



# State of New Jersey

State Health Benefits Program

For the Fiscal Year Ending June 30, 2021

Measurement Date June 30, 2020

GASB 75 Accounting Results – State

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# Executive Summary

## Executive Summary

The Program provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents. The State of New Jersey pays a portion of the cost for retirees, spouses and dependents. All active employees who retire from the State of New Jersey and meet the eligibility criteria will receive these benefits.

The State of New Jersey also offers dental care to retirees. Since these benefits are completely paid for by the retirees, there is no GASB 75 liability for these benefits.

The following table summarizes key valuation results. Results for measurement dates June 30, 2019 and June 30, 2020 are for the Fiscal Years Ending June 30, 2020 and June 30, 2021, respectively:

<b>Liability Summary - State</b>	<b>Measurement Date</b>	
	<b>June 30, 2019</b>	<b>June 30, 2020</b>
<b>Total OPEB Liability</b>	\$ 18,205,874,446	\$ 28,296,690,169
<b>Plan Fiduciary Net Position<sup>1</sup></b>	\$ -	\$ -
<b>Net OPEB Liability</b>	\$ 18,205,874,446	\$ 28,296,690,169
<b>Net Position as a Percentage of OPEB Liability</b>	0.0%	0.0%
<b>OPEB Expense</b>	\$ (43,536,432)	\$ 577,169,057

The results displayed above were calculated based upon plan provisions and census data provided by the State, along with certain demographic and other actuarial assumptions as recommended by Aon, in conjunction with the State and its auditors with guidance from the GASB statement. The results shown as of June 30, 2019 above are consistent with the results as of the June 30, 2019 measurement date provided in the fiscal year ending June 30, 2020 GASB 75 valuation report for the State group.

Mortality rate assumptions, trend rate assumptions and discount rate assumptions have been updated from the previous valuation to be consistent with industry standards.

On December 20, 2019, the President signed a bill that repealed the excise tax for all future years beginning after December 31, 2019. No excise tax is reflected in the liability as of the June 30, 2020 measurement date.

The balance of this report provides greater detail regarding the above results.

## Actuarial Certification

This report documents the results of the actuarial valuation for the fiscal year ending June 30, 2021 of the State Employer's Public Employees' Postretirement Medical Plan for the New Jersey State Health Benefits Program ("SHBP"). These results are based on a Measurement Date of June 30, 2020. The information provided in this report is intended strictly for documenting information relating to plan disclosure and reporting requirements.

Determinations for purposes other than the financial accounting requirements may be significantly different from the results in this report. Thus, the use of this report for purposes other than those expressed here may not be appropriate.

This valuation has been conducted in accordance with generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board. In addition, the valuation results are based on our understanding of the financial accounting and reporting requirements under U.S. Generally Accepted Accounting Principles as set forth in Government Accounting Standards Board Statement 75 (GASB 75) including any guidance or interpretations provided by the State and/or its audit partners prior to the issuance of this report. The information in this report is not intended to supersede or supplant the advice and interpretations of the Plan Sponsor's auditors. Additional disclosures may be required under GASB 74.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to (but not limited to) such factors as the following:

- Plan experience differing from that anticipated by the economic or demographic assumptions;
- Changes in actuarial methods or in economic or demographic assumptions;
- Increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period); and
- Changes in plan provisions or applicable law.

Due to the limited scope of our assignment, we did not perform an analysis of the potential range of such future measurements.

Funded status measurements shown in this report are determined based on various measures of plan assets and liabilities. For entity and plan disclosure and reporting purposes, funded status is determined using plan assets measured at market value. Plan liabilities are measured based on the interest rates and other assumptions summarized in the Actuarial Assumptions and Methods section of this report.

These funded status measurements may not be appropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the plan's benefit obligations, and funded status measurements for plan sponsor and plan disclosure and reporting purposes may not be appropriate for assessing the need for or the amount of future contributions. In conducting the valuation, we have relied on personnel, plan design, health care claim cost, and asset information supplied by the Plan Sponsor as of the valuation date. While we cannot verify the accuracy of all the information, the supplied information was reviewed for consistency and reasonableness. As a result of this review, we have no reason to doubt the substantial accuracy or completeness of the information and believe that it has produced appropriate results.

## Actuarial Certification (continued)

The actuarial assumptions and methods used in this valuation are described in the Actuarial Assumptions and Methods section of this report. The Plan Sponsor selected the economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB 75. Aon provided guidance with respect to these assumptions, and it is our belief that the assumptions represent reasonable expectations of anticipated plan experience.

A valuation model was used to develop the liabilities for the fiscal year ending June 30, 2021 valuation. The valuation model relies on ProVal software, which was developed by Winklevoss Technologies, LLC. Experts within Aon selected this software and determined it is appropriate for performing valuations. We coded and reviewed the software for the provisions, assumptions, methods, and data of the Postretirement Health Insurance Plan.

The valuation model outputs various cost scenarios. The "1% increase" and "1% decrease" interest rate scenarios vary only the discount rate assumption, in order to illustrate the impact of a change in that assumption in isolation. In practice, certain other assumptions, would also be expected to vary when the discount rate changes. Therefore, the output from these scenarios should be used solely for assessing the impact of the discount rate in isolation and may not represent a realistic set of results for other purposes.

The "1% increase" and "1% decrease" healthcare cost trend scenarios vary only the healthcare cost trend assumption, in order to illustrate the impact of a change in that assumption in isolation. Therefore, the output from these scenarios should be used solely for assessing the impact of the healthcare cost trend in isolation and may not represent a realistic set of results for other purposes.

The undersigned are familiar with the near-term and long-term aspects of OPEB valuations and collectively meet the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. The information provided in this report is dependent upon various factors as documented throughout this report, which may be subject to change. Each section of this report is considered to be an integral part of the actuarial opinions.

Further, we certify that this report is in compliance with Actuarial Standard of Practice Number 41, "Actuarial Communications".

Aon's relationship with the Program and the State is strictly professional. There are no aspects of the relationship that may impair or appear to impair the objectivity of our work.



Michael Morfe, ASA, MAAA, FCA  
Aon  
Senior Vice President  
mike.morfe@aon.com



Paul Koch, FSA, MAAA  
Aon  
Senior Vice President  
paul.koch@aon.com

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# Accounting Requirements

## Accounting Requirements (continued)

### Development of GASB 75 Net OPEB Expense

#### Calculation Details

The following table illustrates the Net OPEB Liability under GASB 75.

	Measurement Date	
	June 30, 2019	June 30, 2020
(1) OPEB Liability		
(a) Retired Participants and Beneficiaries		
Receiving Payment	\$ 8,013,703,383	\$ 12,055,580,656
(b) Active Participants	10,192,171,063	16,241,109,513
(c) Total	\$ 18,205,874,446	\$ 28,296,690,169
(2) Plan Fiduciary Net Position	\$ -	\$ -
(3) Net OPEB Liability	\$ 18,205,874,446	\$ 28,296,690,169
(4) Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.0%	0.0%
(5) Deferred Outflow of Resources for Contributions Made After Measurement Date <sup>1</sup>	\$ 584,032,434	TBD

<sup>1</sup> Employer contributions made after Measurement Date were provided by the State and are reported as a deferred outflow of resources but are not amortized in expense.

#### Expense

The following table illustrates the OPEB expense under GASB 75.

	Measurement Date	
	June 30, 2019	June 30, 2020
(1) Service Cost	\$ 829,363,849	\$ 653,852,814
(2) Interest Cost	933,104,452	649,957,785
(3) Expected Investment Return	-	-
(4) Administrative Expense	-	-
(5) Plan Changes	20,523,847	-
(6) Amortization of Unrecognized		
(a) Liability (Gain) / Loss	(924,354,938)	(388,108,505)
(b) Asset (Gain) / Loss	-	-
(c) Assumption Change (Gain) / Loss	(902,173,642)	(338,533,037)
(7) Total Expense	\$ (43,536,432)	\$ 577,169,057

## Accounting Requirements (continued)

Shown below are details regarding the calculation of Service and Interest Cost components of the Expense.

	Measurement Date	
	June 30, 2019	June 30, 2020
(1) Development of Service Cost:		
(a) Service Cost at Beginning of Measurement Period	\$ 829,363,849	\$ 653,852,814
(2) Development of Interest Cost:		
(a) Total OPEB Liability at Beginning of Measurement Period	\$ 23,601,362,208	\$ 18,205,874,446
(b) Service Cost at Beginning of Measurement Period	829,363,849	653,852,814
(c) Actual Contributions - Member <sup>1</sup>	37,385,816	34,380,625
(d) Actual Gross Benefit Payments <sup>1</sup>	(682,509,283)	(618,413,059)
(e) Discount Rate	3.87%	3.50%
(f) Interest Cost	\$ 933,104,452	\$ 649,957,785

<sup>1</sup>Employer benefit payments and member contributions were provided by the State.

## Accounting Requirements (continued)

### Reconciliation of Net OPEB Liability

Shown below are details regarding the Total OPEB Liability for the Measurement Period from June 30, 2019 to June 30, 2020 and from June 30, 2018 to June 30, 2019:

	<u>Increase / (Decrease)</u>
	<u>Total OPEB Liability</u>
Balance as of June 30, 2019 Measurement Date	\$ 18,205,874,446
Changes Recognized for the Fiscal Year	
Service Cost	\$ 653,852,814
Interest on the Total OPEB Liability	649,957,785
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	4,568,819,605
Changes of Assumptions	4,802,217,953
Gross Benefit Payments <sup>1</sup>	(618,413,059)
Contributions From the Employer <sup>1</sup>	N/A
Contributions From the Member <sup>1</sup>	34,380,625
Net Investment Income <sup>1</sup>	N/A
Administrative Expense <sup>1</sup>	N/A
Net Changes	<u>\$ 10,090,815,723</u>
Balance as of June 30, 2020 Measurement Date	\$ 28,296,690,169

<sup>1</sup> Data for Measurement Periods Ending June 30, 2020 were provided by the State.

	<u>Increase / (Decrease)</u>
	<u>Total OPEB Liability</u>
Balance as of June 30, 2018 Measurement Date	\$ 23,601,362,208
Changes Recognized for the Fiscal Year	
Service Cost	\$ 829,363,849
Interest on the Total OPEB Liability	933,104,452
Changes of Benefit Terms	20,523,847
Differences Between Expected and Actual Experience	(5,316,961,201)
Changes of Assumptions	(1,216,395,242)
Gross Benefit Payments <sup>1</sup>	(682,509,283)
Contributions From the Employer <sup>1</sup>	N/A
Contributions From the Member <sup>1</sup>	37,385,816
Net Investment Income <sup>1</sup>	N/A
Administrative Expense <sup>1</sup>	N/A
Net Changes	<u>\$ (5,395,487,762)</u>
Balance as of June 30, 2019 Measurement Date	\$ 18,205,874,446

<sup>1</sup> Data for Measurement Periods Ending June 30, 2019 were provided by the State.

## Accounting Requirements (continued)

### Liability (Gain) / Loss

The following table illustrates the liability gain / loss under GASB 75.

	<b>Measurement Date</b>	
	<b>June 30, 2019</b>	<b>June 30, 2020</b>
(1) OPEB Liability at Beginning of Measurement Period	\$ 23,601,362,208	\$ 18,205,874,446
(2) Service Cost	829,363,849	653,852,814
(3) Interest on the Total OPEB Liability	933,104,452	649,957,785
(4) Changes of Benefit Terms	20,523,847	-
(5) Changes of Assumptions	(1,216,395,242)	4,802,217,953
(6) Contributions: Member <sup>1</sup>	37,385,816	34,380,625
(7) Gross Benefit Payments <sup>1</sup>	(682,509,283)	(618,413,059)
(8) Expected OPEB Liability at End of Measurement Period	23,522,835,647	23,727,870,564
(9) Actual OPEB Liability at End of Measurement Period	18,205,874,446	28,296,690,169
(10) OPEB Liability (Gain) / Loss	\$ (5,316,961,201)	\$ 4,568,819,605
(11) Average Future Working Life Expectancy <sup>2</sup>	8.58	8.52
(12) OPEB Liability (Gain) / Loss Amortization	\$ (619,692,448)	\$ 536,246,433
(13) Assumption Change (Gain) / Loss	(1,216,395,242)	4,802,217,953
(14) Average Future Working Life Expectancy <sup>2</sup>	8.58	8.52
(15) Assumption Change (Gain) / Loss Amortization	\$ (141,771,007)	\$ 563,640,605

<sup>1</sup> Data for Measurement Periods Ending June 30, 2019 and June 30, 2020 were provided by the State.

<sup>2</sup> Based on the average of the expected remaining service lives of all State active and inactive employees that are provided with benefits through the OPEB plan.

## Accounting Requirements (continued)

### Deferred Outflows / Inflows

The following table illustrates the Deferred Inflows and Outflows as of June 30, 2020 under GASB 75 after reflecting any reduction due to the Fiscal Year Ending June 30, 2021 amortizations.

	<b>Deferred Outflows</b>	<b>Deferred Inflows</b>
(1) Difference Between Actual and Expected Experience	\$ 4,032,573,172	\$ (5,844,618,748)
(2) Net Difference Between Expected and Actual Earnings on OPEB Plan Investments	-	-
(3) Assumption Changes	4,238,577,348	(4,885,056,181)
(4) Sub Total	<u>\$ 8,271,150,520</u>	<u>\$ (10,729,674,929)</u>
(5) Contributions Made in Fiscal Year Ending 2021 After June 30, 2020 Measurement Date <sup>1</sup>	TBD	N/A
(6) Total	<u>\$ 8,271,150,520</u>	<u>\$ (10,729,674,929)</u>

<sup>1</sup> Employer contributions made after June 30, 2020 are reported as a deferred outflow of resources but are not amortized in expense.

### Amortization of Deferred Inflows / Outflows

The table below lists the amortizations bases included in the deferred inflows/outflows as of June 30, 2020.

Date Established	Type of Base	Period		Balance		Annual Payment
		Original	Remaining	Original	Remaining	
July 1, 2017	Liability (Gain) / Loss	N/A	N/A	\$ -	\$ -	\$ -
July 1, 2017	Assumptions	8.66	4.66	\$ (3,480,198,182)	\$ (1,872,716,342)	\$ (401,870,460)
	<b>2017 Charges</b>				<b>\$ (1,872,716,342)</b>	<b>\$ (401,870,460)</b>
July 1, 2018	Liability (Gain) / Loss	8.80	5.80	\$ (2,681,029,913)	\$ (1,767,042,443)	\$ (304,662,490)
July 1, 2018	Assumptions	8.80	5.80	\$ (3,155,083,136)	\$ (2,079,486,611)	\$ (358,532,175)
	<b>2018 Charges</b>				<b>\$ (3,846,529,054)</b>	<b>\$ (663,194,665)</b>
July 1, 2019	Liability (Gain) / Loss	8.58	6.58	\$ (5,316,961,201)	\$ (4,077,576,305)	\$ (619,692,448)
July 1, 2019	Assumptions	8.58	6.58	\$ (1,216,395,242)	\$ (932,853,228)	\$ (141,771,007)
	<b>2019 Charges</b>				<b>\$ (5,010,429,533)</b>	<b>\$ (761,463,455)</b>
July 1, 2020	Liability (Gain) / Loss	8.52	7.52	\$ 4,568,819,605	\$ 4,032,573,172	\$ 536,246,433
July 1, 2020	Assumptions	8.52	7.52	\$ 4,802,217,953	\$ 4,238,577,348	\$ 563,640,605
	<b>2020 Charges</b>				<b>\$ 8,271,150,520</b>	<b>\$ 1,099,887,038</b>
	Liability (Gain) / Loss				\$ (1,812,045,576)	\$ (388,108,505)
	Assumptions				\$ (646,478,833)	\$ (338,533,037)
	<b>Total Charges</b>				<b>\$ (2,458,524,409)</b>	<b>\$ (726,641,542)</b>

Amounts Recognized in the deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the OPEB expense as follows:

#### Measurement Period Ending June 30,

2021	\$ (726,641,542)
2022	\$ (726,641,542)
2023	\$ (726,641,542)
2024	\$ (726,641,542)
2025	\$ (590,005,584)
Total Thereafter	\$ 1,038,047,343

## Accounting Requirements (continued)

### Net OPEB Liability

The components of the Net OPEB Liability as of June 30, 2019 and June 30, 2020 are as follows:

Liability Summary - State	Measurement Date	
	June 30, 2019	June 30, 2020
<b>Total OPEB Liability</b>	\$ 18,205,874,446	\$ 28,296,690,169
<b>Plan Fiduciary Net Position<sup>1</sup></b>	\$ -	\$ -
<b>Net OPEB Liability</b>	\$ 18,205,874,446	\$ 28,296,690,169
<b>Net Position as a Percentage of OPEB Liability</b>	0.0%	0.0%
<b>OPEB Expense</b>	\$ (43,536,432)	\$ 577,169,057

<sup>1</sup> Data as of June 30, 2019 and June 30, 2020 were provided by the State.

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

The following table illustrates the impact of discount rate sensitivity on the Net OPEB Liability as of June 30, 2020:

State	1% Decrease 1.21%	Current Rate 2.21%	1% Increase 3.21%
<b>Total OPEB Liability</b>	\$ 33,588,789,792	\$ 28,296,690,169	\$ 24,108,462,432
<b>Plan Fiduciary Net Position<sup>1</sup></b>	\$ -	\$ -	\$ -
<b>Net OPEB Liability</b>	\$ 33,588,789,792	\$ 28,296,690,169	\$ 24,108,462,432

The following table illustrates the impact of discount rate sensitivity on the Net OPEB Liability as of June 30, 2019:

State	1% Decrease 2.50%	Current Rate 3.50%	1% Increase 4.50%
<b>Total OPEB Liability</b>	\$ 21,079,592,318	\$ 18,205,874,446	\$ 15,882,174,271
<b>Plan Fiduciary Net Position<sup>1</sup></b>	\$ -	\$ -	\$ -
<b>Net OPEB Liability</b>	\$ 21,079,592,318	\$ 18,205,874,446	\$ 15,882,174,271

<sup>1</sup> Data as of June 30, 2019 and June 30, 2020 were provided by the State.

## Accounting Requirements (continued)

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

The following table illustrates the impact of healthcare cost trend sensitivity on the Net OPEB Liability as of June 30, 2020:

State	1% Decrease		Trend Rate		1% Increase	
<b>Total OPEB Liability</b>	\$	23,274,074,006	\$	28,296,690,169	\$	34,889,243,811
<b>Plan Fiduciary Net Position<sup>1</sup></b>	\$	-	\$	-	\$	-
<b>Net OPEB Liability</b>	\$	23,274,074,006	\$	28,296,690,169	\$	34,889,243,811

The following table illustrates the impact of healthcare cost trend sensitivity on the Net OPEB Liability as of June 30, 2019:

State (\$ millions)	1% Decrease		Trend Rate		1% Increase	
<b>Total OPEB Liability</b>	\$	15,310,956,223	\$	18,205,874,446	\$	21,919,471,119
<b>Plan Fiduciary Net Position<sup>1</sup></b>	\$	-	\$	-	\$	-
<b>Net OPEB Liability</b>	\$	15,310,956,223	\$	18,205,874,446	\$	21,919,471,119

<sup>1</sup> Data as of June 30, 2019 and June 30, 2020 were provided by the State.

### Plan Membership

At June 30, 2019, the Program membership (excluding beneficiaries and retirees who have waived coverage) consisted of the following:

State	<b>June 30, 2019</b>
Active Plan Members	103,356
Retirees Currently Receiving Benefits	48,218
Total Plan Members	151,574

## Accounting Requirements (continued)

### Disclosure—Changes in the Net OPEB Liability and Related Ratios

	Measurement Date	
	June 30, 2019	June 30, 2020
<b>Total OPEB Liability</b>		
Service Cost	\$ 829,363,849	\$ 653,852,814
Interest Cost	933,104,452	649,957,785
Changes of Benefit Terms	20,523,847	-
Differences Between Expected and Actual Experiences	(5,316,961,201)	4,568,819,605
Changes of Assumptions	(1,216,395,242)	4,802,217,953
Contributions: Member <sup>1</sup>	37,385,816	34,380,625
Gross Benefit Payments <sup>1</sup>	<u>(682,509,283)</u>	<u>(618,413,059)</u>
<b>Net Change in Total OPEB Liability</b>	<b>\$ (5,395,487,762)</b>	<b>\$ 10,090,815,723</b>
<b>Total OPEB Liability (Beginning)</b>	<b>\$ 23,601,362,208</b>	<b>\$ 18,205,874,446</b>
<b>Total OPEB Liability (Ending)</b>	<b>\$ 18,205,874,446</b>	<b>\$ 28,296,690,169</b>
<b>Plan Fiduciary Net Position</b>		
<b>Plan Fiduciary Net Position (Ending)</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net OPEB Liability (Ending)</b>	<b>\$ 18,205,874,446</b>	<b>\$ 28,296,690,169</b>
<b>Net Position as a Percentage of OPEB Liability</b>	<b>0%</b>	<b>0%</b>
<b>Covered Employee Payroll<sup>2</sup></b>	<b>\$ 7,474,461,653</b>	<b>\$ 7,825,392,564</b>
<b>Net OPEB Liability as a Percentage of Payroll</b>	<b>244%</b>	<b>362%</b>

<sup>1</sup> Data for Measurement Periods Ending June 30, 2019 and June 30, 2020 were provided by the State.

<sup>2</sup> Covered payroll for the Measurement Periods Ending June 30, 2019 and June 30, 2020 is based on the payroll on the June 30, 2018 and June 30, 2019 census data, respectively.

#### Notes to Schedule:

**Benefit Changes:** Effective April 16, 2019, the State Health Benefits Program Plan Design Committee approved and adopted a new PPO plan design (referred to as the "NJDIRECT Plan" but also includes the "CWA Unity Plan" for retirees affiliated with the CWA) which replaces all current PPO plan offerings for State pre-Medicare future retirees. Any State pre-Medicare retiree who enrolls in the NJDIRECT Plan will be required to contribute a percentage of their retirement allowance instead of a percentage of the cost of health coverage as required under Chapter 78. More detail is provided in the "Plan Provisions" section of this report.

**Differences Between Expected and Actual Experiences:** The decrease in the Total OPEB Liability from June 30, 2018 to June 30, 2019 is due to changes in the census, claims and premium experiences. The increase in liability from June 30, 2019 to June 30, 2020 is due to changes in the census, claims and premiums experience.

**Changes in Assumptions:** The decrease in the liability from June 30, 2018 to June 30, 2019 is due to combined effect of the decrease in the discount rate from 3.87% as of June 30, 2018 to 3.50% as of June 30, 2019; and changes in the trend, excise tax, updated decrements, future spouse election, PPO/HMO future retiree elections, salary scale and mortality assumptions. The increase in the liability from June 30, 2019 to June 30, 2020 is due to the combined effect of the decrease in the assumed discount rate from 3.50% as of June 30, 2019 to 2.21% as of June 30, 2020; and changes in the trend, repealment of the excise tax, and updated mortality improvement assumptions.

## Accounting Requirements (continued)

### Disclosure – Contribution Schedule

#### State

	Measurement Date	
	June 30, 2019	June 30, 2020
Actuarially Determined Contribution	N/A	N/A
Contributions Made in Relation to the Actuarially Determined Contribution	N/A	N/A
Contribution Deficiency (Excess)	N/A	N/A
Covered Employee Payroll <sup>1</sup>	\$ 7,474,461,653	\$ 7,825,392,564
Contributions as a Percentage of Payroll	N/A	N/A

<sup>1</sup> Covered payroll for the Measurement Periods Ending June 30, 2019 and June 30, 2020 is based on the payroll on the June 30, 2018 and June 30, 2019 census data, respectively.

#### Notes to Schedule:

Valuation Date June 30, 2019

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method Entry Age Normal – Level % of Salary

Asset Valuation Method N/A

Salary Scale Differs by pension group (e.g. – PERS, PFRS, SPRS, JRS, TPAF, ABP). See “Actuarial Assumptions and Methods” section.

Investment Rate of Return 2.21%

Retirement Age<sup>1</sup> 64

Mortality PUB-2010 “General”, “Teachers”, and “Safety” classification headcount-weighted mortality table with fully generation mortality improvement projections from the central year using Scale MP-2020

<sup>1</sup>Weighted average retirement age based on June 30, 2019 census data and retirement rates provided in the “Actuarial Assumptions and Methods” section.

## Accounting Requirements (continued)

### Actuarial Valuation Date

The actuarial valuation date is the date in which the Total OPEB liability is determined. The actuarial valuation date for the June 30, 2020 measurement date is June 30, 2019, and for the June 30, 2019 measurement date is June 30, 2018. The Total OPEB liability was adjusted by using roll-forward procedures to determine the liability at the measurement date. The actuarial valuation date is required to be a date at most 30 months prior to the fiscal year ending date.

### Measurement Date

The measurement date under GASB 75 is the date in which the discount rate, the balance sheet liabilities and income statement entries are reported. GASB 75 allows for the measurement date to be equal to any day in the Fiscal Year. The State of New Jersey has decided to choose the GASB 75 measurement date at the beginning of the Fiscal Year so that it is consistent with the GASB 74 measurement date for the prior Fiscal Year. The measurement date for the Fiscal Year Ending June 30, 2021 GASB 75 valuation is June 30, 2020. The measurement date for the Fiscal Year Ending June 30, 2020 GASB 75 valuation is June 30, 2019.

The Total OPEB Liabilities for each fiscal year are based on valuation results as of the actuarial valuation date (June 30, 2019 for the Fiscal Year Ending June 30, 2021 GASB 75 valuation, and June 30, 2018 for the Fiscal Year Ending June 30, 2020 GASB 75 valuation) and are adjusted to the measurement date using actual benefit payments (provided by the State). They reflect changes in the discount rate as of the end of each fiscal year.

### Amortization of Deferred Inflows / Outflows

Differences in the Total OPEB Liability due to actual and projected experience or due to assumptions changes are amortized over the future working lifetime of active and inactive employees. Changes in the Total OPEB Liability due to benefit changes are not amortized and recognized immediately. Differences in the actual and projected return on the assets are amortized over five years. This methodology is consistent with the GASB 75 statement.

The future working lifetime of active and inactive employees is equal to 8.52 years for Measurement Period as of June 30, 2020 and it was equal to 8.58 for Measurement Period as of June 30, 2019. The future working lifetime is based on all State active and inactive employees who are provided benefits in the OPEB plan.

### Plan Provisions

Results are based on plan provisions effective for Plan Year 2021 and reflect all benefit changes adopted as of the measurement date, June 30, 2020. Further detail is provided in the "Plan Provisions" section of this report.

### Health Care Reform – Excise Tax

On December 20, 2019, the President signed a bill that repealed the excise tax for all future years beginning after December 31, 2019. No excise tax is reflected in the liability as of the June 30, 2020 measurement date.

## Accounting Requirements (continued)

### Economic Assumptions

#### Discount Rate

The discount rate basis under GASB 75 is required to be consistent with a 20-Year Municipal Bond Index. The Bond Buyer General Obligation 20-Bond Municipal Bond Index is used for the determination of the discount rate. The discount rate will be based on this index rate that is reported on the last Friday prior to the measurement date.

The discount rates as of June 30, 2018, June 30, 2019, and June 30, 2020 are 3.87%, 3.50%, and 2.21% respectively.

#### Health Care Trend

The health care trend assumption is used to project the growth of the expected claims over the lifetime of the health care recipients. The GASB statement does not require a particular source for information to determine health care trends, but it does recommend selecting a source that is “publicly available, objective, and unbiased”.

Medical and prescription drug trend rates are determined by utilizing experience data, industry experience which includes surveys and Aon trend guidance. These rates are adjusted further to be appropriate with respect to the plan provisions. Recent plan experience along with national trend studies indicate a reduction on the expectations of future long-term medical and prescription drug experience. For pre-Medicare medical benefits, the trend is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage rates for Plan Year 2019 through 2022 are reflected. For Plan Year 2023, the Medicare Advantage trend rate includes an assumed increase in the premiums based on recent experience and discussions with the Medicare Advantage vendor. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% decreasing to a 4.5% long-term trend rate after seven years.

#### Funding Policy

The State funds the postretirement healthcare benefits on a pay-as-you-go basis.

#### Plan Fiduciary Net Position

The State does not pre-fund the liability and the funding policy is pay-as-you-go as disclosed in the section above. Therefore, the Plan Fiduciary Net Position at the beginning and the end of the Fiscal Year in addition to the Net Investment Income are assumed to be zero.

#### Demographic Assumptions

On October 21, 2020, the Society of Actuaries (SOA) released an updated set of life expectancy mortality improvement assumptions, Scale MP-2020. The MP-2020 scale reflects more recent mortality data for the U.S. population.

Further detail regarding demographic assumptions used in this valuation is provided in the “Actuarial Assumptions and Methods” section of this report.

# Projection Results

## Projected Cash Flows

The following table summarizes the annual expected payments for benefits provided by the State based on assumptions and contributions described in the “Plan Provisions” and “Actuarial Assumptions and Methods” sections:

State	
Year Ending	(\$ millions)
6/30/2020 <sup>1</sup>	\$584.0
6/30/2021	\$687.6
6/30/2022	\$720.3
6/30/2023	\$776.9
6/30/2024	\$837.2
6/30/2025	\$875.1
6/30/2026	\$915.4
6/30/2027	\$957.1
6/30/2028	\$1,000.1
6/30/2029	\$1,043.1
6/30/2030	\$1,091.8

<sup>1</sup>Actual health and prescription drug benefit payments and member contributions for the year ending June 30, 2020 provided by the State.

## Ten-Year Projection of Total OPEB Liability

Projections assume an annual discount rate of 2.21% and a level active population. Please note that the discount rate will change each year based on the Bond Buyer General Obligation 20-Bond Municipal Bond Index rate each year and actual results will vary from the projected liability projections below.

State  
(\$ millions)

Measurement Period Ending	Total OPEB Liability (Beginning)	Service Cost + Interest Cost <sup>1</sup>	Benefit Payments <sup>2</sup>	Total OPEB Liability (End)
6/30/2021	\$ 28,296.7	\$ 1,761.4	\$ 687.6	\$ 29,370.5
6/30/2022	\$ 29,370.5	\$ 1,820.6	\$ 720.3	\$ 30,470.8
6/30/2023	\$ 30,470.8	\$ 1,880.7	\$ 776.9	\$ 31,574.6
6/30/2024	\$ 31,574.6	\$ 1,942.0	\$ 837.2	\$ 32,679.4
6/30/2025	\$ 32,679.4	\$ 2,004.7	\$ 875.1	\$ 33,809.0
6/30/2026	\$ 33,809.0	\$ 2,067.2	\$ 915.4	\$ 34,960.8
6/30/2027	\$ 34,960.8	\$ 2,131.0	\$ 957.1	\$ 36,134.7
6/30/2028	\$ 36,134.7	\$ 2,207.4	\$ 1,000.1	\$ 37,342.0
6/30/2029	\$ 37,342.0	\$ 2,284.0	\$ 1,043.1	\$ 38,582.9
6/30/2030	\$ 38,582.9	\$ 2,362.5	\$ 1,091.8	\$ 39,853.6

1. Projection assumes an annual discount rate of 2.21%. Service Cost increases each year with the average salary scale by pension group.
2. Based on expected benefit payments.

# Appendix

## Participant Data

The actuarial valuation was based on personnel information provided by the State as of June 30, 2019. Below are some of the pertinent characteristics from the personnel data as of that date. Both age and service have been determined using years and months as of the valuation date.

### State

#### Participant Counts as of June 30, 2019

<u>Actives</u>	
<i>PERS General</i>	69,599
<i>PERS Law Enforcement</i>	2
<i>PERS Legislators</i>	142
<i>JRS</i>	415
<i>SPRS</i>	2,774
<i>TPAF</i>	127
<i>ABP</i>	23,268
<i>PFRS</i>	7,029

<b>Active Total</b>	<b>103,356</b>
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#### Retirees

Single Coverage	
<i>HMO</i>	4,783
<i>PPO</i>	20,426
Family Coverage	
<i>HMO</i>	4,451
<i>PPO</i>	18,558

<b>Retiree Total</b>	<b>48,218</b>
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<b>Grand Total*</b>	<b>151,574</b>
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\*Excludes retirees with no coverage and beneficiaries

#### Male / Female Ratio as of June 30, 2019

<u>Actives</u>	
<i>% Female</i>	57%
<i>% Male</i>	43%
<u>Retirees</u>	
<i>% Female</i>	51%
<i>% Male</i>	49%

#### Average Age as of June 30, 2019

Actives	47.20
Retirees	69.19

#### Average Service as of June 30, 2019

Actives	13.15
Retirees	N/A

## Age / Service Scatter

The following table summarizes the distribution of the future retiree population by age and service as of June 30, 2019.

### State

Age	Service							Total
	0 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30+	
15-19	9	0	0	0	0	0	0	9
20-24	1,587	8	0	0	0	0	0	1,595
25-29	6,823	757	21	0	0	0	0	7,601
30-34	5,888	3,191	1,089	50	0	0	0	10,218
35-39	4,018	2,866	4,308	1,653	39	0	0	12,884
40-44	2,772	2,086	3,448	4,104	726	39	0	13,175
45-49	2,288	1,719	2,793	3,659	2,435	699	136	13,729
50-54	1,963	1,449	2,373	3,053	2,021	1,615	1,679	14,153
55-59	1,630	1,285	2,160	2,788	1,658	1,297	2,315	13,133
60-64	898	1,018	1,710	2,202	1,324	974	1,745	9,871
65-69	292	417	826	1,007	617	465	903	4,527
70+	93	127	384	454	309	270	824	2,461
<b>Total</b>	<b>28,261</b>	<b>14,923</b>	<b>19,112</b>	<b>18,970</b>	<b>9,129</b>	<b>5,359</b>	<b>7,602</b>	<b>103,356</b>

## Health Care Claims Development

### Applicability of Health Care Reforms to Valuation

#### Background

On March 23, 2010, the “Patient Protection and Affordable Care Act” was signed into law, followed by the passage of the “Health Care and Education Affordability Reconciliation Act of 2010” on March 30, 2010 (“Acts”). The health care reforms contained in these Acts have wide-spread impact on corporate health care programs, including those covering retirees. This valuation reflects Aon’s interpretation of the Acts based on information currently available. Future regulations on each aspect of the Acts may be different than Aon’s initial interpretations.

Key issues in Health Care Reform that have an effect on the Plan Sponsor valuation include:

- Group market reforms
- Early Retiree Reimbursement Program
- Taxation of Retiree Drug Subsidy for Post-65 Coverage

The valuation issues related to each of these topics are discussed below.

#### Group Market Reforms

- **Requirement to Cover Children to Age 26**—The Acts requires that a group health plan that provides dependent coverage of children shall continue to make such coverage available for an adult child until the child turns 26 years of age. Current and future dependent children are valued implicitly in the valuation. Per capita claims costs were developed using claims information for all covered lives and adult headcounts. As such, the impact of child coverage is built into the per capita claims for retirees and spouses.
- **Elimination of Benefit Limitations**—The Acts include a number of other provisions that may increase the cost of retiree health care including the elimination of lifetime maximum benefits and “restrictive” annual benefit limitations. We have made no adjustment for these additional benefits because there are no material limits in the plans.

## Health Care Claims Development (continued)

### Claims Cost Development

PPO and HMO medical, prescription drug, and EGWP incurred claims were developed based on actual incurred claims from January 2019 through December 2019 reflecting paid claims runout through March 2020. EGWP revenue amounts are developed for Plan Year 2020, based on information provided by Optum, then trended to 2021. Projected incurred claims used to develop projected claims amounts include claims that are assumed to be incurred but not reported. Claims were trended and adjusted for plan design changes in effect for Plan Year 2021.

Claim costs for future retirees are based on a blend of the claim costs for current retirees. This blend consists of 80% of the current retiree PPO costs and 20% of the current retiree HMO costs.

COVID-19 has introduced significant volatility to recent medical claims. At this time, there are too many unknowns to reasonably estimate the impact on claims costs for 2020 and 2021. We do expect these factors to be short-term in nature, with claims costs likely returning to normal in 2022 and beyond. Therefore, we do not believe COVID-19 has a significant impact on long-term claims costs projections and plan liabilities. Given the high level of short-term uncertainty and minimal long-term impact, we have not adjusted our claims costs or healthcare trend assumptions for COVID-19.

### Claims Cost for Current Retirees as of June 30, 2019

Age	State Retirees					
	PPO			HMO		
	Medical & Admin	Rx Claims	Retiree EGWP	Medical & Admin	Rx Claims	Retiree EGWP
25	\$4,270	\$491	\$0	\$4,309	\$507	\$0
30	\$4,898	\$621	\$0	\$4,935	\$640	\$0
35	\$5,625	\$785	\$0	\$5,661	\$809	\$0
40	\$6,470	\$991	\$0	\$6,501	\$1,024	\$0
45	\$7,448	\$1,253	\$0	\$7,477	\$1,295	\$0
50	\$8,866	\$1,578	\$0	\$8,891	\$1,630	\$0
55	\$10,817	\$1,985	\$0	\$10,833	\$2,051	\$0
60	\$13,337	\$2,486	\$0	\$13,343	\$2,568	\$0
65	\$1,623	\$3,545	\$1,736	\$2,536	\$4,250	\$1,791
70	\$1,833	\$4,272	\$2,092	\$2,871	\$5,123	\$2,158
75	\$1,989	\$4,833	\$2,367	\$3,121	\$5,796	\$2,442
80	\$2,199	\$5,030	\$2,463	\$3,458	\$6,031	\$2,542
85	\$2,502	\$5,080	\$2,488	\$3,943	\$6,091	\$2,567
90	\$2,671	\$5,105	\$2,498	\$4,214	\$6,121	\$2,582

## Health Care Claims Development (continued)

### Claims Cost for Future Retirees as of June 30, 2019

State Actives - CWA / NJ Direct PPO			
Age	Medical & Admin	Rx Claims	Retiree EGWP
25	\$3,963	\$487	\$0
30	\$4,544	\$616	\$0
35	\$5,218	\$779	\$0
40	\$6,000	\$984	\$0
45	\$6,905	\$1,244	\$0
50	\$8,218	\$1,567	\$0
55	\$10,024	\$1,971	\$0
60	\$12,357	\$2,468	\$0
65	\$1,806	\$3,686	\$1,747
70	\$2,041	\$4,442	\$2,105
75	\$2,215	\$5,026	\$2,382
80	\$2,451	\$5,230	\$2,479
85	\$2,790	\$5,282	\$2,504
90	\$2,980	\$5,308	\$2,515

**Medicare Part B\***  
**Reimbursements as of January 1, 2020**

**Average Rates**  
\$144.60 per month

\* Note: The Medicare Part B reimbursement is the assumed amount for all future retirees and non-Medicare current retirees. Actual Part B reimbursements were used for current Medicare retirees, provided by the State for the State and the Local Education groups.

### Trends

Medical Trend (all programs in these categories)

To Fiscal Year Ending	PPO/HMO %	
	Pre - 65	Post - 65
2020	5.60%	Actual Rates*
2021	5.50%	Actual Rates*
2022	5.40%	Actual Rates*
2023	5.30%	22.62%
2024	5.15%	18.53%
2025	5.00%	4.50%
2026	4.80%	4.50%
2027 and Later	4.50%	4.50%

\*Actual fully-insured Medicare Advantage rates for Plan Year 2020 and Plan Year 2021 are reflected.

## Health Care Claims Development (continued)

	Annual Rate of Increase	
	To Fiscal Year Ending	%
Prescription Drug Trend (all programs in these categories)		
EGWP revenue assumed to increase with prescription drug trend	2020	7.00%
	2021	6.75%
	2022	6.50%
	2023	6.25%
	2024	6.00%
	2025	5.50%
	2026	5.00%
	2027 and Later	4.50%

	Annual Rate of Increase	
	To Fiscal Year Ending	%
Medicare Part B Premium Reimbursement	2020 and Later	5.00%

## Morbidity

Medical

Expected medical claims are assumed to increase as participants age as follows:

Annual rate of increase	
Age	%
20 - 24	3.00%
25 - 29	3.00%
30 - 34	3.00%
35 - 39	3.00%
40 - 44	3.00%
45 - 49	3.70%
50 - 54	4.20%
55 - 59	4.40%
60 - 64	3.70%
65 - 69	2.70%
70 - 74	1.80%
75 - 79	2.20%
80 - 84	2.80%
85 - 89	1.40%
90+	0.00%

## Health Care Claims Development (continued)

### Prescription Drug

Expected prescription drug claims are assumed to increase as participants age as follows:

<b>Annual rate of increase</b>	
<b>Age</b>	<b>%</b>
20 - 24	4.80%
25 - 29	4.80%
30 - 34	4.80%
35 - 39	4.80%
40 - 44	4.80%
45 - 49	4.70%
50 - 54	4.70%
55 - 59	4.60%
60 - 64	4.60%
65 - 69	3.80%
70 - 74	2.50%
75 - 79	0.80%
80 - 84	0.20%
85 - 89	0.10%
90+	0.00%

## Actuarial Assumptions and Methods

Actuarial Cost Method	Entry Age Normal cost method.
Measurement Date	June 30, 2020
Measurement Period	July 1, 2019 to June 30, 2020
Valuation Date	June 30, 2019
Census Data	For the Fiscal Year Ending June 30, 2021: June 30, 2019 For the Fiscal Year Ending June 30, 2020: June 30, 2018
Service Cost	The Actuarial Present Value of Benefits is allocated as a level percentage over the earnings of an individual between entry age (i.e. – age at hire) and assumed retirement age(s).
Discount Rate	As of June 30, 2020: 2.21% As of June 30, 2019: 3.50% As of June 30, 2018: 3.87%
Municipal Bond Rate Basis	Bond Buyer General Obligation 20-Bond Municipal Bond Index
Salary Increases	Active salaries, used to determine retirement allowance in the future, are assumed to increase as follows:

### State Police Retirement System

<b>Annual Rate of Increase (%)</b>	
<b>Period Ending June 30,</b>	<b>Unisex</b>
2020	2.95
2021	2.95
2022	2.95
2023	2.95
2024	2.95
2025	2.95
2026	3.95
2027	3.95

# Actuarial Assumptions and Methods

## Judicial Retirement System

<b>Annual Rate of Increase (%)</b>	
<b>Period Ending June 30,</b>	<b>Unisex</b>
2020	4.40
2021	2.00
2022	2.00
2023	2.00
2024	2.00
2025	2.00
2026	2.75
2027	2.75

## Public Employees' Retirement System (PERS)

<b>Annual Rate of Increase (%)</b>		
<b>Service</b>	<b>FYE 2020 to FYE 2026</b>	<b>FYE 2026 and Later</b>
0	6.00	7.00
5	4.75	5.75
10	3.60	4.60
15	2.80	3.80
20	2.60	3.60
25	2.40	3.40
29	2.00	3.00

## Police and Firemen's Retirement System (PFRS)

<b>Service</b>	<b>Annual Rate of Increase (%)</b>
0	15.25
1	15.25
2	12.75
3	10.75
4	10.25
5	9.25
6	8.25
7	7.25
8	5.75
9	5.25
10	4.75
11	4.25
12	3.75
13	3.25

## Actuarial Assumptions and Methods (continued)

Alternate Benefits Program (ABP) –  
Based on Teachers' Pension and  
Annuity Fund (TPAF) experience

Completed Years of Service	Annual Rate of Increase (%)	
	FYE 2016 to FYE 2026	FYE 2026 and Later
0	3.05	4.25
5	3.50	4.70
10	4.20	5.40
15	4.45	5.65
20	2.85	4.05
25	1.85	3.05
29	1.55	2.75

CPI 2.50%

Retirement Rates See Table

Future Retiree Healthy Mortality

SPRS: PUB-2010 Healthy "Safety" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020

PFRS: PUB-2010 Healthy "Safety" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020

PERS: PUB-2010 Healthy "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020

JRS: PUB-2010 Healthy "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020

TPAF/ABP: PUB-2010 Healthy "Teachers" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020

Current Retiree Healthy Mortality

Current Retirees: PUB-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020

Disabled Mortality

SPRS Future Disabled Retirees: PUB-2010 "Safety" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020

## Actuarial Assumptions and Methods (continued)

PFRS Future Disabled Retirees: PUB-2010 “Safety” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020

PERS Future Disabled Retirees: PUB-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020

JRS Future Disabled Retirees: PUB-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020

TPAF/ABP Future Disabled Retirees: PUB-2010 “Teachers” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020

Current Disabled Retirees: PUB-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020

Withdrawal Rates

See Table

Disability Rates

See Table.

Decrement Timing

Beginning of year for active decrements, with 100% retirement occurring at beginning of year.

Spouse Coverage Election Rate

Spouses are assumed to lose coverage upon the death of the former employee. While spouses may participate in the SHBP at an unsubsidized rate, we have assumed they will not participate. The State provided data for spouses of police officers killed in the line of duty who are assumed to receive retiree health care benefits for life.

Future Retirees

It is assumed that 45% are married. Future retirees who are assumed to be married are assumed to choose family coverage at retirement. Males are assumed to be three years older than their female spouses.

## Actuarial Assumptions and Methods (continued)

Current Retirees	Spousal coverage is based on actual retiree coverage elections. Actual spouse age is used where available. In instances where this information is not available, males are assumed to be three years older than their female spouses.
Coverage	<p>We assumed that:</p> <ul style="list-style-type: none"><li>➤ 100% of all retirees who currently have healthcare coverage will continue with the same coverage.</li><li>➤ 100% of all actives, upon retirement, will be assumed to have the following coverage blend:  PPO: 80%                      HMO: 20%</li></ul> <p>Other available plan options are assumed to garner zero enrollment</p> <p>Part B coverage is based on actual provisions.</p>
Participant Contributions for Current Retirees	Actual contribution amounts were provided by the State for current healthy and disabled retirees who contribute towards the cost of their postretirement health care benefits. The Chapter 78 contribution percentages for healthy retirees were determined based on the actual contributions received from the State and each retiree's plan election.
Actuarial Accrued Liability	The Actuarial Present Value of Benefits allocated to all periods prior to the valuation year.
Valuation Methodology and Terminology	We have used the GASB accounting methodology to determine the postretirement medical benefit obligations. Under the EGWP program, the Medicare reimbursements to the Plan will be shown as a reduction in the plan sponsor liability.
Data Adjustments	During the course of our review of the census data provided by the State, reasonable adjustments were made to the census data resulting from conversations with the State.



## Actuarial Assumptions and Methods (continued)

### Retiree Contributions for Current Retirees Grandfathered under Chapter 78

Age	State	
	Employee Contributions	
	PPO	HMO
25	\$95	\$96
30	\$110	\$112
35	\$128	\$129
40	\$149	\$151
45	\$174	\$175
50	\$209	\$210
55	\$256	\$258
60	\$316	\$318
65	\$103	\$136
70	\$122	\$160
75	\$136	\$178
80	\$145	\$190
85	\$152	\$201
90	\$156	\$207

### Grandfathered Retiree Contributions for Future Retirees (not subject to Retiree Contributions under Chapter 78)

Age	State
	Employee
	Contributions
25	\$95
30	\$111
35	\$128
40	\$149
45	\$174
50	\$209
55	\$256
60	\$317
65	\$110
70	\$130
75	\$145
80	\$154
85	\$161
90	\$166

## Actuarial Assumptions and Methods (continued)

### Plan Year 2021 Medical & Rx Annual Gross Premiums

(Used to determine future Retiree Contributions under Chapter 78)

Medical Cost Group	Pre 65		65 and Over	
	Single	Family	Single	Family
State	\$10,176	\$20,678	\$2,364	\$4,721

  

Rx Cost Group	Pre 65		65 and Over	
	Single	Family	Single	Family
State	\$2,296	\$4,994	\$2,621	\$5,242

Medical premiums are assumed to increase with medical trend. Prescription drug premiums are assumed to increase with prescription drug trend.

Single premiums are a weighted average of PPO and HMO premiums. Family premiums reflect the current enrollment distribution of Married, Family, and Parent premiums, as well as the PPO/HMO blend.

### Medical and Prescription Drug Benefit Contributions for Non-Grandfathered Future Retirees (who are subject to retiree contributions under Chapter 78)

Future retirees, who do not have at least 20 years of service as of July 1, 2011 are expected to pay an amount equal to their Contribution Rate times the plan's gross premiums. In no event shall the contribution be less than 1.5% of the Retirement Allowance. The Contribution Rate is based on type of coverage (single or family) and the Retirement Allowance.

#### Retiree Contribution Rates

Retirement Allowance (RA)	Single	Family
RA < \$20k	4.5%	3.43%
\$20k =< RA < \$25k	5.5%	3.43%
\$25k =< RA < \$30k	7.5%	4.43%
\$30k =< RA < \$35k	10.0%	5.85%
\$35k =< RA < \$40k	11.0%	6.85%
\$40k =< RA < \$45k	12.0%	7.85%
\$45k =< RA < \$50k	14.0%	9.85%
\$50k =< RA < \$55k	20.0%	14.55%
\$55k =< RA < \$60k	23.0%	16.55%
\$60k =< RA < \$65k	27.0%	20.40%
\$65k =< RA < \$70k	29.0%	22.40%
\$70k =< RA < \$75k	32.0%	25.40%
\$75k =< RA < \$80k	33.0%	26.40%
\$80k =< RA < \$85k	34.0%	27.40%
\$85k =< RA < \$90k	34.0%	29.40%
\$90k =< RA < \$95k	34.0%	29.70%
\$95k =< RA < \$100k	35.0%	29.85%
\$100k =< RA < \$110k	35.0%	34.55%
\$110k =< RA	35.0%	35.00%

## Actuarial Assumptions and Methods (continued)

Family coverage is defined as 85% of the “Family + One” schedule and 15% of the “Family” schedule.

### Medical and Prescription Drug Benefit Contributions for Future Disabled Retirees

All future disabled retirees are assumed to contribute 1.5% of their Retirement Allowance.

### Medical and Prescription Drug Benefit Contributions for Future Retirees Assumed to Enroll in the NJDIRECT PPO Plan

All State pre-Medicare future retirees who enroll in the NJDIRECT Plan are assumed to contribute a percentage of retirement allowance (“RA”) or a flat dollar amount based on the following schedule assumed to be in effect as of June 30, 2018:

	<u>Single</u>	<u>Married</u>	<u>Family</u>	<u>Parent &amp; Child</u>
RA < \$25k	2.00%	2.00%	2.00%	2.00%
\$25k ≤ RA < \$30k	2.00%	2.00%	2.25%	2.00%
\$30k ≤ RA < \$35k	2.25%	2.75%	2.50%	2.75%
\$35k ≤ RA < \$40k	2.25%	3.00%	3.00%	3.00%
\$40k ≤ RA < \$45k	2.25%	3.00%	3.00%	3.00%
\$45k ≤ RA < \$50k	2.40%	3.00%	3.50%	3.25%
\$50k ≤ RA < \$55k	3.00%	4.25%	4.50%	4.50%
\$55k ≤ RA < \$60k	3.40%	4.50%	5.00%	4.50%
\$60k ≤ RA < \$65k	3.75%	5.50%	6.00%	5.00%
\$65k ≤ RA < \$70k	3.75%	5.75%	6.50%	5.25%
\$70k ≤ RA < \$75k	4.00%	6.20%	7.25%	5.75%
\$75k ≤ RA < \$80k	\$2,977	\$4,678	7.25%	\$4,400
\$80k ≤ RA < \$85k	\$3,083	\$4,890	7.25%	\$4,550
\$85k ≤ RA < \$90k	\$3,083	\$5,316	7.50%	\$4,950
\$90k ≤ RA < \$95k	\$3,083	\$5,316	7.50%	\$4,950
\$95k ≤ RA < \$100k	\$3,190	\$5,316	7.50%	\$4,950
\$100k ≤ RA < \$110k	\$3,190	\$6,390	\$8,213	\$5,950
RA ≥ \$110k	\$3,190	\$6,390	\$9,122	\$5,950

For purposes of estimating contributions for dependent coverages, a weighted average contribution is assumed reflecting approximately 47% of the “Married” schedule, 40% of the “Family” schedule and 13% of the “Parent & Child” schedule, based on current pre-Medicare retiree PPO enrollment.

The above schedule assumed for eligible pre-Medicare retirees is the same as the contribution schedule for State active employees who enroll in the NJDIRECT Plan for active coverage. A contribution escalator is included in the agreement for active employees and is equal to the difference between overall projected health care cost trend and the projected increase in active salaries and is expected to be first effective on January 1, 2021. Contributions for eligible pre-Medicare retirees are assumed to be based on the same schedule as State active employees reflecting the impact of this contribution escalator.

The contribution escalator is assumed to first apply on January 1, 2021 and continue in all years thereafter consistent with the table below:

<u>As of June 30, YYYY</u>	<u>Contribution Escalator</u>
2018	0.00%
2019	0.00%
2020	0.75%
2021 and Later	1.50%

## Actuarial Assumptions and Methods (continued)

### Retirement Allowance

Retirement Allowance is assumed to be the annual annuity from the State of New Jersey pension plan.

A participant's estimated retirement allowance is not assumed to increase after retirement.

<i>Public Employees' Retirement System (PERS)</i>	Final Compensation times service at retirement divided by 55
<i>Judicial Retirement System (JRS)</i>	Mandatory Retirement Benefit: 75% of Final Compensation
<i>State Police Retirement System (SPRS)</i>	65% of Final Compensation plus 1% of Final Compensation for each year of credited service in excess of 25, subject to a maximum of 70% of Final Compensation
<i>Teachers' Pension and Annuity Fund (TPAF)</i>	Final compensation times service at retirement divided by 55
<i>Alternate Benefits Program (ABP)</i>	50% of salary at retirement
<i>Police and Firemen's Retirement System (PFRS)</i>	Special Retirement Benefit: 65% of Final Compensation plus 1% of Final Compensation for each year of credited service over 25, subject to a maximum of 70% of Final Compensation

## Actuarial Assumptions and Methods (continued)

The following tables provide a sampling of the decrement rate assumptions for each pension group. Where applicable, the sample decrement rates below were adjusted to incorporate eligibility for OPEB benefits.

### Public Employees' Retirement System of New Jersey

Age	Ordinary Disability		Accidental
	Years of Service		All
	Less than 10	10 and Up	
30	0.000%	0.150%	0.020%
35	0.000%	0.205%	0.020%
40	0.000%	0.275%	0.020%
45	0.000%	0.325%	0.020%
50	0.000%	0.380%	0.020%
55	0.000%	0.455%	0.020%
60	0.000%	0.530%	0.020%
65	0.000%	0.605%	0.020%
69	0.000%	0.665%	0.020%

Service	Withdrawal		
	Electing a Deferred Annuity	Electing a Refund	
		All	Age
	<= 30		>= 31
0	0.00%	23.00%	11.00%
1	0.00%	23.00%	11.00%
2	0.00%	12.00%	8.00%
3	0.00%	11.00%	7.00%
4	0.00%	10.50%	6.00%
5	0.00%	10.00%	6.00%
6	0.00%	7.50%	6.00%
7	0.00%	7.50%	5.00%
8	0.00%	7.50%	4.50%
9	0.00%	7.50%	3.50%
10	1.60%	1.70%	1.70%
11	1.60%	1.50%	1.50%
12	1.20%	1.10%	1.10%
13	1.20%	1.10%	1.10%
14	1.00%	0.70%	0.70%
15	0.90%	0.60%	0.60%
16	0.90%	0.60%	0.60%
17	0.80%	0.60%	0.60%
18	0.80%	0.50%	0.50%
19	0.80%	0.50%	0.50%
20	0.80%	0.50%	0.50%
21	0.70%	0.50%	0.50%
22	0.50%	0.40%	0.40%
23	0.50%	0.40%	0.40%
>= 24	0.40%	0.30%	0.30%

## Actuarial Assumptions and Methods (continued)

<b>Retirement</b>			
<b>Tiers 1, 2, 3 and 4</b>			
<b>Age</b>	<b>Less than 25 Years of Service</b>	<b>25 Years of Service</b>	<b>26 or More Years of Service</b>
40	0.00%	3.50%	2.00%
45	0.00%	3.50%	2.00%
50	0.00%	3.50%	3.50%
55	0.00%	17.50%	18.00%
60	0.00%	20.00%	17.00%
65	0.00%	44.00%	25.00%
70	0.00%	47.00%	26.00%
75	0.00%	100.00%	100.00%

<b>Retirement</b>					
<b>Tiers 5</b>					
<b>Age</b>	<b>Less than 25 Years of Service</b>	<b>25 Years of Service</b>	<b>26 to 29 Years of Service</b>	<b>30 Years of Service</b>	<b>31 or More Years of Service</b>
40	0.00%	0.00%	0.00%	3.50%	2.00%
45	0.00%	0.00%	0.00%	3.50%	2.00%
50	0.00%	0.00%	0.00%	3.50%	3.50%
55	0.00%	0.00%	0.00%	17.50%	18.00%
60	0.00%	0.00%	0.00%	20.00%	17.00%
65	0.00%	44.00%	44.00%	44.00%	25.00%
70	0.00%	47.00%	26.00%	26.00%	26.00%
75	0.00%	100.00%	100.00%	100.00%	100.00%

## Actuarial Assumptions and Methods (continued)

### Judicial Retirement System of New Jersey

Age	Disability
30	0.022%
35	0.026%
40	0.033%
45	0.064%
50	0.114%
55	0.197%
60	0.326%
65	0.473%

Age	Retirement		
	Less than 15 Years of Judicial Service	15 to 19 Years of Judicial Service	20 or More Years of Judicial Service
59	0.00%	0.00%	0.00%
60	2.00%	5.00%	20.00%
61	2.00%	5.00%	20.00%
62	2.00%	5.00%	20.00%
63	2.00%	5.00%	20.00%
64	2.00%	5.00%	20.00%
65	5.00%	40.00%	30.00%
66	2.00%	50.00%	20.00%
67	2.00%	60.00%	20.00%
68	2.00%	60.00%	20.00%
69	2.00%	60.00%	20.00%
70	100.00%	100.00%	100.00%

Note: JRS population assumes no Withdrawal

## Actuarial Assumptions and Methods (continued)

### State Police Retirement System of New Jersey

Age	Disability	
	Ordinary	Accidental
25	0.041%	0.025%
30	0.061%	0.053%
35	0.169%	0.194%
40	0.172%	0.208%
45	0.218%	0.214%
50	0.375%	0.220%

Service	Withdrawal
0-3	0.450%
4	0.300%
5	0.225%
6	0.200%
7	0.175%
8	0.150%
9	0.125%
10	0.100%
11 - 19	0.075%
20 - 24	0.500%
>= 25	0.000%

Age	Retirement		
	Less than 25 Years of Service	25 Years of Service	More than 25 Years of Service
<49	0.00%	25.00%	35.00%
49 - 54	0.00%	50.00%	35.00%
>=55	100.00%	100.00%	100.00%

## Actuarial Assumptions and Methods (continued)

### Police and Firemen's Retirement System of New Jersey

Age	Ordinary Disability		Accidental
	Years of Service		
	Less than 4	4 and Up	All
25	0.000%	0.045%	0.030%
30	0.000%	0.105%	0.100%
35	0.000%	0.205%	0.250%
40	0.000%	0.345%	0.400%
45	0.000%	0.340%	0.380%
50	0.000%	0.240%	0.280%
55	0.000%	0.200%	0.180%
60	0.000%	0.500%	0.160%
64	0.000%	0.500%	0.160%

Withdrawal	
Service	Rates
0	2.00%
1	2.00%
2	1.90%
3	1.80%
4	1.70%
5	1.60%
6	1.50%
7	1.40%
8	1.00%
9	0.80%
10	0.80%
11	0.50%
12	0.45%
13	0.40%
14	0.35%
15	0.30%
16	0.25%
17	0.20%
18	0.15%
19	0.10%
20 - 24	1.00%
>= 25	0.00%

Age	Retirement		
	Less than 25 Years of Service	25 Years of Service	26 or More Years of Service
40	2.00%	45.00%	22.00%
45	2.00%	45.00%	22.00%
50	3.00%	50.00%	22.00%
55	3.00%	55.00%	24.00%
60	5.00%	60.00%	26.00%
64	14.00%	90.00%	40.00%
65	100.00%	100.00%	100.00%

## Actuarial Assumptions and Methods (continued)

### Teachers' Pension and Annuity Fund and Alternate Benefit Program

Age	Disability	
	Ordinary	Accidental
30	0.005%	0.006%
35	0.040%	0.006%
40	0.090%	0.006%
45	0.140%	0.006%
50	0.200%	0.006%
55	0.350%	0.006%

Years of Employment	Withdrawal
0	7.00%
5	3.75%
10	2.25%
15	1.20%
20	0.55%
21 - 24	0.30%
>= 25	0.00%

Age	Retirement		
	Tiers 1, 2, 3 and 4		
	Less than 25 Years of Service	25 Years of Service	26 or More Years of Service
50	0.00%	1.50%	1.50%
55	0.00%	10.00%	13.00%
60	0.00%	25.00%	20.00%
65	0.00%	42.00%	30.00%
70	0.00%	55.00%	30.00%
75	0.00%	100.00%	100.00%

Age	Retirement				
	Tiers 5				
	Less than 25 Years of Service	25 Years of Service	26 to 29 Years of Service	30 Years of Service	31 or More Years of Service
50	0.00%	0.00%	0.00%	1.50%	1.50%
55	0.00%	0.00%	0.00%	10.00%	13.00%
60	0.00%	0.00%	0.00%	25.00%	20.00%
65	0.00%	42.00%	42.00%	42.00%	30.00%
70	0.00%	55.00%	30.00%	30.00%	30.00%
75	0.00%	100.00%	100.00%	100.00%	100.00%

## Actuarial Assumptions and Methods (continued)

### **Tier Classifications**

<b>Tier</b>	<b>Criteria</b>
Tier 1	Enrollment prior to July 1, 2007
Tier 2	Enrollment on or after July 1, 2007 and prior to November 2, 2008
Tier 3	Enrollment on or after November 2, 2008 and prior to May 22, 2010
Tier 4	Enrollment on or after May 22, 2010 and prior to June 28, 2011
Tier 5	Enrollment on or after June 28, 2011

## Plan Provisions

### Program Eligibility for Retired Group Coverage

The following individuals will be offered Program's Retired Group coverage for themselves and their eligible dependents:

- Full-time State employees, employees of State colleges/universities, autonomous State agencies and commissions, or local employees (including benefits-eligible Local Education employees of non-participating Local Education employers) who were covered by, or eligible for, the SHBP at the time of retirement.
- Part-time State employees and part-time faculty at institutions of higher education that participate in the SHBP if enrolled in the SHBP at the time of retirement.

The following subsections outline the eligibility for retirement (that would qualify a retiree for State-paid Program benefits) for the various groups of State employees. Service under multiple Retirement Systems can be aggregated for purposes of Program's benefit eligibility.

#### **Public Employees' Retirement System Members**

(i) In General for State-paid Benefits

Service Retirement	Eligible at age 60 with 25 years of service.
Early Retirement	Eligible after 25 years of service prior to age 60.
Ordinary Disability Retirement	Eligible after 10 years of service and total and permanent disability.
Accidental Disability	Eligible upon total and permanent disability as a result of a duty injury.

(ii) Law Enforcement (Chapter 330, P.L. 1997)

In General for State-paid Benefits

Service Retirement	Eligible at age 55 after 25 years of service.
Chapter 4, P.L. 2001 Special Retirement	Completion of 25 years of service.
Ordinary Disability	Eligible after 5 years of service and total and permanent disability.

## Plan Provisions (continued)

### (iii) Legislators

#### In General for State-paid Benefits

Service Retirement	Eligible at age 60 and 25 years of service.
Early Retirement	Attainment of 25 years of service prior to age 60.
Ordinary Disability Retirement	Eligible after 10 years of service and total and permanent disability.
Accidental Disability	Eligible upon total and permanent disability as a result of a duty injury.

### (iv) Prosecutors Part (Chapter 366, P.L. 2001)

#### In General for State-paid Benefits

Service Retirement	Eligible after age 55 and 25 years of service.
Special Retirement	After completion of 25 years of service.
Ordinary Disability Retirement	Eligible after 10 years of service and total and permanent disability.
Accidental Disability	Eligible upon total and permanent disability as a result of a duty injury.

### (v) Workers' Compensation Judges Part (Chapter 259, P.L. 2001)

Service Retirement	(A) Mandatory retirement at age 70. Voluntary retirement prior to age 70 as follows: <ul style="list-style-type: none"><li>(a) Age 70 and 10 years of service as a Workers' Compensation Judge;</li><li>(b) Age 65 and 15 years of service as a Workers' Compensation Judge; or</li><li>(c) Age 60 and 20 years of service as a Workers' Compensation Judge.</li></ul>
	(B) Age 65, with 5 consecutive years of service as a Workers' Compensation Judge and 15 years in the aggregate of public service; or  Age 60, with 5 consecutive years of service as a Workers' Compensation Judge and 20 years in the aggregate of public service.

## Plan Provisions (continued)

In General for State-paid Benefits	Attainment of 25 years of service and Service Retirement eligibility.
Early Retirement	Prior to age 60, with 5 consecutive years of service as a Workers' Compensation Judge and 25 years or more in the aggregate of public service.
Ordinary Disability Retirement	Eligible after 10 years of service and total and permanent disability
Accidental Disability	Eligible upon total and permanent disability as a result of a duty injury.

### **Judicial Retirement System Members**

Chief Justice and associate justices of the Supreme Court, judges of the Superior Court and tax courts of the State of New Jersey.

Service Retirement	(A) Mandatory retirement at age 70. Voluntary retirement prior to age 70 as follows:  (a) Age 70 and 10 years of judicial service;  (b) Age 65 and 15 years of judicial service; or  (c) Age 60 and 20 years of judicial service.  (B) Age 65 while serving as a judge, 5 consecutive years of judicial service and 15 years in the aggregate of public service; or,  Age 60 while serving as a judge, 5 consecutive years of judicial service and 20 years in the aggregate of public service.
In General for State-paid Benefits	Attainment of 25 years of service and Service Retirement eligibility.
Early Retirement	Prior to age 60 while serving as a judge, 5 consecutive years of judicial service and 25 more years in the aggregate of public service.
Disability Retirement	Physically or otherwise incapacitated for a full and efficient service to the State in a judicial capacity, and such incapacity is likely to be permanent.

## Plan Provisions (continued)

### **State Police Retirement System Members**

All members of the former State Police and Benevolent Fund: full-time commissioned officers, non-commissioned officers or troopers of the Division of State Police. Membership is a condition of employment.

#### In General for State-paid Benefits

Service Retirement	Mandatory retirement at age 55. Voluntary retirement prior to age 55 with 25 years of credited service.
Ordinary Disability Retirement	A Member is eligible for Ordinary Disability Retirement if he (she) has 4 years of service and is totally and permanently incapacitated from the performance of usual or available duties.
Accidental Disability Retirement	A Member is eligible upon total and permanent incapacitation as a direct result of a traumatic event occurring during and as a result of the performance of regular or assigned duties.

### **Teachers' Pension and Annuity Fund Members**

Employees appointed to positions requiring certification as members of a regular teaching or professional staff of a public school system in New Jersey are required to enroll as a condition of employment. Employees of the Department of Education holding unclassified, professional and certified titles are eligible for membership. Temporary or substitute employees are not eligible.

#### In General for State-paid Benefits

Service Retirement	Eligibility means age 60 with 25 years of service for Program benefits.
Early Retirement	A Member may retire after completion of 25 years of Creditable Service.
Ordinary Disability Retirement	A Member is eligible for Ordinary Disability Retirement if he (she) has 10 years of Creditable Service and is totally and permanently incapacitated from the performance of usual or available duties.
Accidental Disability Retirement	A Member is eligible upon total and permanent incapacitation as a direct result of a traumatic event occurring during and as a result of the performance of regular or assigned duties.

## Plan Provisions (continued)

### **Alternate Benefit Program (ABP) Members**

Participants in the ABP who retire with at least 25 years of credited ABP service, or those who are on a long-term disability, will qualify for SHBP benefits.

#### In General for subsidized SHBP Benefits

Service Retirement	Eligibility means age 60 with 25 years of service for Program benefits.
Early Retirement	A Member may retire after completion of 25 years of Creditable Service.
Ordinary Disability Retirement	A Member is eligible for Ordinary Disability Retirement if he (she) has 10 years of Creditable Service and is totally and permanently incapacitated from the performance of usual or available duties.
Accidental Disability Retirement	A Member is eligible upon total and permanent incapacitation as a direct result of a traumatic event occurring during and as a result of the performance of regular or assigned duties.

### **Police and Firemen's Retirement System Members**

Enrollment is restricted to eligible policemen and fireman who are permanent and full-time and who pass the physical and mental fitness requirements. The maximum enrollment age is 35.

#### In General for State-paid Benefits

Service Retirement	Eligibility means age 55 and 25 years of service. Mandatory at age 65.
Special Retirement	After completion of 25 years of service.
Ordinary Disability Retirement	A Member is eligible for Ordinary Disability Retirement if he (she) has 4 years of Service and is totally and permanently incapacitated from the performance of usual or available duties.
Accidental Disability Retirement	A Member is eligible upon total and permanent incapacitation from the performance of usual and available duties as a result of injury during the performance of regular duties.

## Plan Provisions (continued)

### Special Disability Retirement

A Member is eligible for Special Disability Retirement if he (she) has 5 years of Credited Service, is under age 55, and has received a heart transplant.

### Part B Memorandum

If a participant had 25 or more years of service credited on one pension system before July 1, 1997, the State of New Jersey agreed to reimburse future retirees at retirement for the standard cost of any Medicare Part B premiums paid by the participant and/or their spouse, civil union partner, or eligible same-sex domestic partner. If a participant attained 25 years of service credit after July 1, 1997, any reimbursement of Medicare Part B premiums paid by the participant and/or their spouse, civil union partner, or eligible domestic partner may be limited by the terms of the bargaining unit agreement in place at the time of retirement or by legislation (Chapter 8, PL 1996). State employees who began employment after July 1, 1995 will not be eligible for Medicare Part B reimbursement.

## Plan Provisions (continued)

The following tables provide concise summaries of each of the benefit plan designs available to eligible retirees as of January 1, 2021:

Medical Plans	In-Network					Out-of-Network		
	Office Visit	ER Copay	Deductible	Member Coinsurance	Out-of-Pocket Maximum*	Deductible	Member Coinsurance	Out-of-Pocket Maximum
HMO	\$10	\$85	None	0%	\$6,799	Not Covered		
PPO 10	\$10	\$75	None	0%	\$400	\$100	20%	\$2,000
PPO 15	\$15	\$100	None	0%	\$400** & \$7,199	\$100	30%	\$2,000

\* Excludes prescription drug copays.

\*\* The \$400 out-of-pocket maximum includes coinsurance only.

Rx Plans	Retail			Mail			Out-of-Pocket Maximum
	Generic	Preferred Brand	Other Brand	Generic	Preferred Brand	Other Brand	
HMO (State)	\$6	\$12	\$24	\$5	\$18	\$30	\$1,351
PPO 10/15 (State)	\$10	\$22	\$44	\$5	\$28	\$55	\$1,351
NJDIRECT PPO (State)	\$7	\$16	\$35	\$18	\$40	\$88	\$1,351

State Medicare retirees are also eligible to enroll in one of four Medicare Advantage plan offerings.

## Plan Provisions (continued)

The following State employers are included in the valuation as of June 30, 2019:

### June 30, 2019 State Employers

<b>Employer Group</b>	<b>Employer Name</b>
0001-00	CENTRALIZED PAYROLL
0001-01	STATE LEGISLATURE - ASSEMBLY
0001-03	STATE LEGISLATURE - SENATE
1229-00	RUTGERS UNIVERSITY
1285-00	NEW JERSEY INSTITUTE OF TECHNOLOGY
1603-00	RUTGERS UNIVERSITY-NEWARK
1603-01	RUTGERS UNIVERSITY-NEW BRUNSWICK
1603-02	RUTGERS UNIVERSITY-STRATFORD
1812-00	RAMAPO COLLEGE OF NEW JERSEY
1820-00	COLLEGE OF NEW JERSEY
1821-00	THOMAS EDISON STATE UNIVERSITY
1821-01	NJ STATE LIBRARY
1822-00	STOCKTON UNIVERSITY
1823-00	NEW JERSEY CITY STATE UNIVERSITY
1824-00	WILLIAM PATERSON STATE UNIVERSITY
1825-00	ROWAN UNIVERSITY
1825-01	ROWAN UNIVERSITY (STRATFORD)
1826-00	MONTCLAIR STATE UNIVERSITY
1832-00	KEAN UNIVERSITY
8005-00	NJ BUILDING AUTHORITY
8119-00	STOCKTON AFFILIATED SVCS INC
8157-00	UNIVERSITY HOSPITAL
8180-00	ROWAN UNIV RUTGERS CAM BOG
9889-00	WATERFRONT COMMISSION OF NY HA
9910-00	PALISADES INTERSTATE PARK COMMISSION
9978-00	NJ DEPARTMENT OF MILITARY AND VETERAN AFFAIRS

## Plan Provisions (continued)

The following State employers are included in the valuation as of June 30, 2018:

### June 30, 2018 State Employers

<b>Employer Group</b>	<b>Employer Name</b>
0001-00	CENTRALIZED PAYROLL
0001-01	STATE LEGISLATURE - ASSEMBLY
0001-03	STATE LEGISLATURE - SENATE
1229-00	RUTGERS UNIVERSITY
1285-00	NEW JERSEY INSTITUTE OF TECHNOLOGY
1603-00	RUTGERS UNIVERSITY-NEWARK
1603-01	RUTGERS UNIVERSITY-NEW BRUNSWICK
1603-02	RUTGERS UNIVERSITY-STRATFORD
1812-00	RAMAPO COLLEGE OF NEW JERSEY
1820-00	COLLEGE OF NEW JERSEY
1821-00	THOMAS EDISON STATE UNIVERSITY
1821-01	NJ STATE LIBRARY
1822-00	STOCKTON UNIVERSITY
1823-00	NEW JERSEY CITY STATE UNIVERSITY
1824-00	WILLIAM PATERSON STATE UNIVERSITY
1825-00	ROWAN UNIVERSITY
1825-01	ROWAN UNIVERSITY (STRATFORD)
1826-00	MONTCLAIR STATE UNIVERSITY
1832-00	KEAN UNIVERSITY
8005-00	NJ BUILDING AUTHORITY
8119-00	STOCKTON AFFILIATED SVCS INC
8157-00	UNIVERSITY HOSPITAL
9889-00	WATERFRONT COMMISSION OF NY HA