

**MISSISSIPPI PREPAID AFFORDABLE
COLLEGE TUITION PLAN
PRICING REPORT
FOR 2015/2016 ACADEMIC YEAR**

October 16, 2015

Board of Trustees
Mississippi Prepaid Affordable College Tuition Plan
501 North West Street, Suite 1101
Jackson, MS 39201

Attention: Ms. Lynn Fitch, State Treasurer

Re: MPACT Pricing Report as of June 30, 2015

Dear Trustees:

Gabriel, Roeder, Smith & Company (“GRS”) has performed the pricing for the Mississippi Prepaid Affordable College Tuition Plan (“MPACT”) for fiscal year 2016. The purpose of this report is to set the Plan’s pricing for future contracts in the Horizon Plan for the 2015/2016 academic year.

This report presents:

- A calculation of the Weighted Average Tuition (WAT) for the 2015/2016 academic year; and
- A calculation of the future pricing for new contracts in MPACT’s Horizon Plan during the 2015/2016 academic year.

This report was prepared at the request of the MPACT Board and is intended for use by the MPACT Board and those designated or approved by the MPACT Board. This report may be provided to parties other than the MPACT Board only in its entirety and only with the permission of the MPACT Board. This report should not be relied on for any purpose other than the purpose described above.

The pricing results set forth in this report are based upon data and information, furnished by MPACT, concerning Plan benefits, Board’s funding policy, and current tuition and enrollment information of Mississippi Colleges and Universities. We reviewed this information for internal and year-to-year consistency, but did not otherwise audit the data. We are not responsible for the accuracy or completeness of the information provided by MPACT.

There are currently no Actuarial Standards of Practice that specifically refer to prepaid tuition plans. We have followed the guidance from the Actuarial Standards of Practice on pensions due to its similar nature.

The WAT and pricing calculations summarized in this report involve actuarial calculations that require assumptions about future events. The major actuarial assumptions used in this analysis were adopted by and are the responsibility of the Plan and the Plan's Board. We have not performed a detailed experience study but have performed some analyses on the assumptions of past and expected plan administration. Based on our limited analyses, we believe these assumptions are within a reasonable range and are in compliance with actuarial standards regarding pension calculations.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: Plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; and changes in Plan provisions or applicable law.

We believe that the actuarial methods used in this report are reasonable and appropriate for the purpose for which they have been used. In addition, because it is not possible or practical to consider every possible contingency, we may use summary information, estimates or simplifications of calculations to facilitate the modeling of future events. We may also exclude factors or data that are deemed to be immaterial.

This report is not a recommendation to anyone to participate in MPACT. GRS makes no representations or warranties to any person participating in or considering participation in the Plan.

To the best of our knowledge, the information contained in this report is accurate and fairly presents the actuarial pricing of the Mississippi Prepaid Affordable College Tuition Plan contracts for the 2015/2016 academic year based on the Board's funding policy and administrative rules.

David T. Kausch is a Member of the American Academy of Actuaries (MAAA) and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

The signing actuaries are independent of the plan sponsor.

Respectfully submitted,



Kenneth G. Alberts



David T. Kausch, FSA, EA, FCA, MAAA

KGa/DTK:sc

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SECTION A

WEIGHTED AVERAGE TUITION

WEIGHTED AVERAGE TUITION DEVELOPMENT

The Weighted Average Tuition (WAT) is an average of the tuition charged by participating schools, weighted by their resident enrollment. It is the basis on which the costs of the program are established. In addition, for participants who chose private or out-of-state schools, the WAT is used to determine the benefit payable upon matriculation.

2015/2016 WAT Development for 4-Year Senior College/University

	2014 Fall Resident Student Enrollment	Computation of Weighting	2015/2016 Tuition & Required Fees	Proportionate Share Based on Weighting
Alcorn State University	3,169	6%	\$ 6,384	\$ 347.93
Delta State University	3,116	5%	6,112	327.60
Jackson State University	7,790	13%	6,886	922.04
Mississippi State University	13,871	24%	7,502	1,788.48
Mississippi University for Women	2,387	4%	5,781	237.02
Mississippi Valley State University	1,762	3%	5,936	179.86
University of Mississippi	14,111	24%	7,434 #	1,803.49
University of Southern Mississippi	11,969	21%	7,224	1,485.98
Total	58,175	100%	2015/2016 WAT*	\$ 7,092
			2014/2015 WAT	\$ 6,815
			Increase over 2014/2015 WAT	4.1%

* Annual WAT is rounded to the nearest dollar.

Average Tuition & Required Fees for the University of Mississippi and the University of Mississippi Medical Center (\$7,454 and \$7,344 respectively) weighted by reported 2014 Fall enrollments (11,523 and 2,588 respectively).

Per Credit Hour, based on 31 credit hours per year (prior method reduced from 32 credit hours to 31).	Per Quarter Credit Hour, based on 31 credit hours per year (prior method reduced) for schools on a trimester academic calendar year.
\$228.77	\$152.51

WEIGHTED AVERAGE TUITION DEVELOPMENT

2015/2016 WAT Development for 2-Year Community College

	2014 Fall Resident Student Enrollment	Computation of Weighting	2015/2016 Tuition & Required Fees	Proportionate Share Based on Weighting
Coahoma CC	1,938	3%	\$ 2,500	\$ 67.50
Copiah-Lincoln CC	2,929	4%	2,730	111.38
East Central CC	2,462	3%	2,230	76.49
East Mississippi CC	4,216	6%	2,840	166.71
Hinds CC	11,589	16%	2,600	419.64
Holmes CC	5,797	8%	2,360	190.45
Itawamba CC	5,654	8%	2,400	188.88
Jones County JC	4,285	6%	2,722	162.50
Meridian CC	3,241	5%	2,314	104.36
Mississippi Delta CC	2,667	4%	2,520	93.49
Mississippi Gulf Coast CC	9,710	13%	2,992	404.52
Northeast Mississippi CC	3,444	5%	2,422	116.01
Northwest Mississippi CC	7,581	10%	2,550	269.03
Pearl River CC	4,371	6%	2,750	167.20
Southwest Mississippi CC	1,950	3%	2,720	73.71
Total	71,834	100%	2015/2016 WAT*	\$ 2,612
			2014/2015 WAT	\$ 2,487
			Increase over 2014/2015 WAT	5.0%

* Annual WAT is rounded to the nearest dollar.

Per Credit Hour, based on 31 credit hours per year (prior method reduced from 32 credit hours to 31). <p style="text-align: center;">\$84.26</p>	Per Quarter Credit Hour, based on 31 credit hours per year (prior method reduced) for schools on a trimester academic calendar year. <p style="text-align: center;">\$56.17</p>
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SECTION B
PRICING

2015-2016 ACADEMIC YEAR – FOUR-YEAR SENIOR COLLEGE/UNIVERSITY PLAN

<i>Accounting for an Average Usage of 12.8 Credit Hours per Semester and 9.4 Semesters to Graduate</i>														
Age/Grade of Beneficiary as of Sept. 1, 2015	Projected Enrollment Year	Annual Tuition Increase	Present Value of Benefits	Lump Sum Single Payment	Monthly Extended Plan Monthly Payment			Monthly 5-Year Plan - Monthly Payment			Monthly 8-Year Plan - Monthly Payment			
					Number of Payments	Lump Sum Amount			Lump Sum Amount			Lump Sum Amount		
						\$0	\$ 2,000	\$5,000	\$0	\$2,000	\$5,000	\$0	\$2,000	\$5,000
12th Grade	2016	9.75%	\$ 36,489	\$ 43,222	4	\$10,975	\$10,467	\$9,705	N/A	N/A	N/A	N/A	N/A	N/A
11th Grade	2017	9.75%	37,515	44,437	16	2,927	2,795	2,598	N/A	N/A	N/A	N/A	N/A	N/A
10th Grade	2018	9.75%	38,304	45,372	28	1,771	1,693	1,576	N/A	N/A	N/A	N/A	N/A	N/A
9th Grade	2019	9.75%	38,812	45,974	40	1,302	1,246	1,161	N/A	N/A	N/A	N/A	N/A	N/A
8th Grade	2020	9.75%	39,035	46,238	52	1,044	999	931	N/A	N/A	N/A	N/A	N/A	N/A
7th Grade	2021	9.75%	38,966	46,156	64	877	839	782	\$925	\$885	\$824	N/A	N/A	N/A
6th Grade	2022	5.75%	38,601	45,724	76	757	724	675	916	876	816	N/A	N/A	N/A
5th Grade	2023	5.75%	38,239	45,295	88	670	641	596	907	867	807	N/A	N/A	N/A
4th Grade	2024	5.75%	37,756	44,723	100	603	576	535	896	856	796	\$621	\$593	\$551
3rd Grade	2025	5.75%	37,136	43,988	112	547	522	485	881	841	781	610	583	541
2nd Grade	2026	5.75%	36,385	43,099	124	500	477	442	863	823	763	598	570	529
1st Grade	2027	5.75%	35,508	42,060	136	460	438	405	843	802	742	584	556	514
Kindergarten	2028	3.75%	34,510	40,878	148	424	403	372	819	779	719	567	540	498
4 Year Old	2029	3.75%	33,541	39,730	160	393	373	344	796	756	696	551	524	482
3 Year Old	2030	3.75%	32,598	38,613	172	367	348	319	773	733	673	536	508	466
2 Year Old	2031	3.75%	31,682	37,528	184	344	325	298	752	712	652	521	493	451
1 Year Old	2032	3.75%	30,791	36,473	196	323	305	279	731	691	630	506	478	437
Newborn	2033	3.75%	29,926	35,448	208	305	288	262	710	670	610	492	464	423

**2015-2016 ACADEMIC YEAR – FOUR-YEAR SENIOR COLLEGE/UNIVERSITY PLAN
(CONCLUDED)**

<i>Accounting for an Average Usage of 12.8 Credit Hours per Semester and 9.4 Semesters to Graduate</i>												
Age/Grade of Beneficiary as of Sept. 1, 2015	Monthly 10-Year Plan - Monthly Payment			Monthly 12-Year Plan - Monthly Payment			Annual 3-Year Plan - Annual Payment			Annual 5-Year Plan - Annual Payment		
	Lump Sum Amount			Lump Sum Amount			Lump Sum Amount			Lump Sum Amount		
	\$0	\$2,000	\$5,000	\$0	\$2,000	\$5,000	\$0	\$2,000	\$5,000	\$0	\$2,000	\$5,000
12th Grade	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
11th Grade	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
10th Grade	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
9th Grade	N/A	N/A	N/A	N/A	N/A	N/A	\$17,759	\$16,986	\$15,828	N/A	N/A	N/A
8th Grade	N/A	N/A	N/A	N/A	N/A	N/A	17,861	17,088	15,930	N/A	N/A	N/A
7th Grade	N/A	N/A	N/A	N/A	N/A	N/A	17,829	17,057	15,898	\$11,484	\$10,986	\$10,240
6th Grade	N/A	N/A	N/A	N/A	N/A	N/A	17,662	16,890	15,731	11,377	10,879	10,132
5th Grade	N/A	N/A	N/A	N/A	N/A	N/A	17,497	16,724	15,565	11,270	10,772	10,026
4th Grade	N/A	N/A	N/A	N/A	N/A	N/A	17,276	16,503	15,344	11,127	10,630	9,883
3rd Grade	N/A	N/A	N/A	N/A	N/A	N/A	16,992	16,219	15,060	10,945	10,447	9,701
2nd Grade	\$511	\$488	\$452	N/A	N/A	N/A	16,648	15,876	14,717	10,723	10,226	9,479
1st Grade	499	475	440	N/A	N/A	N/A	16,247	15,475	14,316	10,465	9,967	9,221
Kindergarten	485	461	426	\$431	\$410	\$378	15,791	15,018	13,859	10,171	9,673	8,927
4 Year Old	471	448	412	419	398	366	15,347	14,575	13,416	9,885	9,388	8,641
3 Year Old	458	434	399	407	386	354	14,916	14,143	12,984	9,607	9,110	8,363
2 Year Old	445	421	386	396	375	343	14,496	13,724	12,565	9,337	8,840	8,093
1 Year Old	433	409	373	385	364	332	14,089	13,316	12,158	9,075	8,577	7,831
Newborn	421	397	361	374	353	321	13,693	12,920	11,762	8,820	8,322	7,576

2015-2016 ACADEMIC YEAR – TWO-YEAR SENIOR COLLEGE/UNIVERSITY PLAN

<i>Accounting for an Average Usage of 12.8 Credit Hours per Semester and 9.4 Semesters to Graduate</i>														
Age/Grade of Beneficiary as of Sept. 1, 2015	Projected Enrollment Year	Annual Tuition Increase	Present Value of Benefits	Lump Sum Single Payment	Monthly Extended Plan Monthly Payment			Monthly 5-Year Plan - Monthly Payment			Monthly 8-Year Plan - Monthly Payment			
					Number of Payments	Lump Sum Amount			Lump Sum Amount			Lump Sum Amount		
						\$0	\$2,000	\$5,000	\$0	\$2,000	\$5,000	\$0	\$2,000	\$5,000
12th Grade	2016	9.75%	\$ 17,813	\$ 21,100	4	\$5,358	\$4,850	\$4,088	N/A	N/A	N/A	N/A	N/A	N/A
11th Grade	2017	9.75%	18,314	21,693	16	1,429	1,297	1,100	N/A	N/A	N/A	N/A	N/A	N/A
10th Grade	2018	9.75%	18,828	22,302	28	871	793	675	N/A	N/A	N/A	N/A	N/A	N/A
9th Grade	2019	9.75%	19,357	22,929	40	650	593	508	N/A	N/A	N/A	N/A	N/A	N/A
8th Grade	2020	9.75%	19,762	23,408	52	529	483	416	N/A	N/A	N/A	N/A	N/A	N/A
7th Grade	2021	9.75%	19,874	23,541	64	447	409	352	\$472	\$432	\$371	N/A	N/A	N/A
6th Grade	2022	5.75%	19,688	23,321	76	386	353	303	467	427	367	N/A	N/A	N/A
5th Grade	2023	5.75%	19,504	23,103	88	342	312	268	463	423	363	N/A	N/A	N/A
4th Grade	2024	5.75%	19,321	22,886	100	308	281	241	458	418	358	\$318	\$290	\$248
3rd Grade	2025	5.75%	19,140	22,672	112	282	257	220	454	414	354	315	287	245
2nd Grade	2026	5.75%	18,895	22,381	124	260	237	202	448	408	348	311	283	241
1st Grade	2027	5.75%	18,509	21,924	136	240	218	185	439	399	339	304	276	235
Kindergarten	2028	3.75%	17,989	21,308	148	221	200	169	427	387	327	296	268	226
4 Year Old	2029	3.75%	17,484	20,710	160	205	185	156	415	375	315	287	260	218
3 Year Old	2030	3.75%	16,992	20,127	172	191	172	144	403	363	303	279	252	210
2 Year Old	2031	3.75%	16,515	19,562	184	179	161	133	392	352	292	271	244	202
1 Year Old	2032	3.75%	16,051	19,013	196	168	151	124	381	341	281	264	236	194
Newborn	2033	3.75%	15,600	18,478	208	159	142	116	370	330	270	256	229	187

2015-2016 ACADEMIC YEAR – TWO-YEAR SENIOR COLLEGE/UNIVERSITY PLAN (CONCLUDED)

<i>Accounting for an Average Usage of 12.8 Credit Hours per Semester and 9.4 Semesters to Graduate</i>												
Age/Grade of Beneficiary as of Sept. 1, 2015	Monthly 10-Year Plan - Monthly Payment			Monthly 12-Year Plan - Monthly Payment			Annual 3-Year Plan - Annual Payment			Annual 5-Year Plan - Annual Payment		
	Lump Sum Amount			Lump Sum Amount			Lump Sum Amount			Lump Sum Amount		
	\$0	\$2,000	\$5,000	\$0	\$2,000	\$5,000	\$0	\$2,000	\$5,000	\$0	\$2,000	\$5,000
12th Grade	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
11th Grade	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
10th Grade	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
9th Grade	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$8,857	\$8,085	\$6,926	N/A	N/A
8th Grade	N/A	N/A	N/A	N/A	N/A	N/A	N/A	9,042	8,270	7,111	N/A	N/A
7th Grade	N/A	N/A	N/A	N/A	N/A	N/A	N/A	9,094	8,321	7,162	\$5,857	\$5,360
6th Grade	N/A	N/A	N/A	N/A	N/A	N/A	N/A	9,009	8,236	7,077	5,802	5,305
5th Grade	N/A	N/A	N/A	N/A	N/A	N/A	N/A	8,924	8,152	6,993	5,748	5,251
4th Grade	N/A	N/A	N/A	N/A	N/A	N/A	N/A	8,841	8,068	6,909	5,694	5,197
3rd Grade	N/A	N/A	N/A	N/A	N/A	N/A	N/A	8,758	7,985	6,826	5,641	5,143
2nd Grade	\$266	\$242	\$206	N/A	N/A	N/A	N/A	8,645	7,873	6,714	5,569	5,071
1st Grade	260	236	201	N/A	N/A	N/A	N/A	8,469	7,696	6,537	5,455	4,957
Kindergarten	253	229	193	\$225	\$204	\$172	N/A	8,231	7,458	6,300	5,302	4,804
4 Year Old	246	222	186	218	197	166	N/A	8,000	7,227	6,069	5,153	4,655
3 Year Old	239	215	179	212	191	160	N/A	7,775	7,002	5,843	5,008	4,510
2 Year Old	232	208	173	206	185	154	N/A	7,556	6,784	5,625	4,867	4,370
1 Year Old	226	202	166	201	179	148	N/A	7,344	6,572	5,413	4,731	4,233
Newborn	219	195	160	195	174	142	N/A	7,138	6,365	5,206	4,597	4,100

2015-2016 ACADEMIC YEAR – ONE-YEAR SENIOR COLLEGE/UNIVERSITY PLAN

<i>Accounting for an Average Usage of 12.8 Credit Hours per Semester and 9.4 Semesters to Graduate</i>														
Age/Grade of Beneficiary as of Sept. 1, 2015	Projected Enrollment Year	Annual Tuition Increase	Present Value of Benefits	Lump Sum Single Payment	Monthly Extended Plan Monthly Payment			Monthly 5-Year Plan - Monthly Payment			Monthly 8-Year Plan - Monthly Payment			
					Number of Payments	Lump Sum Amount			Lump Sum Amount			Lump Sum Amount		
						\$0	\$2,000	\$5,000	\$0	\$2,000	\$5,000	\$0	\$2,000	\$5,000
12th Grade	2016	9.75%	\$8,760	\$ 10,376	4	\$2,635	\$2,127	\$1,365	N/A	N/A	N/A	N/A	N/A	N/A
11th Grade	2017	9.75%	9,006	10,668	16	703	571	373	N/A	N/A	N/A	N/A	N/A	N/A
10th Grade	2018	9.75%	9,259	10,967	28	428	350	233	N/A	N/A	N/A	N/A	N/A	N/A
9th Grade	2019	9.75%	9,520	11,277	40	319	263	178	N/A	N/A	N/A	N/A	N/A	N/A
8th Grade	2020	9.75%	9,787	11,593	52	262	217	149	N/A	N/A	N/A	N/A	N/A	N/A
7th Grade	2021	9.75%	9,992	11,836	64	225	187	130	\$237	\$197	\$137	N/A	N/A	N/A
6th Grade	2022	5.75%	9,899	11,726	76	194	161	111	235	195	135	N/A	N/A	N/A
5th Grade	2023	5.75%	9,806	11,615	88	172	142	98	233	193	133	N/A	N/A	N/A
4th Grade	2024	5.75%	9,714	11,506	100	155	128	88	230	190	130	\$160	\$132	\$90
3rd Grade	2025	5.75%	9,623	11,399	112	142	117	80	228	188	128	158	130	89
2nd Grade	2026	5.75%	9,533	11,292	124	131	108	73	226	186	126	157	129	87
1st Grade	2027	5.75%	9,411	11,148	136	122	100	67	223	183	123	155	127	85
Kindergarten	2028	3.75%	9,146	10,834	148	112	92	60	217	177	117	150	123	81
4 Year Old	2029	3.75%	8,889	10,529	160	104	84	55	211	171	111	146	118	77
3 Year Old	2030	3.75%	8,640	10,234	172	97	78	50	205	165	105	142	114	73
2 Year Old	2031	3.75%	8,397	9,946	184	91	73	45	199	159	99	138	110	69
1 Year Old	2032	3.75%	8,161	9,667	196	86	68	41	194	154	93	134	106	65
Newborn	2033	3.75%	7,931	9,394	208	81	64	38	188	148	88	130	103	61

**2015-2016 ACADEMIC YEAR – ONE-YEAR SENIOR COLLEGE/UNIVERSITY PLAN
(CONCLUDED)**

<i>Accounting for an Average Usage of 12.8 Credit Hours per Semester and 9.4 Semesters to Graduate</i>												
Age/Grade of Beneficiary as of Sept. 1, 2015	Monthly 10-Year Plan - Monthly Payment			Monthly 12-Year Plan - Monthly Payment			Annual 3-Year Plan - Annual Payment			Annual 5-Year Plan - Annual Payment		
	Lump Sum Amount			Lump Sum Amount			Lump Sum Amount			Lump Sum Amount		
	\$0	\$2,000	\$5,000	\$0	\$2,000	\$5,000	\$0	\$2,000	\$5,000	\$0	\$2,000	\$5,000
12th Grade	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
11th Grade	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
10th Grade	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
9th Grade	N/A	N/A	N/A	N/A	N/A	N/A	\$4,356	\$3,584	\$2,425	N/A	N/A	N/A
8th Grade	N/A	N/A	N/A	N/A	N/A	N/A	4,478	3,706	2,547	N/A	N/A	N/A
7th Grade	N/A	N/A	N/A	N/A	N/A	N/A	4,572	3,799	2,641	\$2,945	\$2,447	\$1,701
6th Grade	N/A	N/A	N/A	N/A	N/A	N/A	4,530	3,757	2,598	2,918	2,420	1,673
5th Grade	N/A	N/A	N/A	N/A	N/A	N/A	4,487	3,714	2,555	2,890	2,392	1,646
4th Grade	N/A	N/A	N/A	N/A	N/A	N/A	4,445	3,672	2,513	2,863	2,365	1,619
3rd Grade	N/A	N/A	N/A	N/A	N/A	N/A	4,403	3,631	2,472	2,836	2,339	1,592
2nd Grade	\$134	\$110	\$75	N/A	N/A	N/A	4,362	3,589	2,431	2,810	2,312	1,566
1st Grade	132	109	73	N/A	N/A	N/A	4,306	3,534	2,375	2,774	2,276	1,530
Kindergarten	129	105	69	\$114	\$93	\$62	4,185	3,412	2,254	2,696	2,198	1,452
4 Year Old	125	101	66	111	90	58	4,067	3,295	2,136	2,620	2,122	1,376
3 Year Old	121	98	62	108	87	55	3,953	3,181	2,022	2,546	2,049	1,302
2 Year Old	118	94	59	105	84	52	3,842	3,069	1,911	2,475	1,977	1,231
1 Year Old	115	91	55	102	81	49	3,734	2,962	1,803	2,405	1,908	1,161
Newborn	111	88	52	99	78	46	3,629	2,856	1,697	2,337	1,840	1,093

2015-2016 ACADEMIC YEAR – TWO-YEAR COMMUNITY COLLEGE AND TWO-YEAR SENIOR COLLEGE/UNIVERSITY PLAN

<i>Accounting for an Average Usage of 11.9/12.8 Credit Hours per Semester</i>														
Age/Grade of Beneficiary as of Sept. 1, 2015	Projected Enrollment Year	Annual Tuition Increase	Present Value of Benefits	Lump Sum Single Payment	Monthly Extended Plan Monthly Payment				Monthly 5-Year Plan - Monthly Payment			Monthly 8-Year Plan - Monthly Payment		
					Number of Payments	Lump Sum Amount			Lump Sum Amount			Lump Sum Amount		
						\$0	\$2,000	\$5,000	\$0	\$2,000	\$5,000	\$0	\$2,000	\$5,000
12th Grade	2016	9.75%	\$ 26,368	\$ 30,749	4	\$7,808	\$7,300	\$6,538	N/A	N/A	N/A	N/A	N/A	N/A
11th Grade	2017	9.75%	26,969	31,450	16	2,071	1,940	1,742	N/A	N/A	N/A	N/A	N/A	N/A
10th Grade	2018	9.75%	27,284	31,817	28	1,242	1,164	1,047	N/A	N/A	N/A	N/A	N/A	N/A
9th Grade	2019	9.75%	27,306	31,843	40	902	845	760	N/A	N/A	N/A	N/A	N/A	N/A
8th Grade	2020	9.75%	27,266	31,796	52	718	673	605	N/A	N/A	N/A	N/A	N/A	N/A
7th Grade	2021	9.75%	27,120	31,626	64	601	563	506	\$634	\$593	\$533	N/A	N/A	N/A
6th Grade	2022	5.75%	26,866	31,330	76	519	486	436	628	588	527	N/A	N/A	N/A
5th Grade	2023	5.75%	26,548	30,959	88	458	429	384	620	580	520	N/A	N/A	N/A
4th Grade	2024	5.75%	26,091	30,426	100	410	383	343	609	569	509	\$422	\$394	\$353
3rd Grade	2025	5.75%	25,500	29,737	112	370	345	308	596	556	496	413	385	343
2nd Grade	2026	5.75%	24,891	29,027	124	337	314	279	581	541	481	403	375	333
1st Grade	2027	5.75%	24,246	28,275	136	309	287	254	566	526	466	392	365	323
Kindergarten	2028	3.75%	23,564	27,479	148	285	264	233	550	510	450	381	354	312
4 Year Old	2029	3.75%	22,902	26,707	160	264	245	215	535	495	435	371	343	301
3 Year Old	2030	3.75%	22,258	25,956	172	247	228	199	520	480	420	360	332	291
2 Year Old	2031	3.75%	21,633	25,227	184	231	213	185	505	465	405	350	322	281
1 Year Old	2032	3.75%	21,025	24,518	196	217	199	173	491	451	391	340	312	271
Newborn	2033	3.75%	20,434	23,829	208	205	188	162	477	437	377	331	303	261

2015-2016 ACADEMIC YEAR – TWO-YEAR COMMUNITY COLLEGE AND TWO-YEAR SENIOR COLLEGE/UNIVERSITY PLAN (CONCLUDED)

<i>Accounting for an Average Usage of 11.9/12.8 Credit Hours per Semester</i>												
Age/Grade of Beneficiary as of Sept. 1, 2015	Monthly 10-Year Plan - Monthly Payment			Monthly 12-Year Plan - Monthly Payment			Annual 3-Year Plan - Annual Payment			Annual 5-Year Plan - Annual Payment		
	Lump Sum Amount			Lump Sum Amount			Lump Sum Amount			Lump Sum Amount		
	\$0	\$2,000	\$5,000	\$0	\$2,000	\$5,000	\$0	\$2,000	\$5,000	\$0	\$2,000	\$5,000
12th Grade	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
11th Grade	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
10th Grade	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
9th Grade	N/A	N/A	N/A	N/A	N/A	N/A	\$12,300	\$11,528	\$10,369	N/A	N/A	N/A
8th Grade	N/A	N/A	N/A	N/A	N/A	N/A	12,282	11,510	10,351	N/A	N/A	N/A
7th Grade	N/A	N/A	N/A	N/A	N/A	N/A	12,217	11,444	10,285	\$7,869	\$7,371	\$6,625
6th Grade	N/A	N/A	N/A	N/A	N/A	N/A	12,102	11,330	10,171	7,795	7,298	6,551
5th Grade	N/A	N/A	N/A	N/A	N/A	N/A	11,959	11,186	10,028	7,703	7,205	6,459
4th Grade	N/A	N/A	N/A	N/A	N/A	N/A	11,753	10,981	9,822	7,570	7,073	6,326
3rd Grade	N/A	N/A	N/A	N/A	N/A	N/A	11,487	10,714	9,556	7,399	6,901	6,155
2nd Grade	\$344	\$321	\$285	N/A	N/A	N/A	11,213	10,440	9,281	7,222	6,725	5,978
1st Grade	335	312	276	N/A	N/A	N/A	10,922	10,150	8,991	7,035	6,537	5,791
Kindergarten	326	302	267	\$290	\$269	\$237	10,615	9,842	8,683	6,837	6,339	5,593
4 Year Old	317	293	258	282	261	229	10,316	9,544	8,385	6,645	6,147	5,401
3 Year Old	308	284	249	274	253	221	10,026	9,254	8,095	6,458	5,960	5,214
2 Year Old	299	276	240	266	245	213	9,745	8,972	7,813	6,277	5,779	5,033
1 Year Old	291	267	232	259	237	206	9,471	8,698	7,539	6,100	5,603	4,856
Newborn	283	259	223	251	230	199	9,205	8,432	7,273	5,929	5,431	4,685

2015-2016 ACADEMIC YEAR – TWO-YEAR COMMUNITY COLLEGE PLAN

<i>Accounting for an Average Usage of 11.9 Credit Hours per Semester</i>														
Age/Grade of Beneficiary as of Sept. 1, 2015	Projected Enrollment Year	Annual Tuition Increase	Present Value of Benefits	Lump Sum Single Payment	Monthly Extended Plan Monthly Payment			Monthly 5-Year Plan - Monthly Payment			Monthly 8-Year Plan - Monthly Payment			
					Number of Payments	Lump Sum Amount			Lump Sum Amount			Lump Sum Amount		
						\$0	\$2,000	\$5,000	\$0	\$2,000	\$5,000	\$0	\$2,000	\$5,000
12th Grade	2016	9.75%	\$ 7,010	\$ 7,857	4	\$1,995	\$1,487	\$725	N/A	N/A	N/A	N/A	N/A	N/A
11th Grade	2017	9.75%	7,207	8,078	16	532	400	203	N/A	N/A	N/A	N/A	N/A	N/A
10th Grade	2018	9.75%	7,410	8,306	28	324	246	129	N/A	N/A	N/A	N/A	N/A	N/A
9th Grade	2019	9.75%	7,618	8,539	40	242	185	100	N/A	N/A	N/A	N/A	N/A	N/A
8th Grade	2020	9.75%	7,763	8,701	52	196	151	84	N/A	N/A	N/A	N/A	N/A	N/A
7th Grade	2021	9.75%	7,799	8,742	64	166	128	71	\$175	\$135	\$75	N/A	N/A	N/A
6th Grade	2022	5.75%	7,726	8,660	76	143	110	61	173	133	73	N/A	N/A	N/A
5th Grade	2023	5.75%	7,654	8,579	88	127	97	53	172	132	72	N/A	N/A	N/A
4th Grade	2024	5.75%	7,582	8,498	100	114	88	47	170	130	70	\$118	\$90	\$49
3rd Grade	2025	5.75%	7,511	8,419	112	105	80	43	169	129	68	117	89	47
2nd Grade	2026	5.75%	7,408	8,303	124	96	73	38	166	126	66	115	87	46
1st Grade	2027	5.75%	7,253	8,130	136	89	67	34	163	123	63	113	85	43
Kindergarten	2028	3.75%	7,049	7,901	148	82	61	30	158	118	58	110	82	40
4 Year Old	2029	3.75%	6,851	7,679	160	76	56	27	154	114	54	107	79	37
3 Year Old	2030	3.75%	6,659	7,464	172	71	52	23	150	109	49	104	76	34
2 Year Old	2031	3.75%	6,472	7,254	184	66	48	21	145	105	45	101	73	31
1 Year Old	2032	3.75%	6,290	7,050	196	62	45	18	141	101	41	98	70	28
Newborn	2033	3.75%	6,113	6,852	208	59	42	16	137	97	37	95	67	26

2015-2016 ACADEMIC YEAR – TWO-YEAR COMMUNITY COLLEGE PLAN (CONCLUDED)

<i>Accounting for an Average Usage of 11.9 Credit Hours per Semester</i>												
Age/Grade of Beneficiary as of Sept. 1, 2015	Monthly 10-Year Plan - Monthly Payment			Monthly 12-Year Plan - Monthly Payment			Annual 3-Year Plan - Annual Payment			Annual 5-Year Plan - Annual Payment		
	Lump Sum Amount			Lump Sum Amount			Lump Sum Amount			Lump Sum Amount		
	\$0	\$2,000	\$5,000	\$0	\$2,000	\$5,000	\$0	\$2,000	\$5,000	\$0	\$2,000	\$5,000
12th Grade	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
11th Grade	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
10th Grade	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
9th Grade	N/A	N/A	N/A	N/A	N/A	N/A	\$3,298	\$2,526	\$1,367	N/A	N/A	N/A
8th Grade	N/A	N/A	N/A	N/A	N/A	N/A	3,361	2,588	1,430	N/A	N/A	N/A
7th Grade	N/A	N/A	N/A	N/A	N/A	N/A	3,377	2,604	1,445	\$2,175	\$1,677	\$931
6th Grade	N/A	N/A	N/A	N/A	N/A	N/A	3,345	2,573	1,414	2,155	1,657	911
5th Grade	N/A	N/A	N/A	N/A	N/A	N/A	3,314	2,541	1,383	2,135	1,637	890
4th Grade	N/A	N/A	N/A	N/A	N/A	N/A	3,283	2,510	1,351	2,114	1,617	870
3rd Grade	N/A	N/A	N/A	N/A	N/A	N/A	3,252	2,480	1,321	2,095	1,597	851
2nd Grade	\$99	\$75	\$39	N/A	N/A	N/A	3,207	2,435	1,276	2,066	1,568	822
1st Grade	96	73	37	N/A	N/A	N/A	3,140	2,368	1,209	2,023	1,525	779
Kindergarten	94	70	34	\$83	\$62	\$31	3,052	2,279	1,121	1,966	1,468	722
4 Year Old	91	67	32	81	60	28	2,966	2,194	1,035	1,911	1,413	667
3 Year Old	89	65	29	79	58	26	2,883	2,111	952	1,857	1,359	613
2 Year Old	86	62	27	76	55	24	2,802	2,030	871	1,805	1,307	561
1 Year Old	84	60	24	74	53	22	2,723	1,951	792	1,754	1,256	510
Newborn	81	58	22	72	51	20	2,647	1,874	715	1,705	1,207	461

2015-2016 ACADEMIC YEAR – ONE-YEAR COMMUNITY COLLEGE PLAN

<i>Accounting for an Average Usage of 11.9 Credit Hours per Semester</i>														
Age/Grade of Beneficiary as of Sept. 1, 2015	Projected Enrollment Year	Annual Tuition Increase	Present Value of Benefits	Lump Sum Single Payment	Monthly Extended Plan Monthly Payment			Monthly 5-Year Plan - Monthly Payment			Monthly 8-Year Plan - Monthly Payment			
					Number of Payments	Lump Sum Amount			Lump Sum Amount			Lump Sum Amount		
						\$0	\$2,000	\$5,000	\$0	\$2,000	\$5,000	\$0	\$2,000	\$5,000
12th Grade	2016	9.75%	\$ 3,505	\$ 3,929	4	\$998	\$490	N/A	N/A	N/A	N/A	N/A	N/A	N/A
11th Grade	2017	9.75%	3,603	4,039	16	266	134	N/A	N/A	N/A	N/A	N/A	N/A	N/A
10th Grade	2018	9.75%	3,705	4,153	28	162	84	N/A	N/A	N/A	N/A	N/A	N/A	N/A
9th Grade	2019	9.75%	3,809	4,269	40	121	64	N/A	N/A	N/A	N/A	N/A	N/A	N/A
8th Grade	2020	9.75%	3,916	4,389	52	99	54	N/A	N/A	N/A	N/A	N/A	N/A	N/A
7th Grade	2021	9.75%	3,989	4,471	64	85	47	N/A	\$90	\$49	N/A	N/A	N/A	N/A
6th Grade	2022	5.75%	3,951	4,429	76	73	40	N/A	89	49	N/A	N/A	N/A	N/A
5th Grade	2023	5.75%	3,914	4,387	88	65	35	N/A	88	48	N/A	N/A	N/A	N/A
4th Grade	2024	5.75%	3,877	4,346	100	59	32	N/A	87	47	N/A	\$60	\$33	N/A
3rd Grade	2025	5.75%	3,841	4,305	112	54	29	N/A	86	46	N/A	60	32	N/A
2nd Grade	2026	5.75%	3,805	4,265	124	50	26	N/A	85	45	N/A	59	31	N/A
1st Grade	2027	5.75%	3,752	4,206	136	46	24	N/A	84	44	N/A	58	31	N/A
Kindergarten	2028	3.75%	3,646	4,087	148	42	22	N/A	82	42	N/A	57	29	N/A
4 Year Old	2029	3.75%	3,544	3,972	160	39	20	N/A	80	40	N/A	55	27	N/A
3 Year Old	2030	3.75%	3,444	3,860	172	37	18	N/A	77	37	N/A	54	26	N/A
2 Year Old	2031	3.75%	3,348	3,753	184	34	16	N/A	75	35	N/A	52	24	N/A
1 Year Old	2032	3.75%	3,254	3,647	196	32	15	N/A	73	33	N/A	51	23	N/A
Newborn	2033	3.75%	3,162	3,544	208	30	13	N/A	71	31	N/A	49	21	N/A

2015-2016 ACADEMIC YEAR – ONE-YEAR COMMUNITY COLLEGE PLAN (CONCLUDED)

<i>Accounting for an Average Usage of 11.9 Credit Hours per Semester</i>												
Age/Grade of Beneficiary as of Sept. 1, 2015	Monthly 10-Year Plan - Monthly Payment			Monthly 12-Year Plan - Monthly Payment			Annual 3-Year Plan - Annual Payment			Annual 5-Year Plan - Annual Payment		
	Lump Sum Amount			Lump Sum Amount			Lump Sum Amount			Lump Sum Amount		
	\$0	\$2,000	\$5,000	\$0	\$2,000	\$5,000	\$0	\$2,000	\$5,000	\$0	\$2,000	\$5,000
12th Grade	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
11th Grade	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
10th Grade	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
9th Grade	N/A	N/A	N/A	N/A	N/A	N/A	\$1,649	\$876	N/A	N/A	N/A	N/A
8th Grade	N/A	N/A	N/A	N/A	N/A	N/A	1,695	923	N/A	N/A	N/A	N/A
7th Grade	N/A	N/A	N/A	N/A	N/A	N/A	1,727	955	N/A	\$1,112	\$615	N/A
6th Grade	N/A	N/A	N/A	N/A	N/A	N/A	1,711	938	N/A	1,102	604	N/A
5th Grade	N/A	N/A	N/A	N/A	N/A	N/A	1,695	922	N/A	1,092	594	N/A
4th Grade	N/A	N/A	N/A	N/A	N/A	N/A	1,679	906	N/A	1,081	584	N/A
3rd Grade	N/A	N/A	N/A	N/A	N/A	N/A	1,663	890	N/A	1,071	574	N/A
2nd Grade	\$51	\$27	N/A	N/A	N/A	N/A	1,648	875	N/A	1,061	564	N/A
1st Grade	50	26	N/A	N/A	N/A	N/A	1,625	852	N/A	1,046	549	N/A
Kindergarten	48	25	N/A	\$43	\$22	N/A	1,579	806	N/A	1,017	519	N/A
4 Year Old	47	23	N/A	42	21	N/A	1,534	762	N/A	988	491	N/A
3 Year Old	46	22	N/A	41	20	N/A	1,491	718	N/A	960	463	N/A
2 Year Old	45	21	N/A	40	18	N/A	1,450	677	N/A	934	436	N/A
1 Year Old	43	20	N/A	38	17	N/A	1,409	636	N/A	907	410	N/A
Newborn	42	18	N/A	37	16	N/A	1,369	596	N/A	882	384	N/A

SECTION C

METHODS & ASSUMPTIONS

VALUATION METHODS AND ASSUMPTIONS

Assumed Rate of Return:

Net Investment Return for Present Value of Benefits – 6.75%

Interest Charge for Payment Plan – 7.75%

Assumed Rate of Tuition Increases

	<u>Valuation Assumptions</u>	<u>Pricing Assumptions</u>
4-Year Universities	6.25% for all future years.	9.75% for first 6 years; 5.75% for next 6 years; 3.75% thereafter.
2-Year Community Colleges	5.75% for all future years.	9.75% for first 6 years; 5.75% for next 6 years; 3.75% thereafter.

Utilization of Credits: Members are expected to matriculate on or after the valuation date and are expected to utilize 25.6 credits per year at the University level and 23.8 credits per year at the Community College level until they have exhausted all credits.

Pricing Methodology: Based on Weighted Average Tuition (WAT) rate increased to assumed year of payment, based on tuition rate increase assumption and discounted to payment date based on net investment return assumption. Payments are expected to be made twice per year: once in mid-September and the other in mid-February.

Weighted Average Tuition (WAT) for the 2015/2016 Academic Year:

4-Year Universities – \$7,092

2-Year Community Colleges – \$2,612

Bias Load: Pricing for credits utilized was increased by a load for increased likelihood of Plan participants selecting more expensive in-state schools:

Senior Colleges and Universities – 2.6%

Community Colleges – 0.0%

Additional Risk Premium: Pricing for credits utilized in Senior Colleges and Universities was increased by 3.0%.

Administrative Expenses: Pricing was increased by 5.0%.

Refunds: None.

Mortality: None.

Benefits for Less than 12 Credits Per Semester:

Senior Colleges and Universities – ½ WAT divided by 12 multiplied by credits used.

Community Colleges – ½ WAT divided by 11 multiplied by credits used.

Credits Acquired for Each Semester Purchased: 15.5 for both Senior Colleges/Universities and Community Colleges.

APPENDIX

BOARD'S FUNDING POLICY



Mississippi Prepaid Affordable College Tuition Program Funding Policy

Introduction

The purpose of this Funding Policy is to record the funding objectives and policy set by the Board of Trustees (Board) for the Mississippi Prepaid Affordable College Tuition Program (MPACT). The Board establishes this Funding Policy to:

- 1) ensure that the trust will have sufficient funds to pay benefits when due;
- 2) provide guidance with establishing risk reserves for pricing of future contracts;
- 3) provide the Board with established guidelines for requesting funds from the State under the full faith and credit backing of the State of Mississippi for benefits associated with Legacy contracts.

In 2012, the College Savings Plans of Mississippi Board chose to close the Program to new participants, pending a review of methods and assumptions used to price contracts and perform actuarial valuations. After a completion of this review, the Board in 2013/2014 decided to re-open the program to new participants under new terms and using updated methods and assumptions. New contracts are to start selling effective with the 2014/2015 academic year. The program will be bifurcated in the following manner:

- 1) The program in place when MPACT was closed in 2013, including all contracts sold prior to that time and all benefits/liabilities associated with such contracts, will be referred to as the Legacy MPACT Program (or Legacy);
- 2) The new program, including all contracts sold after the program is re-opened and all benefits/liabilities associated with such contracts will be referred to as the Horizon MPACT Program (or Horizon);
- 3) Pricing for the Horizon program will be determined in a manner that all benefits promised to contract holders will be included in the determination of the pricing of such contracts;
- 4) Pricing for the Horizon program will include a surcharge for risk reserving associated with Horizon contracts;
- 5) Pricing of Horizon contracts will not include a surcharge for paying off the Legacy unfunded liabilities.

Funding Goals

1. The unfunded liability attributable to existing contracts (Legacy) will not be paid by future contract purchases (Horizon); and
2. The pricing of future contracts (Horizon) will be reflective of future expected costs for each participant purchasing a new contract with a reserve for adverse experience.

Funding Target

- 1. Legacy**
 - a. The Board has established a funding target of 100% for the Legacy program.
- 2. Horizon**
 - a. The Board has established a funding target of 115% for the Horizon program.



Board Actions if Target is Not Met

1. Legacy

- a. In any year that the funded status falls below the funding target (100%), the MPACT Board will request 10% of the unfunded amount as a special appropriation from the legislature; and/or
- b. If the program is projected to be insolvent in less than 5 years, the Board will increase the appropriation request to 20%.

2. Horizon

- a. In any year that the funded target is not met, but is within 200 basis points, then the explicit risk premium for new contracts will be 3% for 4-year institutions and 0% for 2-year institutions.
- b. If the funded target is not met by at least 200 basis points but less than 500 basis points, then the explicit risk premium for new contracts will be increased to 5% for 4-year institutions and 2% for 2-year institutions.
- c. If the funded target is not met by at least 500 basis points, then the explicit risk premium for new contracts will be increased to 10% for 4-year institutions and 7% for 2-year institutions.

3. Full Faith and Credit

- a. Both Legacy and Horizon Programs are backed by Full Faith and Credit of the state of Mississippi. It is the responsibility of the Mississippi Legislature to address funding shortfalls existing in either program.

Board Actions if Target is Exceeded

1. Legacy

- a. In any year that the funded status exceeds the target by 1500 basis points (in excess of 115% funded), a portion of previous state contributions will be returned to the General Fund. The portion returned will not exceed the amounts contributed and will be further limited so that the funded status does not fall below 115%.

2. Horizon

- a. In any year that the funded target is exceeded by less than 200 basis points, then the explicit risk premium for new contracts will be 3% for 4-year institutions and 0% for 2-year institutions.
- b. If the funded target is exceeded by at least 200 basis points but less than 500 basis points, then the explicit risk premium for new contracts will be set to 1% for 4-year institutions. The implicit premium for 2-year institutions will be reviewed and may be lowered.
- c. If the funded target is exceeded by at least 500 basis points, then the explicit risk premium for new contracts will be set to 0% for 4-year institutions. The implicit premium for 2-year institutions will be reviewed and may be lowered.
- d. If the funded target is exceeded by at least 1000 basis points, then the implicit risk premium (if any) will be reviewed and possibly lowered for both 4-year and 2-year institutions.

Board Review of Funding Policy



The Board will informally review this policy annually. The Board will formally review this policy every two years until 2020 and every five years, thereafter.

Measurement of Funding Target

The Board will measure the funding target in an annual valuation. The target will be the funding status, determined as follows:

The funded status will be a fraction, whose numerator is the actuarial value of assets plus the present value of future contract payments for contracts already sold as of the valuation date;

The denominator will be the present value of future expected benefit payments and expenses.

Present values and expected payments will be based on the actuarial assumptions adopted by the Board for purposes of the annual actuarial valuation.

For this purpose, the actuarial value of assets will be a market related value that recognizes investment return above or below the assumed investment return over a 3 year period. In no event will the actuarial value of assets be less than 80% of market or more than 120% of market.

Glossary

1. **Actuarial Liability (AL):** The actuarial present value of future expected plan benefits and expenses.
2. **Actuarial Assumptions:** Estimates of future plan experience with respect to rates of mortality, disability, turnover, retirement, rate or rates of investment income and salary increases. Decrement assumptions (rates of mortality, disability, turnover and retirement) are generally based on past experience, often modified for projected changes in conditions. Economic assumptions (salary increases and investment income) consist of an underlying rate in an inflation-free environment plus a provision for a long-term average rate of inflation.
3. **Actuarial Value of Assets:** The value of current plan assets recognized for valuation purposes (generally based on a phased-in recognition of all or a portion of market related investment return) plus the present value of future contract payments for contract already initiated as of the valuation date. Sometimes referred to as Funding Value of Assets.
4. **Market Value of Assets:** The fair value of plan assets as reported in the plan's audited financial statements.
5. **Unfunded Actuarial Liability (UAL):** The positive difference, if any, between the actuarial liability and valuation assets. Sometimes referred to as "unfunded accrued liability."