

SilverStone Group for GASB 45 Services

Qualifications, Experience and Commitment to Serve You

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SilverStone Group, Incorporated was selected and introduced as a GASB 45 Actuarial Service Provider for members of the Iowa Association of Counties in 2008. This article will provide additional information about SilverStone Group, the GASB 45 process, available services and fees.

Consider SilverStone Group for GASB 45

SilverStone Group is considered a good choice for GASB 45 services for these reasons:

Qualifications—The assigned actuaries and consultants are fully qualified.

Experience—Actuarial services related to the financial reporting of Other Post Employment Benefit (OPEB) plans have been provided for over 15 years.

Responsiveness—The assigned actuaries and consultants place the highest priority on delivering quality work with adequate time margins to satisfy reporting deadlines.

Commitment—Our clients are an important extension of our actuaries and consultants.

Economy—We respect the desire for quality work at a reasonable cost.

SilverStone Group Profile

SilverStone Group is an employee-owned consulting and risk management firm with offices in Omaha, Lincoln, Council Bluffs, Des Moines and Sioux Falls. Guided by Midwestern values and a strong work ethic, we have become an industry leader for employee benefits, retirement plans, risk management and human resource

consulting. Our reputation is based on more than 60 years of dedication to our clients. More than 175 consultants, actuaries and administrators bring together diverse backgrounds in actuarial science, law, underwriting, loss control, accounting, financial services and human resource consulting. The actuarial staff of SilverStone Group includes two Fellows of the Society of Actuaries, four Associates of the Society of Actuaries and a support staff of 15 actuarial analysts and administrators.

Professional Credentials and Experience

The actuaries of SilverStone Group have the qualifications and experience to address the financial reporting requirements of GASB 45. We are qualified to issue a Public Statement of Actuarial Opinion and to undertake this project by observing Precept 2 of the Code of Professional Conduct of the American Academy of Actuaries. We have completed GASB 45 valuations in Iowa, Nebraska, Kansas, South Dakota and surrounding States.

The GASB 45 Process

Communication is the key to the effective delivery of actuarial consulting services. We will initiate each GASB 45 engagement with a pre-valuation discussion. This discussion will provide the opportunity to clarify and confirm the features of the OPEB plans. Our reports will present the detailed results of the GASB 45 valuation. The reports will include adequate descriptions of the GASB process and the terminology used to present the results. Written reports will be supplemented by discussion during a post-valuation conference call. We will also be available to meet in your offices to present and discuss the results, as desired.

Services

The Services requested have been separated into Core and Optional Services. A separate schedule of services and fees apply for those who are eligible and select the Alternate Measurement Method.

The Core Services include everything needed to satisfy the GASB 45 reporting requirements. SilverStone Group will:

1. Derive the actuarial value of benefits, separately identifying amounts for active and retired employees
2. Evaluate experience and select assumptions related to turnover, retirement age, mortality, projected post retirement benefit increases, inflation rate, amortization period and investment return
3. Display GASB 45 financial information and footnote disclosures for the Comprehensive Annual Financial Report (CAFR) including:
 - a. annual required contribution, as a dollar amount and a percentage of payroll
 - b. annual OPEB cost as a dollar amount and a percentage of payroll
 - c. reconciliation of net OPEB obligation during the current year and projected net OPEB obligation at the end of the year
4. Include descriptions of:
 - a. benefit plan provisions
 - b. actuarial methods and amortization policy
 - c. actuarial assumptions
 - d. claims and member data used in the valuation
5. Provide an Actuarial Certification in compliance with Actuarial Standards Practice of the American Academy of Actuaries

6. Provide electronic and paper copies of written reports that document the services performed and determinations reported

An Alternative Measurement Method may be used by Counties with less than 100 eligible employees. If the alternative method is selected to comply with GASB 45, simplified assumptions are reflected to derive the desired financial disclosures. By selecting the alternative method the County gives up several levels of "sophistication" and forgoes an actuarial certification. But the cost will be less to complete the required financial disclosures.

If an eligible County requests a valuation and related reporting based on the Alternative Measurement Method SilverStone Group will:

1. Display GASB 45 financial information and footnote disclosures including:
 - a. dollar amount and a percentage of payroll
 - b. annual OPEB cost as a dollar amount and a percentage of payroll
 - c. annual required contribution, as a reconciliation of net OPEB obligation during the current year and projected net OPEB obligation at the end of the year
2. Include descriptions of:
 - a. benefit plan provisions
 - b. actuarial methods and amortization policy
 - c. actuarial assumptions
 - d. claims and member data used in the valuation
3. Provide electronic and paper copies of written reports that document the services performed and determinations reported

Optional Services may be selected and include:

1. Information necessary to forecast future budget needs including:
 - a. annual required contributions needed to fund retiree benefits
 - b. ten-year "pay-as-you-go" cost projections
 - c. recommendations for managing the OPEB plan liabilities
2. Models or mechanisms for forecasting changes in assumptions and their general effect on potential liability
3. Attend on-site meetings to discuss result of valuations or optional services

Fees for Core Services

If limited to pre-65 OPEB plan benefits:

- \$2,750 with less than 100 employees
- \$3,250 with 100 to 200 employees
- \$3,250 plus \$3 for each active and retired, if 200 or more employees

If the OPEB plan includes both pre-65 and post-65 benefits, the schedules above are increased by \$1,000.

For eligible Counties, the Alternative Measurement Method fee is \$1,750.

Optional Services Fees

Counties who want to meet to discuss the valuation results, request forecasts of future year obligations or review the impact of revised retiree contributions or benefit provisions may select these services and pay an additional fee. A fee estimate for any optional services will be provided.

Contact for Additional Information

To discuss a course of action and to make plans to complete a GASB 45 valuation, please contact Donn Jones, as indicated below:

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