

Key Benefit Concepts, LLC

School District of Holmen

Accounting Report of Liabilities for Participants'
Other Post Employment Benefits (OPEB)

Valuation as of June 30, 2020

Liabilities measured as of June 30, 2021

July 2021

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The logo for Key Benefit Concepts, LLC, consisting of the letters 'KBC' in a bold, white, sans-serif font on a dark green background.

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Background and Certification

The Government Accounting Standards Board (GASB) considers other post-employment benefits, like pension benefits, as part of the compensation employees earn each year although they are not received until after employment ends. GASB has finalized Statement No. 74 (Financial Reporting for Post-Employment Benefit Plans Other Than Pension Plans) and Statement No. 75 (Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions). These Statements establish standards for the measurement, recognition, and display of Other Post-Employment Benefits (OPEB) expense/expenditures.

Key Benefit Concepts, LLC (KBC) is an independent actuarial and employee benefits consulting firm providing actuarial services to clients who sponsor qualified retirement and other post-employment benefits. We maintain no relationships with any client that might impair the objectivity of our work. This valuation and report were prepared by KBC based upon:

- Our understanding of GASB's current Statements
- The Summary of Benefits and Eligibility determined by the bargaining and other District agreements, as outlined herein
- The accuracy and completeness of information and data provided by the District.

The calculations of cost and liabilities illustrated were determined according to generally accepted actuarial principles and standards. Specific assumptions and actuarial methodology for the study are defined within the report. Each material assumption is, in the actuary's opinion, individually reasonable and falls within the best estimate range, taking into account past experience and reasonable future expectations, and is consistent with each other material assumption. Given that actual experience may vary from the actuarial assumptions projected, developing liabilities and costs may differ from those estimated in this report. Furthermore, in the event of any inaccuracies in the information or data provided, upon which these calculations were based, revisions may be needed.

This report was prepared solely for the purposes of providing information required by GASB for the entity's financial reporting. KBC assumes neither responsibility nor any liability for use of this report for any other purposes.

The valuation was prepared in full compliance with the American Academy of Actuaries "Code of Professional Conduct" Precept 7 regarding conflict of interest. The actuary certifying this valuation meets the qualifications of the American Academy of Actuaries required to provide the actuarial opinion detailed in this report. The actuary's opinion and certification are provided in accordance with an agreement with Key Benefit Concepts, LLC.



Richard L. Yurkowitz, ASA, MAAA

July 22, 2021

Introduction

The actuarial present value of the other post-employment benefit (OPEB) liabilities is the value of all benefits estimated to be payable to plan members discounted at the assumed discount interest rate back to the valuation date. The actuarial present value is comprised of:

- Benefits employees have already earned, and
- Benefits expected to be earned by employees in the future.

Presented in this report are the results of our study of the post-employment benefits and the associated liabilities and costs. The study includes the following:

OPEB GASB 74/75
<ul style="list-style-type: none"> • <u>Total OPEB Liability</u> (TOL): The portion of the actuarial present value of projected benefit payments attributed to past periods of employee service also known as the accrued benefit. • <u>Service Cost</u>: The portion of the actuarial present value of benefits allocated to the valuation year. • <u>Fiduciary Net Position</u> (FNP): The market value of assets held in an irrevocable trust exclusively for payment of post-employment benefits. • <u>Net OPEB Liability</u> (NOL): The difference between the Total OPEB Liability and Plan Fiduciary Net Position. This amount may also be negative indicating the presence of a surplus of actuarial assets over TOL. • <u>OPEB Expense</u>: The expected cost of OPEB benefits attributed to the measurement period.

District OPEBs

For the School District of Holmen (the "District"), the other post-employment benefit liability consists of several interdependent pieces arising from the rules of the plan. The amounts paid by the District for continued health care for all classifications that are entitled to a benefit are briefly outlined below. A full description of the eligibilities and benefits for eligible classifications can be found in the OPEB Technical Appendix.

A. Administrators & Directors:

Hired after July 1, 2005: At least age 55 with a minimum of 10 consecutive years of service:

(Implicit Rate Subsidy Only) Retirees may choose to remain on the District's group medical plan by paying 100% of the premium until Medicare-eligibility.

Note: Retired Administrators and Directors hired on or before July 1, 2005 are currently receiving District contributions in the amount of 85% of the lowest cost plan rate until Medicare-eligibility.

- B. Supervisors and Assistant Supervisors, Teachers, Nurse, and Program Coordinator for Pupil and Instructional Services: At least age 55 (prior to August 15th of the last year of employment) with 10 continuous years of service:

The District will make longevity incentive contributions into a retiree's HRA based on years of service. These contributions may be used towards premiums to remain on the District's medical plan until Medicare-eligibility or exhaustion of funds, whichever occurs first.

In an OPEB valuation, the GASB guidelines require that the OPEB to be based upon the *value* of the health care benefit. Thus, when the benefits are insured, the value above the premium cost of benefits must be determined. This applies to all classifications and arises from the value of benefits in excess of the payments made by the District during the guaranteed period. This amount is determined and incorporated in the determined liability of the medical care benefit.

In addition, since GASB guidelines require the OPEB to be based upon the *value* of the medical care benefit, when an individual self-pays 100% of the premium cost, the valuation also includes the difference between the premium cost and the value cost of the benefit. This is known as the Implicit Rate Subsidy.

Implicit Rate Subsidy exists when an employer's retirees and current employees are covered together as a group wherein the premium rate or premium equivalent rate paid by the retirees may be lower than they would be if the retirees were rated separately. The final GASB Statements declare that even if the retirees pay 100% of the premium, without a contribution from the employer, the employer is required to treat the Implicit Rate Subsidy as an other post-employment benefit (OPEB) liability.

Note that the Implicit Rate Subsidy is only applied when retirees are enrolled in the District's medical plan. It is not applied, however, when retirees participate in the District's dental and/or vision plans. Furthermore, when an individual becomes Medicare-eligible, their premium rates are adjusted, such that these adjusted rates represent the expected cost of coverage, and no Implicit Rate Subsidy is calculated.

Of all Administrators and Non-Exempt Staff without individual contracts who are currently electing coverage, 20% were assumed to continue coverage in retirement and self-pay until Medicare eligibility. For all other active employees eligible for District-provided HRA contributions and currently electing coverage, 50% were assumed to elect coverage in retirement for the duration of their HRA contributions. Thereafter, 20% are assumed to self-pay their medical premiums to remain on the District's plan until Medicare eligibility. The resulting liability on behalf of the above assumptions was calculated and included in this valuation.

Sick Leave Benefit

The District will provide eligible retirees a payout of accumulated unused sick leave upon retirement at a conversion rate dependent on classification. Also depending on the retiree's classification, the payout will either be into a TSA or in cash. A full description of the benefits provided can be found in the OPEB Technical Appendix.

According to GASB guidelines, when sick leave is converted into a dollar amount, the resulting monies are not considered - nor should they be accounted for - as an OPEB. Rather, the dollars resulting from the unused sick leave are considered termination payments and should be accounted for as a compensated absence under GASB Statement 16. The sick leave benefit was not valued nor was it included in this valuation.

District OPEB Liability

Based upon the actuarial assumptions and projections described herein as determined by the census, benefit and premium data provided by the District, the OPEB liabilities measured as of June 30, 2021 are as follows:

Other Post Employment Liability		
1	Total OPEB Liability (TOL)	\$ 3,294,114
2	Fiduciary Net Position (FNP)	\$ 0
3	Net OPEB Liability (NOL)	\$ 3,294,114

Detailed calculations for the above results can be found in the OPEB Tables.

Deferred Inflow and Outflow of Resources

The Plan's benefit terms have not changed since the prior valuation, therefore no change in benefit terms was calculated.

Differences between expected and actual experience resulted in an increase in the Total OPEB Liability. Changes of assumptions or other inputs resulted in a decrease in the Total OPEB Liability. These changes included an updated WRS decrement assumptions and updated medical trend. The increase in deferred outflow and inflow of resources from these two sources, respectively, is to be recognized over the average of the expected remaining service lives of active and inactive plan members. The Plan has an average expected remaining service life of 11 years.

Amounts reported as deferred inflows and outflows will be recognized in the OPEB expense according to Table V.

Discussion of Valuation Methods and Assumptions

The valuation was based upon the data provided by the District. In performing this study, we utilized the premium rate history of the District's medical plan as well as the trends used in the prior valuation and projected a stream of expected premium rates for each year in the future based on the data as of June 30, 2020.

GASB guidelines require that actuarial valuations of OPEB benefits use the entry-age normal actuarial method in the future. Since this OPEB valuation is based upon compliance with GASB Statement 75, this valuation was performed using the entry-age normal actuarial method for OPEB.

The valuation date is June 30, 2020 and the measurement date is June 30, 2021. This valuation is eligible for reporting periods ending June 30, 2021 and June 30, 2022,

though the accompanying exhibits are only valid for the reporting period ending June 30, 2021.

Actuarial assumptions are based upon an experience study conducted in 2018 using Wisconsin Retirement System (WRS) experience from 2015-2017. The projection of cash flows used to determine the single discount rate assumed that the plan would continue to be funded on a pay-as-you-go basis. Based on these assumptions, a 20-year AA municipal bond rate was applied to all periods of projected benefit payments to determine the Total OPEB Liability. The assumptions are detailed in the OPEB Technical Appendix.

A discount rate of 2.25% was used in calculating the District's OPEB liabilities (based upon all projected payments discounted at a municipal bond rate of 2.25%). The discount rate is based on the Bond Buyer GO 20-Year AA Bond Index published by the Federal Reserve as of the week of the measurement date.

Please note that KBC does not provide legal advice. The scope of the project is clearly defined in our proposal and does not include commentary or accountability for whether such benefits and eligibilities comply with state, federal or other required guidelines. The government entity is responsible for assuring that the benefits it provides are in compliance with all current regulations.

Pay-As-You-Go (Table VIII)

GASB requires all public entities to identify and include their post-employment liability in their financial statements. However, at this time GASB does not require any public entity to fund this liability. Since many public entities currently provide for post-employment benefits on a pay-as-you-go basis, we have included OPEB Table VIII. This table illustrates, based upon the assumptions used in this valuation, the District's annual liability for retiree medical benefits on a pay-as-you-go basis.

The projections illustrated in OPEB Table VIII are for illustrative purposes and pertain only to the OPEB liabilities incurred from those eligible active and retired employees of the District as of June 30, 2020. In other words, it is based upon a closed valuation, such that no new hires are assumed to replace those future retirees expected to receive benefits as noted. The valuation is based upon numerous assumptions as detailed in the technical appendix. Due to these assumptions, the likelihood of actual costs equaling the stated projections decreases for each year projecting further into the future.

OPEB Tables

OPEB Table I

School District of Holmen
Projection of Total OPEB Liability

		Discount Rate		
		1.25%	2.25%	3.25%
Total OPEB Liability	6/30/2020	\$ 3,461,575	\$ 3,279,182	\$ 3,103,819
Service Cost		264,799	233,943	205,997
Interest		42,643	72,306	98,288
Benefit Payments		(365,125)	(365,125)	(365,125)
Changes of benefit terms		-	-	-
Differences between expected and actual experience		322,744	308,189	296,993
Changes of assumptions or other input		(248,705)	(234,381)	(220,897)
Total OPEB Liability	6/30/2021	\$ 3,477,931	\$ 3,294,114	\$ 3,119,075

OPEB Table II

School District of Holmen
Change in Total OPEB Liability

	Total OPEB Liability
Balances at 6/30/2020	\$ 3,279,182
Changes for the year:	
Service Cost	233,943
Interest	72,306
Changes of benefit terms	-
Differences between expected and actual experience	308,189
Changes of assumptions or other input	(234,381)
Benefit Payments	(365,125)
Net Changes	14,932
Balances at 6/30/2021	\$ 3,294,114

OPEB Table III

School District of Holmen

Sensitivity of Total OPEB Liability to Changes in Discount Rate

		1% Decrease 1.25%	Current Discount Rate 2.25%	1% Increase 3.25%
Total OPEB Liability	6/30/2021	<u>\$ 3,477,931</u>	<u>\$ 3,294,114</u>	<u>\$ 3,119,075</u>

Sensitivity of Total OPEB Liability to Changes in Healthcare Cost Trend Rates

		1% Decrease (5.5% decreasing to 4.0%)	Healthcare Cost Trend Rates (6.5% decreasing to 5.0%)	1% Increase (7.5% decreasing to 6.0%)
Total OPEB Liability	6/30/2021	<u>\$ 3,109,781</u>	<u>\$ 3,294,114</u>	<u>\$ 3,511,120</u>

OPEB Table IV

School District of Holmen

Schedule of Changes in Total OPEB Liability and Related Ratios

	Fiscal Year Ending				
	2021	2020	2019	2018	2017
Total OPEB Liability					
Service Cost	\$ 233,943	\$ 186,197	\$ 475,128	\$ 462,412	\$ 436,928
Interest	72,306	104,980	147,901	141,986	129,592
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	308,189	-	(2,346,368)	-	(84,461)
Changes of assumptions or other input	(234,381)	218,005	(259,101)	-	-
Benefit Payments	(365,125)	(272,645)	(231,120)	(97,828)	(15,840)
Net change in Total OPEB Liability	\$ 14,932	\$ 236,537	\$ (2,213,559)	\$ 506,570	\$ 466,219
Total OPEB Liability - Beginning	3,279,182	3,042,645	5,256,204	4,749,634	4,283,415
Total OPEB Liability - Ending	\$ 3,294,114	\$ 3,279,182	\$ 3,042,645	\$ 5,256,204	\$ 4,749,634
Covered Payroll	\$ 27,761,207	\$ 24,920,479	\$ 24,920,479	\$ 26,525,707	\$ 25,186,451
Total OPEB Liability as a percentage of Covered Payroll	11.87%	13.16%	12.2%	19.8%	18.9%

OPEB Table V

School District of Holmen
 Schedule of Collective Deferred Inflows and Outflows

Gain/Loss	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 280,172	\$ 1,814,016
Changes of assumptions or other input	181,671	407,399
Total	\$ 461,843	\$ 2,221,414

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

Year ended June 30:

2022	\$ (199,801)
2023	(199,801)
2024	(199,801)
2025	(199,801)
2026	(199,801)
Thereafter	(760,566)

OPEB Table VI

School District of Holmen
Calculation of Collective OPEB Expense

Change in Net OPEB Liability	\$	14,932
(Increase)/Decrease in Deferred Outflows		(262,005)
Increase/(Decrease) in Deferred Inflows		(11,604)
Benefit Payments		365,125
OPEB Expense	\$	106,448
<hr style="border: 1px solid black;"/>		
Operating Expenses		
Service Cost	\$	233,943
Total (a)	\$	233,943
Financing Expenses		
Interest	\$	72,306
Total (b)	\$	72,306
Changes		
Benefit changes	\$	-
Recognition of assumption changes		(24,732)
Recognition of experience gains and losses		(175,069)
Total (c)	\$	(199,801)
OPEB Expense (a + b + c)	\$	106,448
OPEB Expense as % of Payroll		0.38%

OPEB Table VII

School District of Holmen

The major assumptions and methods used in this valuation are as follows:

1 Valuation Date	June 30, 2020
2 Measurement Date	June 30, 2021
3 Reporting Date	June 30, 2021
4 Actuarial Cost Method	Entry Age Normal (level percent of salary)
5 Medical Care Trend	6.50% decreasing by 0.10% per year down to 5.00%, and level thereafter
6 Discount Rate*	2.25% (based upon all years of projected payments discounted at a municipal bond rate of 2.25%)
7 Municipal Bond Rate Source	Bond Buyer 20-Bond GO Index
8 Actuarial Assumptions	Based on an experience study conducted in 2018 using Wisconsin Retirement System (WRS) experience from 2015-17.
9 Mortality Assumptions	Wisconsin 2018 Mortality Table adjusted for future mortality improvements using the MP-2018 fully generated improvement scale (multiplied 60%)

* Implicit in this rate is an assumed rate of inflation of 2.00%

OPEB Table VIII
School District of Holmen
Pay As You Go
Projection of OPEB (30 Year Projection)

A	B	C	D	E	F
Fiscal Year Beginning	Retiree Plan Premiums	District Benefit Payments	District OPEB Liability (C + E)	Implicit Rate Subsidy	Cost → Value
2021	\$ 301,658	\$ 261,538	\$ 381,853	\$ 120,316	1.3988
2022	312,438	233,205	359,294	126,089	1.4036
2023	302,346	186,752	309,050	122,299	1.4045
2024	308,987	142,907	272,813	129,906	1.4204
2025	235,349	78,735	170,641	91,905	1.3905
2026	241,814	70,130	160,015	89,885	
2027	266,188	77,052	176,219	99,167	
2028	287,907	82,014	187,472	105,459	
2029	320,093	86,495	205,597	119,102	
2030	345,216	91,977	222,710	130,733	
2031	360,211	95,886	233,026	137,140	
2032	386,676	98,387	247,474	149,087	
2033	409,476	102,352	263,130	160,777	
2034	397,117	105,029	263,776	158,747	
2035	427,664	109,002	282,001	173,000	
2036	429,383	111,319	280,567	169,247	
2037	438,704	116,225	281,019	164,794	
2038	485,180	119,287	297,869	178,582	
2039	542,323	120,542	323,430	202,888	
2040	559,147	120,828	329,638	208,810	
2041	603,866	120,532	350,631	230,099	
2042	617,650	117,705	358,031	240,326	
2043	619,119	111,888	357,719	245,831	
2044	603,203	104,962	358,563	253,600	
2045	568,089	97,999	337,734	239,736	
2046	542,984	91,575	321,860	230,285	
2047	545,904	86,275	314,334	228,059	
2048	521,776	80,739	293,756	213,018	
2049	538,561	76,382	286,351	209,969	
2050	507,772	69,947	262,415	192,468	

OPEB Table IX

School District of Holmen
Active Employees as of June 30, 2020

Age	Years of Service								Total
	0 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30 - 34	35 or more	
Under 20	1	-	-	-	-	-	-	-	1
20 - 24	19	-	-	-	-	-	-	-	19
25 - 29	36	4	-	-	-	-	-	-	40
30 - 34	27	22	2	-	-	-	-	-	51
35 - 39	54	23	25	3	-	-	-	-	105
40 - 44	36	27	20	14	4	-	-	-	101
45 - 49	25	18	14	15	16	1	-	-	89
50 - 54	20	9	13	11	17	6	4	-	80
55 - 59	13	9	11	10	7	3	3	1	57
60 - 64	7	7	5	8	6	8	-	4	45
65 and over	10	8	3	3	2	-	-	1	27
Total	248	127	93	64	52	18	7	6	615

Averages:

Age: 44.8

Service: 9.0

OPEB Table X

School District of Holmen
All Members by Medical Coverage as of June 30, 2020

	Actives				Retirees			
	Single	Family	Waived	Total	Single	Family	Waived	Total
<i>Administrators</i>	3	9	5	17	-	2	-	2
<i>Teachers</i>	44	149	138	331	19	4	30	53
<i>Supervisor/Asst. Supervisor</i>	-	7	2	9	-	-	-	-
<i>Nurse</i>	1	4	-	5	-	-	-	-
<i>Non-Exempt Staff</i>	79	36	138	253	2	1	-	3
Totals	127	205	283	615	21	7	30	58

Note: Retirees listed as "Waived" are receiving HRA contributions to use for medical costs outside of the District's medical plan.

OPEB Table XI

School District of Holmen
 Members by Eligibility as of June 30, 2020

	Actives			Retirees
	Fully Eligible	Not Fully Eligible	Total Eligible	Total Eligible
<i>Administrators</i>	1	11	12	2
<i>Teachers</i>	22	309	331	53
<i>Supervisor/Asst. Supervisor</i>	4	5	9	-
<i>Nurse</i>	-	5	5	-
<i>Non-Exempt Staff</i>	32	83	115	3
Totals	59	413	472	58

Full Eligibility is met if, as of June 30, 2020 , the member has met the age and service requirements as stated in the plan provisions.

OPEB - Addendum Table I

School District of Holmen

Differences Between Expected and Actual Experience - History of Deferred Inflows and Outflows

FYB	(Gain)/Loss	Amortization Period	Differences Between Expected and Actual Experience - History of Deferred Inflows and Outflows																									
			2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2016	(84,461)	11.18	-	-	-	(7,555)	(7,555)	(7,555)	(7,555)	(7,555)	(7,555)	(7,555)	(7,555)	(7,555)	(7,555)	(1,356)	-	-	-	-	-	-	-	-	-	-	-	-
2017	-	11.18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2018	(2,346,368)	12.0	-	-	-	(195,531)	(195,531)	(195,531)	(195,531)	(195,531)	(195,531)	(195,531)	(195,531)	(195,531)	(195,531)	(195,531)	(195,527)	-	-	-	-	-	-	-	-	-	-	-
2019	-	12.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2020	308,189	11.0	-	-	-	-	-	28,017	28,017	28,017	28,017	28,017	28,017	28,017	28,017	28,017	28,017	28,019	-	-	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2028	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2029	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2030	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2031	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2032	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2033	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2034	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2035	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2036	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2037	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2038	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2039	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2040	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
						(7,555)	(203,086)	(203,086)	(175,069)	(175,069)	(175,069)	(175,069)	(175,069)	(175,069)	(175,069)	(175,069)	(168,870)	(167,510)	28,019	-	-	-	-	-	-	-	-	-

OPEB - Addendum Table II

School District of Holmen
Changes of Assumptions or Other Input - History of Deferred Inflows and Outflows

FYB	(Gain)/Loss	Amortization Period	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2016	-	11.18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2017	-	11.18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2018	(259,101)	12.0	-	-	-	-	(21,592)	(21,592)	(21,592)	(21,592)	(21,592)	(21,592)	(21,592)	(21,592)	(21,592)	(21,592)	(21,592)	(21,589)	-	-	-	-	-	-	-	-	-	-	-
2019	218,005	12.0	-	-	-	-	-	18,167	18,167	18,167	18,167	18,167	18,167	18,167	18,167	18,167	18,167	18,167	18,168	-	-	-	-	-	-	-	-	-	-
2020	(234,381)	11.0	-	-	-	-	-	-	(21,307)	(21,307)	(21,307)	(21,307)	(21,307)	(21,307)	(21,307)	(21,307)	(21,307)	(21,307)	(21,307)	-	-	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2028	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2029	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2030	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2031	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2032	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2033	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2034	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2035	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2036	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2037	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2038	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2039	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2040	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
			-	-	-	-	(21,592)	(3,425)	(24,732)	(24,732)	(24,732)	(24,732)	(24,732)	(24,732)	(24,732)	(24,732)	(24,732)	(24,729)	(3,143)	-	-	-	-	-	-	-	-	-	-

OPEB Technical Appendix

School District of Holmen

Post-Employment Benefit Summary

Retired Administrators and Directors - Hired On or Before July 1, 2005

- The District contributes 85% of the lowest cost plan rate on behalf of eligible retirees until Medicare-eligibility. In the event of a retiree's death prior to Medicare-eligibility, their surviving spouse will remain eligible for health insurance coverage continuation until the surviving spouse reaches Medicare eligibility or until the deceased Administrator's original Medicare eligibility date: whichever occurs first.

Administrator and Directors

Hired After July 1, 2005											
Eligibility	OPEB: Implicit Rate Subsidy Only										
Upon retirement; at least age 55 with a minimum of 10 consecutive years of service	<u>Medical Insurance: (Implicit Rate Subsidy Only)</u> Retirees may choose to remain on the District's group medical plan by paying 100% of the premium until Medicare-Eligibility.										
All Administrators regardless of Hire Date											
Eligibility	Non-OPEB: Compensated Absence										
At least 55 with 10 continuous years of service plus other educational experience where total in district educational administrative experience and other educational experience equals at least 18 years	<p><u>Sick Leave Payout:</u> Upon termination or retirement, employees shall receive a payout of unused sick leave in a TSA as noted below:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">Total days of Unused Sick Leave</th> <th style="text-align: center;">Contribution Amount</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">0 - 60 days</td> <td style="text-align: center;">25% of daily per diem</td> </tr> <tr> <td style="text-align: center;">61 - 100 days</td> <td style="text-align: center;">50% of daily per diem</td> </tr> <tr> <td style="text-align: center;">101 - 140 days</td> <td style="text-align: center;">75% of daily per diem</td> </tr> <tr> <td style="text-align: center;">141+ days</td> <td style="text-align: center;">100% of daily per diem</td> </tr> </tbody> </table> <p>If the benefit is less than \$2,000, the contribution is paid out in cash in one lump sum. This contribution shall be made by the next regularly schedule payroll date following the date of the eligible Administrators termination of employment. If the benefit is more than \$2,000, the contribution is made into a retirees TSA. The benefit is paid by September 1 following the date of the eligible employee's retirement.</p> <p>In the event of an active employee (if eligibility is met but has not yet retirement) or retiree's death prior to receiving their benefit, any remaining amount will be provided to a retiree's TSA. If the benefit is in excess of the IRS Section 415 contribution limits remains after this payment, the excess amount shall be paid to the employee's estate as a lump-sum cash benefit.</p>	Total days of Unused Sick Leave	Contribution Amount	0 - 60 days	25% of daily per diem	61 - 100 days	50% of daily per diem	101 - 140 days	75% of daily per diem	141+ days	100% of daily per diem
Total days of Unused Sick Leave	Contribution Amount										
0 - 60 days	25% of daily per diem										
61 - 100 days	50% of daily per diem										
101 - 140 days	75% of daily per diem										
141+ days	100% of daily per diem										
<p>Note: In the even that an employee terminates employment prior to meeting the eligibility requirements for retirement due to disability that qualifies the employee for benefits under the District's long-term disability plan, the benefits will vest upon termination of employee's employment (except for the health insurance continuation benefit available to those hired on or before July 1, 2005) as if the employee had met the eligibility requirements for the individuals benefits at the time of employees termination.</p>											

Supervisors and Assistant Supervisors

Eligibility	OPEB																								
<p>At least 55 (prior to August 15th of the last year of employment) with 10 continuous years of service</p>	<p><u>HRA Contributions</u>: The District will make longevity incentive contributions into a retirees HRA based on years of service as noted below:</p> <table border="1" data-bbox="516 327 1513 667"> <thead> <tr> <th data-bbox="522 336 704 491">Years of Service</th> <th data-bbox="711 336 860 491">Total Amount of Longevity Incentive</th> <th data-bbox="867 336 977 491">Benefit paid out over</th> <th data-bbox="984 336 1507 491">Contribution Schedule <i>(paid each year by September 1 following retirement)</i></th> </tr> </thead> <tbody> <tr> <td data-bbox="522 499 704 531">10 – 14 years</td> <td data-bbox="711 499 860 531">\$ 8,000</td> <td data-bbox="867 499 977 531">2 years</td> <td data-bbox="984 499 1507 531">\$ 4,000 for 2 years</td> </tr> <tr> <td data-bbox="522 539 704 571">15 – 19 years</td> <td data-bbox="711 539 860 571">\$ 13,000</td> <td data-bbox="867 539 977 571">3 years</td> <td data-bbox="984 539 1507 571">\$ 5,000 for one year, \$ 4,000 for 2 years</td> </tr> <tr> <td data-bbox="522 579 704 611">20 – 24 years</td> <td data-bbox="711 579 860 611">\$ 18,000</td> <td data-bbox="867 579 977 611">4 years</td> <td data-bbox="984 579 1507 611">\$ 5,000 for 2 years and \$ 4,000 for 2 years</td> </tr> <tr> <td data-bbox="522 619 704 651">25 – 29 years</td> <td data-bbox="711 619 860 651">\$ 23,000</td> <td data-bbox="867 619 977 651">5 years</td> <td data-bbox="984 619 1507 651">\$ 5,000 for 3 years and \$ 4,000 for 2 years</td> </tr> <tr> <td data-bbox="522 659 704 690">30+ years</td> <td data-bbox="711 659 860 690">\$ 28,000</td> <td data-bbox="867 659 977 690">5 years</td> <td data-bbox="984 659 1507 690">\$ 6,000 for 3 years and \$ 5,000 for 2 years</td> </tr> </tbody> </table> <p>These contributions may be used towards premiums to remain on the District's medical plan until Medicare-eligibility or exhaustion of funds; whichever occurs first.</p> <p>Note: Those having a minimum of 5 years of service with this District, may receive one year of "qualified service" for every 5 years of service in another District.</p> <p>Upon exhaustion of the benefit; (Implicit Rate Subsidy Only) Retirees may choose to remain on the District's group medical plan until Medicare-eligible provided they continue to pay 100% of the required premiums.</p> <p>In the event of an active employee (if eligibility is met but has not yet retirement) or retiree's death prior to the exhaustion of their benefit, any remaining or vested amount will be provided to a surviving spouse or dependents to continue.</p>	Years of Service	Total Amount of Longevity Incentive	Benefit paid out over	Contribution Schedule <i>(paid each year by September 1 following retirement)</i>	10 – 14 years	\$ 8,000	2 years	\$ 4,000 for 2 years	15 – 19 years	\$ 13,000	3 years	\$ 5,000 for one year, \$ 4,000 for 2 years	20 – 24 years	\$ 18,000	4 years	\$ 5,000 for 2 years and \$ 4,000 for 2 years	25 – 29 years	\$ 23,000	5 years	\$ 5,000 for 3 years and \$ 4,000 for 2 years	30+ years	\$ 28,000	5 years	\$ 6,000 for 3 years and \$ 5,000 for 2 years
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Eligibility	Non-OPEB: Compensated Absence																								
<p>At least 55 with 15 continuous years of service</p>	<p><u>Sick Leave Payout</u>: Eligible retirees shall receive a payout of unused sick leave of 0.15% of the retirees last working contract rate for each day of accrued unused paid leave (ex: \$45,000 x 100 days x 0.15% = \$6,750).</p> <p>If the benefit is less than \$2,000, the contribution is paid out in cash in one lump sum. If the benefit is more than \$2,000, the contribution is made into a retirees TSA. The benefit is paid by September 1 following the date of the eligible employee's retirement.</p> <p>In the event of an active employee (if eligibility is met but has not yet retirement) or retiree's death prior to receiving their benefit, any remaining amount will be provided to a retiree's TSA. If the benefit is in excess of the IRS Section 415 contribution limits remains after this payment, the excess amount shall be paid to the employee's estate as a lump-sum cash benefit.</p>																								
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Teachers, Nurse and Program Coordinator for Pupil and Instructional Services

Eligibility	OPEB																								
<p>At least 55 (prior to August 15th of the last year of employment) with 10 continuous years of service</p>	<p><u>HRA Contributions</u>: The District will make longevity incentive contributions into a retirees HRA based on years of service as noted below:</p> <table border="1" data-bbox="500 363 1507 705"> <thead> <tr> <th data-bbox="505 363 691 527">Years of Service</th> <th data-bbox="691 363 846 527">Total Amount of Longevity Incentive</th> <th data-bbox="846 363 964 527">Benefit paid out over</th> <th data-bbox="964 363 1502 527">Contribution Schedule <i>(paid each year by September 1 following retirement)</i></th> </tr> </thead> <tbody> <tr> <td data-bbox="505 527 691 569">10 – 14 years</td> <td data-bbox="691 527 846 569">\$ 8,000</td> <td data-bbox="846 527 964 569">2 years</td> <td data-bbox="964 527 1502 569">\$ 4,000 for 2 years</td> </tr> <tr> <td data-bbox="505 569 691 611">15 – 19 years</td> <td data-bbox="691 569 846 611">\$ 13,000</td> <td data-bbox="846 569 964 611">3 years</td> <td data-bbox="964 569 1502 611">\$ 5,000 for the first year, \$4,000 for 2 years</td> </tr> <tr> <td data-bbox="505 611 691 653">20 – 24 years</td> <td data-bbox="691 611 846 653">\$ 18,000</td> <td data-bbox="846 611 964 653">4 years</td> <td data-bbox="964 611 1502 653">\$ 5,000 for 2 years and \$4,000 for 2 years</td> </tr> <tr> <td data-bbox="505 653 691 695">25 – 29 years</td> <td data-bbox="691 653 846 695">\$ 23,000</td> <td data-bbox="846 653 964 695">5 years</td> <td data-bbox="964 653 1502 695">\$ 5,000 for 3 years and \$4,000 for 2 years</td> </tr> <tr> <td data-bbox="505 695 691 737">30+ years</td> <td data-bbox="691 695 846 737">\$ 28,000</td> <td data-bbox="846 695 964 737">5 years</td> <td data-bbox="964 695 1502 737">\$ 6,000 for 3 years and \$ 5,000 for 2 years</td> </tr> </tbody> </table> <p>These contributions may be used towards premiums to remain on the District's medical plan until Medicare-eligibility or exhaustion of funds; whichever occurs first.</p> <p>Note: Those having a minimum of 5 years of service with this District, may receive one year of "qualified service" for every 5 years of service in another District.</p> <p>Upon exhaustion of the benefit; (Implicit Rate Subsidy Only) Retirees may choose to remain on the District's group medical plan until Medicare-eligible provided they continue to pay 100% of the required premiums.</p> <p>In the event of an active employee (if eligibility is met but has not yet retirement) or retiree's death prior to the exhaustion of their benefit, any remaining or vested amount will be provided to a surviving spouse or dependents to continue.</p>	Years of Service	Total Amount of Longevity Incentive	Benefit paid out over	Contribution Schedule <i>(paid each year by September 1 following retirement)</i>	10 – 14 years	\$ 8,000	2 years	\$ 4,000 for 2 years	15 – 19 years	\$ 13,000	3 years	\$ 5,000 for the first year, \$4,000 for 2 years	20 – 24 years	\$ 18,000	4 years	\$ 5,000 for 2 years and \$4,000 for 2 years	25 – 29 years	\$ 23,000	5 years	\$ 5,000 for 3 years and \$4,000 for 2 years	30+ years	\$ 28,000	5 years	\$ 6,000 for 3 years and \$ 5,000 for 2 years
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Eligibility	Non-OPEB: Compensated Absence																								
<p>At least 55 with 15 continuous years of service</p>	<p><u>Sick Leave Payout</u>: Eligible retirees shall receive a payout of unused sick leave of 0.15% of the retirees last working contract rate for each day of accrued unused paid leave (ex: \$45,000 x 100 days x 0.15% = \$6,750).</p> <p>If the benefit is less than \$2,000, the contribution is paid out in cash in one lump sum. If the benefit is more than \$2,000, the contribution is made into a retirees TSA. The benefit is paid by September 1 following the date of the eligible employee's retirement.</p> <p>In the event of an active employee (if eligibility is met but has not yet retirement) or retiree's death prior to receiving their benefit, any remaining amount will be provided to a retiree's TSA. If the benefit is in excess of the IRS Section 415 contribution limits remains after this payment, the excess amount shall be paid to the employee's estate as a lump-sum cash benefit.</p>																								
<p>Note: In the even that an employee terminates employment prior to meeting the eligibility requirements for retirement due to disability that qualifies the employee for benefits under the District's long-term disability plan, the benefits will vest upon termination of employee's employment as if the employee had met the eligibility requirements for the individuals benefits at the time of employee's termination.</p>																									

Non-Exempt Staff without individual contracts

Eligibility	Non-OPEB - Compensated Absence																				
<p>Non-Bus Driver At least age 55 and a minimum of 15 years of continuous service</p> <p>Bus Driver Upon retirement regardless of age with at least 6 years of continuous service</p>	<p><u>Sick Leave Payout:</u> Upon termination or retirement, retirees shall receive a payout of all unused sick leave hours in cash as follows:</p> <table border="1" data-bbox="740 340 1308 856"> <thead> <tr> <th colspan="2" data-bbox="740 340 1308 373">Non-Bus Drivers</th> </tr> <tr> <th data-bbox="740 373 1032 487">Years of Continuous Service</th> <th data-bbox="1032 373 1308 487">Payout</th> </tr> </thead> <tbody> <tr> <td data-bbox="740 487 1032 520">After 15 years</td> <td data-bbox="1032 487 1308 520">\$ 5.00 / hr.</td> </tr> <tr> <td data-bbox="740 520 1032 554">After 20 years</td> <td data-bbox="1032 520 1308 554">\$ 7.50 / hr.</td> </tr> <tr> <td data-bbox="740 554 1032 588">After 25 years</td> <td data-bbox="1032 554 1308 588">\$ 10.00 / hr.</td> </tr> <tr> <th colspan="2" data-bbox="740 588 1308 621">Bus Drivers</th> </tr> <tr> <th data-bbox="740 621 1032 735">Years of Continuous Service</th> <th data-bbox="1032 621 1308 735">Payout</th> </tr> <tr> <td data-bbox="740 735 1032 768">After 6 years</td> <td data-bbox="1032 735 1308 768">\$ 5.00 / hr.</td> </tr> <tr> <td data-bbox="740 768 1032 802">After 10 years</td> <td data-bbox="1032 768 1308 802">\$ 7.50 / hr.</td> </tr> <tr> <td data-bbox="740 802 1032 835">After 14 years</td> <td data-bbox="1032 802 1308 835">\$ 10.00 / hr.</td> </tr> </tbody> </table> <p>If the benefit is less than \$1,500, the contribution is paid out in cash on the September 15 following retirement. If the benefit is more than \$1,500, the contribution is paid in cash in two equal payments on September 15 of each of the years following retirement.</p> <p><i>This is not an OPEB benefit, but a compensated absence under GASB 16 and will not be included in the valuation.</i></p>	Non-Bus Drivers		Years of Continuous Service	Payout	After 15 years	\$ 5.00 / hr.	After 20 years	\$ 7.50 / hr.	After 25 years	\$ 10.00 / hr.	Bus Drivers		Years of Continuous Service	Payout	After 6 years	\$ 5.00 / hr.	After 10 years	\$ 7.50 / hr.	After 14 years	\$ 10.00 / hr.
Non-Bus Drivers																					
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Years of Continuous Service	Payout																				
After 6 years	\$ 5.00 / hr.																				
After 10 years	\$ 7.50 / hr.																				
After 14 years	\$ 10.00 / hr.																				

Note: The District has a high deductible health plan (\$1,500 single/ \$ 3,000 family In-Network and \$5,000 single/ \$ 10,000 family Out-of-Network) and provides active employees with HSA contributions who participate in the Healics Health Risk Assessment and score a minimum of 71 or increase their previous year's score by 5 points with HSA contributions up to \$1,500 single/ \$3,000 family for eligible medical expenses. In order to be eligible for the family contribution, both the employee and spouse must participate in the assessment and meet the required scoring. These HSA contributions may be used in retirement toward deductible reimbursements.

OPEB Actuarial Assumptions

1. Valuation Date	June 30, 2020
2. Measurement Date	June 30, 2021
3. Reporting Date	June 30, 2021
4. Actuarial Cost Method	<u>Entry Age Normal – Level % of Salary</u> : Under this method, the actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis over the earnings of the individual between entry age and assumed exit age(s). The normal cost is equal to the valuation salary multiplied by the present value of benefits divided by the present value of future salaries, measured as of the date of hire. The accrued liability is equal to the present value of projected benefits minus the present value of future normal costs, measured as of the valuation date.
5. Interest Rate	Discount rate for valuing liabilities – 2.25% Municipal bond rate – 2.25% Implicit in these rates is a 2.00% assumed rate of inflation
6. Asset Valuation Method	Market Value
7. Average of Expected Remaining Service Lives	11 years

8. Retirement Rates	<i>Early Retirement</i>		
	<u>Age</u>	<u>Male</u>	<u>Female</u>
	55	13.0%	12.0%
	56	13.0	12.0
	57	12.0	12.0
	58	13.0	12.0
	59	14.0	13.0
	60	14.0	17.0
	61	15.0	17.0
	62	21.0	23.0
	63	21.0	23.0
	64	21.0	23.0
	<i>Regular Retirement (at least age 65 with 5 or more years of service OR 30 or more years of service)</i>		
	<u>Age</u>	<u>Male</u>	<u>Female</u>
	57	33.0%	27.0%
	58	29.0	27.0
	59	24.0	27.0
	60	25.0	27.0
	61	25.0	27.0
	62	35.0	37.0
	63	32.0	30.0
	64	29.0	28.0
	65	29.0	37.0
	66	35.0	39.0
	67	33.0	33.0
	68	27.0	30.0
	69	23.0	28.0
	70	25.0	38.0
	71	20.0	20.0
	72	15.0	20.0
	73	15.0	20.0
	74	15.0	20.0
	75	100.0	100.0
	No employees are assumed to retire prior to becoming eligible for benefits		

9. Mortality Rates	<p>Mortality rates at sample ages in 2020:</p> <table border="1"> <thead> <tr> <th><u>Age</u></th> <th><u>Male</u></th> <th><u>Female</u></th> </tr> </thead> <tbody> <tr><td>20</td><td>0.000270</td><td>0.000163</td></tr> <tr><td>25</td><td>0.000331</td><td>0.000181</td></tr> <tr><td>30</td><td>0.000428</td><td>0.000249</td></tr> <tr><td>35</td><td>0.000760</td><td>0.000448</td></tr> <tr><td>40</td><td>0.000999</td><td>0.000619</td></tr> <tr><td>45</td><td>0.001243</td><td>0.000922</td></tr> <tr><td>50</td><td>0.001610</td><td>0.001334</td></tr> <tr><td>55</td><td>0.003746</td><td>0.002407</td></tr> <tr><td>60</td><td>0.005426</td><td>0.003516</td></tr> <tr><td>65</td><td>0.008321</td><td>0.005262</td></tr> <tr><td>70</td><td>0.013475</td><td>0.008704</td></tr> <tr><td>75</td><td>0.022566</td><td>0.015725</td></tr> <tr><td>80</td><td>0.041381</td><td>0.029617</td></tr> </tbody> </table> <p>Wisconsin 2018 Mortality Table adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied 60%).</p>	<u>Age</u>	<u>Male</u>	<u>Female</u>	20	0.000270	0.000163	25	0.000331	0.000181	30	0.000428	0.000249	35	0.000760	0.000448	40	0.000999	0.000619	45	0.001243	0.000922	50	0.001610	0.001334	55	0.003746	0.002407	60	0.005426	0.003516	65	0.008321	0.005262	70	0.013475	0.008704	75	0.022566	0.015725	80	0.041381	0.029617																										
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10. Separation Rates	<p>Select and ultimate termination rates at sample ages and years of service are shown below:</p> <table border="1"> <thead> <tr> <th><u>Age</u></th> <th><u>Service</u></th> <th><u>Male</u></th> <th><u>Female</u></th> </tr> </thead> <tbody> <tr><td></td><td>0</td><td>18.5%</td><td>15.0%</td></tr> <tr><td></td><td>1</td><td>11.0</td><td>11.0</td></tr> <tr><td></td><td>2</td><td>8.0</td><td>8.0</td></tr> <tr><td></td><td>3</td><td>6.5</td><td>6.0</td></tr> <tr><td></td><td>4</td><td>5.5</td><td>5.5</td></tr> <tr><td></td><td>5</td><td>4.0</td><td>5.0</td></tr> <tr><td></td><td>6</td><td>3.5</td><td>4.0</td></tr> <tr><td></td><td>7</td><td>3.2</td><td>3.7</td></tr> <tr><td></td><td>8</td><td>3.0</td><td>3.3</td></tr> <tr><td></td><td>9</td><td>2.8</td><td>3.0</td></tr> <tr><td>30</td><td>10 or More</td><td>2.2</td><td>2.4</td></tr> <tr><td>35</td><td></td><td>1.8</td><td>1.9</td></tr> <tr><td>40</td><td></td><td>1.5</td><td>1.5</td></tr> <tr><td>45</td><td></td><td>1.4</td><td>1.3</td></tr> <tr><td>50</td><td></td><td>1.3</td><td>1.2</td></tr> <tr><td>55</td><td></td><td>1.3</td><td>1.2</td></tr> </tbody> </table> <p>No separation rates are assumed after eligibility for retirement</p>	<u>Age</u>	<u>Service</u>	<u>Male</u>	<u>Female</u>		0	18.5%	15.0%		1	11.0	11.0		2	8.0	8.0		3	6.5	6.0		4	5.5	5.5		5	4.0	5.0		6	3.5	4.0		7	3.2	3.7		8	3.0	3.3		9	2.8	3.0	30	10 or More	2.2	2.4	35		1.8	1.9	40		1.5	1.5	45		1.4	1.3	50		1.3	1.2	55		1.3	1.2
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<p>11. Disablement Rates</p>	<p>Active participant disability rates at sample ages:</p> <table border="1"> <thead> <tr> <th><u>Age</u></th> <th><u>Male</u></th> <th><u>Female</u></th> </tr> </thead> <tbody> <tr><td>20</td><td>0.00%</td><td>0.01%</td></tr> <tr><td>25</td><td>0.00</td><td>0.01</td></tr> <tr><td>30</td><td>0.00</td><td>0.01</td></tr> <tr><td>35</td><td>0.00</td><td>0.01</td></tr> <tr><td>40</td><td>0.01</td><td>0.01</td></tr> <tr><td>45</td><td>0.02</td><td>0.04</td></tr> <tr><td>50</td><td>0.06</td><td>0.07</td></tr> <tr><td>55</td><td>0.12</td><td>0.10</td></tr> <tr><td>60</td><td>0.19</td><td>0.15</td></tr> </tbody> </table>	<u>Age</u>	<u>Male</u>	<u>Female</u>	20	0.00%	0.01%	25	0.00	0.01	30	0.00	0.01	35	0.00	0.01	40	0.01	0.01	45	0.02	0.04	50	0.06	0.07	55	0.12	0.10	60	0.19	0.15				
<u>Age</u>	<u>Male</u>	<u>Female</u>																																	
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<p>12. Medical Trend (Annual Increase)</p>	<table border="1"> <thead> <tr> <th><u>Year</u></th> <th><u>Medical</u></th> </tr> </thead> <tbody> <tr><td>1</td><td>6.5%</td></tr> <tr><td>2</td><td>6.4</td></tr> <tr><td>3</td><td>6.3</td></tr> <tr><td>4</td><td>6.2</td></tr> <tr><td>5</td><td>6.1</td></tr> <tr><td>6</td><td>6.0</td></tr> <tr><td>7</td><td>5.9</td></tr> <tr><td>8</td><td>5.8</td></tr> <tr><td>9</td><td>5.7</td></tr> <tr><td>10</td><td>5.6</td></tr> <tr><td>11</td><td>5.5</td></tr> <tr><td>12</td><td>5.4</td></tr> <tr><td>13</td><td>5.3</td></tr> <tr><td>14</td><td>5.2</td></tr> <tr><td>15</td><td>5.1</td></tr> <tr><td>16 & Over</td><td>5.0</td></tr> </tbody> </table>	<u>Year</u>	<u>Medical</u>	1	6.5%	2	6.4	3	6.3	4	6.2	5	6.1	6	6.0	7	5.9	8	5.8	9	5.7	10	5.6	11	5.5	12	5.4	13	5.3	14	5.2	15	5.1	16 & Over	5.0
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<p>13. Salary Merit Scale (Annual Increases)</p>	<table border="1"> <thead> <tr> <th><u>Service</u></th> <th><u>Increase</u></th> </tr> </thead> <tbody> <tr><td>1</td><td>5.6%</td></tr> <tr><td>2</td><td>5.6</td></tr> <tr><td>3</td><td>5.2</td></tr> <tr><td>4</td><td>4.7</td></tr> <tr><td>5</td><td>4.3</td></tr> <tr><td>10</td><td>2.6</td></tr> <tr><td>15</td><td>1.4</td></tr> <tr><td>20</td><td>0.6</td></tr> <tr><td>25</td><td>0.3</td></tr> <tr><td>30</td><td>0.2</td></tr> <tr><td>35</td><td>0.1</td></tr> </tbody> </table> <p>The assumed salary inflation of 3.0% per year is added to these merit increases to get the total assumed increase in salary</p>	<u>Service</u>	<u>Increase</u>	1	5.6%	2	5.6	3	5.2	4	4.7	5	4.3	10	2.6	15	1.4	20	0.6	25	0.3	30	0.2	35	0.1										
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14. Age Related Health Care Cost	<p>2020/2021 monthly medical premium rates under the District's plan were \$768.00 and \$1,738.00 (Single and Family, respectively).</p> <p>Health care costs are assumed to increase each year of age separate from trend due to increased cost of older participants, as follows:</p> <table data-bbox="878 394 1170 617" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;"><u>Age</u></th> <th style="text-align: center;"><u>Rate</u></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Under 40</td> <td style="text-align: center;">4.00%</td> </tr> <tr> <td style="text-align: center;">40-44</td> <td style="text-align: center;">3.75%</td> </tr> <tr> <td style="text-align: center;">45-49</td> <td style="text-align: center;">3.50%</td> </tr> <tr> <td style="text-align: center;">50-54</td> <td style="text-align: center;">3.00%</td> </tr> <tr> <td style="text-align: center;">55-64</td> <td style="text-align: center;">3.25%</td> </tr> </tbody> </table>	<u>Age</u>	<u>Rate</u>	Under 40	4.00%	40-44	3.75%	45-49	3.50%	50-54	3.00%	55-64	3.25%
<u>Age</u>	<u>Rate</u>												
Under 40	4.00%												
40-44	3.75%												
45-49	3.50%												
50-54	3.00%												
55-64	3.25%												
15. Percent with Coverage at Retirement	<p>20% of active Administrators and Non-Exempt Staff without individually negotiated contracts currently electing coverage.</p> <p>50% of Teachers, Supervisors, and Nurses that are eligible for District-provided HRA contributions and currently electing coverage were assumed to elect coverage in retirement for the duration of their HRA contributions. Thereafter, 20% were assumed to self-pay their premiums to remain on the District's plan until Medicare eligibility.</p>												
16. Census Data (Table X)	<p>Retirees listed as "Waived" are receiving HRA contributions to use for medical costs outside of the District's medical plan.</p>												
17. Coverage Tier	<p>70% of future covered retirees are assumed to cover a spouse in retirement</p>												
18. Spouses' Age	<p>Males are assumed to be three years older than their spouses</p>												