

# **ACTUARIAL SERVICES**

DEPARTMENT OVERVIEW - FEBRUARY 24, 2017

# ACTUARIAL SERVICES

Team

Areas of Responsibilities

Significant Accomplishments

On the Horizon



# ACTUARIAL SERVICES TEAM

Department Established in December 2007

*Ariel Chou- Actuarial Analyst*

BS in Statistics

MA in Accounting and Supply Chain Management

Passed 3 out of 5 exams toward Associate of the Society of Actuaries Designation

*Leslee Hardy- Director of Actuarial Services – 37 years pension experience*

BBA in Actuarial Science/Finance

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)

# AREAS OF RESPONSIBILITIES

Coordinate all actuarial activities between the System's consulting actuary, the Board, TMRS Staff, Member Cities and other Stakeholders

Annual Benefit Accumulation Fund interest credit recommendation

Annual actuarial valuation

Maintain individual employer contribution rates, including ordinance changes – Full, Phase-in and Supplemental Death

Annual rate letters to individual employers

Contribution rate analysis and projections for alternative plan designs (The GRID)

Assist individual employers with financial analysis and budgets including impact of additional contributions

Actuarial section of the CAFR

GASB 68 reporting package to individual employers

Provide census data for auditors and answer all GASB related questions from city staff and their auditors

Assist with legislative activities during session and interim including actuarial impact studies of potential legislation

Actuarial experience studies every four years

Actuarial audit every ten years

Work closely with the Travel Team on all actuarial matters including attending Council meetings as necessary

# SIGNIFICANT ACCOMPLISHMENTS

Change in funding method from Unit Credit to Projected Unit Credit to Entry Age Normal

UAAL amortization over closed and laddered periods (maximum period 25 years in 2015)

Fund restructuring (SB 350) minimized the leveraged interest credit volatility to employer accounts and enhanced equity among employers while reducing liabilities and contribution rates for most employers

Adopted generational mortality tables for both valuation purposes (contribution rates and liabilities) and benefit purposes (Annuity Purchase Rates)

GASB 68 implementation and related “Eye on GASB” section of website

Prepared a formal written funding policy

Adopted conservative actuarial assumptions including a 6.75% assumed rate of return in 2015

Actuarial audit of valuation and experience study in 2015 was described as “very clean”

# ON THE HORIZON

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

**TMRS employers with retiree coverage in the Supplemental Death Benefit Plan**

**Effective for fiscal years beginning after June 15, 2017**

**Optional Rate Stabilization Techniques**

**Surplus Management Techniques**

**Sustainability Checklist and Application to TMRS Employers**



# ACTUARIAL SERVICES

Questions?

