CERBT Valuation Packet

The California Employers' Retiree Benefit Trust (CERBT) Fund is an Internal Revenue Code Section 115, multiple-employer OPEB trust fund and has a fiduciary responsibility for financial reporting in accordance to the Governmental Accounting Standards Statement No. 74. As such, we request all participating employers to submit a renewal OPEB Valuation or AMM Report at least every two years, along with this valuation packet consisting of the Certification of Funding Policy, the Summary of Actuarial Information, and the Certification of Actuarial Information. The information provided in the OPEB valuation or AMM report is essential to the accuracy of the administration and reporting of the CERBT Fund.

Employer Name

Valuation Date

Renewal Valuation Checklist

Please email a copy of your agency's final OPEB valuation or AMM report, along with this completed packet to CERBT4U@calpers.ca.gov. If you have any questions, contact us at CERBT4U@calpers.ca.gov.

- ☐ OPEB Valuation or AMM Report (Final version)
- ☐ Certification of Funding Policy (pages 2-3, completed and signed)
- ☐ Summary of Actuarial Information (pages 4-5, completed)
- ☐ Certification of Actuarial Information (page 6, completed and signed)

CalPERS

CERBT Valuation Packet
Certification of Funding Policy (1 of 2)

Employer Name

Valuation Date

CERBT Asset Allocation Strategy Selection

As the employer, I certify that my agency chooses the following CERBT asset allocation strategy:

CERBT Asset Allocation Strategy	Long-Term Expected Rate of Return	Expected Volatility (Standard Deviation)
☐ **Strategy 1**	6.4%	11.5%
☐ **Strategy 2**	6.1%	9.5%
☐ **Strategy 3**	5.8%	8.1%

Funding Method

As the employer, I certify that our OPEB funding method and intent for the period covered by our current OPEB valuation or AMM report is to contribute consistently an amount that is equal to:

☐ ADC funding method: _____% of the Actuarially Determined Contribution (ADC) as determined in our OPEB valuation or AMM report.

☐ Other funding method: We will contribute to the trust using an approach not directly related to the ADC. Please describe in the comment section below.

If applicable, please provide ADC amounts and periods covered as determined in the report:

First Fiscal Year-End :

_____ MM/DD/YYYY _____ ADC Amount

Second Fiscal Year-End:

_____ MM/DD/YYYY _____ ADC Amount

Comments

CERBT Valuation Packet
Certification of Funding Policy (2 of 2)

Contribution and Reimbursement Method

As the employer, I certify that we intend to make CERBT contributions and request eligible reimbursements in the following manner:

- ☐ Contribute full ADC payments to the trust and seek reimbursements for pay-go costs.
- ☐ Contribute ADC payments to the CERBT net of pay-go costs and not seek reimbursement (ADC minus pay-go = Trust Contribution).
- ☐ Other contribution and/or reimbursement method, e.g. initial/ ad hoc lump sum contribution. Please describe in the comment section below.

Comments

Employer Certification

As the employer, we understand that we must obtain an OPEB valuation or AMM report on at least a biennial basis.

We understand that we will be asked to provide accounting information to CalPERS as required to facilitate CalPERS compliance with Governmental Accounting Standards Board (GASB) Statements for Accounting and Financial Reporting for Post-Employment Benefit Plans Other than Pension Plans (OPEB Standards) reporting requirements and we agree to make any information requested available to CalPERS on a timely basis.

We understand that CalPERS will provide us the Schedule of Changes in Fiduciary Net Position by Employer, which can be used to prepare our GASB OPEB Standards reporting. CalPERS will report information pertaining to GASB OPEB Standards for Agent OPEB Plans.

Employer Name

Valuation Date

Name Title

Signature Date

CERBT Valuation Packet
Summary of Actuarial Information (1 of 2)

Employer Name

Valuation Date

Actuarial Firm Contact Information

Actuary/Contact Name | Actuarial Firm

Email | Phone Number

Person Completing this Form

Contact Name | Organization

Email | Phone Number

If using a GASB 75 accounting valuation or AMM report, complete sections I, II, IV, and V. If using a funding valuation, complete sections I, III, IV, and V. If using a blended valuation, complete all sections, as applicable.

Section I: Actuarial Data

1. Valuation type (Accounting, Funding, or both) _____
2. Valuation frequency (Annual or Biennial) _____
3. Total Present Value of Future Benefits (PVFB) _____
   i. Date PVFB was calculated as of _____

Section II: GASB 75 Accounting Valuation or AMM (complete if using a GASB 75 accounting valuation or AMM)

4. Measurement Date _____
5. Total OPEB Liability (TOL) _____
6. Fiduciary Net Position (FNP) at Measurement Date _____
7. Net OPEB Liability (TOL-FNP) _____
8. This report provides financial reporting data for the following period:

   Fiscal Year-End for your GASB 75 reporting _____
   MM/DD/YYYY

CERBT Valuation Packet
Summary of Actuarial Information (2 of 2)

Section III: Funding Valuation (complete if using a funding valuation)

9. Actuarial Accrued Liability (AAL) _____

10. Actuarial Value of Assets (AVA) _____

11. Unfunded Actuarial Accrued Liability (AAL-AVA) _____

Section IV: Demographic Data (as of valuation date)

12. Number of active plan members _____

13. Number of inactive plan members currently receiving benefit payments _____

14. Number of inactive plan members entitled to
    but not yet receiving benefit payments _____

Section V: Benefit Payment Data

	Year ending date of projected benefit payments (MM/DD/YYYY)	Projected employer paid retiree premium payments (Do not include implicit rate subsidy)	Projected implicit rate subsidy payments
Year 1	_____	_____	_____
Year 2	_____	_____	_____
Year 3	_____	_____	_____
Year 4	_____	_____	_____

Comments

CERBT Valuation Packet
Certification of Actuarial Information (1 of 1)

As Actuary of the plan, I certify that the Other Post-Employment Benefits (OPEB) actuarial valuation upon which the enclosed summary of actuarial information is based meets the following criteria:

- The valuation has been prepared and signed by a Fellow or Associate of the Society of Actuaries, or an Enrolled Actuary of the Joint Board for the Enrollment of Actuaries, and a Member of the American Academy of Actuaries.[1]
- The valuation has been prepared in accordance with the Actuarial Standards of Practice.
- If the valuation is an accounting valuation, then it has been prepared in accordance with the requirements set forth in Governmental Accounting Standards Board (GASB) Statements related to OPEB reporting.
- If employer assets to pre-fund other post-employment benefits are invested in an irrevocable OPEB trust other than the CERBT, the liabilities associated with those assets are not included in the summary of actuarial information.

I further certify that the discount rate is consistent with the anticipated level of funding pursuant to the relevant sections in GASB and ASOP, and the employer's certification.

Employer Name

Valuation Date

Printed Name of Actuary and Designation

Signature Date

[1] In cases where the actuary performing the work does not meet these criteria, the valuation may be acceptable if the person has equivalent qualifications that are acceptable to the CalPERS Board. Please provide the qualifications of the actuary performing the valuation.

CERBT Valuation Packet
Instructions and Considerations

Certification of Funding Policy

Your agency may want to consider the following points when preparing a Funding Policy:

- Will OPEB liabilities increase or decrease over time?
- When will the OPEB costs reach their peak?
- Funding status goals.
- How much do unfunded liabilities matter?
- How is your agency measuring performance?

CERBT Asset Allocation Strategy Selection

Your CERBT assets will be invested using the asset allocation strategy checked upon your selection. Each strategy has a different assumed long-term expected rate of return and risk profile.

The following table shows the expected time-weighted compound return for the 1-5 year period, 6-20 year period, the long-term expected rate of return, and the expected volatility (standard deviation) for each strategy. Please note the CERBT fund is intended to be a long-term investment vehicle.

CERBT Asset Allocation Strategy	Expected Compound Return (1-5 Years)	Expected Compound Return (6-20 Years)	Long-Term Expected Rate of Return (1-20 Years)	Expected Volatility (Standard Deviation)
Strategy 1	6.1%	6.6%	6.4%	11.5%
Strategy 2	5.9%	6.2%	6.1%	9.5%
Strategy 3	5.7%	5.9%	5.8%	8.1%

Funding Method

- If your agency's intent is to fund based on an ADC, indicate the ADC percentage funding as well as the ADC amount(s).
- If your contributions are not tied specifically to the ADC, then indicate how you expect to contribute. For example, if you intend to make unreimbursed pay-go payments plus a fixed dollar amount to the trust, then describe this in the comments space provided.
- *Optional*: If using a funding valuation, please identify the periods to which your entity will use the renewal valuation report for funding purposes.

Contribution and Reimbursement Method

Here we ask you to indicate how you expect to make contributions to, and seek reimbursement from, the trust. All contributions are voluntary and never required.

Employer Certification
Please certify as the employer you understand you must obtain a renewal valuation on at least a biennial basis.

Summary of Actuarial Information

This form may be completed by your actuary or you and is a summary of data from your actuarial valuation. If using a GASB 75 accounting valuation or AMM report, complete sections I, II, IV, and V. If using a funding valuation, complete sections I, III, IV, and V. If using a blended valuation, complete all sections, as applicable.

If certain elements in this form are not found in the actuarial valuation report itself (such as PVFB in section I or projected benefit payment data in section V), please work with your consulting actuary to obtain this data. CERBT staff are available to assist if needed.

Certification of Actuarial Information

This form needs to be signed by your consulting actuary.