



Luzerne County Employees' Retirement System Review of 2021 Actuarial Valuation Results

April, 2021

Actuarial Review

PART I: Valuation Summary

PART II: Future Outlook

Valuation Summary

PART I

(\$ millions)	1/1/2020	1/1/2021	1 Year Change
Actuarial Liability	\$351	\$363	+\$12
Assets: Market	\$257	\$281	+\$24
Smoothed	\$255	\$269	+\$14
Ratios: Market	73%	78%	+5%
Smoothed	73%	74%	+1%
Unfunded AAL	\$96	\$94	-\$2
County Contribution	\$13.75	\$13.84	+\$0.09
% of Payroll	19.0%	19.1%	+0.1%

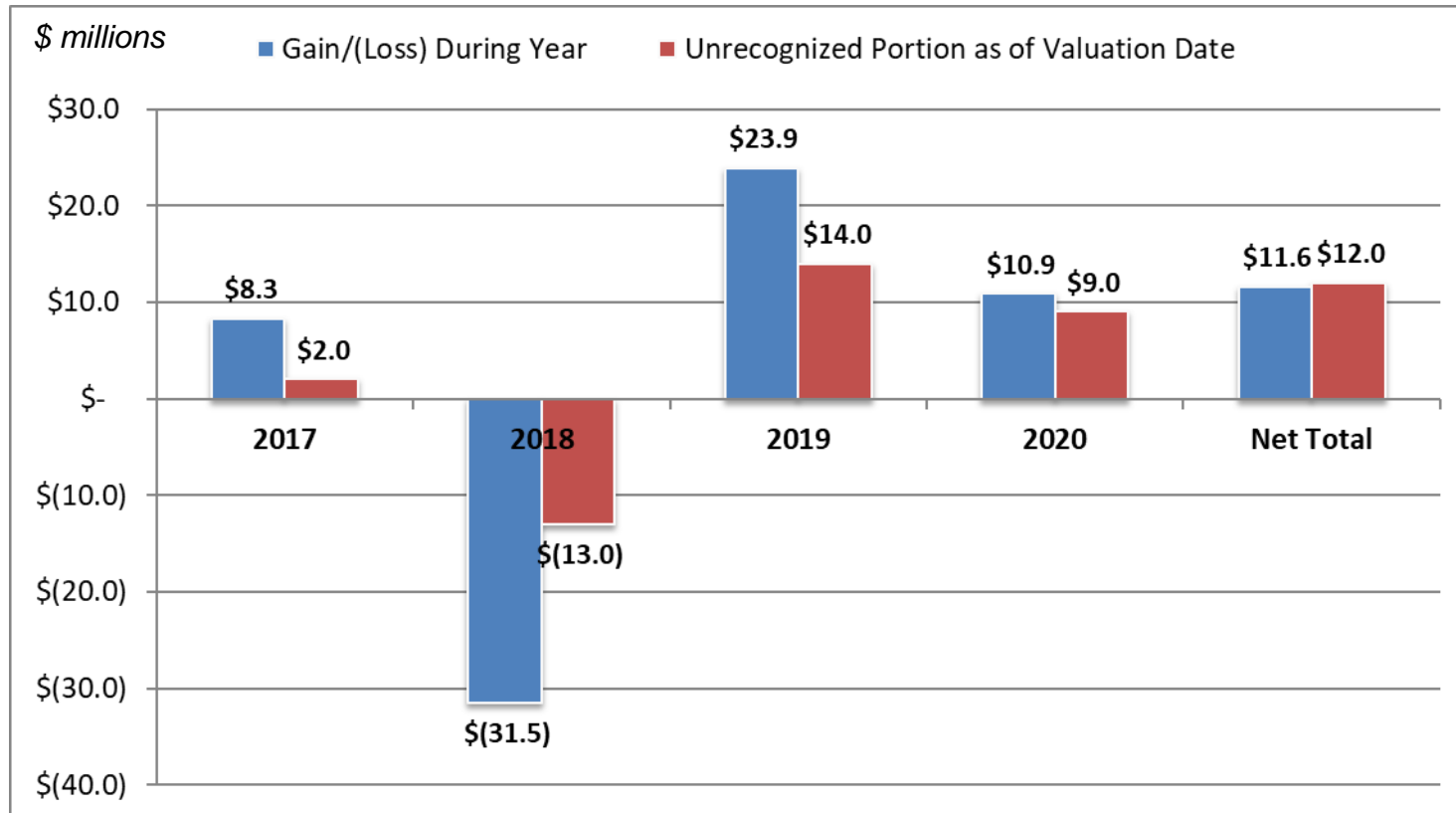
Changes Since Last Year

PART I

- ↳ Prior Investment Gains/Losses being recognized
 - Expected an increase of \$0.2 million in contribution
- ↳ Investment Impact
 - \$11 million investment gain
 - Cost decrease of \$0.2 million, because only 1/5 is recognized
 - \$12 million in unrecognized gains
- ↳ Other experience (salaries, demographics)
 - Experience was slightly unfavorable, \$0.1 million increase
 - Mostly due to a large number of retirements (70 vs. usually about 45)
 - Also offset by higher than average terminations and deaths
- ↳ Net impact is a \$90,000 cost increase versus 2020

“Asset” Smoothing

PART I



Plan Population

PART I

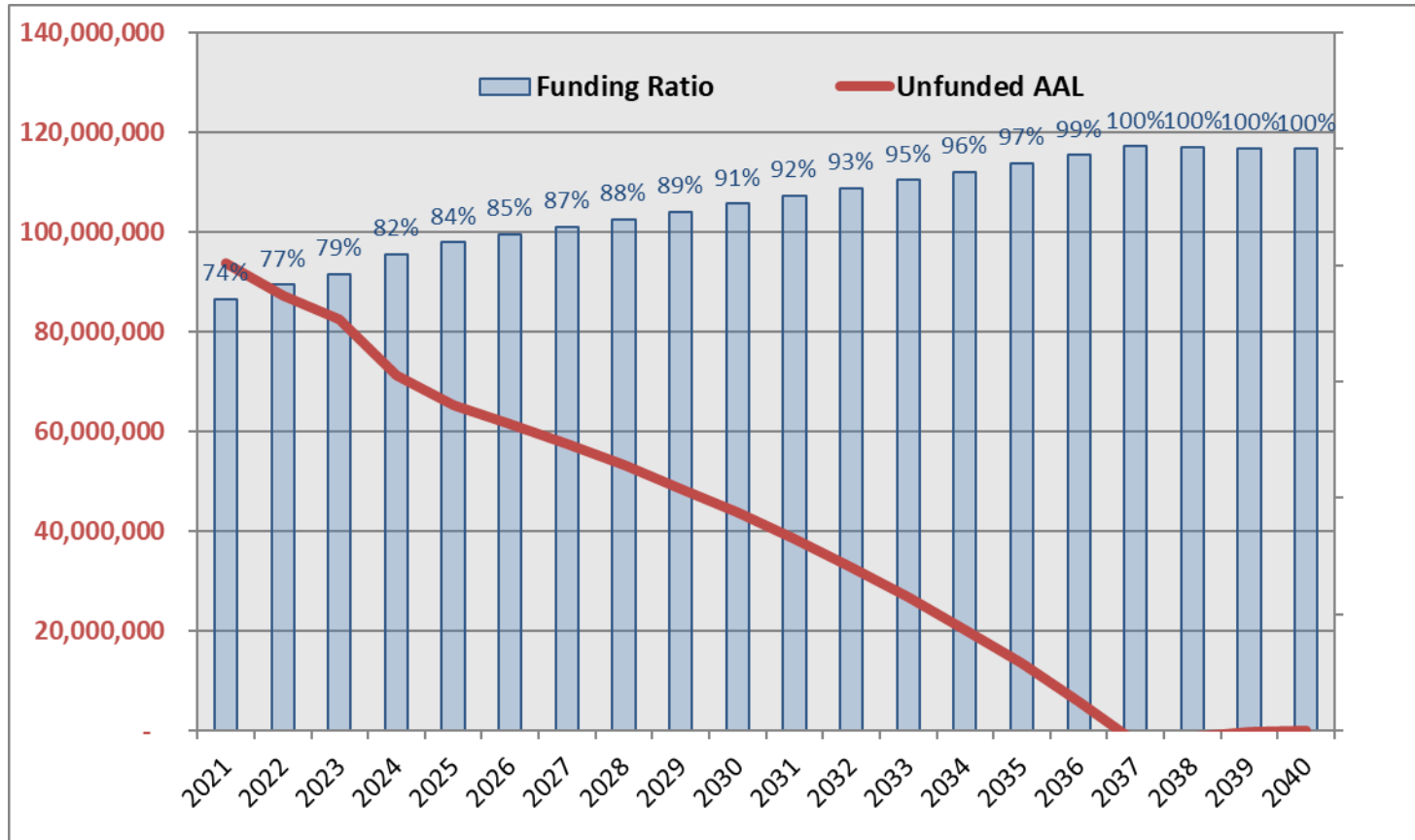
- ↳ During 2020:
 - 124 terminations, 70 retirements, 41 deaths
- ↳ Decreasing proportion of active vs inactive/retired members
 - About 47% active (1,445 out of 3,048 total)
- ↳ Stable/slightly younger employee population
 - Active employees average: Age 47 w/12 yrs. service
 - Retirees average age 72.3; avg benefit = \$1,190/mo.

Actuarial Review

PART II: Future Outlook

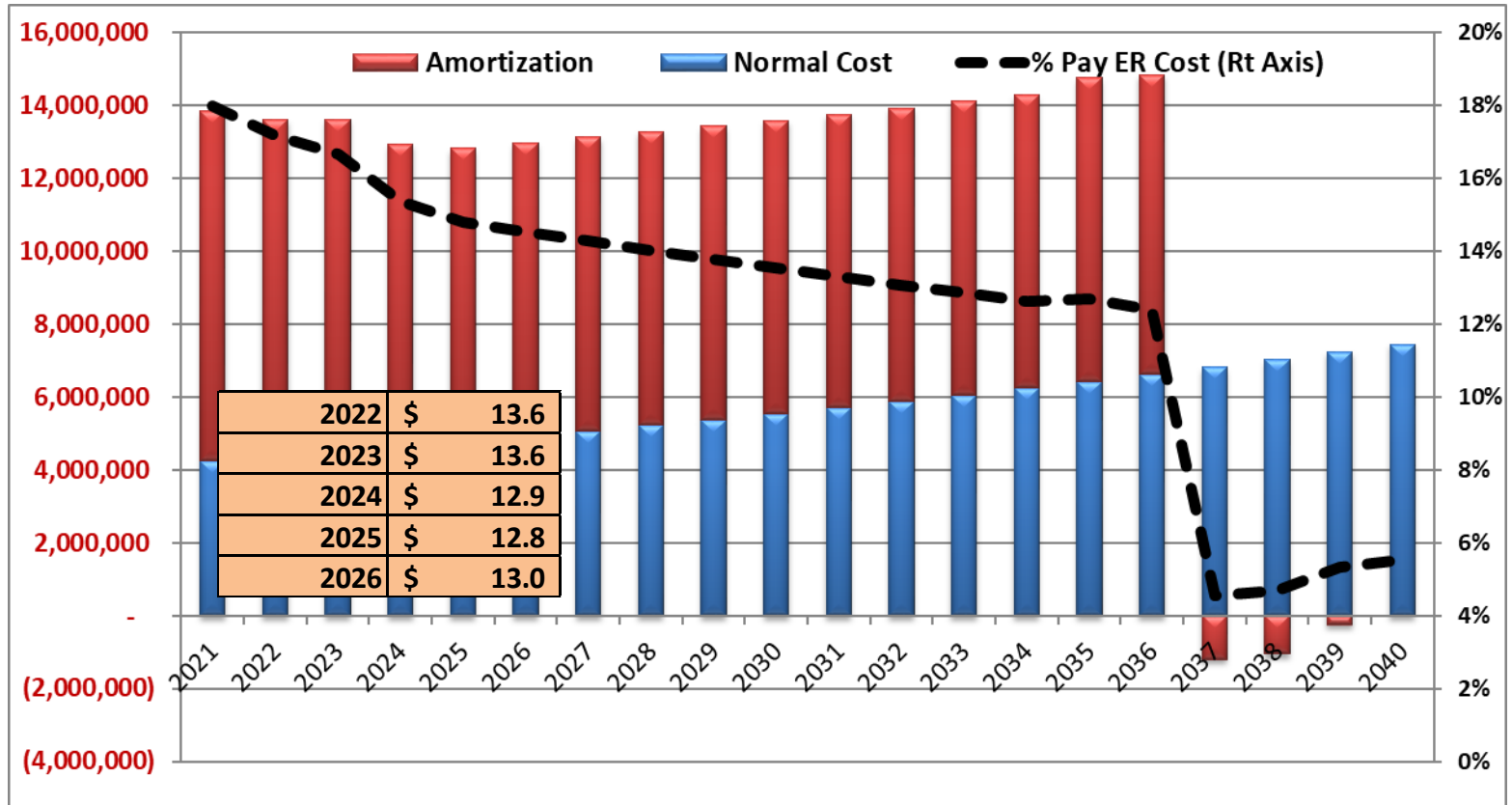
Future Outlook - Funding

PART II



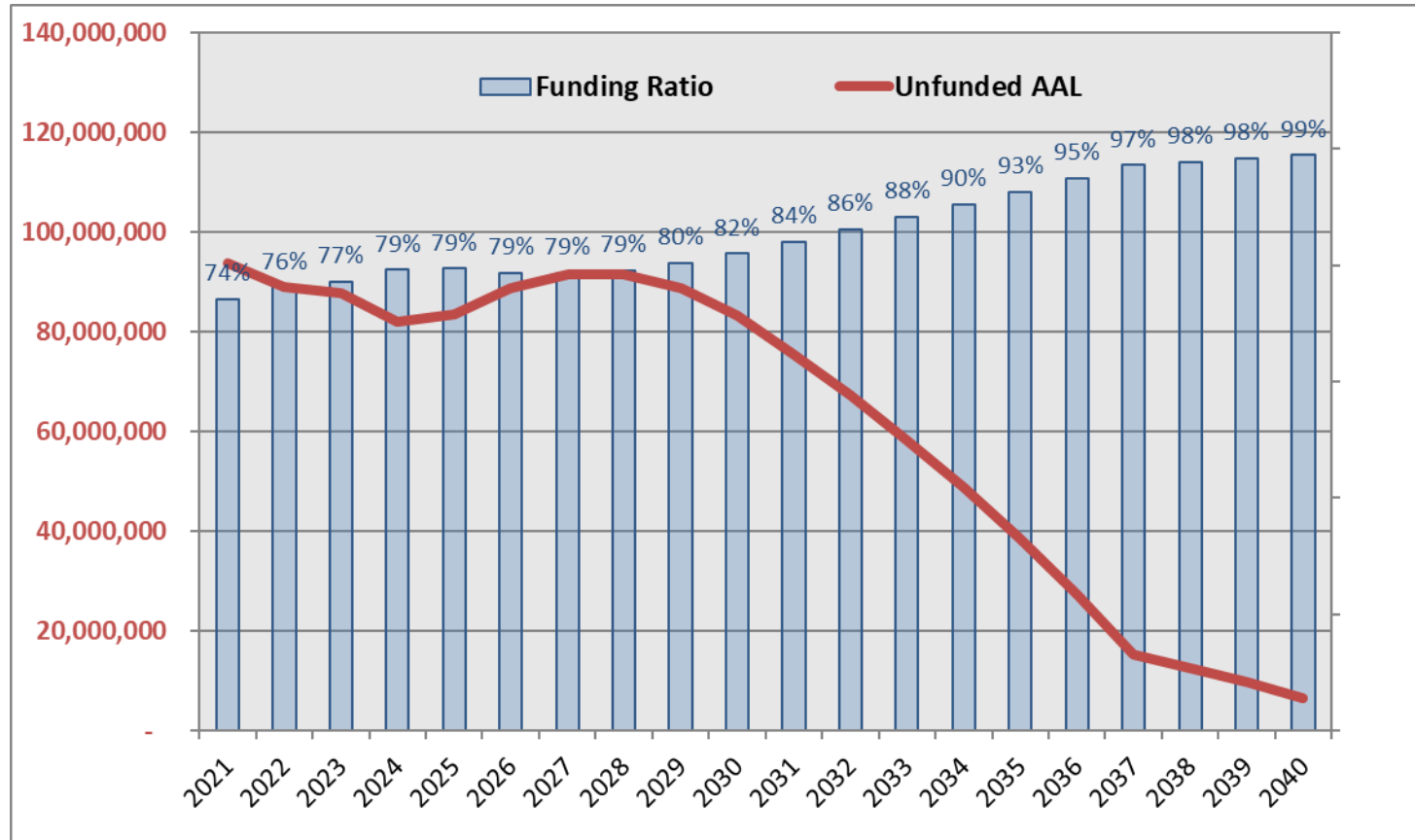
Future Outlook - Cost

PART II



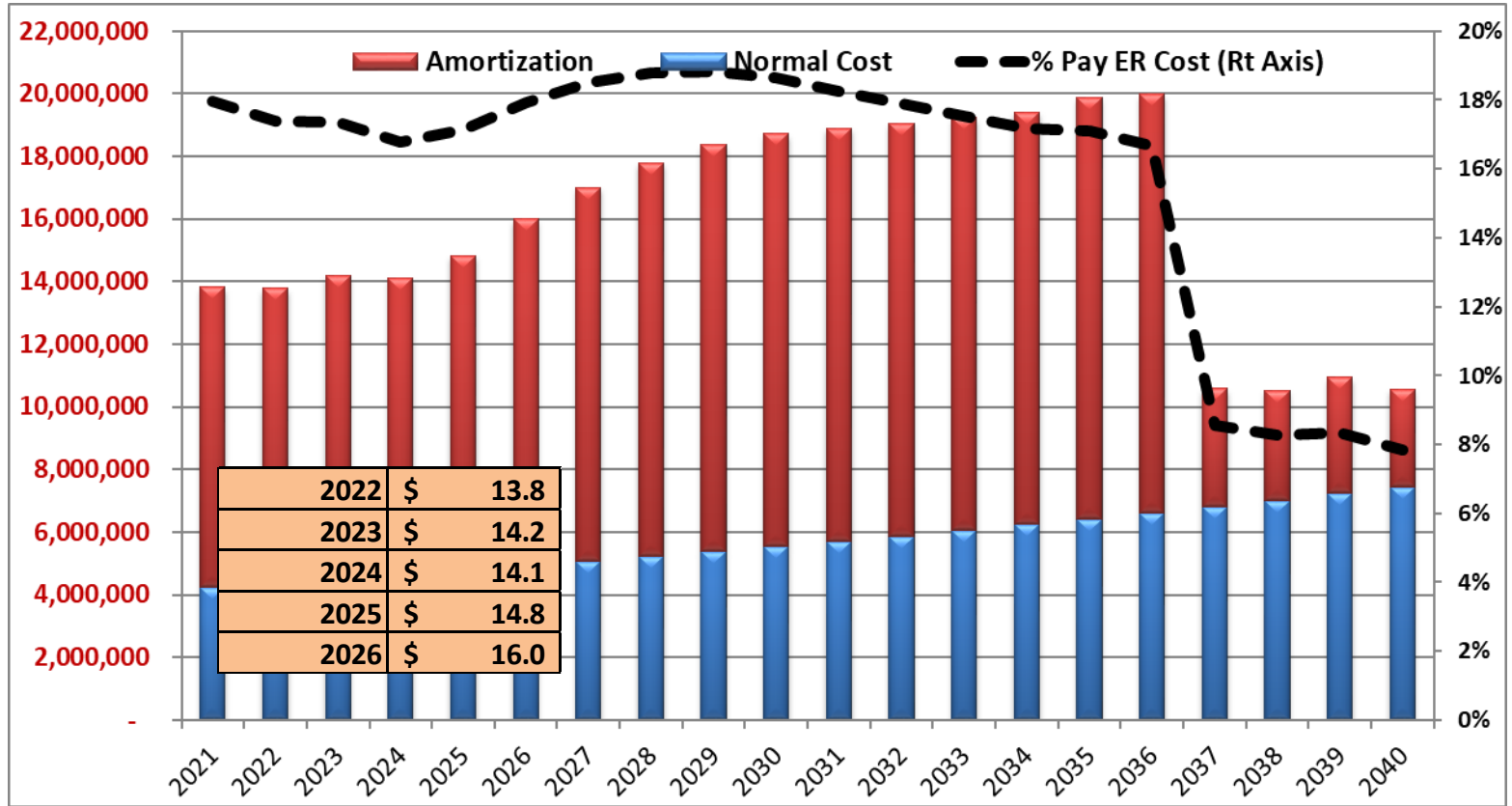
Future Outlook: 4% Returns x 5

PART II



Future Outlook: 4% Returns x 5

PART II



2022	\$	13.8
2023	\$	14.2
2024	\$	14.1
2025	\$	14.8
2026	\$	16.0