



# **WSSC Water Retiree Other Post-Employment Benefits Plan**

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## **Actuarial Valuation Information for Financial Reporting under Governmental Accounting Standards Board Statements 74 and 75**

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**as of December 31, 2021  
(Plan Fiscal Year 2021, Employer Fiscal Year 2022)**

April, 2022

## Table of Contents

EXECUTIVE SUMMARY .....	3
GASB 74: PLAN REPORTING .....	4
<i>Plan Fiduciary Net Position</i> .....	5
<i>History of Investment Returns</i> .....	6
<i>Net OPEB Liability</i> .....	7
<i>Changes in Net OPEB Liability</i> .....	8
<i>Employer Contributions</i> .....	9
<i>Actuarial Information</i> .....	10
ASSUMED RATE OF RETURN.....	11
DISCOUNT RATE .....	12
GASB 75: EMPLOYER REPORTING.....	13
<i>OPEB Expense</i> .....	14
<i>Deferred Inflow and Outflow Summary</i> .....	15
<i>Deferred Inflows and Outflows by Source</i> .....	16
PLAN MEMBERSHIP .....	17
PLAN DESCRIPTION .....	18
GLOSSARY OF TERMS.....	20

## Executive Summary

The purpose of this report is to provide the information needed for financial reporting and accounting for the WSSC Water Retiree Healthcare Plan (the Plan), in accordance with Governmental Accounting Standards Board (GASB) Statements 74 and 75.

The funding report for the Plan is sent under separate cover, and serves a different purpose. All of the figures presented in this report are to be used for accounting purposes only.

GASB Statements 74 and 75 replace Statements 43 and 45, respectively. For the Plan's fiscal year 2017, Statement 74 was implemented. Statements 74 and 75 were implemented by WSSC Water as of June 30, 2018.

The Plan's fiscal year 2021 figures (January 1, 2021 through December 31, 2021) will be used without adjustment to represent WSSC Water's fiscal year 2022 figures (July 1, 2021 through June 30, 2022).

This report is prepared in accordance with generally accepted actuarial principles and practices. In the opinion of the Plan and its actuaries, the actuarial assumptions used are reasonable related to Retirement Plan experience and expectations, and represent the best estimate of Retirement Plan experience.

The Plan's Net OPEB Liability as of December 31, 2021 is \$37,223,045. The ratio of the Plan's Fiduciary Net Position to the Total OPEB Liability is 85.0%, an 17.1% increase versus the prior year.

The OPEB expense for fiscal year 2022 is (\$1,899,567), and the net amount of deferred (inflows)/outflows of resources is (\$44,973,924).

The undersigned are members of the American Academy of Actuaries, and are qualified to render the actuarial opinions presented in this report.

Respectfully Submitted,

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## GASB 74: Plan Reporting

The measurement date for GASB 74 is the Plan's fiscal year end, December 31, 2021. Plan assets (Fiduciary Net Position) are measured as of this date. The Total OPEB Liability (TOL) as of this date is based on an actuarial valuation as of July 1, 2021, with adjustments made for the one-half year difference. Adjustments include Service Cost, Interest on Total OPEB Liability, and expected benefit payments.

Under GASB 74, the Net OPEB Liability (NOL) is established as the difference between the Total OPEB Liability and the Plan Fiduciary Net Position, as of the measurement date.

The following dates are referenced within this Report.

- Actuarial Valuation Date = July 1, 2021
- Plan's Fiscal Year End = December 31, 2021 (Reporting Date for the Plan)
- Measurement Date = Plan's Fiscal Year End = December 31, 2021
- WSSC Water's Fiscal Year End = June 30, 2022 (Reporting Date for the employer)

### Plan Fiduciary Net Position

<b>NET POSITION AS OF JANUARY 1, 2021</b>		<b>\$180,521,226</b>
<u>Receipts</u>		
+		
Retiree Contributions	4,687,415	
Employer Contributions, including benefits	19,555,681	
Net Investment Income	23,224,511	
Total Receipts	47,467,607	
<u>Disbursements</u>		
-		
Benefit Payments	16,656,771	
Administrative Expenses*	0	
Total Disbursements	16,656,771	
Excess of Receipts Over Disbursements		30,810,836
<b>NET POSITION AS OF DECEMBER 31, 2021</b>		<b>\$211,332,062</b>

\* Most administrative expenses are paid directly by WSSC Water.

The information above was provided to us by WSSC Water.

## History of Investment Returns

For the year ended December 31, 2021, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was 12.6%. The money weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested and other cash flows during the year.

<b>Year</b>	<b>Return</b>
2021	12.6%
2020	17.6%
2019	20.8%
2018	(7.1%)
2017	14.5%
2016	10.4%

## Net OPEB Liability

The components of the net OPEB liability of the Plan are as follows:

	12/31/2021	12/31/2020
Total OPEB Liability	\$248,555,107	\$265,766,145
Plan Fiduciary Net Position	\$211,332,062	\$180,521,226
Net OPEB Liability	\$37,223,045	\$85,244,919
Plan Fiduciary Net Position as a percentage of Total OPEB Liability	85.0%	67.9%

This represents the Plan's Net OPEB Liability as of December 31, and will be used without adjustment, for the Net OPEB Liability as of June 30 the following year.

### Sensitivity of the net OPEB liability to changes in the discount rate and Trend

The following presents the net OPEB liability of WSSC Water, calculated using the discount rate of 7.00%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the current rate:

12/31/2021		1% Decrease	Current Discount Rate	1% Increase
	<i>Discount Rate</i>	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
	Total OPEB Liability	\$278,578,107	\$248,555,107	\$223,649,790
	<u>Plan Net Position</u>	<u>\$211,332,062</u>	<u>\$211,332,062</u>	<u>\$211,332,062</u>
	Net OPEB Liability	\$67,246,045	\$37,223,045	\$12,317,728
	Ratio of Plan Fiduciary Net Position to Total OPEB Liability	75.9%	85.0%	94.5%

The following presents the net OPEB liability of WSSC Water, calculated using the trend assumptions below, as well as what the net OPEB liability would be if it were calculated using rates that are 1.00% lower or 1.00% higher than the current rates:

12/31/2021		1% Decrease	Current Trend	1% Increase
	<i>Ultimate Trend</i>	<u>3.0% - 3.5%</u>	<u>4.0% - 4.5%</u>	<u>5.0% - 5.5%</u>
	Total OPEB Liability	\$223,536,788	\$248,555,107	\$279,012,349
	<u>Plan Net Position</u>	<u>\$211,332,062</u>	<u>\$211,332,062</u>	<u>\$211,332,062</u>
	Net OPEB Liability	\$12,204,726	\$37,223,045	\$67,680,287
	Ratio of Plan Fiduciary Net Position to Total OPEB Liability	94.5%	85.0%	75.7%

### Changes in Net OPEB Liability

<u>Total OPEB Liability</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Service Cost	\$3,056,746	\$2,967,715	\$2,881,277	\$2,797,356	\$2,715,880	\$2,852,227
Interest	18,405,760	17,725,182	17,269,181	16,658,625	16,104,693	15,302,770
Changes in benefit terms	-	-	-	-	-	-
Difference between expected and actual experience	(32,317,251)	-	(3,009,670)	-	4,927,026	-
Changes in assumptions	5,613,063	-	-	-	-	-
<u>Net Employer Benefit payments</u>	<u>(11,969,356)</u>	<u>(10,179,669)</u>	<u>(11,228,441)</u>	<u>(10,420,568)</u>	<u>(11,586,194)</u>	<u>(11,348,096)</u>
Net Change in Total OPEB Liability	\$(17,211,038)	\$10,513,228	\$5,912,347	\$9,035,413	\$12,161,405	\$6,806,901
Total OPEB Liability - Beginning of Year	\$265,766,145	\$255,252,917	\$249,340,570	\$240,305,157	\$228,143,752	\$221,336,851
Total OPEB Liability - End of Year	\$248,555,107	\$265,766,145	\$255,252,917	\$249,340,570	\$240,305,157	\$228,143,752
<u>Plan Fiduciary Net Position</u>						
Contributions – employer, including benefits paid	\$19,555,681	\$13,430,956	\$16,647,253	\$20,420,568	\$21,586,194	\$21,348,096
Contributions – member	4,687,415	4,547,856	4,487,388	\$4,339,559	4,168,418	3,967,312
Net investment income	23,224,511	26,745,868	25,343,322	(8,690,017)	14,247,468	8,362,666
Total Benefit payments	(16,656,771)	(14,727,525)	(15,715,829)	(14,760,127)	(15,754,612)	(15,315,408)
Admin. expenses	-	-	(50,000)	(43,750)	(20,000)	-
<u>Other</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>=</u>
Net Change in Plan Fiduciary Net Position	\$30,810,836	\$29,997,155	\$30,712,134	\$1,266,233	\$24,227,468	\$18,362,666
Plan Fiduciary Net Position - Beginning of Year	\$180,521,226	\$150,524,071	\$119,811,937	\$118,545,704	\$94,318,236	\$75,955,570
Plan Fiduciary Net Position - End of Year	\$211,332,062	\$180,521,226	\$150,524,071	\$119,811,937	\$118,545,704	\$94,318,236
Net OPEB Liability - Beginning of Year	\$85,244,919	\$104,728,846	\$129,528,633	\$121,759,453	\$133,825,516	\$145,381,281
Net OPEB Liability - End of Year	\$37,223,045	\$85,244,919	\$104,728,846	\$129,528,633	\$121,759,453	\$133,825,516
Net Position as a percentage of Total OPEB Liability	85.0%	67.9%	59.0%	48.1%	49.3%	41.3%
Covered Employee Payroll	132,434,758	135,906,251	\$138,548,098	\$132,955,474	\$124,331,306	\$122,144,339
Net OPEB Liability as a percentage of Covered Employee Payroll	28.1%	62.7%	75.6%	97.4%	97.9%	109.6%



## Employer Contributions

Year	Actuarially Determined Employer Contribution	Amount of Actual Contribution	Contribution Deficiency/(Excess)	Covered Employee Payroll	Contribution as a Percentage of Payroll
2011	\$21,298,235	\$14,735,000	\$6,563,235	\$99,513,383	14.8%
2012	20,180,734	17,539,809	2,640,925	101,390,459	17.3%
2013	20,128,000	19,060,000	1,068,000	109,165,841	17.5%
2014	16,752,000	20,437,000	(3,685,000)	111,648,014	18.3%
2015	16,766,000	22,379,000	(5,613,000)	119,006,893	18.8%
2016	14,960,787	21,348,096	(6,387,309)	122,144,339	17.5%
2017	14,960,787	21,586,194	(6,625,407)	124,331,306	17.4%
2018	14,004,405	20,420,568	(6,416,163)	132,955,474	15.4%
2019	14,094,584	16,647,253	(2,552,669)	138,548,098	12.0%
2020	13,157,686	13,430,956	(273,270)	135,906,251	9.9%
2021	13,150,740	19,555,681	(6,404,941)	132,434,758	14.8%

## Actuarial Information

### Actuarial assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2021, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation:	2.50%
Salary Increases:	3.00% (for Entry Age cost method)
Investment Return:	7.00%, net of investment expense and including inflation
Healthcare trend:	

Year	UHC POS (Pre-65)	UHC EPO/HMO (Pre-65)	Medicare Plus/ Supplement
2021	6.00%	6.50%	4.00%
2022	5.75%	6.25%	4.00%
2023	5.50%	6.00%	4.00%
2024	5.25%	5.75%	4.00%
2025	5.00%	5.50%	4.00%
2026	4.75%	5.25%	4.00%
2027	4.50%	5.00%	4.00%
2028	4.25%	4.75%	4.00%
2029 +	4.25%	4.50%	4.00%

Mortality rates were based on the Pub-2010G (below median) headcount-weighted Mortality Tables for Males or Females, projected generationally using Scale SSA. The Pub2010G Disabled tables were used for the valuation of disabled lives, projected generationally using Scale SSA.

A 109% factor is applied to female rates.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience analysis in 2021, covering 2015 through 2020.

#### *Changes in Actuarial assumptions.*

There were several changes in actuarial assumptions during fiscal year 2021, including rates of mortality, retirement, and termination.

### Actuarial Method

The Entry Age actuarial cost method is used to determine the Total OPEB Liability. The unfunded liability is amortized as a level dollar payment (26 years remaining as of July 1, 2021).

## Assumed Rate of Return

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimates of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. This is then modified through a Monte-Carlo simulation process, by which a (downward) risk adjustment is applied to the baseline expected return.

Best estimates of real rates of return for each major asset class included in the OPEB plan’s target asset allocation as of December 31, 2021, and the final investment return assumption, are summarized in the following table:

<b>Asset Class</b>	<b>Long-Term Expected Real Return - Portfolio</b>	<b>Portfolio Allocation</b>
Domestic Equity	5.85%	40.0%
Non-US Equity	6.85%	25.0%
US Fixed Income - Investment	1.35%	35.0%
<b>Total Weighted Average Real Return</b>	<b>4.53%</b>	<b>100.0%</b>
Plus Inflation	2.50%	
Total Return w/o Adjustment	7.03%	
Risk Adjustment	-0.03%	
<b>Total Expected Return</b>	<b>7.00%</b>	

## Discount Rate

The discount rate used to measure the total OPEB liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made equal to the pay-as-you-go cost, plus \$5,000,000 into the OPEB Trust, or the full Actuarially Determined Employer Contribution, once benefits are paid from the trust.

Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

## **GASB 75: Employer Reporting**

WSSC Water's Net OPEB Liability (NOL) is established under GASB 74. The purpose of GASB 75 is to outline the changes in the NPL over time, via the OPEB Expense and changes in deferred inflows and outflows of resources.

The OPEB Expense under GASB 75 includes the cost of benefits accrued, interest cost for elapsed time, administrative expenses, decreases for benefits paid and for employee contributions, differences between actual and assumed experience, and other adjustments resulting from changes in assumptions or plan provisions.

This section includes information on the OPEB Expense, Deferred Inflows and Outflows of Resources, and recognition schedules for such.

**OPEB Expense**

**Employer's OPEB Expense**

Item	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019
Service Cost	\$3,056,746	\$2,967,715	\$2,881,277	\$2,797,356
Interest on Total OPEB Liability	18,405,760	17,725,182	17,269,181	16,658,625
Difference between expected and actual experience*	(4,902,415)	483,793	483,793	985,405
Changes in benefit terms	935,511	0	0	0
Changes in actuarial assumptions*	-	0	0	0
Employee contributions	-	0	0	0
Projected Earnings on Plan investments	(12,864,403)	(10,634,364)	(8,548,131)	(8,597,316)
Difference between projected and actual earnings*	(6,664,967)	(5,142,013)	(1,919,712)	1,439,326
Administrative expenses	134,201	128,557	202,446	185,214
Other changes in Fiduciary Net Position	-	0	0	0
<b>Total OPEB Expense</b>	<b>(\$1,899,567)</b>	<b>\$5,528,870</b>	<b>\$10,368,854</b>	<b>\$13,468,610</b>

\* portion recognized from current (gain)/loss and all recognized prior (gains)/losses

**Development of Gain/Loss Since Prior Year**

Total OPEB Liability (TOL) – Prior	\$265,766,145
Service Cost	3,056,746
Benefit Payments, Net Employer Amount	(11,969,356)
<u>Interest</u>	<u>18,405,760</u>
Expected TOL	\$275,259,295
Actual TOL, before Assumption Changes	242,942,044
Experience (Gain)/Loss <sup>1</sup>	(32,317,251)
Benefit Changes	-
Assumption Changes	5,613,063
Total OPEB Liability	\$248,555,107
Net Position, Prior	\$180,521,226
Contributions	24,243,096
Benefit Payments + Expenses	(16,656,771)
<u>Expected Earnings</u>	<u>12,864,403</u>
Expected Net Position	\$200,971,954
Actual Net Position	211,332,062
Investment (Gain)/Loss	\$(10,360,108)

<sup>1</sup> The valuation was based on a roll-forward from the prior year, therefore no experience was measured.

### Deferred Inflow and Outflow Summary

As of June 30, 2022, WSSC Water reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net (Inflow)/ Outflow
Difference between projected and actual earnings on plan investments	\$3,457,465	(\$24,673,065)	(\$21,215,600)
Differences between expected and actual experience	0	(28,435,876)	(28,435,876)
Changes in actuarial assumptions	4,677,552	0	4,677,552
<b>Total</b>	<b>\$8,135,017</b>	<b>(\$53,108,941)</b>	<b>(\$44,973,924)</b>

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

Year ended June 30	Net Amount of Outflow/(Inflow)
2023	(\$10,148,206)
2024	(13,605,672)
2025	(10,246,630)
2026	(6,522,718)
2027	(4,450,698)
After 2027	0
<b>Total Amount to be Recognized</b>	<b>(\$44,973,924)</b>
<i>Prior Year Amount</i>	<i>(\$18,541,499)</i>

**Deferred Inflows and Outflows by Source**

# Years <sup>2</sup>	Fiscal Year	Investment (Gain)/Loss	2022 Recognized	2022 Remaining	2023 Recognized	2023 Remaining	2024 Recognized	2024 Remaining	2025 Recognized	2025 Remaining	2026 Recognized	2026 Remaining
5	2018	(7,345,361)	(1,469,073)	-								
5	2019	17,287,333	3,457,467	3,457,465	3,457,465	-						
5	2020	(16,795,191)	(3,359,038)	(6,718,077)	(3,359,038)	(3,359,039)	(3,359,039)	-				
5	2021	(16,111,504)	(3,222,301)	(9,666,902)	(3,222,301)	(6,444,601)	(3,222,301)	(3,222,300)	(3,222,300)	-		
5	2022	(10,360,108)	(2,072,022)	(8,288,086)	(2,072,022)	(6,216,064)	(2,072,022)	(4,144,042)	(2,072,022)	(2,072,020)	(2,072,020)	-
		Net Total	(6,664,967)	(21,215,600)	(5,195,896)	(16,019,704)	(8,653,362)	(7,366,342)	(5,294,322)	(2,072,020)	(2,072,020)	-
		<b>Experience (Gain)/Loss</b>										
5	2018	4,927,026	985,406	-								
6	2020	(3,009,670)	(501,612)	(1,504,834)	(501,612)	(1,003,222)	(501,612)	(501,610)	(501,610)	-		
6	2022	(32,317,251)	(5,386,209)	(26,931,042)	(5,386,209)	(21,544,833)	(5,386,209)	(16,158,624)	(5,386,209)	(10,772,415)	(5,386,209)	(5,386,206)
		Net Total	(4,902,415)	(28,435,876)	(5,887,821)	(22,548,055)	(5,887,821)	(16,660,234)	(5,887,819)	(10,772,415)	(5,386,209)	(5,386,206)
		<b>Assumption Changes (Gain)/Loss</b>										
6	2022	5,613,063	935,511	4,677,552	935,511	3,742,041	935,511	2,806,530	935,511	1,871,019	935,511	935,508
		Net Total	935,511	4,677,552	935,511	3,742,041	935,511	2,806,530	935,511	1,871,019	935,511	935,508
		Net of All	(10,631,871)	(44,973,924)	(10,148,206)	(34,825,718)	(13,605,672)	(21,220,046)	(10,246,630)	(10,973,416)	(6,522,718)	(4,450,698)
		Total (Inflows)	(16,010,255)	(53,108,941)	(14,541,182)	(38,567,759)	(14,541,183)	(24,026,576)	(11,182,141)	(12,844,435)	(7,458,229)	(5,386,206)
		Total Outflows	5,378,384	8,135,017	4,392,976	3,742,041	935,511	2,806,530	935,511	1,871,019	935,511	935,508

<sup>2</sup> For investment experience, the recognition period is five years. For other changes, it is the remaining average working lifetime of all participants.



## Plan Membership

<b>Number of Participants</b>	<b>July 1, 2021</b>	<b>July 1, 2019</b>
Active	1,639	1,675
Retired, Beneficiaries and Disabled	1,562	1,543
Retiree Spouses	451	480
Total Participants	<u>3,652</u>	<u>3,698</u>

## Plan Description

Medical/Drug	United Healthcare ChoicePlus POS, United Healthcare Select EPO, Kaiser Permanente HMO for retirees/spouses under 65, United Healthcare Medicare Supplement or Kaiser Permanente HMO Medicare Supplement for retirees/spouses 65 and over
Eligibility	<p>WSSC Water employees are eligible to continue with their WSSC Water group insurance coverage if retiring employee had coverage in effect for 2 years prior to retirement.</p> <p>Retirement is effective on the last day of the month.</p> <p>The surviving spouse and dependent children who were covered under WSSC Water health insurance may continue coverage after the death of the WSSC Water employee/Retiree, if a joint and contingent survivor option is chosen at pension commencement.</p> <p>Retirement eligibility for the <b>closed group</b>: Normal retirement is the earlier of age 60 with one year of service or 30 years of service. Early retirement is the rule of 65 attaining at least age 45 with 15 years of service.</p> <p>Retirement eligibility for the <b>open group hired prior to 3/1/1994</b>: Normal retirement is the earlier of age 62 with 3 years of service or the rule of 85 with at least 30 years of service. Early retirement is at least age 50 with 15 years of service.</p> <p>Retirement eligibility for the <b>open group hired on or after 3/1/1994</b>: Normal retirement is the earlier of age 65 with 5 years of service or the rule of 85 with at least 30 years of service. Early retirement is at least age 50 with 15 years of service.</p>
Retiree Payment	WSSC Water pays a portion of the full premium for retiree coverage for eligible participants and qualified dependents.
Life Insurance Benefit	When an employee retires, the basic life insurance amount (equal to the annual base pay before retirement) will be reduced on the first day of retirement by 15%. On each of the next four anniversaries of retirement, the insurance amount will be further reduced by that same dollar amount. The insurance amount will never be less than 25% of annual base pay immediately prior to retirement, nor less than \$5,000.

**2021 Premiums (Monthly)**

	<u>WSSC Water</u>	<u>Retiree</u>
United Healthcare Choice Plus POS		
Retiree	\$847.50	\$282.50
2-Person	1,672.50	557.50
United Healthcare Medicare Supplement		
Retiree	535.62	142.38
2-Person	1,074.40	285.60
United Healthcare Select EPO		
Retiree	631.21	167.79
2-Person	1,263.21	335.79
Kaiser Permanente HMO		
Retiree	465.31	123.69
2-Person	930.62	247.38
Kaiser Permanente Medicare Plus		
Retiree	201.45	53.55
2-Person	402.90	107.10

**Changes in Plan Provisions**

There have been no changes in eligibility or cost-sharing provisions since the last valuation.

## Glossary of Terms

Actuarial Accrued Liability (AAL)*:	The portion of benefits deemed to be accrued by participants based on past service. The AAL serves as the asset <b>funding</b> target, when annual contributions are determined.
Actuarial Value of Assets (AVA)*:	The smoothed value of assets, used to compute the Unfunded AAL. The purpose of the AVA is to control volatility in annual <b>cash contributions</b> .
Amortization of Unfunded Liability*:	The portion of the <b>annual cash contribution</b> that represents a portion of the Unfunded AAL. The amortization can be positive or negative.
Actuarially Determined Employer Contribution (ADEC):	The contribution determined by the actuary for <b>funding purposes</b> .
Employer's Contributions:	Contributions made in relation to the ADEC. An employer has made a contribution in relation to the ARC if the employer has (a) made payments of benefits directly to or on behalf of a retiree or beneficiary, (b) made premium payments to an insurer, or (c) irrevocably transferred assets to a trust, or an equivalent arrangement, in which plan assets are dedicated to providing benefits to retirees and their beneficiaries in accordance with the terms of the plan and are legally protected from creditors of the employers(s) or plan administrator.
Deferred Inflow of Resources:	An acquisition of net assets by the government that is applicable to a future reporting period.
Deferred Outflow of Resources:	A consumption of net assets by the government that is applicable to a future reporting period.
Discount Rate:	The rate used to adjust future benefit payments or a stream of payments, to reflect the time value of money. This rate may be different for accounting purposes versus plan funding.
Market Value of Assets (MVA):	The total value of Plan assets available to pay benefits.
Net OPEB Liability:	The difference between the Total OPEB Liability and the Plan Fiduciary Net Position. Can be positive or negative.
OPEB Expense:	The change in Net OPEB Liability during the fiscal year, with partial recognition of deferred inflows/outflows.
Plan Fiduciary Net Position:	The fair market value of assets on the measurement date, for accounting purposes. It is often equal to the MVA.
Service Cost:	That portion of the annual contribution that represents one year's accrual of benefits. In funding calculations, this is known as the Normal Cost.
Total OPEB Liability:	The present value of past service benefits for all plan members, as determined for accounting purposes.
Unfunded Actuarial Accrued Liability*:	The difference between the Actuarial Value of Assets and the Actuarial Accrued Liability, used for <b>funding purposes</b> .

\* actuarial **funding** terminology