

Milwaukee Public Schools

Retiree Healthcare and Life Insurance Programs
Actuarial Valuation as of July 1, 2023





November 19, 2024

Ms. Carol Eady
Sr. Director, Benefits, Pension & Compensation
Milwaukee Public Schools
Administration Building
5225 West Vliet Street, Room 124
Milwaukee, Wisconsin 53208-2181

Dear Ms. Eady:

We have performed an actuarial valuation as of July 1, 2023, of the Retiree Healthcare and Life Insurance Programs sponsored by the Milwaukee Public Schools (MPS). The actuarial valuation was performed in order to:

- Measure the actuarial liability as of July 1, 2023;
- Develop retiree healthcare accounting expense and disclosure information for fiscal year end 2024, as defined under the GASB Statement Nos. 74 and 75; and
- Develop pre-funding contributions for plan year end June 30, 2025, based on the plan provisions in effect as of June 30, 2023, including the provisions of Alternative C (55/20/70%), which were adopted May 28, 2020.

The actuarial valuation was based on the following:

- Census data as of July 1, 2023, as provided by MPS staff;
- Premium information for calendar years 2023 and 2024 as provided by MPS staff;
- Claims, expenses and enrollment data for the period from July 1, 2021, to June 30, 2023, as disclosed in the plan's most recent premium rating reports prepared by the healthcare actuary and provided by MPS staff;
- IRC Section 115 assets as provided by MPS staff;
- Actual employer contributions for fiscal year 2024 as provided by MPS staff;
- Plan provisions and funding policy in effect as of July 1, 2023, and June 30, 2022, as provided by MPS staff and summarized in Section G;
- Our understanding of the substantive plan in effect as currently being administered;
- OPEB and healthcare-related actuarial assumptions and methods as recommended by GRS and approved by MPS as shown in Section H; and
- Pension-related actuarial assumptions as shown in Section H used for the actuarial valuations of the Milwaukee Public Schools Supplemental Pension Plans for Teachers and Administrators, and the City of Milwaukee Employees' Retirement System (ERS) for other labor units.

Since the last actuarial valuation as of July 1, 2021, the following updates were made:

- Increased discount rate from 5.75 percent to 6.00 percent;
- Updated OPEB-related assumptions including per capita costs, premiums, and healthcare trend rates; and
- Update pension-related assumptions for members eligible for ERS pension benefits.

On March 30, 2017, the Milwaukee Board of School Directors approved an Early Retirement Window (ERW) program. Under the ERW, certain employees under age 60 may retire with health and life insurance benefits. Eligible ERW members: (i) have attained at least age 55 between July 1, 2017, and June 30, 2020, (ii) have earned at least 20 years of MPS service, and (iii) have accrued at least 90 percent of the maximum sick leave balance. The ERW ends on June 30, 2020; however, eligible members may elect to retire after June 30, 2020, and receive ERW benefits.

On May 28, 2020, the Milwaukee Board of School Directors approved Alternative C (55/20/70%) changes to the retiree healthcare and life insurance program. Alternative C permanently changes the eligibility requirements for all eligible members upon retirement to: (i) have attained at least age 55, (ii) have earned at least 20 years of MPS service, and (iii) have accrued at least 70 percent of the maximum sick leave balance. Alternative C also provides actuarially based level dollar pre-funding of additional benefits due to Alternative C so that the program is projected to be fully funded by 2037. Favorable investment experience, claims experience, demographic experience or extraordinary contributions could cause the program to be fully funded before 2037.

Members hired or rehired on or after July 1, 2013, are not eligible to continue receiving healthcare benefits after retirement.

The actuarial valuation was based upon information furnished by Milwaukee Public Schools concerning benefits provided by the Retiree Healthcare and Life Insurance Programs, financial transactions, plan provisions and active members, terminated members, retirees, and beneficiaries. We checked for internal and year-to-year consistency, but did not audit the data. We are not responsible for the accuracy or completeness of the information provided by Milwaukee Public Schools.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes 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 or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law.



Ms. Carol Eady
Sr. Director, Benefits, Pension & Compensation
Milwaukee Public Schools
November 19, 2024
Page 2

This report was prepared using our proprietary valuation model and related software which, in our professional judgment, has the capability to provide results that are consistent with the purposes of the valuation. We performed tests to ensure that the model reasonably represents that which is intended to be modeled. We are relying on the GRS actuaries and Internal Software, Training, and Processes Team, who developed and maintain the model.

To the best of our knowledge, the information contained in this report is accurate, and fairly presents the actuarial position of the Retiree Healthcare and Life Insurance Programs sponsored by the Milwaukee Public Schools as of the actuarial valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, with the Actuarial Standards of Practice issued by the Actuarial Standards Board, and with our understanding of GASB Statements Nos. 74 (*Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*) and 75 (*Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pension*).

This report should not be relied on for any purpose other than the purpose stated.

Alex Rivera and Casey T. Ahlbrandt-Rains are Members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

The signing actuaries are independent of the plan sponsor.

We will be pleased to review this report with you at your convenience.

Respectfully submitted,
Gabriel, Roeder, Smith & Company



Alex Rivera, FSA, EA, MAAA, FCA
Senior Consultant



Casey T. Ahlbrandt-Rains, ASA, MAAA, FCA
Consultant

Enclosures



Table of Contents

Section	Items	Pages
	Transmittal Letter	
A	Executive Summary	1-5
B	Actuarial Valuation Results as of July 1, 2023	1-3
C	Asset Reconciliation	1
D	GASB Statement Nos. 74 and 75 OPEB Disclosure Information	1-5
E	GASB Statement No. 75 OPEB Expense	1-3
F	Support of GASB Nos. 74 and 75 Discount Rate	1-4
G	Plan Provisions	1-18
H	Actuarial Methods and Assumptions	1-10
I	Participant Data	1-3

SECTION A

EXECUTIVE SUMMARY

Executive Summary

This report presents the results of our actuarial valuation as of July 1, 2023, for the Retiree Healthcare and Life Insurance Programs sponsored by the Milwaukee Public Schools. The actuarial valuation was performed for purposes of (i) satisfying the reporting requirements of GASB Statement Nos. 74 and 75 for fiscal year end June 30, 2024, and (ii) developing recommended pre-funding contributions for plan year end June 30, 2025.

The actuarial valuation as of July 1, 2023, was based on a discount rate assumption of 6.00 percent and an ultimate healthcare trend assumption of 4.25 percent, as approved by Milwaukee Public Schools. The discount rate of 6.00 percent reflects the plan sponsor's prefunding policy, funded status, and investment policy. The report also includes a projection of actuarial liabilities as of June 30, 2024, using a discount rate of 6.00 percent and Alternative C (55/20/70%) plan provisions.

Milwaukee Public Schools has established an IRC Section 115 trust to prefund retiree healthcare benefits. Ongoing costs for the fiscal year are paid from the Section 115 trust. The funding policy as of June 30, 2020, is to make pay-as-you-go contributions and prefund 5 percent in addition to gross (retiree and employer) pay-as-you-go costs. Effective as of July 1, 2020, the sponsor will also make additional annual pre-funding contributions, on a level dollar basis, which are projected to finance the additional costs of Alternative C (55/20/70%) benefits by plan year end 2037. Favorable investment experience, claims experience, demographic experience or extraordinary contributions could cause the plan to be fully funded before 2037.

The key actuarial valuation results as of July 1, 2023, using a discount rate of 6.00 percent and reflecting Alternative C benefits, are summarized below:

Retiree Healthcare and Life Insurance Programs 6.00% Discount Rate and 4.25% Ultimate Trend \$ in Thousands							
	Board/ Cabinet/ ASC	Building Trades	1053 Clerical/ Technical	150 Building Service	150 Food Service	1616 Education Employees	420 Engineers
Actuarial Liability as of July 1, 2023	\$112,585.4	\$14,393.5	\$25,178.4	\$9,491.1	\$27,143.5	\$7,850.0	\$21,510.7
Normal Cost for FY 2024	\$594.1	\$70.0	\$78.4	\$94.4	\$246.1	\$32.6	\$123.2
Expected Benefit Payments for FY 2024	\$6,663.8	\$1,136.1	\$2,069.5	\$501.8	\$1,696.6	\$570.0	\$1,480.3
FY 2024 Employer Contribution (% of Payroll)	\$8,107.2 15.8%	\$1,382.2 35.3%	\$2,517.8 59.0%	\$610.5 15.3%	\$2,064.0 25.2%	\$693.5 60.7%	\$1,801.0 27.3%
Payroll	\$51,209.2	\$3,915.1	\$4,264.6	\$3,980.3	\$8,193.2	\$1,142.0	\$6,599.9
Number of Actives Members	477	47	91	92	274	26	97
Number of Retirees and Surviving Spouses*	836	156	304	69	269	81	170

	Educational Assistants	Sub Teachers	Teachers	PAMPS	Others	Total
Actuarial Liability as of July 1, 2023	\$44,051.4	\$5,121.4	\$510,322.2	\$9,310.3	\$1,707.4	\$788,665.4
Normal Cost for FY 2024	\$366.2	\$0.0	\$3,000.5	\$72.3	\$11.7	\$4,689.2
Expected Benefit Payments for FY 2024	\$2,635.3	\$438.0	\$30,186.6	\$479.6	\$99.7	\$47,957.2
FY 2024 Employer Contribution (% of Payroll)	\$3,206.1 25.6%	\$532.8 N/A	\$36,724.7 22.1%	\$583.4 9.2%	\$121.3 24.5%	\$58,344.4 22.0%
Payroll	\$12,515.9	\$0.0	\$166,471.0	\$6,352.6	\$495.4	\$265,139.1
Number of Active Members	383	0	2,076	65	10	3,638
Number of Retirees and Surviving Spouses*	391	74	4,089	70	17	6,526

* Retirees and surviving spouses receiving healthcare benefits. Excludes 750 retirees receiving only life insurance benefits.

The details of the preceding actuarial valuation results by labor unit are included in Section B of the report.



Executive Summary

Plan Experience and Updates in Assumptions

The actuarial liabilities used for GASB No. 74 financial reporting at June 30, 2023, were based on an actuarial projection of actuarial liabilities from July 1, 2021, to June 30, 2023, using a discount rate of 5.75 percent as of June 30, 2023.

An updated actuarial valuation as of June 30, 2023, was performed using census, healthcare-related assumptions, pension-related assumptions, and plan provisions as of June 30, 2023. The updated valuation as of June 30, 2023, reflects a discount rate of 6.00 percent.

The following table shows a projection of actuarial liabilities from June 30, 2022, to June 30, 2023, a reconciliation of actuarial liabilities as of June 30, 2023, due to the updated valuation, and a projection of liabilities as of June 30, 2024. The projected actuarial liabilities as of June 30, 2024, reflect Alternative C (55/20/70%) plan benefits, which became effective on June 30, 2020.

Projected Actuarial Liability as of June 30, 2022 @ 5.75%	\$	850,870,588
Increase/(Decrease) at July 1, 2023, Due To:		
Normal Cost	\$	5,539,199
Expected Benefit Payments		(50,236,207)
Interest Cost		47,657,980
Assumption Change		-
Total	\$	<u>2,960,972</u>
Projected Actuarial Liability as of June 30, 2023 @ 5.75%	\$	853,831,560
Increase/(Decrease) at July 1, 2023, Due To:		
Demographic Experience and Other	\$	(5,795,783)
Changes in Pension-Related Assumptions and Methods		(2,939,484)
Changes in Healthcare-Related Assumption		(36,997,433)
Change in Discount Rate Assumption from 5.75% to 6.00%		(19,433,485)
Total	\$	<u>(65,166,185)</u>
Actuarial Liability as of July 1, 2023 @ 6.00%	\$	788,665,375
Increase/(Decrease) for Plan Year End June 30, 2024, Due To:		
Normal Cost	\$	4,689,215
Expected Benefit Payments		(47,957,217)
Interest Cost		46,040,790
Total	\$	<u>2,772,788</u>
Actuarial Liability as of June 30, 2024 @ 6.00%	\$	791,438,163



Executive Summary

Expected liability was decreased by:

- \$40.0 million due to favorable claims experience and changes in OPEB-related assumption;
- \$19.4 million due to increasing the discount from 5.75 percent to 6.00 percent; and
- \$8.73 million due to favorable demographic experience and changes in pension-related assumption.

Actuarial Projections and Support of 6.00 Percent Discount Rate

The following tables show a projection of actuarial liabilities based on the provisions of Alternative C and the development of a blended discount rate of 6.00 percent as of June 30, 2024. Key observations include:

- MPS made pre-funding contributions of approximately \$18.5 million for plan year end 2023 and \$10.8 million for plan year end 2024. Based on the last actuarial valuation as of July 1, 2021, the targeted pre-funding contributions were \$5.44 million for plan year end 2023, and \$5.57 million for plan year end 2024. The additional contributions in excess of the targeted contributions reduced the unfunded liability and was a key reason for the decrease in future contributions.
- Plan assets earned approximately 7.62 percent in 2023 and 12.25 percent in 2024, and the average return over the two-year period of 9.91 percent was above the expected return of 5.75 percent.
- Favorable investment and claims experience and resulting updates to the discount rate and OPEB-related assumptions, along with extraordinary pre-funding contributions, caused the level dollar target contribution to decrease from \$2.88 million to \$1.65 million.
- The discount rate as June 30, 2023, was increased from 5.75 percent to 6.00 percent. The discount rate depends on pre-funding policy, investment policy, and how assets are available to pay benefits. Assets in the pre-funding long-term account are assumed to earn 6.50 percent per year. Assets in the PAYGO short-term account are assumed to earn 2.50 percent per year. Based on the mix of assets available in both the PAYGO account and long-term account, assets are projected to earn from 6.0 percent to 6.4 percent over the projection period. The plan is projected to be fully funded by 2037. However, based on favorable experience and updates to the OPEB-related assumptions and the discount rate, the plan is projected to be fully funded by 2034.
- Based on our understanding of the funding policy, assets in the long-term account are expected to be invested and not necessarily used to pay benefits until the program is sufficiently funded. Based on these criteria, along with the funding policy, investment policy, and growth in the ratio of projected assets to benefit payments, the valuation assumes a discount rate of 6.00 percent.
- Based on the targeted asset allocation and capital market assumptions from a representative sample of investment consultants, the short-term one-year nominal expected return is approximately 6.07 percent. Over a 20-30 investment horizon period, there is a 55 percent chance that invested assets in the long-term account will earn at least 6.50 percent per year.

Executive Summary

Long-term asset return	6.500%	Alternative C - 55/20/70%
Short-term asset return	2.500%	
Average number of monthly benefits in short-term reserve account	3	Level-Dollar Funding
Pre funding contribution rate, percentage of expected benefits	5.000%	
Operating expense rate, percentage of expected benefits	0.500%	
Discount rate	6.000%	
Alternative Target Level Dollar Contribution	\$ 1,650,000	

PYE 6/30	Assets (booy)	Expected Benefits Alternative C	Additional Expected Benefits due to Alternative C	Total Expected Benefits	Operating Expense	PAYGO Contributions Before Alternative C Benefits ^a	Pre-Fund Contributions Before Alternative C Benefits	Level Dollar Contribution due to Alternative C Additional Benefits ^b	Income Short-term Cash Flow	Income Long-term Account	Total Income	Assets (eoy)	Accrued Liability (eoy)	Funded Ratio	Normal Cost	Estimated Return	Ratio of Assets to Benefit Payments
2023	\$ 271,001,068			\$ 46,085,501		\$ 46,085,501		\$ 18,458,494			\$ 21,332,113	\$ 310,791,675	\$ 788,665,375	39.4%		7.61%	6.74
2024	310,791,675			47,571,490	\$ -	47,571,490		10,772,890	\$ -	\$ -	38,963,180	360,527,745	791,438,163	45.6%	\$ 4,689,215	12.32%	7.58
2025	360,527,745	49,469,276	1,030,765	50,500,040	252,500	49,469,276	2,473,464	1,650,000	315,625	22,263,559	22,579,184	385,947,128	791,508,368	48.8%	4,351,336	6.26%	7.43
2026	385,947,128	51,193,477	2,113,459	53,306,936	266,535	51,193,477	2,559,674	1,650,000	333,168	24,166,701	24,499,869	412,276,676	788,291,421	52.3%	4,059,501	6.35%	7.67
2027	412,276,676	52,576,164	3,139,667	55,715,831	278,579	52,576,164	2,628,808	1,650,000	348,224	25,838,977	26,187,201	439,324,439	782,111,123	56.2%	3,778,242	6.36%	7.96
2028	439,324,439	54,386,235	4,079,467	58,465,703	292,329	54,386,235	2,719,312	1,650,000	365,411	27,552,396	27,917,806	467,239,761	772,434,571	60.5%	3,493,532	6.37%	8.18
2029	467,239,761	55,102,823	5,352,807	60,455,630	302,278	55,102,823	2,755,141	1,650,000	377,848	29,334,555	29,712,403	495,702,220	759,841,407	65.2%	3,215,440	6.38%	8.57
2030	495,702,220	55,732,793	6,578,376	62,311,169	311,556	55,732,793	2,786,640	1,650,000	389,445	31,154,463	31,543,908	524,792,835	744,303,688	70.5%	2,945,524	6.40%	8.97
2031	524,792,835	56,570,371	7,374,568	63,944,938	319,725	56,570,371	2,828,519	1,650,000	399,656	33,018,804	33,418,460	554,995,522	725,877,406	76.5%	2,679,457	6.40%	9.34
2032	554,995,522	57,649,634	7,624,281	65,273,916	326,370	57,649,634	2,882,482	1,650,000	407,962	34,960,383	35,368,345	586,945,697	704,705,351	83.3%	2,416,701	6.41%	9.70
2033	586,945,697	57,796,511	8,030,590	65,827,101	329,136	57,796,511	2,889,826	1,650,000	411,419	37,028,155	37,439,574	620,565,371	681,432,040	91.1%	2,163,405	6.41%	10.23
2034	620,565,371	57,958,596	8,678,753	66,637,349	333,187	57,958,596	2,897,930	1,650,000	416,483	39,200,267	39,616,751	655,718,112	655,689,078	100.0%	1,931,532	6.42%	10.77

^a For plan year end June 30, 2023, and June 30, 2024, Total Expected Benefits and PAYGO Contributions Before Alternative C Benefits are equal to actual benefits paid net of retired member contributions.

^b For plan year end June 30, 2023, and June 30, 2024, Level Dollar Contributions Due To Alternative C Additional Benefits are equal to actual total contributions less actual benefits paid.



Executive Summary

FYE	Total Benefit Payments	Phased-in Investment Return	Discount Factor	Discounted Benefit Payments	Single Equivalent Return	Discounted Benefit Payments
2024	\$ 47,957,217	5.00%	0.97590	\$ 46,801,451	6.00%	\$ 46,580,167
2025	50,500,040	5.16%	0.92802	46,865,192	6.00%	46,273,562
2026	53,306,936	5.33%	0.88108	46,967,571	6.00%	46,080,699
2027	55,715,831	5.51%	0.83509	46,527,641	6.00%	45,436,836
2028	58,465,703	5.69%	0.79016	46,197,155	6.00%	44,980,552
2029	60,455,630	5.87%	0.74638	45,122,928	6.00%	43,878,774
2030	62,311,169	6.04%	0.70384	43,857,004	6.00%	42,665,592
2031	63,944,938	6.22%	0.66260	42,370,061	6.00%	41,305,909
2032	65,273,916	6.41%	0.62267	40,644,350	6.00%	39,777,713
2033	65,827,101	6.48%	0.58478	38,494,369	6.00%	37,844,172
2034	66,637,349	6.50%	0.54909	36,589,846	6.00%	36,141,496
2035	66,795,980	6.50%	0.51558	34,438,449	6.00%	34,176,917
2036	66,338,662	6.50%	0.48411	32,115,180	6.00%	32,021,627
2037	65,328,066	6.50%	0.45456	29,695,719	6.00%	29,748,880
2038	64,493,167	6.50%	0.42682	27,526,953	6.00%	27,706,308
2039	63,300,700	6.50%	0.40077	25,369,000	6.00%	25,654,739
2040	61,108,382	6.50%	0.37631	22,995,666	6.00%	23,364,366
2041	58,864,176	6.50%	0.35334	20,799,202	6.00%	21,232,368
2042	56,538,009	6.50%	0.33178	18,757,999	6.00%	19,238,978
2043	53,267,312	6.50%	0.31153	16,594,233	6.00%	17,100,012
2044	50,297,815	6.50%	0.29251	14,712,820	6.00%	15,232,770
2045	47,544,251	6.50%	0.27466	13,058,557	6.00%	13,583,820
2046	43,993,591	6.50%	0.25790	11,345,849	6.00%	11,857,891
2047	40,554,337	6.50%	0.24216	9,820,538	6.00%	10,312,156
2048	37,369,389	6.50%	0.22738	8,496,975	6.00%	8,964,422
2049	34,233,562	6.50%	0.21350	7,308,880	6.00%	7,747,338
2050	31,358,291	6.50%	0.20047	6,286,393	6.00%	6,694,944
2051	28,856,256	6.50%	0.18823	5,431,747	6.00%	5,812,041
2052	26,552,515	6.50%	0.17675	4,693,054	6.00%	5,045,318
2062	12,701,180	6.50%	0.09416	1,195,908	6.00%	1,347,622
2072	5,203,661	6.50%	0.05016	261,016	6.00%	308,301
2082	1,223,198	6.50%	0.02672	32,686	6.00%	40,467
2092	102,804	6.50%	0.01424	1,463	6.00%	1,899
2102	1,489	6.50%	0.00758	11	6.00%	15
2103	845	6.50%	0.00712	6	6.00%	8
2104	471	6.50%	0.00669	3	6.00%	4
2105	260	6.50%	0.00628	2	6.00%	2
2106	139	6.50%	0.00589	1	6.00%	1
2107	72	6.50%	0.00554	0	6.00%	1
2108	34	6.50%	0.00520	0	6.00%	0
2109	14	6.50%	0.00488	0	6.00%	0
2110	5	6.50%	0.00458	0	6.00%	0
2111	2	6.50%	0.00430	0	6.00%	0
2112	1	6.50%	0.00404	0	6.00%	0
Total Present Value				\$ 820,490,135		\$ 820,490,134



SECTION B

**ACTUARIAL VALUATION RESULTS AS OF JULY 1, 2023,
AT 6.00 PERCENT DISCOUNT RATE AND 4.25 PERCENT
TREND RATE**

Valuation Results at 6.00 Percent Discount Rate and 4.25 Percent Trend Rate

The following tables show the results of our actuarial valuation at July 1, 2023, assuming:

- A discount rate of 6.00 percent;
- Salary increases comprised of a wage inflation component of 2.50 percent plus a seniority and merit component; and
- An ultimate healthcare trend rate of 4.25 percent.

We believe these assumptions are consistent with the requirements of GASB Statement Nos. 74 and 75. The discount rate of 6.00 percent as of June 30, 2023, was based on an actuarial projection of assets and liabilities that reflects the following:

- MPS contributes pay-as-you-go contributions, plus an additional pre-funding contribution of 5.0 percent of expected employer paid claims.
- MPS makes additional contributions as defined under the Alternative C policy.
- Contributions are made to an IRC Section 115 trust that MPS established for the exclusive purpose of pre-funding retiree healthcare benefits.
- Assets and pre-funding contributions, in excess of three months of expected costs, remain in a long-term account which is assumed to earn 6.50 percent per year. Three months of expected costs are held in a short-term account which is assumed to earn 2.50 percent per year.
- Operating expenses are assumed to equal 0.5 percent of expected employer paid claims.
- Assets in the long-term account are not expected to be used to pay benefits until the closed plan is fully funded. However, MPS may use assets in the long-term account if there is a non-appropriation in a budget year to fully pay all current year pay-as-you-go contributions.

The preceding projection methodology produced a projected funded ratio of 100 percent by 2034 and an effective discount rate of approximately 6.00 percent as of June 30, 2023.

Please note that the preceding methodology assumes MPS will make pre-funding contributions of at least 5.0 percent of expected claims cost, plus additional Alternative C contributions, in all future years so that the program is fully funded by plan year end 2037. If MPS deviates significantly from the pre-funding objective, the full funding target year may be extended or never be reached, which would decrease the effective discount rate and increase the Total OPEB Liability.

The following table shows the actuarial accrued liability at July 1, 2023, and other actuarial costs for plan year June 30, 2024, using a discount rate of 6.00 percent. Actuarial costs are shown separately for each Labor Unit. The actuarial costs shown below include Alternative C benefits which became effective as of June 30, 2020.



**Milwaukee Public Schools
Retiree Healthcare and Life Insurance Programs
Actuarial Valuation as of July 1, 2023
Entry Age Normal Cost Method**

Discount Rate 6.00%
Salary Scale ¹ 2.50%
Ultimate Trend ² 4.25%
Wage Inflation 2.50%

ADC Amortization: 14-year closed as of July 1, 2023, level dollar.

	Board/ Cabinet/ ASC	Building Trades	1053 Clerical/ Technical	150 Building Service	150 Food Service	1616 Education Employees	420 Engineers	Educational Assistants	Sub Teachers	Teachers	PAMPS	Others 3	Total
Retiree Healthcare Program													
I) Actuarial Liability													
A) Health Insurance													
i) Active Employees ⁴	\$ 34,873,488	\$ 2,403,217	\$ 3,571,289	\$ 4,500,276	\$ 10,680,411	\$ 1,127,338	\$ 5,263,449	\$ 16,095,403	\$ -	\$ 144,684,854	\$ 3,342,183	\$ 363,305	\$ 226,905,213
ii) Retired and Disabled Participants ⁵	70,551,513	10,964,684	20,098,082	4,834,329	16,050,811	6,279,041	15,160,642	26,061,038	4,740,769	334,518,211	5,233,967	1,237,875	515,730,962
iii) Total	\$ 105,425,001	\$ 13,367,901	\$ 23,669,371	\$ 9,334,605	\$ 26,731,222	\$ 7,406,379	\$ 20,424,091	\$ 42,156,441	\$ 4,740,769	\$ 479,203,065	\$ 8,576,150	\$ 1,601,180	\$ 742,636,175
B) Life Insurance													
i) Active Employees	\$ 799,739	\$ 173,900	\$ 200,653	\$ -	\$ 4,982	\$ 53,049	\$ 304,386	\$ 667,941	\$ -	\$ 6,134,911	\$ 280,546	\$ 22,294	\$ 8,642,401
ii) Retired and Disabled Participants	6,360,694	851,678	1,308,415	156,470	407,303	390,603	782,234	1,227,057	380,627	24,984,182	453,607	83,929	37,386,801
iii) Total	\$ 7,160,433	\$ 1,025,578	\$ 1,509,068	\$ 156,470	\$ 412,285	\$ 443,652	\$ 1,086,620	\$ 1,894,998	\$ 380,627	\$ 31,119,093	\$ 734,153	\$ 106,223	\$ 46,029,202
C) Total Liabilities	\$ 112,585,434	\$ 14,393,479	\$ 25,178,439	\$ 9,491,075	\$ 27,143,507	\$ 7,850,031	\$ 21,510,711	\$ 44,051,439	\$ 5,121,396	\$ 510,322,158	\$ 9,310,303	\$ 1,707,403	\$ 788,665,375
II) Assets ⁶	44,366,872	5,672,080	9,922,141	3,740,176	10,696,521	3,093,485	8,476,789	17,359,480	2,018,204	201,104,147	3,668,938	672,841	310,791,675
III) Unfunded Actuarial Liability (UAL)	68,218,562	8,721,399	15,256,298	5,750,899	16,446,986	4,756,546	13,033,922	26,691,959	3,103,192	309,218,011	5,641,365	1,034,562	477,873,701
IV) Normal Cost													
A) Health Insurance	\$ 585,745	\$ 66,744	\$ 76,100	\$ 94,365	\$ 246,065	\$ 31,629	\$ 118,927	\$ 357,104	\$ -	\$ 2,923,504	\$ 68,295	\$ 11,257	\$ 4,579,735
B) Life Insurance	8,312	3,237	2,255	-	28	938	4,225	9,112	-	76,969	3,982	422	109,480
C) Total	\$ 594,057	\$ 69,981	\$ 78,355	\$ 94,365	\$ 246,093	\$ 32,567	\$ 123,152	\$ 366,216	\$ -	\$ 3,000,473	\$ 72,277	\$ 11,679	\$ 4,689,215
D) Percentage of Payroll	1.16%	1.79%	1.84%	2.37%	3.00%	2.85%	1.87%	2.93%	N/A	1.80%	1.14%	2.36%	1.77%
V) Actuarially Determined Contribution (ADC) ⁷													
A) Normal Cost	\$ 594,057	\$ 69,981	\$ 78,355	\$ 94,365	\$ 246,093	\$ 32,567	\$ 123,152	\$ 366,216	\$ -	\$ 3,000,473	\$ 72,277	\$ 11,679	\$ 4,689,215
B) Operating Expenses	33,319	5,681	10,348	2,509	8,483	2,850	7,402	13,176	2,190	150,933	2,398	498	239,786
C) Amortization of UAL	6,923,856	885,180	1,548,441	583,689	1,669,290	482,767	1,322,880	2,709,106	314,959	31,384,143	572,571	105,003	48,501,886
D) Total	\$ 7,551,233	\$ 960,842	\$ 1,637,144	\$ 680,563	\$ 1,923,866	\$ 518,184	\$ 1,453,434	\$ 3,088,498	\$ 317,149	\$ 34,535,549	\$ 647,246	\$ 117,180	\$ 53,430,887
VI) Expected Employer Contributions ⁸													
A) Expected Healthcare Benefit Payments	\$ 6,278,852	\$ 1,072,999	\$ 1,962,135	\$ 489,751	\$ 1,655,413	\$ 538,006	\$ 1,427,170	\$ 2,531,421	\$ 408,996	\$ 28,645,037	\$ 450,213	\$ 94,609	\$ 45,554,602
B) Expected Life Insurance Benefit Payments	384,978	63,125	107,381	12,034	41,146	32,012	53,176	103,873	28,955	1,541,527	29,340	5,066	2,402,615
C) Expected Additional Pre-Fund Contributions	721,554	123,019	224,085	54,333	183,702	61,721	160,291	285,348	47,421	3,268,576	51,926	10,793	5,192,769
D) Total	\$ 7,385,383	\$ 1,259,143	\$ 2,293,601	\$ 556,118	\$ 1,880,262	\$ 631,739	\$ 1,640,637	\$ 2,920,642	\$ 485,373	\$ 33,455,140	\$ 531,479	\$ 110,469	\$ 53,149,986
E) Percentage of Payroll	14.4%	32.2%	53.8%	14.0%	22.9%	55.3%	24.9%	23.3%	N/A	20.1%	8.4%	22.3%	20.0%
VII) Actual Employer Contributions ⁹	\$ 8,107,163	\$ 1,382,201	\$ 2,517,756	\$ 610,468	\$ 2,064,021	\$ 693,480	\$ 1,800,978	\$ 3,206,079	\$ 532,809	\$ 36,724,739	\$ 583,420	\$ 121,265	\$ 58,344,379
VIII) Actual Retiree Contributions ¹⁰	\$ 698,300	\$ 119,054	\$ 216,864	\$ 52,582	\$ 177,782	\$ 59,732	\$ 155,125	\$ 276,151	\$ 45,893	\$ 3,163,237	\$ 50,252	\$ 10,445	\$ 5,025,416
IX) Expected Actuarial Liability at Plan Year End	\$ 113,091,347	\$ 14,159,426	\$ 24,639,120	\$ 9,641,075	\$ 27,278,771	\$ 7,767,693	\$ 21,404,037	\$ 44,358,366	\$ 4,977,781	\$ 512,951,694	\$ 9,449,605	\$ 1,719,249	\$ 791,438,163
X) Payroll	\$ 51,209,192	\$ 3,915,079	\$ 4,264,555	\$ 3,980,270	\$ 8,193,234	\$ 1,141,990	\$ 6,599,862	\$ 12,515,898	\$ -	\$ 166,471,043	\$ 6,352,556	\$ 495,411	\$ 265,139,090
XI) Covered Member Counts													
A) Active Employees	477	47	91	92	274	26	97	383	-	2,076	65	10	3,638
B) Retirees with Medical Benefits ⁵	836	156	304	69	269	81	170	391	74	4,089	70	17	6,526
C) Retirees with Life Insurance Only	27	11	37	5	35	12	9	185	13	414	1	1	750
D) Total	1,340	214	432	166	578	119	276	959	87	6,579	136	28	10,914



¹ Plus an additional age or service-based component.

² From 2025 to 2038, 1.22 percent is added to the base healthcare trend rate to approximate the assumed wear-away of MAPD plan design savings.

³ Includes participants who have life insurance only.

⁴ Active employees eligible for future retiree healthcare.

⁵ Includes Surviving Spouses.

⁶ Assets allocated to employee group based on total liabilities.

⁷ ADC based on normal cost plus 14 year amortization of unfunded actuarial liability. ADC is used for GASB 74/75 financial reporting.

⁸ Expected employer contributions to finance current retiree healthcare and life insurance claims assuming pay-as-you-go funding plus pre-funding policy of 5.0 percent of expected claims and annual level dollar contributions which is projected to fully fund projected actuarial liability by fiscal year end 2034.

⁹ Actual employer contributions allocated to employee group based on total expected employer contributions.

¹⁰ Expected retiree contributions are offset by projected Part B premium reimbursements.

SECTION C

ASSET RECONCILIATION

Asset Reconciliation

**Milwaukee Public Schools
Retiree Healthcare and Life Insurance Programs
Actuarial Valuation Results as of July 1, 2023**

Assets Available for Benefits	For Year Ending June 30, 2022	For Year Ending June 30, 2023	For Year Ending June 30, 2024
Net Assets Held in Trust for Post-Employment Benefits, Beginning of Year	\$ 281,880,074	\$ 271,001,068	\$ 310,791,675
Revenues			
Employer Contributions			
- Pay-as-you-go Contributions	\$ 61,243,967	\$ 58,307,591	\$ 57,874,827
- ERRP Funds			
- Medicare Part D Funds	-	-	-
- EWGP Revenue	-	-	-
- Medicare Part D Receivables			
- Pre-funding Contributions	16,391,193	6,236,404	469,552
Total	\$ 77,635,159	\$ 64,543,995	\$ 58,344,379
Employee Contributions			
- Health Care	\$ 3,677,187	\$ 3,636,179	\$ 4,394,342
- Life Insurance	173,605	174,043	177,847
- Pre-funding Contributions/Accruals	314,439	365,867	453,227
Total	\$ 4,165,231	\$ 4,176,089	\$ 5,025,417
Net Investment Income	\$ (39,785,264)	\$ 21,332,113	\$ 38,963,180
Total Contributions	\$ 42,015,125	\$ 90,052,197	\$ 102,332,974
Deductions			
Claims and Expenses			
- Health Care	\$ 47,132,969	\$ 46,221,932	\$ 47,514,725
- Life Insurance	1,345,098	1,321,122	1,297,726
- Pre-funding Contributions/Accruals	4,416,064	2,718,536	3,784,455
Total	\$ 52,894,131	\$ 50,261,590	\$ 52,596,906
Total Deductions	\$ 52,894,131	\$ 50,261,590	\$ 52,596,906
Net Change	\$ (10,879,006)	\$ 39,790,607	\$ 49,736,068
Net Assets Held in Trust for Post-Employment Benefits, End of Year	\$ 271,001,068	\$ 310,791,675	\$ 360,527,743
Net Employer Benefits	\$ 48,728,900	\$ 46,085,501	\$ 47,571,490
Net Employer Pre-Fund Contributions	\$ 28,906,259	\$ 18,458,494	\$ 10,772,890



SECTION D

GASB STATEMENT NOS. 74 AND 75 OPEB DISCLOSURE INFORMATION

Schedule of Changes in Net OPEB Liability Multiyear

Fiscal year ending June 30	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability								
Service Cost	\$ 4,689,215	\$ 5,539,199	\$ 5,874,647	\$ 6,464,767	\$ 5,337,504	\$ 3,214,967	\$ 3,415,121	\$ 4,101,247
Interest on the Total OPEB Liability	46,040,790	47,657,980	47,444,807	49,169,974	42,693,859	42,385,766	42,630,800	45,599,496
Changes of Benefit Terms	-	-	-	-	101,807,196	-	-	-
Difference between Expected and Actual Experience	(6,181,510)	(4,150,706)	(4,196,505)	(2,759,596)	21,294,097	(8,091,913)	30,739,181	2,563,048
Changes in Healthcare Assumptions	(36,997,433)	-	(63,098,044)	-	(30,034,718)	-	(92,738,729)	-
Change in Other Assumptions	(22,372,969)	-	-	(37,100,751)	(29,686,261)	-	(4,040,417)	-
Benefit Payments	(47,571,490)	(46,085,501)	(48,728,900)	(47,942,761)	(47,099,851)	(44,135,647)	(47,544,292)	(52,906,009)
Net Change in Total OPEB Liability	(62,393,397)	2,960,972	(62,703,995)	(32,168,367)	64,311,827	(6,626,827)	(67,538,337)	(642,218)
Total OPEB Liability - Beginning	853,831,560	850,870,588	913,574,583	945,742,950	881,431,123	888,057,950	955,596,287	956,238,505
Total OPEB Liability - Ending (a)	\$ 791,438,163	\$ 853,831,560	\$ 850,870,588	\$ 913,574,583	\$ 945,742,950	\$ 881,431,123	\$ 888,057,950	\$ 955,596,287
Plan Fiduciary Net Position								
Employer Contributions	\$ 58,344,379	\$ 64,543,995	\$ 77,635,159	\$ 103,771,665	\$ 77,190,616	\$ 58,235,819	\$ 53,242,638	\$ 33,755,421
Member Contributions	-	-	-	-	-	-	-	-
Net Investment Income	38,963,180	21,332,113	(39,785,264)	42,585,331	7,840,886	8,355,586	8,512,126	3,910,328
Benefit Payments	(47,571,490)	(46,085,501)	(48,728,900)	(47,942,761)	(47,099,851)	(44,135,647)	(47,544,292)	(52,906,009)
Operating Expenses	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	49,736,069	39,790,607	(10,879,006)	98,414,235	37,931,650	22,455,758	14,210,472	(15,240,260)
Plan Fiduciary Net Position - Beginning	310,791,675	271,001,068	281,880,074	183,465,839	145,534,188	123,078,430	108,867,958	124,108,219
Plan Fiduciary Net Position - Ending (b)	\$ 360,527,743	\$ 310,791,675	\$ 271,001,068	\$ 281,880,074	\$ 183,465,838	\$ 145,534,188	\$ 123,078,430	\$ 108,867,959
Net OPEB Liability - Ending (a) - (b)	430,910,420	543,039,885	579,869,520	631,694,509	762,277,112	735,896,935	764,979,520	846,728,328
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	45.55 %	36.40 %	31.85 %	30.85 %	19.40 %	16.51 %	13.86 %	11.39 %
Covered Employee Payroll	\$ 240,202,000	\$ 238,909,400	\$ 256,895,400	\$ 252,923,428	\$ 301,739,000	\$ 323,210,100	\$ 355,843,000	\$ 387,681,000
Net OPEB Liability as a Percentage of Covered Employee Payroll	179.40 %	227.30 %	225.72 %	249.76 %	252.63 %	227.68 %	214.98 %	218.41 %
Single Discount Rate - Ending	6.00 %	5.75 %	5.75 %	5.75 %	5.33 %	4.93 %	4.93 %	4.89 %
Short Term Expected Rate of Return	2.50 %	2.50 %	2.50 %	2.73 %	2.75 %	3.00 %	3.00 %	3.00 %
Long Term Expected Rate of Return	6.50 %	6.50 %	6.50 %	5.97 %	7.00 %	7.25 %	7.25 %	7.25 %
Inactive plan members or beneficiaries currently receiving benefit payments	6,526	6,666	6,666	6,768	6,768	6,718	6,718	6,978
Inactive plan members entitled to but not yet receiving benefit payments	-	-	-	-	-	-	-	-
Active plan members	3,638	4,309	4,309	5,008	5,008	6,193	6,193	7,184
Total plan members	10,164	10,975	10,975	11,776	11,776	12,911	12,911	14,162



Schedule of Net OPEB Liability Multiyear

FY Ending June 30,	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability	Net Position as a % of Total OPEB Liability	Covered Payroll ¹	Net OPEB Liability as a % of Covered Payroll
2016	\$ 956,238,505	\$ 124,108,219	\$ 832,130,286	12.98%	\$ 376,390,000	221.08%
2017	955,596,287	108,867,959	846,728,328	11.39%	387,681,000	218.41%
2018	888,057,950	123,078,430	764,979,520	13.86%	355,843,000	214.98%
2019	881,431,123	145,534,188	735,896,935	16.51%	323,210,100	227.68%
2020	945,742,950	183,465,838	762,277,112	19.40%	301,739,000	252.63%
2021	913,574,583	281,880,074	631,694,509	30.85%	252,923,400	249.76%
2022	850,870,588	271,001,068	579,869,520	31.85%	256,895,400	225.72%
2023	853,831,560	310,791,675	543,039,885	36.40%	238,909,400	227.30%
2024	791,438,163	360,527,743	430,910,420	45.55%	240,202,000	179.40%

¹ Estimated payroll for fiscal year end 2024, based on expected payroll using the results of the Actuarial Valuation as of July 1, 2023.



Schedule of Employer Contributions

FY Ending June 30,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll ¹	Actual Contribution as a % of Covered Payroll
2016	\$ 87,848,228	\$ 53,072,438	\$ 34,775,790	\$ 376,390,000	14.10%
2017	89,979,057	33,755,421	56,223,636	387,681,000	8.71%
2018	88,022,745	53,242,638	34,780,107	355,843,000	14.96%
2019	90,020,711	58,235,819	31,784,892	323,210,100	18.02%
2020	94,430,221	77,190,616	17,239,605	301,739,000	25.58%
2021	100,941,823	103,771,665	(2,829,842)	252,923,400	41.03%
2022	58,022,534	77,635,159	(19,612,625)	256,895,400	30.22%
2023	61,079,192	64,543,995	(3,464,803)	238,909,400	27.02%
2024	53,430,887	58,344,379	(4,913,492)	240,202,000	24.29%

¹ Estimated payroll for fiscal year end 2024, based on expected payroll using the results of the Actuarial Valuation as of July 1, 2023.



Sensitivity of Net OPEB Liability

Sensitivity of Net OPEB Liability to the Discount Rate Assumption

1% Decrease	Current Discount	1% Increase
5.00%	Rate Assumption	7.00%
	6.00%	
\$ 511,806,195	\$ 430,910,420	\$ 362,427,057

Sensitivity of Net OPEB Liability to the Healthcare Cost Trend Rate Assumption

1% Decrease	Current Healthcare Cost	1% Increase
	Trend Rate Assumption	
\$ 363,465,318	\$ 430,910,420	\$ 507,990,926

Notes to Schedule of Contributions

Valuation Date	July 1, 2023
Measurement Date	June 30, 2024
Plan Fiscal Year End	June 30, 2024

Methods and Assumptions Used to Determine Actuarial Liability and Contributions:

Actuarial Cost Method	Entry Age Normal, used to measure the Actuarial Liability and Total OPEB Liability
Contribution Policy	Sponsor contributes pay-as-you-go costs plus a pre-funding contribution equal to 5% of expected employer costs. After June 30, 2020, sponsor also makes level dollar annual contribution to pre-fund Alternative C benefits by plan year end 2037. Pre-funding contributions are held in a long-term account. Principal, pre-funding contributions and investment income are expected to be used to pay benefits when the plan is fully funded. Three months of expected benefits are held in reserve in a short-term account.
Actuarially Determined Contribution (ADC)	The ADC equals the normal cost plus operating expenses plus a closed period amortization of the unfunded actuarial liability. The amortization policy is a 14-year closed amortization period on a level dollar basis as of June 30, 2023.
Asset Valuation Method	Market value
Investment Rate of Return	Short-term account earns 2.50% per year. Long-term account earns 6.50% per year.
Wage Inflation	2.50%
Salary Increases	Depends on age, service and employer group. Rate ranges from 6.70% at less than 1 year of service to 2.50% at 30 or more years of service. Salary increase includes wage inflation assumption of 2.50%.
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality for Teachers and ASC	For retirees and survivor: Based on RP-2014 White Collar Annuitant Mortality Table with scaling factors of: 98% for males and 96% for females in Teachers group, and 99% for males and 96% for females in ASC group. For active members: Based on RP-2014 White Collar Employee Mortality Table with scaling factors of 97% for males and 99% for females in Teachers group. All tables reflect future mortality improvements using MP-2018 2-dimensional mortality improvement scales.
Mortality for General Employees	For retirees and survivor: PUB-2010 Below Median Income Healthy Annuitant Mortality Table (using 1 year setback for males and 2 year set forward for females) (base year 2010) projected generationally with Scale MP-2021. For active members: PUB-2010 Below Median Income General Employee Mortality Table (using 1 year setback for males and 2 year set forward for females) (base year 2010) projected generationally with Scale MP-2021.
Healthcare Cost Trend Rates	Actual trend used for calendar 2024. For fiscal years after 2025, trend starts at 8.00% and gradually decreases to an ultimate trend of 4.25%. Additional trend of 1.22% is added to Medicare trend from 2025 to 2038 to approximate the assumed wear-away of MAPD plan design savings.
Aging Factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death".
Expenses	Health administrative expenses are included in the development of the per capita claims costs. Operating expenses are reflected separately.



SECTION E

GASB STATEMENT No. 75 OPEB EXPENSE

Net OPEB Liability for Fiscal Year Ending June 30, 2024

Fiscal Year Ending June 30,	<u>2024</u>
Total OPEB Liability	
Service Cost	\$ 4,689,215
Interest on the Total OPEB Liability	46,040,790
Changes of Benefit Terms	-
Difference between Expected and Actual Experience	(6,181,510)
Changes in Healthcare Assumptions	(36,997,433)
Change in Other Assumptions	(22,372,969)
Benefit Payments	(47,571,490)
Net Change in Total OPEB Liability	<u>(62,393,397)</u>
Total OPEB Liability - Beginning	853,831,560
Total OPEB Liability - Ending (a)	<u>\$ 791,438,163</u>
Plan Fiduciary Net Position	
Employer Contributions	\$ 58,344,379
Member Contributions	-
Net Investment Income	38,963,180
Benefit Payments	(47,571,490)
Operating Expenses	-
Other	-
Net Change in Plan Fiduciary Net Position	<u>49,736,068</u>
Plan Fiduciary Net Position - Beginning	310,791,675
Plan Fiduciary Net Position - Ending (b)	<u>360,527,743</u>
Net OPEB Liability - Ending (a) - (b)	<u>\$ 430,910,420</u>
Plan Fiduciary Net Position as a Percentage Total OPEB Liability	45.55%
Covered-Employee Payroll¹	\$240,202,000
Net OPEB Liability as a Percentage of Covered Payroll	179.40%
Inactive plan members or beneficiaries currently receiving benefit payments	6,526
Inactive plan members entitled to but not yet receiving benefit payments	-
Active plan members	3,638
Total plan members	<u>10,164</u>

¹ Estimated payroll for fiscal year end 2024, based on expected payroll using the results of the Actuarial Valuation as of July 1, 2023.



OPEB Expense for Fiscal Year Ending June 30, 2024

Fiscal Year Ending June 30,	<u>2024</u>
A. Expense	
1. Service Cost	\$ 4,689,215
2. Interest on the Total Pension Liability	46,040,790
3. Current-Period Benefit Changes	-
4. Employee Contributions	-
5. Projected Earnings on Plan Investments	(20,040,444)
6. Administrative Expense	-
7. Other Changes in Plan Fiduciary Net Position	-
8. Recognition of Outflow/(Inflow) due to Non-investment Experience	(4,694,437)
9. Recognition of Outflow/(Inflow) due to Assumption Changes	(42,438,265)
10. Recognition of Outflow/(Inflow) due to Investment Experience	<u>1,372,381</u>
11. Total OPEB Expense	\$ (15,070,760)
 B. Reconciliation of Net OPEB Liability	
1. Net OPEB Liability beginning of year	\$ 543,039,885
2. OPEB Expense	(15,070,760)
3. Employer Contributions	(58,344,379)
4. Change in Outflow/(Inflow) due to Non-investment Experience	(1,487,073)
5. Change in Outflow/(Inflow) due to Assumption Changes	(16,932,137)
6. Change in Outflow/(Inflow) due to Investment Experience	<u>(20,295,116)</u>
7. Net OPEB Liability End of year	\$ 430,910,420



Schedule of Outflows and Inflows of Resources

A. Outflows and (Inflows) of Resources Recognized in Current and Future OPEB Expenses as of Plan Year Beginning July 1, 2023

Experience (Gain)/Loss			Original			Deferred (Inflows)		Deferred Outflows	
	Original Balance	Date Established	Recognition Period/ Amortization Factor	Amount Recognized in Past OPEB Expenses	Amount Recognized in Current OPEB Expense	to be Recognized in Future OPEB Expenses		to be Recognized in Future OPEB Expenses	
1. Differences Between Expected and Actual Non-Investment Experience	\$ (6,181,510)	July 1, 2023	3.3197	\$ -	\$ (1,862,060)	\$ (4,319,450)	\$ -	\$ -	
	(4,150,706)	July 1, 2022	3.6369	(1,141,288)	(1,141,288)	(1,868,130)	-	-	
	(4,196,505)	July 1, 2021	3.6726	(2,285,301)	(1,142,651)	(768,554)	-	-	
	(2,759,596)	July 1, 2020	3.7441	(2,211,158)	(548,438)	-	-	-	
	21,294,097	July 1, 2019	3.9730	21,294,097	-	-	-	-	
	\$ 4,005,780		3.6693	\$ 15,656,350	\$ (4,694,437)	\$ (6,956,133)	\$ -	\$ -	
2. Assumption Changes	\$ (59,370,402)	July 1, 2023	3.3197	\$ -	\$ (17,884,186)	\$ (41,486,216)	\$ -	\$ -	
	-	July 1, 2022	3.6369	-	-	-	-	-	
	(63,098,044)	July 1, 2021	3.6726	(34,361,456)	(17,180,728)	(11,555,861)	-	-	
	(37,100,751)	July 1, 2020	3.7441	(29,727,400)	(7,373,351)	-	-	-	
	(59,720,979)	July 1, 2019	3.9730	(59,720,979)	-	-	-	-	
	\$ (219,290,176)		3.6693	\$ (123,809,834)	\$ (42,438,265)	\$ (53,042,077)	\$ -	\$ -	
3. Difference Between Expected and Actual Investment Earnings	\$ (18,922,735)	July 1, 2023	5.0000	\$ -	\$ (3,784,547)	\$ (15,138,188)	\$ -	\$ -	
	(5,226,287)	July 1, 2022	5.0000	(1,045,257)	(1,045,257)	(3,135,773)	-	-	
	58,558,709	July 1, 2021	5.0000	23,423,483	11,711,742	-	23,423,484	-	
	(30,453,397)	July 1, 2020	5.0000	(18,272,038)	(6,090,679)	(6,090,680)	-	-	
	2,905,607	July 1, 2019	5.0000	2,324,485	581,122	-	-	-	
	\$ 6,861,897		5.0000	\$ 6,430,673	\$ 1,372,381	\$ (24,364,641)	\$ 23,423,484	\$ 23,423,484	
4. Total	\$ (208,422,498)			\$ (101,722,811)	\$ (45,760,321)	\$ (84,362,851)	\$ 23,423,484	\$ 23,423,484	

B. Deferred Outflows and Deferred (Inflows) of Resources by Year to be Recognized in Future OPEB Expenses

Year Ending June 30	Differences Between Expected and Actual Non-Investment Experience	Assumption Changes	Differences Between Expected and Actual Investment Experience	Year Ending June 30	Deferred Outflows of Resources	Deferred (Inflows) of Resources	Net Deferred Outflows/ (Inflows) of Resources
2024	\$ (3,771,902)	\$ (29,440,047)	\$ 791,258	2024	\$ 11,711,742	\$ (44,132,433)	\$ (32,420,691)
2025	(2,588,902)	(17,884,187)	6,881,938	2025	11,711,742	(25,302,893)	(13,591,151)
2026	(595,329)	(5,717,843)	(4,829,806)	2026	-	(11,142,978)	(11,142,978)
2027	-	-	(3,784,547)	2027	-	(3,784,547)	(3,784,547)
Thereafter	-	-	-	2028	-	-	-
Total	\$ (6,956,133)	\$ (53,042,077)	\$ (941,157)	Total	\$ 23,423,484	\$ (84,362,851)	\$ (60,939,367)
Change in Outflows/(Inflows)	\$ (1,487,073)	\$ (16,932,137)	\$ (20,295,116)				



SECTION F

SUPPORT OF GASB Nos. 74 AND 75 DISCOUNT RATE

Projections and Development of Discount Rate

The methodology used to develop the GASB Statement Nos. 74 and 75 discount rate as of June 30, 2024, is based on an actuarial projection of assets which are expected to fully fund projected liabilities. The general approach is as follows:

- MPS contributes pay-as-you-go contributions, plus an additional pre-funding contribution of 5.0 percent of expected employer paid claims.
- MPS also makes level dollar contributions from 2024 to 2037 that are projected to fully finance Alternative C liabilities by 2037.
- Contributions are made to an IRC Section 115 trust that MPS established for the exclusive purpose of pre-funding retiree healthcare benefits.
- Assets and pre-funding contributions, in excess of three months of expected costs, remain in a long-term account which is assumed to earn 6.50 percent per year. Three months of expected costs are held in a short-term account which is assumed to earn 2.50 per year.
- Operating expenses are assumed to equal 0.5 percent of expected net employer costs.
- Assets in the long-term account are not expected to be used to pay benefits until the closed plan is fully funded. However, MPS may use assets in the long-term account if there is a non-appropriation in a budget year to fully pay all current year pay-as-you-go contributions.
- The GASB Nos. 74 and 75 discount rate used to develop the projected Total OPEB Liability at June 30, 2023, phases in the short-term assumed rate of 2.50 percent and the long-term rate of 6.50 percent over the period that the closed plan is projected to be fully funded.

The projection methodology and recommended level dollar contribution produced a full funding period of 11 years as of June 30, 2023, and an effective discount rate of 6.00 percent. The details of the projections were presented on pages A-4 and A-5.

Please note that the preceding methodology assumes MPS will make pre-funding annual contributions through 2037 of (i) at least 5.0 percent of expected claims, plus (ii) annual level dollar contributions for Alternative C benefits, which are projected to fully fund projected actuarial liabilities by plan year end 2037. If MPS deviates significantly from the pre-funding objective, the full funding target year may be extended or never be reached, which would decrease the effective discount rate and increase the Total OPEB Liability.

The projections reflect favorable investment and claims experience and extraordinary pre-funding contributions since the last valuation as of July 1, 2021.

Paragraph 50 of GASB Statement No. 74 provides guidance for cases in which the sponsor has deviated from the funding policy. A review of at least a five-year history of the contributions and “other known events and conditions” should be considered when evaluating the funding progress of the plan.

Supplemental Asset Information

The following table provides a nine-year history of expected versus actual contributions. For fiscal years ending 2018 through 2024, MPS made contributions that exceeded pay-as-you-go cost by a significant margin. If MPS makes pre-funding contributions that are less than the funding policy target, for an extended period, we may no longer be able to use the preceding methodology to develop the discount rate for GASB Statement Nos. 74 and 75 reporting.

Fiscal Year End June 30,	2024	2023	2022	2021	2022	2019	2018	2017	2016
(A) Employer Contributions	\$ 58,344,379	\$ 64,543,995	\$ 77,635,159	\$ 103,771,665	\$ 77,190,616	\$ 58,235,819	\$ 53,242,638	\$ 33,755,421	\$ 53,072,438
(B) Net Employer PAYGO Costs	47,571,490	46,085,501	48,728,900	47,942,761	47,099,851	44,135,647	47,544,292	52,906,009	55,926,607
(C) Excess Contributions [(B) - (A)]	10,772,889	18,458,494	28,906,259	55,828,904	30,090,766	14,100,172	5,698,347	(19,150,588)	(2,854,169)
(D) % of Net Employer PAYGO Costs	23%	40%	59%	116%	64%	32%	12%	-36%	-5%

Supplemental Asset Information

<u>FY Ending June 30</u>	<u>Annual Money-Weighted Rate of Return, Net of Investment Expenses</u>
2017	3.30%
2018	7.55%
2019	6.46%
2020	5.23%
2021	23.25%
2022	-12.97%
2023	7.62%
2024	12.25%

Target Asset Allocation*

Growth Assets

Domestic Equity	39 %
International Equity	21 %
Other	0 %

Income Assets

Fixed Income	40 %
Other	0 %

Real Return Assets 0 %

Cash Equivalents 0 %

* Based on target allocation shown in the Investment Performance Review for the quarter ended June 30, 2024, provided by the client's investment consultant.

Schedule of Expected Investment Returns Based on Target Asset Allocation

The long-term expected rate of return on OPEB investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return 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 for arithmetic and geometric real rates of return by major asset class were based on short- and long-term capital market expectations gathered from investment professionals over the prior three-year period. It was also assumed that there would be approximately three (3) months of expected benefits in short-term accounts, or about 3 percent-5 percent of the total portfolio. This analysis resulted in a one-year arithmetic nominal return of approximately 6.07 percent. The one-year arithmetic nominal return was based on capital market assumptions with a projection horizon of less than 10 years. The likelihood that annual projected returns exceed 6.50 percent over a 20-year period is approximately 55 percent. This estimate was based on capital market assumptions for a period of 20 to 30 years. The likelihood that returns exceed 6.50 percent is approximately 51 percent over a 10-year period.

Schedule of Expected Investment Returns Based on Target Asset Allocation

	Target Asset Allocation ^a	Expected Arithmetic Real Return ^b
<u>Pre-Funding Assets</u>		
US Stock - Large Cap	20.00 %	4.94 %
US Stock - Small Cap	19.00 %	5.46 %
International Equity	11.00 %	6.05 %
Emerging Mkts Eq	10.00 %	7.68 %
US Corporate Bonds	14.67 %	2.56 %
Government Bonds	8.33 %	2.18 %
TIPS	2.00 %	2.16 %
High Yield	5.00 %	5.04 %
International Debt	5.00 %	2.52 %
Real Estate	5.00 %	4.51 %
Portfolio Allocation^a	95.00 %	4.66 %
<u>Liquidity Assets</u>		
Short-Term Government Securities	100.00 %	1.08 %
Portfolio Allocation^a	5.00 %	1.08 %
<u>Total Portfolio</u>	100.00 %	4.48 %
Price Inflation Assumption		2.50 %
<u>Short-term One-Year Nominal Return</u>		6.98 %
<u>Long-Term Rate of Return Assumption</u>		6.00 %

^a General allocation based on target allocation as of June 30, 2024 as indicated by the investment consultant.
Specific asset classifications based on actual allocation as of June 30, 2024.

^b Based on capital market assumptions from investment professionals.

SECTION G

PLAN PROVISIONS

Plan Provisions

Plan Members

Milwaukee Public School (hereinafter referred to as MPS or the Board) employees can qualify to continue healthcare benefits as a retiree for themselves and their eligible dependents if they satisfy the eligibility requirements and were enrolled in an MPS health plan as an active subscriber at the time of retirement. **Members hired or rehired on or after July 1, 2013, are not eligible to continue healthcare benefits as a retiree.**

Board members can qualify to continue healthcare benefits for themselves and their eligible dependents upon leaving the Board provided they are at least age 55 years of age and have served a minimum of eight full years on the Board. This provision terminated for all Board members on and after the 2001 Board organizational meeting except for previous Board members who already qualified for this benefit and Board members who were in office as of January 25, 2000, who met the eligibility requirements as of September 1, 1999.

Access to the MPS PPO/Indemnity Health Plan was eliminated as a plan option for active employees in the following units:

- Building Trades Effective September 1, 2010
- ASC Unit Effective November 1, 2011
- MTEA-Substitute Teacher Unit Effective September 1, 2011

Access to the MPS PPO/Indemnity Health Plan was eliminated as an option for retiree health insurance effective with dates of retirement on or after the dates indicated below for the following units:

- Building Trades Retirement dates on/after September 1, 2010
- ASC Unit Retirement dates on/after November 1, 2011
- MTEA-Substitute Teacher Unit Retirement dates on/after August 1, 2011

Active health benefits were eliminated for employees in the following units including the eligibility to retire with retiree health benefits on/after the following effective dates:

- Local 150-FS Unit – 775 hourly Effective September 1, 2011
- MTEA-Substitute Teachers Unit Effective September 1, 2012
- Local 1053 – Part-time clericals Effective February 1, 2013
- Part-time employees* Effective July 1, 2012*
- Seasonal Laborers (rehire or layoff) Effective July 1, 2012

(*Note: The eligibility provisions for active health benefits for part-time classified employees was changed to positions regularly scheduled for 30 or more hours per week or positions that are scheduled at 75 percent or more of a full-time position effective July 1, 2012, in the following units: Local 150 Building Service Unit, Local 150 Food Service Unit, MTEA-Educational Assistant Unit, Local 1053 Unit, MTEA-School Bookkeeper Unit, Local 950 Unit, Local 1616 Unit, and Building Trades. A group of active classified employees currently working in positions regularly scheduled for 20 hours but less than 30 hours were grandfathered through August 31, 2013.

Plan Provisions (Continued)

The eligibility provisions for active health benefits for part-time classified and certificated employees was changed to positions regularly scheduled for 30 hours or more hours per week or positions that are scheduled at 75 percent or more of a full-time position effective July 1, 2013, in the following units: ASC Unit, MTEA-Teachers Unit, PAMPS Unit, Local 1053 exempts, ASC exempts, Office of Board Governance, Office of Accountability, and Efficiency and Cabinet-Level Employees.)

Eligible Service

Eligible Service includes service with Milwaukee Public Schools as an active employee and service accrued while on leave, paid or unpaid, for represented employees in accordance with applicable collective bargaining agreement and plan provisions, or, when such bargaining agreement provisions expire, in accordance with Board policy and plan provisions; for non-represented employees in accordance with Board policy and plan provisions. With regard to Local 1053, only regular full-time service with Milwaukee Public Schools is included for Eligible Service. In addition, service while covered under the City of Milwaukee Employees' Retirement System (ERS) counts as Eligible Service for the following groups, for represented employees in accordance with applicable collective bargaining agreement and plan provisions, or, when such bargaining agreement provisions expire, in accordance with Board policy and plan provisions; for non-represented employees in accordance with Board policy and plan provisions:

- ASC Unit including exempts;
- Building Trades;
- Cabinet-Level employees;
- Local 950 Unit;
- Local 1053 Unit including exempts;
- Local 1616 Unit;
- Office of Board Governance;
- Office of Accountability and Efficiency; and
- Superintendent.

Normal Retirement

Eligibility conditions:

Age 55 and 15 years of Eligible Service for dates of retirement before July 1, 2013.

Effective with dates of retirement on/after July 1 2013, whichever of the following occurs earlier:

- Age 60 and 20 years of Eligible Service; **OR**
- Age 55 or older with 30 or more years of Eligible Service until sunset on July 1, 2015.

Benefit: On a self-paid basis, continuation in an MPS retiree health plan in single or family coverage status that the employee was enrolled in at time of retirement. Represented employees who satisfy the eligibility requirements at the time of retirement may receive a Board-paid subsidy in accordance with applicable collective bargaining agreement and plan provisions, or, when such bargaining agreement provisions expire, in accordance with Board policy and plan provisions; non-represented employees who



Plan Provisions (Continued)

satisfy the eligibility requirements at the time of retirement may receive a Board-paid subsidy in accordance with Board policy and plan provisions.

An Early Retirement Window was passed whereby effective with dates of retirement on July 1, 2017, through June 30, 2020, employees who are age 55 or older, with 20 or more years of eligible service, may qualify for retiree health and life insurance. The 90 percent sick leave accumulation is still required for a Board subsidy toward the cost of retiree health insurance coverage.

On May 28, 2020, the Board approved that the requirements to receive retiree health and life benefits for employees hired prior to July 1, 2013, will change as of July 1, 2020. Employees who are age 55 or older, with 20 or more years of eligible service and 70 percent sick leave accumulation, will be eligible for a Board subsidy toward the cost of retiree health insurance coverage.

Duty Disability Retirement

Eligibility Conditions: An MPS employee, who retires on duty-incurred disability pension due to a compensable workers compensation injury or illness, may continue in an MPS health plan. No age or service requirements apply.

Benefit: Coverage is Board-paid for five years after the workers compensation settlement; five years after date of duty incurred disability retirement for Local 150 Building Service Helpers; and five years after the date of the workers compensation incident for Local 950, Local 1616 and Building Trades. After the five-year period, the retiree may continue on a self-paid basis. This benefit does not apply to Local 150 Food Service, MTEA Substitute Teachers, and Board Members.

NOTE: Eligibility for this duty disability retirement provision ended June 30, 2013.

Disability Retirement (Non-Duty)

Eligibility Conditions: The following groups are eligible for continuation in an MPS health plan on a self-paid basis as a retiree if they apply and qualify for a disability pension under the Wisconsin Retirement System (WRS), or ERS and have 15 years of Eligible Service (20 years of Eligible Service effective July 1, 2013):

- ASC Unit including exempts;
- Cabinet-Level employees;
- Superintendent;
- Office of Board of Governance;
- Office of Accountability and Efficiency; and
- MTEA-Teachers Unit.

Medicare

Retirees and eligible spouses are required to enroll in Medicare Part B upon attainment of age 65 or when first eligible due to a disability. Plan Members who participated in Social Security while working



Plan Provisions (Continued)

are also required to enroll in Medicare Part A. The Board provides retiree healthcare benefits that are secondary to Medicare for Medicare eligible retirees and dependents. MPS has applied for and is receiving the Medicare Part D subsidy as available under the Medicare Modernization Act. Effective January 1, 2014, MPS has implemented a self-funded Employer Group Waiver Plan with a Commercial Wrap.

Effective January 1, 2015, all Medicare eligible retirees and their Medicare eligible spouses have been enrolled in the MPS Group Medicare Advantage Plan that includes a group Medicare Part D pharmacy benefit.

For non-Medicare retirees and active employees, effective January 1, 2015, the District added a High Deductible Health Plan (HDHP) with a health savings account (HSA). The HSA is available only to active employees with an employer contribution of \$400 for a single HDHP and \$800 for a family HDHP annually. The HDHP was offered to all active employees with a lower premium share ranging from 2 percent to 9 percent based on their annual salary.

Effective January 1, 2017, non-Medicare retirees and active employees in the ASC employee unit will have the PPO plan as a health plan option in addition to the EPO and HDHP plans.

Employer Funding Policy

MPS finances net retiree claims in excess of retiree contributions directly from its general fund. MPS has also established an IRC Section 115 trust to prefund retiree healthcare and life insurance benefits and contributes 105 percent of actual retiree healthcare claims and retiree life insurance premiums beginning in fiscal year 2011.

The Retiree Plan's policy in regard to the allocation of invested assets is established and may be amended by Board policy of the District's Governing Body. It is the policy of the District's Governing Body to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The Retiree Plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following table shows the program's range and targeted asset allocation.

<u>Asset Class</u>	<u>Asset Allocation</u>	
	<u>Range</u>	<u>Target</u>
<u>Growth Assets</u>		
Domestic Equity	19% - 59%	39%
International Equity	1% - 41%	21%
Other	0% - 20%	0%
<u>Income Assets</u>		
Fixed Income	20% - 60%	40%
Other	0% - 20%	0%
Real Return Assets	0% - 20%	0%
Cash Equivalents	<u>0% - 20%</u>	<u>0%</u>
Total	<u>100%</u>	<u>100%</u>



Plan Provisions (Continued)

On August 25, 2016, the Governing Body approved a policy change in the OPEB investment policy from a 100 percent short and intermediate fixed income portfolio asset allocation target to the allocation targets as reflected above. This change was made to diversify the portfolio asset allocation with a long-term investment perspective invested in a similar time horizon as the liabilities.

Rate of return. For the fiscal years ending June 30, 2023, and June 30, 2024, the annual money-weighted rate of return on investments, net of investment expense, was 7.62 percent, and 12.25 percent, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Premium Cost Sharing

Retirees with Dates of Retirement before July 1, 2013

An eligible employee who meets the age and service requirements with 70 percent or more of the maximum accumulated sick leave at the time of retirement will receive a monthly Board subsidy at the Board's share of the PPO/Indemnity Health Plan active single plan or family plan premium rate in effect as of the employee's date of retirement in accordance with applicable collective bargaining agreement and plan provisions for represented employees, or, when such bargaining agreement provisions expire, in accordance with Board policy and plan provisions; for non-represented employees in accordance with Board policy and plan provisions. (Note: The Board's share of the applicable active plan premium rate is net of the employee required premium contribution in effect as of the employee's retirement date for all groups except MTEA-Teachers and PAMPS.)

For dates of retirement on or after July 1, 2013, an eligible employee who meets the age and service requirements with 70 percent or more of the maximum accumulated sick leave at the time of retirement will receive a monthly Board subsidy at the Board's share of the average of the PPO/Indemnity Health Plan and EPO Health Plan active single plan or family plan premium rate in effect as of the employee's date of retirement in accordance with applicable collective bargaining agreement and plan provisions for represented employees, or, when such bargaining agreement provisions expire, in accordance with Board policy and plan provisions; for non-represented employees in accordance with Board policy and plan provisions. (Note: The Board's share of the applicable active plan premium rate is net of the employee required premium contribution in effect as of the employee's retirement date.)

The Board's share of the EPO Health Plan is used for the monthly Board subsidy for Building Trades employees who retire on or after September 1, 2010, and for MTEA Substitute Teachers who retire during the period of August 1, 2011, through June 30, 2012. (Note: For the MTEA-Substitute Teachers Unit, active health insurance ended August 31, 2012, and eligibility for retiree health insurance ended with dates of retirement on or after July 1, 2012.)

Ten-month employees in the MTEA-Teachers, Educational Assistants, Accountants/Bookkeepers Units, ASC Unit (represented and exempt), PAMPS Unit, Local 1053 Unit including exempts and Cabinet Level employees who submit a retirement notice by March 1 and Substitute Teachers who submit a retirement notice by April 1 will receive the greater of the June 30 or July 1 premium rate as their monthly Board subsidy in accordance with applicable collective bargaining agreement and plan provisions for represented employees, or, when such bargaining agreement provisions expire, in accordance with

Plan Provisions (Continued)

Board policy and plan provisions; non-represented employees who satisfy the eligibility requirements at the time of retirement may receive a Board-paid subsidy in accordance with Board policy and plan provisions. This provision was expanded to all 10-month benefit eligible employees effective with submission of a retirement notice by March 1, 2013, and each year forward by March 1st.

Generally, the Board subsidy remains fixed for the lifetime of the retiree while the retiree continues enrollment in an MPS health plan for retirees with dates of retirement before July 1, 2013. MPS will reimburse the retiree for the amount of the retiree's Medicare Part B premium, including the Income Related Monthly Adjustment, in an amount not to exceed the Board subsidy. Employees who meet all other eligibility requirements, but do not meet the 70 percent or, as applicable, the 90 percent maximum accumulated eligibility requirement for the Board subsidy, may continue coverage in an MPS health plan as a retiree on a self-paid basis.

When husband and wife both retire from the Board and meet eligibility requirements for retiree health coverage as of his/her date of retirement effective as indicated in the chart below, the Board will pay only its portion of one family or two single plans:

Units	Retirement Date
Administrators and Supervisors	1/01/07 and after
Exempt Administrators and Supervisors	1/01/07 and after
Bookkeeper/Accountants	7/01/12 and after
Building Engineers	2/28/08 and after
Building Service Helpers	4/24/08 and after
Building Trades	2/28/08 and after
Cabinet Level	1/01/07 and after
Clerical-Technical	6/30/09 and after
Exempt from Clerical-Technical	6/30/09 and after
Educational Assistants/Safety Assistants	7/01/12 and after
Food Service, CHA, SNA	2/28/08 and after
Office of Accountability and Efficiency	1/01/07 and after
Office of Board Governance	1/01/07 and after
Psychologists	4/01/11 and after
Substitute Teachers	7/01/12 and after
Superintendent	1/01/07 and after
Teachers	7/01/13 and after
Warehouse, Distribution, Buyers, etc.	3/30/08 and after

A special one-time provision providing the higher PPO/Indemnity Health Plan rate of March 31, 2011, or July 1, 2011, was extended to the following groups for eligible employees who gave their retirement notice by April 1, 2011, and retired by the end of their regular work year in June, 2011, or where applicable for 12-month employees who retired June 30, 2011:

- ASC Unit including exempts;
- Cabinet-Level employees;
- Local 1053 Unit including exempts;
- MTEA-Bookkeepers Unit;
- MTEA-Educational Assistants Unit;
- MTEA-Teachers Unit; and
- PAMPS Unit.

Plan Provisions (Continued)

Effective on the date of the 2001 Board Organizational meeting, Board members are not eligible to continue in the District's retiree group health plans upon leaving the Board.

Retirees with Dates of Retirement on/after July 1, 2013

Effective with dates of retirement on/after July 1, 2013, the Board's share of the average of the active PPO/Indemnity Health Plan and the active EPO Health Plan, (single or family plan premium rate) in effect at date of retirement will be the Board subsidy and is reduced by the employee premium contribution for the annual base salary band in effect as of the employee's retirement date. Upon the retiree reaching Medicare eligibility (currently age 65), the Board subsidy will be adjusted (reduced) to the Board's share of the average of the Medicare rates in effect as of the date of retirement, for the plan the retiree is in upon reaching Medicare eligibility, to reflect coordination with Medicare.

Effective with dates of retirement on/after July 1, 2013, the methodology to determine premium rates will be changed to establish a pre-Medicare retiree premium rate for self-paid coverage (e.g., for those retirees who are not eligible for the Board-paid subsidy).

On March 30, 2017, the Milwaukee Board of School Directors approved an Early Retirement Window (ERW) program. Under the ERW, certain employees under age 60 may retire with health and life insurance benefits. Eligible ERW members: (i) have attained at least age 55 between July 1, 2017, and June 30, 2020, (ii) have earned at least 20 years of MPS service, and (iii) have accrued at least 90 percent of the maximum sick leave balance. The ERW ends on June 30, 2020; however, members may elect to retire after June 30, 2020, and receive ERW benefits.

On May 28, 2020, the Milwaukee Board of School Directors approved Alternative C (55/20/70%) changes to the retiree healthcare and life insurance program. Alternative C permanently changes the eligibility requirements for all eligible members upon retirement to: (i) have attained at least age 55, (ii) have earned at least 20 years of MPS service, and (iii) have accrued at least 70 percent of the maximum sick leave balance. Alternative C also provides actuarially based level dollar pre-funding of additional benefits due to Alternative C so that the program is projected to be fully funded by 2037.

Surviving Spouse Coverage

Death of Employee in Active Service ¹

If an MPS employee dies while in active service and has met the eligibility requirements of 15 or more years of Eligible Service (or effective July 1, 2013, the eligibility requirements of 20 or more years of Eligible Service):

1. The surviving spouse and eligible dependents can continue health coverage with the Board paying its share of the premium until the surviving spouse re-marries or is covered by another group insurance plan.
2. When the surviving spouse turns age 60, the surviving spouse (but not any dependents) will be eligible to continue coverage in a single plan and will be covered as a surviving spouse of an employee who retired that month.

Plan Provisions (Continued)

- The Board subsidy will be the Board's share of the single premium for the PPO/Indemnity Health Plan, or the EPO Health Plan as applicable in effect as of the date of the surviving spouse's turning age 60 if the employee had the required 70 percent of maximum sick leave balance as of the employee's date of death. Thereafter, the surviving spouse is required to pay all future premium increases.
- Effective July 1, 2013, the Board subsidy will be the Board's share of the single premium for the average of the PPO/Indemnity Health Plan and EPO Health Plan, or the EPO Health Plan as applicable in effect as of the date of the surviving spouse's turning age 60 if the employee had the required 90 percent of maximum sick leave balance as of the employee's date of death. Upon reaching Medicare eligibility, the Board subsidy will be adjusted (reduced) to the Board's share of the Medicare rate in effect as of the surviving spouse's turning age 60 to reflect coordination with Medicare. Thereafter, the surviving spouse is required to pay all future premium increases.
- If the employee did not have the required 70 percent (or 90 percent effective July 1, 2013) of maximum sick leave as of the employee's date of death, continuation in health coverage will be self-paid. Effective July 1, 2013, the pre-Medicare retiree premium rates shall be used for such self-paid pre-Medicare coverage.

¹ Does not apply to Local 150 Food Service, MTEA-Substitute Teachers, and Board Members.

Death of Employee after Retirement ¹

If the employee dies after retirement:

- The surviving spouse (but not any dependents) can continue coverage under the MPS retiree health insurance in a single plan until the spouse re-marries or is otherwise covered by another group health insurance plan.
- The Board subsidy will be adjusted to the Board's share of the premium rate of a single active PPO/Indemnity Health Plan, or EPO Health Plan, or the average of the PPO/Indemnity Health Plan and the EPO Health Plan for dates of retirement on or after July 1, 2013, as applicable, which was in effect as of the deceased employee's date of retirement. For dates of retirement on or after July 1, 2013, upon reaching Medicare eligibility the Board subsidy will be adjusted (reduced) to the Board's share of the Medicare rate in effect as of the date of retirement.

¹ Does not apply to MTEA-Substitute Teachers and Board Members who have not met the eligibility requirements as of September 1, 1999.

Plan Provisions (Continued)

Premium Rates as of January 1, 2023

PPO Plan					
	Single + Spouse/Dependent Single	Single + Spouse/Dependent 1 with Medicare	Single + Spouse/Dependent Both with Medicare	Family w/o Medicare	Family w/Medicare
Active	\$ 941.95			\$ 2,213.59	
Retiree (Non-Medicare)	941.95	\$ 1,131.95		2,213.59	\$ 1,461.64 (1 w/Med.)
Retiree (Medicare)	190.00	1,131.95	380.00		709.68 (2 w/Med.)
EPO Plan					
	Single + Spouse/Dependent Single	Single + Spouse/Dependent 1 with Medicare	Single + Spouse/Dependent Both with Medicare	Family w/o Medicare	Family w/Medicare
Active	\$ 974.92			\$ 2,291.06	
Retiree (Non-Medicare)	974.92	\$ 1,164.92		2,291.06	\$ 1,506.14 (1 w/Med.)
Retiree (Medicare)	190.00	1,164.92	380.00		721.22 (2 w/Med.)
HDHP Plan					
	Single + Spouse/Dependent Single	Single + Spouse/Dependent 1 with Medicare	Single + Spouse/Dependent Both with Medicare	Family w/o Medicare	Family w/Medicare
Active	\$ 898.29			\$ 2,088.81	
Retiree (Non-Medicare)	898.29	\$ 1,088.29		2,088.81	\$ 1,380.52 (1 w/Med.)
Retiree (Medicare)	190.00	1,088.29	380.00		672.23 (2 w/Med.)

Self-Pay Retiree Rates					
PPO Plan					
	Single + Spouse/Dependent Single	Single + Spouse/Dependent 1 with Medicare	Single + Spouse/Dependent Both with Medicare	Family w/o Medicare	Family w/Medicare
Retiree (Non-Medicare)	\$ 1,508.11	\$ 1,698.11		\$ 3,016.23	\$ 2,093.18 (1 w/Med.)
Retiree (Medicare)	190.00	1,698.11	380.00		775.06 (2 w/Med.)
EPO Plan					
	Single + Spouse/Dependent Single	Single + Spouse/Dependent 1 with Medicare	Single + Spouse/Dependent Both with Medicare	Family w/o Medicare	Family w/Medicare
Retiree (Non-Medicare)	\$ 1,553.36	\$ 1,743.36		\$ 3,106.71	\$ 2,152.25 (1 w/Med.)
Retiree (Medicare)	190.00	1,743.36	380.00		788.89 (2 w/Med.)
HDHP Plan					
	Single + Spouse/Dependent Single	Single + Spouse/Dependent 1 with Medicare	Single + Spouse/Dependent Both with Medicare	Family w/o Medicare	Family w/Medicare
Retiree (Non-Medicare)	\$ 1,466.04	\$ 1,656.04		\$ 2,932.08	\$ 2,014.55 (1 w/Med.)
Retiree (Medicare)	190.00	1,656.04	380.00		739.51 (2 w/Med.)

* MPS Group Medicare Advantage Plan.



Plan Provisions (Continued)

Premium Rates as of January 1, 2024 (Rates effective through December 31, 2024)

PPO Plan					
	Single + Spouse/Dependent		Single + Spouse/Dependent		
	Single	1 with Medicare	Both with Medicare	Family w/o Medicare	
Active	\$ 1,060.42			\$ 2,491.98	
Retiree (Non-Medicare)	1,060.42	\$ 1,250.42		2,491.98	\$ 1,621.56 (1 w/Med.)
Retiree (Medicare)	190.00	1,250.42	380.00		751.15 (2 w/Med.)
EPO Plan					
	Single + Spouse/Dependent		Single + Spouse/Dependent		
	Single	1 with Medicare	Both with Medicare	Family w/o Medicare	
Active	\$ 1,097.53			\$ 2,579.20	
Retiree (Non-Medicare)	1,097.53	\$ 1,287.53		2,579.20	\$ 1,671.67 (1 w/Med.)
Retiree (Medicare)	190.00	1,287.53	380.00		764.14 (2 w/Med.)
HDHP Plan					
	Single + Spouse/Dependent		Single + Spouse/Dependent		
	Single	1 with Medicare	Both with Medicare	Family w/o Medicare	
Active	\$ 1,007.07			\$ 2,343.12	
Retiree (Non-Medicare)	1,007.07	\$ 1,197.07		2,343.12	\$ 1,526.06 (1 w/Med.)
Retiree (Medicare)	190.00	1,197.07	380.00		708.99 (2 w/Med.)

Self-Pay Retiree Rates					
PPO Plan					
	Single + Spouse/Dependent		Single + Spouse/Dependent		
	Single	1 with Medicare	Both with Medicare	Family w/o Medicare	
Retiree (Non-Medicare)	\$ 1,523.54	\$ 1,713.54		\$ 3,047.08	\$ 2,164.33 (1 w/Med.)
Retiree (Medicare)	190.00	1,713.54	380.00		830.79 (2 w/Med.)
EPO Plan					
	Single + Spouse/Dependent		Single + Spouse/Dependent		
	Single	1 with Medicare	Both with Medicare	Family w/o Medicare	
Retiree (Non-Medicare)	\$ 1,569.24	\$ 1,759.24		\$ 3,138.49	\$ 2,225.82 (1 w/Med.)
Retiree (Medicare)	190.00	1,759.24	380.00		846.57 (2 w/Med.)
HDHP Plan					
	Single + Spouse/Dependent		Single + Spouse/Dependent		
	Single	1 with Medicare	Both with Medicare	Family w/o Medicare	
Retiree (Non-Medicare)	\$ 1,480.69	\$ 1,670.69		\$ 2,961.39	\$ 2,080.92 (1 w/Med.)
Retiree (Medicare)	190.00	1,670.69	380.00		790.22 (2 w/Med.)

* MPS Group Medicare Advantage Plan.

Members that retired on or after July 1, 2013, and do not receive a Board-paid subsidy pay the Self-Pay retiree rates.

Active Employee Premium Share for Health Insurance

Effective August 1, 2011, all active employees pay premium contributions for health insurance based on either a percentage of the active premium rate or a percentage of salary (for the MTEA-Teacher Unit) in accordance with applicable collective bargaining agreement and plan provisions for represented employees, or, when such bargaining agreement provisions expire, in accordance with Board policy and plan provisions; for non-represented employees in accordance with Board policy and plan provisions.



Plan Provisions (Continued)

Prior to August 1, 2011, there was no cost to most active employees; Cabinet members pay 5 percent of the premium and Board members pay any difference between the plan they have selected and the lowest cost plan. Effective with the union contract settlements (2005-2006), there is a conditional employee premium contribution of 2.5 percent for those enrolled in the PPO/Indemnity Plan if the premium for this plan increases greater than 17 percent. If the conditional premium share is triggered, future retired members that receive a Board-paid subsidy would receive a subsidy amount equal to the PPO/Indemnity Plan premium rate at the time of retirement less the 2.5 percent conditional premium amount. This conditional premium share was never triggered and has been replaced by the aforementioned required employee premium contributions effective with the 2010/2011 contract settlements and Board policy.

Effective July 1, 2012, or July 1, 2013, as described below, all active employees will pay a percentage of premium for health insurance based on their annual base salary as follows:

Annual Base Salary	Plan	PPO % of Premium	EPO % of Premium	HDHP Effective 1/1/2015 % of Premium
\$25,000 or Under	Single or Family	11%	5%	2%
\$25,001 - \$50,000	Single or Family	12%	8%	5%
\$50,001 - \$75,000	Single or Family	13%	10%	7%
\$75,000 and above	Single or Family	14%	12%	9%

Effective July 1, 2012, new contributions and new plan design for the following employee units:

Local 150 Building Service Helpers Unit	Building Trades
Local 150 Food Service Unit	MTEA-Bookkeepers/Accountants Unit
Local 950 Building Engineers Unit	MTEA-Educational Assistants Unit
Local 1053 Clerical – Technical Unit	MTEA-Substitute Teachers Unit
Local 1616 Unit	

Effective July 1, 2013, new contributions and new plan design for the following employee units:

ASC Unit including exempts	Board Members
Cabinet Level employees	Local 1053 Exempts
MTEA-Teachers Unit	PAMPS Unit
Office of Chief Accountability & Efficiency	Office of Board Governance

Effective July 1, 2015, a new High Deductible Health Plan (HDHP) with a Health Savings Account (HSA) was made available to all active employees.

Life Insurance Benefit

The Board provides group life insurance coverage to eligible retirees equal to the annual earnings at retirement to the next even thousand dollars. Coverage is equal to the previous year’s annual earnings for hourly employees included in 150 Food Services Unit, Local 150 Building Service Helpers Unit, MTEA-Substitute Teachers Unit, and part-time (20 hours per week; 30 hours per week effective July 1, 2012) 1616 Social Work Aides, Local 950 Unit, 1616 Seasonal Laborers, and Building Trades. The life insurance



Plan Provisions (Continued)

face amount is reduced by 25 percent of the original amount each March 1 following the attainment of age 65, 66, and 67. A life insurance amount of 25 percent of the original life insurance benefit is payable if death occurs after March 1 following the retiree's 67th birthday. At the 25 percent reduction the Board will pay a maximum coverage of \$15,000 for 950 and Building Trades, \$20,000 for 1053 and 1616 and \$25,000 for PAMPS. The Board will pay for a maximum of \$10,000 of coverage for Local 150 Food Services and BSH in retirement. Effective with dates of retirement on/after July 1, 2013, the maximum benefit payable at the 25 percent reduction at age 67 is \$25,000. Active Substitute Teachers effective September 1, 2012, and active Seasonal Laborers effective with hire or layoff July 1, 2012, or after are no longer eligible for group life insurance coverage.

Sunset Provision: Employees who are age 55 or older with 30 or more years of MPS service can retire before age 60 (prior to July 1, 2015) and qualify for retiree life insurance benefits.

For all employee units retiring effective July 1, 2016, and after life, insurance coverage at age 67 and over is Board-paid.

Vision Benefit

Retirees and dependents enrolled in the EPO plan receive vision coverage. Effective April 1, 2011, vision benefits for current and future retirees were discontinued.

Dental Benefit

Retirees and dependents are not eligible for dental coverage; however, retirees are eligible for self-pay COBRA coverage for up to 18 months.

Plan Provisions (Continued)
Effective January 1, 2024
United Healthcare MPS PPO Choice Plus Plan
Actives and Non-Medicare Eligible Retirees

Plan Feature	In Network			Out of Network	
Annual Deductible	\$ 750 per person \$ 2,250 per family			\$ 1,500 per person \$ 4,500 per family	
Annual Coinsurance Limit (Includes Annual Deductible)	\$ 3,250 per person \$ 9,750 per family			\$ 4,500 per person \$ 13,500 per family	
<u>Covered Services</u> -Physicians Visits -Specialist Visits -Emergency Room • Emergency Care • Non-Emergency Care -Inpatient Services -Outpatient Services	<u>Coinsurance</u> 100% after \$20 Co-pay 100% after \$35 Co-pay 100% after \$150 Co-pay 50% after deductible 80% after deductible* 80% after deductible*			<u>Coinsurance</u> 50% after deductible* 100% after \$150 Co-pay 50% after deductible 50% after deductible* 50% after deductible*	
Prescription Drug Co-pays (Three-Tier Formulary)	<u>Tier 1</u> Generic	<u>Retail</u> Up to 30- day Supply \$8	<u>Mail Order</u> 90-day Supply \$16	<u>Retail</u> Up to 30-day Supply No benefit	<u>Mail Order</u> 90-day Supply No benefit
	<u>Tier 2</u> Preferred Brand	10% with \$25 min.	\$50		
	<u>Tier 3</u> Non- Preferred Brand	20% with \$50 min.	\$100		
Prescription Drug Out-of- Pocket Annual Limit	\$ 4,100 per person \$ 4,950 per family			No Benefit	
Maximum Lifetime Benefit	None			None	

*Until coinsurance limit is met; 100% thereafter.



Plan Provisions (Continued)
Effective January 1, 2024
United Healthcare MPS EPO Choice
Actives and Non-Medicare Eligible Retirees

Plan Feature	In Network Only		
Annual Deductible	\$ 350 per person \$ 1,050 per family		
Annual Coinsurance Limit (Excludes Annual Deductible)	\$ 1,350 per person \$ 4,050 per family		
<u>Covered Services</u> -Physicians Visits -Specialist Visits -Emergency Room <ul style="list-style-type: none"> • Emergency Care • Non-Emergency Care -Inpatient Services -Outpatient Services	<u>Coinsurance</u> 100% after \$20 Co-pay 100% after \$35 Co-pay 100% after \$125 Co-pay 50% after deductible 80% after deductible* 80% after deductible*		
Prescription Drug Co-pays (Three-Tier Formulary)	<u>Tier 1</u> Generic	<u>Retail</u> Up to 30-day Supply \$8	<u>Mail Order</u> 90-day Supply \$16
	<u>Tier 2</u> Preferred Brand	10% with \$25 min.	\$50
	<u>Tier 3</u> Non- Preferred Brand	20% with \$50 min.	\$100
Prescription Drug Out-of- Pocket Annual Limit	\$6,000 per person \$10,650 per family		
Maximum Lifetime Benefit	None		

**Until coinsurance limit is met; 100% thereafter.*



Plan Provisions (Continued)
Effective January 1, 2024
United Healthcare MPS HDHP Plan
Actives and Non-Medicare Eligible Retirees

Plan Feature	In Network			Out of Network	
Annual Deductible	\$ 1,600 per person \$ 3,200 per family			\$ 3,200 per person \$ 6,400 per family	
Annual Coinsurance Limit (Includes Annual Deductible and Pharmacy Costs)	\$ 3,200 per person \$ 6,400 per family			\$ 6,400 per person \$ 12,800 per family	
<u>Covered Services</u> -Physicians Visits -Specialist Visits -Emergency Room • Emergency Care • Non-Emergency Care -Inpatient Services -Outpatient Services	<u>Coinsurance</u> 80% after deductible* 80% after deductible* 80% after deductible* Not Covered 80% after deductible* 80% after deductible*			<u>Coinsurance</u> 50% after deductible* 50% after deductible* 80% after deductible* Not Covered 50% after deductible* 50% after deductible*	
Prescription Drug Co-pays (Three-Tier Formulary) Preventive Only	<u>Tier 1</u> Generic	<u>Retail</u> Up to 30- day Supply \$8	<u>Mail Order</u> 90-day Supply \$16	<u>Retail</u> Up to 30-day Supply No benefit	<u>Mail Order</u> 90-day Supply No benefit
	<u>Tier 2</u> Preferred Brand	10% with \$25 min.	\$50		
	<u>Tier 3</u> Non- Preferred Brand	20% with \$50 min.	\$100		
Retail & Mail Order Pharmacy	80% after deductible*			None	
Maximum Lifetime Benefit	None			None	

*Until coinsurance limit is met; 100% thereafter.



Plan Provisions (Continued)
Effective January 1, 2024
United Healthcare MPS Group Medicare Advantage Plan
Medicare-Eligible Retirees

Plan Feature	In Network/Out of Network		
Annual Deductible	None		
Annual Coinsurance Limit (Excludes Annual Deductible)	\$ 1,350 per person		
<u>Covered Services</u>	<u>Coinsurance</u>		
-Physicians Visits	\$20 Co-pay		
-Specialists Visits	\$35 Co-pay		
-Emergency Room	\$65 Co-pay		
• Emergency Care	\$35 Co-pay		
• Urgently Needed Care			
-Inpatient Hospital Stay	\$0 Per Admit		
-Outpatient Hospital Services	\$100 Co-pay		
Prescription Drug Co-pays (Three-Tier Formulary) No out of network benefit	<u>Tier 1</u> Generic	<u>Retail</u> Up to 30-day Supply \$8	<u>Mail Order</u> 90-day Supply \$16
	<u>Tier 2</u> Preferred Brand	\$25	\$50
	<u>Tier 3</u> Non- Preferred Brand	\$50	\$100
	<u>Tier 4</u> Specialty Tier	\$50	\$100
Maximum Lifetime Benefit	None		



Life Insurance

Eligible Groups	Eligibility for Board-Paid Benefit	Eligibility for Self-Paid Benefit
ASC-represented Employees ASC-exempt Employees Cabinet Members Office of Board Governance Office of Chief Accountability and Efficiency	30 years & age 55, fully Board-paid with dates of retirement before 7/1/13	15 years & age 55, self-paid to age 65. Fully Board-paid after 65. Self-paid until 65 at age 50 for Administrators on disability pension. Effective with dates of retirement on or after 7/1/13, 20 years & age 60, self-paid to age 65. Maximum benefit coverage amount of \$25,000 at 25% reduction.
Building Trades Local 950 – Building Engineers	N/A	15 years & age 55, self-paid to age 65 & Board-paid after 65 if hired prior to 1/1/87. Maximum of \$15,000 Board-paid at 25% reduction. If hired after 1/1/87, self-paid until death; if eligible, at age 67 or over, Board-paid for retirements on 7/1/16 or later. Effective with dates of retirement on or after 7/1/13, 20 years & age 60 self-paid to 65 & Board paid after 65. Maximum of \$15,000 Board-paid at 25% reduction; retiree self pays for coverage above \$15,000 to the \$25,000 maximum coverage amount.
Local 1053 – Clerical including exempts	30 years & age 55, fully Board-paid with dates of retirement before 7/1/13 Maximum Board-paid \$20,000 at 25% reduction	15 years & age 55, self-paid to age 65 & Board-paid after 65 if hired prior to 1/1/87. Maximum of \$20,000 Board-paid at 25% reduction. If hired after 1/1/87, self-paid until death; if eligible, at age 67 or over, Board-paid for retirements on 7/1/16 or later. Effective with dates of retirement on or after 7/1/13, 20 years & age 60, self-paid to age 65 & Board-paid after 65. Maximum of \$20,000 Board-paid at 25% reduction; retiree self pays for coverage above \$20,000 to the \$25,000 maximum coverage amount.
Local 150 – Building Service Helpers Local 150 – Food Service Workers	N/A	15 years & age 55, self-paid to age 65; after age 65 Board-paid life insurance up to a maximum of \$10,000 if hired prior to 7/1/86. If hired after 7/1/86, not eligible for group coverage. Effective with dates of retirement on or after 7/1/13, 20 years & age 60, self-paid to age 65; after age 65 Board-paid life insurance up to a maximum of \$10,000 if hired prior to 7/1/86; retiree self pays for coverage above \$10,000 to the \$25,000 maximum coverage amount. If hired after 7/1/86, not eligible for group coverage.

Life Insurance (Continued)

Eligible Groups	Eligibility for Board-Paid Benefit	Eligibility for Self-Paid Benefit
Local 1616 Employees	<p>30 years & age 55, fully Board-paid with dates of retirement before 7/1/13</p> <p>Maximum Board-paid \$20,000 at 25% reduction</p>	<p>15 years & age 55, self-paid to age 65 & Board-paid after 65 if hired prior to 1/1/87. Maximum of \$20,000 Board-paid at 25% reduction. If hired after 1/1/87, self-paid until death; if eligible, at age 67 or over, Board-paid for retirements on 7/1/16 or later.</p> <p>Effective with dates of retirement on or after 7/1/13, 20 years & age 60, self-paid to age 65 & Board-paid after 65. Maximum of \$20,000 Board-paid at 25% reduction; retiree self pays for coverage above \$20,000 to the \$25,000 maximum coverage amount.</p>
<p>MTEA – Teachers</p> <p>MTEA – Substitute Teachers</p>	<p>30 years & age 55, Board-paid to \$50,000 for dates of retirement before 7/1/13. Must self-pay any amount over \$50,000. Fully Board-paid after 65.</p> <p>(Substitute Teachers: Benefit eliminated effective with dates of retirement on/ after 7/1/12.)</p>	<p>15 years & age 55, self-paid to age 65. Fully Board-paid after 65.</p> <p>Effective with dates of retirement on or after 7/1/13, 20 years & age 60, self-paid to age 65. Fully Board-paid after 65. Maximum benefit coverage amount of \$25,000 at final 25% reduction.</p> <p>(Substitute Teachers: Benefit eliminated effective with dates of retirement on or after 7/1/12.)</p>
MTEA – Accountants and Bookkeepers	<p>30 years & age 55, Board-paid to \$50,000 for dates of retirement before 7/1/13. Must self-pay any amount over \$50,000. Fully Board-paid after 65.</p>	<p>15 years & age 60, self-paid to age 65. Fully Board-paid after 65.</p> <p>Effective with dates of retirement on or after 7/1/13, 20 years & age 60, self-paid to age 65. Fully Board-paid after 65. Maximum benefit coverage amount of \$25,000 at final 25% reduction.</p>
MTEA – Educational Assistants	<p>30 years & age 55, Board-paid to \$19,000 for dates of retirement before 7/1/13. Must self-pay any amount over \$19,000. Fully Board-paid after 65.</p>	<p>15 years & age 55, self-paid to age 65. Fully Board-paid after 65.</p> <p>Effective with dates of retirement on or after 7/1/13, 20 years & age 60, self-paid to age 65. Fully Board-paid after 65. Maximum benefit coverage amount of \$25,000 at final 25% reduction.</p>
PAMPS – School Psychologists	<p>30 years & age 55, fully Board-paid with dates of retirement before 7/1/13.</p> <p>Maximum Board-paid \$25,000 at 25% reduction</p>	<p>15 years & age 55, self-paid to age 65. Fully Board-paid after 65. Maximum of \$25,000 Board-paid at 25% reduction.</p> <p>Effective with dates of retirement on or after 7/1/13, 20 years & age 60, self-paid to age 65. Fully Board-paid after 65. Maximum of \$25,000 Board-paid at 25% reduction.</p>

Years of service in accordance with applicable collective bargaining agreement and plan provisions for represented employees, or, when such bargaining agreement provisions expire, in accordance with Board policy and plan provisions; for non-represented employees in accordance with Board policy and plan provisions.



SECTION H

ACTUARIAL METHODS AND ASSUMPTIONS

Actuarial Methods and Assumptions

Development of Per Capita Claim Costs

The development of per capita claim costs is based on paid claims, expenses, and enrollment experience for the period from July 1, 2021, to June 30, 2023, adjusted for claims in excess of the stop loss limits. Costs were trended to the mid-point of the first valuation year. Average costs for the pre-Medicare United Healthcare EPO/PPO plans were based on claims and enrollment experience for active and retired members. Average costs for the United Healthcare MPS Group Medicare Advantage Plan were based on premium rates. Standard morbidity tables were used to develop expected claims costs at each respective postretirement age. We relied on claims, expenses, enrollment data, and rating methodology disclosed in the plan's most recent rating reports prepared by MPS' healthcare actuary.

Cost Method and Expense Calculations for Retiree Healthcare Benefits

The retiree healthcare actuarial valuation was based on the entry age normal cost method. Under this method, each participant's projected benefits are assumed to be funded by annual installments, equal to a level percentage of compensation, payable from date of participation to assumed date of retirement. The total normal cost is the sum of the current year's annual installment determined for all active participants. The actuarial accrued liability is the excess value of the present value of future benefits for all participants (both active and retired) over the present value of future normal costs.

Actuarial Assumptions

The actuarial assumptions used in our actuarial valuation are outlined on the following pages.

Actuarial Methods and Assumptions (Continued)

Actuarial Valuation Date	July 1, 2023
Discount Rate as of June 30, 2023	6.00%
Discount Rate as of June 30, 2024	6.00%
Inflation ¹	2.50%
Wage Inflation ²	2.50%

OPEB Assumptions

<u>Fiscal Year End</u>	<u>Pre-Medicare Healthcare Trend</u> ^{3,4}	<u>Medicare Trend</u>	<u>Medicare Part B Trend</u> ⁵
2025	3.923%	10.139%	5.943%
2026	8.000%	9.216%	4.250%
2027	7.750%	8.966%	4.250%
2028	7.500%	8.716%	4.250%
2029	7.250%	8.466%	4.250%
2030	7.000%	8.216%	4.250%
2031	6.750%	7.966%	4.250%
2032	6.500%	7.716%	4.250%
2033	6.250%	7.466%	4.250%
2034	6.000%	7.216%	4.250%
2035	5.750%	6.966%	4.250%
2036	5.500%	6.716%	4.250%
2037	5.250%	6.466%	4.250%
2038	5.000%	6.216%	4.250%
2039	4.750%	4.750%	4.250%
2040	4.500%	4.500%	4.250%
2041 +	4.250%	4.250%	4.250%

**Composite Annual Per Capita
Claim Costs for Calendar Year 2024**

<u>Age</u>	<u>Male</u>	<u>Female</u>
55	\$14,829	\$16,191
60	19,152	18,858
64	23,290	21,979
65	1,990	1,877
70	2,168	2,098
75	2,328	2,272
80	2,444	2,401
85	2,462	2,491

¹ Inflation assumption was used as a building block to estimate healthcare trend, investment returns, and wage inflation.

² Wage inflation was used to project payroll.

³ Medicare trend rates were adjusted to assume initial MAPD plan design savings rate would gradually decline to approximately 15% after 2037. From fiscal year end 2026 to 2038, base Medicare trend rates were increased by approximately 1.22% per year.

⁴ First year base trend rates apply to the 6-month period ending June 30, 2023, and equal 3.923% for non-Medicare costs and 10.139% for Medicare costs.

⁵ Reflects actual Medicare Part B monthly premium rates of \$164.90 for 2023 and \$174.70 for 2024.

Actuarial Methods and Assumptions (Continued)

The premiums used in the actuarial valuation of future retirees are blended based on approximately 30 percent of the PPO costs and 70 percent of the EPO costs. Current retirees are assumed to remain in their current plan (PPO or EPO). Relative value factors were applied to the composite per capita claim costs.

A 10 percent load is applied to the pre-Medicare dependent per capita claim cost to account for covered children who are not directly valued. For retirees who cover only dependent children and not a spouse, a 10 percent load is applied to the pre-Medicare retiree per capita claim cost.

Eligibility for Board-paid subsidy

The table below shows the percentage of retirees assumed to retire with the required percentage of the maximum sick leave allowance and therefore are eligible to receive a Board-paid subsidy.

<u>Retirement Date</u>	<u>% Eligible</u>	<u>% of Maximum Sick Leave Allowance</u>
After June 30, 2013, and before July 1, 2020	60%	90%
On and after June 30, 2020	76%	70%

Participation

Future retirees who meet eligibility conditions for retiree healthcare benefits

Eligible for Board-paid subsidy	85%
Eligible for self-paid benefits only	30%

30% of future retirees are expected to elect PPO coverage. 0% of future Building Trades and ASC retirees are assumed to elect PPO coverage. This retiree health option was eliminated for these groups.

Spouse Coverage

Future retirees that elect coverage at retirement are assumed to enroll as follows:

	<u>Single</u>	<u>Family</u>
Election	40%	60%

40% of spouses are expected to continue coverage after the death of the retiree.

Females are assumed to be three years younger than their spouses.

Actuarial Methods and Assumptions (Continued)

Pension-Related Assumptions

Pension-related assumptions for participants covered under the Milwaukee Board of School Directors Supplemental Early Retirement Plan for Teachers (“Teachers Plan”) as stated in the actuarial valuation report as of July 1, 2023, are assumed for the GASB Statement Nos. 74 and 75 actuarial valuation.

Pension-related assumptions for participants covered under the Milwaukee Board of School Directors Early Retirement Supplement and Benefit Improvement Plan (“Administrators Plan”) and participants in covered positions who became members on or after July 1, 2003, who would otherwise have been participants in the plan, as stated in the actuarial valuation report as of July 1, 2023, are assumed for the GASB Statement Nos. 74 and 75 actuarial valuation.

Other participants are covered under the City of Milwaukee Employees’ Retirement System (“ERS”) and those assumptions, as stated in the actuarial valuation report as of January 1, 2023, and provided by the actuary with certain adjustments are assumed.

Rates are applied consistently with the pension actuarial valuations (with modifications as described), using the census data, as provided by MPS. Retirement rates are applied at first eligibility for pension benefits, although retiree healthcare benefits may not be payable.

Actuarial Methods and Assumptions (Continued)

Salary Increase¹

<u>Years of Service</u>	<u>Teachers</u>	<u>Administrators</u>	<u>Years of Service</u>	<u>General Employees</u>
1	6.70%	4.80%	1	6.25%
5	6.70%	4.80%	5	5.75%
10	4.70%	4.80%	10	5.00%
15	4.20%	4.30%	15	4.25%
20	2.50%	3.30%	20	4.25%
25	2.50%	2.70%	25	4.25%
29	2.50%	2.50%	30	4.00%
			35	3.00%

Demographic Assumptions Mortality¹

Teachers

Retired Member Mortality: Scaling factors of 98 percent for males, and 96 percent for females of the RP-2014 White Collar Healthy Annuitant mortality table, sex distinct, with generational mortality improvement using MP-2018 2-dimensional mortality improvement scales recently released by the SOA. This assumption provides a margin for mortality improvements.

Active Member Mortality: Scaling factors of 97 percent for males, and 99 percent for females of the RP-2014 White Collar Employee mortality table, sex distinct, with generational mortality improvement using MP-2018 2-dimensional mortality improvement scales recently released by the SOA. This assumption provides a margin for mortality improvements.

Future mortality improvements in pre- and post-retirement mortality are reflected by projecting the base mortality tables back from the year 2014 to the year 2006 using the MP-2014 projection scale and projecting from 2006 using the MP-2018 projection scale.

Administrators

Retired Member Mortality: Scaling factors of 99 percent for males, and 96 percent for females of the RP-2014 White Collar Healthy Annuitant mortality table, sex distinct, with generational mortality improvement using MP-2018 2-dimensional mortality improvement scales recently released by the SOA. This assumption provides a margin for mortality improvements.

Active Member Mortality: No scaling of the RP-2014 White Collar Employee mortality table, sex distinct, with generational mortality improvement using MP-2018 2-dimensional mortality improvement scales recently released by the SOA. This assumption provides a margin for mortality improvements.



Actuarial Methods and Assumptions (Continued)

Future mortality improvements in pre- and post-retirement mortality are reflected by projecting the base mortality tables back from the year 2014 to the year 2006 using the MP-2014 projection scale and projecting from 2006 using the MP-2018 projection scale.

General Employees

For regular retirees and for survivors, Pub-2010 Below Median General Retiree Mortality Table with a one-year age setback for males and a two-year age set forward for females, projected generationally using SOA Scale MP-2021. For duty and ordinary disability retirees, Pub-2010 Non-Safety Disabled Retiree Mortality Table with a one-year age setback for males and a two-year age set forward for females, projected generationally using SOA Scale MP-2021. For death in active service, Pub-2010 Below Median General Employee Mortality Table with a one-year age setback for males and a two-year age set forward for females, projected generationally using SOA Scale MP-2021.

This assumption is used to measure the probabilities of members dying before retirement and the probabilities of each benefit payment being made after retirement. Based on the most recent experience study, these tables provide a margin for near-term mortality improvements.

¹ Pension valuation assumptions effective in the July 1, 2023, actuarial valuations for Teachers and Administrators and as stated in the January 1, 2023, ERS actuarial valuation and provided by the actuary (with certain adjustments) for general employees.

Sample Disability Rates ¹		
% Separating Within Next Year		
Age	Teachers and Administrators	General Employees
20	0.010%	0.040%
25	0.010%	0.040%
30	0.010%	0.040%
35	0.010%	0.040%
40	0.020%	0.041%
45	0.070%	0.049%
50	0.130%	0.082%
55	0.210%	0.167%
60	0.320%	0.333%
65	0.370%	0.600%

10% of disabilities are considered to be duty-related for General Employees.

¹ Pension valuation assumptions effective in the July 1, 2023, actuarial valuations for Teachers and Administrators and as stated in the January 1, 2023, ERS actuarial valuation and provided by the actuary (with certain adjustments) for general employees.



Actuarial Methods and Assumptions (Continued)

Sample Turnover Rates ¹					
% Separating Within Next Year					
Age	Teachers	Administrators	General Employees		
			Years of Service	Male	Female
20	18.000%	9.200%	1	15.000%	17.000%
25	17.000%	9.200%	5	9.000%	10.500%
30	12.100%	9.200%	10	4.500%	6.750%
35	9.000%	7.200%	15	4.000%	4.000%
40	4.600%	5.700%	20	3.000%	2.750%
45	2.800%	4.200%	25	1.000%	2.500%
50	2.200%	2.700%	30	0.000%	0.000%
55	2.000%	1.200%			

¹ Pension valuation assumptions effective in the July 1, 2023, actuarial valuations for Teachers and Administrators and as stated in the January 1, 2023, ERS actuarial valuation and provided by the actuary (with certain adjustments) for general employees.

Actuarial Methods and Assumptions (Continued)

Sample Normal Retirement Rates^{1,2}

Vesting Service	Teachers															
	% Separating Within Next Year (Age and Service-Based)															
	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70+
0 - 9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
10	2.0	3.0	2.0	1.0	1.0	3.0	5.0	7.0	7.0	10.0	20.0	25.0	35.0	40.0	50.0	60.0
11	2.9	4.0	2.9	1.6	1.6	3.9	6.1	8.6	8.4	11.6	22.1	27.0	37.0	42.0	52.0	62.0
12	3.7	4.9	3.7	2.2	2.2	4.7	7.2	10.2	9.7	13.2	24.2	29.0	39.0	44.0	54.0	64.0
13	4.6	5.9	4.6	2.8	2.8	5.6	8.3	11.8	11.1	14.8	26.3	31.0	41.0	46.0	56.0	66.0
14	5.4	6.8	5.4	3.4	3.4	6.4	9.4	13.4	12.4	16.4	28.4	33.0	43.0	48.0	58.0	68.0
15	9.8	11.3	10.3	9.0	6.0	7.3	10.5	15.0	13.8	18.0	30.5	35.0	45.0	50.0	60.0	70.0
16	10.6	12.2	11.1	9.6	6.6	8.1	11.6	16.6	15.1	19.6	32.6	37.0	47.0	52.0	62.0	72.0
17	11.5	13.2	12.0	10.2	7.2	9.0	12.7	18.2	16.5	21.2	34.7	39.0	49.0	54.0	64.0	74.0
18	12.3	14.1	12.8	10.8	7.8	9.8	13.8	19.8	17.8	22.8	36.8	41.0	51.0	56.0	66.0	76.0
19	13.2	15.1	13.7	11.4	8.4	10.7	14.9	21.4	19.2	24.4	38.9	43.0	53.0	58.0	68.0	78.0
20	14.0	16.0	14.5	12.0	9.0	11.5	16.0	23.0	20.5	26.0	41.0	45.0	55.0	60.0	70.0	80.0
21	14.9	17.0	15.4	12.6	9.6	12.4	17.1	24.6	21.9	27.6	43.1	47.0	57.0	62.0	72.0	82.0
22	15.7	17.9	16.2	13.2	10.2	13.2	18.2	26.2	23.2	29.2	45.2	49.0	59.0	64.0	74.0	84.0
23	16.6	18.9	17.1	13.8	10.8	14.1	19.3	27.8	24.6	30.8	47.3	51.0	61.0	66.0	76.0	86.0
24	17.4	19.8	17.9	14.4	11.4	14.9	20.4	29.4	25.9	32.4	49.4	53.0	63.0	68.0	78.0	88.0
25	18.3	20.8	18.8	15.0	12.0	15.8	21.5	31.0	27.3	34.0	51.5	55.0	65.0	70.0	80.0	90.0
26	19.1	21.7	19.6	15.6	12.6	16.6	22.6	32.6	28.6	35.6	53.6	57.0	67.0	72.0	82.0	92.0
27	20.0	22.7	20.5	16.2	13.2	17.5	23.7	34.2	30.0	37.2	55.7	59.0	69.0	74.0	84.0	94.0
28	20.8	23.6	21.3	16.8	13.8	18.3	24.8	35.8	31.3	38.8	57.8	61.0	71.0	76.0	86.0	96.0
29	21.7	24.6	22.2	17.4	14.4	19.2	25.9	37.4	32.7	40.4	59.9	63.0	73.0	78.0	88.0	98.0
30	21.7	24.6	22.2	17.4	14.4	19.2	25.9	37.4	32.7	40.4	59.9	65.0	75.0	80.0	90.0	100.0
31	21.7	24.6	22.2	17.4	14.4	19.2	25.9	37.4	32.7	40.4	59.9	67.0	77.0	82.0	92.0	100.0
32	18.2	21.1	18.3	12.8	12.8	19.2	25.9	37.4	32.7	40.4	59.9	69.0	79.0	84.0	94.0	100.0
33	18.2	21.1	18.3	12.8	12.8	19.2	25.9	37.4	32.7	40.4	59.9	71.0	81.0	86.0	96.0	100.0
34	18.2	21.1	18.3	12.8	12.8	19.2	25.9	37.4	32.7	40.4	59.9	73.0	83.0	88.0	98.0	100.0
35	18.2	21.1	18.3	12.8	12.8	19.2	25.9	37.4	32.7	40.4	59.9	75.0	85.0	90.0	100.0	100.0
36	18.2	21.1	18.3	12.8	12.8	19.2	25.9	37.4	32.7	40.4	59.9	77.0	87.0	92.0	100.0	100.0
37	18.2	21.1	18.3	12.8	12.8	19.2	25.9	37.4	32.7	40.4	59.9	79.0	89.0	94.0	100.0	100.0
38	18.2	21.1	18.3	12.8	12.8	19.2	25.9	37.4	32.7	40.4	59.9	81.0	91.0	96.0	100.0	100.0
39	18.2	21.1	18.3	12.8	12.8	19.2	25.9	37.4	32.7	40.4	59.9	83.0	93.0	98.0	100.0	100.0
40	18.2	21.1	18.3	12.8	12.8	19.2	25.9	37.4	32.7	40.4	59.9	85.0	95.0	100.0	100.0	100.0
41	18.2	21.1	18.3	12.8	12.8	19.2	25.9	37.4	32.7	40.4	59.9	87.0	97.0	100.0	100.0	100.0
42	18.2	21.1	18.3	12.8	12.8	19.2	25.9	37.4	32.7	40.4	59.9	89.0	99.0	100.0	100.0	100.0
43	18.2	21.1	18.3	12.8	12.8	19.2	25.9	37.4	32.7	40.4	59.9	91.0	100.0	100.0	100.0	100.0
44	18.2	21.1	18.3	12.8	12.8	19.2	25.9	37.4	32.7	40.4	59.9	93.0	100.0	100.0	100.0	100.0
45+	18.2	21.1	18.3	12.8	12.8	19.2	25.9	37.4	32.7	40.4	59.9	95.0	100.0	100.0	100.0	100.0

¹ Pension valuation assumptions effective in the July 1, 2023, actuarial valuations for Teachers and Administrators and as stated in the January 1, 2023, ERS actuarial valuation and provided by the actuary (with certain adjustments) for general employees.

² Normal retirement eligibility for general employees is satisfied upon attainment of age 55 with 30 years of service or age 60 with four years of service. Early retirement eligibility for general employees is satisfied upon attainment of age 55 with 15 years of service.

Actuarial Methods and Assumptions (Continued)

Sample Normal Retirement Rates					
Administrators					
% Separating Within Next Year (Age-Based)					
Rate of Retirement before June 30, 2020			Rate of Retirement after June 30, 2020		
Age	Certificated	Classified	Age	Certificated	Classified
55	20.0%	15.0%	55	12.0%	10.0%
56	20.0%	15.0%	56	12.0%	10.0%
57	20.0%	25.0%	57	12.0%	20.0%
58	20.0%	17.0%	58	12.0%	12.0%
59	20.0%	17.0%	59	12.0%	12.0%
60	25.0%	25.0%	60	25.0%	25.0%
61	20.0%	20.0%	61	20.0%	20.0%
62	20.0%	20.0%	62	20.0%	20.0%
63	20.0%	20.0%	63	20.0%	20.0%
64	20.0%	20.0%	64	20.0%	20.0%
65	50.0%	50.0%	65	50.0%	50.0%
66	50.0%	50.0%	66	50.0%	50.0%
67	50.0%	50.0%	67	50.0%	50.0%
68	50.0%	50.0%	68	50.0%	50.0%
69	50.0%	50.0%	69	50.0%	50.0%
70 +	100.0%	100.0%	70 +	100.0%	100.0%

Retirement rates for members between the ages 55 and 60 with 20 or more years of service were increased by 4 percentage points for Certificated members and 2.5 percentage points for Classified members to account for updated eligibility conditions for OPEB benefits.

Actuarial Methods and Assumptions (Continued)

Age	Representative Normal Retirement Rates ^{1,2,3,4}				Early Retirement Rates ^{1,2}	
	% Separating Within Next Year (Age-Based)					
	General Employees				General Employees	
	Tier 1		Tier 2		Tier 1	Tier 2
	Male	Female	Male	Female		
42						
43						
44						
45						
46						
47						
48						
49						
50						
51						
52						
53						
54						
55	40.0%	32.0%			2.0%	2.0%
56	20.0	25.0			2.0	2.0
57	25.0	25.0			2.0	2.0
58	25.0	25.0			2.0	2.0
59	25.0	25.0			4.0	2.0
60	25.0	20.0	40.0%	32.0%		2.0
61	25.0	20.0	25.0	20.0		2.0
62	25.0	25.0	25.0	25.0		2.0
63	25.0	20.0	25.0	20.0		2.0
64	25.0	20.0	25.0	20.0		4.0
65	27.0	27.0	27.0	27.0		
66	20.0	27.0	20.0	27.0		
67	27.0	27.0	27.0	27.0		
68	27.0	30.0	27.0	30.0		
69	27.0	30.0	27.0	30.0		
70	100.0	100.0	100.0	100.0		

¹ Pension valuation assumptions effective in the July 1, 2023, actuarial valuations for Teachers and Administrators and as stated in the January 1, 2023, ERS actuarial valuation and provided by the actuary (with certain adjustments) for general employees.

² Normal retirement eligibility for general employees is satisfied upon attainment of age 55 with 30 years of service or age 60 with four years of service. Early retirement eligibility for general employees is satisfied upon attainment of age 55 with 15 years of service.

³ 50% of certificated members and 100% of classified members are assumed to retire once a participant completes 35 years of service.

⁴ Retirement rates for members between the ages 55 and 60 with 20 or more years of service were increased by 1 percentage point to account for updated eligibility requirements for OPEB benefits.



SECTION I

PARTICIPANT DATA

Participant Data

Counts by Labor Unit

	Actives	Retirees and Surviving Spouses Receiving Only Healthcare Benefits	Retirees and Surviving Spouses Receiving Healthcare and Life Insurance Benefits	Retirees Receiving Only Life Insurance Benefits	Total
Board/Cabinet/ASC	477	207	629	27	1,340
Building Trades	47	58	98	11	214
1053 Clerical/Technical	91	47	257	37	432
150 Building Service	92	35	34	5	166
150 Food Service	274	162	107	35	578
1616 Education Employees	26	29	52	12	119
420 Engineers	97	46	124	9	276
Educational Assistants	383	103	288	185	959
Sub Teachers	0	12	62	13	87
Teachers	2,076	1,005	3,084	414	6,579
PAMPS	65	19	51	1	136
Accountants	10	3	14	1	28
	3,638	1,726	4,800	750	10,914

Participant Data (Continued)

Retiree and Surviving Spouse Healthcare Coverage Type by Labor Unit

	1 Person	2 Person	Total
Board/Cabinet/ASC	497	339	836
Building Trades	83	73	156
1053 Clerical/Technical	205	99	304
150 Building Service	52	17	69
150 Food Service	180	89	269
1616 Education Employees	50	31	81
420 Engineers	93	77	170
Educational Assistants	243	148	391
Sub Teachers	35	39	74
Teachers	2,430	1,659	4,089
PAMPS	43	27	70
Accountants	<u>10</u>	<u>7</u>	<u>17</u>
	3,921	2,605	6,526

Participant Data (Continued)

Milwaukee Public Schools
 Retiree Healthcare and Life Insurance Programs
 Actuarial Valuation as of July 1, 2023
 Age Service Distribution for Total Active Population

Attained Age	Years of Service at Valuation Date							Total		
	0-1	1-4	5-9	10-14	15-19	20-24	25-29		30-34	Over 35
Under 20										0
20-24										-
25-29				28	2					30
30-34				109	61					170
35-39				102	247	123	16			488
40-44				67	141	337	143	10	1	699
45-49				63	99	211	386	151	11	921
50-54				53	107	127	230	199	39	755
55-59				45	54	72	104	89	50	414
60-64				13	17	25	34	15	19	123
65-69				2	6	9	3	2	8	30
Over 70				1	1	2	2	2		8
Total	-	-	-	483	735	906	918	468	128	3,638

While not used in the financial computations, the following group averages are computed and shown because of their general interest.

Age:	52.2 years
Service:	23.1 years
Total Pay:	\$265,139,090
Average Pay:	\$72,880