



## **Marin County Employees' Retirement Association**

### **GASB 67/68 Report as of June 30, 2021**

**Produced by Cheiron**

**November 2021**

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November 23, 2021

Board of Retirement  
Marin County Employees' Retirement Association  
1 McInnis Parkway, Suite 100  
San Rafael, CA 94903-2764

Dear Members of the Board:

The purpose of this report is to provide accounting and financial reporting information under GASB 67 for the Marin County Employees' Retirement Association (MCERA) and under GASB 68 for the County of Marin and the other participating employers. This information includes:

- Determination of the discount rate as of June 30, 2021,
- Projection of MCERA's Total Pension Liability from the valuation date to the measurement date,
- Note disclosures and required supplementary information under GASB 67 for MCERA,
- Determination of collective amounts under GASB 68, and
- Schedules for the financial reporting of participating employers under GASB 68.

If you have any questions about the report or would like additional information, please let us know.

Sincerely,  
Cheiron



Graham A Schmidt, ASA EA, FCA, MAAA  
Consulting Actuary



William R. Hallmark, ASA, EA, FCA, MAAA  
Consulting Actuary

**MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
GASB 67 AND 68 REPORTING FOR JUNE 30, 2021 MEASUREMENT DATE**

**SECTION I – BOARD SUMMARY**

**Highlights**

The measurement date for the Marin County Employees' Retirement Association is June 30, 2021. Measurements as are based on the fair value of assets as of June 30, 2021 and the Total Pension Liability (TPL) as of the valuation date, June 30, 2020, updated to June 30, 2021. The Board updated its assumptions for the June 30, 2020 actuarial valuation based on an experience study. These changes are reflected effective July 1, 2020 for financial reporting purposes. To the best of our knowledge, there were no significant events between the valuation date and the measurement date, so the update was based upon the Total Pension Liability as of the valuation date reflecting the new assumptions and projected to the measurement date with the addition of service cost and interest cost offset by actual benefit payments.

The table below provides a summary of the key collective results during this measurement period.

<b>Table I-1 Summary of Collective Results</b>			
		<b>Measurement Date</b>	
		<b>6/30/2021</b>	<b>6/30/2020</b>
Net Pension Liability	\$	(162,401,177)	\$ 457,774,963
Deferred Outflows		(43,674,542)	(80,867,741)
Deferred Inflows		466,950,240	853,192
Net Impact on Statement of Net Position	\$	260,874,521	\$ 377,760,414
Pension Expense (\$ Amount)	\$	(36,526,162)	\$ 94,270,779
Pension Expense (% of Payroll)		-13.41%	35.61%

The Net Pension Liability (NPL) decreased approximately \$620 million since the prior measurement date primarily due to investments earning more than the assumed rate. Actuarial losses and assumption changes increased the NPL by about \$42 million.

The gains due to investment earnings being more than expected are recognized over five years. The losses due to liability experience and the assumption changes are recognized over the average remaining service life as of the beginning of the measurement period, which is four years. Unrecognized amounts are reported as deferred inflows and deferred outflows.

As of the end of the reporting year, MCERA and its participating employers would report a Net Pension Asset of \$162,401,177, Collective Deferred Inflows of \$466,950,240, and Collective Deferred Outflows of \$43,674,542. Consequently, the net impact on the aggregate of participating employers' Statements of Net Position due to MCERA would be a net liability of \$260,874,521 (-\$162,401,177 + \$466,950,240 – \$43,674,542) at the end of the measurement

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**SECTION I – BOARD SUMMARY**

year. In addition, any contributions between the measurement date and each individual employer's reporting date would be reported as deferred outflows to offset the cash outflow reported.

For the measurement year ending June 30, 2021, the collective annual pension expense is income of \$36,526,162 or 13.41% of covered payroll. This amount is not related to participating employers' contributions to MCERA (\$80,359,731), but instead represents the change in the net impact on participating employer's Statements of Net Position plus employer contributions (\$260,874,521 – \$377,760,414 + \$80,359,731). The collective pension expense is considerably smaller than the prior year (being income for the first time this year). Volatility in pension expense from year to year is to be expected. For the measurement year ending June 30, 2021, the volatility was largely due to the recognition of the 2021 investment gain. A breakdown of the components of the collective net pension expense is shown in Section VII of the report.

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**SECTION II – CERTIFICATION**

The purpose of this report is to provide accounting and financial reporting information under Government Accounting Standards Board Statement 67 (GASB 67) for the Marin County Employees' Retirement Association (MCERA) and under GASB 68 for the employers that participate in MCERA. This report is for the use of MCERA, the participating employers, and their auditors in preparing financial reports in accordance with applicable law and accounting requirements. This report is not appropriate for other purposes, including the measurement of funding requirements for MCERA.

In preparing our report, we relied on information (some oral and some written) supplied by MCERA. This information includes, but is not limited to, the plan provisions, employee data, and financial information. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice No. 23. The assumptions have been selected by the Board based on our recommendations and analysis. We believe the assumptions to be reasonable.

Future actuarial measurements may differ significantly from the current measurements due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; and changes in plan provisions or applicable law.

Cheiron utilizes ProVal, an actuarial valuation software leased from Winklevoss Technologies (WinTech) to calculate liabilities and project benefit payments. We have relied on WinTech as the developer of ProVal. We have reviewed ProVal and have a basic understanding of it and have used ProVal in accordance with its original intended purpose. We have not identified any material inconsistencies in assumptions or output of ProVal that would affect this report.

This report and its contents have been prepared in accordance with generally recognized and accepted actuarial principles and practices and our understanding of the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board as well as applicable laws and regulations. Furthermore, as credentialed actuaries, we meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in this report. This report does not address any contractual or legal issues. We are not attorneys and our firm does not provide any legal services or advice.

This report was prepared for MCERA for the purposes described herein and for the use by the plan auditor in completing an audit related to the matters herein. Other users of this report are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to any other user.

Graham A. Schmidt, ASA, EA, FCA, MAAA  
Consulting Actuary

William R. Hallmark, ASA, EA, FCA, MAAA  
Consulting Actuary

**MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
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**SECTION III – DETERMINATION OF DISCOUNT RATE**

The discount rate used to measure the Total Pension Liability was 6.75%.

We have assumed that the employees will continue to contribute to MCERA at the current rates and the employers will continue the historical and legally required practice of contributing to the Plan based on an Actuarially Determined Contribution (ADC), reflecting a payment equal to annual normal cost, a portion of the expected administrative expenses, and an amount necessary to amortize the remaining Unfunded Actuarial Liability (UAL) as a level percent of payroll over a closed period.

Effective with the June 30, 2013 valuation, the UAL as of June 30, 2013 is amortized over a closed 17-year period (10 years remaining as of June 30, 2020), except for the additional UAL attributable to the outstanding unfunded actuarial loss from 2009, which is being amortized over a separate closed period (18 years remaining as of June 30, 2020).

Effective with the June 30, 2014 valuation, any new sources of UAL due to actuarial gains and losses or method changes are amortized over a closed 24-year period, with a five-year ramp up period at the beginning of the period, a four-year ramp down at the end of the period, and 15 years of level payments as a percentage of payroll in conjunction with traditional five-year asset smoothing. Assumption changes are amortized over a closed 22-year period, with a 3-year ramp up period, 2-year ramp down period, and 17 years of level payments as a percentage of payroll.

We have not performed a formal cash flow projection as described under Paragraph 41 of GASB Statement 67. However, Paragraph 43 allows for alternative methods to confirm the sufficiency of the Net Position if the evaluations “can be made with sufficient reliability without a separate projection of cash flows into and out of the pension plan...” In our professional judgment, adherence to the contribution policy described above will result in the pension plan’s projected fiduciary net position being greater than or equal to the benefit payments projected for each future period.

Therefore, the long-term expected rate of return on MCERA investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

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**SECTION IV – PROJECTION OF TOTAL PENSION LIABILITY**

The Total Pension Liability (TPL) at the end of the measurement year, June 30, 2021, is measured as of a valuation date of June 30, 2020 and projected to June 30, 2021. The TPL shown in the prior report was measured as of June 30, 2019 and projected to June 30, 2020. Because the TPLs are based on different valuations and different assumptions, the TPL from the prior report will not match the amounts measured as of June 30, 2020 that are shown in this exhibit.

There were no significant events during the projection period of which we are aware.

The table below shows the projection of the TPL at discount rates equal to the rate used for disclosure and plus and minus one percent from the rate used for disclosure.

<b>Table IV-1 Projection of Collective Total Pension Liability from Valuation to Measurement Date</b>			
<b>Discount Rate</b>	<b>5.75%</b>	<b>6.75%</b>	<b>7.75%</b>
<b>Valuation Collective Total Pension Liability, 6/30/2020</b>			
Actives	\$ 1,106,745,505	\$ 937,242,411	\$ 800,250,820
Deferred Vested	165,022,027	135,703,814	113,527,259
Retirees	<u>2,261,373,987</u>	<u>2,051,846,602</u>	<u>1,874,771,041</u>
<b>Total</b>	<b>\$ 3,533,141,519</b>	<b>\$ 3,124,792,827</b>	<b>\$ 2,788,549,120</b>
<b>Service Cost</b>	87,200,826	68,379,239	54,234,701
<b>Benefit Payments</b>	167,679,802	167,679,802	167,679,802
<b>Interest</b>	200,874,204	207,626,845	211,798,583
<b>Collective Total Pension Liability, 6/30/2021</b>	<b>\$ 3,653,536,747</b>	<b>\$ 3,233,119,109</b>	<b>\$ 2,886,902,602</b>



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**SECTION V – GASB 67 REPORTING INFORMATION**

The table below shows the changes in the Total Pension Liability, the Plan Fiduciary Net Position (i.e., fair value of System assets), and the Net Pension Liability during the Measurement Year.

<b>Table V-1</b>			
<b>Change in Collective Net Pension Liability</b>			
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
<b>Balances at 6/30/2020</b>	\$3,083,089,828	\$2,625,314,865	\$ 457,774,963
<b>Changes for the year:</b>			
Service cost	68,379,239		68,379,239
Interest	207,084,921		207,084,921
Changes of benefits	0		0
Differences between expected and actual experience	8,570,419		8,570,419
Changes of assumptions	33,674,504		33,674,504
Contributions - employer		80,359,731	(80,359,731)
Contributions - member		32,019,007	(32,019,007)
Net investment income		829,890,324	(829,890,324)
Benefit payments	(167,679,802)	(167,679,802)	0
Administrative expense		(4,383,839)	4,383,839
<b>Net changes</b>	<u>150,029,281</u>	<u>770,205,421</u>	<u>(620,176,140)</u>
<b>Balances at 6/30/2021</b>	<u>\$3,233,119,109</u>	<u>\$3,395,520,286</u>	<u>\$ (162,401,177)</u>

During the measurement year, the NPL decreased by approximately \$620 million. The service cost and interest cost increased the NPL by approximately \$275 million while contributions and investment income offset by administrative expenses decreased the NPL by approximately \$938 million.

There were no changes in benefits during the year. Assumptions were changed (including the discount rate decreasing from 7.00% to 6.75%) which increased the NPL by approximately \$34 million. There were actuarial experience losses during the year that increased the collective NPL by approximately \$9 million.

Changes in the discount rate affect the measurement of the TPL. Lower discount rates produce a higher TPL and higher discount rates produce a lower TPL. Because the discount rate does not affect the measurement of assets, the percentage change in the NPL can be very significant for a

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**SECTION V – GASB 67 REPORTING INFORMATION**

relatively small change in the discount rate. The table below shows the sensitivity of the NPL to the discount rate.

<b>Table V-2</b>			
<b>Sensitivity of Collective Net Pension Liability to Changes in Discount Rate</b>			
	<b>1% Decrease 5.75%</b>	<b>Discount Rate 6.75%</b>	<b>1% Increase 7.75%</b>
Total Pension Liability	\$3,653,536,747	\$3,233,119,109	\$2,886,902,602
Plan Fiduciary Net Position	<u>3,395,520,286</u>	<u>3,395,520,286</u>	<u>3,395,520,286</u>
Collective Net Pension Liability	<u>\$ 258,016,461</u>	<u>\$ (162,401,177)</u>	<u>\$ (508,617,684)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	92.9%	105.0%	117.6%

A one percent decrease in the discount rate increases the TPL by approximately 13%, while a one percent increase in the discount rate decreases the TPL by approximately 11%. The increase and decrease in the NPL from these respective discount rate changes are substantially higher.

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**SECTION V – GASB 67 REPORTING INFORMATION**

The schedules of Required Supplementary Information generally start with information as of the implementation of GASB 67, and eventually will build up to 10 years of information. The schedule on the next page shows the changes in collective NPL and related ratios required by GASB for the eight years since implementation.

Table V-3 Schedule of Changes in Collective Net Pension Liability and Related Ratios								
	FYE 2021	FYE 2020	FYE 2019	FYE 2018	FYE 2017	FYE 2016	FYE 2015	FYE 2014
<b>Total Pension Liability</b>								
Service cost (MOY)	\$ 68,379,239	\$ 63,855,331	\$ 63,587,459	\$ 61,074,664	\$ 57,090,773	\$ 55,208,834	\$ 49,064,492	\$ 49,014,858
Interest (includes interest on service cost)	207,084,921	203,816,884	195,274,190	188,096,539	184,139,800	176,564,792	166,718,783	159,521,975
Changes of benefit terms	0	0	0	0	0	0	0	0
Differences between expected and actual experience	8,570,419	15,620,886	16,721,629	(3,412,765)	(904,678)	(212,631)	(31,054,299)	0
Changes of assumptions	33,674,504	0	0	40,801,678	0	0	144,753,646	0
Benefit payments, including refunds of member contributions	(167,679,802)	(158,293,527)	(149,212,983)	(139,856,672)	(131,937,062)	(124,203,519)	(115,984,752)	(109,342,861)
<b>Net change in total pension liability</b>	<b>\$ 150,029,281</b>	<b>\$ 124,999,574</b>	<b>\$ 126,370,295</b>	<b>\$ 146,703,444</b>	<b>\$ 108,388,833</b>	<b>\$ 107,357,476</b>	<b>\$ 213,497,871</b>	<b>\$ 99,193,972</b>
<b>Total pension liability - beginning</b>	<b><u>3,083,089,828</u></b>	<b><u>2,958,090,254</u></b>	<b><u>2,831,719,959</u></b>	<b><u>2,685,016,515</u></b>	<b><u>2,576,627,682</u></b>	<b><u>2,469,270,206</u></b>	<b><u>2,255,772,335</u></b>	<b><u>2,156,578,363</u></b>
<b>Total pension liability - ending</b>	<b><u>\$ 3,233,119,109</u></b>	<b><u>\$ 3,083,089,828</u></b>	<b><u>\$ 2,958,090,254</u></b>	<b><u>\$ 2,831,719,959</u></b>	<b><u>\$ 2,685,016,515</u></b>	<b><u>\$ 2,576,627,682</u></b>	<b><u>\$ 2,469,270,206</u></b>	<b><u>\$ 2,255,772,335</u></b>
<b>Plan fiduciary net position</b>								
Contributions - employer	\$ 80,359,731	\$ 75,643,074	\$ 78,738,814	\$ 78,754,476	\$ 77,502,945	\$ 75,260,980	\$ 68,915,072	\$ 69,980,201
Contributions - member	32,019,007	30,913,996	30,010,459	28,628,627	28,053,775	27,207,157	24,920,493	22,952,689
Net investment income	829,890,324	89,273,498	136,483,513	221,839,196	248,347,501	42,927,728	100,055,573	309,002,468
Benefit payments, including refunds of member contributions	(167,679,802)	(158,293,527)	(149,212,983)	(139,856,672)	(131,937,062)	(124,203,519)	(115,984,752)	(109,342,861)
Administrative expense	(4,383,839)	(4,607,760)	(5,056,351)	(4,203,705)	(4,404,191)	(4,379,760)	(4,654,623)	(4,503,845)
<b>Net change in plan fiduciary net position</b>	<b>\$ 770,205,421</b>	<b>\$ 32,929,281</b>	<b>\$ 90,963,452</b>	<b>\$ 185,161,922</b>	<b>\$ 217,562,968</b>	<b>\$ 16,812,586</b>	<b>\$ 73,251,763</b>	<b>\$ 288,088,652</b>
<b>Plan fiduciary net position - beginning</b>	<b><u>2,625,314,865</u></b>	<b><u>2,592,385,584</u></b>	<b><u>2,501,422,132</u></b>	<b><u>2,316,260,210</u></b>	<b><u>2,098,697,242</u></b>	<b><u>2,081,884,656</u></b>	<b><u>2,008,632,893</u></b>	<b><u>1,720,544,241</u></b>
<b>Plan fiduciary net position - ending</b>	<b><u>\$ 3,395,520,286</u></b>	<b><u>\$ 2,625,314,865</u></b>	<b><u>\$ 2,592,385,584</u></b>	<b><u>\$ 2,501,422,132</u></b>	<b><u>\$ 2,316,260,210</u></b>	<b><u>\$ 2,098,697,242</u></b>	<b><u>\$ 2,081,884,656</u></b>	<b><u>\$ 2,008,632,893</u></b>
<b>Net pension liability - ending</b>	<b><u>\$ (162,401,177)</u></b>	<b><u>\$ 457,774,963</u></b>	<b><u>\$ 365,704,670</u></b>	<b><u>\$ 330,297,827</u></b>	<b><u>\$ 368,756,305</u></b>	<b><u>\$ 477,930,440</u></b>	<b><u>\$ 387,385,550</u></b>	<b><u>\$ 247,139,442</u></b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	105.02%	85.15%	87.64%	88.34%	86.27%	81.45%	84.31%	89.04%
<b>Covered payroll</b>	\$ 272,441,885	\$ 264,730,129	\$ 253,964,938	\$ 248,532,086	\$ 242,045,311	\$ 238,185,040	\$ 223,825,880	\$ 218,340,721
<b>Net pension liability as a percentage of covered payroll</b>	-59.61%	172.92%	144.00%	132.90%	152.35%	200.66%	173.07%	113.19%

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**SECTION V – GASB 67 REPORTING INFORMATION**

Because an Actuarially Determined Contribution (ADC) has been calculated historically, the full 10 years of information in the following schedule is required.

<b>Table V-4 Schedule of Collective Employer Contributions</b>					
	<b>FYE 2021</b>	<b>FYE 2020</b>	<b>FYE 2019</b>	<b>FYE 2018</b>	<b>FYE 2017</b>
Actuarially Determined Contribution	\$ 80,359,731	\$ 75,643,074	\$ 78,738,814	\$ 78,754,476	\$ 77,502,945
Contributions in Relation to the Actuarially Determined Contribution	<u>80,359,731</u>	<u>75,643,074</u>	<u>78,738,814</u>	<u>78,754,476</u>	<u>77,502,945</u>
Contribution Deficiency/(Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered Payroll	\$ 272,441,885	\$ 264,730,129	\$ 253,964,938	\$ 248,532,086	\$ 242,045,311
Contributions as a Percentage of Covered Payroll	29.50%	28.57%	31.00%	31.69%	32.02%
	<b>FYE 2016</b>	<b>FYE 2015</b>	<b>FYE 2014</b>	<b>FYE 2013</b>	<b>FYE 2012</b>
Actuarially Determined Contribution	\$ 75,260,980	\$ 68,915,072	\$ 69,660,201	\$ 69,853,000	\$ 64,690,000
Contributions in Relation to the Actuarially Determined Contribution	<u>75,260,980</u>	<u>68,915,072</u>	<u>69,660,201</u>	<u>69,853,000</u>	<u>64,690,000</u>
Contribution Deficiency/(Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered Payroll	\$ 238,185,040	\$ 223,825,880	\$ 218,340,721	\$ 211,001,594	\$ 216,515,000
Contributions as a Percentage of Covered Payroll	31.60%	30.79%	31.90%	33.11%	29.88%

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**SECTION V – GASB 67 REPORTING INFORMATION**

The following information on key methods and assumptions used to calculate the ADC for FYE 2021 should be presented as notes to the schedule.

Notes to Schedule	
Valuation date	June 30, 2019 (to determine FY2020-21 contribution)
Timing	Actuarially Determined Contribution rates are calculated based on the actuarial valuation one year prior to the beginning of the plan year
Actuarial cost method	Entry age
Amortization method	Level percentage of payroll with separate periods for Extraordinary Actuarial Gains or Loss (19 years remaining as of (6/30/2019), the remaining UAL as of June 20, 2013 (11 years as of 6/30/2019), and additional layers for unexpected changes in UAL after 6/30/2013 (24 years for gains and losses with a 5-year phase in/out and 22 years for assumption changes with 30year phase in/out).
Discount rate	7.00%
Amortization growth rate	3.00%
Price Inflation	2.75%
Salary increases	3.00% plus merit component based on employee classification and years of service.
Mortality	Sex-distinct CalPERS 2017 Pre-Retirement Non-Industrial Death rates (plus Duty-Related death rates for Safety members), with generational improvements from a base year of 2014 using Scale MP-2017 for active Members, Sex-distinct CalPERS 2017 Post-Retirement Healthy Mortality rates, adjusted by 90% for Miscellaneous and Safety Males, with generational improvements from a base year of 2014 using Scale MP-2017 for retired Members and their beneficiaries.
Disabled Mortality	Sex-distinct CalPERS 2017 Disability Death rates (Non-Industrial rates for Miscellaneous members and Industrial rates for Safety members), adjusted by 90% for Males (Miscellaneous and Safety) and Miscellaneous Females, with generational improvements from a base year of 2014 using Scale MP-2017.
A complete description of the methods and assumptions used to determine contribution rates for the fiscal year ending June 30, 2021, can be found in the June 30, 2019 actuarial valuation report.	

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**SECTION VI – GASB 68 COLLECTIVE AMOUNTS**

We understand that MCERA’s participating employers elected to use the 2014 measurement date for their initial reporting under GASB 68 on their June 30, 2015 reporting dates. As a result, the schedules in this section will be used by employers for their FYE 2022 reporting.

The table below summarizes the current balances of deferred outflows and deferred inflows of resources along with the net recognition over the next five years and the total amount recognized thereafter.

<b>Table VI-1</b>		
<b>Schedule of Collective Deferred Inflows and Outflows of Resources</b>		
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 18,418,664	\$ 0
Changes in assumptions	25,255,878	0
Net difference between projected and actual earnings on pension plan investments	0	466,950,240
<b>Total</b>	<b><u>\$ 43,674,542</u></b>	<b><u>\$ 466,950,240</u></b>
Amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense as follows:		
<b>Measurement year ended June 30:</b>		
2022	(99,017,427)	
2023	(91,005,242)	
2024	(102,320,420)	
2025	(130,932,609)	
2026	0	
Thereafter	\$ 0	

The tables on the following pages provide details on the current balances of deferred inflows and outflows of resources along with the recognition of each base for each of the current and following five years, as well as the total for any years thereafter.

**MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
GASB 67 AND 68 REPORTING FOR JUNE 30, 2021 MEASUREMENT DATE**

**SECTION VI – GASB 68 COLLECTIVE AMOUNTS**

**Table VI-2  
Recognition of Experience (Gains) and Losses**

Experience Year	Recognition Period	Total Amount	Beginning	Ending	Recognition Year				
			Remaining Amount	Remaining Amount	2021	2022	2023	2024	2025
2021	4.0	\$ 8,570,419	\$ 8,570,419	\$ 6,427,814	\$ 2,142,605	\$ 2,142,605	\$ 2,142,605	\$ 2,142,604	\$ 0
2020	4.0	15,620,886	11,715,664	7,810,442	3,905,222	3,905,222	3,905,220	0	0
2019	4.0	16,721,629	8,360,815	4,180,408	4,180,407	4,180,408	0	0	0
2018	4.0	(3,412,765)	(853,192)	0	(853,192)	0	0	0	0
2017	4.0	(904,678)	0	0	0	0	0	0	0
Deferred Outflows			28,646,898	18,418,664	10,228,234	10,228,235	6,047,825	2,142,604	0
Deferred (Inflows)			(853,192)	0	(853,192)	0	0	0	0
Net Change in Pension Expense			\$ 27,793,706	\$ 18,418,664	\$ 9,375,042	\$ 10,228,235	\$ 6,047,825	\$ 2,142,604	\$ 0

**Table VI-3  
Recognition of Assumption Changes**

Change Year	Recognition Period	Total Amount	Beginning	Ending	Recognition Year				
			Remaining Amount	Remaining Amount	2021	2022	2023	2024	2025
2021	4.0	\$ 33,674,504	\$ 33,674,504	\$ 25,255,878	\$ 8,418,626	\$ 8,418,626	\$ 8,418,626	\$ 8,418,626	\$ 0
2020	4.0	0	0	0	0	0	0	0	0
2019	4.0	0	0	0	0	0	0	0	0
2018	4.0	40,801,678	10,200,418	0	10,200,418	0	0	0	0
2017	4.0	0	0	0	0	0	0	0	0
Deferred Outflows			43,874,922	25,255,878	18,619,044	8,418,626	8,418,626	8,418,626	0
Deferred (Inflows)			0	0	0	0	0	0	0
Net Change in Pension Expense			\$ 43,874,922	\$ 25,255,878	\$ 18,619,044	\$ 8,418,626	\$ 8,418,626	\$ 8,418,626	\$ 0

**MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
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**SECTION VI – GASB 68 COLLECTIVE AMOUNTS**

Table VI-4 Recognition of Investment (Gains) and Losses									
Experience Year	Recognition Period	Total Amount	Beginning	Ending	Recognition Year				
			Remaining Amount	Remaining Amount	2021	2022	2023	2024	2025
2021	5.0	\$(654,663,045)	\$(654,663,045)	\$(523,730,436)	\$(130,932,609)	\$(130,932,609)	\$(130,932,609)	\$(130,932,609)	\$(130,932,609)
2020	5.0	90,254,799	72,203,839	54,152,879	18,050,960	18,050,960	18,050,960	18,050,959	0
2019	5.0	37,049,780	22,229,868	14,819,912	7,409,956	7,409,956	7,409,956	0	0
2018	5.0	(60,962,975)	(24,385,190)	(12,192,595)	(12,192,595)	(12,192,595)	0	0	0
2017	5.0	(97,288,365)	(19,457,673)	0	(19,457,673)	0	0	0	0
Net Change in Pension Expense			\$(604,072,201)	\$(466,950,240)	\$(137,121,961)	\$(117,664,288)	\$(105,471,693)	\$(112,881,650)	\$(130,932,609)



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**SECTION VI – GASB 68 COLLECTIVE AMOUNTS**

The collective annual pension expense recognized by participating employers can be calculated two different ways. First, it is the change in the amounts reported on the participating employers' Statement of Net Position that relate to MCERA and are not attributable to employer contributions. That is, it is the change in NPL plus the changes in deferred outflows and inflows plus employer contributions.

Alternatively, annual pension expense can be calculated by its individual components. While GASB does not require or suggest the organization of the individual components shown in the table below, we believe it helps to understand the level and volatility of pension expense.

<b>Table VI-5 Calculation of Collective Pension Expense</b>		
	<b>Measurement Year Ending</b>	
	<b>2021</b>	<b>2020</b>
Change in Net Pension Liability	\$ (620,176,140)	\$ 92,070,293
Change in Deferred Outflows	37,193,199	(47,925,681)
Change in Deferred Inflows	466,097,048	(25,516,907)
Employer Contributions	<u>80,359,731</u>	<u>75,643,074</u>
<b>Pension Expense</b>	<b>\$ (36,526,162)</b>	<b>\$ 94,270,779</b>
<b>Pension Expense as % of Payroll</b>	<b>-13.41%</b>	<b>35.61%</b>
<b>Operating Expenses</b>		
Service cost	\$ 68,379,239	\$ 63,855,331
Employee contributions	(32,019,007)	(30,913,996)
Administrative expenses	<u>4,383,839</u>	<u>4,607,760</u>
Total	\$ 40,744,071	\$ 37,549,095
<b>Financing Expenses</b>		
Interest cost	\$ 207,084,921	\$ 203,816,884
Expected return on assets	<u>(175,227,279)</u>	<u>(179,528,297)</u>
Total	\$ 31,857,642	\$ 24,288,587
<b>Changes</b>		
Benefit changes	\$ 0	\$ 0
Recognition of assumption changes	18,619,044	10,200,420
Recognition of liability gains and losses	9,375,042	7,006,270
Recognition of investment gains and losses	<u>(137,121,961)</u>	<u>15,226,407</u>
Total	\$ (109,127,875)	\$ 32,433,097
<b>Pension Expense</b>	<b>\$ (36,526,162)</b>	<b>\$ 94,270,779</b>

**MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
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**SECTION VI – GASB 68 COLLECTIVE AMOUNTS**

Operating expenses are items directly attributable to the operation of the plan during the measurement year. Service cost less employee contributions represents the increase in employer-provided benefits attributable to the year, and administrative expenses are the cost of operating MCERA for the year.

Financing expenses equal the interest on the Total Pension Liability less the expected return on assets. Since the discount rate is equal to the long-term expected return on assets, the financing expense is primarily the interest on the Net Pension Liability with an adjustment for the difference between the interest on the service cost and contributions.

The recognition of changes will drive most of the volatility in pension expense from year to year. Changes include any changes in benefits made during the year and the recognized amounts due to assumption changes, gains or losses on the TPL, and investment gains or losses.

The total pension expense decreased from the prior year by about \$131 million and became pension income. In the current year pension expense, the recognition of changes decreased by approximately \$142 million, operating expenses increased by \$3.2 million, and financing expenses increased by \$7.6 million compared to the prior year.

**MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
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**SECTION VII – GASB 68 REPORTING INFORMATION FOR  
PARTICIPATING EMPLOYERS**

**Proportionate Shares**

Because MCERA is a cost-sharing multiple-employer pension plan, each employer participating in MCERA must report a portion of the collective Net Pension Liability, Pension Expense, and Deferred Outflows and Inflows in their financial statements. GASB 68 requires that the proportionate share for each employer be determined based on the “employer’s projected long-term contribution effort to the pension ... as compared to the total projected long-term contribution effort of all employers ....”

Proportionate shares for each employer are determined based on the employer’s share of the Unfunded Actuarial Liability (UAL) determined in the most recent actuarial valuation. It should be noted that because the collective NPL is now an asset, the allocation of proportionate shares for financial reporting purposes results in the employers with the largest UAL as of June 30, 2021 being allocated the largest proportion of the collective Net Pension Asset as of June 30, 2021. While this allocation of proportionate shares is consistent with the requirements of GASB 68, the results may be misleading, particularly for employers who still have a UAL included in the June 30, 2021 actuarial valuation report. However, any method which produces non-negative proportionate shares will automatically allocate a portion of the Net Pension Asset to all employers, regardless of their individual funded status.

In Table VIII-1, the determination is shown based on the June 30, 2019 and June 30, 2020 actuarial valuations.

<b>Table VII-1 Determination of Employers' Proportionate Share*</b>					
<b>Employer</b>	<b>June 30, 2021</b>		<b>June 30, 2020</b>		
	<b>UAL (from the June 30, 2020 Actuarial Valuation)*</b>	<b>Proportionate Share</b>	<b>UAL (from the June 30, 2019 Actuarial Valuation)*</b>		
				<b>Proportionate Share</b>	
County	\$ 279,082,561	55.8749%	\$ 210,978,882	52.8226%	
LAFCO	0	0.0000%	27,849	0.0070%	
Marin City	0	0.0000%	0	0.0000%	
Mosquito District	7,675,159	1.5366%	6,208,242	1.5544%	
South Marin Fire	17,578,363	3.5193%	11,601,474	2.9047%	
Tamalpais CSD	407,469	0.0816%	267,427	0.0670%	
Courts	11,570,299	2.3165%	8,396,658	2.1023%	
City of San Rafael	148,170,360	29.6650%	137,226,746	34.3574%	
Novato Fire	34,993,749	7.0061%	24,701,997	6.1846%	
<b>Total</b>	<b>\$ 499,477,960</b>	<b>100.0000%</b>	<b>\$ 399,409,276</b>	<b>100.0000%</b>	

\* Numbers may not sum to total due to rounding

**MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
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The table below shows the proportionate share of the collective NPL (under three discount rates), the collective deferred outflows, the collective deferred inflows, and the collective pension expense allocated to each participating employer as of June 30, 2021.

**Table VII-2  
Schedule of Employers' Proportionate Share of Collective Amounts at June 30, 2021\***

<b>Employer</b>	<b>Proportionate Share</b>	<b>Share of NPL @ 5.75%</b>	<b>Share of NPL @ 6.75%</b>	<b>Share of NPL @ 7.75%</b>	<b>Share of Deferred Outflows</b>	<b>Share of Deferred Inflows</b>	<b>Pension Expense</b>
County	55.8749%	144,166,440	(90,741,495)	(284,189,622)	24,403,107	260,907,980	(20,408,956)
LAFCO	0.0000%	0	0	0	0	0	0
Marin City	0.0000%	0	0	0	0	0	0
Mosquito District	1.5366%	3,964,681	(2,495,456)	(7,815,419)	671,103	7,175,157	(561,261)
South Marin Fire	3.5193%	9,080,373	(5,715,385)	(17,899,782)	1,537,038	16,433,380	(1,285,465)
Tamalpais CSD	0.0816%	210,541	(132,519)	(415,032)	35,638	381,031	(29,805)
Courts	2.3165%	5,976,951	(3,762,023)	(11,782,129)	1,011,721	10,816,902	(846,129)
City of San Rafael	29.6650%	76,540,583	(48,176,309)	(150,881,436)	12,956,053	138,520,789	(10,835,486)
Novato Fire	7.0061%	18,076,891	(11,377,989)	(35,634,264)	3,059,882	32,715,001	(2,559,059)
<b>Total</b>	<b>100.0000%</b>	<b>\$258,016,461</b>	<b>\$(162,401,177)</b>	<b>\$(508,617,684)</b>	<b>\$ 43,674,542</b>	<b>\$ 466,950,240</b>	<b>\$(36,526,162)</b>

\* Numbers may not sum to total due to rounding

The proportionate share allocated to each individual employer will change on each measurement date. The net effect of the change in proportion on the share of the collective NPL, collective deferred outflows, and collective deferred inflows allocated to each employer becomes a deferred outflow or inflow for that employer and is recognized over the average future working life of MCERA's active and inactive members (four years).

Similarly, the difference between each employer's actual contributions and the employer's proportionate share of collective employer contributions becomes a deferred outflow or inflow for that employer and is recognized over the average future working life of MCERA's active and inactive members (four years).

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**SECTION VII – GASB 68 REPORTING INFORMATION FOR  
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The table below shows the change in proportion and the impact of that change in proportion on the proportionate share of the collective NPL, collective deferred outflows, and collective deferred inflows. It also shows any contribution differences.

Table VII-3 Schedule of Employers' Changes in Proportion and Contribution Differences*									
Employer	Proportionate Shares		Impact of Change in Proportion				Contributions		
	6/30/2020	6/30/2021	Net Pension Liability	Deferred Outflows	Deferred Inflows	Net Effect	Actual	Proportionate Share	Difference
County	52.8226%	55.8749%	\$ 13,972,665	\$ 2,468,326	\$ (26,042)	\$ 11,530,381	\$ 49,601,254	\$ 44,900,919	\$ 4,700,335
LAFCO	0.0070%	0.0000%	(32,044)	(5,661)	60	(26,443)	27,213	0	27,213
Marin City	0.0000%	0.0000%	0	0	0	0	70,166	0	70,166
Mosquito District	1.5544%	1.5366%	(81,484)	(14,394)	152	(67,241)	1,016,235	1,234,808	(218,572)
South Marin Fire	2.9047%	3.5193%	2,813,485	497,013	(5,244)	2,321,716	2,734,584	2,828,100	(93,516)
Tamalpais CSD	0.0670%	0.0816%	66,835	11,807	(125)	55,153	310,794	65,574	245,221
Courts	2.1023%	2.3165%	980,554	173,219	(1,828)	809,163	1,893,541	1,861,533	32,008
City of San Rafael	34.3574%	29.6650%	(21,480,632)	(3,794,638)	40,035	(17,726,030)	20,106,821	23,838,714	(3,731,893)
Novato Fire	6.1846%	7.0061%	3,760,621	664,328	(7,009)	3,103,302	4,599,122	5,630,083	(1,030,961)
<b>Total</b>	<b>100.0000%</b>	<b>100.0000%</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 80,359,731</b>	<b>\$ 80,359,731</b>	<b>\$ 0</b>

\* Numbers may not sum to total due to rounding

**MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
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**SECTION VII – GASB 68 REPORTING INFORMATION FOR  
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The table below shows the reconciliation of deferred outflows and inflows due to proportion changes for each participating employer from the prior measurement date to the current measurement date.

Table VII-4 Reconciliation of Deferred Outflows and Inflows Due to Proportion Change*									
Employer	Deferred Outflows				Deferred Inflows				
	6/30/2020	Current Year Net Effect	Recognition	6/30/2021	6/30/2020	Current Year Net Effect	Recognition	6/30/2021	
	County	\$ 3,380,067	\$ 11,530,381	\$ 4,009,284	\$ 10,901,164	\$ (7,876,995)	\$ 0	\$ (4,309,131)	\$ (3,567,865)
LAFCO	20,338	0	7,769	12,570	(18,572)	(26,443)	(15,897)	(29,118)	
Marin City	4,643	0	2,321	2,321	(14,794)	0	(10,125)	(4,669)	
Mosquito District	1,491,325	0	697,822	793,504	(782,343)	(67,241)	(407,982)	(441,602)	
South Marin Fire	2,043,760	2,321,716	1,651,762	2,713,713	0	0	0	0	
Tamalpais CSD	14,655	55,153	28,443	41,365	(1,162,014)	0	(450,911)	(711,103)	
Courts	594,454	809,163	400,442	1,003,175	(670,042)	0	(474,055)	(195,987)	
City of San Rafael	6,296,927	0	3,499,619	2,797,308	(6,062,250)	(17,726,030)	(6,452,257)	(17,336,022)	
Novato Fire	2,993,123	3,103,302	2,075,178	4,021,247	(252,283)	0	(252,283)	0	
<b>Total</b>	<b>\$ 16,839,293</b>	<b>\$ 17,819,714</b>	<b>\$ 12,372,641</b>	<b>\$ 22,286,366</b>	<b>\$ (16,839,293)</b>	<b>\$ (17,819,714)</b>	<b>\$ (12,372,641)</b>	<b>\$ (22,286,366)</b>	

\* Numbers may not sum to total due to rounding

**MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
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**SECTION VII – GASB 68 REPORTING INFORMATION FOR  
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The table below shows the reconciliation of deferred outflows and inflows due to contribution differences for each participating employer from the prior measurement date to the current measurement date.

**Table VII-5  
Reconciliation of Deferred Outflows and Inflows Due to Contribution Differences\***

Employer	Deferred Outflows				Deferred Inflows			
	6/30/2020	Current Year Difference	Recognition	6/30/2021	6/30/2020	Current Year Difference	Recognition	6/30/2021
County	\$ 9,735,407	\$ 4,700,335	\$ 5,827,019	\$ 8,608,724	\$ 0	\$ 0	\$ 0	\$ 0
LAFCO	41,711	27,213	22,850	46,074	0	0	0	0
Marin City	62,372	70,166	53,874	78,665	0	0	0	0
Mosquito District	57,205	0	28,602	28,602	(190,837)	(218,572)	(148,153)	(261,256)
South Marin Fire	600,376	0	330,196	270,180	0	(93,516)	(23,379)	(70,137)
Tamalpais CSD	289,625	245,221	165,330	369,516	(13,676)	0	(13,676)	0
Courts	434,492	32,008	241,276	225,224	0	0	0	0
City of San Rafael	0	0	0	0	(11,003,358)	(3,731,893)	(6,339,490)	(8,395,761)
Novato Fire	199,414	0	184,202	15,212	(212,731)	(1,030,961)	(328,651)	(915,042)
<b>Total</b>	<b>\$ 11,420,602</b>	<b>\$ 5,074,942</b>	<b>\$ 6,853,348</b>	<b>\$ 9,642,196</b>	<b>\$ (11,420,602)</b>	<b>\$ (5,074,942)</b>	<b>\$ (6,853,348)</b>	<b>\$ (9,642,196)</b>

\* Numbers may not sum to total due to rounding

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**SECTION VII – GASB 68 REPORTING INFORMATION FOR  
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The table below summarizes the deferred outflows allocated to each employer for experience, assumption changes, investment returns, proportion changes, and contribution differences.

<b>Table VII-6 Schedule of Employers' Deferred Outflows at June 30, 2021*</b>						
<b>Employer</b>	<b>Proportionate Shares</b>	<b>Experience</b>	<b>Assumption Changes</b>	<b>Investment Return</b>	<b>Proportion Change</b>	<b>Contribution Difference</b>
County	55.8749%	\$ 10,291,410	\$ 14,111,697	\$ 0	\$ 10,901,164	\$ 8,608,724
LAFCO	0.0000%	0	0	0	12,570	46,074
Marin City	0.0000%	0	0	0	2,321	78,665
Mosquito District	1.5366%	283,021	388,082	0	793,504	28,602
South Marin Fire	3.5193%	648,208	888,830	0	2,713,713	270,180
Tamalpais CSD	0.0816%	15,030	20,609	0	41,365	369,516
Courts	2.3165%	426,668	585,052	0	1,003,175	225,224
City of San Rafael	29.6650%	5,463,897	7,492,156	0	2,797,308	0
Novato Fire	7.0061%	1,290,430	1,769,452	0	4,021,247	15,212
<b>Total</b>	<b>100.0000%</b>	<b>\$18,418,664</b>	<b>\$ 25,255,878</b>	<b>\$ 0</b>	<b>\$22,286,366</b>	<b>\$ 9,642,196</b>

\* Numbers may not sum to total due to rounding



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The table below summarizes the deferred inflows allocated to each employer for experience, assumption changes, investment returns, proportion changes, and contribution differences.

**Table VII-7  
Schedule of Employers' Deferred Inflows at June 30, 2021\***

<b>Employer</b>	<b>Proportionate Shares</b>	<b>Experience</b>	<b>Assumption Changes</b>	<b>Investment Return</b>	<b>Proportion Change</b>	<b>Contribution Difference</b>
County	55.8749%	\$ 0	\$ 0	\$ 260,907,980	\$ 3,567,865	\$ 0
LAFCO	0.0000%	0	0	0	29,118	0
Marin City	0.0000%	0	0	0	4,669	0
Mosquito District	1.5366%	0	0	7,175,157	441,602	261,256
South Marin Fire	3.5193%	0	0	16,433,380	0	70,137
Tamalpais CSD	0.0816%	0	0	381,031	711,103	0
Courts	2.3165%	0	0	10,816,902	195,987	0
City of San Rafael	29.6650%	0	0	138,520,789	17,336,022	8,395,761
Novato Fire	7.0061%	0	0	32,715,001	0	915,042
<b>Total</b>	<b>100.0000%</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 466,950,240</b>	<b>\$22,286,366</b>	<b>\$ 9,642,196</b>

\* Numbers may not sum to total due to rounding

**MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
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**SECTION VII – GASB 68 REPORTING INFORMATION FOR  
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The table below shows the net amount of deferred outflows and inflows to be recognized by each participating employer in each of the next four years and the total thereafter.

<b>Table VII-8</b>					
<b>Schedule of Employers' Recognition of Deferred Outflows and Inflows at June 30, 2021*</b>					
<b>Employer</b>	<b>Recognition for Measurement Year Ending</b>				
	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Thereafter</b>
County	\$ (50,226,902)	\$ (44,063,730)	\$ (53,113,753)	\$ (73,158,464)	\$ 0
LAFCO	11,678	17,655	192	0	0
Marin City	35,105	23,671	17,541	0	0
Mosquito District	(1,607,436)	(1,121,752)	(1,643,709)	(2,011,910)	0
South Marin Fire	(1,947,276)	(2,383,485)	(3,043,913)	(4,607,911)	0
Tamalpais CSD	(352,591)	(177,783)	(8,400)	(106,841)	0
Courts	(1,935,545)	(1,644,212)	(2,159,960)	(3,033,054)	0
City of San Rafael	(37,818,939)	(36,121,281)	(35,717,833)	(38,841,158)	0
Novato Fire	(5,175,521)	(5,534,326)	(6,650,586)	(9,173,270)	0
<b>Total</b>	<b>\$ (99,017,427)</b>	<b>\$ (91,005,242)</b>	<b>\$ (102,320,420)</b>	<b>\$ (130,932,609)</b>	<b>\$ 0</b>

\* Numbers may not sum to total due to rounding

**MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
GASB 67 AND 68 REPORTING FOR JUNE 30, 2021 MEASUREMENT DATE**

**SECTION VII – GASB 68 REPORTING INFORMATION FOR  
PARTICIPATING EMPLOYERS**

The table below shows the calculation of the pension expense for each participating employer. The calculation is shown first as the sum of the proportionate share of the collective pension expense and the amounts recognized for proportion changes and contribution differences. The right side of the table shows the calculation as the sum of the changes in NPL and deferred amounts not attributable to contributions.

Employers that are using a June 30, 2021 measurement date for their June 30, 2022 financial statements can use this schedule for their annual pension expense.

**Table VII-9  
Schedule of Employers' Pension Expense for the Measurement Year Ending June 30, 2021\***

Employer	Collective Pension Expense	Change in Proportion	Contribution Difference	Employer Pension Expense	Change in Employer			Employer Contributions	Employer Pension Expense
					Net Pension Liability	Deferred Outflows	Deferred Inflows		
County	\$ (20,408,956)	\$ (299,846)	\$ 5,827,019	\$ (14,881,784)	\$ (332,550,133)	\$ 11,918,924	\$ 256,148,171	\$ 49,601,254	\$ (14,881,784)
LAFCO	0	(8,128)	22,850	14,722	(32,044)	9,066	10,487	27,213	14,722
Marin City	0	(7,804)	53,874	46,070	0	(13,971)	(10,125)	70,166	46,070
Mosquito District	(561,261)	289,840	(119,550)	(390,972)	(9,611,111)	1,312,329	6,891,574	1,016,235	(390,972)
South Marin Fire	(1,285,465)	1,651,762	306,817	673,114	(19,012,374)	472,170	16,478,734	2,734,584	673,114
Tamalpais CSD	(29,805)	(422,468)	151,654	(300,620)	(439,229)	(88,058)	(84,127)	310,794	(300,620)
Courts	(846,129)	(73,613)	241,276	(678,465)	(13,385,826)	488,909	10,324,911	1,893,541	(678,465)
City of San Rafael	(10,835,486)	(2,952,639)	(6,339,490)	(20,127,614)	(205,455,884)	18,327,619	146,893,830	20,106,821	(20,127,614)
Novato Fire	(2,559,059)	1,822,895	(144,449)	(880,613)	(39,689,539)	1,097,542	33,112,262	4,599,122	(880,613)
<b>Total</b>	<b>\$ (36,526,162)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ (36,526,162)</b>	<b>\$ (620,176,140)</b>	<b>\$ 33,524,531</b>	<b>\$ 469,765,716</b>	<b>\$ 80,359,731</b>	<b>\$ (36,526,162)</b>

**MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
GASB 67 AND 68 REPORTING FOR JUNE 30, 2021 MEASUREMENT DATE**

**SECTION VII – GASB 68 REPORTING INFORMATION FOR  
PARTICIPATING EMPLOYERS**

The table below summarizes the information needed for each employer's schedules of required supplementary information.

Table VII-10 Schedule of Employers' RSI Information at June 30, 2021*										
Employer	Proportionate Shares	Proportionate Share of NPL	Covered Payroll	Share of NPL as a % of Payroll	Plan Fiduciary Net Position as % of TPL	Contractually Required Contribution	Actual Contributions	Contribution Deficiency	Contributions as a % of Payroll	
County	55.8749%	\$ (90,741,495)	\$ 209,138,143	-43.4%	105.0%	\$ 49,601,254	\$ 49,601,254	\$ 0	23.7%	
LAFCO	0.0000%	0	280,726	0.0%	105.0%	27,213	27,213	0	9.7%	
Marin City	0.0000%	0	306,472	0.0%	105.0%	70,166	70,166	0	22.9%	
Mosquito District	1.5366%	(2,495,456)	3,398,039	-73.4%	105.0%	1,016,235	1,016,235	0	29.9%	
South Marin Fire	3.5193%	(5,715,385)	7,430,780	-76.9%	105.0%	2,734,584	2,734,584	0	36.8%	
Tamalpais CSD	0.0816%	(132,519)	1,114,290	-11.9%	105.0%	310,794	310,794	0	27.9%	
Courts	2.3165%	(3,762,023)	7,828,748	-48.1%	105.0%	1,893,541	1,893,541	0	24.2%	
City of San Rafael	29.6650%	(48,176,309)	33,351,946	-144.4%	105.0%	20,106,821	20,106,821	0	60.3%	
Novato Fire	7.0061%	(11,377,989)	9,592,742	-118.6%	105.0%	4,599,122	4,599,122	0	47.9%	
<b>Total</b>	<b>100.0000%</b>	<b>\$ (162,401,177)</b>	<b>\$ 272,441,885</b>	<b>-59.6%</b>	<b>105.0%</b>	<b>\$ 80,359,731</b>	<b>\$ 80,359,731</b>	<b>\$ 0</b>	<b>29.5%</b>	

\* Numbers may not sum to total due to rounding

**MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
GASB 67 AND 68 REPORTING FOR JUNE 30, 2021 MEASUREMENT DATE**

**APPENDIX A – MEMBERSHIP INFORMATION**

	Participant Data as of June 30, 2020: County of Marin													
	Miscellaneous		Marin County Safety		Total		Miscellaneous		Marin Special Districts Safety		Total		Total County and Special Districts	
	6/30/2019	6/30/2020	6/30/2019	6/30/2020	6/30/2019	6/30/2020	6/30/2019	6/30/2020	6/30/2019	6/30/2020	6/30/2019	6/30/2020	6/30/2019	6/30/2020
<b>Active Participants</b>														
Number	1,705	1,727	364	361	2,069	2,088	156	155	51	51	207	206	2,276	2,294
Average Age	47.92	47.49	40.56	40.47	46.63	46.27	48.82	49.05	41.71	42.71	47.07	47.48	46.67	46.38
Average Service	9.75	9.50	10.99	11.06	9.96	9.77	11.47	11.51	9.24	10.20	10.92	11.18	10.05	9.89
Average Pay*	\$91,924	\$95,252	\$114,289	\$119,454	\$95,859	\$99,437	\$82,755	\$86,957	\$121,553	\$130,847	\$92,314	\$97,823	\$95,536	\$99,292
<b>Service Retired</b>														
Number	1,606	1,664	259	269	1,865	1,933	134	135	31	30	165	165	2,030	2,098
Average Age	72.47	72.63	64.83	64.77	71.41	71.54	68.89	69.58	62.60	63.92	67.71	68.55	71.11	71.30
Average Total Benefit*	\$38,660	\$39,463	\$69,086	\$71,999	\$42,886	\$43,990	\$39,010	\$38,855	\$70,634	\$73,208	\$44,951	\$45,101	\$43,053	\$44,078
<b>Beneficiaries</b>														
Number	275	278	73	77	348	355	14	17	10	10	24	27	372	382
Average Age	74.37	74.71	69.23	70.13	73.29	73.72	66.76	67.36	67.59	68.59	67.11	67.81	72.89	73.30
Average Total Benefit*	\$25,736	\$27,293	\$42,685	\$42,501	\$29,291	\$30,591	\$21,886	\$26,460	\$44,969	\$46,563	\$31,504	\$33,906	\$29,434	\$30,826
<b>Duty Disabled</b>														
Number	84	84	125	126	209	210	6	6	18	18	24	24	233	234
Average Age	68.22	68.97	62.93	63.72	65.06	65.82	64.88	65.88	66.89	66.71	66.39	66.50	65.19	65.89
Average Total Benefit*	\$38,902	\$40,107	\$60,943	\$62,730	\$52,084	\$53,681	\$33,315	\$34,404	\$58,971	\$62,464	\$52,557	\$55,449	\$52,133	\$53,862
<b>Ordinary Disabled</b>														
Number	29	28	7	8	36	36	2	2	0	0	2	2	38	38
Average Age	69.86	71.37	58.11	56.14	67.57	67.98	64.85	65.85	0.00	0.00	64.85	65.85	67.43	67.87
Average Total Benefit*	\$21,858	\$22,307	\$49,083	\$44,162	\$27,152	\$27,164	\$25,871	\$26,389	\$0	\$0	\$25,871	\$26,389	\$27,084	\$27,123
<b>Total In Pay</b>														
Number	1,994	2,054	464	480	2,458	2,534	156	160	59	58	215	218	2,673	2,752
Average Age	72.52	72.75	64.91	65.21	71.08	71.32	68.49	69.16	64.76	65.59	67.47	68.21	70.79	71.07
Average Total Benefit*	\$36,644	\$37,608	\$62,437	\$64,370	\$41,513	\$42,677	\$37,086	\$37,215	\$62,726	\$65,280	\$44,122	\$44,682	\$41,722	\$42,836
<b>Terminated Vested</b>														
Number	234	241	22	26	256	267	18	19	2	2	20	21	276	288
Average Age	48.12	48.34	45.52	45.09	47.90	48.02	45.73	46.69	52.70	53.70	46.43	47.36	47.79	47.97
Average Service	8.25	8.28	7.73	7.65	8.20	8.22	8.89	9.32	3.50	3.50	8.35	8.76	8.21	8.26
<b>Transfers</b>														
Number	179	176	53	55	232	231	27	30	11	11	38	41	270	272
Average Age	50.04	50.20	45.73	45.28	49.05	49.03	50.95	50.22	46.25	47.25	49.59	49.43	49.13	49.09
Average Service	4.96	4.91	4.51	4.00	4.86	4.70	5.15	5.40	5.18	5.18	5.16	5.34	4.90	4.79
<b>Total Inactive</b>														
Number	413	417	75	81	488	498	45	49	13	13	58	62	546	560
Average Age	48.95	49.12	45.67	45.22	48.45	48.49	48.87	48.85	47.24	48.25	48.50	48.73	48.45	48.52
Average Service	6.82	6.86	5.45	5.17	6.61	6.59	6.64	6.92	4.92	4.92	6.26	6.50	6.58	6.58

\*All payroll and benefit figures shown are annual.

**MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
GASB 67 AND 68 REPORTING FOR JUNE 30, 2021 MEASUREMENT DATE**

**APPENDIX A – MEMBERSHIP INFORMATION**

Participant Data as of June 30, 2020: City of San Rafael										
	Miscellaneous		Police		Fire		Total Safety		Total	
	6/30/2019	6/30/2020	6/30/2019	6/30/2020	6/30/2019	6/30/2020	6/30/2019	6/30/2020	6/30/2019	6/30/2020
<b>Active Participants</b>										
Number	207	205	64	60	67	67	131	127	338	332
Average Age	45.90	45.01	39.08	39.69	39.04	39.38	39.06	39.53	43.25	42.91
Average Service	9.49	9.07	10.36	10.35	9.63	10.06	9.98	10.20	9.68	9.50
Average Pay*	\$82,386	\$83,143	\$121,082	\$126,558	\$132,974	\$134,591	\$127,165	\$130,796	\$99,741	\$101,372
<b>Service Retired</b>										
Number	274	278	79	80	87	86	166	166	440	444
Average Age	69.58	69.96	66.27	66.91	67.88	68.73	67.11	67.86	68.65	69.18
Average Total Benefit*	\$38,401	\$39,832	\$71,207	\$73,645	\$94,357	\$97,541	\$83,340	\$86,025	\$55,355	\$57,103
<b>Beneficiaries</b>										
Number	39	43	23	24	21	22	44	46	83	89
Average Age	75.90	75.39	69.45	69.04	72.78	74.18	71.04	71.50	73.32	73.38
Average Total Benefit*	\$20,051	\$22,467	\$37,040	\$35,984	\$40,621	\$41,596	\$38,749	\$38,668	\$29,963	\$30,841
<b>Duty Disabled</b>										
Number	18	18	41	43	24	24	65	67	83	85
Average Age	66.93	67.93	62.03	62.16	68.97	68.81	64.59	64.54	65.10	65.26
Average Total Benefit*	\$29,526	\$30,412	\$62,066	\$63,027	\$92,113	\$97,086	\$73,160	\$75,227	\$63,698	\$65,737
<b>Ordinary Disabled</b>										
Number	3	3	0	0	0	0	0	0	3	3
Average Age	72.53	73.53	0.00	0.00	0.00	0.00	0.00	0.00	72.53	73.53
Average Total Benefit*	\$17,986	\$18,526	\$0	\$0	\$0	\$0	\$0	\$0	\$17,986	\$18,526
<b>Total In Pay</b>										
Number	334	342	143	147	132	132	275	279	609	621
Average Age	70.20	70.57	65.57	65.87	68.86	69.65	67.15	67.66	68.82	69.26
Average Total Benefit*	\$35,596	\$36,966	\$63,091	\$64,390	\$85,400	\$88,134	\$73,799	\$75,624	\$52,847	\$54,334
<b>Terminated Vested</b>										
Number	43	46	13	20	1	5	14	25	57	71
Average Age	48.28	48.19	43.12	43.37	40.11	37.29	42.91	42.15	46.96	46.06
Average Service	6.09	6.00	11.08	10.45	9.00	5.60	10.93	9.48	7.28	7.23
<b>Transfers</b>										
Number	67	64	15	14	5	5	20	19	87	83
Average Age	42.76	44.80	46.78	47.11	41.95	42.95	45.57	46.02	43.41	45.08
Average Service	3.18	3.20	4.93	3.64	3.60	3.60	4.60	3.63	3.51	3.30
<b>Total Inactive</b>										
Number	110	110	28	34	6	10	34	44	144	154
Average Age	44.92	46.22	45.08	44.91	41.64	40.12	44.47	43.82	44.81	45.53
Average Service	4.32	4.37	7.79	7.65	4.50	4.60	7.21	6.95	5.00	5.11

\*All payroll and benefit figures shown are annual.

**MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
GASB 67 AND 68 REPORTING FOR JUNE 30, 2021 MEASUREMENT DATE**

**APPENDIX A – MEMBERSHIP INFORMATION**

Participant Data as of June 30, 2020: Novato Fire Protection District						
	Miscellaneous		Safety		Total	
	6/30/2019	6/30/2020	6/30/2019	6/30/2020	6/30/2019	6/30/2020
<b>Active Participants</b>						
Number	9	10	66	67	75	77
Average Age	45.86	46.77	44.20	43.84	44.40	44.22
Average Service	9.78	9.70	14.20	13.52	13.67	13.03
Average Pay*	\$111,162	\$107,682	\$132,668	\$136,217	\$130,087	\$132,511
<b>Service Retired</b>						
Number	6	6	57	58	63	64
Average Age	63.67	64.67	68.11	68.41	67.69	68.06
Average Total Benefit*	\$38,935	\$40,297	\$107,490	\$112,801	\$100,961	\$106,004
<b>Beneficiaries</b>						
Number	1	1	15	19	16	20
Average Age	56.67	57.67	65.41	66.77	64.86	66.31
Average Total Benefit*	\$12,366	\$12,798	\$46,045	\$43,558	\$43,940	\$42,020
<b>Duty Disabled</b>						
Number	0	0	33	33	33	33
Average Age	0.00	0.00	68.59	68.81	68.59	68.81
Average Total Benefit*	\$0	\$0	\$77,142	\$85,116	\$77,142	\$85,116
<b>Ordinary Disabled</b>						
Number	0	0	0	0	0	0
Average Age	0.00	0.00	0.00	0.00	0.00	0.00
Average Total Benefit*	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total In Pay</b>						
Number	7	7	105	110	112	117
Average Age	62.67	63.67	67.88	68.24	67.55	67.97
Average Total Benefit*	\$35,139	\$36,369	\$89,174	\$92,535	\$85,797	\$89,175
<b>Terminated Vested</b>						
Number	1	1	2	1	3	2
Average Age	44.12	45.12	51.20	48.64	48.84	46.88
Average Service	12.00	12.00	5.00	9.00	7.33	10.50
<b>Transfers</b>						
Number	0	0	11	11	11	11
Average Age	0.00	0.00	44.07	45.07	44.07	45.07
Average Service	0.00	0.00	3.91	3.91	3.91	3.91
<b>Total Inactive</b>						
Number	1	1	13	12	14	13
Average Age	44.12	45.12	45.16	45.37	45.09	45.35
Average Service	12.00	12.00	4.08	4.33	4.64	4.92

\*All payroll and benefit figures shown are annual.

Please refer to the June 30, 2020 actuarial valuation report for a more complete summary of the data.

**MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
GASB 67 AND 68 REPORTING FOR JUNE 30, 2021 MEASUREMENT DATE**

**APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS**

A summary of the actuarial assumptions and methods used to calculate the Total Pension Liability as of June 30, 2021 is provided below, including any assumptions that differ from those used in the July 1, 2020 actuarial valuation. Please refer to the June 30, 2020 actuarial valuation report for a complete description of all other assumptions. The economic and demographic assumptions were adopted by the Board, based on an experience study performed by Cheiron covering the period from July 1, 2017 through June 30, 2020. The experience study report contains the rationale for all recommended assumptions.

**Key Actuarial Assumptions**

<b>Expected Return on Assets</b>	6.75 percent per year, net of investment expenses
<b>Discount Rate</b>	6.75 percent per year
<b>Price Inflation</b>	2.50% per year
<b>Salary Increases</b>	3.00% per year plus merit component based on employee classification and years of service
<b>Administrative Expenses</b>	Administrative expenses in the actuarial valuation are assumed to be \$5 million for FY2020-21, to be split between employees and employers based on their share of the overall contributions. Administrative expenses shown in this report are based on the actual FY2020-21 amounts.
<b>Post-retirement COLA</b>	Post-retirement COLAs are assumed at the rate of 2.5% for members with a 4% COLA cap, 2.4% for members with a 3% COLA cap, and 1.9% for members with a 2% COLA cap.
<b>Mortality Rates for Active Members</b>	<p>Mortality rates for Miscellaneous active members are based on the sex distinct Public General 2010 Employee Mortality Table, with generational mortality improvements projected from 2010 using Projection Scale MP-2020, with no adjustments.</p> <p>Mortality rates for Safety active members are based on the sex distinct Public Safety 2010 Above-Median Income Employee Mortality Table, with generational mortality improvements projected from 2010 using Projection Scale MP-2020, with no adjustments. 10% of Safety member active deaths are assumed to occur in the line of duty.</p>



MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
GASB 67 AND 68 REPORTING FOR JUNE 30, 2021 MEASUREMENT DATE

APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS

**Mortality Rates for Retired Healthy Members**

Mortality rates for Miscellaneous retired members are based on the sex distinct Public General 2010 Healthy Retiree Mortality Table, with generational mortality improvements projected from 2010 using Projection Scale MP-2020, with no adjustments.

Mortality rates for Safety retired members are based on the sex distinct Public Safety 2010 Above-Median Income Healthy Retiree Mortality Table, with generational mortality improvements projected from 2010 using Projection Scale MP-2020, with no adjustments.

**Mortality Rates for Retired Disabled Members**

Rates of mortality for Miscellaneous disabled members are based on the sex distinct Public General 2010 Disabled Retiree Mortality Table, with generational mortality improvements projected from 2010 using Projection Scale MP-2020, with no adjustments.

Rates of mortality for Safety disabled members are based on the sex distinct Public Safety 2010 Disabled Retiree Mortality Table, with generational mortality improvements projected from 2010 using Projection Scale MP-2020, adjusted by 95% for males with no adjustment for females.

**Mortality Rates for Beneficiaries**

Rates of mortality for members' beneficiaries once their benefits commence are given by sex distinct Public 2010 Contingent Survivor Mortality Table, using General 2010 Healthy Retiree Mortality Table before age 45, with generational mortality improvements projected from 2010 using Projection Scale MP-2020, adjusted by 105% for females and no adjustments to males. Prior to the death of the member, the mortality of the beneficiaries is assumed to use the same sex distinct assumptions as the retired healthy members.

**APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS**

**Actuarial Methods**

**1. Actuarial Cost Method**

The actuarial valuation is prepared using the Entry Age Actuarial Cost Method (CERL 31453.5). Under the principles of this method, the actuarial present value of the projected benefits of each individual included in the valuation is allocated as a level percentage of the individual's projected compensation between entry age and assumed exit (until maximum retirement age). For members who transferred from outside of MCERA, entry age is based on entry into the system. The normal cost for the Plan is based on the sum of the individual normal costs for each member (Individual Entry Age Method).

The UAL (or Surplus Funding) is amortized as a percentage of the projected salaries of present and future members of MCERA. Effective with the June 30, 2013 valuation, the UAL as of June 30, 2013 is amortized over a closed 17-year period (10 years remaining as of June 30, 2020), except for the additional UAL attributable to the extraordinary loss from 2008-2009, which is being amortized over a separate closed period (18 years as of June 30, 2020). Surplus Funding is only amortized if the Plan's Funding Ratio exceeds 120%.

Any subsequent unexpected change in the Unfunded Actuarial Liability after June 30, 2013 is amortized over 24 years (22 years for assumption changes) that includes a five-year phase-in/out (three years for assumption changes) of the payments/credits for each annual layer.

**2. Valuation Assets**

As of the June 30, 2014 valuation, assets are valued using the market value. The assets used to compute the UAL are the Market Value of Assets, minus the value of any non-valuation contingency reserves. The assets for each employer are allocated based on a roll-forward of the asset balances from the prior year, adjusted for employee and employer contributions, and are used to calculate the UAL amortizations for each employer. Assets are first allocated to cover the liabilities for inactive members (members in pay status or eligible to receive a deferred benefit), and any remaining assets are allocated to each group's active members based on the employer's share of the rolled-forward balances.

**MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
GASB 67 AND 68 REPORTING FOR JUNE 30, 2021 MEASUREMENT DATE**

**APPENDIX C – SUMMARY OF PLAN PROVISIONS**

The plan provisions are the same as those summarized in the June 30, 2020 actuarial valuation report.

**APPENDIX D – GLOSSARY OF TERMS**

**1. Actuarially Determined Contribution**

A target or recommended contribution 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.

**2. Actuarial Valuation Date**

The date as of which an actuarial valuation is performed. This date may be up to 24 months prior to the measurement date and up to 30 months prior to the employer's reporting date.

**3. Deferred Inflow of Resources**

An acquisition of net assets by a government employer that is applicable to a future reporting period. In the context of GASB 68, these are experience gains on the Total Pension Liability, assumption changes reducing the Total Pension Liability, or investment gains that are recognized in future reporting periods.

**4. Deferred Outflow of Resources**

A consumption of net assets by a government employer that is applicable to a future reporting period. In the context of GASB 68, these are experience losses on the Total Pension Liability, assumption changes increasing the Total Pension Liability, or investment losses that are recognized in future reporting periods.

**5. Entry Age Actuarial Cost Method**

The actuarial cost method required for GASB 67 and 68 calculations. 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 ages. The portion of this actuarial present value allocated to a valuation year is called the service cost. The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future service costs is called the Total Pension Liability.

**6. Measurement Date**

The date as of which the Total Pension Liability and Plan Fiduciary Net Position are measured. The Total Pension Liability may be projected from the actuarial valuation date to the measurement date. The measurement date must be the same as the reporting date for the plan.

**APPENDIX D – GLOSSARY OF TERMS**

**7. Net Pension Liability**

The liability of employers and nonemployer contributing entities to employees for benefits provided through a defined benefit pension plan. It is calculated as the Total Pension Liability less the Plan Fiduciary Net Position. The Net Pension Liability is not appropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling MCERA's benefit obligations in the event of a plan termination or other similar action. However, it is an appropriate measure for assessing the need for or the amount of future contributions.

**8. Plan Fiduciary Net Position**

The fair or Market Value of Assets.

**9. Reporting Date**

The last day of the plan or employer's fiscal year.

**10. Service Cost**

The portion of the actuarial present value of projected benefit payments that is attributed to the current period of employee service in conformity with the requirements of GASB 67 and 68. The service cost is the normal cost calculated under the Entry Age Actuarial Cost Method.

**11. Total Pension 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 67 and 68. The Total Pension Liability is the Actuarial Liability calculated under the Entry Age Actuarial Cost Method.



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