

CITY OF GROSSE POINTE WOODS
OTHER POSTEMPLOYMENT BENEFITS PLAN

GASB 74 / 75 DISCLOSURES FOR THE
PLAN/FISCAL YEAR ENDING JUNE 30, 2021

Valuation Date: June 30, 2020
Measurement Date: June 30, 2021
Fiscal Year End Date: June 30, 2021



October 1, 2021

Ms. Shawn Murphy
Treasurer/Comptroller
City of Grosse Pointe Woods
20025 Mack Plaza Drive
Grosse Pointe Woods, MI 48236

Re: GASB 74/75 Valuation for Fiscal Year Ending June 30, 2021

Dear Ms. Murphy:

We are pleased to present to the City of Grosse Pointe Woods this report of the annual actuarial valuation of the City's Other Postemployment Benefits (OPEB) Program. This valuation was performed to determine annual expenses associated with providing OPEB benefits, the current funded status of the Plan, and to provide all necessary schedules required to comply with the Governmental Accounting Standards Board No. 75. The schedules related to the Governmental Accounting Standards Board No. 74 can be found in Appendix 1.

The measurements shown in this actuarial valuation may not be applicable for other purposes. Future actuarial measurements may differ significantly from the current measurements presented in this report due to factors such as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period); and changes in plan provisions or applicable law.

The valuation has been conducted in accordance with generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board, and reflects all applicable federal laws and regulations. In our opinion, the assumptions used in this valuation, as adopted by the City, represent reasonable expectations of anticipated plan experience.

In conducting the valuation, we have relied on personnel and plan design information supplied by the City, and the actuarial assumptions and methods described in the Actuarial Assumptions section of this report. While we cannot verify the accuracy of all this information, the supplied information was reviewed for consistency and reasonableness. Because of this review, we have no reason to doubt the substantial accuracy of the information and believe that it has produced appropriate results. This information, along with any adjustments or modifications, is summarized in various sections of this report.

The Total OPEB liability, Net OPEB Liability, and certain sensitivity information shown in this report are based on an actuarial valuation performed as of June 30, 2020, and certain results were projected to the measurement date using generally accepted actuarial principles. It is our opinion that the assumptions used for this purpose are internally consistent, reasonable, and comply with the requirements under GASB No. 74 and GASB No. 75.

The undersigned is familiar with the immediate and long-term aspects of OPEB valuations and meets the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. All the sections of this report are considered an integral part of the actuarial opinions.

To our knowledge, no associate of Foster & Foster, Inc. working on valuations of the program has any direct financial interest or indirect material interest in the City of Grosse Pointe Woods, nor does anyone at Foster & Foster, Inc. act as a member of the Board of the City of Grosse Pointe Woods. Thus, there is no relationship existing that might affect our capacity to prepare and certify this actuarial report.

If there are any questions, concerns, or comments about any of the items contained in this report, please contact us at 248-399-8760.

Respectfully submitted,

Foster & Foster, Inc.

By:




Sandra W. Rodwan, EA, MAAA, FCA

By:



Jason L. Franken, FSA, EA, MAAA

By:



Colleen M. Atchison, FSA, MAAA

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SECTION 1 – Executive Summary

SECTION 1 – EXECUTIVE SUMMARY

The valuation results presented in this report have been prepared in accordance with the Government Accounting Standards Board Statement 75 (GASB 75) for the City of Grosse Pointe Woods' Other Postemployment Benefits (OPEB) Program, based on the actuarial valuation performed as of June 30, 2020.

The results of this valuation are based on a Valuation Date of June 30, 2020, a Measurement Date of June 30, 2021, and are applicable to the fiscal year ending June 30, 2021. The following table shows the key components of the City's OPEB valuation for FY 2021 under GASB 75:

Total OPEB Liability as of the Measurement Date	\$	37,613,261
Plan Fiduciary Net Position as of the Measurement Date		1,584,642
Sponsor's Net OPEB Liability as of the Measurement Date	\$	<u>36,028,619</u>
OPEB Expense For the Fiscal Year ending June 30, 2021	\$	2,145,583
Covered Employee Payroll	\$	3,361,323
Sponsor's Net OPEB Liability as a percentage of Covered Employee Payroll		1071.86%
Census Information as of June 30, 2020		
Active Participants		44
Retirees, Beneficiaries, and Disabled Members		97
Inactive Vested Members		14
Total Participants		<u>155</u>

Covered payroll was projected from the valuation date to the measurement date using applicable assumed salary increases.

SECTION 1 – Executive Summary

Notes on the Valuation:

The following changes have been made since the prior valuation:

- The mortality improvement scale was updated from MP-2018 to MP-2019.
- All other assumptions and census data are the same as those in the previous GASB 74/75 disclosure report for the year ending June 30, 2020.

City's Funding Policy:

The numbers shown above reflect a decision to fund the program. The board intends to contribute an amount equal to the actuarially determined contribution each year until the plan is fully funded.

SECTION 1 – Executive Summary


Governmental Accounting Standard No. 75:

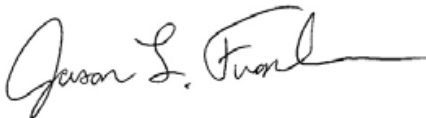
GASB 75 requires governmental employers to recognize the Net OPEB Liability and the OPEB expense in their financial statements, along with the related deferred outflows and inflows of resources. GASB 75 is similar to GASB 68 for pensions. Under GASB 75, the Net OPEB Liability is the difference between the Total OPEB Liability (i.e. Actuarial Accrued Liability) and the Plan's Fiduciary Net Position (i.e. assets). For unfunded plans, the OPEB liability recorded on the employer's balance sheet is equal to the Total OPEB Liability.


The balance of this Report presents additional details of the actuarial valuation and the general operation of the Fund. The undersigned would be pleased to meet with the Board in order to discuss the Report and any pending questions concerning its contents.

Respectfully submitted,

FOSTER & FOSTER, INC.

By: 
Sandra W. Rodwan, EA, MAAA, FCA

By: 
Jason L. Franken, FSA, EA, MAAA

By: 
Colleen M. Atchison, FSA, MAAA

SECTION 2 – Notes to Financial Statements

SECTION 2 – NOTES TO THE FINANCIAL STATEMENTS (For the Year Ended June 30, 2021)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Postemployment Benefits Other Than Pensions (OPEB):

For purposes of measuring the net OPEB Liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City of Grosse Pointe Woods' post-retirement health benefits plan (Plan) and additions to/ deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

GENERAL INFORMATION ABOUT THE OPEB PLAN

Plan Description:

The City of Grosse Pointe Woods' post-retirement health benefits plan (Plan) is a single employer defined benefit postemployment health care plan that covers eligible retired employees and their spouses. The Plan allows employees who retire or become disabled and meet retirement eligibility requirements under the Plan to continue medical coverage as a participant in the plan.

Employees covered by benefit terms. At June 30, 2020, the following employees were covered by the benefit terms:

Inactive Plan Members, or Beneficiaries Currently Receiving Benefits	97
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	14
Active Plan Members	44
	<hr/>
	155
	<hr/> <hr/>

Benefits Provided:

Retirees hired prior to 2011 and their spouses are eligible for post-retirement health insurance. Vested employees who terminate with 10 or more years of service with the City are eligible upon commencement of deferred retirement benefits. The portion of the benefits payable by the City depend on the retiree's service credits.

SECTION 2 – Notes to Financial Statements

NET OPEB LIABILITY

The measurement date for GASB 75 reporting is June 30, 2021.

The measurement period for the OPEB expense was July 1, 2020 to June 30, 2021.

The reporting period is July 1, 2020 to June 30, 2021.

The City's Net OPEB Liability was measured as of June 30, 2021. The Total OPEB Liability used to calculate the Net OPEB Liability was determined as of that date.

Actuarial Assumptions:

The Total OPEB Liability was determined by an actuarial valuation as of June 30, 2020, and projected to the Measurement Date using the following actuarial assumptions:

Inflation Rate	2.50%
Salary Increase Rate(s)	3.50%
Discount Rate	7.00%
Initial Trend Rate	6.00%
Ultimate Trend Rate	5.00%
Years to Ultimate	10

All mortality rates were based on the Pub-2010 mortality tables, projected generationally using mortality improvement scale MP-2019.

Discount Rate:

The discount rate used to measure the Total OPEB Liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that Plan contributions will be made equal to the Actuarially Determined Contribution. Based on these assumptions, the 7.00% discount rate is the single rate of return that, when applied to all projected benefit payments, results in an actuarial present value of projected benefit payments equal to the total of the actuarial present values determined in conformity with GASB Statements No. 74/75. Please refer to Appendix II for further details.

SECTION 2 – Notes to Financial Statements

CHANGES IN NET OPEB LIABILITY

	Increase (Decrease)		
	Total OPEB	Plan Fiduciary	Net OPEB
	Liability	Net Position	Liability
	(a)	(b)	(a)-(b)
Reporting Period Ending June 30, 2020	\$ 36,386,478	\$ 1,001,372	\$ 35,385,106
Changes for the Year:			
Service Cost	431,244	-	431,244
Interest	2,527,585	-	2,527,585
Differences Between Expected and Actual Experience	-	-	-
Changes of Assumptions	(288,911)	-	(288,911)
Changes of Benefit Terms	-	-	-
Explicit Contributions - Employer	-	1,643,135	(1,643,135)
Explicit Contributions - Employee	-	59,723	(59,723)
Net Investment Income	-	323,547	(323,547)
Benefit Payments	(1,443,135)	(1,443,135)	-
Administrative Expense	-	-	-
Other Changes	-	-	-
Net Changes	1,226,783	583,270	643,513
Reporting Period Ending June 30, 2021	<u>\$ 37,613,261</u>	<u>\$ 1,584,642</u>	<u>\$ 36,028,619</u>

Changes of Assumptions reflect an update to the mortality improvement scale from MP-2018 to MP-2019.

SECTION 2 – Notes to Financial Statements

Sensitivity of the Net OPEB Liability to changes in the Discount Rate:

The following presents the Net OPEB Liability of the City, as well as what the City's Net OPEB Liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Net OPEB Liability (asset)	\$ 42,806,078	\$ 36,028,619	\$ 30,840,684

Sensitivity of the Net OPEB Liability to changes in the Healthcare Cost Trend Rates:

The following presents the Net OPEB Liability of the City, as well as what the City's Net OPEB Liability would be if it were calculated using healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

	1% Decrease 4.00% - 5.00%	Healthcare Cost Trend Rates 5.00% - 6.00%	1% Increase 6.00% - 7.00%
Net OPEB Liability (asset)	\$ 30,255,574	\$ 36,028,619	\$ 43,627,478

OPEB Plan Fiduciary Net Position:

Detailed information about the OPEB Plan's Fiduciary Net Position is available in a separately issued Plan financial report.

SECTION 3 – GASB 75 Disclosure Schedules

SECTION 3 – GASB 75 DISCLOSURE SCHEDULES

OPEB EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB

For the year ended June 30, 2021, the City will recognize OPEB Expense of \$2,145,583.

On June 30, 2021, the City reported Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences Between Expected and Actual Experience	\$ -	\$ 71,957
Changes of Assumptions	37,903	192,607
Net difference between Projected and Actual Earnings on OPEB Plan investments	\$ -	\$ 173,856
Total	<u>\$ 37,903</u>	<u>\$ 438,420</u>

Amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB will be recognized in OPEB Expense as follows:

Year ended June 30:

2022	\$ (170,337)
2023	\$ (139,368)
2024	\$ (41,939)
2025	\$ (48,873)
2026	\$ -
Thereafter	\$ -

SECTION 3 – GASB 75 Disclosure Schedules

SCHEDULE OF CHANGES IN THE CITY'S NET OPEB LIABILITY AND RELATED RATIOS

Reporting Period Ending Measurement Date	06/30/2021 06/30/2021	06/30/2020 06/30/2020
Total OPEB Liability		
Service Cost	\$ 431,244	\$ 416,661
Interest	2,527,585	2,428,098
Changes of benefit terms	-	-
Differences between Expected and Actual Experience	-	(551,667)
Changes of assumptions	(288,911)	290,589
Benefit Payments	(1,443,135)	(1,351,986)
Net Change in Total OPEB Liability	1,226,783	1,231,695
Total OPEB Liability - Beginning	36,386,478	35,154,783
Total OPEB Liability - Ending (a)	<u>\$ 37,613,261</u>	<u>\$ 36,386,478</u>
Plan Fiduciary Net Position		
Contributions - Employer	\$ 1,643,135	\$ 1,401,986
Contributions - Employee	59,723	58,919
Net Investment Income	323,547	29,550
Benefit Payments	(1,443,135)	(1,351,986)
Administrative Expense	-	-
Other	-	-
Net Change in Plan Fiduciary Net Position	583,270	138,469
Plan Fiduciary Net Position - Beginning	1,001,372	862,903
Plan Fiduciary Net Position - Ending (b)	<u>\$ 1,584,642</u>	<u>\$ 1,001,372</u>
Sponsor's Net OPEB Liability - Ending (a) - (b)	<u>\$ 36,028,619</u>	<u>\$ 35,385,106</u>
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	4.21%	2.75%
Covered Employee Payroll	\$ 3,361,323	\$ 3,247,655
Sponsor's Net OPEB Liability as a percentage of Covered Employee Payroll	1071.86%	1089.56%

SECTION 3 – GASB 75 Disclosure Schedules

SCHEDULE OF CITY CONTRIBUTIONS

	2021	2020	2019
Actuarially Determined Contribution	\$ 2,458,964	\$ 3,125,991	\$ 3,020,281
Contributions in relation to the Actuarially Determined Contributions	1,702,858	1,401,986	1,557,027
Contribution (Deficiency)/Excess	<u>\$ (756,106)</u>	<u>\$ (1,724,005)</u>	<u>\$ (1,463,254)</u>
Covered Employee Payroll (Projected)	\$ 3,361,323	\$ 3,247,655	\$ 3,618,888
Contributions as a percentage of Covered Employee Payroll	50.66%	43.17%	43.03%
Valuation Date	6/30/2020	6/30/2018	6/30/2018

Notes to Schedule:

Actuarially determined contribution rates shown above are calculated as of June 30 of the plan/fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates are the same as those found in Section 8 of this report.

SECTION 4 – GASB 75 Expense

SECTION 4 – GASB 75 OPEB EXPENSE

COMPONENTS OF OPEB EXPENSE

Fiscal Year Ending June 30, 2021

	Net OPEB Liability	Deferred Inflows	Deferred Outflows	OPEB Expense
Beginning balance	\$ 35,385,106	\$ 799,453	\$ 198,148	\$ -
Total OPEB Liability Factors:				
Service Cost	431,244	-	-	431,244
Interest	2,527,585	-	-	2,527,585
Changes in benefit terms	-	-	-	-
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	-	-	-	-
Current year amortization of experience difference	-	(514,876)	-	(514,876)
Change in assumptions about future economic or demographic factors or other inputs	(288,911)	288,911	-	-
Current year amortization of change in assumptions	-	(305,550)	(126,343)	(179,207)
Explicit Benefit Payments	(1,443,135)	-	-	-
Net change	<u>\$ 1,226,783</u>	<u>\$ (531,515)</u>	<u>\$ (126,343)</u>	<u>\$ 2,264,746</u>
Plan Fiduciary Net Position:				
Explicit Contributions - Employer	1,643,135	\$ -	\$ -	\$ -
Explicit Contributions - Employee	59,723	-	-	-
Expected Net Investment Income	79,186	-	-	(79,186)
Difference between projected and actual earnings on OPEB	-	-	-	-
Plan investments	244,361	244,361	-	-
Current year amortization	-	(49,996)	(10,019)	(39,977)
Explicit Benefit Payments	(1,443,135)	-	-	-
Administrative Expenses	-	-	-	-
Other	-	-	-	-
Net change	<u>583,270</u>	<u>194,365</u>	<u>(10,019)</u>	<u>(119,163)</u>
Ending Balance	<u>\$ 36,028,619</u>	<u>\$ 462,303</u>	<u>\$ 61,786</u>	<u>\$ 2,145,583</u>

SECTION 5 – GASB 75 Amortization Schedules

SECTION 5 – GASB 75 AMORTIZATION SCHEDULES

AMORTIZATION SCHEDULE – DUE TO RECOGNITION OF THE DIFFERENCES BETWEEN PROJECTED AND ACTUAL EARNINGS ON TRUST INVESTMENTS

Increase (Decrease) in OPEB Expense Arising from the Recognition of the Effects of Differences between Projected and Actual Earnings on OPEB Plan Investments

Measurement Year	Differences Between Projected and Actual Earnings on OPEB Plan Investments	Recognition Period (Years)	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
2018	\$ 15,428	5	\$ 3,086	\$ 3,084	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2019	\$ (5,622)	5	(1,124)	(1,124)	(1,126)	-	-	-	-	-	-	-
2020	\$ 34,665	5	6,933	6,933	6,933	6,933	-	-	-	-	-	-
2021	\$ (244,361)	5	(48,872)	(48,872)	(48,872)	(48,872)	(48,873)	-	-	-	-	-
Net Increase (Decrease) in OPEB Expense			\$ (39,977)	\$ (39,979)	\$ (43,065)	\$ (41,939)	\$ (48,873)	\$ -	\$ -	\$ -	\$ -	\$ -

SECTION 5 – GASB 75 Amortization Schedules

AMORTIZATION SCHEDULE – DUE TO RECOGNITION OF THE EFFECTS OF ASSUMPTION CHANGES

Increase (Decrease) in OPEB Expense Arising from the Recognition of the Effects of Changes of Assumptions

Measurement Year	Assumption Changes	Recognition Period (Years)	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
2018	\$ (25,133,680)	2.9	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2019	\$ (1,046,230)	2.5	(209,246)	-	-	-	-	-	-	-	-	-
2020	\$ 290,589	2.3	126,343	37,903	-	-	-	-	-	-	-	-
2021	\$ (288,911)	3	(96,304)	(96,304)	(96,303)	-	-	-	-	-	-	-
Net Increase (Decrease) in OPEB Expense			\$ (179,207)	\$ (58,401)	\$ (96,303)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

SECTION 5 – GASB 75 Amortization Schedules

AMORTIZATION SCHEDULE – DUE TO DIFFERENCES BETWEEN EXPECTED AND ACTUAL EXPERIENCE

Increase (Decrease) in OPEB Expense Arising from the Recognition of the Effects of Differences between Expected and Actual Experience												
Measurement Year	Differences Between Expected and Actual Experience	Recognition Period (Years)	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
2018	\$ (3,809,187)	2.9	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2019	\$ (1,375,107)	2.5	(275,021)	-	-	-	-	-	-	-	-	-
2020	\$ (551,667)	2.3	(239,855)	(71,957)	-	-	-	-	-	-	-	-
2021	\$ -	3	-	-	-	-	-	-	-	-	-	-
Net Increase (Decrease) in OPEB Expense			\$ (514,876)	\$ (71,957)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

SECTION 6 – Per Capita Claims Cost and Contribution Amount

SECTION 6 – PER CAPITA CLAIMS COSTS AND CONTRIBUTION AMOUNTS

The retiree medical, prescription, and dental insurance premium rates used were the same as those used in the previous valuation, which were effective for calendar year 2020.

SECTION 7 – Member Statistics

SECTION 7 – MEMBER STATISTICS

STATISTICAL DATA

	<u>6/30/2020</u>
Number of Active Participants	
Eligible for Retiree Health Benefits	11
Not Yet Eligible for Retiree Health benefits	33
Total	<u>44</u>
Average Current Age	47.9
Average Age at Employment	28.9
Average Past Service	19.0
Covered Employee Payroll at Valuation Date	\$ 3,247,655
Average Salary	\$ 73,810
Number of Inactives	
Retirees, Beneficiaries, and Disabled Members	97
Inactive Vested Members	14
Total	<u>111</u>
Average Current Ages	
Retirees, Beneficiaries, and Disabled Members	70.0
Inactive Vested Members	52.6
All Inactives	67.8

SECTION 8 – Actuarial Assumptions and Funding Methods

SECTION 8 – ACTUARIAL ASSUMPTIONS AND FUNDING METHODS

ACTUARIAL ASSUMPTIONS

<u>Valuation Date</u>	June 30, 2020.
<u>Measurement Date</u>	June 30, 2021.
<u>Reporting Period Fiscal Year End</u>	June 30, 2021.
<u>Actuarial Value of Assets</u>	Market Value.
<u>Discount Rate</u>	7.00%.
<u>Mortality Rates</u>	Pub-2010 Mortality Tables, General and Public Safety, as applicable, with fully generational mortality improvements using Scale MP-2019.
<u>Average Remaining Service Lives</u>	3 years
<u>Medical Inflation</u>	6.0%, graded down to 5.0% in 0.1% increments.
<u>Salary Increase Rates</u>	3.50% per year, plus merit-based rates below:

Age	General	Public Safety
20	3.8%	3.0%
25	3.1%	3.0%
30	2.7%	2.6%
35	2.4%	1.1%
40	2.1%	0.2%
45	1.7%	0.2%
50	1.1%	0.2%
55	0.7%	0.1%
60	0.2%	0.0%

SECTION 8 – Actuarial Assumptions and Funding Methods

Retirement Rates

Age	General	Public Safety
50	30%	40%
51	25%	40%
52	20%	30%
53	20%	30%
54	20%	30%
55	30%	40%
56	30%	30%
57	25%	30%
58	25%	30%
59	25%	30%
60	30%	40%
61	15%	15%
62	35%	20%
63	15%	15%
64	15%	15%
65	60%	60%
66	30%	30%
67	40%	40%
68	50%	50%
69	90%	70%
70+	100%	100%

SECTION 8 – Actuarial Assumptions and Funding Methods

Termination Rates

Service-related rates for the first five years of employment; age-related rates thereafter.

Age	Years of Service	General	Public Safety
All	0	20.00%	12.00%
	1	15.00%	9.00%
	2	12.00%	8.00%
	3	10.00%	7.00%
	4	8.00%	6.00%
25	5 & Over	6.00%	4.50%
30		6.00%	3.90%
35		5.00%	2.30%
40		3.00%	0.90%
45		2.00%	0.50%
50		2.00%	0.50%
55		1.30%	0.50%
60		1.30%	0.50%

Disability Rates

Age	General	Public Safety
20	0.04%	0.08%
25	0.04%	0.15%
30	0.04%	0.30%
35	0.04%	0.49%
40	0.10%	0.68%
45	0.15%	0.87%
50	0.25%	1.06%
55	0.49%	1.26%
60+	1.20%	1.46%

Actuarial Cost Method

Entry Age Normal (Level Percentage of Pay).

SECTION 9 – Summary of Plan Provisions

SECTION 9 – SUMMARY OF PLAN PROVISIONS

Eligibility

Retirees and spouses of retirees are eligible for coverage. Surviving spouses of deceased retirees are also eligible for coverage. Vested employees who terminate with 10 or more years of service with the City are eligible upon commencement of deferred retirement benefits.

Employees hired after 2011 are not eligible for coverage.

Benefits

Medical, prescription drug, dental, and vision benefits are payable for life to eligible participants, subject to plan documents and collective bargaining agreements.

The portion of the benefits payable by the City depends upon the retiree's service credit. The following table is a brief summary of the city contribution for Normal Retirement and Non-Duty Death. For Duty Disability and Duty Death, the city contribution is 100%.

Years of Service at Retirement	<u>City Contribution</u>	
	Retiree	Spouse
10-14	25%	0%
15-19	50%	0%*
20-24	100%	75%
25+	100%	100%

*25% for Public Safety and Fire Specialists

APPENDIX 1 – Additional Disclosures for GASB 74

APPENDIX 1 – ADDITIONAL DISCLOSURES FOR GASB 74

STATEMENT OF FIDUCIARY NET POSITION

June 30, 2021

<u>ASSETS</u>	MARKET VALUE
Total Cash and Investments	1,584,642
Total Assets	1,584,642
<u>LIABILITIES</u>	
Payables:	
Accrued Liabilities	-
Total Liabilities	-
NET POSITION RESTRICTED FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS	1,584,642

APPENDIX 1 – Additional Disclosures for GASB 74

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2021
Market Value Basis

ADDITIONS

Contributions:

Member Contributions	59,723
Employer Contributions	1,643,135

Total Contributions 1,702,858

Investment Income:

Net appreciation/(depreciation) in fair value of investments	323,547
Interest & Dividends	-

Net Investment Income 323,547

Total Additions 2,026,405

DEDUCTIONS

Distributions to Members:

Insurance Premiums	1,443,135
Refunds	-
Consultant Management Fees	-
Administration	-

Total Deductions 1,443,135

Net Increase in Net Position 583,270

NET POSITION RESTRICTED FOR POSTEMPLOYMENT
BENEFITS OTHER THAN PENSIONS

Beginning of the Year 1,001,372

End of the Year 1,584,642

APPENDIX 2 – GASB 74/75 Crossover Test

APPENDIX 2 – GASB 74/75 CROSSOVER TEST

Grosse Pointe Woods - GASB Statement 74/75 Crossover Projection

Projection of the Plan's Fiduciary Net Position

Based on the June 30, 2021 Measurement Date. 7.00% Asset Return; 2.18% Index Rate

Year	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2021	1,584,642	2,458,964	1,446,142	0	146,374	2,743,838
2022	2,743,838	2,605,895	1,551,830	0	228,961	4,026,864
2023	4,026,864	2,664,190	1,644,329	0	317,576	5,364,300
2024	5,364,300	2,726,155	1,749,280	0	409,692	6,750,867
2025	6,750,867	2,784,818	1,858,782	0	504,972	8,181,875
2026	8,181,875	2,848,388	2,004,783	0	602,257	9,627,738
2027	9,627,738	2,884,602	2,157,568	0	699,388	11,054,160
2028	11,054,160	2,927,384	2,319,974	0	795,051	12,456,620
2029	12,456,620	2,978,219	2,464,670	0	889,938	13,860,107
2030	13,860,107	3,028,441	2,607,695	0	984,934	15,265,787
2031	15,265,787	3,079,222	2,783,086	0	1,078,970	16,640,892
2032	16,640,892	3,116,683	2,949,914	0	1,170,699	17,978,360
2033	17,978,360	3,162,667	3,076,261	0	1,261,509	19,326,276
2034	19,326,276	3,227,900	3,212,691	0	1,353,372	20,694,856
2035	20,694,856	3,293,115	3,341,232	0	1,446,956	22,093,695
2036	22,093,695	3,367,894	3,451,393	0	1,543,636	23,553,832
2037	23,553,832	3,453,611	3,535,912	0	1,645,888	25,117,418
2038	25,117,418	3,546,465	3,613,718	0	1,755,865	26,806,031
2039	26,806,031	3,645,617	3,705,788	0	1,874,316	28,620,176
2040	28,620,176	3,748,405	3,781,317	0	2,002,260	30,589,524
2041	30,589,524	3,855,061	3,812,035	0	2,142,773	32,775,323
2042	32,775,323	3,965,626	3,881,632	0	2,297,212	35,156,530
2043	35,156,530	4,078,088	3,935,645	0	2,465,943	37,764,915
2044	37,764,915	4,191,562	4,025,280	0	2,649,364	40,580,561
2045	40,580,561	4,302,934	4,030,315	0	2,850,181	43,703,361
2046	43,703,361	4,410,370	4,055,307	0	3,071,663	47,130,087
2047	47,130,087	4,507,515	4,072,400	0	3,314,335	50,879,537
2048	50,879,537	4,580,132	4,113,539	0	3,577,898	54,924,028
2049	54,924,028	4,571,066	4,118,626	0	3,860,517	59,236,986
2050	59,236,986	417	4,150,067	0	4,001,351	59,088,688
2051	59,088,688	273	4,178,103	0	3,989,984	58,900,842
2052	58,900,842	154	4,201,183	0	3,976,023	58,675,836
2053	58,675,836	78	4,220,999	0	3,959,576	58,414,491
2054	58,414,491	0	4,236,976	0	3,940,720	58,118,235
2055	58,118,235	0	4,249,285	0	3,919,551	57,788,502
2056	57,788,502	0	4,257,989	0	3,896,166	57,426,678

APPENDIX 2 – GASB 74/75 Crossover Test

Year	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2057	57,426,678	0	4,263,088	0	3,870,659	57,034,250
2058	57,034,250	0	4,264,573	0	3,843,137	56,612,814
2059	56,612,814	0	4,262,400	0	3,813,713	56,164,127
2060	56,164,127	0	4,256,321	0	3,782,518	55,690,324
2061	55,690,324	0	4,246,031	0	3,749,712	55,194,004
2062	55,194,004	0	4,231,336	0	3,715,484	54,678,152
2063	54,678,152	0	4,211,891	0	3,680,054	54,146,315
2064	54,146,315	0	4,187,557	0	3,643,678	53,602,436
2065	53,602,436	0	4,158,072	0	3,606,638	53,051,002
2066	53,051,002	0	4,123,163	0	3,569,259	52,497,098
2067	52,497,098	0	4,082,730	0	3,531,901	51,946,270
2068	51,946,270	0	4,036,756	0	3,494,952	51,404,466
2069	51,404,466	0	3,985,471	0	3,458,821	50,877,816
2070	50,877,816	0	3,929,138	0	3,423,927	50,372,605
2071	50,372,605	0	3,868,610	0	3,390,681	49,894,676
2072	49,894,676	0	3,804,694	0	3,359,463	49,449,445
2073	49,449,445	0	3,738,580	0	3,330,611	49,041,476
2074	49,041,476	0	3,672,047	0	3,304,382	48,673,811
2075	48,673,811	0	3,607,018	0	3,280,921	48,347,714
2076	48,347,714	0	3,545,421	0	3,260,250	48,062,543
2077	48,062,543	0	3,488,976	0	3,242,264	47,815,831
2078	47,815,831	0	3,439,326	0	3,226,732	47,603,237
2079	47,603,237	0	3,398,088	0	3,213,294	47,418,443
2080	47,418,443	0	3,367,127	0	3,201,442	47,252,757
2081	47,252,757	0	3,347,886	0	3,190,517	47,095,388
2082	47,095,388	0	3,341,916	0	3,179,710	46,933,182
2083	46,933,182	0	3,350,672	0	3,168,049	46,750,559
2084	46,750,559	0	3,375,574	0	3,154,394	46,529,379
2085	46,529,379	0	3,417,683	0	3,137,438	46,249,134
2086	46,249,134	0	3,388,929	0	3,118,827	45,979,032
2087	45,979,032	0	3,462,766	0	3,097,335	45,613,601
2088	45,613,601	0	3,554,781	0	3,068,535	45,127,355
2089	45,127,355	0	3,459,788	0	3,037,822	44,705,389
2090	44,705,389	0	3,576,695	0	3,004,193	44,132,887
2091	44,132,887	0	3,708,319	0	2,959,511	43,384,079
2092	43,384,079	0	3,856,411	0	2,901,911	42,429,580
2093	42,429,580	0	3,769,911	0	2,838,124	41,497,792
2094	41,497,792	0	3,933,588	0	2,767,170	40,331,374
2095	40,331,374	0	3,835,367	0	2,688,958	39,184,965
2096	39,184,965	0	3,722,017	0	2,612,677	38,075,625

APPENDIX 2 – GASB 74/75 Crossover Test

Year	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2097	38,075,625	0	3,894,015	0	2,529,003	36,710,614
2098	36,710,614	0	3,863,026	0	2,434,537	35,282,125
2099	35,282,125	0	3,659,051	0	2,341,682	33,964,756
2100	33,964,756	0	3,783,951	0	2,245,095	32,425,899
2101	32,425,899	0	3,871,536	0	2,134,309	30,688,672
2102	30,688,672	0	3,467,471	0	2,026,846	29,248,047
2103	29,248,047	0	3,124,599	0	1,938,002	28,061,450
2104	28,061,450	0	3,277,527	0	1,849,588	26,633,511
2105	26,633,511	0	3,270,472	0	1,749,879	25,112,919
2106	25,112,919	0	2,834,800	0	1,658,686	23,936,805
2107	23,936,805	0	2,777,740	0	1,578,355	22,737,421
2108	22,737,421	0	2,864,861	0	1,491,349	21,363,909
2109	21,363,909	0	2,906,767	0	1,393,737	19,850,879
2110	19,850,879	0	2,599,063	0	1,298,594	18,550,410
2111	18,550,410	0	1,968,529	0	1,229,630	17,811,511
2112	17,811,511	0	1,211,361	0	1,204,408	17,804,558
2113	17,804,558	0	1,271,888	0	1,201,803	17,734,473
2114	17,734,473	0	693,699	0	1,217,134	18,257,908
2115	18,257,908	0	728,372	0	1,252,561	18,782,096
2116	18,782,096	0	764,779	0	1,287,979	19,305,297
2117	19,305,297	0	803,018	0	1,323,265	19,825,544
2118	19,825,544	0	843,169	0	1,358,277	20,340,652