CONNECTICUT TEACHERS' RETIREMENT BOARD
TRB BOARD MEETING
NOVEMBER 13, 2024

Clare B.: All right. Uh, we're ready to call the, um…

Helen S.: Ted's here.

Clare B.: November 13 meeting, 2024, the State Teacher Retirement Board. Um, we're gonna open actually with – uh, we usually approve our – actually, you have the opening item on here is the evaluation. Right?

Helen S.: Mm-hm.

Clare B.: Okay. So [inaudible]…

Helen S.: Yeah. Number 1's the…

Clare B.: …[inaudible]…

Helen S.: …valuation.

Clare B.: …all right. So before we do that, um, just a, a little preface for the viewers, listeners, and board members. Um, in the past summer, we – there was a lot of, uh, conversation. There was an article in the Connecticut Mirror. Had little to do with teachers, but mostly to do with state employees, but we were in that mixture of the conversation. And there was some kind of statement or two that alluded to the fact that we were – had not received $41 million, so of course, when people read that – and ourselves too, we began to say well, well, like, where is it? And who knows. And so we started with all the usual people. We started with, uh, the treasurer and we started with OPM and we started with, uh, everyone we could think of that would have known anything about anything. And pretty much no one could come up with a reason for why that article was written and the teachers were in there and, um, so we put John Garrett on it, our, our trusty actuary, and, uh, John – and it took a little time too – got to the bottom of w-, what this $41 million was, and how it wasn't anything untoward or anything that, uh, you know, the – there were no – this is exactly what should've happened, except none of us were really aware that that's the timing that it was going to happen.

And so John investigated it and said everything that needed to be paid to us was paid to us in the manner and the time in which it had to be, but we asked him to prepare like a, a document that certified that to both the board members and the public, because it will happen in the future. On the next biennium budget, it will happen again, and there will be someone else who will write another article to say somehow people were shortchanged money inaudible that isn't really the truth. So

John, I turn that over to you, and then when you're ready, you can roll into the valuation.

John G.: Thank you very much. Uh, it's a pleasure to be with y'all today and, and yeah. So this topic, uh, is – was new because this is really the first year of a biennium budget that was – that w-, could've b-, or should've been impacted by the annual valuation. So as you know, we just went to annual valuations, uh, with 2020. Uh, the – so the 2021 – I'm sorry. The 2023 valuation was the first annual valuation we did. We inaudible had historically done v-, valuations every even-numbered year, and so the legislation in 22 required annual valuation, so we did an annual valuation in 23. So the – so if we go back to 22 with that valuation, that would produce the, the ADECs – the Actuarial Determined Employer Contributions required for the biennium that would start with fiscal year 26 and 27. I'm, I'm sorry. The 22 va-, valuation started with 24 and 25. So fiscal years 24 and 25 were budgeted for in the biennium in that session that was, uh, started in 23 with, you know, the – those ADECs were established with the 2022 valuation. And so what happened is we produced the first annual valuation was 2023, which then produces its own 26 – I'm sorry – 25 fiscal year-end ADEC. And so that was already – had a h-, uh, really a placeholder set when they did the biennium budget for fiscal years twenty-, um, 24 and 25.

That second year, though, is now impacted by the 2023 va-, valuation. Produces its own results for what the actual ADECs for fiscal year 2025 should be. So what happened is when they started workin' on the, the, the, uh, the funding for, for 2025, they, they noted, correctly, that what was budgeted for in the biennium budget was $42 million less than what the 23 valuation produced for the actual, uh, determined, um, employer contribution for 25. So that, that public act that, that, uh, that added that $42 million is exactly what should've happened, a-, and it was amazing. W-, we, we didn't prompt it. Uh, the Board didn't have to, you know, prompt that hey, you need to true this up, but the legislature, uh, acted as appropriately it should have to true up the actual 2025 ADEC to, to really reflect that the 23 valuation produced a result was h-, that was higher than expected from the 22 valuation. So that year of experience produced and, and the legislature acted perfectly appropriately. Everything, uh, really occurred as it should, and as Clare had pointed out, you should expect this to occur in every second year of the biennium budget that is gonna be impacted by the odd-numbered year valuation. So the 2025 valuation, uh, will, will produce a result that is probly – I mean it's 99.9% likely to be different than what we project from this 24 valuation we're gonna go over today.

So when we do the 25 valuation, that would require the – an adjustment to the, um, the second year of the biennium budget produced, um, for fiscal year 27. So it could go up, it could go down, and I think even more likely is the media inaudible reaction if the actual 27 budget goes down because the 25, um, valuation is more favorable than what we project from 24. You know that's likely to cause a – another uproar, but on the other way is that hey, they are reducing the amount that they're putting in. Um, but again, that's exactly what should happen when we're now doin' annual budgets – I'm sorry – annual valuations, but the, the, uh, the actual contributions are based on a biennium b-, b-, b-, budgeting process. So it's gonna ca-, occur every odd-number year, um, it is gonna produce this result. So…

Clare B.: Any questions…

John G.: …[inaudible].

Clare B.: …for John from board members? This received a lotta press, so, uh, that's why people kind of jumped in and tried ta get to the bottom of it, and fortunately, it – there wasn't anything that wasn't happening that shouldn't have happened.

John G.: Mm-hm.

Clare B.: Um, nobody lost any money here at all. Certainly our teachers did not. And, um, and thankful-, uh, I think what I asked John to do was kinda memorialize that it's not in the valuation but when they produce the final product, they'll put in, um, a piece of this conversation we just had so that people will know going forward that that's a – that's a totally legitimate process that should be happening and we can expect will be happening. We just don't know exactly what numbers would be at any point in time we don't at all. So, uh, how – are there any o-, are there any questions from board members on this? It – it's not an action item in any way, but we are gonna ask John to fold it in to the valuation in some – in some fashion. Anything? Awful quiet group…

Male: Lisa has her…

Clare B.: …out there [inaudible]

Male: …hand up. Go ahead…

Clare B.: [Inaudible]

Male: …Lisa.

Lisa H.: Hi. Thank you for that explanation. That makes a lotta sense. Um, just from a policy consideration – and maybe this needs – is more appropriate for the State. Um, whenever there is a reduction in the annual required contribution, should we just keep it level considering the – our funding level? I know, um, we were advised one point at municipals just to keep it the same so that it's a steady and that it's a little bit extra funding for that year so it doesn't create the variations of the State budget and helps decrease the inaudible the gap in funding. Is that something our board should consider or the State should consider?

John G.: Well, I mean yeah. That will produce actuarial gains whenever, you know, more than the ADEC is con-, contributed, and the State has for the last 3 or 4 years put hundreds of…

Lisa H.: [Inaudible].

John G.: …million dollar more in, and – but, uh, what I would say is that that's not really the call, you know – certainly, you don't need my input. It, it, it makes sense if the Board wants to act on that, but again, the legislature has many competing interests every time they produce a budget of who, you know, needs that– those dollars, and freeing up, you know, what could be, you know, depending on the investment returns and how the, the experience of the plan is, could be several, you know, million dollars again. This year, they had ta – they had ta increase the budgeted amount by roughly 42½ million, and we should expect that kinda movement back and forth over the years in every odd year. So, you know, it I don't know if that policy's actually gonna, you know – I, I don't think you can handcuff the legislature to follow that policy, but you know, certainly it is of benefit to the system when more money than what's, uh, you know, actuarially determined is put into the trust, so.

Clare B.: [Inaudible] Is Greg Messner on there? Have any comment on that at all? I mean, again, we're willing ta – uh, I don't – uh, Lisa, I'm not sure. I'm not sure we d-, we'd have the power to handcuff the legislature, um, in that capacity. They so far have done everything we've asked them to do, and, um, and, you know, come forward with all the money that, you know, even more than even they expected to. Um, inaudible.

Male: I think it – I think it's worth noting – uh, and John, you pointed it out – that without any prompting, this is what they did. So they're aware that things have ta true up even if it's just, you know, every year, and like you mentioned, it won't always be – I'll say to our advantage. There will be times where perhaps they put in more than they needed to, but they still have to true up. That's how accounting works, and it's good you were able to find that. It's good that they did it, and it's great that you were able to explain it to us. Thank you.

John G.: You're welcome.

Clare B.: Um, any other comments, anybody? Questions? All right, We're gonna roll into the valuation, which is the most important job that the Board has to do. Um, it's e-, every year now, but – we used to say every other year, but this is the most important job that they have to do. So we're ready when you are.

John G.: All right. Th-, thank you again. Um, so I think – Ben, do we have a screen to share? Uh, so with, with us today is Ben Mobley and Todd Green. Todd Green is the president of our company, uh, kinda heads up our pension side of things. Uh, he is also – uh, as I start slowing down a little bit, Todd, uh, is gonna be picking up. So, um, I would like to introduce Todd to the group as well, and, uh, I think we're gonna start off with the presentation, and I'll, I'll let them take over from here, and then we're always available, you know, all, all 3 of us, to answer any questions you may have. So Ben, you wanna take it away?

Ben M.: Okay. Yeah, I think Todd's gonna start us off here.

Todd G.: Yeah. So, uh, um, so I'm just gonna go over the first couple slides, but again, uh, my name is Todd Green, uh, as John had mentioned, uh, President, but also a consulting actuary, you know, for 27 years already, which is incredible when I think about it. Um, but the – uh, I'm just gonna go over the first 2 slides, which are kinda educational in nature, but, um, you know, what is the purpose of the actuarial valuation? Um, it's probably one of the biggest, uh, things that you guys do every year, uh, in terms of funding the plan. Um, but, uh, basically, the actuary, or the purpose of the plan is to, uh, review the strategy, you know, to fund the promised benefits essentially. Um, in order to do that, we have to measure the assets and the liabilities. So we have the asset side. We compare that to the liabilities. From there, we're able to, to determine the actuarial contribution rates, which are based on your funding policy, and then in addition to that, we also report on, you know, um, the gain and loss, so we make a lot of assumptions as actuaries, so when things differ from our assumptions, that either produces a gain or a loss, so we, we, uh, report on that, and on top of that, we also report on the long-term trends of the system.

Um, you know one thing I'd like to point out here is that, uh, you know, being new to your plan, um, you probly got one a the strongest, you know, funding policies that, you know, that I have worked with, you know, across the public sector, and that even though that your, uh, your funded ratio, um, from the outside is, is – might not look great, uh, going forward, the trend – the forward-looking trend on that, that, uh, funded ratio is actually excellent. So it's one a those questions, you know – which plan would you like to be in – 80 percent funded or 60 percent funded? When the 80 percent funded plan was 100 percent funded and is now 80 percent, and the one that's 60 percent was 40 percent and is moving in the right direction. So, uh, so I think that's something that you guys should be, uh, proud of as a system, and clearly, uh, the State is also participating as well, and the fact that they're actually funding the plan. So, uh, you know, so that's very good. Uh, next slide, please.

Um, so here, this – uh, we like to put this slide in our presentations. We call it the basic retirement funding formula. It really summarizes what we do. On the right-hand side, you have the benefit payments and expenses, so, you know, as an actuary, this is a d-, or a-, what the actuary really does for your valuation is we project out the future benefit payment obligation to the system, because not everybody in the system is receiving a benefit yet. They have to make it to retirement. Once they retire, they have to, you know, get the benefit calculated, and then they have to continue to survive to, um, to get it. So what we do as the actuary is project out that benefit payment stream, and if you've seen our solvency tests or any kinda projections, those go out for quite some time, you know, 100 years, so, uh, much longer than any of us will, will be around. Um, so in order to do that, we make a lot of assumptions and, you know, and then we discount that to determine the liability and compare that to the assets and, and your, you know, required contributions.

Uh, the one thing to point out about the left-hand side as your asset side is that the, uh – you know, roughly 60 to 70 percent that gets paid out that comes from investment income. So, you know, depending on h-, how the market is doing, so y-, the employer is actually reducing the ultimate cost of the plan by investing assets and having them grow with investment income. So ultimately, I like to say as actuaries, we're, we're professional savers essentially. We're helpin' you, you know – we determine what we think that our pr-, the projected liability is, and then we help you, uh, put aside those – the, the contributions and invest those assets so ultimately they'll be available to pay out – pay the benefits. So, uh, with that, I'm gonna turn it over to Ben.

Ben M.: All right. Great. Thanks, Todd. All right. So we'll dig into the actual, uh, results from the 2024 valuation now, um, and start off with some highlights here on, uh, slide 5. Um, these are kinda the, the 3 major components in a valuation that, that many people kinda look at, um, to kinda get a, a – just an overall picture of how the – of how the system is looking. Uh, this first one, number one, the UAAL. It's one of our first acronyms. That stands for Unfunded Actuarial Accrued Liability, and that's really just a shortfall that we measure as of the valuation date of what the system has, um, on hand in terms of assets, uh, relative to what we think it needs to have to pay out future benefits according to our benefit stream that we've calculated and discounted back. Uh, so again, there's good news for this valuation. That shortfall, uh, compared to the last valuation, has decreased about $500 million. Uh, so that's always a good thing to see there is we want to see that ultimately that shortfall will eventually get down, uh, to zero. Um, number 2, another way of kinda measuring the, the health of the funding status of the plan is what's called the funded ratio. And it's kinda just another way of looking at the assets and liabilities – just a ratio of the assets to the liabilities.

Um, again, if you had exactly enough in assets to pay out future benefits, you'd be 100 percent funded. Uh, we're not there yet, uh, but the good news is again from the – compared to the last valuation, that funded ratio has increased from 59.8 percent to 62.3 percent, so it's great to kinda cross over into the 60 percents. Um, that's always a-, again, good news for the valuation. Number 3 there is another, uh, acronym, ADEC. Uh, it stands for Actuarially Determined Employer Contribution. Again, this is the amount that we as actuaries think the system needs to, uh, put in in the coming year to keep the system on track, uh, to keep continuing to make funding progress on getting to that 100 percent funded status one day. Um, again, that, uh, amount for the valuation was calculated to be $1.655 billion. Uh, we do point out that, uh, this is an increase of about $53.7 million from the ADEC for the prior fiscal year that was calculated in the last valuation. Uh, but we do note as well that inaudible this is about $29 million less than what we were projecting it to be, uh, when we did the, uh, projections after the last valuation, so, uh, we are coming in at a smaller ADEC than, uh, what we, we though it was going to be coming into this valuation. So that's again good news that we're, um, showing, a lower contribution than what we thought it was going to be.

So continuing off the highlights, kinda looking more at some different things that more experience related, number one on the asset side of things, uh, the market value of assets for the year of about 11½ percent. Um, of course, we know how volatile the market value of assets is in a given year, and since we're making long-term funding decisions, we really don't want to overreact to the ups – uh, the, the peaks and valleys of the market value each year. Uh, so we use a 4-year asset-smoothing technique just to, uh, help us kinda, uh, stay in to a kind of a long-term view here. We don't wanna, uh, uh, overreact to a really good year or, or, or overreact to a really bad year. Um, so the actual value of assets for the – uh, for the valuation – the return on that was a little bit lower, 8.06 percent. Um, that's still quite a bit higher than our long-term assumed rate of return of 6.90 percent, which is what we expect the, the fund to earn every year going forward. Um, so again, because the returns were higher than what was expected, uh, we do see a gain, which is another way of saying we saw a decrease in the un-, in the UAAL of about $281 million for this valuation. And that's, again, good news.

Uh, we do wanna take this opportunity to kinda point out, though – and we don't normally do this, but, uh, next year, in the, uh, 2025 valuation, we do kinda recognize that there might be, um, you know particular interest is that currently, assuming, you know, from where we're sitting right now, uh, we are expecting the – an asset loss of about $526 million, and a large part of that is just because if you think back to 2021, that was a really good market return for that year, and we were spreading that gain over 4 years, and then the following year, 2022, it was kind of a not-so-great year from an – a return standpoint, and there was a – kind of a fairly sizeable loss on the asset sides for that valuation. Again, we were spreading that out over 4 years. So really over the last 3 years, it's kinda turned out that that gain from 2021 and that loss from 2022 were really pretty roughly the same magnitude, just opposite sides, and so they sorta really work to kinda cancel each other out. So we didn't really see a lot of impact these last 3 years; however, with this valuation, it's at the last year we're, um, uh, deferring or, or, or we're gonna fully recognize that 2021 gain in this valuation, so that's not gonna be with us next year, so we still have one more year of that big loss from 2022 that we will have to recognize, uh, that's not gonna sorta have an offsetting piece there.

Um, so because of that, we – we, we sorta see some headwinds coming into the next valuation that there could be a little bit bigger of a loss, uh, than we normally would see. Uh, although once we do recognize that 2022, uh, loss, uh, we do expect there to be gains the following couple of years, uh, within course – um, you know, again, this is all assuming that nothing else – um, all the other assumptions are met perfectly going forward. So again, we could see in the next year, um, additional asset gains or losses in the next valuation, or we could see, uh, other experience in some ways that might offset some a that, but right now, if nothin' changes and all of our assumptions are met exactly, we are expecting there to be a fairly sizeable asset loss next year, so just to kind of give you some heads up and, and a warning about how next year's valuation potentially could look.

Uh, turning to number 2, looking at the more demographic side a things and the different assumptions we make in terms of how much salary increases, uh, might happen from year to year, uh, how, how many retirements there were, mortality, terminations, those kinds of things, uh, for this valuation, we did see a loss, uh, due to those, uh, numbers saying that the UAAL uh, increased by about $344 million. The biggest component of that was really due to the COLAs that were granted for 2024. Uh, we as-, we have an assumption for how much, uh, teachers will, uh, get in COLAs each year. It turns out that for the last year, th-, this past year, that the actual COLAs granted were a little bit higher than what we assumed long-term, um, so that caused a loss of about 267 million, so that's the, the biggest component of the demographic loss, uh, for this valuation.

And then number 3, there again, we do note, just as there has been in the last couple of years, the State has been putting in some additional contributions. Um, it, it has happened after the valuation date, but we've, um, incorporated that into our valuation results since we know that they are, uh, coming. In the case of the $273.2 million, I believe that happened in September, uh, so that one has already happened. The $147.2 million is an additional contribution we expect to happen in December, uh, so that one's still to come, uh, but this valuation does reflect those additional contributions coming in. Collectively, they work to decrease the UAL by $411 million. So again, that helps the system, uh, reduce that unfunded and gets us closer to 100 percent funded sooner.

Uh, so starting the next couple of slides, next, uh, 3 slides are really more, um, about the census data just to give you a picture of what the participants looked like for this valuation. So we'll move through these pretty quickly. This first slide is looking at the head counts of active teachers and, uh, retired teachers. Uh, so for the val, we, um, saw that there was 53,000 active teachers roughly. Um, it's really essentially just a little bit lower than last year's valuation, but for the most part really unchanged. Um, and we do see continuing – the r-, number of retirees gro-, uh, steadily growing, uh, has crossed over the 40,000 mark, though, in this valuation. But again, the ratio of active teachers to retired teachers has really been pretty, pretty level over the last several, several valuations.

On the next slide, slide 8, uh, we're looking at the, uh, payroll for active teachers and then the benefits of retired teachers. Um, again, you can see how that has changed over time. For the active teachers, payroll has crossed over the $5 billion mark, uh, while annual benefits are about 2.4 billion, so again, about half a what payroll is, just to kinda give you an idea of the – that comparison. I'm sure there's some math people out there that would want to kinda look at – combine those 2 charts together, so we sorta saved you to have to do the work and, uh, provided on this slide here, slide 9, uh, looking at the average salary and average benefits, um, just based on the last 2 slides. So the average salary for teachers is about $95,000 with the average, uh, retiree benefit of about $60,000, just to kinda give you an idea of sorta what things are looking like inaudible payroll and benefits for the system for this valuation.

So moving on to looking again at the assets, to give you a little bit of a history here, um, a 5-year history, again, we've seen the market value of assets, um, do increase pretty, pretty significantly over the last several valuations. Part of that is because of good returns in most years, and part of that is because of the additional contributions the state has been putting in, um, for the last several, several years. Um, but again, we don't want to, um, completely rely on the ups and downs of the market, so we do have the 4-year smoothed asset technique. Uh, but again, as it happens for this valuation, both the market value of assets and the actual value of assets are really pretty close together, um, about $26.4 and $26.3 billion. They're really – they're really about the same amount for this valuation for what – for what that's worth.

On slide 11, this is a, a little bit of a, a summary of the key metrics for the valuation, so in that, uh, very top section, again, that's just the payroll again, um, with last year's valuation results there in the middle for comparison's sake. The, the second session – the second section is our, uh, snapshot assessment, again, of the funding health of the plan, uh, through the accrued liability. We measured that to be $42.3 billion. That's how much we think the, the system would need to have to be able to pay out future benefits that've been earned as of the valuation date. The actual value of assets is $26.3 billion. That's how much the system has as of the valuation date. So that difference there of about $16 billion – that's the unfunded actuarial accrued liability, so that's the current shortfall that we want – we reduce down to zero over time. And you can see how much that has decreased from last year's valuation, which is a, um, um, again, good news. Again, you can see the funded ratio going from 59.8 percent up to 62.3 percent.

The next section down is looking at the ADEC, and this is shown as the contribution rate, so, uh, again, what needs to go into the system in the next, um, for the next, uh, budget year to kinda keep the, the system on track. Uh, again, there's 2 parts to this. There's the normal cost, which is the amount that, um, that is needed to fund the benefits that will be earned by active teachers in the next year. That's – you can think of that as the ongoing cost of the plan. That's kind of always been a – uh, there's always gonna be some component of that as long as there are active members. Uh, it's really unchanged from last year's valuation, 12.64 percent. The next component is the unfunded accrued liability rate, and again, that is the amortization payment of that unfunded in the section above, so that's how we're going to reduce that unfunded over the next several years to eventually get down to where the – there is no unfunded anymore. Um, it's that amount. Again, not very different from last year, maybe just a – slightly higher than last year, 26.15 percent. Uh, so together, the total rate is 38.79 percent. Members are paying 7 percent, and that leaves the State to pay the 31.79 percent. Now, say it actually pays, uh, the dollar amount, not so much a rate of pay. Um, so again, that works out to be, uh, $1.655 billion, there you see at the very bottom. Again, this will be for June 30, 2026, fiscal year.

So graphically, on slide 12, just to kinda give you a picture of sorta what the liabilities and the assets have looked like, um, over the last several valuations – again, you can kinda see the, the dark blue bar is the actual liability, and you see how that has increased over time, um, but the lighter blue bars are the actual value of assets. You can see that they've actually grown a little bit faster than the liability has, and so the orange line is that shortfall, and you can kinda see how for – uh, in each of the last 4 valuations we've seen that pretty steadily decrease, and that's, again, exactly what we wanna see. Wanna continue to see that orange line, uh, go downward until eventually we get down to zero. Again, I'll just mention again, uh, the funding ratio, uh, going from 59.8 percent over to 62 – over, uh, going from 59.8 percent up to 62.3 percent, and just point out that that's the first time the system has been over 60 percent funded since the 2010 valuation. So it's been a little while, but it's glad to see that we're back over 60 percent, and we'll continue to hope to kinda see, um, continued improvement from there.

The ne-, the next slide, slide 13, is our, our gains and losses, so it's – or, or experience for the year, just a breakdown sort of, of, of how – explanation of sort of how the unfunded changed from one year to – from last year to this year. Uh, so starting at the very bottom, again, the – those, contributions coming in for the year that were to reduce the unfunded accrued liability by about $411 million. Again, the good, uh, return on the actuarial value of assets, uh, brought the unfunded down again another $281 million. Um, and at the very top, um, again, we did have some losses due to the COLA, about $267.4 million. And then the 3 bars in the middle are kinda more of our demographic, uh, components or buckets. These are the things that we would normally look at, um, in an experience study that, that are not tied to, um, economic experience or anything like that. Um, so the inaudible the one at the very, uh, in the very middle of the graph, the postretirement mortality, again, a slight gain, uh, due to there being, um, um, maybe a little bit more deaths than we – than we expected for the year. Um, an even smaller gain due to salary experience. Uh, again, salaries were pretty much right on what we expected for the year, and then a little bit more of a, a loss there due to retirements and turnover, um, and other components.

Um, again, that may look like a fairly sizeable bar, uh, but just to point out that compared to the total liability, that really only represents about 0.2 percent of total liability, so it's a really small amount. That's really what we want to kinda see from our assumptions is that we had some gains, some losses, but they're not very big, and, and we're not favoring one side or the other. Um, and I'll just add that the last experience study that we did for the system, uh, was for the 5-year period ending June 30, 2019, um, so we are, after this valuation, kinda due for the next experience study. Um, so I'll just bring that up. Um, again, we would, uh, normally wait for the Board's approval to start that work, um, and that would result in us presenting a report to the Board with any recommendations that we might have for changing any assumptions for the Board to consider and approve, uh, before we would actually use it and w-, whichever next valuation we would apply it to. Um, so with that, I'll ask if there's any, any questions we can answer for anyone.

Clare B.: Ben, we expect the experience study to already begin next year, right? So that we'll – so that you'll be bringing to us some kind of, uh, you know, what you – what you've seen in terms of trends in each of those factors – in each one of those factors. So, uh, I'm assuming that that work is probly already underway and ongoing and will continue into next year – our experience study.

Male: Right. [Inaudible]

Clare B.: It's not a complete document, but over…

Male: Yeah.

Clare B.: …over the time, maybe by – uh, I don't know, Jen – next summer or end of ne-, s-, at some point in time, you'll be able to bring to us what you recommending or what you're thinking.

Male: Right. We…

Clare B.: Inaudible …

Male: …we would seek…

Clare B.: …going forward.

Male: …y-, yes ma'am. We, we would seek the Board's approval for whatever the recommended assumptions goin' forward are based on that experience study, and you're right. We know 4 of the 5 years really well. They're behind us. And this latest valuation, which is really a pretty, pretty close to what we did – I mean, actuaries, when we miss – on a plan this size, when we miss these assumptions by this, you know, 0.02 percent, we're doin' high-fives. You know? I mean we're, even though it might be $96 million, we're like wow, we are s-, we are nailin' this stuff. But, uh, so this latest year isn't really – doesn't look like it's gonna be impactful as far as experience to ch-, you know, to, to recommend any kind of serious changes, but we'll put this together with the last 4. Uh, that should come to ya in the spring or early summer of next year. We'd wanna get that approved by the Board before we move forward with the 2025 valuation.

Clare B.: Mm-hm. And for the board members, remember, um, the things that go into the experience study…

Male: Mm-hm.

Clare B.: …are everything. Like the mortality tables that we…

Male: Mm-hm.

Clare B.: …use, uh, you know, what salaries are, how many teachers there are teaching in Connecticut, like the, the more – the, the number of people, the – what their salaries are, the turnover, um, some of things you've already seen on here, but it's, it's something that we have ta see a real trend for. We don't lurch back and forth, you know, each year. Um, these do move around a bit, but you really have ta see a trend. You really have ta see that salaries are not – are rising significantly and then it might be somethin' that you look at. We always try to keep our mortality, uh, tables as accurate and as up-to-date. We use the white collar one. Uh, I think we use the graduated – the, the one that we're using today is the, the most appropriate for us, and it will – and it causes us not to understate our liabilities. The goal here is that that's what we don't wanna do. We don't wanna have a pretty picture but based on mortality tables that in fact aren't really a good match for who our teaching population is. So again, we rely on our actuary to, to, to actually be kicking the tires on every one of those, uh, factors, and then to bring to us what they think the – what – if there are changes we should make and where, where they are. So, um, so we, we will look forward to that. It's in the future, but, but that's another one a the jobs like this valuation study today. That's what it's based on…

Clare B.: …our experience study. We don't do it every year. We do it about every 5 years…

Male: Mm-hm.

Clare B.: …and that gives you enough of a – of a timeline to actually see if there's movement in any of those categories, so…

Clare B.: …uh, and again, John will be bringing that stuff to us w-, when, when you guys are ready, so.

Male: That's right.

Male: Uh, que-, question for Ben. Um, I, I – Ben, I think I heard you mention that the 22 – the loss that we had in 22 will be a little bit of a drag on the valuation that you do next year. Um, I think one a the things we ask you folks to do, uh, as to the valuation every year is to kinda project, um, 30 years of projections or sort of, you know, what, what the runout looks like. And so I just wanna make sure that that's, uh, you know, on your schedule ta, to get to us whenever you can get it to us.

Ben M.: Exactly. And we actually have completed those projections and, uh…

Male: Yep.

Ben M.: …provided those to Helen and her staff, um, so they, they are available.

Male: Okay. Great. Thanks.

Male: Just, just a quick preview, Greg, 'cause I know you're interested, is that as good as this valuation l-, looks, the projections, uh, kind of extrapolate that out to – you know, we're showin' the system bein' 100 percent funded 2 years sooner than we were projecting, so I mean just, uh, it's a lot of, uh, build-, building up a good news. It's not just this valuation, but it's the, the accumulated effect of the additional funding the State has put in over the last…

Male: Yeah.

Male: …3 years.

Male: A-, and I think we get to, um, level, full-level dollar amortization next year, is it? or [inaudible]

Male: So this valuation is – it, it – it's completed now.

Male: Okay. Yep.

Male: Yeah. So the contributions we make next year will be the last one that had sort of the phase it got All right Thank you.

Male: Yes. So, so there is an increase. So w-, when you see that increase, you know, the…

Male: Right.

Male: UAL was, was good news, but there was a higher increase to the – or a cost increase of – to amortize the UAL That was that last step of the phase-in to the level dollar, so really it's the 26 contribution – the fiscal year 26 contribution, which is the first of the biennium that's gonna, you know, be affected by this valuation. Um, that's the last grade-in, so when we do the 25 valuation, you won't have any a that headwind of, uh, you know, an increase in the amortization cost due to the phase-in. It's done. We're now at a level dollar really going forward.

Male: Good news.

Clare B.: Okay Any other questions for John? For Ben? For Todd? For – any other questions from the Board?

Male: Clare, you have raised hands.

Female: Ben and Ed have their hand up.

Clare B.: Oh, go ahead.

Female: I mean Bill a-, and Ben. Sorry.

Male: I do have my hand up. Uh, Thank you for recognizing that. Um, just moving forward, um, I wanna make sure I understand. The loss that you show here, uh, based on COLA, is really – we can pay out a COLA only when the fu-, the assets do well, and in this current year, assets – and perhaps, uh Ben is gonna speak to this – uh, did very well, which means it's possible that the plan can pay out a larger COLA. So that loss is only gonna be reflective of what's paid out, which is based on what was earned, 'cause you don't pay out unless we exceed that 6.9 percent. So I don't want the, the yellow bar to be a scary – if I'm understanding it right – to be a scary thing, 'cause that's more than made up by the growth in assets.

Ben M.: Correct. Yes. The COLAs are tied to various inflation measurements, and so they will go up and down according with inflation measures like CPI-U and, and, uh, the Social Security COLA that's granted each year, uh, with maximum established based upon how well the investment return is for the year, so th-, those increases will be capped depending on how well or h-, how poorly the assets have done for the year. Uh, so that sorta helps keep the COLAs in line without getting, um, too, too, too much at one time. Uh, and I will point out, uh, I looked back at the last 10 years and just, uh, maybe put people's minds at ease a little bit – in the last 10 years, 8 of the 10 years we actually had gains on the COLA side of things. Um, so there's only 2 years that we really had losses. This, this just happened to be one a those.

Male: Yeah, so…

Male: Thank you.

Male: …j-, and just to expand on that, Ben – and that was a great, great point – is that, you know, this is only showin' what happened from the last valuation to this valuation. But these COLA losses have more than been paid for by COLA gains that have occurred, as Ben pointed out, in 8 of those last 10 years, so, so you know, this is just showin' 1 year, but when you look at the COLA history, uh, you've had more gains than losses.

Ben M.: But that is one a the assumptions we look at every experience study, and so if we feel like we need to make an adjustment, we certainly will.

Male: Thank you.

Helen S.: I think Ed is left here with a, a question as well.

Edwin V.: Uh, thank you. Yes. Maybe I'm, uh, a little confused, but when I was reading the report, there was a section there that stated that if active teachers get less of a raise, it seemed to imply that somehow that was a – that it would have a salutary effect on, on, uh, the actuarial, so I just was wondering, because it seemed counterintuitive to me.

Ben M.: That if active teachers got less of a raise than expected, it would…

Edwin V.: Have a beneficial effect for the actuarial numbers.

Ben M.: So because the retirement benefits are tied to teachers' salaries, especially the, the salaries at the end of their career, um, when we do our projection of future, um, benefit payments, we project out everyone – from everyone's current salary. We assume that that's going to increase in some fashion until they reach retirement age, and then their benefits will be based on those last few years of salary. Um, so if salaries have, for the, you know, from one year to the next have increased maybe more than we assumed, that would lead to us having a, a larger stream of benefit payments because the benefits would be higher than what we had anticipated in the previous valuation. And conversely, if salaries are a little bit less than what we assumed, then the benefits that we would calculate for our stream of benefits would be a little bit less than what we had previously assumed it would be, and so that's sort of how that plays together.

Edwin V.: So the, the percentage that they on their salary let's say were to grow, doesn't keep up with the, uh, cost of the payment at the – uh, at the other end.

Ben M.: Well, we have an assumption for how much salaries will grow each year going forward, and again, that's another thing that we'd look at, each experience study, and adjust as needed. Um, but we know that from one year to the next, what actually happens in terms of increases, um, can vary quite a bit. It's kind of surprising to me a little bit that in this valuation there is such a small gain or loss. Uh, normally, we see salaries either be, you know, one a the bigger components in our gain/loss chart, 'cause either, um, there was, um, maybe there's a period a time where salaries are kinda flat and there's not much in the way of increases, um, and then maybe there's – in one year, there's sort of a catch-up, and then there's kind of a big jump in salaries, and so we might see what actually happens be much different than what we assumed, 'cause we assume kind of a set amount each year, uh, going long-term assumption.

Male: And, and just, you know, just as a – as a – as a key to thinking about actuarial gain and losses, it is – whatever, whatever is, uh, you know…

Male: …makes actuaries happy is bad for everybody else. So, you know, it …

Male: …if the plan – if people are dyin' early, the actuaries are sayin' hey, we're gettin' good gains this year, and, you know, unfortunately, there's people, you know – people are dyin'. And then when pay raises are smaller than expected, the actuaries are sayin' hey, we got gains from salary. Same thing with the retirement rates. We get a gain from retirement when everybody decides to continue to work because, you know, that's, that's how that goes. But yeah, whatever is – the actuary is sayin' is a gain is typically not good news for the individuals.

Helen S.: Looks like Joslyn has a question. Hi Jos.

Joslyn D.: Hi. So something that I'm just kind of wondering about, and I'm not – I'm not really sure if it's the right question for this space or not, but I'm thinking about – we have a lot of teachers who are jumping from, you know, district to district and who will be starting their early career in a kind of lesser paying district and then jumping and hopping to another district that pays better, and as we're looking at equity and, and some of these other things, I'm just wondering if, you know, tho-, that's going to impact the fund, because if you're, you know – all of a sudden you're paying a sm-, a 7 percent of a, a smaller salary and then jumping higher, like moving up into an administrative, um, space – I'm just – I'm just wondering, you know, if that's something that's factored in. And then also the, the percentage of, you know – I know the, the salary – average salary was like up in the $90,000, but that factors in also our high-paying administrators with our, our educators as well, so I'm just tryin' ta wrap my head around, um, how we protect ourselves from, you know, that hopping, because, you know, all of a sudden we have people who weren't making as significant a salary and then going to higher-paying districts for the end of their careers, so – which I would support. I they'll be able to do that, but, you know, just kind of thinking about balancing out our salaries a little bit to protect the fund I think is something that I'm, I'm just worried about moving forward.

Ben M.: That's correct. Uh, it, it certainly is an issue, um, for many different types of pension plans, uh, where participants maybe, um, can take actions that might bump up their salary at the very end of their career, um, so that their, their benefit's a little bit higher than it otherwise would've had stayed at the sort of the more – their career average. And, and certainly, m-, there are many things that can, uh, be put into the plan provisions to help protect the system against that. Um, and, and usually using a, uh, final average earnings that sort of take into effect, uh, not just their final year of salary but s-, you know, 3, 5, uh, a longer period a time, sort of helps to, uh, protect against that.

Male: But…

Male: …but I'd also say that that salary experience is also included in the experience studies that we do, and so they do weight that, but the reality is that group of people is probly very small compared to the rest a the population, so from a plan perspective, it's not – it's not as enormous as it is when you look at it from an individual perspective, but, uh, but it sounds like – I mean that's a natural transition. It's not pension spiking I wouldn't thi-, I mean it's just a natural transition to a, you know, advancing the person's career. So, um, to the extent that it's in – it shows up on our salary experience, it shows up in our salary assumption, so it's, you know, g-, it's captured across the population, but from an individual standpoint, it's, you know – it sticks out more like a sore, you know, thumb.

Male: Yeah, you know, and just to expand on that a little bit too is, is the way that the salary scale, uh, assumption so that the, uh, assumption we make about how annual increases It, it has 3 components to it. One is just the across-the-board what's called wage inflation rate of increase, so that's the kind of increase that everybody experiences by, you know, performing another year of service, and that's, again – uh, it's measured over the entire population, so it's, it's pretty stable. And then we have pieces that are service based, based on, um, promotion and merits and, and above, uh, above just wage inflation type of increases. So it's gonna be captured in those additional pieces to the extent that it's moving – as Todd pointed out, it's probly a very small group of people, and to the extent that that experience for those people that, that are getting those, you know, uh, increases in, in salary, to the – to the extent that it moves the needle for the whole group, then it's gonna be picked up, but, but again, you know, anecdotal, you know, when ya – when ya hear about 10 people doin' it – this is a plan of 54,000 teachers, and it really takes a lot to move the needle off of, uh, what's bein' expected now.

Clare B.: Other questions? All right. Uh, I guess – thank you, John. Thank you, Ben. Thank you, uh, Todd. Uh, I, I, I like the presentation 'cause you, um, you did an excellent job of kinda, uh, showing it graphically. Um, and we always, always ask ya to not speak in actuarial speak because a ton of us – a ton of us have a inaudible that there might be a few more mathematically-inclined ones. Uh, Greg and a few people work their worlds with numbers, but, uh, not everybody appreciates, you know, the entire, you know, telephone book of numbers there that – uh, ordinarily, the actuarial report was mostly that. Uh, we appreciate the fact that it's really, uh, I think a lot clearer for people, and they I think have a better picture of the health of the plan, uh, and the increasing health of the plan. So, uh, really, we thank you for the job that you've done on this, uh, and will continue to do for us. And I think as you, you noticed people are, um, interested in the experience study, ‘cause they’re already. They’re already asking questions about different pieces and parts of that, so…

Male: Yeah.

Clare B.: …so that should be a good interactive session whenever we get to that. Uh…

Male: Yeah.

Clare B: …springtime, early – whenever you, you tell us when it’s ready. Um…

Male: We [inaudible].

Male: Absolutely.

Clare B: Any, uh – all right The Chair would entertain. I – we –you’ve concluded all your, your part of this. Right? We know…

Clare B: …we know…

Clare B: …what the contribution will be. We know – um, we know what our funded ratio is, you know, some things that, that people will take away from this. Uh…

Clare B: …and they have with them 1:07:04] the entire – the entire body of the report as well. Charlie? Charlie, you’re on. Are you [inaudible]?

Charlie H.: Oh. I didn’t – I didn’t have anything. I must have hit the wrong button.

Clare B: Oh, okay. All right. All right. Um, well, the Chair would entertain a motion to accept the valuation report from…

Male: So moved.

Male: So moved. Second.

Clare B: Moved and seconded. Discussion. All those in favor, signify by saying aye.

Attendees: Aye.

Clare B: Opposed? Abstentions? All right. Thank you very much. All right. That’s a – that’s a huge piece of business that’s done by us. Um, what – move on to Item number 2 – the Board meeting minutes from, uh, September 25, 2024. Chair would entertain a motion to approve.

Male: So moved.

Clare B: Second?

Female: Second.

Clare B: Discussion? All right. All those in favor, signify by sayin' aye.

Attendees: Aye.

Clare B: Opposed? Abstentions?

Male: I abstain.

Clare B: Okay. Those people may have been absent, right Or not there for that meeting?

Clare B: So noted. All right. Approval of the, um, petition results for the 2 active board seats. Helen? You wanna give us an update on that?

Helen S.: Sure. Uh, Jon Moss and Steve McKeever completed their petitions. Um, they fulfilled their obligation with over 200 signatures, so thank them for their continued support for, uh, our members, both active and retired.

Helen S.: So they are all set.

Clare B: By – uh, when the Board approves this, remember, these individuals will then, um, be – become, uh, 4-year members again, uh, in, uh, s-, July 1, 2025. Correct?

Helen S.: Yes. Yep.

Clare B: Okay.

Helen S.: Yes.

Clare B: All right. The Board would entertain a motion to, uh, to accept.

Female: So moved.

Male: Moved.

Male: Second.

Clare B: Moved and…

Male: There we go.

Clare B: …seconded. Discussion. All right. All those in favor, signify by sayin' aye.

Attendees: Aye.

Clare B: Opposed? Abstentions? All right. Thank you very much for that. Uh, the approval of the 2024 COLA increase, uh, for the pre and post members. Um, you have them before you. Um, who's – is this Jon to do or, or Helen, you to do, or? Ya ha-, ya have the 2.5 for the post September 1, 92, and, and those are people who, um, retired after the major change in COLA in 1992. And then you have, um, the 2.5 for the post 92 members who joined the system on or after July 2007, and that really has to do with the if you remember, and our, uh, having to kind of reset, uh, what people were going to get forever, uh, in certain time periods. And so we – and at that time it was for future retirees, 2027. And then, uh, the to be – to be announced one is, um, the pre September 1, 1992, members, and, uh, that's – as we said, is a declining number. Those people are, uh…

Clare B: We are aging out of that, and, uh, and we won't know that until – uh, w-, pr-, pretty close to now. Right? Mid-December?

Clare B: 'Cause that's deter – that's not determined by us but determined by, um, you know, by what's going to happen with the CPI. And once that is declared, then that will become what this is. It, it won't be any other number, so, so we're not – so we're, we're asking you actually to prove these, and, and in fact, those first 2 are the real numbers and the second one will in fact be realized within the coming – less than a month, probably in the coming 3 weeks. Uh, discussion on that? Questions? All right. The Chair would entertain a motion to approve the COLA.

Male: So moved.

Clare B: It's been moved.

Male: Second.

Clare B: Second. Discussion. All…

Clare B: …those in favor, signify by sayin' aye.

Attendees: Aye.

Clare B: Opposed? Abstentions? All right. Thank you. Helen, you're up. Agency report?

Helen S.: Thank you. Uh, open enrollment went very well. Uh, we are in the process of following up on some phone calls and emails that were received during open enrollment about open enrollment. We should wrap that up by the end of the week. Open enrollment ends on June – um, I'm sorry – November 22. We've had 29 members move to the Medicare Advantage, 42 move to the Medicare sup. We've got 28,666 members on the Medicare Advantage, 4,331 members on the, um, Medicare supplement plan. Overall, we had about 750 to 800 folks, uh, come statewide when we had our meetings, uh, for 2 weeks out there. Uh, we had meetings in each county. Uh, there were no benefit changes, but due to the Inflation Reduction Act and some of the CMS changes, we felt it was in our best interest to make ourselves available to educate members. We also ran a slew of webinar – uh, webinars for folks who were unable to attend in-person meetings and do not reside in Connecticut. Uh, we had about 200. Um, they went very well. All's been very quiet. Um, some stats, on prior authorizations, we're at 95 percent last month. Uh, the reason they wer-, some of them weren't covered, um, was there was not enough information, um, from the provider. Um, the no clinical information, not medically necessary – standard reasons why there needs to be more information on those, uh, prior authorizations.

There were a few questions that came up in open enrollment that I just wanted to bring to the Board's attention, uh, because there's been so many questions about the Inflation Reduction Act. We did receive questions about individual Medicare Part D plans and our Part D plan. They are vastly different. Um, our Medicare employer group plan – uh, those covers – the individual formularies out there for folks on an individual plan cover about 60 percent of the Medicare Part D available drugs. Our formulary covers about 99 percent. In addition, we have about 60 additional bonus drugs that we cover. Uh, the deductible is about 6 – I think it's 590 for 2024 on individual Medicare plans. Our deductible is 200. Uh, so our plans are vastly different than those individual, uh, Medicare Part D programs that are on the market. Um, as with any program, you know, our, our costs incurred are done by a sm-, are incurred by a small percentage of the population, and they surround those specialty, uh, medications, and those high-cost drugs. They make up for about 70 percent of, of the cost factors on our plan. Terry, was there anything else you wanted to add, or did that about sum it up with…

Helen S.: …the, the difference between individual Part D plans and, and the employer group plan that we have?

Terry D.: You covered it.

Helen S.: Okay. So just to bring that to everyone's attention, because, um, with the changes with Medicare Part D, um, quite often, um, our membership is, is not subject to the individual Part D plans that are out there. So there's been a lot of news media and information, so, uh, we made, um, every effort to educate those members, um, between mailing and in-person meetings, webinars, and outreach. Uh, so I think it went pretty well. We are going to be – next step, we're gonna be working on updating our regulations. Our regulations have not been updated since 1980. Uh, we have a committee – a very small committee, Bill Myers and Charlie Higgins – thank you. Um, as always, they are gonna be working with Virginia, who is on – uh, McGarrity, who is on with us. Um, Bruce is, um, out of town. Bruce and Virginia are going to be spearheading the updating of the regulations, repealing obsolete regulations, making technical changes, language changes, and we will be working in conjunction with, uh, Charlie and Bill, uh, keep them abreast of how this project goes. It's a little bit different than statutes. Uh, there's a lotta layers that we have to work through, so we'll probly take about 6 to 9 months. Uh, when we're complete, we will bring, uh, this information back to the Board, um, and the committee, and, uh, the legal counsel will present it to the Board for your approval.

Regarding the CORE project, I'm happy to report that it looks like we will be moving payroll and health, um, in April 2024. Uh, that is phase 2.

Clare B: [Inaudible] 2025.

Helen S.: Oh, 2025. Yeah. I'm off today. Sorry guys. Um, 2025. Uh, we are actually having an agency luncheon next week to meet with our team and some of the CORE folks from OSC and Accenture to update our staff and just provide some more information, see how phase 1 is going, see how they're doing operating in the current system that we're using. The final phase of this project is slated for August and September of 2025. Uh, in addition, um, with all of that going on at the agency, again, uh, always gonna thank our staff. I'm a broken record, but they are a really, really solid group of individuals, so they need to be recognized. And, um, I just would like to shout out to every single person in our agency, because they do have a role in this project. Uh, Naomi in IT, um, is continuing to spearhead, um, dail-, you know, day-to-day projects to benefit our members. We just launched another self-service, uh, for our members. We have the annual statement self-service and a couple of other things out there. What we developed is [inaudible]

Helen S.: …self-service where if members have questions or they need reprints of their, uh, payments that they receive every month, they can go right online to the secure – uh, it's all secure on our website, and, um, it helps alleviate a lotta calls that come in and provides, uh, quick service to members, because they do have questions about those monthly pension checks. So thank you to them for continuing to manage projects in addition to all the other work that the team is doing. So, and thank you to Charlene for managing the day-to-day while we are – uh, and Terry and everybody who's jumped in while we're working on making this CORE project, uh, come to fruition for everybody. So that's it. We have all good news.

Clare B: Helen, yeah. Thank you, too. Um, you always, uh, credit your staff because they work so hard and they do such a wonderful job, but the Board needs to credit you as well. Uh, you know, you are an outstanding kind of ambassador for this system. Uh, your work on healthcare, your open enrollment work. I mean, taking the time with people to make them understand that they probably have one of the very best systems that's available in the state of Connecticut to anyone. And yes, maybe there are other options, and maybe there are things that, that they could, could get, but in no way would it ever compare to what they currently have, both in the coverage, both in the cost, uh, and, and both in, in what is available to them. I mean, they're all – believe me. People are always asking to call you on the phone daily to try – during this open enrollment period, to get you to move from this or that to something else. Um, I think that the work that you've done in crafting a fabulous plan for our teachers, in conjunction with the people who work in a health committee, uh, really, um, is extraordinary. Uh, you're hanging in there with, uh, the CORE project because it really was kind of a lumpy rollout. We knew that. I think we did tell people that that could be the case, but you persevered, and again, I think that's what really makes you an outstanding administrator here, Helen. So on behalf a the Board, uh, Thank you very much for the work that you do.

Helen S.: Well, thanks, Clare. Jon, did you have a question? I saw your hand up.

Male: Hi. Thank you. Um, Helen, uh, I'm excited for the continued rollout of, of the CORE project. Can you give us any updates on what, uh, your office is doing to work with school districts to make sure that they're prepared, uh, for the changeover to make it as seamless of a process as possible?

Helen S.: Sure. Uh, the employer…

Helen S.: …reporting piece is going to be the last phase of this, and it's going to roll out in August and September. As you know, a lot of the districts are very light staff-wise in the summer. We have monthly, uh, transmittal meetings where we are in contact and letting our boards know this is up and coming, um, so we continue to update them about this project. Once we get through the April rollout, uh, we have training prepared and we will be doing training for our districts as to how their employer reporting, uh, will change in, in going to the CORE system. So it – there may be in-person, uh, training meetings at some a the larger districts if we can use them and get some a those smaller districts centrally located, and then we'll be doing a, a video webinar in conjunction with Accenture and, um, several of our key staff members.

Male: Thank you very much.

Helen S.: You're welcome.

Clare B: Okay. Anything else? Thank you, Helen. Thank you for your report. Uh, the approval…

Helen S.: You got it.

Clare B: You have them with you, uh, and those are, uh, the granting of service retirement benefits, uh, for the months of, uh, September and October 24, the survivor benefits for the month of September and October 2024, and the reports and recommendations of the medical review committees, uh, regarding applications, disability, and pres-, as presented to them, uh, on September and October of 2024. Uh, we will take all those 3 together. The Chair would entertain a motion to approve.

Male: So moved.

Clare B: Moved. Second?

Male: Second.

Clare B: Uh, discussion. All right. Signify– all those in favor, signify by saying aye.

Attendees: Aye.

Clare B: Opposed? Abstentions? All right. Thank you very much. Um, y-, your matters for, uh, just to review for yourself, retirement statistics, uh, for the months of September and October are included in there. Um, I'd also like to take – before we move to the public comments, I'd just like to take a, a minute to congratulate our, uh, continuing board members, uh, Jon and Steve, 'cause they'll be, uh, and, and for being able to get the signatures and, and frankly for, uh, running unopposed, which I think is uh, uh, a vote a the kinda confidence that the active teachers feel in the 2 of them. So, uh, congratulations to both of you. Um, I think we're ready for public comments. Do we have people in line? Are we all set?

Naomi C.: Uh, yes We're ready for public comments. I'm just going ta bring up the timer. All right. I just wanna double check that you can see the timer on the screen.

Male: Not yet.

Naomi C.: Oh, let me try that one more time.

Helen S.: No pressure, Naomi.

Naomi C.: Oh, there we go. All right. Now you should.

Male: We can see.

Male: Yep.

Naomi C.: All right. Thank you. So just a reminder for everyone that, due to the large group of, uh, participants, that we have a 2-minute time limit. We will, uh, press – start the timer as soon as we can hear you, uh, start talking. And with that, we will start with our first raised hand, which is Walt. Walt, you have permission to unmute.

Walt C.: Okay. Uh, thank you. Can everyone hear me?

Naomi C.: Yep.

Male: Yep.

Walt C.: Okay. Thank you so much. And, uh, first, let me wish you all a happy Thanksgiving, uh, coming up. We certainly all have much to be, uh, thankful for. And, uh, I would just like to, uh, say I've heard, um, the Board be very pleased with their, uh, reports and everything and insurance and the way it's going, and I would just like to comment that if you step outside of the room that you're in, there are many retirees who feel that they deserve a better, more detailed explanation for such huge increases in their health insurance plans. That's both on the Advantage and supplement side. And more so, knowing that news reports that Medicare premiums should decrease with the 2025 changes to Part D, we expect TRB can work harder on behalf of retirees going forward. So we really need more information why this increase was so huge, and just saying costs went up is not sufficient to and inform retired teachers, um, who are now looking at gigantic increases, in some cases of over 100 percent. Um, I wonder if the Health Insurance, uh, uh, Commission, uh, has approved this rate increase or, or not. So if anyone would care to speak to that, I would be happy to listen, and I thank you very much for your time.

Naomi C.: Okay. Next, we have Jane. Jane, you have permission to unmute.

Jane: Hi. Uh, yes, I'd like to make a comment. I recently read some news articles that mention that Connecticut State retirees are now seeking, uh, to have the choice of a supplement plan as well, uh, because they're finding that their Advantage Plan is missing the mark when they have more serious health issues, and, um, so I make this comment because I believe it's important for us to continue to offer the supplement plan for our retirees at an affordable rate. And I thank you for the opportunity to make the comment.

Naomi C.: Okay. Uh, next, we have Paula. Uh, Paula, you have permission to unmute.

Paula B.: Hi. Can you hear me?

Naomi C.: Yes.

Paula B.: Oh, hi. My name's Paula Bacolini, and I wanna thank you for taking my comment regarding the subsidy for the TRB Medicare health insurance plans. I'm wondering, when will the TRB be providing the one-third subsidy for the original Medicare supplement plan? This subsidy was provided for many years for the original Medicare supplement plan. What's more basic than original Medicare with a supplement? It's the original Medicare model. There are over 4,000 members, which was reported today, uh, 4,300 members who would like the TRB to restore the one-third subsidy for their original Medicare supplement plan costs for medical and drug com-, and drug coverage. That's what the promise was that was made to retired teachers decades ago, and it has been taken away. The TRB seems to be neglecting their fiduciary responsibility to its members who need and choose the original Medicare supplement plan. I'm urging you, and I'm thanking you in advance for rectifying this and providing the one-third subsidy once again for the cost of the original Medicare supplement plan for these members. Thank you.

Naomi C.: Okay. Looking for any other public comments. Please feel free to press the raise hand button, but just a reminder that only – you can only make one comment per, uh, meeting. Okay. Next, we have Judy. Judy, you have permission to unmute.

Judy S.: Hi. I'm here. Can you hear me?

Naomi C.: Yep.

Judy S.: Hi. I just wanted to say that I went to a couple of open enrollment meetings, and, um, the highlight on the positive end was meeting Helen and Patrick and Amanda and it was great that you were there. I appreciated that a lot. Uh, my only concern was that the person who spoke from Untied Healthcare didn't seem to have much information on the supplement plan. It seemed to be about 99½ percent, um, Advantage information, and I was wondering if, going forward, maybe they could find someone that could at least address questions, um, or comments regarding the supplement plan. That would've been helpful. Um, but again, I have the – um, I thank you very much for still having the option of either one, and it was very nice meeting the staff. Thank you.

Naomi C.: All righty. Uh, next, we have, uh, Rhea. Rhea, you have permission to unmute.

Rhea K.: Hello, everyone. Thank you for t-, uh, taking my, uh, message to you. Uh, I just was, uh, very surprised at the last TRB meeting where a vote was taken to approve the updates to the TRB bylaws, um, without the board members apparently having seen those changes or updates, that they had – were asked to vote on and I, um, and that was – I understood that from the comments that I heard. And this seems to me to be a vote taken out of order, absent of good board polic-, practices. So, um, I would – I did ask for those bylaws. It took me a little while to get them, so I'm just – I think, um, a little transparency is in order on that, uh, vein, and I appreciate you taking my, my, uh, message. Thank you.

Naomi C.: Okay. Uh, next, we have, um, someone who set their username as a AOL email address. You have permission to unmute.

Paul: Uh, my name is Paul, and I'm a Connecticut taxpayer and a retired Connecticut teacher. I was having a problem with, uh, United Healthcare, and at the advice of the Office of the Healthcare Advocate, I was asked, uh, to call TRB and request to speak with the insurance point person. I left a detailed message, and I did not receive a call back. Instead, about a week later, I got a call from UHC telling me that TRB had requested that they call me. I do believe that I deserved a call back from, uh, TRB. Thank you.

Naomi C.: Okay. Any other public comments? Again, looking for any other public comments. Please feel free to click the raise hand button. Okay. And if there's no further public comments, that will conclude the public comment section.

Clare B: All right. Thank you. Um, just in closing, um, I wanna congratulate also the people who worked very hard to repeal the, the 2 government offsets, uh, and I'd have to say that that includes active teachers. That includes the teacher unions and their representatives. Uh, I know Joslyn and Kate were very involved in this. That includes the – all of the ARTC, CEA-R, um, and just retired teachers who actually weren't active in any of those groups but yet would, would be affected by each of those offsets. I'd have to say it – the, the – they turned up the heat and the intensity on this issue, um, in such a way that legislators, uh, were really forced to come to the table and vote, uh, yesterday on behalf a this, and I think that that's a – it's an extraordinary, uh, victory. Uh, a-, and it does show that even though it's been a long time in coming, that you've done something that will actually improve the lives of a lot of, uh, Connecticut teachers. We now have to, uh, await action in the senate, which, which we hope would come quickly, but I guess we'll have to wait and see on that.

So congratulations to all of those people who work very hard. I think you, you, you probably felt very good when, when something like that happened. I sometimes think that it – that you just – uh, that, that it can't happen, but, but it's extraordinary, and it's your efforts really that made it happen. So, uh, on behalf of all the teachers who were affected by it and will be – benefit – will benefit from it, uh, I thank you. Um, and to all of you, uh, we wish you happy holidays coming up, uh, both in this month and in the next, and, uh, we look forward to seeing you, uh, in 2025. And we will have a very, uh, you know, a very active year at that time as well. Okay? So, uh…

Male: Clare, you do have 2 raised hands.

Clare B: Oh, go right ahead. Raised hands. Go ahead.

Joslyn D.: Clare, I just had a point of privilege. I, I did wanna give a special thank you to Bette Marafino, who is not an educator, but…

Joslyn D.: …who is the chair of the National Repeal WEP & GPO task force who put that task force together in 2020 and, um, has led, uh, CEA, ARTC, AFT, CEA-Retired, AFT-Retired, all of our retired groups…

Joslyn D.: …into doing such great advocacy, and so I just, um, would implore, um, all of us who are teachers and not teachers, uh, to consider reaching out to our senators so that we can, uh, finalize this, because it has to go to the floor. The senate is very busy, and we would like for them to prioritize, uh, this repeal.

Clare B: All right, Thank you, Joslyn. Uh, and Jon? Question? Or…

Male: Uh, not me. Edwin's hand is up.

Clare B: Oh, sure. Edwin? Please.

Edwin V.: Yes, uh, thank you. I just – uh, uh, again, I wanna congratulate the presenters. I think – I thought it was a very informative presentation. Also wanna thank, uh, the staff and everyone else working on this. I'm also very happy with what's going on in Congress and working, uh, to make sure that our senators approve this. It would help so many people. I've always thought it was unfair, especially those people who work very hard in other jobs and earned their social security and their spouses and how it's affected them over the years, so it looks like we're very, very close. I also wanna congratulate, uh, TRB because I – you know, like some a the people mentioned durin' the public comments, uh, people were concerned with the newspaper articles they're reading about some a the Advantage programs, so I'm glad that Connecticut, uh, offers both – that we're ahead a the curve on that and that people have choices, so thank you and enjoy the holidays.

Clare B: Thank you.

Female: Thanks.

Clare B: Anyone else? All right. Uh, the Chair would entertain a motion to adjourn. Joslyn? Coming your way?

Joslyn D.: So…

Male: So moved

Joslyn D.: …moved.

Clare B: So moved. Second? All right.

Male: I'll second.

Clare B: All right. All those in favor, signify by saying aye.

Attendees: Aye.

Clare B: Enjoy the holidays and thank you all very much.

Female: Thank you.

Female: Thanks everybody.

Female: Thank you.

Female: Thank you.

Male: Thank you.

/tw