

State of Delaware



# 2023 OPEB Actuarial Valuation

October 27, 2023

Margaret Tempkin, FSA



# 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>
<b>UAL (Total AL – MVA)</b>	<b>\$ 8,355</b>	<b>\$ 8,878</b>
<b>MVA Funded Ratio (MVA/AL)</b>	<b>6.5%</b>	<b>7.2%</b>
<b>Eligible Participant Counts</b>		
Active	39,239	40,186
Terminated Vested	3,994	3,983
LTD	529	502
Inactive	<u>33,561</u>	<u>33,893</u>
<b>Total</b>	<b>77,323</b>	<b>78,564</b>

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

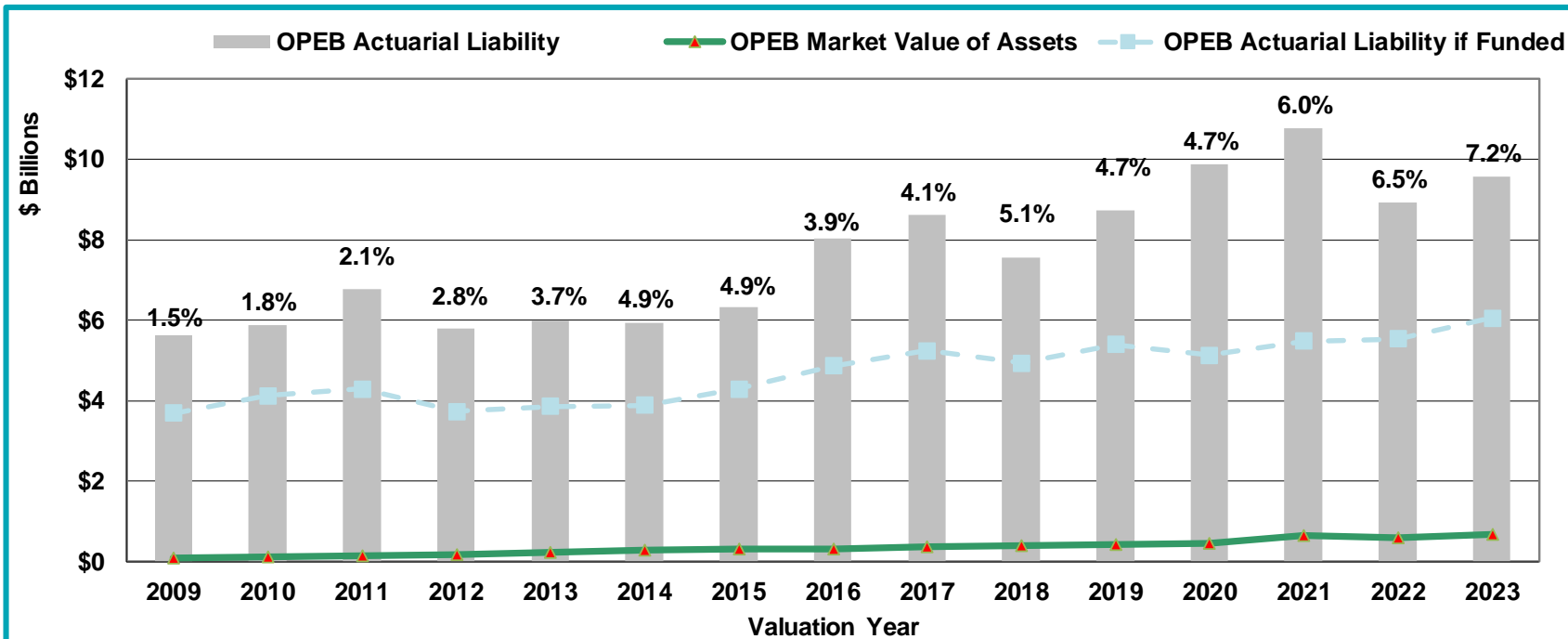


- 2023 participant data, increased liabilities
  - Active counts increased by 2.4%
  - Inactive counts increased by 1.0%
- 2023 claim curves, increased liabilities
  - Rolled forward claims from 2022 valuation using the health care actuary's projections

	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  
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### 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%**

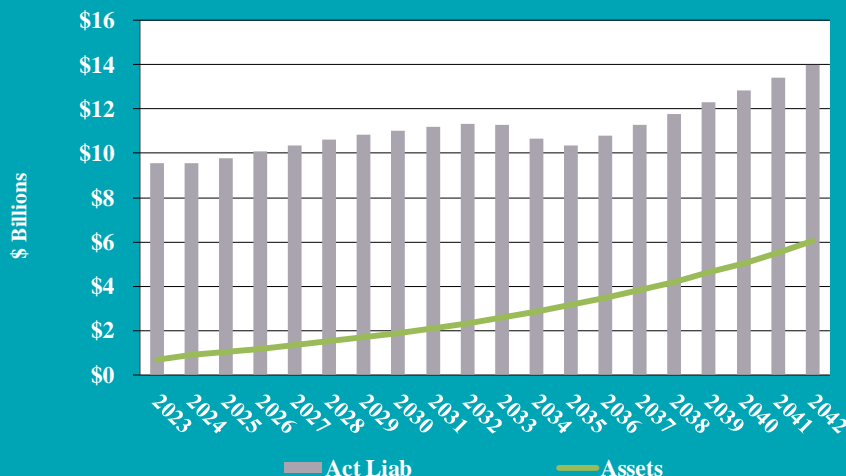
Discount Rate **3.65%**

Trend plus and minus **0.00%**

Active Population Growth **0.00%**

Average Salary Increases **3.25%**

### Assets and Liabilities



### Plan Funding

