

Connecticut Paid Family and Medical Leave (CT Paid Leave) Program Actuarial Results

Quarterly Experience Report - As of June 30, 2026

August 28th, 2026

Information in this document is proprietary

Spring Consulting Group
AN ALERA GROUP COMPANY

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Key Results

Actual vs. Financial Projection Results for the Period July 2025 to June 2026

Figures in $ millions

Period Covered	Actual (*Updated* August 2026) Jul 2025 to Jun 2026 (12-month period)	Actual (July 2026) Jul 2025 to Jun 2026 (12-month period)	Financial Projections (June 2026) Jul 2025 to Jun 2026 (12-month period)
Beginning Fund Balance (net of outstanding contributions and claims payments)	**$638.9**	**$638.9**	**$638.9**
Contributions Earned	$504.9	$498.3	$498.5
Investment Income	$23.2	$23.2	$23.3
Incurred Claims	($513.9)	($513.9)	($509.8)
Other Expenses	($41.8)	($41.8)	($41.7)
Transfer from Operating Reserve	$14.2	$14.2	$14.2
Net Activity	**($13.4)**	**($20.0)**	**($15.5)**
Ending Fund Balance (net of outstanding contributions and claims payments)	**$625.5**	**$618.9**	**$623.4**

Funding Metrics	Actual Metric as of Jun 30, 2026	Target	Actual vs. Target
Reserve vs. Net Fund Balance	0.1 to 1	Less than 3 to 1	**Meets target**
Contributions vs. Net Fund Balance	0.8 to 1	Less than 3 to 1	**Meets target**
Adverse Losses Over One Year vs. Net Fund Balance	0.575 to 1	Less than 0.5 to 1	**Does not meet target**

Actual fund balance is $2.1M higher than estimated, driven by higher than expected contributions

Update in August reflects actual contributions collected in July 2026 attributed to fiscal year 2026

Fund position does not meet one out of the three target metrics, based on higher projected claims in the next year

Detailed Financial Results

Figures in $ millions

	Actual (*Updated* August 2026) Jul 2025 to Jun 2026 (12-month period)	Actual (July 2026) Jul 2025 to Jun 2026 (12-month period)	Financial Projections Jul 2025 to Jun 2026 (12-month period) (June 2026)
Revenue:			
a. Payroll contributions			
Payroll contributions (paid basis) - received by end of period	$497.2	$497.2	$497.4
Reserve for contributions for current period not yet received	$126.6	$120.0	$120.0
Reserve for contributions due from prior periods and received in current period	($118.9)	($118.9)	($118.9)
Total contributions	**$504.9**	**$498.3**	**$498.5**
b. Investment income	**$23.2**	**$23.2**	**$23.3**
Total revenue	**$528.1**	**$521.5**	**$521.8**
Expenses:			
a. Claims benefit payments			
Paid claims	($511.5)	($511.5)	($506.8)
Reserve for incurred claims not yet paid as of end of period	($68.3)	($68.3)	($68.9)
Reserve for incurred claims not yet paid as of start of period	$65.9	$65.9	$65.9
Reported incurred claims	**($513.9)**	**($513.9)**	**($509.8)**
b. Other			
CT Paid Leave administration	($16.0)	($16.0)	($16.0)
Claims administration (Aflac)	($23.8)	($23.8)	($23.7)
Bond repayment	($2.0)	($2.0)	($2.0)
Seed Capital	$0.0	$0.0	$0.0
Subtotal expenses	**($41.8)**	**($41.8)**	**($41.7)**
Total expenses	**($555.7)**	**($555.7)**	**($551.5)**
Transfer from operating reserve	**$14.2**	**$14.2**	**$14.2**
Net activity	**($13.4)**	**($20.0)**	**($15.5)**
Cumulative fund balance			
Ending fund balance (prior to offsetting for outstanding contributions and claims payments)	$567.2	$567.2	$572.3
Contributions for current period not yet received	$126.6	$120.0	$120.0
Reserve for incurred claims not yet paid as of end of period	($68.3)	($68.3)	($68.9)
Ending fund balance (net of outstanding contributions and claims payments)	**$625.5**	**$618.9**	**$623.4**
Reconciliation of net fund balance (net of outstanding contributions and claims payments)			
Net fund balance at end of prior period	$638.9	$638.9	$638.9
Net activity	($13.4)	($20.0)	($15.5)
Ending net fund balance	**$625.5**	**$618.9**	**$623.4**

Questions

Appendix

Appendix — Fund Solvency Metrics

- **Reserve vs. Net Fund Balance (net of outstanding contributions and claims payments):**
  - The reserve represents the funds required to be set aside in respect of the expected cost of claims for events that have already been incurred, but for which corresponding benefits have not yet been paid.
  - The target recommends the net fund balance should be at least one third of the reserve as a measure of the capacity of the funds to cover additional incurred claims not yet paid.
- **Contributions vs. Net Fund Balance (net of outstanding contributions and claims payments):**
  - This measure is an assessment of adequacy of net fund balance to cover inadequate contributions during the year should claims run higher than expected.
  - The target recommends the net fund balance should at least cover one third of next year's contributions.
- **Adverse Losses Over One Year vs. Net Fund Balance (net of outstanding contributions and claims payments):**
  - This measure is an assessment of adequacy of net fund balance to cover adverse losses.
  - Adverse losses were determined based on a stress-test analysis of claims against changes in duration and incidence levels. The specific adverse scenario selected assumes losses generated with a 50% increase in incidence for following fiscal year.
  - The target recommends that the financial net activity in a year with adverse losses is less than half of the net fund balance (i.e., net fund balance should cover at least two years of adverse losses)

Reliances and Limitations

- Spring's analysis and projections are based on a number of assumptions and information from the Connecticut Paid Leave Authority (the "Authority") and Aflac. Other than a general review for reasonableness, Spring has not independently verified any of the information received from the Authority or its service providers. Where data was unavailable or incomplete for certain plans, Spring used industry experience to estimate missing values
- The accuracy of these projections depends on how well future experience conforms to assumptions. Actual experience may be more or less favorable than the assumptions underlying the projections. To the extent that actual experience differs from the assumptions underlying these projections, so will the actual results differ from the results in these projections
- Spring is not a tax, legal or accounting firm – the Authority's advisors should review these areas in light of the Authority's unique facts and circumstances
- Please refer to the Annual Actuarial Report as of June 30, 2026, dated July 23rd, 2026, for additional information on data, assumptions and methods. This document is incomplete without the accompanying discussion
- Exhibit numbers may not add due to rounding