

**Municipal Pensions Oversight Board  
Standard Operating Procedures**

**Procedure Title:** Experience Study Timing

**Authored by:** Blair Taylor

**Date Issued:** June 16, 2017

**Approved by:** Municipal Pensions Oversight Board June 15, 2017

**Purpose:** West Virginia Code §8-22-20(c)(4) states *“The actuarial process, which includes the selection of methods and assumptions, shall be reviewed by the qualified actuary no less than once every five years. Furthermore, the qualified actuary shall provide a report to the oversight board with recommendations on any changes to the actuarial process.”* This procedure outlines the timeframes and process for the Municipal Pensions Oversight Board (MPOB) to use for producing required experience studies by its qualified actuary and for implementation of the experience studies in actuarial reports. The MPOB first had an experience study completed in 2011 for implementation in the actuarial reports as of July 1, 2010. In 2016 the MPOB has another experience study completed for implementation in the actuarial reports as of July 1, 2015.

**Responsibility:**

MPOB

**Action:**

The MPOB commissions the next experience study to occur during the spring/summer of 2019, which is three years after the current experience study was completed.

**Qualified Actuary**

Conducts an experience study using the data from July 1, 2014 through July 1, 2017. The actuary must use the most recently accepted mortality tables as directed by Actuarial Standards of Practice (ASOP) in effect at the time of the experience study. It is expected the mortality tables used will at a minimum be two-dimensional tables, which include a generational mortality component. All other components of an experience study are to be completed as required by ASOPs in effect at the time the experience study is commissioned.

Qualified Actuary

A draft of the experience study is provided to the MPOB.

MPOB

Receives the experience study and after discussion adopts the final version of the experience study.

The experience study received by the MPOB from the qualified actuary in 2019 shall be distributed to municipalities and municipal pension and relief fund boards of trustees upon acceptance by the MPOB.

Qualified Actuary

The experience study issued in 2019 shall be implemented in to the actuarial reports received by policemen's and firemen's pension and relief funds during the fall of 2021, i.e. FY2021-2022.

Municipalities

Receive from the MPOB the experience study completed in the spring/summer of 2019 upon acceptance by the MPOB. The assumption changes which will increase or decrease the expected unfunded accrued liabilities and normal cost for municipalities are provided as part of the report. Municipalities will have the remainder of the summer, the fall, and most of the winter to plan for the increased/decreased municipal contributions that will be required in fiscal year 2021-2022.

MPOB

The MPOB commissions the qualified actuary to conduct an experience study in three year cycles in each cycle thereafter with implementation occurring two years after the receipt of each experience study. Hence the following experience study will occur in 2022 with it going into effect for fiscal year 2024. Future experience studies will maintain the same schedule for completion and implementation.