



**Appendix 6 - Pension and Other Post-Employment
Benefit Liability**

Pension and Other Post-Employment Benefit (OPEB) Liability
(in \$ millions)

	Pension Liability					
	7/1/2021	7/1/2022	7/1/2023	7/1/2024	7/1/2025	7/1/2026
Unfunded actuarial accrued liability (UAAL)	14,755.0	14,879.0	14,978.0	15,047.0	15,084.0	15,084.0
Funded ratio (based on smoothed assets)	56.5%	57.7%	58.9%	60.0%	61.2%	62.4%
Funding period	24	23	22	21	20	19
Annual required contribution (all employers)	1,204	1,234	1,268	1,303	1,339	1,377
Annual required contribution budgeted (State)	844.5	841.5	841.5	841.5	841.5	841.5
Proposed supplemental budget adjustment			11.3	12.8	29.9	47.3
Net ARC budgeted (State)	844.5	841.5	852.8	854.3	871.4	888.8

Source: Employees' Retirement System of the State of Hawaii, Report to Board of Trustees on the 95th Annual Actuarial Valuation for the Year Ending June 30, 2020

Note: Actuarial Valuation for the fiscal year ending June 30, 2021 is pending

	OPEB Liability					
	7/1/2021	7/1/2022	7/1/2023	7/1/2024	7/1/2025	7/1/2026
Unfunded actuarial accrued liability (UAAL)	8,901.7	9,326.2	9,331.1	9,384.4	9,394.3	9,383.2
Funded ratio	21.0%	21.4%	25.2%	28.3%	31.5%	34.7%
Funding period	25	24	23	22	21	20
	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Annual required contribution	434.2	877.2	839.4	893.0	924.4	958.1
Benefit Payment	434.2	464.1	504.4	544.5	586.6	629.1
UAAL prefunding balance (ARC - Benefit Paym)	-	413.1	335.0	348.5	337.8	329.0
UAAL prefunding contribution/appropriation*	-	-	335.0	348.5	337.8	329.0
Additional contribution**	826.7	-	-	-	-	-
Total prefunding contribution***	826.7	-	335.0	348.5	337.8	329.0
EUTF excess reserve trsf. for State OPEB req.						

Source: For FYs 21-26, source document is State of Hawaii Retiree Health Care Plan Actuarial Valuation Report as of July 1, 2020, "Scenario 2 - PAYGO contribution for FY 21, and ARC "

Note: Actuarial Valuation Report as of July 1, 2021 is pending

*The OPEB pre-funding requirement was suspended in FY 21 via Emergency Proclamation and in FYs 22-23 via Act 229, SLH 2021. No funds were appropriated for OPEB pre-funding in FY 22-23, but the FY 23 Supplemental Executive Budget is requesting funding for FY 23.

**FY 21 additional contributions are comprised of: 1) the \$436,712,880 difference between the \$842,456,000 paid for the original FY 21 ARC requirement prior to the OPEB pre-funding requirement suspension and the actual retiree premiums cost of \$405,743,120; and 2) \$390,000,000 appropriated in FY 21 by Act 6, SpSLH 2021, used to pre-pay OPEB pre-funding for FY 22.

***UAAL and unfunded ratio does not reflect impact of accelerated ARC payments or delays.