

## **County of Marin Retiree Healthcare Plan**



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### **Actuarial Valuation as of July 1, 2025**

Plan Funding

For Fiscal Years 2025/26, 2026/27 & 2027/28

February 2026

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## ACTUARIAL VALUATION CERTIFICATION

This report presents the July 1, 2025 actuarial valuation for the County of Marin Retiree Healthcare Plan (“Plan”). The purpose of this valuation is to:

- determine the Plan benefit obligations and funded status as of July 1, 2025, and
- calculate the County’s 2025/26, 2026/27 & 2027/28 fiscal year Actuarially Determined Contributions for the Plan.

Use of this valuation for other purposes may not be appropriate.

This report includes the following sections:

- Section 1 presents a staff summary of the valuation results.
- Section 2 provides the results of the actuarial valuation.
- Sections 3, 4, 5 and 6 summarize the census data, premium rates, Plan provisions, funding method, and actuarial assumptions that form the basis for this valuation.

This report presents Foster & Foster’s valuation of the County of Marin Retiree Healthcare Plan in accordance with accepted actuarial principles. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as: plan experience differing from that anticipated by the assumptions; changes in assumptions; changes expected as part of the natural progression of the plan; and changes in plan provisions or applicable law. Actuarial models necessarily rely on the use of estimates and are sensitive to changes. Small variations in estimates may lead to significant changes in actuarial measurements. Due to the limited scope of this assignment, we did not perform an analysis of the potential range of such measurements.

We have relied on plan information, demographic and premium information supplied by the County and Marin County Employees’ Retirement Association, which has been reviewed for general reasonableness, but not audited.

The undersigned are members of the American Academy of Actuaries and meet Academy Qualification Standards to render the actuarial results and opinions in this report.

Respectfully submitted,  
Foster & Foster, Inc.



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Drew Ballard, FSA, EA, MAAA



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Tak Frazita, FSA, EA, MAAA

February 2026

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### Actuarial and Accounting Terminology Used in this Report

- AAL – Actuarial Accrued Liability
- ADC – Actuarially Determined Contribution
- EAN – Entry Age Normal Cost Method
- GASB 75 – Governmental Accounting Standards Board Statement No. 75
- NC – Normal Cost
- OPEB – Other (than pensions) Post-Employment Benefits
- PVB – Present Value of Benefits
- UAAL – Unfunded Actuarial Accrued Liability

## SECTION 1 STAFF SUMMARY

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### Plan Provisions

Under the current practice, the County allows eligible service and disability retirees and their dependents to continue health coverage in the County’s medical and dental plans. The County pays a portion of the medical premiums based on date of hire:

- Plan 1 (hired before October 1, 1987)  
County pays 100% of the retiree’s single health plan premiums, and Medicare Part B premiums.
- Plan 2 (hired between October 1, 1987 and September 30, 1993)  
County pays the retiree’s single health plan premiums up to \$2,275 per year.
- Plan 3 (hired between October 1, 1993 and December 31, 2007)  
County pays a percentage of retiree’s single premium up to \$9,118.60 based on years of service at retirement (County also pays for spouse’s premium with 30+ years of service). Historical caps, which are reviewed each year, are as follows:

Dates	Cap
Through January 1, 2007	Cap increased to cover single Anthem Blue Cross Prudent Buyer Classic and Delta Dental premiums. Due to the amount of unfunded liability, the Board of Supervisors implemented a policy to have annual cap increases at Board discretion with 3% annual limit.
January 1, 2008 and January 1, 2009	3% cap increases
January 1, 2010 through January 1, 2023	No cap increases (Cap remained \$8,853 per year)
January 1, 2024	3% increase to \$9,118.60 per year (Board of Supervisors adopted on September 12, 2023)

- Plan 4 (hired on or after January 1, 2008)  
County pays up to \$3,000 per year based on years of service at retirement for the retiree’s single health plan premiums only.

At retirement, retirees eligible for Plans 1 and 2 may elect Plan 3 instead; and retirees eligible for Plans 1, 2, or 3 may elect Plan 4 instead. Plan selection may not be changed after retirement. Retirees eligible for Plan 1 are eligible for Part B premium reimbursement even after electing another Plan.

Beginning in 2019, and subject to the caps above:

- Medicare Part A premiums are paid for retirees not eligible for premium-free Part A so that they can be enrolled in Medicare Advantage plans.
- Part B penalties are paid for delayed enrollment for certain retirees.

Medical coverage is provided through Kaiser, Western Health Advantage HMO and Teamsters Anthem PPO for non-Medicare retirees; and Kaiser Senior Advantage and UnitedHealthcare Medicare Advantage PPO for Medicare retirees. For each medical plan, premiums are the same for employees and retirees not eligible for Medicare. This premium structure results in subsidies of retiree medical costs from premiums paid for employees by the County. This implicit subsidy is included in the County post-retirement healthcare calculations.



**SECTION 1**  
**STAFF SUMMARY**

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**Funding Policy**

The County currently contributes to the CalPERS California Employers' Retiree Benefit Trust (CERBT) with Asset Allocation Strategy 1. Following are target asset allocations for portfolios available under the CERBT:

	<b>Strategy 1</b>	<b>Strategy 2</b>	<b>Strategy 3</b>
Global Equity	49%	34%	23%
Fixed Income	23%	41%	51%
TIPS	5%	5%	9%
Commodities	3%	3%	3%
REITs	20%	17%	14%
Total	100%	100%	100%

**Actuarial Assumptions**

We are recommending no change to the discount rate (long term return assumption on plan assets) of 5.50%. Consistent with the prior valuation, this assumption has a 0.75% margin for adverse deviation, i.e. we expect the long-term return will be closer to 6.25%, but the assumption is set at a lower rate to build in some conservatism. Participation assumption was updated for this valuation.

**Results**

Following is a comparison of the previous July 1, 2023 valuation with the current July 1, 2025 valuation funded status (amounts in 000's).

	<u><b>July 1, 2023</b></u>	<u><b>July 1, 2025</b></u>
<p>■ <b>Present Value of Benefits (PVB)</b> The Present Value of Benefits is the present value of expected retiree healthcare benefits due to both past and expected future service for current employees and retirees.</p>	\$313,749	\$317,950
<p>■ <b>Actuarial Accrued Liability (AAL)</b> The Actuarial Accrued Liability is a measure of the County obligation for benefits earned in or allocated to past service.</p>	283,452	291,215
<p>■ <b>Plan Assets</b> Plan Assets include funds that are segregated and restricted in a trust so that they can only be used to pay plan benefits.</p>	165,583	231,226
<p>■ <b>Unfunded Actuarial Accrued Liability (UAAL)</b> The Unfunded Actuarial Accrued Liability is the excess of the AAL over Plan Assets. This represents the amount of the Actuarial Accrued Liability at the valuation date that must still be funded.</p>	117,869	59,989
<p>■ <b>Funded Ratio</b> Ratio of Plan Assets to the Actuarial Accrued Liability.</p>	58.4%	79.4%



**SECTION 1**  
**STAFF SUMMARY**

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	<u>2023/24</u>	<u>2025/26</u>
■ <b>Normal Cost (NC)</b>	\$3,985	\$3,536
<p>The Normal Cost is the value of County-provided benefits expected to be earned in or allocated to the fiscal year.</p>		
■ <b>Actuarially Determined Contribution (ADC)</b>	13,070	12,205
<p>The Actuarially Determined Contribution is the sum of the Normal Cost, administrative expenses, and amortization of the Unfunded Actuarial Accrued Liability.</p>		

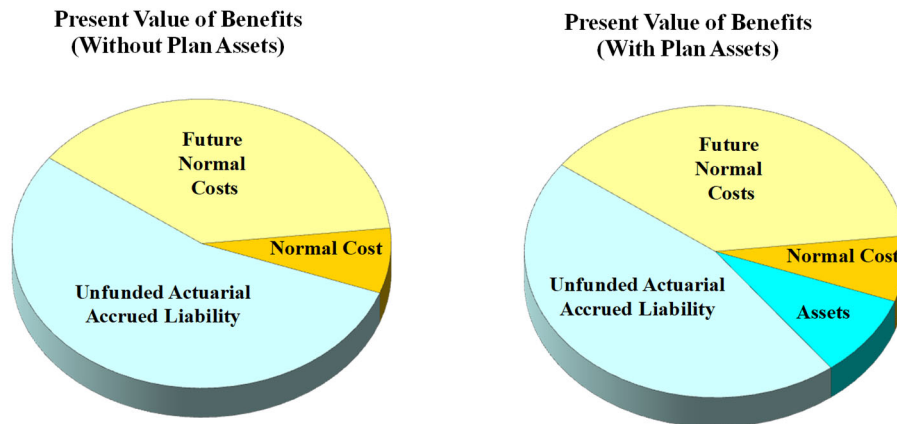


## SECTION 2 ACTUARIAL VALUATION RESULTS

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### Actuarial Obligations

The Actuarial Accrued Liability and Normal Cost use the Entry Age Normal actuarial cost method. It is designed to produce a Normal Cost that, if all assumptions are met and the plan is not changed, will generally be a level percent of payroll. The following charts illustrate a sample PVB, both with and without plan assets, with the shaded area representing the unfunded AAL



- **The Present Value of Benefits (PVB)** is a measure of the total County obligation for expected retiree healthcare benefits due to both past and future service for current employees and retirees.
- **The Actuarial Accrued Liability (AAL)** is a measure of the County obligation for benefits earned or allocated to past service.
- **The Normal Cost (NC)** is the value of County-provided benefits expected to be earned or allocated to the current fiscal year determined as of the middle of the fiscal year.
- **Plan Assets** must be segregated in a trust for the sole purpose of paying Plan benefits in order to be considered Plan Assets for GASB 75.
- **The Unfunded Actuarial Accrued Liability (UAAL)** is the difference between the AAL and the Plan Assets.
- **Expected Benefit Payments** are the County-paid retiree healthcare benefit payments for the current fiscal year. They include payments for current retirees and active employees expected to retire during the year.
- **The Actuarially Determined Contribution (ADC)** is the sum of the Normal Cost and the amortization of the Unfunded Actuarial Accrued Liability (or less an amortization of excess assets) determined as of the middle of the fiscal year.
- An **Implicit Subsidy** exists when the premium for a group of employees is determined by aggregating the experience of the group.



**SECTION 2**  
**ACTUARIAL VALUATION RESULTS**

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**Asset Reconciliation – Market Value of Assets**  
**(amounts in 000's)**

	<u>2023/24</u>	<u>2024/25</u>
■ <b>Market Value of Assets</b> (Beginning of Year)	\$165,583	\$190,694
• Contributions	7,000	16,050
• Disbursements <sup>1</sup>	-	-
• Administrative Expenses	(84)	(66)
• Investment Expenses	(62)	(84)
• Investment Earnings	18,257	24,632
■ <b>Market Value of Assets</b> (End of Year)	190,694	231,226
■ <b>Approximate Return</b>	11.0%	12.7%

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<sup>1</sup> Benefit payments paid directly by the County outside of the trust.



**SECTION 2**  
**ACTUARIAL VALUATION RESULTS**

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**Benefit Obligations as of July 1, 2025**  
(amounts in 000's)

<b>■ Present Value of Benefits</b>	
• Actives	\$110,867
• Retirees	<u>207,083</u>
• Total	317,950
<b>■ Actuarial Accrued Liability</b>	
• Actives	84,132
• Retirees	<u>207,083</u>
• Total	291,215
<b>■ Market Value of Assets</b>	<u>231,226</u>
<b>■ Unfunded AAL @ 7/1/2025</b>	59,989



**SECTION 2**  
**ACTUARIAL VALUATION RESULTS**

**Actuarially Determined Contribution (ADC) for 2025/26, 2026/27, and 2027/28<sup>2</sup>**  
**(amounts in 000's)**

	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>
■ <b>ADC - \$</b>			
• Normal Cost	\$3,536	\$3,433	\$3,334
• Projected Administrative Expenses	116	120	124
• UAAL Amortization	<u>8,553</u>	<u>8,074</u>	<u>7,561</u>
• ADC	12,205	11,627	11,019
■ <b>Projected Payroll<sup>3</sup></b>	288,562	296,497	304,651
■ <b>ADC - %</b>			
• Normal Cost	1.2%	1.2%	1.1%
• Projected Administrative Expenses	0.0%	0.0%	0.0%
• UAAL Amortization	<u>3.0%</u>	<u>2.7%</u>	<u>2.5%</u>
• ADC	4.2%	3.9%	3.6%

**Schedule of Unfunded Actuarial Accrued Liability Amortization Bases**  
**(amounts in 000's)**

		<u>7/1/2025</u>	<u>7/1/2026</u>	<u>7/1/2027</u>
■ <b>Outstanding Balance</b>				
• 7/1/2021 UAAL		\$90,778	\$85,870	\$80,419
• 7/1/2023 (Gain)/Loss		20,162	19,363	18,467
• 7/1/2025 Investment (Gain)/Loss		(23,483)	(24,060)	(23,915)
• 7/1/2025 Other (Gain)/Loss		<u>(27,467)</u>	<u>(26,669)</u>	<u>(25,763)</u>
• Total		59,989	54,503	49,209
■ <b>Amortization Payment<sup>4</sup></b>	<b>Years</b>			
	<b><u>Remaining</u></b>	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>
• 7/1/2021 UAAL	11	\$9,639	\$9,905	\$10,177
• 7/1/2023 (Gain)/Loss	13	1,857	1,909	1,961
• 7/1/2025 Investment (Gain)/Loss	15	(696)	(1,430)	(2,203)
• 7/1/2025 Other (Gain)/Loss	15	<u>(2,248)</u>	<u>(2,310)</u>	<u>(2,373)</u>
• Total		8,553	8,074	7,561

<sup>2</sup> Payable at middle of fiscal year.

<sup>3</sup> Payroll projected using aggregate payroll increase assumption.

<sup>4</sup> Years remaining as of 2025/26. Amortized as a level percent of payroll. Investment gain/loss includes a 3-year phase-in.



**SECTION 2**  
**ACTUARIAL VALUATION RESULTS**

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**Comparison of July 1, 2023 and July 1, 2025 Valuations**  
(amounts in 000's)

	<u>July 1, 2023</u>	<u>July 1, 2025</u>
<b>■ Present Value of Benefits</b>		
• Actives	\$131,688	\$110,867
• Retirees	<u>182,061</u>	<u>207,083</u>
• Total	313,749	317,950
<b>■ Actuarial Accrued Liability</b>		
• Actives	101,391	84,132
• Retirees	<u>182,061</u>	<u>207,083</u>
• Total	283,452	291,215
<b>■ Assets</b>	<u>165,583</u>	<u>231,226</u>
<b>■ Unfunded AAL</b>	117,869	59,989
<b>■ Funded Ratio</b>	58.4%	79.4%
	<b><u>2023/24</u></b>	<b><u>2025/26</u></b>
<b>■ ADC - \$</b>		
• Normal Cost	\$3,985	\$3,536
• Projected Administrative Expenses	83	116
• UAAL Amortization	<u>9,002</u>	<u>8,553</u>
• ADC	13,070	12,205
<b>■ Projected Payroll<sup>5</sup></b>	242,064	288,562
<b>■ ADC - %</b>		
• Normal Cost	1.6%	1.2%
• Projected Administrative Expenses	0.0%	0.0%
• UAAL Amortization	<u>3.7%</u>	<u>3.0%</u>
• ADC	5.4%	4.2%

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<sup>5</sup> Payroll projected using aggregate payroll increase assumption.



**SECTION 2**  
**ACTUARIAL VALUATION RESULTS**

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**Actuarial Gains/Losses**  
**(amounts in 000's)**

Changes in the Unfunded Actuarial Accrued Liability for experience gains and losses as well as assumption changes are shown below.

- Factors decreasing the Actuarial Accrued Liability included:
  - No increases to the Plan 3 cap for 2025 or 2026
  - Updated participation assumption
- Factors increasing the Actuarial Accrued Liability included:
  - Higher 2025 and 2026 premiums than expected for UnitedHealthcare

	AAL	(Assets)	UAAL
■ <b>Actual – 7/1/2023</b>	<b>\$283,452</b>	<b>\$(165,583)</b>	<b>\$117,869</b>
■ <b>Expected – 7/1/2025</b>	<b>294,089</b>	<b>(183,254)</b>	<b>110,835</b>
■ <b>Experience (Gains)/Losses</b>			
• Contribution (gain)/loss	-	(24,489)	(24,489)
• Investment (gain)/loss	-	(23,483)	(23,483)
• Demographic & other	8,440	-	8,440
• Premium and claims (gain)/loss	6,317	-	6,317
• Plan 3 cap	<u>(8,167)</u>	-	<u>(8,167)</u>
• <b>Total</b>	<b>6,590</b>	<b>(47,972)</b>	<b>(41,382)</b>
■ <b>Assumptions Changes</b>			
• Participation	<u>(9,464)</u>	-	<u>(9,464)</u>
• <b>Total</b>	<b>(9,464)</b>	-	<b>(9,464)</b>
■ <b>Total Change</b>	<b>(2,874)</b>	<b>(47,972)</b>	<b>(50,846)</b>
■ <b>Actual – 7/1/2025</b>	<b>291,215</b>	<b>(231,226)</b>	<b>59,989</b>



**SECTION 2**  
**ACTUARIAL VALUATION RESULTS**

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**Benefit Payment Projection**  
(amounts in 000's)

<b>Fiscal Year</b>	<b>Estimated Cash Benefit Payments</b>	<b>Implicit Subsidy Benefit Payments</b>	<b>Total</b>
2025/26	\$14,428	\$1,694	\$16,122
2026/27	15,299	1,862	17,161
2027/28	15,977	2,011	17,988
2028/29	16,591	2,152	18,743
2029/30	17,127	2,165	19,292
2030/31	17,607	2,316	19,923
2031/32	18,020	2,362	20,382
2032/33	18,384	2,424	20,808
2033/34	18,697	2,428	21,125
2034/35	18,965	2,528	21,493

**10-Year Full Prefunding Projection**  
(amounts in 000's)

<b>Fiscal Year</b>	<b>Benefit Payments</b>		<b>Trust Contributions/ (Disbursements)</b>	<b>ADC</b>
	<b>Cash Subsidy</b>	<b>Implicit Subsidy</b>		
2025/26	\$14,428	\$1,694	\$(3,917)	\$12,205
2026/27	15,299	1,862	(5,534)	11,627
2027/28	15,977	2,011	(6,969)	11,019
2028/29	16,591	2,152	(7,592)	11,151
2029/30	17,127	2,165	(7,994)	11,298
2030/31	17,607	2,316	(8,462)	11,461
2031/32	18,020	2,362	(8,741)	11,641
2032/33	18,384	2,424	(8,965)	11,843
2033/34	18,697	2,428	(9,063)	12,062
2034/35	18,965	2,528	(9,194)	12,299



**SECTION 2**  
**ACTUARIAL VALUATION RESULTS**

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**Discount Rate Sensitivity**  
**July 1, 2025**  
**(amounts in 000's)**

	Discount Rate		
	4.50%	5.50%	6.50%
<b>■ Present Value of Benefits</b>			
• Actives	\$133,641	\$110,867	\$ 93,118
• Retirees	<u>228,611</u>	<u>207,083</u>	<u>188,885</u>
• Total	362,252	317,950	282,003
<b>■ Actuarial Accrued Liability</b>			
• Actives	97,677	84,132	73,028
• Retirees	<u>228,611</u>	<u>207,083</u>	<u>188,885</u>
• Total	326,288	291,215	261,913
<b>■ Assets</b>	<u>231,226</u>	<u>231,226</u>	<u>231,226</u>
<b>■ Unfunded AAL</b>	95,062	59,989	30,687
<b>■ 2025/26 ADC - \$</b>			
• Normal Cost	\$ 4,467	\$ 3,536	\$ 2,822
• Projected Administrative Expenses	116	116	116
• UAAL Amortization	<u>10,852</u>	<u>8,553</u>	<u>6,384</u>
• ADC	15,435	12,205	9,322
<b>■ 2025/26 Projected Payroll</b>	288,562	288,562	288,562
<b>■ 2025/26 ADC - %</b>			
• Normal Cost	1.5%	1.2%	1.0%
• Projected Administrative Expenses	0.0%	0.0%	0.0%
• UAAL Amortization	<u>3.8%</u>	<u>3.0%</u>	<u>2.2%</u>
• ADC	5.3%	4.2%	3.2%



**SECTION 3**  
**DEMOGRAPHIC INFORMATION**

**Participant Statistics**

	Miscellaneous	Safety	Total
<b>Actives</b>			
Count	1,966	371	2,337
Average Age	46.6	39.9	45.5
Average Service	8.6	10.1	8.9
Average Pay	\$118,839	\$148,047	\$123,476
Total Pay (000's)	233,637	54,925	288,562
<b>Retirees</b>			
Count	1,506	368	1,874
Average Age	75.0	67.3	73.5

**Medical Coverage**

Medical Plan	Employees	Retirees Under 65	Retirees 65+	Total
Kaiser Plan L HMO	907	157	798	1,862
Kaiser Plan S HMO	761	53	98	912
Kaiser Deductible HMO	35	-	-	35
Kaiser – Out of State	-	6	30	36
Western Health Advantage 15C HMO	41	1	-	42
Western Health Advantage 25C HMO	39	2	-	41
Teamsters Anthem PPO	301	94	-	395
UnitedHealthcare Medicare Advantage PPO	-	1	406	407
Waived	253	58	170	481
<b>Total</b>	<b>2,337</b>	<b>372</b>	<b>1,502</b>	<b>4,211</b>

**Plan Coverage**

Plan	Plan 1	Plan 2	Plan 3	Plan 4	Self-Paying <sup>6</sup>	Total
Retirees	505	10	1,171	97	91	1,874
Actives	1	19	419	1,898	-	2,337

<sup>6</sup> Includes surviving spouses and Plan 4 retirees with less than 5 years of service.



**SECTION 3**  
**DEMOGRAPHIC INFORMATION**

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**Age & Service Distribution**  
**Miscellaneous Employees**

Age	County Service							Total
	Under 1	1-4	5-9	10-14	15-19	20-24	25 & Over	
Under 25	11	7	1	-	-	-	-	19
25-29	42	83	13	-	-	-	-	138
30-34	39	125	63	6	-	-	-	233
35-39	28	106	115	21	1	1	-	272
40-44	26	101	72	46	22	5	1	273
45-49	21	74	57	49	30	21	4	256
50-54	20	52	51	32	34	27	19	235
55-59	14	53	53	36	25	20	32	233
60-64	5	30	42	21	19	27	40	184
65 & Over	1	21	26	13	19	26	17	123
Total	207	652	493	224	150	127	113	1,966



**SECTION 3**  
**DEMOGRAPHIC INFORMATION**

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**Age & Service Distribution**  
**Safety Employees**

Age	County Service							Total
	Under 1	1-4	5-9	10-14	15-19	20-24	25 & Over	
Under 25	8	5	1	-	-	-	-	14
25-29	7	32	7	-	-	-	-	46
30-34	7	30	32	9	-	-	-	78
35-39	4	24	18	15	1	-	-	62
40-44	3	7	8	19	14	3	-	54
45-49	2	2	3	5	12	28	3	55
50-54	1	4	2	2	9	13	10	41
55-59	1	4	1	-	1	2	5	14
60-64	-	1	-	1	-	2	2	6
65 & Over	-	1	-	-	-	-	-	1
Total	33	110	72	51	37	48	20	371



**SECTION 4  
PREMIUM RATES**

**2025 Monthly Premium Rates**

**Actives**

<b>Plan</b>	<b>Single</b>	<b>2-Party</b>	<b>Family</b>
Kaiser Plan L HMO	\$1,068.11	\$2,136.22	\$2,841.17
Kaiser Plan S HMO	982.54	1,965.08	2,613.56
Kaiser Deductible HMO	907.54	1,815.08	2,414.05
Western Health Advantage 15C HMO	896.15	1,792.32	2,383.78
Western Health Advantage 25C HMO	842.40	1,684.78	2,240.76
Teamsters Anthem PPO	991.28	1,989.16	2,782.50

**Retirees**

<b>Plan</b>	<b>Non-Medicare</b>			<b>Medicare</b>		
	<b>Single</b>	<b>2-Party</b>	<b>Family</b>	<b>Single</b>	<b>2-Party</b>	<b>Family</b>
Kaiser Plan L HMO <sup>7</sup>	\$1,068.11	\$2,136.22	\$2,841.17	\$371.69	\$743.38	n/a
Kaiser Plan S HMO <sup>7</sup>	982.54	1,965.08	2,613.56	294.17	588.34	n/a
Kaiser Deductible HMO	907.54	1,815.08	2,414.05	n/a	n/a	n/a
Western Health Advantage 15C HMO	896.15	1,792.32	2,383.78	n/a	n/a	n/a
Western Health Advantage 25C HMO	842.40	1,684.78	2,240.76	n/a	n/a	n/a
Teamsters Anthem PPO	991.28	1,989.16	2,782.50	n/a	n/a	n/a
UnitedHealthcare Medicare Advantage PPO	n/a	n/a	n/a	562.85	1,125.70	n/a

Delta Dental 2025 monthly premiums are \$52.46 for single coverage, \$97.70 for 2-party coverage and \$152.72 for family coverage.

Medicare Part A monthly premiums for those not eligible for premium-free Medicare Part A are \$518 for those with fewer than 30 quarters of Medicare-covered employment and \$285 for those with 30-39 quarters of Medicare-covered employment, subject to late enrolment penalty.

Medicare Part B monthly premium is \$185 for most people (varies by income and subject to late enrollment penalty).

<sup>7</sup> With Senior Advantage for Medicare.



**SECTION 4  
PREMIUM RATES**

**2026 Monthly Premium Rates**

**Actives**

<b>Plan</b>	<b>Single</b>	<b>2-Party</b>	<b>Family</b>
Kaiser Plan L HMO	\$1,163.00	\$2,326.00	\$3,093.58
Kaiser Plan S HMO	1,069.81	2,139.62	2,845.69
Kaiser Deductible HMO	988.15	1,976.30	2,628.49
Western Health Advantage 15C HMO	953.57	1,907.17	2,536.53
Western Health Advantage 20C HMO	872.18	1,744.34	2,319.96
Western Health Advantage 25C HMO	896.38	1,792.74	2,384.35
Teamsters Anthem PPO	1,045.00	2,090.00	2,925.00

**Retirees**

<b>Plan</b>	<b>Non-Medicare</b>			<b>Medicare</b>		
	<b>Single</b>	<b>2-Party</b>	<b>Family</b>	<b>Single</b>	<b>2-Party</b>	<b>Family</b>
Kaiser Plan L HMO <sup>8</sup>	\$1,163.00	\$2,326.00	\$3,093.58	\$394.84	\$789.68	n/a
Kaiser Plan S HMO <sup>8</sup>	1,069.81	2,139.62	2,845.69	312.47	624.94	n/a
Kaiser Deductible HMO	988.05	1,976.10	2,628.21	n/a	n/a	n/a
Western Health Advantage 15C HMO	953.57	1,907.17	2,536.53	n/a	n/a	n/a
Western Health Advantage 20C HMO	872.18	1,744.34	2,319.96	n/a	n/a	n/a
Western Health Advantage 25C HMO	896.38	1,792.74	2,384.35	n/a	n/a	n/a
Teamsters Anthem PPO	1,045.00	2,090.00	2,925.00	n/a	n/a	n/a
UnitedHealthcare Medicare Advantage PPO	n/a	n/a	n/a	699.64	1,399.28	n/a

Delta Dental 2026 monthly premiums are \$52.46 for single coverage, \$97.70 for 2-party coverage and \$152.72 for family coverage.

Medicare Part A monthly premiums for those not eligible for premium-free Medicare Part A are \$565 for those with fewer than 30 quarters of Medicare-covered employment and \$311 for those with 30-39 quarters of Medicare-covered employment, subject to late enrolment penalty.

Medicare Part B monthly premium is \$202.90 for most people (varies by income and subject to late enrollment penalty).

<sup>8</sup> With Senior Advantage for Medicare.



**SECTION 5**  
**PLAN PROVISIONS**

**Benefits**

Under current practice, the County allows eligible service and disability retirees and their dependents to continue health coverage in the County’s medical and dental plans. The County pays a portion of the premiums based on date of hire. Retirees must retire directly from the County, have 5 years of County service, and continuity of coverage to be eligible. Retirees are not eligible for open enrollment and those waiving coverage may not re-enroll.

	<b>Plan 1</b>	<b>Plan 2</b>	<b>Plan 3</b>	<b>Plan 4</b>
Eligibility	Hired before 10/1/87	Hired between 10/1/87 and 9/30/93	Hired between 10/1/93 and 12/31/07	Hired on or after 1/1/08 and at least 5 years continuous coverage under the same medical plan
Benefits	The County pays 100% of the retiree’s single health plan premiums, and Medicare Part B premiums.	The County pays the retiree’s single health plan premiums up to \$2,275 per year.	The County pays a percentage of the retiree’s single premium (and those for spouses of eligible retirees with 30 years of service) up to a dollar cap (\$8,853 per year from 2009 through 2023, \$9,118.60 per year from 2024) based on years of service at retirement <sup>9</sup>	The County pays \$150 per year of service up to \$3,000 per year for the retiree’s single health plan premiums only.

- The Plan 3 dollar cap is reviewed each year. Through January 1, 2007, the cap was increased to cover single Anthem Blue Cross Prudent Buyer Classic and Delta Dental premiums. Due to the amount of unfunded liability the County faces, the Board has implemented a policy to limit annual increases in the maximum allocation for Plan 3 to no more than 3%, subject to annual approval regarding whether any increase will be granted and, if so, the amount of the increase. The last cap increase before 2024 was at 3% on January 1, 2009.
- Retirees eligible for Plans 1 and 2 may elect Plan 3 instead; and retirees eligible for Plans 1, 2, or 3 may elect Plan 4 instead. Retirees eligible for Plan 1 are eligible for Medicare Part B premium reimbursement even after electing another Plan.
- Beginning in 2019, Medicare Part A premiums, subject to plan provisions above, are paid for retirees not eligible for premium-free Part A when they enroll in a Medicare Advantage plan. In addition, Part B penalties for delayed enrollment are paid for certain retirees.

The County also implicitly subsidizes a portion of retirees’ benefits because non-Medicare retirees are charged the same premiums as employees. Under Actuarial Standard of Practices, the value of the implicit subsidy must be included in the County’s ADC and AAL calculations.

The County also provides retirees with 20 years of service \$10,000 of life insurance and, on an 8-year phase-out basis, continuance of supplemental life coverage.

<sup>9</sup> 100% for 20 years of service, prorated for those with less than 20 years of service.



## SECTION 6

### ACTUARIAL METHODS AND ASSUMPTIONS AND DATA

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#### Data

Results were based on the demographic data as of July 1, 2025 provided by the County and MCERA. Data has been reviewed for reasonability but not audited.

#### Actuarial Methods

##### Actuarial Cost Method

The actuarial cost method used for this valuation is the Entry Age Normal (EAN) cost method. Under the EAN cost method, the plan's Normal Cost is developed as a level percent of payroll payable throughout the participant's working lifetime. The Actuarial Accrued Liability (AAL) is the cumulative value, on the valuation date, of prior Normal Costs. For retirees, the AAL is the present value of all projected benefits.

##### Amortization of Unfunded AAL

July 1, 2021 UAAL was amortized over a closed 15-year period as a level percentage of payroll from July 1, 2021 (11 years remaining as of July 1, 2025). Subsequent gains and losses are amortized over closed 15-year periods as a level percentage of payroll with a 3-year contribution phase-in for investment gains and losses.

##### Actuarial Value of Assets

Market value of assets

#### Actuarial Assumptions – Economic Assumptions

##### Discount Rate

5.50%, assuming that the County continues to prefund with CERBT Asset Allocation Strategy 1 (49% global equity, 23% fixed income (5% long US treasuries, 5% mortgage-backed securities, 4% investment grade corporates, 4% high yield, 5% sovereigns), 5% TIPS, 20% REITs, and 3% commodities). The 5.50% assumption is based on a median long-term rate of return net of investment expenses of 6.25% with a margin for adverse deviation of 0.75%. Capital market real rates of return underlying the 6.25% rate are 4.6% global equity, 0.3% long US treasuries, 0.5% mortgage-backed securities, 1.6% investment grade corporates, 3.0% high yield, 2.8% sovereigns), -0.1% TIPS, 1.2% commodities, and 4.1% REITs and are based on a study of investment consultant and investment bank 2021 capital market short and long-term assumptions. Also considered in setting fixed income returns were Social Security long-term return projections.

##### CERBT Administrative Expenses

0.05% of trust balance included in the ADC

##### Inflation

Assumed to increase 2.50% per annum over the long-term.

##### Aggregate Payroll

Assumed to increase 2.75% per annum. (Used to amortize unfunded AAL.)



**SECTION 6**  
**ACTUARIAL METHODS AND ASSUMPTIONS AND DATA**

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**Plan 3 Cap Trend Rate**

Assumed to increase at 3.00% per year

**Dental Care Cost Trend Rate**

Assumed to increase at 3.50% per year.

**Medical Care Cost Trend Rates**

Based on short-term expectations blended into long-term medical trend. Long-term rates developed using the Society of Actuaries Getzen Model.

<b>Year</b>	<b>Non-Medicare</b>	<b>Medicare</b>	<b>Kaiser Senior Advantage</b>	<b>Medicare Part A &amp; B Premiums</b>
2025	n/a	n/a	n/a	n/a
2026	n/a	n/a	n/a	n/a
2027	7.35%	6.50%	5.45%	7.75%
2028	6.75%	6.10%	5.25%	5.95%
2029	6.20%	5.70%	5.05%	5.60%
2030	5.60%	5.25%	4.85%	5.25%
2031	5.05%	4.85%	4.65%	4.90%
2032-35	4.45%	4.45%	4.45%	4.45%
2036-38	4.45%	4.45%	4.45%	4.45%
2039-40	4.35%	4.35%	4.35%	4.35%
2041	4.30%	4.30%	4.30%	4.30%
2042-44	4.25%	4.25%	4.25%	4.25%
2045	4.20%	4.20%	4.20%	4.20%
2046-47	4.20%	4.20%	4.20%	4.20%
2048-50	4.15%	4.15%	4.15%	4.15%
2051-55	4.10%	4.10%	4.10%	4.10%
2056-61	4.05%	4.05%	4.05%	4.05%
2062-65	4.00%	4.00%	4.00%	4.00%
2066	4.00%	4.00%	4.00%	4.00%
2067	3.90%	3.90%	3.90%	3.90%
2068	3.85%	3.85%	3.85%	3.85%
2069	3.80%	3.80%	3.80%	3.80%
2070	3.75%	3.75%	3.75%	3.75%
2071	3.70%	3.70%	3.70%	3.70%
2072	3.65%	3.65%	3.65%	3.65%
2073	3.60%	3.60%	3.60%	3.60%
2074	3.55%	3.55%	3.55%	3.55%
2075	3.50%	3.50%	3.50%	3.50%
2076+	3.45%	3.45%	3.45%	3.45%



**SECTION 6**  
**ACTUARIAL METHODS AND ASSUMPTIONS AND DATA**

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**Monthly Claims Costs**

Monthly claims costs are based on the monthly premium rates reported by the County for 2026 by health plan and covered population.

Age-/gender-dependent rates were developed using the monthly premium rates, supporting demographics, and benefit values for each plan. Benefit values for each plan were determined based on the benefit designs.

Demographics for the Kaiser pre-Medicare retiree plans reflect the full plan pool as reported in Kaiser’s renewal material. Demographics for the Western Health Advantage plans reflect CalPERS PEMHCA Region 1 as a proxy. For the Teamsters plan, we used plan-specific demographics as reported by the County.

Age	2026 Age/Gender Claims Costs					
	Kaiser Plan L Non-Medicare		Kaiser Plan S Non-Medicare		Kaiser Deductible Non-Medicare	
	Male	Female	Male	Female	Male	Female
30	\$499	\$917	\$493	\$902	\$476	\$865
35	584	1,004	576	988	555	946
40	688	1,026	678	1,009	652	967
45	822	1,085	809	1,067	776	1,021
50	1,015	1,218	998	1,197	956	1,145
55	1,274	1,390	1,253	1,366	1,198	1,305
60	1,595	1,606	1,567	1,577	1,496	1,506
64	1,890	1,825	1,856	1,792	1,771	1,710

Age	2026 Age/Gender Claims Costs					
	Teamsters Anthem PPO Non-Medicare		Western Health Advantage 15C HMO Non-Medicare		Western Health Advantage 25C HMO Non-Medicare	
	Male	Female	Male	Female	Male	Female
30	\$425	\$761	\$430	\$797	\$428	\$792
35	493	831	505	874	502	869
40	576	848	596	893	593	888
45	684	895	713	944	709	939
50	839	1,002	883	1,061	878	1,055
55	1,048	1,141	1,111	1,213	1,104	1,205
60	1,306	1,314	1,393	1,402	1,384	1,393
64	1,544	1,491	1,652	1,595	1,641	1,585



**SECTION 6**  
**ACTUARIAL METHODS AND ASSUMPTIONS AND DATA**

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**Demographic Assumptions – Health Plans**

Participation, Medical Plan Coverage, and Health Plan Election assumptions below were based on a study of experience between 2011 and 2025.

**Percentage of Future Retirees Participating in Medical Plans**

Participation rate for retirees with medical coverage while active

	<10	10-14	15-19	20+
Plan 1	100.0%	100.0%	100.0%	100.0%
Plan 2/3	40.0%	85.0%	92.5%	100.0%
Plan 4	40.0%	50.0%	52.5%	55.0%

Participation rate for retirees without medical coverage while active – 0%

(Prior Assumption –

Participation rate for retirees with medical coverage while active

	<10	10-14	15-19	20+
Plan 1	100.0%	100.0%	100.0%	100.0%
Plan 2/3	37.5%	85.0%	90.0%	100.0%
Plan 4	35.0%	40.0%	45.0%	55.0%

Participation rate for retirees without medical coverage while active – Same as those with medical coverage while active)

**Percentage of Future Retirees Participating in Dental Plans**

	Current Assumption	Prior Assumption
Plan 1	97.5%	97.5%
Plan 2/3	95.0%	95.0%
Plan 4	90.0%	95.0%

**Medical Plan Coverage after Retirement**

Current medical plan election. Teamsters Anthem participants are assumed to elect UnitedHealthcare once Medicare eligible.

(Prior Assumption – Current medical plan election. If currently waived, employees are assumed to elect Kaiser Plan L. Teamsters Anthem participants are assumed to elect UnitedHealthcare once Medicare eligible.)

**Current Retirees and Beneficiaries:**

Current medical plan election. Annual open enrollment is only available for employees and does not apply to retirees.



**SECTION 6**  
**ACTUARIAL METHODS AND ASSUMPTIONS AND DATA**

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**Election of Plan 3 at Retirement by Currently Employed Plan 1 and 2 Members**

Plan 1 members with 30 years' service and eligible spouses are assumed to elect Plan 3. All Plan 2 members are assumed to elect Plan 3.

**Medicare Coverage**

100% except 10% of those hired between July 1, 1967 and March 31, 1986 are assumed to be ineligible for premium-free Medicare Part A coverage.

Fewer than 30 quarters of Medicare-covered employment is assumed for those ineligible for premium-free Medicare Part A.

The most common Medicare Part B premiums (\$185.00/month in 2025, \$202.90/month in 2026) are assumed for future Medicare enrollees.

**Spouse Coverage**

30 years of service at retirement: 80% of male retirees and 50% of female retirees cover a spouse.

All others: 35% of male retirees and 15% of female retirees cover a spouse.

Female spouses are assumed to be 2 years younger than male spouses.

**Supplemental Life Insurance**

Based on current election.



**SECTION 6**  
**ACTUARIAL METHODS AND ASSUMPTIONS AND DATA**

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**Demographic Assumptions –Turnover, Disablement, Salary Merit and Longevity Increases, Retirement, Mortality**

Assumptions are based on the Marin County Employees’ Retirement Association 2020-2023 Experience Study except for the allowance for future mortality improvement, which is based on a more recent mortality projection scale (MP-2021) developed by the Society of Actuaries.

**Terminations**

<b>Service</b>	<b>Miscellaneous</b>	<b>Safety</b>
0	14.00%	10.00%
1	13.00%	8.00%
2	12.00%	6.00%
3	9.50%	6.00%
4	8.25%	5.00%
5	7.50%	4.50%
6	6.75%	4.00%
7	6.25%	3.50%
8	5.75%	3.00%
9	5.25%	2.75%
10	5.00%	2.50%
11	4.75%	2.00%
12	4.50%	1.75%
13	4.25%	1.50%
14	4.00%	1.25%
15	3.50%	1.00%
16	3.25%	1.00%
17	3.00%	1.00%
18	2.75%	1.00%
19	2.50%	1.00%
20-29	1.00%	0.00%
30+	0.00%	0.00%

Termination rates do not apply once a member is eligible for retirement.



**SECTION 6**  
**ACTUARIAL METHODS AND ASSUMPTIONS AND DATA**

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**Disability**

Miscellaneous: 2017 CalPERS Public Agency Miscellaneous Ordinary Disability rates for males and females without adjustment.

Safety: 2017 CalPERS Peace Officers and Fire Fighter Industrial and Ordinary Disability rates, multiplied by 120%.

75% of all Miscellaneous and 100% of all Safety disabilities are assumed to be service-connected.

**Salary Merit and Longevity Increases**

<b>Service</b>	<b>Miscellaneous</b>	<b>Safety</b>
0	6.00%	5.25%
1	6.00%	5.25%
2	5.00%	5.00%
3	4.00%	4.75%
4	3.00%	4.50%
5	2.25%	2.25%
6	1.75%	1.75%
7	1.40%	1.25%
8	1.20%	1.25%
9	1.00%	1.25%
10	0.85%	1.25%
11	0.85%	1.25%
12	0.85%	1.25%
13	0.85%	1.25%
14	0.85%	1.25%
15	0.85%	1.25%
16	0.85%	1.25%
17+	0.50%	1.25%



**SECTION 6**  
**ACTUARIAL METHODS AND ASSUMPTIONS AND DATA**

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**Retirement**

Retirement rates do not apply until a member is eligible for retirement.

Age	Miscellaneous (by service)			Safety (by service)		
	Classic and PEPRAs			Classic 3% @ 50		
	<20	20-29	30+	<20	20-29	30+
40-48	n/a	n/a	n/a	n/a	3.00%	50.00%
49	n/a	n/a	n/a	n/a	15.00%	50.00%
50	3.00%	3.00%	3.00%	5.00%	15.00%	50.00%
51	3.00%	3.00%	3.00%	5.00%	10.00%	50.00%
52	3.00%	3.00%	3.00%	5.00%	10.00%	50.00%
53	5.00%	5.00%	10.00%	10.00%	10.00%	50.00%
54	5.00%	5.00%	15.00%	10.00%	10.00%	50.00%
55	5.00%	10.00%	15.00%	10.00%	25.00%	50.00%
56	5.00%	10.00%	15.00%	10.00%	30.00%	50.00%
57	5.00%	10.00%	15.00%	10.00%	35.00%	50.00%
58	5.00%	10.00%	15.00%	10.00%	40.00%	50.00%
59	5.00%	10.00%	15.00%	10.00%	45.00%	50.00%
60	10.00%	10.00%	30.00%	50.00%	50.00%	50.00%
61	10.00%	10.00%	30.00%	50.00%	50.00%	50.00%
62	12.00%	20.00%	30.00%	50.00%	50.00%	50.00%
63	14.00%	20.00%	30.00%	50.00%	50.00%	50.00%
64	16.00%	20.00%	30.00%	50.00%	50.00%	50.00%
65	18.00%	20.00%	30.00%	100.00%	100.00%	100.00%
66	20.00%	30.00%	30.00%	100.00%	100.00%	100.00%
67	20.00%	30.00%	30.00%	100.00%	100.00%	100.00%
68	20.00%	30.00%	30.00%	100.00%	100.00%	100.00%
69	20.00%	30.00%	30.00%	100.00%	100.00%	100.00%
70	25.00%	30.00%	30.00%	100.00%	100.00%	100.00%
71	25.00%	30.00%	30.00%	100.00%	100.00%	100.00%
72	25.00%	30.00%	30.00%	100.00%	100.00%	100.00%
73	25.00%	30.00%	30.00%	100.00%	100.00%	100.00%
74	25.00%	30.00%	30.00%	100.00%	100.00%	100.00%
75	25.00%	30.00%	30.00%	100.00%	100.00%	100.00%
76	25.00%	30.00%	30.00%	100.00%	100.00%	100.00%
77	25.00%	30.00%	30.00%	100.00%	100.00%	100.00%
78	25.00%	30.00%	30.00%	100.00%	100.00%	100.00%
79	25.00%	30.00%	30.00%	100.00%	100.00%	100.00%
80+	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%



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**ACTUARIAL METHODS AND ASSUMPTIONS AND DATA**

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Age	Safety (by service)					
	Classic 3% @ 55			PEPRA 2.7% @ 57 <sup>10</sup>		
	<20	20-29	30+	15	20	25
45-49	n/a	8.00%	50.00%	n/a	n/a	n/a
50	2.00%	8.00%	50.00%	5.00%	5.00%	5.00%
51	2.00%	8.00%	50.00%	4.00%	4.00%	5.75%
52	2.00%	8.00%	50.00%	3.80%	3.80%	5.80%
53	2.00%	8.00%	50.00%	3.80%	3.80%	7.74%
54	2.00%	8.00%	50.00%	3.80%	4.37%	9.31%
55	10.00%	40.00%	50.00%	6.84%	9.12%	13.40%
56	10.00%	15.00%	50.00%	6.27%	8.36%	12.28%
57	10.00%	15.00%	50.00%	6.00%	8.00%	11.75%
58	10.00%	15.00%	50.00%	8.00%	8.80%	13.75%
59	10.00%	15.00%	50.00%	8.00%	9.20%	14.00%
60	10.00%	15.00%	50.00%	15.00%	15.00%	15.00%
61	10.00%	15.00%	50.00%	14.40%	14.40%	14.40%
62	10.00%	15.00%	50.00%	15.00%	15.00%	15.00%
63	10.00%	15.00%	50.00%	15.00%	15.00%	15.00%
64	10.00%	15.00%	50.00%	15.00%	15.00%	15.00%
65+	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

<sup>10</sup> Same as 2017 CalPERS 2.7% @ 57.



**SECTION 6**  
**ACTUARIAL METHODS AND ASSUMPTIONS AND DATA**

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**Mortality**

Pre-retirement:

Miscellaneous: Sex distinct Public 2010 General Employee Amount-Weighted Mortality Table, with generational mortality improvements projected from 2010 using Projection Scale MP-2021, with no adjustments.

Safety: Sex distinct Public 2010 Safety Employee Amount-Weighted Above-Median Income Mortality Table, with generational mortality improvements projected from 2010 using Projection Scale MP-2021, with no adjustments.

Post-retirement for Service Retirees:

Miscellaneous: Sex distinct Public 2010 General Healthy Retiree Amount-Weighted Mortality Table, with generational mortality improvements projected from 2010 using Projection Scale MP-2021, with no adjustments.

Safety: Sex distinct Public 2010 Safety Healthy Retiree Amount-Weighted Above-Median Income Mortality Table, with generational mortality improvements projected from 2010 using Projection Scale MP-2021, with no adjustments.

Post-retirement for Disabled Retirees:

Miscellaneous: Sex distinct Public 2010 General Disabled Retiree Amount-Weighted Mortality Table, with generational mortality improvements projected from 2010 using Projection Scale MP-2021, adjusted by 95% for males and females.

Safety: Sex distinct Public 2010 Safety Disabled Retiree Amount-Weighted Mortality Table, with generational mortality improvements projected from 2010 using Projection Scale MP-2021, adjusted by 95% for males with no adjustments for females.

Post-retirement for Beneficiaries:

Sex distinct Public 2010 Contingent Survivor Amount-Weighted Mortality Table, using General 2010 Healthy Retiree Amount-Weighted Mortality Table before age 45, with generational mortality improvements projected from 2010 using Projection Scale MP-2021, adjusted by 105% for females and no adjustments for males.

Sample life expectancies are shown below.

7/1/2025 Age	Miscellaneous				Safety			
	Service		Disability		Service		Disability	
	Male	Female	Male	Female	Male	Female	Male	Female
50	35.7	38.6	27.2	30.1	37.0	38.3	34.9	36.5
55	30.8	33.6	23.6	26.5	31.9	33.1	30.0	31.6
60	26.1	28.8	20.4	23.1	27.0	28.2	25.2	27.0
65	21.6	24.0	17.3	19.7	22.3	23.5	20.8	22.6
70	17.3	19.5	14.4	16.2	17.9	19.1	16.7	18.5
75	13.3	15.2	11.6	12.9	13.9	14.9	12.9	14.5
80	9.8	11.3	8.9	9.8	10.3	11.2	9.6	10.9
85	7.0	8.1	6.6	7.4	7.3	8.1	6.9	7.9

