

The State of Louisiana

Actuarial Valuation Report As of July 1, 2019

Information Required Under Governmental Accounting Standards Board
Statement No. 75

Fiscal Year Ending: June 30, 2020

May 2020





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May 26, 2020

Buck was retained to complete this actuarial valuation report which provides information for the State of Louisiana Postretirement Benefits Plan ("Plan") for the fiscal year ending June 30, 2020. The purposes of the valuation are to provide reporting and disclosure information for financial statements of the Plan and of the State of Louisiana, as well as for governmental agencies and other interested parties. This valuation report contains information that is required for compliance with the Governmental Accounting Standards Board's Statement 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions ("GASB 75").

Purpose of This Report

GASB 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, replaces Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions, and Statement No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, and is effective for fiscal years beginning after June 15, 2017. The State of Louisiana elected to adopt GASB 75 for Fiscal Year 2018.

The State of Louisiana may use this report as a source of information for its financial statements. Use of this report for any other purpose may not be appropriate and may result in mistaken conclusions due to failure to understand applicable assumptions, methodologies, or inapplicability of the report for that purpose. This report should not be provided except in its entirety.

Because of the risk of misinterpretation of actuarial results, you should ask Buck to review any statement you wish to make on the results contained in this report. Buck will accept no liability for any such statements made without prior review by Buck.

Future actuarial measurements may differ significantly from current measurements due to such factors as the following: retiree group benefits program experience differing from that anticipated by the assumptions, changes in assumptions, changes 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, applicable law or regulations. Retiree group benefit models necessarily rely on the use of approximations and estimates and are sensitive to changes in these approximations and estimates. Small variations in these

approximations and estimates may lead to significant changes in actuarial measurements. An analysis of the potential range of such future differences other than the required disclosures related to the sensitivity to discount rate and healthcare cost trend rate assumptions is beyond the scope of this report.

Data, Assumptions, Methods and Plan Provisions

This valuation was performed using employee census data, claims and enrollment data, and plan provisions provided by the State of Louisiana personnel. Although we did not audit the data, we reviewed the data for reasonableness and consistency with the prior year's information. A detailed review of the data and its sources beyond that necessary to develop the analysis was not performed and is beyond the scope of the analysis. The results of the valuation are dependent on the accuracy of the data.

The entry age normal liabilities presented herein were determined as of July 1, 2019 using data as of that date provided by the State of Louisiana.

The assumptions, methods, and plan provisions used were the same as those in the State of Louisiana Actuarial Valuation as of July 1, 2018 dated June 18, 2019, except for the following:

- The discount rate has been decreased from 2.98% to 2.79% since the previous valuation, which increased the Plan's liability.
- Baseline per capita costs (PCCs) were updated to reflect 2019 claims and enrollment and retiree contributions were updated based on 2020 premiums. Plan claims and premiums increased less than had been expected, which decreased the Plan's liability. In addition, the estimate of future EGWP savings was increased, based on an analysis of recent EGWP experience. This further reduced the Plan's liability.
- Life insurance contributions were updated based on updated schedules for 2020 monthly premium rates, which reduced the Plan's liability.
- The impact of the High Cost Excise Tax was removed. The High Cost Excise Tax was repealed in December 2019. This reduced the Plan's liability.
- We rely upon the demographic assumptions used in the June 30, 2019 actuarial valuations for the four Statewide Retirement Systems. One of these systems, the Louisiana State Employee Retirement System (LASERS) has performed a recent experience study and adopted new assumptions for the June 30, 2019 valuation, based on this study. We have updated our demographic assumptions to reflect the updated assumptions. This reduced the Plan's liability. The Louisiana State Police Retirement System (LSPRS), the Louisiana School Employees' Retirement System (LSERS), and the Teachers' Retirement System of Louisiana (TRSL) demographic assumptions have not changed since the prior year.

The impact of these changes from the prior valuation are as follows (for included agencies):

Change in Actuarial Accrued Liability from 7/1/2018 Valuation (in \$1,000s):

7/1/2018 Valuation	8,536,315	
Expected growth during the year	<u>187,768</u>	
Expected at 7/1/2019	8,724,083	
<u>Change due to Experience:</u>		
Updated Census	114,386	1.3%
Other	<u>5,675</u>	0.1%
Total Plan Experience	120,061	
<u>Change due to Assumptions:</u>		
1. Discount rate (from 2.98% to 2.79%)	228,350	2.6%
2. Updated Per Capita Costs and Premiums	(822,678)	-9.4%
3. Demographic assumption revisions	(154,664)	-1.8%
4. Remove High Cost Excise Tax	(292,093)	-3.3%
5. Update life insurance contributions	<u>(80,720)</u>	-0.9%
Total Assumption Changes	(1,121,805)	
Net Change	(1,001,744)	-11.5%
7/1/2019 Valuation	7,722,339	

Subsequent Events or Trends

We considered the potential impact of the COVID-19 pandemic on the July 1, 2019 liabilities, including the following factors:

- The potential increase in incurred claims resulting from a higher volume of PCP, ER, urgent care, and telehealth visits related to COVID-19 testing and treatment; and;
- The potential decrease in incurred claims due to a short-term reduction in utilization of medical and dental preventive care, elective or non-critical procedures, and other services that can be considered discretionary, and;
- The potential impact of higher than expected mortality related to COVID-19.

Due the lack of experience data and the offsetting nature of the items listed above, and the long-term nature of the liability projections, we did not make any explicit adjustments to our calculations.

Actuarial Certification

The assumptions used for financial accounting purposes were selected by the plan sponsor with our advice. In our opinion, the actuarial assumptions used are appropriate for purposes of the valuation and are reasonably related to the experience of the Plan and to reasonable long-term expectations. The cost results and actuarial exhibits presented in this report were determined on a consistent and objective basis in accordance with applicable Actuarial

Standards of Practice and generally accepted actuarial procedures. To the best of our knowledge, the information fairly presents the actuarial position of the State of Louisiana Postretirement Benefits Plan in accordance with the requirements of GASB Statement No. 75.

It is important to note that the measurement of postretirement medical obligations is extremely sensitive to the assumptions chosen. The results presented above and in more detail in the next sections are based upon one set of reasonable assumptions. Other sets of equally reasonable assumptions can yield materially lesser or greater obligations.

This report represents a statement of actuarial opinion by the undersigned actuary. Stephen Oates is an Associate of the Society of Actuaries, and a Member of the American Academy of Actuaries. He has met the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein. This report has been prepared in accordance with all applicable Actuarial Standards of Practice and he is available to answer questions about it.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Stephen Oates".

Stephen Oates, ASA, EA, MAAA
Principal, Health & Productivity Actuary
Buck

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Summary – Included Agencies

This section summarizes results for Primary Government, Component Units, and Fiduciary Funds of the State of Louisiana CAFR in total. Appendix A presents results by Agency, summarized into subtotals for Primary Government, Component Units, and Fiduciary Funds.

The results for the Excluded Agencies are summarized later in this report, using the same assumptions and plan provisions as documented for all other agencies.

To the extent that Agencies offer subsidies to their employees that differ from those documented in this report, these results do not reflect these differences and may not be suitable for financial reporting.

Plan membership:

Membership Status as of July 1, 2019	Medical ^[1]	Life Insurance
Inactive plan members currently receiving benefits	34,682	25,086
Spouses of Inactive plan members currently receiving benefits	10,544	8,613
Inactive plan members entitled to but not yet receiving benefits	N/A	N/A
Active/DROP plan members	<u>43,842</u>	<u>53,724</u>
Total	89,068	87,423

[1] Participants with current LSU medical coverage are not included in this valuation.

The State of Louisiana funds the Plan on a pay-as-you-go basis.

Total OPEB Liability

Measurement Date	July 1, 2019	July 1, 2018	July 1, 2017
Reporting for Fiscal Year End	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB liability (in 1,000s)	\$7,722,339	\$8,536,315	\$8,690,978

GASB 75 Results – Included Agencies

Schedules of Changes in Total OPEB Liability

Change in Total OPEB Liability			
Measurement Date	July 1, 2019	July 1, 2018	July 1, 2017
Reporting for Fiscal Year End	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB liability at beginning of year	\$8,536,315	\$8,690,978	\$9,073,181
Service cost	221,327	228,131	246,230
Interest	256,685	274,649	248,708
Changes of benefit terms			
Differences between expected and actual experience	120,061	(47,837)	0
Changes of assumptions or other input	(1,121,805)	(318,631)	(591,241)
Benefit payments	<u>(290,244)</u>	<u>(290,975)</u>	<u>(285,900)</u>
Net changes	<u>(813,976)</u>	<u>(154,663)</u>	<u>(382,203)</u>
Total OPEB liability at end of year	\$7,722,339	\$8,536,315	\$8,690,978

A. Benefit changes: None.

B. Changes of assumptions:

1. The discount rate has decreased from 2.98% to 2.79%.
2. Baseline per capita costs were updated to reflect 2019 claims and enrollment and retiree contributions were updated based on 2020 premiums.
3. Life insurance contributions were updated to reflect 2020 premium schedules.
4. The impact of the High Cost Excise Tax was removed. The High Cost Excise Tax was repealed in December 2019.
5. Demographic assumptions were revised for the Louisiana State Employees' Retirement System to reflect the recent experience study.

Sensitivity of the Total OPEB Liability

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate	1% Decrease 1.79%	Current Discount Rate 2.79%	1% Increase 3.79%
Total OPEB liability	\$ 9,053,984	\$ 7,722,339	\$ 6,670,866

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate	1% Decrease	Current Trend Rate	1% Increase
Total OPEB liability	\$ 6,670,950	\$ 7,722,339	\$ 9,067,353

GASB 75 OPEB Expense

Components of OPEB Expense for the Fiscal Year Ended	June 30, 2020	June 30, 2019	June 30, 2018
Service cost	\$221,327	\$228,131	\$246,230
Interest on the total OPEB liability and net cash flow	256,685	274,649	248,708
Projected earnings on OPEB plan investments	0	0	0
Current period effect of benefit changes	0	0	0
Current period difference between expected and actual experience	26,680	(10,630)	0
Current period effect of changes in assumptions or other input	(249,290)	(70,807)	(131,973)
Current period recognition of prior years' deferred outflows of resources	0	0	0
Current period recognition of prior years' deferred inflows of resources	(213,410)	(131,973)	0
Total OPEB expense	\$41,992	\$289,370	\$362,965

Deferred Inflows and Outflows of Resources

Following are the details of the recognized and deferred inflows and outflows of resources.

Measurement Period Ending June 30,	2018		2019		2020
Amount established Recognition Period	(\$591,241) 4.48	(\$47,837) 4.50	(\$318,631) 4.50	\$120,061 4.50	(\$1,121,805) 4.50
Description	Change in Assumptions or Other Inputs	Differences between expected and actual experience	Change in Assumptions or Other Inputs	Differences between expected and actual experience	Change in Assumptions or Other Inputs
Amount recognized in FY					
2018	(\$131,973)	\$0	\$0	\$0	\$0
2019	(131,973)	(10,630)	(70,807)	0	0
2020	(131,973)	(10,630)	(70,807)	26,680	(249,290)
2021	(131,973)	(10,630)	(70,807)	26,680	(249,290)
2022	(63,349)	(10,630)	(70,807)	26,680	(249,290)
2023	0	(5,317)	(35,403)	26,680	(249,290)
2024	0	0	0	13,341	(124,645)
Deferred Balance at 6/30					
2018	(\$459,268)	\$0	\$0	\$0	\$0
2019	(327,295)	(37,207)	(247,824)	0	0
2020	(195,322)	(26,577)	(177,017)	93,381	(872,515)
2021	(63,349)	(15,947)	(106,210)	66,701	(623,225)
2022	0	(5,317)	(35,403)	40,021	(373,935)
2023	0	0	0	13,341	(124,645)
2024	0	0	0	0	0

The average of the expected remaining service lives of all employees that are provided with benefits through the plan (active and inactive employees) determined at June 30, 2019 is 4.5 years.

Deferred Inflows and Outflows of Resources (continued)

	Outflows	Inflows	Total
Amount recognized in FY			
2018	\$0	(\$131,973)	(\$131,973)
2019	0	(213,410)	(213,410)
2020	26,680	(462,700)	(436,020)
2021	26,680	(462,700)	(436,020)
2022	26,680	(394,076)	(367,396)
2023	26,680	(290,010)	(263,330)
2024	13,341	(124,645)	(111,304)
Deferred Balance at 6/30			
2018	\$0	(\$459,268)	(\$459,268)
2019	0	(612,326)	(612,326)
2020	93,381	(1,271,431)	(1,178,050)
2021	66,701	(808,731)	(742,030)
2022	40,021	(414,655)	(374,634)
2023	13,341	(124,645)	(111,304)
2024	0	0	0

The average of the expected remaining service lives of all employees that are provided with benefits through the plan (active and inactive employees) determined at June 30, 2019 is 4.5 years.

Summary – Excluded Agencies

This section summarizes results for Excluded Agencies. Excluded agencies are those agencies excluded from the State of Louisiana CAFR. Appendix B presents results by Agency for the Excluded Agencies, using the same assumptions and plan provisions as documented for all other agencies.

To the extent that Agencies offer subsidies to their employees that differ from those documented in this report, these results do not reflect these differences and may not be suitable for financial reporting.

Plan membership:

Membership Status as of July 1, 2019	Medical ^[1]	Life Insurance
Inactive plan members currently receiving benefits	21,721	13,061
Spouses of Inactive plan members currently receiving benefits	6,247	3,650
Inactive plan members entitled to but not yet receiving benefits	N/A	N/A
Active/DROP plan members	<u>31,163</u>	<u>32,109</u>
Total	59,131	48,820

[1] Participants with current LSU medical coverage are not included in this valuation.

The State of Louisiana funds the Plan on a pay-as-you-go basis.

Total OPEB Liability

Measurement Date	July 1, 2019	July 1, 2018	July 1, 2017
Reporting for Fiscal Year End	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB liability (in \$1,000s)	\$5,031,032	\$5,436,890	\$5,437,736

GASB 75 Results – Excluded Agencies

Schedules of Changes in Total OPEB Liability

Change in Total OPEB Liability			
Measurement Date	July 1, 2019	July 1, 2018	July 1, 2017
Reporting for Fiscal Year End	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB liability at beginning of year	\$5,436,890	\$5,437,736	\$5,625,442
Service cost	167,248	176,881	190,582
Interest	164,604	173,198	155,413
Changes of benefit terms			
Differences between expected and actual experience	52,594	(56,040)	0
Changes of assumptions or other input	(628,072)	(131,347)	(370,163)
Benefit payments	<u>(162,232)</u>	<u>(163,538)</u>	<u>(163,538)</u>
Net changes	<u>(405,858)</u>	<u>(846)</u>	<u>(187,706)</u>
Total OPEB liability at end of year	5,031,032	5,436,890	5,437,736

A. Benefit changes: None.

B. Changes of assumptions:

1. The discount rate has decreased from 2.98% to 2.79%.
2. Baseline per capita costs were updated to reflect 2019 claims and enrollment and retiree contributions were updated based on 2020 premiums.
3. Life insurance contributions were updated to reflect 2020 premium schedules.
4. The impact of the High Cost Excise Tax was removed. The High Cost Excise Tax was repealed in December 2019.
5. Demographic assumptions were revised for the Louisiana State Employees' Retirement System to reflect the recent experience study.

Sensitivity of the Total OPEB Liability

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate	1% Decrease 1.79%	Current Discount Rate 2.79%	1% Increase 3.79%
Total OPEB liability	\$ 5,916,013	\$ 5,031,032	\$ 4,332,752

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate	1% Decrease	Current Trend Rate	1% Increase
Total OPEB liability	\$ 4,307,906	\$ 5,031,032	\$ 5,963,263

GASB 75 OPEB Expense

Components of OPEB Expense for the Fiscal Year Ended	June 30, 2020	June 30, 2019	June 30, 2018
Service cost	\$167,248	\$176,881	\$190,582
Interest on the total OPEB liability and net cash flow	164,604	173,198	155,413
Projected earnings on OPEB plan investments	0	0	0
Current period effect of benefit changes	0	0	0
Current period difference between expected and actual experience	10,957	(11,675)	0
Current period effect of changes in assumptions or other input	(130,848)	(27,364)	(68,045)
Current period recognition of prior years' deferred outflows of resources	0	0	0
Current period recognition of prior years' deferred inflows of resources	(107,084)	(68,045)	0
Total OPEB expense	\$104,877	\$242,995	\$277,950

Deferred Inflows and Outflows of Resources

Following are the details of the recognized and deferred inflows and outflows of resources.

Fiscal Year Ending	2018	2019	2020	2021	2022
Amount established	(\$370,163)	(\$56,040)	(\$131,347)	\$52,594	(\$628,072)
Recognition Period	5.44	4.80	4.80	4.80	4.80
Description	Change in Assumptions or Other Inputs	Differences between expected and actual experience	Change in Assumptions or Other Inputs	Differences between expected and actual experience	Change in Assumptions or Other Inputs
Amount recognized in FY					
2018	(\$68,045)	\$0	\$0	\$0	\$0
2019	(68,045)	(11,675)	(27,364)	0	0
2020	(68,045)	(11,675)	(27,364)	10,957	(130,848)
2021	(68,045)	(11,675)	(27,364)	10,957	(130,848)
2022	(68,045)	(11,675)	(27,364)	10,957	(130,848)
2023	(29,938)	(9,340)	(21,891)	10,957	(130,848)
2024	0	0	0	8,766	(104,680)
Deferred Balance at 6/30					
2018	(\$302,118)	\$0	\$0	\$0	\$0
2019	(234,073)	(44,365)	(103,983)	0	0
2020	(166,028)	(32,690)	(76,619)	41,637	(497,224)
2021	(97,983)	(21,015)	(49,255)	30,680	(366,376)
2022	(29,938)	(9,340)	(21,891)	19,723	(235,528)
2023	0	0	0	8,766	(104,680)
2024	0	0	0	0	0

The average of the expected remaining service lives of all employees that are provided with benefits through the plan (active and inactive employees) determined at July 1, 2019 is 4.8 years.

	Outflows	Inflows	Total
Amount recognized in FY			
2018	\$0	(\$68,045)	(\$68,045)
2019	0	(107,084)	(107,084)
2020	10,957	(237,932)	(226,975)
2021	10,957	(237,932)	(226,975)
2022	10,957	(237,932)	(226,975)
2023	10,957	(192,017)	(181,060)
2024	8,766	(104,680)	(95,914)
Deferred Balance at 6/30			
2018	\$0	(\$302,118)	(\$302,118)
2019	0	(382,421)	(382,421)
2020	41,637	(772,561)	(730,924)
2021	30,680	(534,629)	(503,949)
2022	19,723	(296,697)	(276,974)
2023	8,766	(104,680)	(95,914)
2024	0	0	0

The average of the expected remaining service lives of all employees that are provided with benefits through the plan (active and inactive employees) determined at July 1, 2019 is 4.8 years.

Actuarial Assumptions and Methods

Methods

Valuation Date

July 1, 2019.

Measurement Date

July 1, 2019.

Actuarial Cost Method

Entry Age Normal, level percent of pay. Service Costs are attributed through all assumed ages of exit from active service. For current DROP participants, assumed exit from active service is the date at which DROP ends.

Asset Valuation

N/A. Benefit payments are funded on a pay-as-you-go basis.

Miscellaneous

The valuation was prepared on an on-going plan basis. This assumption does not necessarily imply that an obligation to continue the plan actually exists.

Economic Assumptions

Discount Rate

The discount rate used as of July 1, 2019 is 2.79% based on the June 30, 2019 S&P 20-year municipal bond index rate.

The discount rate used as of July 1, 2018 is 2.98% based on the June 29, 2018 S&P 20-year municipal bond index rate.

Consumer Price Index

2.80%

Salary Increases

Consistent with the pension valuation assumptions. Rates are shown below by group. For those employers that do not participate in one of the four state retirement systems, the rates for the LASERS Regular members were assumed.

LASERS

The rates of salary increase are consistent with the assumption used in the June 30, 2019 Louisiana State Employees' Retirement System Actuarial Valuation. Sample rates shown below.

Years of Service	Regular	Judges	Other*
0	13.00%	5.25%	14.00%
5	5.10%	2.75%	5.75%
10	3.80%	2.75%	5.00%
15	3.40%	2.75%	3.75%
20	3.20%	2.75%	3.75%
25	3.20%	2.75%	3.75%
30	3.20%	2.75%	3.75%

*Other includes Corrections, Hazardous Duty, and Wildlife employee types.

TRSL

The rates of salary increase are consistent with the assumption used in the June 30, 2018 Teachers' Retirement System of Louisiana Actuarial Valuation.

Years of Service	
<= 1	4.80%
2 – 5	3.90%
6 – 13	3.70%
14+	3.40%

LSERS

The rates of salary increase are consistent with the assumption used in the June 30, 2018 Louisiana School Employees' Retirement System Actuarial Valuation.

3.25%

LSPRS

The rates of salary increase are consistent with the assumption used in the June 30, 2018 Louisiana State Police Retirement System Actuarial Valuation.

5.25%

Assumed Trend

The combined effect of price inflation and utilization on gross eligible medical and prescription drug charges is according to the table below. The initial trend rate was developed using our National Health Care Trend Survey. The survey gathers information of trend expectations for the coming year from various insurers and pharmacy benefit managers. These trends are broken out by drug and medical, as well as type of coverage (e.g. PPO, HMO, POS). We selected plans that most closely match The State of Louisiana's benefits to set the initial trend. The ultimate trend is developed based on a building block approach which considers CPI, GDP, and Technology growth. The healthcare cost trend rates are shown below:

Year	Medical and Drug	
	Pre-65	Post-65
2019 – 2020	7.00%	5.50%
2020 – 2021	6.75%	5.25%
2021 – 2022	6.50%	5.00%
2022 – 2023	6.25%	4.75%
2023 – 2024	6.00%	4.50%
2024 – 2025	5.75%	4.50%
2025 – 2026	5.50%	4.50%
2026 – 2027	5.25%	4.50%
2027 – 2028	5.00%	4.50%
2028 – 2029	4.75%	4.50%
2029 +	4.50%	4.50%

Retiree contribution trend: Same as medical trend.

Health Care Claim Cost

Per capita costs for the self-insured plans administered by BCBS were based on medical and prescription drug claims for retired participants for the period January 1, 2018 through December 31, 2019. The claims experience was trended to the valuation date. The last two months of claims experience was adjusted for incurred but not reported claims using completion factors based on prior year data.

Per capita costs for the fully insured HMO and Medicare Advantage plans were based on calendar year 2020 premiums adjusted to the valuation date using the trend assumptions above.

Per capita costs were adjusted for expected age-related differences in morbidity applicable to retirees, except for costs for the Via Benefits HRA plan, which provides a flat monthly subsidy. Details regarding the Age Morbidity Curve are found under Age-related Morbidity assumptions on the following page.

The table below indicates the assumed per capita costs normalized to male retiree age 65:

Plan	Without Medicare	With Medicare	Without Medicare	With Medicare
	Retirement date before 3/1/15		Retirement date after 3/1/15	
Medical Home HMO	18,184	4,309	17,632	4,224
People's MA HMO	N/A	1,973	N/A	1,973
Vantage MA HMO	N/A	1,579	N/A	1,579
BCBS MA HMO	N/A	2,033	N/A	2,033
Humana MA HMO	N/A	1,401	N/A	1,401
Via Benefits HRA	N/A	2,400	N/A	2,400
BCBS Pelican HRA	11,078	2,992	11,078	2,992
BCBS Magnolia Local/Local Plus	18,642	3,533	17,896	3,437
BCBS Magnolia Open Access	18,445	3,180	17,621	3,108

Administrative Expenses

Included in medical and dental claim costs, 10% load for life insurance. The 10% load is consistent with industry standards and covers insurer administrative costs, premium taxes as well as insurer margin and profit.

Age Related Morbidity

Per capita costs are adjusted to reflect expected cost differences due to age and gender. Age morbidity factors for pre-Medicare morbidity were developed from "Health Care Costs—From Birth to Death" sponsored by the Society of Actuaries and prepared by Dale H. Yamamoto (May 2013) ¹. Table 4 from Mr. Yamamoto's study formed the basis of Medicare morbidity factors that are gender distinct and assumed a cost allocation of 60% for pharmacy, 20% for inpatient, 10% for outpatient, and 10% for professional services. Adjustments were made to Table 4 factors for inpatient costs at age 70 and below to smooth out what appears to be a spike in utilization for Medicare retirees gaining healthcare for the first time through Medicare. While such retirees were included in the study, their specific experience is not applicable for a valuation of an employer retiree medical plan where participants had group active coverage before retirement. Morbidity factors at sample ages are shown below:

Age	Male Factor	Female Factor
50	0.4612	0.5736
55	0.6085	0.6667
60	0.7829	0.7791
65	1.0000	0.9438
70	1.1873	1.1094
75	1.2752	1.2009
80	1.3381	1.2697
85	1.3479	1.3171
90	1.3235	1.3303
95	1.3047	1.2765
100	1.2878	1.1701

¹ <https://www.soa.org/resources/research-reports/2013/research-health-care-birth-death/>
The State of Louisiana

Demographic Assumptions

Basis for Assumptions

We relied upon the assumptions used in the June 30, 2019 Louisiana State Employees' Retirement System, Louisiana State Police Retirement System, the Louisiana School Employees' Retirement System, and the Teachers' Retirement System of Louisiana pension valuations for the mortality, retirement, termination, disability, and salary scale assumptions.

Mortality

LASERS

For active lives: the RP-2014 Blue Collar Employee Table, adjusted by 0.978 for males and 1.144 for females, and then projected on a fully generational basis by Mortality Improvement Scale MP-2018.

For healthy retiree lives: the RP-2014 Blue Collar Healthy Annuitant Table, adjusted by 1.280 for males and RP-2014 White Collar Healthy Annuitant Table, adjusted by 1.417 for females, projected from 2014 on a fully generational basis by Mortality Improvement Scale MP-2018.

For disabled retiree lives: the RP-2000 Disabled Retiree Mortality Table, adjusted by 1.009 for males and 1.043 for females, not projected with mortality improvement.

TRSL

For active lives: the RP-2014 White Collar Employee Table, adjusted by 1.010 for males and by 0.997 for females, projected from 2014 on a fully generational basis by Mortality Improvement Scale MP-2017.

For healthy retiree lives: the RP-2014 White Collar Healthy Annuitant Table, adjusted by 1.366 for males and by 1.189 for females, projected from 2014 on a fully generational basis by Mortality Improvement Scale MP-2017.

For disabled retiree lives, the RP-2014 Disabled Retiree Mortality Table, projected from 2014 on a fully generational basis by Mortality Improvement Scale MP-2017.

LSERS

For active lives: 130% of the RP2014 Employee Table with Blue Collar Adjustment for males and 115% of the RP2014 Employee Table with Blue Collar Adjustment for females, projected from 2014 on a fully generational basis by Mortality Improvement Scale MP-2017.

For healthy retiree lives: 130% of the RP2014 Healthy Annuitant Table with Blue Collar Adjustment for males and 115% of the RP2014 Healthy Annuitant Table with Blue Collar Adjustment for females, projected from 2014 on a fully generational basis by Mortality Improvement Scale MP-2017.

For disabled retiree lives: RP2014 Disabled Tables for Males and Females, projected from 2014 on a fully generational basis by Mortality Improvement Scale MP-2017.

LSPRS

For active and healthy lives: the RP-2014 Combined Healthy Mortality Table, adjusted by 1.10 for males and by 1.05 for females, projected from 2014 on a fully generational basis by Mortality Improvement Scale MP-2017.

For disabled retiree lives: RP2014 Disabled Tables for Males and Females, projected from 2014 on a fully generational basis by Mortality Improvement Scale MP-2017.

Retirement

The rates of retirement are consistent with the assumptions used in the June 30, 2019 pension valuations. The retirement rates for LASERS and TRSL include DROP rates. Sample rates are shown below.

LASERS

Age	Regular Members Years of Service				
	<10	10-19	20-24	25-29	30+
55	0%	18%	18%	60%	60%
60	35%	35%	35%	35%	35%
65	20%	20%	20%	20%	20%
66	18%	18%	18%	18%	18%
67	18%	18%	18%	18%	18%
68	18%	18%	18%	18%	18%
69	18%	18%	18%	18%	18%
70-74	18%	18%	18%	18%	18%
75+	100%	100%	100%	100%	100%

Age	Judicial Years of Service			Other* Years of Service	
	<12	12-17	18+	<10	10+
55	0%	20.8%	11.5%	0%	23.5%
60	10.8%	9.0%	23.8%	50%	24%
65	10.8%	18.2%	17.3%	32.5%	19.6%
66	10.8%	10.5%	12.2%	32.5%	19.6%
67	10.8%	10.5%	12.2%	32.5%	19.6%
68	10.8%	10.5%	12.2%	32.5%	19.6%
69	10.8%	10.5%	12.2%	32.5%	19.6%
70	10.8%	10.5%	12.2%	32.5%	19.6%
71	10.8%	10.5%	12.2%	32.5%	19.6%
72-74	10.8%	10.5%	54.5%	32.5%	19.6%
75+	100%	100%	100%	100%	100%

*Other includes Corrections, Hazardous Duty, and Wildlife employee types.

TRSL

Age	Years of Service		
	<25	25-29	30+
50	3.5%	4.5%	45.0%
55	18.0%	76.0%	27.0%
60	23.5%	25.0%	23.0%
65	25.0%	23.5%	27.0%
70 +	20.0%	22.0%	22.5%

LSERS

Age	Retirement	DROP
47	17%	83%
50	17%	48%
55	19%	81%
60	23%	61%
65	27%	32%
70	22%	22%
75+	23%	39%

LSPRS

Age	
42	0%
43-49	10%
50-56	25%
57-62	50%
63-74	99%
75+	100%

Disability Rates

Consistent with the pension valuation assumptions. Rates at sample ages are shown below by group.

Age	LASERS Regular	LASERS Judges	LASERS Other*	TRSL	LSERS	LSPRS
40	0.10%	0.00%	0.17%	0.12%	0.17%	0.17%
45	0.15%	0.02%	0.28%	0.19%	0.31%	0.31%
50	0.22%	0.02%	0.55%	0.30%	0.59%	0.59%
55	0.30%	0.02%	0.80%	0.50%	1.11%	1.11%
60	0.00%	0.02%	0.00%	0.48%	2.68%	2.68%

*Other includes Corrections, Hazardous Duty, and Wildlife employee types.

Termination Rates

Consistent with the pension valuation assumptions. Rates at sample ages are shown below by group.

LASERS

Regular:

Age	Years of Service					
	<1	1	2-3	4-6	7-9	10+
20	50.0%	38.0%	33.0%	23.0%	10.5%	8.0%
30	29.0%	23.0%	18.0%	13.3%	10.5%	8.0%
40	28.0%	18.0%	15.0%	13.0%	8.0%	5.5%
45	25.0%	18.0%	14.0%	12.5%	8.0%	5.0%
50	25.0%	18.0%	12.5%	11.5%	7.5%	5.0%
55	20.0%	18.0%	11.5%	8.5%	7.0%	5.0%
60	20.0%	18.0%	11.5%	8.5%	7.0%	5.0%

Judicial: Flat rate of withdrawal of 1.20% for all ages and services.

Wildlife:

Service	
0-3	8.0%
4-5	5.0%
6	3.0%

Corrections and Hazardous Duty:

Age	Years of Service						
	<1	1	2	3-4	5-7	8-9	10+
20	58.0%	39.0%	30.0%	37.0%	15.5%	6.4%	2.8%
30	43.5%	25.5%	24.0%	20.0%	13.5%	6.4%	2.8%
40	41.0%	21.0%	20.0%	15.5%	9.0%	6.4%	2.8%
45	32.0%	17.0%	12.0%	15.5%	9.0%	6.4%	2.8%
50	27.5%	17.0%	12.0%	10.0%	9.0%	6.4%	2.8%
55	27.5%	17.0%	9.0%	10.0%	9.0%	6.4%	2.8%
60	19.0%	17.0%	9.0%	10.0%	9.0%	6.4%	2.8%

TRSL

Age	Years of Service			
	<=1	2	3	>=4
20	25.0%	25.0%	16.5%	17.0%
30	18.0%	13.5%	11.3%	7.0%
40	16.5%	12.0%	9.0%	4.2%
45	15.0%	12.0%	9.0%	4.2%
50	15.0%	12.0%	9.0%	4.2%
55	15.0%	12.0%	9.0%	4.2%
60	15.0%	12.0%	9.0%	10.0%

LSERS

Service		Service		Service	
<1	7.0%	10	4.0%	20	5.0%
1	13.0%	11	4.0%	21	5.0%
2	12.0%	12	3.0%	22	4.0%
3	9.0%	13	3.0%	23	5.0%
4	7.0%	14	2.0%	24	5.0%
5	6.0%	15	1.0%	25	5.0%
6	6.0%	16	1.0%	26	3.0%
7	6.0%	17	2.0%	27	2.0%
8	6.0%	18	3.0%	28	10.0%
9	5.0%	19	5.0%	>28	1.0%

LSPRS

Service	
<1	3.6%
1	2.6%
2	1.1%
3	0.9%
4	1.8%
5	2.8%
6	3.0%
7	2.7%
8	2.1%
9	1.7%
10	1.6%
11	1.4%
12 - 23	0.3%
24+	1.0%

Participation Rate

Medical: The percentage of employees and their dependents who are eligible for early retiree benefits that will participate in the retiree medical plan is outlined in the table below. Active participants who have been covered continuously under the OGB medical plan since before January 1, 2002 are assumed to participate at a rate of 88%. This rate assumes that a one-time irrevocable election to participate is made at the time of retirement. This assumption is consistent with the prior valuation.

Years of Service	Participation %
<10	52%
10-14	73%
15-19	84%
20+	88%

Life Insurance: Future retirees are assumed to participate in the life insurance benefit at a 52% rate. Future retirees are assumed to elect a total of \$45,000 in basic life insurance and supplemental life insurance coverage, before any age reductions. Spouses are assumed to elect \$2,000 of coverage.

Plan Election Percentage

Current retirees are assumed to remain in their current plan. Future retirees are assumed to elect coverage based on the coverage elections of recent retirees, as follows:

Medical Plan	Pre-Medicare %	Medicare %
BCBS Pelican HRA	5%	5%
BCBS Magnolia L/LP	80%	65%
BCBS Magnolia OA	10%	20%
Medical Home HMO	5%	3%
People's MA HMO		3%
Towers Extend HIX		3%
Vantage MA HMO		1%
BCBS MA HMO		0%
Humana MA HMO		0%

Dependents

Actual data was used for spouses of current retirees. Of those future retirees electing coverage at retirement, 35% are assumed to be married at time of retirement and elect to cover their spouse in the same medical arrangement that they have elected. Husbands are assumed to be three years older than their wives. No divorce or remarriage after widowhood was reflected.

Medicare Eligibility

All future retirees are assumed to be eligible for Medicare at age 65. 95% of retirees under age 65 at 7/1/2017 are assumed to be eligible for Medicare upon turning age 65. 95% of retirees ages 65 to 68 not currently designated with Medicare coverage are assumed to become eligible for Medicare. Retirees over age 68 are valued according to their reported Medicare status. All spouses are assumed to be Medicare eligible.

DROPS

Current DROPS are valued using actual DROP end dates, where available. Otherwise, the DROP period was assumed to be three years. This assumption is consistent with the plan provisions of the DROP program in LASERS, LSERS, and TRSL.

For LASERS and TRSL, 60% of retirements in the first year of normal retirement eligibility are assumed to be DROPS.

50% of DROPS are assumed to return to active employment at the end of the DROP period.

Summary of Plan Provisions

Eligibility

An active employee, covered by the active health plan immediately prior to retirement, is eligible for lifetime retiree medical and life insurance benefits for the retiree and spouse if he or she retires under a Statewide Retirement System (State, Teachers, Schools and Police).

State Retirement Plan	Normal Retirement (Age & Service Requirements)
Alcohol and Tobacco Control	60 & 10 or 25 yos
Appellate law clerk	65 & 10 or 55 & 12 or age 70 or 18 yos
Bridge employees	60 & 10 or 25 yos
Correctional (hired before 12/31/2001)	60 & 10 or 50 & 20 or 25 yos
Correctional 2 (hired after 12/31/2001)	60 & 10 or 25 yos
Hazardous duty	55 & 12 or 25 yos
Judicial (hired before 1/1/2011)	65 & 10 or 55 & 12 or age 70 or 18 yos
Judicial 2 (hired between 1/1/2011 and 6/30/2015)	60 & 5
Judicial 3 (hired after 6/30/2015)	62 & 5
Legislator	55 & 12 or 50 & 20 or 16 yos
Police officer	60 & 10 or 55 & 25 or 30 yos
Regular Employee (hired before 7/1/2006)	60 & 10 or 55 & 25 or 30 yos
Regular Employee 2 and 3 (hired after 7/1/2006)	60 & 5
Regular Employee 4 (hired after 7/1/2015)	62 & 5
Special legislative employees	65 & 10 or 55 & 12 or 50 & 20 or 16 yos
Wildlife officer (hired before 7/1/2003)	55 & 10 or 20 yos
Wildlife officer 2 (hired after 7/1/2003)	60 & 10 or 25 yos
Teachers Retirement Plan	
Hired before 7/1/1999	65 & 20 or 55 & 25 or 30 yos
Hired between 7/1/1999 and 1/1/2011	60 & 5 or 55 & 25 or 30 yos
Hired between 1/1/2011 and 7/1/2015	60 & 5
Hired after 7/1/2015	62 & 5
School Retirement Plan	
Hired before 7/1/2010	60 & 10 or 55 & 25 or 30 yos
Hired between 7/1/2010 and 7/1/2015	60 & 5
Hired after 7/1/2015	62 & 5
Police Retirement Plan	
Hired before 1/1/2011	50 & 10 or 25 yos
Hired after 1/1/2011	55 & 12 or 25 yos

Early Retirement: The State offers reduced retirement at 20 years of service at any age for all groups except Correctional secondary and Wildlife Officers.

Medical Benefits

Retirees under age 65 can elect coverage under the following plans:

- BCBS Pelican HRA
- BCBS Magnolia Local/Local Plus
- BCBS Magnolia Open Access
- Vantage Medical Home HMO

Retirees over age 65 can elect coverage under the following plans:

- BCBS Pelican HRA
- BCBS Magnolia Local/Local Plus
- BCBS Magnolia Open Access
- Vantage Medical Home HMO
- People's Medicare Advantage HMO
- Vantage Medicare Advantage HMO (Premium/Standard/Basic)
- BCBS Medicare Advantage HMO (varies by region)
- Humana Medicare Advantage HMO (varies by region)
- Via Benefits HRA

Retired prior to March 1, 2015:

Magnolia Local Plus	Non-Medicare and Medicare Retirees	
	In Network	Out of Network
Deductible	\$0	No Coverage
Out of Pocket Max		
Employee Only	\$2,000	
Family (EE + 2 dependents)	\$4,000	
Coinsurance	N/A	
Physicians' Services	\$25 PCP / \$50 Spec	
Hospital Services	\$100 per day; max \$300 per admission	

Magnolia Open Access	Non-Medicare Retirees		Medicare Retirees
	In Network	Out of Network	In and Out of Network
Deductible	\$300 (\$900 Family)	\$300 (\$900 Family)	\$300 (\$900 Family)
Out of Pocket Max			
Employee Only	\$2,300	\$4,300	\$3,300
Family (EE + 2 dependents)	\$4,900	\$10,300	\$7,900
Coinsurance	90%	70%	80%
Physicians' Services	90% Coverage	70% Coverage	80% Coverage
Hospital Services	90% Coverage	70% Coverage and \$50 per day copay (days 1 - 5)	80% Coverage

Vantage Medical Home HMO	Non-Medicare and Medicare Retirees	
	In Network	Out of Network
Deductible	\$0	\$2,000 (\$6,000 Family)
Out of Pocket Max		
Employee Only	\$2,000	No Max
Family (EE + 2 dependents)	\$4,000	
Coinsurance	N/A	50%
Physicians' Services	\$10 PCP / \$35 Spec	50% Coverage
Hospital Services	\$50 per day; max \$150 per admission	50% Coverage

Retiring on or after March 1, 2015:

Magnolia Local Plus	Non-Medicare and Medicare Retirees	
	In Network	Out of Network
Deductible	\$400 (\$1,200 Family)	No Coverage
Out of Pocket Max		
Employee Only	\$3,500	
Family (EE + 2 dependents)	\$8,500	
Coinsurance	N/A	
Physicians' Services	\$25 PCP / \$50 Spec	
Hospital Services	\$100 per day; max \$300 per admission	

Magnolia Open Access	Non-Medicare Retirees		Medicare Retirees	
	In Network	Out of Network	In Network	Out of Network
Deductible	\$900 (\$2,700 Family)	\$900 (\$2,700 Family)	\$900 (\$2,700 Family)	\$900 (\$2,700 Family)
Out of Pocket Max				
Employee Only	\$3,500	\$4,700	\$3,500	\$4,700
Family (EE + 2 deps)	\$8,500	\$12,250	\$8,500	\$12,250
Coinsurance	90%	70%	80%	80%
Physicians' Services	90% Coverage	70% Coverage	80% Coverage	80% Coverage
Hospital Services	90% Coverage	70% Coverage and \$50 per day copay (days 1 - 5)	80% Coverage	80% Coverage and \$50 per day copay (days 1 - 5)

Vantage Medical Home HMO	Non-Medicare and Medicare Retirees	
	In Network	Out of Network
Deductible	\$400 (\$1,200 Family)	\$2,000 (\$6,000 Family)
Out of Pocket Max		
Employee Only	\$3,500	No Max
Family (EE + 2 dependents)	\$8,500	
Coinsurance	N/A	50%
Physicians' Services	\$10 PCP / \$ 35 Spec	50% Coverage
Hospital Services	\$50 per day; max \$150 per admission	50% Coverage

Prescription Drug Benefits

Pharmacy - Vantage Medical Home HMO	Retiree pays
Tier 1 - Preferred Generic	\$10 copay
Tier 2 - Non-Preferred Generic	\$30 copay
Tier 3 - Preferred Brand	\$55 copay
Tier 4 - Non-Preferred Brand	\$80 copay
Tier 5 - Specialty	\$150 copay
90 day supply for maintenance drugs	Tier 1 \$0; Tier 2-4 3 copays; Tier 5 not available

Pharmacy - all others	Retiree pays
Up to \$1,500 out-of-pocket threshold	
Tier 1 - Generic	50% up to \$30
Tier 2 - Preferred	50% up to \$55
Tier 3 - Non-Preferred	65% up to \$80
Tier 4 - Specialty	50% up to \$80
After \$1,500 out-of-pocket threshold	
Tier 1 - Generic	\$0 copay
Tier 2 - Preferred	\$20 copay
Tier 3 - Non-Preferred	\$40 copay
Tier 4 - Specialty	\$40 copay
90 day supply for maintenance drugs	2.5 times the applicable copay

Monthly Contribution

Retirees with continuous OGB medical coverage starting before January 1, 2002 pay approximately 25% of the cost of coverage in retirement.

Employees with an OGB medical participation start (or re-start) date after December 31, 2001 pay a percentage of the total retiree contribution rate based on the following schedule:

OGB Participation	Retiree Share	State Share
Under 10 years	81%	19%
10-14 years	62%	38%
15-19 years	44%	56%
20+ years	25%	75%

Monthly rates effective January 1, 2020 are:

Medical Plan	Active Single	Pre-Medicare Member			Medicare Member		
		Member Only	Pre-65 Spouse	Medicare Spouse	Member Only	Pre-65 Spouse	Medicare Spouse
Vantage Med Home HMO	\$705	\$1,315	\$1,007	\$275	\$435	\$1,155	\$345
BCBS Pelican HRA	\$443	\$825	\$632	\$166	\$268	\$723	\$214
BCBS Magnolia Local Plus	\$709	\$1,324	\$1,014	\$277	\$438	\$1,163	\$347
BCBS Magnolia OA	\$738	\$1,372	\$1,051	\$276	\$446	\$1,202	\$356

Medicare Advantage plan monthly rates effective January 1, 2020 are:

Medical Plan	Medicare Member	
	Member Only	Medicare Spouse
People's MA HMO	\$200	\$200
Vantage MA HMO Premium	\$187	\$187
Vantage MA HMO Standard	\$152	\$152
Vantage MA HMO Basic	\$72	\$72
BCBS MA HMO - Region 1	\$170	\$170
BCBS MA HMO - Regions 2,5	\$220	\$220
BCBS MA HMO - Regions 3,4	\$180	\$180
BCBS MA HMO - Regions 6,7,8	\$250	\$250
BCBS MA HMO - Region 9	\$195	\$195
Humana MA HMO - Region 1	\$80	\$80
Humana MA HMO - Region 2	\$171	\$171
Humana MA HMO - Region 3	\$128	\$128
Humana MA HMO - Region 4	\$171	\$171
Humana MA HMO - Region 5	\$147	\$147
Humana MA HMO - Region 6	\$201	\$201
Humana MA HMO - Region 7	\$263	\$263
Humana MA HMO - Region 8	\$238	\$238
Humana MA HMO - Region 9	\$256	\$256

For purposes of this valuation, the above amounts were trended back 6 months to the valuation date.

Life Insurance Benefits:

	Basic	Supplemental Maximum
Under age 65	\$5,000	\$50,000
Ages 65-70	\$4,000	\$38,000
After age 70	\$3,000	\$25,000

Age Reductions:

In force life insurance amounts are reduced to 75% of the initial value at age 65 and to 50% of the original amount at age 70.

Spouse life insurance amounts of \$1,000, \$2,000 or \$4,000 are available.

Retiree Cost Share:

Retiree pays 50% of the Prudential Company of America premium.

Retiree pays 100% of the Prudential Company of America premium for spousal coverage.

Premiums vary by age.

Summary of Participant Data – Included Agencies

The following tables summarize the valued participants:

Retirement System	Active	Retired¹
LASERS	35,857	34,317
Appellate law clerk	87	48
Appellate law clerk 2	18	0
Alcohol and Tobacco Control	11	6
Bridge employees	2	2
Bridge employees 2	1	0
Correctional	158	1,071
Correctional 2	1,428	820
Hazardous duty	2,206	89
Judicial	49	51
Judicial 2	4	0
Judicial 3	2	1
Legislator	5	39
Police office	41	39
Regular Employee	15,641	31,745
Regular Employee 2	4,200	184
Regular Employee 3	4,562	29
Regular Employee 4	7,304	2
Special legislative employees	2	1
Wildlife officer	0	85
Wildlife officer 2	136	105
TRSL	16,822	8,022
LSERS	45	86
LSPRS	1,000	937
Total	53,724	43,362

Medical Plan	Active	Retired¹
Vantage Medical Home HMO	1,439	338
People's MA HMO	0	1,201
Vantage MA HMO	0	629
Via Benefits HRA	0	441
LSU HMO ²	7,844	3,278
BCBS Pelican HRA/HSA	5,497	849
BCBS Magnolia Local/Local Plus	34,371	18,996
BCBS Magnolia Open Access	2,535	12,067
BCBS MA HMO	0	119
Humana MA HMO	0	42
Waived	2,038	5,402
Total	53,724	43,362

¹Retiree counts include disabled retirees and surviving spouses.

²Medical plan liabilities for LSU participants were not included in this valuation, as LSU is responsible for their liabilities.

Active Participant Data

The following table shows a distribution of age and credited service for retirement eligibility for all active employees as of the valuation date:

Age	Credited Service for Eligibility to Retire							Total
	0-4	5-9	10-14	15-19	20-24	25-29	30+	
Under 25	1,010	14	0	0	0	0	0	1,024
25-29	3,871	443	8	0	0	0	0	4,322
30-34	3,848	1,640	496	22	0	0	0	6,006
35-39	2,863	1,544	1,827	540	41	0	0	6,815
40-44	1,995	1,131	1,642	1,456	515	27	0	6,766
45-49	1,593	941	1,297	1,348	1,393	431	15	7,018
50-54	1,336	792	1,157	1,117	1,293	1,218	284	7,197
55-59	1,032	709	1,066	1,110	1,068	1,058	594	6,637
60-64	643	524	823	790	699	734	546	4,759
65-69	189	199	334	370	349	286	376	2,103
70 & Over	41	69	170	181	156	158	302	1,077
Total	18,421	8,006	8,820	6,934	5,514	3,912	2,117	53,724

The following table summarizes average OGB participation service and credited pension service for active employees by retirement system:

Retirement System	OGB Years	Credited Pension Service
LASERS	9.6	12.2
TRSL	8.6	10.5
LSERS	10.3	14.6
LSPRS	12.7	14.2

Inactive Participant Data

Counts for retirees and spouses with medical coverage (excluding LSU) are summarized below:

Age	Retirees	Covered Spouses
Under 40	11	25
40-44	42	51
45-49	207	178
50-54	774	440
55-59	2,746	1,072
60-64	5,452	1,862
65-69	7,177	2,179
70-74	6,659	2,094
75-79	4,918	1,430
80-84	3,529	813
85 & Over	3,167	400
Total	34,682	10,544

Counts for retirees and spouses with life insurance coverage are summarized below:

Age	Retirees	Covered Spouses
Under 40	4	18
40-44	22	36
45-49	91	109
50-54	427	294
55-59	1,634	712
60-64	3,270	1,252
65-69	4,903	1,735
70-74	5,012	1,790
75-79	3,936	1,394
80-84	3,011	824
85 & Over	2,776	449
Total	25,086	8,613

In force amount (thousands)	\$693,818	\$17,226
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Health Care Reform

The Patient Protection and Affordable Care Act (PPACA), was signed March 23, 2010, with further changes enacted by the Health Care and Education Affordability Reconciliation Act (HCEARA), signed March 30, 2010. This valuation uses various assumptions that were modified based on considerations under Health Care Reform legislation. This Section discusses particular legislative changes that were reflected in our assumptions. We have not identified any other specific provision of Health Care Reform that would be expected to have a significant impact on the measured obligation.

Medicare Part D Subsidy - Shrinking Medicare Prescription Drug “Donut Hole”- Starting 1/1/2011

The State of Louisiana no longer collects RDS due to the adoption of the EGWP approach for delivery of Medicare Rx benefits. The phase in of the donut hole benefits has been reflected in setting the estimate for EGWP subsidy amounts.

Cadillac Tax (High Cost Plan Excise Tax)

The Further Consolidated Appropriations Act, 2020 signed by the President on December 20, 2019 repealed the Cadillac Tax, and was no longer considered in our June 30, 2019 measurement.

We have not identified any other specific provision of health care reform that would be expected to have a significant impact on the measured obligation. As additional guidance on the legislation is issued, we will continue to monitor any potential impacts.

Summary of Key Accounting Terms

Actuarially determined contribution

A target or recommended contribution to a defined benefit OPEB plan 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.

Actuarial present value of projected benefit payments

Projected benefit payments discounted to reflect the expected effects of the time value (present value) of money and the probabilities of payment.

Actuarial valuation

The determination, as of a point in time (the actuarial valuation date), of the service cost, total OPEB liability, and related actuarial present value of projected benefit payments for OPEB performed in conformity with Actuarial Standards of Practice unless otherwise specified by the GASB.

Actuarial valuation date

The date as of which an actuarial valuation is performed.

Ad hoc postemployment benefit changes

Postemployment benefit changes that require a decision to grant by the authority responsible for making such decisions.

Automatic postemployment benefit changes

Postemployment benefit changes that occur without a requirement for a decision to grant by a responsible authority, including those for which the amounts are determined by reference to a specified experience factor (such as the earnings experience of the OPEB plan) or to another variable (such as an increase in the consumer price index).

Covered-employee payroll

The payroll of employees that are provided with OPEB through the OPEB plan.

Discount rate

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 following:

- a. The actuarial present value of benefit payments projected to be made in future periods in which (1) the amount of the OPEB plan's fiduciary net position is projected (under the requirements of GASB 75) to be greater than the benefit payments that are projected to be made in that period and (2) OPEB plan assets up to that point are expected to be invested using a strategy to achieve the long-term expected rate of return, calculated using the long-term expected rate of return on OPEB plan investments

b. The actuarial present value of projected benefit payments not included in (a), calculated using a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale).

For defined benefit OPEB that is provided through an OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB 75, the discount rate is equal to the municipal bond rate.

Entry age actuarial cost method

A method under which 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 or service of the individual between entry age and assumed exit age(s). The portion of this actuarial present value allocated to a valuation year is called the normal cost. The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future normal costs is called the Actuarial accrued liability.

Healthcare cost trend rates

The rates of change in per capita health claims costs over time as a result of factors such as medical inflation, utilization of healthcare services, plan design, and technological developments.

Inactive employees

Individuals no longer employed by an employer in the OPEB plan, or the beneficiaries of those individuals. Inactive employees include individuals who have accumulated benefits under the terms of an OPEB plan but are not yet receiving benefit payments and individuals currently receiving benefits.

Measurement date

The date at which the OPEB liability, discount rate, and fiduciary net position are measured.

Measurement period

The period between the prior and the current measurement dates.

Net OPEB liability

The liability of employers and non-employer contributing entities to employees for benefits provided through a defined benefit OPEB plan that is administered through a trust that meets the criteria in paragraph 4 of GASB 75.

Other postemployment benefits (OPEB)

Benefits (such as death benefits, life insurance, disability, and long-term care) that are paid in the period after employment and that are provided separately from a pension plan, as well as healthcare benefits paid in the period after employment, regardless of the manner in which they are provided. OPEB does not include termination benefits or termination payments for sick leave.

Projected benefit payments

All benefits (including refunds of employee contributions) estimated to be payable through the OPEB plan (including amounts to be paid by employers or non-employer contributing entities as the benefits come due) to current active and inactive employees as a result of their past service and their expected future service.

Real rate of return

The rate of return on an investment after adjustment to eliminate inflation.

Service costs

The portions of the actuarial present value of projected benefit payments that are attributed to valuation years.

Total OPEB 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 75. The total OPEB liability is the liability of employers and non-employer contributing entities to employees for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB 75.

