



Michigan Public School Employees Retirement System

Health & Pension Financial Report Summary

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What is the Health & Pension Financial Report?

- ◆ The Michigan Public School Employees Retirement System operates its medical/prescription drug and dental plans on a *self-insured basis*. Its vision plan is on a fully-insured basis.
- ◆ The financial report is a tool designed to assist in the financial management of the plans.



Goals for this Presentation

- ◆ Explain the layout of the Michigan Public School Employees Retirement Systems' financial report.
- ◆ Provide high level view of the financial management of the health insurance fund.
- ◆ Highlight key aspects of the report as of September 30, 2012.



Health & Pension Financial Report

- ◆ **Sections 1 & 2:** Health insurance expenditures and revenues – recent history, current results, and future projections.

Fiscal Year	Expenditures (Net of Medicare Revenue)
2011	\$ 862.4 million
2012	\$ 913.2 million



Health & Pension Financial Report (continued)

- ◆ **Section 3:** Analysis of the health insurance fund status.
 - FY 2012 = \$1,896.7 Million
 - Satisfies minimum Incurred But Not Reported (IBNR) Reserve
 - Satisfies the Rate Stabilization Reserve requirements



Health & Pension Financial Report (continued)

- ◆ **Section 4:** Pension and health benefit payments as a percentage of payroll.
- ◆ **Section 5:** Employer health contribution requirements and employer and employee pension contribution requirements.



Health & Pension Financial Report (concluded)

- ◆ **Sections 6-10:** Cost history and projections for FY 07 through FY 14.
- ◆ **Section 11:** Retiree withholdings history and projections for CY 04 through CY 14.
- ◆ **Sections 12-17:** Health insurance expenditures by benefit plan for FY 07 through FY 12.
- ◆ **Sections 18 - 19:** Detail on assumptions and methods.