

College Insurance Program of the State of Illinois

GASB Statements No.74 and 75

Accounting and Financial Reporting for
Postemployment Benefits Other than Pensions

Actuarial Valuation Report as of
June 30, 2023





September 27, 2024

Illinois Department of Central Management Services
401 South Spring Street
Springfield, Illinois 62706

Subject: GASB Statements No. 74 and 75 Actuarial Valuation as of June 30, 2023, for Illinois CIP

Submitted in this report are the results of the actuarial valuation as of June 30, 2023, of the liabilities associated with the employer financed retiree health benefits provided through the State of Illinois College Insurance Program (CIP), a benefit plan designed to provide postemployment healthcare benefits to certain members receiving pension benefits under the State Universities Retirement System of Illinois (SURS).

This report was prepared at the request of the Illinois Department of Central Management Services (CMS) and is intended for use by CMS and those designated or approved by CMS. This report may be provided to other parties only in its entirety and only with the permission of CMS.

The actuarial valuation as of June 30, 2023, was prepared for purposes of complying with the requirements of Statements No. 74 and 75 of the Governmental Accounting Standards Board (GASB). The calculations reported herein have been made on a basis consistent with our understanding of these accounting standards. Determinations of the liability associated with the benefits described in this report for purposes other than satisfying the financial reporting requirements of CIP and participating employers may produce significantly different results. The actuarial valuation was based upon:

- Census information used in the SURS pension valuation as of June 30, 2023, as provided by the System's actuary and SURS;
- CIP healthcare and census data as of June 30, 2023, as provided by the Department of Central Management Services (CMS);
- Average expected per member costs by plan type for the plan year end June 30, 2024, reviewed by the State's healthcare actuary and provided by CMS;
- The Aetna MAPD plan which became effective on January 1, 2023, and per member per month premium rates of \$0 for calendar years 2023 and 2024 and \$37.51 for calendar year 2025;
- Substantive plan information provided by SURS and CMS;
- Economic assumptions approved by the State, including a discount rate of 3.86 percent as of June 30, 2023, and 3.97 percent as of June 30, 2024, which comply with the requirements of GASB Statements No. 74 and 75;
- An ultimate trend rate assumption of 4.25 percent;
- Other healthcare-related assumptions, including participation and lapse, recommended by GRS and approved by the State; and
- Demographic assumptions consistent with the SURS actuarial valuation as of June 30, 2023, which reflect updates based on an experience study for the period from June 30, 2017, through June 30, 2020.

We checked for internal and year-to-year consistency, but did not audit the data. We are not responsible for the accuracy or completeness of the information provided by SURS or CMS. Authorization of the assumptions and methods applicable to this actuarial valuation was granted by the State, and they are disclosed in the assumptions and methods section of this report.

The Net OPEB Liability and Annual OPEB Expense were developed in accordance with the requirements of GASB Statements No. 74 and 75, and are applicable only for financial reporting purposes. The Net OPEB Liability, annual OPEB Expense, Annual Required Contribution, and expected benefits disclosed in this report should not be used to assess the level of plan assets or contributions needed to settle the plan's benefit obligations, the annual actuarially determined contributions needed to fund future benefit obligations, or the pay as you go contributions for current and future years.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by OPEB, economic or demographic assumptions; changes in OPEB, economic or demographic assumptions; underwriting experience and changes in the healthcare markets; and changes in plan provisions or applicable law. Due to the limited scope of the actuary's assignment, the actuary did not perform an analysis of the potential range of such future measurements.

This report was prepared using our proprietary valuation model and related software which, in our professional judgment, has the capability to provide results that are consistent with the purposes of the valuation. We performed tests to ensure that the model reasonably represents that which is intended to be modeled. We are relying on the GRS actuaries and Internal Software, Training, and Processes Team who developed and maintain the model.

The signing actuaries are independent of the plan sponsor.

To the best of our knowledge, the information contained in this report is accurate and fairly presents the actuarial position of CIP as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, with the Actuarial Standards of Practice issued by the Actuarial Standards Board and with applicable statutes.

Alex Rivera and Abra D. Hill are Members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

Respectfully submitted,
Gabriel, Roeder, Smith & Company



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SECTION A

EXECUTIVE SUMMARY

Executive Summary

Introduction

The Governmental Accounting Standards Board (GASB) has issued accounting standards, Statements No. 74 and 75, relating to Other Postemployment Benefits (OPEB). For participating members of the College Insurance Program of Illinois (CIP), OPEB primarily includes medical, prescription drug, dental, and vision benefits provided to retired community college employees and their spouses who are receiving pension benefits under the State Universities Retirement System of Illinois (SURS). Any other OPEB offered to retired SURS community college employees are outside the scope of this report. For example, other OPEB offered by the community college such as life insurance or explicit healthcare subsidies to help defray the costs of the retiree's share of the CIP premium, are not reflected in this actuarial valuation.

The purpose of this report is to provide (a) results of the actuarial calculations necessary for financial reporting pursuant to GASB Statements No. 74 and 75 and (b) various other actuarial, statistical, and benefit information useful to management for the operation of CIP.

We understand CIP is a cost-sharing multiple employer plan and as of June 30, 2023, 39 employers are participating in the plan.

Funded and Unfunded Plans

Currently, benefits offered through CIP are financed through a combination of retiree premiums and percentage-of-payroll contributions from active employees, community colleges, the State, and subsidies from the Federal Government. Contributions are made to the Community College Health Insurance Security Fund. For fiscal year 2024, active members contribute 0.75 percent of pay, community colleges contribute 0.75 percent of pay, and the State contributes 0.75 percent of pay. Retired members contribute through premium payments based on the coverage elected, Medicare eligibility, and the age of the member and dependents. The Federal Government provides a Medicare Part D subsidy.

The current objective is to fund the Trust in order to maintain benefits through individual annual periods with appropriate margins for incurred but not paid liabilities. That is, there is no arrangement into which the participating employers would make contributions to advance-fund the obligation. However, a Trust does exist into which participating employers are making contributions that have historically marginally exceeded the annual expected net claim payments. However, this trust has a negative asset balance of \$(107.1) million as of June 30, 2023, and \$(103.6) million as of June 30, 2024. Historically, available assets have been invested in cash and other short-term investments according to the current investment policy, and benefit obligations are effectively funded on a pay-as-you-go basis.

Consequently, according to GASB Statements No. 74 and 75, the discount rate used to calculate the present values and costs of the OPEB, for programs funded on a pay-as-you-go basis, should be consistent with an index of high quality 20-year general obligation bonds as of the measurement date. For this purpose, the plan sponsor has selected an interest discount rate of 3.86 percent as of June 30, 2023, and 3.97 percent as of June 30, 2024.

There is no current requirement by State or Federal statute or regulation to pre-fund the OPEB obligations with real cash in a Trust. GASB Statements No. 74 and 75 only require the measurement and recognition of the Net OPEB Liability, Annual OPEB Expense, and disclosure in the financial statements, as applicable.



Executive Summary

Results of the Study

The actuarial valuation as of June 30, 2023, for purposes of financial reporting under GASB Statements No. 74 and 75 requires:

- If benefits are funded on a pay-as-you-go basis, a discount rate based on the expected return for an index of high-quality 20-year general obligation bonds. For this purpose the sponsor selected a discount rate of 3.86 percent as of June 30, 2023, and 3.97 percent as of June 30, 2024.
- The Entry Age Normal cost method.

The following table shows a reconciliation of the Actuarial Accrued Liability since the last actuarial valuation:

Reconciliation of the Change in Actuarial Accrued Liability

Projected Actuarial Accrued Liability at June 30, 2023, at 3.86%	\$ 599,226,410
(Gain)/Loss due to:	
Demographic Experience	(6,656,958)
Claims and Premium Experience	(55,693,600)
Change in Pension Assumptions	-
Change in OPEB Assumptions	12,234,066
Change in Discount Rate Assumption from 3.86% to 3.97%	<u>(6,222,265)</u>
Total	\$ (56,338,757)
 Actuarial Accrued Liability at June 30, 2023, at 3.97%	 \$ 542,887,653

The actuarial Accrued Liability as of June 30, 2023, using a discount rate of 3.97 percent, is projected to June 30, 2024, for GASB Statements No. 74 and 75 financial reporting.

Liabilities increased more than expected due to:

- Change in OPEB-related assumptions including refreshing assumed trend rates and additional costs due to the Inflation Reduction Act.

Liabilities decreased due to:

- Favorable claims and premium experience for fiscal year end June 30, 2023, compared with assumed trend rates from the previous actuarial valuation;
- Favorable demographic experience;
- Reduction in participation rates; and
- Increase in the discount rate from 3.86 percent to 3.97 percent.



Executive Summary

In fiscal year 2024, employer costs, as reported in the fiscal year 2024 financial statements of the State and CIP, and information provided by CMS, were allocated as follows:

Stakeholder/ Revenue Source	2024 Cost Sharing (\$ in millions)	Percent of Total Revenue	Statutory Requirement FY 2024	Statutory Requirement FY 2025 ^a
State	\$ 7.95	24.4%	0.75% of pay	0.85% of pay
Community Colleges	7.95	24.4%	0.75% of pay	0.85% of pay
Federal Part-D Subsidy	0.04	0.1%	Percent of Rx Claims Paid	Percent of Rx Claims Paid
Active Members	7.95	24.4%	0.75% of pay	0.85% of pay
Retirees	8.68	26.7%	Percent of premium	Percent of premium
COBRA	-	0.0%		
Total	\$ 32.57	100.0%		
Benefits and Expenses Paid	\$ 29.36			
Benefits and Expenses Covered by Revenue	111%			

^a Public Act 103-0008 modified the employee, employer, and State contributions to CIP. Beginning July 1, 2023 (FY24), the contribution rate for full-time employees increases to 0.75% of salary, the contribution rate for employers increases to 0.75% of salary for full-time employees, and the State contribution rate increases to match the full-time employee contributions to CIP (0.75%). Beginning July 1, 2024, the CMS will determine the contribution rates, but such contribution rates cannot increase by more than 0.1% from the previous year. Beginning July 1, 2026, the contribution rates will be a percentage of salary determined by CMS but cannot exceed 105% of the percentage in the previous year.

Executive Summary

Actuarial Assumptions

In any long-term actuarial valuation (such as for Pensions and OPEBs), certain demographic, economic, and behavioral assumptions are made concerning the population, the investment discount rates, and the benefits provided. These actuarial assumptions form the basis for the actuarial model which is used to project the future population, the future benefits provided, and the future contributions collected. The discount rate assumption is used to discount projected net OPEB benefits to a present value. This and other related present values are used to calculate the Annual OPEB Expense and the Net OPEB Liability that will be disclosed in the Plan's and Plan Sponsor's financial statements.

This actuarial valuation of CIP is similar to the actuarial valuation performed for the SURS pension plan. The demographic assumptions (rates of retirement, termination, and disability) used in this OPEB valuation were identical to those used in the SURS actuarial valuation as of June 30, 2023. SURS conducted an experience study for the period from June 30, 2017, through June 30, 2020, and updated actuarial assumptions which were adopted by SURS for the actuarial valuation as of June 30, 2021.

Certain assumptions are unique to healthcare benefits. These assumptions include the healthcare trend, per capita claim costs, and the likelihood that a member selects healthcare coverage. Section E of this Report titled, "Summary of Actuarial Assumptions and Methods" contains a detailed discussion and disclosure of all the relevant actuarial assumptions and methods used in this valuation.

Effective for calendar year 2023, the Aetna MAPD is the only MAPD plan available to plan members.

For the prior actuarial valuation as of June 30, 2022, the Aetna MAPD per member per month premium rates were \$0 for calendar years 2023 through 2027, and were assumed to increase to \$42 in calendar year 2028, and increase ratably to \$102 in calendar year 2033.

The Inflation Reduction Act caused significant increases in costs and Aetna has increased premium rates for calendar year 2025 from \$0 to \$37.51 per member per month, before administrative expenses.

For the actuarial valuation as of June 30, 2023, the Aetna premium rates are assumed to increase by 15% per year in calendar years 2026 through 2030, and roughly 6.5% per year in calendar years 2031 to 2033. Under the updated assumptions, MAPD per member month costs for calendar year 2033 have increased by approximately 16% when compared to the last valuation.

The following OPEB-related assumption changes were made since the last actuarial valuation as of June 30, 2022:

- Per capita claim costs for plan year end June 30, 2024, were updated based on projected claims and enrollment experience through June 30, 2024, and updated premium rates through plan year end 2025;
- The healthcare trend assumption was updated based on claim and enrollment experience through June 30, 2023, projected plan cost for plan year end June 30, 2024, premium changes through plan year end 2024, and expectation of future trend increases after June 30, 2024;
- Participation rates were reduced; and
- The discount rate was changed from 3.86 percent at June 30, 2023, to 3.97 percent at June 30, 2024.



Executive Summary

Actuarial Cost Methods

The actuarial valuation results are based on the Entry Age Normal cost method as required by GASB Statements No. 74 and 75.

The remainder of the report is an integral component of the actuarial valuation and includes:

- Key actuarial valuation results;
- An overview of the GASB Statements No. 74 and 75 requirements;
- Additional actuarial valuation exhibits and financial disclosure required under GASB Statements No. 74 and 75; and
- Summary of assumptions and methods and plan provisions.

SECTION B

ACTUARIAL VALUATION RESULTS

Actuarial Valuation Results

The following section shows actuarial valuation results as of June 30, 2023, projected to June 30, 2024, using two alternative discount rates of 3.86 percent and 3.97 percent.

Plan benefits are funded based on a pay-as-you-go policy. The current funding policy includes revenues from five sources: current retirees, current active employees, community colleges, the State, and the Medicare Part D subsidy from the Federal Government. Current retirees contribute a portion of the premium to participate in the program. All liability and expense numbers throughout the report are net of the retiree's share of premiums.

The unfunded actuarial accrued liability represents the portion of the total actuarial present value of all future employer-provided benefits which is attributable to prior years, minus any actuarial valuation assets. It represents a measure of the unfunded accrued liability allocable to past service. The cost and liabilities shown in the following pages are employer costs and liabilities, net of any co-pays, deductibles, retiree coinsurance, or retiree contributions using the Entry Age Normal cost method.



**College Insurance Program
Retiree Healthcare Program
Exhibit 1**

Discount Rate	3.86%	3.97%
Ultimate Trend Non-Medicare	4.25%	4.25%
Ultimate Trend Medicare	4.25%	4.25%

Summary of Actuarial Valuation Results as of	June 30, 2023	June 30, 2023
A) Actuarial Accrued Liability (AAL) ¹		
i) Active employees	\$ 285,174,060	\$ 282,004,950
ii) Current retirees and their covered dependents	171,151,001	170,710,136
iii) Waived retirees and their covered dependents ²	20,451,215	19,123,130
iv) Deferred vesteds - currently CIP eligible ²	42,018,566	41,241,776
v) Deferred vesteds - not currently CIP eligible ^{2,3}	30,315,076	29,807,661
vi) Total	<u>\$ 549,109,918</u>	<u>\$ 542,887,653</u>
B) Market Value of Assets	\$ (107,107,000)	\$ (107,107,000)
C) Unfunded Actuarial Accrued Liability (UAAL)	\$ 656,216,918	\$ 649,994,653
D) Funded Ratio: [B / A]	-19.5%	-19.7%
E) UAAL as a percentage of covered payroll	60.4%	59.8%
F) i) Gross Normal Cost	\$ 21,165,490	\$ 20,732,412
ii) Expected Active Employee Contributions ⁴	<u>7,512,595</u>	<u>7,512,595</u>
iii) Net Annual Normal Cost	\$ 13,652,895	\$ 13,219,817
G) Expected First Year Benefit Payments ⁵	\$ 23,959,514	\$ 23,959,514
H) Interest Costs	\$ 21,554,590	\$ 21,904,749
I) Projected Actuarial Accrued Liability at Fiscal Year End	\$ 567,870,484	\$ 561,565,300
J) Covered Payroll	\$ 1,086,596,190	\$ 1,086,596,190
K) Participant Information		
i) Number of Covered Participants		
a) Active employees - CIP eligible	13,007	13,007
b) Active employees - Not currently CIP eligible	5,768	5,768
c) Current retirees and survivors	6,552	6,552
d) Waived retirees	1,762	1,762
e) Dependents	1,010	1,010
f) Deferred vesteds - CIP eligible ²	2,083	2,083
g) Deferred vesteds – Not currently CIP eligible ^{2,3}	<u>2,779</u>	<u>2,779</u>
h) Total	<u>32,961</u>	<u>32,961</u>

¹ Actuarial accrued liability as of June 30, 2023, based on census, assumptions, and methods as of June 30, 2023.

² Valuation assumes a percentage of waived retirees and deferred vested members under the age of 70 as of June 30, 2023, and waived beneficiaries over the age of 26 and under the age of 70 as of June 30, 2023, will elect CIP retiree healthcare coverage in the future.

³ Members under age 70 with deferred vested pension benefits, but not vested for CIP retiree healthcare benefits.

⁴ Expected contributions based on 0.75% of pay from all active members currently participating in CIP and 25% of 0.75% of pay for all active members not currently participating in CIP but who are assumed to participate in the future.

⁵ Expected claims net of retiree contributions.



SECTION C

GASB STATEMENTS NO. 74 AND 75 INFORMATION

Auditor's Note: This information is intended to assist in preparation of the financial statements of the College Insurance Program of Illinois. Financial statements are the responsibility of management, subject to the auditor's review. Please let us know if the auditor recommends any changes.

GASB Statements No. 74 and 75 Information

Discussion

Accounting Standard

For Other Post-Employment Benefits (OPEB) plans that are administered through trusts or equivalent arrangements, Governmental Accounting Standards Board (GASB) Statement No. 74, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans," replaces the requirements of GASB Statement No. 43, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans." GASB Statement No. 74 establishes standards of financial reporting for separately issued financial reports of state and local government OPEB plans.

GASB Statement No. 75 replaces the requirements of Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB.

GASB Statements No. 74 and 75 are effective for fiscal years beginning after June 15, 2016, and June 15, 2017, respectively.

The following discussion provides a summary of the information that is required to be disclosed under these accounting standards. A number of these disclosure items are provided in this report. However, certain non-actuarial information, such as notes regarding accounting policies and investments, is not included in this report. As a result, the plan sponsor will be responsible for preparing and disclosing the non-actuarial information needed to comply with these accounting standards.

Plan Financial Statements

GASB Statement No. 74 requires defined benefit OPEB plans which are administered as trusts or equivalent arrangements to present two financial statements: a statement of fiduciary net position and a statement of changes in fiduciary net position. The statement of fiduciary net position presents the assets and liabilities of the OPEB plan at the end of the OPEB plan's reporting period. The statement of changes in fiduciary net position presents the additions, such as contributions and investment income, and deductions, such as benefit payments and expense, and net increase or decrease in the fiduciary net position.

GASB Statement No. 75 requires state and local government employers to recognize the net OPEB liability and the OPEB expense on their financial statements, along with the related deferred outflows and inflows of resources. The net OPEB liability is the difference between the total OPEB liability and the plan's fiduciary net position. In traditional actuarial terms, this is analogous to the accrued liability less the market value of assets.

The OPEB expense recognized each fiscal year is equal to the change in the net OPEB liability from the beginning of the year to the end of the year, adjusted for deferred recognition of the liability and investment experience.

The GASB Statement No. 74 information contained in this report is based on an actuarial valuation date of June 30, 2023, projected to a measurement date of June 30, 2024.



GASB Statements No. 74 and 75 Information

For GASB Statement No. 75 reporting purposes, the plan sponsor's fiscal year end June 30, 2025, financial reporting will be based on a measurement date of June 30, 2024.

The information contained in this report does not incorporate any employer contributions made subsequent to the measurement date of June 30, 2024.

GASB Statement No. 75 requires that employer contributions made to the OPEB plan subsequent to the measurement date and before the end of the employer's reporting period should be reported as a deferred outflow of resources.

Notes to Financial Statements

GASB Statement No. 75 requires the notes of the employer's financial statements to disclose the total OPEB expense, the OPEB plan's liabilities and assets, and deferred outflows of resources and inflows of resources related to OPEB.

GASB Statements No. 74 and 75 require the notes of the financial statements for the Plan and Plan Sponsor to include certain additional information. The list of disclosure items should include:

- The name of the OPEB plan, the administrator of the OPEB plan, and the identification of whether the OPEB plan is a single-employer, agent, or cost-sharing OPEB plan;
- A description of the benefits provided by the plan;
- A brief description of changes in benefit terms or assumptions that affected the measurement of the total OPEB liability since the prior measurement date;
- The number of plan members by category and if the plan is closed;
- A description of the plan's funding policy, which includes member and employer contribution requirements;
- The OPEB plan's investment policies;
- The OPEB plan's fiduciary net position and the net OPEB liability;
- The net OPEB liability using +/- one percentage point change on the discount rate;
- The net OPEB liability using +/- one percentage point change on the healthcare trend rate;
- Significant assumptions and methods used to calculate the total OPEB liability;
- Inputs to the discount rates; and
- Certain information about mortality assumptions and the dates of experience studies.

OPEB plans that are administered through trusts or equivalent arrangements are required to disclose additional information in accordance with GASB Statement No. 74. This information includes:

- The composition of the OPEB plan's Board and the authority under which benefit terms may be amended;
- A description of how fair value is determined;
- Information regarding certain reserves and investments, which include concentrations of investments greater than or equal to 5 percent, receivables and insurance contracts excluded from plan assets; and
- Annual money-weighted rate of return.



GASB Statements No. 74 and 75 Information

Required Supplementary Information

GASB Statement No. 74 requires a 10-year fiscal history of:

- Sources of changes in the net OPEB liability;
- Information about the components of the net OPEB liability and related ratios, including the OPEB plan's fiduciary net position as a percentage of the total OPEB liability, and the net OPEB liability as a percent of covered-employee payroll;
- Comparison of the actual employer contributions to the actuarially determined contributions, if applicable, based on the plan's funding policy; and
- For plans with an actuarially determined contribution, the schedule covering each of the 10 most recent fiscal years of the actuarially determined contribution, contributions to the OPEB plan and related ratios.

Frequency and Timing of the Actuarial Valuation

An actuarial valuation to determine the total OPEB liability is required to be performed at least every two years. For the employer's financial reporting purposes, the net OPEB liability and OPEB expense should be measured as of the employer's "measurement date," which may not be earlier than the employer's prior fiscal year-end date. If the actuarial valuation used to determine the total OPEB liability is not calculated as of the measurement date, the total OPEB liability is required to be rolled forward from the actuarial valuation date to the measurement date.

Single Discount Rate

Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

Since CIP is financed on a pay-as-you-go basis, the sponsor has selected a discount rate consistent with the 20-year general obligation bond index described above. The discount rates are 3.86 percent as of June 30, 2023, and 3.97 percent as of June 30, 2024.

Actuarial Assumptions

The actuarial assumptions used to value the liabilities are outlined in detail in Section E. The assumptions include details on the healthcare trend assumption and the aging factors, as well as the cost method used to develop the OPEB expense.

The pension-related assumptions were based on an experience study conducted by GRS for the period June 30, 2017, to June 30, 2020, as approved by SURS. The OPEB-related assumptions were recommended by GRS and approved by CMS.



GASB Statements No. 74 and 75 Information

Future Uncertainty or Risk

Future results may differ from those anticipated in this actuarial valuation. Reasons include, but are not limited to:

- Claims experience differing from expected;
- Medical trend experience differing from expected;
- Changes in the healthcare plan designs offered to active and retired members;
- Changes in healthcare related costs due to recent experience; and
- Participant behavior differing from expected; e.g.,
 - Elections at retirement;
 - One-person versus two-person coverage elections; and
 - Timing of retirement or termination.

Benefits Valued

The benefit provisions that were valued are described in Section F. The actuarial valuation is required to be performed on the current benefit terms and existing legal agreements. Consideration is to be given to the written plan document as well as other communications between the employer and plan members and an established pattern of practice for cost sharing. The summary of major plan provisions is designed to outline principal plan benefits.

GASB Statements No. 74 and 75 Information

This section contains the following GASB Statements No. 74 and 75 information:

- GASB Statements No. 74 and 75 Summary;
- GASB Statement No. 74 Changes in Net OPEB Liability for plan year end June 30, 2024;
- GASB Statement No. 74 Multiyear Net OPEB Liability;
- GASB Statement No. 74 Schedule of Contributions;
- Notes to Schedule of Contributions;
- GASB Statements No. 74 and 75 Sensitivity of Net OPEB Liability for plan year end June 30, 2024;
- GASB Statement No. 75 Changes in Net OPEB Liability for plan year end June 30, 2024, applicable to sponsor's fiscal year end June 30, 2025;
- GASB Statement No. 75 Expense measured as of plan year end June 30, 2024, and applicable to sponsor's fiscal year end June 30, 2025; and
- GASB Statement No. 75 Development of Inflows and Outflows as of June 30, 2024.



GASB Statements No. 74 and 75 Information

Summary of GASB Statements No. 74 and 75 Results

	2024
Actuarial Valuation Date	June 30, 2023
Measurement Date of the Net OPEB Liability	June 30, 2024
Plan Year End for GASB Statement No. 74	June 30, 2024
Employer's Fiscal Year End for GASB Statement No. 75	June 30, 2025
Membership	
Number of	
- Retirees and Beneficiaries	6,552
- Inactive, Nonretired Members	6,624
- Active Members	18,775
- Total	31,951
Covered Payroll	\$ 1,086,596,190
Net OPEB Liability	
Total OPEB Liability	\$ 561,565,300
Plan Fiduciary Net Position	(103,625,000)
Net OPEB Liability	\$ 665,190,300
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	-18.45%
Net OPEB Liability as a Percentage of Covered Payroll	61.22%
Development of the Single Discount Rate	
Single Discount Rate Beginning of Year	3.86%
Single Discount Rate End of Year	3.97%
Long-Term Expected Rate of Investment Return, Beginning of Year	0.00%
Long-Term Expected Rate of Investment Return, End of Year	0.00%
Long-Term Municipal Bond Rate Beginning of Year ^a	3.86%
Long-Term Municipal Bond Rate End of Year ^a	3.97%
Year Assets are Projected to be depleted	2023
Total OPEB Expense for Fiscal Year End June 30, 2024, Applicable to Sponsor's Fiscal Year End June 30, 2025	\$ (247,217,833)

Deferred Outflows and Deferred Inflows of Resources by Source to be Recognized in Future OPEB Expenses as of June 30, 2025

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Difference Between Expected and Actual Experience	\$ 8,432,962	\$ (200,418,629)
Changes in Assumptions	4,918,851	(483,300,989)
Net Difference Between projected and Actual Earnings on OPEB Plan Investments	-	(329,800)
Total	\$ 13,351,813	\$ (684,049,417)

^a Source:

Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index" at fiscal year end. In describing this index, Fidelity notes that the municipal curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.



GASB Statement No. 74 Schedule of Changes in Net OPEB Liability and Related Ratios Multiyear

Fiscal Year Ending June 30,	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability								
Service Cost	\$ 21,165,490	\$ 23,259,268	\$ 31,707,850	\$ 103,897,714	\$ 100,887,334	\$ 100,138,184	\$ 111,621,631	\$ 147,948,300
Interest on the Total OPEB Liability	21,554,590	22,237,167	13,125,903	36,659,297	48,521,794	59,739,977	63,692,922	54,582,721
Changes of Benefit Terms	-	-	-	-	-	-	-	-
Difference between Expected and Actual Experience	(70,304,073)	12,825,130	(231,819,946)	(58,931,727)	(85,912,297)	(44,597,762)	33,283,790	(6,193,522)
Changes of Assumptions	5,928,882	(1,518,307)	(855,816,518)	(159,193,958)	(119,586,787)	(97,507,669)	(137,480,539)	(182,288,932)
Benefit Payments ^a	(16,006,000)	(18,543,000)	(27,628,000)	(25,827,000)	(22,802,000)	(24,800,000)	(23,225,000)	(22,918,000)
Net Change in Total OPEB Liability	\$ (37,661,111)	\$ 38,260,258	\$ (1,070,430,711)	\$ (103,395,674)	\$ (78,891,956)	\$ (7,027,270)	\$ 47,892,804	\$ (8,869,433)
Total OPEB Liability - Beginning	\$ 599,226,410	\$ 560,966,152	\$ 1,631,396,863	\$ 1,734,792,537	\$ 1,813,684,493	\$ 1,820,711,764	\$ 1,772,818,960	\$ 1,781,688,393
Total OPEB Liability - Ending (a)	\$ 561,565,300	\$ 599,226,410	\$ 560,966,152	\$ 1,631,396,863	\$ 1,734,792,537	\$ 1,813,684,493	\$ 1,820,711,764	\$ 1,772,818,960
Plan Fiduciary Net Position								
Employer Contributions ^c	\$ 15,900,000	\$ 34,890,000	\$ 9,430,000	\$ 9,298,000	\$ 9,196,000	\$ 13,975,000	\$ 8,830,000	\$ 8,676,000
Active Member Contributions	7,949,000	4,945,000	4,715,000	4,649,000	4,598,000	4,488,000	4,463,000	4,367,000
Net Investment Income	277,000	168,000	16,000	5,000	25,000	48,000	59,000	24,000
Benefit Payments ^a	(16,006,000)	(18,543,000)	(27,628,000)	(25,827,000)	(22,802,000)	(24,800,000)	(23,225,000)	(22,918,000)
Operating Expenses	(4,673,000)	(5,023,000)	(6,049,000)	(4,492,000)	(4,229,000)	(4,198,000)	(3,543,000)	(2,886,000)
Other	35,000	50,000	58,000	202,000	97,000	171,000	207,000	185,000
Net Change in Plan Fiduciary Net Position	\$ 3,482,000	\$ 16,487,000	\$ (19,458,000)	\$ (16,165,000)	\$ (13,115,000)	\$ (10,316,000)	\$ (13,209,000)	\$ (12,552,000)
Plan Fiduciary Net Position - Beginning ^b	(107,107,000)	(123,594,000)	(104,136,000)	(87,971,000)	(74,856,000)	(64,540,000)	(51,331,000)	(38,266,000)
Plan Fiduciary Net Position - Ending (b)	(103,625,000)	(107,107,000)	(123,594,000)	(104,136,000)	(87,971,000)	(74,856,000)	(64,540,000)	(50,818,000)
Net OPEB Liability - Ending (a) - (b)	\$ 665,190,300	\$ 706,333,410	\$ 684,560,152	\$ 1,735,532,863	\$ 1,822,763,537	\$ 1,888,540,493	\$ 1,885,251,764	\$ 1,823,636,960
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	-18.45%	-17.87%	-22.03%	-6.38%	-5.07%	-4.13%	-3.54%	-2.87%
Covered-Employee Payroll	\$ 1,086,596,190	\$ 1,034,600,364	\$ 1,020,670,908	\$ 1,013,680,588	\$ 987,692,212	\$ 964,152,233	\$ 983,856,634	\$ 953,001,927
Net OPEB Liability as a Percentage of Covered-Employee Payroll	61.22%	68.27%	67.07%	171.21%	184.55%	195.88%	191.62%	191.36%

^a Actual benefits paid by sponsor.

^b Plan Fiduciary Net Position was restated from \$(50,818,000) as of June 30, 2017, to \$(51,331,000) as of July 1, 2017.

^c During fiscal year end June 30, 2023, the State made an extraordinary contribution of approximately \$25 million.



GASB Statements No. 74 and 75 Information

GASB Statement No. 74 Schedule of Net OPEB Liability Multiyear

FY Ending June 30,	Total OPEB Liability	Fiduciary Net Position^b	Net OPEB Liability	Fiduciary Net Position as a % of Total OPEB Liability	Covered Payroll^a	Net OPEB Liability as a % of Covered Payroll
2016	\$ 1,781,688,393	\$ (38,266,000)	\$ 1,819,954,393	-2.15%	\$ 918,556,000	198.13%
2017	1,772,818,960	(50,818,000)	1,823,636,960	-2.87%	953,001,927	191.36%
2018	1,820,711,764	(64,540,000)	1,885,251,764	-3.54%	983,856,634	191.62%
2019	1,813,684,493	(74,856,000)	1,888,540,493	-4.13%	964,152,233	195.88%
2020	1,734,792,537	(87,971,000)	1,822,763,537	-5.07%	987,692,212	184.55%
2021	1,631,396,863	(104,136,000)	1,735,532,863	-6.38%	1,013,680,588	171.21%
2022	560,966,152	(123,594,000)	684,560,152	-22.03%	1,020,670,908	67.07%
2023	599,226,410	(107,107,000)	706,333,410	-17.87%	1,034,600,364	68.27%
2024	561,565,300	(103,625,000)	665,190,300	-18.45%	1,086,596,190	61.22%

^a Estimated payroll for fiscal year end June 30, 2016, based on fiscal year end June 30, 2017, payroll adjusted by wage inflation assumption of 3.75 percent.

^b Plan Fiduciary Net Position was restated from \$(50,818,000) as of June 30, 2017, to \$(51,331,000) as of July 1, 2017.



GASB Statements No. 74 and 75 Information

GASB Statement No. 74 Schedule of Contributions Multiyear

FY Ending June 30,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2016	N/A	\$ 9,042,000	N/A	\$ 918,556,000	0.98%
2017	N/A	8,676,000	N/A	953,001,927	0.91%
2018	N/A	8,830,000	N/A	983,856,634	0.90%
2019	N/A	13,975,000	N/A	964,152,233	1.45%
2020	N/A	9,196,000	N/A	987,692,212	0.93%
2021	N/A	9,298,000	N/A	1,013,680,588	0.92%
2022	N/A	9,430,000	N/A	1,020,670,908	0.92%
2023 ^a	N/A	34,890,000	N/A	1,034,600,364	3.37%
2024	N/A	15,900,000	N/A	1,086,596,190	1.46%

^a During fiscal year end June 30, 2023, the State made an extraordinary contribution of approximately \$25 million.

Contributions for CIP are defined by State statute and Actuarially Determined Contributions are not developed. Benefits are financed on a pay-as-you go basis, based on contribution rates defined by statute. For fiscal year end June 30, 2024, contribution rates are 0.75 percent of pay for active members, 0.75 percent of pay for community colleges, and 0.75 percent of pay for the State. Retired members contribute a percentage of premium rates. The goal of the policy is to finance current year costs plus a margin for incurred but not paid plan costs.



GASB Statements No. 74 and 75 Information

Notes to Schedule of Contributions

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Sponsor's Fiscal Year End	June 30, 2025

Methods and Assumptions Used to Determine Actuarial Liability and Contributions:

Actuarial Cost Method	Entry Age Normal, used to measure the Total OPEB Liability
Contribution Policy	Benefits are financed on a pay-as-you basis. Contribution rates are defined by statute. For fiscal year end June 30, 2024, contribution rates are 0.75% of pay for active members, 0.75% of pay for community colleges, and 0.75% of pay for the State. Retired members contribute a percentage of premium rates. The goal of the policy is to finance current year costs plus a margin for incurred but not paid plan costs.
Asset Valuation Method	Market value
Investment Rate of Return	0%, net of OPEB plan investment expense, including inflation, for all plan years.
Inflation	2.25%
Salary Increases	Depends on age and service and ranges from 12.75% at less than 1 year of service to 3.50% at 34 or more years of service for employees under 50 and ranges from 12.00% at less than 1 year of service to 3.00% at 34 or more years of service for employees over 50. Salary increase includes a 3.00% wage inflation assumption.
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the June 30, 2021, actuarial valuation of SURS.
Mortality	Retirement and Beneficiary Annuitants: Pub-2010 Healthy Retiree Mortality Table and PubT-2010 Healthy Retiree Mortality Table. Disabled Annuitants: Pub-2010 Disabled Retiree Mortality Table. Pre-Retirement: Pub-2010 Employee Mortality Table and PubT-2010 Employee Mortality Table. Tables are adjusted for SURS experience. All tables reflect future mortality improvements using Projection Scale MP-2020.
Healthcare Cost Trend Rates	Trend rates for plan year 2025 are based on actual premium increases. For non-medicare costs, trend rates start at 8.00% for plan year 2026 and decrease gradually to an ultimate rate of 4.25% in 2041. For MAPD costs, trend rates are based on actual premium increases for 2025, 15.00% in 2026 to 2030 and 7.00% in 2031, declining gradually to an ultimate rate of 4.25% in 2041.
Aging Factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death"
Expenses	Health administrative expenses are included in the development of the per capita claims costs. Operating expenses are included as a component of the Annual OPEB Expense.



GASB Statements No. 74 and 75 Information

Single Discount Rate

The State, community colleges, and active members each contribute 0.75 percent of pay. Retirees contribute a percentage of the premium rate. The State also contributes an additional amount to cover plan costs in excess of contributions and investment income. Because plan benefits are financed on a pay-as-you-go basis, this single discount rate is based on a tax-exempt municipal bond rate index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. A single discount rate of 3.86 percent at June 30, 2023, and 3.97 percent at June 30, 2024, was used to measure the total OPEB liability. The increase in the single discount rate, from 3.86 percent to 3.97 percent, caused the total OPEB liability to decrease by approximately \$6.3 million as of June 30, 2024.

Investment Return

During plan year end June 30, 2024, the trust earned \$277,000 in interest, and due to a significant benefit payable, the market value of assets at June 30, 2024, is a negative \$103.6 million. Given the significant benefit payable, negative asset value and pay-as-you-go funding policy, the investment return assumption was set to zero.

Money-Weighted Rate of Return

The annual money-weighted rate of return was estimated based on monthly investment performance, net of investment expenses, adjusted for changing amounts actually invested. The annual money-weighted rate of return was 5.486 percent for plan year end June 30, 2024, and 3.716 percent for plan year end June 30, 2023.

Sensitivity of Net OPEB Liability

The following table shows the plan's net OPEB liability as of June 30, 2024, using the current single discount rate of 3.97 percent, and sensitivity single discount rates that are either one percentage point higher or lower:

Current Single Discount		
1% Decrease	Rate Assumption	1% Increase
2.97%	3.97%	4.97%
\$ 726,729,977	\$ 665,190,300	\$ 612,504,460



GASB Statements No. 74 and 75 Information

The following table shows the plan's net OPEB liability as of June 30, 2024, using current trend rates and sensitivity trend rates that are either one percentage point higher or lower.

Healthcare Cost		
1% Decrease ^b	Trend Rates Assumption ^a	1% Increase ^c
\$ 597,670,047	\$ 665,190,300	\$ 746,986,039

^a Current healthcare trend rates -

Pre-Medicare per capita costs: 9.02% in 2025, 8.00% in 2026, decreasing by 0.25% per year to an ultimate rate of 4.25% in 2041.

Post-Medicare per capita costs: Based on actual increase in 2025, 15.00% from 2026 to 2030, 7.00% in 2031 decreasing ratably to an ultimate trend rate of 4.25% in 2041.

^b One percentage point decrease in current healthcare trend rates -

Pre-Medicare per capita costs: 8.02% in 2025, 7.00% in 2026, decreasing by 0.25% per year to an ultimate rate of 3.25% in 2041.

Post-Medicare per capita costs: Based on actual increase in 2025, 14.00% from 2026 to 2030, 6.00% in 2031 decreasing ratably to an ultimate trend rate of 3.25% in 2041.

^c One percentage point increase in current healthcare trend rates -

Pre-Medicare per capita costs: 10.02% in 2025, 9.00% in 2026, decreasing by 0.25% per year to an ultimate rate of 5.25% in 2041.

Post-Medicare per capita costs: Based on actual increase in 2025, 16.00% from 2026 to 2030, 8.00% in 2031 decreasing ratably to an ultimate trend rate of 5.25% in 2041.



GASB Statements No. 74 and 75 Information

Schedule of Changes in Net OPEB Liability under GASB Statement No. 75 Measured as of June 30, 2024 Applicable to Plan Sponsor's Fiscal Year End June 30, 2025

Fiscal Year Ending June 30,	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability								
Service Cost	\$ 21,165,490	\$ 23,259,268	\$ 31,707,850	\$ 103,897,714	\$ 100,887,334	\$ 100,138,184	\$ 111,621,631	\$ 147,948,300
Interest on the Total OPEB Liability	21,554,590	22,237,167	13,125,903	36,659,297	48,521,794	59,739,977	63,692,922	54,582,721
Changes of Benefit Terms	-	-	-	-	-	-	-	-
Difference between Expected and Actual Experience	(70,304,073)	12,825,130	(231,819,946)	(58,931,727)	(85,912,297)	(44,597,762)	33,283,790	(6,193,522)
Changes of Assumptions	5,928,882	(1,518,307)	(855,816,518)	(159,193,958)	(119,586,787)	(97,507,669)	(137,480,539)	(182,288,932)
Benefit Payments ^a	(16,006,000)	(18,543,000)	(27,628,000)	(25,827,000)	(22,802,000)	(24,800,000)	(23,225,000)	(22,918,000)
Net Change in Total OPEB Liability	\$ (37,661,111)	\$ 38,260,258	\$ (1,070,430,711)	\$ (103,395,674)	\$ (78,891,956)	\$ (7,027,270)	\$ 47,892,804	\$ (8,869,433)
Total OPEB Liability - Beginning	\$ 599,226,410	\$ 560,966,152	\$ 1,631,396,863	\$ 1,734,792,537	\$ 1,813,684,493	\$ 1,820,711,764	\$ 1,772,818,960	\$ 1,781,688,393
Total OPEB Liability - Ending (a)	\$ 561,565,300	\$ 599,226,410	\$ 560,966,152	\$ 1,631,396,863	\$ 1,734,792,537	\$ 1,813,684,493	\$ 1,820,711,764	\$ 1,772,818,960
Plan Fiduciary Net Position								
Employer Contributions ^c	\$ 15,900,000	\$ 34,890,000	\$ 9,430,000	\$ 9,298,000	\$ 9,196,000	\$ 13,975,000	\$ 8,830,000	\$ 8,676,000
Active Member Contributions	7,949,000	4,945,000	4,715,000	4,649,000	4,598,000	4,488,000	4,463,000	4,367,000
Net Investment Income	277,000	168,000	16,000	5,000	25,000	48,000	59,000	24,000
Benefit Payments ^a	(16,006,000)	(18,543,000)	(27,628,000)	(25,827,000)	(22,802,000)	(24,800,000)	(23,225,000)	(22,918,000)
Operating Expenses	(4,673,000)	(5,023,000)	(6,049,000)	(4,492,000)	(4,229,000)	(4,198,000)	(3,543,000)	(2,886,000)
Other	35,000	50,000	58,000	202,000	97,000	171,000	207,000	185,000
Net Change in Plan Fiduciary Net Position	\$ 3,482,000	\$ 16,487,000	\$ (19,458,000)	\$ (16,165,000)	\$ (13,115,000)	\$ (10,316,000)	\$ (13,209,000)	\$ (12,552,000)
Plan Fiduciary Net Position - Beginning^b	(107,107,000)	(123,594,000)	(104,136,000)	(87,971,000)	(74,856,000)	(64,540,000)	(51,331,000)	(38,266,000)
Plan Fiduciary Net Position - Ending (b)	(103,625,000)	(107,107,000)	(123,594,000)	(104,136,000)	(87,971,000)	(74,856,000)	(64,540,000)	(50,818,000)
Net OPEB Liability - Ending (a) - (b)	\$ 665,190,300	\$ 706,333,410	\$ 684,560,152	\$ 1,735,532,863	\$ 1,822,763,537	\$ 1,888,540,493	\$ 1,885,251,764	\$ 1,823,636,960
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	-18.45%	-17.87%	-22.03%	-6.38%	-5.07%	-4.13%	-3.54%	-2.87%
Covered-Employee Payroll	\$ 1,086,596,190	\$ 1,034,600,364	\$ 1,020,670,908	\$ 1,013,680,588	\$ 987,692,212	\$ 964,152,233	\$ 983,856,634	\$ 953,001,927
Net OPEB Liability as a Percentage of Covered-Employee Payroll	61.22%	68.27%	67.07%	171.21%	184.55%	195.88%	191.62%	191.36%
Interst Rate End of Year	3.97%	3.86%	3.69%	1.92%	2.45%	3.13%	3.62%	3.56%

^a Actual benefits paid by Sponsor.

^b Plan Fiduciary Net Position was restated from \$(50,818,000) as of June 30, 2017, to \$(51,331,000) as of July 1, 2017.

^c During fiscal year end June 30, 2023, the State made an extraordinary contribution of approximately \$25 million.



Statement of OPEB Expense under GASB Statement No. 75
Measured as of June 30, 2024
Applicable to Plan Sponsor's Fiscal Year End June 30, 2025

A. Expense

1. Service Cost	\$ 21,165,490
2. Interest on the Total OPEB Liability	21,554,590
3. Current-Period Benefit Changes	-
4. Active Member Contributions	(7,949,000)
5. Projected Earnings on Plan Investments	-
6. OPEB Plan Operating Expenses	4,673,000
7. Other Changes in Plan Fiduciary Net Position	(35,000)
8. Recognition of Outflow/(Inflow) due to Liability Experience	(80,335,808)
9. Recognition of Outflow/(Inflow) due to Assumption Changes	(206,192,906)
10. Recognition of Outflow/(Inflow) due to Investment Experience	(98,200)
11. Total OPEB Expense	\$ (247,217,833)

B. Reconciliation of Net OPEB Liability

1. Net OPEB Liability Beginning of Year	\$ 706,333,410
2. OPEB Expense	(247,217,833)
3. Employer Contributions	(15,900,000)
4. Change in Liability Experience Outflows/(Inflows) Recognized in Current Liabilities	10,031,735
5. Change in Assumption Changes Experience Outflows/(Inflows) Recognized in Current Liabilities	212,121,788
6. Change in Investment Experience Outflows/(Inflows) Recognized in Current Assets	(178,800)
7. Net OPEB Liability End of Year	\$ 665,190,300



Recognition of Deferred Outflows and Inflows of Resources

Differences between expected and actual experience and changes in assumptions are recognized in OPEB expense using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the OPEB plan (active employees and inactive employees) determined as of the beginning of the measurement period.

At the beginning of the current measurement period, the expected remaining service of all active members in the plan was approximately 187,522 years. Additionally, the total plan membership (active, inactive, and retired members) was 31,951. As a result, the average of the expected remaining service lives for purposes of recognizing the applicable deferred outflows and inflows of resources established in the current measurement period is 5.87 years.

Additionally, differences between projected and actual earnings on OPEB plan investments should be recognized in OPEB expense using a systematic and rational method over a closed five-year period. For this purpose, the deferred outflows and inflows of resources are recognized in the OPEB expense as a level dollar amount over the closed period identified above.

GASB Statements No. 74 and 75 Information

Statement of Outflows and Inflows Arising from Current and Prior Reporting Periods Measured as of June 30, 2024, Applicable to Plan Sponsor's Fiscal Year End June 30, 2025

A. Outflows and (Inflows) of Resources Recognized in Current and Future OPEB Expenses as of Plan Year End June 30, 2024

Experience (Gain)/Loss	Original Balance	Date Established	Original Recognition Period/ Amortization Factor	Amount Recognized in Past OPEB Expenses	Amount Recognized in Current OPEB Expense	Deferred (Inflows) to be Recognized in Future OPEB Expenses	Deferred Outflows to be Recognized in Future OPEB Expenses
1. Liability (Gain)/Loss	\$ (70,304,073)	June 30, 2024	5.87	\$ -	\$ (11,976,844)	\$ (58,327,229)	\$ -
	\$ 12,825,130	June 30, 2023	5.84	\$ 2,196,084	\$ 2,196,084	\$ -	\$ 8,432,962
	\$ (231,819,946)	June 30, 2022	5.88	\$ (78,850,322)	\$ (39,425,161)	\$ (113,544,463)	\$ -
	\$ (58,931,727)	June 30, 2021	5.74	\$ (30,800,554)	\$ (10,266,851)	\$ (17,864,321)	\$ -
	\$ (85,912,297)	June 30, 2020	5.71	\$ (60,183,746)	\$ (15,045,936)	\$ (10,682,615)	\$ -
	\$ (44,597,762)	June 30, 2019	5.75	\$ (38,780,663)	\$ (5,817,099)	\$ -	\$ -
				\$ (206,419,200)	\$ (80,335,808)	\$ (200,418,629)	\$ 8,432,962
2. Assumption Changes	\$ 5,928,882	June 30, 2024	5.87	\$ -	\$ 1,010,031	\$ -	\$ 4,918,851
	\$ (1,518,307)	June 30, 2023	5.84	\$ (259,984)	\$ (259,984)	\$ (998,339)	\$ -
	\$ (855,816,518)	June 30, 2022	5.88	\$ (291,094,054)	\$ (145,547,027)	\$ (419,175,437)	\$ -
	\$ (159,193,958)	June 30, 2021	5.74	\$ (83,202,417)	\$ (27,734,139)	\$ (48,257,402)	\$ -
	\$ (119,586,787)	June 30, 2020	5.71	\$ (83,773,581)	\$ (20,943,395)	\$ (14,869,811)	\$ -
	\$ (97,507,669)	June 30, 2019	5.75	\$ (84,789,277)	\$ (12,718,392)	\$ -	\$ -
				\$ (543,119,313)	\$ (206,192,906)	\$ (483,300,989)	\$ 4,918,851
3. Investment (Gain)/Loss and Actual Investment Earnings	\$ (277,000)	June 30, 2024	5.00	\$ -	\$ (55,400)	\$ (221,600)	\$ -
	\$ (168,000)	June 30, 2023	5.00	\$ (33,600)	\$ (33,600)	\$ (100,800)	\$ -
	\$ (16,000)	June 30, 2022	5.00	\$ (6,400)	\$ (3,200)	\$ (6,400)	\$ -
	\$ (5,000)	June 30, 2021	5.00	\$ (3,000)	\$ (1,000)	\$ (1,000)	\$ -
	\$ (25,000)	June 30, 2020	5.00	\$ (20,000)	\$ (5,000)	\$ -	\$ -
	\$ (48,000)	June 30, 2019	5.00	\$ (48,000)	\$ -	\$ -	\$ -
				\$ (111,000)	\$ (98,200)	\$ (329,800)	\$ -
4. Total				\$ (749,649,514)	\$ (286,626,914)	\$ (684,049,417)	\$ 13,351,813

B. Deferred Outflows and Deferred (Inflows) of Resources by Year to be Recognized in Future OPEB Expenses

Year Ending June 30,	Liability Outflows (Inflows)	Assumption Changes Outflows/(Inflows)	Investment Outflows/(Inflows)	Year Ending June 30,	Deferred Outflows	Deferred (Inflows)	Net Outflows/(Inflows)
2025	\$ (70,155,387)	\$ (187,400,930)	\$ (93,200)	2025	\$ 3,206,115	\$ (260,855,631)	\$ (257,649,517)
2026	\$ (56,803,391)	\$ (165,320,243)	\$ (92,200)	2026	\$ 3,206,115	\$ (225,421,948)	\$ (222,215,834)
2027	\$ (44,474,901)	\$ (127,331,337)	\$ (89,000)	2027	\$ 3,206,115	\$ (175,101,353)	\$ (171,895,238)
2028	\$ (10,132,133)	\$ 791,644	\$ (55,400)	2028	\$ 2,854,741	\$ (12,250,630)	\$ (9,395,889)
2029	\$ (10,419,854)	\$ 878,727	\$ -	2029	\$ 878,727	\$ (10,419,854)	\$ (9,541,127)
2030	\$ -	\$ -	\$ -	2030	\$ -	\$ -	\$ -
2031	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -
Total	\$ (191,985,667)	\$ (478,382,138)	\$ (329,800)		\$ 13,351,813	\$ (684,049,417)	\$ (670,697,604)
Change in Outflows/(Inflows)	\$ 10,031,735	\$ 212,121,788	\$ (178,800)				

Numbers may not add due to rounding.



SECTION D

ADDITIONAL ACTUARIAL VALUATION EXHIBITS

Additional Valuation Exhibits

Exhibit 1

40-Year Projection of Expected Employer Claims ^a

Plan Year End June 30	Expected Employer Claims	Plan Year End June 30	Expected Employer Claims
2024	\$ 23,959,514	2044	\$ 44,562,377
2025	25,706,077	2045	42,485,817
2026	27,787,297	2046	39,985,913
2027	29,638,342	2047	37,340,651
2028	31,207,228	2048	34,949,122
2029	33,295,158	2049	32,386,786
2030	35,443,989	2050	29,642,261
2031	37,636,386	2051	26,872,813
2032	39,992,649	2052	24,948,815
2033	42,267,193	2053	23,309,556
2034	44,735,488	2054	22,570,719
2035	45,967,146	2055	21,508,162
2036	46,594,094	2056	20,477,794
2037	46,936,920	2057	19,810,010
2038	47,834,013	2058	19,247,929
2039	48,384,584	2059	19,038,659
2040	48,434,555	2060	18,381,127
2041	48,471,779	2061	17,799,535
2042	47,919,668	2062	17,198,931
2043	46,553,986	2063	16,478,423

^a Expected claims and capitation net of retiree contributions for current participants. Based on estimated incurred claims in all fiscal years.



Additional Valuation Exhibits

**College Insurance Program
Retiree Healthcare Program
Summary of Demographic Information as of June 30, 2023**

Exhibit 2	Currently CIP Eligible ^b	Not Currently CIP Eligible ^c	Total
A) Active Participants			
i) Counts	13,007	5,768	18,775
ii) Average Age	48	50	48.4
iii) Average Service	12	9	10.9
B) Retirees and Survivors Under Age 65 ^a			
i) Counts	1,002		1,002
ii) Average Age	61		61.2
C) Retirees and Survivors Over Age 65 ^a			
i) Counts	5,550		5,550
ii) Average Age	76		75.5
D) Dependents Under Age 65 ^a			
i) Counts	87		87
ii) Average Age	60		60.2
E) Dependents Over Age 65 ^a			
i) Counts	895		895
ii) Average Age	75		75.0
F) Waived Retirees and Survivors ^d			
i) Counts	1,762		1,762
ii) Average Age	64		64.2
G) Survivor Children ^a			
i) Counts	0		0
ii) Average Age			
H) Dependent Children ^a			
i) Counts	28		28
ii) Average Age	22		21.5
I) Deferred Vested Participants ^d			
i) Counts	2,083	2,779	4,862
ii) Average Age	50	54	52.5
J) Total Participants	24,414	8,547	32,961

^a Only includes members and dependents currently receiving benefits through CIP.

^b Includes deferred vested members with vested pension and CIP benefits.

^c Includes deferred vested members with vested pension benefits, but not currently vested for CIP benefits.

^d Includes members currently under the age of 70 and waived beneficiaries over the age of 26 and under 70.



Additional Valuation Exhibits

Exhibit 3

Assets Available for Benefits

	As of June 30,	
	2023	2024
Net Assets Held in Trust for Post-Employment Benefits, Beginning of Year	\$ (123,594,000)	\$ (107,107,000)
Adjustment to Net Assets, Beginning of Year	-	-
Restated Net Assets, Beginning of Year	\$ (123,594,000)	\$ (107,107,000)

Revenues

State Contributions	\$ 29,945,000	\$ 7,950,000
Employer Contributions	4,945,000	7,950,000
Federal Government Medicare Part D Subsidy	50,000	35,000
Active Member Contributions	4,945,000	7,949,000
Retired Member Contributions	10,288,361	8,677,778
COBRA	-	-
Interest	168,000	277,000
Total Revenues	\$ 50,341,361	\$ 32,838,778

Deductions

Benefits	\$ 28,831,361	\$ 24,683,778
Administrative Expense	5,023,000	4,673,000
Total Deductions	\$ 33,854,361	\$ 29,356,778

Net Change	\$ 16,487,000	\$ 3,482,000
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Net Assets Held in Trust for Post-Employment Benefits, End of Year	\$ (107,107,000)	\$ (103,625,000)
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SECTION E

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS

Summary of Actuarial Assumptions and Methods

Development of Per Capita Claim Costs

The per capita claims used in the valuation are based on average per member costs by plan type for the period June 30, 2023, through June 30, 2024, as provided by the Department of Central Management Services (CMS) and reviewed by CMS' healthcare actuary. The per capita claims for the MAPD plans used in the valuation were based on a weighted average premium rate, as provided by CMS. The average costs were adjusted at each respective retirement age by the morbidity factors disclosed in the assumption section of the report.

Effective for calendar year 2023, the Aetna MAPD is the only MAPD plan available to plan members.

For the prior actuarial valuation as of June 30, 2022, the Aetna MAPD per member per month premium rates were \$0 for calendar years 2023 through 2027, and were assumed to increase to \$42 in calendar year 2028, and increase ratably to \$102 in calendar year 2033.

The Inflation Reduction Act caused significant increases in costs and Aetna has increased premium rates for calendar year 2025 from \$0 to \$37.51 per member per month, before administrative expenses.

For the actuarial valuation as of June 30, 2023, the Aetna premium rates are assumed to increase by 15% per year in calendar years 2026 through 2030, and roughly 6.5% per year in calendar years 2031 to 2033. Under the updated assumptions, MAPD per member month costs for calendar year 2033 costs have increased by approximately 16% when compared to the last valuation.

Retirees and dependents pay 25 percent and 100 percent, respectively, of applicable premiums and administrative expenses.

Cost Method and Expense Calculations for Retiree Healthcare Benefits

The retiree healthcare actuarial valuation was based on the Entry Age Normal cost method. Under this method, the normal cost and actuarial accrued liability are directly proportional to the employee's salary. The normal cost rate equals the present value of future benefits at entry age divided by the present value of future salary at entry age. The normal cost at the member's attained age equals the normal cost rate at entry age multiplied by the salary at attained age. The actuarial accrued liability equals the present value of benefits at attained age less present value of future salaries at attained age multiplied by normal cost rate at entry age.

Under GASB Statements No. 74 and 75, the Entry Age Normal Method is the required cost method.

Census Data

The actuarial valuation was based on SURS active, inactive and retiree data as of June 30, 2023, for eligible community college members, and CIP retiree data as of June 30, 2023.



Summary of Actuarial Assumptions and Methods

Actuarial Assumptions

The actuarial assumptions used in our valuation are outlined on the following pages.

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Discount Rate	3.86% at June 30, 2023 3.97% at June 30, 2024
Inflation¹	2.25%
Wage Inflation²	3.00%
OPEB Assumptions	

Fiscal Year End 6/30	Healthcare Trend				Dental & Vision
	CCHP and MC Medical and Rx	MAPD Medical and Rx	CCHP and MC Retiree Premium	MAPD Retiree Premium	
2025	9.02%	<i>Actual Increase³</i>	-9.81%	<i>Actual Increase³</i>	3.75%
2026	8.00%	15.00%	5.00%	15.00%	4.00%
2027	7.75%	15.00%	5.00%	15.00%	4.00%
2028	7.50%	15.00%	5.00%	15.00%	4.00%
2029	7.25%	15.00%	5.00%	15.00%	4.00%
2030	7.00%	15.00%	5.00%	15.00%	4.00%
2031	6.75%	7.00%	5.00%	7.00%	4.00%
2032	6.50%	6.68%	5.00%	6.68%	4.00%
2033	6.25%	6.36%	5.00%	6.36%	4.00%
2034	6.00%	6.04%	5.00%	6.04%	4.00%
2035	5.75%	5.71%	5.00%	5.71%	4.00%
2036	5.50%	5.39%	5.00%	5.39%	4.00%
2037	5.25%	5.07%	5.00%	5.07%	4.00%
2038	5.00%	4.75%	5.00%	4.75%	4.00%
2039	4.75%	4.50%	4.75%	4.50%	4.00%
2040	4.50%	4.25%	4.50%	4.25%	4.00%
2041	4.25%	4.25%	4.25%	4.25%	4.00%

¹ Underlying inflation used to develop wage inflation and trend rates.

² Wage inflation used to project payroll.

³ The premiums for the Aetna MAPD plan increased from \$0 in calendar year 2024 to \$37.51 per member per month in calendar year 2025.



Summary of Actuarial Assumptions and Methods

<u>Age</u>	<u>Morbidity Factor</u>	
	<u>Male</u>	<u>Female</u>
50	5.81%	3.46%
55	5.44%	2.84%
60	5.02%	3.66%
65	1.68%	2.46%
70	1.72%	1.89%
75	1.07%	1.20%
80	0.62%	0.97%
85	-0.37%	0.36%
90	-0.28%	-0.14%
95	-0.38%	-2.21%

Annual Per Capita Claims Costs for Pre 65, Not Medicare Eligible Members

CCHP				Managed Care			
Medical and Rx				Medical and Rx			
<u>Age</u>	<u>Male</u>	<u>Female</u>		<u>Age</u>	<u>Male</u>	<u>Female</u>	
20	\$ 5,244	\$ 6,862		20	\$ 3,807	\$ 4,982	
25	4,440	9,076		25	3,223	6,589	
30	5,436	12,793		30	3,947	9,288	
35	6,773	13,917		35	4,918	10,104	
40	8,458	13,744		40	6,141	9,978	
45	10,530	14,532		45	7,645	10,551	
50	13,711	16,890		50	9,954	12,263	
51	14,507	17,475		51	10,532	12,687	
52	15,337	18,048		52	11,135	13,103	
53	16,200	18,606		53	11,761	13,508	
54	17,101	19,153		54	12,416	13,905	
55	18,042	19,699		55	13,099	14,302	
56	19,022	20,259		56	13,811	14,708	
57	20,042	20,848		57	14,551	15,136	
58	21,095	21,485		58	15,315	15,598	
59	22,180	22,180		59	16,103	16,103	
60	23,302	22,944		60	16,918	16,658	
61	24,472	23,784		61	17,767	17,268	
62	25,698	24,699		62	18,658	17,932	
63	26,986	25,686		63	19,592	18,649	
64	28,336	26,741		64	20,572	19,415	



Summary of Actuarial Assumptions and Methods

Annual Per Capita Claims Costs for Medicare Eligible Members					
Age	CCHP		Managed Care		MAPD ^a
	Medical and Rx		Medical and Rx		Medical and Rx
	Male	Female	Male	Female	Male Female
65	\$ 7,351	\$ 6,934	\$ 6,076	\$ 5,731	
66	7,475	7,104	6,178	5,872	
67	7,602	7,272	6,283	6,010	
68	7,733	7,436	6,392	6,146	
69	7,869	7,596	6,504	6,278	
70	8,008	7,749	6,619	6,405	
71	8,146	7,896	6,733	6,526	
72	8,277	8,034	6,841	6,640	
73	8,396	8,164	6,939	6,747	
74	8,503	8,283	7,028	6,846	
75	8,601	8,393	7,109	6,936	
76	8,693	8,494	7,185	7,020	
77	8,783	8,590	7,259	7,099	
78	8,872	8,685	7,332	7,178	
79	8,956	8,779	7,402	7,256	
80	9,029	8,871	7,463	7,332	
81	9,086	8,958	7,509	7,403	
82	9,120	9,034	7,537	7,467	
83	9,130	9,101	7,546	7,522	
84	9,120	9,158	7,538	7,569	
85	9,095	9,202	7,517	7,605	
86	9,061	9,235	7,489	7,633	
87+	9,024	9,259	7,459	7,653	

^a Effective for calendar year 2023, the Aetna MAPD is the only MAPD plan available to plan members. MAPD total cost per member per month, including administrative expenses are \$25.04, \$23.69, \$48.28 for calendar years 2023, 2024, and 2025, respectively. MAPD total costs are not adjusted for morbidity.

Summary of Actuarial Assumptions and Methods

Annual Per Capita Claims Costs for Post 65, Not Medicare Eligible Members

CCHP				Managed Care			
Medical and Rx				Medical and Rx			
Age	Male	Female		Age	Male	Female	
65	\$ 29,584	\$ 27,904		65	\$ 20,538	\$ 19,372	
66	30,081	28,590		66	20,883	19,848	
67	30,594	29,263		67	21,239	20,316	
68	31,121	29,924		68	21,606	20,774	
69	31,667	30,567		69	21,984	21,221	
70	32,228	31,185		70	22,374	21,650	
71	32,783	31,775		71	22,759	22,059	
72	33,308	32,332		72	23,124	22,446	
73	33,787	32,853		73	23,456	22,808	
74	34,219	33,334		74	23,756	23,142	
75	34,613	33,775		75	24,030	23,448	
76	34,984	34,181		76	24,287	23,730	
77	35,346	34,568		77	24,539	23,999	
78	35,703	34,949		78	24,786	24,263	
79	36,041	35,330		79	25,021	24,527	
80	36,337	35,702		80	25,227	24,785	
81	36,564	36,048		81	25,384	25,026	
82	36,700	36,356		82	25,479	25,240	
83	36,742	36,626		83	25,508	25,427	
84	36,702	36,853		84	25,480	25,585	
85	36,601	37,032		85	25,410	25,709	
86	36,466	37,165		86	25,316	25,802	
87+	36,317	37,263		87+	25,213	25,870	

Dental and Vision

Dental cost per member per year: \$194. Vision cost per member per year: \$20.



Summary of Actuarial Assumptions and Methods

Participation

Current active members eligible for CIP benefits are assumed to retire and elect CIP healthcare coverage at the following rate:

Age	Participation Rates (Current Active CIP Participants)													
	Service													
	20	21	22	23	24	25	26	27	28	29	30	31	32	33+
50	0%	0%	0%	0%	0%	30%	35%	40%	45%	50%	55%	60%	65%	70%
51	0%	0%	0%	0%	0%	35%	40%	45%	50%	55%	60%	65%	70%	70%
52	0%	0%	0%	0%	0%	40%	45%	50%	55%	60%	65%	70%	70%	70%
53	0%	0%	0%	0%	0%	45%	50%	55%	60%	65%	70%	70%	70%	70%
54	0%	0%	0%	0%	0%	50%	55%	60%	65%	70%	70%	70%	70%	70%
55	25%	25%	30%	35%	40%	40%	45%	50%	60%	70%	70%	70%	70%	70%
56	35%	35%	40%	45%	45%	45%	50%	55%	65%	70%	70%	70%	70%	70%
57	45%	45%	50%	55%	50%	50%	55%	60%	70%	70%	70%	70%	70%	70%
58	55%	55%	60%	65%	55%	55%	60%	65%	70%	70%	70%	70%	70%	70%
59	55%	55%	60%	65%	55%	55%	65%	70%	70%	70%	70%	70%	70%	70%
60	60%	60%	65%	65%	60%	60%	70%	70%	70%	70%	70%	70%	70%	70%
61	65%	65%	65%	65%	65%	65%	70%	70%	70%	70%	70%	70%	70%	70%
62	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%
63	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%
64	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%
65+	50%	60%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%

For non-academic employees, the preceding participation rates were decreased by 5 percent.

Current active members not eligible for CIP benefits are assumed to become eligible for CIP coverage in the future, retire and elect CIP healthcare coverage at a rate of 20 percent.

Twenty percent of current actives who participate in the Retirement Savings Plan (RSP) are assumed to contribute to CIP, annuitize their account balances and participate in CIP at retirement.

Twenty percent of future retirees who are currently eligible for deferred vested pension benefits and are eligible for CIP benefits are assumed to elect healthcare coverage.

Fifteen percent of future retirees who are currently eligible for deferred vested pension benefits and are not eligible for CIP benefits are assumed to become eligible for CIP benefits and elect healthcare coverage.

Only deferred vested members currently age 70 or younger are assumed to elect healthcare coverage.

For current retired annuitants that have waived CIP coverage, we have assumed:

- For those under age 62, 25 percent elect coverage at 62;
- For those age 62 to 70, 25 percent elect coverage as of the valuation date; and
- For those over age 70, 0 percent elect coverage.



Summary of Actuarial Assumptions and Methods

Current and future retirees and survivors receiving healthcare coverage through CIP are assumed to lapse coverage at ages 65 through 67 with the rates shown below.

Age	Healthcare Coverage Lapse Rates (Current and Future Retirees with CIP Coverage)	
	Male	Female
64 and under	0%	0%
65	10%	14%
66	8%	11%
67	4%	6%
68+	0%	0%

Eighty percent are assumed electing single coverage and twenty percent electing two-person coverage.

The percentage of future members electing coverage under the CCHP and HMO plans was based on the actual election percentages of the current CIP population. Currently for pre-Medicare participants, about 51 percent participate in the CCHP and 49 percent participate in HMO plans.

Future retired members are assumed to participate in a MAPD plan one month after attaining age 65.

One hundred percent of spouses are expected to continue coverage after the death of the retiree.

Females are assumed to be three years younger than their spouses in cases where no spouse date of birth is supplied.

Coverage for healthy children of retired members is assumed to end at age 23. Disabled children are assumed to receive benefits during their lifetime.

Pension-Related Assumptions

The pension-related assumptions disclosed in the State Universities Retirement System (SURS) experience study for the period June 30, 2017, to June 30, 2021, as used for the SURS actuarial valuation report as of June 30, 2023, were applied to the CIP actuarial valuation as of June 30, 2023.

Rates are applied consistently with the pension valuations, using the OPEB census data, as provided by SURS and CMS. Retirement rates are applied at first eligibility for pension benefits, although retiree healthcare benefits may not be payable. Deferred vested members are assumed to commence benefits at age 62.



Summary of Actuarial Assumptions and Methods

Mortality

The mortality assumptions are as follows:

Members classified as an employee type of academic:

Applicable Group	Base Mortality Table	Male Scaling Factor	Female Scaling Factor
Pre-retirement	Pub-2010 Employee Mortality Table (for Teachers)	101%	97%
Post-retirement (non-disabled)	Pub-2010 Healthy Retiree Mortality Table (for Teachers)	99%	105%
Post-retirement (disabled)	Pub-2010 Disabled Retiree Mortality Table (for Non-Safety Employees)	112%	110%

Members classified as an employee type of non-academic:

Applicable Group	Base Mortality Table	Male Scaling Factor	Female Scaling Factor
Pre-retirement	Pub-2010 Employee Mortality Table (for General Employees)	114%	105%
Post-retirement (non-disabled)	Pub-2010 Healthy Retiree Mortality Table (for General Employees)	99%	107%
Post-retirement (disabled)	Pub-2010 Disabled Retiree Mortality Table (for Non-Safety Employees)	112%	110%

Future mortality improvements are reflected by projecting the base mortality tables from 2010 using the Society of Actuaries (SOA) MP-2020 projections scale. The assumptions are generational mortality tables and include a margin for improvement.



Summary of Actuarial Assumptions and Methods

Retirement

Upon eligibility, active members are assumed to retire as follows:

Members hired before January 1, 2011						
Age	Normal (Unreduced) Retirement				Early (Reduced) Retirement	
	Academic		Non-Academic		Academic	Non-Academic
	Under 40 Years	40+ Years	Under 40 Years	40+ Years		
Under 50	55.0%	-	55.0%	-		
50	55.0%	-	40.0%	-		
51	40.0%	-	30.0%	-		
52	40.0%	-	30.0%	-		
53	30.0%	-	30.0%	-		
54	30.0%	-	30.0%	-		
55	20.0%	30.0%	25.0%	37.5%	4.0%	8.0%
56	20.0%	30.0%	25.0%	37.5%	4.0%	5.5%
57	20.0%	30.0%	25.0%	37.5%	4.0%	5.5%
58	20.0%	30.0%	25.0%	37.5%	4.0%	5.5%
59	20.0%	30.0%	25.0%	37.5%	4.0%	7.0%
60	13.0%	19.5%	20.0%	30.0%		
61	13.0%	19.5%	15.0%	22.5%		
62	13.0%	19.5%	15.0%	22.5%		
63	13.0%	19.5%	15.0%	22.5%		
64	13.0%	19.5%	15.0%	22.5%		
65	17.0%	25.5%	25.0%	37.5%		
66	17.0%	25.5%	25.0%	37.5%		
67	17.0%	25.5%	25.0%	37.5%		
68	17.0%	25.5%	25.0%	37.5%		
69	17.0%	25.5%	25.0%	37.5%		
70	17.0%	25.5%	20.0%	30.0%		
71-79	15.0%	22.5%	20.0%	30.0%		
80+	100.0%	100.0%	100.0%	100.0%		

The Non-Academic retirement rates apply to Police and Firefighters.



Summary of Actuarial Assumptions and Methods

Age	Members hired on or after January 1, 2011				
	Normal (Unreduced) Retirement			Early (Reduced) Retirement	
	Academic	Non-Academic	Police	Academic	Non-Academic
60			60.0%		
61			25.0%		
62			25.0%	25.0%	35.0%
63			25.0%	10.0%	15.0%
64			25.0%	10.0%	15.0%
65			15.0%	10.0%	15.0%
66			15.0%	10.0%	15.0%
67	35.0%	35.0%	15.0%		
68	17.0%	25.0%	25.0%		
69	17.0%	25.0%	25.0%		
70	17.0%	20.0%	20.0%		
71-79	15.0%	20.0%	20.0%		
80+	100.0%	100.0%	100.0%		

A rate equal to 1.5 times rate shown for members hired on or after January 1, 2011 is used if the member has 40 or more years of service and is younger than 80 years old. The rates shown above for members hired on or after January 1, 2011, are for members with less than 40 years of service.

Members who retire are assumed to elect the most valuable option on a present value basis – refund of contributions (or portable lump sum retirement, if applicable) or a retirement annuity.

For purposes of the projections in the actuarial valuation, members of the Retirement Savings Plan are assumed to retire in accordance with the Tier 1 and Tier 2 retirement rates (based on hire date).



Summary of Actuarial Assumptions and Methods

Termination

Termination Rates		
Years of Service	Academic	Non-Academic
0	15.00%	15.00%
1	15.00%	15.00%
2	12.00%	12.00%
3	11.00%	11.00%
4	10.00%	10.00%
5	9.00%	9.00%
6	8.00%	8.00%
7	7.00%	7.00%
8	6.00%	6.00%
9	5.00%	5.00%
10	4.00%	4.00%
11	4.00%	4.00%
12	3.00%	3.00%
13	3.00%	3.00%
14	3.00%	3.00%
15	2.50%	2.50%
16	2.50%	2.50%
17	2.50%	2.50%
18	2.50%	2.50%
19	2.50%	2.50%
20	2.00%	2.00%
21	2.00%	2.00%
22	2.00%	2.00%
23	2.00%	2.00%
24	2.00%	2.00%
25	1.50%	1.50%
26	1.50%	1.50%
27	1.50%	1.50%
28	1.50%	1.50%
29	1.50%	1.50%

A Termination rate of 100 percent is assumed at three years of service for members classified as part time for valuation purposes.

Members who terminate with at least five years of service (10 years of service for members hired on or after January 1, 2011) are assumed to elect the most valuable option on a present value basis – refund of contributions or a deferred benefit.

Termination rate for 29 years of service used for members hired on or after January 1, 2011, until retirement eligibility is met.



Summary of Actuarial Assumptions and Methods

Disability

Sample Disability Rates				
% Separating Within Next Year				
Age	Academic		Non-Academic	
	Male	Female	Male	Female
20	0.007%	0.016%	0.027%	0.038%
25	0.008%	0.021%	0.030%	0.049%
30	0.009%	0.027%	0.035%	0.062%
35	0.012%	0.037%	0.043%	0.086%
40	0.016%	0.048%	0.059%	0.109%
45	0.025%	0.058%	0.093%	0.133%
50	0.036%	0.068%	0.134%	0.156%
55 & Older	0.047%	0.078%	0.171%	0.180%

Disability rates apply during the retirement eligibility period.

Members are assumed to first receive disability benefits (DB) and then receive disability retirement annuity (DRA) benefits.

Summary of Actuarial Assumptions and Methods

Salary Scale

Each member's compensation is assumed to increase by 3.00% each year, 2.25% reflecting salary inflation and 0.75% reflecting standard of living increases. That rate is increased for members with less than 35 years of service to reflect merit, longevity, and promotion increases. The rates are based on service at the beginning of the year and are as follows:

Salary Scale		
Service Year	Total Increase	
	Under Age 50	50 and Over
0	12.75%	12.00%
1	12.75%	12.00%
2	9.00%	8.25%
3	7.75%	7.00%
4	6.75%	6.00%
5	6.25%	5.50%
6	6.00%	5.25%
7	5.50%	4.75%
8-10	5.00%	4.25%
11-14	4.50%	3.75%
15-18	4.25%	3.50%
19	4.00%	3.25%
20-33	3.75%	3.25%
34+	3.50%	3.00%

Marriage

Age	Marriage Assumption	
	Males	Females
20-24	10 %	25 %
25-29	35	45
30-34	60	65
35-39	70	70
40-44	75	75
45-59	80	75
60-89	80	70

SECTION F

SUMMARY OF PRINCIPAL PLAN PROVISIONS

Summary of Principal Plan Provisions

PLAN MEMBERS

All members receiving benefits from the State Universities Retirement System (SURS) who have been full-time employees of a community college district or an association of a community college and who have paid the required active member CIP contributions prior to retirement are eligible to participate in CIP. Survivors of an annuitant or benefit recipient eligible for CIP coverage are also eligible for coverage under CIP.

ELIGIBLE SERVICE

Eligible Service includes creditable service used for purposes of determining pension benefits payable from SURS.

NORMAL RETIREMENT

Community college retirees are eligible to participate in CIP if they retire under the conditions of SURS. The eligibility conditions for normal retirement under SURS are shown below.

Eligibility conditions

Police Officers and Fire Fighters hired before January 1, 2011:
Age 55 with 20 years of service, or age 50 with 25 years of service.

For other members hired before January 1, 2011:
Age 62 with 5 years of service, age 60 with 8 years of service, or any age with 30 years of service.

For members hired on or after January 1, 2011, separation from service on or after attainment age 67 with 10 years of service.

Public Act 101-0610, effective January 1, 2020, added an unreduced retirement eligibility condition at age 60 with 20 years of service for Tier 2 police officers and firefighters.

EARLY RETIREMENT

Early retirees are eligible to participate in CIP if they retire under the conditions of SURS. The eligibility conditions for early retirement under SURS are shown below.

Eligibility conditions

For members other than police and fire employees hired before January 1, 2011:
Age 55 with 8 years of service.

For members other than police and fire employees hired on or after January 1, 2011:
Age 62 with 10 years of service.



Summary of Principal Plan Provisions

DISABILITY RETIREMENT

Members receiving disability benefits under the conditions of SURS are not eligible to participate in CIP.

VESTED TERMINATIONS

Community College members who terminate with more than five years of service are eligible to enroll in CIP once they begin receiving retirement benefits.

DEPENDENTS ELIGIBLE FOR COVERAGE

If a plan member enrolls in CIP, they may enroll the following dependents: spouses; unmarried children under age 19; unmarried children age 26 and under that are full-time students, financially dependent for at least one-half of their support, and eligible to be claimed on state income tax return; disabled children that have been continuously disabled from causes originating prior to age 19, financially dependent for at least one-half of their support, and eligible to be claimed on state income tax return; and parents if they are financially dependent for at least one-half of their support and eligible to be claimed on state income tax return.

ENROLLMENT TIMING

Members who have not previously enrolled in CIP are eligible to enroll when they begin receiving pension benefits through SURS or during any annual open enrollment period. Members and beneficiaries who previously were enrolled in CIP, and subsequently waive coverage, are only eligible to re-enroll due to the loss of prior coverage or at the attainment of age 65.

SURVIVING SPOUSE COVERAGE

Spouses of employees/retirees who die are eligible to maintain health insurance coverage until the spouse's death.

FUNDING POLICY

Retiree healthcare benefits are funded on a pay-as-you-go basis. Medical benefits provided through CIP are self-insured. The cost of CIP benefits is shared among active members, retirees, the individual community colleges, and the state. Contributions are made to the Community College Health Insurance Security Fund. Active members contribute 0.75 percent of pay. The State contributes 0.75 percent of pay. Community Colleges contribute 0.75 percent of pay. Retired members contribute through premium payments based on the coverage elected and the age of the member and dependents.



Summary of Principal Plan Provisions

MEDICARE

Coverage through CIP becomes secondary to Medicare after Medicare eligibility has been reached. Members must enroll in Medicare Parts A and B to receive the reduced premium available to Medicare eligible participants. Benefits are coordinated so that Community College Health Plan (CCHP) pays 80 percent of the 20 percent of approved charges not covered by Medicare. If the provider does not accept Medicare assignment, CCHP pays all amounts Medicare does not cover, up to the Medicare maximum limiting charges.

Prescription drug coverage provided by the plan is at least as valuable as benefits provided through the Medicare Part D program.

Medicare eligible participants are required to enroll in one of the Medicare Advantage Prescription Drugs (MAPD) plans. Effective as of January 1, 2023, the Aetna MAPD plan is the only available MAPD option.

HEALTHCARE PLANS

Members may elect coverage in the College Choice Health Plan (CCHP), a managed care HMO plan, or the Open Access Plan (OAP). The CCHP has a nationwide network of providers through Aetna PPO. There are six HMOs offering coverage that varies by location throughout the state. The OAP is a managed care plan that offers three benefit levels based on the provider used.

Premium rates for members depend on the coverage elected. The table on pages F-5 and F-6 gives the member premium amounts by type of coverage. Up to 75 percent of the cost of coverage for members can be paid from the Community College Health Insurance Security Fund.

DENTAL PLAN

All plan participants have the same dental benefits through College Choice Dental Plan (CCDP) available regardless of the health plan selected. Participants enrolled in CCDP may go to any dentist. CCDP only reimburses those services that are listed on the dental schedule of benefits at a pre-determined maximum scheduled amount. There is a \$100 individual plan deductible for all services other than those listed as preventive or diagnostic in the schedule of benefits. The maximum benefit per plan participant per plan year for all dental services, including orthodontic and periodontics, is \$2,000. The maximum lifetime benefit for child orthodontia is \$1,500 and is subject to course of treatment limitations.

VISION PLAN

All plan participants have the same vision coverage regardless of the health plan selected.



Summary of Principal Plan Provisions

TOTAL RETIREE ADVANTAGE ILLINOIS (TRAIL)

Annuitants and survivors who become enrolled in Medicare Parts A and B and meet all the criteria for enrollment in the Medicare Advantage Program are required to choose a Medicare Advantage Plan or opt out of all CIP coverage.

Summary of Principal Plan Provisions

Monthly Premiums through June 30, 2024 (amounts include the cost of health, dental, and vision coverage)

	Not Medicare Primary Under Age 26	Not Medicare Primary Age 26-64	Not Medicare Primary Age 65 & Above	Medicare Primary All Ages ¹
Benefit Recipient Managed Care Plans	\$183.92	\$459.77	\$639.35	\$177.00
Dependent Beneficiary Managed Care Plans	\$669.40	\$1,592.83	\$2,327.15	\$617.69
Benefit Recipient CCHP Plan	\$207.49	\$518.71	\$740.22	\$160.37
Dependent Beneficiary CCHP Plan	\$755.18	\$1,712.60	\$2,694.29	\$583.76

Medicare Advantage Plan Monthly Premiums Effective January 1, 2024

	Aetna MAPD Rates, before Administrative Charges ²
Member Rate	\$0.00
Dependent Rate	\$0.00

¹ Must enroll in both Medicare Parts A and B to qualify for lower premiums

² Administrative Expenses of \$5.92 for retirees and \$23.69 for dependents

Summary of Principal Plan Provisions

Monthly Premiums through June 30, 2025
(amounts include the cost of health, dental, and vision coverage)

	Not Medicare Primary Under Age 26	Not Medicare Primary Age 26-64	Not Medicare Primary Age 65 & Above	Medicare Primary All Ages ¹
Benefit Recipient Managed Care Plans	\$153.97	\$384.93	\$575.04	\$129.41
Dependent Beneficiary Managed Care Plans	\$615.89	\$1,539.73	\$2,300.17	\$517.66
Benefit Recipient CCHP Plan	\$192.86	\$482.16	\$727.62	\$164.25
Dependent Beneficiary CCHP Plan	\$771.45	\$1,928.63	\$2,910.49	\$657.02

Medicare Advantage Plan Monthly Premiums Effective January 1, 2025

	Aetna MAPD Rates, before Administrative and Vision Charges ^{2,3}
Member Rate	\$9.38
Dependent Rate	\$37.51

¹ Must enroll in both Medicare Parts A and B to qualify for lower premiums

² Administrative Expenses of \$8.52 for retirees and \$34.08 for dependents

³ Vision Expenses of \$2.25 per member per month



College Choice Health Plan (CCHP)

<i>Plan Feature</i>	<i>In Network</i>	<i>Out of Network ¹</i>		
Annual Deductible	\$750 per participant	\$750 per participant		
Annual Out of Pocket Limit	\$1,500 per individual \$3,000 per family, per plan year	\$4,500 per individual \$9,000 per family, per plan year		
<u>Covered Services</u> -Office Visits -Emergency Room -Inpatient Services -Outpatient Services	<u>Coinsurance</u> 80% after deductible \$400 copay, then 80% after deductible 80% after annual plan deductible, \$250 deductible per hospital admission 80% after deductible	<u>Coinsurance</u> 60% after deductible \$400 copay, then 60% after deductible 60% after annual plan deductible, \$500 deductible per hospital admission 60% after deductible		
CCHP Prescription Drug Copays		<u>Retail</u>	<u>Retail</u>	<u>Maintenance Choice</u>
	Tier 1	\$12.50	\$25.00	\$12.50
	Tier 2	\$25.00	\$50.00	\$25.00
	Tier 3	\$50.00	\$100.00	\$50.00
	Specialty	\$100.00	\$200.00	-
	Supply	30-days	90-days	90-days
Maximum Lifetime Benefit	Unlimited			

¹ Out of network claims covered only up to usual and customary amount.



Health Maintenance Organizations (HMO)

<i>Plan Feature</i>			
Annual Deductible	\$0		
Out of Pocket Maximum	\$3,000 per individual \$6,000 per family, per plan year		
<u>Covered Services</u>	<u>Copay</u>		
-Physicians Visits	\$30		
-Emergency Care	\$200		
-Inpatient Services	\$250		
-Outpatient Services			
-Surgery	\$200		
-Lab/X-ray	\$0		
-Other	\$30		
HMO Prescription Drug Copays	<u>Preferred</u> <u>Retail</u>	<u>Preferred</u> <u>Retail</u>	
	Reduced Tier 1	\$4.00	\$10.00
	Tier 1	\$12.00	\$30.00
	Tier 2	\$24.00	\$60.00
	Tier 3	\$48.00	\$120.00
	Specialty	\$96.00	-
	Supply	30-days	90-days
	Plan Year Deductible - \$175 per enrollee		
Maximum Lifetime Benefit	Unlimited		

Open Access Plan (OAP)

Plan Feature	Tier I	Tier II	Tier III ¹	
Annual Deductible	\$0	\$300 per enrollee ²	\$400 per enrollee ²	
Annual Out of Pocket Limit	\$6,600 per enrollee \$13,200 per family Tier I and Tier II charges combined		N/A	
<u>Covered Services</u>	<u>Coinsurance</u>	<u>Coinsurance</u>	<u>Coinsurance</u>	
-Office Visits	\$30 copay	80%	60%	
-Preventive	100%	100%	N/A	
-Emergency Room	\$200 copay	\$200 copay	\$200 copay	
-Inpatient Services	\$250 copay	\$300 copay, then 80%	\$400 copay, then 60%	
-Outpatient Surgery	\$200 copay	\$200 copay, then 80%	\$200 copay, then 60%	
OAP Prescription Drug Copays	<u>Retail</u>	<u>Retail</u>	<u>Maintenance Choice</u>	
	Tier 1	\$12.00	\$24.00	\$12.00
	Tier 2	\$24.00	\$48.00	\$24.00
	Tier 3	\$48.00	\$96.00	\$48.00
	Specialty	\$96.00	-	-
	Supply	30-days	90-days	90-days
Maximum Lifetime Benefit	Unlimited	Unlimited	Unlimited	

¹ Out of network claims covered only up to usual and customary amount.

² An annual deductible must be met before plan benefits apply. Benefit limits are measured on a plan year. Plan copayments, deductibles and amounts over the plan's allowable charges do not count toward the out-of-pocket maximum.



TRAIL MAPD PPO

<i>Plan Feature</i>	<i>In Network</i>	<i>Out of Network</i>		
Annual Deductible	\$250 per enrollee	\$250 per enrollee		
Annual Out of Pocket Limit	\$1,100 per enrollee	\$1,100 per enrollee		
<u>Covered Services</u> -Office Visits -Emergency Room -Inpatient Services -Outpatient Services	<u>Coinsurance</u> 80% after deductible \$120 Copay Copay waived if admitted within 24 hours 80% after deductible 80% after plan deductible	<u>Coinsurance</u> 80% after deductible \$120 Copay Copay waived if admitted within 24 hours 80% after deductible 80% after plan deductible		
PPO TRAIL Prescription Drug Copays ¹	<u>Retail</u>	<u>Retail</u>	<u>Retail</u>	
	Preferred/ Standard	Preferred/ Standard	Preferred/ Standard	
	Tier 1	\$9.00/\$10.00	\$18.00/\$20.00	\$22.50/\$30.00
	Tier 2	\$25.00	\$50.00	\$62.50/\$75.00
	Tier 3	\$50.00	\$100.00	\$125.00/\$150.00
	Tier 4 Specialty	\$50.00	\$100.00	\$125.00/\$150.00
	Supply	30-days	60-days	90-days
Maximum Lifetime Benefit	Unlimited			

¹ To obtain a 90-day supply, copayments are 2.5 times the 30-day supply copayment.

Calendar year 2024 copayments are capped once a member reaches \$8,000 in "true out-of-pocket" prescription drug costs.



Vision Benefits

Service ¹	In Network	Out of Network
Eye Exam	\$10 copay	\$20 allowance
Lenses	\$10 copay	\$20 allowance for single vision lenses \$30 allowance for bifocal and trifocal lenses
Standard Frames	\$10 copay (up to \$90 retail frame cost; beneficiary receives 20% off balance over \$90)	\$20 allowance
Contact Lenses (in lieu of Standard Frames and Lenses)	\$20 copay for medically necessary \$50 copay for elective contact lenses \$70 allowance for all other lenses not mentioned above	\$70 allowance

¹ All vision benefits are available once every 24 months from the last date used.

Dental Benefits

Plan Feature	
Annual Deductible for Preventative Services	N/A
Schedule of Benefits	Limited to maximum payment per service
Annual Deductible for All Other Covered Services	\$100 per participant
Plan Year Maximum Benefit	\$2,000 per participant

Child Orthodontia Benefits

Available only to children who begin treatment prior to the age of 19. Subject to a \$100 annual deductible and \$1,500 lifetime benefit. Reimbursement of benefit at 25% of applicable maximum benefit.

Length of Treatment	Maximum Benefit
0 – 36 Months	\$1,500
0 – 18 Months	\$1,364
0 – 12 Months	\$ 780

SECTION G

GLOSSARY

Glossary

Accrued Service. The service credited under the plan, which was rendered before the date of the actuarial valuation.

Actuarial Accrued Liability (AAL). The difference between (i) the actuarial present value of future plan benefits; and (ii) the actuarial present value of future normal cost, which is sometimes referred to as "accrued liability" or "past service liability."

Actuarial Assumptions. Estimates of future plan experience with respect to rates of mortality, disability, turnover, retirement, rate or rates of investment income, and salary increases. Decrement assumptions (rates of mortality, disability, turnover, and retirement) are generally based on past experience, often modified for projected changes in conditions. Economic assumptions (salary increases and investment income) consist of an underlying rate in an inflation-free environment plus a provision for a long-term average rate of inflation.

Actuarial Cost Method. A mathematical budgeting procedure for allocating the dollar amount of the "actuarial present value of future plan benefits" between the actuarial present value of future normal cost and the actuarial accrued liability. Sometimes referred to as the "actuarial funding method."

Actuarial Equivalent. A single amount or series of amounts of equal value to another single amount or series of amounts, computed on the basis of the rate(s) of interest and mortality tables used by the plan.

Actuarial Present Value. The amount of funds presently required to provide a payment or series of payments in the future. It is determined by discounting the future payments at a predetermined rate of interest, taking into account the probability of payment.

Actuarial Value of Assets. The value of cash, investments, and other property belonging to a pension or OPEB plan, as used by the actuary for the purpose of an actuarial valuation.

Actuarially Determined Contribution (ADC). The ADC is the normal cost plus the portion of the unfunded actuarial accrued liability to be amortized in the current period. The ADC is an amount that is actuarially determined in accordance with the requirements so that, if paid on an ongoing basis, it would be expected to provide sufficient resources to fund both the normal cost for each year and the amortized unfunded liability.

Amortization. Paying off an interest-bearing liability by means of periodic payments of interest and principal, as opposed to paying it off with a lump sum payment.

Annual OPEB Expense. An accrual-basis measure of the periodic cost of an employer's participation in a defined OPEB plan.

Discount Rate. The rate used to adjust a series of future payments to reflect the time value of money.



Glossary

Entry Age Normal Cost Method. A method under which the normal cost and actuarial accrued liability are directly proportional to the employee's salary. The normal cost rate equals the present value of future benefits at entry age divided by the present value of future salary at entry age. The normal cost at the member's attained age equals the normal cost rate at entry age multiplied by the salary at attained age. The actuarial accrued liability equals the present value of benefits at attained age less present value of future salaries at attained age multiplied by normal cost rate at entry age.

Expected Net Employer Contributions. The difference between the age-adjusted premium or expected retiree healthcare claims and retired member's share of the premium. This amount is used to offset the Annual OPEB Cost during the fiscal year.

Explicit Rate Subsidy. The portion of the premium paid by the employer. The premium may be based on the experience of active and retired members or retired members only.

Governmental Accounting Standards Board (GASB). GASB is the private, nonpartisan, nonprofit organization that works to create and improve the rules U.S. state and local governments follow when accounting for their finances and reporting them to the public.

Implicit Rate Subsidy. The de facto subsidy of retirees by permitting them to pay lower than age-adjusted premiums through the use of a single common or blended premium for both retirees and active employees.

Medical Trend Rate (Health Inflation). The increase in the plan's cost over time. Trend includes all elements that may influence a plan's cost, assuming those enrollments and the plan benefits do not change. Trend includes such elements as pure price inflation, changes in utilization, advances in medical technology, and cost shifting.

Normal Cost. The annual cost assigned, under the actuarial funding method, to current and subsequent plan years. Sometimes referred to as "current service cost." Any payment toward the unfunded actuarial accrued liability is not part of the normal cost.

Other Postemployment Benefits (OPEB). OPEB are postemployment benefits other than pensions. OPEB generally takes the form of health insurance and dental, vision, prescription drugs, or other healthcare benefits.

Pay-As-You-Go Funding. A method of financing benefits by making required payments only as they come due.

Plan Member. A plan's membership includes active service employees, terminated employees who are eligible to receive benefits but are not receiving them, and retired employees and beneficiaries currently receiving benefits.

Pre-Funding. A method of financing benefits by placing resources in trust as employees earn benefits so that the resources thus accumulated, along with related earnings, can be used to make benefit payments as they become due.



Glossary

Present Value of all Projected Benefits. The present value of the cost to finance benefits payable in the future, discounted to reflect the expected effects of the time value of money and the probabilities of payment.

Projected Unit Credit Cost Method. A method under which the normal cost and actuarial accrued liability are directly proportional to the employee's service. The normal cost equals the present value of future benefits divided by projected service at retirement, and the actuarial accrued liability equals the present value of benefits multiplied by the ratio of service at valuation date to projected service at retirement.

Qualified Plan. A qualified plan is an employer-sponsored retirement plan that qualifies for special tax treatment under Section 401(a) of the Internal Revenue Code.

Reserve Account. An account used to indicate that funds have been set-aside for a specific purpose and are not generally available for other uses.

Unfunded Actuarial Accrued Liability (UAAL). The difference between the actuarial accrued liability and valuation assets. Sometimes referred to as "unfunded accrued liability."

Valuation Assets. The value of current plan assets recognized for valuation purposes.