STATE EMPLOYEE AND RETIREE HEALTH AND WELFARE BENEFITS PROGRAM
(A FIDUCIARY FUND OF THE STATE OF MARYLAND)

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2023

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Maryland State Retirement and Pension System
Annapolis, Maryland

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the State Employee and Retiree Health and Welfare Benefits Program (the Plan) , as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Plan's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Plan, as of June 30, 2023, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 2, the financial statements of the Plan are intended to present only the financial position and change in financial position of the Plan; and do not purport to, and do not, present fairly the financial position of the State of Maryland as of June 30, 2023, and the change in its financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, schedule of changes in net OPEB liability and related ratios for other post-employment benefit plan, schedule of investment returns, and schedule of employer contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Baltimore, Maryland
February 4, 2024

This discussion and analysis of the Maryland State Employee and Retiree Health and Welfare Benefits Program (the Plan) financial performance provides an overview of the Plan's financial activities for the years ended June 30, 2023 and 2022. The Postretirement Health Benefits Trust Fund (the Trust) was established as an irrevocable trust under Section 34-101 of the State Personnel and Pensions Article to receive appropriated funds and contributions which will be used to assist the Plan in financing the State's postretirement health insurance subsidy. Please read this discussion and analysis in conjunction with the Fund's financial statements, which follow this section.

Financial Highlights

- Net position increased by $77.8 million during the year from $385.4 million as of June 30, 2022, to $463.2 million as of June 30, 2023. The decrease is due to market performance.
- The Fund had net investment income of $27.8 million for the year ended June 30, 2023, compared to net investment loss of $68.7 million for the year ended June 30, 2022.

Overview of the Financial Statements

This financial report consists of the statement of fund net position and the statement of changes in fund net position. These statements provide information about the financial position and activities of the Plan as a whole. These amounts are included in the statement of fiduciary net position in the State of Maryland's financial statements.

Notes to the Financial Statements

The accompanying notes to the financial statements provide additional information that is essential for a comprehensive understanding of the Plan's financial condition and financial performance. The notes to the financial statements can be found on pages 9-16 of this report.

Other Information

In addition to the basic financial statements and the accompanying notes, this report also presents certain required supplementary information regarding the change in net OPEB liability and related ratios, the investments return, as well as contributions required and made to the Plan. Required supplementary information can be found starting on page 18 of this report.

Analysis of Financial Position and Financial Performance

The Plan's overall funding objective is to accumulate sufficient assets over time to meet its long- term benefit obligations as they become due. Accordingly, collecting employer contributions as well as earning an adequate long-term rate of return on its investments are essential components of the Fund for accumulating the funds needed to finance future retirement benefits.

Fiscal Year 2023 Compared to 2022

The following schedule depicts the balances of the Fund's investments and the change from fiscal year 2023 to 2022.

Summary of Statements of Fund Net Position

	As of June 30,			Percent
	2023	2022	Variance	Change
Cash and Cash Equivalents	$ 93,607	$ 227,901	$ (134,294)	-59%
Employer Receivable	25,000,417	-	25,000,417	-
Collective Trusts	438,154,685	385,132,132	53,022,553	13.8
Net Position Restricted for Postretirement Health Benefits	$ 463,248,709	$ 385,360,033	$ 77,888,676	20.21%

The Fund's net position restricted for postretirement health benefits increased by $77.8 million or 20.21%, over the prior fiscal year primarily due to an increase of net investment income.

The following schedule depicts the change in Fund net position for the years ended June 30, 2023 and 2022.

Summary of Statements of Changes in Fund Net Position

	Year Ended June 30,			Percent
	2023	2022	Variance	Change
Additions:				
Employer Contributions	$ 793,298,382	$ 673,695,362	$ 119,603,020	18%
Net Investment (loss)/ Income	27,879,703	(68,667,677)	96,547,380	(141)
Total Additions	821,178,085	605,027,685	216,150,400	36
Deductions:				
Benefit Payments	743,289,409	673,695,362	69,594,047	10
Change in Net Position Restricted for Postretirement Health Benefits	$ 77,888,676	$ (68,667,677)	$ 146,556,353	-213%

The State made a contribution to the Trust of $50 million in addition to funding benefits on a pay-as-you-go basis during fiscal year 2023.

Requests for Information

The Benefits Division and Senior Management are fiduciaries of the Plan, as such, are charged with the responsibility of ensuring that the Plan's assets are used exclusively for the benefit of plan participants and their beneficiaries. This financial report is designed to provide an overview of the Plan's finances and to demonstrate accountability for the resources entrusted to the Plan for the benefit of the Plan's stakeholders. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the:

General Accounting Division
Office of the Comptroller
Attention: Plan Administrator
P.O Box 746
Annapolis, Maryland 21204

STATE EMPLOYEE AND RETIREE HEALTH AND WELFARE BENEFITS PROGRAM
STATEMENT OF FUND NET POSITION
JUNE 30, 2023

CASH AND CASH EQUIVALENTS	$ 93,607
EMPLOYER CONTRIBUTION RECEIVABLE	25,000,417
INVESTMENTS	
Collective Trusts	438,154,685
NET POSITION RESTRICTED FOR POSTRETIREMENT HEALTH BENEFITS	$ 463,248,709

See accompanying Notes to Financial Statements.

STATE EMPLOYEE AND RETIREE HEALTH AND WELFARE BENEFITS PROGRAM
STATEMENT OF CHANGES IN FUND NET POSITION
YEAR ENDED JUNE 30, 2023

ADDITIONS		
Employer Contributions	$	793,298,382
Investment Income:		
Net Appreciation/(Depreciation) in Fair Value of Investments		24,614,623
Dividends and Interest		3,540,615
Total Investment Gain		28,155,238
Less: Investment Expenses		(275,535)
Net Investment Gain		27,879,703
Total Additions		821,178,085
DEDUCTIONS		
Benefit Payments		743,289,409
CHANGE IN FUND NET POSITION		77,888,676
NET POSITION RESTRICTED FOR POSTRETIREMENT HEALTH BENEFITS		
Beginning of Year		385,360,033
End of Year	$	463,248,709

See accompanying Notes to Financial Statements.

NOTE 1 PLAN DESCRIPTION

The State Employee and Retiree Health and Welfare Benefits Program (the Plan), is a single-employer defined benefit healthcare plan established by State Personnel and Pensions Article, Sections 2-501 to 2-516, of the Annotated Code of Maryland. The Plan is self-insured to provide medical, hospitalization, prescription drug, and dental insurance benefits to eligible state employees, retirees, and their dependents. State law grants authority to establish and amend benefit provisions to the Secretary of the Department of Budget and Management (DBM). In addition, the Secretary shall specify by regulation the types or categories of State employees who are eligible to enroll, with or without the State subsidies, or who are not eligible to enroll.

The Postretirement Health Benefits Trust Fund (the Trust) was established as an irrevocable trust under Section 34-101 of the State Personnel and Pensions Article to receive appropriated funds and contributions which will be used to assist the Plan in financing the State's postretirement health insurance subsidy. The Plan is administered by the Secretary DBM and is governed by the Board of Trustees (the Board) for the Maryland State Retirement and Pension System (the System) who serve, ex-officio, as the Board of Trustees for the Trust.

Plan Membership

The number of participants in the Plan as of June 30, 2023, was as follows:

Active Plan Members	81,179
Vested Former Employees	2,394
Retirees and Beneficiaries Receiving Benefits	54,291
Total	137,864

Funding Policy

The contribution requirements of Plan members and the State of Maryland (the State) are established by the Secretary of DBM. Each year the Secretary recommends to the Governor the State's share of the costs of the Plan. Funds may be separately appropriated in the State's budget for transfer to the Fund. Applicable administrative expenses are payable from the Fund but may not exceed $100,000 annually.

Benefits Provided

Generally, a retiree may enroll and participate in the health benefit options if the retiree (1) retired directly from State service with at least five years of creditable service, (2) ended State service with at least ten years of creditable service and within five years before the age at which a vested retirement allowance normally would begin, or (3) ended State service with at least 16 years of creditable service. For members hired on or after July 1, 2011, a retiree may enroll and participate in the health benefit options if the retiree (1) completed at least 25 years of creditable service, (2) retired directly from State service with at least ten years of creditable service, or (3) ended State service with at least ten years of creditable service and within five years before the age at which a vested retirement allowance normally would begin.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Measurement Focus and Basis of Accounting

The Plan is a fiduciary fund of the State of Maryland and its transactions, assets, liabilities, and net positon are accounted for using the economic resource measurement focus in accordance with accounting principles generally accepted in the United States of America. The Plan's financial statements are prepared on the accrual basis of accounting, under which expenses are recorded when the liability is incurred, and contributions are recognized in the period in which they are due. Benefit payments are recognized when due and payable. The Trust's current purpose is the accumulation of resources to settle the ultimate liability of the Plan.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management of the Fund to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of highly liquid money market mutual funds with an original maturity of three months or less. At June 30, 2023, the weighted average maturity for the fund was 15 days and the short-term rating of the fund was AAAm by Standards & Poor's.

Investment Policy

On behalf of the Plan and in accordance with State Personnel and Pension Article Section 21-123 of the Annotated Code of Maryland, the State Retirement and Pension System of Maryland (the System) is permitted to make investments subject to the terms, conditions, limitations, and restrictions imposed by the Board of Trustees of the System. The law further provides that no more than 25% of the assets that are invested in common stock may be invested in non-dividend paying common stock. In addition, no investment in any one organization may constitute more than 5% of the total assets of the System. The System is authorized by Section 21-116 of the State Personnel and Pensions Article to establish and maintain the investment policy manual, which authorizes investing in all major sectors of the capital market in order to diversify and minimize total investment program risk. Such sectors would include, but are not limited to, common stock, preferred stock, convertible securities, warrants and similar rights of U.S. and non-U.S. companies; private equity – direct/partnership funds; real estate investment trusts; commingled real estate funds; directly owned real estate; fixed income obligations of the U.S. government and its states and local subdivisions, non-U.S. governments and their states and local subdivisions, U.S. and non-U.S. companies, and supra-national organizations; futures and options; foreign exchange forward and future contracts and options; equity index futures; and equity options.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment Valuation

The Plan categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. Dividends, interest, and net gains or losses on investments and similar funds are reported in the statement of changes in fiduciary net position.

Contributions

The Plan records contributions for benefits paid on behalf of retirees by the State that are due in accordance with benefit terms. In addition during the fiscal year ended June 30, 2023 the State made a contribution to the trust for $25 million.

NOTE 3 INVESTMENTS

Investments

Accounting principles generally accepted in the United States require a three-level valuation hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

Level 1 – observable market inputs that are unadjusted quoted prices for identical assets or liabilities in active markets that a government can access at the measurement date.

Level 2 – inputs other than quoted prices included within Level 1 – that are observable for the asset or liability, either directly or indirectly (For example, quoted prices for similar assets or liabilities in active markets).

Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurement.

All investments held by the Plan are valued at net asset value (NAV) per share when an investment does not have a readily determined fair value, provided that the NAV is calculated and used as a practical expedient to estimate fair value in accordance with GAAP requirements as such the levels of the hierarchy are not considered necessary.

The Plan has the following recurring fair value measurements as of June 30, 2023:

Investments measured at the NAV	
International Equity Collective Trusts	$ 147,953,774
Domestic Equity Collective Trusts	159,873,517
Real Estate Collective Trusts	70,991,044
U.S. Government Obligations Collective Trusts	59,336,350
Total Investments at NAV	$ 438,154,685

NOTE 3 INVESTMENTS (CONTINUED)

Collective Trust Funds are valued at the NAV of units of the collective trust. The NAV, as provided by the fund's trustee, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities.

The valuation method for investments measured at the NAV per share is presented on the following table:

	Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
International Equity Collective Trusts	$ 147,953,774	$ -	Daily	1-2 Days
U.S. Government Obligations Collective Trusts	59,336,350	-	Daily	1-2 Days
Domestic Equity Collective Trusts	159,873,517	-	Daily	1-2 Days
Real Estate Collective Trusts	70,991,044	-	Daily	1-2 Days
Total Investments at NAV	$ 438,154,685	$ -		

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Fund addresses interest rate risk through a process that focuses on the review of investment managers and fund returns. The Plan held no debt holdings as of June 30, 2023.

Custodial Credit Risk

Custodial Credit risk is the risk that, in the event of the failure of the counterparty to a transaction, a government may not be able to recover the value of investments or collateral securities that are in the possession of an outside party. The Plan's investments are not subject to custodial credit risk because they are held by the counterparty's trust department in the System's name. The current policy regarding credit risk is determined by each investment manager's mandate.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investments in a single issuer. The Plan does not have a policy for custodial credit risk. As of June 30, 2023, the Plan's investments were comprised of positions in investment collective trust and concentration risk disclosures were not applicable.

Foreign Currency Risk

Foreign currency risk is the risk that changes in the exchange rate of investments will adversely affect the fair value of an investment. The Plan was not exposed to foreign currency risk as of June 30, 2023 as the Plan did not have any investments denominated in foreign currencies.

NOTE 4 CONTRIBUTIONS

The contribution requirements of Plan members and the State are established by the Secretary. Each year, the Secretary recommends to the Governor the State's share of the costs of the Plan. Funds may be separately appropriated in the State's budget for transfer to the Fund. Applicable administrative expenses may be paid from the Fund but may not exceed $100,000 annually. During the year ended June 30, 2023, administrative expenses were not charged to the Fund.

Based on current practice, the State subsidizes approximately 50% to 80% of retiree premiums to cover medical, dental, prescription and hospitalization costs, depending on the type of insurance plan. The Plan assesses a charge to retirees for post-employment health care benefits, which is based on health care insurance charges for active employees. For the fiscal year ended June 30, 2023, retiree plan members did not contribute to the plan, and the State contributed $793,298,382 of total retiree premiums. During fiscal year 2023, the State contributed $50,008,973 to the Fund to prefund future OPEB costs.

NOTE 5 NET OPEB LIABILITY

The components of the net OPEB liability are as follows at June 30, 2023:

Total OPEB Liability	$ 11,581,861,729
Less: Plan Fiduciary Net Position	463,248,709
Employer Net OPEB Liability	$ 11,118,613,020
Plan Fiduciary Net Position as Percentage of the Total OPEB Liability	4.00%

Long-Term Expected Rate of Return

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return were adopted by the Board after considering input from the Plan's target asset allocation as of June 30, 2023, these best estimates are summarized in the following table:

NOTE 5 NET OPEB LIABILITY (CONTINUED)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Public Equity	34%	6.9%
Private Equity	16%	8.6%
Rate Sensitive	20%	2.6%
Credit Opportunity	9%	5.6%
Real Assets	15%	5.4%
Absolute Return	6%	4.4%
Total	100%	

Discount Rate

The discount rate used to measure the total OPEB liability was 3.65% as of June 30, 2023. The projection of cash flow used to determine the discount rate assumed that the State would not make additional contribution to the Fund and continue to fund the Plan on a pay-as-you-go basis. Based on those assumptions, the OPEB Plan's fiduciary net position was not projected to cover a full year of projected future benefit payments. Therefore, all future benefit payments are discounted at the current index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The Bond Buyer US weekly Yields 20 General Obligation Bond Index was utilized as of June 30, 2023.

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

Regarding the sensitivity of the net OPEB liability to change in the healthcare cost trend rates, the following presents the Plan's net OPEB liability, calculated using current rates, as well as what the Plan's net OPEB liability would be if it were calculated using rates that are one percentage-point lower or one percentage-point higher (amounts in thousands):

	1% Decrease in Trend Rates	Current Healthcare Cost Trend Rates	1% Increase in Trend Rates
Net OPEB Liability	$ 9,467,780	$ 11,118,613	$ 13,222,440

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

Regarding the sensitivity of the net OPEB liability to change in the single discount rate, the following presents the plans net OPEB liability, calculated using a single discount rate of 3.54%, as well as what the plan's net OPEB liability would be if it were calculated using a single discount rate that is one percentage-point lower or one percentage-point higher (amounts in thousands):

	1% Decrease 2.65%	Discount Rate 3.65%	1% Increase 4.65%
Net OPEB Liability	$ 12,958,081	$ 11,118,613	$ 9,643,701

NOTE 5 NET OPEB LIABILITY (CONTINUED)

The annual money-weighted rate of return, net of investment expenses, on Plan investments for the year ended June 30, 2023, was 13.29%. A money-weighted rate of return expresses investment performance, net of OPEB plan investment expense, adjusted for the changing amounts invested.

NOTE 6 ACTUARIAL METHODS AND ASSUMPTIONS

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trends. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. Projections of benefits for financial reporting purposes are based on the substantive plan (the Plan as understood by the employer and the Plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and Plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The total OPEB liability was determined by an actuarial valuation as of June 30, 2023. The actuarial method and significant assumptions listed below were used in the actuarial valuations as of June 30, 2023 .

Actuarial Cost Method	Entry age normal
Asset Valuation Method	Market value of assets
Rate of Return on Investments	6.80%
Discount Rate	3.65%
Inflation Rate	2.25%
Aggregate Salary Growth	2.75%
Healthcare Cost Trend Rates:	
Medical:	
Under 65	7.50% decreasing 0.25% per year to an ultimate rate of 4.50% for FYE 2035
Over 65	6.25% decreasing 0.25% per year to an ultimate rate of 4.50% for FYE 2031
Prescription Drugs	9.50% decreasing 0.25% per year to an ultimate rate of 4.50% for FYE 2044
Dental	3.00%
Administrative Expenses	3.50%

NOTE 7 RISKS AND UNCERTAINTIES

The Fund invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of plan net position.

Plan contributions are made, and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is reasonably possible that changes in these estimates and assumptions in the near-term would-be material to the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

STATE EMPLOYEE AND RETIREE HEALTH AND WELFARE BENEFITS PROGRAM
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
FOR OTHER POSTEMPLOYMENT BENEFIT PLAN
YEAR ENDED JUNE 30, 2023
(SEE INDEPENDENT AUDITORS' REPORT)
(EXPRESSED IN THOUSANDS)

	2023	2022	2021	2020	2019	2018	2017
TOTAL OPEB LIABILITY							
Service Cost	$ 349,990	$ 503,008	$ 568,469	$ 427,003	$ 337,320	$ 306,642	$ 476,243
Interest	454,177	333,082	376,474	516,935	426,193	410,862	370,188
Differences between Expected and Actual Experience	258,674	111,645	560,235	162,068	459,791	323,130	(82,171)
Change of benefit terms	(1,414,935)	106,421	87,982	97,221	2,544,752	-	-
Changes of Assumptions	(189,372)	(2,802,673)	(2,490,736)	1,537,159	471,611	(969,487)	(1,621,932)
Benefit Payments, Including Refunds of Member Contributions	(706,946)	(673,695)	(629,554)	(601,487)	(499,502)	(562,479)	(526,535)
NET CHANGES IN TOTAL OPEB LIABILITY	(1,248,412)	(2,422,212)	(1,527,130)	2,138,899	3,740,165	(491,332)	(1,384,207)
OPEB Liability - Beginning	12,830,273	15,252,485	16,779,615	14,640,716	10,900,551	11,391,883	12,776,090
OPEB LIABILITY - ENDING (a)	11,581,861	12,830,273	15,252,485	16,779,615	14,640,716	10,900,551	11,391,883
PLAN FIDUCIARY NET POSITION							
Employer Contributions	793,298	673,695	629,554	601,487	499,502	562,479	526,535
Net Investment Income	27,879	(68,667)	98,922	4,363	21,470	22,599	30,624
Benefit Payments	(743,289)	(673,695)	(629,554)	(601,487)	(499,502)	(562,479)	(526,535)
NET CHANGES IN PLAN FIDUCIARY NET POSITION	77,888	(68,667)	98,922	4,363	21,470	22,599	30,624
Plan Fiduciary Net Position - Beginning	385,360	454,027	355,105	350,742	329,272	306,673	276,049
PLAN FIDUCIARY NET POSITION - ENDING (b)	463,248	385,360	454,027	355,105	350,742	329,272	306,673
NET OPEB LIABILITY - ENDING (a) - (b)	$ 11,118,613	$ 12,444,913	$ 14,798,458	$ 16,424,510	$ 14,289,974	$ 10,571,279	$ 11,085,210
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	4.0%	3.0%	3.0%	2.1%	2.4%	3.0%	2.7%
Covered Payroll	6,692,488	5,944,012	5,687,358	5,669,620	5,380,191	5,115,140	5,111,236
Plan Net OPEB Liability as a percentage of Covered Payroll	166.1%	209.4%	260.2%	289.7%	265.6%	206.7%	216.9%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

STATE EMPLOYEE AND RETIREE HEALTH AND WELFARE BENEFITS PROGRAM
SCHEDULE OF INVESTMENT RETURNS
LAST TEN YEARS ENDED JUNE 30
(SEE INDEPENDENT AUDITORS' REPORT)
(EXPRESSED IN THOUSANDS

	2023	2022	2021	2020	2019	2018	2017
Annual Money-Weighted Rate of Return, Net of Investment Expenses	13.29%	-15.09%	27.81%	1.25%	6.52%	7.37%	11.09%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

STATE EMPLOYEE AND RETIREE HEALTH AND WELFARE BENEFITS PROGRAM
SCHEDULE OF EMPLOYER CONTRIBUTIONS
LAST TEN YEARS ENDED JUNE 30
(SEE INDEPENDENT AUDITORS' REPORT)
(EXPRESSED IN THOUSANDS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially Determined Contribution	$ 581,190	$ 551,442	$ 611,709	$ 644,919	$ 532,287	$ 779,316	$ 634,552	$ 574,359	$ 576,050	$ 634,465	$ 469,845	$ 704,382
Less: Contributions in Relation to the Actuarially Determined Contribution	706,946	673,695	629,554	601,487	499,502	562,479	526,535	490,765	449,750	402,794	398,078	385,078
Contribution Deficiency (Excess)	$ (125,756)	$ (122,253)	$ (17,845)	$ 43,432	$ 32,785	$ 216,837	$ 108,017	$ 83,594	$ 126,300	$ 231,671	$ 71,767	$ 319,304
Covered Payroll	$ 6,692,488	$ 5,944,012	$ 5,687,358	$ 5,669,620	$ 5,380,191	$ 5,115,140	$ 5,111,236	$ 4,997,602	$ 4,929,100	$ 4,803,627	$ 4,457,421	$ 4,144,267
Actual Contributions as a Percentage of Covered Payroll	10.6%	11.3%	11.1%	10.6%	9.3%	11.0%	10.3%	9.8%	9.1%	8.4%	8.9%	9.3%

Notes to Schedule

Valuation Date:	July 1, 2023
Measurement Date:	June 30, 2023
Methods and Assumptions Used to	
Discount rate	3.65%
Expected rate of return	6.80%
Determine Contribution Rates:	
Actuarial Method	Entry age actuarial cost method
Amortization Method	Level percent of payroll
Remaining Amortization Period	30 years
Asset Valuation Method	Market value of asset

The information presented in the supplementary schedules was determined as part of the actuarial valuations at the dates indicated.