

ACTUARIAL SERVICES

DEPARTMENT OVERVIEW - FEBRUARY 15-16, 2018

ACTUARIAL SERVICES

Team

Areas of Responsibilities

Looking Back at 2017

Looking Forward to 2018

ACTUARIAL SERVICES TEAM

Department Established in December 2007

Leslee Hardy- Director of Actuarial Services – 38 years pension experience

BBA in Actuarial Science/Finance – UT Austin

Fellow of the Conference of Consulting Actuaries (FCA)

Associate of the Society of Actuaries (ASA)

Enrolled Actuary (EA)

Member of the American Academy of Actuaries (MAAA)

Kenneth Oliver- Actuarial Analyst - 7 years pension experience

BA in Actuarial Science/Math – UT Austin

Enrolled Actuary in Inactive Status – working on reactivating after 3 years of qualified pension experience

AREAS OF RESPONSIBILITIES

Liaison between TMRS' consulting actuary, the Board, Staff, Cities and other Stakeholders

Annual Benefit Accumulation Fund interest credit recommendation

Annual actuarial valuation /Actuarial Section of CAFR

Maintain employer contribution rates, including ordinance changes

Annual funding rate letters

Annual GASB 68 letters and respective census data files for city auditors

Answer GASB related questions from auditors and/or city staff;

City services - financial analysis; budget projections; benefit changes; Council meetings

Legislative activities – actuarial analysis during session and interim

Actuarial experience studies every four years (next in 2019)

Actuarial audit every ten years

Work closely with the Travel Team on all actuarial matters

LOOKING BACK AT 2017

2016 Actuarial Valuation – very good results; contribution rates remained stable overall (13.27% versus 13.24% in 2015 valuation); funded ratio increased from 85.8% to 86.3%; single equivalent amortization period decreased from 20.6 years to 19.7 years; UAAL as % of pay decreased to 70.0% from 70.9%;

11 new cities in 2017

70 Plan Design Changes

Assisted 60+ cities with financial analysis including budget projections and varying contribution rates

Provided 12 cities with detailed projections of impact of additional monthly contributions on UAAL amortization period and long term contribution savings

Responded to 100+ auditor requests for additional information, clarification or reconciliation of amounts reported

LOOKING BACK AT 2017 (CONT'D)

Actual 2017 Contribution Rates (January – September 2017)

430 cities with a phase-in rate less than the full rate

91 paid phase-in rate

17 paid between phase-in and full rate

295 paid full rate

27 paid above the full rate

434 cities with full rate only

394 paid full rate

40 paid above the full rate

LOOKING FORWARD TO 2018

Issue an RFP for Actuarial Consulting Services (GRS' 5 year contract expires in 2018)

Executive Workshops – focus on impact of additional contributions on
UAAL/Amortization Period

Benefit Accumulation Fund Interest Credit – early estimates indicate we will easily
exceed the 9.4% needed to eliminate deferred losses and move to gain position

2017 Actuarial Valuation – potential for slight rate decreases due to asset gains

Strategic Plan Goal 1/Objective A – Rate Stabilization/Surplus Management
Techniques will be communicated to all employers

GASB 68 + GASB 75 Implementation for Other Post Employment Benefit (OPEB) Plans

Asset Allocation Study

GRS Dashboard Rollout – (delayed until after actuarial services contract determined)

Legislative Interim Actuarial Studies

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Questions?