

# **Connecticut State Teachers' Retirement System Retiree Health Insurance Plan**



**GASB Statement  
No. 75 Report**

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**Prepared as of June 30, 2024**



February 16, 2025

Board of Directors  
Connecticut State Teachers' Retirement System  
165 Capitol Avenue  
Hartford, CT 06106-1673

**Re: June 30, 2024 GASB Statement No. 75 Report for the  
Retiree Health Insurance Plan of the Connecticut State Teachers' Retirement System**

Members of the Board:

This financial accounting report provides the information that the Connecticut State Teachers' Retirement System (the System) should use to satisfy the requirements described in Governmental Accounting Standards Board (GASB) Statement No. 75 for the System's Retiree Health Insurance Plan (the Plan). This report has been prepared by the System's actuary, CavMac, as of June 30, 2024 (Measurement Date) for financial reporting as of June 30, 2025.

GASB Statement No. 75 (GASB 75) establishes accounting and financial reporting requirements for governmental employers who sponsor or participate in other postemployment benefits (OPEB) plans. In general, the GASB 75 rules that apply to postretirement benefit plans are designed to help plan sponsors adequately and systematically account for plan costs, facilitate comparisons of plan sponsor financial information by standardizing certain aspects of postretirement benefit plan asset and liability measurement, and improve the utility of financial statement information by requiring that plan sponsors provide certain information about their OPEB plans.

**Additional Information and Disclosures**

The information contained in this report is intended to be used by the System for financial accounting purposes for the fiscal year ending on June 30, 2025, and its use for other purposes may not be appropriate. Calculations for purposes other than satisfying the requirements of GASB 75 may produce significantly different results.

The results contained in this report were prepared by qualified actuaries according to generally accepted actuarial principles and practices, and in compliance with Actuarial Standards of Practice issued by the Actuarial Standards Board. The financial accounting information provided in this report reflects our current understanding of GASB Statement Nos. 74 and 75 (GASB accounting rules), including any applicable guidance provided by the System or its audit partners as of the date of this report.



The biennial actuarial valuation used as the basis for much of the information presented in this report was performed as of June 30, 2024 (Valuation Date). The census data for active and retired members as of the Valuation Date, changes in plan provisions since the prior Valuation Date, the net benefits and administrative expenses paid during the fiscal year beginning on July 1, 2023 and ending on June 30, 2024, and pertinent financial information were provided by the System for actuarial valuation and financial accounting purposes. We did not audit the supplied information, but it was reviewed for reasonableness and consistency. In certain situations, the supplied information was adjusted to account for normal differences in collection dates and/or methods. As a result, we have no reason to doubt the substantial accuracy or completeness of the information and believe that it is reliable for the purposes stated herein. The results and conclusions contained in this report depend on the integrity of this information, and if any of the supplied information or analyses change, our results and conclusions may be different, and this report may need to be revised. Likewise, this information may need to be revised to reflect any significant event that affects the Plan subsequent to the Valuation Date.

All assumptions used for GASB 75 purposes—including, but not limited to, discount rates, expected rates of return on assets, expected annual per capita claims, long-term health care cost trend rates, and expected active employee and retired member health care coverage election assumptions—should reflect best estimates of anticipated Plan experience. The discount rate was determined based on the methods prescribed by GASB accounting rules. Other than the discount rate required under GASB 75, we believe that those assumptions selected for financial accounting and reporting purposes are reasonable for their intended purposes.

The actuarial cost method, the asset valuation method, and the amortization methods are prescribed under GASB rules for financial accounting purposes as of the Measurement Date. Actuarial methods, such as the actuarial cost method, asset valuation method, and amortization methods used in the cost allocation procedure (for financial accounting purposes) are designed to recognize changes in an orderly fashion over a period of years. In certain situations, the actuarial methods used in an allocation procedure may have the effect of deferring changes in amounts into later years. Likewise, the use of these methods could produce deferred gains or losses if any material underlying assumption is not met over an extended period of time.

The impacts of the Affordable Care Act (ACA) and the Inflation Reduction Act (IRA) were addressed in this valuation. Review of the information currently available did not identify any specific provisions of the legislation that are anticipated to directly impact results at this time other than plan design features and fees currently mandated by the ACA and incorporated in the plan designs, which are included in the current baseline claims costs, and the anticipation of current and potential changes to Medicare due to the IRA, which are included in our baseline claims and trend assumption. Continued monitoring of the impact on the Plan's liability due to this and other legislation, if applicable, will be required.

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 impact of the COVID-19 pandemic was considered in this valuation; however, no changes were incorporated at this time due to the level of uncertainty regarding the impact on both plan costs and contribution levels going forward. Given the uncertainty regarding COVID-19 (e.g., the impact of routine care being deferred, direct COVID-19 treatment and prevention costs, changes in contribution and budget projections), continued monitoring of the impact on the Plan's liability will be required.

To the best of our knowledge, this report is complete and accurate. The valuation was performed by, and under the supervision of, independent actuaries who are members of the American Academy of Actuaries with experience in performing valuations for public retirement systems. 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 opinion contained herein.

The valuation was prepared in accordance with the principles of practice prescribed by the Actuarial Standards Board.

Future actuarial results may differ significantly from the current results presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. Since the potential impact of such factors is outside the scope of a normal annual actuarial valuation, an analysis of the range of results is not presented herein.

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, in the aggregate, internally consistent and reasonably based on the actual experience of the system.

Please call us at 678-388-1700 if you have any questions.

Respectfully submitted,

Alisa Bennett, FSA, EA, FCA, MAAA  
President

Ryan Thompson, ASA, ACA, MAAA  
Associate Actuary

AB/RT:nh



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## SECTION I – BOARD SUMMARY

### GASB 75 FISCAL YEAR END DISCLOSURE INFORMATION FOR THE SYSTEM'S RETIREE HEALTH INSURANCE PLAN

(\$ in Thousands)		
Principal Results for Financial Reporting as of	June 30, 2025	June 30, 2024
<b>Valuation Date (VD):</b>	June 30, 2024	June 30, 2022
<b>Measurement Date (MD):</b>	June 30, 2024	June 30, 2023
<b>Discount Rate:</b>		
Long-Term Expected Rate of Return at MD	3.00%	3.00%
Municipal Bond Index Rate at MD	3.93%	3.65%
Year in which Fiduciary Net Position is Projected to be Depleted	2027	2028
Single Equivalent Interest Rate at MD	3.93%	3.64%
<b>Collective Net OPEB Liability (NOL) as of the MD:</b>		
Collective Total OPEB Liability (TOL)	\$ 3,493,571	\$ 1,809,083
Fiduciary Net Position (FNP)	258,353	215,733
Collective Net OPEB Liability (NOL = TOL – FNP)	\$ 3,235,218	\$ 1,593,350
FNP as a percentage of TOL	7.40%	11.92%
NOL as a percentage of covered compensation	64.01%	33.93%
<b>Collective OPEB Expense / (Income) for the Measurement Period:</b>	\$ 44,826	\$ (187,707)
<b>Collective Deferred Outflows / Inflows of Resources as of the MD:</b>		
Total Collective Deferred Outflows of Resources	\$ 1,778,739	\$ 427,604
Total Collective Deferred Inflows of Resources	\$ 1,089,069	\$ 1,356,741





## SECTION II – INTRODUCTION

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The Governmental Accounting Standards Board issued Statement No. 75 (GASB 75), “*Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pensions*” in June 2015. GASB 75 is effective for employer fiscal years beginning after June 15, 2017. For the purposes of reporting under GASB 75, the Plan is assumed to be a cost-sharing, other than insured, defined benefit OPEB plan with a special funding situation where assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75. Additionally, we have assumed that the System will not restate results for any period prior to the adoption of GASB 75 based on the guidance in paragraph 244 of that Standard.

This report, prepared as of June 30, 2024 (Measurement Date or MD), presents information to assist the System in meeting the requirements of GASB 75. Much of the material provided in this report is based on the data, assumptions, plan provisions, and results of the actuarial valuation of the Plan as of June 30, 2024 (Valuation Date or VD).

GASB 75 requires the plan sponsors to determine the Total OPEB Liability (TOL) utilizing the Entry Age Normal (EAN) actuarial funding method. If the Valuation Date at which the TOL is determined is before the Measurement Date, the TOL must be rolled forward to the Measurement Date. The plan provisions recognized in the determination of the TOL are summarized in Schedule D. The development of the changes in the TOL during the measurement period is shown in Section III.

If a financial accounting asset exists, a Collective Net OPEB Liability / (Asset) (NOL), which is equal to the difference between the actual/projected TOL and the Plan’s Fiduciary Net Position (FNP)—the market value of the financial accounting asset—must be determined as of the Measurement Date.

The discount rate is an important assumption used in the measurement of the TOL, and the guidance concerning discount rate selection provided in GASB 75 varies based on whether or not the plan has a financial accounting asset. The environment for yields on 20-year tax-exempt municipal bonds (rating AA/Aa or higher) on the Measurement Date (Municipal Bond Index Rate) could affect discount rates in either case, so the plan sponsor must choose an appropriate basis for these Municipal Bond Index Rates. The Municipal Bond Index Rate used for this purpose is the 20-Bond average General Obligation 20-year Municipal Bond Rate published at the end of the last week during the month of June by The Bond Buyer ([www.bondbuyer.com](http://www.bondbuyer.com)).

If the plan does not have a financial accounting asset, the plan sponsor must select a discount rate based solely on the Municipal Bond Index Rate. However, if the plan has assets that are accumulated in a Trust that meets the criteria in paragraph 4 of GASB 75, the plan sponsor must select a discount rate based on the Single Equivalent Interest Rate (SEIR) for the plan.

To determine the SEIR, the FNP must be projected into the future for as long as there are anticipated benefits payable to members and beneficiaries under the relevant plan provisions in effect on the Measurement Date. Future contributions must be projected in accordance with the plan’s funding policy and/or the application of professional judgment in situations where the recent contribution history of the contributing entities warrants detailed consideration. If the FNP is not projected to be depleted at any point in the future, the long term expected rate of return on plan investments expected to be used to finance the benefit payments may be used as the SEIR.





## SECTION II – INTRODUCTION

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Conversely, if the FNP is projected to be depleted on any future Measurement Date, the SEIR will be equal to the single rate that generates a present value of benefit payments equal to the sum of the present value determined by discounting all projected benefit payments through the date of depletion based on the long-term expected rate of return on plan investments, and the present value determined by discounting those benefits after the date of depletion by the Municipal Bond Index Rate on the Measurement Date.

The changes reflected in the TOL and FNP during the measurement period are shown in Section III. Differences between expected and actual experience and changes of assumptions or other inputs, if any, are recorded as Collective Deferred Outflows of Resources if the change increases the Plan's TOL, or Collective Deferred Inflows of Resources if the change reduces the Plan's TOL.

Schedule A shows the development of the Plan's projected earnings on plan investments, and the determination of the difference between actual and projected earnings on plan investments during the measurement period. Differences between actual and projected earnings on plan investments, if any, are recorded as Collective Deferred Outflows of Resources if the change lowers the FNP, or Collective Deferred Inflows of Resources if the change increases the FNP.

Collective Deferred Outflows of Resources and Collective Deferred Inflows of Resources are usually recognized on a level dollar basis without any adjustments for interest. The unrecognized portions of the Collective Deferred Outflows of Resources and Collective Deferred Inflows of Resources that must be included on the Statement of Net Position are provided in Section IV.





## SECTION II – INTRODUCTION

GASB 75 requires the determination and disclosure of the Collective OPEB Expense / (Income) (OE) for the Plan in the notes to financial statements. Generally speaking, OE includes the following components:

### COMPONENTS OF COLLECTIVE OPEB EXPENSE / (INCOME)

**+ Service Cost (SC)**

This is equal to the Normal Cost determined using the Entry Age Normal (Level Percentage of Pay) actuarial cost method.

**– Active Member Contributions**

The total amount of active employee payroll deductions for OPEB benefits, if applicable.

**+ Administrative Expenses**

The amount, if any, paid during the measurement period for OPEB costs not directly related to the payment of benefits. This amount would include costs such as actuarial fees, audit fees, trust fees, salaries associated with staff time spent on OPEB related tasks, etc.

**+ / – Changes of Benefit Terms**

Benefit changes during the period are recognized immediately. Plan amendments increase OE if the change improves benefits for existing Plan members. Likewise, changes that reduce benefits for existing Plan members lower OE.

**+ Interest on the Collective Total OPEB Liability (IOT)**

IOT is determined based on the Discount Rate that was used to measure the Plan's TOL as of the Prior Measurement Date. Please note that the SC component may include interest to the end of the measurement period, or this interest adjustment may be included with IOT.

**– Projected Earnings on Plan Investments (XR)**

If the Plan has a financial accounting asset, XR is determined based on the long-term expected rate of return assumption at the end of the prior measurement period.

**+ / – Other**

Miscellaneous and non-standard expense items are included in this component.





## SECTION II – INTRODUCTION

### COMPONENTS OF COLLECTIVE OPEB EXPENSE / (INCOME)

#### **+ / – Recognition of Current Period**

##### **Collective Deferred Outflows / Inflows of Resources for:**

- **Differences Between Expected and Actual Experience**
- **Changes of Assumptions or Other Inputs**
- **Differences Between Actual and Projected Earnings on Plan Investments**

For differences between expected and actual experience and changes of assumptions or other inputs, the amounts that must be recognized during the current period are determined by spreading the total changes over the average expected remaining service lives (AERSL) of the entire Plan membership at the beginning of the measurement period. The active member AERSL is the average number of years that the active members are expected to remain in covered employment. AERSL is equal to zero for inactive members. The AERSL of the entire Plan membership is the weighted average of these two values, but cannot be less than one year<sup>1</sup>. The development of the AERSL as of the Valuation Date is shown in Schedule A.

For differences between actual and projected earnings on plan investments, if any, the amount that must be recognized during the current period is determined by amortizing the total change over five (5) years.

#### **+ Recognition of Prior Period Collective Deferred Outflows of Resources**

The amounts that must be recognized during the current year for those Collective Deferred Outflows of Resources established before the current measurement period.

#### **– Recognition of Prior Period Collective Deferred Inflows of Resources**

The amounts that must be recognized during the current year for those Collective Deferred Inflows of Resources established before the current measurement period.

The development of the OE is shown in Section V.

<sup>1</sup> Based on the guidance in GASB Implementation Guide 2017-3, paragraph 4.264.





## SECTION II – INTRODUCTION

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Generally speaking, each contributing entity must report an allocation (proportionate share) of the collective financial accounting amounts associated with a cost-sharing defined benefit OPEB plan. However, the State of Connecticut (State) makes all contributions to the Plan on behalf of the employees of the participating districts. Therefore, our understanding is that the participating districts (employers) are considered to be in a special funding situation as defined by GASB 75, and the State is treated as a governmental non-employer contributing entity in the System. Since employers do not contribute directly to the Plan, we believe that the participating districts would not be required to report proportionate shares of the Plan's NOL or Collective Deferred Outflows or Inflows of Resources in their financial statements. However, each employer must disclose its share of the NOL (i.e. the non-employer contributing entities' total proportionate share of the NOL that is associated with the employer) in the notes to its financial statements and would also be required to provide information about the Plan in its note disclosures and schedules of Required Supplementary Information (RSI). Additionally, each district must recognize expense and record revenue equal to the district's share of the OE for the Plan (i.e. the non-employer contributing entities' total proportionate share of the Collective OPEB Expense / (Income) associated with the district). The State—as the sole (non-employer) contributing entity—would report the entire NOL, Collective Deferred Outflows and Inflows of Resources, and OE for the Plan.

Section VI provides the actuarial information for the Plan that must be disclosed for financial reporting purposes. Section VII provides the RSI for the reporting entity's financial statements.

Section VIII of this report shows the total amount of employer contributions from the State as support provided to the districts for the year ending June 30, 2024. Section VIII also shows the proportionate share percentages that have been determined based on these contributions.

Based on these percentages, we have determined the proportionate share amounts of the NOL associated with each participating employer and the employer OE and revenue for State support for each participating employer for the year ending June 30, 2024. These amounts are also provided in Section VIII.





## SECTION III – SCHEDULE OF CHANGES IN THE COLLECTIVE NET OPEB LIABILITY / (ASSET)

The tables below provide the changes in the Collective Total OPEB Liability (TOL), the Fiduciary Net Position (FNP), and the Collective Net OPEB Liability / (Asset) (NOL) during the current measurement period that must be disclosed under GASB accounting rules, as well as the most recent five years of the 10-year schedule of changes in the TOL, FNP, NOL, and related ratios that must be included in Required Supplementary Information (RSI).

### Reconciliation of Changes in the Plan's Collective Total OPEB Liability (TOL)

(\$ in Thousands)					
Fiscal Years Ending on June 30	2024	2023	2022	2021	2020
<b>Collective Total OPEB Liability (TOL)</b>					
Service Cost	\$ 59,801	\$ 60,201	\$ 72,027	\$ 121,535	\$ 93,324
Interest on the TOL	67,106	63,729	38,342	64,951	97,264
Changes of benefit terms	0	0	299,536	0	0
Difference between expected and actual experience	1,754,214	(166)	(60,031)	(1,218,425)	(586,004)
Changes of assumptions or other inputs	(145,568)	(33,364)	(236,042)	12,750	626,595
Net benefit payments	(51,065)	(52,458)	(74,795)	(131,543)	(67,383)
<b>Net change in TOL</b>	<b>\$ 1,684,488</b>	<b>\$ 37,942</b>	<b>\$ 39,037</b>	<b>\$ (1,150,732)</b>	<b>\$ 163,796</b>
<b>TOL—beginning of period</b>	<b>\$ 1,809,083</b>	<b>\$ 1,771,141</b>	<b>\$ 1,732,104</b>	<b>\$ 2,882,836</b>	<b>\$ 2,719,040</b>
<b>TOL—end of period</b>	<b>\$ 3,493,571</b>	<b>\$ 1,809,083</b>	<b>\$ 1,771,141</b>	<b>\$ 1,732,104</b>	<b>\$ 2,882,836</b>





## SECTION III – SCHEDULE OF CHANGES IN THE COLLECTIVE NET OPEB LIABILITY / (ASSET)

### Reconciliation of Changes in the Plan's Fiduciary Net Position (FNP) and Collective Net OPEB Liability / (Asset) (NOL)

(\$ in Thousands)						
Fiscal Years Ending on June 30		2024	2023	2022	2021	2020
<b>TOL—end of period</b>	(a)	\$ 3,493,571	\$ 1,809,083	\$ 1,771,141	\$ 1,732,104	\$ 2,882,836
<b>Fiduciary Net Position (FNP)</b>						
Contributions – State of Connecticut		\$ 21,765	\$ 21,474	\$ 20,419	\$ 29,411	\$ 29,173
Contributions – active member		59,113	57,687	50,630	54,058	53,221
Contributions – non-employer		0	14,420	0	0	0
Net investment income		12,911	7,569	49,587	82,256	849
Net benefit payments		(51,065)	(52,458)	(74,795)	(131,543)	(67,383)
Administrative expenses		(132)	(142)	(283)	(117)	(372)
Other		28	(373)	16,083	(91)	0
<b>Net change in FNP</b>		\$ 42,620	\$ 48,177	\$ 61,641	\$ 33,974	\$ 15,488
<b>FNP—beginning of period</b>		\$ 215,733	\$ 167,556	\$ 105,915	\$ 71,941	\$ 56,453
<b>FNP—end of period</b>	(b)	\$ 258,353	\$ 215,733	\$ 167,556	\$ 105,915	\$ 71,941
<b>FNP as a percentage of the TOL</b>	[(b) / (a)]	7.40%	11.92%	9.46%	6.11%	2.50%
<b>Collective Net OPEB Liability/(Asset) (NOL)</b>						
<b>NOL—end of period</b>	[(a) - (b)]	\$ 3,235,218	\$ 1,593,350	\$ 1,603,585	\$ 1,626,189	\$ 2,810,895
<b>Covered Payroll<sup>1</sup></b>		\$ 5,054,181	\$ 4,695,730	\$ 4,695,730	\$ 4,438,394	\$ 4,438,394
<b>NOL as a percentage of Covered Payroll</b>		64.01%	33.93%	34.15%	36.64%	63.33%

<sup>1</sup> Covered Payroll provided by the System for active employees who would be eligible for benefits at retirement. Beginning in 2021, for years following the Valuation Date (when no new valuation is performed), covered payroll has been set equal to the covered payroll from the most recent valuation.





## SECTION IV – DEFERRED OUTFLOWS / INFLOWS OF RESOURCES

The following tables provide the balances of Collective Deferred Outflows and Inflows of Resources that are reported for current and prior period differences between expected and actual experience, changes of assumptions or other inputs, and differences between actual and projected earnings on plan investments. This presentation is designed to facilitate the development of Collective OPEB Expense / (Income) (OE) and should not be used for financial reporting purposes without appropriate adjustments. Please note that the contributing entities may be required to report Collective Deferred Outflows / Inflows of Resources for contributions made subsequent to the Measurement Date and prior to the end of the reporting period; however, CavMac will not provide or incorporate these amounts in the tables included in this section of the report.

The table below provides a summary of the unrecognized balances of Collective Deferred Outflows of Resources and Inflows of Resources by source as of June 30, 2024:

(\$ in Thousands)	Collective Deferred Outflows of Resources	Collective Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,540,685	\$ 744,140
Changes of assumptions or other inputs	238,054	304,310
Differences between projected and actual earnings on plan investments	0	40,619
Total unrecognized balance as of Measurement Date	\$ 1,778,739	\$ 1,089,069





## SECTION IV – DEFERRED OUTFLOWS / INFLOWS OF RESOURCES

### Balances of Collective Deferred Outflows / Inflows of Resources by Source and Year

(\$ Thousands)	(a)	(b)	(c)	(d)	Balances as of June 30, 2024	
Measurement Period Ending	Initial Experience (Gain) / Loss Amount	Initial Recognition Period (Years)	Amounts Recognized in June 30, 2024 Collective OPEB Expense	Amounts Recognized in Collective OPEB Expense through June 30, 2024	Collective Deferred Outflows of Resources [(a) – (d), > 0]	Collective Deferred Inflows of Resources Absolute value, [(a) – (d), < 0]
<b>Collective Deferred Outflows / (Inflows) of Resources for Differences Between Expected and Actual Experience:</b>						
2017	\$ 0	7.99	\$ 0	\$ 0	\$ 0	\$ 0
2018	\$ 217,853	7.89	27,611	\$ 193,277	24,576	0
2019	\$ 66,502	7.98	8,334	\$ 50,004	16,498	0
2020	\$ (586,004)	7.13	(82,188)	\$ (410,940)	0	175,064
2021	\$ (1,218,425)	7.13	(170,887)	\$ (683,548)	0	534,877
2022	\$ (60,031)	6.94	(8,650)	\$ (25,950)	0	34,081
2023	\$ (166)	6.94	(24)	\$ (48)	0	118
2024	\$ 1,754,214	6.89	254,603	\$ 254,603	1,499,611	0
			\$ 28,799		\$ 1,540,685	\$ 744,140
<b>Collective Deferred Outflows / (Inflows) of Resources for Changes in Assumptions or Other Inputs:</b>						
2017	\$ (370,549)	7.99	\$ (45,910)	\$ (370,549)	\$ 0	\$ 0
2018	\$ (196,049)	7.89	(24,848)	\$ (173,936)	0	22,113
2019	\$ 182,438	7.98	22,862	\$ 137,172	45,266	0
2020	\$ 626,595	7.13	87,881	\$ 439,405	187,190	0
2021	\$ 12,750	7.13	1,788	\$ 7,152	5,598	0
2022	\$ (236,042)	6.94	(34,012)	\$ (102,036)	0	134,006
2023	\$ (33,364)	6.94	(4,807)	\$ (9,614)	0	23,750
2024	\$ (145,568)	6.89	(21,127)	\$ (21,127)	0	124,441
			\$ (18,173)		\$ 238,054	\$ 304,310
<b>Collective Deferred Outflows / (Inflows) of Resources for Differences Between Projected and Actual Earnings on Plan Investments:</b>						
2020	\$ 1,063	5.00	211	\$ 1,063	0	0
2021	\$ (80,817)	5.00	(16,163)	\$ (64,652)	0	16,165
2022	\$ (46,231)	5.00	(9,246)	\$ (27,738)	0	18,493
2023	\$ (1,937)	5.00	(387)	\$ (774)	0	1,163
2024	\$ (5,997)	5.00	(1,199)	\$ (1,199)	0	4,798
			\$ (26,784)		\$ 0	\$ 40,619





## SECTION V – COLLECTIVE OPEB EXPENSE / (INCOME)

The development of the Collective OPEB Expense / (Income) for the financial reporting period ending on June 30, 2025 is shown in the following table:

Collective OPEB Expense / (Income) For the Fiscal Year Ending on June 30, 2025 (\$ in Thousands)		
Service cost	\$	59,801
Active member contributions		(59,113)
Administrative costs*		132
Changes of benefit terms during the current period		0
Interest on the TOL		67,106
Projected earnings on plan investments		(6,914)
Other		(28)
Recognition of current period		
Collective Deferred Outflows / (Inflows) of Resources:		
Difference between expected and actual experience		254,603
Changes of assumptions or other inputs		(21,127)
Difference between actual and projected earnings on plan investments		(1,199)
Recognition of prior period Collective Deferred Outflows of Resources		148,476
Recognition of prior period Collective Deferred Inflows of Resources		(396,911)
<b>Collective OPEB Expense / (Income)</b>	<b>\$</b>	<b>44,826</b>

\* Administrative costs are based on the administrative expenses paid from the Plan's trust during the fiscal year ending on June 30, 2024.





## SECTION VI – FINANCIAL STATEMENT NOTE DISCLOSURES

This section contains financial accounting information that may be used to satisfy the reporting requirements for employers and governmental nonemployer contributing entities (GNCEs) under Governmental Accounting Standards Board Statement No. 75 (GASB 75) for the year ending on June 30, 2025, based on a June 30, 2024 Valuation Date. The Plan is assumed to be cost-sharing, other than insured, defined benefit OPEB plan with a special funding situation where assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75. Additionally, we have assumed that the System will not restate results for any period prior to the adoption of GASB 75 based on the guidance in paragraph 244 of that Standard. Amounts are shown in aggregate. This report does not include any non-actuarial items that may need to be reported or disclosed.

### Summary of Key Actuarial Assumptions, Methods, and Other Inputs

The TOL was determined by an actuarial valuation as of June 30, 2024 using the key actuarial assumptions, methods, and other inputs listed below. Please note that the complete set of actuarial assumptions, methods, and other inputs that were used to develop the TOL are provided in Schedule B.

Inflation	2.50%
Real Wage Growth	0.50%
Wage Inflation	3.00%
Salary Increases, Including Wage Inflation	3.00% - 6.50%
Long-term Investment Rate of Return, Net of OPEB Plan Investment Expense, Including Inflation	3.00%
Municipal Bond Index Rate at Prior Measurement Date	3.65%
Municipal Bond Index Rate at Measurement Date	3.93%
Year FNP is Projected to be Depleted	2027
Single Equivalent Interest Rate, Net of OPEB Plan Investment Expense, Including Price Inflation, as of Prior Measurement Date	3.64%
Single Equivalent Interest Rate, Net of OPEB Plan Investment Expense, Including Price Inflation, as of Measurement Date	3.93%
Health Care Cost Trend Rates – Local Coverage Subsidy*	6.25% for 2024, decreasing to an ultimate rate of 4.50% by 2031
Health Care Cost Trend Rates – Retiree Healthcare Plans	Medicare rates known for 2025, 4.50% increase for all subsequent years

\* Subsidy amounts are assumed to follow medical trend until they reach their limit and to not increase after that.

Health care cost trend rates are set on an annual basis based on published annual health care inflation surveys in conjunction with knowledge of future anticipated events and actual plan experience (if credible). Long-term health care cost trend rates were updated to reflect expected future trend for participants in the health plans. Since there was such a large increase in Medicare rates for 2025 due to the Inflation Reduction





## SECTION VI – FINANCIAL STATEMENT NOTE DISCLOSURES

Act, it is uncertain how these rates will increase in the future. There is potential for them to flatten out or even slightly decrease as the experience around Medicare Part D prescription drug experience and Federal subsidies unfolds. Because of this, we have reduced our short term Medicare trend rate assumption to the ultimate rate of 4.50% for all future years beginning with 2025.

Mortality rates were based on the PubT-2010 Healthy Retiree Table (adjusted 105% for males and 103% for females at ages 82 and above), projected generationally with MP-2019 for the period after service retirement. The PubT-2010 Disabled Retiree Table projected generationally with MP-2019 was used for the period after disability retirement. The PubT-2010 Contingent Survivor Table projected generationally with MP-2019 and set forward 1 year for both males and females was used for survivors and beneficiaries. The PubT-2010 Employee Table projected generationally with MP-2019 was used for active members.

The demographic actuarial assumptions for retirement, disability incidence, and withdrawal used in the June 30, 2024 valuation were based on the results of an actuarial experience study for the period July 1, 2014 – June 30, 2019. The actuarial economic assumptions used in the June 30, 2024 valuation were based on the results of a study of economic assumptions for use in actuarial valuations report dated April 24, 2019.

The remaining actuarial assumptions (e.g., initial per capita costs, rates of plan participation, rates of plan election, etc.) used in the June 30, 2024 valuation are based on a review of recent plan experience that was performed concurrently with the June 30, 2024 valuation and/or based on anticipated or observed changes in participant behavior.

The long-term expected return on plan assets is reviewed as part of the GASB 75 valuation process. Several factors are considered in evaluating the long-term rate of return assumption, including the Plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) for each major asset class compiled by Horizon Actuarial Services, LLC in its *"Survey of Capital Market Assumptions, 2024 Edition"*. The long-term expected rate of return was determined by weighting the expected future real rates of return by the target asset allocation percentage and then incorporating expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

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

Asset Class	Target Allocation	Expected 20-Year Geometric Real Rate of Return	Standard Deviation
U.S. Treasuries (Cash Equivalents)	100.00%*	1.26%	1.10%
Price Inflation		2.50%	
Expected Rate of Return		$1.026 \times 1.025 - 1 = 3.79\%$	
Expected Rate of Return (Rounded Nearest 0.25%)		3.75%	

\*All of the Plan's assets are assumed to be invested in cash equivalents given the need for liquidity.

The long-term expected rate of return of 3.00% is reasonable relative to the target allocation and its expected return.





# SECTION VI – FINANCIAL STATEMENT NOTE DISCLOSURES

## DEVELOPMENT OF THE DISCOUNT RATE (SEIR)

The projection of cash flows used to determine the discount rate was performed in accordance with GASB 75. The basis for this projection was the actuarial valuation performed as of June 30, 2024. In addition to the actuarial methods and assumptions of the June 30, 2024 actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

- Total payroll for the initial projection year consists of the payroll of the active membership present on the Valuation Date. In subsequent projection years, total payroll was assumed to increase annually at a rate of 3.00%.
- Annual State contributions were assumed to be equal to the most recent five-year average of state contributions toward the fund.

Based on these assumptions, the Plan's FNP was projected to be depleted in 2027, and, as a result, the Municipal Bond Index Rate was used in the determination of the SEIR. In this analysis, the long-term expected rate of return on Plan investments equal to 3.00% was applied to periods through 2027, and the Municipal Bond Index Rate as of the Measurement Date (3.93%) was applied to periods on or after 2027, resulting in a SEIR equal to 3.93% as of the Measurement Date.

Please note that the FNP projections are based upon the Plan's financial status on the Valuation Date, the indicated set of methods and assumptions, and the requirements of GASB 75. As such, the FNP projections are not reflective of the cash flows and asset accumulations that would occur on an ongoing plan basis, reflecting the impact of future members. Therefore, the results of this test do not necessarily indicate whether or not the fund will actually run out of money, the financial condition of the Plan, or the Plan's ability to make benefit payments in future years.

## Sensitivity of the Collective Net OPEB Liability / (Asset) to Health Care Cost Trend Rates

The sensitivity of the NOL to changes in health care cost trend rates must be disclosed under GASB accounting rules. The table below provides the NOL of the Plan determined using current health care cost trend rates, as well as what the Plan's NOL would be if health care cost trend rates were 1-percentage-point lower or 1-percentage-point higher than current health care cost trend rates.

Sensitivity of the Net OPEB Liability to Health Care Cost Trend Rates (\$ in Thousands)			
	1% Lower Trend Rates	Current Trend Rates	1% Higher Trend Rates
Net OPEB Liability / (Asset)	\$2,655,482	\$3,235,218	\$4,023,422





## SECTION VI – FINANCIAL STATEMENT NOTE DISCLOSURES

### Sensitivity of the Collective Net OPEB Liability / (Asset) to Discount Rates

The sensitivity of the NOL to changes in the discount rate must also be disclosed under GASB accounting rules. The table below provides the NOL of the Plan determined using the current discount rate of 3.93%, as well as what the Plan's NOL would be if the discount rate was 1-percentage-point lower or 1-percentage-point higher than the current rate:

Sensitivity of the Net OPEB Liability to Discount Rates (\$ in Thousands)			
	1% Decrease (2.93%)	Current Discount Rate (3.93%)	1% Increase (4.93%)
Net OPEB Liability / (Asset)	\$3,940,259	\$3,235,218	\$2,684,501

### Schedule of the Recognition of Collective Deferred Outflows / (Inflows) of Resources in Collective OPEB Expense / (Income)

Amounts reported as Collective Deferred Outflows of Resources and Collective Deferred (Inflows) of Resources related to OPEB benefits will be recognized in Collective OPEB Expense / (Income) as follows:

Reporting Period Ending:	Net Amount Recognized (\$ in Thousands)	
June 30, 2026	\$	29,239
June 30, 2027	\$	42,312
June 30, 2028	\$	16,036
June 30, 2029	\$	165,361
June 30, 2030	\$	228,932
Thereafter	\$	207,790





## SECTION VII – REQUIRED SUPPLEMENTARY INFORMATION

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Under GASB 75, the reporting entity may need to incorporate one or more of the following items in the Required Supplementary Information (RSI) that must be included in its financial statements.

### Details Concerning Plan Amendments and Assumption Changes

Information about changes to benefit terms and changes to assumptions or other inputs should be provided in RSI. The information should be listed by the date for which the indicated change was first reflected in reported amounts.

#### CHANGES TO BENEFIT TERMS

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June 30, 2024 (Valuation Date: June 30, 2024)

- There were no changes to benefit terms since the prior Measurement Date.

June 30, 2023 (Valuation Date: June 30, 2022)

- There were no changes to benefit terms since the prior Measurement Date.

#### CHANGES TO ASSUMPTIONS OR OTHER INPUTS

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June 30, 2024 (Valuation Date: June 30, 2024)

- Based on the procedure described in GASB 75, the discount rate used to measure Plan obligations for financial accounting purposes as of June 30, 2024 was updated to equal the SEIR of 3.93% as of June 30, 2024;
- Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience;
- Assumed election rates for post-65 retirees between the Local School District Coverage Subsidy and CTRB Sponsored Medical Plans were updated to reflect the recent plan experience. Spouse coverage election assumptions were also updated with this change; and
- Long-term health care cost trend rates were updated to reflect expected future trend for participants in the health plans.

June 30, 2023 (Valuation Date: June 30, 2022)

- Based on the procedure described in GASB 75, the discount rate used to measure Plan obligations for financial accounting purposes as of June 30, 2024 was updated to equal the SEIR of 3.64% as of June 30, 2023.





## SECTION VII – REQUIRED SUPPLEMENTARY INFORMATION

### Methods and Assumptions Used in the Determination of Actuarially Determined Contributions

The actuarially determined contribution (ADC) rates, as a percentage of payroll, used to determine the actuarially determined State contribution amounts for the measurement period ending on June 30, 2024 that are shown in the following “Schedule of Governmental Nonemployer Contributing Entity Contributions” are calculated as of the June 30, 2022 Valuation Date. The following actuarial methods and assumptions as of June 30, 2022 were used to determine the actuarially determined State contribution amount reported in that schedule for the fiscal year ending on June 30, 2024:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll over an open period
Amortization period	30 years
Asset valuation method	Market value of assets
Long-term investment rate of return, net of OPEB plan investment expense, including price inflation	3.00%
Price inflation	2.50%
Real wage growth	0.50%
Wage inflation	3.00%
Salary increases, including wage inflation	3.00% to 6.50%
Health care cost trend rates*	Known increases until calendar year 2024, then general trend decreasing to an ultimate rate of 4.50% by 2031
Basis for Postretirement Mortality Rates	PubT-2010, Amount Weighted
Basis for Postretirement Mortality Improvement Rates	Scale MP-2019, Generational

\*Premium rates have been set for the Medicare Advantage and Medicare Supplement plans until calendar year 2024. The general health care trend rates are used for trending the subsidy amount for pre-Medicare participants until the limit is reached. The general health care rates prior to fiscal year 2024 are 6.75% for fiscal year beginning 2022 and 6.50% for fiscal year beginning 2023. Subsidy amounts are assumed to follow medical trend until they reach their limit and to not increase after that.





## SECTION VII – REQUIRED SUPPLEMENTARY INFORMATION

### REQUIRED SUPPLEMENTARY INFORMATION— SCHEDULE OF GOVERNMENTAL NONEMPLOYER CONTRIBUTING ENTITY CONTRIBUTIONS

(\$ in Thousands)											
Fiscal Year											
Ending on June 30	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	
Actuarially Determined State Contribution	\$ 76,673	\$ 74,443	\$ 123,908	\$ 120,299	\$ 173,273	\$ 167,819	\$ 172,223	\$ 166,802	\$ 130,331	\$ 125,620	
Contributions in relation to the Actuarially Determined Contribution	21,765	21,474	20,419	29,411	29,173	35,320	35,299	19,922	19,960	25,145	
Annual Contribution Deficiency (Excess)	\$ 54,908	\$ 52,969	\$ 103,489	\$ 90,888	\$ 144,100	\$ 132,499	\$ 136,924	\$ 146,880	\$ 110,371	\$ 100,475	
Covered Payroll <sup>1</sup>	\$ 5,054,181	\$ 4,695,730	\$ 4,695,730	\$ 4,438,394	\$ 4,438,394	\$ 4,389,654	\$ 4,075,939	\$ 4,279,755	\$ 4,125,066	\$ 4,078,367	
Actual Contributions as a Percentage of Covered Payroll	0.43%	0.46%	0.43%	0.66%	0.66%	0.80%	0.87%	0.47%	0.48%	0.62%	

<sup>1</sup> Covered Payroll provided by the System for active employees who would be eligible for benefits at retirement. Beginning in 2021, for years following the Valuation Date (when no new valuation is performed), covered payroll has been set equal to the covered payroll from the most recent valuation.





## SECTION VIII – SCHEDULE OF EMPLOYER ALLOCATIONS

### CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM Schedule of OPEB Allocation Amounts by Employer as of June 30, 2024

Employer Code	Employer	Expected Employer Contribution Effort at FYE 2024	Employer Allocation Percentage at FYE 2024	State's Proportionate Share of the NOL Associated With the Employer at FYE 2024	Employer OPEB Expense and Revenue
001	ANDOVER BD OF ED	\$ 9,482	0.043564%	\$ 1409,390	\$ 19,528
002	ANSONIA BD OF ED	85,667	0.393601%	12,733,850	176,436
003	ASHFORD BD OF ED	16,411	0.075402%	2,439,419	33,800
004	AVON BD OF ED	15,1620	0.696623%	22,537,273	312,268
005	BARKHAMSTED BD OF ED	7,836	0.036002%	1,164,743	16,138
007	BERLIN BD OF ED	118,340	0.543715%	17,590,366	243,726
008	BETHANY BD OF ED	16,225	0.074544%	2,411,661	33,415
009	BETHEL BD OF ED	127,652	0.586499%	18,974,521	262,904
010	HIGHVILLE CHARTER SCH	8,131	0.037360%	1,208,677	16,747
011	BLOOMFIELD BD OF ED	91,363	0.419771%	13,580,507	188,167
012	BOLTON BD OF ED	34,252	0.157374%	5,091,392	70,544
013	BOZRAH BD OF ED	8,563	0.039342%	1,272,799	17,635
014	BRANFORD BD OF ED	127,605	0.586284%	18,967,565	262,808
015	BRIDGEPORT BD OF ED	608,239	2.794576%	90,410,626	1,252,697
017	BRISTOL BD OF ED	299,393	1.375569%	44,502,656	616,613
018	BROOKFIELD BD OF ED	110,263	0.506607%	16,389,841	227,092
019	BROOKLYN BD OF ED	33,045	0.151824%	4,911,837	68,057
020	CHILDRENS CENTER COM PROG	1,745	0.008018%	259,400	3,594
021	CANAAN BD OF ED	4,391	0.020174%	652,673	9,043
022	CANTERBURY BD OF ED	19,594	0.090023%	2,912,440	40,354
023	CANTON BD OF ED	63,840	0.293313%	9,489,315	131,480
024	CHAPLIN BD OF ED	7,923	0.036402%	1,177,684	16,318
025	CHESHIRE BD OF ED	181,990	0.836157%	27,051,502	374,816
026	CHESTER BD OF ED	6,954	0.031949%	1,033,620	14,321
027	CLINTON BD OF ED	76,505	0.351503%	11,371,888	157,565
028	COLCHESTER BD OF ED	95,911	0.440664%	14,256,441	197,532
029	AMISTAD ACADEMY	18,271	0.083948%	2,715,901	37,631
030	COLEBROOK BD OF ED	4,214	0.019362%	626,403	8,679
031	COLUMBIA BD OF ED	22,584	0.103761%	3,356,895	46,512
032	CORNWALL BD OF ED	5,655	0.025982%	840,574	11,647
033	COVENTRY BD OF ED	66,557	0.305798%	9,893,232	137,077
034	CROMWELL BD OF ED	76,742	0.352593%	11,407,152	158,053
035	DANBURY BD OF ED	432,569	1.987454%	64,298,470	890,896
036	DARIEN BD OF ED	240,121	1.103243%	35,692,316	494,540
037	DEEP RIVER BD OF ED	6,990	0.032117%	1,039,055	14,397





## SECTION VIII – SCHEDULE OF EMPLOYER ALLOCATIONS

Employer Code	Employer	Expected Employer Contribution Effort at FYE 2024	Employer Allocation Percentage at FYE 2024	State's Proportionate Share of the NOL Associated With the Employer at FYE 2024	Employer OPEB Expense and Revenue
038	DERBY BD OF ED	\$ 58,109	0.266982%	\$ 8,637,450	\$ 119,677
040	EASTFORD BD OF ED	6,994	0.032132%	1,039,540	14,403
041	EAST GRANBY BD OF ED	45,107	0.207248%	6,704,925	92,901
042	EAST HADDAM BD OF ED	48,804	0.224230%	7,254,329	100,513
043	EAST HAMPTON BD OF ED	80,588	0.370266%	11,978,912	165,975
044	EAST HARTFORD BD OF ED	275,810	1.267219%	40,997,297	568,044
045	EAST HAVEN BD OF ED	115,157	0.529094%	17,117,344	237,172
046	EAST LYME BD OF ED	116,241	0.534074%	17,278,458	239,404
047	EASTON BD OF ED	41,741	0.191778%	6,204,436	85,966
048	EAST WINDSOR BD OF ED	58,299	0.267856%	8,665,726	120,069
049	ELLINGTON BD OF ED	105,991	0.486977%	15,754,768	218,292
050	ENFIELD BD OF ED	210,056	0.965108%	31,223,348	432,619
051	ESSEX BD OF ED	10,147	0.046619%	1,508,226	20,897
052	FAIRFIELD BD OF ED	462,220	2.123684%	68,705,807	951,963
053	FARMINGTON BD OF ED	173,204	0.795790%	25,745,541	356,721
054	FRANKLIN BD OF ED	7,191	0.033038%	1,068,851	14,810
055	GLASTONBURY BD OF ED	265,086	1.217945%	39,403,176	545,956
057	GRANBY BD OF ED	71,241	0.327320%	10,589,516	146,724
058	GREENWICH BD OF ED	514,315	2.363036%	76,449,366	1,059,255
059	GRISWOLD BD OF ED	64,047	0.294267%	9,520,179	131,908
060	GROTON BD OF ED	187,419	0.861101%	27,858,495	385,997
061	GUILFORD BD OF ED	141,974	0.652304%	21,103,456	292,402
063	HAMDEN BD OF ED	237,653	1.091906%	35,325,539	489,458
064	HAMPTON BD OF ED	3,650	0.016772%	542,611	7,518
065	HARTFORD BD OF ED	639,091	2.936324%	94,996,483	1,316,237
066	HARTLAND BD OF ED	6,787	0.031185%	1,008,903	13,979
068	HEBRON BD OF ED	29,478	0.135440%	4,381,779	60,712
069	KENT BD OF ED	9,747	0.044782%	1,448,795	20,074
070	KILLINGLY BD OF ED	82,320	0.378220%	12,236,242	169,541
072	LEBANON BD OF ED	44,092	0.202581%	6,553,937	90,809
073	LEDYARD BD OF ED	97,910	0.449852%	14,553,693	201,651
074	LISBON BD OF ED	15,361	0.070574%	2,283,223	31,636
075	LITCHFIELD BD OF ED	43,353	0.199189%	6,444,198	89,288
077	MADISON BD OF ED	121,866	0.559918%	18,114,568	250,989
078	MANCHESTER BD OF ED	268,220	1.232346%	39,869,080	552,411
079	MANSFIELD BD OF ED	51,646	0.237291%	7,676,881	106,368
080	MARLBOROUGH BD OF ED	21,135	0.097107%	3,141,623	43,529





## SECTION VIII – SCHEDULE OF EMPLOYER ALLOCATIONS

Employer Code	Employer	Expected Employer Contribution Effort at FYE 2024	Employer Allocation Percentage at FYE 2024	State's Proportionate Share of the NOL Associated With the Employer at FYE 2024	Employer OPEB Expense and Revenue
081	MERIDEN BD OF ED	\$ 286,698	1317245%	\$ 42,615,747	\$ 590,468
085	MIDDLETOWN BD OF ED	202,805	0.931794%	30,145,567	417,686
086	MILFORD BD OF ED	271,467	1.247263%	40,351,677	559,098
087	MONROE BD OF ED	153,484	0.705188%	22,814,369	316,108
088	MONTVILLE BD OF ED	89,867	0.412896%	13,358,086	185,085
090	NAUGATUCK BD OF ED	154,432	0.709541%	22,955,198	318,059
091	NEW BRITAIN BD OF ED	385,472	1.771065%	57,297,814	793,898
092	NEW CANAAN BD OF ED	221,534	1.017847%	32,929,569	456,260
093	NEW FAIRFIELD BD OF ED	98,971	0.454726%	14,711,377	203,835
094	NEWHARTFORD BD OF ED	18,679	0.085821%	2,776,496	38,470
095	NEW HAVEN BD OF ED	701,559	3.223330%	104,281,752	1,444,890
096	NEWINGTON BD OF ED	173,968	0.799301%	25,859,130	358,295
097	NEW LONDON BD OF ED	123,115	0.565658%	18,300,269	253,562
099	NEWMILFORD BD OF ED	148,453	0.682073%	22,066,548	305,746
100	NEWTOWN BD OF ED	181,666	0.834670%	27,003,394	374,149
101	NORFOLK BD OF ED	3,643	0.016739%	541,543	7,503
102	NORTH BRANFORD BD OF ED	68,386	0.314203%	10,165,152	140,845
103	NORTH CANAAN BD OF ED	10,327	0.047447%	1,535,014	21,269
104	NORTH HAVEN BD OF ED	135,771	0.623804%	20,181,419	279,626
105	NORTH STONINGTON BD OF ED	34,490	0.158465%	5,126,688	71,034
106	NORWALK BD OF ED	547,535	2.515668%	81,387,344	1,127,673
107	NORWICH BD OF ED	147,812	0.679127%	21,971,239	304,425
108	NORWICH FREE ACADEMY	80,214	0.368546%	11,923,267	165,204
110	OLD SAYBROOK BD OF ED	61,488	0.282509%	9,139,782	126,637
111	ORANGE BD OF ED	53,367	0.245198%	7,932,690	109,912
112	OXFORD BD OF ED	67,055	0.308086%	9,967,254	138,103
113	PLAINFIELD BD OF ED	69,956	0.321417%	10,398,541	144,078
114	PLAINVILLE BD OF ED	94,553	0.434425%	14,054,596	194,735
115	PLYMOUTH BD OF ED	52,704	0.242152%	7,834,145	108,547
116	POMFRET BD OF ED	13,919	0.063953%	2,069,019	28,668
117	PORTLAND BD OF ED	51,069	0.234637%	7,591,018	105,178
118	PRESTON BD OF ED	20,399	0.093724%	3,032,176	42,013
120	PUTNAM BD OF ED	42,905	0.197126%	6,377,456	88,364
121	REDDING BD OF ED	50,358	0.231373%	7,485,421	103,715
122	RSD #1	31,205	0.143371%	4,638,364	64,267
123	RSD #4	33,349	0.153223%	4,957,098	68,684
124	RSD #5	102,041	0.468830%	15,167,673	210,158





## SECTION VIII – SCHEDULE OF EMPLOYER ALLOCATIONS

Employer Code	Employer	Expected Employer Contribution Effort at FYE 2024	Employer Allocation Percentage at FYE 2024	State's Proportionate Share of the NOL Associated With the Employer at FYE 2024	Employer OPEB Expense and Revenue
125	RSD #6	\$ 42,393	0.194775%	\$ 6,301,396	\$ 87,310
126	RSD #7	41,598	0.191222%	6,183,213	85,672
127	RSD #8	59,704	0.274312%	8,874,591	122,963
128	RIDGEFIELD BD OF ED	227,879	1.046998%	33,872,668	469,327
129	ROCKY HILL BD OF ED	116,132	0.533570%	17,262,153	239,178
131	SALEM BD OF ED	14,958	0.068724%	2,223,371	30,806
132	SALISBURY BD OF ED	12,067	0.055442%	1,793,670	24,852
133	SCOTLAND BD OF ED	5,364	0.024646%	797,352	11,048
134	SEYMOUR BD OF ED	80,318	0.369024%	11,938,731	165,419
135	SHARON BD OF ED	8,248	0.037897%	1,226,051	16,988
136	SHELTON BD OF ED	177,414	0.815132%	26,371,297	365,391
137	SHERMAN BD OF ED	17,558	0.080672%	2,609,915	36,162
138	SIMSBURY BD OF ED	187,084	0.859566%	27,808,834	385,309
139	SOMERS BD OF ED	60,709	0.278929%	9,023,961	125,033
141	SOUTHINGTON BD OF ED	236,586	1.087002%	35,166,884	487,260
142	SOUTH WINDSOR BD OF ED	211,053	0.969692%	31,371,650	434,674
143	SPRAGUE BD OF ED	7,743	0.035576%	1,150,961	15,947
144	STAFFORD BD OF ED	57,296	0.263247%	8,516,614	118,003
145	STAMFORD BD OF ED	742,697	3.412356%	110,397,154	1,529,627
146	STATE BD OF ED	135,102	0.620732%	20,082,033	278,249
149	DCYS RECG HOME	11,345	0.052126%	1,686,390	23,366
150	STERLING BD OF ED	12,660	0.058166%	1,881,797	26,073
151	STONINGTON BD OF ED	83,615	0.384173%	12,428,834	172,209
152	STRATFORD BD OF ED	281,066	1.291365%	41,778,473	578,867
153	SUFFIELD BD OF ED	87,732	0.403089%	13,040,808	180,689
154	THOMASTON BD OF ED	34,899	0.160346%	5,187,543	71,877
155	THOMPSON BD OF ED	37,448	0.172056%	5,566,387	77,126
156	TOLLAND BD OF ED	86,601	0.397891%	12,872,641	178,359
157	TORRINGTON BD OF ED	160,522	0.737521%	23,860,412	330,601
158	TRUMBULL BD OF ED	281,490	1.293315%	41,841,560	579,741
159	UNION BD OF ED	2,547	0.011704%	378,650	5,246
160	VERNON BD OF ED	134,340	0.617230%	19,968,736	276,680
161	VOLUNTOWN BD OF ED	10,589	0.048652%	1,573,998	21,809
162	WALLINGFORD BD OF ED	269,458	1.238034%	40,053,099	554,961
165	WATERBURY BD OF ED	596,629	2.741232%	88,684,831	1,228,785
166	WATERFORD BD OF ED	114,309	0.525195%	16,991,203	235,424
167	WATERTOWN BD OF ED	106,638	0.489951%	15,850,983	219,625





## SECTION VIII – SCHEDULE OF EMPLOYER ALLOCATIONS

Employer Code	Employer	Expected Employer Contribution Effort at FYE 2024	Employer Allocation Percentage at FYE 2024	State's Proportionate Share of the NOL Associated With the Employer at FYE 2024	Employer OPEB Expense and Revenue
168	WESTBROOK BD OF ED	\$ 36,215	0.166390%	\$ 5,383,079	\$ 74,586
169	WEST HARTFORD BD OF ED	420,026	1.929825%	62,434,046	865,063
170	WEST HAVEN BD OF ED	213,867	0.982617%	31,789,802	440,468
171	WESTON BD OF ED	120,642	0.554295%	17,932,652	248,468
172	WESTPORT BD OF ED	298,111	1.369679%	44,312,102	613,972
173	WETHERSFIELD BD OF ED	148,965	0.684427%	22,142,706	306,801
174	WILLINGTON BD OF ED	19,478	0.089494%	2,895,326	40,117
175	WILTON BD OF ED	202,184	0.928941%	30,053,266	416,407
176	WINCHESTER BD OF ED	26,226	0.120498%	3,898,373	54,014
177	WINDHAM BD OF ED	126,206	0.579859%	18,759,703	259,928
178	WINDSOR BD OF ED	159,554	0.733075%	23,716,574	328,608
179	WINDSOR LOCKS BD OF ED	79,921	0.367202%	11,879,785	164,602
180	WINSTED GILBERT SCHOOL	19,649	0.090279%	2,920,722	40,468
181	WOLCOTT BD OF ED	89,714	0.412196%	13,335,439	184,771
182	WOODBIDGE BD OF ED	36,246	0.166532%	5,387,673	74,650
184	WOODSTOCK BD OF ED	25,896	0.118981%	3,849,295	53,334
185	WOODSTOCK ACADEMY	35,708	0.164064%	5,307,828	73,543
186	UNIVERSITY OF CONN	6,143	0.028224%	913,108	12,652
194	RSD #9	48,379	0.222278%	7,191,178	99,638
197	CCISOMERS	-	0.000000%	-	-
198	DCF HIGH MEADOWS	-	0.000000%	-	-
201	RSD #10	88,933	0.408603%	13,219,198	183,160
206	SUPERVISORY DISTRICT #4	19,213	0.088274%	2,855,856	39,570
208	NORTHWESTERN CTC	928	0.004262%	137,885	1910
209	MANCHESTER CTC	890	0.004091%	132,353	1834
210	NORWALK CTC	3,183	0.014626%	473,183	6,556
211	WESTERN CSU	1,361	0.006254%	202,331	2,803
212	CENTRAL CSU	8,794	0.040406%	1,307,222	18,112
213	EASTERN CSU	4,182	0.019214%	621,615	8,613
214	SOUTHERN CSU	8,239	0.037855%	1,224,692	16,969
215	RSD #11	10,555	0.048494%	1,568,887	21,738
216	CAPITAL CTC	558	0.002563%	82,919	1,149
217	HOUSATONIC CTC	2,732	0.012553%	406,117	5,627
218	NAUGATUCK VALLEY CTC	3,424	0.015729%	508,867	7,051
219	MIDDLESEX CTC	3,275	0.015049%	486,868	6,746
220	DEPT OF HIGHER ED	-	0.000000%	-	-
221	EDADVANCE	35,294	0.162158%	5,246,165	72,689





## SECTION VIII – SCHEDULE OF EMPLOYER ALLOCATIONS

Employer Code	Employer	Expected Employer Contribution Effort at FYE 2024	Employer Allocation Percentage at FYE 2024	State's Proportionate Share of the NOL Associated With the Employer at FYE 2024	Employer OPEB Expense and Revenue
222	RSD #12	\$ 47,961	0.220361%	\$ 7,129,159	\$ 98,779
223	GATEWAY CTC	5,185	0.023822%	770,694	10,678
225	RSD #13	77,091	0.354196%	11,459,013	158,772
226	RSD #14	75,103	0.345063%	11,163,540	154,678
228	CCICESHIRE	870	0.003995%	129,247	1,791
229	SHARED SERVICES	9,059	0.041623%	1,346,595	18,658
230	CREC	445,283	2.045866%	66,188,225	917,080
231	RSD #15	158,830	0.729751%	23,609,036	327,118
233	RSD #16	80,422	0.369503%	11,954,228	165,633
234	THREE RIVERS CC	1,534	0.007048%	228,018	3,159
235	TUNXIS CTC	4,101	0.018840%	609,515	8,445
236	QUINEBAUG CTC	1,290	0.005926%	191,719	2,656
238	ODYSSEY CHARTER SCH	12,274	0.056392%	1,824,404	25,278
240	CES	69,070	0.317345%	10,266,803	142,253
241	ACES	134,720	0.618975%	20,025,191	277,462
242	PROJECT LEARN	110,476	0.507587%	16,421,546	227,531
243	RSD #17	78,545	0.360879%	11,675,222	161,768
244	ASNUNTUCK CTC	463	0.002128%	68,845	954
245	DCF CENTRAL	-	0.000000%	-	-
247	RSD #18	65,109	0.299145%	9,677,993	134,095
253	DCF MENTAL HEALTH	-	0.000000%	-	-
254	EASTCONN	36,413	0.167301%	5,412,552	74,994
258	DCF RIVERVIEW	-	0.000000%	-	-
263	SERVICES FOR THE BLIND	-	0.000000%	-	-
265	RSD #19	50,050	0.229955%	7,439,546	103,080
269	DDS REGION #2	-	0.000000%	-	-
270	ACADEMIC AWARDS/CHARTER OAK ST	-	0.000000%	-	-
271	UConn HEALTH CENTER	6,767	0.031090%	1,005,829	13,936
272	CCISUFFIELD	-	0.000000%	-	-
273	CCINIAN TIC	-	0.000000%	-	-
275	CHILDRENS CENTER	4,166	0.019140%	619,221	8,580
277	BRIDGE ACADEMY CHARTER SCH	10,103	0.046419%	1,501,756	20,808
278	COMMON GROUND CHARTER SCH	7,182	0.032999%	1,067,590	14,792
280	EXPLORATIONS CHARTER SCH	4,113	0.018895%	611,294	8,470
281	INTEGRATED DAY SCHOOL	10,816	0.049695%	1,607,742	22,276
282	ISAAC CHARTER SCH	11,401	0.052382%	1,694,672	23,481
283	JUMOKE ACADEMY CHARTER SCH	12,135	0.055756%	1,803,828	24,993





## SECTION VIII – SCHEDULE OF EMPLOYER ALLOCATIONS

Employer Code	Employer	Expected Employer Contribution Effort at FYE 2024	Employer Allocation Percentage at FYE 2024	State's Proportionate Share of the NOL Associated With the Employer at FYE 2024	Employer OPEB Expense and Revenue
284	SIDE BY SIDE CHARTER SCH	\$ 8,332	0.038283%	\$ 1,238,539	\$ 17,161
290	TP WORK AREA 1	-	0.000000%	-	-
291	TP WORK AREA 2	-	0.000000%	-	-
295	MSA PAYROLL	-	0.000000%	-	-
302	NEW BEGINNINGS	11,598	0.053287%	1,723,951	23,886
303	ELM CITY COLLEGE PREP	9,528	0.043778%	1,416,314	19,624
304	STAMFORD ACADEMY	-	0.000000%	-	-
305	PARK CITY PREP	8,515	0.039122%	1,265,682	17,537
307	AF BRIDGEPORT ACADEMY	8,964	0.041187%	1,332,489	18,462
308	SERC	2,077	0.009543%	308,737	4,278
309	AF HARTFORD ACADEMY	15,184	0.069761%	2,256,920	31,271
311	BRASS CITY	6,714	0.030846%	997,935	13,827
313	GREAT OAKS CHARTER SCHOOL	12,418	0.057056%	1,845,886	25,576
314	BTW ACADEMY	8,481	0.038965%	1,260,603	17,466
315	CAPITAL PREP HARBOR SCH	11,278	0.051815%	1,676,328	23,227
317	STAMFORD CH SCH EX	7,631	0.035062%	1,134,332	15,717
318	CT TECH	161,857	0.743657%	24,058,925	333,352
319	RSD #20	-	0.000000%	-	-
320	GOODWIN MAGNET SCHOOL SYSTEM	-	0.000000%	-	-
<b>Totals</b>		\$ 21,765,000	100.000000%	\$ 3,235,218,000	\$ 44,826,000





## SCHEDULE A – ADDITIONAL SUPPORTING INFORMATION

### Development of the Projected Earnings on Plan Investments as of June 30, 2024

The development of the projected earnings on plan investments component of Collective OPEB Expense / (Income) as of the June 30, 2024 Measurement Date is shown in the following table:

Projected Earnings on Plan Investments For the Measurement Period Ending on June 30, 2024 (\$ in Thousands)		
(a)	Expected rate of return on assets at June 30, 2023	3.00%
(b)	Beginning of year market value of assets	\$ 215,733
(c)	Expected return on assets at the beginning of the year [(b) x (a)]	\$ 6,472
(d)	External cash flow (mid-year payments assumed):	
	Contributions - State of Connecticut	\$ 21,765
	Contributions - member	59,113
	Contributions - non-employer	0
	Refunds of contributions	0
	Net benefit payments	(51,065)
	Administrative expenses	(132)
	Other	28
	Total net external cash flow	\$ 29,709
(e)	Expected return on external cash flow [(d) x ((1 + (a)) <sup>1/2</sup> - 1)]	\$ 442
(f)	<b>Projected earnings on plan investments [(c) + (e)]</b>	<b>\$ 6,914</b>

### Development of the Collective Deferred Outflow / (Inflow) of Resources for the Difference Between Projected and Actual Earnings on Plan Investments at June 30, 2024

The determination of the Collective Deferred Outflow / (Inflow) of Resources for the difference between projected and actual earnings on plan investments at June 30, 2024 is shown in the following table:

Difference Between Projected and Actual Earnings on Plan Investments at June 30, 2024 (\$ in Thousands)		
(a)	Projected earnings on plan investments at June 30, 2024	\$ 6,914
(b)	Net investment income <sup>1</sup>	\$ 12,911
(c)	<b>Difference between projected and actual earnings on plan investments [(a) - (b)]</b>	<b>\$ (5,997)</b>

<sup>1</sup> See "Reconciliation of Changes in the Plan's Fiduciary Net Position (FNP) and Collective Net OPEB Liability / (Asset) (NOL)" on page 8.





# SCHEDULE A – ADDITIONAL SUPPORTING INFORMATION

## Development of the Average Expected Remaining Service Lives

The determination of the average expected remaining service lives for the entire Plan membership is provided in the following table:

Membership Category	(1) Number	(2) Average Remaining Service Lives (in Years)
(a) Active Members	53,373	12.28
(b) Inactive Members	<u>41,776</u>	<u>0.00</u>
(c) <b>Total Membership</b> [ $((1a) \times (2a)) + ((1b) \times (2b))$ ] / (1c)	<b>95,149</b>	<b>6.89</b>





## SCHEDULE B – ACTUARIAL ASSUMPTIONS & METHODS

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### ECONOMIC ASSUMPTIONS

#### Discount Rate

3.93% per year for all periods after June 30, 2024.

#### Municipal Bond Index Rate Basis

The 20-Bond average General Obligation 20-year Municipal Bond Rate published at the end of the last week during the month of June by The Bond Buyer ([www.bondbuyer.com](http://www.bondbuyer.com)) was used as the 20-year tax-exempt municipal bond (rating AA/Aa or higher) rate required under GASB rules.

#### Expected Long-term Rate of Return on Assets

3.00% per year, net of investment expenses, for all periods after June 30, 2024.

#### Expected Long-term Rate of Inflation

2.50% per year for all periods after June 30, 2024.

#### Expected Long-term Real Wage Growth

0.50% per year for all periods after June 30, 2024.

#### Expected Long-term Wage Inflation

3.00% per year for all periods after June 30, 2024. This rate does not reflect any expected future increase in the number of active members.

#### Expected Administrative Expenses Included in Service Cost

None.





## SCHEDULE B – ACTUARIAL ASSUMPTIONS & METHODS

### Long-term Health Care Cost Trend Rates

Annual per capita health care claims costs are expected to increase in future years as a result of medical inflation, utilization, leverage in the plan design, and improvements in technology adjusted for any implicit and/or explicit cost containment features. Initial health care cost trend rates were selected based on an analysis of national average health trend surveys specific to similarly structured plans for Medicare-eligible participants. Long-term health care cost trend rates were updated to reflect expected future trend for participants in the health plans. Since there was such a large increase in Medicare rates for 2025 due to the Inflation Reduction Act, it is uncertain how these rates will increase in the future. There is potential for them to flatten out or even slightly decrease as the experience around Medicare Part D prescription drug experience and Federal subsidies unfolds. Because of this, we have reduced our short term Medicare trend rate assumption to the ultimate rate of 4.50% for all future years beginning with 2025.

The annual assumed rates of increases in retiree expected health care claims costs and contributions during each period subsequent to the measurement date are shown in the table below.

Fiscal Year Beginning July 1,	Annual Per Capita Claims Cost Increase – Local Coverage Subsidy*	Annual Per Capita Claims Cost Increase – Retiree Health Plans
2024	6.25%	**
2025	6.00%	4.50%
2026	5.75%	4.50%
2027	5.50%	4.50%
2028	5.25%	4.50%
2029	5.00%	4.50%
2030	4.75%	4.50%
2031 and beyond	4.50%	4.50%

\* Subsidy amounts are assumed to follow medical trend until they reach their limit and to not increase after that.

\*\*Medicare rates are known for calendar year 2025.





# SCHEDULE B – ACTUARIAL ASSUMPTIONS & METHODS

## DEMOGRAPHIC ASSUMPTIONS

The demographic actuarial assumptions for retirement, disability incidence, and withdrawal were developed based on the results of an actuarial experience study for the five-year period from July 1, 2014 to June 30, 2019, adopted by the Board, and prescribed for use in the Plan’s June 30, 2024 actuarial valuation.

### Expected Annual Subsidies for Local School District Coverage

#### FUTURE RETIREES AND DEPENDENTS

The lesser of \$2,640 per year (\$220 per month) and the Maximum Annual Subsidy for all future retired members and dependents who are expected to be covered under local school district OPEB plans in future periods.

#### CURRENT RETIREES AND DEPENDENTS

The lesser of the annualized actual monthly subsidy amounts provided by the System for retired members and dependents who are covered under local school district OPEB plans as of June 30, 2024 and the applicable Maximum Annual Subsidy. Reported subsidies are expected to increase each year based on the assumed long-term health care cost trend rates for Medicare Advantage and Medicare Supplement Plans until the Maximum Annual Subsidy is reached.

The following table provides Maximum Annual Subsidy amounts for Medicare-ineligible and Medicare-eligible members and dependents who are receiving health care coverage under a local school district OPEB plan:

Medicare Status	Maximum Annual Subsidy
<b>Ineligible</b>	\$2,640 per year (\$220 per month)
<b>Eligible</b>	<p>\$5,280 per year (\$440 per month) for those without “premium free” Medicare Part A who contribute at least \$440 per month for coverage under a local school district plan;</p> <p>\$2,640 per year (\$220 per month), otherwise.</p>

As of July 1, 2022, the Maximum Annual Subsidies provided in the table above increased for the first time since July of 1996. Our understanding is that these types of benefit improvements would not be considered “substantially automatic” (as that term is defined in GASB 74 and 75) based on the Plan’s history of such changes. As a result, the Maximum Annual Subsidy Amounts shown above are not expected to increase in any future period.





# SCHEDULE B – ACTUARIAL ASSUMPTIONS & METHODS

## Expected Annual Per Capita Health Care Claims Costs

### MEDICAL AND PRESCRIPTION DRUGS

Assumed annual per capita health care claims costs were developed for the Medicare Supplement Plan and the Medicare Advantage Plan based on the medical and prescription drug premium rates for each plan and period provided by the System. Our understanding is that these premium rates include all relevant medical, prescription drug, and/or third-party administrative costs, and represent the amounts paid by the System as “the full contribution amount” for each coverage provided.

The expected annual age 65 per capita health care claims costs for the Medicare Supplement Plan and Medicare Advantage Plan for the year following the Valuation Date are shown below:

Expected Annual Age 65 Per Capita Claims Cost for	
Medicare Supplement Plans	\$3,985
Medicare Advantage Plans	\$2,456

### Federal Legislation

The impacts of the Affordable Care Act (ACA) and the Inflation Reduction Act (IRA) were addressed in this valuation. Review of the information currently available did not identify any specific provisions of the legislation that are anticipated to directly impact results at this time other than plan design features and fees currently mandated by the ACA and incorporated in the plan designs, which are included in the current baseline claims costs, and the anticipation of current and potential changes to Medicare due to the IRA, which are included in our baseline claims and trend assumption. Continued monitoring of the impact on the Plan’s liability due to this and other legislation, if applicable, will be required.

### COVID-19 Pandemic

The impact of the COVID-19 pandemic was considered in this valuation; however, no changes were incorporated at this time due to the level of uncertainty regarding the impact on both plan costs and contribution levels going forward. Given the uncertainty regarding COVID-19 (e.g., the impact of routine care being deferred, direct COVID-19 treatment and prevention costs, changes in contribution and budget projections), continued monitoring of the impact on the Plan’s liability will be required.





## SCHEDULE B – ACTUARIAL ASSUMPTIONS & METHODS

### Age Related Morbidity

Expected annual age 65 per capita health care claims costs are adjusted to reflect anticipated age-related cost changes. The assumed annual percentage increases in expected annual per capita health care costs/net incurred claims that were used to adjust Medicare Supplement and Medicare Advantage Plan amounts from one age to the next are provided in the following table for both retirees and their dependents:

Payment Age	Annual Increase
Under 30	0.0%
30 – 34	1.0%
35 – 39	1.5%
40 – 44	2.0%
45 – 49	2.6%
50 – 54	3.3%
55 – 59	3.6%
60 – 64	4.2%
65 – 69	3.0%
70 – 74	2.5%
75 – 79	2.0%
80 – 84	1.0%
85 – 89	0.5%
Over 90	0.0%

### Mortality and Mortality Improvement Rates

#### PRE-RETIREMENT MORTALITY

The PubT-2010 Employee Table projected generationally with MP-2019 is used for both males and females while in active service. Representative values of the assumed annual rates of mortality while in active service are as follows:

Age	Annual Rates of Death*	
	Male	Female
30	0.022%	0.014%
35	0.030%	0.020%
40	0.042%	0.031%
45	0.067%	0.048%
50	0.111%	0.073%
55	0.172%	0.107%
60	0.264%	0.161%
65	0.435%	0.270%

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





## SCHEDULE B – ACTUARIAL ASSUMPTIONS & METHODS

### Post-Retirement Mortality

The PubT-2010 Healthy Retiree Table (adjusted 105% for males and 103% for females at ages 82 and above) projected generationally with MP-2019 is used for the period after service retirement. The PubT-2010 Disabled Retiree Table projected generationally with MP-2019 is used for the period after disability retirement. The PubT-2010 Contingent Survivor Table projected generationally with MP-2019 and set forward 1 year for both males and females is used for survivors and beneficiaries. Representative values of the assumed annual rates of mortality are as follows:

Age	Annual Rates of Death*					
	Healthy		Disability		Survivor	
	Male	Female	Male	Female	Male	Female
50	0.111%	0.073%	1.605%	1.483%	0.724%	0.342%
55	0.223%	0.193%	2.114%	1.742%	0.854%	0.476%
60	0.357%	0.287%	2.503%	1.956%	1.067%	0.667%
65	0.592%	0.446%	3.044%	2.256%	1.497%	0.973%
70	1.070%	0.770%	3.901%	2.862%	2.335%	1.478%
75	2.031%	1.461%	5.192%	4.003%	3.706%	2.371%
80	3.960%	2.868%	7.348%	6.007%	5.897%	3.985%
85	7.598%	5.548%	10.815%	9.331%	9.658%	7.122%
90	13.923%	10.392%	16.253%	13.665%	15.947%	12.596%

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

### Withdrawal Rates

The following table contains service based annual rates of withdrawal (separation from service for causes other than death, disability, or retirement) for males and females:

Annual Rates of Withdrawal					
10 or more years of service					
Years of Service	Male	Female	Age	Male	Female
0	15.00%	12.00%	25	1.80%	6.00%
1	11.00%	11.00%	30	1.80%	6.00%
2	8.50%	9.50%	35	1.80%	4.25%
3	7.00%	8.00%	40	1.80%	2.50%
4	5.50%	7.50%	45	1.80%	2.00%
5	4.50%	7.00%	50	2.25%	2.40%
6	4.00%	6.50%	55	4.00%	3.90%
7	3.50%	6.00%	59	5.50%	4.00%
8	3.50%	5.50%			
9	3.50%	5.00%			





## SCHEDULE B – ACTUARIAL ASSUMPTIONS & METHODS

### Retirement Rates

The following table contains age and service based annual rates of retirement at sample ages:

Annual Rates of Retirement				
Unreduced				
Age	Less than 35 years of Service		35 or more years of Service	
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
50			35.0%	30.0%
55			35.0%	30.0%
60	20.0%	20.0%	30.0%	30.0%
65	27.5%	32.5%	35.0%	37.5%
70	27.5%	30.0%	30.0%	32.5%
75	100.0%	100.0%	100.0%	100.0%
Annual Rates of Retirement				
Age	Proratable		Reduced	
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
50			1.50%	1.25%
52			1.50%	1.25%
54			2.00%	2.25%
56			4.00%	3.75%
58			6.50%	5.50%
60	6.0%	5.0%		
65	15.0%	12.0%		
70	28.5%	15.0%		
75	28.5%	15.0%		
80	100.0%	100.0%		





## SCHEDULE B – ACTUARIAL ASSUMPTIONS & METHODS

### Disability Rates

The table below provides age based annual rates of disability for males and females at sample ages:

Annual Rates of Disability		
Age	Male	Female
20	0.020%	0.020%
25	0.020%	0.020%
30	0.020%	0.020%
35	0.020%	0.030%
40	0.030%	0.060%
45	0.080%	0.090%
50	0.150%	0.150%
55	0.150%	0.170%
60	0.150%	0.150%

### Rates of Annual Salary Increases

Years of Service	Total Increase (Next Year)
0	6.50%
1	6.25%
2 – 9	6.00%
10 – 11	5.50%
12	5.25%
13	5.00%
14	4.75%
15	4.50%
16	4.00%
17	3.75%
18	3.50%
19	3.25%
20 and Over	3.00%





## SCHEDULE B – ACTUARIAL ASSUMPTIONS & METHODS

### Decrement Timing and Adjustment

Decrements—retirement, withdrawal, death, and disability—are assumed to occur at the beginning of the year. Decrement rates (or “probabilities”) are assumed to be uniformly distributed throughout the year and reflect multiple decrement effects.

### Subsidized Local School District Coverage and System-Sponsored Health Care Plan Participation Rates

#### FUTURE RETIREES AND DEPENDENTS

The table below provides the percentage of future retired members and dependents who are expected to be covered under local school district OPEB plans or the System-sponsored health care plan options in future periods.

Membership Class	Subsidized Local School District Coverage	System-Sponsored Health Care Plans
Pre-65 Members	60.0%	N/A
Post-64 Members	10.0%	70.0%
Pre-65 Spouses/Survivors*	45.0%	N/A
Post-64 Spouses/Survivors*	45.0%	45.0%

\* Percentage of participating members electing spouse coverage.

#### CURRENT RETIREES AND DEPENDENTS—ENROLLED

All current retirees and dependents who are eligible for Medicare as of the valuation date are assumed to continue current coverage. For retirees and surviving spouses who are not eligible for Medicare and are covered under local school district OPEB plans as of the valuation date, the following table shows the assumed migration from subsidized local school district coverage to a System-sponsored health care plan option at age 65:

Membership Class	Assumed Percentage Electing Subsidized Local School District Coverage On or After Age 65	Assumed Percentage Electing System-Sponsored Health Care Plans On or After Age 65
Pre-65 Members	25.0%	75.0%
Pre-65 Spouses/Survivors*	12.5%	87.5%

\* Percentage of participating members electing spouse coverage.





# SCHEDULE B – ACTUARIAL ASSUMPTIONS & METHODS

**CURRENT RETIREES AND DEPENDENTS—NOT ENROLLED**

50% of retired members who are not eligible for Medicare, are currently receiving a retirement or disability benefit, but are not participating in the Plan, are expected to be covered under a System-sponsored health care plan option at age 65. Of these participants, 50% are assumed to cover a spouse.

**SYSTEM-SPONSORED HEALTH CARE PLAN ELECTION**

Current retirees already enrolled in a System-sponsored health care plan are assumed to continue with their elected plan for life. Future retirees and current retirees newly electing to enroll in System-sponsored health care plans are assumed to elect between the System-sponsored health care plan options as follows:

Health Care Coverage Option	Percent of New System-Sponsored Health Care Plan Enrollees Electing the Plan
Medicare Supplement Plan	15.0%
Medicare Advantage Plan	85.0%

Participants are not assumed to change plan options once System-sponsored health care is elected.

**Assumed Eligibility for “Premium Free” Medicare Part A Benefits**

**FUTURE RETIREES AND DEPENDENTS**

100% of future Medicare-eligible retirees and dependents are expected to be eligible for “premium free” Medicare Part A benefits.

**CURRENT RETIREES AND DEPENDENTS**

0% of retired members and dependents who are currently receiving a subsidy equal to \$5,280 per year (\$440 per month) as of June 30, 2024 are expected to be eligible for “premium free” Medicare Part A benefits. Otherwise, 100% of retired members and dependents are expected to be eligible for these benefits when they reach age 65 or, if they are older, their attained age on the valuation date.





# SCHEDULE B – ACTUARIAL ASSUMPTIONS & METHODS

## Assumed Commencement Age for Eligible Deferred Vested Members

Eligible deferred vested members and their dependents are expected to begin receiving health care benefits when members reach age 60 or, if they are older, the member's attained age on the valuation date.

The following table contains the age based assumed percentages of deferred vested members who will become ineligible for future health care benefits because they are expected to withdraw their contributions from the System:

Attained Ages on the Later of the Valuation Date or Date of Decrement					
Under Age 55	Age 56	Age 57	Age 58	Age 59	Over Age 59
30.00%	24.00%	18.00%	12.00%	6.00%	0.00%

## Marital and Spouse Assumptions

### FUTURE RETIREES

100% of future retired members are assumed to be married to a spouse of the opposite gender. Husbands are assumed to be three years older than their wives.

### CURRENT RETIREES

Actual spouse age and gender are used where available. If relevant spouse information is not available, husbands are assumed to be three years older than their wives.

## Valuation Date

June 30, 2024

## Measurement Date

June 30, 2024

## Measurement Period

July 1, 2023 to June 30, 2024

## Benefits Not Valued

Dental benefits for retirees and their dependents are paid by the retiree on a full cost basis and without an implicit subsidy. As a result, no dental benefit liabilities are included in the Plan's GASB 75 results as of June 30, 2024.





## SCHEDULE B – ACTUARIAL ASSUMPTIONS & METHODS

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### Changes Since the Prior Valuation

The June 30, 2024 measurements used in the development of June 30, 2024 financial accounting results for the Plan reflect the following changes in assumptions and methods:

- Based on the procedure described in GASB 75, the discount rate used to measure Plan obligations for financial accounting purposes as of June 30, 2024 was updated to equal the SEIR of 3.93% as of June 30, 2024;
- Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience;
- Assumed election rates for post-65 retirees between the Local School District Coverage Subsidy and CTRB Sponsored Medical Plans were updated to reflect the recent plan experience. Spouse coverage election assumptions were also updated with this change; and
- Long-term health care cost trend rates were updated to reflect expected future trend for participants in the health plans.

The aggregate effect of the changes described above was an increase in the Plan's Total OPEB Liability and Service Cost measured as of June 30, 2024.





## SCHEDULE C – ACTUARIAL COST & ASSET VALUATION METHODS

### Actuarial Cost Method

The valuation is prepared on the projected benefit basis, under which the present value, at the interest rate assumed to be earned in the future (currently 3.93%), of each member's expected benefits at retirement is determined, based upon age, service, and gender. The calculations take into account the probability of a member's death or termination of employment prior to receiving benefits under the Plan. The present value of the expected benefits payable on account of active members is added to the present value of the expected future payments to retired members and beneficiaries to obtain the present value of all expected benefits payable by the Plan.

The actuarial cost method is a procedure for allocating the actuarial present value of postemployment benefits and expenses to time periods. The method used for the valuation is known as the Entry Age Normal (Level Percentage of Pay) actuarial cost method, and has the following characteristics:

- (i) The annual normal costs for each individual active participant are sufficient to accumulate the value of the participant's postemployment benefits at time of retirement.
- (ii) Each annual normal cost is a constant percentage of the participant's year-by-year projected covered compensation.

The Entry Age Normal (Level Percentage of Pay) actuarial cost method allocates the actuarial present value of each participant's projected benefits on a level basis over the participant's assumed compensation rates between the entry age of the participant and the assumed ages at which the participant will leave active service.

The portion of the actuarial present value allocated to the valuation year is called the service cost (SC). The portion of the actuarial present value of expected benefits not provided for by the actuarial present value of future service costs is called the Total OPEB Liability (TOL). The difference between the TOL and the Fiduciary Net Position (FNP) is the Net OPEB Liability / (Asset) (NOL).

The actuarial cost method is prescribed by GASB 74 and 75 for financial accounting purposes.

### Asset Valuation Method

The Actuarial Asset Value for financial accounting purposes is equal to the market value of plan assets.

The asset valuation method is prescribed by GASB 74 and 75 for financial accounting purposes.

### Changes in Actuarial Cost and Asset Valuation Methods Since the Previous Valuation

There were no changes in actuarial cost or amortization methods since the valuation on June 30, 2022.





## SCHEDULE D – SUMMARY OF MAIN PLAN PROVISIONS

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This summary of main plan provisions is intended to describe only the principal features of the Retiree Health Insurance Plan (RHIP, or the Plan), a cost-sharing, other than insured, defined benefit OPEB plan with a special funding situation sponsored by the Connecticut State Teachers' Retirement System (the System), as interpreted for valuation purposes. All actual eligibility requirements and benefit amounts will be determined in accordance with the Plan document and any System practices, processes, and procedures.

### Key Plan Terms

#### COVERED EMPLOYEES

Any teacher, principal, superintendent or supervisor engaged in service of public schools, plus professional employees at State schools of higher education if they choose to be covered.

#### CREDITED SERVICE

One month for each month of service as a teacher in Connecticut public schools, maximum 10 months for each school year. Ten months of credited service constitutes one year of Credited Service. Certain other types of teaching service, State employment, or wartime military service may be purchased prior to retirement, if the Member pays one-half the cost.

#### NORMAL RETIREMENT

Eligibility—Age 60 with 20 years of Credited Service in Connecticut, or 35 years of Credited Service including at least 25 years of service in Connecticut.

#### EARLY RETIREMENT

Eligibility—25 years of Credited Service including 20 years of Connecticut service, or age 55 with 20 years of Credited Service including 15 years of Connecticut service.

#### PRORATABLE RETIREMENT

Eligibility—Age 60 with 10 years of Credited Service.

#### DISABILITY RETIREMENT

Eligibility—5 years of Credited Service in Connecticut if not incurred in the performance of duty and no service requirement if incurred in the performance of duty.

#### TERMINATION OF EMPLOYMENT

Eligibility—10 or more years of Credited Service.

### Teachers' Required Contribution

1.25% of annual salaries in excess of \$500,000 is contributed for health insurance of retired teachers.

### State Contribution

The State pays for one third of the costs through an annual appropriation in the General Fund. Administrative costs of the Plan are financed by the State. Based upon Chapter 167a, Subsection D of Section 10-183t of the Connecticut statutes, it is assumed the State will pay for any long-term shortfall arising from insufficient active member contributions.





## SCHEDULE D – SUMMARY OF MAIN PLAN PROVISIONS

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### Retiree Health Care Coverage

Any member who is currently receiving a retirement or disability benefit is eligible to participate in the Plan. There are two types of the health care benefits offered through the system. Subsidized Local School District Coverage provides a subsidy paid to members still receiving coverage through their former employer, and the CTRB Sponsored Medical Plans provide coverage for those participating in Medicare but not receiving Subsidized Local School District Coverage.

Any member who is not currently participating in Medicare Parts A & B is eligible to continue health care coverage with their former employer. A subsidy of up to \$220 per month for a retired member plus an additional \$220 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree's share of the cost of coverage, with any remaining portion used to offset the district's cost. As of July 1, 2022, the subsidy amount was increased for the first time since July of 1996. A subsidy amount of \$440 per month may be paid for a retired member, spouse or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost, and contributes at least \$440 per month towards coverage under a local school district plan.

Any member that is currently participating in Medicare Parts A & B is eligible to either continue health care coverage with their former employer, if offered, or enroll in the plan sponsored by the System. If they elect to remain in the plan with their former employer, the same subsidies as above will be paid to offset the cost of coverage.

If a member participating in Medicare Parts A & B so elects, they may enroll in the CTRB Sponsored Medicare Advantage or Medicare Supplement Plan. Retirees, CTRB, and the State pay equally toward the cost of the basic coverage (medical and prescription drug benefits) under the Medicare Advantage plan. Retired members who choose to enroll in the Medicare Supplement Plan are responsible for the full difference in the premium cost between the two plans. Additionally, effective July 1, 2018, retired members who cancel their health care coverage(s) or elect not to enroll in a CTRB sponsored health care coverage option must wait two years to re-enroll.

### Survivor Health Care Coverage

Survivors of former employees or retirees remain eligible to participate in the Plan and continue to be eligible to receive either the \$220 monthly subsidy or participate in the CTRB Sponsored Medicare Supplement or Medicare Advantage Plan options, as long as they do not remarry.

### System Determined Monthly Retiree Contributions

Eligible retirees who elect to enroll in a health care coverage option under the Plan contribute a monthly amount based on the coverages that they selected during the enrollment process. Effective January 1, 2015, new enrollees will only be able to elect the "all coverages" package (Medical with Prescription Drugs, Dental, Vision and Hearing). Existing retired members and dependents were grandfathered into the health care option elections that they had made prior to January 1, 2015. Additionally, as of January 1, 2022, Vision and Hearing coverage is included in all Medical plans.





## SCHEDULE D – SUMMARY OF MAIN PLAN PROVISIONS

### Monthly Retiree Contribution Rates by Coverage Type

The following tables provide the monthly health care contributions for retiree and dependent coverage options during the periods beginning on January 1, 2020 and ending on January 1, 2025.

Monthly Retiree Rates for the CTRB Sponsored Medicare Supplemental Plan Options						
Coverage	Jan. 1 2020	Jan. 1 2021	Jan. 1 2022	Jan. 1 2023	Jan. 1 2024	Jan. 1 2025
Medical* with Prescriptions	\$179	\$167	\$269	\$276	\$278	\$269
Medical* with Prescriptions and Dental	\$231	\$220	\$319	\$326	\$332	\$323
Medical with Prescriptions, Dental, Vision & Hearing	\$239	\$228	N/A	N/A	N/A	N/A

Monthly Retiree Rates for the CTRB Sponsored Medicare Advantage Plan Options						
Coverage	Jan. 1 2020	Jan. 1 2021	Jan. 1 2022	Jan. 1 2023	Jan. 1 2024	Jan. 1 2025
Medical* with Prescriptions	\$67	\$64	\$30	\$33	\$36	\$94
Medical* with Prescriptions and Dental	\$119	\$117	\$80	\$83	\$90	\$148
Medical with Prescriptions, Dental, Vision & Hearing	\$127	\$125	N/A	N/A	N/A	N/A

\*As of January 1, 2022, Vision and Hearing coverage is included in both Medical plans for all participants.





## SCHEDULE D – SUMMARY OF MAIN PLAN PROVISIONS

### Monthly Full Premium Rates by Coverage Type

Additionally, the following tables provide the full health care premiums for retiree and dependent coverage options during the periods beginning on January 1, 2020 and ending on January 1, 2025.

Monthly Full Premiums for the CTRB Sponsored Medicare Supplemental Plan Options						
Coverage	Jan. 1 2020	Jan. 1 2021	Jan. 1 2022	Jan. 1 2023	Jan. 1 2024	Jan. 1 2025
Medical* with Prescriptions	\$313	\$295	\$326	\$342	\$351	\$457
Medical* with Prescriptions and Dental	\$365	\$348	\$376	\$392	\$404	\$511
Medical with Prescriptions, Dental, Vision & Hearing	\$373	\$356	N/A	N/A	N/A	N/A

Monthly Full Premiums for the CTRB Sponsored Medicare Advantage Plan Options						
Coverage	Jan. 1 2020	Jan. 1 2021	Jan. 1 2022	Jan. 1 2023	Jan. 1 2024	Jan. 1 2025
Medical* with Prescriptions	\$201	\$192	\$89	\$99	\$109	\$282
Medical* with Prescriptions and Dental	\$253	\$245	\$139	\$149	\$163	\$335
Medical with Prescriptions, Dental, Vision & Hearing	\$261	\$253	N/A	N/A	N/A	N/A

\*As of January 1, 2022, Vision and Hearing coverage is included in both Medical plans for all participants.

