Teachers' Retirement 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, 2022

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October 6, 2023

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, 2022, for Illinois TRIP

Submitted in this report are the results of the actuarial valuation as of June 30, 2022, of the liabilities associated with the employer financed retiree health benefits provided through the State of Illinois Teachers' Retirement Insurance Program (TRIP), a benefit plan designed to provide postemployment healthcare benefits to certain members receiving pension benefits under the Teachers' Retirement System of Illinois (TRS).

This report was prepared at the request of the 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, 2022, 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 TRIP and participating employers may produce significantly different results. The actuarial valuation was based upon:

- Census information used in the June 30, 2022, TRS pension actuarial valuation as provided by the System's actuary and TRS;
- Healthcare data and census data as of June 30, 2022, for TRIP as provided by the Department of Central Management Services (CMS);
- Average expected per member costs by plan type for plan year end June 30, 2023, reviewed by the State's healthcare actuary and provided by CMS;
- The Aetna MAPD plan which became effective on January 1, 2023, and is based on zero premiums over at least the next five years;
- Substantive plan information provided by TRS and CMS;
- Economic assumptions approved by the State, including a discount rate of 3.69 percent as of June 30, 2022, and 3.86 percent as of June 30, 2023, 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 TRS actuarial valuation as of June 30, 2022, which reflect updates based on an experience study for the period from July 1, 2017, through June 30, 2020.

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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 TRS 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 the expected benefits disclosed in this report should not be used to assess the level of plan assets needed to settle the plan's 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 the economic or demographic assumptions; changes in economic or demographic assumptions; 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 TRIP as of the actuarial 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 the participating members of the Teachers' Retirement Insurance Program of Illinois (TRIP), OPEB primarily includes medical and prescription drug insurance benefits provided to former public school employees and their spouses receiving pension benefits under the Teachers' Retirement System of Illinois (TRS). Any other OPEB offered to the members of the Teachers' Retirement System of Illinois are outside the scope of this report. For example, OPEB offered by the local school districts such as vision, dental, life insurance, or explicit healthcare subsidies to help defray the costs of the retiree's share of the TRIP 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 TRIP.

We understand TRIP is a cost-sharing multiple employer plan and as of June 30, 2022, 983 employers are participating in the plan.

Funded and Unfunded Plans

Currently, benefits offered through TRIP are financed through a combination of retiree premiums and percentage-of-payroll contributions from active employees, local school districts, the State, and subsidies from the Federal Government. Contributions are made to the Teacher Health Insurance Security Fund. For fiscal year 2023, active members contribute 0.9 percent of pay, school districts contribute 0.67 percent of pay, and the State contributes 0.9 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 premium for retired members is not permitted to increase by more than 5.0 percent per year by statute. 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. This trust has an asset balance of $378.6 million as of June 30, 2022, and $472.3 million as of June 30, 2023. Historically, these 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 3.69 percent as of June 30, 2022, and 3.86 percent as of June 30, 2023.

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.

Results of the Study

The actuarial valuation as of June 30, 2022, 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 3.69 percent as of June 30, 2022, and 3.86 percent as of June 30, 2023.
- 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, 2022, at 3.69%	**$**	**7,223,319,824**
(Gain)/Loss due to:		
Demographic Experience	$	(71,994,595)
Claims and Premium Experience		(52,095,546)
Change in OPEB Assumptions and Other		237,522,107
Change in Discount Rate Assumption from 3.69% to 3.86%		(132,251,410)
Total	**$**	**(18,819,444)**
Actuarial Accrued Liability at June 30, 2022, at 3.86%	**$**	**7,204,500,380**

The Actuarial Accrued Liability as of June 30, 2022, using a discount rate of 3.86 percent, is projected to June 30, 2023, 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;

Liabilities decreased due to:

- Favorable demographic experience;
- Favorable claims and premium experience for fiscal year end June 30, 2022, compared with assumed trend rates from the previous actuarial valuation; and
- Increase in discount rate from 3.69 percent to 3.86 percent.

Executive Summary

In fiscal year 2023, employer costs, as reported in the fiscal year 2023 financial statements of the State and TRIP, and information provided by CMS, were allocated as follows:

Stakeholder/ Revenue Source	2023 Cost Sharing ($ in millions)	Percent of Total Revenue	Statutory Requirement FY 2023	Statutory Requirement FY 2024
State	$ 107.70	26.8%	0.90% of pay	0.90% of pay
School Districts	79.47	19.8%	0.67% of pay	0.67% of pay
Federal Part-D Subsidy	0.41	0.1%	Percent of Rx Claims Paid	Percent of Rx Claims Paid
Active Members	107.70	26.8%	0.90% of pay	0.90% of pay
Retirees	106.95	26.5%	Percent of premium	Percent of premium
COBRA	0.02	0.0%		
Total	**$ 402.25**	**100.0%**		
Benefits and Expenses Paid	**$ 311.33**			
Benefits and Expenses Covered by Revenue	**129%**			

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 TRIP is similar to the actuarial valuation performed for the TRS pension plan. The demographic assumptions (rates of retirement, termination, and disability) used in this OPEB actuarial valuation were identical to those used in the TRS actuarial valuation as of June 30, 2022. TRS conducted an Experience Study for the period from July 1, 2017, to June 30, 2020, and updated actuarial assumptions which were adopted for the TRS 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 actuarial valuation.

Effective as of January 1, 2023, projected per capita costs reflect the newly established zero premium MAPD plan. Based on discussions with CMS, the MAPD costs are zero for calendar years 2023 through 2027, increase to $42 per member per month in calendar year 2028, and increases ratably to $102 per member per month in calendar year 2033. After 2033, costs increase according to the assumed trend rates.

The following OPEB-related assumption changes were made since the last actuarial valuation as of June 30, 2021:

- Per capita claim costs for plan year end June 30, 2023, were updated based on projected claims and enrollment experience through June 30, 2023, and updated premium rates through plan year 2024; and
- The healthcare trend assumption was updated based on claim and enrollment experience through June 30, 2022, projected plan cost for plan year end June 30, 2023, premium changes through plan year end 2024, and expectation of future trend increases after June 30, 2023; and
- The discount rate was changed from 3.69 percent at June 30, 2022, to 3.86 percent at June 30, 2023.

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, 2022, projected to June 30, 2023, using two alternative discount rates of 3.69 percent and 3.86 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, local school districts, 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 on the following page are employer costs and liabilities, net of any co-pays, deductibles, retiree coinsurance, or retiree contributions using the Entry Age Normal cost method.

Actuarial Valuation Results

Teachers' Retirement Insurance Program
Retiree Healthcare Program
Exhibit 1

Discount Rate	*3.69%*	*3.86%*
Ultimate Trend Pre-Medicare	*4.25%*	*4.25%*
Ultimate Trend Post-Medicare	*4.25%*	*4.25%*

Summary of Actuarial Valuation Results as of	**June 30, 2022**	**June 30, 2022**
A) Actuarial Accrued Liability (AAL) [1]		
i) Active employees - Full-Time and Part-Time	$ 5,127,577,872	$ 5,034,527,898
ii) Active employees - Hourly and Substitute	78,657,259	76,452,755
iii) Current retirees and their covered dependents	1,589,728,554	1,566,443,250
iv) Waived retirees and their covered dependents [2]	159,136,512	156,662,160
v) Deferred vesteds [2, 3]	359,468,555	349,030,937
vi) Deferred vesteds [2, 4]	22,183,037	21,383,380
vii) Total	$ 7,336,751,789	$ 7,204,500,380
B) Market Value of Assets	$ 378,630,000	$ 378,630,000
C) Unfunded Actuarial Accrued Liability (UAAL)	$ 6,958,121,789	$ 6,825,870,380
D) Funded Ratio: [B / A]	5.2%	5.3%
E) UAAL as a percentage of covered payroll	61.2%	60.1%
F) Gross Normal Cost	$ 341,567,068	$ 329,907,162
Expected Active Employee Contributions [5]	102,268,407	102,268,407
Net Annual Normal Cost	$ 239,298,661	$ 227,638,755
G) Expected First Year Benefit Payments	221,393,100	$ 221,393,100
H) Interest Cost	$ 279,282,265	$ 286,595,701
I) Projected Actuarial Accrued Liability at end of Year	$ 7,736,208,022	$ 7,599,610,143
J) Covered Payroll	$ 11,363,156,353	$ 11,363,156,353
K) Participant Information		
i) Number of Covered Participants		
a) Active employees - Full Time and Part Time	136,523	
b) Active employees - Hourly and Substitute	24,387	
c) Current retirees and survivors	65,942	
d) Waived retirees	18,922	
e) Dependents	10,957	
f) Deferred vesteds [2, 3]	12,157	
g) Deferred vesteds [2, 4]	6,102	
h) Deferred Survivors	61	
i) Total	275,051	

[1] *Actuarial accrued liability as of June 30, 2022, based on census, assumptions, and methods as of June 30, 2022.*

[2] *Valuation assumes a percentage of waived retirees and deferred vested members under the age of 70 as of June 30, 2022, and waived beneficiaries over the age of 26 and under the age of 70 as of June 30, 2022, will elect retiree healthcare coverage in the future.*

[3] *Members with at least 7 years of service.*

[4] *Members with 5 to 7 years of service. Liability amount represents approximately 50% of the total liability determined for this group. Approximately 50% is allocated to TRIP and 50% is allocated to SEGIP.*

[5] *Active members contribute 0.90% of pay for fiscal year 2023. Based on expected payroll for FY 2023.*

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 Teacher's Retirement 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.

Discussion

Accounting Standard

For post-employment (OPEB) benefit 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 GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended, and GASB Statement 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.

GASB Statements No. 74 and 75 Information

The GASB Statement No. 74 information contained in this report is based on an actuarial valuation date of June 30, 2022, projected to a measurement date of June 30, 2023.

For GASB Statement No. 75 reporting purposes, the plan sponsor's fiscal year end June 30, 2024, financial reporting will be based on a measurement date of June 30, 2023.

The information contained in this report does not incorporate any employer contributions made subsequent to the measurement date of June 30, 2023.

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.

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 TRIP 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 3.69 percent as of June 30, 2022, and 3.86 percent as of June 30, 2023.

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 for the period July 1, 2017, to June 30, 2020, conducted by the pension system's actuary as approved by the pension system. The OPEB-related assumptions were recommended by GRS and approved by CMS.

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, 2023;
- 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 plan year end June 30, 2023;
- GASB Statement No. 75 Changes in Net OPEB Liability for plan year end June 30, 2023, applicable to sponsor's fiscal year end June 30, 2024;
- GASB Statement No. 75 Expense measured as of plan year end June 30, 2023, and applicable to sponsor's fiscal year end June 30, 2024; and
- GASB Statement No. 75 Development of Inflows and Outflows as of June 30, 2023.

Summary of GASB Statements No. 74 and 75 Results

		2023
Actuarial Valuation Date		June 30, 2022
Measurement Date of the Net OPEB Liability		June 30, 2023
Plan Year End for GASB Statement No. 74		June 30, 2023
Employer's Fiscal Year End for GASB Statement No. 75		June 30, 2024
Membership		
Number of		
- Retirees and Beneficiaries		65,942
- Inactive, Nonretired Members		37,242
- Active Members		160,910
- Total		264,094
Covered Payroll	$	11,363,156,353
Net OPEB Liability		
Total OPEB Liability	$	7,599,610,143
Plan Fiduciary Net Position		472,253,000
Net OPEB Liability	$	7,127,357,143
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability		6.21%
Net OPEB Liability as a Percentage of Covered Payroll		62.72%
Development of the Single Discount Rate		
Single Discount Rate Beginning of Year		3.69%
Single Discount Rate End of Year		3.86%
Long-Term Expected Rate of Investment Return, Beginning of Year		2.75%
Long-Term Expected Rate of Investment Return, End of Year		2.75%
Long-Term Municipal Bond Rate Beginning of Year[a]		3.69%
Long-Term Municipal Bond Rate End of Year[a]		3.86%
Total OPEB Expense for Fiscal Year End June 30, 2023, Applicable to Sponsor's Fiscal Year End June 30, 2024	$	(2,992,077,745)

Deferred Outflows and Deferred Inflows of Resources by Source to be Recognized in Future OPEB Expenses as of June 30, 2024

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Difference Between Expected and Actual Experience	$ -	$ (3,980,066,164)
Changes in Assumptions	94,470,721	(14,009,112,419)
Net Difference Between projected and Actual Earnings on OPEB Plan Investments	2,875,673	(38,600)
Total	$ 97,346,394	$ (17,989,217,183)

[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." 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 Statements No. 74 and 75 Information

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

Fiscal Year Ending June 30,	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability							
Service Cost	$ 341,567,068	$ 480,495,099	$ 1,109,767,854	$ 1,207,781,377	$ 1,203,231,213	$ 1,282,452,212	$ 1,684,864,123
Interest on the Total OPEB Liability	279,282,265	167,671,854	491,582,744	730,741,073	895,428,024	921,017,244	820,960,601
Changes of Benefit Terms	-	-	-	-	-	-	-
Difference between Expected and Actual Experience	(150,357,242)	(4,075,426,058)	(490,742,013)	(361,511,693)	(431,808,998)	(94,796,551)	(16,955,687)
Changes of Assumptions	100,924,228	(11,500,200,652)	(5,422,677,158)	(2,160,325,236)	11,932,136	(1,410,427,032)	(3,564,237,510)
Benefit Payments [a]	(195,126,000)	(217,842,000)	(244,045,000)	(237,466,000)	(260,652,000)	(275,400,000)	(296,480,000)
Net Change in Total OPEB Liability	376,290,319	(15,145,301,757)	(4,556,113,573)	(820,780,479)	1,418,130,375	422,845,873	(1,371,848,473)
Total OPEB Liability - Beginning	7,223,319,824	22,368,621,581	26,924,735,154	27,745,515,633	26,327,385,258	25,904,539,385	27,276,387,858
Total OPEB Liability - Ending (a)	$ 7,599,610,143	$ 7,223,319,824	$ 22,368,621,581	$ 26,924,735,154	$ 27,745,515,633	$ 26,327,385,258	$ 25,904,539,385
Plan Fiduciary Net Position							
Employer Contributions	$ 187,170,000	$ 185,245,000	$ 238,764,000	$ 232,712,000	$ 226,089,000	$ 208,564,000	$ 210,466,000
Active Member Contributions	107,704,000	106,576,000	137,436,000	133,896,000	130,068,000	119,906,000	111,734,000
Net Investment Income	2,704,000	143,000	51,000	193,000	397,000	743,000	357,000
Benefit Payments [a]	(195,126,000)	(217,842,000)	(244,045,000)	(237,466,000)	(260,652,000)	(275,400,000)	(296,480,000)
Operating Expenses	(9,259,000)	(9,220,000)	(9,526,000)	(9,472,000)	(10,430,000)	(14,226,000)	(13,790,000)
Other	430,000	482,000	1,744,000	895,000	1,079,000	1,614,000	2,099,000
Net Change in Plan Fiduciary Net Position	93,623,000	65,384,000	124,424,000	120,758,000	86,551,000	41,201,000	14,386,000
Plan Fiduciary Net Position - Beginning[b]	378,630,000	313,246,000	188,822,000	68,064,000	(18,487,000)	(59,688,000)	(59,415,000)
Plan Fiduciary Net Position - Ending (b)	472,253,000	378,630,000	313,246,000	188,822,000	68,064,000	(18,487,000)	(45,029,000)
Net OPEB Liability - Ending (a) - (b)	$ 7,127,357,143	$ 6,844,689,824	$ 22,055,375,581	$ 26,735,913,154	$ 27,677,451,632	$ 26,345,872,258	$ 25,949,568,385
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	6.21%	5.24%	1.40%	0.70%	0.25%	-0.07%	-0.17%
Covered-Employee Payroll	$ 11,363,156,353	$ 10,851,357,580	$ 10,497,876,022	$ 10,184,005,548	$ 9,879,265,292	$ 9,600,528,968	$ 9,444,442,000
Net OPEB Liability as a Percentage of Covered-Employee Payroll	62.72%	63.08%	210.09%	262.53%	280.16%	274.42%	274.76%

[a] *Actual benefits paid by sponsor.*

[b] *Plan Fiduciary Net Position was restated from $(45,029,000) as of June 30, 2017, to $(59,688,000) as of July 1, 2017.*

GASB Statement No. 74 Schedule of Net OPEB Liability Multiyear

FY Ending June 30,	Total OPEB Liability	Fiduciary Net Position[a]	Net OPEB Liability	Fiduciary Net Position as a % of Total OPEB Liability	Covered Payroll[b]	Net OPEB Liability as a % of Covered Payroll
2016	$ 27,276,387,858	$ (59,415,000)	$ 27,335,802,858	-0.22%	$ 9,147,159,000	298.84%
2017	25,904,539,385	(45,029,000)	25,949,568,385	-0.17%	9,444,442,000	274.76%
2018	26,327,385,258	(18,487,000)	26,345,872,258	-0.07%	9,600,528,968	274.42%
2019	27,745,515,633	68,064,000	27,677,451,632	0.25%	9,879,265,292	280.16%
2020	26,924,735,154	188,822,000	26,735,913,154	0.70%	10,184,005,548	262.53%
2021	22,368,621,581	313,246,000	22,055,375,581	1.40%	10,497,876,022	210.09%
2022	7,223,319,824	378,630,000	6,844,689,824	5.24%	10,851,357,580	63.08%
2023	7,599,610,143	472,253,000	7,127,357,143	6.21%	11,363,156,353	62.72%

[a] *Plan Fiduciary Net Position was restated from $(45,029,000) as of June 30, 2017, to $(59,688,000) as of July 1, 2017.*
[b] *Estimated payroll for fiscal year end June 30, 2016, based on fiscal year end June 30, 2017, payroll adjusted by wage inflation assumption of 3.25 percent.*

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	$ 194,405,000	N/A	$ 9,147,159,000	2.13%
2017	N/A	210,466,000	N/A	9,444,442,000	2.23%
2018	N/A	208,564,000	N/A	9,600,528,968	2.17%
2019	N/A	226,089,000	N/A	9,879,265,292	2.29%
2020	N/A	232,712,000	N/A	10,184,005,548	2.29%
2021	N/A	238,764,000	N/A	10,497,876,022	2.27%
2022	N/A	185,245,000	N/A	10,851,357,580	1.71%
2023	N/A	187,170,000	N/A	11,363,156,353	1.65%

Contributions for TRIP 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, 2023, contribution rates are 0.9 percent of pay for active members, 0.67 percent of pay for school districts, and 0.9 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.

Notes to Schedule of Contributions

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Sponsor's Fiscal Year End	June 30, 2024

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-go basis. Contribution rates are defined by statute. For fiscal year end June 30, 2023, contribution rates are 0.90% of pay for active members, 0.67% of pay for school districts, and 0.90% 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	2.75%, net of OPEB plan investment expense, including inflation, for all plan years.
Inflation	2.25%
Salary Increases	Depends on service and ranges from 8.50% at 1 year of service to 3.50% at 20 or more years of service.
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the actuarial valuation as of June 30, 2021.
Mortality	Retirement and Beneficiary Annuitants: PubT-2010 Retiree Mortality Table, adjusted for TRS experience. Disabled Annuitants: PubNS-2010 Non-Safety Disabled Retiree Table. Pre-Retirement: PubT-2010 Employee Mortality Table. All tables reflect future mortality improvements using Projection Scale MP-2020.
Healthcare Cost Trend Rates	Trend rates for plan year 2024 are based on actual premium increases. For non-medicare costs, trend rates start at 8.00% for plan year 2025 and decrease gradually to an ultimate rate of 4.25% in 2040. For MAPD costs, trend rates are 0% in 2024 to 2028, 19.42% in 2029 to 2033 and 6.08% in 2034, declining gradually to an ultimate rate of 4.25% in 2040.
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.

Single Discount Rate

The State, school districts, and active members contribute 0.9 percent, 0.67 percent, and 0.9 percent of pay, respectively, for fiscal year 2023. 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, the 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 3.69 percent at June 30, 2022, and 3.86 percent at June 30, 2023, was used to measure the total OPEB liability. The increase in the single discount rate, from 3.69 percent to 3.86 percent, caused the total OPEB liability to decrease by approximately $137 million as of June 30, 2023.

Investment Return

During plan year end June 30, 2023, the trust earned $2,704,000 in interest, and the market value of assets at June 30, 2023, is $472.25 million. The long-term investment return was assumed to be 2.75 percent.

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 1.376 percent for plan year end June 30, 2023, and 0.304 percent for plan year end June 30, 2022.

Sensitivity of Net OPEB Liability

The following table shows the plan's net OPEB liability as of June 30, 2023, using the current single discount rate of 3.86 percent and sensitivity single discount rates that are either one percentage point higher or lower:

1% Decrease 2.86%	Current Single Discount Rate Assumption 3.86%	1% Increase 4.86%
$ 7,958,519,653	$ 7,127,357,143	$ 6,394,173,128

GASB Statements No. 74 and 75 Information

The following table shows the plan's net OPEB liability as of June 30, 2023, using current trend rates and sensitivity trend rates that are either one percentage point higher or lower.

1% Decrease[b]	Healthcare Cost Trend Rates Assumption[a]	1% Increase[c]
$ 6,066,383,159	$ 7,127,357,143	$ 8,427,196,546

[a] *Current healthcare trend rates -*
Pre-Medicare per capita costs: 6.00% in 2024, 8.00% in 2025, decreasing by 0.25% per year to an ultimate rate of 4.25% in 2040.

Post-Medicare per capita costs: 0.00% from 2024 to 2028, 19.42% from 2029 to 2033, 6.08% in 2034 decreasing ratably to an ultimate trend rate of 4.25% in 2040.

[b] *One percentage point decrease in current healthcare trend rates -*
Pre-Medicare per capita costs: 5.00% in 2024, 7.00% in 2025, decreasing by 0.25% per year to an ultimate rate of 3.25% in 2040.

Post-Medicare per capita costs: 0.00% from 2024 to 2028, 18.42% from 2029 to 2033, 5.08% in 2034 decreasing ratably to an ultimate trend rate of 3.25% in 2040.

[c] *One percentage point increase in current healthcare trend rates -*
Pre-Medicare per capita costs: 7.00% in 2024, 9.00% in 2025, decreasing by 0.25% per year to an ultimate rate of 5.25% in 2040.

Post-Medicare per capita costs: 0.00% from 2024 to 2028, 20.42% from 2029 to 2033, 7.08% in 2034 decreasing ratably to an ultimate trend rate of 5.25% in 2040.

Schedule of Changes in Net OPEB Liability under GASB Statement No. 75
Measured as of June 30, 2023
Applicable to Plan Sponsor's Fiscal Year End of June 30, 2024

Fiscal Year Ending June 30,	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability							
Service Cost	$ 341,567,068	$ 480,495,099	$ 1,109,767,854	$ 1,207,781,377	$ 1,203,231,213	$ 1,282,452,212	$ 1,684,864,123
Interest on the Total OPEB Liability	279,282,265	167,671,854	491,582,744	730,741,073	895,428,024	921,017,244	820,960,601
Changes of Benefit Terms	-	-	-	-	-	-	-
Difference between Expected and Actual Experience	(150,357,242)	(4,075,426,058)	(490,742,013)	(361,511,693)	(431,808,998)	(94,796,551)	(16,955,687)
Changes of Assumptions	100,924,228	(11,500,200,652)	(5,422,677,158)	(2,160,325,236)	11,932,136	(1,410,427,032)	(3,564,237,510)
Benefit Payments [a]	(195,126,000)	(217,842,000)	(244,045,000)	(237,466,000)	(260,652,000)	(275,400,000)	(296,480,000)
Net Change in Total OPEB Liability	376,290,319	(15,145,301,757)	(4,556,113,573)	(820,780,479)	1,418,130,375	422,845,873	(1,371,848,473)
Total OPEB Liability - Beginning	7,223,319,824	22,368,621,581	26,924,735,154	27,745,515,633	26,327,385,258	25,904,539,385	27,276,387,858
Total OPEB Liability - Ending (a)	$ 7,599,610,143	$ 7,223,319,824	$ 22,368,621,581	$ 26,924,735,154	$ 27,745,515,633	$ 26,327,385,258	$ 25,904,539,385
Plan Fiduciary Net Position							
Employer Contributions	$ 187,170,000	$ 185,245,000	$ 238,764,000	$ 232,712,000	$ 226,089,000	$ 208,564,000	$ 210,466,000
Active Member Contributions	107,704,000	106,576,000	137,436,000	133,896,000	130,068,000	119,906,000	111,734,000
Net Investment Income	2,704,000	143,000	51,000	193,000	397,000	743,000	357,000
Benefit Payments [a]	(195,126,000)	(217,842,000)	(244,045,000)	(237,466,000)	(260,652,000)	(275,400,000)	(296,480,000)
Operating Expenses	(9,259,000)	(9,220,000)	(9,526,000)	(9,472,000)	(10,430,000)	(14,226,000)	(13,790,000)
Other	430,000	482,000	1,744,000	895,000	1,079,000	1,614,000	2,099,000
Net Change in Plan Fiduciary Net Position	93,623,000	65,384,000	124,424,000	120,758,000	86,551,000	41,201,000	14,386,000
Plan Fiduciary Net Position - Beginning[b]	378,630,000	313,246,000	188,822,000	68,064,000	(18,487,000)	(59,688,000)	(59,415,000)
Plan Fiduciary Net Position - Ending (b)	472,253,000	378,630,000	313,246,000	188,822,000	68,064,000	(18,487,000)	(45,029,000)
Net OPEB Liability - Ending (a) - (b)	$ 7,127,357,143	$ 6,844,689,824	$ 22,055,375,581	$ 26,735,913,154	$ 27,677,451,632	$ 26,345,872,258	$ 25,949,568,385
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	6.21%	5.24%	1.40%	0.70%	0.25%	-0.07%	-0.17%
Covered-Employee Payroll	$ 11,363,156,353	$ 10,851,357,580	$ 10,497,876,022	$ 10,184,005,548	$ 9,879,265,292	$ 9,600,528,968	$ 9,444,442,000
Net OPEB Liability as a Percentage of Covered-Employee Payroll	62.72%	63.08%	210.09%	262.53%	280.16%	274.42%	274.76%

[a] *Actual benefits paid by sponsor.*

[b] *Plan Fiduciary Net Position was restated from $(45,029,000) as of June 30, 2017, to $(59,688,000) as of July 1, 2017.*

Statement of OPEB Expense under GASB Statement No. 75
Measured as of June 30, 2023
Applicable to Plan Sponsor's Fiscal Year End June 30, 2024

A. Expense		
1. Service Cost	$	341,567,068
2. Interest on the Total OPEB Liability		279,282,265
3. Current-Period Benefit Changes		-
4. Active Member Contributions		(107,704,000)
5. Projected Earnings on Plan Investments		(5,399,254)
6. OPEB Plan Operating Expenses		9,259,000
7. Other Changes in Plan Fiduciary Net Position		(430,000)
8. Recognition of Outflow/(Inflow) due to Liability Experience		(647,054,731)
9. Recognition of Outflow/(Inflow) due to Assumption Changes		(2,862,287,968)
10. Recognition of Outflow/(Inflow) due to Investment Experience		689,875
11. Total OPEB Expense	**$**	**(2,992,077,745)**
B. Reconciliation of Net OPEB Liability		
1. Net OPEB Liability Beginning of Year	$	6,844,689,824
2. OPEB Expense		(2,992,077,745)
3. Employer Contributions		(187,170,000)
4. Change in Liability Experience Outflows/(Inflows) Recognized in Current Liabilities		496,697,489
5. Change in Assumption Changes Experience Outflows/(Inflows) Recognized in Current Liabilities		2,963,212,196
6. Change in Investment Experience Outflows/(Inflows) Recognized in Current Assets		2,005,378
7. Net OPEB Liability End of Year	$	7,127,357,143

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 lives of all active employees in the plan was approximately 2,382,570 years. Additionally, the total plan membership (active employees and inactive employees) was 264,094. 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 9.02 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.

Statement of Outflows and Inflows Arising from Current and Prior Reporting Periods Measured as of June 30, 2023, Applicable to Plan Sponsor's Fiscal Year End June 30, 2024

A. Outflows and (Inflows) of Resources Recognized in Current and Future OPEB Expenses as of Plan Year End June 30, 2023

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	$ (150,357,242)	June 30, 2023	9.0200	$ -	$ (16,669,317)	$ (133,687,925)	$ -
	(4,075,426,058)	June 30, 2022	8.8400	(461,021,047)	(461,021,047)	(3,153,383,963)	-
	(490,742,013)	June 30, 2021	8.3300	(117,825,213)	(58,912,607)	(314,004,193)	-
	(361,511,693)	June 30, 2020	8.3300	(130,196,288)	(43,398,763)	(187,916,642)	-
	(431,808,998)	June 30, 2019	8.2900	(208,351,748)	(52,087,937)	(171,369,313)	-
	(94,796,551)	June 30, 2018	7.4600	(63,536,562)	(12,707,312)	(18,552,676)	-
	(16,955,687)	June 30, 2017	7.5100	(13,546,488)	(2,257,748)	(1,151,451)	-
				$ (994,477,347)	$ (647,054,731)	$ (3,980,066,164)	$ -
2. Assumption Changes	$ 100,924,228	June 30, 2023	9.0200	$ -	$ 11,188,939	$ -	$ 89,735,289
	(11,500,200,652)	June 30, 2022	8.8400	(1,300,927,676)	(1,300,927,676)	(8,898,345,301)	-
	(5,422,677,158)	June 30, 2021	8.3300	(1,301,963,303)	(650,981,652)	(3,469,732,203)	-
	(2,160,325,236)	June 30, 2020	8.3300	(778,028,296)	(259,342,765)	(1,122,954,174)	-
	11,932,136	June 30, 2019	8.2900	5,757,363	1,439,341	-	4,735,431
	(1,410,427,032)	June 30, 2018	7.4600	(945,326,429)	(189,065,286)	(276,035,317)	-
	(3,564,237,510)	June 30, 2017	7.5100	(2,847,593,217)	(474,598,870)	(242,045,423)	-
				$ (7,168,081,558)	$ (2,862,287,968)	$ (14,009,112,419)	$ 94,470,721
3. Investment (Gain)/Loss and Actual Investment Earnings	$ 2,695,254	June 30, 2023	5.0000	$ -	$ 539,051	$ -	$ 2,156,203
	909,106	June 30, 2022	5.0000	181,821	181,821	-	545,464
	435,017	June 30, 2021	5.0000	174,007	87,003	-	174,007
	(193,000)	June 30, 2020	5.0000	(115,800)	(38,600)	(38,600)	-
	(397,000)	June 30, 2019	5.0000	(317,600)	(79,400)	-	-
	(743,000)	June 30, 2018	5.0000	(743,000)	-	-	-
	(357,000)	June 30, 2017	5.0000	(428,400)	-	-	-
				$ (1,248,972)	$ 689,875	$ (38,600)	$ 2,875,673
4. Total				**$ (8,163,807,876)**	**$ (3,508,652,824)**	**$ (17,989,217,183)**	**$ 97,346,394**

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)
2024	$ (645,948,435)	$ (2,629,734,522)	$ 769,275	2024	$ 13,436,155	$ (3,288,349,837)	$ (3,274,913,682)
2025	$ (637,935,035)	$ (2,285,593,844)	$ 807,875	2025	$ 13,436,155	$ (2,936,157,159)	$ (2,922,721,004)
2026	$ (632,089,671)	$ (2,198,623,813)	$ 720,872	2026	$ 13,349,152	$ (2,843,341,764)	$ (2,829,992,612)
2027	$ (595,107,236)	$ (2,199,645,745)	$ 539,051	2027	$ 12,145,398	$ (2,806,359,328)	$ (2,794,213,930)
2028	$ (550,924,563)	$ (2,026,303,501)	$ -	2028	$ 11,188,939	$ (2,588,417,003)	$ (2,577,228,064)
2029	$ (497,131,525)	$ (1,504,562,682)	$ -	2029	$ 11,188,939	$ (2,012,883,145)	$ (2,001,694,207)
2030	$ (403,926,997)	$ (1,081,590,309)	$ -	2030	$ 11,188,939	$ (1,496,706,244)	$ (1,485,517,306)
2031	$ (16,669,317)	$ 11,188,939	$ -	2031	$ 11,188,939	$ (16,669,317)	$ (5,480,378)
2032	$ (333,386)	$ 223,779	$ -	2032	$ 223,779	$ (333,386)	$ (109,608)
Total	**$ (3,980,066,164)**	**$ (13,914,641,698)**	**$ 2,837,073**		**$ 97,346,394**	**$ (17,989,217,183)**	**$ (17,891,870,789)**
Change in Outflows/(Inflows)	$ 496,697,489	$ 2,963,212,196	$ 2,005,378				

Numbers may not add due to rounding.

SECTION D

ADDITIONAL ACTUARIAL VALUATION EXHIBITS

Exhibit 1

40-Year Projection of Expected Employer Claims [a]

Fiscal Year End June 30	Expected Employer Claims[b]	Fiscal Year End June 30	Expected Employer Claims
2023	$ 221,393,100	2043	$ 969,759,800
2024	196,368,500	2044	977,154,500
2025	219,246,100	2045	963,410,400
2026	243,476,800	2046	927,960,700
2027	272,318,000	2047	872,233,600
2028	308,121,700	2048	793,271,100
2029	366,462,300	2049	707,576,600
2030	413,946,700	2050	620,944,500
2031	464,316,300	2051	547,082,100
2032	516,683,600	2052	491,809,300
2033	571,203,700	2053	453,352,000
2034	623,596,000	2054	431,524,800
2035	666,295,400	2055	419,395,000
2036	704,663,300	2056	406,216,800
2037	745,133,700	2057	396,477,900
2038	790,071,100	2058	389,107,600
2039	836,203,700	2059	382,062,600
2040	878,447,400	2060	372,197,500
2041	918,631,700	2061	354,554,700
2042	951,443,100	2062	322,850,700

[a] *Expected claims net of retiree contributions for current participants.*

[b] *Expected net employer costs after December 31, 2022, reflect the significantly reduced MAPD capitation rates.*

Exhibit 2
Summary of Demographic Information as of June 30, 2022

		Primary Member	Dependent	Total
A)	Active Participants - Full-Time and Part-Time [a]			
	i) Counts	136,523		136,523
	ii) Average Age	42		42
	iii) Average Service	14		14
B)	Active Participants - Hourly and Substitute			
	i) Counts	24,387		24,387
	ii) Average Age	44		44
	iii) Average Service	2		2
C)	Retirees and Dependents Under Age 65 [b]			
	i) Counts	9,527	1,174	10,701
	ii) Average Age	61	60	61
D)	Retirees and Dependents Over Age 65 [b]			
	i) Counts	56,412	9,177	65,589
	ii) Average Age	76	75	76
E)	Waived Retirees and Dependents [c]			
	i) Counts	18,922		18,922
	ii) Average Age	64		64
F)	Children			
	i) Counts	3	606	609
	ii) Average Age	16	21	21
G)	Deferred Vesteds [d]			
	i) Counts	12,157		12,157
	ii) Average Age	47		47
H)	Deferred Vesteds [e]			
	i) Counts	6,102		6,102
	ii) Average Age	45		45
I)	Deferred Survivors			
	i) Counts	61		61
	ii) Average Age	42		42
J)	Total Participants	264,094	10,957	275,051

[a] *Excludes members who are active in TRS and categorized as a dependent in SEGIP, and 1,344 active members in TRS with vested benefits in SERS, SURS, GARS, or JRS.*
[b] *Only includes members and dependents currently receiving benefits through TRIP.*
[c] *Includes members currently under the age of 70 and waived beneficiaries over the age of 26 and under 70.*
[d] *Members with at least 7 years of service and currently under the age of 70.*
[e] *Members with 5 to 7 years of service and currently under the age of 70.*

Exhibit 3
Assets Available for Benefits

	As of June 30,	
	2022	**2023**
Net Assets Held in Trust for Post-Employment Benefits, Beginning of Year	$ 313,246,000	$ 378,630,000
Adjustment to Net Assets, Beginning of Year	-	-
Net Assets, Beginning of Year	$ 313,246,000	$ 378,630,000
Revenues		
State Contributions	$ 106,576,000	$ 107,704,000
Employer Contributions	78,669,000	79,466,000
Federal Government Medicare Part D Subsidy	436,000	407,000
Active Member Contributions	106,576,000	107,704,000
Retired Member Contributions	128,746,939	106,948,483
COBRA	46,000	23,000
Interest	143,000	2,704,000
Total Revenues	$ 421,192,939	$ 404,956,483
Deductions		
Benefits	346,588,939	$ 302,074,483
Administrative Expense	9,220,000	9,259,000
Total Deductions	$ 355,808,939	$ 311,333,483
Net Change	$ 65,384,000	$ 93,623,000
Net Assets Held in Trust for Post-Employment Benefits, End of Year	$ 378,630,000	$ 472,253,000

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 actuarial valuation are based on average per member costs by plan type for the periods from July 1, 2022, through June 30, 2023, and from July 1, 2021, through June 30, 2022, 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 actuarial valuation were based on weighted average premium rates, 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 as of January 1, 2023, the Aetna MAPD plan will be the only MAPD plan provided to Medicare retirees. CMS has negotiated a zero premium plan with Aetna for calendar years 2023 through 2027. The zero premium plan may also be extended for another five years after 2027.

Based on discussions with CMS, we have assumed an MAPD premium rate of approximately $42 per member per month starting in calendar year 2028. This rate includes administrative expenses of approximately $6 per retiree per month.

After calendar year 2028, we have assumed the MAPD premium rate will increase by approximately 19.42 percent per year for next five years resulting in a rate of approximately $102 per member per month in calendar year 2033. After calendar year 2033, MAPD premium rates are assumed to increase using the trend rate provided on page E-2.

Retirees and dependents pay 25 percent and 75 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 TRS active, inactive and retiree data as of June 30, 2022, and TRIP retiree data as of June 30, 2022.

Actuarial Assumptions

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

Actuarial Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Discount Rate	3.69% at June 30, 2022 3.86% at June 30, 2023
Inflation[1]	2.25%
Ultimate Salary Increase[2]	3.50%

OPEB Assumptions

	Healthcare Trend			
Fiscal Year End 6/30	TCHP and MC Medical and RX	MAPD Medical and RX	TCHP and MC Retiree Premium	MAPD Retiree Premium
2024	6.00%	0.00%	5.00%	0.00%
2025	8.00%	0.00%	5.00%	0.00%
2026	7.75%	0.00%	5.00%	0.00%
2027	7.50%	0.00%	5.00%	0.00%
2028	7.25%	0.00%	5.00%	0.00%
2029	7.00%	19.42%	5.00%	19.42%
2030	6.75%	19.42%	5.00%	19.42%
2031	6.50%	19.42%	5.00%	19.42%
2032	6.25%	19.42%	5.00%	19.42%
2033	6.00%	19.42%	5.00%	19.42%
2034	5.75%	6.08%	5.00%	5.00%
2035	5.50%	5.77%	5.00%	5.00%
2036	5.25%	5.45%	5.00%	5.00%
2037	5.00%	5.13%	5.00%	5.00%
2038	4.75%	4.82%	4.75%	4.75%
2039	4.50%	4.50%	4.50%	4.50%
2040	4.25%	4.25%	4.25%	4.25%

[1] *Underlying Inflation used to develop ultimate salary increase, trend rates, and investment return assumptions.*
[2] *Ultimate salary increase used to project payroll.*

Age	Morbidity Factor	
	Male	Female
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

	TCHP			OAP			HMO	
	Medical and Rx			Medical and Rx			Medical and Rx	
Age	Male	Female	Age	Male	Female	Age	Male	Female
20	$ 4,174	$ 5,461	20	$ 3,818	$ 4,997	20	$ 3,409	$ 4,461
25	3,533	7,223	25	3,233	6,609	25	2,886	5,900
30	4,327	10,181	30	3,958	9,315	30	3,534	8,315
35	5,391	11,076	35	4,932	10,133	35	4,403	9,046
40	6,732	10,938	40	6,159	10,007	40	5,498	8,934
45	8,380	11,566	45	7,667	10,581	45	6,844	9,446
50	10,912	13,442	50	9,983	12,298	50	8,912	10,979
51	11,546	13,908	51	10,563	12,724	51	9,430	11,359
52	12,206	14,364	52	11,167	13,141	52	9,969	11,732
53	12,893	14,808	53	11,796	13,548	53	10,530	12,094
54	13,610	15,243	54	12,452	13,946	54	11,116	12,450
55	14,359	15,678	55	13,137	14,343	55	11,728	12,805
56	15,139	16,123	56	13,851	14,751	56	12,365	13,169
57	15,951	16,593	57	14,593	15,180	57	13,028	13,552
58	16,789	17,099	58	15,360	15,644	58	13,712	13,965
59	17,652	17,652	59	16,150	16,150	59	14,417	14,417
60	18,545	18,261	60	16,967	16,707	60	15,147	14,914
61	19,477	18,929	61	17,819	17,318	61	15,907	15,460
62	20,452	19,657	62	18,712	17,984	62	16,705	16,055
63	21,477	20,443	63	19,649	18,703	63	17,541	16,697
64	22,551	21,282	64	20,632	19,471	64	18,419	17,382

Annual Per Capita Claims Costs for Medicare Eligible Members

	TCHP		OAP		HMO		MAPD[a]	
	Medical and Rx		Medical and Rx		Medical and Rx		Medical and Rx	
Age	Male	Female	Male	Female	Male	Female	Male	Female
65	$ 8,500	$ 8,017	$ 6,849	$ 6,460	$ 6,054	$ 5,710	$ 1,618	$ 1,526
66	8,643	8,214	6,964	6,619	6,156	5,851	1,645	1,564
67	8,790	8,408	7,083	6,775	6,261	5,989	1,673	1,601
68	8,942	8,597	7,205	6,928	6,369	6,124	1,702	1,637
69	9,098	8,782	7,331	7,077	6,481	6,255	1,732	1,672
70	9,259	8,960	7,461	7,220	6,595	6,382	1,763	1,706
71	9,419	9,129	7,590	7,356	6,709	6,503	1,793	1,738
72	9,570	9,289	7,711	7,485	6,816	6,617	1,822	1,768
73	9,707	9,439	7,822	7,606	6,914	6,723	1,848	1,797
74	9,832	9,577	7,922	7,717	7,003	6,822	1,872	1,823
75	9,945	9,704	8,013	7,819	7,084	6,912	1,893	1,847
76	10,051	9,821	8,099	7,913	7,159	6,995	1,913	1,870
77	10,155	9,932	8,183	8,003	7,233	7,074	1,933	1,891
78	10,258	10,041	8,266	8,091	7,307	7,152	1,953	1,912
79	10,355	10,151	8,344	8,179	7,376	7,230	1,971	1,932
80	10,440	10,258	8,413	8,265	7,436	7,306	1,987	1,953
81	10,505	10,357	8,465	8,346	7,483	7,377	2,000	1,972
82	10,545	10,446	8,497	8,417	7,511	7,440	2,007	1,989
83	10,557	10,523	8,506	8,479	7,519	7,495	2,010	2,003
84	10,545	10,588	8,497	8,532	7,511	7,542	2,007	2,016
85	10,516	10,640	8,474	8,574	7,490	7,579	2,002	2,026
86	10,477	10,678	8,442	8,604	7,463	7,606	1,995	2,033
87+	10,434	10,706	8,408	8,627	7,432	7,626	1,986	2,038

[a]*Applicable from July 1, 2022 to December 31, 2022.*

Effective as of January 1, 2023, the Aetna MAPD plan will be the only MAPD plan provided to Medicare retirees. CMS has negotiated a zero premium plan with Aetna for calendar years 2023 through 2027. The zero premium plan may also be extended for another five years after 2027.

Based on discussions with CMS, we have assumed an MAPD premium rate of approximately $42 per member per month starting in calendar year 2028. This rate includes administrative expenses of approximately $6 per retiree per month.

After calendar year 2028, we have assumed the MAPD premium rate will increase by approximately 19.42 percent per year for the next five years resulting in a rate of approximately $102 per member per month in calendar year 2033. After calendar year 2033, MAPD premium rates are assumed to increase using the trend rate provided on page E-2.

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

	TCHP Medical and Rx			OAP Medical and Rx			HMO Medical and Rx	
Age	Male	Female	Age	Male	Female	Age	Male	Female
65	$ 28,146	$ 26,548	65	$ 23,790	$ 22,438	65	$ 17,329	$ 16,344
66	28,619	27,200	66	24,189	22,990	66	17,620	16,746
67	29,107	27,841	67	24,601	23,532	67	17,920	17,141
68	29,609	28,470	68	25,026	24,063	68	18,229	17,528
69	30,128	29,081	69	25,465	24,580	69	18,549	17,904
70	30,661	29,670	70	25,916	25,077	70	18,877	18,266
71	31,190	30,230	71	26,362	25,551	71	19,202	18,612
72	31,689	30,760	72	26,784	25,999	72	19,510	18,938
73	32,145	31,257	73	27,169	26,418	73	19,790	19,243
74	32,556	31,714	74	27,517	26,805	74	20,044	19,525
75	32,931	32,133	75	27,834	27,160	75	20,274	19,783
76	33,284	32,520	76	28,132	27,486	76	20,491	20,021
77	33,628	32,888	77	28,423	27,798	77	20,704	20,248
78	33,968	33,251	78	28,710	28,104	78	20,913	20,471
79	34,290	33,613	79	28,982	28,410	79	21,111	20,694
80	34,571	33,967	80	29,220	28,709	80	21,284	20,912
81	34,787	34,296	81	29,402	28,987	81	21,417	21,115
82	34,917	34,589	82	29,512	29,235	82	21,497	21,295
83	34,957	34,846	83	29,546	29,452	83	21,521	21,453
84	34,918	35,062	84	29,513	29,635	84	21,498	21,586
85	34,823	35,233	85	29,432	29,779	85	21,439	21,691
86	34,694	35,359	86	29,324	29,886	86	21,360	21,769
87+	34,552	35,452	87+	29,204	29,965	87+	21,273	21,827

Participation

Active members are assumed to retire and elect TRIP healthcare coverage at the following rates:

	Participation Rates (Current Active TRIP Participants)	
Age	**Full-time and Part-time Members**	**Substitute and Hourly Members**
Less than 60	80%	80%
60-64	80%	60%
65+	60%	40%

Thirty-five percent of current deferred vested participants with at least seven years of service and younger than age 70 as of June 30, 2022, are assumed to elect TRIP healthcare coverage.

Ten percent of current deferred vested participants with five to seven years of service and younger than age 70 as of June 30, 2022, are assumed to elect healthcare coverage. The liability for this group is allocated equally between TRIP and SEGIP.

Retired TRS annuitants, who have waived TRIP coverage are assume to elect TRIP healthcare coverage at the following rates:

	TRIP Election Rates (Current Waived TRS Annuitants)	
Age	**Period Receiving TRS Pension Annuity**	**TRIP Election Rate**
Less than 65	Less than 2 years	40%
Less than 65	2 years +	20%
65-69	Any Period	10%
70+	Any Period	0%

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 on the following page.

	Healthcare Coverage Lapse Rates (Current and Future Retirees with TRIP Coverage)	
Age	**Male**	**Female**
64 and under	0%	0%
65	10%	14%
66	8%	11%
67	4%	5%
68+	0%	0%

Eighty percent elect single coverage and twenty percent elect two-person coverage.

The percentage of future members electing coverage under the TCHP, OAP, and other HMO plans was based on the actual election percentages of the current TRIP population. Currently for pre-Medicare participants, about 38 percent participate in the TCHP, 29 percent participate in the OAP and 33 percent participate in HMO plans.

Future retired members are assumed to participate in an 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 Teachers' Retirement System (TRS) experience study for the period from July 1, 2017, to June 30, 2020, as used for the TRS actuarial valuation report as of June 30, 2022, were applied to the TRIP actuarial valuation as of June 30, 2022.

Rates are applied consistently with the pension actuarial valuations, using the census data as of June 30, 2022, as provided by TRS 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.

Salary Increase

Service	Annual Increase[a]
1	8.50%
2	6.75%
3	6.50%
4	6.25%
5	6.00%
6	5.75%
7	5.50%
8	5.50%
9	5.25%
10	5.00%
11	5.00%
12	4.75%
13	4.50%
14	4.50%
15	4.50%
16	4.25%
17	4.00%
18	4.00%
19	3.75%
20 & above	3.50%

[a] Based on an underlying general inflation assumption of 2.25% per year.

Demographic Assumptions

Mortality

Healthy Life Mortality, Post-Retirement

PubT-2010 Retiree Mortality Table projected generationally with Scale MP-2020, with female rates multiplied by 91% for ages under 75 and 109% for ages 75 and older and male rates multiplied by 105% for ages under 85 and 115% for ages 85 and older. (Adopted effective June 30, 2021.)

Healthy Life Mortality, Post-Retirement Beneficiary

Pub-2010 Contingent Survivor Mortality Table projected generationally with Scale MP-2020, with female rates multiplied by 98% for all ages and male rates multiplied by 110% for all ages. (Adopted effective June 30, 2021.)

Healthy Life Mortality, Pre-Retirement

PubT-2010 Employee Mortality Table projected generationally with Scale MP-2020, with female and male rates multiplied by 90% for all ages. (Adopted effective June 30, 2021.)

Disabled Life Mortality, Post-Retirement

PubNS-2010 Non-Safety Disabled Retiree Mortality Table projected generationally with Scale MP-2020, with no adjustments to female or male rates. (Adopted effective June 30, 2021.)

Spouse and Marriage Assumptions:

Eighty percent of active male participants and 70.0 percent of active female participants are assumed to be married. If no data is available, the female spouse is assumed to be three years younger than the male spouse.

Sample Turnover Rates
% Separating Within Next Year

	Under 5 Years of Service		5 or More Years of Service	
Age	**Male**	**Female**	**Male**	**Female**
25	6.5%	6.3%	4.5%	4.5%
30	6.8%	6.8%	3.0%	4.3%
35	7.0%	7.3%	1.5%	2.5%
40	9.5%	7.3%	1.5%	1.3%
45	11.3%	7.3%	1.0%	1.0%
50	11.8%	8.5%	1.0%	1.3%
55	11.3%	10.3%	1.8%	2.0%
60	12.3%	13.0%	3.5%	2.3%
65	29.3%	32.5%	3.5%	2.5%

Sample Disability Rates
% Separating Within Next Year

Age	Male	Female
25	0.01%	0.02%
30	0.01%	0.03%
35	0.02%	0.05%
40	0.02%	0.06%
45	0.04%	0.09%
50	0.08%	0.15%
55	0.11%	0.17%
60	0.14%	0.23%
65	0.19%	0.26%

Summary of Actuarial Assumptions and Methods

The following assumptions apply to members hired before January 1, 2011:

Sample Normal Retirement Rates

% Separating Within Next Year (Age-Based)

	Service			
Age	5 - 18	19 - 29	30-33	34 +
54	0%	7%	8%	45%
55	0%	6%	8%	44%
56	0%	6%	7%	46%
57	0%	7%	8%	46%
58	0%	8%	12%	45%
59	0%	33%	40%	48%
60	21%	33%	46%	44%
61	17%	28%	35%	41%
62	17%	28%	43%	41%
63	16%	29%	35%	44%
64	26%	40%	50%	40%
65	27%	40%	52%	43%
66	23%	42%	42%	38%
67	25%	39%	43%	38%
68	23%	39%	40%	35%
69	28%	38%	32%	44%
70	100%	100%	100%	31%
71	100%	100%	100%	39%
72	100%	100%	100%	24%
73	100%	100%	100%	36%
74	100%	100%	100%	36%
75 & older	100%	100%	100%	100%

Summary of Actuarial Assumptions and Methods

The following assumptions apply to members hired on or after January 1, 2011:

Sample Normal Retirement Rates					
% Separating Within Next Year (Age-Based)					
	Service				
Age	9 - 18	19 - 30	31	32 - 33	34 +
61 and younger	0%	0%	0%	0%	0%
62	13%	15%	20%	25%	25%
63	8%	10%	15%	20%	20%
64	8%	10%	15%	20%	20%
65	8%	10%	15%	20%	20%
66	20%	10%	15%	20%	20%
67	20%	40%	70%	70%	70%
68	20%	40%	40%	40%	40%
69	20%	40%	40%	40%	40%
70	100%	100%	100%	100%	100%

SECTION F

SUMMARY OF PRINCIPAL PLAN PROVISIONS

Summary of Principal Plan Provisions

PLAN MEMBERS
All members receiving monthly benefits from the Teachers' Retirement System (TRS) who have at least eight years of creditable service with TRS, the survivor of an annuitant or benefit recipient who had at least eight years of creditable service or a recipient of a monthly disability benefit are eligible to enroll in TRIP. Certain members covered under TRS for pension purposes are eligible for retiree healthcare benefits under the State Employees Group Insurance Program (SEGIP). Members eligible for coverage under SEGIP include: certified teachers working for certain State agencies, executives working for the Board of Education, regional superintendents, regional assistant superintendents, TRS fund staff, and certain members with reciprocal service. Any member that was a participant in the plan that preceded TRIP is eligible to participate in TRIP.

ELIGIBLE SERVICE
Eligible Service includes creditable service used for purposes of determining pension benefits payable from TRS.

NORMAL RETIREMENT
Retirees are eligible to participate in TRIP if they retire under the conditions of TRS and have a minimum of eight years of TRS service. The eligibility conditions for normal retirement under TRS are shown below.

Eligibility conditions
Age 60 with 10 years of service, age 62 with 5 years of service or age 55 with 35 years of service for members hired before January 1, 2011.
Age 67 with 10 years of service for members hired on or after January 1, 2011.

EARLY RETIREMENT
Early retirees are eligible to participate in TRIP if they retire under the conditions of TRS and have a minimum of eight years of TRS service. The eligibility conditions for early retirement under TRS are shown below.

Eligibility conditions
Age 55 with 20 years of service for members hired before January 1, 2011.
Age 62 with 10 years of service for members hired on or after January 1, 2011.

DISABILITY RETIREMENT
Disabled members are eligible to participate in TRIP if they are receiving disability benefits under the conditions of TRS.

Eligibility conditions
There is no specific age or service requirement for receipt of disability benefits except for temporary disability benefits which require a minimum of three years of TRS service.

VESTED TERMINATIONS
Members who terminate with more than eight years of service are eligible to enroll in TRIP once they begin receiving retirement benefits. Members hired on or after January 1, 2011, are vested after 10 years of service.

Summary of Principal Plan Provisions

DEPENDENTS ELIGIBLE FOR COVERAGE

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

ENROLLMENT TIMING

Members who have not previously enrolled in TRIP are eligible to enroll when they begin receiving pension benefits through TRS, during any annual open enrollment period, when turning 65 or becoming Medicare eligible or after losing coverage by a former plan. Members and beneficiaries who previously were enrolled in TRIP, and subsequently waive coverage, are only eligible to reenroll due to the loss of prior coverage by a former plan or at the attainment of age 65 or when Medicare eligible.

SURVIVING SPOUSE COVERAGE

Spouses of employees/retirees who die are eligible to maintain health insurance coverage until the surviving spouse's death. If the surviving spouse elects a monthly benefit, he or she becomes the member with the same TRIP rights.

MEDICARE

Coverage through TRIP 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 Teachers' Choice Health Plan (TCHP) pays the 20 percent of approved charges not covered by Medicare. If the provider does not accept Medicare assignment, TCHP 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 Medicare Part D.

DENTAL AND VISION BENEFITS

Dental and vision benefits are not provided through TRIP.

FUNDING POLICY

Retiree healthcare benefits are funded on a pay-as-you-go basis. Medical benefits provided through TRIP are self-insured. The cost of TRIP is shared among active members, retirees, the individual school districts, and the state. Contributions are made to the Teacher Health Insurance Security Fund. For fiscal year 2023, active members contribute 0.9 percent of pay, school districts contribute 0.67 percent of pay and the State contributes 0.9 percent of pay. Retired members contribute through premium payments based on the coverage elected and the age of the member and dependents. The premium for retired members is not permitted to increase by more than 5.0 percent per year per statute.

Summary of Principal Plan Provisions

HEALTHCARE PLANS

Members may elect coverage in the TCHP, a managed care HMO plan or the Healthlink Open Access Plan (OAP). The TCHP 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 and whether a managed care plan is available in their County of residence. The following table gives the member premium amounts by type of coverage and availability of a managed care plan.

The premiums charged to members reflect approximately a 75 percent subsidy for members that elect a managed care plan or elect the TCHP plan if a managed care plan is either not available or only partially available. Members receive approximately a 50 percent subsidy if they elect the TCHP when a managed care plan is available. Medicare primary dependent beneficiaries enrolled in a managed care plan or in the TCHP when no managed care plan is available receive a premium subsidy.

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 TRIP coverage.

TRIP Member Premium from July 1, 2022, to June 30, 2023

	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 enrolled in any managed care plan	$101.38	$314.92	$429.07	$124.46
Benefit recipient enrolled in TCHP when a managed care plan is available	$263.11	$734.96	$1,116.87	$295.10
Benefit recipient enrolled in TCHP when a managed care plan is not available	$131.55	$367.48	$558.45	$147.56
Dependent beneficiary enrolled in any managed care plan	$405.68	$1,259.67	$1,716.24	$428.80
Dependent beneficiary enrolled in TCHP when a managed care plan is available	$526.24	$1,469.91	$2,233.75	$590.21
Dependent beneficiary enrolled in TCHP when a managed care plan is not available	$526.24	$1,469.91	$2,233.75	$442.67

For plans other than MAPD plans, Member Premium for Plan Year End June 30, 2024, increased by 5.0 percent.

TRIP MAPD Premiums from January 1, 2023, through December 31, 2023

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

TRIP MAPD Premiums from January 1, 2024, through December 31, 2024

	Aetna MAPD Rates, before Administrative Charges[3]
Member Rate	$0.00
Dependent Rate	$0.00

[1] Member must enroll in Medicare Parts A and B to qualify for lower premiums.
[2] Administrative expenses of $2.06 for retirees and $6.18 for dependents for Calendar year 2023.
[3] Administrative expenses of $2.16 for retirees and $6.49 for dependents for Calendar year 2024.

TCHP

<table>
<tr><th>Plan Feature</th><th>In Network</th><th>Out of Network [1]</th></tr>
<tr><td>Annual Deductible</td><td>$500 per enrollee</td><td>$500 per enrollee</td></tr>
<tr><td>Annual Out of Pocket Limit</td><td>$1,200 per individual
$2,750 per family, per plan year</td><td>$4,400 per individual
$8,800 per family, per plan year</td></tr>
<tr><td>Covered Services
-Office Visits
-Emergency Room
-Inpatient Services
-Outpatient Services
-Lab/X-ray
-Other</td><td>Coinsurance
80% after deductible
$400 copay, deductible applies
$200 copay, then 80% after deductible

80% after plan deductible
80% after plan deductible</td><td>Coinsurance
60% after deductible
$400 copay, deductible applies
$400 copay, then 60% after deductible

60% after plan deductible
60% after plan deductible</td></tr>
<tr><td>TCHP
Prescription Drug Copays</td><td colspan="2">TCHP applies 20% member coinsurance to retail cost not to exceed maximum copayment or be less than the minimum copayment.
<table>
<tr><th></th><th>Retail</th><th>Retail</th><th>Maintenance Choice</th></tr>
<tr><td>Tier 1</td><td>Greater of 20% or $7</td><td>Greater of 20% or $14</td><td>Greater of 10% or $14</td></tr>
<tr><td>Tier 2</td><td>Greater of 20% or $14</td><td>Greater of 20% or $28</td><td>Greater of 10% or $28</td></tr>
<tr><td>Tier 3</td><td>Greater of 20% or $28</td><td>Greater of 20% or $56</td><td>Greater of 10% or $56</td></tr>
<tr><td>Supply</td><td>30-days</td><td>90-days</td><td>90-days</td></tr>
</table></td></tr>
<tr><td>Maximum Lifetime Benefit</td><td colspan="2">Unlimited</td></tr>
</table>

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

HMO

<table>
<tr><th>Plan Feature</th><th colspan="3"></th></tr>
<tr><td>Annual Deductible</td><td colspan="3">$0</td></tr>
<tr><td>Out of Pocket Maximum</td><td colspan="3">$3,000 individual
$6,000 family</td></tr>
<tr><td>Covered Services</td><td colspan="3">Coinsurance</td></tr>
<tr><td>-Physicians Visits</td><td colspan="3">$20 Copay</td></tr>
<tr><td>-Emergency Care</td><td colspan="3">$200 Copay</td></tr>
<tr><td>-Inpatient Services</td><td colspan="3">$250 Copay</td></tr>
<tr><td>-Outpatient Services</td><td colspan="3">$150 Copay</td></tr>
<tr><td rowspan="6">TRIP HMO
Prescription Drug Copays</td><td></td><td>Preferred Retail</td><td>Mail Order</td></tr>
<tr><td>Reduced Tier 1</td><td>$4.00</td><td>$10.00</td></tr>
<tr><td>Tier 1</td><td>$10.00</td><td>$25.00</td></tr>
<tr><td>Tier 2</td><td>$20.00</td><td>$50.00</td></tr>
<tr><td>Tier 3</td><td>$40.00</td><td>$100.00</td></tr>
<tr><td>Supply</td><td>30-days</td><td>90-days</td></tr>
<tr><td>Maximum Lifetime Benefit</td><td colspan="3">Unlimited</td></tr>
</table>

Summary of Principal Plan Provisions

OAP

<table>
<tr><th>Plan Feature</th><th colspan="2">Tier I</th><th>Tier II</th><th>Tier III</th></tr>
<tr><td>Annual Deductible</td><td colspan="2">$0</td><td>$300 per enrollee</td><td>$400 per enrollee</td></tr>
<tr><td>Annual Out of Pocket Limit</td><td colspan="3">$6,600 per enrollee
$13,200 per family
Tier I and Tier II charges combined</td><td>N/A</td></tr>
<tr><td>Covered Services</td><td colspan="2">Coinsurance/Copay [1]</td><td>Coinsurance/Copay [1]</td><td>Coinsurance/Copay [2]</td></tr>
<tr><td>-Office Visits</td><td colspan="2">$20 copay</td><td>80%</td><td>60%</td></tr>
<tr><td>-Emergency Room</td><td colspan="2">$200 copay</td><td>$200 copay</td><td>$200 copay</td></tr>
<tr><td>-Inpatient Services</td><td colspan="2">$250 copay</td><td>$300 copay, then 80%</td><td>$400 copay, then 60%</td></tr>
<tr><td>-Outpatient Services</td><td colspan="2"></td><td></td><td></td></tr>
<tr><td>-Lab/X-ray</td><td colspan="2">100%</td><td>80%</td><td>60%</td></tr>
<tr><td>-Other</td><td colspan="2">100%</td><td>80%</td><td>60%</td></tr>
<tr><td rowspan="5">TRIP OAP Prescription Drug Copays</td><td></td><td>Retail</td><td>Mail Order</td><td>Maintenance Choice</td></tr>
<tr><td>Tier 1</td><td>$10.00</td><td>$20.00</td><td>$10.00</td></tr>
<tr><td>Tier 2</td><td>$20.00</td><td>$40.00</td><td>$20.00</td></tr>
<tr><td>Tier 3</td><td>$40.00</td><td>$80.00</td><td>$40.00</td></tr>
<tr><td>Supply</td><td>30-days</td><td>90-days</td><td>90-days</td></tr>
<tr><td>Maximum Lifetime Benefit</td><td colspan="2">Unlimited</td><td>Unlimited</td><td>Unlimited</td></tr>
</table>

[1] *Network charges.*
[2] *Usual and customary charges.*

TRAIL MAPD PPO

Plan Feature	***In Network***	***Out of Network***
Annual Deductible	$250 per enrollee	$250 per enrollee
Annual Out of Pocket Limit	$1,100 per enrollee	$1,100 per enrollee
Covered Services	Coinsurance	Coinsurance
-Office Visits	80% after deductible	80% after deductible
-Emergency Room	$120 Copay Copay waived if admitted within 24 hours	$120 Copay Copay waived if admitted within 24 hours
-Inpatient Services	80% after deductible	80% after deductible
-Outpatient Services	80% after plan deductible	80% after plan deductible

Plan Feature		Retail Preferred/ Standard	Retail Preferred/ Standard	Retail Preferred/ Standard
TRIP TRAIL PPO Prescription Drug Copays [1]	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 mail-order supply, copayments are 2.5 times the 30-day supply copayment. Calendar year 2023 copayments are capped once a member reaches $7,400 in "true out-of-pocket" prescription drug costs.

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 the actuarial 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 actuarial valuation purposes.