



FY2022 HEALTH CARE REPORT SUMMARY

During FY2022, SERS provided health care benefits for more than 40,000 benefit recipients, spouses, and dependents, at a cost of \$31,414,007 million.

More than 90% are Medicare enrollees; the remainder are enrolled in a non-Medicare group plan or SERS' Wraparound Health Reimbursement Arrangement (HRA).

No employer contribution to the pension system was allocated to the Health Care Fund for FY2022; however, the 1.5% surcharge was allocated. The Health Care Fund ended the fiscal year at \$611 million.

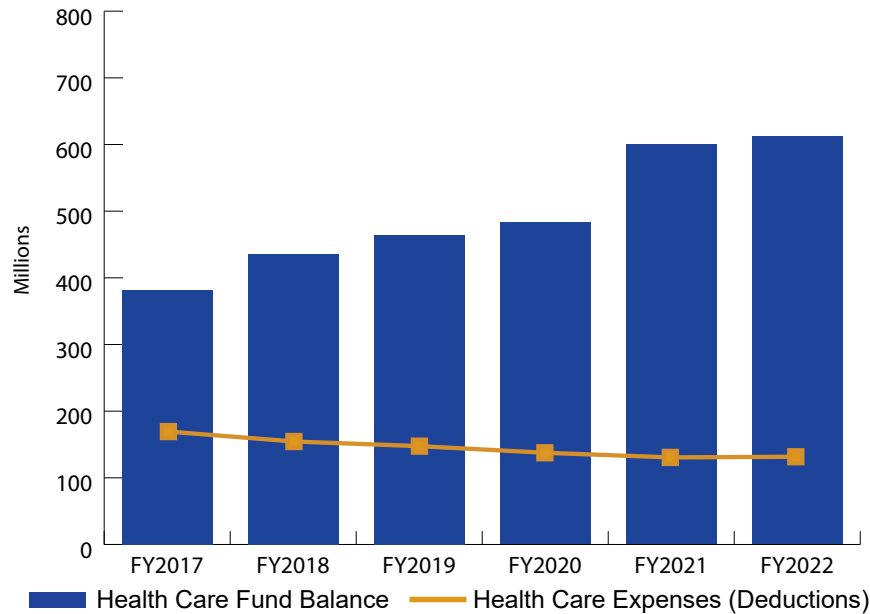
SERS' actuary estimates the Fund's solvency at 38 years, to 2060.

The positive result has been achieved by SERS' programs designed to reduce costs for the non-Medicare population. These programs included the SERS Wraparound HRA, which was selected by about 8.5% of SERS' Non-Medicare enrollees, saving the Fund approximately \$3 million during 2022, and the SERS early Medicare program, which saved the Fund approximately \$3.5 annually.

The Health Care Department also administered a Medicare Part B monthly reimbursement of \$45.50 to more than 40,000 eligible Medicare enrollees, totaling more than \$22 million.

SERS' Board of Directors remains committed to the providing health care benefits, including dental and vision coverage into the future.

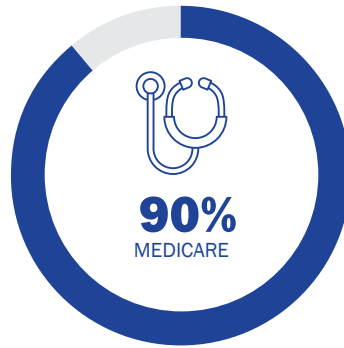
Summary of Health Care Fund Net Position, 2017-2022



Health Care Fund Balance (As Graphed Above)

| Fiscal Year | Health Care Fund Balance | Health Care Expenses (Deductions) |
|-------------|--------------------------|-----------------------------------|
| FY2017 | \$382,109,560 | \$167,106,908 |
| FY2018 | \$435,629,637 | \$152,447,415 |
| FY2019 | \$463,810,679 | \$145,127,670 |
| FY2020 | \$482,611,478 | \$135,034,624 |
| FY2021 | \$600,330,188 | \$128,132,981 |
| FY2022 | \$611,574,409 | \$128,796,889 |

Population of Recipients



For FY Ending June 30, 2022

| Age and Service Retirees | Disability | All Others (Survivors, Beneficiaries, etc.) | Total Recipients | Percent Medicare |
|--------------------------|------------|---|------------------|------------------|
| 30,569 | 2,391 | 7,171 | 40,131 | 90% |