



FY2022 ANNUAL VALUATION SUMMARY

The actuarial valuation results provide a “snapshot” view of the System’s financial condition on June 30, 2022. Actuarial gains and losses result when the actual experience of the plan (such as asset return, pay increases, turnover, deaths, etc.) is different from that expected by the actuarial assumptions. A summary of the key results from the June 30, 2022 actuarial valuation is shown below.

F2022 Pension Valuation Key Findings

FUNDED STATUS

| Benefit | June 30, 2022 | June 30, 2021 |
|--------------------------------|---------------|---------------|
| Pension Benefits | 75.71% | 74.80% |
| Medicare Part B | 63.21% | 56.94% |
| Post-Retirement Death Benefits | 71.68% | 67.71% |
| Health Care | 45.36% | 46.56% |

- Market value investment return was (2.05)%.
- The smoothed actuarial value return was 8.7%.
- Funded ratio increased from 74.46% to 75.48%.
- Actuarially determined contribution rate decreased from 12.50% to 11.22%.
- 22-year amortization schedule.
- Decreased unfunded actuarial accrued liability for Basic Benefits by \$13.6 million.
- \$75.7 million of unrecognized investment gains, which will be recognized as investment gains/(losses) over the next three years.
 - 2022/2023 - \$154.3 Million
 - 2023/2024 - \$332.6 Million
 - 2024/2025 - \$(411.2) Million
- The SERS Board of Trustees approved a 2.5% Cost-of-Living Adjustment (COLA) increase for 2023, which is the statutory maximum.

Retiree Data

- The total number of retirees has been relatively flat in each of the last three years: 80,851 in 2020; 80,721 in 2021; and 81,151 in 2022.
- 49.5% of current service retirees receive an annual benefit of \$12,000 or less.
- 67.0% of current service retirees receive an annual benefit of \$18,000 or less.
- 90.9% of current service retirees are age 65 or older.
- 28.5% of current service retirees are age 80 or older.
- 14.9% of current service retirees are age 85 or older.
- 4,309 (6%) of current service retirees are age 90 or older.

- 9 current benefit recipients are age 105 or older.
- 73.7% of service retirees in 2022 had 20 or more years of service.
- 53.6% of service retirees in 2022 had 25 or more years of service.
- 33.1% had 30 or more years of service.
- 57.4% of service retirees in 2022 were age 65 or older at retirement.

Active Member Data

- 71.8% of current active members have less than 10 years of service.
- 53.4% have less than 4 years of service.
- The percentage of active members declines as service increases and drops below 5.6% when you get to 25 or more years of service.
- This shows that while many people are in SERS for a few years, the active members who stay and ultimately draw a benefit are longer, career employees.
- 49.7% of current active members make less than \$20,000 annually.
- 81.4% make less than \$40,000 annually.
- 18.6% make more than \$40,000 annually.