



Register of Deeds' Supplemental Pension Fund

Adoption of Proposed Assumptions as Set in December 31, 2014
Experience Reviews

Board of Trustees Meeting
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Proposed Assumptions

On January 21, 2016, Buck Consultants presented the “Investigation of Demographic and Economic Experience Five-Year Period from January 1, 2010 – December 31, 2014” for the following system:

- Register of Deeds’ Supplemental Pension Fund

Experience review resulted in proposed changes to the following:

- Demographic Assumptions
- Economic Assumptions
- Funding Methods

Key Takeaways – Register of Deeds' Supplemental Pension Fund

Assumption	Recommendation	Impact on Costs
1. Mortality	Decrease Rates and Update Mortality Improvement Projection Scale	Significant Increase
2. Service retirement	Decrease Rates	Slight Decrease
3. Disability retirement	Decrease Rates	Slight Decrease
4. Termination from active employment	Decrease Rates	Slight Increase
5. Leave conversions at retirement	Varies by Group	Immaterial
6. Investment return	Decrease Rate	Significant Increase
7. Merit pay increases	Decrease Rates	Slight Decrease
8. Inflation	No Change	N/A
9. Productivity growth	No Change	N/A
10. Amortization method	No Change	N/A
11. Actuarial cost method	No Change	N/A
12. Asset valuation method	5-year Smoothing	Slight Increase

Notes:

1. The mortality assumption was the source of the largest increase in costs, outside of the change in investment return.
6. The current investment return assumption of 5.75% is no longer reasonable under current market conditions. Propose change to 3.75%

Overall, the net impact on liabilities was an increase