

Special Note Regarding 2022 Plan Assessments

TCDRS' long-term outlook anticipates that rates and returns will remain below historical norms. The forecasts show decreased returns across all asset classes. Soundness requires synchronizing assumptions with expectations. Thus, the TCDRS board reduced the investment return assumption to 7.5%. A reduction in the assumption was consistent with the recommendation of Milliman, our consulting actuaries. The investment return assumption is important as it determines how much benefit funding is expected to come from investments versus employer contributions. In addition, the inflation assumption has also been decreased to 2.5% which impacts wage growth and payroll growth.

These assumptions are reflected in this valuation and most employers will see increases in their required contribution rates for 2022. Supporting employers through this transition is TCDRS' most important investment. The board has used a portion of system reserves and re-amortized liabilities to help mitigate the increases. In addition, one of TCDRS' strengths is that employers have the ability to annually adjust benefits based on local needs and budgets. If employers need to reduce costs, TCDRS staff is available to help you understand your options.



Plan Assessment for Plan Year 2022
Johnson County – 225
Participation Date – 1/1/1968

It's that time of year again — time to look at your TCDRS retirement plan and decide whether or not your benefits are adequate and affordable. This plan assessment will give you an overview of the benefits you provide as well as how much it will cost to provide these benefits in the upcoming plan year.

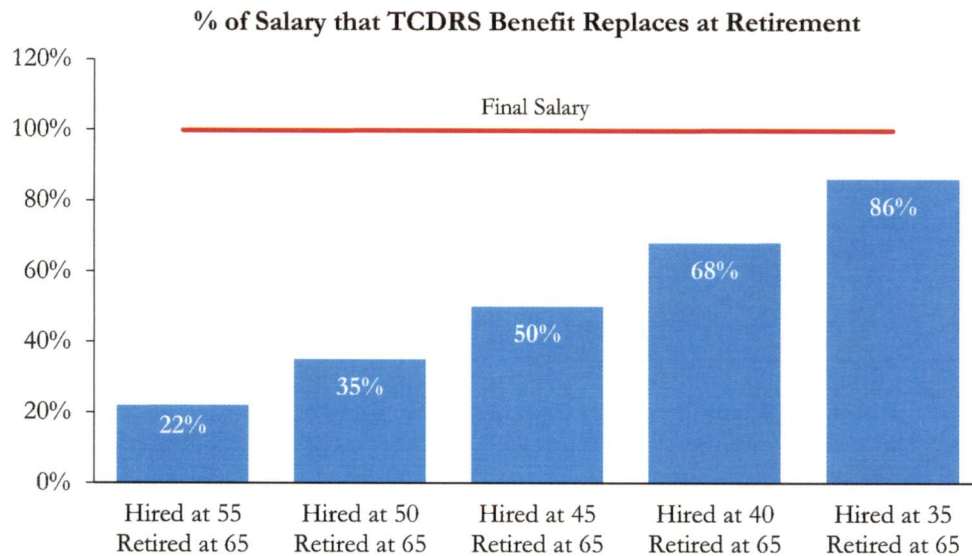
	2022 Plan
Basic Plan Options	
Employee Deposit Rate	7%
Employer Matching	200%
Prior Service Credit	No Employees Eligible
Retirement Eligibility	
Age 60 (Vesting)	8 years of service
Rule of	75 years total age + service
At Any Age	20 years of service
Optional Benefits	
Partial Lump Sum	No
Group Term Life	None
Retirement Plan Funding	
Total Normal Cost Rate	14.74%
Employee Deposit Rate	<u>-7.00%</u>
Employer-Paid Normal Cost Rate	7.74%
UAAL / (OAAL) Rate	<u>4.71%</u>
Required Rate	12.45%
Elected Rate	11.49%
Total Contribution Rate	
Retirement Plan Rate	12.45%
(greater of required and elected rate)	
Group Term Life Rate	<u>N/A</u>
Total Contribution Rate	12.45%
Valuation Results (Dec. 31, 2020)	
Actuarial Accrued Liability	\$147,358,678
Actuarial Value of Assets	<u>\$127,264,928</u>
Unfunded / (Overfunded) AAL	\$20,093,750
Funded Ratio	86.4%

Notes:

Last COLA: 2009

What You Are Providing

The TCDRS benefit is based on employee deposits, which earn 7% compound interest each year, and employer matching at retirement. The following chart shows the estimated TCDRS benefit as a percentage of final salary prior to retirement for a new hire:

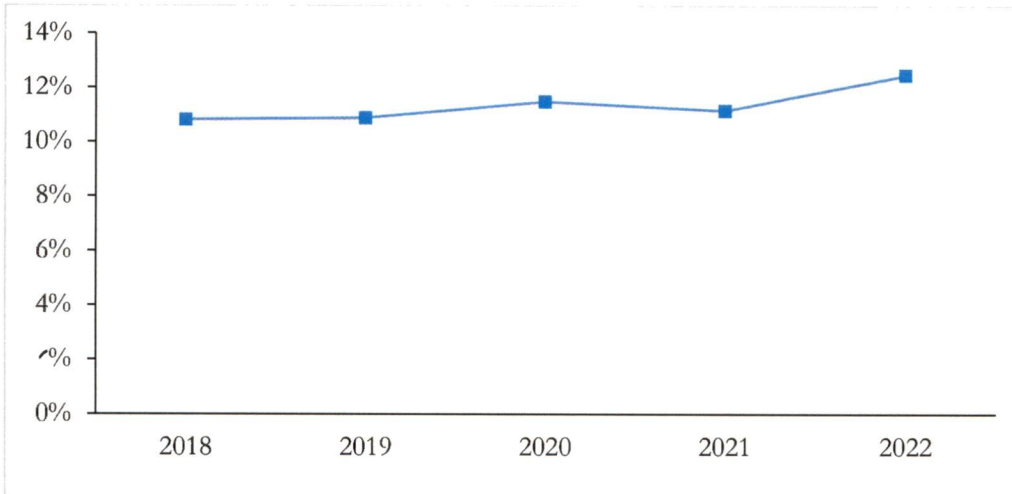


Assumptions

- Employees are new hires and will work for you until retirement.
- Your current plan provisions will remain in effect through an employee's retirement.
- Current laws governing TCDRS will continue as they are.
- Graded salary scales give bigger raises early in careers, with smaller raises later in careers (see Summary Valuation Report at [TCDRS.org/Employer](https://www.tcdrs.org/Employer)).
- Based on Single Life benefit.

Reasons for Rate Change

Below is a record of your required rate history for your retirement plan over the last five years.



Reasons for Rate Change	2018-2019	2019-2020	2020-2021	2021-2022
Beginning Rate	10.82%	10.89%	11.49%	11.16%
Plan Changes Adopted	0.00%	0.00%	0.00%	N/A
Investment Return	-0.01%	0.58%	-0.01%	-0.01%
Elected Rate/Lump Sum	0.00%	0.00%	0.00%	-0.03%
Demographic/Other Changes	0.12%	0.02%	-0.32%	0.01%
Assumptions/Methods ⁽¹⁾	-0.04%	0.00%	0.00%	1.32%
Ending Rate	10.89%	11.49%	11.16%	12.45%
Valuation Year	2017	2018	2019	2020
Funded Ratio	89.1%	88.2%	89.0%	86.4%

1. 2021-2022: Includes reductions to the investment return and inflation assumptions, and method adjustments designed to mitigate the impact of the reductions.

A complete Summary Valuation Report for the Dec. 31, 2020 valuation will be available mid-May at TCDRS.org/Employer.

Next Steps

If you are interested in making plan changes, please contact your Employer Services Representative at 800-651-3848. Your benefit selections are due by Dec. 15, 2021.