

**Report 20-25  
December 2020**

# **Supplemental Health Insurance Conversion Credit Program Reporting for Participating Employers**

Calendar Year 2019

STATE OF WISCONSIN



Legislative Audit Bureau ■



**Report 20-25  
December 2020**

# **Supplemental Health Insurance Conversion Credit Program Reporting for Participating Employers**

Calendar Year 2019

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# CONTENTS

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<b>Letter of Transmittal</b>	<b>1</b>
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<b>Auditor's Report</b>	<b>3</b>
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## **Appendix**

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2019 GASB 75 Employer Schedules—Supplemental Health Insurance Conversion  
Credit Program (*Prepared by the Department of Employee Trust Funds*)





# STATE OF WISCONSIN | Legislative Audit Bureau

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Joe Chrisman  
State Auditor

December 4, 2020

Senator Robert Cowles and  
Representative Samantha Kerkman, Co-chairpersons  
Joint Legislative Audit Committee  
State Capitol  
Madison, Wisconsin 53702

Dear Senator Cowles and Representative Kerkman:

As requested by the Department of Employee Trust Funds (ETF), we have completed an audit of the Schedule of Employer Allocations of the Supplemental Health Insurance Conversion Credit (SHICC) program, the Schedule of Collective OPEB Amounts of the SHICC program, and the related notes to these schedules as of and for the year ended December 31, 2019. These schedules, and our unmodified opinions on them, may be found in the Appendix.

In July 2020, ETF separated the financial reporting for two sick leave programs, which include the basic Accumulated Sick Leave Conversion Credit program (basic ASLCC) and the SHICC program. Employees may be eligible for these programs if employed by the State of Wisconsin, including the University of Wisconsin (UW) System, and certain state authorities such as the UW Hospitals and Clinics Authority.

The basic ASLCC program allows eligible employees to convert unused sick leave balances earned during their employment to a balance for use in paying postemployment premiums for state group health insurance coverage after they terminate state service, including through retirement, layoff, or death. Financial statements for the basic ASLCC program, as of and for the year ended December 31, 2019, will be included in ETF's Comprehensive Annual Financial Report (CAFR).

The SHICC program, established in 1995, provides certain eligible employees additional sick leave hours at termination that increases the balance available to pay for health insurance premiums. The SHICC program is considered an other postemployment benefits (OPEB) plan because it provides benefits to employees only upon termination and based on meeting certain requirements at termination. OPEB refers to the benefits, other than pensions, that a state or local government employee may receive after they have left employment, generally upon retirement. An OPEB plan can include medical, prescription drug, dental, vision, and other health-related benefits, whether provided separately or through a pension plan, as well as death benefits, life insurance, and long-term care coverage, when provided separately from a pension plan.

We audited the financial statements and related notes of the SHICC program as of and for the year ended December 31, 2019, and provided our unmodified opinion on them, as detailed in report 20-24. Accounting standards issued by the Governmental Accounting Standards Board require the calculation of a net OPEB liability or asset, which represents the difference between

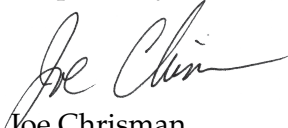
the fiduciary net position reported in the financial statements and the total OPEB liability calculated by the actuary. As of December 31, 2019, ETF calculated a net OPEB asset for the SHICC program of \$151.8 million.

The State of Wisconsin's commitment to provide postemployment benefits under the SHICC program results in an obligation to make contributions into the future to ensure that sufficient resources are available to make the benefit payments. Therefore, the State of Wisconsin has responsibility for the resulting OPEB obligations and will report the net OPEB asset for the SHICC program in the financial statements in the State's CAFR for the year ended June 30, 2020. In addition, the schedules will be used by state agencies and authorities that are part of the State's financial reporting entity, but that prepare separately issued financial statements. Additional information related to the accounting standards for OPEBs is included in report 20-24.

The Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters, which is required by *Government Auditing Standards*, begins on page 5. We did not identify any control or compliance concerns that were required to be reported under these standards.

We appreciate the courtesy and cooperation extended to us by ETF staff during our audit.

Respectfully submitted,



Joe Chrisman  
State Auditor

JC/ES/ss



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## **Auditor's Report ■**

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Report 20-25

## Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters

Senator Robert Cowles and  
Representative Samantha Kerkman, Co-Chairpersons  
Joint Legislative Audit Committee

Members of the Employee Trust Funds Board and  
Mr. Robert J. Conlin, Secretary  
Department of Employee Trust Funds

We have audited the Schedule of Employer Allocations of the Supplemental Health Insurance Conversion Credit program as of and for the year ended December 31, 2019, and the related notes. We have also audited the totals for the columns titled Net OPEB Liability (Asset), Total Deferred Outflows of Resources Excluding Employer Specific Amounts, Total Deferred Inflows of Resources Excluding Employer Specific Amounts, and Plan OPEB Expense (Revenue) included in the Schedule of Collective OPEB Amounts of the Supplemental Health Insurance Conversion Credit program as of and for the year ended December 31, 2019, and the related notes. We have issued our report dated December 3, 2020, on these schedules. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, which is issued by the Comptroller General of the United States.

### Internal Control over Financial Reporting

Management of the Department of Employee Trust Funds (ETF) is responsible for establishing and maintaining effective internal control over financial reporting (internal control). In planning and performing our audit of the Supplemental Health Insurance Conversion Credit program schedules, we considered ETF's internal control to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the schedules, but not for the purpose of expressing an opinion on the effectiveness of ETF's internal control. Accordingly, we do not express an opinion on the effectiveness of ETF's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent misstatements, or to detect and correct misstatements on a timely basis. A *material weakness* is a deficiency or a combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the schedules will not be prevented,

or that a material misstatement will not be detected and corrected on a timely basis. A *significant deficiency* is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### Compliance and Other Matters


As part of obtaining reasonable assurance about whether the Supplemental Health Insurance Conversion Credit program schedules are free from material misstatement, we performed tests of compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the determination of schedule amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We have also audited the financial statements and related notes of the Supplemental Health Insurance Conversion Credit program as of and for the year ended December 31, 2019, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*. We expressed an unmodified opinion, dated December 3, 2020, on those financial statements. In addition, we issued the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters, dated December 3, 2020, and included in report 20-24, related to the audit of the financial statements.

### Purpose of This Report

This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be used when considering ETF's internal control and compliance. The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of ETF's internal control or on compliance. Accordingly, this report is not suitable for any other purpose.

LEGISLATIVE AUDIT BUREAU

  
Joe Chrisman  
State Auditor

December 3, 2020

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## **Appendix ■**

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# **Wisconsin Department of Employee Trust Funds**

**2019 GASB 75 Employer Schedules**

**Supplemental Health Insurance  
Conversion Credit Program**



# **GASB 75 Employer Schedules Supplemental Health Insurance Conversion Credit Calendar Year 2019**

## **Wisconsin Department of Employee Trust Funds**

4822 Madison Yards Way  
Madison, WI 53705-9100  
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### **ETF Executive Team**

Robert J. Conlin, Secretary  
John Voelker, Deputy Secretary  
Pamela Henning, Assistant Deputy Secretary



# Table of Contents

Audit Opinion .....	1
Schedule of Employer Allocations .....	4
Schedule of Collective OPEB Amounts .....	5
Notes to the Employer Schedules .....	6



## STATE OF WISCONSIN | Legislative Audit Bureau

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Joe Chrisman  
State Auditor

### **Independent Auditor's Report on the Employer Schedules and Other Reporting Required by *Government Auditing Standards***

Senator Robert Cowles and  
Representative Samantha Kerkman, Co-Chairpersons  
Joint Legislative Audit Committee

Members of the Employee Trust Funds Board and  
Mr. Robert J. Conlin, Secretary  
Department of Employee Trust Funds

#### **Report on Supplemental Health Insurance Conversion Credit Employer Schedules**

We have audited the accompanying Schedule of Employer Allocations of the Supplemental Health Insurance Conversion Credit program as of and for the year ended December 31, 2019, and the related notes. We have also audited the totals for the columns titled Net OPEB Liability (Asset), Total Deferred Outflows of Resources Excluding Employer Specific Amounts, Total Deferred Inflows of Resources Excluding Employer Specific Amounts, and Plan OPEB Expense (Revenue) included in the Schedule of Collective OPEB Amounts of the Supplemental Health Insurance Conversion Credit program as of and for the year ended December 31, 2019, and the related notes.

#### **Management's Responsibility for the Employer Schedules**

Management of the Department of Employee Trust Funds (ETF) is responsible for the preparation and fair presentation of these schedules in accordance with accounting principles generally accepted in the United States of America. This includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the schedules that are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Schedule of Employer Allocations and an opinion on the specified column totals included in the Schedule of Collective OPEB Amounts based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, which is issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Schedule of Employer Allocations and the specified column totals included in the Schedule of Collective OPEB Amounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Schedule of Employer Allocations and specified column totals included in the Schedule of Collective OPEB Amounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Schedule of Employer Allocations and specified column totals included in the Schedule of Collective OPEB Amounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Schedule of Employer Allocations and specified column totals included in the Schedule of Collective OPEB Amounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the Schedule of Employer Allocations and specified column totals included in the Schedule of Collective OPEB Amounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, the schedules referred to in the first paragraph present fairly, in all material respects, the employer allocations and the Net OPEB Liability (Asset), Total Deferred Outflows of Resources Excluding Employer Specific Amounts, Total Deferred Inflows of Resources Excluding Employer Specific Amounts, and Plan OPEB Expense (Revenue) for the Supplemental Health Insurance Conversion Credit program as of and for the year ended December 31, 2019, in accordance with accounting principles generally accepted in the United States of America.

### **Other Matter**

We have audited the financial statements of the Supplemental Health Insurance Conversion Credit program as of and for the year ended December 31, 2019, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*. In our report thereon, dated December 3, 2020, we expressed an unmodified opinion on those financial statements, as detailed in report 20-24. We also included in our report an emphasis of matter related to a change in financial reporting for the Supplemental Health Insurance Conversion Credit program. Our opinion was not modified with respect to this matter.

### **Restriction on Use**

Our report is intended solely for the information and use of the Legislature, ETF, the ETF Board, and the Supplemental Health Insurance Conversion Credit program plan employer and its auditors, and is not intended to be and should not be used by anyone other than these specified parties.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated December 3, 2020, and published as report 20-25, on our consideration of ETF's internal control over financial reporting; our tests of its compliance with certain provisions of laws, regulations,

and contracts; and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of ETF's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be used when considering ETF's internal control over financial reporting and compliance.

LEGISLATIVE AUDIT BUREAU

A handwritten signature in black ink, appearing to read "Joe Chrisman". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Joe Chrisman  
State Auditor

December 3, 2020

**State of Wisconsin  
Supplemental Health Insurance Conversion Credit  
Schedule of Employer Allocations  
As of and for the year ended December 31, 2019**

<b>Employer Name</b>	<b>Employer Number</b>	<b>2019 Employer Contributions</b>	<b>2019 Employer Allocation Percentage</b>
STATE OF WISCONSIN	0001101 - 0001199	\$ 6,040,811	42.040879 %
UNIVERSITY OF WISCONSIN SYSTEM	0001131	6,425,910	44.720966 %
UW HOSPITAL AUTHORITY	0001183	1,866,718	12.991379 %
HOUSING & ECON DEVELOP AUTH	0001153	35,459	0.246776 %
<b>Totals</b>		<u>\$ 14,368,898</u>	<u>100.000000 %</u>

The accompanying notes are an integral part of this schedule.

**State of Wisconsin**  
**Supplemental Health Insurance Conversion Credit**  
**Schedule of Collective OPEB Amounts**  
**As of and for the year ended December 31, 2019**

<b>Deferred Outflows of Resources</b>			<b>Deferred Inflows of Resources</b>					
<b>Net OPEB Liability (Asset)</b>	<b>Difference Between Expected and Actual Experience</b>	<b>Changes of Assumptions</b>	<b>Total Deferred Outflows of Resources Excluding Employer Specific Amounts*</b>	<b>Difference Between Expected and Actual Experience</b>	<b>Net Difference Between Projected and Actual Investment Earnings on OPEB Plan Investments</b>	<b>Changes of Assumptions</b>	<b>Total Deferred Inflows of Resources Excluding Employer Specific Amounts*</b>	<b>Plan OPEB Expense (Revenue)</b>
\$ (151,767,478) \$	0 \$	19,679,078 \$	19,679,078 \$	102,598,510 \$	58,374,168 \$	0 \$	160,972,678 \$	(1,868,347) \$

\*Employer specific amounts that are excluded from this schedule are the changes in proportion and differences between employer contributions and proportionate share of contributions as defined in paragraphs 63-64 of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.

The accompanying notes are an integral part of this schedule.

## Notes to the Employer Schedules

**Plan Description** - The Supplemental Health Insurance Conversion Credit program (SHICC) is a single-employer, defined-benefit Other Post Employment Benefit (OPEB) plan. The SHICC program provides a match of sick leave credits for members with 15 or more years of adjusted continuous state service. These credits can be used to pay for post-retirement health insurance. The SHICC program includes the State of Wisconsin (State), the University of Wisconsin, and other component units of the State. The Department of Employee Trust Funds (ETF) and the ETF Board have statutory authority for program administration and oversight under Wis. Stats. § 40.05 (4) and § 40.95.

The SHICC program allows members with more than 15 years of eligible service to convert unused sick leave balances into credits to pay for post-retirement health insurance premiums. The SHICC benefit provides a limited match of the members credits earned through the Accumulated Sick Leave Conversion Credit (ASLCC) program. ASLCC program credits are computed at the time of retirement, layoff, or death by multiplying the number of hours of unused sick leave by the highest hourly pay rate at which the employee accrued sick leave that is eligible for conversion. Employment category and number of years of service are also factored into the calculation (as noted in the table below). The SHICC program also includes a provision for the restoration of 500 hours of credits upon retirement, layoff or death provided at least 500 hours of accrued sick leave were used for a single injury or illness during the three years immediately preceding the retirement, layoff or death while in state service.

All ASLCC program credits must be used before the SHICC program credits. Unused ASLCC and SHICC credits have no cash value, are carried forward from year to year without interest, and when total health insurance premiums paid on behalf of the retired employee exceed the conversion credits, no further payments are made under the ASLCC and SHICC programs. ASLCC and SHICC credits may be escrowed indefinitely after retirement for participants who provide evidence of comparable health insurance coverage from another source.

**Basis of Presentation** - The Schedule of Employer Allocations and Schedule of Collective OPEB Amounts (collectively, "the Schedules") present amounts that are elements of the financial statements of the plan or of its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of the plan or its participating employers. The accompanying Schedules were prepared in accordance with accounting principles generally accepted in the United States of America. Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Other Postemployment Benefits Other than Pensions*, requires participating employers in the plan to recognize their proportionate share of the collective Net OPEB Liability (Asset), collective Deferred Outflows of Resources, collective Deferred Inflows of Resources, and collective Plan OPEB Expense (Revenue).

**Schedule of Employer Allocations** - The employer allocation percentage is based on the employer's contribution for the most recent calendar year compared to the total contributions for all employers for the period. The employer allocation percentage is rounded to six decimal places.

**Schedule of Collective OPEB Amounts** - This schedule presents the Net OPEB Liability (Asset), Deferred Outflows of Resources, Deferred Inflows of Resources, and Plan OPEB Expense (Revenue) for the SHICC. The employer specific amounts that are not included in the Total Deferred Outflows and Total Deferred Inflows are the changes in proportion and differences between employer contributions and proportionate share of contributions, as defined in paragraphs 63-64 of GASB Statement No. 75. Employers need to calculate these amounts each year.

**Total OPEB Liability** - The Total OPEB Liability is measured as of December 31, 2019, based on an actuarial valuation as of December 31, 2019.

Total OPEB Liability - December 31, 2018	\$	949,832,248
Service cost		25,480,349
Interest on Total OPEB Liability		65,525,451
Difference between expected and actual experience of Total OPEB Liability		(55,251,074)
Benefit payments		(52,989,110)
Total OPEB Liability - December 31, 2019	\$	<u>932,597,864</u>

**Collective Net OPEB Liability (Asset)** - The components of the collective Net OPEB Liability (Asset) as of December 31, 2019 are as follows:

Total OPEB Liability	\$	932,597,864
Less Fiduciary Net Position		<u>1,084,365,342</u>
Net OPEB Liability (Asset)	\$	<u>(151,767,478)</u>

The Fiduciary Net Position is 116.27% of the Total OPEB Liability.



**Actuarial Assumptions** - The total OPEB liability was determined using the following actuarial assumptions:

Actuarial Valuation Date:	December 31, 2019
Measurement Date:	December 31, 2019
Actuarial Cost Method:	Entry Age Normal
Long-Term Expected Rate of Return:	7.00%
Discount Rate:	7.00%
Salary Increases	
Wage Inflation:	3.00%
Seniority/Merit:	0.10% - 5.60%
Mortality:	Wisconsin 2018 Mortality Table
Health Care Trend Rate:	3.2% per year

Some actuarial assumptions used in this valuation, including the wage inflation, mortality, and separation rates, are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. Each individual sick leave balance at retirement was estimated assuming historical accrual and usage rates but not less than 25% nor more than 75% of the person's annual accrual rate.

**Long-term Expected Rate of Return** - The long-term expected rate of return is 7.0% which is consistent with the prior year. The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The assets of the SHICC are commingled with assets from other benefit programs and invested in the Core Retirement Investment Trust (Core Fund). Earnings are allocated between the benefit programs based on the average balance invested for each program. The State of Wisconsin Investment Board (SWIB) manages the Core Fund with oversight by the SWIB Board of Trustees, as authorized in Wis. Stat. § 25.17. The long-term expected rate of return is reviewed every three years in conjunction with the Wisconsin Retirement System experience study. Best estimates of geometric real rates of return of each major asset class included in the OPEB plan's target allocation as of December 31, 2019, are summarized in the following table:

**State of Wisconsin  
Supplemental Health Insurance Conversion Credit  
Asset Allocation Targets and Expected Returns  
As of December 31, 2019**

<b>Asset Class</b>	<b>Asset Allocation %</b>	<b>Long-Term Expected Real Rate of Return %</b>
Global Equities	49.0	5.1
Fixed Income	24.5	2.1
Inflation Sensitive Assets	15.5	1.2
Real Estate	9.0	3.5
Private Equity/Debt	8.0	7.6
Multi-Asset	4.0	4.0
Total Fund	110.0	4.6
Inflation		2.5%
Long-Term Expected Rate of Return		7.0%

**Discount Rate** - A single discount rate of 7.0% was used to measure the Total OPEB Liability for the current and prior year. This single discount rate was based on the expected rate of return on OPEB plan investments of 7.0%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the Total OPEB Liability and projections were excluded from this report.

**Sensitivity to Changes in Discount Rate** - The following presents the collective Net OPEB Liability (Asset), calculated using a single discount rate of 7.0%, and shows what the plan's Net OPEB Liability (Asset) would be if it were calculated using a single discount rate that is one percentage point lower or one percentage point higher:

	<b>1% Decrease 6.0%</b>	<b>Current Single Discount Rate Assumption 7.0%</b>	<b>1% Increase 8.0%</b>
Total OPEB Liability	\$ 1,024,254,735	\$ 932,597,864	\$ 853,224,583
Plan Fiduciary Net Position	1,084,365,342	1,084,365,342	1,084,365,342
Net OPEB Liability (Asset)	\$ (60,110,607)	\$ (151,767,478)	\$ (231,140,759)

**Sensitivity to Changes in Healthcare Cost Trend Rate** - The following presents the collective Net OPEB Liability (Asset), calculated using the assumed healthcare cost trend rate of 3.2% as well as what the plan's Net

OPEB Liability (Asset) would be if it were calculated using an assumed healthcare cost trend rate that is one percentage point lower or one percentage point higher:

	<b>1% Decrease</b>	<b>Current Healthcare Cost Trend Rate Assumption</b>	<b>1% Increase</b>
	<b>2.2%</b>	<b>3.2%</b>	<b>4.2%</b>
Total OPEB Liability	\$ 868,895,468	\$ 932,597,864	\$ 993,100,347
Plan Fiduciary Net Position	1,084,365,342	1,084,365,342	1,084,365,342
Net OPEB Liability (Asset)	<u>\$ (215,469,874)</u>	<u>\$ (151,767,478)</u>	<u>\$ (91,264,995)</u>

**Collective Deferred Outflows of Resources and Deferred Inflows of Resources** - The collective Deferred Outflows and Inflows of Resources due to liabilities are amortized over the average of the expected remaining service life of all members. The average of the expected remaining services lives for purposes of recognizing the applicable Deferred Outflows and Inflows of Resources established in the current measurement period is 8.6032 years. The collective Deferred Outflows and Inflows of Resources due to the net difference between projected and actual earnings on OPEB plan investments are amortized over 5 years.

Collective Deferred Outflows and Inflows of Resources to be recognized in the Current OPEB Expense (Revenue) are as follows:

	<b>Outflows of Resources</b>	<b>Inflows of Resources</b>	<b>Net Outflows (Inflows) of Resources</b>
Difference between expected and actual experience	\$ 0	\$ 14,407,953	\$ (14,407,953)
Assumption changes	2,750,165	0	2,750,165
Net difference between projected and actual investment earnings	0	16,905,920	(16,905,920)
Total	<u>\$ 2,750,165</u>	<u>\$ 31,313,873</u>	<u>\$ (28,563,708)</u>

Collective Deferred Outflows and Inflows of Resources to be recognized in Future OPEB Expense (Revenue) are as follows:

	<b>Outflows of Resources</b>	<b>Inflows of Resources</b>	<b>Net Outflows (Inflows) of Resources</b>
Difference between expected and actual experience	\$ 0	\$ 102,598,510	\$ (102,598,510)
Assumption changes	19,679,078	0	19,679,078
Net difference between projected and actual investment earnings	0	58,374,168	(58,374,168)
Total	<u>\$ 19,679,078</u>	<u>\$ 160,972,678</u>	<u>\$ (141,293,600)</u>

Deferred Outflows and Inflows of Resources will be recognized in future OPEB expense (revenue) as follows:

<b>Year Ending December 31</b>	<b>Net Deferred Outflows (Inflows) of Resources</b>
2020	\$ (28,563,708)
2021	(28,563,708)
2022	(13,096,036)
2023	(34,781,868)
2024	(11,657,788)
2025	(11,657,788)
2026	(8,820,437)
2027	(4,152,267)
2028	0
2029	0
Thereafter	0
Total	<u>\$ (141,293,600)</u>

Employers may also need to recognize a Deferred Outflow of Resources or Deferred Inflow of Resources related to any subsequent contributions made after December 31, 2019 and prior to the employer's fiscal year end, and for changes in proportion.

**Collective OPEB Expense (Revenue)** - The components of allocable OPEB expense (revenue) for the year ended December 31, 2019 (excluding employer specific OPEB expense for changes in proportion) are as follows:

Service Cost	\$ 25,480,349
Interest on the Total OPEB Liability	65,525,451
Projected Earnings on Plan Investments (Gain)	(64,650,230)
OPEB Plan Administrative Expenses	339,791
Recognition of Outflow (Inflow) of Resources due to Liabilities	(11,657,788)
Recognition of Outflow (Inflow) of Resources due to Assets	(16,905,920)
Total OPEB Expense (Revenue)	<u>\$ (1,868,347)</u>

**Additional Financial Information for the SHICC program** - For additional information regarding the Supplemental Health Insurance Conversion Credit program financial statements and audit report, please visit the Department of Employee Trust Fund's website at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.