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GASB STATEMENT NO. 68 REPORT

FOR THE

CONNECTICUT JUDGES, FAMILY SUPPORT MAGISTRATES AND

COMPENSATION COMMISSIONERS RETIREMENT SYSTEM

PREPARED AS OF JUNE 30, 2022 MEASUREMENT DATE

FOR JUNE 30, 2023 REPORTING DATE

www.CavMacConsulting.com

January 13, 2023

State of Connecticut
State Employees' Retirement Commission
165 Capital Avenue
Hartford, CT 06106

Members of the Commission:

Presented in this report is information to assist the Connecticut Judges, Family Support Magistrates and Compensation Commissioners Retirement System in meeting the requirements of the Governmental Accounting Standards Board (GASB) Statement No. 68 and to identify the information to be provided by the actuary, Cavanaugh Macdonald Consulting (CMC). The information is presented for the period ending June 30, 2022 (the Measurement Date).

GASB Statement No. 68 establishes accounting and financial reporting requirements for governmental employers who provide pension benefits to their employees through a trust.

The annual actuarial valuation used as a basis for much of the information presented in this report was performed as of June 30, 2022. The valuation was based on data, provided by the Retirement Division staff, for active, inactive, and retired members along with pertinent financial information.

In order to prepare the results in this report, we have utilized actuarial models that were developed to measure liabilities and develop actuarial costs. These models include tools that we have produced and tested, along with commercially available valuation software that we have reviewed to confirm the appropriateness and accuracy of the output. In utilizing these models, we develop and use input parameters and assumptions about future contingent events along with recognized actuarial approaches to develop the needed results.

The actuarial calculations were performed by qualified actuaries according to generally accepted actuarial procedures and methods. The calculations are based on the current provisions of the System, and on actuarial assumptions that are, individually and in the aggregate, internally consistent and reasonably based on the actual experience of the System. In addition, the calculations were completed in compliance with the laws governing the System and, in our opinion, meet the requirements of GASB 68. The undersigned are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

These results are only for financial reporting and may not be appropriate for funding purposes or other types of analysis. Calculations for purposes other than satisfying the requirements of GASB 67 and GASB 68 may produce significantly different results. Future actuarial results may differ significantly from the current results presented in the report due to such factors as changes in plan experience or changes in economic or demographic assumptions.

Sincerely yours,

John J. Garrett, ASA, FCA, MAAA
Principal and Consulting Actuary

Edward J. Koebel, EA, FCA, MAAA
Chief Executive Officer

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REPORT OF THE ANNUAL GASB STATEMENT NO. 68
REQUIRED INFORMATION FOR THE
CONNECTICUT JUDGES, FAMILY SUPPORT MAGISTRATES
AND COMPENSATION COMMISSIONERS RETIREMENT SYSTEM

PREPARED AS OF JUNE 30, 2022

SECTION I – INTRODUCTION

The Governmental Accounting Standards Board issued Statement No. 68 (GASB 68), *"Accounting and Financial Reporting For Pensions"* in June 2012. This report, prepared as of June 30, 2022 (the Measurement Date), presents information to assist the Connecticut Judges, Family Support Magistrates and Compensation Commissioners Retirement System in meeting the requirements of GASB 68 for the fiscal year ending June 30, 2023 (Reporting Date). Much of the material provided in this report is based on the data, assumptions, and results of the annual actuarial valuation of the Connecticut Judges, Family Support Magistrates and Compensation Commissioners Retirement System as of June 30, 2022. The results of that valuation were detailed in a report dated December 15, 2022. Connecticut Judges, Family Support Magistrates and Compensation Commissioners Retirement System is a single-employer defined benefit pension plan.

GASB 68 replaced GASB 27 and represents a significant departure from the requirements of that prior statement. GASB 68 created disclosure and reporting requirements that may or may not be consistent with the basis used for funding the Plan.

Two major changes in GASB 68 are the requirements to include Net Pension Liability (NPL) and to recognize a Pension Expense (PE) in the employer's financial reporting.

The NPL shown in the GASB Statement No. 67 Report for the Connecticut Judges, Family Support Magistrates and Compensation Commissioners Retirement System Prepared as of June 30, 2022 and submitted January 13, 2023 is the NPL used for purposes of GASB 68. Please refer to that report for the derivation of the NPL.

Pension Expense includes amounts for service cost (the Normal Cost under the Entry Age Normal actuarial cost method for the year), interest on the Total Pension Liability (TPL), changes in benefit structure, amortization of increases/decreases in liability due to actuarial experience and actuarial assumption changes, and amortization of investment gains/losses. The actuarial experience and assumption change impacts are amortized over the average expected remaining service life of the Plan membership as of the Measurement Date, and investment gains/losses are amortized over five years. The development of the PE is shown in Section IV.

The unamortized portions of each year's experience, assumption changes and investment gains/losses are used to develop deferred inflows and outflows, which also must be included in the employer's financial reporting. The development of the collective deferred inflows and outflows is shown in Section III.

Section II of this report is a summary of the principal results of the amounts under GASB 68. Section III provides the results of all the necessary calculations, presented in the order laid out in GASB 68 for note disclosure and Required Supplementary Information (RSI).

SECTION II – SUMMARY OF PRINCIPAL RESULTS
($ IN THOUSANDS)

Valuation Date (VD):	June 30, 2022
Measurement Date (MD):	June 30, 2022
Reporting Date (RD):	June 30, 2023
Membership Data:	
Retirees and Survivors	319
Inactive Members	7
Active Members	195
Total	521
Single Equivalent Interest Rate (SEIR):	
Long-Term Expected Rate of Return	6.90%
Municipal Bond Index Rate at Measurement Date	3.37%
Fiscal Year in which Plan's Fiduciary Net Position is projected to be depleted from future benefit payments for current members	N/A
Single Equivalent Interest Rate	6.90%
Net Pension Liability:	
Total Pension Liability (TPL)	$ 503,253
Fiduciary Net Position (FNP)	276,382
Net Pension Liability (NPL = TPL – FNP)	$ 226,871
FNP as a percentage of TPL	54.92%
Pension Expense:	$ 28,254
Deferred Outflows of Resources:	$ 19,497
Deferred Inflows of Resources:	$ 3,819

SECTION III – NOTES TO FINANCIAL STATEMENTS

The material presented herein will follow the order presented in GASB 68. Paragraph numbers are provided for ease of reference.

Paragraph 40 (c): The data required regarding the membership of the Connecticut Judges, Family Support Magistrates and Compensation Commissioners Retirement System were furnished by the Retirement Division. The following table summarizes the membership of the system as of June 30, 2022, the Measurement Date.

Membership

Group	Count
Retired participants and beneficiaries currently receiving benefits	319
Terminated participants and beneficiaries entitled to benefits but not yet receiving benefits	7
Active Participants	195
Total	521

Paragraph 41: This paragraph requires information regarding the actuarial assumptions used to measure the TPL. The TPL was determined based on the annual actuarial funding valuation report prepared as of June 30, 2022. The TPL was based on assumptions resulting from an actuarial experience study for the period July 1, 2015 – June 30, 2020. The complete set of actuarial assumptions utilized in developing the TPL is outlined in Schedule C. The key actuarial assumptions are summarized below:

Inflation	2.50 percent
Salary increases	4.00 percent, including inflation
Investment rate of return	6.90 percent, net of pension plan investment expense, including inflation

The Pub-2010 Mortality Tables projected generationally with scale MP-2020:

- Service Retirees: General, Above-Median, Healthy Retiree.
- Disabled Retirees: General, Disabled Retiree.
- Beneficiaries: General, Above-Median Contingent Annuitant.
- Active Employees: General, Above-Median, Employee.

Paragraph 42 (a)-(f): The discount rate used to measure the TPL at June 30, 2022 was the long term rate of return, 6.90 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and that Employer contributions will be made equal to the difference between the projected actuarially determined contribution and member contributions. Projected future benefit payments for all current plan members were projected through the year 2109.

Based on those assumptions, the System's FNP 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 pension plan investments was applied to all periods of projected benefit payments to determine the TPL and a municipal bond rate was not used in determining the discount rate.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension 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 target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity Fund	20.0%	5.4%
Developed Market Intl. Stock Fund	11.0	6.4
Emerging Market Intl. Stock Fund	9.0	8.6
Core Fixed Income Fund	13.0	0.8
Emerging Market Debt Fund	5.0	3.8
High Yield Bond Fund	3.0	3.4
Real Estate Fund	19.0	5.2
Private Equity	10.0	9.4
Private Credit	5.0	6.5
Alternative Investments	3.0	3.1
Liquidity Fund	2.0	-0.4

Paragraph 42 (g): This paragraph requires disclosure of the sensitivity of the NPL to changes in the discount rate. The following presents NPL of the System, calculated using the discount rate of 6.90 percent, as well as what the System's NPL would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90 percent) or 1-percentage-point higher (7.90 percent) than the current rate: ($ thousands)

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Net Pension Liability	$ 278,219	$ 226,871	$ 182,885

Paragraph 44: This paragraph requires a schedule of changes in the NPL. The needed information is provided in the table below.

CHANGES IN THE NET PENSION LIABILITY
($ in Thousands)

	Total Pension Liability (TPL) (a)	Fiduciary Net Position (FNP) (b)	Net Pension Liability (NPL) (a) – (b)
Balances at June 30, 2021	$ 490,710	$ 301,995	$ 188,715
Changes for the year:			
Service cost	10,487		10,487
Interest	32,720		32,720
Difference between expected and actual experience	2,354		2,354
Changes of assumptions	0		0
Contributions - employer		33,170	(33,170)
Contributions - employee		1,642	(1,642)
Net investment income		(27,407)	27,407
Benefit payments, including refunds of employee contributions	(33,018)	(33,018)	0
Administrative expense			
Other changes		0	0
Net changes	$ 12,543	$ (25,613)	$ 38,156
Balances at June 30, 2022	$ 503,253	$ 276,382	$ 226,871

Paragraph 45 (a): June 30, 2022 is the actuarial valuation date upon which the TPL is based. An expected TPL is determined as of June 30, 2022 using standard roll forward techniques. The procedure used to determine the TPL as of June 30, 2022 is shown on page 5 of the GASB 67 report for the Connecticut Judges, Family Support Magistrates and Compensation Commissioners Retirement System submitted on January 13, 2023.

Paragraph 45 (c): There were no changes in the assumptions that affected the measurement of the TPL since the prior measurement date.

Paragraph 45 (d): There was no change in the benefit terms that affected the measurement of the TPL since the prior measurement date.

Paragraph 45 (g): See Section IV for the annual Pension Expense.

Paragraph 45 (h): Since certain expense items are amortized over closed periods each year, the deferred portions of these items must be tracked annually. If the amounts serve to reduce Pension Expense they are labeled deferred inflows. If they will increase Pension Expense they are labeled deferred outflows. The amortization of these amounts is accomplished on a level dollar basis, with no interest included in the deferred amounts. Experience gains/losses and the impact of changes in actuarial assumptions, if any, are amortized over the average expected remaining service life of the active and inactive System members at the beginning of the fiscal year. Investment gains and losses are amortized over a fixed five year period.

The table below provides the calculation of the annual investment gain or loss.

Investment Earnings (Gain)/Loss as of June 30, 2022 ($000)		
a.	Expected investment rate of return	6.90%
b.	Beginning of year market value assets (BOY)	301,995
c.	End of year market value assets (EOY)	276,382
d.	Expected return on BOY for plan year (a x b)	20,838
e.	External Cash Flow	
	Contributions - employer	33,170
	Contributions - member	1,642
	Benefits paid	(33,018)
	Admin expenses	0
	Other changes	0
	Net cash flow	1,794
f.	Expected return on net cash flow (a. x 0.5 x e.)	62
g.	Projected earnings for plan year (d. + f.)	20,900
h.	Net investment income (c. – b. – e.)	(27,407)
i.	**Investment earnings (gain)/loss (g. –h.)**	**48,307**
j.	Expensed portion included in Pension Expense (i. x 0.20)	9,661

The table below provides a summary of the deferred inflows and outflows as of June 30, 2022 with dollar amounts in thousands.

Source	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$2,101	$3,441
Changes of assumptions	0	378
Net difference between projected and actual earnings on Plan investments	17,396	0
Employer contributions subsequent to the measurement date	See note	0
Total	$19,497	$3,819

Note: The deferred outflow of resources reported by an employer should include contributions made by the employer during its fiscal year that will be reflected in the net pension liability in the next measurement period.

Paragraph 45 (i): Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in Pension Expense as follows:

Deferred Amounts to be recognized in Fiscal Years Following the Reporting Date ($ in thousands)

Year:	Amount
1	$1,753
2	3,253
3	1,009
4	9,663
5	0
Thereafter	0

Amounts reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023 (Reporting Date). Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense.

Deferred Outflows and Inflows for Differences between Expected and Actual Experience ($ in thousands)

				Balances as of June 30, 2023 (Reporting Date)	
Year	Experience Losses (a)	Experience Gains (b)	Amounts Recognized in Pension Expense through 2022 (c)	Deferred Outflows (a) – (c)	Deferred Inflows (b) – (c)
2022	$2,354	$0	$841	$1,513	$0
2021	0	9,271	5,830	0	3,441
2020	2,474	0	2,049	425	0
2019	22,095	0	21,932	163	0
2018	0	18,528	18,528	0	0
Total				$2,101	$3,441

Deferred Outflows and Inflows for Differences from Assumption Changes
($ in thousands)

Year	Assumption Losses (a)	Assumption Gains (b)	Amounts Recognized in Pension Expense through 2022 (c)	Balances as of June 30, 2023 (Reporting Date) Deferred Outflows (a) – (c)	Deferred Inflows (b) – (c)
2022	$0	$0	$0	$0	$0
2021	0	1,020	642	0	378
2020	0	0	0	0	0
2019	0	0	0	0	0
2018	0	0	0	0	0
Total				$0	$378

Deferred Outflows and Inflows for Differences in Investment Experience
($ in thousands)

Year	Investment Losses (a)	Investment Gains (b)	Amounts Recognized in Pension Expense through 2022 (c)	Balances as of June 30, 2023 (Reporting Date) Deferred Outflows (a) – (c)	Deferred Inflows (b) – (c)
2022	$48,307	$0	$9,661	$38,646	$0
2021	0	43,256	17,302	0	25,954
2020	10,762	0	6,456	4,306	0
2019	1,982	0	1,584	398	0
2018	1,304	0	1,304	0	0
Total				$43,350	$25,954
Net difference between projected and actual earnings on investments				$17,396	

EXPERIENCE Amortization of Deferrals ($ in thousands)										
	2019 (Gain)/Loss		2020 (Gain)/Loss		2021 (Gain)/Loss		2022 (Gain)/Loss		Total Deferrals	
Fiscal Year End	**Amount Recognized**	**EOY Balance**	**Amount Recognized**	**EOY Balance**	**Amount Recognized**	**EOY Balance**	**Amount Recognized**	**EOY Balance**	**Amount Recognized**	**EOY Balance**
6/30/2023	5,483	163	683	425	(2,915)	(3,441)	841	1,513	4,092	**(1,340)**
6/30/2024	163	0	425	0	(2,915)	(526)	841	672	(1,486)	146
6/30/2025	0	0	0	0	(526)	0	672	0	146	0
6/30/2026	0	0	0	0	0	0	0	0	0	0
6/30/2027	0	0	0	0	0	0	0	0	0	0

ASSUMPTION Amortization of Deferrals ($ in thousands)				
	2021 (Gain)/Loss		Total Deferrals	
Fiscal Year End	**Amount Recognized**	**EOY Balance**	**Amount Recognized**	**EOY Balance**
6/30/2023	(321)	(378)	(321)	**(378)**
6/30/2024	(321)	(57)	(321)	(57)
6/30/2025	(57)	0	(57)	0
6/30/2026	0	0	0	0
6/30/2027	0	0	0	0

INVESTMENT Amortization of Deferrals ($ in thousands)						
	2018 (Gain)/Loss		2019 (Gain)/Loss		2020 (Gain)/Loss	
Fiscal Year End	Amount Recognized	EOY Balance	Amount Recognized	EOY Balance	Amount Recognized	EOY Balance
6/30/2023	260	0	396	398	2,152	4,306
6/30/2024	0	0	398	0	2,152	2,154
6/30/2025	0	0	0	0	2,154	0
6/30/2026	0	0	0	0	0	0
6/30/2027	0	0	0	0	0	0

INVESTMENT (continued) Amortization of Deferrals ($ in thousands)						
	2021 (Gain)/Loss		2022 (Gain)/Loss		Total Deferrals	
Fiscal Year End	Amount Recognized	EOY Balance	Amount Recognized	EOY Balance	Amount Recognized	EOY Balance
6/30/2023	(8,651)	(25,954)	9,661	38,646	3,818	**17,396**
6/30/2024	(8,651)	(17,303)	9,661	28,985	3,560	13,836
6/30/2025	(8,651)	(8,652)	9,661	19,324	3,164	10,672
6/30/2026	(8,652)	0	9,661	9,663	1,009	9,663
6/30/2027	0	0	9,663	0	9,663	0

SECTION IV – PENSION EXPENSE

As noted earlier, the Pension Expense (PE) consists of a number of different items. GASB 68 refers to the first as Service Cost which is the Normal Cost using the Entry Age Normal (EAN) actuarial funding method. The second item is interest on the beginning of year TPL and the cash flows during the year at the SEIR in effect as of the previous measurement date.

The next three items refer to any changes that occurred in the TPL due to:

- benefit changes,
- actual versus expected experience or
- changes in actuarial assumptions.

Benefit changes, which are reflected immediately in PE, can be positive, if there is a benefit improvement for existing Plan members, or negative if there is a benefit reduction. For the year ended June 30, 2022, there were no benefit changes to be recognized.

The next item to be recognized is the portion of current year changes in TPL due to actual versus expected experience for the year. The portion to recognize in the current year is determined by spreading the total change over the average expected remaining service life of the entire Plan membership as of the beginning of the measurement year. The remaining service life of active members is the average number of years they are expected to remain active. For the year ended June 30, 2022, this number is 7.49. The remaining service life of the inactive members is, of course, zero. Therefore, the figure to use for the amortization is the weighted average of these two amounts, or 2.80. The table below provides the calculation of the average remaining future service life.

Category	Number (1)	Average Years of Future Service Life (2)
a. Active Members	184	7.49
b. Inactive Members	309	0.00
c. Total	493	
Weighted Average Years of Future Service Life [(a1 x a2) + (b1 x b2)]/c1		2.80

The last item under changes in TPL are changes in actuarial assumptions. There were no changes in the assumptions that affected the measurement of the TPL since the prior measurement date.

Member contributions for the year and projected earnings on the FNP, again at the rate used to calculate the liabilities, are subtracted from the amount determined thus far. The current year portions of previously determined experience, assumption, and investment earnings amounts, recognized as deferred inflows and outflows (see Section IV) are included next. Deferred inflows are subtracted from the PE while deferred outflows are added to the PE. Finally, administrative expenses and other miscellaneous items are included.

The calculation of the Pension Expense is shown in the following table along with the Pension Expense for the previous measurement date.

Pension Expense
Determined as of the Measurement Date
($ thousands)

Service Cost	$10,487
Interest	32,720
Current-period benefit changes	0
Expensed portion of current-period difference between expected and actual experience in the total pension liability	841
Expensed portion of current-period changes of assumptions	0
Member contributions	(1,642)
Projected earnings on plan investments	(20,900)
Expensed portion of current-period differences between actual and projected earnings on plan investments	9,661
Administrative expense	0
Other	0
Recognition of beginning deferred outflows of resources as pension expense	6,166
Recognition of beginning deferred inflows of resources as pension expense	(9,079)
Pension Expense	$28,254

SECTION V – REQUIRED SUPPLEMENTARY INFORMATION

There are several tables of Required Supplementary Information (RSI) that need to be included in the System's financial statements.

Paragraph 46: The required tables are provided in Schedule A.

Paragraph 47: In addition, the following should be noted regarding the RSI:

Changes of benefit terms:

- 2014
    - A one-time decision was granted to members not eligible to retire by July 1, 2022 to elect to maintain the same normal retirement eligibility applicable to members eligible to retire before July 1, 2022. Employees who elected by July 1, 2013 to maintain the eligibility are required to make additional employee contributions for the length of their remaining active service with JFSMCCRS.

Changes of assumptions:

- 2021
    - Wage inflation assumed rate changed from 3.50% to 3.00%.
    - Assumed Salary Scale changed to reflect the above wage inflation change.
    - Assumed rates of mortality have been revised to the Pub-2010 Above Median Mortality Tables (Amount-weighted) projected generationally with the MP-2020 improvement scale.
    - Assumed rates of withdrawal, disability, and retirement have been adjusted to reflect experience more closely.
- 2016
    - The mortality tables and salary scale were changed based on the Experience Investigation for the five-year period ending June 30, 2015.
    - Economic assumptions (assumed rates of inflation and investment return), the actuarial cost method, and the UAAL amortization methodology were changed in accordance with Memorandum of Agreement (MOU) between the State and SEBAC effective December 8, 2016.

Method and assumptions used in calculations of actuarially determined contributions. The actuarially determined contributions in the schedule of employer contributions are calculated as of June 30 each biennium for the fiscal years ending two and three years after the valuation date (June 30, 2022 contributions are based on June 30, 2020 valuation). The following actuarial methods and assumptions were used to determine the most recent contributions reported in that schedule:

Actuarial cost method	Entry Age Normal
Amortization method	Level percent of pay, closed
Single equivalent amortization period	11 years
Asset valuation method	5-year smoothed market
Inflation	2.50 percent
Salary increase	4.50 percent, including inflation
Investment rate of return	6.90 percent, net of investment related expense

SCHEDULE A

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY
($ in Thousands)

Fiscal Year Ending June 30	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total pension liability										
Service Cost	$ 7,539	$ 8,142	$ 8,508	$ 10,159	$ 11,352	$ 10,834	$ 9,813	$ 9,289	$ 10,487	
Interest	26,301	27,240	28,251	29,062	29,954	29,559	31,815	32,743	32,720	
Benefit changes	0	0	0	0	0	0	0	0	0	
Difference between expected and actual experience	0	0	(9,380)	0	(18,528)	22,095	2,474	(9,271)	2,354	
Changes of assumptions	0	0	64,604	0	0	0	0	(1,020)	0	
Benefit payments	(21,668)	(22,541)	(22,994)	(24,899)	(27,616)	(29,386)	(30,200)	(31,116)	(32,927)	
Refunds of contributions	0	0	0	0	0	0	0	(6)	(91)	
Net change in total pension liability	12,172	12,841	68,989	14,322	(4,838)	33,102	13,902	619	12,543	
Total pension liability - beginning	339,601	351,773	364,614	433,603	447,925	443,087	476,189	490,091	490,710	
Total pension liability - ending (a)	$ 351,773	$ 364,614	$ 433,603	$ 447,925	$ 443,087	$ 476,189	$ 490,091	$ 490,710	$ 503,253	
Plan net position										
Contributions - employer	$ 16,298	$ 17,731	$ 18,259	$ 19,164	$ 25,458	$ 27,427	$ 27,011	$ 31,893	$ 33,170	
Contributions - member	1,641	1,791	1,831	1,689	1,663	1,694	1,575	1,570	1,642	
Net investment income	23,156	4,781	1,440	24,452	13,178	13,383	5,461	59,881	(27,407)	
Benefit payments	(21,668)	(22,541)	(22,994)	(24,899)	(27,616)	(29,386)	(30,200)	(31,116)	(32,927)	
Administrative expense	0	0	0	0	0	0	0	0	0	
Refunds of contributions	0	0	0	0	0	0	0	(6)	(91)	
Other	0	0	1680*	(39)	0	0	0	0	0	
Net change in plan net position	19,427	1,762	216	20,367	12,683	13,118	3,847	62,222	(25,613)	
Plan net position - beginning	168,353	187,780	189,542	189,758	210,125	222,808	235,926	239,773	301,995	
Plan net position - ending (b)	$ 187,780	$ 189,542	$ 189,758	$ 210,125	$ 222,808	$ 235,926	$ 239,773	$ 301,995	$ 276,382	
Net pension liability - ending (a) - (b)	$ 163,993	$ 175,072	$ 243,845	$ 237,800	$ 220,279	$ 240,263	$ 250,318	$ 188,715	$ 226,871	

* Includes $1,614,000 audit adjustment to the beginning of year plan net position.

SCHEDULE OF THE NET PENSION LIABILITY
($ in Thousands)

Fiscal Year Ending June 30	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total pension liability	$ 351,773	$ 364,614	$ 433,603	$ 447,925	$ 443,087	$ 476,189	$ 490,091	$ 490,710	$ 503,253		
Plan net position	187,780	189,542	189,758	210,125	222,808	235,926	239,773	301,995	276,382		
Net pension liability	$ 163,993	$ 175,072	$ 243,845	$ 237,800	$ 220,279	$ 240,263	$ 250,318	$ 188,715	$ 226,871		
Ratio of plan net position to total pension liability	53.38%	51.98%	43.76%	46.91%	50.29%	49.54%	48.92%	61.54%	54.92%		
Covered payroll*	$ 33,386	$ 34,972	$ 34,897	$ 36,467	$ 34,970	$ 34,643	$ 31,495	$ 31,438	$ 35,872		
Net pension liability as a percentage of covered payroll	491.20%	500.61%	698.76%	652.10%	629.91%	693.54%	794.79%	600.28%	632.45%		

* Covered payroll equals the total active annual compensation from each year's valuation report.

SCHEDULE OF EMPLOYER CONTRIBUTIONS
($ in Thousands)

Fiscal Year Ending June 30	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined employer contribution	$ 33,170	$ 31,893	$ 27,011	$ 27,427	$ 25,458	$ 19,164	$ 18,259	$ 17,731	$ 16,298	$ 16,006
Actual employer contributions	33,170	31,893	27,011	27,427	25,458	19,164	18,259	17,731	16,298	16,006
Annual contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll*	$ 35,872	$ 31,438	$ 31,495	$ 34,643	$ 34,970	$ 36,467	$ 34,897	$ 34,972	$ 33,386	$ 31,748
Actual contributions as a percentage of covered payroll	92.47%	101.45%	85.76%	79.17%	72.80%	52.55%	52.32%	50.70%	48.82%	50.42%

* Covered payroll equals the total active annual compensation from each year's valuation report.

SCHEDULE B

SUMMARY OF BENEFIT PROVISIONS EVALUATED

The Connecticut Judges, Family Support Magistrates, and Compensation Commissioners Retirement System (CT JFSMCCRS) is a defined benefit pension plan established by the Connecticut General Assembly for the purpose of providing retirement allowances and other benefits for Judges, Family Support Magistrates, and Compensation Commissioners in Connecticut, and their survivors and other beneficiaries.

Eligibility Requirements

Any appointed Judge, Family Support Magistrate, or Compensation Commissioner of the State of Connecticut.

Final Average Compensation

For members hired prior to July 1, 2011, salary of office; For members hired on or after July 1, 2011, Average annual salary for 5 years preceding retirement;

plus longevity payments based on service as follows:

Completed Years of Service	Annual Longevity as % of Compensation
0-9	0.00%
10-14	0.75%
15-19	1.50%
20-24	2.25%
25 or more	3.00%

Normal Retirement Benefit

Eligibility

For those who retire before July 1, 2022, the earliest of age 65 or 20 years of service or 30 years of total state service with at least 10 years as a Judge, Family Support Magistrate or Compensation Commissioner.

For those who retire on or after July 1, 2022, the earliest of age 65 with 10 years of vesting service, age 63 with 25 years of vesting service, or 30 years of vesting service.

Retirement is mandatory at age 70.

Benefit

66.67% of Final Average Compensation reduced for less than 10 years of service by a ratio of the number of years of completed service to the number of years of service which would have been completed at age 70, or 10 years, whichever is less.

Disability Retirement Benefit

Any member becoming permanently disabled is entitled to 66.67% of Final Average Compensation commencing upon determination of disability.

Death Benefit

The spouse of any member who was hired before January 1, 1981 and dies in active service or after retirement is entitled to 33.33% of the final compensation of the member at time of death commencing the first of the month after death.

The spouse of any member who was hired on or after January 1, 1981 and dies in active service is entitled to 33.33% of the final compensation of the member at time of death commencing the first of the month after death.

The spouse of any member who was hired on or after January 1, 1981 and who dies after retirement is entitled to 50% of the monthly benefit of the member at the time of death.

The spouse of any member who dies after leaving active service and before retirement is entitled to 50% of the benefit the member would have received upon retirement commencing when the member would have been eligible.

Deferred Vested Retirement Benefit

Eligibility

10 years of service.

Benefit

Members hired before 1981 who resign on or before October 1, 2011 – 50% of the retirement benefit at 10 years increasing to 100% after 15 years.

Members hired before 1981 who resign on or after October 2, 2011 – *100*% of the retirement benefit multiplied by the ratio of service at termination to

	projected service at the earliest retirement age (the earlier of age 65 or 20 years of service).
	Members hired on or after January 1, 1981 – 100% of the retirement benefit multiplied by the ratio of service at termination to projected service at the earliest retirement age (the earlier of age 65 or 20 years of service).
Commencement	*For members who resign on or before October 1, 2011* - Benefits shall commence upon the attainment of the earlier of age 65 or the attainment of 20 years of service (assuming the member had remained in service).
	For members hired before 1981 who resign on or after October 2, 2011 – Benefits shall commence no earlier than at age 62.
	For members hired on or after January 1, 1981 who resign on or after October 2, 2011 – Benefits shall commence no earlier than at age 65.
Cost of Living Adjustments	For members hired prior to 1981 and retire prior to October 2, 2011, benefits are increased in line with current compensation of an active member in the same position.
	For members hired on or after January 1, 1981 and retire prior to October 2, 2011, benefits are increased in line with a cost of living index, not to exceed 3% per year.
	For members retiring on or after October 2, 2011 and all surviving spouses, the annual adjustment will be 60% of the increase in CPI up to 6% and 75% of the increase in the CPI over 6%. The minimum COLA shall be 2.0% and the maximum COLA shall be 7.5%.
Member Contributions	Members contribute 6% of annual compensation. Upon withdrawal prior to benefit eligibility, contributions are refunded without interest.

SCHEDULE C

STATEMENT OF ACTUARIAL ASSUMPTIONS AND METHODS

Adopted or reaffirmed by the Commission for the June 30, 2021 and later valuations.

VALUATION INTEREST RATE: 6.90% per annum, compounded annually, net of expenses, comprised of a 2.50% price inflation assumption and a 4.40% real return assumption.

SALARY INCREASES: 4.00% at all ages.

COST OF LIVING ADJUSTMENTS:

Group	Rate
Hired prior to January 1, 1981 and retired prior to October 2, 2011	4.50%
Hired on or after January 1, 1981 and retired prior to October 2, 2011	2.60%
Retired on or after October 2, 2011	2.25%
All surviving spouses of active or retired members	2.25%

PAYROLL GROWTH ASSUMPTION: 3.00% per annum.

SEPARATIONS BEFORE SERVICE RETIREMENT: Representative values of the assumed annual rates of separation before service retirement are as follows:

WITHDRAWAL: 1% for all ages

DISABILITY: 30% of 1975 Social Security Table

RETIREMENT: 15% are assumed to retire at 30 years of service or 63 years of age.
15% are assumed to retire at 25 years of service at age 63.
25% are assumed to retire at age 65 and 10 years of service.
10% are assumed to retire after age 65 and 10 years of service.
The remaining actives are assumed to retire at age 70.

MORTALITY: The Pub-2010 Mortality Tables projected generationally with Scale MP-2020:

- Service Retirees: General, Above-Median, Healthy Retiree Mortality Table.
- Disabled Retirees: General, Disabled Retiree Mortality Table.
- Beneficiaries: General, Above-Median Contingent Annuitant Mortality Table.
- Active Employees: General, Above-Median, Employee Mortality Table.

In our opinion, the generational projection of the mortality rates with Scale MP-2020 provide a sufficient margin in the assumed rates of mortality to allow for additional improvement in mortality experience.

ASSET METHOD: Market Value of Assets.

VALUATION METHOD: Entry Age Normal cost method.

SPOUSES: For members who have elected spouse coverage, husbands are assumed to be three years older than their wives.

PERCENT MARRIED: 80% of active members are assumed to be married.