



July 13, 2021

Ms. Cari Eaton  
Chief Financial Officer  
State of Nevada  
Public Employees' Benefits Program  
901 S. Stewart Street, Suite 1001  
Carson City, NV 89701

**Re: GASB 75 Employer Allocations for Fiscal Year Ending June 30, 2021**

Dear Ms. Eaton,

Attached are the fiscal 2021 GASB 75 employer allocations for the State of Nevada Postretirement Health and Life Insurance Plan. The employer allocations are based on the results of the fiscal 2021 GASB 75 valuation provided on June 30, 2021, and the fiscal 2020 employer contributions provided by the State. Fiscal 2020 employer contributions are used for allocation purposes as this is the "measurement period" for the fiscal 2021 GASB 75 valuation.

Please see the fiscal 2021 GASB 75 actuarial valuation report for a summary of the census data, plan provisions and actuarial assumptions used in our calculations.

Please let us know if you have any questions or need further assistance. I can be reached at (314) 719-3836.

Sincerely,

A handwritten signature in black ink that reads "Andrew Witte".

Andrew Witte, FSA  
Aon

Enclosure

cc: Laura Rich, State of Nevada  
Nicholas Balassi, Aon  
Brain Blalock, Aon  
Stephanie Messier, Aon

State of Nevada  
 Schedule of Employer Allocations  
 For the Fiscal Year Ending June 30, 2021

Employer I.D.	Employer	Contribution Amount	Allocation Percentage
101	Board of Medical Examiners	\$ 56,916	0.1297%
102	Nevada State Board of Nursing	43,878	0.1000%
103	Board of Pharmacy	42,134	0.0960%
104	Board of Chiropractors	2,864	0.0065%
105	Board of Dental Examiners	9,381	0.0214%
106	Legislative Counsel Bureau	531,670	1.2116%
108	Board of Osteopathic Medicine	5,515	0.0126%
109	Board of Massage Therapist	8,767	0.0200%
111	Funeral and Cemetery Board	4,105	0.0094%
113	Public Employee Retirement System	114,270	0.2604%
116	Central Payroll	22,866,963	52.1103%
118	NDOT	2,418,473	5.5113%
128	Board of Accountancy	5,318	0.0121%
129	Board of Cosmetology	29,186	0.0665%
134	Board of Professional Engineers	9,498	0.0216%
139/140	UNLV/UNR	17,706,931	40.3514%
141	Board of Architecture	6,992	0.0159%
146	Board of Examiners for Social Workers	5,295	0.0121%
147	Liquified Petroleum Gas Board	3,817	0.0087%
148	Board of Optometry	3,155	0.0072%
149	Board of Veterinary Examiners	4,276	0.0097%
150	Board of Examiners - Alcohol, Drugs & Gambling	2,400	0.0055%
<b>Total</b>		<b>\$ 43,881,808</b>	<b>100.0000%</b>

Numbers may not add due to rounding.

State of Nevada  
Schedule of Deferred Inflows / Outflows by Employer  
For the Fiscal Year Ending June 30, 2021

Employer I.D.	Net OPEB Liability	Deferred Outflow of Resources				Deferred Inflow of Resources			
		Liability Experience	Assumption Changes	Asset Experience	Total	Liability Experience	Assumption Changes	Asset Experience	Total
101	\$ 1,950,373	\$ -	\$ 156,151	\$ -	\$ 156,151	\$ 98,652	\$ 39,451	\$ 410	\$ 138,512
102	1,503,585	-	120,380	-	120,380	76,053	30,413	316	106,782
103	1,443,826	-	115,596	-	115,596	73,030	29,205	303	102,538
104	98,125	-	7,856	-	7,856	4,963	1,985	21	6,969
105	321,477	-	25,738	-	25,738	16,261	6,503	68	22,831
106	18,218,896	-	1,458,644	-	1,458,644	921,528	368,518	3,829	1,293,875
108	188,995	-	15,131	-	15,131	9,560	3,823	40	13,422
109	300,418	-	24,052	-	24,052	15,195	6,077	63	21,335
111	140,680	-	11,263	-	11,263	7,116	2,846	30	9,991
113	3,915,733	-	313,502	-	313,502	198,061	79,204	823	278,089
116	783,588,661	-	62,735,812	-	62,735,812	39,634,609	15,849,831	164,680	55,649,121
118	82,874,511	-	6,635,114	-	6,635,114	4,191,866	1,676,322	17,417	5,885,605
128	182,245	-	14,591	-	14,591	9,218	3,686	38	12,943
129	1,000,141	-	80,073	-	80,073	50,588	20,230	210	71,028
134	325,474	-	26,058	-	26,058	16,463	6,583	68	23,115
139/140	606,768,408	-	48,579,198	-	48,579,198	30,690,884	12,273,247	127,519	43,091,650
141	239,613	-	19,184	-	19,184	12,120	4,847	50	17,017
146	181,448	-	14,527	-	14,527	9,178	3,670	38	12,886
147	130,804	-	10,472	-	10,472	6,616	2,646	27	9,289
148	108,098	-	8,655	-	8,655	5,468	2,187	23	7,677
149	146,538	-	11,732	-	11,732	7,412	2,964	31	10,407
150	82,241	-	6,584	-	6,584	4,160	1,664	17	5,841
<b>Total</b>	<b>\$ 1,503,710,290</b>	<b>\$ -</b>	<b>\$ 120,390,316</b>	<b>\$ -</b>	<b>\$ 120,390,316</b>	<b>\$ 76,059,000</b>	<b>\$ 30,415,900</b>	<b>\$ 316,022</b>	<b>\$ 106,790,922</b>

Numbers may not add due to rounding.

State of Nevada  
Schedule of GASB 75 Expense by Employer  
For the Fiscal Year Ending June 30, 2021

Employer I.D.	GASB 75 Expense							Amortization of Unrecognized (Gain)/Loss			Total
	Service Cost	Interest Cost	Expected Inv. Return	Contributions from NECE	Administrative Expenses	Plan Changes	Liability Experience	Asset Experience	Assumption Changes		
101	\$ 68,794	\$ 64,742	\$ (11)	\$ -	\$ -	\$ -	\$ (28,306)	\$ (151)	\$ 6,188	\$ 111,256	
102	53,035	49,911	(8)	-	-	-	(21,822)	(117)	4,771	85,770	
103	50,927	47,927	(8)	-	-	-	(20,955)	(112)	4,581	82,361	
104	3,461	3,257	(1)	-	-	-	(1,424)	(8)	311	5,597	
105	11,339	10,671	(2)	-	-	-	(4,666)	(25)	1,020	18,338	
106	642,619	604,770	(98)	-	-	-	(264,416)	(1,413)	57,806	1,039,267	
108	6,666	6,274	(1)	-	-	-	(2,743)	(15)	600	10,781	
109	10,596	9,972	(2)	-	-	-	(4,360)	(23)	953	17,137	
111	4,962	4,670	(1)	-	-	-	(2,042)	(11)	446	8,025	
113	138,116	129,981	(21)	-	-	-	(56,830)	(304)	12,424	223,367	
116	27,638,808	26,010,943	(4,232)	-	-	-	(11,372,424)	(60,777)	2,486,220	44,698,539	
118	2,923,157	2,750,990	(448)	-	-	-	(1,202,779)	(6,428)	262,950	4,727,441	
128	6,428	6,050	(1)	-	-	-	(2,645)	(14)	578	10,396	
129	35,277	33,199	(5)	-	-	-	(14,515)	(78)	3,173	57,051	
134	11,480	10,804	(2)	-	-	-	(4,724)	(25)	1,033	18,566	
139/140	21,401,989	20,141,459	(3,277)	-	-	-	(8,806,186)	(47,062)	1,925,194	34,612,115	
141	8,452	7,954	(1)	-	-	-	(3,478)	(19)	760	13,668	
146	6,400	6,023	(1)	-	-	-	(2,633)	(14)	576	10,350	
147	4,614	4,342	(1)	-	-	-	(1,898)	(10)	415	7,461	
148	3,813	3,588	(1)	-	-	-	(1,569)	(8)	343	6,166	
149	5,169	4,864	(1)	-	-	-	(2,127)	(11)	465	8,359	
150	2,901	2,730	(0)	-	-	-	(1,194)	(6)	261	4,691	
<b>Total</b>	<b>\$ 53,039,002</b>	<b>\$ 49,915,121</b>	<b>\$ (8,122)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (21,823,734)</b>	<b>\$ (116,631)</b>	<b>\$ 4,771,068</b>	<b>\$ 85,776,704</b>	

Numbers may not add due to rounding.

State of Nevada  
Schedule of Total OPEB Liability by Employer  
For the Fiscal Year Ending June 30, 2021

Total OPEB Liability (TOL)										
Employer I.D.	Service Cost	Interest Cost	Benefit Changes	Liability Experience	Assumption Changes	Benefit Payments	Changes in Proportion	Net Changes	TOL (Beginning)	TOL (Ending)
101	\$ 68,794	\$ 64,742	\$ -	\$ (94,664)	\$ 161,151	\$ (64,812)	\$ (163,731)	\$ (28,521)	\$ 1,971,564	\$ 1,943,043
102	53,035	49,911	-	(72,978)	124,234	(49,965)	(46,416)	57,821	1,440,113	1,497,934
103	50,927	47,927	-	(70,078)	119,297	(47,979)	(6,524)	93,570	1,344,829	1,438,399
104	3,461	3,257	-	(4,763)	8,108	(3,261)	1,449	8,251	89,505	97,756
105	11,339	10,671	-	(15,603)	26,562	(10,683)	(40,702)	(18,416)	338,685	320,269
106	642,619	604,770	-	(884,277)	1,505,345	(605,424)	(121,693)	1,141,340	17,009,082	18,150,422
108	6,666	6,274	-	(9,173)	15,616	(6,280)	5,001	18,103	170,182	188,285
109	10,596	9,972	-	(14,581)	24,822	(9,983)	(18,733)	2,094	297,195	299,289
111	4,962	4,670	-	(6,828)	11,624	(4,675)	2,867	12,619	127,532	140,151
113	138,116	129,981	-	(190,055)	323,539	(130,122)	(43,410)	228,050	3,672,966	3,901,016
116	27,638,808	26,010,943	-	(38,032,442)	64,744,389	(26,039,071)	6,961,089	61,283,716	719,359,868	780,643,585
118	2,923,157	2,750,990	-	(4,022,417)	6,847,546	(2,753,964)	496,742	6,242,053	76,320,978	82,563,032
128	6,428	6,050	-	(8,845)	15,058	(6,056)	(8,519)	4,115	177,445	181,560
129	35,277	33,199	-	(48,543)	82,637	(33,235)	36,639	105,974	890,408	996,382
134	11,480	10,804	-	(15,797)	26,892	(10,816)	(8,437)	14,126	310,124	324,250
139/140	21,401,989	20,141,459	-	(29,450,253)	50,134,531	(20,163,239)	(6,939,645)	35,124,841	569,363,061	604,487,902
141	8,452	7,954	-	(11,630)	19,798	(7,962)	(2,738)	13,874	224,839	238,712
146	6,400	6,023	-	(8,807)	14,992	(6,030)	(4,713)	7,866	172,900	180,766
147	4,614	4,342	-	(6,349)	10,808	(4,347)	(7,780)	1,289	129,024	130,312
148	3,813	3,588	-	(5,247)	8,932	(3,592)	775	8,269	99,423	107,692
149	5,169	4,864	-	(7,112)	12,108	(4,870)	(86,012)	(75,854)	221,840	145,987
150	2,901	2,730	-	(3,992)	6,795	(2,733)	(5,507)	195	81,738	81,932
<b>Total</b>	<b>\$ 53,039,002</b>	<b>\$ 49,915,121</b>	<b>\$ -</b>	<b>\$ (72,984,434)</b>	<b>\$ 124,244,784</b>	<b>\$ (49,969,098)</b>	<b>\$ -</b>	<b>\$ 104,245,375</b>	<b>\$ 1,393,813,300</b>	<b>\$ 1,498,058,675</b>

Numbers may not add due to rounding.

State of Nevada  
Schedule of Plan Fiduciary Net Position by Employer  
For the Fiscal Year Ending June 30, 2021

Plan Fiduciary Net Position (PFNP)									
Employer I.D.	Employer Contributions	Investment Experience	Benefit Payments	Administrative Expenses	Changes in Proportion	Net Changes	PFNP (Beginning)	PFNP (Ending)	
101	\$ 56,916	\$ 265	\$ (64,812)	\$ -	\$ (27)	\$ (7,658)	\$ 327	\$ (7,330)	
102	43,878	204	(49,965)	-	(8)	(5,890)	239	(5,651)	
103	42,134	196	(47,979)	-	(1)	(5,650)	223	(5,427)	
104	2,864	13	(3,261)	-	0	(384)	15	(369)	
105	9,381	44	(10,683)	-	(7)	(1,264)	56	(1,208)	
106	531,670	2,475	(605,424)	-	(20)	(71,299)	2,824	(68,475)	
108	5,515	26	(6,280)	-	1	(739)	28	(710)	
109	8,767	41	(9,983)	-	(3)	(1,178)	49	(1,129)	
111	4,105	19	(4,675)	-	0	(550)	21	(529)	
113	114,270	532	(130,122)	-	(7)	(15,327)	610	(14,717)	
116	22,866,963	106,448	(26,039,071)	-	1,156	(3,064,504)	119,428	(2,945,076)	
118	2,418,473	11,258	(2,753,964)	-	82	(324,150)	12,671	(311,479)	
128	5,318	25	(6,056)	-	(1)	(714)	29	(685)	
129	29,186	136	(33,235)	-	6	(3,907)	148	(3,759)	
134	9,498	44	(10,816)	-	(1)	(1,275)	51	(1,223)	
139/140	17,706,931	82,428	(20,163,239)	-	(1,152)	(2,375,032)	94,525	(2,280,507)	
141	6,992	33	(7,962)	-	(0)	(938)	37	(901)	
146	5,295	25	(6,030)	-	(1)	(711)	29	(682)	
147	3,817	18	(4,347)	-	(1)	(513)	21	(492)	
148	3,155	15	(3,592)	-	0	(423)	17	(406)	
149	4,276	20	(4,870)	-	(14)	(588)	37	(551)	
150	2,400	11	(2,733)	-	(1)	(323)	14	(309)	
<b>Total</b>	<b>\$ 43,881,808</b>	<b>\$ 204,275</b>	<b>\$ (49,969,098)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (5,883,015)</b>	<b>\$ 231,400</b>	<b>\$ (5,651,615)</b>	

Numbers may not add due to rounding.

State of Nevada  
Schedule of Discount Rate Sensitivity by Employer  
For the Fiscal Year Ending June 30, 2021

Employer I.D.	1% Decrease (1.21%)			Current Discount Rate (2.21%)			1% Increase (3.21%)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
101	\$ 2,175,235	\$ (7,330)	\$ 2,182,565	\$ 1,943,043	\$ (7,330)	\$ 1,950,373	\$ 1,746,856	\$ (7,330)	\$ 1,754,186
102	1,676,936	(5,651)	1,682,587	1,497,934	(5,651)	1,503,585	1,346,690	(5,651)	1,352,341
103	1,610,287	(5,427)	1,615,713	1,438,399	(5,427)	1,443,826	1,293,166	(5,427)	1,298,592
104	109,438	(369)	109,807	97,756	(369)	98,125	87,886	(369)	88,255
105	358,541	(1,208)	359,749	320,269	(1,208)	321,477	287,932	(1,208)	289,140
106	20,319,385	(68,475)	20,387,860	18,150,422	(68,475)	18,218,896	16,317,796	(68,475)	16,386,271
108	210,785	(710)	211,495	188,285	(710)	188,995	169,274	(710)	169,984
109	335,054	(1,129)	336,183	299,289	(1,129)	300,418	269,070	(1,129)	270,199
111	156,899	(529)	157,428	140,151	(529)	140,680	126,000	(529)	126,529
113	4,367,185	(14,717)	4,381,902	3,901,016	(14,717)	3,915,733	3,507,135	(14,717)	3,521,852
116	873,929,995	(2,945,076)	876,875,071	780,643,585	(2,945,076)	783,588,661	701,822,990	(2,945,076)	704,768,067
118	92,429,261	(311,479)	92,740,741	82,563,032	(311,479)	82,874,511	74,226,747	(311,479)	74,538,226
128	203,256	(685)	203,941	181,560	(685)	182,245	163,228	(685)	163,913
129	1,115,449	(3,759)	1,119,208	996,382	(3,759)	1,000,141	895,779	(3,759)	899,538
134	362,998	(1,223)	364,221	324,250	(1,223)	325,474	291,511	(1,223)	292,735
139/140	676,723,820	(2,280,507)	679,004,327	604,487,902	(2,280,507)	606,768,408	543,453,524	(2,280,507)	545,734,030
141	267,238	(901)	268,139	238,712	(901)	239,613	214,610	(901)	215,510
146	202,367	(682)	203,049	180,766	(682)	181,448	162,514	(682)	163,196
147	145,884	(492)	146,376	130,312	(492)	130,804	117,155	(492)	117,646
148	120,561	(406)	120,967	107,692	(406)	108,098	96,818	(406)	97,224
149	163,432	(551)	163,983	145,987	(551)	146,538	131,247	(551)	131,797
150	91,723	(309)	92,032	81,932	(309)	82,241	73,660	(309)	73,969
<b>Total</b>	<b>\$ 1,677,075,730</b>	<b>\$ (5,651,615)</b>	<b>\$ 1,682,727,345</b>	<b>\$ 1,498,058,675</b>	<b>\$ (5,651,615)</b>	<b>\$ 1,503,710,290</b>	<b>\$ 1,346,801,587</b>	<b>\$ (5,651,615)</b>	<b>\$ 1,352,453,202</b>

Numbers may not add due to rounding.

State of Nevada  
Schedule of Trend Rate Sensitivity by Employer  
For the Fiscal Year Ending June 30, 2021

Employer I.D.	1% Decrease			Current Trend Rates			1% Increase		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
101	\$ 1,816,918	\$ (7,330)	\$ 1,824,248	\$ 1,943,043	\$ (7,330)	\$ 1,950,373	\$ 2,094,034	\$ (7,330)	\$ 2,101,364
102	1,400,702	(5,651)	1,406,353	1,497,934	(5,651)	1,503,585	1,614,336	(5,651)	1,619,988
103	1,345,031	(5,427)	1,350,458	1,438,399	(5,427)	1,443,826	1,550,175	(5,427)	1,555,601
104	91,411	(369)	91,780	97,756	(369)	98,125	105,353	(369)	105,722
105	299,480	(1,208)	300,688	320,269	(1,208)	321,477	345,157	(1,208)	346,365
106	16,972,261	(68,475)	17,040,736	18,150,422	(68,475)	18,218,896	19,560,864	(68,475)	19,629,339
108	176,063	(710)	176,774	188,285	(710)	188,995	202,916	(710)	203,627
109	279,862	(1,129)	280,991	299,289	(1,129)	300,418	322,546	(1,129)	323,675
111	131,054	(529)	131,583	140,151	(529)	140,680	151,042	(529)	151,571
113	3,647,797	(14,717)	3,662,514	3,901,016	(14,717)	3,915,733	4,204,158	(14,717)	4,218,875
116	729,971,309	(2,945,076)	732,916,385	780,643,585	(2,945,076)	783,588,661	841,306,257	(2,945,076)	844,251,333
118	77,203,791	(311,479)	77,515,271	82,563,032	(311,479)	82,874,511	88,978,884	(311,479)	89,290,364
128	169,775	(685)	170,460	181,560	(685)	182,245	195,669	(685)	196,354
129	931,706	(3,759)	935,465	996,382	(3,759)	1,000,141	1,073,809	(3,759)	1,077,568
134	303,203	(1,223)	304,426	324,250	(1,223)	325,474	349,447	(1,223)	350,671
139/140	565,250,049	(2,280,507)	567,530,556	604,487,902	(2,280,507)	606,768,408	651,461,773	(2,280,507)	653,742,280
141	223,217	(901)	224,118	238,712	(901)	239,613	257,262	(901)	258,163
146	169,032	(682)	169,714	180,766	(682)	181,448	194,813	(682)	195,495
147	121,853	(492)	122,345	130,312	(492)	130,804	140,438	(492)	140,930
148	100,701	(406)	101,107	107,692	(406)	108,098	116,060	(406)	116,466
149	136,511	(551)	137,061	145,987	(551)	146,538	157,331	(551)	157,882
150	76,614	(309)	76,923	81,932	(309)	82,241	88,299	(309)	88,608
<b>Total</b>	<b>\$ 1,400,818,341</b>	<b>\$ (5,651,615)</b>	<b>\$ 1,406,469,956</b>	<b>\$ 1,498,058,675</b>	<b>\$ (5,651,615)</b>	<b>\$ 1,503,710,290</b>	<b>\$ 1,614,470,625</b>	<b>\$ (5,651,615)</b>	<b>\$ 1,620,122,240</b>

Numbers may not add due to rounding.

State of Nevada  
Schedule of Deferred Inflows / Outflows Recognition by Employer  
For the Fiscal Year Ending June 30, 2021

Employer I.D.	Amounts to be Recognized in Deferred Inflows/Outflows				
	Year-End 6/30/2022	Year-End 6/30/2023	Year-End 6/30/2024	Year-End 6/30/2025	Year-End 6/30/2026
101	\$ (16,162)	\$ 7,723	\$ 15,164	\$ 10,915	\$ -
102	(12,460)	5,954	11,690	8,414	-
103	(11,965)	5,717	11,226	8,080	-
104	(813)	389	763	549	-
105	(2,664)	1,273	2,499	1,799	-
106	(150,977)	72,140	141,651	101,956	-
108	(1,566)	748	1,469	1,058	-
109	(2,490)	1,190	2,336	1,681	-
111	(1,166)	557	1,094	787	-
113	(32,449)	15,505	30,445	21,913	-
116	(6,493,469)	3,102,704	6,092,379	4,385,078	-
118	(686,767)	328,151	644,347	463,778	-
128	(1,510)	722	1,417	1,020	-
129	(8,288)	3,960	7,776	5,597	-
134	(2,697)	1,289	2,531	1,821	-
139/140	(5,028,189)	2,402,565	4,717,606	3,395,566	-
141	(1,986)	949	1,863	1,341	-
146	(1,504)	718	1,411	1,015	-
147	(1,084)	518	1,017	732	-
148	(896)	428	840	605	-
149	(1,214)	580	1,139	820	-
150	(682)	326	639	460	-
<b>Total</b>	<b>\$ (12,460,997)</b>	<b>\$ 5,954,103</b>	<b>\$ 11,691,303</b>	<b>\$ 8,414,985</b>	<b>\$ -</b>

Numbers may not add due to rounding.



# Actuarial Valuation Report

State of Nevada

State of Nevada Postretirement Health and Life Insurance Plan

For the Fiscal Year Ending June 30, 2021

Measurement Date July 1, 2020

## Introduction

This report documents the results of the actuarial valuation for the fiscal year ending June 30, 2021 of the State of Nevada Postretirement Health and Life Insurance Plan for the State of Nevada. The plan is a single-employer plan and does not issue a separate financial statement. As a result, all reporting requirements are included in the employer's financial statement. These results are based on a Measurement Date of July 1, 2020. The information provided in this report is intended strictly for documenting information relating to company and plan disclosure and reporting requirements.

Determinations for purposes other than the financial accounting requirements may be significantly different from the results in this report. Thus, the use of this report for purposes other than those expressed here may not be appropriate.

This 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. In addition, the valuation results are based on our understanding of the financial accounting and reporting requirements under U.S. Generally Accepted Accounting Principles as set forth in Government Accounting Standards Board Statement 75 (GASB 75) including any guidance or interpretations provided by the Company and/or its audit partners prior to the issuance of this report. The information in this report is not intended to supersede or supplant the advice and interpretations of the State of Nevada's auditors. Additional disclosures may be required under GASB 74.

A valuation model was used to develop the liabilities for the July 1, 2020 valuation. The valuation model relies on ProVal software, which was developed by Winklevoss Technologies, LLC. Experts within Aon selected this software and determined it is appropriate for performing valuations. We coded and reviewed the software for the provisions, assumptions, methods, and data of the State of Nevada Postretirement Health and Life Insurance Plan.

The valuation model outputs various cost scenarios. The "1% increase" and "1% decrease" interest rate scenarios vary only the discount rate assumption, in order to illustrate the impact of a change in that assumption in isolation. In practice, certain other assumptions, such as the expected or realized asset returns, would also be expected to vary when the discount rate changes. Therefore, the output from these scenarios should be used solely for assessing the impact of the discount rate in isolation and may not represent a realistic set of results for other purposes.

The "1% increase" and "1% decrease" healthcare cost trend scenarios vary only the healthcare cost trend assumption, in order to illustrate the impact of a change in that assumption in isolation. Therefore, the output from these scenarios should be used solely for assessing the impact of the healthcare cost trend in isolation and may not represent a realistic set of results for other purposes.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to (but not limited to) such factors as the following:

- Plan experience differing from that anticipated by the economic or demographic assumptions;
- Changes in actuarial methods or 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.

Due to the limited scope of our assignment, we did not perform an analysis of the potential range of such future measurements.

Funded status measurements shown in this report are determined based on various measures of plan assets and liabilities. For entity and plan disclosure and reporting purposes, funded status is determined using plan assets measured at market value. Plan liabilities are measured based on the interest rates and other assumptions summarized in the Actuarial Assumptions and Methods section of this report.

These funded status measurements may not be appropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the plan's benefit obligations, and funded status measurements for State of Nevada and plan disclosure and reporting purposes may not be appropriate for assessing the need for or the amount of future contributions. In conducting the valuation, we have relied on personnel, plan design, health care claim cost, and asset information supplied by State of Nevada as of the valuation date. While we cannot verify the accuracy of all the information, the supplied information was reviewed for consistency and reasonableness. As a result of this review, we have no reason to doubt the substantial accuracy or completeness of the information and believe that it has produced appropriate results.

The actuarial assumptions and methods used in this valuation are described in the Actuarial Assumptions and Methods section of this report. State of Nevada selected the economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB 75. Aon provided guidance with respect to these assumptions, and it is our belief that the assumptions represent reasonable expectations of anticipated plan experience.

The undersigned are familiar with the near-term and long-term aspects of OPEB valuations and collectively meet the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. The information provided in this report is dependent upon various factors as documented throughout this report, which may be subject to change. Each section of this report is considered to be an integral part of the actuarial opinions.

To our knowledge, no colleague of Aon providing services to State of Nevada has any material direct or indirect financial interest in State of Nevada. Thus, we believe there is no relationship existing that might affect our capacity to prepare and certify this actuarial report for State of Nevada.



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June 2021

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# Accounting Requirements

## Development of GASB 75 Net OPEB Expense

### Calculation Details

The following table illustrates the Net OPEB Liability under GASB 75.

	<b>Fiscal Year Ending 6/30/2020</b>	<b>Fiscal Year Ending 6/30/2021</b>
(1) OPEB Liability		
(a) Retired Participants and Beneficiaries Receiving Payment	\$ 703,651,800	\$ 945,882,039
(b) Active Participants	<u>690,161,500</u>	<u>552,176,636</u>
(c) Total	\$ 1,393,813,300	\$ 1,498,058,675
(2) Plan Fiduciary Net Position	<u>231,400</u>	<u>(5,651,615)</u>
(3) Net OPEB Liability	\$ 1,393,581,900	\$ 1,503,710,290
(4) Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%	0.00%
(5) Deferred Outflow of Resources for Contributions Made After Measurement Date	\$ 43,881,800	TBD

### Expense

The following table illustrates the OPEB expense under GASB 75.

	<b>Fiscal Year Ending 6/30/2020</b>	<b>Fiscal Year Ending 6/30/2021</b>
(1) Service Cost	\$ 51,348,800	\$ 53,039,002
(2) Interest Cost	52,488,200	49,915,121
(3) Expected Investment Return	(32,200)	(8,122)
(4) Employee Contributions	0	0
(5) Administrative Expense	0	0
(6) Plan Changes	0	0
(7) Amortization of Unrecognized		
(a) Liability (Gain)/Loss	(6,586,900)	(21,823,734)
(b) Asset (Gain)/Loss	(77,400)	(116,631)
(c) Assumption Change (Gain)/Loss	<u>(21,167,300)</u>	<u>4,771,068</u>
(8) Total Expense	\$ 75,973,200	\$ 85,776,704

Shown below are details regarding the calculation of Service Cost, Interest Cost and Expected Investment Return components of the Expense.

	<b>Fiscal Year Ending 6/30/2020</b>	<b>Fiscal Year Ending 6/30/2021</b>
(1) Development of Service Cost:		
(a) Normal Cost at Beginning of Measurement Period	\$ 51,348,800	\$ 53,039,002
(2) Development of Interest Cost:		
(a) Total OPEB Liability at Beginning of Measurement Period	\$ 1,325,979,800	\$ 1,393,813,300
(b) Normal Cost at Beginning of Measurement Period	51,348,800	53,039,002
(c) Actual Benefit Payments	(42,689,800)	(49,969,098)
(d) Discount Rate	<u>3.87%</u>	<u>3.51%</u>
(e) Interest Cost	\$ 52,488,200	\$ 49,915,121
(3) Development of Expected Investment Return:		
(a) Plan Fiduciary Net Position at Beginning of Measurement Period	\$ 1,597,300	\$ 231,400
(b) Actual Contributions—Employer	40,942,400	43,881,808
(c) Actual Contributions—Employee	0	0
(d) Actual Benefit Payments	(42,689,800)	(49,969,098)
(e) Administrative Expenses	0	0
(f) Other	0	0
(g) Expected Return on Assets	<u>3.87%</u>	<u>3.51%</u>
(h) Expected Return	\$ 32,200	\$ 8,122

## Reconciliation of Net OPEB Liability

Shown below are details regarding the Total OPEB Liability, Plan Fiduciary Net Position, and Net OPEB Liability for the Measurement Period from June 30, 2020 to June 30, 2021:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (c) = (a) – (b)
Balance Recognized at 6/30/2020 (Based on 6/30/2019 Measurement Date)	\$ 1,393,813,300	\$ 231,400	\$1,393,581,900
Changes Recognized for the Fiscal Year:			
Service Cost	\$ 53,039,002	N/A	\$ 53,039,002
Interest on the Total OPEB Liability	49,915,121	N/A	49,915,121
Changes of Benefit Terms	0	N/A	0
Differences Between Expected and Actual Experience	(72,984,434)	N/A	(72,984,434)
Changes of Assumptions	124,244,784	N/A	124,244,784
Benefit Payments	(49,969,098)	(49,969,098)	0
Contributions From the Employer	N/A	43,881,808	(43,881,808)
Contributions From the Employee	N/A	0	0
Net Investment Income	N/A	204,275	(204,275)
Administrative Expense	N/A	0	0
Net Changes	\$ 104,245,375	(5,883,015)	\$ 110,128,390
Balance Recognized at 6/30/2021 (Based on 6/30/2020 Measurement Date)	\$ 1,498,058,675	\$ (5,651,615)	\$1,503,710,290

## Liability (Gain)/Loss

The following table illustrates the liability gain/loss under GASB 75.

	<b>Fiscal Year Ending 6/30/2020</b>	<b>Fiscal Year Ending 6/30/2021</b>
(1) OPEB Liability at Beginning of Measurement Period	\$ 1,325,979,800	\$ 1,393,813,300
(2) Service Cost	51,348,800	53,039,002
(3) Interest on the Total OPEB Liability	52,488,200	49,915,121
(4) Changes of Benefit Terms	0	0
(5) Changes of Assumptions	37,971,500	124,244,784
(6) Benefit Payments	<u>(42,689,800)</u>	<u>(49,969,098)</u>
(7) Expected OPEB Liability at End of Measurement Period	\$ 1,425,298,500	\$ 1,571,043,109
(8) Actual OPEB Liability at End of Measurement Period	<u>1,393,813,300</u>	<u>1,498,058,675</u>
(9) OPEB Liability (Gain)/Loss	\$ (31,485,200)	\$ (72,984,434)
(10) Average Future Working Life Expectancy	<u>4.78</u>	<u>4.79</u>
(11) OPEB Liability (Gain)/Loss Amortization	\$ (6,586,900)	\$ (15,236,834)

## Asset (Gain)/Loss

The following table illustrates the asset gain/loss under GASB 75.

	<b>Fiscal Year Ending 6/30/2020</b>	<b>Fiscal Year Ending 6/30/2021</b>
(1) OPEB Asset at Beginning of Measurement Period	\$ 1,597,300	\$ 231,400
(2) Contributions—Employer	40,942,400	43,881,808
(3) Contributions—Employee	0	0
(4) Expected Investment Income	32,200	8,122
(5) Benefit Payments	(42,689,800)	(49,969,098)
(6) Administrative Expense	0	0
(7) Other	<u>0</u>	<u>0</u>
(8) Expected OPEB Asset at End of Measurement Period	\$ 82,100	\$ (5,847,768)
(9) Actual OPEB Asset at End of Measurement Period	<u>231,400</u>	<u>(5,651,615)</u>
(10) OPEB Asset (Gain)/Loss	\$ (149,300)	\$ (196,153)
(11) Amortization Factor	<u>5.00</u>	<u>5.00</u>
(12) OPEB Asset (Gain)/Loss Amortization	\$ (29,900)	\$ (39,231)

## Deferred Outflows/Inflows

The following table illustrates the Deferred Inflows and Outflows as of June 30, 2021 under GASB 75.

	<b>Deferred Outflows</b>	<b>Deferred Inflows</b>
(1) Difference Between Actual and Expected Experience	\$ 0	\$ 76,059,000
(2) Net Difference Between Expected and Actual Earnings on OPEB Plan Investments	0	316,022
(3) Assumption Changes	<u>120,390,316</u>	<u>30,415,900</u>
(4) Sub Total	\$ 120,390,316	\$ 106,790,922
(5) Contributions Made in Fiscal Year Ending 6/30/2021 After Measurement Date	<u>TBD</u>	<u>N/A</u>
(6) Total	\$ 120,390,316	\$ 106,790,922

## Amortization of Deferred Inflows/Outflows

The table below lists the amortization bases included in the deferred inflows/outflows as of June 30, 2021.

<b>Date Established</b>	<b>Type of Base</b>	<b>Period</b>		<b>Balance</b>		<b>Annual Payment</b>
		<b>Original</b>	<b>Remaining</b>	<b>Original</b>	<b>Remaining</b>	
7/1/2017	Liability (Gain)/Loss	4.78	0.78	0	0	0
7/1/2017	Assumption Changes	4.78	0.78	(102,299,500)	(16,693,100)	(21,401,600)
7/1/2017	Assets (Gain)/Loss	5.00	1.00	(127,200)	(25,600)	(25,400)
7/1/2018	Liability (Gain)/Loss	4.78	1.78	0	0	0
7/1/2018	Assumption Changes	4.78	1.78	(36,851,300)	(13,722,800)	(7,709,500)
7/1/2018	Assets (Gain)/Loss	5.00	2.00	(110,300)	(44,000)	(22,100)
7/1/2019	Liability (Gain)/Loss	4.78	2.78	(31,485,200)	(18,311,400)	(6,586,900)
7/1/2019	Assumption Changes	4.78	2.78	37,971,500	22,083,900	7,943,800
7/1/2019	Assets (Gain)/Loss	5.00	3.00	(149,300)	(89,500)	(29,900)
7/1/2020	Liability (Gain)/Loss	4.79	3.79	(72,984,434)	(57,747,600)	(15,236,834)
7/1/2020	Assumption Changes	4.79	3.79	124,244,784	98,306,416	25,938,368
7/1/2020	Assets (Gain)/Loss	5.00	4.00	<u>(196,153)</u>	<u>(156,922)</u>	<u>(39,231)</u>
	Total Changes			(81,987,103)	13,599,394	(17,169,297)

Amounts Recognized in the deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the OPEB expense as follows:

### Year End June 30:

2022	\$ (12,460,997)
2023	\$ 5,954,103
2024	\$ 11,691,303
2025	\$ 8,414,985
2026	\$ 0
Total Thereafter	\$ 0

## Interest Rate Sensitivity

The following table illustrates the impact of interest rate sensitivity on the Net OPEB Liability for fiscal year ending June 30, 2020:

	<b>1% Decrease (2.51%)</b>	<b>Current Rate (3.51%)</b>	<b>1% Increase (4.51%)</b>
(1) Total OPEB Liability	\$1,536,766,900	\$1,393,813,300	\$1,269,785,600
(2) Plan Fiduciary Net Position	<u>231,400</u>	<u>231,400</u>	<u>231,400</u>
(3) Net OPEB Liability	\$1,536,535,500	\$1,393,581,900	\$1,269,554,200

The following table illustrates the impact of interest rate sensitivity on the Net OPEB Liability for fiscal year ending June 30, 2021:

	<b>1% Decrease (1.21%)</b>	<b>Current Rate (2.21%)</b>	<b>1% Increase (3.21%)</b>
(1) Total OPEB Liability	\$1,677,075,730	\$1,498,058,675	\$1,346,801,587
(2) Plan Fiduciary Net Position	<u>(5,651,615)</u>	<u>(5,651,615)</u>	<u>(5,651,615)</u>
(3) Net OPEB Liability	\$1,682,727,345	\$1,503,710,290	\$1,352,453,202

## Healthcare Cost Trend Sensitivity

The following table illustrates the impact of healthcare cost trend sensitivity on the Net OPEB Liability for fiscal year ending June 30, 2020:

	<b>1% Decrease</b>	<b>Trend Rate</b>	<b>1% Increase</b>
(1) Total OPEB Liability	\$1,293,175,000	\$1,393,813,300	\$1,513,360,000
(2) Plan Fiduciary Net Position	<u>231,400</u>	<u>231,400</u>	<u>231,400</u>
(3) Net OPEB Liability	\$1,292,943,600	\$1,393,851,900	\$1,513,128,600

The following table illustrates the impact of healthcare cost trend sensitivity on the Net OPEB Liability for fiscal year ending June 30, 2021:

	<b>1% Decrease</b>	<b>Trend Rate</b>	<b>1% Increase</b>
(1) Total OPEB Liability	\$1,400,818,341	\$1,498,058,675	\$1,614,470,625
(2) Plan Fiduciary Net Position	<u>(5,651,615)</u>	<u>(5,651,615)</u>	<u>(5,651,615)</u>
(3) Net OPEB Liability	\$1,406,469,956	\$1,503,710,290	\$1,620,122,240

## Disclosure—Changes in the Net OPEB Liability and Related Ratios

Changes in the Net OPEB Liability and Related Ratios<sup>1</sup>

	Fiscal Year Ending			
	2018	2019	2020	2021
<b>Total OPEB Liability</b>				
Service Cost	\$ 59,309,600	\$ 51,881,500	\$ 51,348,800	\$ 53,039,002
Interest Cost	39,468,600	47,795,300	52,488,200	49,915,121
Changes of Benefit Terms	0	0	0	0
Differences Between Expected and Actual Experiences	0	0	(31,485,200)	(72,984,434)
Changes of Assumptions	(102,299,500)	(36,851,300)	37,971,500	124,244,784
Benefit Payments	(38,069,200)	(39,710,200)	(42,489,800)	(49,969,098)
<b>Net Change in Total OPEB Liability</b>	\$ (41,590,500)	\$ 23,115,300	\$ 67,833,500	\$ 104,245,375
<b>Total OPEB Liability (Beginning)</b>	1,344,455,000	1,302,864,500	1,325,979,800	1,393,813,300
<b>Total OPEB Liability (Ending)</b>	\$ 1,302,864,500	\$ 1,325,979,800	\$ 1,393,813,300	\$ 1,498,058,675
<b>Plan Fiduciary Net Position</b>				
Contributions—Employer	\$ 38,048,600	\$ 39,668,900	\$ 40,942,400	\$ 43,881,808
Contributions—Member	0	0	0	0
Net Investment Income	164,800	162,400	181,500	204,275
Benefit Payments	(38,069,200)	(39,710,200)	(42,489,800)	(49,969,098)
Administrative Expense	0	0	0	0
Other	0	0	0	0
<b>Net Change in Plan Fiduciary Net Position</b>	\$ 144,300	\$ 121,100	\$ (1,365,900)	\$ (5,883,015)
<b>Plan Fiduciary Net Position (Beginning)</b>	1,331,900	1,476,200	1,597,300	231,400
<b>Plan Fiduciary Net Position (Ending)</b>	\$ 1,476,200	\$ 1,597,300	\$ 231,400	\$ (5,651,615)
<b>Net OPEB Liability (Ending)</b>	\$ 1,301,388,300	\$ 1,324,382,500	\$ 1,393,581,900	\$ 1,503,710,290
<b>Net Position as a Percentage of OPEB Liability</b>	N/A	N/A	N/A	N/A
<b>Covered-Employee Payroll</b>	\$ 1,663,856,400	\$ 1,890,946,300	\$ 1,991,456,200	\$ 2,046,677,655
<b>Net OPEB Liability as a Percentage of Payroll</b>	78%	70%	70%	73%

<sup>1</sup> GASB 75 was effective first for employer fiscal years beginning after June 15, 2017.

# Disclosure—Contribution Schedule

## Contributions

	Fiscal Year Ending							
	2018		2019		2020		2021	
Actuarially Determined Contribution	\$	N/A	\$	N/A	\$	N/A	\$	N/A
Contributions Made in Relation to the Actuarially Determined Contribution		N/A		N/A		N/A		N/A
Contribution Deficiency (Excess)	\$	N/A	\$	N/A	\$	N/A	\$	N/A
Covered-Employee Payroll	\$	1,663,856,400	\$	1,890,946,300	\$	1,991,456,200	\$	2,046,677,655
Contributions as a Percentage of Payroll		N/A		N/A		N/A		N/A

Notes to Schedule:

Valuation Date: There is no actuarially determined contribution

**Methods and assumptions used to determine contribution rates:**

Actuarial Cost Method	Entry Age Normal Level % of Salary
Asset Valuation Method	Market Value of Assets
Salary Increases	2.75%
Investment Rate of Return	3.51%, net of OPEB plan investment expense, including inflation.
Retirement Rates	Varies by age and service
Mortality Rates	Pub-2010 Public Retirement Plans Mortality Table weighted by Headcount, projected by MP-2019 (See Actuarial Assumptions and Methods section for additional details)

# Appendix

## Participant Data

The actuarial valuation was based on personnel information from State of Nevada records as of January 1, 2020. Following are some of the pertinent characteristics from the personnel data as of that date. Prior year characteristics are also provided for comparison purposes. Both age and service have been determined using years and months as of the valuation date.

	January 1, 2018	January 1, 2020
<b>Health Care Participants</b>		
Active Participants <sup>1</sup>		
Number	13,190	10,183
Average Age	51.5	52.1
Average Service	14.4	15.9
Inactive Participants <sup>2</sup>		
State Retirees and Surviving Spouses Under Age 65	3,355	3,726
Average Age	59.4	59.7
State Retirees and Surviving Spouses Age 65 and Older	7,129	7,924
Average Age	73.7	74.4
Terminated Vested	2,272	2,280
Average Age	53.4	56.4
State Covered Spouses	2,067	2,250
Average Age	63.6	66.7
Total Participants		
Number	28,013	26,363
<b>Life Insurance Participants</b>		
Active Participants		
Number	13,190	10,183
Average Age	51.5	52.1
Average Service	14.4	15.9
State Inactive Participants		
Number	12,375	13,961
Average Age	62.7	67.6
Non-State Inactive Participants		
Number	7,354	4,233
Average Age	68.2	73.2

<sup>1</sup> Active counts reflect those hired prior to January 1, 2012.

<sup>2</sup> Inactive counts include terminated vested participants.

## Active Participants By Age and Service

The following table summarizes the distribution of the future retiree population by age and service as of January 1, 2020:

(AS OF JANUARY 1, 2020)

Age	COMPLETED YEARS OF SERVICE										Total
	Under 1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	
Under 25	0	0	0	0	0	0	0	0	0	0	0
25-29	0	0	19	2	0	0	0	0	0	0	21
30-34	0	0	159	147	7	0	0	0	0	0	313
35-39	0	0	231	505	148	3	0	0	0	0	887
40-44	0	0	176	635	375	95	3	0	0	1	1,285
45-49	0	0	208	677	544	275	56	3	0	1	1,764
50-54	0	0	204	656	537	357	110	11	1	0	1,876
55-59	0	0	189	579	502	322	129	33	3	1	1,758
60-64	0	0	138	444	343	221	117	55	15	5	1,338
65-69	0	0	61	171	153	117	58	46	16	5	627
70+	0	0	17	62	75	43	35	43	18	21	314
Total	0	0	1,402	3,878	2,684	1,433	508	191	53	34	10,183

## Plan Provisions

### Eligibility

For a retiree to participate in the PEBP program, the participant must be receiving a PERS, LRS, JRS, or RPA benefit. PERS eligibility requirements vary by employee group and benefit type. Actives hired after December 31, 2011 are not eligible for any subsidy from PEBP. In addition, actives hired after December 31, 2009 and who retire with less than 15 years of continuous service (except a disability retirement) are not eligible for a subsidy from PEBP.

#### Normal Retirement—Regular Employees

- Minimum age of 65 with 5+ years of service
- Minimum age of 60 with 10+ years of service
- Minimum 30 years of service, regardless of age

#### Normal Retirement—Police & Fire Employees

- Minimum age of 65 with 5+ years of service
- Minimum age of 55 with 10+ years of service
- Minimum age of 50 and 20+ years of service
- Minimum 25 years of service, regardless of age

#### Disability Benefit

- Minimum 5 years of service, regardless of age

#### Reduced Benefit

- Minimum 5 years of service, regardless of age

For this valuation, Regular Employees were considered eligible for retirement at a minimum age of 50 with 5 years of service and Police & Fire Employees were considered eligible for retirement at a minimum age of 45 with 5 years of service.

Surviving spouses are not eligible to receive post-Medicare benefits.

### Medical and Rx Benefits

#### ▪ Pre-Medicare Retirees

For retirees with younger spouses, retirees and spouses will move to the Exchange once the spouse becomes Medicare eligible (age 65). For retirees with older spouse, retirees and spouses will both move to the Exchange when the retiree becomes Medicare eligible.

#### ▪ Medicare Retirees

Certain retirees over age 65 are not eligible for Medicare Part A as indicated on the data. For these participants, we have assumed they will not become eligible for Medicare Part A at any time in the future. Current active employees are assumed to be eligible for Medicare Part A. Medicare eligible retirees will go to the Exchange.

## Medical and Rx Benefits

### ▪ Terminated Vested

If service is less than 10 years, Terminated Vested (TVs) participants are assumed to retire at age 65 and go directly to the Exchange. If service is ten years or more, TVs are assumed to retire at age 60 and move to the Exchange in the same manner as actives outlines above.

### ▪ Current Actives

Actives enrolled in the CDHP are assumed to participate in this plan upon retirement. It is assumed 5% of pre-Medicare actives enrolled in the HPN Plan will participate in the CDHP upon retirement. Likewise, it is assumed 20% of pre-Medicare actives enrolled in the HTH Plan will participate in the CDHP upon retirement. The balance of the HMO populations will remain in the HMO plan as early retirees. These assumptions were based upon actual PEBP census. For all plans, when actives retire and then reach age 65, it is assumed they become Medicare eligible. Once both the participant and spouse become Medicare eligible, it is assumed they will both participate in the Exchange.

## Dental Benefits

Pre-Medicare retirees will participate in PEBP's Dental Plan. Those enrolled in the EHPD plan will assume to enroll in PEBP's dental plan. For those future Exchange retirees, we assume 55% will participate in PEBP's Dental program.

## Life Insurance Benefits

If you participate in a PEBP medical plan, your benefits include \$12,500 life insurance. Zero retiree contributions have been assumed for the life insurance. The life insurance retiree contribution for non-Medicare retirees is included in the medical premium. For Medicare retirees, the premium is paid by PEBP.

## HRA Benefit

The following monthly amount will be credited on behalf of Medicare Eligible Retirees, effective July 1, 2020:

- For those who retired prior to January 1, 1994, the dollar amount is equal to \$195 (previously was \$180).
- For those who retired on or after January 1, 1994, the dollar amount is equal to the base amount (\$13) multiplied by the years of service credit up to a maximum of 20 years of service. Prior to this plan year, the base amount was \$12.

## Retiree Medical Contributions (Effective 7/1/2020-6/30/2021)

▪ State Non-Medicare Retirees and Survivors		<b>CDHP</b>	<b>HMO</b>
	Retiree	\$233.59	\$419.79
	Retiree + Spouse	\$553.84	\$994.97
	Surviving Spouse	\$627.31	\$855.12
▪ Non-State Non-Medicare Retirees and Survivors		<b>CDHP</b>	<b>HMO</b>
	Retiree	\$233.59	\$419.79
	Retiree + Spouse	\$553.84	\$994.97
	Surviving Spouse	\$1,022.49	\$813.22
▪ Voluntary Dental Rates for Medicare Exchange Retirees		<b>State</b>	<b>Non-State</b>
	Retiree	\$40.44	\$41.67
	Retiree + Spouse	\$80.87	\$83.33
	Surviving Spouse	\$40.44	\$41.67
Subsidy for Retirees Enrolled in CDHP or HMO Plans	<b>Years of Service</b>	<b>7/1/2020</b>	
	5	\$358.61	
	6	\$322.75	
	7	\$286.89	
	8	\$251.03	
	9	\$215.17	
	10	\$179.31	
	11	\$143.45	
	12	\$107.58	
	13	\$71.72	
	14	\$35.86	
	15	\$0.00	
	16	(\$35.86)	
	17	(\$71.72)	
18	(\$107.58)		
19	(\$143.45)		
20	(\$179.31)		

Part B Premium	The State of Nevada pays the Part B premium for eligible participants in the CDHP and HMO Plans. If not specifically indicated on the data, it is assumed any retiree over age 65 and participating in these plans will receive the Part B premium and the State pays the premium. For retirees indicated on the data file as eligible for Part B, it is assumed they will receive the Part B premium subsidy. The Part B premium subsidy in effect for 2020 calendar year is \$135.50 per month.
Administrative Fees (Per Employee Basis)	Effective as of January 1, 2020 <ul style="list-style-type: none"><li>▪ CDHP: \$672.12</li><li>▪ HMO: \$673.68</li></ul>
HRA Account Reversions	<ul style="list-style-type: none"><li>▪ Pre-65 CDHP: 5.0%</li><li>▪ Medicare HRA: 0.5%</li></ul>

## Health Care Claims Development

On March 23, 2010, the “Patient Protection and Affordable Care Act” was signed into law, followed by the passage of the “Health Care and Education Affordability Reconciliation Act of 2010” on March 30, 2010 (“Acts”). The health care reforms contained in these Acts have wide-spread impact on health care programs, including those covering retirees. This valuation reflects Aon’s interpretation of the Acts based on information currently available. Future regulations on each aspect of the Acts may be different than Aon’s initial interpretations.

Key issues in Health Care Reform that have an effect on the valuation include:

- Excise tax on high-cost health plans
- Group market reforms
- Early Retiree Reimbursement Program
- Taxation of Retiree Drug Subsidy for post-65 coverage

The valuation issues related to each of these topics are discussed below.

### Health Care Reform Excise Tax Adjustment:

The “Further Consolidated Appropriations Act, 2020” signed into law on December 20, 2019, included a permanent repeal of the excise tax on high-cost plans (a.k.a. “the Cadillac tax”) originally imposed by the Affordable Care Act in 2010. As a result, there is no impact from the excise tax in the valuation.

### Group Market Reforms

- Requirement to Cover Children to Age 26
  - The Acts requires that a group health plan that provides dependent coverage of children shall continue to make such coverage available for an adult child until the child turns 26 years of age. Current and future dependent children are valued implicitly in the valuation. Per capita claims costs were developed using claims information for all covered lives and adult headcounts. As such, the impact of child coverage is built into the per capita claims for retirees and spouses.
- Elimination of Benefit Limitations
  - The Acts include a number of other provisions that may increase the cost of retiree health care including the elimination of lifetime maximum benefits and “restrictive” annual benefit limitations. We have made no adjustment for these additional benefits because there are no material limits in the plans.

Medicare Part D reimbursements and the Early Retiree Reinsurance program do not fall under GASB 75.

### Claims Cost Development

The first step in determining the liabilities under a postretirement welfare plan is to calculate the expected average claims cost per participant in the coming year. The preliminary per capita costs were developed as follows:

- The average medical/Rx and dental per capita claims costs were developed from the fiscal year 2021 premium rates for the HMO plan and premium-equivalent rates for the other plans. Premium/premium-equivalent rates were provided by the State of Nevada health pricing actuary. The

expected medical/Rx and dental per capita “adult-equivalent” claims costs were based on the respective active, pre-65 retiree, and non-Medicare eligible post-65 retiree enrollment weighted average of the four-tier rate structure including the cost of dependent children as provided by the State of Nevada, and were already centered at the mid-point of the annual period following the valuation date. Average medical/Rx per capita claims costs were then age-adjusted based on the demographics of the population, and the assumed health care aging factors shown in the table below. Average dental per capita claims costs were not adjusted for aging.

- Participants who are eligible for Medicare Part A and not yet eligible to participate in the retiree medical exchange are assumed to experience per capita costs 50% lower than post65 participants not eligible for Medicare Part A.
- Fiscal year 2021 per capita administrative costs are assumed to be \$432 and \$485 for CDHP and HMO, respectively. Administrative expenses were based on actual fiscal 2021 administrative costs, converted to a per member per year rate.

Models are used to estimate underlying per capita medical, prescription drug, and dental claims costs, subsequently utilized as assumption inputs for valuation models used to develop the liabilities for the 2020 and future valuations. The Aon consulting team leveraged expertise of Health experts within Aon as it relates to reviewing the models used for development of the per capita claims costs and future trend rates.

The sample per capita medical/Rx and dental claims cost assumptions shown below by age, benefit, and plan represent the true underlying baseline experience for non-Medicare eligible participants, not including administrative expenses, estimated for the State of Nevada's sponsored postretirement benefits and costs. These rates are used in the expense calculation for the period 7/1/2020 – 6/30/2021 and disclosures as of 6/30/2021.

<b>Age</b>	<b>State CDHP/PPO</b>	<b>State EPO/HMO</b>	<b>Non-State CDHP/PPO</b>	<b>Non-State EPO/HMO</b>	<b>Dental</b>
50	\$7,129	\$9,440	\$7,276	\$5,803	\$490
55	8,800	11,652	8,980	7,162	490
60	10,914	14,451	11,138	8,882	490
65	13,152	17,413	13,420	10,703	490
70	15,321	20,286	15,633	12,469	490
75	16,999	22,507	17,344	13,835	490
80	18,223	24,128	18,593	14,831	490
85	19,438	25,738	19,834	15,820	490
90+	20,028	26,518	20,436	16,300	490

#### Age Grading Factors

<b>Age</b>	<b>Composite</b>
Under 44	3.3%
45–49	3.8%
50–54	4.3%
55–59	4.4%
60–64	3.8%
65–69	3.1%
70–74	2.1%
75–79	1.4%
80–84	1.3%
85–89	0.6%
90 and Over	0.0%

## Actuarial Assumptions and Methods

The actuarial assumptions and methods used in the June 30, 2021 valuation are stated below.

Valuation Date	January 1, 2020
Census Date	January 1, 2020
Measurement Date	June 30, 2020
Actuarial Method	Entry Age Normal Level % of Pay
Inflation (CPI)	2.50%
Discount Rate	Based on Bond Buyer General Obligation 20-Bond Municipal Bond Index: <ul style="list-style-type: none"> <li>▪ Measurement Date June 30, 2019: 3.51%</li> <li>▪ Measurement Date June 30, 2020: 2.21%</li> </ul>

### Health Care Trend Rates

<ul style="list-style-type: none"> <li>▪ Medical, Rx and Administrative Fees</li> </ul>	<table> <thead> <tr> <th style="text-align: left;">Year</th> <th style="text-align: left;">Trend</th> </tr> </thead> <tbody> <tr><td>2020</td><td>6.25%</td></tr> <tr><td>2021</td><td>6.25%</td></tr> <tr><td>2022</td><td>6.00%</td></tr> <tr><td>2023</td><td>5.75%</td></tr> <tr><td>2024</td><td>5.75%</td></tr> <tr><td>2025</td><td>5.50%</td></tr> <tr><td>2026</td><td>5.25%</td></tr> <tr><td>2027</td><td>5.25%</td></tr> <tr><td>2028</td><td>5.00%</td></tr> <tr><td>2029</td><td>4.75%</td></tr> <tr><td>2030</td><td>4.75%</td></tr> <tr><td>2031</td><td>4.50%</td></tr> </tbody> </table>	Year	Trend	2020	6.25%	2021	6.25%	2022	6.00%	2023	5.75%	2024	5.75%	2025	5.50%	2026	5.25%	2027	5.25%	2028	5.00%	2029	4.75%	2030	4.75%	2031	4.50%
Year	Trend																										
2020	6.25%																										
2021	6.25%																										
2022	6.00%																										
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2024	5.75%																										
2025	5.50%																										
2026	5.25%																										
2027	5.25%																										
2028	5.00%																										
2029	4.75%																										
2030	4.75%																										
2031	4.50%																										
<ul style="list-style-type: none"> <li>▪ Dental</li> </ul>	4.00%																										
<ul style="list-style-type: none"> <li>▪ Admin</li> </ul>	3.00%																										
<ul style="list-style-type: none"> <li>▪ HRA Accounts</li> </ul>	0.00%																										
<ul style="list-style-type: none"> <li>▪ Part B Premiums</li> </ul>	4.50%																										
Life Insurance Administrative Load	10.00%																										

## Actuarial Assumptions and Methods

Health Benefits Participation	90% of current eligible actives and 60% of current terminated vested employees will elect retiree plan coverage. Additionally, 60% of future retirees who have declined coverage are assumed to elect to participate in the plan upon retirement. 60% of actives decremented to withdrawal from the plan with at least five years of service will elect retiree medical and dental coverage.
Life Insurance Participation	All active employees and current retirees that elected healthcare coverage. Reinstated retirees and survivors are not eligible to receive the life insurance benefit.
Plan Election Percentage	Future retiree election percentage is based on the current retiree plan enrollment distribution.
Demographic Assumptions	<p>Census data was provided by the State and adjustments were made for missing data, which have an insignificant effect on the liability.</p> <p>The census provided did not include gender for every terminated vested participant, so it was assumed that the percentage of males among the terminated vested population is consistent with the percentage of males among the retiree population.</p> <p>All actives are assumed to accumulate State service only. A factor has been applied to total service for State and Non-State retirees which represents the percentage of a retiree's total service that is attributable to service with the State:</p> <ul style="list-style-type: none"> <li data-bbox="626 1203 1016 1230">▪ State: 94%</li> <li data-bbox="626 1251 1016 1278">▪ Non-State Retiree: 13%</li> </ul>
Spouse Age Difference & Marriage Percentage	<p>Male participants are assumed to be four years older than spouses; female participants are assumed to be two years younger than spouses.</p> <p>30% of active males and 15% of active females will elect retiree spouse coverage.</p>

## Actuarial Assumptions and Methods

Healthy Mortality                      Officers: Pub-2010 Public Retirement Plans Safety Mortality Table weighted by Headcount, projected by MP-2019  
 Civilians: Pub-2010 Public Retirement Plans General Mortality Table weighted by Headcount, projected by MP-2019

Disabled Mortality                      Officers: Pub-2010 Public Retirement Plans Safety Disabled Mortality Table weighted by Headcount, projected by MP-2019  
 Civilians: Pub-2010 Public Retirement Plans General Disabled Mortality Table weighted by Headcount, projected by MP-2019

Retirement Rates                      See Table A.

Withdrawal Rates                        See Table B.

Disability Rates                         See Table C.

### Salary Scale

▪ Inflation                                 2.75%

▪ Productivity Pay Increases         0.50%

▪ Promotional and Merit Salary Increase

<b>Years of Service</b>	<b>Regular</b>	<b>Police &amp; Fire</b>
Under 1	5.90%	10.65%
1	4.80%	7.15%
2	4.00%	5.20%
3	3.60%	4.60%
4	3.30%	4.30%
5	3.00%	4.15%
6	2.80%	3.90%
7	2.70%	3.50%
8	2.50%	3.15%
9	2.35%	2.90%
10	2.15%	2.50%
11	1.75%	1.90%
12	1.50%	1.50%
13	1.25%	1.30%
14	1.10%	1.30%
15+	1.00%	1.30%

## Actuarial Assumptions and Methods

Table A—Retirement Rates

Age	Regular Years of Service (%)				
	5-9	10-19	20-24	25-29	30+
45-49	0.00	0.00	0.75	6.50	16.00
50-54	0.50	1.50	1.50	8.50	18.00
55-59	1.50	3.50	5.00	12.00	20.00
60-61	6.50	11.00	17.00	22.00	22.00
62-64	9.00	13.00	17.00	22.00	22.00
65-69	20.00	20.00	22.00	25.00	25.00
70-74	30.00	30.00	40.00	40.00	40.00
75+	100.00	100.00	100.00	100.00	100.00

Age	Police/Fire Years of Service (%)				
	5-9	10-19	20-24	25-29	30+
Under 40	0.00	0.00	0.00	0.00	0.00
40-44	0.00	0.50	3.50	0.00	0.00
45-49	0.00	1.00	6.50	18.00	18.00
50-54	1.50	4.50	13.00	20.00	24.00
55-59	3.50	10.00	20.00	25.00	28.00
60-64	9.00	18.00	25.00	35.00	35.00
65-69	50.00	50.00	60.00	60.00	60.00
70+	100.00	100.00	100.00	100.00	100.00

## Actuarial Assumptions and Methods

Table B—Withdrawal Rates

<b>Years of Service</b>	<b>% Regular</b>	<b>% Police/Fire</b>
0-1	16.00	15.00
1-2	12.50	8.00
2-3	10.25	7.50
3-4	8.00	6.00
4-5	7.50	5.00
5-6	6.00	3.75
6-7	5.25	3.50
7-8	4.25	2.50
8-9	4.00	2.25
9-10	3.75	1.90
10-11	3.25	1.50
11-12	3.00	1.30
12-13	2.75	1.00
13-14	2.50	0.90
14-15	2.25	0.80
15-16	2.00	0.70
16-17	2.00	0.60
17-18	1.75	0.50
18-19	1.75	0.50
19-20	1.75	0.50
20+	1.75	0.45

## Actuarial Assumptions and Methods

Table C—Disability Rates

<b>Age</b>	<b>% Regular</b>	<b>% Police/Fire</b>
20-24	0.01	0.00
25-29	0.03	0.06
30-34	0.06	0.12
35-39	0.10	0.30
40-44	0.21	0.45
45-49	0.35	0.65
50-54	0.60	0.80
55-59	0.75	0.65
60-64	0.40	0.50
65+	0.00	0.00