

**PAROCHIAL EMPLOYEES'  
RETIREMENT SYSTEM**

ACTUARIAL VALUATION AS OF  
DECEMBER 31, 2024



June 9, 2025

Board of Trustees  
Parochial Employees' Retirement System  
7905 Wrenwood Blvd.  
Baton Rouge, Louisiana 70809

Ladies and Gentlemen:

We are pleased to present our report on the actuarial valuation of the Parochial Employees' Retirement System for the fiscal year ending December 31, 2024. Our report is based on the actuarial assumptions specified and relies on the data supplied by the system's administrators and accountants. This report was prepared at the request of the Board of Trustees of the Parochial Employees' Retirement System. The primary purposes of the report are to determine the actuarially required contribution for the retirement system for the fiscal year ending December 31, 2025, and to recommend the net direct employer contribution rate for Fiscal 2026.

This report does not contain the information necessary for accounting disclosures as required by Governmental Accounting Standards Board (GASB) Statements 67 and 68; that information is included in a separate report. This report was prepared exclusively for the Parochial Employees' Retirement System for a specific limited purpose. It is not for the use or benefit of any third party for any purpose.

In our opinion, all assumptions on which this valuation is based are reasonable individually and in the aggregate. Both economic and demographic assumptions are based on our expectations for future experience for the fund. These assumptions are based upon the December 31, 2023 Experience Study, are summarized in the back of this report, and are described in detail within that separate report unless stated otherwise.

This report has been prepared in accordance with generally accepted actuarial principles and practices, and to the best of our knowledge and belief, fairly reflects the actuarial present values and costs stated herein. The undersigned actuary is a member of the American Academy of Actuaries, has met the qualification standards for the American Academy of Actuaries to render the actuarial opinions incorporated in this report, and is available to provide further information or answer any questions with respect to this valuation.

Sincerely,

CURRAN ACTUARIAL CONSULTING, LTD.

By: \_\_\_\_\_  
Gregory M. Curran, F.C.A., M.A.A.A., A.S.A.  
Senior Consulting Actuary

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## SUMMARY OF VALUATION RESULTS PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM – PLAN A

Valuation Date:	December 31, 2024	December 31, 2023
Census Summary:		
Active Members	14,162	13,824
Retired Members and Survivors	8,638	8,477
Terminated Due a Deferred Benefit	1,019	948
Terminated Due a Refund	10,269	9,780
Payroll:	\$ 782,475,107	\$ 731,489,199
Benefits in Payment:	\$ 247,863,296	\$ 233,845,747
Present Value of Future Benefits:	\$ 6,284,357,496	\$ 5,953,094,917
Actuarial Accrued Liability (EAN):	\$ 5,019,521,386	\$ 4,767,104,224
Funding Deposit Account Credit Balance:	\$ 95,746,952	\$ 102,214,729
Actuarial Asset Value (AVA):	\$ 5,137,808,297	\$ 4,906,092,553
Market Value of Assets (MVA):	\$ 5,204,028,719	\$ 4,752,547,557
Ratio of AVA to Actuarial Accrued Liability (EAN):	102.36%	102.92%
	Fiscal 2024	Fiscal 2023
Market Rate of Return:	11.7%	13.8%
Actuarial Rate of Return:	6.8%	7.1%
	Fiscal 2025	Fiscal 2024
Employers' Normal Cost (Mid-year):	\$ 68,555,676	\$ 62,999,074
Estimated Administrative Cost:	\$ 2,697,891	\$ 2,448,699
Offset for Projected Ad Valorem Tax Contributions:	\$ (11,052,494)	\$ (10,519,083)
Offset for Projected Revenue Sharing Funds:	\$ (140,287)	\$ (135,931)
Net Direct Employer Actuarially Required Contributions:	\$ 60,060,786	\$ 54,792,759
Projected Payroll:	\$ 798,834,002	\$ 746,919,608
Actual Employee Contribution Rate:	9.50%	9.50%
Actual Net Direct Employer Contribution Rate:	11.00%	11.50%
Actuarially Required Net Direct Employer Contribution Rate:	7.52%	7.34%
	Fiscal 2026	Fiscal 2025
Minimum Recommended Net Direct Employer Cont. Rate:	7.50%	7.25%

## SUMMARY OF VALUATION RESULTS PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM – PLAN B

Valuation Date:	December 31, 2024	December 31, 2023
Census Summary:		
Active Members	2,377	2,384
Retired Members and Survivors	1,170	1,116
Terminated Due a Deferred Benefit	213	209
Terminated Due a Refund	2,190	2,101
Payroll:	\$ 132,553,934	\$ 125,605,540
Benefits in Payment:	\$ 18,838,175	\$ 16,993,868
Present Value of Future Benefits:	\$ 583,758,419	\$ 549,176,298
Actuarial Accrued Liability (EAN):	\$ 464,528,871	\$ 436,129,365
Funding Deposit Account Credit Balance:	\$ 8,571,016	\$ 9,187,912
Actuarial Asset Value (AVA):	\$ 480,467,605	\$ 454,789,737
Market Value of Assets (MVA):	\$ 487,837,977	\$ 441,183,016
Ratio of AVA to Actuarial Accrued Liability (EAN):	103.43%	104.28%
	Fiscal 2024	Fiscal 2023
Market Rate of Return:	11.9%	13.8%
Actuarial Rate of Return:	6.9%	7.0%
	Fiscal 2025	Fiscal 2024
Employers' Normal Cost (Mid-year):	\$ 9,228,695	\$ 8,473,438
Estimated Administrative Cost:	\$ 457,032	\$ 420,471
Offset for Projected Ad Valorem Tax Contributions:	\$ (1,872,330)	\$ (1,806,254)
Offset for Projected Revenue Sharing Funds:	\$ (23,765)	\$ (23,341)
Net Direct Employer Actuarially Required Contributions:	\$ 7,789,632	\$ 7,064,314
Projected Payroll:	\$ 135,805,395	\$ 128,506,690
Actual Employee Contribution Rate:	3.00%	3.00%
Actual Net Direct Employer Contribution Rate:	7.00%	7.50%
Actuarially Required Net Direct Employer Contribution Rate:	5.74%	5.50%
	Fiscal 2026	Fiscal 2025
Minimum Recommended Net Direct Employer Cont. Rate:	5.75%	5.50%

## GENERAL COMMENTS

The values and calculations in this report were determined by applying statistical analysis and projections to system data and the assumptions listed. There is sometimes a tendency for readers to either dismiss results as mere “guesses” or alternatively ascribe a greater degree of certainty and accuracy to the results than is warranted. In fact, neither of these descriptions is valid. Actuarial calculations by their very nature involve estimations. As such, it is likely that eventual results will differ from those presented. The degree to which such differences evolve will depend on several factors including the completeness and accuracy of data used; the degree to which assumptions approximate future experience and the extent to which the mathematical model accurately describes the plan’s design and future outcomes.

Data quality varies from system to system and year to year. The data inputs involve both asset information and census information of plan participants. In both cases, the actuary must rely on third parties; nevertheless, steps are taken to reduce the probability and degree of errors. The development of assumptions is primarily the task of the actuary; however, information and advice from plan administrators, staff and other professionals may be factored into the formation of assumptions. The process of setting assumptions is based primarily on analysis of past trends, but modification of historical experience is often required when the actuary has reason to believe that future circumstances may vary significantly from the past. Setting assumptions includes but is not limited to collecting past plan experience and studying general population demographics and economic factors from the past. The actuary will also consider current and future macro-economic and financial expectations as well as factors that are likely to impact the particular group under consideration. Hence, assumptions will also reflect the actuary’s judgment regarding future changes in plan population and decrements in view of the particular factors which impact participants. Thus, the process of setting assumptions is not mere “guess work” but rather a process of mathematical analysis of past experience and of those factors likely to impact the future.

One area where an actuary has limited ability to develop accurate estimates is the projection of future investment earnings. The difficulties here are significant. First, the future is rarely like the past, and the data points available to develop stochastic trials are far fewer than the number required for statistical significance. In this area, some guess work is inevitable. However, there are tools available to lay a foundation for making estimates with an expectation of reliability. Although past data is limited, the available data is likely to provide some insight into the future. This data consists of general economic and financial values such as past rates of inflation, rates of return variance, and correlations of returns among various asset classes along with the actual asset experience of the plan. In addition, the actuary can review the current asset market environment as well as economic forecasts from governmental and investment research groups to form a reasonable opinion regarding probable future investment experience for the plan.

All of the above processes would be in vain if the assumption process was static, and the plan would have to deal with the consequences of actual experience differing from assumptions after forty or fifty years of compounded errors. Fortunately, actuarial funding methods for pension plans all allow for periodic corrections of assumptions to conform with reality as it unfolds. This process of repeated

correction of estimates produces results which although imperfect is nevertheless a reasonable approach to determine the level of funding and to provide for the future benefits of plan participants.

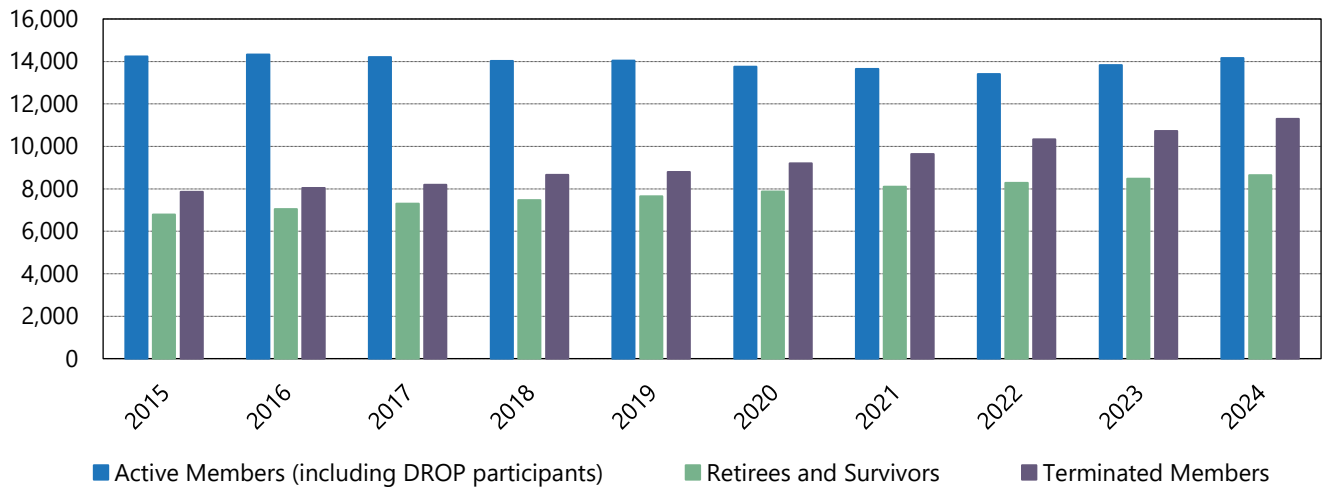
Despite this, future results may materially differ with this actuarial valuation. Employer contribution rates and other funding measures presented in this report will differ as the system is impacted by the following: changes in plan membership, plan liability or investment experience inconsistent with plan assumptions, future changes in plan assumptions or future changes in plan provisions. An analysis of the range of such deviations is outside the scope of this report.

## COMMENTS ON DATA

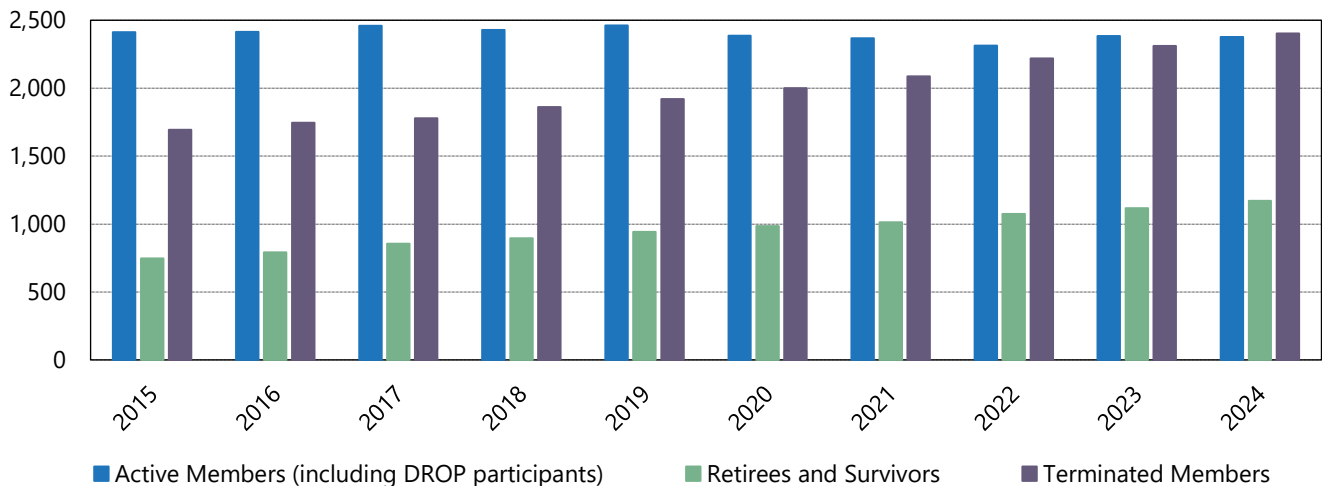
For the valuation, the administrative director of the system furnished a census derived from the system's master data processing file indicating each active covered employee's sex, date of birth, service credit, annual salary, and accumulated contributions. Information on retirees detailing dates of birth of retirees and beneficiaries, as well as option categories and benefit amounts, was provided in a similar manner. In addition, data was supplied on former employees who are vested or who have contributions remaining on deposit. As illustrated in Exhibit IX, there are 14,162 active members in Plan A, of whom, 7,013 members, including 527 participants in the Deferred Retirement Option Plan (DROP), have vested retirement benefits; 8,638 former members of Plan A or their beneficiaries are receiving retirement benefits. An additional 11,288 former members of Plan A have contributions remaining on deposit with the system. This includes 1,019 former members who have vested rights or have filed reciprocal agreements for future retirement benefits. Census data on members of Plan B may be found in Exhibit XIX. There are 2,377 active members in Plan B, of whom, 1,164 members, including 60 DROP participants, have vested retirement benefits; 1,170 former members of Plan B or their beneficiaries are receiving retirement benefits. An additional 2,403 former members of Plan B have contributions remaining on deposit with the system. Of this number, 213 have vested rights or have filed reciprocal agreements for future retirement benefits. The membership counts over the past decade are shown in **Figure 1A** and **Figure 1B**.

Census data submitted to our office is tested for errors. Several types of census data errors are possible; to ensure that the valuation results are as accurate as possible, a significant effort is made to identify and correct these errors. To minimize coverage errors (i.e., missing or duplicated individual records) the records are checked for duplicates, and a comparison of the current year's records to those submitted in prior years is made. Changes in status, new records, and previous records, which have no corresponding current record, are identified. This portion of the review indicates the annual flow of members from one status to another and is used to check some of the actuarial assumptions, such as retirement rates, rates of withdrawal, and mortality. In addition, the census is checked for reasonableness in several areas, such as age, service, salary, and current benefits. The records identified by this review as questionable are checked against data from prior valuations; those not recently verified are included in a detailed list of items sent to the system's administrator for verification and/or correction. Once the identified data has been researched and verified or corrected, it is returned to us for use in the valuation. Occasionally some requested information is either unavailable or impractical to obtain. In such cases, values may be assigned to missing data. The assigned values are based on information from similar records or based on information implied from other data in the record.

### Figure 1A. Plan A Membership Counts



### Figure 1B. Plan B Membership Counts



In recent years, our data review process has found a significant number of members coded as active who have zero or low salary for the fiscal year. Consistently, a review of such members' records finds that many of these individuals stopped contributing toward the end of the fiscal year. Often, this is an indication of termination where forms have not been provided to system staff. Although the staff only changes the member's status upon receipt of a notice of termination from the employer, we use information on salary postings throughout the fiscal year to determine those who appear to be terminated at the end of the fiscal year. For those whose status is changed to terminated, some do not have sufficient service credit to be considered vested in a future benefit. These records are changed to terminated due a refund of employee contributions. Those who have sufficient service credit to qualify for a vested benefit have estimated benefits added to their computer record.

The system's database currently does not maintain a code that distinguishes the proper tier of benefits that should apply to each active member. Therefore, we must assign tier codes to members based on their dates of entry and service credit.

In addition to the statistical information provided on the system's participants, the system's administrative director furnished general information related to other aspects of the system's expenses, benefits and funding. Valuation asset values as well as income and expenses for the fiscal year were based on information furnished by the system's auditor, the firm of Duplantier, Hrapmann, Hogan & Maher, L.L.P. As indicated in the system's audit report, the net market value of Plan A's assets was \$5,204,028,719 as of December 31, 2024. For Plan A, the net investment income for Fiscal 2024 measured on a market value basis was \$550,553,132. Contributions to Plan A for the fiscal year totaled \$178,302,842; benefits and expenses amounted to \$277,374,812. With benefits and expenses exceeding contributions to the system, system staff must periodically raise funds from the investment portfolio to meet cash flow needs. The history of these values is shown later in **Figure 5A**.

The net market value of Plan B's assets was \$487,837,977 as of December 31, 2024. For Plan B, the net investment income for Fiscal 2024 measured on a market value basis was \$52,029,751. Contributions to Plan B for the fiscal year totaled \$15,825,077; benefits and expenses amounted to \$21,199,867. With benefits and expenses slightly exceeding contributions to the system, system staff must periodically raise funds from the investment portfolio to meet cash flow needs. The history of these values is shown later in **Figure 5B**.

Notwithstanding our efforts to review both census and financial data for apparent errors, we must rely upon the system's administrative staff and accountants to provide accurate information. Our review of submitted information is limited to validation of reasonableness and consistency. Verification of submitted data to source information is beyond the scope of our efforts.

## **COMMENTS ON ACTUARIAL METHODS AND ASSUMPTIONS**

The system's actuarial funding method is set by R.S. 11:22. Plan A was previously funded under the Frozen Attained Age Normal Cost Method. The Frozen Unfunded Accrued Liability was fully amortized in Fiscal 2012. According to R.S. 11:22(D), the Fiscal 2013 valuation recognized that Plan A's funding method was changed to the Aggregate Actuarial Cost Method. Plan B is also funded utilizing the Aggregate Actuarial Cost Method. This method does not develop an unfunded actuarial liability. Under the Aggregate Cost Method, actuarial gains and losses are spread over future normal costs. Thus, favorable plan experience will lower future normal costs; unfavorable experience will cause future normal costs to increase. In both plans, benefit and assumption changes are also spread over future normal costs. Effective with Fiscal 2008, for both Plans A and B, any excess funds collected pursuant to R. S. 11:105 or R. S. 11:107 are allocated to the Funding Deposit Account. The Funding Deposit Account credit balance as of the end of the prior fiscal year for Plans A and B was \$102,214,729 and \$9,187,912, respectively. Both accounts increased with interest at the 6.40% valuation interest rate in effect during fiscal 2024. With the Plan A Fiscal 2024 employer contribution rate set above the minimum actuarially determined rate, a contribution gain of \$35,332,528 was added to the Funding Deposit Account as of December 31, 2024. With the Plan B Fiscal 2024 employer contribution rate set above the minimum actuarially determined rate, a contribution gain of \$2,510,507 was added to the Funding Deposit

Account as of December 31, 2024. In addition, \$48,342,048 was withdrawn from the Funding Deposit Account as of December 31, 2024 for Plan A and \$3,715,429 was withdrawn from the Funding Deposit Account as of December 31, 2024 to pay for a Cost of Living Increase payable on January 1, 2025. After accounting for the withdrawals to fund cost of living increases and adjusting the balance for interest, the resulting balances as of December 31, 2024 for Plans A and B were \$95,746,952 and \$8,571,016, respectively.

Figure 2A. Plan A | Funding Deposit Account History

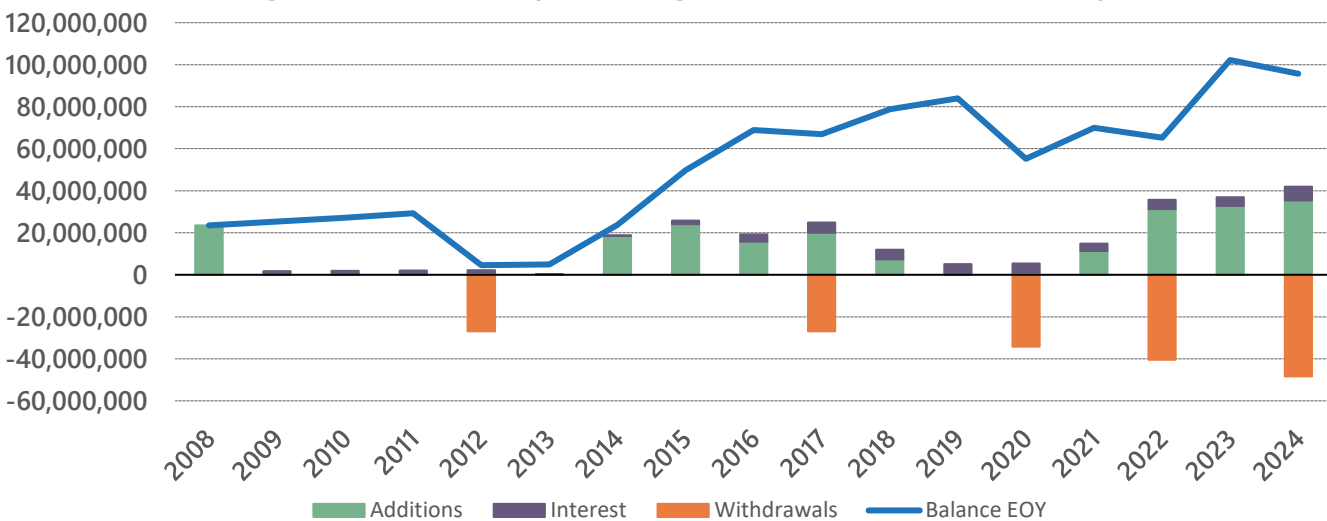
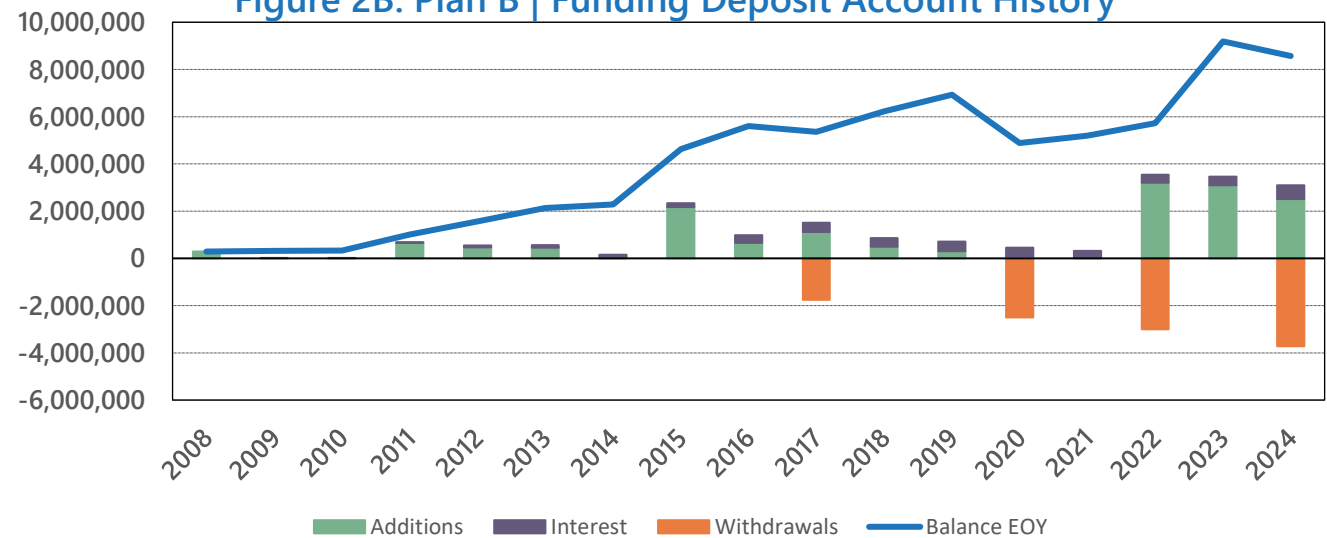


Figure 2B. Plan B | Funding Deposit Account History



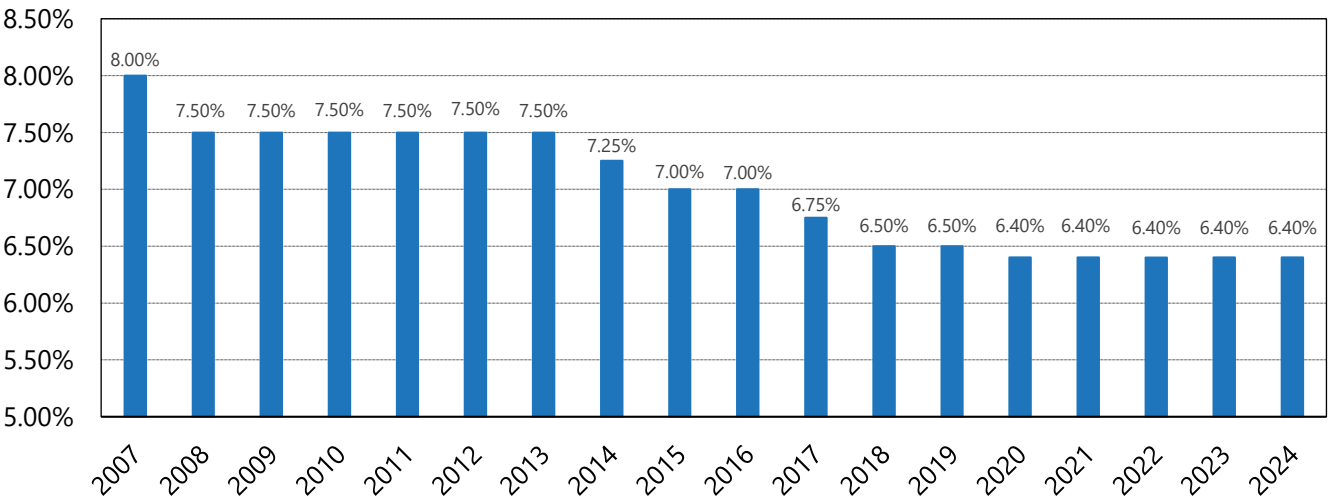
The current year actuarial assumptions utilized for this report are based on the results of an actuarial experience study for the period January 1, 2018 – December 31, 2022, unless otherwise specified. This experience study included a review of all plan decrements in addition to salary scale experience and other demographic factors which impact plan costs. Details related to the study are contained within

the 2023 Parochial Employees’ Retirement System Experience Study Report. The results of the actuarial valuation rely on the assumptions set by this experience study unless stated otherwise.

One of the most important actuarial assumptions within an annual valuation of defined benefit liabilities is the valuation interest rate. Based upon contractions in the capital market assumptions produced by investment consultants and investment market participants, a significant effort was made between 2007 and 2020 to reduce the long-term rate of return assumption. Capital market assumptions for most risky assets and for traditional fixed income assets have increased in recent years. This has resulted in no further changes in this assumption since 2020. A history of the valuation interest rate applicable to both plans is shown in **Figure 3**.

Despite the lack of change in the valuation interest rate for the past few years, we continue to review this important assumption. Our most recent review of the valuation interest rate was performed based on a set of consultant average capital market assumptions developed by Curran Actuarial Consulting in early 2024. We collected capital market assumptions consisting of estimates of rates of return, standard deviations, and correlation coefficients for thirty asset classes. Segal Marco Advisors and five other consulting firms submitted capital market assumptions for use in developing this set of capital market assumptions. In addition, capital market assumptions from three large national money management firms were used. We have also reviewed the system’s assumed rate of long-term inflation by comparing the assumption to several professional sources. The consultant average capital market assumptions and the system’s long-term assumed rate of inflation were used to derive forward estimates of the Fund’s portfolio earnings rate. The actuary’s reasonable range for the assumption related to the assumed long-term expected rate of return was reviewed by developing 10,000 stochastic trials over the coming 30 years. These trials were developed based upon the average arithmetic portfolio rate of return and an estimate of the portfolio’s long-term standard deviation. The reasonable range was set based upon the 40<sup>th</sup> through 60<sup>th</sup> percentile of the geometric 30-year average rates of return taken from these trials. Our study performed in 2024 based upon the system’s target asset allocation resulted in a reasonable range of 6.26% through 7.40% with a 50<sup>th</sup> percentile value of 6.84%.

Figure 3. Assumed Rate of Return



The lower bound of the 2024 reasonable range is 0.35% higher than the same figure measured in 2020. Given the large shift in capital market assumptions over the past few years and the fact that the current assumed rate of return of 6.40% is within the reasonable range, we do not recommend that the Board consider any further changes in the valuation interest rate at this time.

Although the board of trustees has the authority to grant ad hoc Cost of Living Adjustments (COLAs) under limited circumstances, prior to prefunding from the Funding Deposit Account these COLAs were not shown to have a historical pattern, the amounts of the COLAs were not set relative to a defined cost-of-living or inflation index, and there was no evidence to conclude that COLAs would be granted on a predictable basis in the future. Since 2016, the Board has elected to utilize funds set aside in the system's Funding Deposit Accounts to prefund COLAs. COLAs paid out of the Funding Deposit Account do not affect the actuarially required contributions to the system since the present value of additional benefits is transferred from the Funding Deposit Account to the funding assets at the time of recognition. Although the statutes allow the Board to provide ad hoc COLAs in the future without prefunding, the Board has expressed its desire to continue the use of the Funding Deposit Account as a tool to prefund COLAs. The consistent approach to setting the employer rate above the minimum and depositing funds into the Funding Deposit Account has increased the frequency of COLAs. Therefore, the present value of benefits utilized to determine the proper level of actuarial funding does not include provisions for potential future ad hoc COLAs.

The current year's actuarial assumptions utilized for the report are outlined in the back of this report. Except for an update in the option factors used to estimate benefits due spouses of members who die prior to retirement, all assumptions used are the same as those used in the 2020 valuation. All calculations, recommendations, and conclusions are based on the assumptions specified. To the extent that prospective experience differs from that assumed, adjustments to contribution levels will be required. Such differences will be revealed in future actuarial valuations. Within our valuation model, option factors were updated to those in effect for retirements beginning January 1, 2025.

## **RISK FACTORS**

Defined benefit pension plans are subject to several risks. These can be related either to plan assets or liabilities. To pay benefits, the plan must have sufficient assets when benefits become due. Several factors can lead to asset levels which are below those required to pay promised benefits. The following categories describe several key risks and provide measurements related to a few.

### **Contribution Policy Risk**

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The first risk in this regard is the failure to contribute adequate funds to the plan. In some ways, this is the greatest risk since other risks can usually be addressed by adequate actuarial funding. Louisiana constitutional and statutory provisions greatly limit this risk by requiring that state and statewide plans maintain funding on an actuarial basis. The state constitution sets forth general requirements with specific funding parameters specified in the state statutes. This results in a funding policy that is expected to achieve a 100% funded status in time.

# Funded Status

Beyond identifying risk categories, it is possible to quantify some risk factors. One fairly well-known risk metric is the funded ratio of the plan. The rate is given as plan assets divided by plan liabilities. However, the definition of each of these terms may vary. The two typical alternatives used for assets are the market and actuarial value of assets. There are several alternative measures of liability depending on the funding method employed. The Governmental Accounting Standards Board (GASB) specifies that for financial reporting purposes, the funded ratio is determined by using the market value of assets divided by the entry age normal accrued liability. This value is given in the system’s financial report. Alternatively, we have calculated the ratio of the actuarial value of assets to the entry age normal accrued liability based on the funding methodology used to fund the plan. The ratio is 102.36% for Plan A and 103.43% for Plan B as of December 31, 2024. A history of this value is shown in **Figures 4A and 4B**.

Figure 4A. Plan A Historical Funded Status

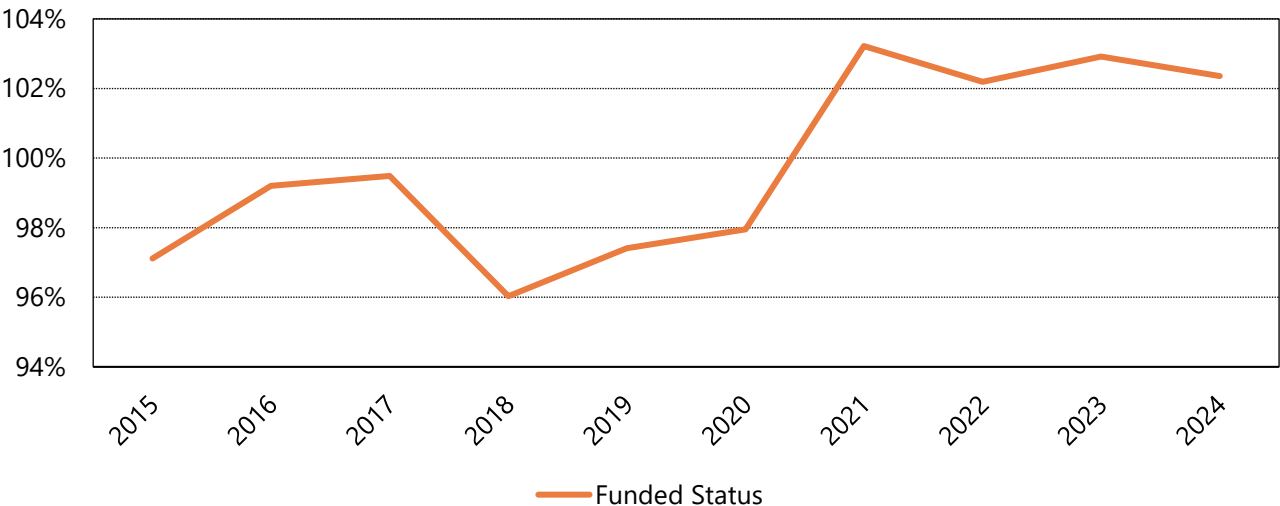
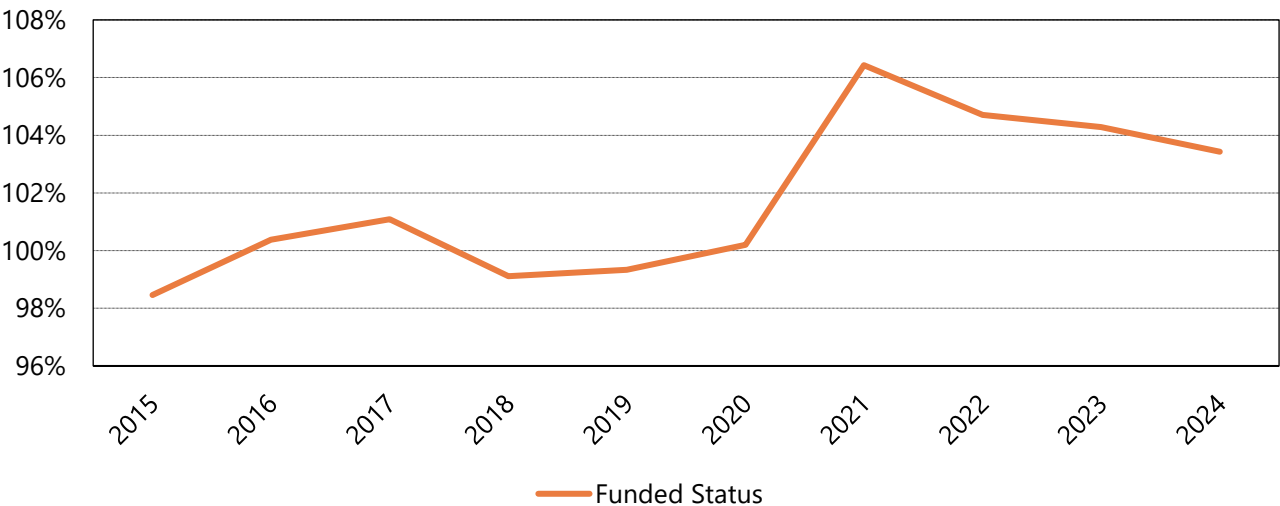


Figure 4B. Plan B Historical Funded Status



This value gives some indication of the financial strength of the plan; however, it does not guarantee the ability of the fund to pay benefits in the future or indicate that in the future, contributions are likely to be less than or greater than current contributions. In addition, the ratio cannot be used in isolation to compare the relative strength of different retirement systems. However, the trend of this ratio over time can give some insight into the financial health of the plan. Even in this regard, caution is warranted since market fluctuations in asset values and changes in plan assumptions can distort underlying trends in this value. Exhibits X and XX give a history of this value for the last ten years. However, the underlying trend is somewhat disguised since the system has significantly reduced the valuation interest rate over this period. Absent the reduction in this rate, the current ratio would be significantly higher.

Following are several risks and risk measures related to system assets:

### **Inflation Risk**

All pension plans are subject to the uncertainty of asset performance, of which inflation is a major component. The total nominal rate of return on assets is comprised of the real rates of return earned on the portfolio of investments plus the underlying inflation rate. High levels of inflation pose a risk to plan members in that they reduce the purchasing power of plan benefits. Should the plan attempt to offset inflation by providing COLAs (often in the form of permanent benefit increases), minimum contribution rates will typically increase unless provisions are made to prefund such adjustments. Since the Board has used the Funding Deposit Account to prefund COLAs over the last eight years, the minimum employer contribution rates have not been affected. Very low inflation typically reduces the nominal rate of return on assets; deflation can potentially reduce the capital value of trust assets. During the decade preceding 2020, inflation levels remained in a fairly narrow range. Since 2020, inflation has significantly increased. So far, Federal Reserve efforts to fight inflation have not had the desired effect of returning inflation measures to their 2% target level. Forecasters seem to believe that long-term average rates of future inflation may remain higher than the target level. There is always the possibility that high inflation will remain a problem in the future or that the country will experience a deflationary period; however, most expert opinion currently assesses these alternatives as unlikely in the near term.

### **Reinvestment Risk**

Another element of asset risk is reinvestment risk. Interest rate declines can subject pension plans to an increase in this risk. As fixed income securities mature, investment managers may be forced to reinvest funds at decreasing rates of return. Reinvestment risk was significantly mitigated in recent years as the Federal Reserve increased the Federal Funds Rate. In September 2024, the Federal Reserve changed that policy by reducing that rate for the first time since March 2020. Should Federal Reserve policy continue to reverse the recent cycle of increased interest rates by bringing down the Federal Funds Rate, reinvestment risk will increase.

### **Asset Return Volatility Risk**

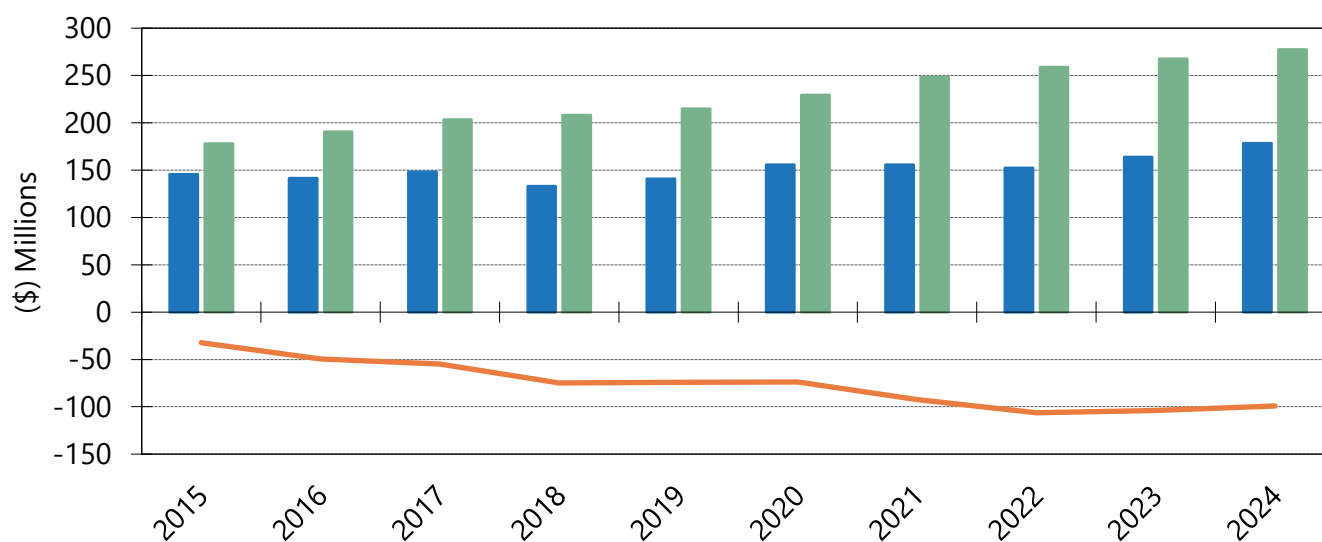
Long-term asset performance depends not only on average returns but also on the volatility of returns. Two portfolios of identical size with identical average rates of return will accumulate different levels of

assets if the volatility of returns differs, since increased volatility reduces the accumulation of assets. Volatility of returns will be determined by both market conditions and the asset allocation of the investment portfolio. If the system's investment portfolio has a substantial allocation to assets that have low price stability, the risk of portfolio volatility will increase, although low correlations among asset classes can mitigate this risk.

## Cash Flow Risk

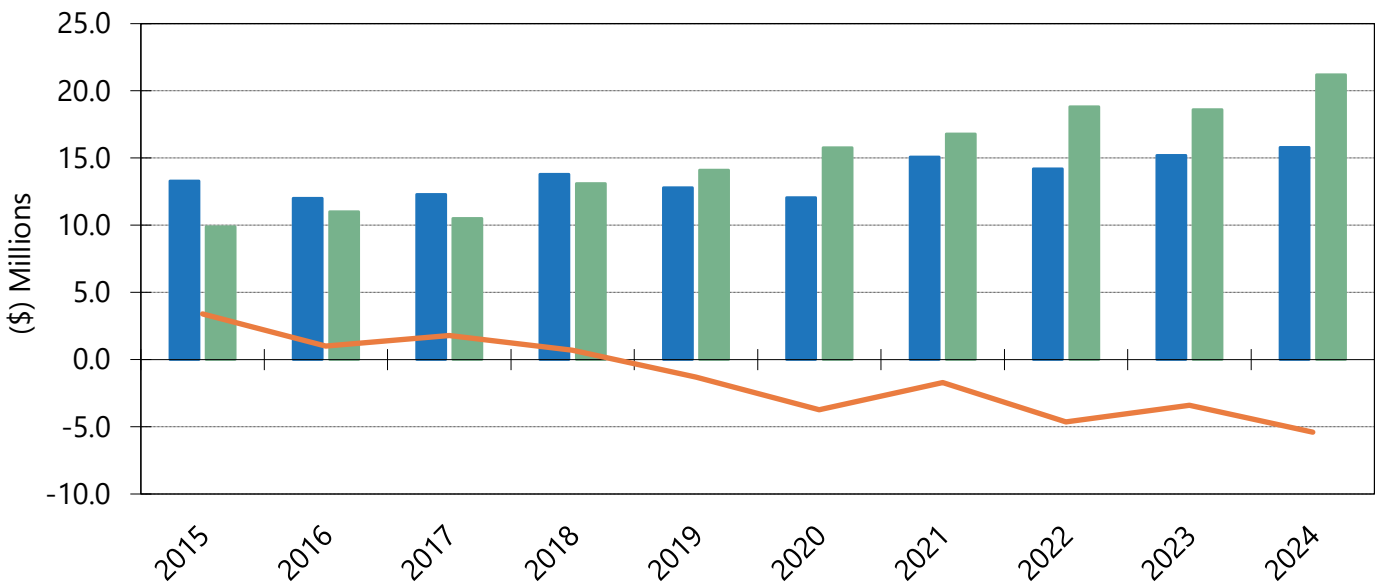
The system is also exposed to risk related to cash flows. Where benefit payments exceed contributions to a plan, the plan will be required to use investment income or potentially investment capital to pay benefits. In cases where it is necessary to use investment income to pay retirement benefits, investment market downturns will place additional stress on the portfolio and make the recovery from such downturns more difficult since funds available for reinvestment are reduced by benefit payments. The historical cash flow graphs and demonstrations given below in **Figure 5A and 5B** compare the total contribution income to benefits and expenses to determine the noninvestment cash flow of the system over the last ten years. In that ten-year period, Plan A's annual benefit payments have exceeded annual contributions in each year while Plan B has only recently experienced negative cash flows. In this situation, portfolio construction is very important, and investment staff must consider what level of liquidity is necessary.

**Figure 5A. Plan A Annual Net Non-Investment Cash Flows**



Plan A Net Non-Inv. Cash Flows		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contribution Income (\$Mil)	■	145.6	141.4	148.4	133.2	140.9	155.6	155.9	152.5	163.7	178.3
Benefits and Expenses (\$Mil)	■	177.9	190.7	203.3	208.0	215.0	229.5	248.3	258.8	267.5	277.4
Net Non- Inv. Cash Flow (\$Mil)	—	-32.3	-49.3	-54.9	-74.8	-74.1	-73.9	-92.4	-106.3	-103.8	-99.1

**Figure 5B. Plan B Annual Net Non-Investment Cash Flows**



Plan B Net Non-Inv. Cash Flows		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contribution Income (\$Mil)	■	13.3	12.0	12.3	13.8	12.8	12.0	15.1	14.2	15.2	15.8
Benefits and Expenses (\$Mil)	■	9.9	11.0	10.5	13.1	14.1	15.8	16.8	18.8	18.6	21.2
Net Non- Inv. Cash Flow (\$Mil)	—	3.4	1.0	1.8	0.7	-1.3	-3.8	-1.7	-4.6	-3.4	-5.4

Future net non-investment cash flows for both plans will depend upon each plan's maturity level and future contribution levels. Hence, increases in future contributions due to adverse actuarial experience will tend to mitigate the potential of negative cash flows arising from the natural maturation of the system whereas reduced contribution levels resulting from, positive experience will tend to increase the scale of negative cash flows. Absent a significant increase in the active membership of the plans, the trend of higher proportion of retired membership may continue, and the current trend toward higher level of negative non-investment cash flows could continue in the near future.

### Sensitivity to Investment Gains/Losses

Every retirement system is subject to investment return risk. When the rate of return on the actuarial value of assets does not equal the assumed rate of return, the system experiences investment gains or losses. These can cause contribution rate requirements to be more volatile. We have determined that for Plan A, based on current assets and demographics, for each percentage under (over) the assumed rate of return on the actuarial value of assets, there will be a corresponding increase (decrease) in the actuarially required contribution as a percentage of projected payroll of 0.74% for the plan. For Plan B this figure is 0.43%.

## **Sensitivity to Changes in Valuation Interest Rate**

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With regard to the economic assumptions, we have determined that a reduction in the valuation interest rate by 1% (without any change to other collateral factors) would increase the actuarially required employer contribution rate for Fiscal 2025 by 11.51% of payroll for Plan A and 7.17% of payroll for Plan B. Future adjustments to the future assumed rates of return may be required; however, the likelihood of such an event is difficult to gauge since it requires assigning probabilities to future capital market scenarios.

Following are several risks and risk measures related to system liabilities:

### **Maturity Risk**

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The ability of a system to recover from adverse asset or liability performance is related to the maturity of the plan population. In general, plans with increasing active membership are less vulnerable to asset and liability gains and losses than mature plans since changes in plan costs can be partially allocated to new members. If the plan has a large number of active members compared to retirees, asset or liability losses can be more easily addressed. As more members retire, contributions can only be collected from a smaller segment of the overall plan population. Often, population ratios of actives to annuitants are used to measure the plan's ability to adjust or recover from adverse events since contributions are made by or on behalf of active members but not for retirees. Thus, if the plan suffers a mortality loss through increased longevity, this will affect both actives and retirees, but the system can only fund this loss by contributions related to active members. A measure of risk related to plan maturity is the ratio of total benefit payments to active payroll. For Fiscal 2024, this ratio is 31.68% for Plan A and 14.21% for Plan B; ten years ago this ratio was 24.24% for Plan A and 8.12% for Plan B.

### **Assumption Risk**

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One other area of exposure the plan faces is the possibility that plan assumptions will need to be revised to conform to changing actual or expected plan experience. Such assumption revisions may relate to economic or demographic factors. Regarding the economic assumptions, there is always the possibility that market expectations will require an adjustment to the assumed rate of return. Market expectations related to the assumed rate of return do not currently suggest that a further decrease in the assumption is warranted. We will continue to monitor capital market assumptions and the Board's decisions related to asset mix. We will advise the Board if the reasonable range changes in any material way in the future.

Noneconomic assumptions such as mortality or other rates of decrement such as withdrawal, retirement, or disability are also subject to change. In general, such changes tend to affect plan costs less than adjustments to the assumed rates of return. Quantifying the probability or magnitude of such changes is beyond the scope of this report. In summary, there is a risk that future actuarial measurements may differ significantly from current measurements presented in this report due to factors such as the following: plan experience differing from that anticipated by the economic or demographic assumptions, changes in economic or demographic assumptions, and changes in plan provisions or applicable law. Ordinarily, variations in these factors will offset to some extent. However, even with the

expectation that not all variations in costs will likely travel in the same direction, factors such as those outlined above have the potential on their own to pose a significant risk to future cost levels and solvency of the system.

### **Data Error Risk**

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Liability risk also includes items such as data errors. No actuarial valuation can provide accurate figures without accurate data on plan members, former members, retirees, and survivors. Significant errors in plan data can distort or disguise plan liabilities. When data corrections are made, the plan may experience unexpected increases or decreases in liabilities.

### **Liability Duration Risk**

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Each pension plan has its own unique benefit structure and demographic profile. As a result, each plan will respond to changes in interest rates in a unique way. As the expected rate of return on investments changes and the interest rate used to discount plan liabilities is adjusted, the shift in plan liabilities will depend upon the duration of the liabilities (which can be understood as the plan's sensitivity to the change in the interest rate). A slightly different measure of the duration for the plan can also be understood as an indicator of the plan's maturity. When a pension plan is first established, all of the participants are active members; as members retire and the plan matures, the duration of the plan decreases. A determination of the liability duration gives some insight into the investment time horizon of the plan. Thus, the liability duration of a closed plan can be thought of as the weighted "center of gravity" of plan benefit cash flows with expected cash flows occurring both before and after the duration value. For open plans with a continuous flow of new entrants this measure is somewhat less informative since the duration horizon keeps changing as new members enter the plan. For this plan we have estimated the effective liability duration as 11.06 for Plan A and 11.63 for Plan B, when measured based on the interest sensitivity of each plan's entry-age normal accrued liability.

### **Other Liability Risks**

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Other liability risks include longevity risk (the risk that retirees will live longer than expected), termination risk (the risk that fewer than the anticipated number of members will terminate service prior to retirement), and other factors that may have an impact on the liability structure of the plan. In a general sense, the short-term effects of these risks on the cost structure of the plan are somewhat limited since changes in these factors tend to be gradual and follow long term secular trends. Final average compensation plans are also vulnerable to unexpectedly large increases in salary for individual members near retirement. The effect of such events frequently relates to pay plan revisions where salaries "catch-up" after a number of years of slow growth. Revisions of this type usually depend on general economic conditions and can result in liability losses. However, they generally are infrequent and are more of a short-term issue.

Even natural disasters and dislocations in the economy or other unforeseen events can present risks to the plan. These events can affect member payroll and plan demographics, both of which impact costs. The risk associated with either of these factors can vary dependent upon the severity of the event and cannot be easily forecasted.

## CHANGES IN PLAN PROVISIONS

The following changes in plan provisions were enacted during the 2024 Regular Session of the Louisiana Legislature:

**Act 46** provides that for systems covered by R.S. 11:103, "employer contributions" as used in the transfer of service credit statute means the actuarially required employer contributions determined in accordance with R.S. 11:103. In other words, funds dedicated to the Funding Deposit Account are not eligible for transfer.

## ASSET EXPERIENCE

The actuarial and market rates of return for the past ten years are given below (**Figures 6A and 6B**). These rates of return on assets were determined by assuming a uniform distribution of income and expense throughout the fiscal year. The market rate of return gives a measure of investment return on a total return basis and includes realized and unrealized capital gains and losses as well as interest income. This rate of return gives an indication of performance for an actively managed portfolio where securities are bought and sold with the objective of producing the highest total rate of return.

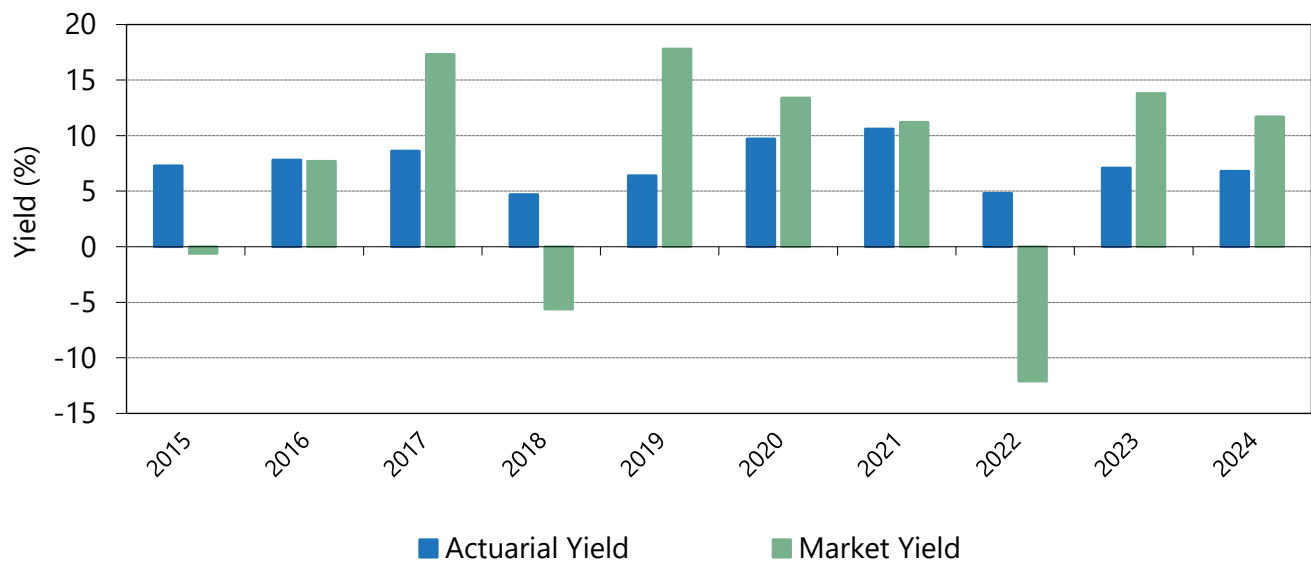
The market rate of return gives a measure of investment return on a total return basis and includes realized and unrealized capital gains and losses as well as interest income. This rate of return gives an indication of performance for an actively managed portfolio where securities are bought and sold with the objective of producing the highest total rate of return. During 2024, Plan A earned \$108,487,465 and Plan B earned \$10,218,513 of dividends, interest and other recurring income. In addition, Plan A had net realized and unrealized capital gains and other non-recurring income on investments of \$472,720,895 while the total of such gains for Plan B amounted to \$44,633,202. Investment expenses were \$30,655,228 for Plan A and \$2,821,964 for Plan B.

The actuarial rate of return is presented for comparison to the assumed long-term rate of return of 6.40% for Fiscal 2024. This rate is calculated based on the smoothed value of assets subject to constraints as given in Exhibit III-B for Plan A and Exhibit XIII-B for Plan B. Investment income used to calculate this yield is based upon a smoothing of investment income above or below the valuation interest rate. The difference between rates of return on an actuarial and market value basis results from the smoothing utilized. Actuarial yields in excess of the 6.40% assumption will reduce future costs; yields below 6.40% will increase future costs. Net actuarial investment earnings exceeded the actuarial assumed earnings rate of 6.40%, used for Fiscal 2024, by \$19,918,930 for Plan A and exceeded the actuarial assumed earnings rate of 6.40%, used for Fiscal 2024, by \$2,115,441 for Plan B. These earnings surpluses for Plan A produced actuarial gains, which decreased the normal cost accrual rate by 0.2852% and the earnings surpluses for Plan B produced actuarial gains, which decreased the normal cost accrual rate by 0.1911% for Plan B.

Plan A	Market Yield	Actuarial Yield
2015	-0.6%	7.3%
2016	7.7%	7.8%
2017	17.3%	8.6%
2018	-5.6%	4.7%
2019	17.8%	6.4%
2020	13.4%	9.7%
2021	11.2%	10.6%
2022	-12.1%	4.8%
2023	13.8%	7.1%
2024	11.7%	6.8%

Plan A Geometric Average Market Rates of Return		
5-year average	(Fiscal 2019 – 2024)	7.1%
10-year average	(Fiscal 2014 – 2024)	7.0%
15-year average	(Fiscal 2009 – 2024)	8.1%
20-year average	(Fiscal 2004 – 2024)	6.8%
25-year average	(Fiscal 1999 – 2024)	6.6%
30-year average	(Fiscal 1994 – 2024)	7.8%

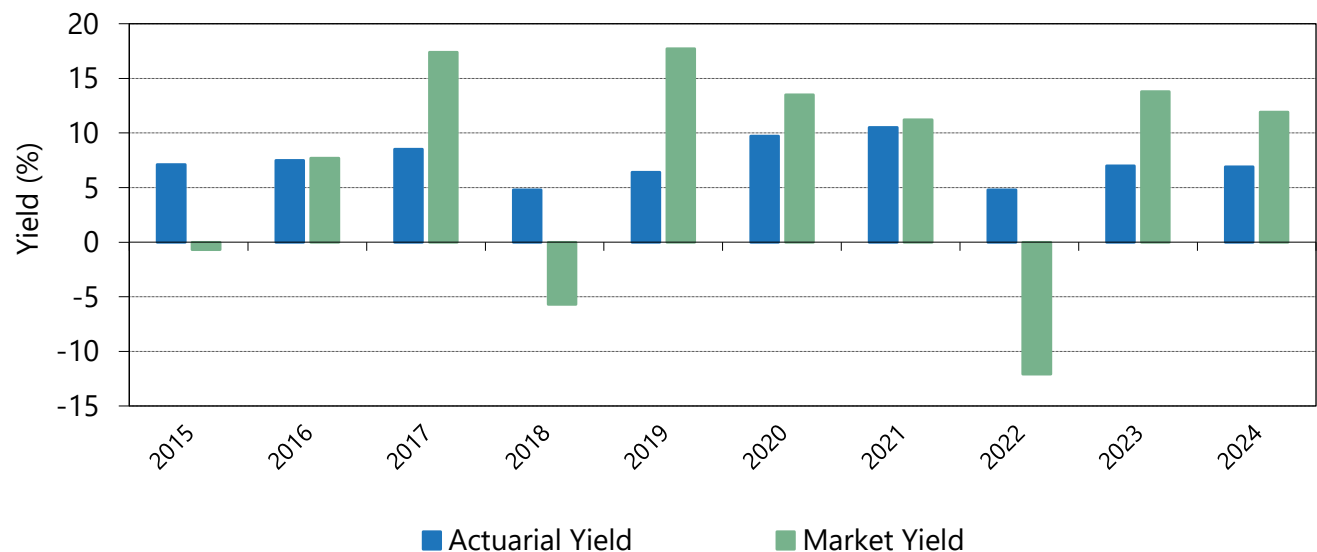
Figure 6A. Plan A | Historical Asset Yields



Plan B	Market Yield	Actuarial Yield
2015	-0.7%	7.1%
2016	7.7%	7.5%
2017	17.4%	8.5%
2018	-5.7%	4.8%
2019	17.7%	6.4%
2020	13.5%	9.7%
2021	11.2%	10.5%
2022	-12.1%	4.8%
2023	13.8%	7.0%
2024	11.9%	6.9%

Plan B Geometric Average Market Rates of Return		
5-year average	(Fiscal 2019 – 2024)	7.2%
10-year average	(Fiscal 2014 – 2024)	7.0%
15-year average	(Fiscal 2009 – 2024)	8.1%
20-year average	(Fiscal 2004 – 2024)	6.7%
25-year average	(Fiscal 1999 – 2024)	6.7%
30-year average	(Fiscal 1994 – 2024)	7.6%

**Figure 6B. Plan B | Historical Asset Yields**



At the end of each fiscal year, a review of the data is made to identify current members of Plan A and Plan B who have consecutive service credit in both plans that have not been addressed in previous transfers of assets and liabilities between the Plan A and Plan B trust funds pursuant to the provisions of R.S. 11:2012. In the course of reviewing data for the December 31, 2024 valuation we found members of Plan A and Plan B with such service and recommend a liability transfer of \$217,345 be made from the Plan A trust to the Plan B trust for Fiscal 2024.

## **PLAN A – DEMOGRAPHICS AND LIABILITY EXPERIENCE**

A reconciliation of the census for the plan is given in Exhibit IX. The average active member (including DROP participants) is 46 years old with 9.6 years of service and an annual salary of \$55,252. The plan's active membership, inclusive of DROP participants, increased by 338 members during the fiscal year. The plan has experienced an increase in the active population of 120 members over the last five years.

The average regular retiree is 72 years old with an annual benefit of \$30,838. The average age at retirement for regular retirees was 62. The number of retirees and beneficiaries receiving benefits from the system increased by 161 during the fiscal year; over the last five years the number of retirees has increased by 987 and benefit payments have increased by \$61,893,910.

Plan liability experience for Fiscal 2024 was unfavorable. Retiree deaths were above projected levels and disabilities were below projected levels. These factors tend to decrease costs. Retirements and DROP entries above projected levels, withdrawals below projected levels, and salary scale above projected levels caused increases in costs. In aggregate, plan liability losses increased the normal cost accrual rate by 0.4563%.

## **PLAN B – DEMOGRAPHICS AND LIABILITY EXPERIENCE**

A reconciliation of the census for the plan is given in Exhibit XIX. The average active member (including DROP participants) is 47 years old with 9.7 years of service and an annual salary of \$55,765. The plan's active membership, inclusive of DROP participants, decreased by 7 members during the fiscal year. The plan has experienced a decrease in the active population of 85 members over the last five years.

The average regular retiree is 73 years old with an annual benefit of \$17,138. The average age at retirement for regular retirees was 64. The number of retirees and beneficiaries receiving benefits from the system increased by 54 during the fiscal year; over the last five years the number of retirees has increased by 228 and benefit payments have increased by \$6,654,508.

Plan liability experience for Fiscal 2024 was unfavorable. Withdrawals and retiree deaths were above projected levels and disabilities were below projected levels. These factors tend to decrease costs. Retirements, DROP entries above projected levels, and salary increases above projected levels resulted in cost increases. In aggregate, plan liability losses increased the normal cost accrual rate by 0.3546%.

## FUNDING ANALYSIS AND RECOMMENDATIONS

Actuarial funding of a retirement system is a process whereby funds are accumulated over the working lifetimes of employees in such a manner as to have sufficient assets available at retirement to pay for the lifetime benefits accrued by each member of the system. The required contributions are determined by applying a cost allocation procedure to the results of an actuarial valuation of liabilities based on rates of mortality, termination, disability, and retirement, as well as investment return and other statistical measures specific to the particular group. The allocation of costs also depends on an asset smoothing method described in the assumptions section at the end of this report. Each year a determination is made of the normal cost, and the actuarially required contributions are based on the sum of this value and administrative expenses. Under the funding method used for the plan, changes in plan experience, benefits, or assumptions increase or decrease future normal costs. In addition, excess or deficient contributions can decrease or increase future costs. The funding method used for both plans produces no unfunded actuarial accrued liability.

To establish the actuarially required contribution in any given year, it is necessary to define the assumptions and funding method. Thus, the determination of what contribution is actuarially required depends upon the funding method employed. Regardless of the method selected, the ultimate cost of providing benefits is dependent upon the benefits, expenses, and investment earnings. Only to the extent that some methods accumulate assets more rapidly and thus produce greater investment earnings does the funding method affect the ultimate cost.

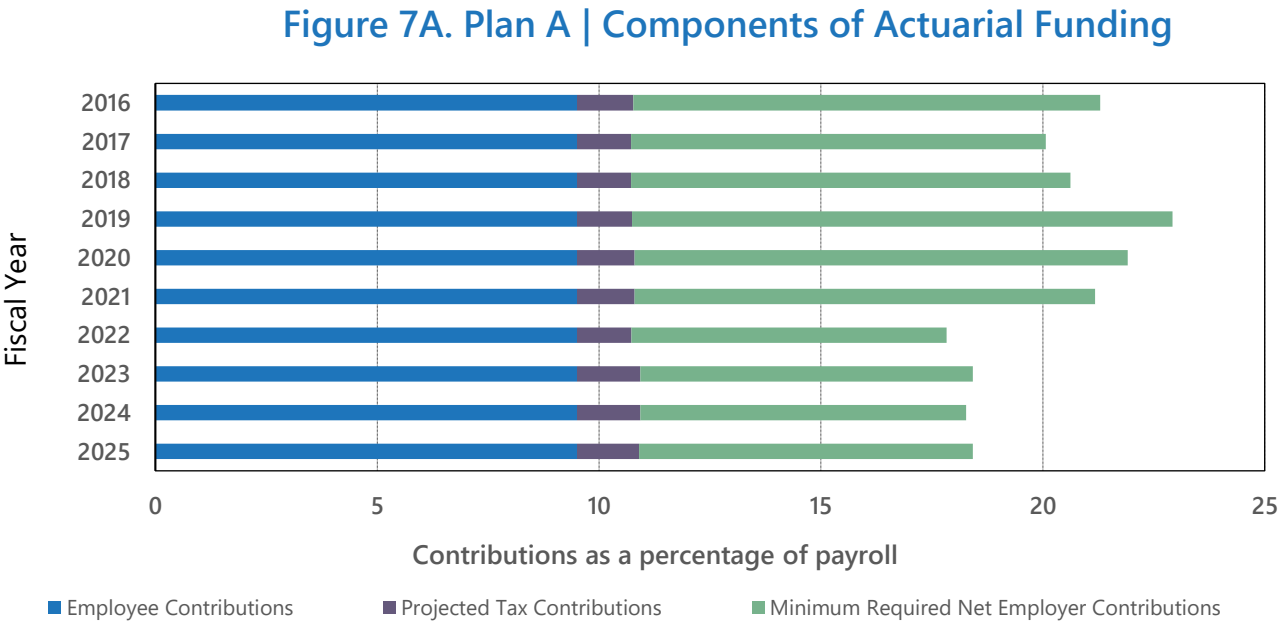
Each year a determination is made of the normal cost, and the actuarially required contributions are based on the sum of this value and administrative expenses. Under the funding method used for these plans, changes in plan experience, benefits, or assumptions increase or decrease future normal costs. In addition, excess or deficient contributions can increase or decrease future normal costs.

R.S. 11:103 governs the calculation of the annual actuarially determined employer contribution rate for statewide retirement systems. This statute describes the components of the employer contribution rate found in Exhibits I and XI. We believe that the minimum recommended net direct employer contribution rate developed within this report represents a Reasonable Actuarially Determined Contribution (or RADDC) under the terms set forth in the actuarial standards of practice. We believe that the cost allocation procedure set forth in the statutes reasonably balances benefit security and intergenerational equity. The consistent payment of actuarially determined contributions based on Louisiana's constitutional requirements significantly improves the benefit security of plan members and retirees. The system's funding methodology seeks intergenerational equity by spreading actuarial costs over the future working lifetime of members. With the use of reasonable actuarial assumptions, the system's contribution allocation procedure should produce reasonably stable and predictable results. The system's annual valuation directly calculates the present value of future benefits for each member and former member. This measure accounts for expected future benefit payments and the expected duration of those payments. The valuation results are based on plan provisions in effect as of the valuation date. Therefore, results will be affected if plan provisions are changed in the future.

Under the provisions of R.S. 11:103, excess or deficient contributions typically decrease or increase future normal costs. However, if the minimum net direct employer contribution is scheduled to decrease, the board may maintain the contribution rate at some level above the minimum recommended rate. Pursuant to R.S. 11:105 and R.S. 11:107, such excess contributions are credited to the Funding Deposit Account.

For Plan A, the derivation of the actuarially required contribution for the current fiscal year is given in Exhibit I. The normal cost for Fiscal 2025 as of January 1, 2025 is \$66,461,877. The total actuarially required contribution is determined by adjusting the value for interest (since payments are made throughout the fiscal year) and adding estimated administrative expenses. As given on line 12 of Exhibit I the total actuarially required contribution for Fiscal 2025 is \$71,253,567. When this amount is reduced by projected tax contributions and revenue sharing funds, the resulting employers’ net direct actuarially required contribution for Fiscal 2025 is \$60,060,786. This is 7.52% of the projected Plan A payroll for Fiscal 2025.

The cost of providing benefits to current and former members is borne by employees and employers and relies in part on dedicated ad valorem taxes and revenue sharing funds. **Figure 7A** shows the breakdown of annual costs for Plan A as a percentage of payroll over the past ten years.



Liability and asset experience as well as changes in assumptions and benefits can increase or decrease plan costs. In addition to these factors, any COLA granted in the prior fiscal year would increase required contributions. New entrants to the system can also increase or decrease costs as a percentage of payroll depending upon their demographic distribution and other factors related to prior plan experience. Finally, contributions above or below requirements may reduce or increase future costs.

The effects of various factors on the cost structure for Plan A are outlined below:

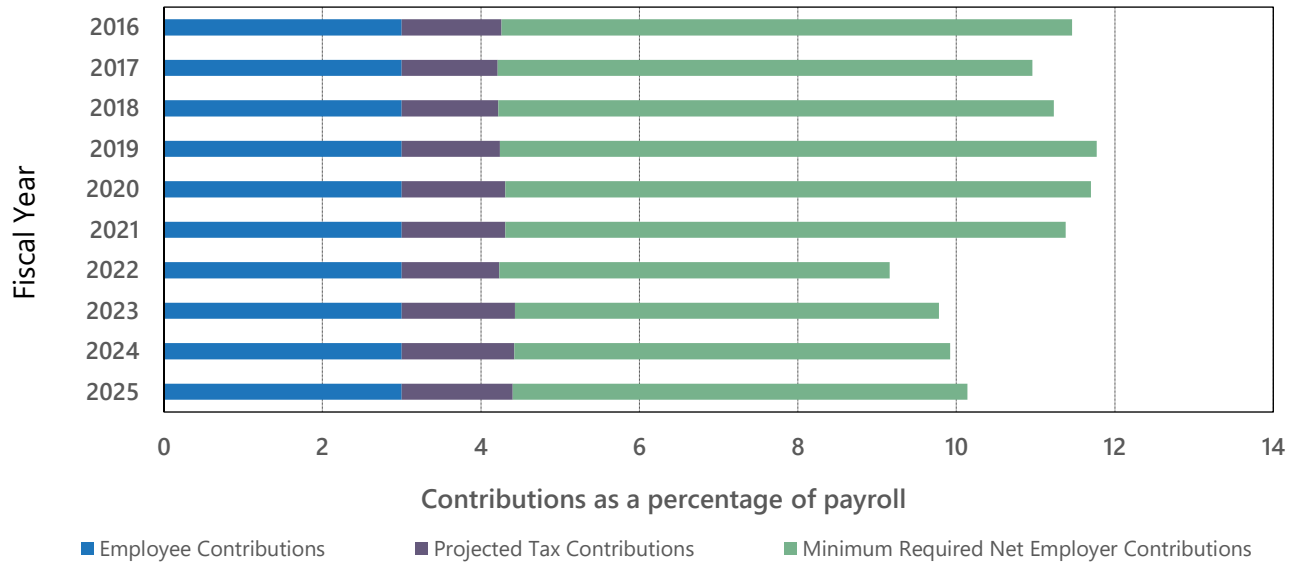
PLAN A - RECONCILIATION OF THE NORMAL COST ACCRUAL RATE	
Employer's Normal Cost Accrual Rate – Fiscal 2024	8.9989%
Factors Increasing the Normal Cost Accrual Rate:	
Plan Liability Experience Loss	0.4563%
Cost-of-living Increase	0.6921%
Factors Decreasing the Normal Cost Accrual Rate:	
Asset Experience Gain	0.2852%
Contribution Gain/WD from FDA to fund COLA	0.6921%
New Members	0.0027%
Employer's Normal Cost Accrual Rate – Fiscal 2025	9.1673%

Required net direct employer contributions are also affected by the available ad valorem taxes and revenue sharing funds which the system receives each year. When these funds change as a percentage of payroll, net direct employer contributions are adjusted accordingly. We estimate that for Plan A these funds collected in Fiscal 2025 will decrease by 0.03% of payroll. The net effect of the above changes in the cost structure of the system resulted in a minimum actuarially required net direct employer contribution rate for Fiscal 2025 for Plan A of 7.52%; the actual employer contribution rate for Fiscal 2025 is 11.00% of payroll. R.S. 11:103 requires that the net direct employer contributions be rounded to the nearest 0.25%, hence we are recommending a minimum net direct employer contribution rate for Plan A of 7.50% for Fiscal 2026.

For Plan B, the derivation of the actuarially required contribution for the current fiscal year is given in Exhibit XI. The normal cost for Fiscal 2025 as of January 1, 2025 is \$8,946,836. The total actuarially required contribution is determined by adjusting the value for interest (since payments are made throughout the fiscal year) and adding estimated administrative expenses. As given on line 12 of Exhibit XI the total actuarially required contribution for Fiscal 2025 is \$9,685,727. When this amount is reduced by projected tax contributions and revenue sharing funds, the resulting employers' net direct actuarially required contribution for Fiscal 2025 is \$7,789,632. This is 5.74% of the projected Plan B payroll for Fiscal 2025.

The cost of providing benefits to current and former members is borne by employees and employers and relies in part on dedicated ad valorem taxes and revenue sharing funds. **Figure 7B** shows the breakdown of annual costs for Plan B as a percentage of payroll over the past ten years.

Figure 7B. Plan B | Components of Actuarial Funding



Liability and asset experience as well as changes in assumptions and benefits can increase or decrease plan costs. In addition to these factors, any COLA granted in the prior fiscal year would increase required contributions. New entrants to the system can also increase or decrease costs as a percentage of payroll depending upon their demographic distribution and other factors related to prior plan experience. Finally, contributions above or below requirements may reduce or increase future costs.

The effects of various factors on the cost structure for Plan B are outlined below:

PLAN B - RECONCILIATION OF THE NORMAL COST ACCRUAL RATE	
Employer's Normal Cost Accrual Rate – Fiscal 2024	7.0871%
Factors Increasing the Normal Cost Accrual Rate:	
Plan Liability Experience Loss	0.3546%
New Members	0.0745%
Cost-of-living Increase (COLA)	0.3357%
Factors Decreasing the Normal Cost Accrual Rate:	
Asset Experience Gain	0.1911%
Withdrawal from FDA to fund COLA	0.3357%
Employer's Normal Cost Accrual Rate – Fiscal 2025	7.3251%

We estimate that for Plan B the funds collected from ad valorem taxes and revenue sharing funds in Fiscal 2025 will decrease by 0.02% of payroll. The net effect of the above changes in the cost structure of the system resulted in a minimum actuarially required net direct employer contribution rate for Fiscal 2025 for Plan B of 5.74%; the actual employer contribution rate for Fiscal 2025 is 7.00% of payroll. R.S. 11:103 requires that the net direct employer contributions be rounded to the nearest 0.25%, hence we are recommending a minimum net direct employer contribution rate for Plan B of 5.75% for Fiscal 2026.

For Plan A, the Board may set the net direct employer contribution at any rate between 7.50% and 11.00%. For Plan B, the board may set the rate at any rate between 5.75% and 7.00%. Should the net direct employer contribution rate be set at a level above the minimum rate under R.S. 11:107, the resulting additional contributions paid by the employers, if they exceed any potential contribution losses, would be added to the Funding Deposit Account for both Plans A and B.

### **LOW-DEFAULT RISK OBLIGATION MEASURE (LDROM)**

The retirement system's annual actuarial funding valuation determines the employer's minimum contribution rate based upon a set of actuarial assumptions found to be reasonable individually and in the aggregate for the purpose of the measurement. For a system like the Parochial Employees' Retirement System that is open to new members and expected to exist in perpetuity, boards of trustees generally elect to invest system assets in a basket of asset classes that subject the system to a number of investment risks, including the risk of default. Such risks are generally mitigated through diversification among the asset classes and through portfolio construction within each asset class. When considering expert opinions about expectations of future returns, generally called capital market assumptions, and when considering historical evidence, it is generally found that a portfolio composed of a combination of asset classes (including risky assets such as equities, fixed income assets, real estate investments, and other alternative investments) earns a larger return than risk-free or low-default-risk fixed income assets provide. (With recent Federal Reserve actions increasing interest rates, the difference in return expectations has lessened.) The larger expected return is often referred to as a risk premium as investors generally require a larger return to accept the added risk. It is precisely this exchange of return for added risk that is at the heart of the low-default-risk obligation measure (LDROM) defined within Actuarial Standard of Practice #4. Were the system to simply invest in low-default-risk fixed income securities, in most economic environments the system would be expected to earn less from investment markets but would also expect less portfolio return volatility and less chance of investment default. Since investment income directly offsets the contributions owed by the system's employers, building a portfolio that includes risky assets is generally a strategy to lower the long-term requirement for employer contributions, but in doing so, employers accept certain investment risks.

The LDROM can help to quantify both the impact of investing in a portfolio that includes risky assets and using a long-term expected rate of return from such a portfolio to discount liabilities. In addition, the LDROM can help stakeholders understand how much liabilities would increase if the system was measured using a discount rate that did not include the risk premium for assets with higher default risk. The volatility associated with high quality fixed income investments over the past year has made this measure less informative than expected.

The standard of practice requires the following when determining the LDROM:

- The actuary should use an immediate gain actuarial cost method.
- The actuary should select a discount rate or rates derived from low-default-risk fixed income securities whose cash flows are reasonably consistent with the pattern of benefits expected to be paid in the future.
- Other than the discount rate or rates, the actuary may use the same assumptions used in the funding valuation for this measure.

The biggest decision in making LDROM calculations is the discount rate or rates to use. The standard discusses several possibilities. We have elected to base our LDROM calculations on discount rates derived from high-quality corporate bonds, which we believe best represent low-default-risk fixed income investments. For the purpose of these calculations, we have used the U.S. Department of the Treasury's High-Quality Market (HQM) Corporate Bond Yield Curve weighted according to the closed fund cash flows developed for the most recently completed system specific GASB 67 analyses. The LDROM calculations have been performed based on the Entry Age Normal funding method.

The U.S. Treasury HQM Corporate Bond Yield Curve is developed using regression variables, projects yield curves beyond the longest maturity date and makes use of bond market characteristics to help generate a stable curve. It represents spot yields of corporate bonds rated AAA, AA, or A and is available monthly on the IRS website. When the December 2024 HQM Corporate Bond Yield Curve is weighted based on the GASB 67 cash flows, the effective single discount rate derived from the analysis is 5.47% for Plan A and 5.49% for Plan B.

In the following section, we disclose an LDROM-based actuarial accrued liability, which can be compared to the entry age normal actuarial accrued liability, and an LDROM-based funded ratio, which can be compared to the system's funded ratio determined based on the entry age normal actuarial accrued liability. Our calculations are based on the effective single discount rate derived from the U.S. Treasury HQM Corporate Bond Yield Curve. All other assumptions match those used to determine funding liabilities.

Plan A LDROM Comparison	Funding Valuation	LDROM Valuation
Discount Rate	6.40%	5.47%
Accrued Liability for Active Members	\$ 2,364,303,919	\$ 2,694,653,865
Accrued Liability for Terminated Members	\$ 158,248,674	\$ 177,759,164
Accrued Liability for Retired Members	\$ 2,496,968,793	\$ 2,689,773,139
Total Actuarial Accrued Liability (AAL)	\$ 5,019,521,386	\$ 5,562,186,168
Funded Ratio (AVA/AAL)	102.36%	92.37%

Plan B LDROM Comparison	Funding Valuation	LDROM Valuation
Discount Rate	6.40%	5.49%
Accrued Liability for Active Members	\$ 256,096,118	\$ 291,443,727
Accrued Liability for Terminated Members	\$ 19,064,635	\$ 21,561,273
Accrued Liability for Retired Members	\$ 189,368,118	\$ 203,387,441
Total Actuarial Accrued Liability (AAL)	\$ 464,528,871	\$ 516,392,441
Funded Ratio (AVA/AAL)	103.43%	93.04%

Typically, the differences in the measures shown above can be viewed within the risk/return framework. By accepting added investment risk, most systems are expected to reduce the employers' responsibility to fund system liabilities over the long run, but that decision generally results in greater variability in employer contributions over time as risky assets typically experience greater return volatility.

## COST OF LIVING INCREASES

During calendar 2024 the actual cost of living (as measured by the U.S. Department of Labor CPI-U) increased by 2.89%.

RELEVANT COLA STATUTES	
Statute	Description
R.S. 11:1937	Allows the Board of Trustees to provide a cost-of-living increase from excess interest earnings or from funds deposited in the system's Funding Deposit Account to members who have been retired for at least one full calendar year. The increase cannot exceed 2.5% of the current benefit and is payable to retirees aged 62 or over.
R.S. 11:246	Provides supplemental cost-of-living increases to retirees and beneficiaries age 65 and over equal to 2% of the benefit in payment on October 1, 1977, or the date the benefit was originally received if retirement commenced after that date. Applies to those retired for at least one year. Such increase shall be payable from interest earnings on investments in excess of normal requirements or from funds deposited in the system's Funding Deposit Account.
R.S. 11:241	Provides for cost-of-living benefits payable based on a formula equal to up to \$1 times the total of the number of years of credited service accrued at retirement or at death of the member or retiree plus the number of years since retirement or since death of the member or retiree to the system's fiscal year end preceding the payment of the benefit increase. Applies to those retired for at least one year.

Following the Fiscal 2023 actuarial valuation, the Board of Trustees elected to grant retirees and survivors a cost-of-living increase effective January 1, 2025. The above provisions require that the system earn sufficient excess interest earnings to fund the increases unless the Board funds a cost of living increase out of the Funding Deposit Account Credit Balance. For Fiscal 2024, Plan A earned \$35,332,528 in excess interest and Plan B earned \$2,510,507 in excess interest. However, the Board elected to fund the cost-of-living increase from its Funding Deposit Account balance. Therefore, there will be no increase in the normal cost accrual rate during this valuation.

To grant a COLA, the system must meet the frequency criteria specified in R.S. 11:243(G)(3). For purposes of COLAs payable under R.S. 11:1937, R.S. 11:246, or R.S. 11:241, the system must also have investment earnings in excess of the valuation interest rate sufficient to offset the additional liability due to the cost of the COLA or fund the COLA out of the Funding Deposit Account.

The limitations on timing of COLAs given in R.S. 11:243(G)(3) are as follows:

- If the system has a funded ratio of 90% or more a COLA may only be granted if no benefit increase was granted to retirees, survivors, and beneficiaries in the most recent fiscal year.
- If the system has a funded ratio of 80% or more, but less than 90%, a COLA may only be granted if no benefit increase was granted to retirees, survivors, and beneficiaries in the two most recent fiscal years.
- If the system has a funded ratio of 70% or more, but less than 80%, a COLA may only be granted if no benefit increase was granted to retirees, survivors, and beneficiaries in the three most recent fiscal years.

Both plans have funded ratios exceeding 90%, but since the Board granted a cost-of-living increase within the most recent fiscal year (effective January 1, 2025), pursuant to R.S. 11:243(G)(3) the Board may not authorize a COLA pursuant to this actuarial valuation.

The following is a history of COLAs provided since January 1, 2003:

COLA HISTORY SINCE 2003	
January 1, 2025	COLA paying 2.5% of current benefit to all retirees and survivors of Plan A and Plan B who had received benefits for at least one year and were at least 62 years old.
January 1, 2023	COLA paying 2.5% of current benefit to all retirees and survivors of Plan A and Plan B who had received benefits for at least one year and were at least 62 years old.
January 1, 2021	COLA paying 2.5% of current benefit to all retirees and survivors of Plan A and Plan B who had received benefits for at least one year and were at least 62 years old.
January 1, 2018	COLA paying 2.5% of current benefit to all retirees and survivors of Plan A and Plan B who had received benefits for at least one year and were at least 62 years old.

### COLA HISTORY SINCE 2003 (Continued)

January 1, 2015	COLA paying 2.5% of current benefit to all retirees and survivors of Plan A and Plan B who had received benefits for at least one year and were at least 62 years old.
January 1, 2011	COLA paying 2.5% of current benefit to all retirees and survivors of Plan A only who had received benefits for at least one year and were at least 62 years old.
January 1, 2008	COLA paying 2.5% of current benefit to all retirees and survivors of Plan A and Plan B who had received benefits for at least one year and were at least 62 years old.
January 1, 2007	COLA paying 2.5% of current benefit to all retirees and survivors of Plan A and Plan B who had received benefits for at least one year and were at least 62 years old.
January 1, 2006	COLA paying 2.5% of current benefit to all retirees and survivors of Plan A and Plan B who had received benefits for at least one year and were at least 62 years old.
January 1, 2005	COLA paying 2.5% of current benefit to all retirees and survivors of Plan B only who had received benefits for at least one year and were at least 62 years old.

## EXHIBIT I

### PLAN A: ANALYSIS OF ACTUARIALLY REQUIRED CONTRIBUTIONS

1.	Present Value of Future Benefits .....	\$ 6,284,357,496
2.	Funding Deposit Account Credit Balance .....	\$ 95,746,952
3.	Actuarial Value of Assets .....	\$ 5,137,808,297
4.	Present Value of Future Employee Contributions.....	\$ 602,005,087
5.	Present Value of Future Employer Normal Costs (1 + 2 – 3 – 4).....	\$ 640,291,064
6.	Present Value of Future Salaries .....	\$ 6,984,484,054
7.	Employer Normal Cost Accrual Rate (5 ÷ 6).....	9.167335%
8.	Projected Fiscal 2025 Salary for Current Membership .....	\$ 724,985,798
9.	Employer Normal Cost as of January 1, 2025 (7 × 8) .....	\$ 66,461,877
10.	Employer Normal Cost Interest Adjusted for Mid-year Payment .....	\$ 68,555,676
11.	Estimated Administrative Cost for Fiscal 2025 .....	\$ 2,697,891
12.	TOTAL Administrative and Interest Adjusted Actuarial Costs (10 + 11).....	\$ 71,253,567
13.	Offset for Projected Ad Valorem Tax Contributions for Fiscal 2025 .....	\$ (11,052,494)
14.	Offset for Projected Revenue Sharing Funds for Fiscal 2025.....	\$ (140,287)
15.	Employers' Minimum Net Direct Actuarially Required Contribution for Fiscal 2025 (12 + 13 + 14).....	\$ 60,060,786
16.	Projected Payroll for Fiscal 2025.....	\$ 798,834,002
17.	Employers' Minimum Net Direct Actuarially Required Contribution as a % of Projected Payroll for Fiscal 2025 (15 ÷ 16).....	7.52%
18.	Actual Employer Contribution Rate for Fiscal 2025.....	11.00%
19.	Minimum Recommended Net Direct Employer Contribution Rate for Fiscal 2026 (17, Rounded to Nearest 0.25%) .....	7.50%

## EXHIBIT II

### PLAN A: PRESENT VALUE OF FUTURE BENEFITS

#### PRESENT VALUE OF FUTURE BENEFITS FOR ACTIVE MEMBERS:

Retirement Benefits.....	\$ 3,233,915,715
Survivor Benefits.....	53,777,923
Disability Benefits.....	106,126,538
Vested Termination Benefits.....	150,932,813
Refunds of Contributions .....	84,387,040

TOTAL Present Value of Future Benefits for Active Members..... \$ 3,629,140,029

#### PRESENT VALUE OF FUTURE BENEFITS FOR TERMINATED MEMBERS:

Terminated Vested Members Due Benefits at Retirement..	\$ 134,742,813
Terminated Members with Reciprocal	
Due Benefits at Retirement .....	390,032
Terminated Members Due a Refund .....	23,115,829

TOTAL Present Value of Future Benefits for Terminated Members..... \$ 158,248,674

#### PRESENT VALUE OF FUTURE BENEFITS FOR RETIREES:

##### Regular Retirees

Maximum.....	\$ 1,040,703,672
Option 1 .....	1,013,004
Option 2 .....	827,515,948
Option 3 .....	351,699,941
Option 4 .....	75,450,490

TOTAL Regular Retirees..... \$ 2,296,383,055

Disability Retirees ..... 31,649,004

Survivors & Widows..... 165,385,083

Reserve for Accrued Retiree DROP Account Balances..... 3,551,651

TOTAL Present Value of Future Benefits for Retirees & Survivors..... \$ 2,496,968,793

TOTAL Present Value of Future Benefits ..... \$ 6,284,357,496

## EXHIBIT III – SCHEDULE A PLAN A: MARKET VALUE OF ASSETS

### CURRENT ASSETS:

Cash in Banks.....	\$ 224,498,162
Contributions and Taxes Receivable .....	37,984,725
Accrued Interest and Dividends.....	2,741,871
Investments Receivable.....	2,260,348
Due (to)/from other Funds.....	12,768,407
Deferred Outflows of Resources.....	108,422
Other Current Assets.....	13

TOTAL CURRENT ASSETS..... \$ 280,361,948

Property Plant & Equipment (Includes Subscription Assets) ..... \$ 696,228

### INVESTMENTS:

Equities .....	\$ 2,342,539,505
Fixed Income .....	1,743,039,140
Real Estate .....	238,149,840
Alternative Investments .....	625,901,279

TOTAL INVESTMENTS ..... \$ 4,949,629,764

TOTAL ASSETS..... \$ 5,230,687,940

### CURRENT LIABILITIES:

Accounts Payable .....	\$ 2,611,808
Benefits Payable.....	21,715,145
Refunds Payable.....	863,571
Investments Payable.....	347,931
Liability Transfer to/(from) Plan B.....	217,345
Other Post-Employment Benefits Payable.....	638,514
Deferred Inflows of Resources.....	92,005
Subscription Payable .....	172,902

TOTAL CURRENT LIABILITIES..... \$ 26,659,221

MARKET VALUE OF ASSETS ..... \$ 5,204,028,719

# **EXHIBIT III – SCHEDULE B** **PLAN A: ACTUARIAL VALUE OF ASSETS**

Excess (Shortfall) of invested income  
for current and previous 4 years:

Fiscal year 2024 .....	\$ 249,511,228
Fiscal year 2023 .....	312,052,653
Fiscal year 2022 .....	(910,731,525)
Fiscal year 2021 .....	218,362,291
Fiscal year 2020 .....	279,534,404
 Total for five years .....	 \$ 148,729,051

Deferral of excess (shortfall) of invested income:

Fiscal year 2024 (80%).....	\$ 199,608,982
Fiscal year 2023 (60%).....	187,231,592
Fiscal year 2022 (40%).....	(364,292,610)
Fiscal year 2021 (20%).....	43,672,458
Fiscal year 2020 ( 0%) .....	0
 Total deferred for year .....	 \$ 66,220,422

Market value of plan net assets, end of year..... \$ 5,204,028,719

Preliminary actuarial value of plan assets, end of year..... \$ 5,137,808,297

Actuarial value of assets corridor

85% of market value, end of year.....	\$ 4,423,424,411
115% of market value, end of year .....	\$ 5,984,633,027

Final actuarial value of plan net assets, end of year ..... \$ 5,137,808,297

**EXHIBIT IV**  
**PLAN A: PRESENT VALUE OF FUTURE CONTRIBUTIONS**

Employee Contributions to the Annuity Savings Fund.....	\$	602,005,087
Employer Normal Contributions to the Pension Accumulation Fund.....		640,291,064
Funding Deposit Account Debit / (Credit) Balance.....		(95,746,952)
TOTAL PRESENT VALUE OF FUTURE CONTRIBUTIONS.....	\$	1,146,549,199

**EXHIBIT V**  
**PLAN A: RECONCILIATION OF CONTRIBUTIONS**

Employer Normal Cost for Prior Year .....	\$	61,074,983
Interest on the Normal Cost .....		3,908,798
Administrative Expenses.....		2,441,871
Interest on Expenses .....		76,928
TOTAL Interest Adjusted Actuarially Required Employer Contributions.....	\$	67,502,580
Direct Employer Contributions .....	\$	89,252,251
Interest on Employer Contributions.....		2,811,783
Ad Valorem Taxes and Revenue Sharing .....		10,442,108
Interest on Ad Valorem Taxes and Revenue Sharing Funds.....		328,966
TOTAL Interest Adjusted Employer Contributions .....	\$	102,835,108
CONTRIBUTION SURPLUS (DEFICIENCY) .....	\$	35,332,528

## EXHIBIT VI

### PLAN A: ANALYSIS OF CHANGE IN ASSETS

Actuarial Value of Assets (December 31, 2023).....	\$ 4,906,092,553
INCOME:	
Member Contributions .....	\$ 70,132,466
Employer Contributions .....	89,252,251
Irregular Contributions .....	324,523
Ad Valorem and Revenue Sharing Funds .....	10,442,108
Transfers from other Systems .....	5,072,974
Other Income .....	3,078,520
Total Contributions.....	\$ 178,302,842
Net Appreciation in Fair Value of Investments .....	\$ 472,575,195
Interest & Dividends .....	108,487,465
Class Action Settlement .....	145,700
Investment Expense .....	(30,655,228)
Net Investment Income .....	\$ 550,553,132
TOTAL Income.....	\$ 728,855,974
EXPENSES:	
Retirement Benefits.....	\$ 240,138,741
DROP Disbursements .....	20,037,925
Refunds of Contributions.....	11,998,174
Transfers to other Systems .....	2,540,756
Administrative Expenses.....	2,441,871
Transfer from Plan A to Plan B.....	217,345
TOTAL Expenses.....	\$ 277,374,812
Net Market Value Income for Fiscal 2024 (Income - Expenses) .....	\$ 451,481,162
Unadjusted Fund Balance as of December 31, 2024	
(Fund Balance Previous Year + Net Income) .....	\$ 5,357,573,715
Adjustment for Actuarial Smoothing.....	\$ (219,765,418)
Actuarial Value of Assets: (December 31, 2024).....	\$ 5,137,808,297

**EXHIBIT VII**  
**PLAN A: FUNDING DEPOSIT ACCOUNT**

Funding Deposit Account Balance as of December 31, 2023 .....	\$ 102,214,729
Interest on Opening Balance at 6.40%.....	6,541,743
Contributions to the Funding Deposit Account .....	35,332,528
Withdrawals from the Funding Deposit Account .....	(48,342,048)
Funding Deposit Account Balance as of December 31, 2024 .....	\$ 95,746,952

**EXHIBIT VIII – SCHEDULE A**  
**PLAN A: PENSION BENEFIT OBLIGATION**

Present Value of Credited Projected Benefits Payable to Current Employees.....	\$ 2,242,960,302
Present Value of Benefits Payable to Terminated Employees.....	158,248,674
Present Value of Benefits Payable to Current Retirees and Beneficiaries.....	2,496,968,793
TOTAL PENSION BENEFIT OBLIGATION .....	\$ 4,898,177,769
NET ACTUARIAL VALUE OF ASSETS .....	\$ 5,137,808,297
Ratio of Net Actuarial Value of Assets to Pension Benefit Obligation.....	104.89%

**EXHIBIT VIII – SCHEDULE B**  
**PLAN A: ENTRY AGE NORMAL ACCRUED LIABILITIES**

Accrued Liability for Active Employees .....	\$ 2,364,303,919
Accrued Liability for Terminated Employees.....	158,248,674
Accrued Liability for Current Retirees and Beneficiaries .....	2,496,968,793
TOTAL ENTRY AGE NORMAL ACCRUED LIABILITY .....	\$ 5,019,521,386
NET ACTUARIAL VALUE OF ASSETS .....	\$ 5,137,808,297
Ratio of Net Actuarial Value of Assets to Entry Age Normal Accrued Liability.....	102.36%

**EXHIBIT IX**  
**PLAN A: CENSUS DATA**

	<b>Active (Non- DROP)</b>	<b>Terminated with Funds on Deposit</b>	<b>DROP</b>	<b>Retired</b>	<b>Total</b>
Number of members as of December 31, 2023	13,271	10,728	553	8,477	33,029
Additions to Census					
Initial membership	1,981	259			2,240
Omitted in error last year		1		1	2
Death of another member				71	71
Adjustment for multiple records		4			4
Change in Status during Year					
Actives terminating service	(768)	768			
Actives who retired	(231)			231	
Actives entering DROP	(190)		190		
Term. members rehired	93	(93)			
Term. members who retire		(49)		49	
Retirees who are rehired	5			(5)	
Refunded who are rehired	51	18			69
DROP participants retiring			(123)	123	
DROP returned to work	92		(92)		
Incorrect status last year		(1)	1		
Eliminated from Census					
Refund of contributions	(643)	(332)			(975)
Deaths	(26)	(15)	(2)	(313)	(356)
Included in error last year					
Adjustment for multiple records				4	4
Number of members as of December 31, 2024	13,635	11,288	527	8,638	34,088

### Plan A | Actives Census by Age:

Age	Number Male	Number Female	Total Number	Average Salary	Total Salary
16 - 20	111	48	159	32,742	5,205,985
21 - 25	469	365	834	37,169	30,998,670
26 - 30	522	554	1,076	43,798	47,126,820
31 - 35	592	680	1,272	49,675	63,186,610
36 - 40	609	781	1,390	55,170	76,686,776
41 - 45	755	915	1,670	58,053	96,948,249
46 - 50	715	860	1,575	60,516	95,312,287
51 - 55	852	1,003	1,855	61,187	113,501,126
56 - 60	965	919	1,884	60,266	113,540,904
61 - 65	734	717	1,451	57,789	83,852,291
66 - 70	331	316	647	57,624	37,282,888
71 - 75	139	114	253	55,428	14,023,380
76 - 80	42	30	72	51,769	3,727,349
81 - 85	10	10	20	48,059	961,189
86 - 90	2	2	4	30,146	120,583
<b>Total</b>	<b>6,848</b>	<b>7,314</b>	<b>14,162</b>	<b>55,252</b>	<b>782,475,107</b>

Includes 7,013 actives with vested benefits, including 527 DROP participants and 341 active former DROP participants.

### Plan A | DROP Participants:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
46 - 50	2	1	3	50,768	152,303
51 - 55	18	16	34	73,944	2,514,088
56 - 60	54	71	125	54,336	6,792,052
61 - 65	108	123	231	32,330	7,468,157
66 - 70	51	51	102	27,908	2,846,576
71 - 75	15	13	28	21,355	597,933
76 - 80	2	2	4	21,183	84,733
<b>Total</b>	<b>250</b>	<b>277</b>	<b>527</b>	<b>38,816</b>	<b>20,455,842</b>

### Plan A | Terminated Members Due a Deferred Retirement Benefit:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
26 - 30	2	3	5	9,433	47,163
31 - 35	7	23	30	12,557	376,709
36 - 40	37	66	103	14,339	1,476,902
41 - 45	48	88	136	17,486	2,378,080
46 - 50	66	83	149	22,629	3,371,667
51 - 55	78	123	201	21,886	4,399,123
56 - 60	87	136	223	20,440	4,558,069
61 - 65	50	68	118	16,468	1,943,279
66 - 70	12	20	32	10,888	348,413
71 - 75	10	4	14	13,797	193,158
76 - 80	1	4	5	10,377	51,886
81 - 85	0	2	2	5,637	11,273
86 - 90	1	0	1	13,471	13,471
<b>Total</b>	<b>399</b>	<b>620</b>	<b>1,019</b>	<b>18,812</b>	<b>19,169,193</b>

### Plan A | Terminated Members Due a Refund of Contributions:

Contributions Ranging			Total
From	To	Number	Contributions
0	- 99	4,653	130,852
100	- 499	1,660	415,210
500	- 999	890	644,100
1,000	- 1,999	753	1,078,497
2,000	- 4,999	1,007	3,227,096
5,000	- 9,999	660	4,695,851
10,000	- 19,999	437	6,192,834
20,000	- 99,999	208	6,353,712
100,000	& Above	1	111,459
<b>Total</b>		<b>10,269</b>	<b>22,849,611</b>

\* Includes 3,311 members due a refund who were not included in the data provided to the actuary since they are maintained external to the system's database. Excludes \$247,440 due to deceased members.

### Plan A | Regular Retirees:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
46 - 50	4	1	5	59,972	299,862
51 - 55	31	22	53	58,977	3,125,772
56 - 60	152	142	294	52,559	15,452,276
61 - 65	537	523	1,060	40,526	42,957,377
66 - 70	853	936	1,789	33,473	59,883,168
71 - 75	871	849	1,720	28,242	48,576,977
76 - 80	625	563	1,188	25,603	30,416,264
81 - 85	348	362	710	22,170	15,740,449
86 - 90	171	174	345	19,711	6,800,174
91 - 95	44	78	122	17,086	2,084,509
96 - 100	7	23	30	13,676	410,285
101 - 105	2	5	7	11,355	79,482
Total	3,645	3,678	7,323	30,838	225,826,595

### Plan A | Disability Retirees:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
41 - 45	1	1	2	35,903	71,806
46 - 50	5	3	8	26,369	210,948
51 - 55	15	14	29	18,823	545,858
56 - 60	38	24	62	18,285	1,133,644
61 - 65	27	17	44	14,436	635,188
66 - 70	10	4	14	13,367	187,138
Total	96	63	159	17,513	2,784,582

## Plan A | Survivors:

Age			Number Male	Number Female	Total Number	Average Benefit	Total Benefit
0	-	20	4	9	13	19,951	259,358
31	-	35	1	4	5	18,809	94,046
36	-	40	2	3	5	13,401	67,003
41	-	45	5	6	11	10,362	113,982
46	-	50	2	4	6	19,907	119,442
51	-	55	3	12	15	17,498	262,464
56	-	60	2	40	42	20,550	863,083
61	-	65	21	100	121	20,797	2,516,380
66	-	70	24	121	145	21,471	3,113,364
71	-	75	26	165	191	19,145	3,656,771
76	-	80	19	189	208	15,074	3,135,295
81	-	85	17	174	191	14,295	2,730,423
86	-	90	8	114	122	12,484	1,523,021
91	-	95	4	57	61	9,976	608,561
96	-	100	1	15	16	10,930	174,883
101	-	105	0	4	4	3,511	14,043
Total			139	1,017	1,156	16,654	19,252,119

### Plan A | Active Members:

Attained Ages	Completed Years of Service								Total
	0 - 1	1 - 5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	Over 30	
0 - 20	119	40	-	-	-	-	-	-	159
21 - 25	363	446	25	-	-	-	-	-	834
26 - 30	283	584	198	11	-	-	-	-	1,076
31 - 35	260	508	347	148	9	-	-	-	1,272
36 - 40	204	429	344	255	145	13	-	-	1,390
41 - 45	215	469	321	235	271	144	15	-	1,670
46 - 50	175	413	274	197	216	189	102	9	1,575
51 - 55	181	422	315	226	234	202	203	72	1,855
56 - 60	144	388	365	249	263	197	173	105	1,884
61 - 65	50	214	313	252	240	158	124	100	1,451
66 - 70	22	75	144	128	87	83	58	50	647
71 & Over	7	36	42	57	63	39	38	67	349
<b>Total</b>	<b>2,023</b>	<b>4,024</b>	<b>2,688</b>	<b>1,758</b>	<b>1,528</b>	<b>1,025</b>	<b>713</b>	<b>403</b>	<b>14,162</b>

### Plan A | Average Annual Salary of Active Members:

Attained Ages	Completed Years of Service								Average
	0 - 1	1 - 5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	Over 30	
0 - 20	31,922	35,181	-	-	-	-	-	-	32,742
21 - 25	35,205	38,226	46,826	-	-	-	-	-	37,169
26 - 30	38,254	43,880	50,796	56,100	-	-	-	-	43,798
31 - 35	40,999	47,271	53,816	62,267	69,325	-	-	-	49,675
36 - 40	42,474	50,021	58,326	60,491	68,696	85,606	-	-	55,170
41 - 45	42,957	49,867	55,418	63,506	72,342	75,382	76,808	-	58,053
46 - 50	40,202	51,216	58,762	64,901	66,192	80,873	77,856	79,371	60,516
51 - 55	46,387	48,877	51,964	61,851	69,620	71,449	83,638	89,302	61,187
56 - 60	41,970	49,016	57,163	62,184	64,345	67,492	78,070	80,057	60,266
61 - 65	44,814	45,191	55,706	54,963	58,028	68,367	64,527	79,239	57,789
66 - 70	44,321	45,419	56,618	57,313	58,225	63,408	58,417	73,912	57,624
71 & Over	45,317	44,910	39,884	57,478	53,181	52,523	60,248	63,566	53,961
<b>Average</b>	<b>40,026</b>	<b>46,827</b>	<b>55,191</b>	<b>60,803</b>	<b>65,473</b>	<b>71,312</b>	<b>74,694</b>	<b>77,986</b>	<b>55,252</b>

### Plan A | Terminated Members Due a Deferred Retirement Benefit:

Attained Ages	Years until Retirement Eligibility								Total
	0 - 1	1 - 2	2 - 3	3 - 5	5 - 10	10 - 15	15 - 20	Over 20	
0 - 30	-	-	-	-	-	-	-	5	5
31 - 35	-	-	-	-	-	-	-	30	30
36 - 40	-	-	-	-	-	-	3	100	103
41 - 45	-	-	-	-	-	8	56	72	136
46 - 50	-	-	-	-	13	85	42	9	149
51 - 55	5	2	1	10	112	64	7	-	201
56 - 60	41	39	33	46	54	10	-	-	223
61 - 65	63	18	13	20	4	-	-	-	118
66 - 70	26	6	-	-	-	-	-	-	32
71 & Over	22	-	-	-	-	-	-	-	22
Total	157	65	47	76	183	167	108	216	1,019

### Plan A | Average Annual Benefits of Terminated Members Due a Deferred Retirement Benefit:

Attained Ages	Years until Retirement Eligibility								Average
	0 - 1	1 - 2	2 - 3	3 - 5	5 - 10	10 - 15	15 - 20	Over 20	
0 - 30	-	-	-	-	-	-	-	9,433	9,433
31 - 35	-	-	-	-	-	-	-	12,557	12,557
36 - 40	-	-	-	-	-	-	26,342	13,979	14,339
41 - 45	-	-	-	-	-	20,255	21,015	14,433	17,486
46 - 50	-	-	-	-	18,511	26,580	16,561	19,568	22,629
51 - 55	26,244	71,318	7,060	27,084	26,156	12,890	13,268	-	21,886
56 - 60	22,400	25,135	22,881	22,625	13,913	11,228	-	-	20,440
61 - 65	19,426	16,446	8,479	12,012	18,229	-	-	-	16,468
66 - 70	10,224	13,763	-	-	-	-	-	-	10,888
71 & Over	12,263	-	-	-	-	-	-	-	12,263
Average	17,893	23,100	18,561	20,419	21,827	20,111	18,929	14,061	18,812

### Plan A | Service Retirees:

Attained Ages	Completed Years Since Retirement								Total
	0 - 1	1 - 2	2 - 3	3 - 5	5 - 10	10 - 15	15 - 20	Over 20	
0 - 50	4	1	-	-	-	-	-	-	5
51 - 55	15	16	8	10	4	-	-	-	53
56 - 60	67	47	38	81	56	5	-	-	294
61 - 65	130	129	126	212	300	136	19	8	1,060
66 - 70	114	124	144	338	639	288	110	32	1,789
71 - 75	26	47	52	170	591	542	196	96	1,720
76 - 80	12	16	18	57	196	400	330	159	1,188
81 - 85	3	2	4	23	46	116	205	311	710
86 - 90	1	4	1	4	16	22	51	246	345
91 & Over	-	-	-	-	-	7	10	142	159
Total	372	386	391	895	1,848	1,516	921	994	7,323

### Plan A | Average Annual Benefits Payable to Service Retirees:

Attained Ages	Completed Years Since Retirement								Average
	0 - 1	1 - 2	2 - 3	3 - 5	5 - 10	10 - 15	15 - 20	Over 20	
0 - 50	66,563	33,610	-	-	-	-	-	-	59,972
51 - 55	57,738	60,030	68,482	58,479	41,645	-	-	-	58,977
56 - 60	47,637	52,988	57,137	53,309	52,893	63,772	-	-	52,559
61 - 65	32,444	32,628	37,838	38,880	47,765	47,908	27,946	18,069	40,526
66 - 70	27,599	27,946	27,894	29,147	32,693	47,287	39,350	17,667	33,473
71 - 75	39,605	26,247	19,445	24,307	24,812	28,873	41,333	28,704	28,242
76 - 80	15,629	27,317	24,591	26,329	24,601	22,993	25,899	33,224	25,603
81 - 85	11,419	27,149	26,030	31,820	20,382	24,271	18,682	23,258	22,170
86 - 90	5,341	6,241	21,549	14,626	23,629	17,176	19,102	20,161	19,711
91 & Over	-	-	-	-	-	28,501	14,008	15,737	16,190
Average	34,798	33,443	33,460	32,872	32,008	32,119	28,720	23,315	30,838

### Plan A | Disability Retirees:

Attained Ages	Completed Years Since Retirement								Total
	0 - 1	1 - 5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	Over 30	
0 - 30	-	-	-	-	-	-	-	-	-
31 - 35	-	-	-	-	-	-	-	-	-
36 - 40	-	-	-	-	-	-	-	-	-
41 - 45	1	-	1	-	-	-	-	-	2
46 - 50	3	1	2	2	-	-	-	-	8
51 - 55	2	10	7	5	3	2	-	-	29
56 - 60	2	15	20	14	5	6	-	-	62
61 - 65	2	15	6	9	3	1	5	3	44
66 - 70	-	2	5	1	1	-	2	3	14
71 - 75	-	-	-	-	-	-	-	-	-
76 - 80	-	-	-	-	-	-	-	-	-
81 & Over	-	-	-	-	-	-	-	-	-
Total	10	43	41	31	12	9	7	6	159

### Plan A | Average Annual Benefits Payable To Disability Retirees:

Attained Ages	Completed Years Since Retirement								Average
	0 - 1	1 - 5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	Over 30	
0 - 30	-	-	-	-	-	-	-	-	-
31 - 35	-	-	-	-	-	-	-	-	-
36 - 40	-	-	-	-	-	-	-	-	-
41 - 45	34,235	-	37,571	-	-	-	-	-	35,903
46 - 50	37,461	40,315	15,766	13,360	-	-	-	-	26,369
51 - 55	18,402	22,519	21,183	13,461	15,787	10,463	-	-	18,823
56 - 60	17,548	23,648	17,978	16,623	18,796	9,595	-	-	18,285
61 - 65	11,837	17,964	11,271	17,995	13,350	9,466	8,571	6,699	14,436
66 - 70	-	10,449	22,336	8,781	6,032	-	7,350	8,348	13,367
71 - 75	-	-	-	-	-	-	-	-	-
76 - 80	-	-	-	-	-	-	-	-	-
81 & Over	-	-	-	-	-	-	-	-	-
Average	24,219	21,176	18,445	16,048	15,618	9,773	8,222	7,524	17,513

### Plan A | Surviving Beneficiaries of Former Members:

Attained Ages	Completed Years Since Retirement								Total
	0 - 1	1 - 5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	Over 30	
0 - 30	2	5	6	-	-	-	-	-	13
31 - 35	-	-	2	1	-	1	1	-	5
36 - 40	-	3	1	1	-	-	-	-	5
41 - 45	-	2	4	1	1	1	1	1	11
46 - 50	-	-	1	2	3	-	-	-	6
51 - 55	-	4	4	4	2	1	-	-	15
56 - 60	-	7	9	9	10	7	-	-	42
61 - 65	3	33	25	28	21	6	4	1	121
66 - 70	2	17	40	33	28	14	8	3	145
71 - 75	-	15	30	57	43	25	15	6	191
76 - 80	-	3	18	43	70	37	26	11	208
81 & Over	-	2	13	20	62	96	75	126	394
Total	7	91	153	199	240	188	130	148	1,156

### Plan A | Average Annual Benefits Payable to Survivors of Former Members:

Attained Ages	Completed Years Since Retirement								Average
	0 - 1	1 - 5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	Over 30	
0 - 30	18,916	24,121	16,820	-	-	-	-	-	19,951
31 - 35	-	-	39,094	7,395	-	2,115	6,348	-	18,809
36 - 40	-	10,835	27,232	7,266	-	-	-	-	13,401
41 - 45	-	18,825	12,443	6,549	1,970	6,958	2,395	8,689	10,362
46 - 50	-	-	29,037	35,175	6,685	-	-	-	19,907
51 - 55	-	26,792	17,341	14,386	9,614	9,160	-	-	17,498
56 - 60	-	29,451	26,660	13,877	20,629	12,259	-	-	20,550
61 - 65	19,740	22,134	23,529	21,061	20,343	12,246	5,477	26,213	20,797
66 - 70	50,053	24,030	21,234	26,253	19,504	17,566	8,899	8,608	21,471
71 - 75	-	18,375	21,823	21,939	18,613	17,846	11,146	10,370	19,145
76 - 80	-	20,688	18,968	14,957	14,646	14,801	13,571	14,815	15,074
81 & Over	-	28,902	15,800	13,148	12,297	12,820	13,055	12,321	12,820
Average	28,165	22,401	21,134	19,531	15,870	14,085	12,315	12,421	16,654

## EXHIBIT X

### PLAN A: YEAR-TO-YEAR COMPARISON

	Fiscal 2024	Fiscal 2023	Fiscal 2022	Fiscal 2021
Number of Active Members	14,162	13,824	13,412	13,643
Number of Retirees & Survivors	8,638	8,477	8,284	8,096
Number of Terminated Due Deferred	1,019	948	956	901
Number Terminated Due Refunds	10,269	9,780	9,376	8,731
Active Lives Payroll	\$ 782,475,107	\$ 731,489,199	\$ 675,490,286	\$ 672,340,250
Retiree Benefits in Payment	\$ 247,863,296	\$ 233,845,747	\$ 225,184,598	\$ 211,189,264
Market Value of Assets	\$ 5,204,028,719	\$ 4,752,547,557	\$ 4,274,065,818	\$ 4,976,037,622
Entry Age Normal Accrued Liability	\$ 5,019,521,386	\$ 4,767,104,224	\$ 4,580,134,176	\$ 4,426,022,763
Ratio of AVA to EAN Accrued Liability	102.36%	102.92%	102.19%	103.22%
Actuarial Value of Assets	\$ 5,137,808,297	\$ 4,906,092,553	\$ 4,680,374,638	\$ 4,568,593,183
Present Value of Future Employer Normal Cost	\$ 640,291,064	\$ 587,507,829	\$ 550,648,440	\$ 514,180,024
Present Value of Future Employee Contrib.	\$ 602,005,087	\$ 561,709,264	\$ 518,547,540	\$ 518,500,733
Funding Deposit Account Balance	\$ 95,746,952	\$ 102,214,729	\$ 65,263,833	\$ 69,983,070
Present Value of Future Benefits	\$ 6,284,357,496	\$ 5,953,094,917	\$ 5,684,306,785	\$ 5,531,290,870
	Fiscal 2025	Fiscal 2024	Fiscal 2023	Fiscal 2022
Employee Contribution Rate	9.50%	9.50%	9.50%	9.50%
Estimated Tax Contribution as a % of Payroll	1.40%	1.43%	1.43%	1.23%
Actuarially Required Net Direct Contribution Rate	7.52%	7.34%	7.49%	7.10%
Actual Employer Contribution Rate	11.00%	11.50%	11.50%	11.50%

Fiscal 2020	Fiscal 2019	Fiscal 2018	Fiscal 2017	Fiscal 2016	Fiscal 2015
13,750	14,042	14,027	14,201	14,330	14,232
7,873	7,651	7,467	7,301	7,050	6,783
849	818	813	709	703	678
8,351	7,967	7,845	7,482	7,329	7,182
\$ 666,414,649	\$ 634,490,049	\$ 615,887,352	\$ 605,199,478	\$ 599,421,070	\$ 577,600,460
\$ 201,085,695	\$ 185,969,386	\$ 177,804,484	\$ 170,697,910	\$ 157,140,568	\$ 146,994,479
\$ 4,561,001,343	\$ 4,091,788,575	\$ 3,540,960,468	\$ 3,829,020,281	\$ 3,313,917,014	\$ 3,124,593,132
\$ 4,306,898,028	\$ 4,019,234,688	\$ 3,908,729,734	\$ 3,676,214,901	\$ 3,446,813,538	\$ 3,316,128,533
97.95%	97.41%	96.03%	99.49%	99.20%	97.11%
\$ 4,218,785,899	\$ 3,915,328,623	\$ 3,753,426,178	\$ 3,657,539,805	\$ 3,419,149,648	\$ 3,220,157,028
\$ 725,789,884	\$ 717,931,079	\$ 756,070,638	\$ 604,529,232	\$ 555,155,571	\$ 592,955,250
\$ 513,701,674	\$ 480,272,531	\$ 466,755,194	\$ 437,372,887	\$ 422,091,697	\$ 405,879,187
\$ 55,177,473	\$ 83,972,205	\$ 78,847,141	\$ 66,910,393	\$ 68,896,088	\$ 49,644,401
\$ 5,403,099,984	\$ 5,029,560,028	\$ 4,897,404,869	\$ 4,632,531,531	\$ 4,327,500,828	\$ 4,169,347,064
Fiscal 2021	Fiscal 2020	Fiscal 2019	Fiscal 2018	Fiscal 2017	Fiscal 2016
9.50%	9.50%	9.50%	9.50%	9.50%	9.50%
1.30%	1.30%	1.24%	1.22%	1.22%	1.27%
10.38%	11.11%	12.18%	9.99%	9.35%	10.52%
12.25%	12.25%	11.50%	11.50%	12.50%	13.00%

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## EXHIBIT XI

### PLAN B: ANALYSIS OF ACTUARIALLY REQUIRED CONTRIBUTIONS

1.	Present Value of Future Benefits .....	\$	583,758,419
2.	Funding Deposit Account Credit Balance .....	\$	8,571,016
3.	Actuarial Value of Assets .....	\$	480,467,605
4.	Present Value of Future Employee Contributions.....	\$	30,795,051
5.	Present Value of Future Employer Normal Costs (1 + 2 – 3 – 4).....	\$	81,066,779
6.	Present Value of Future Salaries .....	\$	1,106,696,686
7.	Employer Normal Cost Accrual Rate (5 ÷ 6) .....		7.325113%
8.	Projected Fiscal 2025 Salary for Current Membership .....	\$	122,139,225
9.	Employer Normal Cost as of January 1, 2025 (7 × 8) .....	\$	8,946,836
10.	Employer Normal Cost Interest Adjusted for Mid-year Payment .....	\$	9,228,695
11.	Estimated Administrative Cost for Fiscal 2025 .....	\$	457,032
12.	TOTAL Administrative and Interest Adjusted Actuarial Costs (10 + 11).....	\$	9,685,727
13.	Offset for Projected Ad Valorem Tax Contributions for Fiscal 2025 .....	\$	(1,872,330)
14.	Offset for Projected Revenue Sharing Funds for Fiscal 2025.....	\$	(23,765)
15.	Employers' Minimum Net Direct Actuarially Required Contribution for Fiscal 2025 (12 + 13 + 14).....	\$	7,789,632
16.	Projected Payroll for Fiscal 2025.....	\$	135,805,395
17.	Employers' Minimum Net Direct Actuarially Required Contribution as a % of Projected Payroll for Fiscal 2025 (15 ÷ 16).....		5.74%
18.	Actual Employer Contribution Rate for Fiscal 2025.....		7.00%
19.	Minimum Recommended Net Direct Employer Contribution Rate for Fiscal 2026 (17, Rounded to Nearest 0.25%).....		5.75%

## EXHIBIT XII

### PLAN B: PRESENT VALUE OF FUTURE BENEFITS

#### PRESENT VALUE OF FUTURE BENEFITS FOR ACTIVE MEMBERS:

Retirement Benefits .....	\$	334,513,884
Survivor Benefits .....		5,847,560
Disability Benefits .....		12,276,589
Vested Termination Benefits .....		17,886,190
Refunds of Contributions .....		4,801,443
 TOTAL Present Value of Future Benefits for Active Members .....	\$	 375,325,666

#### PRESENT VALUE OF FUTURE BENEFITS FOR TERMINATED MEMBERS:

Terminated Vested Members Due Benefits at Retirement .....	\$	17,230,845
Terminated Members with Reciprocals		
Due Benefits at Retirement .....		44,159
Terminated Members Due a Refund .....		1,789,631
 TOTAL Present Value of Future Benefits for Terminated Members .....	\$	 19,064,635

#### PRESENT VALUE OF FUTURE BENEFITS FOR PENSIONERS:

##### Regular Retirees by Option Selected:

Maximum .....	\$	74,290,515
Option 1 .....		219,374
Option 2 .....		73,939,547
Option 3 .....		20,713,877
Option 4 .....		2,386,594
 TOTAL Regular Retirees .....	\$	 171,549,907
 TOTAL Disability Retirees .....	\$	 3,216,229
 TOTAL Survivors & Widows .....	\$	 14,144,829
 Reserve for Accrued Retiree DROP Account Balances .....	\$	 457,153
 TOTAL Present Value of Future Benefits for Retirees & Survivors .....	\$	 189,368,118
 TOTAL Present Value of Future Benefits .....	\$	 583,758,419

## EXHIBIT XIII – SCHEDULE A PLAN B: MARKET VALUE OF ASSETS

### CURRENT ASSETS:

Cash in Banks.....	\$	64,418,497
Contributions and Taxes Receivable .....		3,894,842
Accrued Interest and Dividends.....		238,144
Investments Receivable.....		207,377
Due (to)/from other Funds.....		(12,768,407)
Other Current Assets.....		18,292

TOTAL CURRENT ASSETS..... \$ 56,008,745

Property Plant & Equipment (Includes Subscription Assets)..... \$ 109,252

### INVESTMENTS:

Equities .....	\$	203,605,016
Fixed Income .....		152,116,816
Real Estate.....		20,656,865
Alternative Investments .....		57,110,278

TOTAL INVESTMENTS..... \$ 433,488,975

TOTAL ASSETS..... \$ 489,606,972

### CURRENT LIABILITIES:

Benefits Payable .....	\$	1,659,172
Accounts Payable.....		217,858
Investments Payable.....		33,998
Refunds Payable.....		45,634
Liability Transfer to/(from) Plan A.....		(217,345)
Subscription Payable .....		29,678

TOTAL CURRENT LIABILITIES..... \$ 1,768,995

MARKET VALUE OF ASSETS..... \$ 487,837,977

## EXHIBIT XIII – SCHEDULE B

### PLAN B: ACTUARIAL VALUE OF ASSETS

Excess (Shortfall) of invested income  
for current and previous 4 years:

Fiscal year 2024 .....	\$ 23,963,364
Fiscal year 2023 .....	28,921,895
Fiscal year 2022 .....	(82,650,543)
Fiscal year 2021 .....	19,533,805
Fiscal year 2020 .....	25,162,835
Total for five years .....	\$ 14,931,356

Deferral of excess (shortfall) of invested income:

Fiscal year 2024 (80%).....	\$ 19,170,691
Fiscal year 2023 (60%).....	17,353,137
Fiscal year 2022 (40%).....	(33,060,217)
Fiscal year 2021 (20%).....	3,906,761
Fiscal year 2020 ( 0%) .....	0
Total deferred for year .....	\$ 7,370,372

Market value of plan net assets, end of year..... \$ 487,837,977

Preliminary actuarial value of plan assets, end of year..... \$ 480,467,605

Actuarial value of assets corridor

85% of market value, end of year.....	\$ 414,662,280
115% of market value, end of year .....	\$ 561,013,674

Final actuarial value of plan net assets, end of year ..... \$ 480,467,605

**EXHIBIT XIV**  
**PLAN B: PRESENT VALUE OF FUTURE CONTRIBUTIONS**

Employee Contributions to the Annuity Savings Fund.....	\$	30,795,051
Employer Normal Contributions to the Pension Accumulation Fund.....		81,066,779
Funding Deposit Account Debit / (Credit) Balance.....		(8,571,016)
 TOTAL PRESENT VALUE OF FUTURE CONTRIBUTIONS.....	 \$	 103,290,814

**EXHIBIT XV**  
**PLAN B: RECONCILIATION OF CONTRIBUTIONS**

Employer Normal Cost for Prior Year .....	\$	8,214,646
Interest on Normal Cost.....		525,737
Administrative Expenses.....		418,896
Interest on Expenses.....		13,197
 TOTAL Interest Adjusted Actuarially Required Employer Contributions.....	 \$	 9,172,476
 Direct Employer Contributions .....	 \$	 9,517,711
Interest on Employer Contributions.....		299,844
Ad Valorem Taxes and Revenue Sharing Funds .....		1,808,455
Interest on Taxes and Revenue Sharing Funds.....		56,973
 TOTAL Interest Adjusted Employer Contributions.....	 \$	 11,682,983
 CONTRIBUTION SURPLUS (DEFICIENCY) .....	 \$	 2,510,507

## EXHIBIT XVI

### PLAN B: ANALYSIS OF CHANGE IN ASSETS

Actuarial Value of Assets (December 31, 2023).....	\$ 454,789,737
INCOME:	
Member Contributions .....	\$ 4,171,774
Employer Contributions .....	9,517,711
Irregular Contributions .....	1,293
Ad Valorem Taxes and Revenue Sharing .....	1,808,455
Transfers from other Systems .....	227,433
Other Income .....	98,411
Total Contributions.....	\$ 15,825,077
Net Appreciation in Fair Value of Investments .....	\$ 44,619,336
Interest & Dividends .....	10,218,513
Class Action Settlement.....	13,866
Investment Expense .....	(2,821,964)
Net Investment Income .....	\$ 52,029,751
TOTAL Income.....	\$ 67,854,828
EXPENSES:	
Retirement Benefits.....	\$ 17,979,268
DROP Disbursements .....	1,652,613
Refunds of Contributions .....	647,986
Transfers to other Systems .....	718,449
Transfer to/(from) Plan A .....	(217,345)
Administrative Expenses.....	418,896
TOTAL Expenses.....	\$ 21,199,867
Net Market Value Income for Fiscal 2024 (Income - Expenses) .....	\$ 46,654,961
Unadjusted Fund Balance as of December 31, 2024 (Fund Balance Previous Year + Net Income) .....	\$ 501,444,698
Adjustment for Actuarial Smoothing.....	\$ (20,977,093)
Actuarial Value of Assets (December 31, 2024).....	\$ 480,467,605

**EXHIBIT XVII**  
**PLAN B: FUNDING DEPOSIT ACCOUNT**

Funding Deposit Account Balance as of December 31, 2023 .....	\$	9,187,912
Interest on Opening Balance at 6.40%.....		588,026
Contributions to the Funding Deposit Account .....		2,510,507
Withdrawals from the Funding Deposit Account .....		(3,715,429)
Funding Deposit Account Balance as of December 31, 2024 .....	\$	8,571,016

**EXHIBIT XVIII – SCHEDULE A**  
**PLAN B: PENSION BENEFIT OBLIGATION**

Present Value of Credited Projected Benefits Payable to Current Employees.....	\$	229,794,470
Present Value of Benefits Payable to Terminated Employees.....		19,064,635
Present Value of Benefits Payable to Current Retirees and Beneficiaries.....		189,368,118
TOTAL PENSION BENEFIT OBLIGATION .....	\$	438,227,223
NET ACTUARIAL VALUE OF ASSETS .....	\$	480,467,605
Ratio of Net Actuarial Value of Assets to Pension Benefit Obligation.....		109.64%

**EXHIBIT XVIII – SCHEDULE B**  
**PLAN B: ENTRY AGE NORMAL ACCRUED LIABILITIES**

Accrued Liability for Active Employees .....	\$	256,096,118
Accrued Liability for Terminated Employees .....		19,064,635
Accrued Liability for Current Retirees and Beneficiaries .....		189,368,118
TOTAL ENTRY AGE NORMAL ACCRUED LIABILITY.....	\$	464,528,871
NET ACTUARIAL VALUE OF ASSETS.....	\$	480,467,605
Ratio of Net Actuarial Value of Assets to Entry Age Normal Accrued Liability .....		103.43%

**EXHIBIT XIX**  
**PLAN B: CENSUS DATA**

	<b>Active (Non- DROP)</b>	<b>Terminated with Funds on Deposit</b>	<b>DROP</b>	<b>Retired</b>	<b>Total</b>
Number of members as of June 30, 2023	2,323	2,310	61	1,116	5,810
Additions to Census					
Initial membership	318	33			351
Omitted in error last year					
Death of another member				14	14
Adjustment for multiple records					
Change in Status during Year					
Actives terminating service	(154)	154			
Actives who retired	(57)			57	
Actives entering DROP	(25)		25		
Term. members rehired	17	(17)			
Term. members who retire		(13)		13	
Retirees who are rehired	1			(1)	
Refunded who are rehired	6	3			9
DROP participants retiring			(12)	12	
DROP returned to work	14		(14)		
Omitted in error last year					
Eliminated from Census					
Refund of contributions	(116)	(62)			(178)
Deaths	(10)	(5)		(41)	(56)
Included in error last year					
Adjustment for multiple records					
Number of members as of June 30, 2024	2,317	2,403	60	1,170	5,950

### Plan B | Actives Census by Age:

Age	Number Male	Number Female	Total Number	Average Salary	Total Salary
16 - 20	8	3	11	30,304	333,349
21 - 25	45	47	92	38,770	3,566,821
26 - 30	78	114	192	44,855	8,612,223
31 - 35	86	121	207	50,455	10,444,264
36 - 40	78	134	212	56,872	12,056,900
41 - 45	119	179	298	60,571	18,050,304
46 - 50	91	163	254	59,605	15,139,547
51 - 55	158	157	315	58,841	18,535,072
56 - 60	168	179	347	58,834	20,415,483
61 - 65	158	124	282	58,009	16,358,466
66 - 70	68	38	106	56,269	5,964,554
71 - 75	24	18	42	49,584	2,082,524
76 - 80	13	4	17	54,510	926,672
81 - 85	2	0	2	33,878	67,755
<b>Total</b>	<b>1,096</b>	<b>1,281</b>	<b>2,377</b>	<b>55,765</b>	<b>132,553,934</b>

Includes 1,164 actives with vested benefits, including 60 DROP participants and 64 active former DROP participants.

### Plan B | DROP Participants:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
56 - 60	3	14	17	29,541	502,204
61 - 65	20	12	32	28,051	897,645
66 - 70	3	5	8	21,315	170,521
71 - 75	0	2	2	20,320	40,640
76 - 80	1	0	1	9,529	9,529
<b>Total</b>	<b>27</b>	<b>33</b>	<b>60</b>	<b>27,009</b>	<b>1,620,539</b>

### Plan B | Terminated Members Due a Deferred Retirement Benefit:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
26 - 30	0	1	1	4,944	4,944
31 - 35	2	6	8	7,571	60,570
36 - 40	9	13	22	8,431	185,483
41 - 45	14	22	36	10,056	362,011
46 - 50	5	19	24	11,599	278,386
51 - 55	11	22	33	14,158	467,202
56 - 60	13	32	45	15,325	689,614
61 - 65	13	18	31	8,458	262,188
66 - 70	5	6	11	8,593	94,521
71 - 75	1	0	1	5,293	5,293
76 - 80	1	0	1	18,108	18,108
<b>Total</b>	<b>74</b>	<b>139</b>	<b>213</b>	<b>11,401</b>	<b>2,428,320</b>

### Plan B | Terminated Members Due a Refund of Contributions:

Contributions Ranging From	To	Number	Total Contributions
0	- 99	1,133	30,339
100	- 499	432	108,741
500	- 999	170	122,273
1,000	- 1,999	180	261,884
2,000	- 4,999	185	584,791
5,000	- 9,999	82	536,948
10,000	- 19,999	8	105,256
<b>Total</b>		<b>2,190</b>	<b>1,750,232</b>

\* Includes 718 members due a refund who were not included in the data provided to the actuary since they are maintained external to the system's database. Excludes \$39,399 due to deceased members.

### Plan B | Regular Retirees:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
51 - 55	1	0	1	41,475	41,475
56 - 60	7	6	13	27,871	362,321
61 - 65	64	66	130	24,591	3,196,874
66 - 70	141	138	279	18,372	5,125,742
71 - 75	128	109	237	16,169	3,832,106
76 - 80	88	74	162	14,926	2,418,044
81 - 85	54	50	104	12,840	1,335,318
86 - 90	25	21	46	9,738	447,934
91 - 95	2	14	16	11,388	182,204
96 - 100	0	1	1	7,477	7,477
Total	510	479	989	17,138	16,949,495

### Plan B | Disability Retirees:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
41 - 45	2	0	2	10,003	20,005
46 - 50	4	1	5	10,016	50,081
51 - 55	2	1	3	10,368	31,103
56 - 60	8	1	9	13,565	122,084
61 - 65	2	0	2	7,056	14,112
66 - 70	1	1	2	7,218	14,435
Total	19	4	23	10,949	251,820

### Plan B | Survivors:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
36 - 40	0	1	1	4,844	4,844
41 - 45	1	2	3	7,951	23,854
46 - 50	1	1	2	7,271	14,541
51 - 55	0	2	2	13,925	27,850
56 - 60	3	3	6	11,531	69,183
61 - 65	2	9	11	7,483	82,317
66 - 70	2	27	29	11,729	340,133
71 - 75	6	22	28	10,981	307,471
76 - 80	4	27	31	11,519	357,095
81 - 85	1	27	28	9,920	277,746
86 - 90	0	14	14	8,233	115,267
91 - 95	0	2	2	5,284	10,567
96 - 100	0	1	1	5,992	5,992
Total	20	138	158	10,360	1,636,860

### Plan B | Active Members:

Attained Ages	Completed Years of Service								Total
	0 - 1	1 - 5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	Over 30	
0 - 20	10	1	-	-	-	-	-	-	11
21 - 25	33	56	3	-	-	-	-	-	92
26 - 30	53	104	32	3	-	-	-	-	192
31 - 35	41	78	70	17	1	-	-	-	207
36 - 40	29	68	54	42	18	1	-	-	212
41 - 45	41	92	61	34	48	21	1	-	298
46 - 50	32	70	52	26	41	20	13	-	254
51 - 55	37	70	57	40	34	33	30	14	315
56 - 60	24	78	58	44	47	29	43	24	347
61 - 65	15	43	66	43	34	31	21	29	282
66 - 70	4	17	18	19	18	16	9	5	106
71 & Over	4	4	7	12	9	9	4	12	61
Total	323	681	478	280	250	160	121	84	2,377

### Plan B | Average Annual Salary of Active Members:

Attained Ages	Completed Years of Service								Average
	0 - 1	1 - 5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	Over 30	
0 - 20	30,620	27,150	-	-	-	-	-	-	30,304
21 - 25	33,771	41,560	41,673	-	-	-	-	-	38,770
26 - 30	41,036	44,340	53,074	42,510	-	-	-	-	44,855
31 - 35	50,001	45,526	53,591	60,441	64,300	-	-	-	50,455
36 - 40	54,403	51,234	61,603	62,441	53,835	77,214	-	-	56,872
41 - 45	44,409	59,928	60,311	69,168	65,365	70,629	64,775	-	60,571
46 - 50	57,712	52,347	54,193	75,808	68,633	61,961	60,479	-	59,605
51 - 55	43,484	51,805	63,090	58,622	76,102	55,148	66,700	67,887	58,841
56 - 60	49,809	47,218	52,169	68,491	62,149	63,605	73,528	65,432	58,834
61 - 65	43,640	42,819	57,510	57,706	67,355	60,153	62,363	73,144	58,009
66 - 70	34,624	46,413	50,478	52,360	68,753	55,999	74,739	65,479	56,269
71 & Over	34,670	55,316	42,076	57,302	55,384	50,410	75,674	40,001	50,442
Average	45,285	48,957	56,525	62,938	66,077	60,491	68,584	64,874	55,765

### Plan B | Terminated Members Due a Deferred Retirement Benefit:

Attained Ages	Years until Retirement Eligibility								Total
	0 - 1	1 - 2	2 - 3	3 - 5	5 - 10	10 - 15	15 - 20	Over 20	
0 - 30	-	-	-	-	-	-	-	1	1
31 - 35	-	-	-	-	-	-	-	8	8
36 - 40	-	-	-	-	-	-	-	22	22
41 - 45	-	-	-	-	-	-	10	26	36
46 - 50	-	-	-	-	-	11	11	2	24
51 - 55	-	1	-	3	19	9	1	-	33
56 - 60	4	8	7	16	9	1	-	-	45
61 - 65	15	3	3	5	5	-	-	-	31
66 - 70	11	-	-	-	-	-	-	-	11
71 & Over	2	-	-	-	-	-	-	-	2
<b>Total</b>	<b>32</b>	<b>12</b>	<b>10</b>	<b>24</b>	<b>33</b>	<b>21</b>	<b>22</b>	<b>59</b>	<b>213</b>

### Plan B | Average Annual Benefits of Terminated Members Due a Deferred Retirement Benefit:

Attained Ages	Years until Retirement Eligibility								Average
	0 - 1	1 - 2	2 - 3	3 - 5	5 - 10	10 - 15	15 - 20	Over 20	
0 - 30	-	-	-	-	-	-	-	4,944	4,944
31 - 35	-	-	-	-	-	-	-	7,571	7,571
36 - 40	-	-	-	-	-	-	-	8,431	8,431
41 - 45	-	-	-	-	-	-	15,520	7,954	10,056
46 - 50	-	-	-	-	-	13,854	9,761	9,310	11,599
51 - 55	-	40,847	-	12,988	15,957	8,884	4,251	-	14,158
56 - 60	24,088	18,316	17,255	14,799	8,933	8,780	-	-	15,325
61 - 65	9,877	11,411	6,458	5,855	6,229	-	-	-	8,458
66 - 70	8,593	-	-	-	-	-	-	-	8,593
71 & Over	11,701	-	-	-	-	-	-	-	11,701
<b>Average</b>	<b>11,326</b>	<b>18,467</b>	<b>14,016</b>	<b>12,709</b>	<b>12,567</b>	<b>11,482</b>	<b>12,128</b>	<b>8,075</b>	<b>11,401</b>

### Plan B | Service Retirees:

Attained Ages	Completed Years Since Retirement								Total
	0 - 1	1 - 2	2 - 3	3 - 5	5 - 10	10 - 15	15 - 20	Over 20	
0 - 50	-	-	-	-	-	-	-	-	-
51 - 55	1	-	-	-	-	-	-	-	1
56 - 60	4	1	1	4	3	-	-	-	13
61 - 65	25	25	26	28	22	4	-	-	130
66 - 70	29	23	46	54	96	21	5	5	279
71 - 75	6	8	10	25	116	55	13	4	237
76 - 80	4	2	5	7	34	63	35	12	162
81 - 85	-	-	-	6	13	18	31	36	104
86 - 90	1	-	-	1	2	5	6	31	46
91 & Over	-	-	-	-	-	-	1	16	17
Total	70	59	88	125	286	166	91	104	989

### Plan B | Average Annual Benefits Payable to Service Retirees:

Attained Ages	Completed Years Since Retirement								Average
	0 - 1	1 - 2	2 - 3	3 - 5	5 - 10	10 - 15	15 - 20	Over 20	
0 - 50	-	-	-	-	-	-	-	-	-
51 - 55	41,475	-	-	-	-	-	-	-	41,475
56 - 60	23,895	22,808	23,989	36,013	25,298	-	-	-	27,871
61 - 65	26,258	17,705	25,519	27,630	26,950	16,935	-	-	24,591
66 - 70	17,510	15,311	18,872	16,809	20,651	20,100	11,089	5,999	18,372
71 - 75	16,688	13,516	12,242	17,544	16,098	15,908	20,908	12,184	16,169
76 - 80	30,749	19,558	25,437	22,802	12,586	13,718	14,005	15,566	14,926
81 - 85	-	-	-	26,037	15,360	12,141	11,439	11,285	12,840
86 - 90	7,927	-	-	1,046	6,568	16,866	8,472	9,376	9,738
91 & Over	-	-	-	-	-	-	6,470	11,451	11,158
Average	21,891	16,353	20,514	20,647	18,040	15,252	13,509	11,016	17,138

## Plan B | Disability Retirees:

Attained Ages	Completed Years Since Retirement								Total
	0 - 1	1 - 5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	Over 30	
0 - 30	-	-	-	-	-	-	-	-	-
31 - 35	-	-	-	-	-	-	-	-	-
36 - 40	-	-	-	-	-	-	-	-	-
41 - 45	1	-	1	-	-	-	-	-	2
46 - 50	1	1	2	-	-	1	-	-	5
51 - 55	-	1	1	1	-	-	-	-	3
56 - 60	2	2	2	1	2	-	-	-	9
61 - 65	-	-	1	-	-	1	-	-	2
66 - 70	-	1	-	1	-	-	-	-	2
71 - 75	-	-	-	-	-	-	-	-	-
76 - 80	-	-	-	-	-	-	-	-	-
81 & Over	-	-	-	-	-	-	-	-	-
Total	4	5	7	3	2	2	-	-	23

## Plan B | Average Annual Benefits Payable To Disability Retirees:

Attained Ages	Completed Years Since Retirement								Average
	0 - 1	1 - 5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	Over 30	
0 - 30	-	-	-	-	-	-	-	-	-
31 - 35	-	-	-	-	-	-	-	-	-
36 - 40	-	-	-	-	-	-	-	-	-
41 - 45	12,604	-	7,401	-	-	-	-	-	10,003
46 - 50	16,829	8,715	9,622	-	-	5,293	-	-	10,016
51 - 55	-	8,764	12,642	9,697	-	-	-	-	10,368
56 - 60	16,948	17,134	17,213	7,188	6,153	-	-	-	13,565
61 - 65	-	-	8,507	-	-	5,605	-	-	7,056
66 - 70	-	7,808	-	6,627	-	-	-	-	7,218
71 - 75	-	-	-	-	-	-	-	-	-
76 - 80	-	-	-	-	-	-	-	-	-
81 & Over	-	-	-	-	-	-	-	-	-
Average	15,832	11,911	11,746	7,837	6,153	5,449	-	-	10,949

### Plan B | Surviving Beneficiaries of Former Members:

Attained Ages	Completed Years Since Retirement								Total
	0 - 1	1 - 5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	Over 30	
0 - 30	-	-	-	-	-	-	-	-	-
31 - 35	-	-	-	-	-	-	-	-	-
36 - 40	-	-	1	-	-	-	-	-	1
41 - 45	-	-	1	-	-	1	1	-	3
46 - 50	-	-	-	-	1	1	-	-	2
51 - 55	-	1	-	1	-	-	-	-	2
56 - 60	1	3	1	1	-	-	-	-	6
61 - 65	-	2	3	3	2	1	-	-	11
66 - 70	3	4	5	5	7	2	2	1	29
71 - 75	-	3	4	7	7	5	2	-	28
76 - 80	-	1	4	7	9	8	2	-	31
81 & Over	-	1	2	4	8	11	10	9	45
Total	4	15	21	28	34	29	17	10	158

### Plan B | Average Annual Benefits Payable to Survivors of Former Members:

Attained Ages	Completed Years Since Retirement								Average
	0 - 1	1 - 5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	Over 30	
0 - 30	-	-	-	-	-	-	-	-	-
31 - 35	-	-	-	-	-	-	-	-	-
36 - 40	-	-	4,844	-	-	-	-	-	4,844
41 - 45	-	-	12,772	-	-	7,592	3,490	-	7,951
46 - 50	-	-	-	-	12,078	2,463	-	-	7,271
51 - 55	-	14,367	-	13,483	-	-	-	-	13,925
56 - 60	11,454	13,407	11,208	6,299	-	-	-	-	11,531
61 - 65	-	8,653	7,879	6,332	7,422	7,533	-	-	7,483
66 - 70	7,918	22,282	10,082	11,219	10,955	14,233	3,729	8,137	11,729
71 - 75	-	11,164	13,207	9,748	11,963	12,182	4,129	-	10,981
76 - 80	-	6,014	9,583	6,146	14,952	14,963	7,729	-	11,519
81 & Over	-	5,992	7,500	7,973	8,623	9,718	12,201	6,533	9,102
Average	8,802	13,768	9,954	8,501	11,497	11,502	9,216	6,693	10,360

**EXHIBIT XX**  
**PLAN B: YEAR-TO-YEAR COMPARISON**

	Fiscal 2024	Fiscal 2023	Fiscal 2022	Fiscal 2021
Number of Active Members	2,377	2,384	2,314	2,367
Number of Retirees & Survivors	1,170	1,116	1,074	1,013
Number of Terminated Due Deferred	213	209	197	174
Number Terminated Due Refunds	2,190	2,101	2,021	1,914
Active Lives Payroll	\$ 132,553,934	\$ 125,605,540	\$ 116,672,661	\$ 115,392,433
Retiree Benefits in Payment	\$ 18,838,175	\$ 16,993,868	\$ 16,194,352	\$ 14,395,520
Market Value of Assets	\$ 487,837,977	\$ 441,183,016	\$ 390,726,543	\$ 449,392,040
Entry Age Normal Accrued Liability	\$ 464,528,871	\$ 436,129,365	\$ 408,897,511	\$ 388,045,808
Ratio of AVA to EAN Accrued Liability	103.43%	104.28%	104.71%	106.43%
Actuarial Value of Assets	\$ 480,467,605	\$ 454,789,737	\$ 428,173,067	\$ 412,987,548
Present Value of Future Employer Normal Cost	\$ 81,066,779	\$ 74,397,920	\$ 71,210,607	\$ 63,846,141
Present Value of Future Employee Contrib.	\$ 30,795,051	\$ 29,176,553	\$ 28,799,586	\$ 28,418,706
Funding Deposit Account Balance	\$ 8,571,016	\$ 9,187,912	\$ 5,727,180	\$ 5,194,363
Present Value of Future Benefits	\$ 583,758,419	\$ 549,176,298	\$ 522,456,080	\$ 500,058,032
	Fiscal 2025	Fiscal 2024	Fiscal 2023	Fiscal 2022
Employee Contribution Rate	3.00%	3.00%	3.00%	3.00%
Estimated Tax Contribution as a % of Payroll	1.40%	1.42%	1.43%	1.23%
Actuarially Required Net Direct Contribution Rate	5.74%	5.50%	5.35%	4.93%
Actual Employer Contribution Rate	7.00%	7.50%	7.50%	7.50%

Fiscal 2020	Fiscal 2019	Fiscal 2018	Fiscal 2017	Fiscal 2016	Fiscal 2015
2,387	2,462	2,429	2,459	2,415	2,413
985	942	896	855	792	747
158	152	154	142	138	139
1,841	1,769	1,708	1,637	1,608	1,554
\$ 114,185,471	\$ 111,568,953	\$ 105,914,905	\$ 103,056,369	\$ 100,932,377	\$ 98,127,898
\$ 13,557,343	\$ 12,183,667	\$ 11,243,993	\$ 10,430,299	\$ 9,070,674	\$ 8,150,177
\$ 405,656,961	\$ 360,893,172	\$ 307,800,757	\$ 325,626,878	\$ 275,756,021	\$ 255,103,397
\$ 374,570,332	\$ 348,089,703	\$ 329,243,218	\$ 307,480,656	\$ 283,598,901	\$ 267,985,810
100.20%	99.34%	99.11%	101.09%	100.38%	98.46%
\$ 375,316,220	\$ 345,786,489	\$ 326,300,632	\$ 310,818,392	\$ 284,685,809	\$ 263,849,591
\$ 87,209,842	\$ 86,369,014	\$ 83,679,498	\$ 76,666,027	\$ 71,874,582	\$ 74,851,929
\$ 28,295,937	\$ 27,007,067	\$ 25,843,520	\$ 24,893,108	\$ 24,084,343	\$ 23,527,632
\$ 4,881,920	\$ 6,928,047	\$ 6,220,583	\$ 5,361,971	\$ 5,602,259	\$ 4,622,489
\$ 485,940,079	\$ 452,234,523	\$ 429,603,067	\$ 407,015,556	\$ 375,042,475	\$ 357,606,663
Fiscal 2021	Fiscal 2020	Fiscal 2019	Fiscal 2018	Fiscal 2017	Fiscal 2016
3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
1.31%	1.31%	1.24%	1.22%	1.21%	1.26%
7.07%	7.39%	7.53%	7.01%	6.75%	7.20%
7.50%	7.50%	7.50%	7.50%	8.00%	8.00%

## **SUMMARY OF PRINCIPAL PLAN PROVISIONS**

All members of the Parochial Employees' Retirement System are participants in either Plan A or Plan B according to the provisions of the agreement entered into by their employer. All employees of a participating employer must participate in the same plan. The principal provisions of each plan are given below. The following summary of plan provisions is for general informational purposes only and does not constitute a guarantee of benefits.

### **PLAN A PROVISIONS**

#### **CONTRIBUTION RATES**

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The Plan A fund is financed by employee contributions at a rate determined by the Board subject to the statutory range of 8% through 11% of each member's earnings and employer contributions as determined by the Public Retirement Systems' Actuarial Committee. In addition, each sheriff and ex-officio tax collector deducts one-fourth of one percent of the aggregate amount of the tax shown to be collected by the tax roll of each respective parish, excepting Orleans Parish and East Baton Rouge Parish, and remits the money to the system on an annual basis. The system also receives revenue sharing funds each year as appropriated by the legislature. In any fiscal year in which employer contribution rate as actuarially determined is scheduled to decrease, the Board of Trustees may elect to maintain the existing rate or any rate between the existing and minimum rates.

#### **RETIREMENT BENEFITS**

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Members hired on or before December 31, 2006, with seven years of creditable service may retire at age sixty-five; ten years of creditable service may retire at age sixty; members with twenty-five years of service may retire at age fifty-five; members with thirty years of service may retire regardless of age. Members hired on or after January 1, 2007, with seven years of creditable service may retire at age sixty-seven; ten years of creditable service may retire at age sixty-two; members with thirty years of service may retire at age fifty-five. The retirement allowance is equal to three percent of the member's final compensation multiplied by his years of creditable service; however, any employee who was a member of the supplemental plan only prior to the revision date has the benefit earned for service credited prior to the revision date on the basis of one percent of final compensation plus two dollars per month for each year of service credited prior to the revision date, and three percent of final compensation for each year of service credited after the revision date. All accumulated annual leave for which payment cannot be made in accordance with law and all unused sick leave accumulated at the time of retirement is included in the member's creditable service for retirement computation purposes. The retirement allowance may not exceed the greater of one hundred percent of member's final salary or final compensation. Final compensation for members hired before January 1, 2007 refers to the highest 36 months of consecutive or joined service; final compensation for members hired after December 31, 2006 refers to the highest 60 months of consecutive or joined service.

## **DISABILITY BENEFITS**

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Five years of creditable service are required in order to be eligible for disability benefits for members hired on or before December 31, 2006. Seven years of creditable service are required in order to be eligible for disability benefits for members hired on or after January 1, 2007. Disabled members receive a normal retirement allowance if eligible. Otherwise, the member receives the lesser of three percent of compensation multiplied by his years of service, not to be less than fifteen years, or the accrual percentage as defined for retirement benefits multiplied by final compensation multiplied by years of service assuming continued service to age sixty for members hired on or before December 31, 2006 or age sixty-two for members hired on or after January 1, 2007.

## **SURVIVOR BENEFITS**

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Five years of creditable service is required in order to be eligible for survivor benefits. If a member is eligible for normal retirement at the time of death, the surviving spouse receives an automatic option 2 benefit. If the member was not eligible for a normal retirement, the surviving unmarried spouse with minor children receives sixty percent of final compensation. If the member was not eligible for a normal retirement, the surviving unmarried spouse with no minor children receives forty percent of final compensation payable upon the attainment of age sixty by the spouse, or upon becoming disabled. Minor children with no unmarried spouse receive thirty percent of final compensation each, not to exceed a total of sixty percent of final compensation.

## **CONTRIBUTION REFUNDS**

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Upon withdrawal from service, members not entitled to a retirement allowance are paid a refund of accumulated contributions upon request. Receipt of such a refund cancels all accrued rights in the system. If a member receives a refund of contributions and is subsequently rehired on or after January 1, 2007, the provisions applicable to members initially hired on or after January 1, 2007 will apply.

# **PLAN B PROVISIONS**

## **CONTRIBUTION RATES**

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The Plan B fund is financed by employee contributions at a rate determined by the Board subject to the statutory range of 3% through 5% of each member's earnings and employer contributions as determined by the Public Retirement Systems' Actuarial Committee. In addition, each sheriff and ex officio tax collector deducts one-fourth of one percent of the aggregate amount of the tax shown to be collected by the tax roll of each respective parish excepting, Orleans Parish and East Baton Rouge Parish, and remits the money to the system on an annual basis. The system also receives revenue sharing funds each year as appropriated by the legislature. In any fiscal year in which the employer contribution rate as actuarially determined is scheduled to decrease, the Board of Trustees may elect to maintain the existing rate or any rate between the existing and minimum rates.

## **RETIREMENT BENEFITS**

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Members hired on or before December 31, 2006, with seven years of creditable service may retire at age sixty-five; ten years of creditable service may retire at age sixty; members with thirty years of service may retire at age fifty-five. Members hired on or after January 1, 2007, with seven years of creditable service may retire at age sixty-seven; ten years of creditable service may retire at age sixty-two; members with thirty years of service may retire at age fifty-five. The retirement allowance is equal to two percent of the member's final compensation multiplied by the years of creditable service. All accumulated annual leave for which payment cannot be made in accordance with law and all unused sick leave accumulated at the time of retirement is included in the member's creditable service for retirement computation purposes. Final compensation for members hired before January 1, 2007 refers to the highest 36 months of consecutive or joined service; final compensation for members hired after December 31, 2006 refers to the highest 60 months of consecutive or joined service.

## **DISABILITY BENEFITS**

---

Five years of creditable service is required in order to be eligible for disability benefits for members hired on or before December 31, 2006. Seven years of creditable service is required in order to be eligible for disability benefits for members hired on or after January 1, 2007. Disabled members receive a normal retirement allowance, if eligible. Otherwise, the member receives the lesser of two percent of compensation multiplied by the years of service, not to be less than fifteen years, or two percent of final compensation multiplied by the years of service assuming continued service to age sixty for members hired on or before December 31, 2006 or age sixty-two for members hired on or after January 1, 2007.

## **SURVIVOR BENEFITS**

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The surviving spouse of a member who was eligible for normal retirement at the time of death receives an automatic option 2 benefit. The surviving spouse of a member with ten or more years of creditable service and not eligible for normal retirement at the time of death receives an option 2 benefit payable at attainment of age fifty by the spouse.

## **CONTRIBUTION REFUNDS**

---

Upon withdrawal from service, members not entitled to a retirement allowance are paid a refund of accumulated contributions upon request. Receipt of such a refund cancels all accrued rights in the system. If a member receives a refund of contributions and is subsequently rehired on or after January 1, 2007, the provisions applicable to members initially hired on or after January 1, 2007 will apply.

## PROVISIONS APPLICABLE TO BOTH PLAN A AND B

### OPTIONAL ALLOWANCES

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Upon application for retirement any member may elect to receive their benefit in a retirement allowance payable throughout their life, or he may elect at that time to receive the actuarial equivalent of their retirement allowance in a reduced retirement allowance payable throughout life. A retiree cannot change the designation of beneficiary.

**Option 2** – Upon retirement, the member receives a reduced benefit. Upon the member's death, the surviving spouse will continue to receive the same reduced benefit.

**Option 3** – Upon retirement, the member receives a reduced benefit. Upon the member's death, the surviving spouse will receive one-half of the member's reduced benefit.

**Option 4** – Upon retirement, the member may elect to receive a Board-approved benefit that is actuarially equivalent to the maximum benefit.

### DEFERRED RETIREMENT OPTION PLAN

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In lieu of terminating employment and accepting a service retirement allowance, any member of Plan A or Plan B who is eligible for a normal retirement may elect to participate in the Deferred Retirement Option Plan (DROP) for up to three years and defer the receipt of benefits. In terms of DROP eligibility, any member whose service, when combined with service in any other state or statewide public retirement system exceeds thirty years will be eligible to include reciprocally recognized service credit. Upon commencement of participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would have been payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP fund. This fund does earn interest once the member terminates participation in DROP but continues their employment. The interest rate is based upon the rate of return of a short-term U.S. Treasury security, a group of short-term U.S. Treasury Securities, or an index of short-term U.S. Treasury securities to be selected by the board of trustees. This interest is to be credited to the individual's account balance on an annual basis. Additionally, no cost-of-living increases are payable to the participants until employment which made them eligible to become members of the system has been terminated for at least one full year.

Upon termination of employment prior to, or at the end of, the specified period of participation, a participant in the plan may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or any other method of payment if approved by the board of trustees. The monthly benefits that were being paid into the Deferred Retirement Option Plan fund will begin to be paid to the retiree. If a participant dies during the participation in the plan, a lump sum equal to his account balance in the plan fund shall be paid to his named beneficiary or, if none, to his estate. If employment is not terminated at the end of the three years, payments into the plan fund cease and the person resumes active contributing membership in the system. Additional accrued benefits are based on final average compensation used to calculate the

member's original benefit unless the additional period of service is at least thirty-six months for those individuals hired on or before December 31, 2006; or at least sixty months for those individuals hired on or after January 1, 2007.

#### **COST OF LIVING INCREASES**

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Under R.S. 11:246, the Board of Trustees is authorized to grant retired members, and widows of members, who have been retired for at least one full year an annual cost of living increase of two percent of their original benefit and all retired members and widows who are sixty-five years of age and older a two percent increase in their original benefit (or their benefit as of October 1, 1977, if they retired prior to that time). Under R.S. 11:1937, the Board of Trustees is authorized to grant retired members and widows of members who have been retired for at least one full year an annual cost of living increase of up to two and one-half percent of the member's current benefit to those age sixty-two and over. In order for the Board to grant either of these increases the system must meet certain criteria detailed in the statute related to funding status and interest earnings on investments. In lieu of other cost of living increases the Board may grant an increase to retirees in the form " $X \times (A \& B)$ " where "A" is equal to the number of years of credited service accrued as retirement or death of the member or retiree and "B" is equal to the number of years since death of the member or retiree to June 30 of the initial year of increase and "X" is equal to any amount available for funding such increase up to a maximum of \$1.00.

## ACTUARIAL ASSUMPTIONS

In determining actuarial costs, certain assumptions must be made regarding future experience under the plan. These assumptions include the rate of investment return, mortality of plan members, rates of salary increase, rates of retirement, rates of termination, rates of disability, and various other factors that have an impact on the cost of the plan. To the extent that future experience varies from the assumptions selected for valuation, future costs will be either higher or lower than anticipated. The following chart illustrates the effect of emerging experience on the plan.

Factor	Increase in Factor Results in
Investment Earnings Rate	Decrease in Cost
Annual Rate of Salary Increase	Increase in Cost
Rates of Retirement	Increase in Cost
Rates of Termination	Decrease in Cost
Rates of Disability	Increase in Cost
Rates of Mortality	Decrease in Cost

The following assumptions apply to both Plan A and Plan B unless stated otherwise.

### ACTUARIAL COST METHOD

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Plan A: The Aggregate Actuarial Cost Method with allocation based on earnings. The normal cost is interest adjusted for midyear payment.

Plan B: The Aggregate Actuarial Cost Method with allocation based on earnings. The normal cost is interest adjusted for midyear payment.

### VALUATION INTEREST RATE

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6.40% (Net of Investment Expense)

### ACTUARIAL ASSET VALUES

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Assets are valued at market value adjusted to defer four-fifths of all earnings above or below the valuation interest rate in the valuation year, three-fifths of all earnings above or below the valuation interest rate in the prior year, two-fifths of all earnings above or below the valuation interest rate from two years prior, and one-fifth of all earnings above or below the valuation interest rate from three years prior. The resulting smoothed values are subject to a corridor of 85% to 115% of the market value of assets. If the smoothed value falls outside the corridor, the actuarial value is set equal to the average of the corridor limit and the smoothed value.

Note: All deferrals are based on the valuation interest rate in effect as of the beginning of the fiscal year for each individual year.

## **ANNUAL SALARY INCREASE RATE**

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Plan A - 4.75% (2.3% inflation / 2.45% Merit)

Plan B - 4.25% (2.3% inflation / 1.95% Merit)

## **ACTIVE MEMBER MORTALITY**

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Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2021 scale.

## **ANNUITANT AND BENEFICIARY MORTALITY**

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Pub-2010 Public Retirement Plans Mortality Table for General Healthy Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2021 scale

## **DISABLED LIVES MORTALITY**

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Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2021 scale

## **RETIREE COST OF LIVING INCREASE**

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The present value of future retirement benefits is based on benefits currently being paid by the system and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

## **RATES OF RETIREMENT**

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The table of these rates is included later in the report. All eligible persons age 85 and over in both plans are assumed to retire immediately. These rates apply only to those individuals eligible to retire.

## **RETIREMENT LIMITATIONS**

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Projected retirement benefits are not subjected to IRS Section 415 limits.

## **RATES OF DROP ENTRY**

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The table of these rates is included later in the report. These rates apply only to those individuals eligible to enter the DROP plan.

## **DROP PARTICIPATION**

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Plan A members who enter the DROP plan are assumed to participate for the full 3 year period and 60% are assumed to retire at the end of DROP participation with 40% assumed to work 3 years post DROP and then retire.

## DROP PARTICIPATION

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Plan B members who enter the DROP plan are assumed to participate for the full 3 year period and 45% are assumed to retire at the end of DROP participation with 55% assumed to work 2 years post DROP and then retire.

## RETIREMENT RATES FOR ACTIVE FORMER DROP PARTICIPANTS

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All eligible persons age 85 and over in both plans are assumed to retire immediately. These rates only apply to members who return to work after completing the DROP plan and then subsequently retire.

## DISABILITY RATES

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60% of the disability rates used for the 28th valuation of the Railroad Retirement System for individuals with 10-19 years of service for Plan A. 60% of the disability rates used for the 28th valuation of the Railroad Retirement System for individuals with 10-19 years of service for Plan B. A table of these rates is included later in the report.

## RATES OF WITHDRAWAL

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The rates of withdrawal are applied based upon completed years of service:

PLAN A			
Service Duration ( $\leq$ )	Factor	Service Duration ( $\leq$ )	Factor
1	0.26	8	0.07
2	0.19	9	0.06
3	0.14	10	0.05
4	0.12	11 – 15	0.04
5	0.10	16 - 18	0.03
6	0.09	19 - 21	0.02
7	0.08	>21	0.01

PLAN B			
Service Duration ( $\leq$ )	Factor	Service Duration ( $\leq$ )	Factor
1	0.23	8	0.07
2	0.19	9 - 10	0.06
3	0.15	11 - 12	0.05
4	0.12	13 - 14	0.04
5	0.10	15 - 18	0.03
6	0.09	19 - 21	0.02
7	0.08	>21	0.01

Note: The withdrawal rate for individuals eligible to retire is assumed to be zero.

## VESTING ELECTING PERCENTAGE

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The percent of those who are vested at termination and elect deferred benefits in lieu of contribution refunds are as follows:

Plan A Tier 1	
Age	Rate
Under Age 50	60%
Age 50 and above	80%

Plan A Tier 2	
Age	Rate
Under Age 40	45%
Age 40 – 49	55%
Above Age 49	60%

Plan B Tier 1	
Age	Rate
Under Age 50	60%
Age 50 and above	85%

Plan B Tier 2	
Age	Rate
Under Age 50	45%
Age 50 and above	65%

## MARRIAGE AND OPTION SELECTION

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70% of the members are assumed to be married; husbands are assumed to be three years older than wives.

## FAMILY STATISTICS

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Assumptions utilized in determining the costs of various survivor benefits as listed below, are derived from the information provided in the 2019 Table F1: Family Households, by Type, Age of Own Children, Age of Family Members, and Age of Householder provided by the U.S. Census Bureau:

Member's Age	% With Children	Number of Children	Average Age
25	60%	1.77	4
35	82%	2.11	8
45	63%	1.75	11
55	11%	1.42	14
65	2%	1.50	14

## **SICK AND ANNUAL LEAVE (TIER 1 MEMBERS)**

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At retirement or DROP entry, members of Plan A tier 1 are assumed to convert leave time equal to 1.2% of total creditable service. At retirement for those remaining employed after completing DROP participation, members are assumed to convert leave time equal to 5.5% of their total post-DROP service credit.

At retirement or DROP entry, members of Plan B tier 1 are assumed to convert leave time equal to 0.6% of total creditable service. At retirement for those remaining employed after completing DROP participation, members are assumed to convert leave time equal to 5.3% of their total post-DROP service credit.

## PLAN A – ACTUARIAL TABLES AND RATES

Age	Retirement Rates Tier 1	Retirement Rates Tier 2	DROP Entry Rates Tier 1	DROP Entry Rates Tier 2	Post-DROP Retirement Tier 1 & 2	Disability Rates
18	0.00000	0.00000	0.00000	0.00000	0.00000	0.00072
19	0.00000	0.00000	0.00000	0.00000	0.00000	0.00072
20	0.00000	0.00000	0.00000	0.00000	0.00000	0.00072
21	0.00000	0.00000	0.00000	0.00000	0.00000	0.00072
22	0.00000	0.00000	0.00000	0.00000	0.00000	0.00072
23	0.00000	0.00000	0.00000	0.00000	0.00000	0.00072
24	0.00000	0.00000	0.00000	0.00000	0.00000	0.00072
25	0.00000	0.00000	0.00000	0.00000	0.00000	0.00072
26	0.00000	0.00000	0.00000	0.00000	0.00000	0.00072
27	0.00000	0.00000	0.00000	0.00000	0.00000	0.00072
28	0.00000	0.00000	0.00000	0.00000	0.00000	0.00072
29	0.00000	0.00000	0.00000	0.00000	0.00000	0.00072
30	0.00000	0.00000	0.00000	0.00000	0.00000	0.00072
31	0.00000	0.00000	0.00000	0.00000	0.00000	0.00072
32	0.00000	0.00000	0.00000	0.00000	0.00000	0.00072
33	0.00000	0.00000	0.00000	0.00000	0.00000	0.00072
34	0.00000	0.00000	0.00000	0.00000	0.00000	0.00072
35	0.00000	0.00000	0.00000	0.00000	0.00000	0.00072
36	0.00000	0.00000	0.00000	0.00000	0.00000	0.00072
37	0.00000	0.00000	0.00000	0.00000	0.00000	0.00078
38	0.00000	0.00000	0.00000	0.00000	0.00000	0.00084
39	0.00000	0.00000	0.00000	0.00000	0.00000	0.00084
40	0.00000	0.00000	0.00000	0.00000	0.00000	0.00090
41	0.00000	0.00000	0.00000	0.00000	0.00000	0.00102
42	0.00000	0.00000	0.00000	0.00000	0.00000	0.00108
43	0.00000	0.00000	0.00000	0.00000	0.00000	0.00120
44	0.00000	0.00000	0.00000	0.00000	0.00000	0.00126
45	0.00000	0.00000	0.00000	0.00000	0.00000	0.00144
46	0.08000	0.00000	0.32000	0.00000	0.12000	0.00162
47	0.08000	0.00000	0.32000	0.00000	0.12000	0.00180
48	0.08000	0.00000	0.32000	0.00000	0.12000	0.00204
49	0.08000	0.00000	0.40000	0.00000	0.12000	0.00234
50	0.08000	0.00000	0.43000	0.00000	0.12000	0.00264
51	0.08000	0.00000	0.44000	0.00000	0.12000	0.00306
52	0.08000	0.00000	0.42000	0.00000	0.12000	0.00354
53	0.09000	0.00000	0.39000	0.00000	0.12000	0.00414
54	0.10000	0.00000	0.34000	0.00000	0.12000	0.00480
55	0.10000	0.07000	0.29000	0.30000	0.12000	0.00564
56	0.11000	0.07000	0.25000	0.30000	0.29000	0.00666
57	0.11000	0.07000	0.22000	0.30000	0.27000	0.00786
58	0.10000	0.07000	0.20000	0.30000	0.26000	0.00930
59	0.09000	0.07000	0.19000	0.30000	0.26000	0.01098
60	0.08000	0.07000	0.18000	0.30000	0.27000	0.01602
61	0.08000	0.07000	0.18000	0.30000	0.27000	0.01872
62	0.08000	0.07000	0.18000	0.13000	0.28000	0.01908
63	0.08000	0.12000	0.17000	0.13000	0.29000	0.01908
64	0.10000	0.16000	0.16000	0.12000	0.29000	0.01908
65	0.11000	0.18000	0.14000	0.12000	0.29000	0.01908
66	0.13000	0.19000	0.12000	0.11000	0.28000	0.01908
67	0.13000	0.18000	0.10000	0.10000	0.26000	0.01908
68	0.13000	0.17000	0.09000	0.10000	0.25000	0.01908
69	0.13000	0.15000	0.07000	0.09000	0.23000	0.01908
70	0.12000	0.13000	0.06000	0.08000	0.22000	0.01908
71	0.11000	0.11000	0.05000	0.07000	0.21000	0.01908
72	0.11000	0.09000	0.04000	0.07000	0.21000	0.01908
73	0.11000	0.09000	0.04000	0.07000	0.21000	0.01908
74	0.12000	0.09000	0.03000	0.07000	0.20000	0.01908
75	0.14000	0.12000	0.03000	0.08000	0.20000	0.01908

## PLAN B – ACTUARIAL TABLES AND RATES

Age	Retirement Rates Tier 1	Retirement Rates Tier 2	DROP Entry Rates Tier 1	DROP Entry Rates Tier 2	Post-DROP Retirement Tier 1 & 2	Disability Rates
18	0.00000	0.00000	0.00000	0.00000	0.00000	0.00072
19	0.00000	0.00000	0.00000	0.00000	0.00000	0.00072
20	0.00000	0.00000	0.00000	0.00000	0.00000	0.00072
21	0.00000	0.00000	0.00000	0.00000	0.00000	0.00072
22	0.00000	0.00000	0.00000	0.00000	0.00000	0.00072
23	0.00000	0.00000	0.00000	0.00000	0.00000	0.00072
24	0.00000	0.00000	0.00000	0.00000	0.00000	0.00072
25	0.00000	0.00000	0.00000	0.00000	0.00000	0.00072
26	0.00000	0.00000	0.00000	0.00000	0.00000	0.00072
27	0.00000	0.00000	0.00000	0.00000	0.00000	0.00072
28	0.00000	0.00000	0.00000	0.00000	0.00000	0.00072
29	0.00000	0.00000	0.00000	0.00000	0.00000	0.00072
30	0.00000	0.00000	0.00000	0.00000	0.00000	0.00072
31	0.00000	0.00000	0.00000	0.00000	0.00000	0.00072
32	0.00000	0.00000	0.00000	0.00000	0.00000	0.00072
33	0.00000	0.00000	0.00000	0.00000	0.00000	0.00072
34	0.00000	0.00000	0.00000	0.00000	0.00000	0.00072
35	0.00000	0.00000	0.00000	0.00000	0.00000	0.00072
36	0.00000	0.00000	0.00000	0.00000	0.00000	0.00072
37	0.00000	0.00000	0.00000	0.00000	0.00000	0.00078
38	0.00000	0.00000	0.00000	0.00000	0.00000	0.00084
39	0.00000	0.00000	0.00000	0.00000	0.00000	0.00084
40	0.00000	0.00000	0.00000	0.00000	0.00000	0.00090
41	0.00000	0.00000	0.00000	0.00000	0.00000	0.00102
42	0.00000	0.00000	0.00000	0.00000	0.00000	0.00108
43	0.00000	0.00000	0.00000	0.00000	0.00000	0.00120
44	0.00000	0.00000	0.00000	0.00000	0.00000	0.00126
45	0.00000	0.00000	0.00000	0.00000	0.00000	0.00144
46	0.00000	0.00000	0.00000	0.00000	0.00000	0.00162
47	0.00000	0.00000	0.00000	0.00000	0.00000	0.00180
48	0.00000	0.00000	0.00000	0.00000	0.00000	0.00204
49	0.00000	0.00000	0.00000	0.00000	0.00000	0.00234
50	0.00000	0.00000	0.00000	0.00000	0.00000	0.00264
51	0.00000	0.00000	0.00000	0.00000	0.00000	0.00306
52	0.00000	0.00000	0.00000	0.00000	0.00000	0.00354
53	0.00000	0.00000	0.00000	0.00000	0.00000	0.00414
54	0.00000	0.00000	0.00000	0.00000	0.00000	0.00480
55	0.18000	0.10000	0.28000	0.27000	0.24000	0.00564
56	0.13000	0.10000	0.29000	0.27000	0.24000	0.00666
57	0.10000	0.10000	0.28000	0.27000	0.24000	0.00786
58	0.08000	0.10000	0.26000	0.27000	0.24000	0.00930
59	0.07000	0.10000	0.23000	0.27000	0.24000	0.01098
60	0.07000	0.10000	0.20000	0.27000	0.25000	0.01602
61	0.08000	0.10000	0.17000	0.27000	0.26000	0.01872
62	0.10000	0.10000	0.14000	0.11000	0.26000	0.01908
63	0.13000	0.15000	0.12000	0.10000	0.26000	0.01908
64	0.15000	0.18000	0.10000	0.09000	0.26000	0.01908
65	0.18000	0.20000	0.08000	0.09000	0.26000	0.01908
66	0.19000	0.21000	0.06000	0.08000	0.26000	0.01908
67	0.20000	0.21000	0.05000	0.08000	0.25000	0.01908
68	0.20000	0.20000	0.04000	0.07000	0.24000	0.01908
69	0.19000	0.19000	0.04000	0.07000	0.23000	0.01908
70	0.18000	0.17000	0.04000	0.06000	0.22000	0.01908
71	0.17000	0.16000	0.04000	0.06000	0.20000	0.01908
72	0.16000	0.15000	0.05000	0.05000	0.20000	0.01908
73	0.14000	0.14000	0.05000	0.05000	0.20000	0.01908
74	0.14000	0.14000	0.05000	0.05000	0.21000	0.01908
75	0.15000	0.15000	0.05000	0.05000	0.24000	0.01908

## **GLOSSARY**

### **ACCRUED BENEFIT**

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The pension benefit that an individual has earned as of a specific date based on the provisions of the plan and the individual's age, service, and salary as of that date.

### **ACTUARIAL ACCRUED LIABILITY**

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The actuarial present value of benefits payable to members of the fund less the present value of future normal costs attributable to the members.

### **ACTUARIAL ASSUMPTIONS**

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Assumptions as to the occurrence of future events affecting pension costs. These assumptions include rates of mortality, withdrawal, disablement, and retirement. Also included are rates of investment earnings, changes in compensation, as well as statistics related to marriage and family composition.

### **ACTUARIAL COST METHOD**

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A procedure for determining the portion of the cost of a pension plan to be allocated to each year. Each cost method allocates a certain portion of the actuarial present value of benefits between the actuarial accrued liability and future normal costs. Once this allocation is made, a determination of the normal cost attributable to a specific year can be made along with the payment to amortize any unfunded actuarial accrued liability. To the extent that a particular funding method allocates a greater (lesser) portion of the actual present value of benefits to the actuarial accrued liability it will allocate less (more) to future normal costs.

### **ACTUARIAL EQUIVALENCE**

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Payments or receipts with equal actuarial value on a given date when valued using the same set of actuarial assumptions.

### **ACTUARIAL GAIN (LOSS)**

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The financial effect on the fund of the difference between the expected and actual experience of the fund. The experience may be related to investment earnings above (or below) those expected or changes in the liability structure due to fewer (or greater) than the expected numbers of retirements, deaths, disabilities, or withdrawals. In addition, other factors such as pay increases above (or below) those forecast can result in actuarial gains or losses. The effect of such gains (or losses) is to decrease (or increase) future costs.

## **ACTUARIAL PRESENT VALUE**

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The value, as of a specified date, of an amount or series of amounts payable or receivable thereafter, with each amount adjusted to reflect the time value of money (through accrual of interest) and the probability of payments. For example: if \$600 invested today will be worth \$1,000 in 10 years and there is a 50% probability that a person will live 10 years, then the actuarial present value of \$1,000 payable to that person if he should survive 10 years is \$300.

## **ACTUARIAL VALUE OF ASSETS**

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The value of cash, investments, and other property belonging to the pension plan as used by the actuary for the purpose of the actuarial valuation. This may correspond to the book value, market value, or some modification involving either or both book and market value. Adjustments to market values are often made to reduce the volatility of asset values.

## **ASSET GAIN (LOSS)**

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That portion of the actuarial gain attributable to investment performance above (below) the expected rate of return in the actuarial assumptions.

## **AMORTIZATION PAYMENT**

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That portion of the pension plan contribution designated to pay interest and reduce the outstanding principal balance of unfunded actuarial accrued liability. If the amortization payment is less than the accrued interest on the unfunded actuarial accrued liability the outstanding principal balance will increase.

## **CONTRIBUTION SHORTFALL (EXCESS)**

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The difference between contributions recommended in the prior valuation and the actual amount received.

## **DECREMENTS**

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Events which result in the termination of membership in the system such as retirement, disability, withdrawal, or death.

## **EMPLOYER NORMAL COST**

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That portion of the normal cost not attributable to employee contributions. It includes both direct contributions made by the employer and contributions from other non-employee sources such as revenue sharing and revenues related to taxes.

## **FUNDED RATIO**

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A measure of the ratio of assets to liabilities of the system according to a specific definition of those two values. Typically, the assets used in the measure are the actuarial value of assets; the liabilities are defined by reference to some recognized actuarial funding method. Thus, the funded ratio of a plan depends not only on the financial strength of the plan but also on the funding method used to determine the liabilities and the asset valuation method used to determine the assets in the ratio.

## **NORMAL COST**

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That portion of the actuarial present value of pension plan benefits and expenses allocated to a valuation year by the actuarial cost method. This is analogous to one year's insurance premium.

## **PENSION BENEFIT OBLIGATION**

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The actuarial present value of benefits earned or credited to date based on the members expected final average compensation at retirement. For current retirees or terminated members this is equivalent to the actuarial present value of their accrued benefit.

## **PROJECTED BENEFITS**

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The benefits expected to be paid in the future based on the provisions of the plan and the actuarial assumptions. The projected values are based on anticipated future advancement in age and accrual of service as well as increases in salary paid to the participant.

## **UNFUNDED ACTUARIAL ACCRUED LIABILITY**

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The excess of the actuarial accrued liability over the actuarial value of assets.

## **VESTED BENEFITS**

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Benefits that the members are entitled to even if they withdraw from service.