

## Assumption and Method Changes, effective for the year starting July 1, 2022

Source: Actuarial Analysis of Demographic Experience Study through calendar year 2021

# Termination Experience

Level service increment (independent of age)

No changes to incremental service rates

	0	1	2	3	4
Assumption	22.5%	14.0%	10.0%	7.0%	4.0%
2007-2011 experience	22.4%	14.3%	9.3%	6.1%	5.4%
2012-2016 experience	22.4%	14.1%	11.0%	9.8%	4.4%
2017-2021 experience	21.7%	13.7%	11.8%	6.3%	5.4%
2017-2019 experience	21.5%	12.2%	10.3%	6.5%	5.6%
Recommendation	22.5%	14.0%	10.0%	7.0%	4.0%

Source: Actuarial Analysis of Demographic Experience Study through calendar year 2021

## Termination Experience

Maintain adopt asymmetric U-shape of ultimate rates

Increase age 65 bend point from 10% to 15%

Rates geometrically progress over 15-year intervals

- from 15% at age 20 to 9% at age 35
- from 9% at age 35 to 5% at age 50
- from 5% at age 50 to **15%** at age 65

Ultimate rate levels out at **15%** for ages 65 and above

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## Early Retirement Experience

	Current	Revised
55	7.0%	7.0%
56	7.0%	7.0%
57	7.0%	7.0%
58	7.0%	7.0%
59	7.0%	7.0%
60	7.0%	7.0%
61	7.0%	7.0%
62	30.0%	<b>20.0%</b>
63	17.5%	<b>20.0%</b>
64	17.5%	<b>20.0%</b>

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## Unreduced Retirement Experience

	Current	Revised
55	25%	<b>35%</b>
56	17%	<b>15%</b>
57	17%	<b>15%</b>
58	17%	<b>15%</b>
59	17%	<b>15%</b>
60	17%	<b>15%</b>
61	17%	<b>15%</b>
62	30%	<b>35%</b>
63	20%	<b>15%</b>
64	15%	15%
65	30%	30%
66	30%	30%
67	30%	30%
68	30%	30%
69	30%	30%
70	100%	100%

**Source: Actuarial Analysis of Demographic Experience Study through calendar year 2021**

## **Pay Increase Experience**

Maintain shape of pay increase curve

Parallel shift to reflect future expectations

- inflation will come under control
- probably will not return to historically low levels
- increase all ages 0.5%

**Source: Actuarial Analysis of Demographic Experience Study through calendar year 2021**

## **Mortality Experience**

Increase healthy life mortality 20% at all ages

Adopt the ultimate disabled life mortality rates from the 2022 OASDI [Social Security] Trustees report