

TriMet Other Postemployment Benefit Plan

**GASB 74/75 Report
as of January 1, 2024**

Produced by Cheiron

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**TRIMET OTHER POSTEMPLOYMENT BENEFIT PLAN
GASB 74/75 REPORTING FOR JANUARY 1, 2024 MEASUREMENT DATE**

SECTION I – EXECUTIVE SUMMARY

The purpose of this report is to provide accounting and financial disclosure information under Governmental Accounting Standards Board (GASB) Statement Nos. 74 and 75 for the Other Postemployment Benefits Plan provided by the Tri-County Metropolitan Transportation District of Oregon. This information includes:

- Determination of the discount rate as of January 1, 2023 and January 1, 2024;
- Sensitivity of the Net OPEB Liability to changes in discount rates and health care cost trend rates;
- Note disclosures and required supplementary information under GASB 74 for the Plan; and,
- Note disclosures and required supplementary information under GASB 75 for the employer.

Highlights

The Other Postemployment Benefit Plan (OPEB Plan) provided by the Tri-County Metropolitan Transportation District of Oregon (TriMet) is currently funded on a pay-as-you-go basis, but there is an OPEB trust with a small amount of assets. As a result, this report contains disclosures required by GASB 74 as well as GASB 75. The measurement date is January 1, 2024, which is used for the Plan’s GASB 74 reporting and for TriMet’s GASB 75 reporting as of June 30, 2024. Measurements are based on the Total OPEB Liability and the fair value of assets as of January 1, 2024.

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SECTION I – EXECUTIVE SUMMARY

Table I-1 below summarizes the January 1, 2024 and January 1, 2023 actuarial valuation results.

Table I - 1 Summary of Key Valuation Results		
Valuation Date	GASB 75	
	1/1/2024	1/1/2023
Discount Rate	3.26%	3.72%
Total OPEB Liability		
<u>Union</u>		
Active	\$ 265,912,616	\$ 239,674,682
Inactive	378,730,463	325,315,056
Total Union	\$ 644,643,079	\$ 564,989,738
<u>Non-Union</u>		
Active	\$ 33,099,994	\$ 28,509,447
Inactive	33,603,379	29,744,206
Total Non-Union	\$ 66,703,373	\$ 58,253,653
Total	\$ 711,346,452	\$ 623,243,391
Market Value of Assets	435,896	414,819
Net OPEB Liability	\$ 710,910,556	\$ 622,828,572

The Total OPEB Liability increased from \$623.2 million to \$711.3 million. The expected liability for this year, reflecting an additional year of service and interest offset by the benefits paid, was \$639.7 million. The actual liability is \$71.6 million greater than the expected liability. The reduction in the discount rate increased the liability by \$39.9 million, and changes in medical trend assumptions increased the liability by another \$37.5 million. In addition, premium experience decreased the liability by \$1.1 million, and a demographic experience gain further reduced the liability by \$4.7 million.

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SECTION I – EXECUTIVE SUMMARY

Table I-2 below summarizes the actuarial valuation results for union members split between Streetcar and Non-Streetcar employees.

Table I-2 Summary of Union Valuation Results January 1, 2024			
	Streetcar	Non-Streetcar	Total
Total OPEB Liability			
Active	\$ 9,932,517	\$ 255,980,099	\$ 265,912,616
Inactive	349,212	378,381,251	378,730,463
Total	\$ 10,281,729	\$ 634,361,350	\$ 644,643,079
Service Cost	\$ 651,728	\$ 16,090,204	\$ 16,741,932

Table I-3 summarizes the key GASB 75 results during this measurement period.

Table I-3 Summary of Key Results			
Reporting Date	6/30/2024		6/30/2023
Measurement Date	1/1/2024		1/1/2023
Net OPEB Liability	\$ 710,910,556		\$ 622,828,572
Deferred Outflows	153,490,842		126,663,708
Deferred Inflows	304,435,475		382,632,848
Net Impact on Statement of Net Position	\$ 861,855,189		\$ 878,797,712
Contributions Subsequent to Measurement Date			
Explicit Subsidy			
Union	\$ 10,546,618		\$ 9,501,018
Non-Union	900,476		897,144
Implicit Subsidy			
Union	1,346,099		1,095,321
Non-Union	157,486		144,515
Total	\$ 12,950,679		\$ 11,637,998
OPEB Expense (\$ Amount)	\$ 6,081,764		\$ (2,809,443)
OPEB Expense (% of Payroll)	2.15%		(1.12%)

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SECTION I – EXECUTIVE SUMMARY

At the June 30, 2024 reporting date, TriMet will report a Net OPEB Liability (NOL) of \$710,910,556, deferred outflows of resources of \$153,490,842, and deferred inflows of resources of \$304,435,475 related to the Plan. Consequently, the net impact on TriMet’s statement of net position due to the Plan would be \$861,855,189 [$\$861,855,189 = \$710,910,556 - \$153,490,842 + \$304,435,475$]. In addition, any contributions between the measurement date and the reporting date are to be reported as deferred outflows of resources to offset the cash outflows reported. We estimate explicit subsidy payments of \$11.4 million and implicit subsidy payments of \$1.5 million between January 1, 2024 and June 30, 2024. The estimated explicit subsidy payments shown in italics in Table I-3 should be replaced with actual amounts when those amounts are known after the fiscal year-end.

The NOL increased approximately \$88.1 million during the measurement period. The change in NOL due to actuarial gains and losses as well as assumption changes is recognized over the average remaining service life, determined at the beginning of each measurement period, which is six years as of the current measurement period and seven years as of the prior measurement period for the Plan. The change in NOL due to investment gains and losses is recognized in OPEB expense over five years, beginning in the year of occurrence. Unrecognized amounts are reported as deferred outflows of resources and deferred inflows of resources.

For the reporting year ending June 30, 2024, the annual OPEB expense is \$6,081,764 or 2.15% of covered-employee payroll. This amount reflects TriMet’s contributions to the Plan during the measurement period, \$23,024,287, plus the change in the net impact on TriMet’s statement of net position [$\$6,081,764 = \$23,024,287 + \$861,855,189 - \$878,797,712$]. Volatility in OPEB expense from year to year is to be expected. A breakdown of the components of the net OPEB expense is shown in Section V of this report.

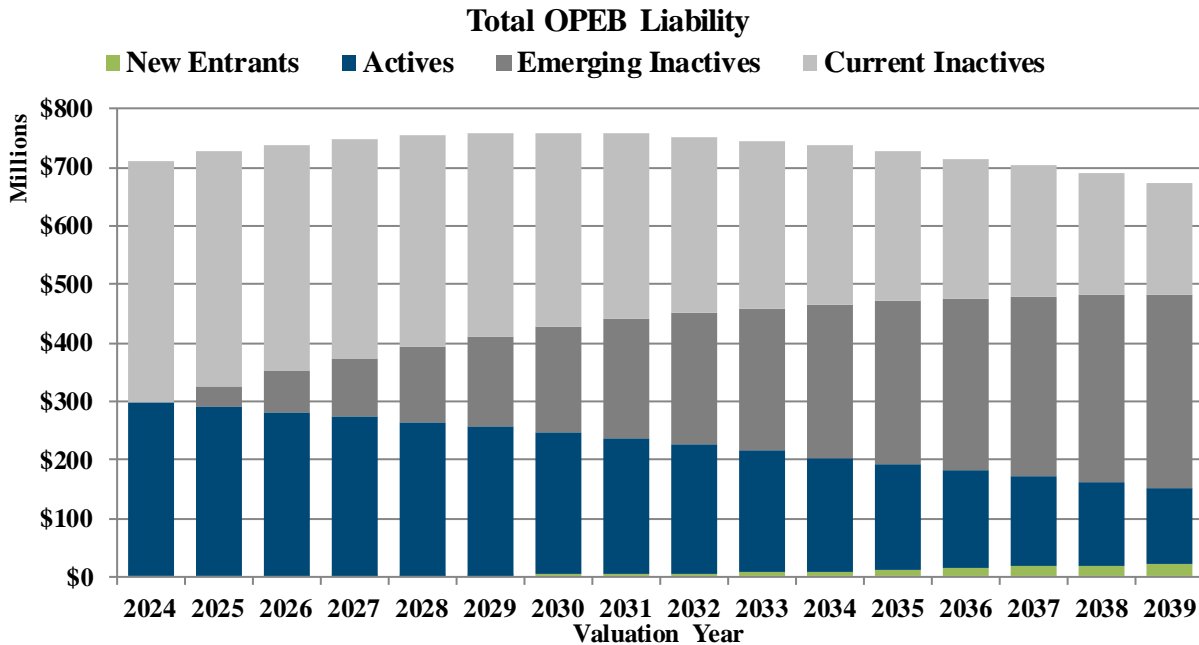
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SECTION I – EXECUTIVE SUMMARY

The chart below shows the projection of the Total OPEB Liability (TOL) for the combination of union and non-union members assuming the discount rate remains constant, and all other assumptions are met. Each year, the TOL increases with interest and the accrual of additional benefits and decreases for the benefits that are paid.

The small green bars on the bottom represent the projected liability for new hires after the valuation date. Because new hires earn benefits under Tier 3, the liability for these members is much lower than for Tiers 1 and 2. The dark blue bars represent the liability for current active members while they remain active employees, and the dark gray bars represent the liability for current active members as they retire. The light gray bars represent the liability for participants currently receiving benefits.

The Total OPEB Liability is projected to grow until 2030 when it is expected to start declining, as Tier 3 becomes more dominant.

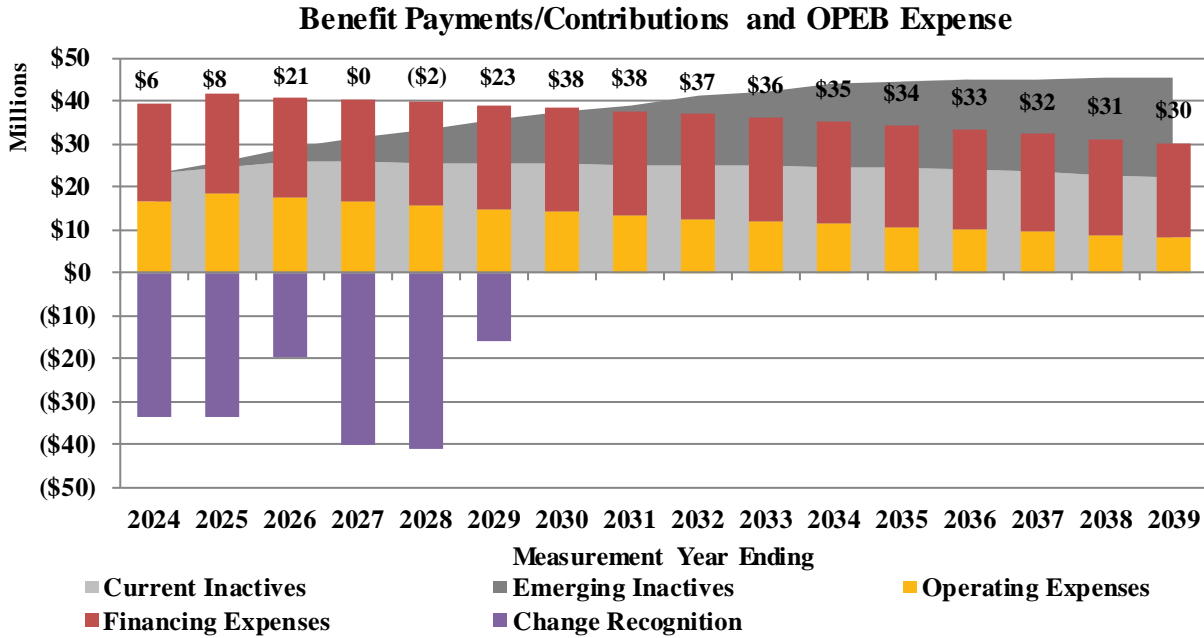


The chart on the following page shows a projection of benefit payments and OPEB expense for the next 15 years assuming the discount rate remains constant, all assumptions are met, and contributions are equal to the benefit payments each year.

The light gray area in the background represents projected benefit payments for participants currently receiving benefits. The dark gray area in the background represents projected benefit payments for participants who are currently active employees. Benefit payments (also TriMet contributions) are expected to grow significantly as current employees retire, increasing from \$23.0 million in calendar year 2023 to over \$45 million by the end of the projection period.

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SECTION I – EXECUTIVE SUMMARY



The annual OPEB expense under GASB 75 is shown by its key components assuming there are no changes in the discount rate and all assumptions are met. The gold bars represent the operating expenses of the OPEB Plan. These expenses are primarily due to the benefits for active employees that are attributed to future years of service. As Tier 2 employees retire and are replaced with Tier 3 employees, the operating expenses of the OPEB plan are expected to decline from approximately \$16.5 million to approximately \$8.4 million over the projection period.

The red bars represent the financing expenses of the OPEB Plan, which are largely interest on the TOL. If the OPEB Plan were prefunded, the interest costs would be offset by the expected return on assets. Assuming the discount rate remains at 3.26% and all other assumptions are met, the financing expense is expected to increase gradually from \$23.1 million this year to \$24.3 million in 2030 before declining slowly to \$21.8 million at the end of the projection.

Assumption changes and experience gains and losses are also recognized over time as a component of OPEB expense. These amounts, represented by the purple bars, represent an offset to expense for six years due primarily to the experience gains from 2021 through 2023. As experience emerges, these changes are likely to be the most volatile component of OPEB expense.

The numbers at the top of the stacked bars represent the annual OPEB expense projected for each year. OPEB expense is low for four of the next five years except for 2026, when the gains from 2019 have been fully recognized. The OPEB expense is expected to jump from an income of \$2 million in 2028 to an expense of \$23 million in 2029 and then to an expense of \$38 million as gains are fully recognized and then gradually decline to \$30 million in 2039.

**TRIMET OTHER POSTEMPLOYMENT BENEFIT PLAN
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SECTION II – CERTIFICATION

The purpose of this report is to provide accounting and financial disclosure information under Governmental Accounting Standards Board (GASB) Statement Nos. 74 and 75 for the Other Postemployment Benefits (OPEB) Plan provided by the Tri-County Metropolitan Transportation District of Oregon (TriMet). This report is for the use of TriMet and its auditors in preparing financial reports in accordance with applicable law and accounting requirements. This report is not appropriate for other purposes, including the measurement of funding requirements for the Plan.

In preparing our report, we relied on information (some oral and some written) supplied by TriMet. This information includes, but is not limited to, the plan provisions, employee data, and financial information. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice No. 23.

Cheiron utilizes ProVal, an actuarial valuation software leased from Winklevoss Technologies (WinTech) to calculate the liabilities, normal costs, and projected benefit payments. Projections of the Total OPEB Liability in this report were also developed using ProVal. We have relied on WinTech as the developer of ProVal. We have reviewed ProVal and have a basic understanding of it and have used ProVal in accordance with its original intended purpose. We have not identified any material inconsistencies in assumptions or output of ProVal that would affect this actuarial valuation.

Future actuarial measurements may differ significantly from the current measurements 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; and, changes in plan provisions or applicable law.

This report and its contents have been prepared in accordance with generally recognized and accepted actuarial principles and practices and our understanding of the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board as well as applicable laws and regulations. Furthermore, as credentialed actuaries, we collectively meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in this report. This report does not address any contractual or legal issues. We are not attorneys, and our firm does not provide any legal services or advice.

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SECTION II – CERTIFICATION

This report was prepared for TriMet for the purposes described herein and for the use by the auditors in completing an audit related to the matters herein. Other users of this report are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to any such other user.



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SECTION III – DETERMINATION OF DISCOUNT RATE

The discount rate used to measure the Total OPEB Liability as of January 1, 2023 was 3.72%. The discount rate used to measure the Total OPEB Liability as of January 1, 2024 was 3.26%. Additional information about these rates is provided in Appendix B.

In developing the projection of cash flows used to determine the discount rate, we assumed that employer contributions to the Plan will continue to follow the pay-as-you-go contribution policy. Based on the assumptions of a pay-as-you-go plan, the discount rate used at the January 1, 2023 and 2024 measurement dates is equal to the yield on the Bond Buyer 20-Bond GO Index as of December 29, 2022 and December 28, 2023, respectively.

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SECTION III – DETERMINATION OF DISCOUNT RATE

Table III-1 below summarizes the total expected net benefit payments for the next 30 years.

Table III-1					
Expected Net Benefit Payments - Total					
Measurement Year					
Ending December 31	Implicit Medical	Explicit Medical	Retiree Life Insurance	Total	
2024	\$ 3,001,837	\$ 22,281,522	\$ 588,644	\$ 25,872,003	
2025	3,470,289	25,254,587	619,429	29,344,305	
2026	3,676,930	27,102,868	649,141	31,428,939	
2027	3,854,181	28,889,982	679,845	33,424,008	
2028	4,146,446	30,697,965	710,674	35,555,085	
2029	4,283,909	32,342,743	742,364	37,369,016	
2030	4,327,464	33,748,297	773,601	38,849,362	
2031	4,831,996	35,488,343	803,491	41,123,830	
2032	4,784,908	36,705,411	832,486	42,322,805	
2033	5,011,676	37,938,771	861,767	43,812,214	
2034	4,722,894	38,639,800	889,393	44,252,087	
2035	4,658,539	39,331,483	912,957	44,902,979	
2036	4,335,741	39,612,737	932,740	44,881,218	
2037	4,463,973	39,962,814	949,319	45,376,106	
2038	4,307,610	39,974,022	962,529	45,244,161	
2039	4,139,860	40,210,789	972,667	45,323,316	
2040	4,409,264	40,053,561	979,330	45,442,155	
2041	4,117,346	39,630,133	982,514	44,729,993	
2042	4,018,205	39,325,425	982,422	44,326,052	
2043	4,000,637	38,969,837	979,257	43,949,731	
2044	3,889,766	38,364,098	973,080	43,226,944	
2045	3,816,592	37,647,478	964,083	42,428,153	
2046	3,666,960	36,868,979	952,595	41,488,534	
2047	3,778,674	36,170,754	938,711	40,888,139	
2048	3,707,556	35,229,805	922,795	39,860,156	
2049	3,487,837	34,288,976	904,981	38,681,794	
2050	3,322,999	33,250,363	885,641	37,459,003	
2051	3,079,483	32,023,979	864,949	35,968,411	
2052	2,732,432	30,827,757	843,173	34,403,362	
2053	2,670,864	29,710,831	820,426	33,202,121	

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SECTION III – DETERMINATION OF DISCOUNT RATE

Table III-2 below summarizes the Union expected net benefit payments for the next 30 years.

Table III-2 Expected Net Benefit Payments - Union								
Measurement Year Ending December 31	Implicit Medical		Explicit Medical		Retiree Life Insurance	Total		
2024	\$	2,692,456	\$	20,568,534	\$	532,327	\$	23,793,317
2025		3,080,434		23,251,979		560,530		26,892,943
2026		3,232,881		24,938,858		587,623		28,759,362
2027		3,365,671		26,570,198		615,574		30,551,443
2028		3,575,962		28,199,002		643,489		32,418,453
2029		3,766,737		29,791,338		672,246		34,230,321
2030		3,788,973		31,104,162		700,505		35,593,640
2031		4,242,144		32,705,830		727,250		37,675,224
2032		4,206,678		33,828,597		753,016		38,788,291
2033		4,396,108		34,986,284		779,077		40,161,469
2034		4,046,312		35,618,810		803,530		40,468,652
2035		3,999,718		36,270,175		823,942		41,093,835
2036		3,638,259		36,445,311		840,667		40,924,237
2037		3,709,342		36,719,192		854,331		41,282,865
2038		3,557,409		36,720,654		864,895		41,142,958
2039		3,389,236		36,908,917		872,652		41,170,805
2040		3,586,581		36,687,468		877,302		41,151,351
2041		3,334,381		36,279,849		878,912		40,493,142
2042		3,262,234		36,015,743		877,757		40,155,734
2043		3,230,670		35,650,138		874,032		39,754,840
2044		3,078,456		35,094,805		867,881		39,041,142
2045		3,028,371		34,467,732		859,526		38,355,629
2046		2,926,150		33,783,344		849,263		37,558,757
2047		2,980,170		33,130,217		837,122		36,947,509
2048		2,914,511		32,287,375		823,450		36,025,336
2049		2,774,807		31,414,677		808,327		34,997,811
2050		2,619,914		30,465,974		792,020		33,877,908
2051		2,418,821		29,342,777		774,668		32,536,266
2052		2,124,856		28,221,506		756,421		31,102,783
2053		2,066,986		27,184,009		737,332		29,988,327

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SECTION III – DETERMINATION OF DISCOUNT RATE

Table III-3 below shows the Non-Union expected net benefit payments for the next 30 years.

Table III-3					
Expected Net Benefit Payments - Non Union					
Measurement Year					
Ending December 31	Implicit Medical	Explicit Medical	Retiree Life Insurance	Total	
2024	\$ 309,381	\$ 1,712,988	\$ 56,317	\$ 2,078,686	
2025	389,855	2,002,608	58,899	2,451,362	
2026	444,049	2,164,010	61,518	2,669,577	
2027	488,510	2,319,784	64,271	2,872,565	
2028	570,484	2,498,963	67,185	3,136,632	
2029	517,172	2,551,405	70,118	3,138,695	
2030	538,491	2,644,135	73,096	3,255,722	
2031	589,852	2,782,513	76,241	3,448,606	
2032	578,230	2,876,814	79,470	3,534,514	
2033	615,568	2,952,487	82,690	3,650,745	
2034	676,582	3,020,990	85,863	3,783,435	
2035	658,821	3,061,308	89,015	3,809,144	
2036	697,482	3,167,426	92,073	3,956,981	
2037	754,631	3,243,622	94,988	4,093,241	
2038	750,201	3,253,368	97,634	4,101,203	
2039	750,624	3,301,872	100,015	4,152,511	
2040	822,683	3,366,093	102,028	4,290,804	
2041	782,965	3,350,284	103,602	4,236,851	
2042	755,971	3,309,682	104,665	4,170,318	
2043	769,967	3,319,699	105,225	4,194,891	
2044	811,310	3,269,293	105,199	4,185,802	
2045	788,221	3,179,746	104,557	4,072,524	
2046	740,810	3,085,635	103,332	3,929,777	
2047	798,504	3,040,537	101,589	3,940,630	
2048	793,045	2,942,430	99,345	3,834,820	
2049	713,030	2,874,299	96,654	3,683,983	
2050	703,085	2,784,389	93,621	3,581,095	
2051	660,662	2,681,202	90,281	3,432,145	
2052	607,576	2,606,251	86,752	3,300,579	
2053	603,878	2,526,822	83,094	3,213,794	

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SECTION IV – GASB 74 REPORTING INFORMATION

Note Disclosures

The tables below show the changes in the Total OPEB Liability (TOL), the Plan fiduciary net position (i.e., fair value of Plan assets) (FNP), and the Net OPEB Liability (NOL) during the measurement period ending on January 1, 2024.

Table IV - 1 Change in Net OPEB Liability					
Increase (Decrease)					
	Total OPEB Liability			Plan Fiduciary Net Position	Net OPEB Liability
	Union	Non Union	Total		
Balances at 1/1/2023	\$ 564,989,738	\$ 58,253,653	\$ 623,243,391	\$ 414,819	\$ 622,828,572
Changes for the year:					
Service cost	15,356,542	1,102,439	16,458,981		16,458,981
Interest	20,913,696	2,149,958	23,063,654		23,063,654
Changes of benefits	0	0	0		0
Differences between expected and actual experience	(4,494,365)	(1,347,460)	(5,841,825)		(5,841,825)
Changes of assumptions	68,872,734	8,573,804	77,446,538		77,446,538
Contributions - employer				23,024,287	(23,024,287)
Contributions - member				0	0
Net investment income				21,077	(21,077)
Benefit payments					0
Explicit subsidy	(19,008,905)	(1,762,758)	(20,771,663)	(20,771,663)	
Implicit subsidy	(1,986,361)	(266,263)	(2,252,624)	(2,252,624)	
Administrative expense				0	0
Net changes	<u>79,653,341</u>	<u>8,449,720</u>	<u>88,103,061</u>	<u>21,077</u>	<u>88,081,984</u>
Balances at 1/1/2024	<u>\$ 644,643,079</u>	<u>\$ 66,703,373</u>	<u>\$ 711,346,452</u>	<u>\$ 435,896</u>	<u>\$ 710,910,556</u>

During the measurement year, the NOL increased by approximately \$88.1 million. The service cost and interest cost increased the NOL by approximately \$39.5 million while contributions and net investment earnings decreased the NOL by approximately \$23.0 million.

There were no changes in benefits during the year. There were changes in assumptions during the measurement year, which increased the TOL by approximately \$77.4 million. There was a liability gain during the year due to experience (population and health claims experience), which decreased the TOL by approximately \$5.8 million.

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SECTION IV – GASB 74 REPORTING INFORMATION

Changes in the discount rate affect the measurement of the TOL. Lower discount rates produce a higher TOL and higher discount rates produce a lower TOL. The table below shows the sensitivity of the NOL to the discount rate.

Table IV - 2			
Sensitivity of NOL to Changes in Discount Rate			
January 1, 2024			
	1% Decrease 2.26%	Discount Rate 3.26%	1% Increase 4.26%
Total OPEB Liability	\$ 811,353,414	\$ 711,346,452	\$ 628,922,623
Plan Fiduciary Net Position	<u>435,896</u>	<u>435,896</u>	<u>435,896</u>
Net OPEB Liability	<u>\$ 810,917,518</u>	<u>\$ 710,910,556</u>	<u>\$ 628,486,727</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.1%	0.1%	0.1%

A one percent decrease in the discount rate increases the TOL by approximately 14% and increases the NOL by approximately 14%. A one percent increase in the discount rate decreases the TOL by approximately 12% and decreases the NOL by approximately 12%.

Changes in healthcare trends also affect the measurement of the TOL. Lower healthcare trends produce a lower TOL and higher healthcare trends produce a higher TOL. The table below shows the sensitivity of the NOL to healthcare trends.

Table IV - 3			
Sensitivity of NOL to Changes in Healthcare Cost Trend Rates			
January 1, 2024			
	1% Decrease	Healthcare Trend	1% Increase
Total OPEB Liability	\$ 624,824,463	\$ 711,346,452	\$ 817,625,975
Plan Fiduciary Net Position	<u>435,896</u>	<u>435,896</u>	<u>435,896</u>
Net OPEB Liability	<u>\$ 624,388,567</u>	<u>\$ 710,910,556</u>	<u>\$ 817,190,079</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.1%	0.1%	0.1%

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SECTION IV – GASB 74 REPORTING INFORMATION

A one percent decrease in the healthcare trends decreases the TOL by approximately 12% and decreases the NOL by approximately 12%. A one percent increase in the healthcare trends increases the TOL by approximately 15% and increases the NOL by approximately 15%.

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SECTION IV – GASB 74 REPORTING INFORMATION

Required Supplementary Information

The schedules of Required Supplementary Information start with information as of the implementation of GASB 74 and eventually will build up to 10 years of information. The schedules below show the changes in NOL and related ratios required by GASB.

Table IV - 4			
Schedule of Changes in Net OPEB Liability and Related Ratios			
	FYE 2024	FYE 2023	FYE 2022
<u>Total OPEB Liability</u>			
Service cost (MOY)	\$ 16,458,981	\$ 26,073,357	\$ 37,110,964
Interest	23,063,654	16,489,531	20,148,914
Changes of benefit terms	0	0	0
Differences between expected and actual experience	(5,841,825)	(58,317,428)	(181,903,149)
Changes of assumptions	77,446,538	(136,869,026)	4,557,383
Benefit payments	<u>(23,024,287)</u>	<u>(23,133,038)</u>	<u>(25,618,517)</u>
Net change in TOL	\$ 88,103,061	\$ (175,756,604)	\$ (145,704,405)
TOL - beginning	<u>623,243,391</u>	<u>798,999,995</u>	<u>944,704,400</u>
TOL - ending	<u>\$ 711,346,452</u>	<u>\$ 623,243,391</u>	<u>\$ 798,999,995</u>
<u>Plan fiduciary net position</u>			
Contributions - employer	\$ 23,024,287	\$ 23,133,038	\$ 25,618,517
Contributions - member	0	0	0
Net investment income	21,077	(13,166)	(3,088)
Benefit payments	(23,024,287)	(23,133,038)	(25,618,517)
Administrative expense	<u>0</u>	<u>0</u>	<u>0</u>
Net change in plan fiduciary net position	\$ 21,077	\$ (13,166)	\$ (3,088)
Plan fiduciary net position - beginning	<u>414,819</u>	<u>427,985</u>	<u>431,073</u>
Plan fiduciary net position - ending	<u>\$ 435,896</u>	<u>\$ 414,819</u>	<u>\$ 427,985</u>
NOL - ending	<u>\$ 710,910,556</u>	<u>\$ 622,828,572</u>	<u>\$ 798,572,010</u>
Plan fiduciary net position as a percentage of the TOL	0.06%	0.07%	0.05%
Covered employee payroll	\$ 282,312,781	\$ 251,642,570	\$ 242,736,619
NOL as a percentage of covered employee payroll	251.8%	247.5%	329.0%

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SECTION IV – GASB 74 REPORTING INFORMATION

**Table IV - 4 (continued)
Schedule of Changes in Net OPEB Liability and Related Ratios**

	FYE 2021	FYE 2020	FYE 2019	FYE 2018
<u>Total OPEB Liability</u>				
Service cost (MOY)	\$ 34,523,816	\$ 27,058,839	\$ 33,512,062	\$ 34,417,175
Interest	24,849,490	29,810,733	27,235,927	28,332,896
Changes of benefit terms	0	0	0	0
Differences between expected and actual experience	(83,329,443)	(22,271,619)	(32,503,320)	1,528,926
Changes of assumptions	91,128,110	165,525,233	(66,328,099)	1,192,225
Benefit payments	(24,311,699)	(23,714,966)	(23,022,074)	(22,646,628)
Net change in TOL	\$ 42,860,274	\$ 176,408,220	\$ (61,105,504)	\$ 42,824,594
TOL - beginning	<u>901,844,126</u>	<u>725,435,906</u>	<u>786,541,410</u>	<u>743,716,816</u>
TOL - ending	<u>\$ 944,704,400</u>	<u>\$ 901,844,126</u>	<u>\$ 725,435,906</u>	<u>\$ 786,541,410</u>
<u>Plan fiduciary net position</u>				
Contributions - employer	\$ 24,311,699	\$ 23,714,966	\$ 23,022,074	\$ 22,646,628
Contributions - member	0	0	0	0
Net investment income	6,488	13,468	7,777	1,914
Benefit payments	(24,311,699)	(23,714,966)	(23,022,074)	(22,646,628)
Administrative expense	0	0	0	0
Net change in plan fiduciary net position	\$ 6,488	\$ 13,468	\$ 7,777	\$ 1,914
Plan fiduciary net position - beginning	<u>424,585</u>	<u>411,117</u>	<u>403,340</u>	<u>401,426</u>
Plan fiduciary net position - ending	<u>\$ 431,073</u>	<u>\$ 424,585</u>	<u>\$ 411,117</u>	<u>\$ 403,340</u>
NOL - ending	<u>\$ 944,273,327</u>	<u>\$ 901,419,541</u>	<u>\$ 725,024,789</u>	<u>\$ 786,138,070</u>
Plan fiduciary net position as a percentage of the TOL	0.05%	0.05%	0.06%	0.05%
Covered employee payroll	\$ 234,229,741	\$ 236,032,015	\$ 219,239,977	\$ 198,559,646
NOL as a percentage of covered employee payroll	403.1%	381.9%	330.7%	395.9%

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SECTION V – GASB 75 REPORTING INFORMATION

The schedules in this section provide the information TriMet needs to report under GASB 75. The impact of experience gains or losses and assumption changes on the TOL are recognized in expense over the average expected remaining service life of all active and inactive members of the Plan. As of the beginning of the measurement year, this recognition period is six years.

The table below summarizes the current balances of deferred outflows and deferred inflows of resources related to the Plan along with the net recognition over the next five years and the total recognition thereafter if any. Amounts are split between the union and non-union groups, but only the total applies to TriMet’s financial statements. For this purpose, the assets in the Trust were allocated to the union and non-union groups in proportion to the TOL at the beginning and end of the year, and the actual earnings for each group also include the impact of any change in proportion during the year.

Table V - 1						
Schedule of Deferred Inflows and Outflows of Resources as of January 1, 2024						
	Deferred Outflows of Resources			Deferred Inflows of Resources		
	Union	Non-Union	Total	Union	Non-Union	Total
Differences between expected and actual experience	\$ 0	\$ 0	\$ 0	\$ 167,135,280	\$ 30,052,142	\$ 197,187,422
Changes in assumptions	137,503,949	16,178,440	153,490,842	96,943,907	10,486,669	107,239,029
Net difference between projected and actual earnings on OPEB plan investments	0	2,483	0	11,507	0	9,024
Total	\$ 137,503,949	\$ 16,180,923	\$ 153,490,842	\$ 264,090,694	\$ 40,538,811	\$ 304,435,475

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

Year ended June 30:	Union	Non-Union	Total
2025	(27,491,198)	(6,335,715)	(33,826,913)
2026	(15,375,687)	(4,331,150)	(19,706,837)
2027	(32,944,322)	(7,227,929)	(40,172,251)
2028	(35,557,642)	(5,731,344)	(41,288,986)
2029	(15,217,896)	(731,750)	(15,949,646)
Thereafter	\$ 0	\$ 0	\$ 0

The tables on the following pages provide details on the current balances of deferred inflows and outflows of resources along with the recognition of each base for the current and remaining years in each base’s recognition period.

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SECTION V – GASB 75 REPORTING INFORMATION

Table V - 2a

Recognition of Experience (Gains) and Losses

Experience Year	Recognition Period	Total Amount	Beginning	Ending	Recognition Year						
			Remaining Amount	Remaining Amount	2024	2025	2026	2027	2028	2029	
2024	6	\$ (5,841,825)	\$ (5,841,825)	\$ (4,868,187)	\$ (973,638)	\$ (973,638)	\$ (973,638)	\$ (973,638)	\$ (973,638)	\$ (973,638)	\$ (973,635)
2023	7	(58,317,428)	(49,986,367)	(41,655,306)	(8,331,061)	(8,331,061)	(8,331,061)	(8,331,061)	(8,331,061)	(8,331,061)	(8,331,062)
2022	7	(181,903,149)	(129,930,821)	(103,944,657)	(25,986,164)	(25,986,164)	(25,986,164)	(25,986,164)	(25,986,164)	(25,986,165)	0
2021	7	(83,329,443)	(47,616,825)	(35,712,619)	(11,904,206)	(11,904,206)	(11,904,206)	(11,904,207)		0	0
2020	7	(22,271,619)	(9,544,979)	(6,363,319)	(3,181,660)	(3,181,660)	(3,181,659)	0	0	0	0
2019	7	(32,503,320)	(9,286,665)	(4,643,334)	(4,643,331)	(4,643,334)	0	0	0	0	0
2018	7	1,528,926	218,418	0	218,418	0	0	0	0	0	0
Deferred Outflows			218,418	0	218,418	0	0	0	0	0	0
Deferred (Inflows)			<u>(252,207,482)</u>	<u>(197,187,422)</u>	<u>(55,020,060)</u>	<u>(55,020,063)</u>	<u>(50,376,728)</u>	<u>(47,195,070)</u>	<u>(35,290,864)</u>	<u>(9,304,697)</u>	
Net Change in OPEB Expense			\$ (251,989,064)	\$ (197,187,422)	\$ (54,801,642)	\$ (55,020,063)	\$ (50,376,728)	\$ (47,195,070)	\$ (35,290,864)	\$ (9,304,697)	

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SECTION V – GASB 75 REPORTING INFORMATION

Table V - 2b Recognition of Assumption Changes										
Change Year	Recognition Period	Total Amount	Beginning	Ending	Recognition Year					
			Remaining Amount	Remaining Amount	2024	2025	2026	2027	2028	2029
2024	6.0	\$ 77,446,538	\$ 77,446,538	\$ 64,538,783	\$ 12,907,755	\$ 12,907,755	\$ 12,907,755	\$ 12,907,755	\$ 12,907,755	\$ 12,907,763
2023	7.0	(136,869,026)	(117,316,307)	(97,763,588)	(19,552,719)	(19,552,719)	(19,552,719)	(19,552,719)	(19,552,719)	(19,552,712)
2022	7.0	4,557,383	3,255,275	2,604,221	651,054	651,054	651,054	651,054	651,059	0
2021	7.0	91,128,110	52,073,210	39,054,910	13,018,300	13,018,300	13,018,300	13,018,310	0	0
2020	7.0	165,525,233	70,939,389	47,292,928	23,646,461	23,646,461	23,646,467	0	0	0
2019	7.0	(66,328,099)	(18,950,884)	(9,475,441)	(9,475,443)	(9,475,441)	0	0	0	0
2018	7.0	1,192,225	170,317	0	170,317	0	0	0	0	0
Deferred Outflows			203,884,729	153,490,842	50,393,887	50,223,570	50,223,576	26,577,119	13,558,814	12,907,763
Deferred (Inflows)			(136,267,191)	(107,239,029)	(29,028,162)	(29,028,160)	(19,552,719)	(19,552,719)	(19,552,719)	(19,552,712)
Net Change in OPEB Expense			\$ 67,617,538	\$ 46,251,813	\$ 21,365,725	\$ 21,195,410	\$ 30,670,857	\$ 7,024,400	\$ (5,993,905)	\$ (6,644,949)

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SECTION V – GASB 75 REPORTING INFORMATION

Table V - 2c

Recognition of Investment (Gains) and Losses

Experience Year	Recognition Period	Total Amount	Beginning	Ending	Recognition Year						
			Remaining Amount	Remaining Amount	2024	2025	2026	2027	2028	2029	
2024	5.0	\$ (21,077)	\$ (21,077)	\$ (16,862)	\$ (4,215)	\$ (4,215)	\$ (4,215)	\$ (4,215)	\$ (4,215)	\$ (4,217)	\$ 0
2023	5.0	13,166	10,533	7,900	2,633	2,633	2,633	2,634	0	0	0
2022	5.0	3,088	1,852	1,234	618	618	616	0	0	0	0
2021	5.0	(6,488)	(2,594)	(1,296)	(1,298)	(1,296)	0	0	0	0	0
2020	5.0	(13,468)	(2,692)	0	(2,692)	0	0	0	0	0	0
Net Change in OPEB Expense			\$ (13,978)	\$ (9,024)	\$ (4,954)	\$ (2,260)	\$ (966)	\$ (1,581)	\$ (4,217)	\$ 0	\$ 0

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SECTION V – GASB 75 REPORTING INFORMATION

Annual OPEB Expense

The annual OPEB expense can be calculated in two different ways. First, it is the change in the amounts reported on TriMet’s Statement of Net Position that relate to the Plan and are not attributable to employer contributions. That is, it is the change in the NOL minus the change in deferred outflows plus the change in deferred inflows plus employer contributions during the year.

Alternatively, annual OPEB expense can be calculated by its individual components. While GASB does not require or suggest the organization of the individual components shown in the table on the next page, we believe it helps to understand the level and volatility of the OPEB expense.

In the calculation of OPEB expense by individual components, there are three separate sections: operating expenses, financing expenses, and changes. Operating expenses are items directly attributable to the operation of the Plan during the measurement year. Service cost less employee contributions represents the increase in employer-provided benefits attributable to the measurement year, and administrative expenses are the cost of operating the Plan for the year.

Financing expenses equal the interest on the TOL less the expected return on assets.

The final category is changes. This category drives most of the volatility in OPEB expenses from year to year. It includes any changes in benefits made during the year and the recognized amounts due to assumption changes, gains or losses on the TOL, and investment gains or losses.

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The table shows the development of OPEB expense using both methodologies. In addition to the information shown below, any contributions between the measurement date and the reporting date would be reported as deferred outflows of resources to offset the cash outflows reported.

Table V - 3 Calculation of OPEB Expense				
	Measurement Year Ending 2024			2023
	Union	Non-Union	Total	
Change in Net OPEB Liability	\$ 79,634,365	\$ 8,447,619	\$ 88,081,984	\$(175,743,438)
Change in Deferred Outflows	(23,229,716)	(2,698,264)	(26,827,134)	37,697,452
Change in Deferred Inflows	(67,643,784)	(11,452,743)	(78,197,373)	112,103,505
Employer Contributions	<u>20,995,266</u>	<u>2,029,021</u>	<u>23,024,287</u>	<u>23,133,038</u>
OPEB Expense	\$ 9,756,131	\$ (3,674,367)	\$ 6,081,764	\$ (2,809,443)
Operating Expenses				
Service cost	\$ 15,356,542	\$ 1,102,439	\$ 16,458,981	\$ 26,073,357
Employee contributions	0	0	0	0
Administrative expenses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	\$ 15,356,542	\$ 1,102,439	\$ 16,458,981	\$ 26,073,357
Financing Expenses				
Interest cost	\$ 20,913,696	\$ 2,149,958	\$ 23,063,654	\$ 16,489,531
Expected return on assets	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	\$ 20,913,696	\$ 2,149,958	\$ 23,063,654	\$ 16,489,531
Changes				
Benefit changes	\$ 0	\$ 0	\$ 0	\$ 0
Recognition of assumption changes	19,760,155	1,605,570	21,365,725	8,457,971
Recognition of liability gains and losses	(46,267,539)	(8,534,103)	(54,801,642)	(53,828,004)
Recognition of investment gains and losses	<u>(6,723)</u>	<u>1,769</u>	<u>(4,954)</u>	<u>(2,298)</u>
Total	\$ (26,514,107)	\$ (6,926,764)	\$ (33,440,871)	\$ (45,372,331)
OPEB Expense	\$ 9,756,131	\$ (3,674,367)	\$ 6,081,764	\$ (2,809,443)

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The table below shows the projection of OPEB expense for the 2025 measurement year assuming that all assumptions are exactly met and that the discount rate, which is based on a municipal bond index, remains at 3.26%. This expense amount would be different if TriMet starts contributing to the Trust fund.

Table V - 4			
Projection of OPEB Expense at 3.26%			
	Measurement Year Ending 2025		
	Union	Non-Union	Total
Change in Net OPEB Liability	\$ 14,124,318	\$ 1,470,761	\$ 15,595,079
Change in Deferred Outflows	44,640,589	5,633,126	50,273,715
Change in Deferred Inflows	(72,131,787)	(11,968,841)	(84,100,628)
Employer Contributions	<u>23,794,033</u>	<u>2,078,743</u>	<u>25,872,776</u>
OPEB Expense	\$ 10,427,153	\$ (2,786,210)	\$ 7,640,943
Operating Expenses			
Service cost	\$ 17,012,637	\$ 1,386,173	\$ 18,398,810
Employee contributions	0	0	0
Administrative expenses	<u>0</u>	<u>0</u>	<u>0</u>
Total	\$ 17,012,637	\$ 1,386,173	\$ 18,398,810
Financing Expenses			
Interest cost	\$ 20,905,714	\$ 2,163,332	\$ 23,069,046
Expected return on assets	<u>0</u>	<u>0</u>	<u>0</u>
Total	\$ 20,905,714	\$ 2,163,332	\$ 23,069,046
Changes			
Benefit changes	\$ 0	\$ 0	\$ 0
Recognition of assumption changes	18,758,473	2,436,937	21,195,410
Recognition of liability gains and losses	(46,245,154)	(8,774,909)	(55,020,063)
Recognition of investment gains and losses	<u>(4,517)</u>	<u>2,257</u>	<u>(2,260)</u>
Total	\$ (27,491,198)	\$ (6,335,715)	\$ (33,826,913)
OPEB Expense	\$ 10,427,153	\$ (2,786,210)	\$ 7,640,943

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APPENDIX A – MEMBERSHIP INFORMATION

The census data used to develop the Total OPEB Liability (TOL) as of January 1, 2024 was provided by TriMet.

Union Membership Summary			
Valuation Date	1/1/2023	1/1/2024	% Change
Actives with coverage			
Kaiser Permanente	1,218	1,306	7.2%
Regence HSA	161	177	9.9%
Regence PPO 80/20	650	735	13.1%
Regence Union PPO 90/10	343	302	-12.0%
Total Actives with medical coverage	2,372	2,520	6.2%
Actives without medical coverage, with Dental	60	52	-13.3%
Actives above with medical coverage, without Dental	0	0	
Actives without medical coverage, without Dental	1	0	-100.0%
Total Actives	2,433	2,572	5.7%
Active Employees by Tier			
Tier 1	0	0	0.0%
Tier 2	1,089	981	-9.9%
Tier 3	1,344	1,591	18.4%
Total Actives	2,433	2,572	5.7%
Retirees with coverage			
Kaiser	104	103	-1.0%
Regence	162	152	-6.2%
Kaiser Senior Advantage	597	607	1.7%
UnitedHealthcare PPO	871	894	2.6%
Total Retirees with medical and dental coverage	1,734	1,756	1.3%
Total Retirees with Life Insurance	1,645	1,675	1.8%
Total Retirees with Stipend	60	70	16.7%
Inactive Population Distribution			
Retirees	1,436	1,466	2.1%
Disableds	209	209	0.0%
Survivors	201	217	8.0%
Total Inactive Population	1,846	1,892	2.5%

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APPENDIX A – MEMBERSHIP INFORMATION

Non-Union Membership Summary			
Valuation Date	1/1/2023	1/1/2024	% Change
Actives with coverage			
Kaiser Permanente	217	239	10.1%
Regence HSA	58	59	1.7%
Regence PPO 80/20	264	307	16.3%
Total Actives with medical coverage	539	605	12.2%
Actives without medical coverage, with Dental	3	5	66.7%
Actives above with medical coverage, without Dental	0	0	
Actives without medical coverage, without Dental	25	32	28.0%
Total Actives	567	642	13.2%
Active Employees by Tier			
Tier 1	91	83	-8.8%
Tier 2	53	51	-3.8%
Tier 3	423	508	20.1%
Total Actives	567	642	13.2%
Retirees with coverage			
Kaiser Retiree - Open	13	13	0.0%
Kaiser Permanente	0	0	
Regence HSA-Retiree	2	1	-50.0%
Regence Retiree - Closed	1	1	0.0%
Regence Retiree 80/20	17	16	-5.9%
Kaiser Senior Advantage	50	49	-2.0%
UnitedHealthcare PPO	147	153	4.1%
Total Retirees with medical and dental coverage	230	233	1.3%
Total Retirees with Life Insurance	236	239	1.3%
Inactive Population Distribution			
Retirees	232	235	1.3%
Disableds	4	4	0.0%
Survivors	13	16	23.1%
Total Inactive Population	249	255	2.4%

**TRIMET OTHER POSTEMPLOYMENT BENEFIT PLAN
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APPENDIX A – MEMBERSHIP INFORMATION

Active Member Data as of January 1, 2024:

ACTIVE UNION EMPLOYEES WITH MEDICAL COUNTS BY AGE/SERVICE											
Age	Service										Total
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up	
Under 25	24	24	0	0	0	0	0	0	0	0	48
25 to 29	51	60	29	1	0	0	0	0	0	0	141
30 to 34	55	90	84	11	0	0	0	0	0	0	240
35 to 39	57	57	88	39	11	0	0	0	0	0	252
40 to 44	44	94	92	46	30	4	0	0	0	0	310
45 to 49	39	74	112	48	41	16	13	0	0	0	343
50 to 54	37	79	117	61	59	33	41	6	0	0	433
55 to 59	28	52	108	46	50	44	36	17	4	1	386
60 to 64	13	40	94	37	32	19	24	17	6	2	284
65 to 69	1	14	36	24	10	8	5	4	2	2	106
70 & up	2	6	10	1	3	2	0	2	1	2	29
Total	351	590	770	314	236	126	119	46	13	7	2,572

ACTIVE NON-UNION EMPLOYEES WITH MEDICAL COUNTS BY AGE/SERVICE											
Age	Service										Total
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up	
Under 25	1	2	0	0	0	0	0	0	0	0	3
25 to 29	12	12	1	0	0	0	0	0	0	0	25
30 to 34	18	24	10	1	0	0	0	0	0	0	53
35 to 39	21	34	21	11	2	0	0	0	0	0	89
40 to 44	14	32	39	7	4	4	0	0	0	0	100
45 to 49	14	22	28	7	13	10	1	0	0	0	95
50 to 54	11	28	27	9	7	15	7	2	0	0	106
55 to 59	9	17	16	7	12	8	9	8	2	0	88
60 to 64	5	16	10	6	6	6	5	3	2	0	59
65 to 69	1	6	3	2	1	1	0	0	2	1	17
70 & up	1	1	1	3	0	0	0	1	0	0	7
Total	107	194	156	53	45	44	22	14	6	1	642

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The discount rate and per person health care cost trend assumptions were updated as described below. The price inflation, wage inflation, and demographic assumptions are the same as those used in the pension valuations. Please refer to the pension valuation reports for the rationale for these assumptions. Other OPEB-specific assumptions were selected based on recent experience and expectations for the future. We believe the assumptions to be reasonable.

Economic Assumptions

- 1. Expected Return on Assets** 0.00% per year. There is a very small amount of assets in an OPEB trust that if used to pay benefits would not last a month. The assets are invested in short-term fixed-income securities. For simplicity, we have assumed no investment earnings on these assets.

- 2. Municipal Bond Yield** 3.72% as of January 1, 2023
3.26% as of January 1, 2024
Bond Buyer 20-Bond GO Index, December 29, 2022 and December 28, 2023

- 3. Discount Rate:** 3.72% as of January 1, 2023
3.26% as of January 1, 2024

- 4. Wage Inflation:** 3.00% per year for Management and 3.25% for ATU for purposes of attributing individual costs under the Entry Age Actuarial Cost Method

- 5. Price Inflation:** 2.75% per year.

- 6. Dental Trends:** Dental premiums and costs are assumed to increase at 3.0% per year in all years.

- 7. Stipend Trends:** The monthly stipend is assumed to increase at 2.75% per year (same as inflation). Tier 3 stipend does not increase until 2025.

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8. Per Person Health Care Cost Trends:

Medical Trend assumptions were developed using the Society of Actuaries (SOA) Long-Run Medical Cost Trend Model version 2024-1b. The following assumptions were input into this model:

Trend Assumption Inputs	
Variable	Rate
Rate of Inflation	2.75%
Rate of Growth in Real Income/GDP per capita 2033+	1.25%
Extra Trend due to Taste/Technology 2033+	0.90%
Expected Health Share of GDP 2033	19.80%
Health Share of GDP Resistance Point	17.70%
Year for Limiting Cost Growth to GDP Growth	2044

The SOA Long-Run Medical Cost Trend Model and its baseline projection are based on an econometric analysis of historical U.S. medical expenditures and the judgments of experts in the field. The long-run baseline projection and input variables have been developed under the guidance of the SOA Project Oversight Group.

We have reviewed the baseline assumptions for the model and found them to be reasonable and consistent with the other economic assumptions used in the valuation with the exceptions discussed below.

The trends selected from 2024 to 2027 were based on plan design, population weighting, renewal projections from the current health care actuary, and market analysis. The Medicare trend for calendar year 2024 reflects a projected increase due to the Inflation Reduction Act (IRA). The impact of the IRA on Part D costs is highly sensitive to plan design (including formulary design) and the order in which drugs are dispensed. We estimate that premiums for the Medicare Eligible plans will increase approximately \$50 per Medicare Eligible individual per month.

Except for COVID, health care expenditures as a percentage of GDP have been relatively flat since 2009, increasing from 17.2% in 2009 to 17.7% in 2016 and remaining flat through 2019. In 2020, this rate increased to almost 20% during the COVID pandemic but fell back to 18.3% in 2021. The baseline assumption for the share of GDP above which cost growth is assumed to meet resistance was reduced from 19.0% in 2023 to 17.0% in 2024. We believe 17.7% is more justifiable, as the health share of GDP was level at 17.7% for the four years pre-pandemic. However, given the continued pressure on constraining health care costs, the continuing focus on preventive care and disease management, and improvements in diagnosing and treating chronic illness earlier are expected to keep the excess growth relatively low and limit the growth of health care expenditures. As a result, we expect that health care costs as a percentage of GDP will increase modestly through 2044 when it reaches 20.3% of GDP, at which point it will remain constant and grow at the same rate as GDP.

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We have relied on the Society of Actuaries as the developer of the Model. We have reviewed the Model and have a basic understanding of the Model and have used the Model in accordance with its original intended purpose. We have not identified any material inconsistencies in assumptions or output of the Model that would affect this report.

Medicare Part B Trends are developed from the published 2023 Medicare Trustees Report as the 2024 report was not available when the assumptions were developed. The trend rates from 2024 through 2032 are the short-term trends stated in the report. The Trustee report then grades the trend down to an assumption of GDP plus 0.2% by 2047 and GDP plus 0.0% by 2097. The Trustee report is based on a long-term GDP assumption of between 3.8% declining to 3.7% by 2097, which is lower than our assumption of 4.03%. We have used our 4.03% assumption in place of the Trustee report assumption so that the trend grades down from 6.25% in 2031 to 4.03% by 2044.

Deductibles, Co-payments, and Out-of-Pocket Maximums are assumed to increase at the above trend rates. The ultimate trend rate reflects an assumed nominal per capita GDP growth.

Per Person Health Care Cost Trends:

Year	Union Plans Trend			Non Union Plans Trend		
	Medical and Prescription Drug		Medicare Part B	Medical and Prescription Drug		
	Pre-Medicare	Medicare		Year	Pre-Medicare	Medicare
2024	8.00%	19.80%	5.90%	2024	6.20%	19.80%
2025	7.75%	7.00%	6.16%	2025	5.95%	7.00%
2026	7.50%	6.50%	7.23%	2026	5.70%	6.50%
2027	7.25%	6.00%	6.51%	2027	5.45%	6.00%
2028	6.87%	5.83%	7.04%	2028	5.37%	5.83%
2029	6.49%	5.66%	5.54%	2029	5.29%	5.66%
2030	6.11%	5.49%	6.08%	2030	5.21%	5.49%
2031	5.73%	5.31%	6.25%	2031	5.13%	5.31%
2032	5.35%	5.14%	5.14%	2032	5.05%	5.14%
2033	4.97%	4.97%	4.97%	2033	4.97%	4.97%
2034	4.65%	4.65%	4.65%	2034	4.65%	4.65%
2035	4.44%	4.44%	4.44%	2035	4.44%	4.44%
2036	4.33%	4.33%	4.33%	2036	4.33%	4.33%
2037	4.27%	4.27%	4.27%	2037	4.27%	4.27%
2038	4.23%	4.23%	4.23%	2038	4.23%	4.23%
2039	4.20%	4.20%	4.20%	2039	4.20%	4.20%
2040	4.18%	4.18%	4.18%	2040	4.18%	4.18%
2041	4.16%	4.16%	4.16%	2041	4.16%	4.16%
2042	4.15%	4.15%	4.15%	2042	4.15%	4.15%
2043	4.09%	4.09%	4.09%	2043	4.09%	4.09%
2044+	4.03%	4.03%	4.03%	2044+	4.03%	4.03%

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9. Changes Since the Last Valuation

The discount rate decreased from 3.72% to 3.26% as of January 1, 2024. The per person health care cost trends rates were updated to reflect the current marketplace.

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APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS

Demographic Assumptions

1. Retirement Rates

Retirement Assumptions					
Age	Union				Non-Union
	Male < 20 yrs	Male 20+ yrs	Female < 20 yrs	Female 20+ yrs	
55	3.00%	4.00%	4.00%	6.00%	2.00%
56	3.00%	4.00%	6.00%	6.00%	2.00%
57	3.00%	7.50%	8.00%	8.00%	2.00%
58	4.00%	15.00%	15.00%	20.00%	7.00%
59	6.00%	7.00%	15.00%	15.00%	7.00%
60	8.00%	11.00%	15.00%	15.00%	7.00%
61	10.00%	15.00%	25.00%	25.00%	15.00%
62	20.00%	35.00%	35.00%	35.00%	35.00%
63	17.50%	20.00%	25.00%	25.00%	30.00%
64	22.50%	25.00%	20.00%	25.00%	30.00%
65	27.50%	30.00%	35.00%	35.00%	30.00%
66	35.00%	35.00%	40.00%	40.00%	30.00%
67	35.00%	35.00%	40.00%	40.00%	100.00%
68	35.00%	35.00%	40.00%	40.00%	100.00%
69	35.00%	35.00%	40.00%	40.00%	100.00%
70 +	100.00%	100.00%	100.00%	100.00%	100.00%

2. Rates of Termination/Withdrawal

Service	Termination Assumptions			
	Union		Non-Union	
	Male	Female	Male	Female
0	2.00%	3.00%	12.00%	12.00%
1 - 2	2.00%	3.00%	12.00%	12.00%
3 - 4	2.00%	3.00%	9.00%	9.00%
5 - 6	2.00%	3.00%	5.00%	5.00%
7 - 9	2.00%	3.00%	3.50%	3.50%
10	5.00%	5.00%	3.50%	3.50%
11	3.50%	3.50%	2.50%	2.50%
12	3.00%	3.00%	2.50%	2.50%
13	2.50%	2.75%	2.50%	2.50%
14	2.25%	2.60%	2.50%	2.50%
15	2.00%	2.50%	2.50%	2.50%
16	1.90%	2.40%	1.00%	1.00%
17	1.80%	2.30%	1.00%	1.00%
18	1.70%	2.20%	1.00%	1.00%
19	1.60%	2.10%	1.00%	1.00%
20 +	1.50%	2.00%	1.00%	1.00%

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3. Rates of Mortality

Union Employees

Employee Mortality: 2016 Cheiron ATU employee mortality table with generational projection using SOA Scale MP-2020.

Healthy Retiree Mortality: 2016 Cheiron AT/U retiree mortality table with generational projection using SOA Scale MP-2020.

Disabled Mortality: 2016 Cheiron ATU disabled mortality table with generational projection using SOA Scale MP-2020.

2016 Cheiron ATU Mortality Tables						
Age	Active Employees		Service Retirees		Disabled Retirees	
	Male	Female	Male	Female	Male	Female
30	0.0485%	0.0380%			0.9632%	0.3098%
35	0.0562%	0.0513%			1.1224%	0.4766%
40	0.0640%	0.0723%			1.2844%	0.6769%
45	0.0793%	0.1008%			1.8315%	0.9686%
50	0.1134%	0.1514%	0.6846%	0.3411%	2.1187%	1.4759%
55	0.1735%	0.2387%	0.8977%	0.5195%	2.4130%	1.8518%
60	0.2724%	0.3645%	1.1230%	0.7617%	2.7997%	2.0617%
65	0.4082%	0.5243%	1.3088%	1.1026%	3.3476%	2.2110%
70	0.7245%	0.8362%	1.9829%	1.6328%	4.1983%	2.7203%
75	1.3403%	1.3785%	3.2716%	2.6310%	5.7023%	3.8567%
80	2.5212%	2.2850%	5.5953%	4.4327%	8.1570%	5.9047%
85			9.6469%	7.6908%	12.1627%	9.2619%
90			15.7074%	13.4105%	18.6161%	13.5816%

Non-Union Employees

Employee Mortality: None.

Healthy Retiree Mortality: PubG-2010(A) Healthy Retiree projected fully generational with SOA Scale MP-2019.

Disabled Mortality: PubG-2010(A) Healthy Retiree projected fully generational with SOA Scale MP-2019.

4. Disability Rates

Sample rates of disability for Union employees are shown in the following table.

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Disability Assumptions - Union Employees			
Age	Disability Rate	Age	Disability Rate
20	0.10%	45	0.57%
25	0.14%	50	0.85%
30	0.21%	55	1.47%
35	0.30%	60	2.17%
40	0.41%	62 +	0.00%

No disability was assumed for Non-Union employees.

5. Percent of Retirees Electing Coverage

All active union members are assumed to elect coverage at retirement. All active non-union members hired before May 1, 2009, and 50% of active non-union members hired on or after May 1, 2009 are assumed to elect coverage at retirement.

Non-union members hired on or after May 1, 2009 are assumed to decline renewal of coverage after retirement at a rate of 3% per year.

6. Medical and Dental Plan Elections

Below is a summary of medical plan election rates for future union retirees by Medicare status.

Medical Plan Elections for Future Union Retirees			
Plan	Pre-Medicare	Plan	Medicare Eligible
Kaiser	48%	Kaiser	44%
Regence HSA	7%	UHC	54%
Regence PPO	45%	Stipend	2%

Below is a summary of medical plan election rates for future non-union retirees by Medicare status.

Medical Plan Elections for Future Non Union Retirees		
Plan	Pre-Medicare	Medicare Eligible
Kaiser	30%	30%
UHC	0%	70%
Regence PPO	70%	0%

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Below is a summary of dental plan election rates for future union and non-union retirees.

Dental Elections for Future Retirees		
Plan	Union	Non-Union
Moda	80%	95%
Kaiser	20%	5%

These weights were used to blend premium and claims cost for pre-Medicare medical plan, Medicare plan, and dental plan.

7. Spousal Coverage:

The table below shows the percentage of future retirees who are assumed to elect to cover a spouse at retirement.

Retiree Gender	Union	Non-Union Tier 2	Non-Union Tier 3
Male	65%	79%	70%
Female	30%	56%	35%

8. Dependent Age:

For current retirees, the actual spouse date of birth was used when available.

- For future union retirees, male retirees are assumed to be three years older than their partner, and female retirees are assumed to be two years younger than their partner.
- For future non-union retirees, male retirees are assumed to be two years older than their partner, and female retirees are assumed to be two years younger than their partner.

9. Administrative Expenses

Administrative expenses for the Trust and operation of the OPEB plan are assumed to be \$0.

10. Changes Since the Last Valuation

None.

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APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS

11. New Entrant Assumptions

The following new entrant assumptions were used for the projections shown in the Executive Summary.

- Union: The new entrant profile consists of 10 equally weighted individuals based on actual recent new entrants. The individuals range in age from 27 to 50 with an average age of 35 and 70% of the individuals are male.
- Non-Union: The new entrant profile consists of 10 equally weighted individuals based on actual recent new entrants. The individuals range in age from 27 to 47 with an average age of 36 and 50% of the individuals are male.

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Claim and Expense Assumptions

Different methods are used to develop the claims and expense assumptions for the self-insured plans and the fully insured plans.

The claim costs and trend assumptions reflect the Inflation Reduction Act of 2022 (the Act) based on an estimated industry impact. However, as the regulations and market responses evolve, the impact on future costs could vary significantly from those assumed in this valuation. Additional market responses are expected to be known by early September.

Self-Insured Plans: The claims costs were developed based on actual medical, prescription drug, and dental claims paid from January 1, 2021 to December 31, 2023. The claims analysis combined plans offered to Union Retirees (Regence PPO plans, Regence HSA plan, and Regence Closed Retiree plan for medical and prescription drug, and Moda dental). As well, 85% of enrollees and claims paid from the Regence / Moda Open Retiree plan were assumed to be of Union Retirees, since separate Union and Non-Union claims data was not available for these plans. An adjustment is made to the claims to account for the children of retirees and 2024 contractual administrative expenses are added. The resulting per person per month (PPPM) cost is then adjusted using age curves.

Fully Insured Plans: The claims costs are based on the fully insured Kaiser premiums charged to TriMet in 2024. For pre-Medicare retirees, this is solely based on Kaiser's medical/dental plans. An adjustment is made to the premiums to account for the children of retirees. For Medicare retirees, the premiums of Kaiser Senior Advantage and United Healthcare's plan were blended based on enrollment data for the 2024 calendar year for eligible members. The resulting per person per month (PPPM) costs are then adjusted using age curves.

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APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS

1. Average Annual Claims and Expense Assumptions

The following claims costs were developed based on actuarial experience paid from January 1, 2021 to December 31, 2023 for the self-insured plans and based on the premiums in effect on January 1, 2024 for the fully-insured plans.

Union Members

Age	Regence Medical		Kaiser Medical		Moda Dental		Kaiser Dental	
	Male	Female	Male	Female	Male	Female	Male	Female
40	\$ 7,493	\$ 10,722	\$ 8,482	\$ 12,138	\$ 605	\$ 692	\$ 542	\$ 620
45	9,141	11,635	10,347	13,171	671	755	602	677
50	11,289	13,317	12,779	15,075	772	835	692	748
55	14,245	15,675	16,126	17,744	887	913	795	819
60	18,417	17,923	20,848	20,289	972	966	872	866
64	22,968	18,654	26,000	21,117	1,024	995	918	892

Age	Kaiser Medicare		UHC Medicare		Moda Dental		Kaiser Dental	
	Male	Female	Male	Female	Male	Female	Male	Female
65	\$ 4,900	\$ 4,323	\$ 1,745	\$ 1,540	\$ 1,037	\$ 1,002	\$ 930	\$ 899
70	5,204	4,407	1,853	1,570	1,102	1,039	988	932
75	5,981	4,957	2,130	1,765	980	928	879	832
80	6,792	5,621	2,419	2,002	858	816	770	732
85	7,335	6,143	2,612	2,188	736	705	660	632
90	7,450	6,355	2,653	2,263	614	593	551	532

Non-Union Members

Age	Regence Medical		Kaiser Medical		Moda Dental		Kaiser Dental	
	Male	Female	Male	Female	Male	Female	Male	Female
40	\$ 6,557	\$ 9,383	\$ 6,534	\$ 9,350	\$ 659	\$ 754	\$ 764	\$ 874
45	7,999	10,182	7,971	10,146	732	823	848	954
50	9,879	11,654	9,844	11,613	841	910	975	1,054
55	12,466	13,717	12,422	13,669	967	996	1,121	1,154
60	16,117	15,685	16,060	15,630	1,060	1,053	1,228	1,220
64	20,100	16,324	20,029	16,267	1,116	1,085	1,293	1,257

Age	Kaiser Medicare		UHC Medicare		Moda Dental		Kaiser Dental	
	Male	Female	Male	Female	Male	Female	Male	Female
65	\$ 4,900	\$ 4,323	\$ 1,745	\$ 1,540	\$ 1,130	\$ 1,093	\$ 1,310	\$ 1,266
70	5,204	4,407	1,853	1,570	1,201	1,133	1,392	1,313
75	5,981	4,957	2,130	1,765	1,069	1,012	1,238	1,172
80	6,792	5,621	2,419	2,002	936	890	1,084	1,031
85	7,335	6,143	2,612	2,188	803	768	930	891
90	7,450	6,355	2,653	2,263	670	647	776	750

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Health plan administrative expenses are included in the average monthly premiums. For Union Regence plans, we assumed \$23.77 per member per month, for Non-Union Regence plans, we assumed \$20.71 per member per month and for Moda dental plans, we assumed \$3.11 per member per month.

Cheiron uses a claim curve model to develop age and gender specific costs for the benefits offered. The claim curve factors were developed from an analysis of publicly available industry data and actual de-identified claims experience from Cheiron’s health database. This information varied between Medicare-eligible and non-Medicare eligible members to reflect the impact of Medicare coverage. The resulting data was smoothed using polynomial functions and the resulting factors were compared to actual results to confirm the reasonableness of the claim cost curves. We have not identified any material inconsistencies in assumptions or output of the Model that would affect this report.

2. Average Annual Premium Assumptions

The following table shows the blended premium for pre-Medicare medical, Medicare, and dental plans. We used the composite premium (per-employee-per-month) for each plan and weighted based on TriMet retirees’ enrollment.

Union Plans	Employee/ Retiree	Spouse	Weights Used for Blending
Medical	\$ 1,147.56	\$ 1,147.56	PPO 90 / PPO 80 / HSA / Kaiser: 15% / 30% / 7% / 48% 80% / 20% for all Kaiser / UHC / Stipend: 44% / 54% / 2%
Dental	\$ 69.93	\$ 69.93	
Medicare	\$ 301.30	\$ 301.30	

Non Union Plans	Employee/ Retiree	Spouse	Weights Used for Blending
Medical	\$ 944.48	\$ 944.48	PPO 80 / HSA / Kaiser: 70% / 0% / 30% 95% / 5% for all Kaiser / UHC: 30% / 70%
Dental	\$ 80.50	\$ 80.50	
Medicare	\$ 252.52	\$ 252.52	

3. Medicare Part D Subsidy

Per GASB guidance, the Part D Subsidy has not been reflected in this valuation.

4. Medicare Stipend

Tier	Stipend
Tier 3 Retiree	\$ 800.00
Tier 2 Retiree	\$ 570.06
Tier 2 Surviving Spouse	\$ 561.52

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APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS

5. Medicare Part B

All Union Medicare eligible retirees in Tier 1 and 2 are assumed to participate in Medicare Part B and receive monthly premium reimbursement.

6. Medicare Eligibility

All retirees who turn age 65 are assumed to be eligible for Medicare.

7. Geography

Implicitly assumed to remain the same as current retirees.

8. Changes Since the Last Valuation

There was no change to the claims costs process. The claim costs were updated to reflect experience over the past two years. Health plan administrative expenses were updated to reflect the current market experience. The blended percentages for the average annual premiums for the pre-Medicare Union plan were updated based on current enrollment.

Contribution Allocation Procedure

Contributions to the Plan are made on a pay-as-you-go basis.

Pursuant to GASB 75, the Entry Age Actuarial Cost Method is used, and assumption changes and experience gains and losses are recognized over the average future working life of Plan participants. As of this valuation, the average future working life is six years.

APPENDIX C – SUMMARY OF PLAN PROVISIONS

Summary of Key Substantive Plan Provisions – Union Members

Eligibility: Retirees who were employees immediately prior to retirement after attaining age 55 and 10 years of continuous service or who became disabled after 10 years of continuous service are eligible for the benefit.

Healthcare Benefit:

Tier 1 – Retirees who retired prior to February 1, 1992

Medical, prescription drug, and dental benefits are provided to all covered retirees, spouses, and domestic partners. Dependents receive all benefits except for dental. Retirees also are reimbursed for Medicare Part B premiums.

Benefits are payable over the life of the retiree and spouse or domestic partner while both are alive. Following the retiree’s death, benefits continue to the surviving spouse or domestic partner until the earlier of the survivor’s death or 16 years after the retiree’s death.

Retirees and their dependents under age 65 may continue to receive the same healthcare coverage received prior to retirement, subject to plan changes made by insurers from time to time.

Tier 2 – Retirees who retire on or after February 1, 1992 and were hired on or before October 24, 2014

Medical, prescription drug, and dental benefits are provided to all covered retirees, spouses, and domestic partners until the age of 65. Dependents receive all benefits except for dental.

Benefits are payable over the life of the retiree and spouse or domestic partner while both are alive. Following the retiree’s death, benefits continue to the surviving spouse or domestic partner until the earlier of the survivor’s death or 16 years after the retiree’s death.

Upon attaining Medicare eligibility, retirees and dependents may enroll in a Medicare Advantage plan and dental plan or elect to receive a monthly stipend. But he/she must maintain Medicare Parts A & B. Once the stipend option is selected, the retiree may not opt back to the Medicare Advantage plan and dental plan option. Retirees who maintain Medicare Part B are reimbursed for the premiums.

**TRIMET OTHER POSTEMPLOYMENT BENEFIT PLAN
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APPENDIX C – SUMMARY OF PLAN PROVISIONS

Retirees and their dependents under age 65 may continue to receive the same healthcare coverage received prior to retirement. Retirees under age 65 and are non-Medicare eligible, and who do not elect a stipend, will pay a monthly contribution according to the schedule shown in the previous section.

Tier 3 – Retirees hired on or after October 25, 2014

A monthly stipend is provided to retirees until the age of 65. Retiree health benefits cease when the employee turns 65. There are no benefits for the spouse, domestic partner, or dependents.

Retiree Contributions

Tier 1 retirees do not contribute to coverage. Tier 2 retirees who are not Medicare eligible and do not elect the stipend option to contribute according to the following schedule:

Union Plans	Premium Contribution
Regence 90/10	Retirees pay the difference between Regence 90/10 premium and TriMet's employer contribution for the Regence PPO 80/20
Regence 80/20	Retirees pay 5% of the premium cost
Regence HSA	Retirees receive HSA deposit from TriMet equal to the difference between the HSA premium and TriMet's employer contribution for the Regence PPO 80/20
All other Medical and Dental	Retirees pay 5% of the premium cost

Life Insurance Benefits:

Eligible retirees in all tiers are provided a \$10,000 whole life insurance fully paid by TriMet.

**TRIMET OTHER POSTEMPLOYMENT BENEFIT PLAN
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APPENDIX C – SUMMARY OF PLAN PROVISIONS

Summary of 2024 Benefit Plans:

TriMet Medical Plan - Union		
Plan	Regence PPO 90/10	Regence PPO 80/20
<u>In-Network (INN) Benefits</u>		
Deductible (Individual / Family)	\$150 / \$450	\$300 / \$900
Coinsurance	90%	80%
Out-of-Pocket Max (Individual / Family)	\$1,650 / \$4,950	\$2,300 / \$6,900
Coverages		
Preventive Care	Fully Covered	Fully Covered
Well Woman (Mamm / Annual GYN / Pap)	Fully Covered	Fully Covered
Office Visit (OV)-Primary Care (PCP)	Deduct + Coinsurance	Deduct + Coinsurance
OV - Specialist Care Provider (SCP)	Deduct + Coinsurance	Deduct + Coinsurance
Hospital Emergency Room (ER)	\$50 Copay ¹	\$50 Copay ¹
Ambulance	Fully Covered up to 500 Miles	\$50 Copay; 500 Mile annual limit
Outpatient Surgery	Deduct + Coinsurance	Deduct + Coinsurance
Hospital Inpatient	Deduct + Coinsurance	Deduct + Coinsurance
Lifetime Max	No Limit	No Limit
<u>Out-of-Network (OON) Benefits</u>		
Deductible (Individual / Family)	\$450 / \$1,350	\$900 / \$2,700
Coinsurance	70%	60%
Office Visits (PCP) & (SCP)	Deduct + Coinsurance	Deduct + Coinsurance
Out-of-Pocket Max (Individual / Family)	\$3,450 / \$10,350	\$4,900 / \$14,700
Lifetime Max	No Limit	No Limit
<u>Prescription Drugs</u>		
Out-of-Pocket Max (Individual / Family)	\$1,000 / \$3,000	\$2,000 / \$5,000
Retail (30 Days)	20% with \$5 min / 20% with \$15 min / 50% ²	\$10 / 20% with \$25 min / 50% ²
Mail Order (90 Days)	20% with \$5 min / 20% with \$15 min / 50% ²	\$30 / 20% with \$75 min / 50% ²
<u>Mental Health and Substance Abuse</u>		
Mental Health and Substance Abuse Inpatient	Deduct + Coinsurance	Deduct + Coinsurance
Mental Health and Substance Abuse Outpatient	Coinsurance only (no Deduct)	Coinsurance only (no Deduct)
<u>Vision Care Services</u>		
Exam	Fully Covered	Fully Covered
Frames / Lens	Hardware: Up to \$200 allowance	Hardware: Up to \$200 allowance

¹ Copay waived if admitted

² No deductible for preferred brand-name insulin or preventive medications; coinsurance for preferred brand-name insulin not to exceed \$100 for retail and \$300 for mail

**TRIMET OTHER POSTEMPLOYMENT BENEFIT PLAN
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APPENDIX C – SUMMARY OF PLAN PROVISIONS

TriMet Medical Plan - Union (cont.)		
Plan	Regence HSA	Kaiser HMO
<u>In-Network (INN) Benefits</u>		
Deductible (Individual / Family)	\$1,600 / \$3,200	None
Coinsurance	80%	100%
Out-of-Pocket Max (Individual / Family)	\$5,000 / \$10,000 ¹	\$600 / \$1,200
Coverages		
Preventive Care	Fully Covered	Fully Covered
Well Woman (Mamm / Annual GYN / Pap)	Fully Covered	Fully Covered
Office Visit (OV)-Primary Care (PCP)	Deduct + Coinsurance	\$10 Copay
OV - Specialist Care Provider (SCP)	Deduct + Coinsurance	\$10 Copay
Hospital Emergency Room (ER)	Deduct + Coinsurance	\$100 Copay ²
Ambulance	Deduct + Coinsurance	\$75 Copay
Outpatient Surgery	Deduct + Coinsurance	\$20 Copay
Hospital Inpatient	Deduct + Coinsurance	\$50 Copay/day, up to \$250/admission
Lifetime Max	No Limit	No Limit
<u>Out-of-Network (OON) Benefits</u>		
Deductible (Individual / Family)	Combined with INN	
Coinsurance	60%	
Office Visits (PCP) & (SCP)	Deduct + Coinsurance	
Out-of-Pocket Max (Individual / Family)	Combined with INN	
Lifetime Max	No Limit	
<u>Prescription Drugs</u>		
Out-of-Pocket Max (Individual / Family)	Combined with Medical	N/A
Retail (30 Days)	Deduct + Coinsurance ³	\$10 Copay
Mail Order (90 Days)	Deduct + Coinsurance ³	\$20 Copay
<u>Mental Health and Substance Abuse</u>		
Mental Health and Substance Abuse Inpatient	Deduct + Coinsurance	\$50 Copay/day, up to \$250/admission
Mental Health and Substance Abuse Outpatient	Deduct + Coinsurance	\$10 Copay
<u>Vision Care Services</u>		
Exam	Fully Covered	\$10 Copay
Frames / Lens	Hardware: Up to \$200 allowance	Up to \$150 allowance every two calendar years ⁴

¹ For the family out-of-pocket maximum, an individual's out-of-pocket expenses won't exceed \$6,850 (2021)

² Copay waived if admitted

³ No deductible for preferred brand-name insulin or preventive medications; coinsurance for preferred brand-name insulin not to exceed \$100 for retail and \$300 for mail

⁴ If you are age 18 years or younger, there is no charge for one pair of standard frames and lenses (or contact lenses) every 12 months

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APPENDIX C – SUMMARY OF PLAN PROVISIONS

TriMet Medicare Plans - Union		
Plan	United Healthcare	Kaiser Senior Advantage
<u>In-Network (INN) Benefits</u>	In- / Out-of-Network	In-Network Only
Deductible	None	None
Coinsurance	N/A	N/A
Out-of-Pocket Max	\$1,500	\$600
Coverages		
Preventive Care	Fully Covered	Fully Covered
Office Visit (OV)-Primary Care (PCP)	\$10 Copay	\$10 Copay
OV - Specialist Care Provider (SCP)	\$20 Copay	\$10 Copay
Hospital Emergency Room (ER)	\$65 Copay ¹	\$50 Copay ¹
Outpatient Surgery	\$100 Copay	\$20 Copay
Hospital Inpatient	\$250 Copay	\$50 Copay/day, up to \$250/admission
<u>Prescription Drugs</u>		
Out-of-Pocket Max	None	None
Retail (30 Days)	\$10 / \$25 / 50% up to \$95 / 33% up to \$95	\$10 Copay
Mail Order (90 Days)	\$30 / \$75 / 50% up to \$95 / 33% up to \$95	\$20 Copay
<u>Vision Care Services</u>		
Exam	\$20 Copay every 12 months	\$10 Copay
Frames / Lens	Up to \$130 allowance (\$175 for contacts) every 2 years	Up to \$150 allowance every 2 years

¹ Copay waived if admitted

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APPENDIX C – SUMMARY OF PLAN PROVISIONS

Summary of Key Substantive Plan Provisions – Non-Union Members

Eligibility: Retirees who were employees immediately prior to retirement are eligible for OPEB benefit if the following requirements are met:

Tier 1 (hired prior to April 27, 2003): Age 55 and 5 years of credited service as a Non-Union employee.

Tier 2 (hired on or after April 17, 2003 and before May 1, 2009): Age 55 and 10 years of credited service as a Non-Union employee.

Tier 3 (hired on or after May 1, 2009): Age 62 and 3 years of credited service as a Non-Union employee.

Healthcare Benefit:

Medical, prescription drug, dental, and vision benefits are provided to all covered retirees, spouses, and domestic partners. Dependents receive all benefits.

Benefits are payable over the life of the retiree and spouse or domestic partner while both are alive. Following the retiree’s death, benefits continue to the surviving spouse or domestic partner, and qualified dependent(s) until the earlier of the survivor’s death or 10 years after the retiree’s death.

Retirees and their dependents under age 65 and non-Medicare eligible may continue to receive the same healthcare coverage received prior to retirement. Upon Medicare eligibility, retirees must enroll in a Medicare Advantage plan.

Retiree health benefits cease for Tier 3 retirees when the employee becomes Medicare eligible.

Retiree Contributions

Retirees pay a portion of the health care premium according to the following schedule:

Non-Union Tiers	Premium Contribution
Grandfathered (retired prior to January 1, 1988)	0%
Tier 1 and Tier 2 (hired before May 1, 2009)	
Full Time	6%
Part Time (over 30 hours / week)	6%
Part Time (less than 30 hours / week)	25%
Tier 3	100%

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APPENDIX C – SUMMARY OF PLAN PROVISIONS

Life Insurance Benefits:

Grandfathered retirees and eligible retirees in Tiers 1 and 2 are provided a \$10,000 whole life insurance fully paid by TriMet.

Summary of 2024 Benefit Plans:

Plan	TriMet Medical Plan - Non Union		
	Regence PPO 80/20	Regence HSA	Kaiser HMO
<u>In-Network (INN) Benefits</u>			
Deductible (Individual / Family)	\$300 / \$900	\$1,600 / \$3,200	None
Coinsurance	80%	80%	100%
Out-of-Pocket Max (Individual / Family)	\$2,300 / \$6,900	\$5,000 / \$10,000 ¹	\$600, \$1,200
Coverages			
Preventive Care	Fully Covered	Fully Covered	Fully Covered
Well Woman (Mamm / Annual GYN / Pap)	Fully Covered	Fully Covered	Fully Covered
Office Visit (OV)-Primary Care (PCP)	Deduct + Coinsurance	Deduct + Coinsurance	\$10 Copay
OV - Specialist Care Provider (SCP)	Deduct + Coinsurance	Deduct + Coinsurance	\$10 Copay
Hospital Emergency Room (ER)	\$50 Copay ²	Deduct + Coinsurance	\$100 Copay ²
Ambulance	\$50 Copay; 500 Mile annual limit	Deduct + Coinsurance	\$75 Copay
Outpatient Surgery	Deduct + Coinsurance	Deduct + Coinsurance	\$20 Copay
Hospital Inpatient	Deduct + Coinsurance	Deduct + Coinsurance	\$50 Copay/day, up to \$250/admission
Lifetime Max	No Limit	No Limit	No Limit
<u>Out-of-Network (OON) Benefits</u>			
Deductible (Individual / Family)	\$900 / \$2,700	Combined with INN	
Coinsurance	60%	60%	
Office Visits (PCP) & (SCP)	Deduct + Coinsurance	Deduct + Coinsurance	
Out-of-Pocket Max (Individual / Family)	\$4,900 / \$14,700	Combined with INN	
Lifetime Max	No Limit	No Limit	
<u>Prescription Drugs</u>			
Out-of-Pocket Max (Individual / Family)	\$2,000 / \$5,000	Combined with Medical	N/A
Retail (30 Days)	\$10 / 20% with \$25 min / 50% ³	Deduct + Coinsurance ³	\$10 Copay
Mail Order (90 Days)	\$30 / 20% with \$75 min / 50% ³	Deduct + Coinsurance ³	\$20 Copay
<u>Mental Health and Substance Abuse</u>			
Mental Health and Substance Abuse Inpatient	Deduct + Coinsurance	Deduct + Coinsurance	\$50 Copay/day, up to \$250/admission
Mental Health and Substance Abuse Outpatient	Coinsurance only (no Deduct)	Deduct + Coinsurance	\$10 Copay
<u>Vision Care Services</u>			
Exam	Fully Covered	Fully Covered	\$10 Copay
Frames / Lens	Up to \$200 allowance every 24 months	Up to \$200 allowance every 24 months	Up to \$150 allowance every two calendar years ⁴

¹ For the family out-of-pocket maximum, an individual's out-of-pocket expenses won't exceed \$6,850 (2021)

² Copay waived if admitted

³ No deductible for preferred brand-name insulin or preventive medications; coinsurance for preferred brand-name insulin not to exceed \$100 for retail and \$300 for mail

⁴ If you are age 18 years or younger, there is no charge for one pair of standard frames and lenses (or contact lenses) every 12 months

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APPENDIX C – SUMMARY OF PLAN PROVISIONS

TriMet Medicare Plans - Non Union		
Plan	United Healthcare	Kaiser Senior Advantage
<u>In-Network (INN) Benefits</u>	In- / Out-of-Network	In-Network Only
Deductible	None	None
Coinsurance	N/A	N/A
Out-of-Pocket Max	\$1,500	\$600
Coverages		
Preventive Care	Fully Covered	Fully Covered
Office Visit (OV)-Primary Care (PCP)	\$10 Copay	\$10 Copay
OV - Specialist Care Provider (SCP)	\$20 Copay	\$10 Copay
Hospital Emergency Room (ER)	\$65 Copay ¹	\$50 Copay ¹
Outpatient Surgery	\$100 Copay	\$20 Copay
Hospital Inpatient	\$250 Copay	\$50 Copay/day, up to \$250/admission
<u>Prescription Drugs</u>		
Out-of-Pocket Max	None	None
Retail (30 Days)	\$10 / \$25 / 50% up to \$95 / 33% up to \$95	\$10 Copay
Mail Order (90 Days)	\$30 / \$75 / 50% up to \$95 / 33% up to \$95	\$20 Copay
<u>Vision Care Services</u>		
Exam	\$20 Copay every 12 months	\$10 Copay
Frames / Lens	Up to \$130 allowance (\$175 for contacts) every 2 years	Up to \$150 allowance every 2 years

¹ Copay waived if admitted

APPENDIX D – GLOSSARY OF TERMS

1. Actuarially Determined Contribution

A target or recommended contribution for the reporting period, determined in conformity with Actuarial Standards of Practice based on the most recent measurement available when the contribution for the reporting period was adopted.

2. Actuarial Valuation Date

The date as of which an actuarial valuation is performed. This date may be up to 24 months prior to the measurement date and up to 30 months prior to the employer’s reporting date.

3. Deferred Inflow of Resources

An acquisition of net assets by a government employer that is applicable to a future reporting period. In the context of GASB 75, these are experience gains on the Total OPEB Liability, assumption changes reducing the Total OPEB Liability, or investment gains that are recognized in future reporting periods.

4. Deferred Outflow of Resources

A consumption of net assets by a government employer that is applicable to a future reporting period. In the context of GASB 75, these are experience losses on the Total OPEB Liability, assumption changes increasing the Total OPEB Liability or investment losses that are recognized in future reporting periods.

5. Entry Age Actuarial Cost Method

The actuarial cost method required for GASB 74 and 75 calculations. Under this method, the actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis over the earnings of the individual between entry age and assumed exit ages. The portion of this actuarial present value allocated to a valuation year is called the service cost. The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future service costs is called the Total OPEB Liability.

6. Measurement Date

The date as of which the Total OPEB Liability and plan fiduciary net position are measured. The Total OPEB Liability may be projected from the actuarial valuation date to the measurement date. The measurement date must be the same as the reporting date for the plan.

APPENDIX D – GLOSSARY OF TERMS

7. Net OPEB Liability

The liability of employers and nonemployer contributing entities for employees for benefits provided through a defined benefit OPEB plan. It is calculated as the Total OPEB Liability less the plan fiduciary net position.

8. Plan Fiduciary Net Position

The fair or Market Value of Assets.

9. Reporting Date

The last day of the plan or employer's fiscal year.

10. Service Cost

The portion of the actuarial present value of projected benefit payments that is attributed to the current period of employee service in conformity with the requirements of GASB 74 and 75. The service cost is the normal cost calculated under the Entry Age Actuarial Cost Method.

11. Total OPEB Liability

The portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service in conformity with the requirements of GASB 74 and 75. The Total OPEB Liability is the Actuarial Liability calculated under the Entry Age Actuarial Cost Method.



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