

Initial Valuations: Important Comments

1. The reader of the report understands that actuarial calculations are by their nature imprecise, as they are mathematical estimates based on current data and assumptions of future events (which may or may not materialize).
2. Actuarial calculations can and do vary from one valuation year to the next, sometimes significantly if the group valued is very small (less than 30 lives). As a result, the cost impact of a benefit provision may fluctuate over time, as the demographics of the group changes.
3. A summary of the benefits available under TGRS-MERS is provided in Section 1 of the report. The actuarial assumptions used are described in Section 2 and the actuarial methods used are described in Section 3 of the report.
4. The valuation date is the last day of the month prior to the month when the request is received by the actuary, unless requested otherwise.
5. Contribution requirements have taken into consideration prior service with other TGRS-MERS entities (for eligibility service only) per Section 5(1) of the TGRS Plan Document.
6. When a tribe joins TGRS-MERS and members are granted prior service, the MERS Plan Document, Section 2C(3) requires that employer must transfer assets equal to a minimum of at least 80% of the Actuarial Accrued Liability. TGRS-MERS strongly encourages full, 100%, up-front funding of the Actuarial Accrued Liability attributable to prior service (see Prior Service Credit and the Prospective TGRS-MERS Municipality, September 28, 1999). As provided by Plan Section 2C(3)(b), for all initial valuations requested on or after January 1, 2007, amortization of unfunded actuarial accrued liabilities shall be 25 years (and 20 year amortization commencing January 1, 2011).
7. Retirement benefits and employer contributions are based on a percentage of members' gross pays, including base pay, overtime pay, longevity pay, and several other miscellaneous items. If total gross payroll exceeds the reported salaries, the dollar contribution amounts shown in the report should be increased proportionately. The above percentages of payroll will not be affected, however.
8. For divisions that are closed to new hires, with the new hires being covered by the TGRS-MERS DC Plan, by any non-TGRS-MERS DB or DC plan or by no plan, the Retirement Board has directed that the amortization period for positive unfunded liabilities is decreased annually by 2 years until the period reaches 5 years (Amended Amortization Policy for Closed Divisions Within Open Municipalities^{F591}).

9. The results in the report were based on information provided to the actuary by the tribe and TGRS-MERS. The actuary is unaware of any additional information that would impact these results. If the information in the “Request for Initial Valuation” is incorrect or incomplete, the actuary does not assume responsibility for the accuracy of that information, and the requester (or reader) of this valuation report may not rely on the results and should advise TGRS-MERS promptly.
10. The results in the report do not show the potential impact that the adoption of the benefits may have on other post-employment.
11. In the event that more than one set of benefit provisions is being considered, the user of the report should remember that the results of separate actuarial valuations cannot be added together. The total can be considerably greater than the sum of the parts due to the interaction of various plan provisions with each other and with the assumptions used.
12. If the user of the report is not sure how to interpret certain results in the report or how to read the report, they should contact a TGRS Representative at (800) 641-8477 or TGRS’ actuary before relying on the results in the report.