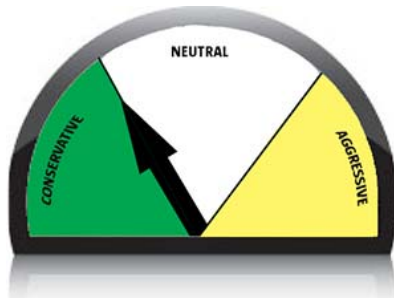# *Dashboard of Assumptions for 2017-2021*

Key Point: assumptions were selected to fall within a reasonable range of *long-term expectations*
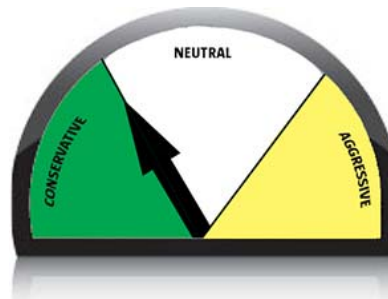
Mortality

Mortality
Fully generational mortality projection table based on MP-2015, which projects lower rates of mortality into the future than other comparable projections scales.
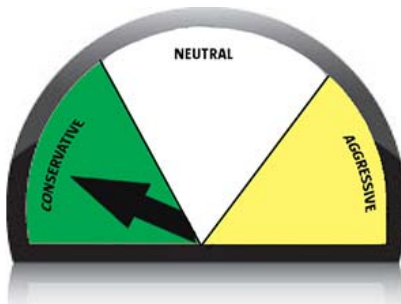
Merit Pay Increases

Merit Pay Increases
While this assumption lowers the assumed rate of salary increases compared to prior assumptions, the observed data and short-term expectations are still even lower than the assumptions would indicate.
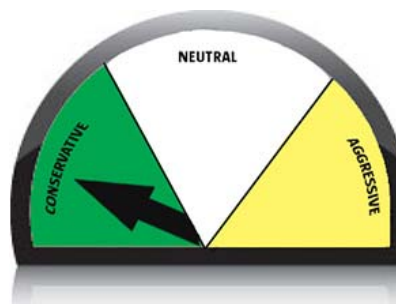
Investment Return

Investment Return
Assumption of 7.25% is well below the median rate of 7.75%, per NASRA's Public Fund Survey & is lower than the compound return that Buck's model produces over time horizons of 20 years and beyond at the 40th percentile of projected returns; current actuarial standards of practice suggest using an assumption falling within 40th and 50th percentile of projected returns based on the long-term asset allocation.

Amortization Method

Amortization Method
12-year amortization period pays down the pension debt over a much shorter period of time compared to the national average of around 24 years; level-dollar amount pays down debt sooner than the level-percent-of-pay method used by others; closed amortization period ensures a glide path toward 100%.

 Service Retirement

 Disability Retirement

 Inflation

 Leave Conversions/Retirement

 Productivity Growth

 Asset Valuation Method

 Actuarial Cost Method

 Termination/Active Employment
Assumed number of terminations just prior to retirement eligibility are lower than observed.

🟩 **Conservative:** Denotes that the assumption results in a contribution in the next few years that is <u>higher</u> than what would be required using the median assumption or method used by peers and/or indicated in the observations of the experience review.

⬜ **Neutral:** Denotes that the assumption results in a acontribution in the next few years that is <u>consistent</u> with what would be required using the median assumption or method used by peers and/or indicated in the observations of the experience review.

🟨 **Aggressive:** Denotes that the assumption results in a contribution in the next few years that is <u>lower</u> than what would be required using the median assumption or method used by peers and/or indicated in the observations of the experience review.