



REQUIRED SUPPLEMENTARY INFORMATION PENSIONS — GASB STATEMENT 73

Required supplementary information for pensions that are not administered through a trust provides information on the sources of changes in the total pension liability and information about the components of the pension liability.

The Required Supplementary Information for pensions not administered through a trust includes the following schedules:

Schedule of Changes in the Total Pension Liability and Related Ratios: Single-Employer, Defined Benefit Pension Plan

Notes to Required Supplementary Information: Schedule of the Total Pension Liability

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE TOTAL PENSION LIABILITY AND RELATED RATIOS
SINGLE-EMPLOYER, DEFINED BENEFIT PENSION PLAN

Last Three Fiscal Years

(Dollars in Thousands)

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Special Separation Allowance			
Total pension liability			
Service Cost	\$ 7,090	\$ 5,779	\$ 6,112
Interest	6,721	5,328	7,314
Changes of benefit terms	-	18,621	-
Differences between expected and actual experience	894	8,582	3,927
Changes of assumptions	5,051	(5,675)	(1,216)
Benefit payments, including refunds of member contributions	<u>(16,031)</u>	<u>(15,631)</u>	<u>(14,895)</u>
Net change in total pension liability	3,725	17,004	1,242
Total pension liability - beginning	215,657	198,653	197,411
Total pension liability - ending	<u>\$ 219,382</u>	<u>\$ 215,657</u>	<u>\$ 198,653</u>
Covered-employee payroll	\$ 258,472	\$ 243,663	\$ 161,416
Total pension liability as a percentage of covered-employee payroll	84.88%	88.51%	123.07%

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF TOTAL PENSION LIABILITY

For the Fiscal Year Ended June 30, 2019

The Special Separation Allowance (SSA) is a single-employer, defined benefit pension plan in which there are no accumulated assets in a trust fund to pay the benefits to the retired law enforcement officers (LEOs). These benefits are funded on a pay-as-you-go basis from budget appropriated annually of each affected state agency.

Changes of benefit terms. Effective July 1, 2017, Session Law 2017-57 Section 35.19B.(a) expanded the definition of law enforcement officers in General Statute 135-1(11c) to include probation/parole officers for retirement benefit purposes. The change includes officers with respect to service rendered on or after July 1, 2017 and provides for unreduced retirement at age 55 with five years of service as a law enforcement officer or reduced retirement at age 50 with 15 years of service as a law enforcement officer. This change increased the total pension liability by \$18.62 million, which was fully expensed in fiscal year ending June 30, 2018.

Changes in assumptions since the prior measurement date. The discount rate was lowered from 3.13% at June 30, 2017 to 2.98% at June 30, 2018 due to a change in the Municipal Bond Rate. The assumed inflation rate was lowered from 3% to 2.5% and assumed wage inflation was increased from 0.5% to 1%.