

State of Connecticut State Employee OPEB Plan

**Governmental Accounting Standards Board (GASB) Statement
75 Actuarial Valuation and Review of Other Postemployment
Benefits (OPEB) measured as of June 30, 2023**

For June 30, 2024 Reporting



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September 4, 2024

Mr. Joshua Wojcik
Director
Healthcare Policy and Benefits Services Division
Office of the State Comptroller
165 Capitol Avenue
Hartford, Connecticut, 06106

Dear Mr. Wojcik:

We are pleased to submit this Actuarial Valuation and Review of Other Postemployment Benefits (OPEB) as of June 30, 2024 under Governmental Accounting Standards Board Statement No. 75. The report summarizes the actuarial data used in the valuation, discloses the Net OPEB Liability (NOL) measured as of June 30, 2023 to be reported as of June 30, 2024, and analyzes the preceding year's experience. This report was based on the census data and financial information provided by the Healthcare Policy and Benefits Services Division of the Office of the State Comptroller and the terms of the Plan. The actuarial calculations were completed under the supervision of Samuel Boustani, FCA, ASA, MAAA, Consulting Actuary. The claims cost development and trends assumptions were prepared under the direction of Mark J. Noonan, ASA, MAAA, Vice President and Health Actuary.

The measurements shown in this actuarial valuation may not be applicable for other purposes. 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.

The actuarial valuation has been completed in accordance with generally accepted actuarial principles and practices. To the best of our knowledge, the information supplied in this actuarial valuation is complete and accurate. Further, in our opinion, the assumptions used in this valuation and described in Section 3, Exhibit 2 are reasonably related to the experience of and the expectations for the Plan. The actuarial projections are based on these assumptions and the plan of benefits as summarized in Section 3, Exhibit 3.

Mr. Joshua Wojcik
September 4, 2024

Segal makes no representation or warranty as to the future status of the Plan and does not guarantee any particular result. This document does not constitute legal, tax, accounting or investment advice or create or imply a fiduciary relationship. The Board is encouraged to discuss any issues raised in this report with the Plan's legal, tax and other advisors before taking, or refraining from taking, any action.

Sincerely,

Segal

Handwritten signature of Samuel Boustani in black ink, written over a horizontal line.

Samuel Boustani, FCA, ASA, MAAA
Consulting Actuary

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Actuarial Valuation Summary

Purpose and basis

This report presents the results of our actuarial valuation of the State of Connecticut (the “State”) State Employee OPEB plan (SEOPEBP) as of June 30, 2023, required by Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. The actuarial computations made are for purposes of fulfilling plan accounting requirements. Determinations for purposes other than meeting financial accounting requirements may be significantly different from the results reported here. This valuation is based on:

- The benefit provisions of State of Connecticut SEOPEBP, as administered by the State;
- The characteristics of covered active members, terminated vested members, and retired members and beneficiaries as of June 30, 2023, provided by the Healthcare Policy and Benefits Services Division of the Office of the State Comptroller;
- The assets of the Plan as of June 30, 2023, provided by the Healthcare Policy and Benefits Services Division of the Office of the State Comptroller;
- Economic assumptions regarding future salary increases and investment earnings adopted by the State for the June 30, 2023 valuation; and
- Other actuarial assumptions, regarding employee terminations, retirement, death, etc.

Highlights of the valuation

Accounting and Financial Reporting

1. For GASB 75 reporting as of June 30, 2024, the Net OPEB Liability (NOL) was measured as of June 30, 2023. The Plan’s Fiduciary Net Position (plan assets) and the Total OPEB Liability (TOL) were valued as of the measurement date. Consistent with the provisions of GASB 75, the assets and liabilities measured as of June 30, 2023 are not adjusted or rolled forward to the June 30, 2024 reporting date.
2. The NOL as of June 30, 2023 is \$15,598,624,542, an increase of \$100,425,877, from the prior valuation NOL of \$15,498,198,665. The NOL had been expected to increase to \$15,792,270,282 due to normal plan operations. The difference between actual and expected NOL was the net effect of several factors:

Section 1: Actuarial Valuation Summary

- a. An investment experience gain decreased the NOL by \$22,870,517. This was the result of a gain due to fund investment performance (returns greater than expected).
- b. An actuarial experience gain decreased the NOL by \$1,001,198,892. This was the net result of gains and losses due to demographic changes, actual 2023 contributions and benefit payments that were different from expected.
- c. Valuation assumption changes increased the NOL by \$830,423,669. This was a net result of:
 - 1) A *net increase* in obligations of \$771,641,185 due to updating the valuation-year per capita health costs (including actuarial factors) and contributions, and future trend on such costs and contributions. The actuarial factors used to estimate individual retiree and spouse costs by age and by gender were updated. The new factors are based on a review of historical claims experience by age, gender, and status (active vs retired) from Segal's claims data warehouse.
 - 2) An *increase* in obligations of \$5,886,460,124 due to estimates of the impact of the Inflation Reduction Act of 2022 (IRA) on Medicare Advantage Prescription Drug plans. The IRA includes material benefit cost-sharing changes for 2025, most notably implementing a \$2,000-member out-of-pocket maximum, as well as various funding changes that are used to reduce premiums for Medicare prescription drug plans. Both changes are expected to significantly increase premiums. Our projections include an estimated impact of the IRA that will occur during calendar year 2025 based on preliminary information.
 - 3) A *decrease* in obligations of \$5,827,677,640 due to updating the discount rate. Since Trust assets can only be available for members who have contributed, benefit payments for these members are fully funded and benefit payments for non-contributory members will always be considered "unfunded" for the GASB discount rate blend analysis. Therefore, the discount rate for non-contributory members is the yield or index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher, 3.65% as of June 30, 2023, and the discount rate for contributory members is the long-term expected rate of return on OPEB Trust assets, 6.90% as of June 30, 2023.
3. As of June 30, 2023, the ratio of assets to the Total OPEB Liability (the funded ratio) is 14.60%. This is based on the market value of assets at this point in time.
4. The Annual OPEB Expense decreased to \$196,030,563 for the year ending June 30, 2023. The expense was \$208,651,579 last year.
5. Results shown in this report exclude any employer contributions made after the measurement date of June 30, 2023. The State of Connecticut should consult with their auditors to determine the deferred outflow that should be created for these contributions.

Section 1: Actuarial Valuation Summary

Summary of key valuation results

Valuation Result	Current	Prior
Reporting Date for Employer under GASB 75	June 30, 2024	June 30, 2023
Measurement Date	June 30, 2023	June 30, 2022
Disclosure elements for fiscal year ending June 30:		
• Total OPEB Liability	\$18,266,067,688	\$17,738,336,563
• Plan Fiduciary Net Position (Assets)	2,667,443,146	2,240,137,898
• Net OPEB Liability	15,598,624,542	15,498,198,665
• Plan Fiduciary Net Position as a percentage of Total OPEB Liability	14.60%	12.63%
• OPEB Expense	196,030,563	\$208,651,579
• Service Cost at Beginning of Year	621,326,857	906,278,904
• Total Payroll (Reporting Period)	4,865,966,123	3,758,687,574

Section 1: Actuarial Valuation Summary

Important information about actuarial valuations

An actuarial valuation is a budgeting tool with respect to defining future uncertain obligations of a postretirement health plan. As such, it will never forecast the precise future stream of benefit payments. It is an estimated forecast – the actual cost of the plan will be determined by the benefits and expenses paid, not by the actuarial valuation.

In order to prepare a valuation, Segal relies on a number of input items. These include:

Input Item	Description
Plan of benefits	Plan provisions define the rules that will be used to determine benefit payments, and those rules, or the interpretation of them, may change over time. Even where they appear precise, outside factors may change how they operate. For example, a plan may provide health benefits to post-65 retirees that coordinates with Medicare. If so, changes in the Medicare law or administration may change the plan's costs without any change in the terms of the plan itself. It is important for the State to keep Segal informed with respect to plan provisions and administrative procedures, and to review the plan summary included in our report to confirm that Segal has correctly interpreted the plan of benefits.
Participant data	An actuarial valuation for a plan is based on data provided to the actuary by the plan. Segal does not audit such data for completeness or accuracy, other than reviewing it for obvious inconsistencies compared to prior data and other information that appears unreasonable. It is not necessary to have perfect data for an actuarial valuation: the valuation is an estimated forecast, not a prediction. The uncertainties in other factors are such that even perfect data does not produce a "perfect" result. Notwithstanding the above, it is important for Segal to receive the best possible data and to be informed about any known incomplete or inaccurate data.
Assets	The valuation is based on the market value of assets as of the valuation date, as provided by the State.
Actuarial assumptions	In preparing an actuarial valuation, Segal starts by developing a forecast of the benefits to be paid to existing plan participants for the rest of their lives and the lives of their beneficiaries. To determine the future costs of benefits, Segal collects claims, premiums, and enrollment data in order to establish a baseline cost for the valuation measurement, and then develops short- and long-term health care cost trend rates to project increases in costs in future years. This forecast also requires actuarial assumptions as to the probability of death, disability, withdrawal, and retirement of each participant for each year, as well as forecasts of the plan's benefits for each of those events. The forecasted benefits are then discounted to a present value, typically based on an estimate of the rate of return that will be achieved on the plan's assets or, if there are no assets, a rate of return based on a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). All of these factors are uncertain and unknowable. Thus, there will be a range of reasonable assumptions, and the results may vary materially based on which assumptions the actuary selects within that range. That is, there is no right answer (except with hindsight). It is important for any user of an actuarial valuation to understand and accept this constraint. The actuarial model necessarily uses approximations and estimates that may lead to significant changes in our results but will have no impact on the actual cost of the plan. In addition, the actuarial assumptions may change over time, and while this can have a significant impact on the reported results, it does not mean that the previous assumptions or results were unreasonable or wrong.

Section 1: Actuarial Valuation Summary

The user of Segal's actuarial valuation (or other actuarial calculations) should keep the following in mind:

- The actuarial valuation is prepared for use by the State Finance Department. It includes information for compliance with accounting standards and for the plan's auditor. Segal is not responsible for the use or misuse of its report, particularly by any other party.
- If the State is aware of any event or trend that was not considered in this valuation that may materially change the results of the valuation, Segal should be advised, so that we can evaluate it.
- An actuarial valuation is a measurement at a specific date – it is not a prediction of a plan's future financial condition. Accordingly, Segal did not perform an analysis of the potential range of financial measurements, except where otherwise noted. The actual long-term cost of the plan will be determined by the actual benefits and expenses paid and the actual investment experience of the plan.
- Sections of this report include actuarial results that are not rounded, but that does not imply precision.
- Critical events for a plan include, but are not limited to, decisions about changes in benefits and contributions. The basis for such decisions needs to consider many factors such as the risk of changes in plan enrollment, emerging claims experience, health care trend, and investment losses, not just the current valuation results.
- Segal does not provide investment, legal, accounting, or tax advice and is not acting as a fiduciary to the Plan. This valuation is based on Segal's understanding of applicable guidance in these areas and of the Plan's provisions, but they may be subject to alternative interpretations. The State should look to their other advisors for expertise in these areas.
- While Segal maintains extensive quality assurance procedures, an actuarial valuation involves complex computer models and numerous inputs. In the event that an inaccuracy is discovered after presentation of Segal's valuation, Segal may revise that valuation or make an appropriate adjustment in the next valuation.
- Segal's report shall be deemed to be final and accepted by the State upon delivery and review. The State should notify Segal immediately of any questions or concerns about the final content.

Section 1: Actuarial Valuation Summary

September 4, 2024

Actuarial Certification

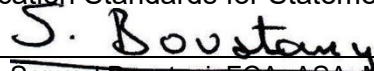
This is to certify that Segal has conducted an actuarial valuation of certain benefit obligations of State of Connecticut State Employee OPEB Plan's other postemployment benefit programs as of June 30, 2023, in accordance with generally accepted actuarial principles and practices. The actuarial calculations presented in this report have been made on a basis consistent with our understanding of GASB Statement 75 for the determination of the liability for postemployment benefits other than pensions.

The actuarial valuation is based on the plan of benefits verified by the State and reliance on participant, premium, claims and expense data provided by the State or from vendors employed by the State. Segal does not audit the data provided. The accuracy and comprehensiveness of the data is the responsibility of those supplying the data. Segal, however, does review the data for reasonableness and consistency.

The actuarial computations made are for purposes of fulfilling plan accounting requirements. Determinations for purposes other than meeting financial accounting requirements may be significantly different from the results reported here. Accordingly, additional determinations may be needed for other purposes, such as judging benefit security at termination of the plan, or determining short-term cash flow requirements.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: retiree group benefits program experience or rates of return on assets differing from that anticipated by the assumptions; changes in assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period); and changes in retiree group benefits program provisions or applicable law. Retiree group benefits models necessarily rely on the use of approximations and estimates, and are sensitive to changes in these approximations and estimates. Small variations in these approximations and estimates may lead to significant changes in actuarial measurements. The scope of the assignment did not include performing an analysis of the potential change of such future measurements except where noted.

To the best of my knowledge, this report is complete and accurate and in my opinion presents the information necessary to comply with GASB Statement 75 with respect to the benefit obligations addressed. The signing actuary is a member of the Society of Actuaries, the American Academy of Actuaries, and other professional actuarial organizations and collectively meet the "General Qualification Standards for Statements of Actuarial Opinions" to render the actuarial opinion contained herein.



Samuel Boustani, FCA, ASA, MAAA
Consulting Actuary

GASB 75 Information

General information about the OPEB plan

Plan administration. The State Comptroller’s Healthcare Policy and Benefits Division under the Direction of the Connecticut State Employees Retirement Commission administers the State Employee OPEB plan. The SEOPEBP is a single-employer defined benefit OPEB plan that covers retired employees of the State who are receiving benefits from any State-sponsored retirement system, except the Teachers’ Retirement System and the Municipal Employees’ Retirement System.

Plan membership. At June 30, 2023, State plan membership consisted of the following:

Category of membership	Number as of June 30, 2023
Retired members, spouses and beneficiaries currently receiving benefits ¹	85,696
Vested terminated members entitled to but not yet receiving benefits ¹	470
Active members	50,078
Total	136,244

Benefits provided. The plan provides healthcare and life insurance benefits to eligible retirees and their spouses, and other plan provisions are described in Section 5-257 and 5-259 of the Connecticut General Statutes.

State Contributions. The contribution requirements of plan members and the State are established and may be amended by State legislature, or by agreement between the State and employees’ unions, upon approval by the State legislature. The cost of providing plan benefits is financed by the State on a pay-as-you-go basis for non-contributory members and 100 percent for contributory members through an annual appropriation in the General fund. Administrative costs of the plan are financed by the State.

¹ As of June 30 2023, 50,538 retired members, spouses and beneficiaries and 138 vested terminated members were identified as non-contributory by the State.

Section 2: GASB 75 Information

Net OPEB liability

Components of the Net OPEB Liability	Current	Prior
Reporting and Measurement Dates		
Reporting Date for Employer under GASB 75	June 30, 2024	June 30, 2023
Measurement Date	June 30, 2023	June 30, 2022
Components of the Net OPEB Liability		
Total OPEB Liability	\$18,266,067,688	\$17,738,336,563
Plan Fiduciary Net Position	2,667,443,146	2,240,137,898
Net OPEB Liability	15,598,624,542	15,498,198,665
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	14.60%	12.63%

The Net OPEB Liability was measured as of June 30, 2023 and 2022. Plan Fiduciary Net Position (plan assets) was valued as of the measurement dates and the Total OPEB Liability was determined from actuarial valuations using data as of June 30, 2023 and 2021, respectively.

Actuarial assumptions. The Total OPEB Liability was measured by an actuarial valuation as of June 30, 2023 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Assumption Type	Assumption
Inflation	2.50%
Payroll growth rate	3.00%
Salary increases	3.00% to 11.50%, vary by service and retirement system, including inflation
Discount rate	6.90% for contributory members and 3.65% for non-contributory members as of June 30, 2023 and 3.90% for all members as of June 30, 2022
Healthcare cost trend rates:	
Medical (Non-Medicare) ¹	-0.35%, then 5.75% decreasing by 0.25% each year to an ultimate level of 4.50% per year
Prescription Drug (Non-Medicare) ¹	2.35%, then 6.50% decreasing by 0.25% each year to an ultimate level of 4.50% per year

¹ Short term rates reflect preliminary projections for fiscal year beginning July 1, 2024.

Section 2: GASB 75 Information

Assumption Type	Assumption
Medical and Prescription Drug (Medicare) ¹	32.51%, 59.22%, 28.24% then 5.75% decreasing by 0.25% each year to an ultimate level of 4.50% per year
Dental ²	2.60%, 4.45%, then an ultimate level of 3.00% per year
Part B	4.50% per year
Administrative costs ³	1.85%, 3.30% then 3.00% per year
Mortality rates:	
SERS, PJERS, JFSMCCRS, ARP, Hybrid, Other – Non Hazardous	<p>Pre-Retirement: Pub-2010 General, Above-Median, Employee Headcount-weighted Mortality Table projected generationally using Scale MP-2020</p> <p>Healthy Annuitant: Pub-2010 General, Above-Median, Healthy Retiree Headcount-weighted Mortality Table projected generationally using Scale MP-2020</p> <p>Disabled Annuitant: Pub-2010 General, Disabled Retiree Headcount-weighted Mortality Table projected generationally using Scale MP-2020</p> <p>Contingent Annuitant: Pub-2010 General, Above-Median, Contingent Annuitant Headcount-weighted Mortality Table projected generationally using Scale MP-2020</p>
SERS, PJERS, JFSMCCRS, ARP, Hybrid, Other – Hazardous	<p>Pre-Retirement: Pub-2010 Public Safety, Above-Median, Employee Headcount-weighted Mortality Table projected generationally using Scale MP-2020</p> <p>Healthy Annuitant: Pub-2010 Public Safety, Above-Median, Healthy Retiree Headcount-weighted Mortality Table projected generationally using Scale MP-2020</p> <p>Disabled Annuitant: Pub-2010 Public Safety, Disabled Retiree Headcount-weighted Mortality Table projected generationally using Scale MP-2020</p> <p>Contingent Annuitant: Pub-2010 Public Safety, Above-Median, Contingent Annuitant Headcount-weighted Mortality Table projected generationally using Scale MP-2020</p>

¹ Short term rates reflect increases in the MAPD through 2025 and the anticipated impact of the Inflation Reduction Act of 2022

² Short term rates reflect rate caps through year beginning July 1, 2025.

³ Short term rates were altered to reflect known rates through 2025.

Section 2: GASB 75 Information

Assumption Type	Assumption
STRS	<p>Pre-Retirement: Pub-2010 Teacher, Employee Headcount-weighted Mortality Table projected generationally using Scale MP-2019</p> <p>Healthy Annuitant: Pub-2010 Teacher, Healthy Retiree Headcount-weighted Mortality Table projected generationally using Scale MP-2019</p> <p>Disabled Annuitant: Pub-2010 Teacher, Disabled Retiree Headcount-weighted Mortality Table (adjusted 105% for males and 103% for females at ages 82 and above) projected generationally using Scale MP-2019</p> <p>Contingent Annuitant: Pub-2010 Teacher, Contingent Annuitant Headcount-weighted Mortality Table projected generationally using Scale MP-2019</p>

The demographic assumptions used in this valuation are the same as those used in the most recent pension valuation reports or experience studies available, completed by Cavanaugh Macdonald Consulting, LLC. Given that the participants in this Plan are a subset of the participants in the respective pension plans, we have no reason to doubt the reasonableness of these specific assumptions for this valuation. Other assumptions were determined by Segal.

Detailed information regarding all actuarial assumptions can be found in Section 3, Exhibit 2.

Section 2: GASB 75 Information

Determination of discount rate and investment rates of return

The long-term expected rate of return on OPEB plan investments was determined by Cavanaugh MacDonald Consulting, LLC in their GASB Statement No. 68 Report for the Connecticut State Employees' Retirement System prepared as of June 30, 2023 measurement date for June 30, 2024 reporting date. These returns 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 adding expected inflation. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	37.0%	6.8%
Public Credit	2.0%	2.9%
Core Fixed Income	13.0%	0.4%
Liquidity Fund	1.0%	-0.4%
Risk Mitigation	5.0%	0.1%
Private Equity	15.0%	11.2%
Private Credit	10.0%	6.1%
Real Estate	10.0%	6.2%
Infrastructure and Natural Resources	7.0%	7.7%
Total	100.0%	

Discount rate (contributory members): The discount rate used to measure Total OPEB Liability (TOL) was 6.90% as of June 30, 2023. The OPEB plan's fiduciary net position (FNP) was projected to be available to make all projected future benefit payments of current contributory plan members. Therefore, the long-term expected rate of return on OPEB plan investment was applied to all periods of projected benefit payments to determine the TOL as of June 30, 2023.

Discount rate (non-contributory members): The discount rate used to measure Total OPEB Liability (TOL) was 3.65% as of June 30, 2023. Since the State funds non-contributory members on a pay-as-you-go basis, the discount rate is based on the yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rate of AA/Aa or higher as shown in the Bond Buyer 20-Bond General Obligation Index. This determination is in accordance with GASB Statement No. 75.

Section 2: GASB 75 Information

Sensitivity

The following presents the NOL of State as well as what the State's NOL would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate. Also, shown is the NOL as if it were calculated using healthcare cost trend rates that were 1-percentage-point lower or 1-percentage-point higher than the current healthcare trend rates.

Item	1% Decrease	Current Discount Rate	1% Increase
Net OPEB Liability (Asset)	\$18,135,738,691	\$15,598,624,542	\$13,521,218,094

Item	1% Decrease in Health Care Cost Trend Rates	Current Health Care Cost Trend Rates	1% Increase in Health Care Cost Trend Rates
Net OPEB Liability (Asset)	\$13,502,158,454	\$15,598,624,542	\$18,171,739,577

Section 2: GASB 75 Information

Schedule of changes in Net OPEB Liability – Last two fiscal years

Components of the Net OPEB Liability	Current	Prior
Reporting and Measurement Dates		
Reporting Date for Employer under GASB 75	June 30, 2024	June 30, 2023
Measurement Date	June 30, 2023	June 30, 2022
Total OPEB Liability		
Service cost	\$621,326,857	\$906,278,904
Interest	703,922,280	515,501,910
Change of benefit terms	0	0
Differences between expected and actual experience	-1,001,198,892	-309,785,559
Changes of assumptions	830,423,669	-4,462,669,077
Benefit payments, including refunds of member contributions	-626,742,789	-637,979,033
Net change in Total OPEB Liability	\$527,731,125	-\$3,988,652,855
Total OPEB Liability – beginning	17,738,336,563	21,726,989,418
Total OPEB Liability – ending	\$18,266,067,688	\$17,738,336,563
Plan Fiduciary Net Position		
Contributions – employer	\$850,513,278	\$847,927,706
Contributions – employee	147,570,537	145,474,325
Net investment income	185,772,898	-196,530,515
Benefit payments, including refunds of member contributions	-626,742,789	-637,979,033
Administrative expense	0	0
Other	-129,808,676	-118,299,709
Net change in Plan Fiduciary Net Position	\$427,305,248	\$40,592,774
Plan Fiduciary Net Position – beginning	2,240,137,898	2,199,545,124
Plan Fiduciary Net Position – ending	\$2,667,443,146	\$2,240,137,898

Section 2: GASB 75 Information

Components of the Net OPEB Liability	Current	Prior
Net OPEB Liability		
Net OPEB Liability – ending	\$15,598,624,542	\$15,498,198,665
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	14.60%	12.63%
Covered payroll	\$4,865,966,123	\$3,758,687,574
Plan Net OPEB Liability as percentage of covered payroll	320.57%	412.33%

Notes to Schedule:

- **Benefit changes:**

- Effective June 30, 2023:
None
- Effective June 30, 2024:
None

- **Changes of assumptions:**

- Effective June 30, 2023:
The discount rate was updated in accordance with GASB No. 75 to 3.90% as of June 30, 2022.
- Effective June 30, 2024:
The discount rate was updated to 6.90% as of June 30, 2023 for contributory members and 3.65% as of June 30, 2023 for non-contributory members.
The per capita health costs, administrative expenses and retiree contributions were updated for recent experience.
The actuarial factors used to estimate individual retiree and spouse costs by age and gender were updated.
The health care cost trend rates and the retiree contribution increase rates were revised to reflect current experience and future expectations.
The Medicare prescription drug trend rates were updated to reflect an estimate for the impact of the Inflation Reduction Act.

Section 2: GASB 75 Information

Deferred outflows of resources and deferred inflows of resources

Deferred outflows and inflows	Current	Prior
Reporting and Measurement Dates		
Reporting Date for Employer under GASB 75	June 30, 2024	June 30, 2023
Measurement Date	June 30, 2023	June 30, 2022
Deferred Outflows of Resources		
Changes in proportion and differences between employer's contributions and proportionate share of contributions ¹	\$61,098,014	\$63,731,833
Changes of assumptions or other inputs	1,333,723,663	1,745,340,697
Net difference between projected and actual earnings on OPEB plan investments	97,825,217	144,383,737
Difference between expected and actual experience in the Total OPEB Liability	162,950,802	238,390,989
Total Deferred Outflows of Resources	\$1,655,597,696	\$2,191,847,256
Deferred Inflows of Resources		
Changes in proportion and differences between employer's contributions and proportionate share of contributions ¹	\$61,098,014	\$63,731,833
Changes of assumptions or other inputs	4,799,235,279	6,676,821,079
Net difference between projected and actual earnings on OPEB plan investments	0	0
Difference between expected and actual experience in the Total OPEB Liability	1,066,051,628	476,990,161
Total Deferred Inflows of Resources	\$5,926,384,921	\$7,217,543,073

¹ Calculated in accordance with Paragraphs 64 and 65 of GASB 75

#9977840v8/13507.054

State of Connecticut State Employee OPEB Plan
GASB 75 Actuarial Valuation for June 30, 2024 Reporting

Section 2: GASB 75 Information

Deferred outflows and inflows	Current	Prior
Deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as follows:		
Reporting Date for Employer under GASB 75 Year Ended June 30:		
2024	N/A	-\$910,884,254
2025	-\$1,306,521,159	-1,268,851,083
2026	-1,741,061,566	-1,703,391,490
2027	-1,032,255,975	-994,585,899
2028	-185,653,167	-147,983,091
2029	-5,295,358	0
Thereafter	0	0

The average of the expected service lives of all employees is determined by:

- Calculating each active employee’s expected remaining service life as the present value of \$1 per year of future service at zero percent interest.
- Setting the remaining service life to zero for each nonactive or retired member.
- Dividing the sum of the above amounts by the total number of active employee, nonactive and retired members.

Section 2: GASB 75 Information

Schedule of recognition of change in total Net OPEB Liability

Increase (Decrease) in OPEB Expense Arising from the Recognition of the Effects of Differences between Expected and Actual Experience on Total OPEB Liability

Reporting Date for Employer under GASB 75 Year Ended June 30	Differences between Expected and Actual Experience	Recognition Period (Years)	2023	2024	2025	2026	2027	2028	2029	Thereafter
2018	\$0	0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2019	0	0.00	0	0	0	0	0	0	0	0
2020	-645,590,429	5.22	-123,676,327	-123,676,327	-27,208,794	0	0	0	0	0
2021	-179,538,474	5.22	-34,394,344	-34,394,344	-34,394,344	-7,566,754	0	0	0	0
2022	389,271,363	5.16	75,440,187	75,440,187	75,440,187	75,440,187	12,070,428	0	0	0
2023	-309,785,559	5.16	-60,035,961	-60,035,961	-60,035,961	-60,035,961	-60,035,961	-9,605,754	0	0
2024	-1,001,198,892	5.16	N/A	-194,030,793	-194,030,793	-194,030,793	-194,030,793	-194,030,793	-31,044,927	0
Total¹			N/A	-\$336,697,238	-\$240,229,705	-\$186,193,321	-\$241,996,326	-\$203,636,547	-\$31,044,927	\$0

¹ Net increase (decrease) in OPEB expense

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Increase (Decrease) in OPEB Expense Arising from the Recognition of the Effects of Assumption Changes

Reporting Date for Employer under GASB 75 Year Ended June 30	Assumption Changes	Recognition Period (Years)	2023	2024	2025	2026	2027	2028	2029	Thereafter
2018	-\$510,781,000	5.42	-\$39,581,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2019	-724,140,000	5.42	-133,605,000	-56,115,000	0	0	0	0	0	0
2020	3,417,608,963	5.22	654,714,361	654,714,361	144,037,158	0	0	0	0	0
2021	2,225,763,744	5.22	426,391,522	426,391,522	426,391,522	93,806,134	0	0	0	0
2022	-4,936,120,254	5.16	-956,612,452	-956,612,452	-956,612,452	-956,612,452	-153,057,994	0	0	0
2023	-4,462,669,077	5.16	-864,858,348	-864,858,348	-864,858,348	-864,858,348	-864,858,348	-138,377,337	0	0
2024	830,423,669	5.16	N/A	160,934,820	160,934,820	160,934,820	160,934,820	160,934,820	25,749,569	0
Total¹			N/A	-\$635,545,097	-\$1,090,107,300	-\$1,566,729,846	-\$856,981,522	\$22,557,483	\$25,749,569	\$0

¹ Net increase (decrease) in OPEB expense

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Section 2: GASB 75 Information

Increase (Decrease) in OPEB Expense Arising from the Recognition of the Effects of Differences between Projected and Actual Earnings on OPEB Plan Investments

Reporting Date for Employer under GASB 75 Year Ended June 30	Differences between Projected and Actual Earnings	Recognition Period (Years)	2023	2024	2025	2026	2027	2028	2029	Thereafter
2018	-\$24,567,000	5.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2019	9,754,000	5.00	1,950,000	0	0	0	0	0	0	0
2020	-639,203	5.00	-127,841	-127,841	0	0	0	0	0	0
2021	59,771,225	5.00	11,954,245	11,954,245	11,954,245	0	0	0	0	0
2022	-274,301,360	5.00	-54,860,272	-54,860,272	-54,860,272	-54,860,272	0	0	0	0
2023	356,479,882	5.00	71,295,978	71,295,976	71,295,976	71,295,976	71,295,976	0	0	0
2024	-22,870,517	5.00	N/A	-4,574,105	-4,574,103	-4,574,103	-4,574,103	-4,574,103	0	0
Total¹			N/A	\$23,688,003	\$23,815,846	\$11,861,601	\$66,721,873	-\$4,574,103	\$0	\$0

¹ Net increase (decrease) in OPEB expense

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Total Increase (Decrease) in OPEB Expense

Reporting Date for Employer under GASB 75 Year Ended June 30	Total Increase (Decrease) in OPEB Expense	2023	2024	2025	2026	2027	2028	2029	Thereafter
2018	-\$535,348,000	-\$39,581,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2019	-714,386,000	-131,655,000	-56,115,000	0	0	0	0	0	0
2020	2,771,379,331	530,910,193	530,910,193	116,828,364	0	0	0	0	0
2021	2,105,996,495	403,951,423	403,951,423	403,951,423	86,239,380	0	0	0	0
2022	-4,821,150,251	-936,032,537	-936,032,537	-936,032,537	-936,032,537	-140,987,566	0	0	0
2023	-4,415,974,754	-853,598,331	-853,598,333	-853,598,333	-853,598,333	-853,598,333	-147,983,091	0	0
2024	-193,645,740	N/A	-37,670,078	-37,670,076	-37,670,076	-37,670,076	-37,670,076	-5,295,358	0
Total¹		N/A	-\$948,554,332	-\$1,306,521,159	-\$1,741,061,566	-\$1,032,255,975	-\$185,653,167	-\$5,295,358	\$0

¹ Net increase (decrease) in OPEB expense

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State of Connecticut State Employee OPEB Plan
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Section 2: GASB 75 Information

OPEB expense

Components of OPEB expense	Current	Prior
Reporting and Measurement Dates		
Reporting Date for Employer under GASB 75	June 30, 2024	June 30, 2023
Measurement Date	June 30, 2023	June 30, 2022
Components of OPEB Expense		
Service cost	\$621,326,857	\$906,278,904
Interest on the Total OPEB Liability	703,922,280	515,501,910
Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	0	0
Current-period benefit changes	0	0
Expensed portion of current-period difference between expected and actual experience in the Total OPEB Liability	-194,030,793	-60,035,961
Expensed portion of current-period changes of assumptions or other inputs	160,934,820	-864,858,348
Member contributions	-147,570,537	-145,474,325
Projected earnings on plan investments	-162,902,381	-159,949,367
Expensed portion of current-period differences between actual and projected earnings on plan investments	-4,574,105	71,295,978
Administrative expense	0	0
Other	129,808,676	118,299,709
Recognition of beginning of year deferred outflows of resources as OPEB expense	1,239,796,291	1,170,450,315
Recognition of beginning of year deferred inflows of resources as OPEB expense	-2,150,680,545	-1,342,857,236
Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	0	0
OPEB Expense	\$196,030,563	\$208,651,579

Section 2: GASB 75 Information

Schedule of reconciliation of Net OPEB Liability

Item	Current	Prior
Reporting and Measurement Dates		
Reporting Date for Employer under GASB 75	June 30, 2024	June 30, 2023
Measurement Date	June 30, 2023	June 30, 2022
Net OPEB Liability		
Beginning Net OPEB Liability	\$15,498,198,665	\$19,527,444,294
OPEB expense	196,030,563	208,651,579
Employer contributions	-850,513,278	-847,927,706
New net deferred inflows/outflows	-155,975,662	-3,562,376,423
Recognition of prior deferred inflows/outflows	910,884,254	172,406,921
Ending Net OPEB Liability	\$15,598,624,542	\$15,498,198,665

Section 2: GASB 75 Information

Schedule of contributions – Last seven fiscal years

Year Ended June 30	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency / (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2017	\$1,043,143,000	\$667,401,000	\$375,742,000	N/A	N/A
2018	1,157,121,000	801,893,000	355,228,000	\$3,743,995,000	21.42%
2019	1,203,406,000	752,941,470	450,464,530	3,875,035,000	19.43%
2020	1,287,059,000	867,222,367	419,836,633	3,619,132,693	23.96%
2021	1,338,541,000	868,069,824	470,471,176	3,745,802,337	23.17%
2022	1,055,474,000	847,927,706	207,546,294	3,649,610,720	23.23%
2023	1,097,692,000	850,513,278	247,178,722	4,865,966,123	17.48%

Notes to Schedule:

Methods and assumptions used to establish “actuarially determined contribution” rates:

Method or Assumption	Description
Valuation date	Actuarially determined contribution was determined with the June 30, 2021 actuarial valuation
Actuarial cost method	Entry Age Normal – Level Percentage of Payroll
Amortization method	Payments increase 3.00% per year
Remaining amortization period	16 years as of June 30, 2023
Asset valuation method	Market value
Investment rate of return	6.90%
Payroll growth rate	3.00%

Supporting Information

Exhibit 1: Summary of Participant Data

Statistic	Amount as of June 30, 2023	Amount as of June 30, 2021
Number of retirees ¹	51,989	48,590
Average age of retirees	70.9	70.8
Number of spouses ¹	29,052	26,958
Average age of spouses	67.6	67.3
Number of surviving spouses ¹	4,655	4,322
Average age	78.4	78.2
Number of terminated vested ²	470	385
Average age	52.8	57.5
Number of actives	50,078	49,927
Average age	46.1	47.3
Average service	13.8	13.3

¹ As of June 30 2023, 50,538 retired members, spouses and beneficiaries were identified as non-contributory by the State.

² As of June 30 2023, 138 vested terminated members were identified as non-contributory by the State.

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Section 3: Supporting Information

Exhibit 2: Actuarial Assumptions and Actuarial Cost Method

Data

Detailed census data, premium data and/or claim experience, and summary plan descriptions for OPEB were provided by the Healthcare Policy & Benefit Services Division of the Office of the State Comptroller. Eligible groups for the Program include State employees covered under the State Employees Retirement System (SERS), State Teachers' Retirement System (STRS), Probate Judges and Employees Retirement System (PJERS), Judges, Family Support Magistrates and Compensation Commissioners Retirement System (JFSMCCRS), Alternative Retirement Program (ARP), and the Hybrid Defined Benefit/Defined Contribution Plan (HYBRID). In addition, there are other State employees not covered under the retirement systems who are eligible for this program (OTHER). Actuarial assumptions that differ by group are noted.

Actuarial cost method

Entry Age Normal – Level Percentage of Payroll

Asset valuation method

Market Value

Assets as of June 30, 2023, as previously provided from OSC

Measurement date

June 30, 2023

Actuarial valuation date

June 30, 2023

Section 3: Supporting Information

Discount rate

Contributory members

6.90% as of June 30, 2023.

The OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current contributory plan members. Therefore, the long-term expected rate of return on OPEB plan investment was applied to all periods of projected benefit payments to determine the Total OPEB Liability as of June 30, 2023.

Non-contributory members

3.65% as of June 30, 2023.

Since the State funds non-contributory members on a pay-as-you-go basis, the discount rate is based on the yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rate of AA/Aa or higher as shown in the Bond Buyer 20-Bond General Obligation Index. This determination is in accordance with GASB Statement No. 75.

Expected return

6.90% - consistent with the rate developed in the GASB 67 report for the SERS prepared as of June 30, 2023 by Cavanaugh MacDonald Consulting, LLC.

Demographic and salary scale assumptions

The demographic and salary scale assumptions used in this valuation are the same as those used in the most recent pension valuation report or experience study available, completed by Cavanaugh Macdonald Consulting, LLC. Given that the participants in this Plan are a subset of the participants in the respective pension plans, we have no reason to doubt the reasonableness of these specific assumptions for this valuation.

Section 3: Supporting Information

Salary increases

SERS, ARP, Hybrid, Other

Rates vary by years of service as follows:

Years of Service	Non-Hazardous	Hazardous
0 – 1	10.50%	11.50%
2	7.50%	7.50%
3	5.50%	5.50%
4	5.25%	5.25%
5	5.00%	5.00%
6 – 9	4.75%	4.75%
10	4.50%	4.50%
11	4.25%	4.50%
12 – 13	4.25%	4.25%
14	4.00%	4.00%
15	3.50%	3.50%
16 – 17	3.25%	3.50%
18 – 19	3.25%	3.25%
20+	3.00%	3.00%

Section 3: Supporting Information

STRS

Rates vary by years of service as follows:

Years of Service	Rate
0	6.50%
1	6.25%
2-9	6.00%
10-11	5.50%
12	5.25%
13	5.00%
14	4.75%
15	4.50%
16	4.00%
17	3.75%
18	3.50%
19	3.25%
20	3.00%
21+	3.00%

PJERS

4.50%

JFSMCCRS

4.00%

Total Payroll Growth Rate

3.00%

Section 3: Supporting Information

Mortality rates

SERS, PJERS, JFSMCCRS, ARP, Hybrid, Other – Non Hazardous

Pre-Retirement: Pub-2010 General, Above-Median, Employee Headcount-weighted Mortality Table projected generationally using Scale MP-2020

Healthy Annuitant: Pub-2010 General, Above-Median, Healthy Retiree Headcount-weighted Mortality Table projected generationally using Scale MP-2020

Disabled Annuitant: Pub-2010 General, Disabled Retiree Headcount-weighted Mortality Table projected generationally using Scale MP-2020

Contingent Annuitant: Pub-2010 General, Above-Median, Contingent Annuitant Headcount-weighted Mortality Table projected generationally using Scale MP-2020

SERS, PJERS, JFSMCCRS, ARP, Hybrid, Other – Hazardous

Pre-Retirement: Pub-2010 Public Safety, Above-Median, Employee Headcount-weighted Mortality Table projected generationally using Scale MP-2020

Healthy Annuitant: Pub-2010 Public Safety, Above-Median, Healthy Retiree Headcount-weighted Mortality Table projected generationally using Scale MP-2020

Disabled Annuitant: Pub-2010 Public Safety, Disabled Retiree Headcount-weighted Mortality Table projected generationally using Scale MP-2020

Contingent Annuitant: Pub-2010 Public Safety, Above-Median, Contingent Annuitant Headcount-weighted Mortality Table projected generationally using Scale MP-2020

STRS

Pre-Retirement: Pub-2010 Teacher, Employee Headcount-weighted Mortality Table projected generationally using Scale MP-2019

Healthy Annuitant: Pub-2010 Teacher, Healthy Retiree Headcount-weighted Mortality Table (adjusted 105% for males and 103% for females at ages 82 and above) projected generationally using Scale MP-2019

Disabled Annuitant: Pub-2010 Teacher, Disabled Retiree Headcount-weighted Mortality Table projected generationally using Scale MP-2019

Contingent Annuitant: Pub-2010 Teacher, Contingent Annuitant Headcount-weighted Mortality Table projected generationally using Scale MP-2019

Section 3: Supporting Information

The above tables were selected based on the most recent pension valuations or experience studies available for each group and were assumed to contain provision appropriate to reasonably reflect future mortality improvement based on a review by the pension actuary of the mortality experience. We have no reason to doubt their applicability here.

Termination rates before retirement

SERS

Disability¹

Age	Non-Hazardous	Hazardous
30	0.04%	0.05%
40	0.07%	0.15%
50	0.22%	0.33%
60	0.50%	0.50%
70	0.50%	0.80%

¹ 30% of disabilities for Non-Hazardous employees and 60% of disabilities for Hazardous employees are assumed to be in-service. Rates cut off at early retirement eligibility.

Section 3: Supporting Information

Withdrawal¹

Age	Non-Hazardous Male	Non-Hazardous Female	Hazardous Male	Hazardous Female
30	4.50%	4.50%	1.00%	1.75%
40	2.75%	2.00%	0.80%	1.00%
50	2.50%	2.00%	0.80%	1.00%
60	2.00%	2.00%	0.80%	1.00%
70	2.00%	2.00%	0.80%	1.00%

STRS

Age	Disability Male ²	Disability Female ²	Withdrawal Male ³	Withdrawal Female ³
20	0.02%	0.02%	1.80%	6.00%
30	0.02%	0.02%	1.80%	6.00%
40	0.03%	0.06%	1.80%	2.50%
50	0.15%	0.15%	2.25%	2.40%
60	0.15%	0.15%	0.00%	0.00%

PJERS

Age	Disability Male ²	Disability Female ²	Withdrawal Male	Withdrawal Female
25	0.04%	0.04%	5.00%	7.50%
35	0.08%	0.08%	5.00%	5.00%
45	0.19%	0.19%	5.00%	5.00%

¹ Higher select period turnover rates varying by age and gender are used for participants with less than 10 years of service. Rates cutoff at early retirement age.

² Rates cut off at early retirement eligibility.

³ Higher select period turnover rates varying by age and gender are used for participants with less than 10 years of service.

Section 3: Supporting Information

JFSMCCRS

Age	Disability ¹	Withdrawal ²
25	0.0256%	1.0000%
35	0.0442%	1.0000%
45	0.1079%	1.0000%
55	0.3027%	1.0000%
65	0.0000%	1.0000%

ARP, Other, Hybrid

Age	Disability ¹	Withdrawal Male ³	Withdrawal Female ³
30	0.04%	4.50%	4.50%
40	0.07%	2.75%	2.00%
50	0.22%	2.50%	2.00%
60	0.50%	2.00%	2.00%
70	0.50%	2.00%	2.00%

¹ Rates cutoff at normal retirement eligibility.

² Rates cutoff at early retirement eligibility.

³ Higher select period turnover rates varying by age and gender are used for participants with less than 10 years of service. Rates cutoff at early retirement eligibility.

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Section 3: Supporting Information

Actives' Retirement Rates

SERS, Hybrid Tier I

Hazardous

Age	First Year Eligible	All Years After
40-56	45.0%	25.0%
57	60.0%	25.0%
58-61	60.0%	30.0%
62-63	65.0%	30.0%
64	65.0%	40.0%
65-66	75.0%	50.0%
67	75.0%	45.0%
68	75.0%	40.0%
69	75.0%	35.0%
70-73	75.0%	30.0%
74-79	100.0%	30.0%
80		100.0%

Non-Hazardous¹

Age	Early	Other
55-59	12.0%	30.0%
60-79		30.0%
80		100.0%

¹ Rates have an additional 20% for early retirement and 40% for normal retirement under age 70 in the plan year before July 1, 2022.

Section 3: Supporting Information

Tier II & IIA, Other

Hazardous

Age	Hazardous First Year Eligible	Hazardous All Years After
40-56	45.0%	25.0%
57	60.0%	25.0%
58-61	60.0%	30.0%
62-63	65.0%	30.0%
64	65.0%	40.0%
65-66	75.0%	50.0%
67	75.0%	45.0%
68	75.0%	40.0%
69	75.0%	35.0%
70-73	75.0%	30.0%
74-79	100.0%	30.0%
80		100.0%

Non-Hazardous

Age	Early	Other
55-59	4.0%	
60-61	4.0%	20.0%
62-65		20.0%
66-70		25.0%
71-79		22.5%
80		100.0%

Section 3: Supporting Information

Tiers III & IV

Age	Hazardous 20 Years of Service	Hazardous 21-24 Years of Service	Hazardous 25 Years of Service	Hazardous 26+ Years of Service	Non- Hazardous Early	Non- Hazardous Other
40 – 49			45.0%	25.0%		
50	45.0%	45.0%	45.0%	25.0%		
51-56	45.0%	25.0%	25.0%	25.0%		
57	60.0%	25.0%	25.0%	25.0%		
58-61	60.0%	30.0%	30.0%	30.0%	4.0%	
62	65.0%	30.0%	30.0%	30.0%	4.0%	
63	65.0%	30.0%	30.0%	30.0%	4.0%	25.0%
64	65.0%	40.0%	40.0%	40.0%	4.0%	25.0%
65-66	75.0%	50.0%	50.0%	50.0%		25.0%
67	75.0%	45.0%	45.0%	45.0%		25.0%
68	75.0%	40.0%	40.0%	40.0%		25.0%
69	75.0%	35.0%	35.0%	35.0%		25.0%
70-73	75.0%	30.0%	30.0%	30.0%		25.0%
74-79	100.0%	30.0%	30.0%	30.0%		25.0%
80	100.0%	100.0%	100.0%	100.0%		100.0%

Section 3: Supporting Information

STRS

Age	Unreduced Less than 35 Years of Service Male	Unreduced Less than 35 Years of Service Female	Unreduced 35 or more Years of Service Male	Unreduced 35 or more Years of Service Female	Pro-ratable Male	Pro-ratable Female	Early Male	Early Female
50-52	--	--	35.00%	30.00%	--	--	1.50%	1.25%
53	--	--	35.00%	30.00%	--	--	1.50%	1.75%
54	--	--	35.00%	30.00%	--	--	2.00%	2.25%
55	--	--	35.00%	30.00%	--	--	3.00%	3.00%
56	--	--	35.00%	30.00%	--	--	4.00%	3.75%
57	--	--	35.00%	30.00%	--	--	5.00%	4.50%
58	--	--	35.00%	30.00%	--	--	6.50%	5.50%
59	--	--	35.00%	30.00%	--	--	8.00%	7.00%
60	20.00%	20.00%	30.00%	30.00%	6.00%	5.00%	--	--
61	20.00%	20.00%	30.00%	30.00%	6.00%	6.00%	--	--
62	22.50%	20.00%	30.00%	30.00%	6.00%	7.00%	--	--
63	22.50%	20.00%	30.00%	30.00%	9.00%	8.00%	--	--
64	25.00%	25.00%	30.00%	30.00%	12.00%	9.00%	--	--
65	27.50%	32.50%	35.00%	37.50%	15.00%	12.00%	--	--
66	27.50%	30.00%	35.00%	37.50%	18.00%	15.00%	--	--
67-68	27.50%	30.00%	30.00%	32.50%	18.00%	15.00%	--	--
69-74	27.50%	30.00%	30.00%	32.50%	28.50%	15.00%	--	--
75-79	100.00%	100.00%	100.00%	100.00%	28.50%	15.00%	--	--
80	--	--	--	--	100.00%	100.00%	--	--

Section 3: Supporting Information

PJERS

Age	Rate
50-61	5.0%
62-64	10.0%
65-69	20.0%
70+	100.0%

JFSMCCRS

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.

ARP

Age	Rate
55-79	30.0%
80	100.0%

Inactive vesteds' retirement rates

100% are assumed to retire on the normal retirement date provided in the data.

Unknown data for participants

Same as those exhibited by participants with similar known characteristic. If not specified, participants are assumed to be male.

For this valuation, twenty-nine active members were reported with missing compensation.

Spousal coverage was set for current retirees based on their medical tier. For retirees with spousal coverage who did not have demographic data available, the assumption for the respective active group was used.

Hybrid members were assumed to elect the SERS tier available at their original date of hire.

Section 3: Supporting Information

Inactive vested participants missing service were assumed to have service less than 15 years making them ineligible for healthcare coverage.

Actives missing medical plan information were assumed to be in a plan that paid contributions at the lower contribution level.

Retirees paying a percentage of the Early Retirement Premium are assumed to reach Normal Retirement Age at age 65.

Continuation of medical and dental benefits after retiree's death

For retiree medical and dental benefits, we assumed that 64% of current and future retired members have medical and dental benefits that continue after the retiree's death, and 36% have medical and dental benefits that stop upon the retiree's death.

Participation and coverage election

100% of current active and inactive vested participants are assumed to elect coverage.

Health enhancement program election

100% of future retirees were assumed to elect to participate in the Health Enhancement Program.

Dependents

Demographic data was available for spouses of current retirees. The percentage of future retirees electing coverage and assumed age differences between husbands and wives are shown below:

Group	Percentage Electing Spousal Coverage	Age of Spouse
SERS, JFSMCCRS, Hybrid, Other	80%	Females 3 years younger than males
STRS	85% of males 75% of females	Females 3 years younger than males
PJERS	100%	Females 3 years younger than males
ARP	100%	Females same age as males

Section 3: Supporting Information

Per capita cost development

Self-Funded (Medical and Drug Plan): Per capita claims costs were based on actual paid retiree claim experience from Anthem and CVS Caremark for the period October 1, 2021 through September 30, 2023. Medical claims are net of rebates paid through the medical plan. Prescription drug claims include program fees and savings reported by PrudentRx which was implemented on July 1, 2022. Prescription drug claims also include offsets for rebates. Claims were separated by plan and adjusted as follows:

- paid claims were multiplied by a factor to yield an estimate of incurred claims,
- total claims were divided by the number of adult members to yield a per capita claim,
- the per capita claim was trended to the midpoint of the valuation year at assumed trend rates, and
- the per capita claim was adjusted for the effect of any plan changes.

Per capita claims for each plan year were then combined by taking a weighted average. The weights used in this average account for a number of factors including each plan year's volatility of claims experience and distance to the valuation year. Actuarial factors were then applied to the weighted average cost to estimate individual retiree and spouse costs by age and by gender.

Fully Insured Medicare Advantage Prescription Drug Plan: Premium rates were provided by Aetna. Actuarial factors were applied to the premium to estimate individual retiree and spouse costs by age and by gender in accordance with ASOP 6. Separate costs were developed for current retirees (who have various plan designs and rates depending on date of retirement) and future retirees (who will all have the same plan design and rates at retirement).

Fully Insured Dental Plan: Per capita costs were based on actual active/retiree premium rates effective July 1, 2023.

Administrative Expenses: Administrative expenses for self-funded plans were based on Anthem access fees effective July 1, 2023. This include a one-time charge of \$3.79 per-employee in July 2023 for utilization management.

Section 3: Supporting Information

Per capita health costs

Dental premium costs for the valuation year are \$602. The annual per capita cost for Medicare Part B reimbursement for the plan year beginning July 1, 2023 is assumed to be \$2,038. Medical and prescription drug claims costs for the valuation year, excluding assumed expenses, are shown in the table below for future retirees and spouses at selected ages. These costs are net of deductibles and other benefit plan cost sharing provisions.

Non-Medicare

Age	Medical Male	Medical Female	Prescription Drugs Male	Prescription Drugs Female
50	\$12,154	\$12,833	\$3,091	\$3,264
55	13,714	13,931	3,488	3,543
60	15,791	15,102	4,016	3,841
65	20,149	16,735	5,125	4,257
70	22,630	18,722	5,756	4,762
75	24,999	19,683	6,359	5,006
80	26,176	21,009	6,658	5,344

Medicare (Medical and Prescription Drugs)

Age	Future Retirees Male	Future Retirees Female	Current Retirees Male	Current Retirees Female
65	\$1,874	\$1,556	\$2,067	\$1,717
70	2,105	1,741	2,322	1,921
75	2,325	1,831	2,565	2,019
80	2,435	1,954	2,685	2,155

Section 3: Supporting Information

Health care cost trend rates

Health care trend measures the anticipated overall rate at which health plan costs are expected to increase in future years. The rates shown below are “net” and are applied to the net per capita costs shown above. The trend shown for a particular plan year is the rate that is applied to that year’s cost to yield the next year’s projected cost.

Year Ending June 30	Non-Medicare Medical ¹	Non-Medicare Prescription Drug ¹	Medicare (Medical & Prescription Drug) ²	Dental ³	Medicare Part B
2024	-0.35%	2.35%	32.51%	2.60%	4.50%
2025	5.75%	6.50%	59.22%	4.45%	4.50%
2026	5.50%	6.25%	28.24%	3.00%	4.50%
2027	5.25%	6.00%	5.75%	3.00%	4.50%
2028	5.00%	5.75%	5.50%	3.00%	4.50%
2029	4.75%	5.50%	5.25%	3.00%	4.50%
2030	4.50%	5.25%	5.00%	3.00%	4.50%
2031	4.50%	5.00%	4.75%	3.00%	4.50%
2032	4.50%	4.75%	4.50%	3.00%	4.50%
2033+	4.50%	4.50%	4.50%	3.00%	4.50%

Ultimate trend was used to trend backward for purpose of the Entry Age Normal Cost Method.

The trend rate assumptions were developed using Segal’s internal guidelines, which are established each year using data sources such as the 2024 Segal Health Trend Survey, internal client results, trends from other published surveys prepared by the S&P Dow Jones Indices, consulting firms and brokers, and CPI statistics published by the Bureau of Labor Statistics. The trend assumptions also include an estimated impact of the IRA on the State’s Medicare plans in calendar year 2025 as described on the following page.

¹ Short term rates reflect preliminary projections for fiscal year beginning July 1, 2024.

² Short term rates reflect increases in the MAPD rates for 2025 attributable to the Inflation Reduction Act of 2022 (IRA).

³ Short term rates reflect rate caps through year beginning July 1, 2025.

Section 3: Supporting Information

Retiree contribution

For future retirees under age 65, an average contribution was used as shown in the table below. In addition, Early Retiree Premiums were based on an average premium of \$19,655 in the valuation year.

Plan	Service 25+	Service <25
ANTM02, ANTM03, ANTM05	\$0	\$257
ANTM01, ANTM04, ANTM06	\$274	\$515
Hazardous Duty (retired August 2022 or later)	\$567	\$567
Non-Hazardous Duty (retired August 2022 or later)	\$869	\$869

For all participants, an average contribution of \$482 was used in the valuation year for dental benefits.

Retiree contribution increase rate

Contributions for dental benefits are assumed to increase with dental trend. An annual increase in required retiree contributions for non-Medicare medical and prescription drugs was assumed, as shown below.

Year Ending June 30,	Rate
2024	0.20%
2025	5.90%
2026	5.65%
2027	5.40%
2028	5.15%
2029	4.90%
2030	4.65%
2031	4.60%
2032	4.55%
2033+	4.50%

Ultimate trend was used to trend backward for purpose of the Entry Age Normal Cost Method.

Section 3: Supporting Information

Administrative expenses

An administrative expense load of \$714 per participant for the year ending June 30, 2024 increasing at 1.85% for one year, 3.30% for one year, then 3.00% per year thereafter was added to projected incurred self-funded medical claim costs in developing the benefit obligations.

Plan design

Development of plan liabilities was based on the substantive plan of benefits in effect as described in Exhibit 3.

Health Care Reform Assumption

The valuation does not reflect the potential impact of any future changes due to prior or pending legislation, other than those described below.

The Inflation Reduction Act of 2022 (IRA) includes material benefit cost-sharing changes for Medicare prescription drug plans in 2025, most notably implementing a \$2,000 member out-of-pocket maximum, as well as various funding changes that are expected to significantly increase plan premiums. Our projections include an estimated impact of the IRA on the Plan in calendar year 2025 based on preliminary information.

Models

Segal accounting results are based on proprietary actuarial modeling software. The accounting valuation models generate a comprehensive set of liability and cost calculations that are presented to meet accounting standards and client requirements. Our Actuarial Technology and Systems unit, comprising both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility and user control. The client team programs the assumptions and the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible actuary.

The results are also based on models for cost projections developed by Segal actuaries and programmers. The client team customizes and validates the models, and reviews the results, under the supervision of the responsible actuary.

The blended discount rate used for calculating total OPEB liability is based on a model developed by our Actuarial Technology and Systems unit, comprised of both actuaries and programmers. The model allows the client team, under the supervision of the responsible actuary, control over the entry of future expected contribution income, benefit payments and administrative expenses. The projection of fiduciary net position and the discounting of benefits is part of the model.

Section 3: Supporting Information

Our claims costs assumptions are based on proprietary modeling software as well as models that were developed by others. These models generate per capita claims cost calculations that are used in our valuation software. Our Health Technical Services Unit, comprised of actuaries and programmers, is responsible for the initial development and maintenance of our health models. They are also responsible for testing models that we purchase from other vendors for reasonableness. The client team inputs the paid claims, enrollments, plan provisions and assumptions into these models and reviews the results for reasonableness, under the supervision of the responsible actuary.

Assumption changes since prior valuation

- The discount rate was updated to 6.90% as of June 30, 2023 for contributory members and 3.65% as of June 30, 2023 for non-contributory members.
- The per capita health costs, administrative expenses and retiree contributions were updated for recent experience.
- The actuarial factors used to estimate individual retiree and spouse costs by age and gender were updated.
- The health care cost trend rates and the retiree contribution increase rates were revised to reflect current experience and future expectations.
- The Medicare prescription drug trend rates were updated to reflect an estimate for the impact of the Inflation Reduction Act.

Section 3: Supporting Information

Exhibit 3: Summary of Plan

This exhibit summarizes the major benefit provisions as included in the valuation. To the best of our knowledge, the summary represents the substantive plans as of the measurement date. It is not intended to be, nor should it be interpreted as, a complete statement of all benefit provisions.

Eligibility

Retired and receiving a Normal, Early, Disabled, or Pre-retirement Survivor pension from the following Retirement Plans:

- SERS – State Employees Retirement System.
- JFSMCCRS – Judges, Family Support Magistrates, and Compensation Commissioners Retirement System.
- PJERS – Probate Judges and Employees Retirement System.
- STRS – State Teachers’ Retirement System.
- ARP – Alternate Retirement System.
- Hybrid – Hybrid Defined Benefit/Defined Contribution Plan

In addition, there are a small number of “Other” State employees who are not covered by the retirement systems above but who are eligible for OPEB benefits.

Employees with less than 10 years of service as of July 1, 2009, must have 15 years of service to receive retiree medical benefits unless they were grandfathered in under the provisions of SEBAC 2011. In addition, an employee must have a combined age plus service of 75 years to receive retiree medical benefits unless they retire directly from active service.

Benefit types

Medical, prescription drug, dental, life insurance. Prescription drug and medical benefits for Medicare-eligible retirees are provided through a Medicare Advantage Prescription Drug (MA-PD) plan. The State also reimburses the Medicare Part B premium for Medicare-eligible retirees.

Probate judges, probate employees, and terminated vested participants are not eligible for life insurance.

Teachers and terminated vested participants are not eligible for pre-retirement death benefits.

Section 3: Supporting Information

Duration of coverage

Lifetime.

Spouse benefits

Same benefits as for retirees except no life insurance. Spousal coverage is for life if the spouse receives a survivor pension from their retirement system; otherwise coverage ends at the retiree's death.

Retiree Contributions

Medical, Rx, and Dental: The monthly retiree contributions used were provided in a schedule supplied by the Office of the State Comptroller.

Health Enhancement Program: Individuals who retire after October 1, 2011, and who decline participation in the Health Enhancement Program, or who are removed from the program, must pay an additional \$100 per month in premium share.

Early Retirement Premiums: Individuals who elect early retirement will be charged the greater of the retiree contribution described above and a percentage of the premium (as described on the following page) until they reach their normal retirement date, or age 65, whichever is earlier. The percentages will also be applied to individuals who are eligible for a deferred vested benefit that elect to receive their pension benefits before age 65. If the participant has fewer than 15 years of service, 15 years is used. If the participant has more than 25 years of service, 25 years is used. If the participant retires more than 5 years early, 5 years is used. The premium is capped at 25% of the person's actual pension benefit.

Years of Service	Retired 5 Years Early	Retired 4 Years Early	Retired 3 Years Early	Retired 2 Years Early	Retired 1 Year Early
15	40.0%	32.0%	24.0%	16.0%	8.0%
16	37.0%	29.6%	22.2%	14.8%	7.4%
17	34.0%	27.2%	20.4%	13.6%	6.8%
18	31.0%	24.8%	18.6%	12.4%	6.2%
19	28.0%	22.4%	16.8%	11.2%	5.6%
20	25.0%	20.0%	15.0%	10.0%	5.0%
21	22.0%	17.6%	13.2%	8.8%	4.4%
22	19.0%	15.2%	11.4%	7.6%	3.8%

Section 3: Supporting Information

Years of Service	Retired 5 Years Early	Retired 4 Years Early	Retired 3 Years Early	Retired 2 Years Early	Retired 1 Year Early
23	16.0%	12.8%	9.6%	6.4%	3.2%
24	13.0%	10.4%	7.8%	5.2%	2.6%
25	10.0%	8.0%	6.0%	4.0%	2.0%

Employee contributions

Current active employees pay a percentage of their pay into the Retiree Health Care Trust Fund for pre-funding of OPEB benefits.

All employees hired after July 1, 2009, or with fewer than five years of service as of July 1, 2010, are contributing 3.0% of their salaries to the Fund, for a period of 10 years or until their retirement, whichever is sooner.

All employees not paying into the Fund as of June 30, 2013, began paying a contribution at that time. The contribution was 0.5% for the year beginning July 1, 2013, increasing to 2.0% for the year beginning July 1, 2014, and to 3.0% for the year beginning July 1, 2015. Contributions will continue for a period of 10 years or until the employee retires, whichever is sooner.

Employees hired after July 1, 2017 will contribute for a period of 15 years or until the employee retires, whichever is sooner.

Contributions are refundable to employees who leave State employment prior to completing 10 years of service.

Effective July 1, 2017, the State will begin to contribute into the Retiree Health Care Trust Fund an amount equal to the amount contributed by employees each year.

Benefit Descriptions

Medical (Non-Medicare: Anthem; Medicare: Aetna)

All Plans ¹	In-Network	Out-Of-Network
Deductible ²	\$350/person, up to \$1,400/family	\$300/person, up to \$900/family
Member Coinsurance	None	80%
Out-of-pocket Maximum (not incl. ded.)	\$2,000/\$4,000 single/family	\$2,000/\$4,000 single/family
Preferred Provider Office Visit Copay	None	Deductible and coinsurance

¹ Only Point of Service (POS) and Out-of-Area (OOA) plans offer out-of-network benefits. Point of Enrollment (POE) and Point of Enrollment-Gatekeeper (POE-G) plans offer only in-network benefits. Medicare Advantage plan has same benefits in- and out-of-network.

² Deductible only applies for post-October 2011 retirees not enrolled in Health Enhancement Program (HEP). Deductible is waived for pre-October 2011 retirees and HEP-compliant post-October 2011 retirees.

Section 3: Supporting Information

All Plans ¹	In-Network	Out-Of-Network
Non-Preferred Provider Office Visit Copay	\$15 ¹	Deductible and coinsurance
Emergency Room Copay ²	None	None

Prescription drug (Non-Medicare: CVS Caremark; Medicare: Aetna)³

Retirement Date Prior to 5/1/2009	90-Day Supply Retail	90-Day Supply Mail
Generic	\$3	\$0
Brand-name	\$6	\$0
Retirement Date 6/1/2009 to 10/1/2011	90-Day Supply Retail	90-Day Supply Mail
Generic	\$5	\$0
Preferred brand-name	\$10	\$0
Non-preferred brand-name	\$25	\$0
Retirement Date 10/2/2011 to 10/1/2017	90-Day Supply Retail	90-Day Supply Mail
Generic	\$5	\$5
Preferred brand-name	\$20	\$10
Non-preferred brand-name	\$35	\$25
Retirement Date 10/2/2017 or Later	90-Day Supply Retail	90-Day Supply Mail
Preferred generic	\$5	\$5
Non-preferred generic	\$10	\$10
Preferred brand-name	\$25	\$25
Non-preferred brand-name	\$40	\$40

¹ Office visit copay is \$5 copay for retirees who retired prior to July 1, 1999.

² Emergency room copay is \$35 for those retiring between October 2, 2011 and October 1, 2017, and increases to \$250 for those retiring after October 2, 2017.

³ If enrolled in Health Enhancement Program, copays for drugs prescribed for certain chronic conditions will be waived or reduced to \$0/\$5/\$12.50. Mandatory mail applies for under-65 retirees with retirement date on or after October 2, 2011.

Section 3: Supporting Information

Dental

Item	CIGNA Basic	CIGNA Enhanced	CIGNA DHMO
Deductible	None	\$25/\$75 single/family	None
Annual Maximum	\$500 for periodontics	\$3,000	None
Exam and X-rays ¹	Covered at 100%	Covered at 100%	Covered at 100%
Simple Restoration			
• Fillings	Covered at 80%	Covered at 80%	Covered w/ copay
• Oral Surgery	Covered at 67%	Covered at 80%	Covered w/ copay
Major Restoration			
• Crowns	Covered at 67%	Covered at 67%	Covered w/ copay
• Dentures, Fixed Bridges	Not covered	Covered at 50%	Covered w/ copay
• Implants	Not covered	Covered at 50%(up to \$500)	Covered w/ copay
Orthodontia	Not covered	\$1,500 lifetime maximum per person	Covered w/ copay

Life insurance

Pay-related coverage, equal to 50% of the basic coverage amount immediately before retirement. The basic coverage amount is a function of the employee's salary and the position held by the employee. The minimum post-retirement coverage amount is \$10,000 for employees with 25 or more years of service.

For retirees with less than 25 years of service, the above coverage amount is proportionately reduced based on years of service, and has no minimum amount of coverage.

Members who retire under the hazardous duty provisions of C.G.S. 5-173 receive coverage equal to 50% of the basic coverage amount immediately before retirement, regardless of the number of years of service.

Retired members who are totally and permanently disabled before age 60 receive coverage equal to 100% of the basic coverage amount.

¹ If enrolled in the Health Enhancement Program, annual dental cleaning (up to two) and unlimited periodontal care provided.

Section 3: Supporting Information

Plan changes since prior valuation

None.

Section 3: Supporting Information

Appendix A: Definition of Terms

Definitions of certain terms as they are used in Statement 75. The terms may have different meanings in other contexts.

Term	Definition
Actuarially Determined Contribution:	A target or recommended contribution to an OPEB plan for the reporting period based on the most recent measurement available.
Assumptions or Actuarial Assumptions:	The estimates on which the cost of the Plan is calculated including: <ol style="list-style-type: none"> Investment return — the rate of investment yield that the Plan will earn over the long-term future; Mortality rates — the death rates of employees and retirees; life expectancy is based on these rates; Retirement rates — the rate or probability of retirement at a given age; Turnover rates — the rates at which employees of various ages are expected to leave employment for reasons other than death, disability, or retirement.
Covered Payroll:	The payroll of the employees that are provided OPEB benefits
Discount Rate:	The single rate of return, that when applied to all projected benefit payments results in an actuarial present value that is the sum of the following: <ol style="list-style-type: none"> the actuarial present value of projected benefit payments projected to be funded by plan assets using a long term rate of return, and the actuarial present value of projected benefit payments that are not included in (1) using a yield or index rate for 20 year tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher
Entry Age Actuarial Cost Method:	An actuarial cost method where the present value of the projected benefits for an individual is allocated on a level basis over the earnings or service of the individual between entry age and assumed exit age
Healthcare Cost Trend Rates:	The rate of change in per capita health costs over time
Net OPEB Liability:	The Total OPEB Liability less the Plan Fiduciary Net Position
Plan Fiduciary Net Position:	Market Value of Assets
Real Rate of Return:	The rate of return on an investment after removing inflation
Service Cost:	The amount of contributions required to fund the benefit allocated to the current year of service.
Total OPEB Liability:	The portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service in conformity with the requirements of Statement No. 75.
Valuation Date:	The date at which the actuarial valuation is performed

Section 3: Supporting Information

Appendix B: Accounting Requirements

The Governmental Accounting Standards Board (GASB) issued Statement Number 74 – Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, and Statement Number 75 – Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. Under these statements, all state and local government entities that provide other post-employment benefits are required to report the cost of these benefits on their financial statements. The accounting standards supplement cash accounting, under which the expense for postemployment benefits is equal to benefit and administrative costs paid on behalf of retirees and their dependents (i.e., a pay-as-you-go basis).

The statements cover postemployment benefits of medical, prescription drugs, dental, vision and life insurance coverage for retirees; long-term care coverage, life insurance and death benefits that are *not* offered as part of a pension plan; and long-term disability insurance for employees. The benefits valued in this report are limited to those described in Exhibit 3 of Section 4, which are based on those provided under the terms of the substantive plan in effect at the time of the valuation and on the pattern of sharing costs between the employer and plan members. The projection of benefits is not limited by legal or contractual limits on funding the plan unless those limits clearly translate into benefit limits on the substantive plan being valued.

The new standards prescribe an accrual-basis accounting requirement, thereby recognizing the employer cost of postemployment benefits over an employee's career. The standards also prescribe a consistent accounting requirement for both pension and non-pension benefits.

The total cost of providing postemployment benefits is projected, taking into account assumptions about demographics, turnover, mortality, disability, retirement, health care trends, and other actuarial assumptions. These assumptions are summarized in Exhibit 2 of Section 4. This amount is then discounted to determine the Total OPEB Liability. The Net OPEB Liability (NOL) is the difference between the Total OPEB Liability and market value of assets in the Plan, called the Plan Fiduciary Net Position.

Once the NOL is determined, the Annual OPEB Expense is determined as the change in NOL from the prior year with deferred recognition of certain elements. In addition, Required Supplementary Information (RSI) must be reported, including historical information about the Net OPEB Liability and the contributions made to the Plan. Appendices C and E of Section 4 contain a definition of terms as well as more information about GASB 74/75 concepts.

The calculation of an accounting obligation does not, in and of itself, imply that there is any legal liability to provide the benefits valued, nor is there any implication that the Employer is required to implement a funding policy to satisfy the projected expense.

Actuarial calculations reflect a long-term perspective, and the methods and assumptions use techniques designed to reduce short-term volatility in accrued liabilities and the actuarial value of assets, if any.

Section 3: Supporting Information

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and the actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

State of Connecticut State Employee OPEB Plan

GASB 75 Agency Calculations for Reporting Date June 30, 2024 Measured at June 30, 2023

Allocation Calculation

Groups	Prior Year			Current Year		
	Fiscal Year 2022 Employer Contributions	Proportionate Share	Share of NOL Measured at June 30, 2022	Fiscal Year 2023 Employer Contributions	Proportionate Share	Share of NOL Measured at June 30, 2023
Primary Government	\$836,457,089	98.647218%	\$15,288,541,756	\$837,768,067	98.501468%	\$15,364,874,212
Component Units						
Connecticut Airport Authority	3,076,253	0.362797%	56,226,939	3,232,438	0.380057%	59,283,714
Connecticut Green Bank	987,086	0.116412%	18,041,698	1,296,092	0.152389%	23,770,649
Connecticut Innovations Inc.	1,238,342	0.146043%	22,634,089	1,300,918	0.152957%	23,859,159
Connecticut Lottery Corporation	2,447,745	0.288674%	44,739,236	2,560,675	0.301074%	46,963,415
Capital Region Development Authority	315,007	0.037150%	5,757,615	350,828	0.041249%	6,434,272
Connecticut Port Authority	72,437	0.008543%	1,323,985	100,922	0.011866%	1,850,934
Paid Family and Medical Leave Authority	528,541	0.062333%	9,660,532	788,146	0.092667%	14,454,793
Total Component Units	\$8,665,411	1.021952%	\$158,384,094	\$9,630,019	1.132260%	\$176,616,936
Grand Total	\$847,927,706	100.000000%	\$15,498,198,665	\$850,513,278	100.000000%	\$15,598,624,542

State of Connecticut State Employee OPEB Plan

GASB 75 Agency Calculations for Reporting Date June 30, 2024 Measured at June 30, 2023

OPEB Expense

Groups	Service cost	Interest on the Total OPEB Liability	Expensed portion of current-period changes in proportion	Expensed portion of current-period benefit changes	Expensed portion of current-period difference between expected and actual experience in the Total OPEB Liability	Expensed portion of current-period changes of assumptions or other inputs	Employee contributions	Projected earnings on plan investments	Expensed portion of current-period differences between actual and projected earnings on plan investments	Administrative expense	Other	Recognition of beginning of year deferred outflows of resources as OPEB expense	Recognition of beginning of year deferred inflows of resources as OPEB expense	Net amortization of past-period amounts from changes in proportion	OPEB Expense
Primary Government	\$612,016,077	\$693,373,782	(\$5,797,174)	\$0	(\$191,123,181)	\$158,523,159	(\$145,359,145)	(\$160,461,237)	(\$4,505,561)	\$0	\$127,863,452	\$1,221,217,551	(\$2,118,451,915)	\$1,055,285	\$188,351,093
Component Units															
Connecticut Airport Authority	2,361,398	2,675,308	686,544	0	(737,428)	611,645	(560,853)	(619,122)	(17,384)	0	493,347	4,711,937	(8,173,819)	(1,677,845)	(246,272)
Connecticut Green Bank	946,836	1,072,703	1,431,017	0	(295,682)	245,248	(224,882)	(248,246)	(6,970)	0	197,815	1,889,318	(3,277,409)	(820,888)	908,860
Connecticut Innovations Inc.	950,362	1,076,697	274,983	0	(296,783)	246,161	(225,719)	(249,170)	(6,996)	0	198,551	1,896,353	(3,289,612)	294,325	869,152
Connecticut Lottery Corporation	1,870,654	2,119,328	493,222	0	(584,176)	484,533	(444,297)	(490,457)	(13,771)	0	390,820	3,732,705	(6,475,142)	(33,218)	1,050,201
Capital Region Development Authority	256,291	290,361	163,028	0	(80,036)	66,384	(60,871)	(67,196)	(1,887)	0	53,545	511,403	(887,134)	119,223	363,111
Connecticut Port Authority	73,727	83,527	132,179	0	(23,024)	19,097	(17,511)	(19,330)	(543)	0	15,403	147,114	(255,200)	302,712	458,151
Paid Family and Medical Leave Authority	575,766	652,304	1,206,528	0	(179,803)	149,134	(136,749)	(150,957)	(4,239)	0	120,290	1,148,883	(1,992,973)	2,521,942	3,910,126
Total Component Units	\$7,035,034	\$7,970,228	\$4,387,501	\$0	(\$2,196,932)	\$1,822,202	(\$1,670,882)	(\$1,844,478)	(\$51,790)	\$0	\$1,469,771	\$14,037,713	(\$24,351,289)	\$706,251	\$7,313,329
Grand Total	\$621,326,857	\$703,922,280	\$0	\$0	(\$194,030,793)	\$160,934,820	(\$147,570,537)	(\$162,902,381)	(\$4,574,105)	\$0	\$129,808,676	\$1,239,796,291	(\$2,150,680,545)	\$0	\$196,030,563

State of Connecticut State Employee OPEB Plan

GASB 75 Agency Calculations for Reporting Date June 30, 2024 Measured at June 30, 2023

Groups	Deferred Outflows of Resources					Deferred Inflows of Resources				
	Changes in proportion	Changes of assumptions	Net difference between projected and actual earnings on OPEB Plan investments	Difference between expected and actual experience in the Total OPEB Liability	Total Deferred Outflows of Resources	Changes in proportion	Changes of assumptions	Net difference between projected and actual earnings on OPEB Plan investments	Difference between expected and actual experience in the Total OPEB Liability	Total Deferred Inflows of Resources
Primary Government	\$18,049,735	\$1,313,737,393	\$96,359,276	\$160,508,932	\$1,588,655,336	\$40,286,428	\$4,727,317,219	\$0	\$1,050,076,506	\$5,817,680,153
Component Units										
Connecticut Airport Authority	4,836,650	5,068,914	371,792	619,306	10,896,662	7,500,536	18,239,845	0	4,051,607	29,791,988
Connecticut Green Bank	7,806,045	2,032,453	149,075	248,320	10,235,893	1,668,653	7,313,525	0	1,624,550	10,606,728
Connecticut Innovations Inc.	3,709,257	2,040,021	149,630	249,244	6,148,152	2,150,727	7,340,757	0	1,630,599	11,122,083
Connecticut Lottery Corporation	5,302,713	4,015,496	294,526	490,603	10,103,338	3,408,343	14,449,253	0	3,209,605	21,067,201
Capital Region Development Authority	1,026,518	550,147	40,352	67,216	1,684,233	276,935	1,979,635	0	439,735	2,696,305
Connecticut Port Authority	863,300	158,260	11,608	19,336	1,052,504	192,473	569,478	0	126,498	888,449
Paid Family and Medical Leave Authority	<u>11,886,409</u>	<u>1,235,923</u>	<u>90,652</u>	<u>151,002</u>	<u>13,363,986</u>	<u>0</u>	<u>4,447,312</u>	<u>0</u>	<u>987,879</u>	<u>5,435,191</u>
Total Component Units	\$35,430,892	\$15,101,214	\$1,107,635	\$1,845,027	\$53,484,768	\$15,197,667	\$54,339,805	\$0	\$12,070,473	\$81,607,945
Grand Total	\$61,098,014	\$1,333,723,663	\$97,825,217	\$162,950,802	\$1,655,597,696	\$61,098,014	\$4,799,235,279	\$0	\$1,066,051,628	\$5,926,384,921

State of Connecticut State Employee OPEB Plan

GASB 75 Agency Calculations for Reporting Date June 30, 2024 Measured at June 30, 2023

Deferred Outflows of Resources and Deferred Inflows of Resources Projected Recognition

Groups	2025	2026	2027	2028	2029	Thereafter	Total
Primary Government	(\$1,286,790,360)	(\$1,720,051,162)	(\$1,026,636,984)	(\$189,402,757)	(\$6,143,554)	\$0	(\$4,229,024,817)
Component Units							
Connecticut Airport Authority	(7,810,477)	(8,109,195)	(3,118,823)	53,445	89,724	0	(18,895,326)
Connecticut Green Bank	(1,287,081)	(878,862)	351,658	1,222,558	220,892	0	(370,835)
Connecticut Innovations Inc.	(2,120,750)	(2,361,588)	(639,107)	111,618	35,896	0	(4,973,931)
Connecticut Lottery Corporation	(4,360,703)	(4,911,903)	(1,832,442)	78,215	62,970	0	(10,963,863)
Capital Region Development Authority	(426,996)	(535,955)	(174,647)	101,628	23,898	0	(1,012,072)
Connecticut Port Authority	(3,180)	(11,522)	44,439	113,795	20,523	0	164,055
Paid Family and Medical Leave Authority	2,517,755	2,069,740	1,882,755	1,270,407	188,138	0	7,928,795
Total Component Units	(\$13,491,432)	(\$14,739,285)	(\$3,486,167)	\$2,951,666	\$642,041	\$0	(\$28,123,177)
Grand Total	(\$1,306,521,159)	(\$1,741,061,566)	(\$1,032,255,975)	(\$185,653,167)	(\$5,295,358)	\$0	(\$4,270,787,225)

State of Connecticut State Employee OPEB Plan

GASB 75 Agency Calculations for Reporting Date June 30, 2024 Measured at June 30, 2023

Projected Recognition Schedules of Deferred Outflows of Resources and Deferred Inflows of Resources Changes in Proportion

Groups	2024							Total	2024							Total
	Outstanding Balance of Deferred Outflows of Resources	Recognition of Deferred Outflows	2026 Recognition of Deferred Outflows	2027 Recognition of Deferred Outflows	2028 Recognition of Deferred Outflows	2029 Recognition of Deferred Outflows	Recognition of Deferred Outflows Thereafter		Outstanding Balance of Deferred Inflows of Resources	2025 Recognition of Deferred Inflows	2026 Recognition of Deferred Inflows	2027 Recognition of Deferred Inflows	2028 Recognition of Deferred Inflows	2029 Recognition of Deferred Inflows	Recognition of Deferred Inflows Thereafter	
Primary Government	\$18,049,735	\$12,203,953	\$5,307,760	\$538,022	\$0	\$0	\$0	\$18,049,735	(\$40,286,428)	(\$12,051,788)	(\$10,387,715)	(\$10,387,715)	(\$6,531,662)	(\$927,548)	\$0	(\$40,286,428)
Component Units																
Connecticut Airport Authority	4,836,650	1,688,564	1,139,602	1,139,602	759,033	109,849	0	4,836,650	(7,500,536)	(4,533,510)	(2,631,765)	(335,261)	0	0	0	(7,500,536)
Connecticut Green Bank	7,806,045	2,073,451	2,073,451	1,924,707	1,505,474	228,962	0	7,806,045	(1,668,653)	(1,369,533)	(299,120)	0	0	0	0	(1,668,653)
Connecticut Innovations Inc.	3,709,257	1,212,160	1,028,757	1,028,757	395,587	43,996	0	3,709,257	(2,150,727)	(1,334,496)	(727,273)	(88,958)	0	0	0	(2,150,727)
Connecticut Lottery Corporation	5,302,713	1,800,823	1,392,904	1,392,904	637,169	78,913	0	5,302,713	(3,408,343)	(2,227,930)	(1,062,922)	(117,491)	0	0	0	(3,408,343)
Capital Region Development Authority	1,026,518	306,448	257,890	257,890	178,208	26,082	0	1,026,518	(276,935)	(194,518)	(75,675)	(6,742)	0	0	0	(276,935)
Connecticut Port Authority	863,300	309,615	229,782	166,927	135,825	21,151	0	863,300	(192,473)	(157,764)	(34,709)	0	0	0	0	(192,473)
Paid Family and Medical Leave Authority	11,886,409	3,728,470	3,683,131	2,839,317	1,442,446	193,045	0	11,886,409	0	0	0	0	0	0	0	0
Total Component Units	\$35,430,892	\$11,119,531	\$9,805,517	\$8,750,104	\$5,053,742	\$701,998	\$0	\$35,430,892	(\$15,197,667)	(\$9,817,751)	(\$4,831,464)	(\$548,452)	\$0	\$0	\$0	(\$15,197,667)
Grand Total	\$61,098,014	\$25,564,985	\$16,949,485	\$11,124,334	\$6,531,662	\$927,548	\$0	\$61,098,014	(\$61,098,014)	(\$25,564,985)	(\$16,949,485)	(\$11,124,334)	(\$6,531,662)	(\$927,548)	\$0	(\$61,098,014)

State of Connecticut State Employee OPEB Plan

GASB 75 Agency Calculations for Reporting Date June 30, 2024 Measured at June 30, 2023

Schedule of Reconciliation of Net OPEB Liability - Current Year

Groups	1. Beginning Net OPEB Liability	2. OPEB expense	3. Employer contributions	4. New net deferred inflows/outflows	5. Change in allocation of prior deferred inflows/outflows	6. New net deferred inflows/outflows due to change in proportion	7. Recognition of prior deferred inflows/outflows	8. Recognition of prior deferred inflows/outflows due to change in proportions	9. Ending Net OPEB Liability
Primary Government	\$15,288,541,756	\$188,351,093	(\$837,768,067)	(\$153,638,317)	\$7,324,912	(\$24,116,244)	\$897,234,364	(\$1,055,285)	\$15,364,874,212
Component Units									
Connecticut Airport Authority	56,226,939	(246,272)	(3,232,438)	(592,797)	(867,470)	2,856,025	3,461,882	1,677,845	59,283,714
Connecticut Green Bank	18,041,698	908,860	(1,296,092)	(237,691)	(1,808,135)	5,953,030	1,388,091	820,888	23,770,649
Connecticut Innovations Inc.	22,634,089	869,152	(1,300,918)	(238,576)	(347,450)	1,143,928	1,393,259	(294,325)	23,859,159
Connecticut Lottery Corporation	44,739,236	1,050,201	(2,560,675)	(469,603)	(623,200)	2,051,801	2,742,437	33,218	46,963,415
Capital Region Development Authority	5,757,615	363,111	(350,828)	(64,338)	(205,990)	678,194	375,731	(119,223)	6,434,272
Connecticut Port Authority	1,323,985	458,151	(100,922)	(18,508)	(167,013)	549,867	108,086	(302,712)	1,850,934
Paid Family and Medical Leave Authority	9,660,532	3,910,126	(788,146)	(144,538)	(1,524,486)	5,019,157	844,090	(2,521,942)	14,454,793
Total Component Units	\$158,384,094	\$7,313,329	(\$9,630,019)	(\$1,766,051)	(\$5,543,744)	\$18,252,002	\$10,313,576	(\$706,251)	\$176,616,936
Grand Total	\$15,498,198,665	\$196,030,563	(\$850,513,278)	(\$155,975,662)	\$0	\$0	\$910,884,254	\$0	\$15,598,624,542

State of Connecticut State Employee OPEB Plan

GASB 75 Agency Calculations for Reporting Date June 30, 2024 Measured at June 30, 2023

Discount Rate and Trend Sensitivity

Groups	NOL at Current Discount Rate (5.90%)	1% Decrease in Discount Rate (6.90%)	1% Increase in Discount Rate (7.90%)	1% Decrease in Trend Rates	1% Increase in Trend Rates
Primary Government	\$15,364,874,212	\$17,863,968,902	\$13,318,598,357	\$13,299,824,332	\$17,899,430,304
Component Units					
Connecticut Airport Authority	59,283,714	68,926,202	51,388,379	51,315,942	69,063,026
Connecticut Green Bank	23,770,649	27,636,942	20,604,902	20,575,857	27,691,803
Connecticut Innovations Inc.	23,859,159	27,739,847	20,681,624	20,652,471	27,794,913
Connecticut Lottery Corporation	46,963,415	54,602,008	40,708,883	40,651,499	54,710,398
Capital Region Development Authority	6,434,272	7,480,805	5,577,363	5,569,501	7,495,655
Connecticut Port Authority	1,850,934	2,151,989	1,604,429	1,602,167	2,156,260
Paid Family and Medical Leave Authority	14,454,793	16,805,863	12,529,721	12,512,059	16,839,224
Total Component Units	\$176,616,936	\$205,343,656	\$153,095,301	\$152,879,496	\$205,751,279
Grand Total	\$15,598,624,542	\$18,135,738,691	\$13,521,218,094	\$13,502,158,454	\$18,171,739,577