

**Connecticut Judges, Family Support
Magistrates, and Compensation
Commissioners
Retirement System**



**GASB
Statement No. 68
Report**

Prepared as of June 30, 2024



January 24, 2025

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

Members of the Commission:

Presented in this report is information to assist the Connecticut Judges, Family Support Magistrates and Compensation Commissioners Retirement System in meeting the requirements of the Governmental Accounting Standards Board (GASB) Statement No. 68 and to identify the information to be provided by the actuary, Cavanaugh Macdonald Consulting (CavMac). The information is presented for the period ending June 30, 2024 (the Measurement Date).

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

The annual actuarial valuation used as a basis for much of the information presented in this report was performed as of June 30, 2024. The valuation was based on data, provided by the Retirement Division staff, for active, inactive, and retired members along with pertinent financial information.

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

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



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

Sincerely yours,

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

Larry Langer, EA, ASA, FCA, MAAA
Principal and Consulting Actuary



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SECTION I – INTRODUCTION

The Governmental Accounting Standards Board issued Statement No. 68 (GASB 68), “Accounting and Financial Reporting For Pensions” in June 2012. This report, prepared as of June 30, 2024 (the Measurement Date), presents information to assist the Connecticut Judges, Family Support Magistrates and Compensation Commissioners Retirement System in meeting the requirements of GASB 68 for the fiscal year ending June 30, 2024 (Reporting Date). Much of the material provided in this report is based on the data, assumptions, and results of the annual actuarial valuation of the Connecticut Judges, Family Support Magistrates and Compensation Commissioners Retirement System as of June 30, 2024. The results of that valuation were detailed in a report dated December 13, 2024. Connecticut Judges, Family Support Magistrates and Compensation Commissioners Retirement System is a single-employer defined benefit pension plan.

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

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

The NPL shown in the GASB Statement No. 67 Report for the Connecticut Judges, Family Support Magistrates and Compensation Commissioners Retirement System Prepared as of June 30, 2024 and submitted January 24, 2025 is the NPL used for purposes of GASB 68. Please refer to that report for the derivation of the NPL.

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

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

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





SECTION II – SUMMARY OF PRINCIPAL RESULTS

(\$ in thousands)	
Valuation Date (VD):	June 30, 2024
Measurement Date (MD):	June 30, 2024
Reporting Date (RD):	June 30, 2025
Membership Data:	
Retirees and Survivors	330
Inactive Members	3
Active Members	<u>208</u>
Total	541
Single Equivalent Interest Rate (SEIR):	
Long-Term Expected Rate of Return	6.90%
Municipal Bond Index Rate at Measurement Date	3.94%
Fiscal Year in which Plan's Fiduciary Net Position is projected to be depleted from future benefit payments for current members	N/A
Single Equivalent Interest Rate	6.90%
Net Pension Liability:	
Total Pension Liability (TPL)	\$ 567,245
Fiduciary Net Position (FNP)	<u>333,134</u>
Net Pension Liability (NPL = TPL – FNP)	\$ 234,111
FNP as a percentage of TPL	58.73%
Pension Expense:	\$ 38,206
Deferred Outflows of Resources:	\$ 17,177
Deferred Inflows of Resources:	\$ 3,039





SECTION III – NOTES TO FINANCIAL STATEMENTS

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

Paragraph 40 (c): The data required regarding the membership of the Connecticut Judges, Family Support Magistrates and Compensation Commissioners Retirement System were furnished by the Retirement Division. The following table summarizes the membership of the system as of June 30, 2024, the Measurement Date.

Membership Type	Number
Retired Members Or Their Beneficiaries Currently Receiving Benefits	330
Inactive Members Entitled To But Not Yet Receiving Benefits	3
Active Members	208
Total	541

Paragraph 41: This paragraph requires information regarding the actuarial assumptions used to measure the TPL. The TPL was determined based on the annual actuarial funding valuation report prepared as of June 30, 2024. The TPL was based on assumptions resulting from an actuarial experience study for the period July 1, 2015 – June 30, 2020. The complete set of actuarial assumptions utilized in developing the TPL is outlined in Schedule C. The key actuarial assumptions are summarized below:

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





SECTION III – NOTES TO FINANCIAL STATEMENTS

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

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

Paragraph 42 (a)-(f): The discount rate used to measure the TPL at June 30, 2024 was the long term rate of return, 6.90 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and that Employer contributions will be made equal to the difference between the projected actuarially determined contribution and member contributions. Projected future benefit payments for all current plan members were projected through the year 2112.

Based on those assumptions, the System's FNP was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL and a municipal bond rate was not used in determining the discount rate.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.





SECTION III – NOTES TO FINANCIAL STATEMENTS

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rates of Return
Domestic Equity Fund	20.0%	5.4%
Developed Market Intl. Stock Fund	11.0%	6.4%
Emerging Market Intl. Stock Fund	9.0%	8.6%
Core Fixed Income Fund	13.0%	0.8%
Emerging Market Debt Fund	5.0%	3.8%
High Yield Bond Fund	3.0%	3.4%
Real Estate Fund	19.0%	5.2%
Private Equity	10.0%	9.4%
Private Credit	5.0%	6.5%
Alternative Investments	3.0%	3.1%
Liquidity Fund	2.0%	-0.4%
Total	100.0%	

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

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
System’s net pension liability	\$ 291,790	\$ 234,111	\$ 184,688



SECTION III – NOTES TO FINANCIAL STATEMENTS



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

CHANGES IN THE NET PENSION LIABILITY (\$ in Thousands)

	Total Pension Liability (TPL) (a)	Fiduciary Net Position (FNP) (b)	Net Pension Liability (NPL) (a) – (b)
Balances at June 30, 2023	\$557,543	\$299,023	\$258,520
Changes for the year:			
Service cost	10,533		10,533
Interest	37,170		37,170
Change to Benefits	0		0
Difference between expected and actual experience	(311)		(311)
Changes of assumptions	0		0
Contributions - employer		35,252	(35,252)
Contributions - employee		2,297	(2,297)
Net investment income		34,252	(34,252)
Benefit payments, including refunds of employee contributions	(37,690)	(37,690)	0
Administrative expense			
Other changes			
Net changes	<u>9,702</u>	<u>34,111</u>	<u>(24,409)</u>
Balances at June 30, 2024	<u>\$ 567,245</u>	<u>\$ 333,134</u>	<u>\$ 234,111</u>





SECTION III – NOTES TO FINANCIAL STATEMENTS

Paragraph 45 (a): June 30, 2024 is the actuarial valuation date upon which the TPL is based. An expected TPL is determined as of June 30, 2024 using standard roll forward techniques. The procedure used to determine the TPL as of June 30, 2024 is shown on page 5 of the GASB 67 report for the Connecticut Judges, Family Support Magistrates and Compensation Commissioners Retirement System submitted on January 15, 2025.

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

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

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

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



SECTION III – NOTES TO FINANCIAL STATEMENTS



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

Investment Earnings (Gain)/Loss as of June 30, 2024 (\$000)		
a.	Expected investment rate of return	6.90%
b.	Beginning of year market value assets (BOY)	\$299,023
c.	End of year market value assets net of receivables (EOY)	\$333,134
d.	Expected return on BOY for plan year (a x b)	20,633
e.	External Cash Flow	
	Contributions - employer	35,252
	Contributions - member	2,297
	Refunds of contributions	0
	Benefits paid	(37,690)
	Admin expenses	0
	Other changes (net of receivable)	0
	Net cash flow	(141)
f.	Expected return on net cash flow (a. x 0.5 x e.)	(5)
g.	Projected earnings for plan year (d. + f.)	20,628
h.	Net investment income (c. – b. – e.)	34,252
i.	Investment earnings (gain)/loss (g. –h.)	(\$13,624)
j.	Expensed portion included in Pension Expense (i. x 0.20)	(2,725)





SECTION III – NOTES TO FINANCIAL STATEMENTS

The table below provides a summary of the deferred inflows and outflows as of June 30, 2024 with dollar amounts in thousands.

Source	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$17,177	\$222
Changes of assumptions	0	0
Net difference between projected and actual earnings on Plan investments	0	2,817
Employer contributions subsequent to the measurement date	<u>See note</u>	<u>0</u>
Total	<u>\$17,177</u>	<u>\$ 3,039</u>

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

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

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

Year:	Amount
1	\$11,184
2	9,309
3	(3,631)
4	(2,724)
5	0
Thereafter	0





SECTION III – NOTES TO FINANCIAL STATEMENTS

Amounts reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025 (Reporting Date). Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense. The tables below now provide the details of the source and recognition of deferred amounts as of the measurement date.

Deferred Outflows & Inflows for Differences between Expected and Actual Experience					
(\$ in thousands)					
Year	Experience Losses (a)	Experience Gains (b)	Amounts Recognized in Pension Expense through 2024 (c)	Reporting Date	
				Balances as of June 30, 2025	
				Deferred Outflows (a) – (c)	Deferred Inflows (b) – (c)
2020	\$2,474	\$0	\$2,474	\$0	\$0
2021	0	9,271	9,271	0	0
2022	2,354	0	2,354	0	0
2023	44,883	0	27,706	17,177	0
2024	0	311	89	0	222
Total				\$17,177	\$222

Deferred Outflows & Inflows for Change in Assumptions					
(\$ in thousands)					
Year	Assumption Losses (a)	Assumption Gains (b)	Amounts Recognized in Pension Expense through 2024 (c)	Reporting Date	
				Balances as of June 30, 2025	
				Deferred Outflows (a) – (c)	Deferred Inflows (b) – (c)
2020	\$0	\$0	\$0	\$0	\$0
2021	0	1,020	1,020	0	0
2022	0	0	0	0	0
2023	0	0	0	0	0
2024	0	0	0	0	0
Total				\$0	\$0



SECTION III – NOTES TO FINANCIAL STATEMENTS



Deferred Outflows & Inflows for Differences from Investment Experience (\$ in thousands)					
Year	Investment Losses (a)	Investment Gains (b)	Amounts Recognized in Pension Expense through 2024 (c)	Reporting Date Balances as of June 30, 2025	
				Deferred Outflows (a) – (c)	Deferred Inflows (b) – (c)
2020	\$10,762	\$0	\$10,762	\$0	\$0
2021	0	43,256	34,604	0	8,652
2022	48,307	0	28,983	19,324	0
2023	0	4,318	1,728	0	2,590
2024	0	13,624	2,725	0	10,899
Total				\$19,324	\$22,141
Net difference between projected and actual earnings on investments					<u>\$ 2,817</u>





SECTION III – NOTES TO FINANCIAL STATEMENTS

The tables below now provide information as of the plan's measurement dates.

Amortization of Experience (Gain)/Loss Deferrals (\$ in thousands)						
	2020 Experience (Gain)/Loss		2021 Experience (Gain)/Loss		2022 Experience (Gain)/Loss	
Fiscal Year End	Amount Recognized	EOY Balance	Amount Recognized	EOY Balance	Amount Recognized	EOY Balance
6/30/2025	\$0	\$0	(\$526)	\$0	\$672	\$0
6/30/2026	0	0	0	0	0	0
6/30/2027	0	0	0	0	0	0
6/30/2028	0	0	0	0	0	0
6/30/2029	0	0	0	0	0	0

Amortization of Experience (Gain)/Loss Deferrals (\$ in thousands)						
	2023 Experience (Gain)/Loss		2024 Experience (Gain)/Loss		Total Deferrals	
Fiscal Year End	Amount Recognized	EOY Balance	Amount Recognized	EOY Balance	Amount Recognized	EOY Balance
6/30/2025	\$13,853	\$17,177	(\$89)	(\$222)	\$13,910	\$16,955
6/30/2026	13,853	3,324	(89)	(133)	13,764	3,191
6/30/2027	3,324	0	(89)	(44)	3,235	(44)
6/30/2028	0	0	(44)	0	(44)	0
6/30/2029	0	0	0	0	0	0





SECTION III – NOTES TO FINANCIAL STATEMENTS

Amortization of Assumption Changes (Decrease)/Increase Deferrals (\$ in thousands)				
Fiscal Year End	2021 Assumption (Increase)/Decrease		Total Deferrals	
	Amount Recognized	EOY Balance	Amount Recognized	EOY Balance
6/30/2025	(\$57)	\$0	(\$57)	\$0
6/30/2026	0	0	0	0
6/30/2027	0	0	0	0
6/30/2028	0	0	0	0
6/30/2029	0	0	0	0

Amortization of Investment (Gain)/Loss Deferrals (\$ in thousands)												
Fiscal Year End	2020 Investment (Gain)/Loss		2021 Investment (Gain)/Loss		2022 Investment (Gain)/Loss		2023 Investment (Gain)/Loss		2024 Investment (Gain)/Loss		Total Deferrals	
	Amount Recognized	EOY Balance	Amount Recognized	EOY Balance	Amount Recognized	EOY Balance	Amount Recognized	EOY Balance	Amount Recognized	EOY Balance	Amount Recognized	EOY Balance
6/30/2025	\$2,154	\$0	(\$8,651)	(\$8,652)	\$9,661	\$19,324	(\$864)	(\$2,590)	(\$2,725)	(\$10,899)	(\$425)	(\$2,817)
6/30/2026	0	0	(8,652)	0	9,661	9,663	(864)	(1,726)	(2,725)	(8,174)	(2,580)	(237)
6/30/2027	0	0	0	0	9,663	0	(864)	(862)	(2,725)	(5,449)	6,074	(6,311)
6/30/2028	0	0	0	0	0	0	(862)	0	(2,725)	(2,724)	(3,587)	(2,724)
6/30/2029	0	0	0	0	0	0	0	0	(2,724)	0	(2,724)	0





SECTION IV – PENSION EXPENSE

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

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

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

Benefit changes, which are reflected immediately in PE, can be positive, if there is a benefit improvement for existing Plan members, or negative if there is a benefit reduction. For the year ended June 30, 2024, there were no benefit changes to be recognized.

The next item to be recognized is the portion of current year changes in TPL due to actual versus expected experience for the year. The portion to recognize in the current year is determined by spreading the total change over the average expected remaining service life of the entire Plan membership as of the beginning of the measurement year. The remaining service life of active members is the average number of years they are expected to remain active. For the year ended June 30, 2024, this number is 9.06. The remaining service life of the inactive members is, of course, zero. Therefore, the figure to use for the amortization is the weighted average of these two amounts, or 3.50. The table below provides the calculation of the average remaining future service life.

Category	Number (1)	Average Years of Future Service Life (2)
a. Active Members	203	9.06
b. Inactive Members	<u>323</u>	0.00
c. Total	526	
Weighted Average Years of Future Service Life [(a1 x a2) + (b1 x b2)] / c1		3.50





SECTION IV – PENSION EXPENSE

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

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

Pension Expense (\$ in thousands) For the Year Ended June 30, 2024	
Service Cost	\$10,533
Interest	37,170
Current period benefit changes	0
Expensed portion of current period difference between expected and actual experience in the total pension liability	(89)
Expensed portion of current period changes in assumptions	0
Member contributions	(2,297)
Projected earnings on plan investments	(20,628)
Expensed portion of current period differences between actual and projected earnings on plan investments	(2,725)
Administrative expense	0
Other	0
Recognition of beginning deferred outflows of resources as pension expense	16,825
Recognition of beginning deferred inflows of resources as pension expense	(583)
Pension Expense	\$38,206





SECTION V – REQUIRED SUPPLEMENTARY INFORMATION

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

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

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

Changes of assumptions:

- 2021
 - Wage inflation assumed rate changed from 3.50% to 3.00%.
 - Assumed Salary Scale changed to reflect the above wage inflation change.
 - Assumed rates of mortality have been revised to the Pub-2010 Above Median Mortality Tables (Amount-weighted) projected generationally with the MP-2020 improvement scale.
 - Assumed rates of withdrawal, disability, and retirement have been adjusted to reflect experience more closely.

- 2016
 - The mortality tables and salary scale were changed based on the Experience Investigation for the five-year period ending June 30, 2015.
 - Economic assumptions (assumed rates of inflation and investment return), the actuarial cost method, and the UAAL amortization methodology were changed in accordance with Memorandum of Agreement (MOU) between the State and SEBAC effective December 8, 2016.





SECTION V – REQUIRED SUPPLEMENTARY INFORMATION

Method and assumptions used in calculations of actuarially determined contributions. The actuarially determined contributions in the schedule of employer contributions are calculated as of June 30 each biennium for the fiscal years ending two and three years after the valuation date (June 30, 2024 contributions are based on June 30, 2022 valuation). The following actuarial methods and assumptions were used to determine the most recent contributions reported in that schedule:

Actuarial cost method	Entry Age Normal
Amortization method	Level percent of pay, closed
Single equivalent amortization period	9 years
Asset valuation method	5-year smoothed market
Inflation	2.50 percent
Salary increase	4.00 percent, including inflation
Investment rate of return	6.90 percent, net of investment related expense





SCHEDULE A – REQUIRED SUPPLEMENTARY INFORMATION TABLES

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY GASB 67 Paragraph 32(a) (\$ in Thousands)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service Cost	\$ 10,533	\$ 11,667	\$10,487	\$ 9,289	\$ 9,813	\$ 10,834	\$ 11,352	\$ 10,159	\$ 8,508	\$ 8,142
Interest	37,170	33,491	32,720	32,743	31,815	29,559	29,954	29,062	28,251	27,240
Benefit Changes	0	0	0	0	0	0	0	0	0	0
Difference between expected and actual experience	(311)	44,883	2,354	(9,271)	2,474	22,095	(18,528)	0	(9,380)	0
Changes of Assumption and other inputs	0	0	0	(1,020)	0	0	0	0	64,604	0
Benefit Payments	(37,690)	(35,751)	(32,927)	(31,116)	(30,200)	(29,386)	(27,616)	(24,899)	(22,994)	(22,541)
Refund of Contributions	0	0	(91)	(6)	0	0	0	0	0	0
Net Change in Total Pension Liability	9,702	54,290	12,543	619	13,902	33,102	(4,838)	14,322	68,989	12,841
Total Pension Liability – Beginning	<u>557,543</u>	<u>503,253</u>	<u>490,710</u>	<u>490,091</u>	<u>476,189</u>	<u>443,087</u>	<u>447,925</u>	<u>433,603</u>	<u>364,614</u>	<u>351,773</u>
Total Pension Liability – Ending (a)	<u>\$567,245</u>	<u>\$557,543</u>	<u>\$503,253</u>	<u>\$490,710</u>	<u>\$490,091</u>	<u>\$476,189</u>	<u>\$443,087</u>	<u>\$447,925</u>	<u>\$433,603</u>	<u>\$364,614</u>
Plan Net Position										
Contributions – Employer	\$ 35,252	\$ 32,533	\$ 33,170	\$ 31,893	\$ 27,011	\$ 27,427	\$ 25,458	\$ 19,164	\$ 18,259	\$ 17,731
Contributions – Member	2,297	2,019	1,642	1,570	1,575	1,694	1,663	1,689	1,831	1,791
Net Investment Income	34,252	23,363	(27,407)	59,881	5,461	13,383	13,178	24,452	1,440	4,781
Benefit Payments	(37,690)	(35,751)	(32,927)	(31,116)	(30,200)	(29,386)	(27,616)	(24,899)	(22,994)	(22,541)
Administrative Expense	0	0	0	0	0	0	0	0	0	0
Refund of Contributions	0	0	(91)	(6)	0	0	0	0	0	0
Other	0	477	0	0	0	0	0	(39)	1,680*	0
Net Change in Plan Net Position	34,111	22,641	(25,613)	62,222	3,847	13,118	12,683	20,367	216	1,762
Plan Net Position – Beginning	<u>299,023</u>	<u>276,382</u>	<u>301,995</u>	<u>239,773</u>	<u>235,926</u>	<u>222,808</u>	<u>210,125</u>	<u>189,758</u>	<u>189,542</u>	<u>187,780</u>
Plan Net Position – Ending (b)	<u>\$333,134</u>	<u>\$299,023</u>	<u>\$276,382</u>	<u>\$301,995</u>	<u>\$239,773</u>	<u>\$235,926</u>	<u>\$222,808</u>	<u>\$210,125</u>	<u>\$189,758</u>	<u>\$189,542</u>
Net Pension Liability – Ending (a) – (b)	<u>\$234,111</u>	<u>\$258,520</u>	<u>\$226,871</u>	<u>\$188,715</u>	<u>\$250,318</u>	<u>\$240,263</u>	<u>\$220,279</u>	<u>\$237,800</u>	<u>\$243,845</u>	<u>\$175,072</u>

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





SCHEDULE A – REQUIRED SUPPLEMENTARY INFORMATION TABLES

SCHEDULE OF THE NET PENSION LIABILITY GASB 67 Paragraph 32(b) (\$ in Thousands)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability	\$567,245	\$557,543	\$503,253	\$490,710	\$490,091	\$476,189	\$443,087	\$447,925	\$433,603	\$364,614
Plan Net Position	<u>333,134</u>	<u>299,023</u>	<u>276,382</u>	<u>301,995</u>	<u>239,773</u>	<u>235,926</u>	<u>222,808</u>	<u>210,125</u>	<u>189,758</u>	<u>189,542</u>
Net Pension Liability	\$234,111	\$258,520	\$226,871	\$188,715	\$250,318	\$240,263	\$220,279	\$237,800	\$243,845	\$175,072
Ratio of Plan Net Position to Total Pension Liability	58.73%	53.63%	54.92%	61.54%	48.92%	49.54%	50.29%	46.91%	43.76%	51.98%
Covered Payroll*	\$ 38,936	\$ 39,102	\$ 35,872	\$ 31,438	\$ 31,495	\$ 34,643	\$ 34,970	\$ 36,467	\$ 34,897	\$ 34,972
Net Pension Liability as a Percentage of Covered Payroll	601.27%	661.14%	632.45%	600.28%	794.79%	693.54%	629.91%	652.10%	698.76%	500.61%

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





SCHEDULE A – REQUIRED SUPPLEMENTARY INFORMATION TABLES

SCHEDULE OF EMPLOYER CONTRIBUTIONS GASB 67 Paragraph 32(c) (\$ in Thousands)										
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Employer Contributions	\$ 35,252	\$ 32,533	\$ 33,170	\$ 31,893	\$ 27,011	\$ 27,427	\$ 25,458	\$ 19,164	\$ 18,259	\$ 17,731
Actual Employer Contributions	<u>35,252</u>	<u>32,533</u>	<u>33,170</u>	<u>31,893</u>	<u>27,011</u>	<u>27,427</u>	<u>25,458</u>	<u>19,164</u>	<u>18,259</u>	<u>17,731</u>
Annual Contribution (Excess) Deficiency	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Covered Payroll*	\$ 38,936	\$ 39,102	\$ 35,872	\$ 31,438	\$ 31,495	\$ 34,643	\$ 34,970	\$ 36,467	\$ 34,897	\$ 34,972
Actual Contribution as a Percentage of Covered Payroll	90.54%	83.20%	92.47%	101.45%	85.76%	79.17%	72.80%	52.55%	52.32%	50.70%

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





SCHEDULE B – MAIN PLAN PROVISIONS

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

Eligibility Requirements

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

Final Average Compensation

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

plus longevity payments based on service as follows:

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

Normal Retirement Benefit

Eligibility

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

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

Retirement is mandatory at age 70.





SCHEDULE B – MAIN PLAN PROVISIONS

Benefit	66.67% of Final Average Compensation reduced for less than 10 years of service by a ratio of the number of years of completed service to the number of years of service which would have been completed at age 70, or 10 years, whichever is less.
Disability Retirement Benefit	Any member becoming permanently disabled is entitled to 66.67% of Final Average Compensation commencing upon determination of disability.
Death Benefit	<p>The spouse of any member who was hired before January 1, 1981 and dies in active service or after retirement is entitled to 33.33% of the final compensation of the member at time of death commencing the first of the month after death.</p> <p>The spouse of any member who was hired on or after January 1, 1981 and dies in active service is entitled to 33.33% of the final compensation of the member at time of death commencing the first of the month after death.</p> <p>The spouse of any member who was hired on or after January 1, 1981 and who dies after retirement is entitled to 50% of the monthly benefit of the member at the time of death.</p> <p>The spouse of any member who dies after leaving active service and before retirement is entitled to 50% of the benefit the member would have received upon retirement commencing when the member would have been eligible.</p>





SCHEDULE B – MAIN PLAN PROVISIONS

Deferred Vested Retirement Benefit

Eligibility	10 years of service.
Benefit	<p><u>Members hired before 1981 who resign on or before October 1, 2011</u> – 50% of the retirement benefit at 10 years increasing to 100% after 15 years.</p> <p><u>Members hired before 1981 who resign on or after October 2, 2011</u> – 100% of the retirement benefit multiplied by the ratio of service at termination to projected service at the earliest retirement age (the earlier of age 65 or 20 years of service).</p> <p><u>Members hired on or after January 1, 1981</u> – 100% of the retirement benefit multiplied by the ratio of service at termination to projected service at the earliest retirement age (the earlier of age 65 or 20 years of service).</p>
Commencement	<p><u>For members who resign on or before October 1, 2011</u> - Benefits shall commence upon the attainment of the earlier of age 65 or the attainment of 20 years of service (assuming the member had remained in service).</p> <p><u>For members hired before 1981 who resign on or after October 2, 2011</u> – Benefits shall commence no earlier than at age 62.</p> <p><u>For members hired on or after January 1, 1981 who resign on or after October 2, 2011</u> – Benefits shall commence no earlier than at age 65.</p>





SCHEDULE B – MAIN PLAN PROVISIONS

Cost of Living Adjustments

For members hired prior to 1981 and retire prior to October 2, 2011, benefits are increased in line with current compensation of an active member in the same position.

For members hired on or after January 1, 1981 and retire prior to October 2, 2011, benefits are increased in line with a cost of living index, not to exceed 3% per year.

For members retiring on or after October 2, 2011 and all surviving spouses, the annual adjustment will be 60% of the increase in CPI up to 6% and 75% of the increase in the CPI over 6%. The minimum COLA shall be 2.0% and the maximum COLA shall be 7.5%.

Member Contributions

Members contribute 6% of annual compensation. Upon withdrawal prior to benefit eligibility, contributions are refunded without interest.





SCHEDULE C – ACTUARIAL ASSUMPTIONS AND METHODS

Adopted or reaffirmed by the Commission on September 16, 2021 for the June 30, 2021 and later valuations based on the experience investigation report for the five-year period ending June 30, 2020 which can be found at on the Office of the State Comptroller - Retirement Services Division website.

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

SALARY INCREASES: 4.00% at all ages.

COST OF LIVING ADJUSTMENTS:

Group	Rate
Hired prior to January 1, 1981 and retired prior to October 2, 2011	4.00%
Hired on or after January 1, 1981 and retired prior to October 2, 2011	2.60%
Retired on or after October 2, 2011	2.25%
All surviving spouses of active or retired members	2.25%

PAYROLL GROWTH ASSUMPTION: 3.00% per annum.

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

WITHDRAWAL: 1% for all ages

DISABILITY: 20% of 1975 Social Security Table

SEPARATIONS DUE TO RETIREMENT:

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





SCHEDULE C – ACTUARIAL ASSUMPTIONS AND METHODS

PRE-RETIREMENT MORTALITY: The Pub-2010 General Above-Median Employee Mortality Table projected generationally with scale MP-2020. Representative values of the assumed annual rates of mortality while in active service are as follows:

Annual Rates of Death*		
Age	Male	Female
30	0.031%	0.013%
35	0.041%	0.021%
40	0.057%	0.033%
45	0.085%	0.051%
50	0.129%	0.076%
55	0.190%	0.112%
60	0.276%	0.169%
65	0.405%	0.270%

* Rates shown are for 2010, the base year of the table.

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

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

Annual Rates of Death*						
Age	Healthy		Disabled		Survivor	
	Male	Female	Male	Female	Male	Female
50	0.267%	0.212%	1.605%	1.483%	0.701%	0.320%
55	0.387%	0.275%	2.114%	1.742%	0.824%	0.439%
60	0.552%	0.371%	2.503%	1.956%	1.012%	0.596%
65	0.820%	0.595%	3.044%	2.256%	1.337%	0.839%
70	1.381%	1.032%	3.901%	2.862%	2.058%	1.272%
75	2.437%	1.827%	5.192%	4.003%	3.272%	2.037%
80	4.391%	3.260%	7.348%	6.007%	5.190%	3.410%
85	7.965%	6.019%	10.815%	9.331%	8.473%	6.075%
90	13.712%	11.139%	16.253%	13.665%	13.984%	10.979%

* Rates are shown for 2010, the base year of the tables.

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





SCHEDULE C – ACTUARIAL ASSUMPTIONS AND METHODS

ASSET METHOD: Market Value of Assets.

VALUATION METHOD: Entry Age Normal cost method.

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

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

