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***NEBRASKA PUBLIC EMPLOYEES
RETIREMENT SYSTEM***

COUNTY EQUAL RETIREMENT BENEFIT FUND

**Actuarial Valuation Results
as of January 1, 2021**

for State Fiscal Year Ending June 30, 2022





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April 30, 2021

Public Employees Retirement Board
Nebraska Public Employees Retirement Systems
1526 "K" Street
Suite 400
Lincoln, NE 68509-4816

**RE: Certification of Actuarial Valuation
County Equal Retirement Benefit Fund**

Members of the Board:

At your request, we have prepared an actuarial valuation of the County Equal Retirement Benefit Fund as of January 1, 2021 for the purpose of determining the funded status of the Plan and any required contributions for the plan year. Funding required from each participating County for current plan members, as approved by the Retirement Board, is equal to an amount necessary to fully fund the benefit obligation, or alternatively, an annual payment which would amortize the unfunded liability over a period of twenty years commencing January 1, 1999. The initial twenty-year amortization period has elapsed so the current valuation reflects a one-year amortization period.

There were no changes to the plan provisions or actuarial methods from the prior valuation. The annuity conversion interest rate for members retiring from the Defined Contribution Plan is updated annually as required in statute. Additional assumption changes are first reflected in this valuation as the result of the four-year experience study completed in 2020. The new set of assumptions, adopted by the Public Employees Retirement Board at their meeting on December 21, 2020, includes phasing in the changes to the economic assumptions over four years, beginning with the January 1, 2021 valuation. The assumption changes are discussed in further detail in the Executive Summary section of this report. The net impact of the assumption changes was an increase in the Projected Benefit Cost.

The actuarial valuation is based on unaudited financial data provided by the System and member data provided by Ameritas, the record keeper for the Plan. We found this information to be reasonably consistent and comparable with the information used in the prior report. The valuation results depend on the integrity of this information. If any of this information is inaccurate or incomplete, our results may be different and our calculations may need to be revised. The benefits considered are those delineated in Nebraska State Statutes as of January 1, 2021.

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We further certify that all costs, liabilities, rates of interest and other factors for the County Equal Retirement Benefit Fund have been determined on the basis of actuarial assumptions and methods which are individually reasonable (taking into account the experience of the System and reasonable expectations); and which, in combination, offer the best estimate of anticipated experience affecting the System. Nevertheless, the emerging costs will vary from those presented in this report to the extent actual experience differs from that projected by the actuarial assumptions. The Public Employees Retirement Board has the final decision regarding the appropriateness of the assumptions and adopted them as indicated in Appendix B.

In order to prepare the results in this report, we have utilized appropriate actuarial models that were developed for this purpose. These models use assumptions about future contingent events along with recognized actuarial approaches to develop the needed results. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); 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 future measurements.

We note that as we prepare this report, the world is in the midst of a pandemic. We have considered available information, but do not believe there is sufficient data yet to warrant modification of any of our assumptions. We will continue to monitor the situation and advise the Board in the future of any adjustment we believe would be appropriate.

The consultants who worked on this assignment are pension actuaries. CMC's advice is not intended to be a substitute for qualified legal or accounting counsel.

On the basis of the foregoing, we hereby certify that, to the best of our knowledge and belief, this report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices. We are members of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein. We are available to answer any questions on the material contained in the report or to provide explanations or further details as may be appropriate.

We respectfully submit the following report and look forward to discussing it with you.

Respectfully submitted,

A handwritten signature in blue ink that reads 'Patrice Beckham' in a cursive script.

Patrice Beckham, FSA, FCA, EA, MAAA
Principal and Consulting Actuary

A handwritten signature in blue ink that reads 'Brent A. Banister' in a cursive script.

Brent Banister, PhD, FSA, FCA, EA, MAAA
Chief Actuary



EXECUTIVE SUMMARY

The County Equal Retirement Benefit Fund provides a benefit for members who had account balances on January 1, 1984 and elect to convert those balances to monthly income (annuity) at retirement. The Fund was established to protect members who might be negatively affected by the legal requirement to change from sex-distinct annuity factors to unisex annuity factors. As such, the characteristics of the liability of the Fund and the funding requirements are different from the other traditional defined benefit plans managed by the Nebraska Public Employees Retirement System (NPERS). This report determines the contribution requirements for the counties who still have members in the Fund as well as providing statistical information that may provide insight into the Fund's longer term financial health. The initial amortization period, which was set at 20 years on January 1, 1999, has elapsed so a one-year period was used in this valuation.

There were no changes to the actuarial methods since last year's report. However, there have been several changes to the actuarial assumptions used in this valuation as a result of the four-year experience study completed in 2020. All of the recommended assumptions were adopted by the Board at their December 21, 2020 meeting. Note that the set of economic assumptions are to be phased in over four years, beginning with the January 1, 2021 valuation. Changes to the assumptions in this valuation include:

- Price inflation decreased from 2.75% to 2.65%.
- Investment return assumption decreased from 7.50% to 7.30%.
- Interest on accumulated contribution balances for the Defined Contribution Plan decreased from 7.50% to 7.30%.
- Interest on accumulated contribution balances for the Cash Balance Plan decreased from 6.25% to 6.15%.
- Retirement rates were adjusted to better reflect actual experience.
- The lump sum or installment payment election rate was decreased from 75% to 60%.

As summarized in the table below, the change in the actuarial assumptions increased the projected benefit cost (Plan liability) as of January 1, 2021 by \$47,329 and the total required contribution payment by \$122.

	Old Assumptions	New Assumptions	Difference
Projected Benefit Cost	\$83,198	\$130,527	\$47,329
Market Value of Assets	<u>455,604</u>	<u>455,604</u>	<u>0</u>
Unfunded Liability/(Surplus)	(\$372,406)	(\$325,077)	\$47,329
Total Contribution Amount	\$0	\$122	\$122

There was an actuarial gain of \$10,000 on Plan assets due to the actual return of 14.1% for 2020, compared to the 7.5% assumption for plan year 2020. There was an actuarial loss on liabilities of \$4,000. While there is insufficient data to quantify the sources of liability experience, the actuarial loss is likely from more members electing monthly income than expected. Note that if a member elects a full lump sum distribution, it eliminates the liability under this Plan and a liability gain occurs. As noted above, there were several changes to actuarial assumptions and methods that resulted in an increase in liabilities



EXECUTIVE SUMMARY

of \$47,329. Overall, the combined assets for all counties remain greater than the combined liabilities for the County Equal Retirement Benefit Fund. Harlan County is the only county in the current valuation with an unfunded liability, resulting in a required contribution for the 2021 plan year of \$122.

There are several risk factors that are key to the Fund's financial status over time. One of the most significant of these factors is the proportion of retirees that elect to take an annuity rather than a lump sum. An individual member's choice is based on their own personal situation and may consider different factors compared to other individuals who are also making this choice. The funding assumption is that 40% of the account balances of retiring members, in aggregate, will be converted to monthly income (an annuity). While we believe this assumption is reasonable, there are other assumptions that could also be considered reasonable that would result in a different funded status and contribution amount. In particular, if a greater portion of account balances are annuitized at retirement, the liability of the Fund would be higher than estimated in this report. The potential volatility in the amount of liability, especially at the individual county level, is a risk that should be considered and evaluated. To assist with this analysis, we have included an exhibit in the report that shows the impact of a higher annuity election by retiring members (Exhibit 4). Liability results are shown assuming 60% or 80% of the aggregate account balances are annuitized rather than the 40% assumed in the basic valuation calculations. Although these alternative assumptions may or may not be reasonable in the aggregate, because most counties have relatively few members, the alternative results provide some measure of the possible downside risk to the Plan.

Other factors and assumptions affecting the results include the following:

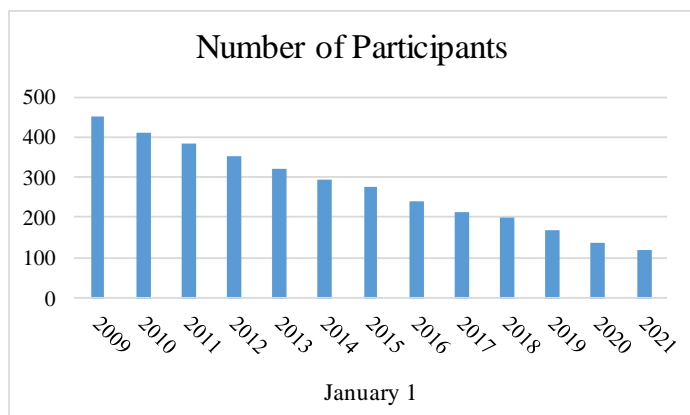
- Account growth – the account balances for both the cash balance and defined contribution members are assumed to increase at 7.30% annually. To the extent actual investment returns (or interest credits and dividends in the cash balance accounts) are lower, the benefits assumed to be paid from the Fund are lower and the liabilities are lower.
- Annuity factor interest rate – the defined contribution balances are assumed to be annuitized at the current applicable interest rate (2.44% as of January 1, 2021). If interest rates decrease in the future, the difference in the liability of a benefit determined using a unisex annuity factor and the benefit determined using a male annuity factor increases, and so the liabilities of the Fund would increase.
- General economic conditions – there are connections between the growth in the members' account balances, the interest rate environment (affecting the annuity factor interest rate), the investment return on the assets of the Fund, and the way in which potential retirees view the financial ramifications of retiring and electing an annuity. The exact interplay of these variables is extremely complex, but the fact that there is a connection means that the possible variability of the Fund's financial situation is potentially greater than it might otherwise appear. **Consequently, we urge caution in concluding that the current strong financial health of the Fund will continue indefinitely.**

It is important to note that an unfunded liability is not, by itself, an indication of whether or not the Fund has sufficient assets to meet future liabilities. Further, the presence of an unfunded liability or surplus is not an indication of what future contributions may be required to fund the benefits.

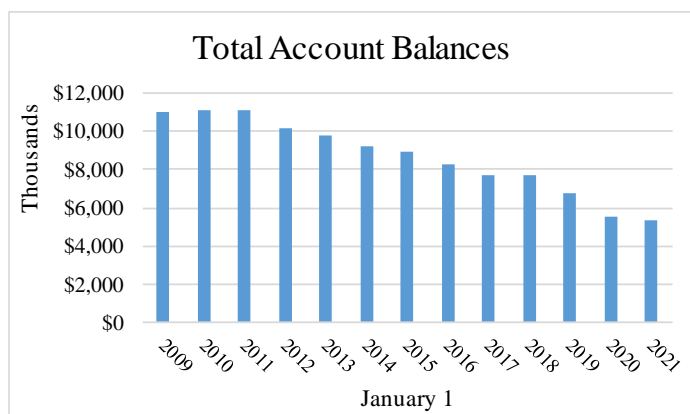


EXECUTIVE SUMMARY

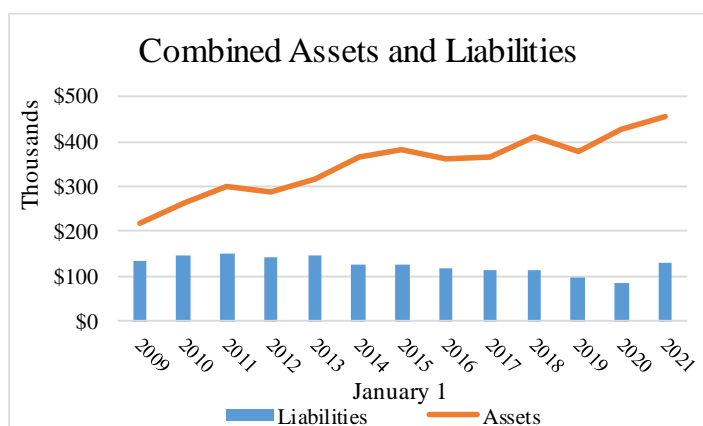
The following graphs show trends in the Fund over recent years:



Because there are no new members in the Fund, the number of participants has declined in past years and is expected to continue to decline in future years. Eventually, there will be no participants remaining.



When comparing the total account balances in the current and past years, the growth in account balances due to investment earnings partially offsets the impact of a declining membership.



While an individual county may occasionally need to make a contribution to fund the shortfall between liabilities and assets, the combined assets of the Fund are well above the aggregate liabilities.



EXHIBIT 1 – SUMMARY OF ACTUARIAL RESULTS

Below is a comparison of the aggregate results of the current and prior year's actuarial valuations.

Results	Actuarial Valuation as of January 1	
	2021	2020
Number of Members		
Cash Balance	60	67
Defined Contribution	59	69
Total	119	136
Pre-1984 Account Balance Beginning of Year		
Cash Balance	\$2,842,629	\$2,935,496
Defined Contribution	2,491,976	2,617,802
Total	\$5,334,605	\$5,553,298
Projected Benefit Cost*		
a. Amount	\$130,527	\$85,049
b. As a Percent of the Account Balance	2.447%	1.532%
c. Annuity Factor Interest Rate – Cash Balance	7.75%	7.75%
d. Annuity Factor Interest Rate – Defined Contribution	2.44%	2.87%
Market Value of Assets		
a. Asset Value as of Prior Year's Valuation	\$425,042	\$379,279
b. Deposits During the Year	185	60
c. Withdrawals During the Year	11,377	15,262
d. Investment Return or (Loss)	57,973	76,173
e. Other	(16,219)	(15,208)
f. Market Value of Assets as of Valuation Date [a. + b. - c. + d + e.]	\$455,604	\$425,042
Unfunded Liability/(Surplus)	(\$325,077)	(\$339,993)
Total Contribution Amount (All Counties)	\$122	\$185

* For the January 1, 2021 valuation, cost is based on the assumption that 60% of members will elect a lump sum or installment payments instead of an annuity. For the January 1, 2020 valuation, 75% of members were assumed to elect a lump sum or installment payments instead of an annuity. To the extent that actual experience in the future deviates from this assumption, the costs in future years could vary as well, at times significantly.



EXHIBIT 2 – SUMMARY OF FUND ASSETS BY COUNTY

County Name	Beginning	Employer	Withdrawals	Investment	Other	Ending Balance
	Balance	Contributions		Return		December 31,
	January 1, 2020	for 2020				2020
1. Adams	\$ 19,933	\$ 0	\$ 0	\$ 2,891	\$ 0	\$ 22,824
2. Box Butte	9,224	0	1,198	1,319	0	9,345
3. Buffalo	23,188	0	0	3,363	0	26,551
4. Cass	1,532	0	0	222	0	1,754
5. Cheyenne	1,084	0	0	157	0	1,241
6. Cuming	16,468	0	0	(159)	(16,309)	0
7. Custer	15,837	0	0	2,297	0	18,134
8. Dawson	32,067	0	0	4,652	0	36,719
9. Dodge	27,618	0	2,804	3,800	0	28,614
10. Gage	9,181	0	0	1,332	0	10,513
11. Gosper	1,771	0	0	257	0	2,028
12. Hall	39,582	0	523	5,668	0	44,727
13. Harlan	0	185	0	31	0	216
14. Hitchcock	10,459	0	0	1,517	0	11,976
15. Jefferson	18,216	0	0	2,642	0	20,858
16. Kimball	15,771	0	0	2,288	0	18,059
17. Lincoln	5,853	0	0	849	0	6,702
18. Madison	12,478	0	0	1,810	0	14,288
19. Platte	33,499	0	0	4,860	0	38,359
20. Polk	1,260	0	0	183	0	1,443
21. Red Willow	5,186	0	0	752	0	5,938
22. Richardson	11,144	0	0	1,616	0	12,760
23. Saline	5,176	0	0	751	0	5,927
24. Sarpy	32,576	0	0	4,725	0	37,301
25. Saunders	21,773	0	0	3,158	0	24,931
26. Scotts Bluff	13,689	0	0	1,986	0	15,675
27. Seward	9,690	0	2,367	1,276	0	8,599
28. Washington	16,165	0	2,235	1,909	0	15,839
29. York	14,622	0	2,250	1,821	90	14,283
Totals	\$ 425,042	\$ 185	\$ 11,377	\$ 57,973	\$ (16,219)	\$ 455,604



EXHIBIT 3 – ACTUARIAL RESULTS AND CONTRIBUTION ALTERNATIVES BY COUNTY

County Name	Number of Members	Projected Benefit Cost*	Assets	2020 Full Contribution	2021 Full Contribution
1. Adams	4	\$ 2,096	\$ 22,824	\$ 0	\$ 0
2. Box Butte	3	1,832	9,345	0	0
3. Buffalo	14	12,586	26,551	0	0
4. Cass	1	357	1,754	0	0
5. Cheyenne	0	0	1,241	0	0
6. Custer	6	4,831	18,134	0	0
7. Dawson	3	3,208	36,719	0	0
8. Dodge	8	15,324	28,614	0	0
9. Gage	6	4,267	10,513	0	0
10. Gosper	2	787	2,028	0	0
11. Hall	6	5,790	44,727	0	0
12. Harlan	2	338	216	185	122
13. Hitchcock	2	3,372	11,976	0	0
14. Jefferson	1	257	20,858	0	0
15. Kimball	1	492	18,059	0	0
16. Lincoln	3	1,192	6,702	0	0
17. Madison	8	8,845	14,288	0	0
18. Platte	11	11,801	38,359	0	0
19. Polk	1	844	1,443	0	0
20. Red Willow	2	216	5,938	0	0
21. Richardson	3	4,917	12,760	0	0
22. Saline	2	959	5,927	0	0
23. Sarpy	13	18,252	37,301	0	0
24. Saunders	4	10,910	24,931	0	0
25. Scotts Bluff	4	9,777	15,675	0	0
26. Seward	4	4,342	8,599	0	0
27. Washington	3	400	15,839	0	0
28. York	2	2,535	14,283	0	0
Totals	119	\$ 130,527	\$ 455,604	\$ 185	\$ 122

* Cost is based on the assumption that 60% of retiring members will choose a lump sum or installment payments instead of an annuity. To the extent that actual experience in the future deviates from this assumption, the costs in future years could vary as well, at times significantly.



EXHIBIT 4 – RISK MEASURES BY COUNTY

This exhibit compares the Projected Benefit Cost (liability) assuming 40% of the account balances of retiring members are converted to an annuity (the funding assumption) with alternative assumptions of 60% and 80%. As the table below indicates, greater utilization of the annuity option by members could significantly increase the liability of the plan and, therefore, the unfunded liability and contribution amount. If a county has assets exceeding the liability of one or both of the alternative assumption scenarios, it indicates it is in a stronger financial position to withstand potential adverse experience.

County Name	Number of Members	Projected Benefit Cost			Assets
		40% Annuitize	60% Annuitize	80% Annuitize	
1. Adams	4	\$ 2,096	\$ 3,144	\$ 4,192	\$ 22,824
2. Box Butte	3	1,832	2,748	3,664	9,345
3. Buffalo	14	12,586	18,879	25,172	26,551
4. Cass	1	357	536	714	1,754
5. Cheyenne	0	0	0	0	1,241
6. Custer	6	4,831	7,247	9,662	18,134
7. Dawson	3	3,208	4,812	6,416	36,719
8. Dodge	8	15,324	22,986	30,648	28,614
9. Gage	6	4,267	6,401	8,534	10,513
10. Gosper	2	787	1,181	1,574	2,028
11. Hall	6	5,790	8,685	11,580	44,727
12. Harlan	2	338	507	676	216
13. Hitchcock	2	3,372	5,058	6,744	11,976
14. Jefferson	1	257	386	514	20,858
15. Kimball	1	492	738	984	18,059
16. Lincoln	3	1,192	1,788	2,384	6,702
17. Madison	8	8,845	13,268	17,690	14,288
18. Platte	11	11,801	17,702	23,602	38,359
19. Polk	1	844	1,266	1,688	1,443
20. Red Willow	2	216	324	432	5,938
21. Richardson	3	4,917	7,376	9,834	12,760
22. Saline	2	959	1,439	1,918	5,927
23. Sarpy	13	18,252	27,378	36,504	37,301
24. Saunders	4	10,910	16,365	21,820	24,931
25. Scotts Bluff	4	9,777	14,666	19,554	15,675
26. Seward	4	4,342	6,513	8,684	8,599
27. Washington	3	400	600	800	15,839
28. York	2	2,535	3,803	5,070	14,283
Totals	119	\$ 130,527	\$ 195,796	\$ 261,054	\$ 455,604



EXHIBIT 4 (CONTINUED) – RISK MEASURES BY COUNTY

County Name	Number of Members	Unfunded Liability 40% Annuitize	Unfunded Liability 60% Annuitize	Unfunded Liability 80% Annuitize
1. Adams	4	\$ 0	\$ 0	\$ 0
2. Box Butte	3	0	0	0
3. Buffalo	14	0	0	0
4. Cass	1	0	0	0
5. Cheyenne	0	0	0	0
6. Custer	6	0	0	0
7. Dawson	3	0	0	0
8. Dodge	8	0	0	2,034
9. Gage	6	0	0	0
10. Gosper	2	0	0	0
11. Hall	6	0	0	0
12. Harlan	2	122	291	460
13. Hitchcock	2	0	0	0
14. Jefferson	1	0	0	0
15. Kimball	1	0	0	0
16. Lincoln	3	0	0	0
17. Madison	8	0	0	3,402
18. Platte	11	0	0	0
19. Polk	1	0	0	245
20. Red Willow	2	0	0	0
21. Richardson	3	0	0	0
22. Saline	2	0	0	0
23. Sarpy	13	0	0	0
24. Saunders	4	0	0	0
25. Scotts Bluff	4	0	0	3,879
26. Seward	4	0	0	85
27. Washington	3	0	0	0
28. York	2	0	0	0
Totals	119	\$ 122	\$ 291	\$ 10,105



EXHIBIT 5 – SUMMARY OF MEMBER DATA

Age Range	Data	Gender		Total
		Male	Female	
Less Than 60	Count of Members	0	0	0
	Average of Total Balance	\$ 0	\$ 0	\$ 0
	Sum of Total Balance	\$ 0	\$ 0	\$ 0
60-64	Count of Members	16	11	27
	Average of Total Balance	\$ 19,908	\$ 14,014	\$ 17,506
	Sum of Total Balance	\$ 318,525	\$ 154,149	\$ 472,674
65-69	Count of Members	30	28	58
	Average of Total Balance	\$ 53,914	\$ 36,801	\$ 45,653
	Sum of Total Balance	\$ 1,617,433	\$ 1,030,431	\$ 2,647,864
70-74	Count of Members	9	7	16
	Average of Total Balance	\$ 54,535	\$ 83,307	\$ 67,123
	Sum of Total Balance	\$ 490,817	\$ 583,146	\$ 1,073,963
75 and Above	Count of Members	11	7	18
	Average of Total Balance	\$ 73,196	\$ 47,850	\$ 63,339
	Sum of Total Balance	\$ 805,155	\$ 334,949	\$ 1,140,104
Total Members		66	53	119
Average of Total Balance		\$ 48,969	\$ 39,673	\$ 44,829
Grand Total Balance		\$ 3,231,930	\$ 2,102,675	\$ 5,334,605



EXHIBIT 6 – SUMMARY OF MEMBER DATA BY COUNTY

County	Data	Gender		Total
		Male	Female	
Adams	Count of Members	3	1	4
	Sum of Total Balance	\$ 78,942	\$ 13,642	\$ 92,584
Box Butte	Count of Members	1	2	3
	Sum of Total Balance	\$ 46,998	\$ 29,832	\$ 76,830
Buffalo	Count of Members	6	8	14
	Sum of Total Balance	\$ 189,340	\$ 291,946	\$ 481,286
Cass	Count of Members	1	0	1
	Sum of Total Balance	\$ 19,784	\$ 0	\$ 19,784
Cheyenne	Count of Members	0	0	0
	Sum of Total Balance	\$ 0	\$ 0	\$ 0
Custer	Count of Members	4	2	6
	Sum of Total Balance	\$ 195,381	\$ 19,957	\$ 215,338
Dawson	Count of Members	3	0	3
	Sum of Total Balance	\$ 161,863	\$ 0	\$ 161,863
Dodge	Count of Members	5	3	8
	Sum of Total Balance	\$ 329,720	\$ 271,218	\$ 600,938
Gage	Count of Members	3	3	6
	Sum of Total Balance	\$ 153,364	\$ 46,015	\$ 199,379
Gosper	Count of Members	2	0	2
	Sum of Total Balance	\$ 32,686	\$ 0	\$ 32,686
Hall	Count of Members	3	3	6
	Sum of Total Balance	\$ 118,957	\$ 103,984	\$ 222,941
Harlan	Count of Members	0	2	2
	Sum of Total Balance	\$ 0	\$ 11,313	\$ 11,313
Hitchcock	Count of Members	2	0	2
	Sum of Total Balance	\$ 110,303	\$ 0	\$ 110,303
Jefferson	Count of Members	0	1	1
	Sum of Total Balance	\$ 0	\$ 8,364	\$ 8,364
Kimball	Count of Members	0	1	1
	Sum of Total Balance	\$ 0	\$ 26,706	\$ 26,706
Lincoln	Count of Members	1	2	3
	Sum of Total Balance	\$ 32,962	\$ 17,015	\$ 49,977
Madison	Count of Members	3	5	8
	Sum of Total Balance	\$ 75,044	\$ 243,589	\$ 318,633



EXHIBIT 6 (Continued) – SUMMARY OF MEMBER DATA BY COUNTY

County	Data	Gender		Total
		Male	Female	
Platte	Count of Members	7	4	11
	Sum of Total Balance	\$ 331,681	\$ 144,306	\$ 475,987
Polk	Count of Members	1	0	1
	Sum of Total Balance	\$ 27,762	\$ 0	\$ 27,762
Red Willow	Count of Members	2	0	2
	Sum of Total Balance	\$ 11,182	\$ 0	\$ 11,182
Richardson	Count of Members	2	1	3
	Sum of Total Balance	\$ 127,062	\$ 33,925	\$ 160,987
Saline	Count of Members	2	0	2
	Sum of Total Balance	\$ 51,551	\$ 0	\$ 51,551
Sarpy	Count of Members	6	7	13
	Sum of Total Balance	\$ 527,183	\$ 261,373	\$ 788,556
Saunders	Count of Members	3	1	4
	Sum of Total Balance	\$ 123,128	\$ 278,059	\$ 401,187
Scotts Bluff	Count of Members	3	1	4
	Sum of Total Balance	\$ 415,720	\$ 35,374	\$ 451,094
Seward	Count of Members	1	3	4
	Sum of Total Balance	\$ 39,360	\$ 155,921	\$ 195,281
Washington	Count of Members	1	2	3
	Sum of Total Balance	\$ 11,334	\$ 8,041	\$ 19,375
York	Count of Members	1	1	2
	Sum of Total Balance	\$ 20,623	\$ 102,095	\$ 122,718
	Members			
	Cash Balance	34	26	60
	Defined Contribution	32	27	59
	Total	66	53	119
Grand Total Balance				
	Cash Balance	\$ 1,749,402	\$ 1,093,227	\$ 2,842,629
	Defined Contribution	1,482,528	1,009,448	2,491,976
	Total	\$ 3,231,930	\$ 2,102,675	\$ 5,334,605



APPENDIX A – SUMMARY OF BENEFIT PROVISIONS

Member	Any person employed by a County participating in either the Defined Contribution or Cash Balance Benefit under the County Employees Retirement System who has an accumulated account balance based on contributions which were made prior to January 1, 1984.
Contributions	Each participating County shall make contributions to the Fund on an actuarial basis as approved by the Retirement Board.
Eligibility for Benefits	Any member who retires or terminates service and elects to convert to an annuity using their accumulated account balance, with interest, commencing on or after age 55, is eligible to receive a benefit from the Fund.
Benefit Amount	<p>The Fund shall provide the actuarially equivalent amount required to purchase the additional monthly annuity, if any, which is equal to:</p> <ul style="list-style-type: none">a. the income provided by the accumulated contributions made prior to January 1, 1984 with interest, based on male annuity conversion factors in effect on the annuity starting date, <p style="text-align: center;">Less</p> <ul style="list-style-type: none">b. the income provided by the accumulated contributions made prior to January 1, 1984 with interest, which are based on 50% male / 50% female annuity conversion factors in effect on the annuity starting date.
Cash Balance Conversion	Any member who elected to transfer his or her account balance to the Nebraska County Cash Balance Plan as of January 1, 2003, January 1, 2008 or January 2, 2013 will have his or her Benefit Amount determined using the annuity conversion interest rate applicable to the County Employees Retirement System (Cash Balance Benefit), which is 7.75%. Any other member will have his or her Benefit Amount determined using the annuity conversion interest rate applicable to the County Employees Retirement System (Defined Contribution Benefit), which for 2021 is 2.44%.
Cost of Living Adjustment (COLA)	Any member who elects an annuity has the option to purchase a 2.50% COLA, compounded annually.

Changes in Benefit Provisions Since the Prior Year

There were no changes in the benefit provisions since the last valuation.



APPENDIX B – SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS

Economic Assumptions

- | | |
|--|--|
| 1. Investment Return | 7.30% per annum, compounded annually, net of expenses. The assumption will decrease by 0.10% per year until reaching the ultimate rate of 7.00% in 2024. |
| 2. Consumer Price Inflation | 2.65% per annum, compounded annually. The assumption will decrease by 0.10% per year until reaching the ultimate rate of 2.35% in 2024. |
| 3. Interest on accumulated contribution balances for the Defined Contribution Plan (contributions made before January 1, 1984) | 7.30% per annum, compounded annually. The assumption will decrease by 0.10% per year until reaching the ultimate rate of 7.00% in 2024. |
| 4. Interest on accumulated contribution balances for the Cash Balance Plan (contributions made before January 1, 1984) | 6.15% per annum, compounded annually. The assumption will decrease by 0.05% per year until reaching the ultimate rate of 6.00% in 2024. |
| 5. Annuity Conversion Interest Rates | 7.75% for annuities from the Cash Balance Plan.
2.44% for annuities from the Defined Contribution Plan. |

Demographic Assumptions

- | | |
|--------------------|--|
| 1. Mortality | |
| a. Pre-retirement | None. |
| b. Post-retirement | 1994 Group Annuity Mortality (based on Actuarial Equivalence definition in statute). |
| 2. Withdrawal | None. |
| 3. Disability | None. |



APPENDIX B – SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS

4. Retirement

Rates vary by age as follows:

Age	County Annual Rates
55-60	4.5%
61	5.0
62-64	10.0
65-79	20.0
80	100.0

Other Assumptions

1. Payment election

60% of the account balances of retiring members are assumed to be paid as a lump sum distribution or installment payment, and 40% of the account balances of retiring members are assumed to be paid as an annuity form of distribution.

2. Form of Annuity Payment

Of members electing an annuity, 80% of those members were assumed to elect a 5-year certain and life annuity without COLA, and 20% of those members were assumed to elect a 5-year certain and life with a 2.5% annual COLA.

Actuarial Methods

1. Funding Method

The present value of future benefits or Projected Benefit Cost, less the Market Value of Assets, equals the Unfunded Liability or Surplus. The minimum recommended contribution is equal to an annual amount necessary to amortize the Unfunded Liability over a closed twenty-year period commencing January 1, 1999, but not less than one year.

2. Asset Valuation Method

Fair market value of assets.



APPENDIX B – SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS

Changes in Assumptions Since the Prior Valuation

The assumed interest rate used for Defined Contribution annuity calculations is equal to the lesser of (i) the Pension Benefit Guaranty Corporation initial interest rate for valuing annuities for terminating plans as of the beginning of the year during which payment begins plus 0.75% or (ii) the interest rate used in the actuarial valuation as recommended by the actuary and approved by the Board. The rate changed from 2.87% in the prior valuation to 2.44% in the current valuation.

At their meeting on December 21, 2020, the Public Employees Retirement Board adopted a new set of actuarial assumptions, based on the recommendations in the 2020 experience study. Changes to the set of economic assumptions are phased in over four years. Below is a summary of the key assumption changes for the County Equal Retirement Benefit Fund:

- Price inflation assumption was lowered from 2.75% to 2.65%.
- Investment return assumption was lowered from 7.50% to 7.30%.
- Interest on accumulated contribution balances for the Defined Contribution Plan decreased from 7.50% to 7.30%.
- Interest on accumulated contribution balances for the Cash Balance Plan decreased from 6.25% to 6.15%.
- Retirement rates were adjusted to better reflect observed experience.
- The lump sum election rate was lowered from 75% to 60%.