



FY2023 ANNUAL VALUATION SUMMARY

The actuarial valuation results provide a “snapshot” view of the System’s financial condition on June 30, 2023. 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, 2023 actuarial valuation is shown below.

F2023 Pension Valuation Key Findings

FUNDED STATUS

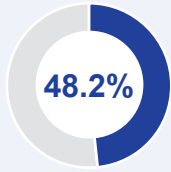
Benefit	June 30, 2023	June 30, 2022
Pension Benefits	76.73%	75.71%
Medicare Part B	69.92%	63.21%
Post-Retirement Death Benefits	74.44%	71.68%
Health Care	46.14%	45.36%

- Market value investment return was 6.69%.
- The smoothed actuarial value return was 7.94%.
- Funded ratio increased from 75.48% to 76.61%.
- Actuarially determined employer contribution (ADEC) rate decreased from 11.22% to 10.57%
- 21-year amortization schedule.
- Decreased unfunded actuarial accrued liability for Basic Benefits by \$85.8 million.
- \$(126.8) million of unrecognized investment losses, which will be recognized as investment gains/(losses) over the next three years.
 - 2023/2024 - \$316.5 Million
 - 2024/2025 - \$(427.2) Million
 - 2025/2026 - \$(16.1) Million
- The SERS Board of Trustees approved a 2.5% Cost-of-Living Adjustment (COLA) increase for 2024, which is the statutory maximum.
- SERS funding policy permits up to 0.5% of employer contributions to be allocated toward Health Care. For FY2024, the Board voted to apply the entire 14% toward pensions given the strengthened status of the Health Care Fund.
- The additional employer contribution rate above the ADEC, or 3.43%, went toward paying down SERS’ unfunded actuarial accrued liability.
- SERS’ actuary has determined that the current employer contribution rate is sufficient to meet the 30-year funding requirement.

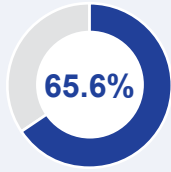
The 2023 valuation noted the following deviations when comparing actual experience to assumptions:

Summary of Gains/(Losses) in millions		
Investment Income	\$155.7	↑
Death after retirement and other gains	142.2	↑
Pay Increases	-139.7	↓
New Members	-66.3	↓
Age & Service Retirements	-65.1	↓
Other losses	-48.7	↓
2.5% 2024 COLA above original 2% assumption	-37.1	↓

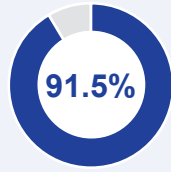
Retiree Data



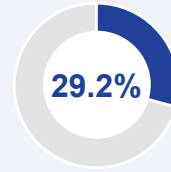
of current service retirees receive an annual benefit of **\$12,000 or less.**



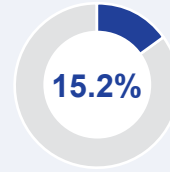
of current service retirees receive an annual benefit of **\$18,000 or less.**



of current service retirees are age **65 or older.**



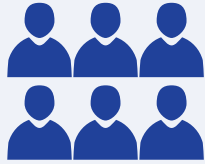
of current service retirees are age **80 or older.**



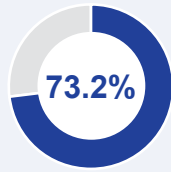
of current service retirees are age **85 or older.**



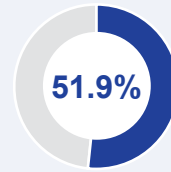
4,221 (5.9%) of current service retirees are age **90 or older.**



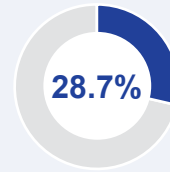
6 current benefit recipients are age **105 or older.**



of new service retirees in 2023 had **20 or more** years of service.

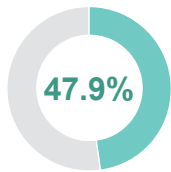


of new service retirees in 2023 had **25 or more** years of service.

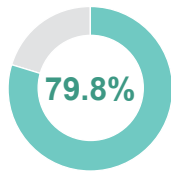


of new service retirees in 2023 had **30 or more** years of service.

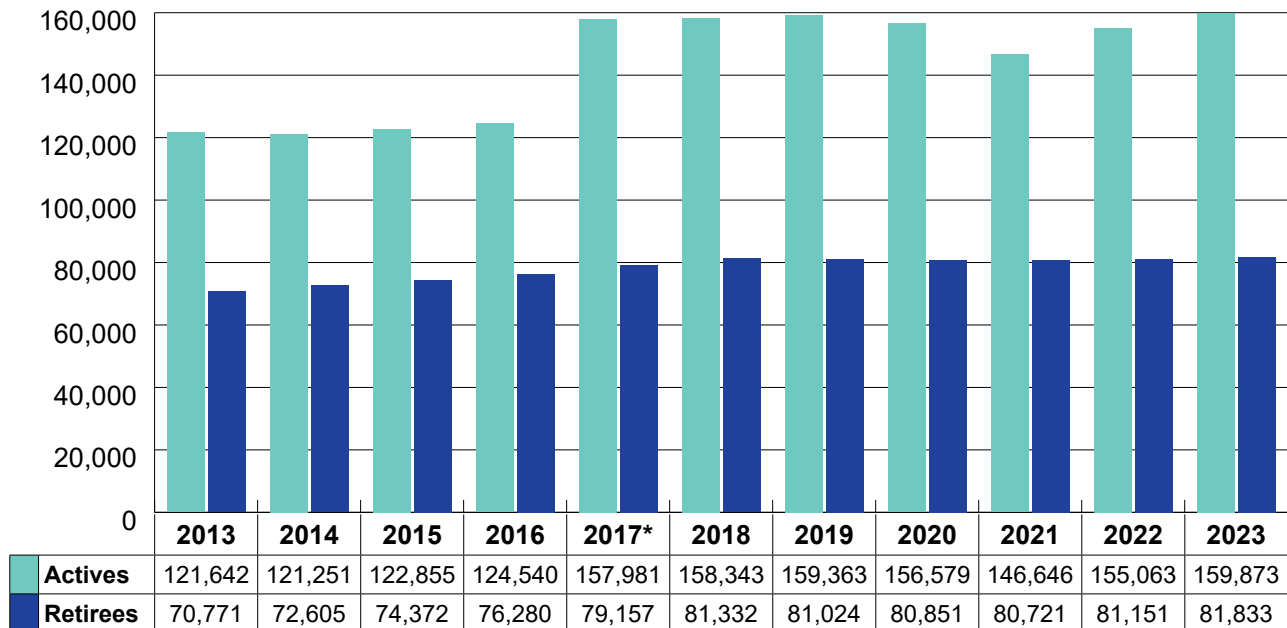
Active Member Data



of current active members make **less than \$20,000** annually.



of current active members make **less than \$40,000** annually.



*2017 active membership reflects an increase of 32,641 members with 0.25 or less years of service who have been re-categorized from inactive to active status.