



Local Governmental Employees' Retirement System Employer Required Contribution Rate Projections

Board of Trustees Meeting
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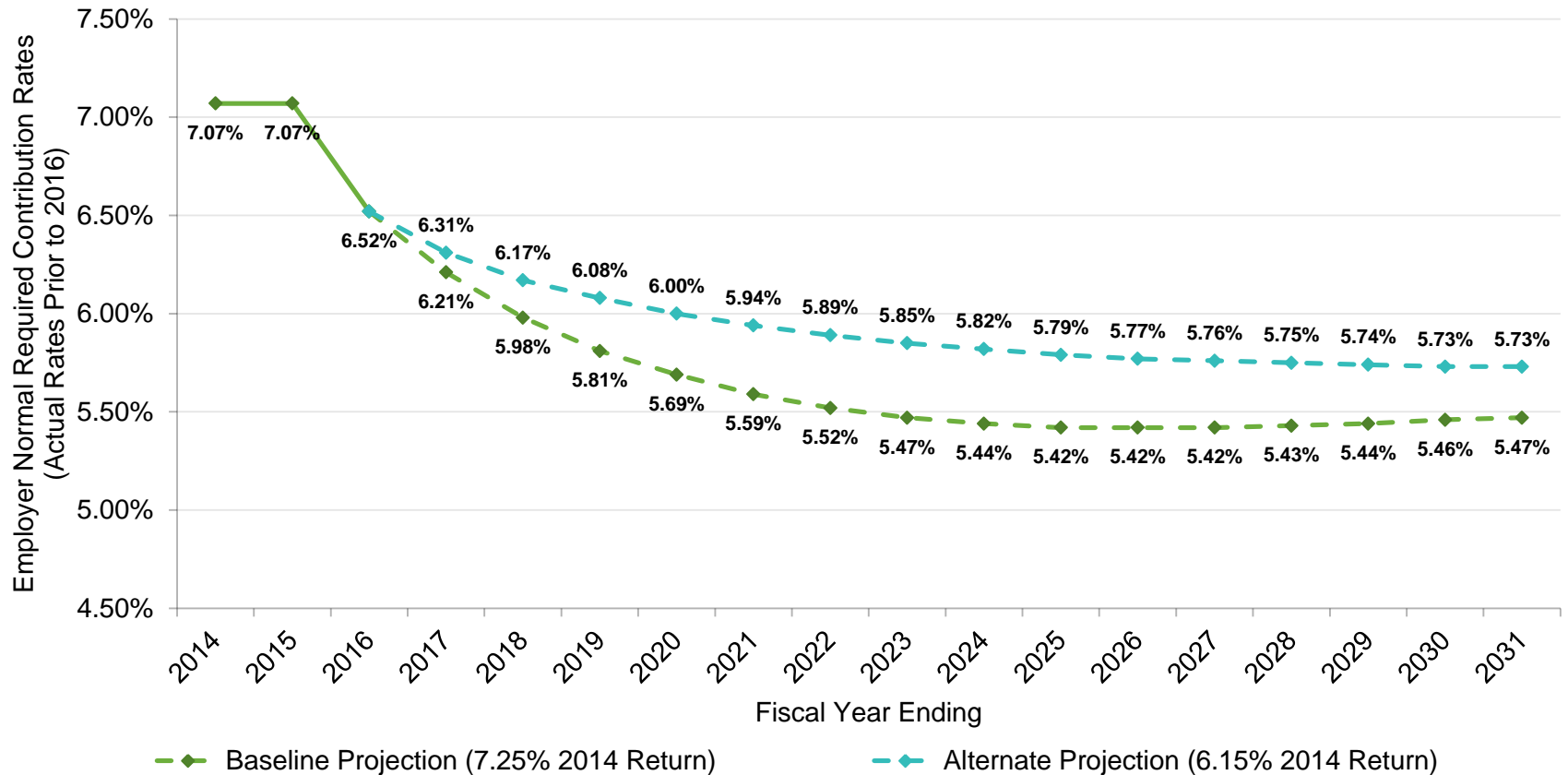
Background

- Projections of employer contribution requirements and funded status into the future can be helpful planning tools for stakeholders.
- Buck has routinely provided projections of contribution rates for the Local Governmental Employees' Retirement System (LGERS).
- These projections of the actuarial valuation are known as “deterministic” projections. Deterministic projections are based on one scenario in the future.
- We have prepared baseline and alternate deterministic projections for LGERS.

Background

- Baseline deterministic projection is based on:
 - December 31, 2013 valuation results
 - December 31, 2013 valuation assumptions to project future valuation results, including:
 - Valuation interest rate of 7.25% for all years
 - No cost-of-living adjustments granted
 - Assumes future pay increases based on long-term valuation
- Alternate deterministic projection based on the same assumptions as the baseline deterministic projection, except
 - Assumes 6.15% asset return for calendar year 2014

Projections: Projected Employer Normal Required Contribution Rates for General Employees and Firefighters



Estimated returns were 1.1% lower than expected. As a result, we are projecting that the unfunded accrued liability will be higher resulting in higher contributions.

Questions?

THANK YOU