

# **TriMet Other Postemployment Benefit Plan**

**GASB 74/75 Report  
as of January 1, 2023**

**Produced by Cheiron**

**May 2023**

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**TRIMET OTHER POSTEMPLOYMENT BENEFIT PLAN  
GASB 74/75 REPORTING FOR JANUARY 1, 2023 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, 2022 and January 1, 2023;
- 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, 2023, which is used for the Plan’s GASB 74 reporting and for TriMet’s GASB 75 reporting as of June 30, 2023. Measurements are based on the Total OPEB Liability and the fair value of assets as of January 1, 2023.

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**SECTION I – EXECUTIVE SUMMARY**

Table I-1 below summarizes the January 1, 2023 and January 1, 2022 actuarial valuation results.

<b>Table I-1 Summary of Key Valuation Results</b>		
<b>Valuation Date</b>	<b>GASB 75</b>	
	<b>01/01/2023</b>	<b>01/01/2022</b>
Discount Rate	3.72%	2.06%
<b>Total OPEB Liability</b>		
<u>Union</u>		
Active	\$ 239,674,682	\$ 336,989,112
Inactive	325,315,056	391,371,093
Total Union	\$ 564,989,738	\$ 728,360,205
<u>Non-Union</u>		
Active	\$ 28,509,447	\$ 36,804,313
Inactive	29,744,206	33,835,477
Total Non-Union	\$ 58,253,653	\$ 70,639,790
<b>Total</b>	<b>\$ 623,243,391</b>	<b>\$ 798,999,995</b>
Market Value of Assets	414,819	427,985
<b>Net OPEB Liability</b>	<b>\$ 622,828,572</b>	<b>\$ 798,572,010</b>

The Total OPEB Liability decreased from \$799.0 million to \$623.2 million. The expected liability for this year, reflecting an additional year of service and interest offset by the benefits paid, was \$818.4 million. The actual liability decreased \$195.2 million compared to the expected liability. The increase in the discount rate reduced the liability by \$152.9 million, and premium experience reduced the liability by \$44.2 million. In addition, there was a demographic experience gain that further reduced the liability by \$14.1 million. These decreases were offset by a \$16.0 million increase due to the changes to the inflation assumption, wage inflation assumption, and the medical trend rates.

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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.

<b>Table I-2 Summary of Union Valuation Results</b>			
	<b>Streetcar</b>	<b>Non-Streetcar</b>	<b>Total</b>
<b>Total OPEB Liability</b>			
Active	\$ 9,011,401	\$ 230,663,281	\$ 239,674,682
Inactive	6,912,112	318,402,944	325,315,056
Total	\$ 15,923,513	\$ 549,066,225	\$ 564,989,738
<b>Service Cost</b>	<b>\$ 593,208</b>	<b>\$ 14,485,432</b>	<b>\$ 15,078,640</b>

Table I-3 below provides a summary of the key GASB 75 results during this measurement period. Contributions between the measurement date of January 1, 2023 and the fiscal year-end are reported as a deferred outflow of resources.

<b>Table I-3 Summary of Key Results</b>			
<b>Reporting Date</b>	<b>6/30/2023</b>	<b>6/30/2022</b>	
<b>Measurement Date</b>	<b>1/1/2023</b>	<b>1/1/2022</b>	
Net OPEB Liability	\$ 622,828,572	\$ 798,572,010	
Deferred Outflows	126,663,708	164,361,160	
Deferred Inflows	382,632,848	270,529,343	
Net Impact on Statement of Net Position	\$ 878,797,712	\$ 904,740,193	
<b>Contributions Subsequent to Measurement Date</b>			
Explicit Subsidy			
Union	\$ 10,020,156	\$ 10,105,615	
Non-Union	933,240	863,966	
Implicit Subsidy			
Union	1,095,321	1,490,486	
Non-Union	144,515	144,896	
Total	\$ 12,193,232	\$ 12,604,963	
OPEB Expense (\$ Amount)	\$ (2,809,443)	\$ 39,768,314	
OPEB Expense (% of Payroll)	-1.12%	16.38%	

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**SECTION I – EXECUTIVE SUMMARY**

At the June 30, 2023 reporting date, TriMet will report a Net OPEB Liability (NOL) of \$622,828,572, deferred outflows of resources of \$126,663,708, and deferred inflows of resources of \$382,632,848 related to the Plan. Consequently, the net impact on TriMet’s statement of net position due to the Plan would be \$878,797,712 [ $\$878,797,712 = \$622,828,572 - \$126,663,708 + \$382,632,848$ ]. 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 \$11.0 million and implicit subsidy payments of \$1.6 million between January 1, 2023 and June 30, 2023. The estimated explicit subsidy payments shown in Table I-3 should be replaced with actual amounts when those amounts are known after the fiscal year-end.

The NOL decreased approximately \$175.7 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 seven years as of both the current and 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, 2023, the annual OPEB expense is (\$2,809,443) or (1.12%) of covered-employee payroll. This amount reflects TriMet’s contributions to the Plan during the measurement period, \$23,133,038, plus the change in the net impact on TriMet’s statement of net position [ $\$2,809,443 = \$23,133,038 + \$878,797,712 - \$904,740,193$ ]. Volatility in OPEB expense from year to year is to be expected. The negative OPEB expense (or OPEB income) reflects recognition of recent experience gains as well as the significant increase in the discount rate this year. A breakdown of the components of the net OPEB expense is shown in Section V of this report.

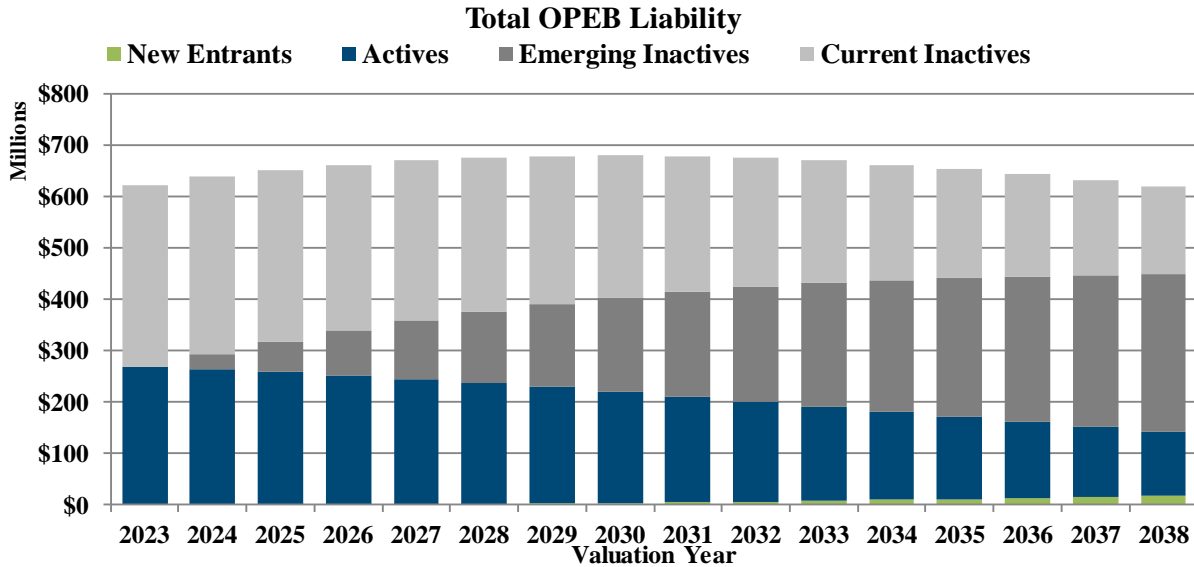
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**SECTION I – EXECUTIVE SUMMARY**

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.

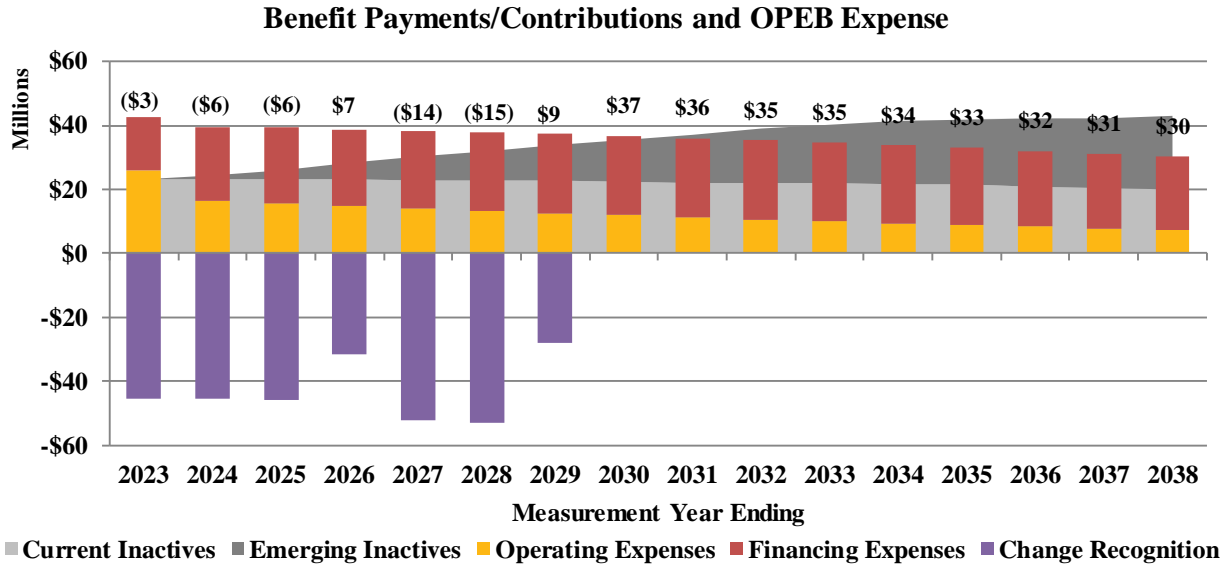


The chart on the following page shows a projection of benefit payments and OPEB expense for the next 15 years assuming the discount rate remains constant, all assumptions are met, and contributions are equal to the benefit payments each year.

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 \$23.1 million in 2023 to almost \$43 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 \$26 million to approximately \$7 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 3.72% and all other assumptions are met, the financing expense is expected to remain relatively stable over the projection period at approximately \$23 million.

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 the next seven years due primarily to the experience gains the last two years and the increase in the discount rate this year. 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 income is expected for five of the next six years and the expense is expected to remain low until the recent experience gains and discount rate change are fully recognized in seven years. In 2030, the OPEB expense is expected to jump from \$9 million to \$37 million and then gradually decline to \$30 million in 2038.



**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 their 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. 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.

Projections in this report were developed using *H-Scan*, our proprietary tool for developing deterministic projections of the future financial status of the plan. The *H-Scan* projection uses standard roll-forward techniques that implicitly assume a stable active population. Changes in the demographic characteristics of the active population will lead to different results.

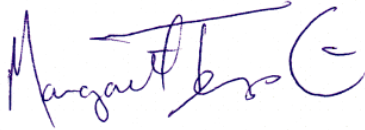
Future actuarial measurements may differ significantly from the current measurements due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; and, changes in plan provisions or applicable 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, 2022 was 2.06%. The discount rate used to measure the Total OPEB Liability as of January 1, 2023 was 3.72%. 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, 2022 and 2023 measurement dates is equal to the yield on the Bond Buyer 20-Bond GO Index as of December 30, 2021 and December 29, 2022, 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.

<b>Table III-1</b>				
<b>Expected Net Benefit Payments - Total</b>				
<b>Measurement Year</b>				
<b>Ending December 31</b>	<b>Implicit Medical</b>	<b>Explicit Medical</b>	<b>Retiree Life Insurance</b>	<b>Total</b>
2023	\$ 2,468,218	\$ 21,252,371	\$ 559,953	\$ 24,280,542
2024	2,665,489	22,856,227	588,823	26,110,539
2025	3,044,970	24,772,753	620,118	28,437,841
2026	3,213,501	26,434,129	650,411	30,298,041
2027	3,380,783	28,028,339	681,773	32,090,895
2028	3,621,635	29,647,183	713,454	33,982,272
2029	3,776,221	31,138,890	746,004	35,661,115
2030	3,851,299	32,417,253	778,014	37,046,566
2031	4,268,132	34,018,734	808,306	39,095,172
2032	4,194,349	35,068,488	837,650	40,100,487
2033	4,441,353	36,179,254	866,574	41,487,181
2034	4,235,648	36,731,962	890,735	41,858,345
2035	4,168,504	37,240,650	912,301	42,321,455
2036	3,920,019	37,465,634	930,662	42,316,315
2037	4,045,333	37,789,011	946,028	42,780,372
2038	3,900,515	37,763,224	958,092	42,621,831
2039	3,738,014	37,618,000	966,999	42,323,013
2040	3,964,201	37,780,698	972,414	42,717,313
2041	3,727,765	37,355,448	974,246	42,057,459
2042	3,652,120	37,088,173	972,684	41,712,977
2043	3,602,894	36,735,629	967,897	41,306,420
2044	3,504,261	36,087,576	959,922	40,551,759
2045	3,437,676	35,380,404	949,008	39,767,088
2046	3,300,647	34,616,421	935,512	38,852,580
2047	3,399,330	33,989,305	919,562	38,308,197
2048	3,306,849	33,084,644	901,552	37,293,045
2049	3,131,502	32,192,606	881,664	36,205,772
2050	2,993,214	31,216,718	860,246	35,070,178
2051	2,800,276	30,003,837	837,546	33,641,659
2052	2,482,968	28,837,711	813,828	32,134,507

**TRIMET OTHER POSTEMPLOYMENT BENEFIT PLAN  
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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.

<b>Table III-2 Expected Net Benefit Payments - Union</b>				
<b>Measurement Year</b>				
<b>Ending December 31</b>	<b>Implicit Medical</b>	<b>Explicit Medical</b>	<b>Retiree Life Insurance</b>	<b>Total</b>
2023	\$ 2,180,485	\$ 19,447,437	\$ 506,567	\$ 22,134,489
2024	2,371,870	20,937,638	532,796	23,842,304
2025	2,710,927	22,698,535	561,360	25,970,822
2026	2,849,933	24,240,587	588,909	27,679,429
2027	2,985,200	25,707,534	617,420	29,310,154
2028	3,162,975	27,178,266	646,133	30,987,374
2029	3,364,574	28,638,159	675,637	32,678,370
2030	3,405,832	29,822,247	704,578	33,932,657
2031	3,792,145	31,309,928	731,675	35,833,748
2032	3,720,103	32,269,802	757,782	36,747,687
2033	3,919,762	33,342,054	783,471	38,045,287
2034	3,669,860	33,832,417	804,472	38,306,749
2035	3,635,062	34,321,254	822,933	38,779,249
2036	3,339,814	34,428,637	838,299	38,606,750
2037	3,430,651	34,687,357	850,838	38,968,846
2038	3,292,316	34,649,911	860,367	38,802,594
2039	3,158,595	34,480,530	867,022	38,506,147
2040	3,327,099	34,574,494	870,580	38,772,173
2041	3,120,639	34,182,658	870,998	38,174,295
2042	3,070,635	33,963,959	868,548	37,903,142
2043	3,017,760	33,600,513	863,369	37,481,642
2044	2,877,013	33,008,779	855,585	36,741,377
2045	2,830,655	32,397,409	845,460	36,073,524
2046	2,741,979	31,731,091	833,311	35,306,381
2047	2,805,319	31,144,004	819,194	34,768,517
2048	2,731,291	30,338,026	803,482	33,872,799
2049	2,597,422	29,507,858	786,295	32,891,575
2050	2,460,736	28,617,892	767,886	31,846,514
2051	2,299,278	27,504,018	748,460	30,551,756
2052	2,025,636	26,403,936	728,171	29,157,743

**TRIMET OTHER POSTEMPLOYMENT BENEFIT PLAN  
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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.

<b>Table III-3 Expected Net Benefit Payments - Non Union</b>					
<b>Measurement Year</b>		<b>Implicit</b>	<b>Explicit</b>	<b>Retiree Life</b>	
<b>Ending December 31</b>		<b>Medical</b>	<b>Medical</b>	<b>Insurance</b>	<b>Total</b>
2023	\$	287,733	\$ 1,804,934	\$ 53,386	\$ 2,146,053
2024		293,619	1,918,589	56,027	2,268,235
2025		334,043	2,074,218	58,758	2,467,019
2026		363,568	2,193,542	61,502	2,618,612
2027		395,583	2,320,805	64,353	2,780,741
2028		458,660	2,468,917	67,321	2,994,898
2029		411,647	2,500,731	70,367	2,982,745
2030		445,467	2,595,006	73,436	3,113,909
2031		475,987	2,708,806	76,631	3,261,424
2032		474,246	2,798,686	79,868	3,352,800
2033		521,591	2,837,200	83,103	3,441,894
2034		565,788	2,899,545	86,263	3,551,596
2035		533,442	2,919,396	89,368	3,542,206
2036		580,205	3,036,997	92,363	3,709,565
2037		614,682	3,101,654	95,190	3,811,526
2038		608,199	3,113,313	97,725	3,819,237
2039		579,419	3,137,470	99,977	3,816,866
2040		637,102	3,206,204	101,834	3,945,140
2041		607,126	3,172,790	103,248	3,883,164
2042		581,485	3,124,214	104,136	3,809,835
2043		585,134	3,135,116	104,528	3,824,778
2044		627,248	3,078,797	104,337	3,810,382
2045		607,021	2,982,995	103,548	3,693,564
2046		558,668	2,885,330	102,201	3,546,199
2047		594,011	2,845,301	100,368	3,539,680
2048		575,558	2,746,618	98,070	3,420,246
2049		534,080	2,684,748	95,369	3,314,197
2050		532,478	2,598,826	92,360	3,223,664
2051		500,998	2,499,819	89,086	3,089,903
2052		457,332	2,433,775	85,657	2,976,764

**TRIMET OTHER POSTEMPLOYMENT BENEFIT PLAN  
GASB 74/75 REPORTING FOR JANUARY 1, 2023 MEASUREMENT DATE**

**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, 2023.

<b>Table IV - 1 Change in Net OPEB Liability</b>					
	Increase (Decrease)				
	Total OPEB Liability			Plan Fiduciary	Net OPEB
	Union	Non Union	Total	Net Position	Liability
<b>Balances at 1/1/2022</b>	\$ 728,360,205	\$ 70,639,790	\$ 798,999,995	\$ 427,985	\$ 798,572,010
<b>Changes for the year:</b>					
Service cost	24,380,898	1,692,459	26,073,357		26,073,357
Interest	15,037,275	1,452,256	16,489,531		16,489,531
Changes of benefits	0	0	0		0
Differences between expected and actual experience	(57,275,225)	(1,042,203)	(58,317,428)		(58,317,428)
Changes of assumptions	(124,358,132)	(12,510,894)	(136,869,026)		(136,869,026)
Contributions - employer				23,133,038	(23,133,038)
Contributions - member				0	0
Net investment income				(13,166)	13,166
Benefit payments					0
Explicit subsidy	(18,437,420)	(1,711,485)	(20,148,905)	(20,148,905)	
Implicit subsidy	(2,717,863)	(266,270)	(2,984,133)	(2,984,133)	
Administrative expense				0	0
<b>Net changes</b>	<u>(163,370,467)</u>	<u>(12,386,137)</u>	<u>(175,756,604)</u>	<u>(13,166)</u>	<u>(175,743,438)</u>
<b>Balances at 1/1/2023</b>	<u>\$ 564,989,738</u>	<u>\$ 58,253,653</u>	<u>\$ 623,243,391</u>	<u>\$ 414,819</u>	<u>\$ 622,828,572</u>

During the measurement year, the NOL decreased by approximately \$175.7 million. The service cost and interest cost increased the NOL by approximately \$42.6 million while contributions net of investment losses decreased the NOL by approximately \$23.1 million.

There were no changes in benefits during the year. There were changes in assumptions during the measurement year, which decreased the TOL by approximately \$136.9 million. There was a liability gain during the year due to experience (population and health claims experience), which decreased the TOL by approximately \$58.3 million.

**TRIMET OTHER POSTEMPLOYMENT BENEFIT PLAN  
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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.

<b>Table IV - 2</b>			
<b>Sensitivity of NOL to Changes in Discount Rate</b>			
	<b>1% Decrease 2.72%</b>	<b>Discount Rate 3.72%</b>	<b>1% Increase 4.72%</b>
Total OPEB Liability	\$ 709,267,119	\$ 623,243,391	\$ 552,189,283
Plan Fiduciary Net Position	414,819	414,819	414,819
Net OPEB Liability	<u>\$ 708,852,300</u>	<u>\$ 622,828,572</u>	<u>\$ 551,774,464</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 11% and decreases the NOL by approximately 11%.

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.

<b>Table IV - 3</b>			
<b>Sensitivity of NOL to Changes in Healthcare Cost Trend Rates</b>			
	<b>1% Decrease</b>	<b>Healthcare Trend</b>	<b>1% Increase</b>
Total OPEB Liability	\$ 548,190,335	\$ 623,243,391	\$ 715,319,092
Plan Fiduciary Net Position	414,819	414,819	414,819
Net OPEB Liability	<u>\$ 547,775,516</u>	<u>\$ 622,828,572</u>	<u>\$ 714,904,273</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 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.

<b>Table IV - 4</b>			
<b>Schedule of Changes in Net OPEB Liability and Related Ratios</b>			
	<b>FYE 2023</b>	<b>FYE 2022</b>	<b>FYE 2021</b>
<b><u>Total OPEB Liability</u></b>			
Service cost (MOY)	\$ 26,073,357	\$ 37,110,964	\$ 34,523,816
Interest	16,489,531	20,148,914	24,849,490
Changes of benefit terms	0	0	0
Differences between expected and actual experience	(58,317,428)	(181,903,149)	(83,329,443)
Changes of assumptions	(136,869,026)	4,557,383	91,128,110
Benefit payments	(23,133,038)	(25,618,517)	(24,311,699)
<b>Net change in TOL</b>	<b>\$ (175,756,604)</b>	<b>\$ (145,704,405)</b>	<b>\$ 42,860,274</b>
<b>TOL - beginning</b>	<b>798,999,995</b>	<b>944,704,400</b>	<b>901,844,126</b>
<b>TOL - ending</b>	<b>\$ 623,243,391</b>	<b>\$ 798,999,995</b>	<b>\$ 944,704,400</b>
<b><u>Plan fiduciary net position</u></b>			
Contributions - employer	\$ 23,133,038	\$ 25,618,517	\$ 24,311,699
Contributions - member	0	0	0
Net investment income	(13,166)	(3,088)	6,488
Benefit payments	(23,133,038)	(25,618,517)	(24,311,699)
Administrative expense	0	0	0
<b>Net change in plan fiduciary net position</b>	<b>\$ (13,166)</b>	<b>\$ (3,088)</b>	<b>\$ 6,488</b>
<b>Plan fiduciary net position - beginning</b>	<b>427,985</b>	<b>431,073</b>	<b>424,585</b>
<b>Plan fiduciary net position - ending</b>	<b>\$ 414,819</b>	<b>\$ 427,985</b>	<b>\$ 431,073</b>
<b>NOL - ending</b>	<b>\$ 622,828,572</b>	<b>\$ 798,572,010</b>	<b>\$ 944,273,327</b>
<b>Plan fiduciary net position as a percentage of the TOL</b>	<b>0.07%</b>	<b>0.05%</b>	<b>0.05%</b>
<b>Covered employee payroll</b>	<b>\$ 251,642,570</b>	<b>\$ 242,736,619</b>	<b>\$ 234,229,741</b>
<b>NOL as a percentage of covered employee payroll</b>	<b>247.5%</b>	<b>329.0%</b>	<b>403.1%</b>

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**SECTION IV – GASB 74 REPORTING INFORMATION**

<b>Table IV - 4 (continued)</b>			
<b>Schedule of Changes in Net OPEB Liability and Related Ratios</b>			
	<b>FYE 2020</b>	<b>FYE 2019</b>	<b>FYE 2018</b>
<b><u>Total OPEB Liability</u></b>			
Service cost (MOY)	\$ 27,058,839	\$ 33,512,062	\$ 34,417,175
Interest	29,810,733	27,235,927	28,332,896
Changes of benefit terms	0	0	0
Differences between expected and actual experience	(22,271,619)	(32,503,320)	1,528,926
Changes of assumptions	165,525,233	(66,328,099)	1,192,225
Benefit payments	<u>(23,714,966)</u>	<u>(23,022,074)</u>	<u>(22,646,628)</u>
<b>Net change in TOL</b>	<b>\$ 176,408,220</b>	<b>\$ (61,105,504)</b>	<b>\$ 42,824,594</b>
<b>TOL - beginning</b>	<b><u>725,435,906</u></b>	<b><u>786,541,410</u></b>	<b><u>743,716,816</u></b>
<b>TOL - ending</b>	<b><u>\$ 901,844,126</u></b>	<b><u>\$ 725,435,906</u></b>	<b><u>\$ 786,541,410</u></b>
<b><u>Plan fiduciary net position</u></b>			
Contributions - employer	\$ 23,714,966	\$ 23,022,074	\$ 22,646,628
Contributions - member	0	0	0
Net investment income	13,468	7,777	1,914
Benefit payments	(23,714,966)	(23,022,074)	(22,646,628)
Administrative expense	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net change in plan fiduciary net position</b>	<b>\$ 13,468</b>	<b>\$ 7,777</b>	<b>\$ 1,914</b>
<b>Plan fiduciary net position - beginning</b>	<b><u>411,117</u></b>	<b><u>403,340</u></b>	<b><u>401,426</u></b>
<b>Plan fiduciary net position - ending</b>	<b><u>\$ 424,585</u></b>	<b><u>\$ 411,117</u></b>	<b><u>\$ 403,340</u></b>
<b>NOL - ending</b>	<b><u>\$ 901,419,541</u></b>	<b><u>\$ 725,024,789</u></b>	<b><u>\$ 786,138,070</u></b>
<b>Plan fiduciary net position as a percentage of the TOL</b>	0.05%	0.06%	0.05%
<b>Covered employee payroll</b>	\$ 236,032,015	\$ 219,239,977	\$ 198,559,646
<b>NOL as a percentage of covered employee payroll</b>	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 measurement date, this recognition period was seven 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, 2023						
	Deferred Outflows of Resources			Deferred Inflows of Resources		
	Union	Non-Union	Total	Union	Non-Union	Total
Differences between expected and actual experience	\$ 0	\$ 240,801	\$ 218,418	\$ 208,908,454	\$ 37,479,586	\$ 246,365,657
Changes in assumptions	114,273,487	13,235,505	126,438,191	122,826,024	14,511,968	136,267,191
Net difference between projected and actual earnings on OPEB plan investments	746	6,353	7,099	0	0	0
<b>Total</b>	<b>\$ 114,274,233</b>	<b>\$ 13,482,659</b>	<b>\$ 126,663,708</b>	<b>\$ 331,734,478</b>	<b>\$ 51,991,554</b>	<b>\$ 382,632,848</b>
Amounts reported as deferred outflows and deferred inflows of resources will be recognized in OPEB expense as follows:						
	<b>Year ended June 30:</b>	<b>Union</b>	<b>Non-Union</b>	<b>Total</b>		
	2024	(37,240,040)	(8,130,733)	(45,370,773)		
	2025	(38,217,131)	(7,539,684)	(45,756,815)		
	2026	(26,101,620)	(5,535,119)	(31,636,739)		
	2027	(43,670,255)	(8,431,898)	(52,102,153)		
	2028	(46,283,574)	(6,935,312)	(53,218,886)		
	Thereafter	\$ (25,947,625)	\$ (1,936,149)	\$ (27,883,774)		

During the year, the actual experience differed from the assumed experience decreasing the TOL by approximately \$58.3 million. Approximately \$8.3 million of that decrease was recognized as a reduction in OPEB expense in the current year and an identical amount will be recognized in each of the next six years.

Assumption changes (the increase in the discount rate, the changes in price and wage inflation, and the update of healthcare trends) decreased the TOL by approximately \$136.9 million. Approximately \$19.6 million of that decrease was recognized as a decrease in OPEB expense in the current year and an identical amount will be recognized in each of the next six years.

**TRIMET OTHER POSTEMPLOYMENT BENEFIT PLAN  
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**SECTION V – GASB 75 REPORTING INFORMATION**

The impact of investment gains or losses is recognized over a period of five years. Because the OPEB trust holds so few assets, we have assumed no investment income. As a result, all actual investment income is treated as a gain. During the measurement year, there was an investment loss of \$13,166. Of that loss, \$2,633 was recognized in the current year as a reduction in OPEB expense and an identical amount will be recognized in each of the next four years.

**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.

**TRIMET OTHER POSTEMPLOYMENT BENEFIT PLAN**  
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**SECTION V – GASB 75 REPORTING INFORMATION**

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.

<b>Table V - 2</b>				
<b>Calculation of OPEB Expense</b>				
	<b>Measurement Year Ending 2023</b>			
	<b>Union</b>	<b>Non-Union</b>	<b>Total</b>	<b>2022</b>
Change in Net OPEB Liability	\$(163,356,366)	\$(12,387,072)	\$(175,743,438)	\$(145,701,317)
Change in Deferred Outflows	34,163,480	4,445,993	37,697,452	33,147,168
Change in Deferred Inflows	110,214,009	977,475	112,103,505	126,703,946
Employer Contributions	<u>21,155,283</u>	<u>1,977,755</u>	<u>23,133,038</u>	<u>25,618,517</u>
<b>OPEB Expense</b>	<b>\$ 2,176,406</b>	<b>\$ (4,985,849)</b>	<b>\$ (2,809,443)</b>	<b>\$ 39,768,314</b>
<b>Operating Expenses</b>				
Service cost	\$ 24,380,898	\$ 1,692,459	\$ 26,073,357	\$ 37,110,964
Employee contributions	0	0	0	0
Administrative expenses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	\$ 24,380,898	\$ 1,692,459	\$ 26,073,357	\$ 37,110,964
<b>Financing Expenses</b>				
Interest cost	\$ 15,037,275	\$ 1,452,256	\$ 16,489,531	\$ 20,148,914
Expected return on assets	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	\$ 15,037,275	\$ 1,452,256	\$ 16,489,531	\$ 20,148,914
<b>Changes</b>				
Benefit changes	\$ 0	\$ 0	\$ 0	\$ 0
Recognition of assumption changes	8,281,363	176,608	8,457,971	28,010,690
Recognition of liability gains and losses	(45,518,480)	(8,309,524)	(53,828,004)	(45,496,943)
Recognition of investment gains and losses	<u>(4,650)</u>	<u>2,352</u>	<u>(2,298)</u>	<u>(5,311)</u>
Total	\$ (37,241,767)	\$ (8,130,564)	\$ (45,372,331)	\$ (17,491,564)
<b>OPEB Expense</b>	<b>\$ 2,176,406</b>	<b>\$ (4,985,849)</b>	<b>\$ (2,809,443)</b>	<b>\$ 39,768,314</b>

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**SECTION V – GASB 75 REPORTING INFORMATION**

The table below shows the projection of OPEB expense for the 2024 measurement year assuming that all assumptions are exactly met and that the discount rate, which is based on a municipal bond index, remains at 3.72%. This expense amount would be different if TriMet starts contributing to the Trust fund.

<b>Table V - 3</b>			
<b>Projection of OPEB Expense at 3.72%</b>			
	<b>Measurement Year Ending 2024</b>		
	<b>Union</b>	<b>Non-Union</b>	<b>Total</b>
Change in Net OPEB Liability	\$ 14,114,758	\$ 1,104,154	\$ 15,218,911
Change in Deferred Outflows	34,163,483	4,444,893	38,608,376
Change in Deferred Inflows	(71,403,523)	(12,575,626)	(83,979,149)
Employer Contributions	22,134,489	2,146,087	24,280,576
<b>OPEB Expense</b>	<b>\$ (990,793)</b>	<b>\$ (4,880,493)</b>	<b>\$ (5,871,286)</b>
<b>Operating Expenses</b>			
Service cost	\$ 15,356,547	\$ 1,102,439	\$ 16,458,986
Employee contributions	0	0	0
Administrative expenses	0	0	0
Total	\$ 15,356,547	\$ 1,102,439	\$ 16,458,986
<b>Financing Expenses</b>			
Interest cost	\$ 20,892,700	\$ 2,147,801	\$ 23,040,501
Expected return on assets	0	0	0
Total	\$ 20,892,700	\$ 2,147,801	\$ 23,040,501
<b>Changes</b>			
Benefit changes	\$ 0	\$ 0	\$ 0
Recognition of assumption changes	8,281,366	176,604	8,457,970
Recognition of liability gains and losses	(45,518,478)	(8,309,526)	(53,828,004)
Recognition of investment gains and losses	(2,928)	2,189	(739)
Total	\$ (37,240,040)	\$ (8,130,733)	\$ (45,370,773)
<b>OPEB Expense</b>	<b>\$ (990,793)</b>	<b>\$ (4,880,493)</b>	<b>\$ (5,871,286)</b>

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

The census data used to develop the Total OPEB Liability (TOL) as of January 1, 2023 was provided by TriMet.

<b>Union Membership Summary</b>			
<b>Valuation Date</b>	<b>1/1/2022</b>	<b>1/1/2023</b>	<b>% Change</b>
<b>Actives with coverage</b>			
Kaiser Permanente	1,227	1,218	-0.7%
Regence HSA	170	161	-5.3%
Regence PPO 80/20	597	650	8.9%
Regence Union PPO 90/10	411	343	-16.5%
<b>Total Actives with medical coverage</b>	<b>2,405</b>	<b>2,372</b>	<b>-1.4%</b>
Actives without medical coverage, with Dental	57	60	5.3%
Actives above with medical coverage, without Dental	6	0	-100.0%
Actives without medical coverage, without Dental	0	1	-
<b>Total Actives</b>	<b>2,462</b>	<b>2,433</b>	<b>-1.2%</b>
<b>Active Employees by Tier</b>			
Tier 1	0	0	0.0%
Tier 2	1,229	1,089	-11.4%
Tier 3	1,233	1,344	9.0%
<b>Total Actives</b>	<b>2,462</b>	<b>2,433</b>	<b>-1.2%</b>
<b>Retirees with coverage</b>			
Kaiser	110	104	-5.5%
Regence	165	162	-1.8%
Kaiser Senior Advantage	595	597	0.3%
UnitedHealthcare PPO	848	871	2.7%
<b>Total Retirees with medical and dental coverage</b>	<b>1,718</b>	<b>1,734</b>	<b>0.9%</b>
<b>Total Retirees with Life Insurance</b>	<b>1,613</b>	<b>1,645</b>	<b>2.0%</b>
<b>Total Retirees with Stipend</b>	<b>56</b>	<b>60</b>	<b>7.1%</b>
<b>Inactive Population Distribution</b>			
Retirees	1,402	1,436	2.4%
Disableds	211	209	-0.9%
Survivors	201	201	0.0%
<b>Total Inactive Population</b>	<b>1,814</b>	<b>1,846</b>	<b>1.8%</b>

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**APPENDIX A – MEMBERSHIP INFORMATION**

<b>Non-Union Membership Summary</b>			
<b>Valuation Date</b>	<b>1/1/2022</b>	<b>1/1/2023</b>	<b>% Change</b>
<b>Actives with coverage</b>			
Kaiser Permanente	210	217	3.3%
Regence HSA	50	58	16.0%
Regence PPO 80/20	247	264	6.9%
<b>Total Actives with medical coverage</b>	<b>507</b>	<b>539</b>	<b>6.3%</b>
Actives without medical coverage, with Dental	2	3	50.0%
Actives above with medical coverage, without Dental	0	0	-100.0%
Actives without medical coverage, without Dental	25	25	0.0%
<b>Total Actives</b>	<b>534</b>	<b>567</b>	<b>6.2%</b>
<b>Active Employees by Tier</b>			
Tier 1	98	91	-7.1%
Tier 2	52	53	1.9%
Tier 3	384	423	10.2%
<b>Total Actives</b>	<b>534</b>	<b>567</b>	<b>6.2%</b>
<b>Retirees with coverage</b>			
Kaiser Retiree - Open	9	13	44.4%
Kaiser Permanente	0	0	-100.0%
Regence HSA-Retiree	2	2	0.0%
Regence Retiree - Closed	1	1	0.0%
Regence Retiree 80/20	19	17	-10.5%
Kaiser Senior Advantage	51	50	-2.0%
UnitedHealthcare PPO	145	147	1.4%
<b>Total Retirees with medical and dental coverage</b>	<b>227</b>	<b>230</b>	<b>1.3%</b>
<b>Total Retirees with Life Insurance</b>	<b>230</b>	<b>236</b>	<b>2.6%</b>
<b>Inactive Population Distribution</b>			
Retirees	226	232	2.7%
Disableds	4	4	0.0%
Survivors	13	13	0.0%
<b>Total Inactive Population</b>	<b>243</b>	<b>249</b>	<b>2.5%</b>



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

**Active Member Data as of January 1, 2023:**

<b>ACTIVE UNION EMPLOYEES WITH MEDICAL COUNTS BY AGE/SERVICE</b>											
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	21	24	0	0	0	0	0	0	0	0	45
25 to 29	23	66	24	0	0	0	0	0	0	0	113
30 to 34	33	87	75	6	0	0	0	0	0	0	201
35 to 39	26	80	91	35	12	0	0	0	0	0	244
40 to 44	35	86	89	38	25	5	0	0	0	0	278
45 to 49	34	72	105	51	37	26	9	0	0	0	334
50 to 54	34	78	129	48	51	42	47	4	0	0	433
55 to 59	16	71	100	36	49	47	28	14	3	2	366
60 to 64	9	44	85	44	35	20	36	9	7	2	291
65 to 69	2	11	44	11	7	14	5	2	4	4	104
70 & up	4	2	6	2	2	4	1	2	0	1	24
<b>Total</b>	<b>237</b>	<b>621</b>	<b>748</b>	<b>271</b>	<b>218</b>	<b>158</b>	<b>126</b>	<b>31</b>	<b>14</b>	<b>9</b>	<b>2,433</b>

<b>ACTIVE NON-UNION EMPLOYEES WITH MEDICAL COUNTS BY AGE/SERVICE</b>											
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	3	0	0	0	0	0	0	0	0	0	3
25 to 29	9	12	1	0	0	0	0	0	0	0	22
30 to 34	12	17	10	0	0	0	0	0	0	0	39
35 to 39	14	34	26	5	2	0	0	0	0	0	81
40 to 44	11	28	28	4	6	5	0	0	0	0	82
45 to 49	6	26	24	5	14	9	2	0	0	0	86
50 to 54	8	28	18	11	6	16	7	2	0	0	96
55 to 59	7	18	13	5	12	9	10	3	3	0	80
60 to 64	6	16	7	4	3	3	8	2	2	0	51
65 to 69	2	2	8	2	1	2	2	1	1	1	22
70 & up	1	1	1	1	0	0	1	0	0	0	5
<b>Total</b>	<b>79</b>	<b>182</b>	<b>136</b>	<b>37</b>	<b>44</b>	<b>44</b>	<b>30</b>	<b>8</b>	<b>6</b>	<b>1</b>	<b>567</b>

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The discount rate, price inflation and per person health care cost trend assumptions were updated as described below. The 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**      2.06% as of January 1, 2022  
3.72% as of January 1, 2023  
Bond Buyer 20-Bond GO Index, December 30, 2021 and December 29, 2022
  
- 3. Discount Rate:**      2.06% as of January 1, 2022  
3.72% as of January 1, 2023
  
- 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. The assumption was increased based on 20-year break-even inflation rates and the first quarter of 2023 survey of professional economic forecasters published by the Philadelphia Federal Reserve.
  
- 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 2023. 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 2032+	1.40%
Extra Trend due to Taste/Technology 2032+	0.80%
Expected Health Share of GDP 2032	19.80%
Health Share of GDP Resistance Point	19.00%
Year for Limiting Cost Growth to GDP Growth	2043

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 2023 to 2025 were based on plan design, population weighting, renewal projections from the current health care actuary, and market analysis.

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. 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 2043 when it reaches 19.8% of GDP, at which point it will remain constant and grow at the same rate as GDP.

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.

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Medicare Part B Trends are developed from the published 2023 Medicare Trustees Report. The trend rates from 2023 through 2031 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 4.19%. We have used our 4.19% assumption in place of the Trustee report assumption so that the trend grades down from 6.25% in 2031 to 4.19% by 2043.

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		Medicare
	Pre-Medicare	Medicare		Year	Pre-Medicare	
2023	7.10%	7.00%	6.00%	2023	5.90%	7.00%
2024	7.50%	6.50%	5.84%	2024	6.30%	6.50%
2025	8.00%	6.20%	6.16%	2025	6.80%	6.20%
2026	7.50%	5.60%	7.23%	2026	6.30%	5.60%
2027	7.09%	5.50%	6.51%	2027	6.09%	5.50%
2028	6.67%	5.41%	7.04%	2028	5.87%	5.41%
2029	6.26%	5.31%	5.54%	2029	5.66%	5.31%
2030	5.85%	5.21%	6.08%	2030	5.45%	5.21%
2031	5.44%	5.12%	6.25%	2031	5.24%	5.12%
2032	5.02%	5.02%	5.02%	2032	5.02%	5.02%
2033	4.85%	4.85%	4.76%	2033	4.85%	4.85%
2034	4.62%	4.62%	4.75%	2034	4.62%	4.62%
2035	4.51%	4.51%	4.75%	2035	4.51%	4.51%
2036	4.44%	4.44%	4.63%	2036	4.44%	4.44%
2037	4.40%	4.40%	4.55%	2037	4.40%	4.40%
2038	4.37%	4.37%	4.50%	2038	4.37%	4.37%
2039	4.34%	4.34%	4.46%	2039	4.34%	4.34%
2040	4.33%	4.33%	4.43%	2040	4.33%	4.33%
2041	4.31%	4.31%	4.40%	2041	4.31%	4.31%
2042	4.25%	4.25%	4.35%	2042	4.25%	4.25%
2043+	4.19%	4.19%	4.19%	2043+	4.19%	4.19%

**9. Changes Since the Last Valuation**

The discount rate increased from 2.06% to 3.72% as of January 1, 2023. The price inflation assumption increased from 2.50% to 2.75%. The wage inflation assumption increased from 2.75% to 3.00% for Management and 3.25% for ATU. 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.

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.

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.

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**APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS**

**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.

<b>Medical Plan Elections for Future Union Retirees</b>			
<b>Plan</b>	<b>Pre-Medicare</b>	<b>Plan</b>	<b>Medicare Eligible</b>
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.

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

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

<b>Dental Elections for Future Retirees</b>		
<b>Gender</b>	<b>Union</b>	<b>Non-Union</b>
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.

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**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.

**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 25 to 55 with an average age of 38 and 80% 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 24 to 50 with an average age of 38 and 50% of the individuals are male.



APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS

**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 Inflation Reduction Act of 2022 (the Act) contains provisions that may impact the cost of benefits provided to Medicare eligible retirees. The Act provides for changes that could reduce costs and changes that could increase costs. Implementing regulations and market responses are likely to affect the net impact. Based on information currently available, we don't expect the Act to have a material impact on costs. However, we may adjust our assumptions in the future as more information emerges.

***Self-Insured Plans:*** The claims costs were developed based on actual medical, prescription drug, and dental claims paid from January 1, 2020 to December 31, 2022. 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 2023 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 2023. 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 2023 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, 2020 to December 31, 2022 for the self-insured plans, and based on the premiums in effect on January 1, 2023 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	\$ 6,408	\$ 9,169	\$ 8,291	\$ 11,863	\$ 620	\$ 709	\$ 556	\$ 636
45	7,817	9,949	10,114	12,873	688	774	617	694
50	9,654	11,388	12,491	14,734	791	855	709	767
55	12,182	13,405	15,761	17,344	909	936	815	839
60	15,749	15,327	20,377	19,831	996	990	893	887
64	19,641	15,952	25,413	20,639	1,049	1,020	941	914

Age	Kaiser Medicare		UHC Medicare		Moda Dental		Kaiser Dental	
	Male	Female	Male	Female	Male	Female	Male	Female
65	\$ 4,445	\$ 3,922	\$ 1,762	\$ 1,555	\$ 1,063	\$ 1,027	\$ 953	\$ 921
70	4,721	3,998	1,872	1,585	1,130	1,065	1,013	955
75	5,426	4,497	2,151	1,783	1,005	951	901	853
80	6,161	5,099	2,443	2,022	880	837	789	750
85	6,654	5,572	2,638	2,209	755	723	677	648
90	6,758	5,765	2,680	2,286	630	608	565	545

Non-Union Members

Age	Regence Medical		Kaiser Medical		Moda Dental		Kaiser Dental	
	Male	Female	Male	Female	Male	Female	Male	Female
40	\$ 5,840	\$ 8,356	\$ 6,422	\$ 9,189	\$ 647	\$ 740	\$ 750	\$ 859
45	7,124	9,068	7,834	9,971	717	808	833	937
50	8,798	10,379	9,675	11,413	825	892	958	1,036
55	11,102	12,216	12,208	13,434	949	977	1,101	1,133
60	14,353	13,969	15,784	15,361	1,039	1,033	1,206	1,198
64	17,900	14,538	19,684	15,987	1,095	1,064	1,270	1,235

Age	Kaiser Medicare		UHC Medicare		Moda Dental		Kaiser Dental	
	Male	Female	Male	Female	Male	Female	Male	Female
65	\$ 4,445	\$ 3,922	\$ 1,762	\$ 1,555	\$ 1,109	\$ 1,072	\$ 1,287	\$ 1,244
70	4,721	3,998	1,872	1,585	1,178	1,111	1,368	1,290
75	5,426	4,497	2,151	1,783	1,048	992	1,216	1,152
80	6,161	5,099	2,443	2,022	918	873	1,065	1,013
85	6,654	5,572	2,638	2,209	787	754	914	875
90	6,758	5,765	2,680	2,286	657	635	762	737

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Health plan administrative expenses are included in the average monthly premiums. For Union Regence plans, we assumed \$23.65 per member per month, for Non-Union Regence plans, we assumed \$22.45 per member per month and for Moda dental plans, we assumed \$2.95 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	\$ 1,104.60	\$ 1,104.60	PPO 90 / PPO 80 / HSA / Kaiser: 15% / 30% / 7% / 48%
Dental	\$ 68.32	\$ 68.32	80% / 20% for all
Medicare	\$ 280.49	\$ 280.49	Kaiser / UHC / Stipend: 44% / 54% / 2%

Non Union Plans	Employee/ Retiree	Spouse	Weights Used for Blending
Medical	\$ 920.59	\$ 920.59	PPO 80 / HSA / Kaiser: 70% / 0% / 30%
Dental	\$ 77.49	\$ 77.49	95% / 5% for all
Medicare	\$ 238.75	\$ 238.75	Kaiser / UHC: 30% / 70%

**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	\$ 536.06
Tier 2 Surviving Spouse	\$ 528.04

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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. For this valuation, the average future working life is seven 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.

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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  
GASB 74/75 REPORTING FOR JANUARY 1, 2023 MEASUREMENT DATE**

**APPENDIX C – SUMMARY OF PLAN PROVISIONS**

**Summary of 2023 Benefit Plans:**

<b>TriMet Medical Plan - Union</b>				
<b>Plan</b>	<b>Regence PPO 90/10</b>	<b>Regence PPO 80/20</b>	<b>Regence HSA</b>	<b>Kaiser HMO</b>
<b><u>In-Network (INN) Benefits</u></b>				
Deductible (Individual / Family)	\$150 / \$450	\$300 / \$900	\$1,500 / \$3,000	None
Coinsurance	90%	80%	80%	100%
Out-of-Pocket Max (Individual / Family)	\$1,650 / \$4,950	\$2,300 / \$6,900	\$5,000 / \$10,000 <sup>1</sup>	\$600 / \$1,200
<b>Coverages</b>				
Preventive Care	Fully Covered	Fully Covered	Fully Covered	Fully Covered
Well Woman (Mamm / Annual GYN / Pap)	Fully Covered	Fully Covered	Fully Covered	Fully Covered
Office Visit (OV)-Primary Care (PCP)	Deduct + Coinsurance	Deduct + Coinsurance	Deduct + Coinsurance	\$10 Copay
OV - Specialist Care Provider (SCP)	Deduct + Coinsurance	Deduct + Coinsurance	Deduct + Coinsurance	\$10 Copay
Hospital Emergency Room (ER)	\$50 Copay <sup>2</sup>	\$50 Copay <sup>2</sup>	Deduct + Coinsurance	\$100 Copay <sup>2</sup>
Ambulance	Fully Covered up to 500 Miles	\$50 Copay; 500 Mile annual limit	Deduct + Coinsurance	\$75 Copay
Outpatient Surgery	Deduct + Coinsurance	Deduct + Coinsurance	Deduct + Coinsurance	\$20 Copay
Hospital Inpatient	Deduct + Coinsurance	Deduct + Coinsurance	Deduct + Coinsurance	\$50 Copay/day, up to \$250/admission
Lifetime Max	No Limit	No Limit	No Limit	No Limit
<b><u>Out-of-Network (OON) Benefits</u></b>				
Deductible (Individual / Family)	\$450 / \$1,350	\$900 / \$2,700	Combined with INN	
Coinsurance	70%	60%	60%	
Office Visits (PCP) & (SCP)	Deduct + Coinsurance	Deduct + Coinsurance	Deduct + Coinsurance	
Out-of-Pocket Max (Individual / Family)	\$3,450 / \$10,350	\$4,900 / \$14,700	Combined with INN	
Lifetime Max	No Limit	No Limit	No Limit	
<b><u>Prescription Drugs</u></b>				
Out-of-Pocket Max (Individual / Family)	\$1,000 / \$3,000	\$2,000 / \$5,000	Combined with Medical	N/A
Retail (30 Days)	20% with \$5 min / 20% with \$15 min / 50% <sup>3</sup>	\$10 / 20% with \$25 min / 50% <sup>3</sup>	Deduct + Coinsurance <sup>3</sup>	\$10 Copay
Mail Order (90 Days)	20% with \$5 min / 20% with \$15 min / 50% <sup>3</sup>	\$30 / 20% with \$75 min / 50% <sup>3</sup>	Deduct + Coinsurance <sup>3</sup>	\$20 Copay
<b><u>Mental Health and Substance Abuse</u></b>				
Mental Health and Substance Abuse Inpatient	Deduct + Coinsurance	Deduct + Coinsurance	Deduct + Coinsurance	\$50 Copay/day, up to \$250/admission
Mental Health and Substance Abuse Outpatient	Coinsurance only (no Deduct)	Coinsurance only (no Deduct)	Deduct + Coinsurance	\$10 Copay
<b><u>Vision Care Services</u></b>				
Exam	Fully Covered	Fully Covered	Fully Covered	\$10 Copay
Frames / Lens	Hardware: Up to \$200 allowance	Hardware: Up to \$200 allowance	Hardware: Up to \$200 allowance	Up to \$150 allowance every two calendar years <sup>4</sup>

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

<sup>2</sup> Copay waived if admitted

<sup>3</sup> 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

<sup>4</sup> 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

**TRIMET OTHER POSTEMPLOYMENT BENEFIT PLAN  
GASB 74/75 REPORTING FOR JANUARY 1, 2023 MEASUREMENT DATE**

**APPENDIX C – SUMMARY OF PLAN PROVISIONS**

<b>TriMet Medicare Plans - Union</b>		
<b>Plan</b>	<b>United Healthcare</b>	<b>Kaiser Senior Advantage</b>
<b><u>In-Network (INN) Benefits</u></b>	<b>In- / Out-of-Network</b>	<b>In-Network Only</b>
Deductible	None	None
Coinsurance	N/A	N/A
Out-of-Pocket Max	\$1,500	\$600
<b>Coverages</b>		
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 <sup>1</sup>	\$50 Copay <sup>1</sup>
Outpatient Surgery	\$100 Copay	\$20 Copay
Hospital Inpatient	\$250 Copay	\$50 Copay/day, up to \$250/admission
<b><u>Prescription Drugs</u></b>		
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
<b><u>Vision Care Services</u></b>		
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

<sup>1</sup> Copay waived if admitted



**TRIMET OTHER POSTEMPLOYMENT BENEFIT PLAN  
GASB 74/75 REPORTING FOR JANUARY 1, 2023 MEASUREMENT DATE**

**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%

**TRIMET OTHER POSTEMPLOYMENT BENEFIT PLAN  
GASB 74/75 REPORTING FOR JANUARY 1, 2023 MEASUREMENT DATE**

**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 2023 Benefit Plans:**

<b>TriMet Medical Plan - Non Union</b>			
<b>Plan</b>	<b>Regence PPO 80/20</b>	<b>Regence HSA</b>	<b>Kaiser HMO</b>
<b><u>In-Network (INN) Benefits</u></b>			
Deductible (Individual / Family)	\$300 / \$900	\$1,500 / \$3,000	None
Coinsurance	80%	80%	100%
Out-of-Pocket Max (Individual / Family)	\$2,300 / \$6,900	\$5,000 / \$10,000 <sup>1</sup>	\$600, \$1,200
<b>Coverages</b>			
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 <sup>2</sup>	Deduct + Coinsurance	\$100 Copay <sup>2</sup>
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
<b><u>Out-of-Network (OON) Benefits</u></b>			
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	
<b><u>Prescription Drugs</u></b>			
Out-of-Pocket Max (Individual / Family)	\$2,000 / \$5,000	Combined with Medical	N/A
Retail (30 Days)	\$10 / 20% with \$25 min / 50% <sup>3</sup>	Deduct + Coinsurance <sup>3</sup>	\$10 Copay
Mail Order (90 Days)	\$30 / 20% with \$75 min / 50% <sup>3</sup>	Deduct + Coinsurance <sup>3</sup>	\$20 Copay
<b><u>Mental Health and Substance Abuse</u></b>			
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
<b><u>Vision Care Services</u></b>			
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 <sup>4</sup>

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

Copay waived if admitted

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

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

**TRIMET OTHER POSTEMPLOYMENT BENEFIT PLAN  
GASB 74/75 REPORTING FOR JANUARY 1, 2023 MEASUREMENT DATE**

**APPENDIX C – SUMMARY OF PLAN PROVISIONS**

<b>TriMet Medicare Plans - Non Union</b>		
<b>Plan</b>	<b>United Healthcare</b>	<b>Kaiser Senior Advantage</b>
<b><u>In-Network (INN) Benefits</u></b>	<b>In- / Out-of-Network</b>	<b>In-Network Only</b>
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 <sup>1</sup>	\$50 Copay <sup>1</sup>
Outpatient Surgery	\$100 Copay	\$20 Copay
Hospital Inpatient	\$250 Copay	\$50 Copay/day, up to \$250/admission
<b><u>Prescription Drugs</u></b>		
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
<b><u>Vision Care Services</u></b>		
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

Copay waived if admitted

**TRIMET OTHER POSTEMPLOYMENT BENEFIT PLAN  
GASB 74/75 REPORTING FOR JANUARY 1, 2023 MEASUREMENT DATE**

**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.



*Classic Values, Innovative Advice*