



FY2021 ANNUAL VALUATION SUMMARY

The actuarial valuation results provide a “snapshot” view of the System’s financial condition on June 30, 2021. 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, 2021 actuarial valuation is shown below.

F2021 Pension Valuation Key Findings

FUNDED STATUS

Benefit	June 30, 2021	June 30, 2020
Pension Benefits	74.80%	71.90%
Medicare Part B	56.94%	50.70%
Post-Retirement Death Benefits	67.71%	66.80%
Health Care	46.56%	26.90%

- Market value investment return was 27.83%.
- The smoothed actuarial value return was 10.4%.
- Funded ratio increased from 71.49% to 74.46%.
- Actuarially determined contribution rate increased from 10.86% to 12.50% on current 23-year amortization schedule.
- Decreased unfunded actuarial accrued liability for Basic Benefits by \$499 million.
- \$1.8 billion of unrecognized investment gains, which will be recognized as investment gains over the next three years.
 - 2021/2022 - \$499 Million
 - 2022/2023 - \$565 Million
 - 2023/2024 - \$744 Million
- The SERS Board of Trustees approved a 2.5% Cost-of-Living Adjustment (COLA) increase for 2022, which is the statutory maximum.

Retiree Data

- The total number of retirees has declined in each of the last three years, dropping from 81,024 in 2019 to 80,851 in 2020 to 80,721 in 2021. This is because more retirees have passed away each year than have been added through retirements.
- 50.6% of current service retirees receive an annual benefit of \$12,000 or less.
- 68.1% of current service retirees receive an annual benefit of \$18,000 or less.
- 89.4% of current service retirees are age 65 or older.
- 24.8% of current service retirees are age 80 or older.
- 15% of current service retirees are age 85 or older.

- 4,314 (6%) of current service retirees are age 90 or older.
- 7% of current benefit recipients are age 105 or older.
- The meaningful percentage of retirees over age 80 is a key factor in the decline in the total number of retirees noted above.
- 75.1% of service retirees in 2021 had 20 or more years of service.
- 57.7% of service retirees in 2021 had 25 or more years of service.
- 36% had 30 or more years of service.
- 58% of service retirees in 2021 were age 65 or older at retirement.

Active Member Data

- 69.3% of current active members have less than 10 years of service.
- 51% have less than 4 years of service.
- The percentage of active members declines as service increases and drops below 5% 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.
- 50.8% of current active members make less than \$20,000 annually.
- 82.6% make less than \$40,000 annually.
- 17.4% make more than \$40,000 annually.