

OFA FACT SHEET: STATE EMPLOYEES RETIREMENT SYSTEM

| Membership Data (6/30/18) | | | | |
|----------------------------------|------------|-----------------------------|----------|-----|
| Actives | 49,153 | Employees by Tier: | | |
| Retirees | 50,441 | Tier 1 | 731 | 1% |
| Active Averages | | Tier 2 | 10,152 | 21% |
| Age | 47.4 | Tier 2A | 20,952 | 43% |
| Service | 13.7 years | Tier 3 | 15,015 | 31% |
| Salary | \$69,743 | Tier 4 | 2,303 | 5% |
| | | Average All Retirees | | |
| | | Pension | \$38,284 | |

| Employee Defined Benefit Contributions - Regular Employees* | | |
|--|-------------|--------------------------------|
| Tier | % of Salary | Eligibility Requirements |
| 1 | 3.5-6.5% | Hired prior to July 1, 1984 |
| 2 | 1.5% | Hired on or after July 1, 1984 |
| 2A | 3.5% | Hired on or after July 1, 1997 |
| 3 | 3.5% | Hired on or after July 1, 2011 |
| 4** | 5.0% | Hired on or after July 1, 2017 |

*Effective FY 20 employee contributions increase 1/2%, excluding Tier 4

**Tier 4 is a hybrid defined contribution plan with a default 1% employee contribution to defined contribution portion of the plan.

| State Contributions (\$ Millions) | | | | | |
|--|--|----------------------|-------------|---------------------------------|----------|
| FY | Actuarial Required Certification (All Funds) | GF & STF Expenditure | Other Funds | Actual Contribution (All Funds) | % Funded |
| 09* | 753.7 | 526.2 | 173.5 | 699.7 | 93% |
| 10 | 897.4 | 548.5 | 172.0 | 720.5 | 80% |
| 11 | 944.1 | 645.7 | 180.1 | 825.8 | 87% |
| 12 | 926.3 | 742.6 | 183.7 | 926.3 | 100% |
| 13** | 1,059.7 | 829.4 | 228.7 | 1,058.1 | 100% |
| 14 | 1,268.9 | 1,024.4 | 244.5 | 1,268.9 | 100% |
| 15 | 1,379.2 | 1,101.0 | 278.2 | 1,371.7 | 99% |
| 16 | 1,514.5 | 1,219.0 | 295.5 | 1,501.8 | 99% |
| 17 | 1,569.1 | 1,253.9 | 315.2 | 1,542.3 | 98% |
| 18 | 1,443.1 | 1,167.7 | 275.4 | n/a | n/a |
| 19 | 1,574.5 | 1,291.9 | 282.6 | n/a | n/a |
| 20 | 1,773.4 | n/a | n/a | n/a | n/a |
| 21 | 1,896.7 | n/a | n/a | n/a | n/a |

Note: n/a's will be certified in future actuarial valuations.

* SEBAC 2009: Resulted in reduced SERS contributions by \$50 million in FY 09 and \$64.5 million in FY 10; a trigger to reduce contribution to SERS by additional \$100 million in FY 10 & FY 11 for a total of \$314.5 million in contribution deferrals for the 3 year period.

**SR and HR 4, passed in 2012, provided additional funding for SERS by eliminating the two negotiated SEBAC IV and V adjustments. After accounting for various other fund recoveries and reimbursements that state's actual additional contribution in FY 13 was \$97.9 million. SR 7 and HR 8, passed in 2017, made changes to actuarial assumptions and methodologies. SEBAC 2017, is the most recent agreement which made benefit changes to SERS and created Tier IV.

| Actuarial Value of Assets & Liabilities (\$ Billions) | | | | |
|--|--------|-----------|----------|--------------|
| Date | Assets | Liability | Unfunded | Funded Ratio |
| 6/30/11 | 10.1 | 21.1 | 11.0 | 48% |
| 6/30/12 | 9.7 | 23.0 | 13.3 | 42% |
| 6/30/14 | 10.6 | 25.5 | 14.9 | 42% |
| 6/30/16 | 11.9 | 32.3 | 20.4 | 37% |
| 6/30/18 | 13.0 | 34.2 | 21.2 | 38% |

Source: CT State Employees Retirement System Valuations