adjusted by 1.280 for males and RP-2014 White Collar Healthy Annuitant Table, adjusted by 1.417 for females, projected from 2014 on a fully generational basis by Mortality Improvement Scale MP-2018.

For Public Safety active lives: the RP-2014 Blue Collar Employee Table, adjusted by 1.005 for males and 1.129 for females, projected from 2014 on a fully generational basis by Mortality Improvement Scale MP-2018.

For Public Safety healthy retiree lives: the RP-2014 Blue Collar Healthy Annuitant Table, adjusted by 1.185 for males and 1.017 for females, projected from 2014 on a fully generational basis by Mortality Improvement Scale MP-2018.

For disabled retiree lives: the RP-2000 Disabled Retiree Mortality Table, adjusted by 1.009 for males and 1.043 for females, not projected with mortality improvement.

The mortality tables used for Public Safety participants have been updated since the last valuation to align with the LASERS pension valuation.

#### **TRSL**

For active lives: the RP-2014 White Collar Employee Table, adjusted by 1.010 for males and by 0.997 for females, projected from 2014 on a fully generational basis by Mortality Improvement Scale MP-2017.

For healthy retiree lives: the RP-2014 White Collar Healthy Annuitant Table, adjusted by 1.366 for males and by 1.189 for females, projected from 2014 on a fully generational basis by Mortality Improvement Scale MP-2017.

For disabled retiree lives, the RP-2014 Disabled Retiree Mortality Table, adjusted by 1.111 for males and 1.134 for females, projected from 2014 on a fully generational basis by Mortality Improvement Scale MP-2017.

#### **LSERS**

For active lives: 130% of the RP-2014 Employee Table with Blue Collar Adjustment for males and 115% of the RP-2014 Employee Table with Blue Collar Adjustment for females, projected from 2014 on a fully generational basis by Mortality Improvement Scale MP-2017.

For healthy retiree lives: 130% of the RP-2014 Healthy Annuitant Table with Blue Collar Adjustment for males and 115% of the RP-2014 Healthy Annuitant Table with Blue Collar Adjustment for females, projected from 2014 on a fully generational basis by Mortality Improvement Scale MP-2017.

For disabled retiree lives: RP-2014 Disabled Tables for Males and Females, projected from 2014 on a fully generational basis by Mortality Improvement Scale MP-2017.

#### **LSPRS**

For active lives: the RP-2014 Total Dataset Employee Table, adjusted by 1.10 for males and by 1.05 for females, projected from 2014 on a fully generational basis by Mortality Improvement Scale MP-2017.

For healthy retiree lives: the RP-2014 Total Dataset Healthy Annuitant Table, adjusted by 1.10 for males and by 1.05 for females, projected from 2014 on a fully generational basis by Mortality Improvement Scale MP-2017.

For disabled retiree lives: RP-2014 Disabled Tables for Males and Females, projected from 2014 on a fully generational basis by Mortality Improvement Scale MP-2017.

## Retirement

The rates of retirement are consistent with the assumptions used in the June 30, 2022 pension valuations. The retirement rates for LASERS and TRSL include DROP rates. Sample rates are shown below.

### LASERS

Regular Members					
Age	Years of Service				
	<10	10-19	20-24	25-29	30+
55	0%	18%	18%	60%	60%
60	35%	35%	35%	35%	35%
65	20%	20%	20%	20%	20%
66	18%	18%	18%	18%	18%
67	18%	18%	18%	18%	18%
68	18%	18%	18%	18%	18%
69	18%	18%	18%	18%	18%
70-74	18%	18%	18%	18%	18%
75+	100%	100%	100%	100%	100%

Age	Judicial			Other*	
	Years of Service			Years of Service	
	<12	12-17	18+	<10	10+
55	0%	20.8%	11.5%	0%	23.5%
60	10.8%	9.0%	23.8%	50%	24%
65	10.8%	18.2%	17.3%	32.5%	19.6%
66	10.8%	10.5%	12.2%	32.5%	19.6%
67	10.8%	10.5%	12.2%	32.5%	19.6%
68	10.8%	10.5%	12.2%	32.5%	19.6%
69	10.8%	10.5%	12.2%	32.5%	19.6%
70	10.8%	10.5%	12.2%	32.5%	19.6%
71	10.8%	10.5%	12.2%	32.5%	19.6%
72-74	10.8%	10.5%	54.5%	32.5%	19.6%
75+	100%	100%	100%	100%	100%

\*Other includes Corrections, Hazardous Duty, and Wildlife employee types.

### TRSL

Age	Years of Service		
	<25	25-29	30+
50	3.5%	4.5%	45.0%
55	18.0%	76.0%	27.0%
60	23.5%	25.0%	23.0%
65	25.0%	23.5%	27.0%
70 +	20.0%	22.0%	22.5%



**LSERS**

Age	Retirement	DROP
47	17%	83%
50	17%	48%
55	19%	81%
60	23%	61%
65	27%	32%
70	22%	22%
75+	23%	39%

**LSPRS**

Age	
42	0%
43-49	10%
50-56	25%
57-62	50%
63-74	99%
75+	100%

**Disability Rates**

Consistent with the pension valuation assumptions. Rates at sample ages are shown below by group.

Age	LASERS Regular	LASERS Judges	LASERS Other*	TRSL	LSERS	LSPRS
40	0.10%	0.00%	0.17%	0.12%	0.17%	0.17%
45	0.15%	0.02%	0.28%	0.19%	0.31%	0.31%
50	0.22%	0.02%	0.55%	0.30%	0.59%	0.59%
55	0.30%	0.02%	0.80%	0.50%	1.11%	1.11%
60	0.00%	0.02%	0.00%	0.48%	2.68%	2.68%

\*Other includes Corrections, Hazardous Duty, and Wildlife employee types.

**Termination Rates**

Consistent with the pension valuation assumptions. Rates at sample ages are shown below by group.

**LASERS**

Regular:

Age	Years of Service					
	<1	1	2-3	4-6	7-9	10+
20	50.0%	38.0%	33.0%	23.0%	10.5%	8.0%
30	29.0%	23.0%	18.0%	13.3%	10.5%	8.0%
40	28.0%	18.0%	15.0%	13.0%	8.0%	5.5%
45	25.0%	18.0%	14.0%	12.5%	8.0%	5.0%
50	25.0%	18.0%	12.5%	11.5%	7.5%	5.0%
55	20.0%	18.0%	11.5%	8.5%	7.0%	5.0%
60	20.0%	18.0%	11.5%	8.5%	7.0%	5.0%

Judicial: Flat rate of withdrawal of 1.20% for all ages and services.

Wildlife:

Service	
0-5	7.6%
6	0.5%

The termination rates used for Wildlife employees have been updated since the last valuation to align with the LASERS pension valuation.

Corrections and Hazardous Duty:

Age	Years of Service						
	<1	1	2	3-4	5-7	8-9	10+
20	58.0%	39.0%	30.0%	37.0%	15.5%	6.4%	2.8%
30	43.5%	25.5%	24.0%	20.0%	13.5%	6.4%	2.8%
40	41.0%	21.0%	20.0%	15.5%	9.0%	6.4%	2.8%
45	32.0%	17.0%	12.0%	15.5%	9.0%	6.4%	2.8%
50	27.5%	17.0%	12.0%	10.0%	9.0%	6.4%	2.8%
55	27.5%	17.0%	9.0%	10.0%	9.0%	6.4%	2.8%
60	19.0%	17.0%	9.0%	10.0%	9.0%	6.4%	2.8%

**TRSL**

Age	Years of Service			
	<=1	2	3	>=4
20	25.0%	25.0%	16.5%	17.0%
30	18.0%	13.5%	11.3%	7.0%
40	16.5%	12.0%	9.0%	4.2%
45	15.0%	12.0%	9.0%	4.2%
50	15.0%	12.0%	9.0%	4.2%
55	15.0%	12.0%	9.0%	4.2%
60	15.0%	12.0%	9.0%	10.0%

**LSERS**

Service	Service	Service	Service	Service	Service
<1	7.0%	10	4.0%	20	5.0%
1	13.0%	11	4.0%	21	5.0%
2	12.0%	12	3.0%	22	4.0%
3	9.0%	13	3.0%	23	5.0%
4	7.0%	14	2.0%	24	5.0%
5	6.0%	15	1.0%	25	5.0%
6	6.0%	16	1.0%	26	3.0%
7	6.0%	17	2.0%	27	2.0%
8	6.0%	18	3.0%	28	10.0%
9	5.0%	19	5.0%	>28	1.0%

**LSPRS**

Service	Service
< 1	3.6%
< 2	2.6%
< 3	1.1%
< 4	0.9%
< 5	1.8%
< 6	2.8%
< 7	3.0%
< 8	2.7%
< 9	2.1%
< 10	1.7%
< 11	1.6%
< 12	1.4%
< 24	0.3%
24+	1.0%

**Participation Rate**

Medical: Active employees who do not have current medical coverage are assumed not to participate in the medical plan as retirees. The percentage of employees and their dependents who are currently covered for medical coverage that are assumed to participate in the retiree medical plan is outlined in the table below. This assumption is based on a review of OPEB experience from July 1, 2017 through June 30, 2020. To be eligible for retiree coverage, the participant's coverage must be in effect immediately prior to retirement. Active participants who have been covered continuously under the OGB medical plan since before January 1, 2002 are assumed to participate at a rate of 88%. This rate assumes that a one-time irrevocable election to participate is made at the time of retirement.

Years of Service	Participation %
<10	33%
10-14	60%
15-19	80%
20+	88%

**Life Insurance**

Future retirees are assumed to participate in the life insurance benefit at a 36% rate. This assumption is based on a review of OPEB experience from July 1, 2017 through June 30, 2020. Future retirees are assumed to elect a total of \$45,000 in basic life insurance and supplemental life insurance coverage, before any age reductions. Spouses are assumed to elect \$2,000 of coverage.

**Plan Election Percentage**

Current retirees are assumed to remain in their current plan. Future retirees are assumed to elect coverage based on the coverage elections of recent retirees, as follows:

Medical Plan	Pre-Medicare %	Medicare %
BCBS Pelican HRA	7%	4%
BCBS Magnolia L/LP	80%	71%
BCBS Magnolia OA	10%	17%
Vantage Medical Home HMO	3%	2%
People's MA HMO		1%
Vantage MA HMO		1%
BCBS MA HMO		2%
Humana MA HMO		1%
Via Benefits HRA		1%

This assumption has been updated since the prior valuation based on a review of the past three years of experience.

**Dependents**

Actual data was used for spouses of current retirees. Of those future retirees electing coverage at retirement, 35% are assumed to be married at time of retirement and elect to cover their spouse in the same medical arrangement that they have elected.

For future retirees, male retirees are assumed to be three years older than their spouses and female retirees are assumed to be two years younger than their spouses.

These assumptions are based on a review of experience from July 1, 2017 through June 30, 2020.

No divorce or remarriage after widowhood was reflected.

**Medicare Eligibility**

99% of future retirees are assumed to be eligible for Medicare at age 65. Retirees under age 65 at 7/1/2017 are assumed to become eligible for Medicare at age 65 at varying rates, based upon how soon they turn age 65, as follows:

Turns Age 65 by	Medicare Eligibility %
7/1/2021	90%
7/1/2022	91%
7/1/2023	92%
7/1/2024	93%
7/1/2025	94%
7/1/2026	95%
7/1/2027	96%
7/1/2028	97%
7/1/2029	98%
After 7/1/2030	99%

Retirees over age 65 are valued according to their reported Medicare status, which is assumed never to change. All current spouses are assumed to be Medicare eligible at age 65. Medicare eligibility assumptions for future spouses are consistent with the assumptions for future retirees. These assumptions are based on a review of experience from July 1, 2017 through June 30, 2020.

**DROPS**

Current DROPS are valued using actual DROP end dates, where available. Otherwise, the DROP period was assumed to be three years. This assumption is consistent with the plan provisions of the DROP program in LASERS, LSERS, and TRSL.

For LASERS and TRSL, 60% of retirements in the first year of normal retirement eligibility are assumed to be DROPS.

50% of DROPS are assumed to return to active employment at the end of the DROP period.

# Summary of Plan Provisions

## Eligibility

An active employee, covered by the active health plan immediately prior to retirement, is eligible for lifetime retiree medical and life insurance benefits for the retiree and spouse if he or she retires under a Statewide Retirement System (State, Teachers, Schools and Police).

<b>State Retirement Plan</b>	<b>Normal Retirement (Age &amp; Service Requirements)</b>
Alcohol and Tobacco Control	60 & 10 or 25 yos
Appellate law clerk	65 & 10 or 55 & 12 or age 70 or 18 yos
Bridge employees	60 & 10 or 25 yos
Correctional (hired before 12/31/2001)	60 & 10 or 50 & 20 or 25 yos
Correctional 2 (hired after 12/31/2001)	60 & 10 or 25 yos
Hazardous duty	55 & 12 or 25 yos
Judicial (hired before 1/1/2011)	65 & 10 or 55 & 12 or age 70 or 18 yos
Judicial 2 (hired between 1/1/2011 and 6/30/2015)	60 & 5
Judicial 3 (hired after 6/30/2015)	62 & 5
Legislator	55 & 12 or 50 & 20 or 16 yos
Police officer	60 & 10 or 55 & 25 or 30 yos
Regular Employee (hired before 7/1/2006)	60 & 10 or 55 & 25 or 30 yos
Regular Employee 2 and 3 (hired after 7/1/2006)	60 & 5
Regular Employee 4 (hired after 7/1/2015)	62 & 5
Special legislative employees	65 & 10 or 55 & 12 or 50 & 20 or 16 yos
Wildlife officer (hired before 7/1/2003)	55 & 10 or 20 yos
Wildlife officer 2 (hired after 7/1/2003)	60 & 10 or 25 yos
<b>Teachers Retirement Plan</b>	
Hired before 7/1/1999	65 & 20 or 55 & 25 or 30 yos
Hired between 7/1/1999 and 1/1/2011	60 & 5 or 55 & 25 or 30 yos
Hired between 1/1/2011 and 7/1/2015	60 & 5
Hired after 7/1/2015	62 & 5
<b>School Retirement Plan</b>	
Hired before 7/1/2010	60 & 10 or 55 & 25 or 30 yos
Hired between 7/1/2010 and 7/1/2015	60 & 5
Hired after 7/1/2015	62 & 5
<b>Police Retirement Plan</b>	
Hired before 1/1/2011	50 & 10 or 25 yos
Hired after 1/1/2011	55 & 12 or 25 yos

Early Retirement: The State offers reduced retirement at 20 years of service at any age for all groups except Correctional secondary and Wildlife Officers.

**Medical Benefits**

Retirees under age 65 can elect coverage under the following plans:

- BCBS Pelican HRA
- BCBS Magnolia Local/Local Plus
- BCBS Magnolia Open Access
- Vantage Medical Home HMO

Retirees over age 65 can elect coverage under the following plans:

- BCBS Pelican HRA
- BCBS Magnolia Local/Local Plus
- BCBS Magnolia Open Access
- Vantage Medical Home HMO
- People's Medicare Advantage HMO
- Vantage Medicare Advantage HMO (Premium/Standard/Basic)
- BCBS Medicare Advantage HMO (varies by region)
- Humana Medicare Advantage HMO (varies by region)
- Via Benefits HRA

**Retired prior to March 1, 2015:**

Magnolia Local Plus	Non-Medicare and Medicare Retirees	
	In Network	Out of Network
Deductible	\$0	No Coverage
Out of Pocket Max		
Employee Only	\$2,000	
Family (EE + 2 dependents)	\$4,000	
Coinsurance	N/A	
Physicians' Services	\$25 PCP / \$50 Spec	
Hospital Services	\$100 per day; max \$300 per admission	

Magnolia Open Access	Non-Medicare Retirees		Medicare Retirees
	In Network	Out of Network	In and Out of Network
Deductible	\$300 (\$900 Family)	\$300 (\$900 Family)	\$300 (\$900 Family)
Out of Pocket Max			
Employee Only	\$2,300	\$4,300	\$3,300
Family (EE + 2 dependents)	\$4,900	\$10,300	\$7,900
Coinsurance	90%	70%	80%
Physicians' Services	90% Coverage	70% Coverage	80% Coverage
Hospital Services	90% Coverage	70% Coverage and \$50 per day copay (days 1 - 5)	80% Coverage

Vantage Medical Home HMO	Non-Medicare and Medicare Retirees	
	In Network	Out of Network
Deductible	\$0	\$2,000 (\$6,000 Family)
Out of Pocket Max		
Employee Only	\$2,000	\$5,000
Family (EE + 2 dependents)	\$4,000	\$15,000
Coinsurance	N/A	50%
Physicians' Services	\$20 PCP / \$45 Spec in Affiliated Health Network ("AHN")	50% Coverage
Hospital Services	\$100 per day; max \$300 per admission (AHN)	50% Coverage

**Retiring on or after March 1, 2015:**

Magnolia Local Plus	Non-Medicare and Medicare Retirees	
	In Network	Out of Network
Deductible	\$400 (\$1,200 Family)	No Coverage
Out of Pocket Max		
Employee Only	\$3,500	
Family (EE + 2 dependents)	\$8,500	
Coinsurance	N/A	
Physicians' Services	\$25 PCP / \$50 Spec	
Hospital Services	\$100 per day; max \$300 per admission	

Magnolia Open Access	Non-Medicare Retirees		Medicare Retirees	
	In Network	Out of Network	In Network	Out of Network
Deductible	\$900 (\$2,700 Family)	\$900 (\$2,700 Family)	\$900 (\$2,700 Family)	\$900 (\$2,700 Family)
Out of Pocket Max				
Employee Only	\$3,500	\$4,700	\$3,500	\$4,700
Family (EE + 2 deps)	\$8,500	\$12,250	\$8,500	\$12,250
Coinsurance	90%	70%	80%	80%
Physicians' Services	90% Coverage	70% Coverage	80% Coverage	80% Coverage
Hospital Services	90% Coverage	70% Coverage and \$50 per day copay (days 1 - 5)	80% Coverage	80% Coverage and \$50 per day copay (days 1 - 5)

Vantage Medical Home HMO	Non-Medicare and Medicare Retirees	
	In Network	Out of Network
Deductible	\$400 (\$1,200 Family)	\$2,000 (\$6,000 Family)
Out of Pocket Max		
Employee Only	\$3,500	\$5,000
Family (EE + 2 dependents)	\$8,500	\$15,000
Coinsurance	N/A	50%
Physicians' Services	\$20 PCP / \$ 45 Spec (AHN)	50% Coverage
Hospital Services	\$50 per day; max \$150 per admission	50% Coverage



## Prescription Drug Benefits

Pharmacy - Vantage Medical Home HMO	Retiree pays
Tier 1 - Preferred Generic	\$15 copay
Tier 2 - Non-Preferred Generic	\$40 copay
Tier 3 - Preferred Brand	\$75 copay
Tier 4 - Non-Preferred Brand	\$100 copay
Tier 5 - Specialty	\$150 copay
90 day supply for maintenance drugs	Tier 1 \$0; Tier 2-4 3 copays; Tier 5 not available

Pharmacy - all others	Retiree pays
<b>Up to \$1,500 out-of-pocket threshold</b>	
Tier 1 - Generic	50% up to \$30
Tier 2 - Preferred	50% up to \$55
Tier 3 - Non-Preferred	65% up to \$80
Tier 4 - Specialty	50% up to \$80
<b>After \$1,500 out-of-pocket threshold</b>	
Tier 1 - Generic	\$0 copay
Tier 2 – Preferred	\$20 copay
Tier 3 - Non-Preferred	\$40 copay
Tier 4 – Specialty	\$40 copay
90 day supply for maintenance drugs	2.5 times the applicable copay

## Monthly Contribution

Retirees with continuous OGB medical coverage starting before January 1, 2002 pay approximately 25% of the cost of coverage in retirement.

Employees with an OGB medical participation start (or re-start) date after December 31, 2001 pay a percentage of the total retiree contribution rate based on the following schedule:

OGB Participation	Retiree Share	State Share
Under 10 years	81%	19%
10-14 years	62%	38%
15-19 years	44%	56%
20+ years	25%	75%

Monthly rates effective January 1, 2023 are:

Medical Plan	Active Single	Pre-Medicare Member			Medicare Member		
		Member Only	Pre-65 Spouse	Medicare Spouse	Member Only	Pre-65 Spouse	Medicare Spouse
Vantage Med Home HMO	\$870	\$1,624	\$1,244	\$340	\$537	\$1,427	\$426
BCBS Pelican HRA	\$513	\$955	\$731	\$192	\$310	\$837	\$248
BCBS Magnolia Local Plus	\$821	\$1,533	\$1,174	\$321	\$507	\$1,346	\$402
BCBS Magnolia OA	\$854	\$1,588	\$1,216	\$320	\$517	\$1,392	\$412

Medicare Advantage plan monthly rates effective January 1, 2023 are:

Medical Plan	Medicare Member	
	Member Only	Medicare Spouse
People's MA HMO	\$160	\$160
Vantage MA HMO Premium	\$187	\$187
Vantage MA HMO Standard	\$152	\$152
Vantage MA HMO Basic	\$72	\$72
BCBS MA HMO - Region 1	\$157	\$157
BCBS MA HMO – Region 2	\$200	\$200
BCBS MA HMO - Regions 3,4	\$180	\$180
BCBS MA HMO – Region 5	\$210	\$210
BCBS MA HMO - Regions 6,7,8	\$255	\$255
BCBS MA HMO - Region 9	\$195	\$195
Humana MA HMO - Region 1	\$18	\$18
Humana MA HMO - Region 2	\$162	\$162
Humana MA HMO - Region 3	\$127	\$127
Humana MA HMO - Region 4	\$149	\$149
Humana MA HMO - Region 5	\$142	\$142
Humana MA HMO - Region 6	\$200	\$200
Humana MA HMO - Region 7	\$207	\$207
Humana MA HMO - Region 8	\$196	\$196
Humana MA HMO - Region 9	\$194	\$194

For purposes of this valuation, the above amounts were trended back 6 months to the valuation date.

**Life Insurance Benefits:**

	Basic	Supplemental Maximum
Under age 65	\$5,000	\$50,000
Ages 65-70	\$4,000	\$38,000
After age 70	\$3,000	\$25,000

**Age Reductions:**

In force life insurance amounts are reduced to 75% of the initial value at age 65 and to 50% of the original amount at age 70.

Spouse life insurance amounts of \$1,000, \$2,000 or \$4,000 are available.

**Retiree Cost Share:**

Retiree pays 50% of the Prudential Company of America premium.

Retiree pays 100% of the Prudential Company of America premium for spousal coverage.

Premiums vary by age.

## Summary of Participant Data – Included Agencies

The following table summarizes the participants provided in the census data:

<b>Retirement System</b>	<b>Active</b>	<b>Retired<sup>1</sup></b>
<b>LASERS</b>	<b>34,239</b>	<b>33,565</b>
Appellate law clerk	73	57
Appellate law clerk 2	14	1
Alcohol and Tobacco Control	9	8
Bridge employees	2	2
Bridge employees 2	1	0
Correctional	85	991
Correctional 2	1,046	1,046
Hazardous duty	2,458	121
Judicial	41	51
Judicial 2	6	0
Judicial 3	5	1
Legislator	1	35
Police office	34	44
Regular Employee	12,670	30,615
Regular Employee 2	3,676	315
Regular Employee 3	3,831	68
Regular Employee 4	10,170	15
Special legislative employees	3	1
Wildlife officer	0	74
Wildlife officer 2	114	120
<b>TRSL</b>	<b>17,363</b>	<b>8,100</b>
<b>LSERS</b>	<b>37</b>	<b>92</b>
<b>LSPRS</b>	<b>886</b>	<b>1,030</b>
<b>Total</b>	<b>52,525</b>	<b>42,787</b>

<sup>1</sup>Retiree counts include disabled retirees and surviving spouses. 2,230 retirees were not valued because they do not have life insurance coverage and they either have no medical coverage or are covered under the LSU plan.

The following table summarizes the valued participants by medical plan:

<b>Medical Plan</b>	<b>Active</b>	<b>Retired</b>
Vantage Medical Home HMO	1,265	340
People's MA HMO	0	1,202
Vantage MA HMO	0	440
Via Benefits HRA	0	461
LSU HMO <sup>1</sup>	7,351	1,367
BCBS Pelican HRA/HSA	6,648	912
BCBS Magnolia Local/Local Plus	32,627	19,668
BCBS Magnolia Open Access	2,595	10,291
BCBS MA HMO	0	387
Humana MA HMO	0	185
Waived	2,039	5,304
<b>Total</b>	<b>52,525</b>	<b>40,557</b>

<sup>1</sup>Medical plan liabilities for LSU participants were not included in this valuation, as LSU is responsible for their liabilities.

### Active Participant Data

The following table shows a distribution of age and credited service for retirement eligibility for all active employees as of the valuation date:

<b>Age</b>	<b>Credited Service for Eligibility to Retire</b>							<b>Total</b>
	<b>0-4</b>	<b>5-9</b>	<b>10-14</b>	<b>15-19</b>	<b>20-24</b>	<b>25-29</b>	<b>30+</b>	
Under 25	867	13	0	0	0	0	0	<b>880</b>
25-29	3,482	553	8	0	0	0	0	<b>4,043</b>
30-34	3,459	1,783	309	12	0	0	0	<b>5,563</b>
35-39	2,719	1,986	1,317	523	30	0	0	<b>6,575</b>
40-44	2,065	1,552	1,299	1,633	546	35	0	<b>7,130</b>
45-49	1,572	1,168	1,055	1,352	1,306	372	17	<b>6,842</b>
50-54	1,336	1,053	840	1,223	1,365	1,125	306	<b>7,248</b>
55-59	1,064	860	778	1,012	998	947	613	<b>6,272</b>
60-64	656	564	642	806	703	623	540	<b>4,534</b>
65-69	201	257	297	417	349	303	423	<b>2,247</b>
70 & Over	59	82	131	197	209	155	358	<b>1,191</b>
<b>Total</b>	<b>17,480</b>	<b>9,871</b>	<b>6,676</b>	<b>7,175</b>	<b>5,506</b>	<b>3,560</b>	<b>2,257</b>	<b>52,525</b>

The following table summarizes average OGB participation service and credited pension service for active employees by retirement system:

<b>Retirement System</b>	<b>OGB Years</b>	<b>Credited Pension Service</b>
LASERS	10.0	12.3
TRSL	8.6	10.3
LSERS	11.0	13.4
LSPRS	12.9	13.9

## Inactive Participant Data

Counts for retirees and spouses with medical coverage (excluding LSU) are summarized below:

<b>Age</b>	<b>Retirees</b>	<b>Covered Spouses</b>
Under 40	10	23
40-44	33	56
45-49	175	152
50-54	706	389
55-59	2,056	844
60-64	4,799	1,593
65-69	6,492	2,059
70-74	7,127	2,025
75-79	5,461	1,555
80-84	3,705	893
85 & Over	3,322	409
<b>Total</b>	<b>33,886</b>	<b>9,998</b>

Counts for retirees and spouses with life insurance coverage are summarized below:

<b>Age</b>	<b>Retirees</b>	<b>Covered Spouses</b>
Under 40	3	13
40-44	16	32
45-49	79	86
50-54	296	231
55-59	1,117	540
60-64	2,771	1,014
65-69	4,158	1,462
70-74	5,049	1,673
75-79	4,262	1,392
80-84	3,014	909
85 & Over	2,850	437
<b>Total</b>	<b>23,615</b>	<b>7,789</b>

In force amount (thousands)	\$634,357	\$15,578
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# Summary of Key Accounting Terms

## **Actuarially determined contribution**

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

## **Actuarial present value of projected benefit payments**

Projected benefit payments discounted to reflect the expected effects of the time value (present value) of money and the probabilities of payment.

## **Actuarial valuation**

The determination, as of a point in time (the actuarial valuation date), of the service cost, total OPEB liability, and related actuarial present value of projected benefit payments for OPEB performed in conformity with Actuarial Standards of Practice unless otherwise specified by the GASB.

## **Actuarial valuation date**

The date as of which an actuarial valuation is performed.

## **Ad hoc postemployment benefit changes**

Postemployment benefit changes that require a decision to grant by the authority responsible for making such decisions.

## **Automatic postemployment benefit changes**

Postemployment benefit changes that occur without a requirement for a decision to grant by a responsible authority, including those for which the amounts are determined by reference to a specified experience factor (such as the earnings experience of the OPEB plan) or to another variable (such as an increase in the consumer price index).

## **Covered-employee payroll**

The payroll of employees that are provided with OPEB through the OPEB plan.

## **Discount rate**

The single rate of return that, when applied to all projected benefit payments, results in an actuarial present value of projected benefit payments equal to the total of the following:

- a. The actuarial present value of benefit payments projected to be made in future periods in which (1) the amount of the OPEB plan's fiduciary net position is projected (under the requirements of GASB 75) to be greater than the benefit payments that are projected to be made in that period and (2) OPEB plan assets up to that point are expected to be invested using a strategy to achieve the long-term expected rate of return, calculated using the long-term expected rate of return on OPEB plan investments.

b. The actuarial present value of projected benefit payments not included in (a), calculated using a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale).

For defined benefit OPEB that is provided through an OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB 75, the discount rate is equal to the municipal bond rate.

### **Entry age actuarial cost method**

A method under which the actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis over the earnings or service of the individual between entry age and assumed exit age(s). The portion of this actuarial present value allocated to a valuation year is called the normal cost. The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future normal costs is called the Actuarial accrued liability.

### **Healthcare cost trend rates**

The rates of change in per capita health claims costs over time as a result of factors such as medical inflation, utilization of healthcare services, plan design, and technological developments.

### **Inactive employees**

Individuals no longer employed by an employer in the OPEB plan, or the beneficiaries of those individuals. Inactive employees include individuals who have accumulated benefits under the terms of an OPEB plan but are not yet receiving benefit payments and individuals currently receiving benefits.

### **Measurement date**

The date at which the OPEB liability, discount rate, and fiduciary net position are measured.

### **Measurement period**

The period between the prior and the current measurement dates.

### **Net OPEB liability**

The liability of employers and non-employer contributing entities to employees for benefits provided through a defined benefit OPEB plan that is administered through a trust that meets the criteria in paragraph 4 of GASB 75.

### **Other postemployment benefits (OPEB)**

Benefits (such as death benefits, life insurance, disability, and long-term care) that are paid in the period after employment and that are provided separately from a pension plan, as well as healthcare benefits paid in the period after employment, regardless of the manner in which they are provided. OPEB does not include termination benefits or termination payments for sick leave.

### **Projected benefit payments**

All benefits (including refunds of employee contributions) estimated to be payable through the OPEB plan (including amounts to be paid by employers or non-employer contributing entities as the benefits come



due) to current active and inactive employees as a result of their past service and their expected future service.

**Real rate of return**

The rate of return on an investment after adjustment to eliminate inflation.

**Normal costs**

The portions of the actuarial present value of projected benefit payments that are attributed to valuation years.

**Total OPEB liability**

The portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service in conformity with the requirements of GASB 75. The total OPEB liability is the liability of employers and non-employer contributing entities to employees for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB 75.