



Fiscal Year 2019 Annual Actuarial Valuation

February 13, 2020



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SERS' FY2019 Pension Actuarial Valuation Key Findings

- Since the previous valuation:
- Funded status for Basic Benefits increased from 70.07% to 70.51%.
- Actuarially determined contribution rate decreased from 10.71% to 10.68% for Basic Benefits.
- Health Care Fund will receive no employer contributions and a 1.50% employer surcharge.

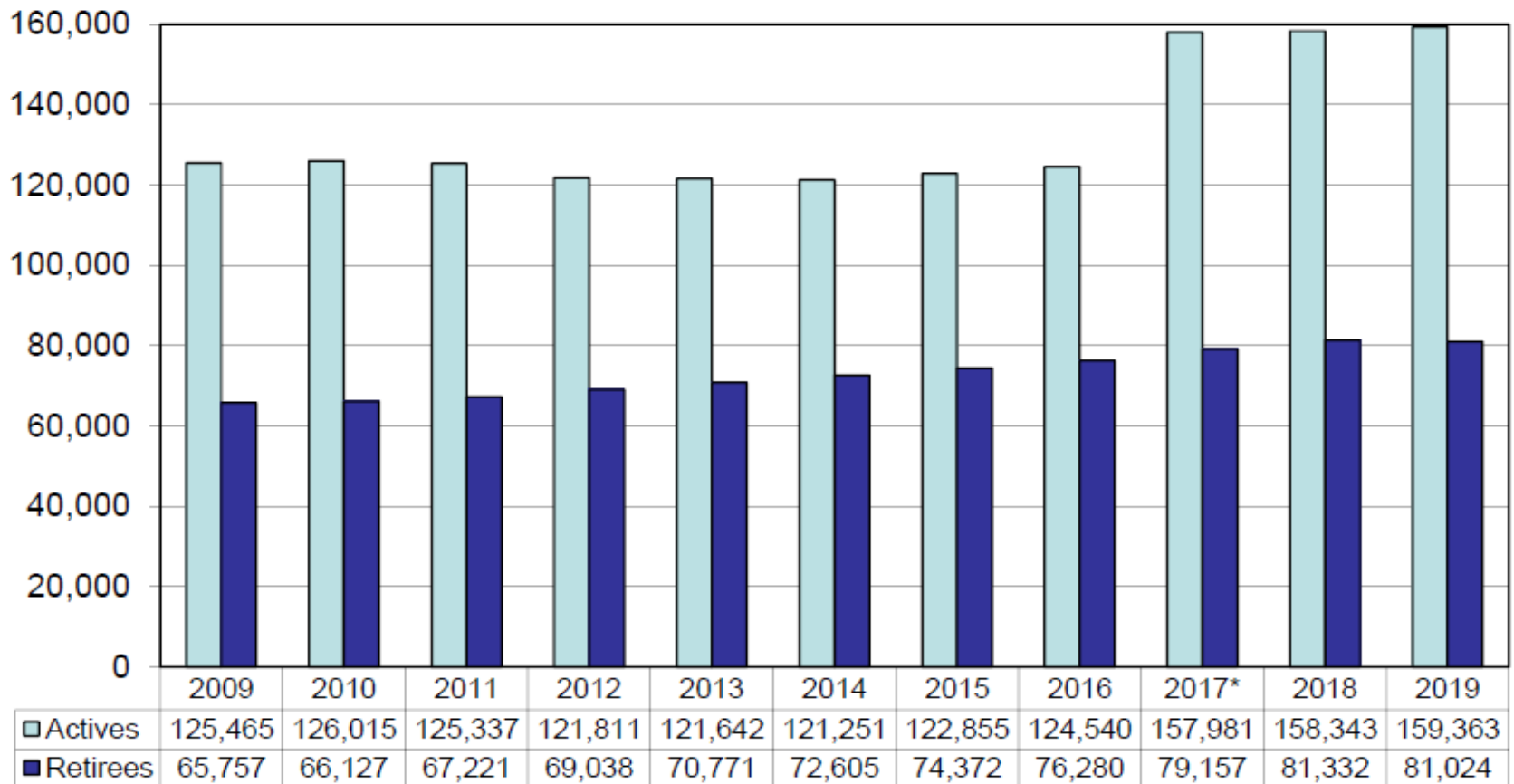


Funded Status

<u>Benefit</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Pension Benefits	71.0%	70.7%
Medicare Part B	45.3%	41.1%
Post-Retirement Death Benefits	64.5%	61.6%
Health Care	21.1%	17.3%



Active and Retired Membership

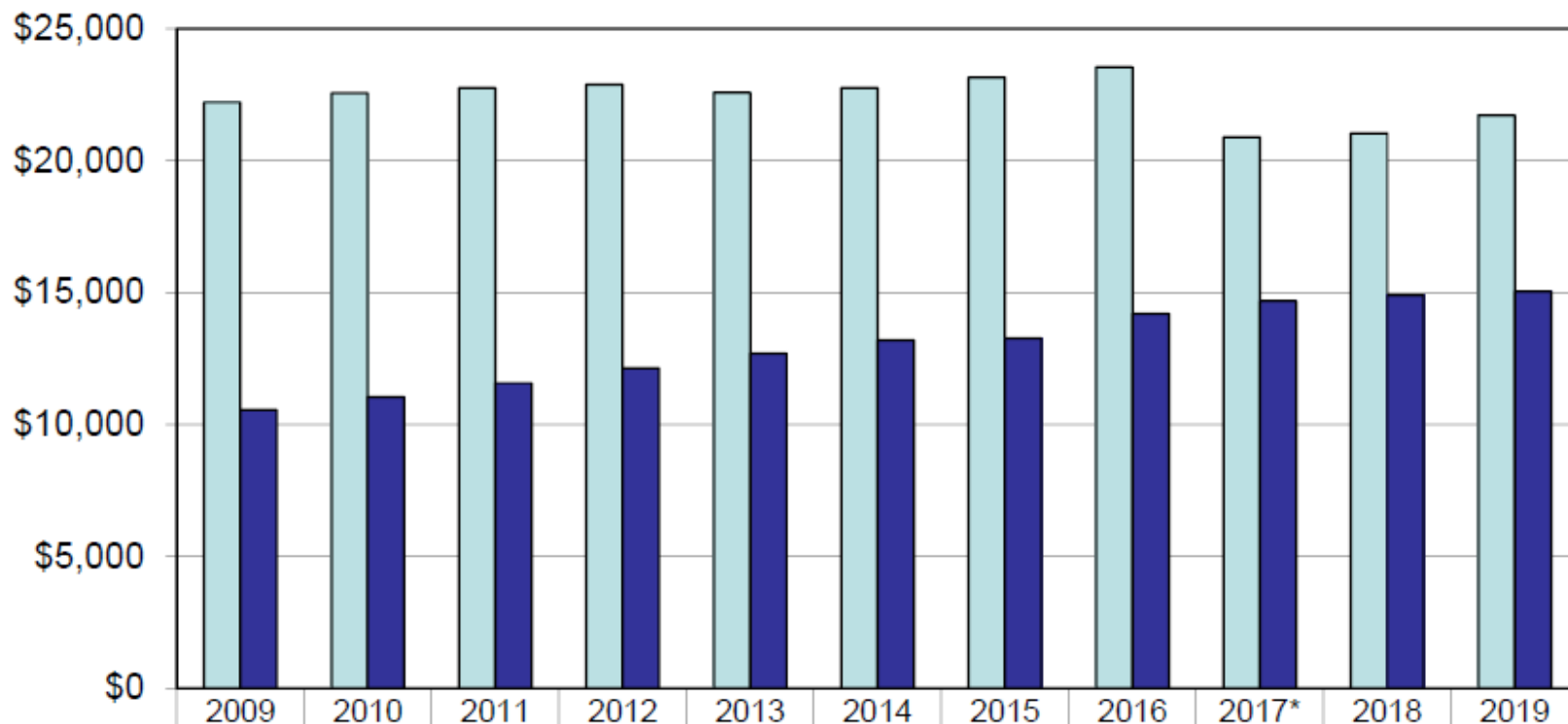


* 2017 active membership reflects an increase of 32,641 members with 0.25 or less years of service who have been re-categorized from inactive to active status.



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Average Salary and Benefits



	2009	2010	2011	2012	2013	2014	2015	2016	2017*	2018	2019
□ Average Salary	\$22,216	\$22,558	\$22,758	\$22,889	\$22,581	\$22,757	\$23,161	\$23,545	\$20,906	\$21,045	\$21,727
■ Average Benefit	\$10,552	\$11,037	\$11,572	\$12,139	\$12,693	\$13,202	\$13,270	\$14,206	\$14,680	\$14,901	\$15,044

*Average annual salary in 2017 reflects the re-categorization of 32,641 members. The average annual salary for this group was \$7,518.



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Average Age and Service

	June 30, 2019	June 30, 2018
Active Average Age	47.1	46.8
Active Average Service	7.5	7.4
Average Age Retirees and Beneficiaries	74.7	74.4
Average Age Disabilities	66.0	65.7
Average Age Survivors	72.6	72.4



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FY2019 Health Care Actuarial Valuation



- UAL amortization period remains 30 years.
- Market value of assets used for valuation purposes. Investment return was 4.4% versus assumed rate of 5.25%.
- Funded ratio was 17.25% as of June 30, 2018, funded ratio is 21.09% as of June 30, 2019.
- Actuarially Determined Employer Contribution (ADEC) was 5.49% as of June 30, 2018, ADEC is 4.63% as of June 30, 2019.



FY2019 Health Care Actuarial Valuation



- Health Care Fund will receive no additional employer contributions other than the 1.50% employer surcharge based on a board resolution dated October 17, 2019.
- Valuation assumes the Health Care Fund will receive the 1.50% employer surcharge in future years, and if all other actuarial assumptions are met, the Health Care Fund is projected to remain solvent through 2034; 15 years of solvency.
- Subsequent to the valuation, additional analysis was performed to take into account the future elimination of the HIF. Based on that analysis, the fund is now expected to be solvent through 2046, an additional 12 years of solvency.

