



Office of the State Actuary

“Supporting financial security for generations.”

2025 PEBB OPEB Actuarial Valuation

May 15, 2026

This document contains the results of an actuarial valuation of the employer-provided subsidies offered to retirees and their spouses in the Public Employee Benefits Board’s (PEBB) medical plans. The primary purpose of this valuation is to determine the Other Postemployment Benefits (OPEB) liability for the state, as the employer, under the Governmental Accounting Standards Board Statement No. 75 (GASB 75) financial reporting requirements, as of June 30, 2025. Consistent with the [2024 PEBB OPEB Report](#), this valuation focuses on state PEBB employers which includes all Washington State agency and higher education employers. This valuation should not be used for other purposes. Please replace this communication with a future one when available.

The purpose of this document is to provide the Office of Financial Management (OFM) with valuation results to include in their [2026 Annual Comprehensive Financial Report](#). This document includes the following information:

- ❖ Schedule of Changes in Total OPEB Liability (TOL) and Related Ratios.
- ❖ OPEB Expense.
- ❖ Deferred Outflows and Inflows of Resources.
 - Subsequent Recognition Years.
- ❖ Sensitivity of the TOL to Changes in the Healthcare Trend and Discount Rate Assumptions.

Our *2024 PEBB OPEB Report* produced GASB 75 accounting results based on a June 30, 2024, valuation date. For purposes of this analysis, we rolled forward those results to a measurement date of June 30, 2025, reflecting service cost, assumed interest, and actual benefit payments. Additionally, we increased the discount rate from 3.93% to 5.20% consistent with the Bond Buyer 20-Bond general obligation index. Otherwise, all data, assumptions, and methods used in the roll forward are consistent with the *2024 PEBB OPEB Report*.

We believe that the assumptions and methods used in this valuation are reasonable and appropriate for the primary purpose stated above. The use of another set of assumptions and methods, however, could also be reasonable and could produce materially different



results. In our opinion, all assumptions and methods are appropriate and conform to generally accepted actuarial principles and standards of practice as of the date of this publication.

The undersigned, with actuarial credentials, meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. While this document is intended to be complete, we are available to offer extra advice and explanations as needed.

A handwritten signature in black ink, appearing to read "Kyle Stineman". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Kyle Stineman, ASA, MAAA
Actuary

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GASB 75 Results

Schedule of Changes in Total PEGB OPEB Liability and Related Ratios	
Measurement Date of June 30, 2025	
Change in Total OPEB Liability (TOL)	
Service Cost	\$162,225
Interest	176,108
Difference Between Expected and Actual Experience*	-
Changes in Benefit Terms	-
Changes of Assumptions*	-799,529
Benefit Payments**	-115,268
Other	-
Net Change in TOL	-\$576,464
Beginning and Ending TOL	
TOL—Beginning	\$4,375,974
TOL—Ending	\$3,799,510
TOL as a Percentage of Covered Payroll	
Covered Employee Payroll**	\$12,802,709
TOL as a Percentage of Covered Payroll	29.7%

Note: Figures may not total due to rounding; dollars in thousands.

***The recognition period for these changes is 9 years. This is equal to the average expected remaining service lives of all active and inactive members."*

***Source: OFM.*

OPEB Expense for Measurement Date of June 30, 2025 (Dollars in Thousands)	
Service Cost	\$162,225
Interest Cost	176,108
Amortization of Differences Between Expected and Actual Experience	11,819
Amortization of Assumptions Changes	-599,281
Changes in Benefit Terms	-
Other Changes in Fiduciary Net Position	-
Total OPEB Expense	-\$249,129



<i>(Dollars in Thousands)</i>	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$86,948	\$90,738
Changes of Assumptions	156,324	2,554,361
Transactions Subsequent to the Measurement Date*	-	-
Total	\$243,272	\$2,645,100

Note: Deferred outflows will increase future OPEB expense and deferred inflows will decrease future OPEB expense.

**OFM is the source of the Transactions Subsequent to the Measurement Date. Please see the 2026 Annual Comprehensive Financial Report.*

Subsequent Years	
2027	-\$487,192
2028	-354,880
2029	-397,060
2030	-408,620
2031	-415,257
Thereafter	-\$338,819

Note: Negative deferral reflects greater future inflows than outflows; dollars in thousands.

Sensitivity Analysis — Healthcare Trend			
<i>(Dollars in Thousands)</i>	1% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability	\$3,225,145	\$3,799,510	\$4,533,167

Sensitivity Analysis — Discount Rate			
<i>(Dollars in Thousands)</i>	1% Decrease	Current Discount Rate	1% Increase
Total OPEB Liability	\$4,409,744	\$3,799,510	\$3,306,975