

Minimum and Maximum Ages

Overall Summary

What are the Minimum and Maximum Age and Member Service Assumptions and how are they Used?

The minimum and maximum age and member service assumptions help us determine if reported ages and service levels are reasonable.

Specifically, we use substitute ages for our valuation data records when a member's age is missing or invalid. An age is considered invalid if it falls outside our minimum and maximum age limits or is unreasonable given the plan's closure date.

For example, if the data showed a 30-year-old PERS 1 member, the data would be considered invalid. This is because PERS 1 closed to new members over 30 years ago and thus it is impossible to have a member of that plan who is a 30-year-old.

We also consider whether a member's reported service level is reasonable and make changes if necessary.

High-Level Takeaways

We found that our current minimum and maximum ages and service boundaries are reasonable and made no changes.

Assumptions

All assumptions used in the development of minimum and maximum ages match those disclosed in the [2012 Actuarial Valuation Report](#).

General Methodology

We review the data as reported for ages and service levels that are below/above the currently set minimum/maximum range. If too many are outside this range, then we consider adjusting the range.

For age level, if a plan is closed, we adjust the minimum age level by the number of years the plan has been closed for members of that plan.

For service level, we only adjust the service if it is too low. The minimum service level is zero years; we reset negative reported service levels to zero. Service levels above 50 years (our current maximum) are considered unusual, but no adjustment to the service level is made. Instead, we note the occurrence as an unusual observation as part of our internal quality control process and leave it as reported.

Data

We used 2012 valuation data in its originally reported form to determine if anybody falls outside the current age/service bounds.

Law changes

No law changes impacted our study of this assumption.

Results

Almost no members had ages outside our currently set minimum/maximum age levels. We found that the current ranges for age are reasonable, and remain unchanged, as follows.

	Non-Annuitants	Annuitants
Minimum Age	16	20
Maximum Age	80	110

We observed no members in the data with service over 50 years. We concluded that the current maximum level is reasonable