

State of Delaware



2023 OPEB Actuarial Valuation

October 27, 2023

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Key Results – State OPEB - Current



(Dollar amounts in millions)	2022	2023
Actives Actuarial Liability (AL)	\$ 4,641	\$ 4,941
Inactive AL	<u>4,297</u>	<u>4,624</u>
Total AL	\$ 8,938	\$ 9,565
Market Value of Assets (MVA)	<u>583</u>	<u>687</u>
UAL (Total AL – MVA)	\$ 8,355	\$ 8,878
MVA Funded Ratio (MVA/AL)	6.5%	7.2%
Eligible Participant Counts		
Active	39,239	40,186
Terminated Vested	3,994	3,983
LTD	529	502
Inactive	<u>33,561</u>	<u>33,893</u>
Total	77,323	78,564

Eligible Participants are those active employees or terminated vested in the State, Judges, or State Police Retirement Plans. Inactive participants are retirees, disableds, spouses, and surviving spouses with medical coverage.

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OPEB Changes Since 2022 Valuation

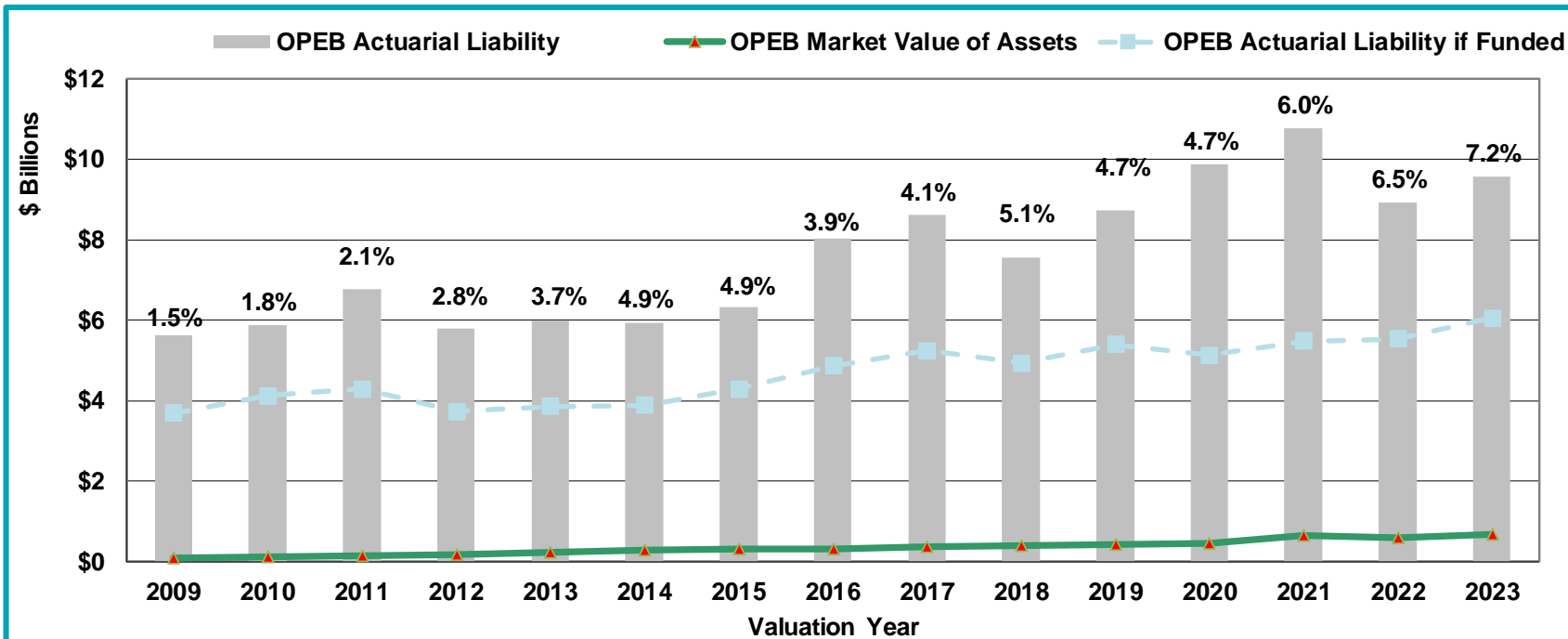


- 2023 participant data, increased liabilities
 - Active counts increased by 2.4%
 - Inactive counts increased by 1.0%
- 2023 claim curves, increased liabilities
 - Rolled forward claims from 2022 valuation using the health care actuary's projections

	Assumed trends for 2023	Actual trends for 2023
Non-Medicare Eligible Medical	8.0%	9.5%
Medicare Eligible Medical	6.0%	8.1%
Non-Medicare Eligible Pharmacy	8.0%	4.4%
Medicare Eligible Pharmacy	8.0%	14.3%

- 2023 demographic assumptions
 - Unchanged
- Discount rate for determining actuarial liability
 - Up from 3.54% to 3.65%, reducing liabilities

OPEB Historical Review – Assets & Liabilities



Discount Rate	5.00%	5.00%	4.25%	4.25%	4.25%	4.25%	4.25%	3.75%	3.58%	3.87%	3.50%	2.21%	2.16%	3.54%	3.65%
Funding Rate	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.20%	7.20%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%

Baseline Projection – Funding Valuation



H-scan

Stress Testing

CHEIRON
Classic Values. Innovative Advice.

Health Trends

	Initial Trend	First Year	Second Year	Ultimate Trend	Years to Ultimate
Med Pre-Medicare	7.00%	6.00%	5.00%	3.94%	18
Med Post-Medicare	5.25%	5.00%	5.00%	3.94%	18
Rx - Pre-Medicare	7.25%	6.50%	5.75%	3.94%	18
Rx - Post-Medicare	7.25%	6.50%	5.75%	3.94%	18

New Entrant Increase **2.50%**

Investment Return **7.00%**

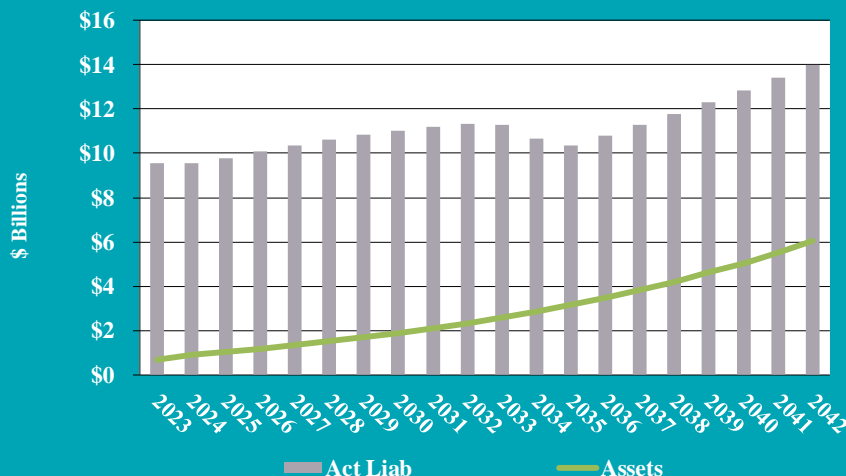
Discount Rate **3.65%**

Trend plus and minus **0.00%**

Active Population Growth **0.00%**

Average Salary Increases **3.25%**

Assets and Liabilities



Plan Funding

