

Public Employees Retirement Association of Minnesota

General Employees Retirement Plan

GASB Statements No. 67 and No. 68 Accounting and
Financial Reporting for Pensions

June 30, 2025





November 19, 2025

Public Employees Retirement Association of Minnesota
General Employees Retirement Plan
St. Paul, Minnesota

Dear Trustees of the General Employees Retirement Plan:

This report provides accounting and financial reporting information that is intended to comply with the Governmental Accounting Standards Board (GASB) Statements No. 67 and No. 68 for the General Employees Retirement Plan, as amended by Statement No. 82. These calculations have been made on a basis that is consistent with our understanding of these accounting standards.

GASB Statement No. 67 is the accounting standard that applies to the financial reports issued by retirement systems. GASB Statement No. 68 establishes accounting and financial reporting for state and local government employers who provide their employees (including former employees) pension benefits through a trust. GASB Statement No. 82 is an amendment to Statements No. 67, No. 68, and No. 73, intended to improve consistency in the application of the accounting standards.

Our calculation of the liability associated with the benefits described in this report was performed for the purpose of providing reporting and disclosure information that satisfies the requirements of GASB Statements No. 67 and No. 68. The Net Pension Liability is not an appropriate measure for measuring the sufficiency of plan assets to cover the estimated cost of settling the employer's benefit obligations. The Net Pension Liability is not an appropriate measure for assessing the need for or amount of future employer contributions. The calculation of the plan's liability for this report may not be applicable for purposes of funding the plan. A calculation of the plan's liability for purposes other than satisfying the requirements of GASB Statements No. 67 and No. 68 may produce significantly different results. The information in this report is calculated on a total plan basis. PERA is responsible for preparing the Schedule of Employer Allocations and the Schedule of Pension Amounts by Employer. This report may be provided to parties other than the Public Employees Retirement Association (PERA) only in its entirety and only with the permission of PERA. GRS is not responsible for unauthorized use of this report.

This report is based upon information, furnished to us by PERA, concerning retirement and ancillary benefits, active members, deferred vested members, retirees and beneficiaries, and financial data. If your understanding of this information is different, please let us know. This information was checked for internal consistency, but it was not audited.

This report complements the actuarial valuation report for funding purposes that was or will be provided to the Plan and should be considered in conjunction with that report. Please see the actuarial valuation report as of June 30, 2025 for additional discussion of the nature of actuarial calculations and more information related to participant data, economic and demographic assumptions, and benefit provisions.

To the best of our knowledge, the information contained within this report is accurate and fairly represents the actuarial position of the General Employees Retirement Plan as of the measurement date. All calculations have been made in conformity with generally accepted actuarial principles and practices as well as with the Actuarial Standards of Practice issued by the Actuarial Standards Board.

This report was prepared using our proprietary valuation model and related software which, in our professional judgment, has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.

The signing actuaries are independent of the plan sponsor.

Bonita J. Wurst and Sheryl L. Christensen are Members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

Respectfully submitted,
Gabriel, Roeder, Smith & Company



Bonita J. Wurst, ASA, EA, FCA, MAAA



Sheryl L. Christensen, FSA, EA, FCA, MAAA

BJW/SLC:rmn



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SECTION A

EXECUTIVE SUMMARY

Executive Summary

as of June 30, 2025 (Dollars in Thousands)

	2025
Actuarial Valuation Date	June 30, 2025
Measurement Date of the Net Pension Liability	June 30, 2025
Employer's Fiscal Year Ending Date (Reporting Date)	Varies by Employer
Membership	
Number of	
- Service Retirements	111,361
- Survivors	10,068
- Disability Retirements	3,100
- Deferred Retirements	72,913
- Terminated Other Non-vested	87,781
- Active Members	169,427
- Total	454,650
Covered Payroll	\$ 8,595,923 ⁽¹⁾
Net Pension Liability	
Total Pension Liability	\$ 35,952,646
Plan Fiduciary Net Position	\$ 32,638,737
Net Pension Liability	\$ 3,313,909
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	90.78%
Net Pension Liability as a Percentage of Covered Payroll	38.55%
Development of the Single Discount Rate	
Single Discount Rate	7.00%
Long-Term Expected Rate of Investment Return	7.00%
Long-Term Municipal Bond Rate	5.20% ⁽²⁾
Last year ending June 30 in the 2026 to 2125 projection period for which projected benefit payments are fully-funded	2125
Total Pension Expense/(Income)	\$ (124,462)
Deferred Outflows and Inflows by Source Arising from Current and Prior Periods to be Recognized in Future Pension Expenses	

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 315,743	\$ -
Changes in assumptions	\$ 79,846	\$ 762,519
Net difference between projected and actual earnings on pension plan investments	\$ 716,248	\$ 2,034,884
Total	\$ 1,111,837	\$ 2,797,403

⁽¹⁾ Assumed equal to actual member contributions divided by member contribution rate.

⁽²⁾ Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in The Bond Buyer's Index's '20-Bond GO Index' as of June 30, 2025.



Discussion

Accounting Standard

For pension plans that are administered through trusts or equivalent arrangements, Governmental Accounting Standards Board (GASB) Statement No. 67 establishes standards of financial reporting for separately issued financial reports and specifies the required approach for measuring the pension liability. Similarly, GASB Statement No. 68 establishes standards for state and local government employers (as well as non-employer contributing entities) to account for and disclose the net pension liability, pension expense, and other information associated with providing retirement benefits to their employees (and former employees) on their basic financial statements. Governmental Accounting Standards Board (GASB) Statement No. 82, Pension Issues, is an amendment to Statements No. 67, No. 68, and No. 73, intended to improve consistency in the application of the accounting standards.

The following discussion provides a summary of the information that is required to be disclosed under these accounting standards. A number of these disclosure items are provided in this report. However, certain information, such as notes regarding accounting policies and investments, is not included in this report and the retirement system and/or plan sponsor will be responsible for preparing and disclosing that information to comply with these accounting standards.

Financial Statements

GASB Statement No. 68 requires state or local governments to recognize the net pension liability and the pension expense on their financial statements. The net pension liability is the difference between the total pension liability and the plan's fiduciary net position. In traditional actuarial terms, this is analogous to the accrued liability less the market value of assets (not the smoothed actuarial value of assets that is often encountered in actuarial valuations performed to determine the employer's contribution requirement).

Paragraph 57 of GASB Statement No. 68 states, "Contributions to the pension plan from the employer subsequent to the measurement date of the collective net pension liability and before the end of the employer's reporting period should be reported as a deferred outflow of resources related to pensions." The information contained in this report does not incorporate any contributions made to the General Employees Retirement Plan subsequent to the measurement date of June 30, 2025.

The pension expense recognized each fiscal year is equal to the change in the net pension liability from the beginning of the year to the end of the year, adjusted for deferred recognition of the liability and investment experience.

Pension plans that prepare their own, stand-alone financial statements are required to present two financial statements – a statement of fiduciary net position and a statement of changes in fiduciary net position in accordance with GASB Statement No. 67. The *statement of fiduciary net position* presents the assets and liabilities of the pension plan at the end of the pension plan's reporting period. The *statement of changes in fiduciary net position* presents the additions, such as contributions and investment income, and deductions, such as benefit payments and expenses, and net increase or decrease in the fiduciary net position.

Notes to Financial Statements

GASB Statement No. 68 requires the notes of the employer's financial statements to disclose the total pension expense, the pension plan's liabilities and assets, and deferred outflows and inflows of resources related to pensions.

Both GASB Statement No. 67 and No. 68 require the notes of the financial statements for the employers and pension plans to include certain additional information. The list of disclosure items should include:

- A description of benefits provided by the plan;
- The type of employees and number of members covered by the pension plan;
- A description of the plan's funding policy, which includes member and employer contribution requirements;
- The pension plan's investment policies;
- The pension plan's fiduciary net position, net pension liability, and the pension plan's fiduciary net position as a percentage of the total pension liability;
- The net pension liability using a discount rate that is 1% higher and 1% lower than used to calculate the total pension liability and net pension liability for financial reporting purposes;
- Significant assumptions and methods used to calculate the total pension liability;
- Inputs to the discount rates; and
- Certain information about mortality assumptions and the dates of experience studies.

Retirement systems that issue stand-alone financial statements are required to disclose additional information in accordance with GASB Statement No. 67. This information includes:

- The composition of the pension plan's Board and the authority under which benefit terms may be amended;
- A description of how fair value is determined;
- Information regarding certain reserves and investments, which include concentrations of investments greater than or equal to 5%, receivables, and insurance contracts excluded from plan assets; and
- Annual money-weighted rate of return.

Required Supplementary Information

GASB Statement No. 67 requires a 10-year fiscal history of:

- Sources of changes in the net pension liability;
- Information about the components of the net pension liability and related ratios, including the pension plan's fiduciary net position as a percentage of the total pension liability, and the net pension liability as a percent of covered-employee payroll; and
- Comparison of the actual employer contributions to the actuarially determined contributions based on the plan's funding policy.

Measurement of the Net Pension Liability

The net pension liability is to be measured as the total pension liability, less the amount of the pension plan's fiduciary net position. In actuarial terms, this will be the accrued liability less the market value of assets (not the smoothed actuarial value of assets that is often encountered in actuarial valuations performed to determine the employer's contribution requirement).

General Implications of Contribution Allocation Procedure or Funding Policy on Future Expected Plan Contributions and Funded Status

Given the plan's contribution allocation procedure, if there are no changes in benefits, Chapter 356 required contributions are made, and all actuarial assumptions are met (including the assumption of the plan earning 7.00% on an actuarial value of assets basis, as prescribed by statutes), then the following outcomes are expected:

1. The normal cost of the plan is expected to remain approximately level as a percent of pay;
2. The funded status of the plan is expected to gradually improve and is expected to be 100% funded within the next 23 years; and
3. The unfunded liability will grow initially as a dollar amount for 1 year (based on the current layered amortization schedule and if contributions are equal to the required contribution amount) before beginning to decline.

The projections in this report are strictly for the purpose of determining the GASB single discount rate and are different from a funding projection for the ongoing plan.

Limitations of Funded Status Measurements

Unless otherwise indicated, a funded status measurement presented in this report is based upon the actuarial accrued liability and the market value of assets. Unless otherwise indicated, with regard to any funded status measurements presented in this report:

- (1) The measurement is inappropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the plan's benefit obligations; in other words, of transferring the obligations to an unrelated third party in an arm's length market value type transaction.
- (2) The measurement is dependent upon the actuarial cost method which, in combination with the plan's amortization policy, affects the timing and amounts of future contributions. The amounts of future contributions will most certainly differ from those assumed in this report due to future actual experience differing from assumed experience based upon the actuarial assumptions. A funded status measurement in this report of 100% is not synonymous with no required future contributions. If the funded status were 100%, the plan would still require future normal cost contributions (i.e., contributions to cover the cost of the active membership accruing an additional year of service credit).
- (3) The measurement would produce a different result if the actuarial value of assets were used instead of the market value of assets.

Limitation of Project Scope

Actuarial standards do not require the actuary to evaluate the ability of the plan sponsor or other contributing entity to make required contributions to the plan when due. Such an evaluation was not within the scope of this project and is not within the actuary's domain of expertise. Consequently, the actuary performed no such evaluation.

Timing of the Valuation

An actuarial valuation to determine the total pension liability is required to be performed at least every two years. For employer reporting, the net pension liability and pension expense should be measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period. If the actuarial valuation used to determine the total pension liability is not calculated as of the measurement date, the total pension liability is required to be rolled forward from the actuarial valuation date to the measurement date.

The total pension liability shown in this report is based on an actuarial valuation performed as of June 30, 2025 and a measurement date of June 30, 2025.

Single Discount Rate

Projected benefit payments are required to be discounted to their actuarial present values using a single discount rate that reflects: (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits); and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 5.20%*; and the resulting single discount rate is 7.00%.

* *Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in The Bond Buyer's Index's '20-Bond GO Index' as of June 30, 2025.*

SECTION B

FINANCIAL STATEMENTS

Statement of Pension Expense under GASB Statement No. 68

Fiscal Year Ended June 30, 2025 (Dollars in Thousands)

A. Expense

1. Service Cost	\$ 724,046
2. Interest on the Total Pension Liability	\$ 2,325,230
3. Current-Period Benefit Changes	\$ 792,467
4. Employee Contributions (made negative for addition here)	\$ (558,735)
5. Projected Earnings on Plan Investments (made negative for addition here)	\$ (2,083,868)
6. Pension Plan Administrative Expense	\$ 17,503
7. Other Changes in Plan Fiduciary Net Position	\$ (499)
8. Recognition of Outflow (Inflow) of Resources due to differences between expected and actual experience in the measurement of the Total Pension Liability <i>Arising from Current Reporting Period</i>	\$ 38,070
9. Recognition of Outflow (Inflow) of Resources due to assumption changes <i>Arising from Current Reporting Period</i>	\$ 26,615
10. Recognition of Outflow (Inflow) of Resources due to the difference between projected (7.00%) and actual earnings on Pension Plan Investments <i>Arising from Current Reporting Period</i>	\$ (235,557)
11. Increase/(Decrease) from Experience in Current Reporting Period	<u>\$ 1,045,272</u>
12. Recognition of Outflow (Inflow) of Resources due to differences between expected and actual experience in the measurement of the Total Pension Liability <i>Arising from Prior Reporting Periods</i>	\$ 146,074
13. Recognition of Outflow (Inflow) of Resources due to assumption changes <i>Arising from Prior Reporting Periods</i>	\$ (618,658)
14. Recognition of Outflow (Inflow) of Resources due to the difference between projected and actual earnings on Pension Plan Investments <i>Arising from Prior Reporting Periods</i>	\$ (697,150)
15. Total Pension Expense / (Income)	<u>\$ (124,462)</u>

Recognition of Deferred Outflows and Inflows of Resources

Differences between expected and actual experience and changes in assumptions are recognized in pension expense using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active employees and inactive employees) determined as of the beginning of the measurement period.

At the beginning of the current measurement period, the expected remaining service lives of all active employees in the plan was approximately 1,697,405 years. Additionally, the total plan membership (active employees and inactive employees) was 447,499. As a result, the average of the expected remaining service lives for purposes of recognizing the applicable deferred outflows and inflows of resources established in the current measurement period is 4.0000 years (rounded).

Additionally, differences between projected and actual earnings on plan investments should be recognized in pension expense using a systematic and rational method over a closed five-year period. For this purpose, the deferred outflows and inflows of resources are recognized in the pension expense as a level dollar amount over the closed period identified above.



Statement of Outflows and Inflows Arising from Current Reporting Period Fiscal Year Ended June 30, 2025 (Dollars in Thousands)

A. Outflows (Inflows) of Resources due to Liabilities

1. Difference between expected and actual experience of the Total Pension Liability (gains) or losses	\$ 152,279
2. Assumption Changes (gains) or losses	\$ 106,461
3. Recognition period for Liabilities: Average of the expected remaining service lives of all employees {in years}	4.0000
4. Outflow (Inflow) of Resources to be recognized in the current pension expense for the difference between expected and actual experience of the Total Pension Liability	\$ 38,070
5. Outflow (Inflow) of Resources to be recognized in the current pension expense for Assumption Changes	\$ 26,615
6. Outflow (Inflow) of Resources to be recognized in the current pension expense due to Liabilities	<u>\$ 64,685</u>
7. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses for the difference between expected and actual experience of the Total Pension Liability	\$ 114,209
8. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses for Assumption Changes	\$ 79,846
9. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses due to Liabilities	<u>\$ 194,055</u>

B. Outflows (Inflows) of Resources due to Assets

1. Net difference between projected and actual earnings on pension plan investments (gains) or losses	\$ (1,177,785)
2. Recognition period for Assets {in years}	5.0000
3. Outflow (Inflow) of Resources to be recognized in the current pension expense due to Assets	\$ (235,557)
4. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses due to Assets	\$ (942,228)



Statement of Outflows and Inflows Arising from Current and Prior Reporting Periods Fiscal Year Ended June 30, 2025 (Dollars in Thousands)

A. Outflows and Inflows of Resources due to Liabilities and Assets to be Recognized in Current Pension Expense

	Outflows of Resources	Inflows of Resources	Net Outflows of Resources
1. Due to Liabilities	\$ 228,808	\$ 636,707	\$ (407,899)
2. Due to Assets	\$ 716,249	\$ 1,648,956	\$ (932,707)
3. Total	\$ 945,057	\$ 2,285,663	\$ (1,340,606)

B. Outflows and Inflows of Resources by Source to be Recognized in Current Pension Expense

	Outflows of Resources	Inflows of Resources	Net Outflows of Resources
1. Differences between expected and actual experience	\$ 184,144	\$ -	\$ 184,144
2. Assumption Changes	\$ 44,664	\$ 636,707	\$ (592,043)
3. Net Difference between projected and actual earnings on pension plan investments	\$ 716,249	\$ 1,648,956	\$ (932,707)
4. Total	\$ 945,057	\$ 2,285,663	\$ (1,340,606)

C. Deferred Outflows and Deferred Inflows of Resources by Source to be Recognized in Future Pension Expenses

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows of Resources
1. Differences between expected and actual experience	\$ 315,743	\$ -	\$ 315,743
2. Assumption Changes	\$ 79,846	\$ 762,519	\$ (682,673)
3. Net Difference between projected and actual earnings on pension plan investments	\$ 716,248	\$ 2,034,884	\$ (1,318,636)
4. Total	\$ 1,111,837	\$ 2,797,403	\$ (1,685,566)

D. Deferred Outflows and Deferred Inflows of Resources by Year to be Recognized in Future Pension Expenses

Year Ending June 30	Net Deferred Outflows of Resources
2026	\$ (371,962)
2027	\$ (623,828)
2028	\$ (454,219)
2029	\$ (235,557)
2030	\$ -
Thereafter	\$ -
Total	\$ (1,685,566)

Recognition of Deferred Outflows and Inflows of Resources Fiscal Year Ended June 30, 2025 (Dollars in Thousands)

Year Established	Initial Amount	Initial Recognition Period	Current Year Recognition	Remaining Recognition	Remaining Recognition Period
Deferred Outflow (Inflow) Due to Differences Between Expected and Actual Experience on Liabilities					
2022	\$ 88,206	4.0000	\$ 22,051	\$ 0	0.0000
2023	\$ 186,049	4.0000	\$ 46,512	\$ 46,513	1.0000
2024	\$ 310,043	4.0000	\$ 77,511	\$ 155,021	2.0000
2025	\$ 152,279	4.0000	\$ 38,070	\$ 114,209	3.0000
Total			\$ 184,144	\$ 315,743	
Deferred Outflow (Inflow) Due to Assumption Changes					
2022	\$ 72,199	4.0000	\$ 18,049	\$ 0	0.0000
2023	\$ (2,043,586)	4.0000	\$ (510,896)	\$ (510,896)	1.0000
2024	\$ (503,245)	4.0000	\$ (125,811)	\$ (251,623)	2.0000
2025	\$ 106,461	4.0000	\$ 26,615	\$ 79,846	3.0000
Total			\$ (592,043)	\$ (682,673)	
Deferred Outflow (Inflow) Due to Differences Between Projected and Actual Earnings on Plan Investments					
2021	\$ (5,043,720)	5.0000	\$ (1,008,744)	\$ 0	0.0000
2022	\$ 3,581,244	5.0000	\$ 716,249	\$ 716,248	1.0000
2023	\$ (606,535)	5.0000	\$ (121,307)	\$ (242,614)	2.0000
2024	\$ (1,416,738)	5.0000	\$ (283,348)	\$ (850,042)	3.0000
2025	\$ (1,177,785)	5.0000	\$ (235,557)	\$ (942,228)	4.0000
Total			\$ (932,707)	\$ (1,318,636)	
Deferred Outflow (Inflow) Due to All Sources					
Total			\$ (1,340,606)	\$ (1,685,566)	

Statement of Fiduciary Net Position (Dollars in Thousands)

	Market Value	
	June 30, 2025	June 30, 2024
Assets in Trust		
Cash, equivalents, short term securities	\$ 915,196	\$ 497,888
Fixed income	\$ 7,542,210	\$ 7,050,003
Equity	\$ 16,967,547	\$ 15,241,498
Private Markets	\$ 7,197,788	\$ 7,353,042
Other	\$ 4,774	\$ 4,763
Total Assets in Trust	\$ 32,627,515	\$ 30,147,194
 Assets Receivable*	 \$ 32,758	 \$ 44,394
Amounts Payable	\$ (21,536)	\$ (29,584)
Net Position Restricted for Pensions	\$ 32,638,737	\$ 30,162,004

* Includes Employer Supplemental Contribution receivable to be paid by the City of Minneapolis.

Statement of Changes in Fiduciary Net Position (Dollars in Thousands)

Change in Assets		Market Value	
Year Ending		June 30, 2025	June 30, 2024
1.	Fund balance at market value at beginning of year	\$ 30,162,004	\$ 27,500,777
2.	Contributions		
	a. Member	\$ 558,735	\$ 521,198
	b. Employer*	\$ 664,119	\$ 619,580
	c. Other sources	\$ 16,000	\$ 186,093
	d. Total contributions	\$ 1,238,854	\$ 1,326,871
3.	Investment income		
	a. Investment income/(loss)	\$ 3,380,304	\$ 3,431,678
	b. Investment expenses	\$ (118,651)	\$ (112,900)
	c. Net subtotal	\$ 3,261,653	\$ 3,318,778
4.	Other	\$ 499	\$ (79)
5.	Total additions: (2.d.) + (3.c.) + (4.)	\$ 4,501,006	\$ 4,645,570
6.	Benefits Paid		
	a. Annuity benefits	\$ (1,933,807)	\$ (1,889,457)
	b. Refunds	\$ (72,963)	\$ (74,307)
	c. Total benefits paid	\$ (2,006,770)	\$ (1,963,764)
7.	Expenses		
	a. Other	\$ -	\$ -
	b. Administrative	\$ (17,503)	\$ (20,579)
	c. Total expenses	\$ (17,503)	\$ (20,579)
8.	Total deductions: (6.c.) + (7.c.)	\$ (2,024,273)	\$ (1,984,343)
9.	Net increase (decrease) in net position: (5) + (8)	\$ 2,476,733	\$ 2,661,227
10.	Net position restricted for pensions	\$ 32,638,737	\$ 30,162,004
11.	State Board of Investment calculated investment return [#]	11.0%	12.3%

* Includes Employer Supplemental Contribution receivable to be paid by the City of Minneapolis.

[#] Provided by PERA and calculated by the State Board of Investment.

SECTION C

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Changes in Net Pension Liability and Related Ratios

Current Period

Fiscal Year Ended June 30, 2025 (Dollars in Thousands)

A. Total pension liability

1. Service cost	\$ 724,046
2. Interest on the total pension liability	\$ 2,325,230
3. Changes of benefit terms	\$ 792,467
4. Difference between expected and actual experience of the total pension liability	\$ 152,279
5. Changes of assumptions	\$ 106,461
6. Benefit payments, including refunds of employee contributions	\$ (2,006,770)
7. Net change in total pension liability	\$ 2,093,713
8. Total pension liability – beginning July 1, 2024	\$ 33,858,933
9. Total pension liability – ending June 30, 2025	<u><u>\$ 35,952,646</u></u>

B. Plan fiduciary net position

1. Contributions – employer	\$ 680,119
2. Contributions – employee	\$ 558,735
3. Net investment income	\$ 3,261,653
4. Benefit payments, including refunds of employee contributions	\$ (2,006,770)
5. Pension Plan administrative expense	\$ (17,503)
6. Other	\$ 499
7. Net change in plan fiduciary net position	\$ 2,476,733
8. Plan fiduciary net position – beginning July 1, 2024	\$ 30,162,004
9. Plan fiduciary net position – ending June 30, 2025	<u><u>\$ 32,638,737</u></u>

C. Net pension liability

\$ 3,313,909

D. Plan fiduciary net position as a percentage of the total pension liability

90.78%

E. Covered-employee payroll

\$ 8,595,923 ⁽¹⁾

F. Net pension liability as a percentage of covered-employee payroll

38.55%

⁽¹⁾ Assumed equal to actual member contributions divided by member contribution rate.

Schedules of Required Supplementary Information

Schedule of Changes in Net Pension Liability and Related Ratios Multiyear

(Dollars in Thousands)

Fiscal year ending June 30,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability										
Service Cost	\$ 724,046	\$ 652,637	\$ 675,709	\$ 648,767	\$ 530,547	\$ 518,112	\$ 494,737	\$ 513,422	\$ 471,706	\$ 434,551
Interest on the Total Pension Liability	\$ 2,325,230	\$ 2,270,597	\$ 2,168,019	\$ 2,098,002	\$ 2,102,259	\$ 2,053,793	\$ 1,991,061	\$ 1,948,853	\$ 1,921,869	\$ 1,839,388
Benefit Changes	\$ 792,467	\$ -	\$ 28,123	\$ -	\$ -	\$ (65,850)	\$ -	\$ (79,217)	\$ -	\$ -
Difference Between Expected and Actual Experience	\$ 152,279	\$ 310,043	\$ 186,049	\$ 88,206	\$ (154,087)	\$ (30,245)	\$ 104,946	\$ 8,763	\$ 280,527	\$ (647,197)
Assumption Changes	\$ 106,461	\$ (503,245)	\$ (2,043,586)	\$ 72,199	\$ 3,476,596	\$ (128,849)	\$ (120,162)	\$ (262,228)	\$ (853,320)	\$ 2,119,742
Benefit Payments	\$ (1,933,807)	\$ (1,889,457)	\$ (1,808,287)	\$ (1,737,905)	\$ (1,666,103)	\$ (1,604,842)	\$ (1,536,071)	\$ (1,470,450)	\$ (1,413,448)	\$ (1,359,176)
Refunds	\$ (72,963)	\$ (74,307)	\$ (67,580)	\$ (73,152)	\$ (58,027)	\$ (84,947)	\$ (65,834)	\$ (42,589)	\$ (37,234)	\$ (37,209)
Net Change in Total Pension Liability	\$ 2,093,713	\$ 766,268	\$ (861,553)	\$ 1,096,117	\$ 4,231,185	\$ 657,172	\$ 868,677	\$ 616,554	\$ 370,100	\$ 2,350,099
Total Pension Liability - Beginning	\$ 33,858,933	\$ 33,092,665	\$ 33,954,218	\$ 32,858,101	\$ 28,626,916	\$ 27,969,744	\$ 27,101,067	\$ 26,484,513	\$ 26,114,413	\$ 23,764,314
Total Pension Liability - Ending (a)	\$ 35,952,646	\$ 33,858,933	\$ 33,092,665	\$ 33,954,218	\$ 32,858,101	\$ 28,626,916	\$ 27,969,744	\$ 27,101,067	\$ 26,484,513	\$ 26,114,413
Plan Fiduciary Net Position										
Employer Contributions ⁽¹⁾	\$ 680,119	\$ 805,673	\$ 597,044	\$ 562,291	\$ 540,685	\$ 525,821	\$ 531,444	\$ 504,819	\$ 483,888	\$ 465,978
Employee Contributions	\$ 558,735	\$ 521,198	\$ 487,107	\$ 457,740	\$ 439,488	\$ 435,419	\$ 424,044	\$ 409,423	\$ 400,204	\$ 375,291
Pension Plan Net Investment Income	\$ 3,261,653	\$ 3,318,778	\$ 2,272,563	\$ (1,749,186)	\$ 6,712,710	\$ 931,041	\$ 1,547,224	\$ 2,063,582	\$ 2,682,901	\$ (20,851)
Benefit Payments	\$ (1,933,807)	\$ (1,889,457)	\$ (1,808,287)	\$ (1,737,905)	\$ (1,666,103)	\$ (1,604,842)	\$ (1,536,071)	\$ (1,470,450)	\$ (1,413,448)	\$ (1,359,176)
Refunds	\$ (72,963)	\$ (74,307)	\$ (67,580)	\$ (73,152)	\$ (58,027)	\$ (84,947)	\$ (65,834)	\$ (42,589)	\$ (37,234)	\$ (37,209)
Pension Plan Administrative Expense	\$ (17,503)	\$ (20,579)	\$ (14,459)	\$ (13,398)	\$ (12,741)	\$ (12,268)	\$ (13,470)	\$ (11,943)	\$ (11,292)	\$ (11,350)
Other ⁽²⁾	\$ 499	\$ (79)	\$ 204	\$ 142	\$ 182	\$ 267	\$ 154	\$ 56	\$ 651	\$ 431
Net Change in Plan Fiduciary Net Position	\$ 2,476,733	\$ 2,661,227	\$ 1,466,592	\$ (2,553,468)	\$ 5,956,194	\$ 190,491	\$ 887,491	\$ 1,452,898	\$ 2,105,670	\$ (586,886)
Plan Fiduciary Net Position - Beginning	\$ 30,162,004	\$ 27,500,777	\$ 26,034,185	\$ 28,587,653	\$ 22,631,459	\$ 22,440,968	\$ 21,553,477	\$ 20,100,579	\$ 17,994,909	\$ 18,581,795
Plan Fiduciary Net Position - Ending (b)	\$ 32,638,737	\$ 30,162,004	\$ 27,500,777	\$ 26,034,185	\$ 28,587,653	\$ 22,631,459	\$ 22,440,968	\$ 21,553,477	\$ 20,100,579	\$ 17,994,909
Net Pension Liability - Ending (a) - (b)	\$ 3,313,909	\$ 3,696,929	\$ 5,591,888	\$ 7,920,033	\$ 4,270,448	\$ 5,995,457	\$ 5,528,776	\$ 5,547,590	\$ 6,383,934	\$ 8,119,504
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	90.78 %	89.08 %	83.10 %	76.67 %	87.00 %	79.06 %	80.23 %	79.53 %	75.90 %	68.91 %
Covered-Employee Payroll ⁽³⁾	\$ 8,595,923	\$ 8,018,431	\$ 7,493,954	\$ 7,042,154	\$ 6,761,354	\$ 6,698,754	\$ 6,523,754	\$ 6,298,815	\$ 6,156,985	\$ 5,773,708
Net Pension Liability as a Percentage of covered-employee payroll	38.55 %	46.11 %	74.62 %	112.47 %	63.16 %	89.50 %	84.75 %	88.07 %	103.69 %	140.63 %

Notes to Schedule:

N/A

⁽¹⁾ For fiscal year ending June 30, 2024, includes \$170,093 in one-time state aid.

⁽²⁾ For fiscal year ending June 30, 2017, includes \$411 of other income and \$240 due to PERA's restatement of the June 30, 2016 end of year plan fiduciary net position.

⁽³⁾ Assumed equal to actual member contributions divided by member contribution rate.



Schedules of Required Supplementary Information

Schedule of the Net Pension Liability Multiyear

(Dollars in Thousands)

Last 10 Fiscal Years

FY Ending June 30,	Total Pension Liability	Plan Net Position	Net Pension Liability	Plan Net Position as a % of Total Pension Liability	Covered Payroll	Net Pension Liability as a % of Covered Payroll
2016	\$ 26,114,413	\$ 17,994,909	\$ 8,119,504	68.91%	\$ 5,773,708	140.63%
2017	\$ 26,484,513	\$ 20,100,579	\$ 6,383,934	75.90%	\$ 6,156,985	103.69%
2018	\$ 27,101,067	\$ 21,553,477	\$ 5,547,590	79.53%	\$ 6,298,815	88.07%
2019	\$ 27,969,744	\$ 22,440,968	\$ 5,528,776	80.23%	\$ 6,523,754	84.75%
2020	\$ 28,626,916	\$ 22,631,459	\$ 5,995,457	79.06%	\$ 6,698,754	89.50%
2021	\$ 32,858,101	\$ 28,587,653	\$ 4,270,448	87.00%	\$ 6,761,354	63.16%
2022	\$ 33,954,218	\$ 26,034,185	\$ 7,920,033	76.67%	\$ 7,042,154	112.47%
2023	\$ 33,092,665	\$ 27,500,777	\$ 5,591,888	83.10%	\$ 7,493,954	74.62%
2024	\$ 33,858,933	\$ 30,162,004	\$ 3,696,929	89.08%	\$ 8,018,431	46.11%
2025	\$ 35,952,646	\$ 32,638,737	\$ 3,313,909	90.78%	\$ 8,595,923	38.55%

Schedule of Contributions Multiyear (Dollars in Thousands)

Last 10 Fiscal Years

FY Ending June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2016	\$ 542,151	\$ 465,978	\$ 76,173	\$ 5,773,708	8.07%
2017	\$ 615,083	\$ 483,888	\$ 131,195	\$ 6,156,985	7.86
2018	\$ 609,725	\$ 504,819	\$ 104,906	\$ 6,298,815	8.01
2019	\$ 453,401	\$ 531,444	\$ (78,043)	\$ 6,523,754	8.15
2020	\$ 455,515	\$ 525,821	\$ (70,306)	\$ 6,698,754	7.85
2021	\$ 448,278	\$ 540,685	\$ (92,407)	\$ 6,761,354	8.00
2022	\$ 368,305	\$ 562,291	\$ (193,986)	\$ 7,042,154	7.98
2023	\$ 355,963	\$ 597,044	\$ (241,081)	\$ 7,493,954	7.97
2024	\$ 536,433	\$ 805,673	\$ (269,240)	\$ 8,018,431	10.05
2025	\$ 497,704	\$ 680,119	\$ (182,415)	\$ 8,595,923	7.91

Notes to Schedule of Contributions

Methods and Assumptions Used to Determine Contribution Rates for the Fiscal Year Ending June 30, 2025:

Valuation Date	June 30, 2024
Notes	Actuarially determined contribution rates are calculated as of each June 30 and apply to the fiscal year beginning on the day after the measurement date.
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	24 years
Asset Valuation Method	5-year smoothed market; no corridor
Inflation	2.25%
Payroll Growth	3.00%
Salary Increases	3.00% to 11.50% including inflation
Investment Rate of Return	7.00%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2024 valuation pursuant to an experience study of the period 2019 - 2023.
Mortality	Pub-2010 General annuitant generational mortality tables, projected with scale MP-2021 from a base year of 2010. Post-retirement male rates are multiplied by a factor of 1.09, pre-retirement female rates are multiplied by a factor of 0.94. Disabled rates are multiplied by a factor of 1.12 and 1.23 for male and females, respectively.

Other Information:

Notes	The plan is assumed to pay a 1.25% post retirement benefit increase for all future years. See separate funding report as of June 30, 2024 for additional detail.
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Schedule of Investment Returns Multiyear

Last 10 Fiscal Years

FY Ending June 30,	Annual Return¹
2016	(0.1)%
2017	15.2
2018	10.5
2019	7.3
2020	4.3
2021	30.3
2022	(6.4)
2023	8.9
2024	12.3
2025	11.0

¹ Annual money-weighted rate of return, net of investment expenses.

The Minnesota State Board of Investment (SBI) compiled this data and the related investment notes and provided it to PERA for GASB compliance purposes. PERA furnished this information to us for inclusion within this report. We did not audit this information. We are not responsible for its accuracy or completeness.

Rate of Return

For the fiscal year ended June 30, 2025, the annual money-weighted rate of return for the General Employees Retirement Plan was 11.0%. The money-weighted rate of return is a method of calculating period-by-period returns on pension plan investments that adjusts for the changing amounts actually invested. For purposes of this schedule, the money-weighted rate of return is calculated as the internal rate of return on pension plan investments, net of pension plan investment expense.

To request additional information about the computation of the annual money-weighted rate of return and the investments for the Minnesota Retirement Systems (including the investments for PERA's defined benefit retirement funds), contact SBI at 60 Empire Drive, Suite 100, St. Paul, Minnesota, 55103, via email at minn.sbi@state.mn.us or telephone at 651.296.3328.

SECTION D

ADDITIONAL FINANCIAL STATEMENT DISCLOSURES

Asset Allocation

Long-Term Expected Return on Plan Assets

The long-term expected rate of return on pension plan investments was determined using a building-block method. Estimates for expected future real rates of return (expected returns, net of inflation) were developed for each asset class using both long-term historical returns and long-term capital market expectation from a number of investment management and consulting organizations. The asset class estimates and the target allocations were then combined to produce a geometric, long-term expected rate of return for the portfolio. Inflation expectations were applied to derive the nominal rate of return for the portfolio. For each major asset class that is included in the pension fund's target asset allocation as of June 30, 2025, these estimates are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (geometric)
Domestic Equity	33.5%	5.10%
International Equity	16.5%	5.30%
Private Markets	25.0%	5.90%
Fixed Income and Cash	25.0%	0.75%
Unallocated Cash	0.0%	0.00%
Total	100%	

The Minnesota State Board of Investment (SBI) compiled this data and the related investment notes and provided it to PERA for GASB compliance purposes. PERA furnished this information to us for inclusion within this report. We did not audit this information. We are not responsible for its accuracy or completeness.

For purposes of this valuation, the long-term expected rate of return assumption is 7.00%. This assumption is based on the experience study report dated June 29, 2023.

Single Discount Rate

A single discount rate of 7.00% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.00%. The projection of cash flows used to determine this single discount rate assumed that plan member, employer, and state contributions will be made at the current statutory contribution rates. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 7.00%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher:

Sensitivity of Net Pension Liability to the Single Discount Rate Assumption

(Dollars in Thousands)

	1% Decrease 6.00%	Current Single Discount Rate Assumption 7.00%	1% Increase 8.00%
Total Pension Liability	\$ 40,687,702	\$ 35,952,646	\$ 32,111,450
Net Position Restricted for Pensions	\$ 32,638,737	\$ 32,638,737	\$ 32,638,737
Net Pension Liability	\$ 8,048,965	\$ 3,313,909	\$ (527,287)

For more information on the calculation of the single discount rate, refer to Section G of this report.

Note that we believe the 8.00% interest rate assumption does not comply with Actuarial Standards of Practice.

GASB Statement No. 68 Reconciliation (Dollars in Thousands)

Current Reporting Period

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)	Current Period		
				Deferred Outflows	Deferred Inflows	Pension Expense*
Balance Beginning of Year	\$ 33,858,933	\$ 30,162,004	\$ 3,696,929			
Changes for the Year:						
Service Cost	\$ 724,046		\$ 724,046			\$ 724,046
Interest on Total Pension Liability	\$ 2,325,230		\$ 2,325,230			\$ 2,325,230
Interest on Fiduciary Net Position		\$ 2,083,868	\$ (2,083,868)			\$ (2,083,868)
Changes in Benefit Terms	\$ 792,467		\$ 792,467			\$ 792,467
Liability Experience Gains and Losses	\$ 152,279		\$ 152,279	\$ 114,209	\$ -	\$ 38,070
Changes in Assumptions	\$ 106,461		\$ 106,461	\$ 79,846	\$ -	\$ 26,615
Contributions - Employer		\$ 680,119	\$ (680,119)			\$ -
Contributions - Employees		\$ 558,735	\$ (558,735)			\$ (558,735)
Asset Gain/(Loss)		\$ 1,177,785	\$ (1,177,785)	\$ -	\$ 942,228	\$ (235,557)
Benefit Payouts	\$ (2,006,770)	\$ (2,006,770)	\$ -			\$ -
Administrative Expenses		\$ (17,503)	\$ 17,503			\$ 17,503
Other		\$ 499	\$ (499)			\$ (499)
Net Changes	\$ 2,093,713	\$ 2,476,733	\$ (383,020)	\$ 194,055	\$ 942,228	\$ 1,045,272
Balance End of Year	\$ 35,952,646	\$ 32,638,737	\$ 3,313,909			

* Pension Expense from Experience in the Current Reporting Period.

GASB Statement No. 68 Reconciliation (Dollars in Thousands)

Current and Prior Reporting Periods

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)	Deferred Outflows	Deferred Inflows	Net Deferred Outflows Prior Year	Total Pension Expense*
Balance Beginning of Year	\$ 33,858,933	\$ 30,162,004	\$ 3,696,929				
Changes for the Year:							
Service Cost	\$ 724,046		\$ 724,046				\$ 724,046
Interest on Total Pension Liability	\$ 2,325,230		\$ 2,325,230				\$ 2,325,230
Interest on Fiduciary Net Position		\$ 2,083,868	\$ (2,083,868)				\$ (2,083,868)
Changes in Benefit Terms	\$ 792,467		\$ 792,467				\$ 792,467
Liability Experience Gains and Losses	\$ 152,279		\$ 152,279	\$ 315,743	\$ -	\$ 347,608	\$ 184,144
Changes in Assumptions	\$ 106,461		\$ 106,461	\$ 79,846	\$ 762,519	\$ (1,381,177)	\$ (592,043)
Contributions - Employer		\$ 680,119	\$ (680,119)				\$ -
Contributions - Employees		\$ 558,735	\$ (558,735)				\$ (558,735)
Asset Gain/(Loss)		\$ 1,177,785	\$ (1,177,785)	\$ 716,248	\$ 2,034,884	\$ (1,073,558)	\$ (932,707)
Benefit Payouts	\$ (2,006,770)	\$ (2,006,770)	\$ -				\$ -
Administrative Expenses		\$ (17,503)	\$ 17,503				\$ 17,503
Other		\$ 499	\$ (499)				\$ (499)
Net Changes	\$ 2,093,713	\$ 2,476,733	\$ (383,020)				\$ (124,462)
Balance End of Year	\$ 35,952,646	\$ 32,638,737	\$ 3,313,909	\$ 1,111,837	\$ 2,797,403	\$ (2,107,127)	

* Pension Expense from Experience in the Current and Prior Reporting Periods.

Summary of Population Statistics

	Actives	Terminated		Recipients			Total
		Deferred Retirement	Other Non-Vested	Service Retirement	Disability Retirement	Survivor	
GERP Members on July 1, 2024	164,224	71,542	89,853	108,878	3,195	9,807	447,499
New members	22,573	0	0	0	0	0	22,573
Return to active	2,941	(1,171)	(1,770)	0	0	0	0
Terminated non-vested	(8,214)	0	8,214	0	0	0	0
Service retirements	(2,616)	(2,951)	0	5,567	0	0	0
Terminated deferred	(6,080)	6,080	0	0	0	0	0
Terminated refund/transfer	(3,122)	(1,406)	(10,018)	0	0	0	(14,546)
Deaths	(226)	(246)	(602)	(3,105)	(186)	(599)	(4,964)
New beneficiary	0	0	0	0	0	887	887
Disabled	(54)	0	0	0	54	0	0
Data adjustments	1	1,065	2,104	21	37	(27)	3,201
Net change	5,203	1,371	(2,072)	2,483	(95)	261	7,151
GERP Members on June 30, 2025	169,427	72,913	87,781	111,361	3,100	10,068	454,650

SECTION E

SUMMARY OF BENEFITS

Summary of Plan Provisions – Basic

Following is a summary of the major plan provisions used in the valuation of this report. PERA is solely responsible for the validity, accuracy and comprehensiveness of this information. If any of the plan provisions shown below are not accurate and complete, the valuation results may differ significantly from those shown in this report and may require a revision of this report. Many of the plan provisions described below are no longer relevant due to the age and/or service of remaining Basic active members.

Plan year	July 1 through June 30				
Eligibility	A public employee who is not covered under the Social Security Act. General exceptions are employees covered by other public funds, certain part-time employees and full-time students under age 23.				
Contributions	Shown as a percent of salary: <table> <tr> <td><u>Member</u></td><td>9.10% of salary</td></tr> <tr> <td><u>Employer</u></td><td>11.78% of salary</td></tr> </table> Member contributions are “picked up” according to the provisions of Internal Revenue Code 414(h).	<u>Member</u>	9.10% of salary	<u>Employer</u>	11.78% of salary
<u>Member</u>	9.10% of salary				
<u>Employer</u>	11.78% of salary				
Allowable service	Service during which member contributions were made. May also include certain leaves of absence and military service.				
Salary	Includes amounts deducted for deferred compensation or supplemental retirement plans, net income from fees and sick leave payments funded by the employer. Excludes unused annual leaves and sick leave payments, severance payments, Workers’ Compensation benefits and employer-paid flexible spending accounts and employer-paid deferred compensation deposits, cafeteria plans, healthcare expense accounts, day-care expenses, fringe benefits and the cost of insurance coverage.				
Average salary	Average of the five highest successive years of annual salary. Average salary is based on all Allowable Service if less than five years.				
Vesting	100% vested after 3 years of Allowable Service.				
Retirement					
<u>Normal retirement benefit</u>					
Age/service requirement	Age 65 and vested. Proportionate retirement annuity is available at age 65 and one year of Allowable Service.				
Amount	2.70% of Average Salary for each year of Allowable Service.				
<u>Early retirement benefit</u>					
Age/service requirement	(a.) Age 55 and vested. (b.) Any age with 30 years of Allowable Service. (c.) Rule of 90: Age plus Allowable Service totals 90.				

Summary of Plan Provisions – Basic (Continued)

Retirement (Concluded)

Early retirement benefit

(Continued)

Amount

The greater of (a) and (b):

- (a.) 2.20% of Average Salary for each of the first ten years of Allowable Service and 2.70% of Average Salary for each subsequent year with reduction of 0.25% for each month if the Member is under age 65 at time of retirement and has less than 30 years of Allowable Service or if the Member is under age 62 and has 30 or more years of Allowable Service. No reduction if age plus years of Allowable Service totals 90.
- (b.) 2.70% of Average Salary for each year of Allowable Service, actuarially reduced for each month the Member is under age 65. Prior to July 1, 2024, the early retirement adjustment included either full or partial augmentation. This augmentation adjustment was completely phased out by July 1, 2024.

Form of payment

Life annuity with return on death of any balance of contributions over aggregate monthly payments. Actuarially equivalent options are:

25%, 50%, 75% or 100% Joint and Survivor. If a Joint and Survivor benefit is elected and the beneficiary predeceases the annuitant, the annuitant's benefit increases to the Life Annuity amount. This "bounce back" is subsidized by the plan.

Benefit increases

Benefit increases after retirement will equal 100% of the Social Security Cost-of-Living Adjustment, not less than 1.00% and not more than 1.75%, beginning January 1, 2026. If the funded ratio (on a market value of assets basis) is less than 85% for the prior two consecutive annual valuations, or is less than 80% in the most recent actuarial valuation, the maximum is reduced to 1.50%.

A benefit recipient who has been receiving a benefit for at least 12 full months as of June 30 will receive a full increase. Members receiving benefits for at least one month but less than 12 full months as of June 30 will receive a pro rata increase. Members retired under laws in effect before July 1, 1973 receive an additional lump sum payment each year. In 1989, this lump sum payment is the greater of \$25 times each full year of Allowable Service or the difference between \$400 times each full year of Allowable Service and the sum of benefits paid from any Minnesota public pension plan plus cash payments from the Social Security Administration for the preceding fiscal year July 1, 1988 through June 30, 1989. In each following year, the lump sum payment will increase by the same percentage increase that is applied to regular annuities paid from the fund. Effective January 1, 2002, annual lump sum payment is divided by 12 and paid as a monthly life annuity in the annuity form elected.

Summary of Plan Provisions – Basic (Continued)

Disability

Disability benefit

Age/service requirement Total and permanent disability before normal retirement age if vested. Since all remaining active Basic members are over normal retirement age, none are eligible for disability benefits.

Amount Normal Retirement benefit based on Allowable Service and Average Salary at disability without reduction for commencement before Normal Retirement Age. Supplemental benefit of \$25 per month payable to the later of the normal retirement age or the five-year anniversary of commencement of disability.

If a member became disabled prior to July 1, 1997 but did not commence his or her benefit before July 1, 1997, the benefit payable is calculated under the laws in effect at the time the Member became disabled and an actuarial increase shall be made for the change in the post-retirement interest rates from 5.00% to 6.00%.

Payments stop earlier if disability ceases. If death occurs prior to age 65, or within five years of disability, the surviving spouse can receive a refund or a survivor benefit. Dependent children are entitled to dependent child benefits subject to the 70.00% family maximum. Payments revert to a retirement annuity at normal retirement age. Benefits may be reduced on resumption of partial employment.

Form of payment Same as for retirement.

Benefit increases Same as for retirement.

Retirement after disability

Age/service requirement Normal retirement age.

Amount Any optional annuity continues. Otherwise, the larger of the disability benefit paid before normal retirement age or the normal retirement benefit available at normal retirement age, or an actuarially equivalent optional annuity.

Benefit increases Same as for retirement.

Summary of Plan Provisions - Basic (Continued)

Death

Surviving spouse benefit

Age/service requirement	Active Member with 18 months of Allowable Service or while Member is receiving a disability benefit.
Amount	50.00% of salary averaged over last six months. Family benefit is maximum of 70.00% and minimum of 50.00% of average salary. Benefit paid until spouse's death but no payments while spouse is remarried prior to July 1, 1991. If a member died prior to July 1, 1997 and the beneficiary was not eligible to commence their survivor benefit as of July 1, 1997, the benefit payable is calculated under the laws in effect before July 1, 1997, and an actuarial increase shall be made for the change in the post-retirement interest rates from 5.00% to 6.00%. Surviving spouse optional annuity may be elected in lieu of this benefit.
Benefit increases	Same as for retirement.

Surviving dependent children's benefit

Age/service requirement	Active Member with 18 months of Allowable Service or while Member is receiving a disability benefit.
Amount	10.00% of salary averaged over last six months for each child. Family benefit minimum (including spouse's benefit) of 50.00% of salary and maximum of 70.00% of average salary. Benefits paid until child marries, dies, or attains age 18 (age 22 if full-time student). If a member died prior to July 1, 1997 and the beneficiary was not eligible to commence their survivor benefit before July 1, 1997, the benefit payable is calculated under the laws in effect before July 1, 1997, and an actuarial increase shall be made for the change in the post-retirement interest rates from 5.00% to 6.00%.
Benefit increases	Same as for retirement.

Summary of Plan Provisions - Basic (Continued)

Death (Concluded)

Surviving spouse optional annuity

Age/service requirement

Member or former Member who dies before retirement benefits commence and other survivor annuity is waived by spouse.

Amount

Survivor's payment of the 100% joint and survivor benefit the Member could have elected if terminated or an actuarial equivalent term certain annuity. If commencement is prior to age 65 (age 62 if 30 years of service), the benefit is reduced the same as early retirement with half the applicable reduction factor used from age 55 to the actual commencement age. If no surviving spouse, then an actuarial equivalent dependent child benefit is paid to age 23 or for five years if longer.

If a member died prior to July 1, 1997 and the beneficiary was not eligible to commence their survivor benefit as of July 1, 1997, the benefit payable is calculated under the laws in effect before July 1, 1997, and an actuarial increase shall be made for the change in the post-retirement interest rates from 5.00% to 6.00%.

Benefit increases

Same as for retirement.

Refund of contributions with interest

Age/service requirement

Member dies before receiving any retirement benefits and survivor benefits are not payable.

Amount

The excess of the Member's contributions with 6.00% interest until June 30, 2011; 4.00% through June 30, 2018; 3.00% thereafter over any disability or survivor benefits paid.

Termination

Refund of contributions

Age/service requirement

Termination of public service.

Amount

Member's contributions with 6.00% interest through June 30, 2011. Beginning July 1, 2011, a member's contributions increase at 4.00% interest. Beginning July 1, 2018, a member's contributions increase at 3.00% interest. If a member is vested, a deferred annuity may be elected in lieu of a refund.

Deferred benefit

Age/service requirement

Fully vested.

Summary of Plan Provisions - Basic (Continued)

Termination (Concluded)

Deferred benefit

(Concluded)

Amount

Benefit computed under law in effect at termination and increased by the following “augmentation” percentage compounded annually for terminations prior to 2012:

- (a.) 0.00% before July 1, 1971;
- (b.) 5.00% from July 1, 1971 to January 1, 1981;
- (c.) 3.00% thereafter until the earlier of January 1 of the year following attainment of age 55 and January 1, 2012;
- (d.) 5.00% thereafter until the earlier of the date the annuity begins and January 1, 2012;
- (e.) 1.00% from January 1, 2012 through December 31, 2018; and
- (f.) 0.00% from January 1, 2019, thereafter.

Members who terminate after 2011 will receive no future augmentation.

Members active with a public employer the day prior to the privatization of the employer become vested immediately.

Members who are privatized after June 30, 2020 will receive no future augmentation.

Members who are privatized before July 1, 2020 receive enhanced augmentation (unless the enhancement results in a net loss to the Plan). Amount is payable at normal or early retirement. Augmentation is compounded annually through benefit commencement, equal to:

Date of Privatization	Augmentation prior to July 1, 2020	July 1, 2020 through December 31, 2023	After December 31, 2023
Prior to January 1, 2007 (or January 1, 2008 for Hutchinson Area Health Care)	5.5% prior to age 55, 7.5% after	2.0%	0.0%
After December 31, 2006 (2007 for Hutchinson Area Health Care) and prior to January 1, 2011	4.0% prior to age 55, 6.0% after	2.0%	0.0%
After December 31, 2010 and prior to July 1, 2020	2.0%*	2.0%*	0.0%

* Reduced to 1% if 2% augmentation resulted in a net loss to the Plan.

If a member terminated employment prior to July 1, 1997, but was not eligible to commence their pension before July 1, 1997, the benefit payable is calculated under the laws in effect before July 1, 1997 and an actuarial increase shall be made for the change in the post-retirement interest rates from 5.00% to 6.00%

Benefit increases

Same as for retirement.

Summary of Plan Provisions - Basic (Concluded)

Actuarial equivalent factors	Effective July 1, 2024, actuarially equivalent factors based on the Pub-2010 mortality table for healthy annuitants for a member turning age 62 in 2026, reflecting projected mortality improvements using Scale MP-2021, male rates multiplied by a factor of 1.09, blended 40% males, 5.68% post-retirement interest, and 7.00% pre-retirement interest. Reflecting statutory requirements, joint and survivor factors are based on an interest assumption of 6.50%.
Combined service annuity	Members are eligible for combined service benefits if they: (a.) Meet minimum retirement age for each plan participated in and total public service meets the vesting requirements of each plan; or (b.) Have three or more years of service under PERA and the covered fund(s) (if hired prior to July 1, 2010). Other requirements for combined service include: (a.) Member must have at least six months of allowable service credit in each plan worked under; and (b.) Member may not be in receipt of a benefit from another plan. Members who meet the above requirements must have their benefits based on the following: (a.) Allowable service in all covered plans is combined in order to determine eligibility for early retirement. (b.) Average salary is based on the high consecutive years during their entire service in all covered plans.
Changes in plan provisions	The post-retirement benefit increase was changed to 100% of the Social Security Cost-of-Living Adjustment, not less than 1.00% and not more than 1.75%, beginning January 1, 2026. If the funded ratio (on a market value of assets basis) is less than 85% for the prior two consecutive annual valuations, or is less than 80% in the most recent actuarial valuation, the maximum is reduced to 1.50%. Previously, the benefit increase was 50% of the Social Security Cost-of-Living Adjustment, not less than 1.00% and not more than 1.50%.

Summary of Plan Provisions - Coordinated

Following is a summary of the major plan provisions used in the valuation of this report. PERA is solely responsible for the validity, accuracy and comprehensiveness of this information. If any of the plan provisions shown below are not accurate and complete, the valuation results may differ significantly from those shown in this report and may require a revision of this report.

Plan year	July 1 through June 30		
Eligibility	A public employee who is covered under the Social Security Act. General exceptions are employees covered by other public funds, certain part-time employees and full-time students under age 23. City managers and persons holding certain elective office positions may choose to become Members.		
Contributions	Shown as a percent of salary:		
<u>Effective date</u>	<u>Member</u>	<u>Employer</u>	<u>Additional Employer</u>
January 1, 2015	6.50%	6.50%	1.00%
	Additional Employer Contribution remains in effect until the plan is 98% funded on an actuarial value of assets basis (contribution is repealed the following March 31).		
	Member contributions are “picked up” according to the provisions of Internal Revenue Code 414(h).		
Allowable service	Service during which member contributions are deducted. May also include certain leaves of absence and military service.		
Salary	Includes amounts deducted for deferred compensation or supplemental retirement plans, net income from fees and sick leave payments funded by the employer. Excludes unused annual leave and sick leave payments, severance payments, Workers’ Compensation benefits and employer-paid flexible spending accounts and employer-paid deferred compensation deposits, cafeteria plans, healthcare expense accounts, day-care expenses, fringe benefits and the cost of insurance coverage.		
Average salary	Average of the five highest successive years of annual salary. Average salary is based on all Allowable Service if less than five years.		
Vesting	100% vested after three years of Allowable Service.		

Summary of Plan Provisions – Coordinated (Continued)

Retirement

Normal retirement benefit

Age/service
requirement

First hired before July 1, 1989:

- (a.) Age 65 and vested.
- (b.) Proportionate Retirement Annuity is available at age 65 and one year of Allowable Service.

First hired after June 30, 1989:

- (a.) The greater of age 65 or the age eligible for full Social Security retirement benefits but no later than age 66 and vested.
- (b.) Proportionate Retirement Annuity is available at normal retirement age and one year of Allowable Service.

Amount

1.70% of Average Salary for each year of Allowable Service.

Early retirement benefit

Age/service
requirement

First hired before July 1, 1989:

- (a.) Age 55 and vested.
- (b.) Any age with 30 years of Allowable Service.
- (c.) Rule of 90: Age plus Allowable Service totals 90.

First hired after June 30, 1989:

- (a.) Age 55 and vested.

Amount

First hired before July 1, 1989:

The greater of (a) or (b):

- (a.) 1.20% of Average Salary for each of the first ten years of Allowable Service and 1.70% of Average Salary for each subsequent year with reduction of 0.25% for each month the Member is under age 65 at time of retirement or under age 62 if 30 years of Allowable Service. No reduction if age plus years of Allowable Service totals 90.
- (b.) 1.70% of Average Salary for each year of Allowable Service, actuarially reduced for each month the Member is under age 65.

First hired after June 30, 1989:

1.70% of Average Salary for each year of Allowable Service, actuarially reduced for each month the member is under the normal retirement age.

Prior to July 1, 2024, the early retirement adjustment included either full or partial augmentation. This augmentation adjustment was completely phased out by July 1, 2024.

Summary of Plan Provisions – Coordinated (Continued)

Retirement (Concluded)

Form of payment

Life annuity with return on death of any balance of contributions over aggregate monthly payments. Actuarially equivalent options are:

25%, 50%, 75% or 100% Joint and Survivor. If a Joint and Survivor benefit is elected and the beneficiary predeceases the annuitant, the annuitant's benefit increases to the Life Annuity amount. This "bounce back" is subsidized by the plan.

Benefit increases

Benefit increases after retirement will equal 100% of the Social Security Cost-of-Living Adjustment, not less than 1.00% and not more than 1.75%, beginning January 1, 2026. If the funded ratio (on a market value of assets basis) is less than 85% for the prior two consecutive annual valuations, or is less than 80% in the most recent actuarial valuation, the maximum is reduced to 1.50%

A benefit recipient who has been receiving a benefit for at least 12 full months as of June 30 will receive a full increase. Members receiving benefits for at least one month but less than 12 full months as of June 30 will receive a pro rata increase.

Members retired under laws in effect before July 1, 1973 will receive an additional lump sum payment each year. In 1989, this lump sum payment is \$25 times each full year of Allowable Service. In each following year, the lump sum payment will increase by the same percentage increase that is applied to regular annuities paid from the fund.

Disability

Disability benefit

Age/service
requirement

Total and permanent disability before normal retirement age if vested.

Amount

Normal Retirement benefit based on Allowable Service and Average Salary at disability without reduction for commencement before normal retirement age.

If a Member became disabled prior to July 1, 1997 but did not commence his or her benefit before July 1, 1997, the benefit payable is calculated under the laws in effect before July 1, 1997, and an actuarial increase shall be made for the change in the post-retirement interest rates from 5.00% to 6.00%.

Payments stop if disability ceases or death occurs. Payments change to a retirement annuity at normal retirement age. Benefits may be reduced on resumption of partial employment.

Summary of Plan Provisions – Coordinated (Continued)

Disability (Concluded)

Disability benefit

(Concluded)

Form of payment Same as for retirement.

Benefit increases Same as for retirement.

Retirement after disability

Age/service requirement Normal retirement age.

Amount Any optional annuity continues. Otherwise, the larger of the disability benefit paid before normal retirement age or the normal retirement benefit available at normal retirement age, or an actuarially equivalent optional annuity.

Benefit increases Same as for retirement.

Death

Surviving spouse optional annuity

Age/service requirement Member or former Member who dies before retirement or disability benefits commence.

Amount Survivor's payment of the 100% joint and survivor benefit the Member could have elected if terminated or an actuarial equivalent term certain annuity. If commencement is prior to age 65 (age 62 if 30 years of service), the benefit is reduced the same as early retirement with half the applicable reduction factor used from age 55 to the actual commencement age. If no surviving spouse, then an actuarial equivalent dependent child benefit is paid to age 23 or for five years if longer.

If a member died prior to July 1, 1997 and the beneficiary was not eligible to commence their survivor benefit before July 1, 1997, the benefit payable is calculated under the laws in effect before July 1, 1997, and an actuarial increase shall be made for the change in the post-retirement interest rates from 5.00% to 6.00%.

Benefit increases Same as for retirement.

Refund of contributions

Age/service requirement Member dies before receiving any retirement benefits and survivor benefits are not payable.

Amount The excess of the Member's contributions with 6.00% interest until June 30, 2011; 4.00% through June 30, 2018; 3.00% thereafter over any disability or survivor benefits paid.

Summary of Plan Provisions – Coordinated (Continued)

Termination

Refund of contributions

Age/service requirement

Termination of public service.

Amount

Member's contributions with 6.00% interest through June 30, 2011. Beginning July 1, 2011, a member's contributions increase at 4.00% interest. Beginning July 1, 2018, a member's contributions increase at 3.00% interest. If a member is vested, a deferred annuity may be elected in lieu of a refund.

Deferred benefit

Age/service requirement

Fully vested.

Amount

Benefit computed under law in effect at termination and increased by the following percentage (augmentation) compounded annually for terminations prior to 2012:

- (a.) 0.00% before July 1, 1971;
- (b.) 5.00% from July 1, 1971 to January 1, 1981;
- (c.) 3.00% (2.50% if hired after June 30, 2006) thereafter until the earlier of January 1 of the year following attainment of age 55 and January 1, 2012;
- (d.) 5.00% (2.50% if hired after June 30, 2006) thereafter until the earlier of the date the annuity begins and January 1, 2012; or
- (e.) 1.00% from January 1, 2012 through December 31, 2018; and
- (f.) 0.00% from January 1, 2019, thereafter.

Members who terminate after 2011 will receive no future augmentation.

Members active with a public employer the day prior to the privatization of the employer become vested immediately.

Members who are privatized after June 30, 2020 will receive no future augmentation.

Members who are privatized before July 1, 2020 receive enhanced augmentation (unless the enhancement results in a net loss to the Plan). Amount is payable at normal or early retirement. Augmentation is compounded annually through benefit commencement, equal to:

Date of Privatization	Augmentation prior to July 1, 2020	July 1, 2020 through December 31, 2023	After December 31, 2023
Prior to January 1, 2007 (or January 1, 2008 for Hutchinson Area Health Care)	5.5% prior to age 55, 7.5% after	2.0%	0.0%
After December 31, 2006 (2007 for Hutchinson Area Health Care) and prior to January 1, 2011	4.0% prior to age 55, 6.0% after	2.0%	0.0%
After December 31, 2010 and prior to July 1, 2020	2.0%*	2.0%*	0.0%

* Reduced to 1% if 2% augmentation resulted in a net loss to the Plan.

Summary of Plan Provisions – Coordinated (Concluded)

Termination (Concluded)	
<u>Deferred benefit (Concluded)</u>	
Amount (Concluded)	If a member terminated employment prior to July 1, 1997 but was not eligible to commence their pension before July 1, 1997, the benefit payable is calculated under the laws in effect before July 1, 1997 and an actuarial increase shall be made for the change in the post-retirement interest rates from 5.00% to 6.00%.
Form of payment	Same as for retirement.
Actuarial equivalent factors	Effective July 1, 2024, actuarially equivalent factors based on the Pub-2010 mortality table for healthy annuitants for a member turning age 62 in 2026, reflecting projected mortality improvements using Scale MP-2021, male rates multiplied by a factor of 1.09, blended 40% males, 5.68% post-retirement interest, and 7.00% pre-retirement interest. Reflecting statutory requirements, joint and survivor factors are based on an interest assumption of 6.50%.
Combined service annuity	Members are eligible for combined service benefits if they: (a.) Meet minimum retirement age for each plan participated in and total public service meets the vesting requirements of each plan; or (b.) Have three or more years of service under PERA and the covered fund(s) (if hired prior to July 1, 2010). Other requirements for combined service include: (a.) Member must have at least six months of allowable service credit in each plan worked under; and (b.) Member may not be in receipt of a benefit from another plan. Members who meet the above requirements must have their benefit based on the following: (a.) Allowable service in all covered plans is combined in order to determine eligibility for early retirement. (b.) Average salary is based on the high five consecutive years during their entire service in all covered plans.
Changes in plan provisions	The post-retirement benefit increase was changed to 100% of the Social Security Cost-of-Living Adjustment, not less than 1.00% and not more than 1.75%, beginning January 1, 2026. If the funded ratio (on a market value of assets basis) is less than 85% for the prior two consecutive annual valuations, or is less than 80% in the most recent actuarial valuation, the maximum is reduced to 1.50%. Previously, the benefit increase was 50% of the Social Security Cost-of-Living Adjustment, not less than 1.00% and not more than 1.50%. The 1% additional employer contribution is eliminated when the plan reaches 98% funded status (on an Actuarial Value of Assets basis); this contribution was previously scheduled to stop when the plan reached 100% funded status.

Summary of Plan Provisions of Minneapolis Employees Retirement Fund (MERF)

Following is a summary of the major plan provisions used in the valuation of this report. PERA is solely responsible for the validity, accuracy and comprehensiveness of this information. If any of the plan provisions shown below are not accurate and complete, the valuation results may differ significantly from those shown in this report and may require a revision of this report.

Plan year	July 1 through June 30																				
Eligibility/employee rule	An employee of the City of Minneapolis, the Metropolitan Airports Commission, the Met Council/Environmental Services, the Municipal Employees Retirement Fund, and Special School District No. 1 if covered prior to July 1, 1978. Employees covered July 1, 1978 or later are covered by the Public Employees Retirement Association (PERA) Plan. Effective July 1, 1992, licensed peace officers and firefighters who are employed by the Metropolitan Airports Commission and covered by the Minneapolis Employees Retirement Fund will receive the greater of retirement, disability, or survivor benefits under: a) The Minneapolis Employees Retirement Fund; or b) The Public Employees Retirement Association (PERA) Police & Fire Plan.																				
Full consolidation	The MERF Division fully merged with PERA's General Employees Retirement Plan, effective January 1, 2015. Upon consolidation, state and employer contributions were revised as shown herein.																				
Contributions																					
Member	9.75% of salary																				
Employer	9.75% of salary (Employer Regular Contributions)																				
	Employer Regular and Additional Contributions will be paid as long as there are active members.																				
	Employer Supplemental Contributions equal \$21,000,000 per year through September 2031.																				
Contribution allocation	Employer Supplemental Contributions are allocated to the employers in proportion to their share of the actuarial accrued liability of MERF on July 1, 2009, as follows:																				
	<table> <tr> <th>Employer</th><th>Allocation</th></tr> <tr> <td>City of Minneapolis</td><td>54.78%</td></tr> <tr> <td>Minneapolis Park Board</td><td>10.33%</td></tr> <tr> <td>Met Council</td><td>1.74%</td></tr> <tr> <td>Metropolitan Airport Commission</td><td>5.76%</td></tr> <tr> <td>Municipal Building Commission</td><td>1.08%</td></tr> <tr> <td>Minneapolis School District No. 1</td><td>23.04%</td></tr> <tr> <td>Hennepin County</td><td>3.17%</td></tr> <tr> <td>MnSCU</td><td>0.10%</td></tr> <tr> <td>Total</td><td>100.00%</td></tr> </table>	Employer	Allocation	City of Minneapolis	54.78%	Minneapolis Park Board	10.33%	Met Council	1.74%	Metropolitan Airport Commission	5.76%	Municipal Building Commission	1.08%	Minneapolis School District No. 1	23.04%	Hennepin County	3.17%	MnSCU	0.10%	Total	100.00%
Employer	Allocation																				
City of Minneapolis	54.78%																				
Minneapolis Park Board	10.33%																				
Met Council	1.74%																				
Metropolitan Airport Commission	5.76%																				
Municipal Building Commission	1.08%																				
Minneapolis School District No. 1	23.04%																				
Hennepin County	3.17%																				
MnSCU	0.10%																				
Total	100.00%																				

Summary of Plan Provisions of Minneapolis Employees Retirement Fund (MERF) (Continued)

State contributions	The State's contributions equal \$16,000,000 and are payable by September 30 each year through September 15, 2031.
Allowable service	Service during which member contributions were made. Allowable Service may also include certain leaves of absence, military service and service prior to becoming a member. Allowable service also includes time on duty disability provided that the member returns to active service if the disability ceases.
Salary	All amounts of salary, wages or compensation.
Average salary	Average of the five highest calendar years of salary out of the last ten calendar years.
Retirement	
<u>Normal retirement benefit</u>	
Age/service requirement	Age 60 and 10 years of employment. Any age with 30 years of employment. Proportionate retirement annuity is available at age 65 and one-year allowable service.
Amount	2.00% of average salary for the first 10 years of allowable service plus 2.50% of average salary for each subsequent year of allowable service.

Summary of Plan Provisions of Minneapolis Employees Retirement Fund (MERF) (Continued)

Disability	
<u>Disability benefit</u>	
Age/service requirement	Total and permanent disability before age 60 with five years of allowable service, or no allowable service if a work-related disability.
Amount	2.00% of average salary for the first 10 years of disability service plus 2.50% of average salary for each subsequent year of disability service. Disability service is the greater of (a) or (b) where: (a.) Equals allowable service plus service projected to age 60, subject to a maximum of 22 years; and (b.) Equals allowable service. Benefit is reduced by Workers' Compensation benefits. Payments stop at age 60 or earlier if disability ceases or death occurs. Benefits may be reduced on resumption of partial employment.
<u>Disability after separation</u>	
Age/service requirement	Total and permanent disability after electing to receive a retirement benefit but before age 60.
Amount	Actuarial equivalent of total credit to member's account.
<u>Retirement after disability</u>	
Age/service requirement	Total and permanent disability after electing to receive a retirement benefit but before age 60. Employee is still disabled after age 60.
Amount	Benefit continues according to the option selected.

Summary of Plan Provisions of Minneapolis Employees Retirement Fund (MERF) (Continued)

Death

Pre-retirement survivor's spouse benefit

Age/service requirement Active member with 18 months of allowable service.

Amount 30% of salary averaged over the last six months to the surviving spouse plus 10% of salary averaged over the last six months to each surviving child. Maximum benefit is \$900 per month.

Pre-retirement survivor's spouse annuity

Age/service requirement Active member or former member who dies before retirement with 20 years of allowable service.

Amount Actuarial equivalent of a single life annuity which would have been paid as a retirement benefit on the date of death without regard to eligibility age for retirement benefit. If there is no surviving spouse, the designated beneficiary may be a dependent child or dependent parent.

Refund of accumulated city contributions

Age/service requirement Active member or former member dies after 10 years of allowable service and prior to retirement.

Amount Present value of the City's annual installments of \$60 or, in the case of a former member, the net accumulation of City deposits. This benefit is not payable if survivor's benefits are paid.

Lump sum

Age/service requirement Death prior to service or disability retirement without an eligible surviving beneficiary.

Amount \$750 with less than 10 years allowable service, or \$1,500 with 10 or more years of allowable service.

Refund of member contributions at death

Age/service requirement Active member or former member dies before retirement.

Amount The excess of the member's contributions (exclusive of the contributions to the survivor's account) plus interest to the date of death.

Summary of Plan Provisions of Minneapolis Employees Retirement Fund (MERF) (Concluded)

Termination	
<u>Deferred benefit</u>	
Age/service requirement	Three years of allowable service.
Amount	Benefit computed under law in effect at termination and increased by the following percentage (augmentation), compounded annually: (a.) 0.00% prior to July 1, 1971; (b.) 5.00% from July 1, 1971 to January 1, 1981; and (c.) 3.00% thereafter until the annuity begins. Amount is payable at or after age 60.
<u>Refund of member contributions upon termination</u>	
Age/service requirement	Termination of public service.
Amount	Member's contributions with interest. A deferred annuity may be elected in lieu of a refund if vested.
Form of payment	▪ Life annuity. ▪ Life annuity with 3, 5, 10 or 15 years guaranteed. ▪ Life annuity with lump sum death benefit. ▪ Joint & Survivor (with or without bounce back feature).
Optional form conversion factors	1986 PET mortality table with a one-year setback, blended 50% male and 50% female, and 5% interest.
Two dollar bill and annuity	Optional Two Dollar Bill money purchase annuity available at age 55 with 20 years of service if member had service prior to June 28, 1973. According to PERA, this option is rarely utilized. We have assumed that remaining active members will not elect this optional benefit.
Benefit increases	Benefit recipients receive increases each year in January based upon 100% of the current Social Security increase, not less than 1.00% and not more than 1.75%, beginning January 1, 2026. If the funded ratio (on a market value of assets basis) is less than 85% for the prior two consecutive annual valuations, or is less than 80% in the most recent actuarial valuation, the maximum is reduced to 1.50%.
Changes in plan provisions	The post-retirement benefit increase was changed to 100% of the Social Security Cost-of-Living Adjustment, not less than 1.00% and not more than 1.75%, beginning January 1, 2026. If the funded ratio (on a market value of assets basis) is less than 85% for the prior two consecutive annual valuations, or is less than 80% in the most recent actuarial valuation, the maximum is reduced to 1.50%. Previously, the benefit increase was 50% of the Social Security Cost-of-Living Adjustment, not less than 1.00% and not more than 1.50%.

SECTION F

**ACTUARIAL COST METHOD AND ACTUARIAL ASSUMPTIONS
USED FOR THE DETERMINATION OF TOTAL PENSION LIABILITY
AND RELATED VALUES**

Actuarial Methods Used for the Determination of Total Pension Liability and Related Values

Actuarial Cost Method

Normal cost and the allocation of benefit values between service rendered before and after the valuation date were determined using an **Individual Entry-Age Actuarial Cost Method** having the following characteristics:

- (i) the annual normal cost for each individual active member, payable from the date of employment to the date of retirement, is sufficient to accumulate the value of the member's benefit at the time of retirement; and
- (ii) each annual normal cost is a constant percentage of the member's year by year projected covered pay.

Actuarial gains/(losses), as they occur, reduce (increase) the Total Pension Liability.

Valuation of Future Post-Retirement Benefit Increases

Effective January 1, 2026, benefit recipients receive a future annual post-retirement benefit increase equal to 100% of the Social Security Cost-of-Living Adjustment (COLA), not less than 1% and not more than 1.75%. Prior to January 1, 2026, benefit recipients received an annual post-retirement benefit increase equal to 50% of the Social Security COLA, not less than 1.00% and not more than 1.50%.

The liabilities in this report reflect an annual future COLA assumption of 1.50% based on our analysis in the General Employees Retirement Plan Supplemental valuation dated January 23, 2025. This is only an assumption; actual increases will depend on actual experience.

Asset Valuation Method

Fair value of assets.

Summary of Actuarial Assumptions – Basic and Coordinated

The following assumptions were used in valuing the liabilities and benefits under the plan. Unless noted otherwise, the assumptions prescribed are based on the latest adopted experience study dated June 29, 2023. The Allowance for Combined Service Annuity assumptions are based on an analysis completed by the LCPR actuary and documented in a report dated February 2025.

Investment return	7.00% per annum.
Single Discount Rate	7.00% per annum
Benefit increases after retirement	1.50% per annum.
Salary increases	Reported salary at valuation date increased according to the rate table, to current fiscal year and annually for each future year. Prior fiscal year salary is annualized for members with less than one year of service earned during the year.
Inflation	2.25% per year.
Payroll growth	3.00% per year.
Mortality rates	
Healthy pre-retirement	Pub-2010 General Employee Mortality Table adjusted for mortality improvements using projection scale MP-2021. Female rates are multiplied by a factor of 0.94.
Healthy post-retirement	Pub-2010 General Healthy Retiree Mortality Table adjusted for mortality improvements using projection scale MP-2021. Male rates are multiplied by a factor of 1.09.
Disabled retirees	Pub-2010 General/Teacher Disabled Retiree Mortality Table, adjusted for mortality improvements using projection scale MP-2021. Rates are multiplied by a factor of 1.12 for males and 1.23 for females.
Notes	The Pub-2010 Employee Mortality Table as published by the Society of Actuaries (SOA) contains mortality rates for ages 18 to 80 and the annuitant mortality table contains mortality rates for ages 50 to 120. We have extended the annuitant mortality table as needed for members and beneficiaries younger than age 50 who are receiving a benefit by deriving rates based on the employee table and the juvenile table. Similarly, we have extended the employee table as needed for members older than age 80 by deriving rates based on the annuitant table.
Retirement	Members retiring from active status are assumed to retire according to the age-related rates shown in the tables. Members who have attained the highest assumed retirement age are assumed to retire in one year.
Withdrawal	Service-related rates based on experience; see table of sample rates.
Disability	Age-related rates based on experience; see table of sample rates.

Actuarial Basis

Summary of Actuarial Assumptions – Basic and Coordinated (Continued)

Allowance for combined service annuity	Liabilities for former members are increased by 19% for vested members and 44% for non-vested members to account for the effect of some participants having eligibility for a Combined Service Annuity.
Administrative expenses	In the valuation year, equal to prior year administrative expenses expressed as a percentage of prior year payroll. In each subsequent year, equal to the initial administrative expense percentage applied to payroll for the closed group.
Refund of contributions	For non-vested members, account balances accumulate interest until the assumed commencement date and are discounted back to the valuation date. Active members decrementing after becoming eligible for a deferred benefit are assumed to take the contributions accumulated with interest if larger than the value of the benefit.
Commencement of deferred benefits	Members receiving deferred annuities (including current terminated deferred members) are assumed to begin receiving benefits at Normal Retirement.
Percentage married	80% of male and 70% of female active members are assumed to be married. Actual marital status is used for members in payment status.
Age of spouse	Males are assumed to have a beneficiary three years younger, while females are assumed to have a beneficiary one year older. For members in payment status, actual spouse date of birth is used, if provided.
Eligible children	Retiring members are assumed to have no dependent children.
Form of payment	Married members retiring from active status are assumed to elect the subsidized joint and survivor form of annuity as follows: Males: 5% elect 25% Joint & Survivor option 10% elect 50% Joint & Survivor option 10% elect 75% Joint & Survivor option 60% elect 100% Joint & Survivor option Females: 10% elect 25% Joint & Survivor option 10% elect 50% Joint & Survivor option 5% elect 75% Joint & Survivor option 40% elect 100% Joint & Survivor option Remaining married members and unmarried members are assumed to elect the Straight Life option. Members receiving deferred annuities (including current terminated deferred members) are assumed to elect a straight life annuity.
Eligibility testing	Eligibility for benefits is determined based upon the age nearest birthday and service on the date the decrement is assumed to occur.
Decrement operation	Withdrawal decrements do not operate during retirement eligibility. Decrement are assumed to occur mid-fiscal year.
Service credit accruals	It is assumed that members accrue one year of service credit per year.

Actuarial Basis

Summary of Actuarial Assumptions – Basic and Coordinated (Continued)

Benefit service	Exact fractional service is used to determine the amount of benefit payable.
Pay increases	Pay increases are assumed to happen at the beginning of the fiscal year. This is equivalent to assuming that reported earnings are pensionable earnings for the year ending on the valuation date.
Final average salary	For present value of future benefit purposes, final average salary was calculated in accordance with pay increase assumptions, but was not permitted to fall below the average salary reported in the data.
Unknown data for certain members	To prepare this report, GRS has used and relied on participant data supplied by the Fund. Although GRS has reviewed the data in accordance with Actuarial Standards of Practice No. 23, GRS has not verified or audited any of the data or information provided. In cases where submitted data was missing or incomplete, the following assumptions, based on average results for applicable members at the time of the last experience study, were applied: <u>Data for active members:</u> There were 9,492 members reported with a salary less than \$100 after annualization. We used prior year salary (6,025 members), if available; otherwise high five salary with a 10% load to account for salary increases (2,304 members). If neither prior year salary nor high five salary was available, we assumed a value of \$39,500 (1,163 members). There were also 6,755 members reported without a gender. We assumed female gender. There were 488 members reported without a date of birth. We assumed these members were hired at age 37. <u>Data for terminated members:</u> We calculated benefits for these members using the reported Average Salary and credited service. If credited service was not reported (179 members), we used elapsed time from hire date to termination date (127 members); if elapsed time was not available, we assumed seven years of service. If termination date was invalid or not reported (177 members), we assumed the termination date was equal to the hire date plus credited service, otherwise the valuation date. If Average Salary was not reported (102 members), we assumed a value of \$36,000. If the reported termination date occurs prior to the reported hire date, the two dates were swapped. There were 4,333 members reported without a gender; female was assumed. There were 2,348 members reported without a date of birth, we assume the member was age 48 at the valuation date.

Actuarial Basis

Summary of Actuarial Assumptions – Basic and Coordinated (Continued)

Unknown data for certain members (Concluded)	<u>Data for retired members:</u> There were 290 members reported without a gender. We assumed retirees are female and beneficiaries are male. There were no members reported with an invalid date of birth. Because PERA reclassifies disabled members as retirees once the member reaches Normal Retirement Age, we compare the members that PERA reports as retirees to our disabled group from the last valuation. If a member was disabled in the prior valuation, we reclassify that member as a disabled retiree in this year's valuation. We reclassified 2,154 retirees as disabled retirees in this valuation.
Changes in actuarial assumptions since the prior valuation	The combined service annuity loading factors were changed from 15% to 19% for Vested Terminated members and from 3% to 44% for Non-Vested Terminated members. The post-retirement benefit increase assumption changed from 1.25% to 1.50%.

Summary of Actuarial Assumptions – Basic and Coordinated (Continued)

Age in 2025	Percentage of Members Dying Each Year*					
	Healthy Post- Retirement Mortality**		Healthy Pre- Retirement Mortality**		Disability Mortality**	
	Male	Female	Male	Female	Male	Female
20	0.04%	0.01%	0.04%	0.01%	0.47%	0.31%
25	0.04	0.01	0.03	0.01	0.37	0.25
30	0.06	0.02	0.05	0.02	0.56	0.44
35	0.08	0.03	0.07	0.03	0.79	0.70
40	0.10	0.04	0.09	0.04	1.00	0.94
45	0.13	0.06	0.11	0.05	1.25	1.18
50	0.31	0.20	0.14	0.07	1.70	1.64
55	0.44	0.28	0.21	0.11	2.22	2.06
60	0.67	0.39	0.32	0.18	2.82	2.44
65	0.99	0.58	0.46	0.26	3.38	2.61
70	1.52	0.92	0.64	0.40	3.99	3.03
75	2.54	1.61	0.96	0.65	5.07	4.22
80	4.55	2.99	1.51	1.11	7.20	6.58
85	8.42	5.73	6.50	4.63	10.90	10.61
90	14.77	10.83	13.55	10.18	16.81	15.85

* Generally, mortality rates are expected to increase as age increases (with the exception of young ages, where expected mortality may decrease as age increases). In cases where the application of the projection scale would reverse the nature of this trend, standard mortality rates have been adjusted slightly. This adjustment has no material effect on results.

** Rates are adjusted for mortality improvements using Scale MP-2021, from a base year of 2010.

Age	Rates of Disability Retirement	
	Male	Female
20	0.01%	0.01%
25	0.01	0.01
30	0.01	0.01
35	0.02	0.01
40	0.03	0.03
45	0.04	0.04
50	0.08	0.07
55	0.18	0.10
60	0.37	0.15
65	0.00	0.00
70	0.00	0.00

Summary of Actuarial Assumptions – Basic and Coordinated (Continued)

Age	Rates of Service Retirement		
	Rule of 90 Eligible	Tier 1	Tier 2
55	20.0%	4.0%	4.0%
56	18.0%	5.0%	4.0%
57	16.0%	6.0%	4.0%
58	15.0%	7.0%	4.0%
59	15.0%	8.0%	5.0%
60	15.0%	8.0%	6.0%
61	16.0%	8.0%	8.0%
62	27.0%	16.0%	15.0%
63	23.0%	20.0%	15.0%
64	25.0%	20.0%	17.0%
65	45.0%	45.0%	30.0%
66	40.0%	40.0%	40.0%
67	30.0%	30.0%	30.0%
68	30.0%	30.0%	30.0%
69	30.0%	30.0%	30.0%
70	30.0%	30.0%	30.0%
71+	100.0%	100.0%	100.0%

Summary of Actuarial Assumptions – Basic and Coordinated (Concluded)

Salary Scale		Year	Rates of Termination	
Year	Increase		Male	Female
1	11.50%	1	22.00%	23.50%
2	6.75	2	16.00	17.25
3	6.00	3	11.00	13.00
4	5.50	4	9.00	11.00
5	5.25	5	7.50	9.50
6	5.00	6	6.50	8.50
7	4.75	7	6.00	7.50
8	4.50	8	5.00	7.00
9	4.40	9	5.00	6.80
10	4.40	10	5.00	6.40
11	4.20	11	4.75	6.20
12	4.10	12	4.25	5.50
13	4.00	13	3.75	4.50
14	3.90	14	3.50	4.35
15	3.80	15	3.25	4.25
16	3.70	16	3.25	4.00
17	3.60	17	3.25	3.75
18	3.50	18	2.75	3.40
19	3.50	19	2.50	3.20
20	3.40	20	2.25	2.80
21	3.30	21	2.00	2.60
22	3.30	22	1.75	2.60
23	3.20	23	1.75	2.60
24	3.20	24	1.70	2.60
25	3.10	25	1.65	2.30
26	3.10	26	1.60	2.10
27	3.10	27	1.55	2.00
28	3.00	28	1.50	2.00
29	3.00	29	1.50	2.00
30+	3.00	30	1.50	2.00

Summary of Actuarial Assumptions - MERF

The following assumptions were used in valuing the liabilities and benefits under the plan for MERF members only. Assumptions regarding investment return, mortality, benefit increases, and Combined Service Annuity (CSA) are the same as shown in the Basic and Coordinated Plan assumption summary.

Salary increases	Total reported pay for prior calendar year increased 1.86% (half year of 3.75%, compounded) to prior fiscal year and 3.75% annually for each future year.
Retirement	Active members are assumed to retire at age 61, or immediately if currently age 61 or older.
Withdrawal	Rates are shown in rate table.
Disability	Age-related rates based on experience; see table of sample rates.
Commencement of deferred benefits	Members receiving deferred annuities (including current terminated deferred members) are assumed to begin receiving benefits at age 60.
Percentage married	66.67% of active members are assumed to be married. Actual marital status is used for members in payment status.
Age of spouse	Females are assumed to be three years younger than their male spouses. For members in payment status, actual spouse date of birth is used, if provided.
Eligible children	Retiring members are assumed to have no dependent children.
Form of payment	Members are assumed to elect a life annuity.
Unknown data for certain members	To prepare this report, GRS has used and relied on participant data supplied by the Fund. Although GRS has reviewed the data in accordance with Actuarial Standards of Practice No. 23, GRS has not verified or audited any of the data or information provided. In cases where submitted data was missing or incomplete, the following assumptions were applied: <u>Data for active members:</u> There was one active member with missing salary and service. We used expected salary and service based on the prior valuation for this member. <u>Data for terminated members:</u> Benefits were provided by PERA for all members in 2022 and adjustments were made for retirements since 2022. <u>Data for retired members:</u> There was one member reported without a gender. We assumed male gender. Because PERA reclassifies disabled members as retirees once the member reaches Normal Retirement Age, we compare the members that PERA reports as retirees to our disabled group from the last valuation. If a member was disabled in the prior valuation, we reclassify that member as a disabled retiree in this year's valuation. We reclassified 43 retirees as disabled retirees in this valuation.

Summary of Actuarial Assumptions – MERF (Concluded)

Age	Rates of Termination		Rates of Disability Retirement	
	Male	Female	Male	Female
20	21.00%	21.00%	0.21%	0.21%
25	11.00	11.00	0.21	0.21
30	5.00	5.00	0.23	0.23
35	1.50	1.50	0.30	0.30
40	1.00	1.00	0.41	0.41
45	1.00	1.00	0.61	0.61
50	1.00	1.00	0.93	0.93
55	1.00	1.00	1.60	1.60
60	1.00	1.00	0.00	0.00
65	0.00	0.00	0.00	0.00
70	0.00	0.00	0.00	0.00

SECTION G

CALCULATION OF THE SINGLE DISCOUNT RATE

Calculation of the Single Discount Rate

GASB Statement No. 67 includes a specific requirement for the discount rate that is used for the purpose of the measurement of the Total Pension Liability. This rate considers the ability of the fund to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses and investment returns are projected into the future. The Plan Net Position (assets) in future years can then be determined and compared to its obligation to make benefit payments in those years. As long as assets are projected to be on hand in a future year, the assumed long-term expected rate of return is used. In years where assets are not projected to be sufficient to meet benefit payments, the use of a municipal bond rate is required, as described in the following paragraph.

The *Single Discount Rate* (SDR) is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods. The SDR reflects (1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 5.20%; and **the resulting single discount rate is 7.00%.**

The tables in this section provide background for the development of the single discount rate.

The **Projection of Contributions** table shows the development of expected contributions in future years. Normal Cost contributions for future hires are not included (nor are their liabilities).

The **Projection of Plan Fiduciary Net Position** table shows the development of expected asset levels in future years.

The **Present Values of Projected Benefit Payments** table shows the development of the Single Discount Rate. It breaks down the benefit payments into present values for funded and unfunded portions and shows the equivalent total at the SDR.

Single Discount Rate Development

Projection of Contributions (Dollars in Thousands)

Fiscal Year Ending	Payroll			Projected Contributions				
	Payroll for Current Employees	Payroll for New Employees	Total Employee Payroll	Contributions from Current Employees	Employer Contributions for Current Employees*	Contributions on Future Payroll toward Current UAL**	Additional State Contributions	Total Contributions
2025	\$ 8,595,923	\$ -	\$ 8,595,923					
2026	\$ 8,595,669	\$ 277,363	\$ 8,873,032	\$ 558,718	\$ 644,675	\$ 14,035	\$ 37,000	\$ 1,254,428
2027	\$ 8,101,791	\$ 1,037,432	\$ 9,139,223	\$ 526,616	\$ 607,634	\$ 52,495	\$ 37,000	\$ 1,223,745
2028	\$ 7,664,579	\$ 1,748,821	\$ 9,413,400	\$ 498,198	\$ 574,843	\$ 88,490	\$ 37,000	\$ 1,198,531
2029	\$ 7,318,089	\$ 2,377,713	\$ 9,695,802	\$ 475,676	\$ 548,857	\$ 120,312	\$ 37,000	\$ 1,181,845
2030	\$ 7,006,714	\$ 2,979,962	\$ 9,986,676	\$ 455,436	\$ 525,504	\$ 150,786	\$ 37,000	\$ 1,168,726
2031	\$ 6,717,498	\$ 3,568,778	\$ 10,286,276	\$ 436,637	\$ 503,812	\$ 180,581	\$ 37,000	\$ 1,158,030
2032	\$ 6,444,516	\$ 4,150,349	\$ 10,594,865	\$ 418,894	\$ 418,894	\$ 168,503	\$ -	\$ 1,006,291
2033	\$ 6,182,971	\$ 4,729,740	\$ 10,912,711	\$ 401,893	\$ 401,893	\$ 192,028	\$ -	\$ 995,814
2034	\$ 5,931,336	\$ 5,308,756	\$ 11,240,092	\$ 385,537	\$ 385,537	\$ 215,535	\$ -	\$ 986,609
2035	\$ 5,689,521	\$ 5,887,774	\$ 11,577,295	\$ 369,819	\$ 369,819	\$ 239,043	\$ -	\$ 978,681
2036	\$ 5,456,126	\$ 6,468,488	\$ 11,924,614	\$ 354,648	\$ 354,648	\$ 262,621	\$ -	\$ 971,917
2037	\$ 5,229,910	\$ 7,052,442	\$ 12,282,352	\$ 339,944	\$ 339,944	\$ 286,329	\$ -	\$ 966,217
2038	\$ 5,010,954	\$ 7,639,869	\$ 12,650,823	\$ 325,712	\$ 325,712	\$ 310,179	\$ -	\$ 961,603
2039	\$ 4,797,867	\$ 8,232,480	\$ 13,030,347	\$ 311,861	\$ 311,861	\$ 334,239	\$ -	\$ 957,961
2040	\$ 4,587,034	\$ 8,834,224	\$ 13,421,258	\$ 298,157	\$ 298,157	\$ 358,670	\$ -	\$ 954,984
2041	\$ 4,376,717	\$ 9,447,178	\$ 13,823,895	\$ 284,487	\$ 284,487	\$ 383,555	\$ -	\$ 952,529
2042	\$ 4,166,767	\$ 10,071,845	\$ 14,238,612	\$ 270,840	\$ 270,840	\$ 408,917	\$ -	\$ 950,597
2043	\$ 3,956,747	\$ 10,709,024	\$ 14,665,771	\$ 257,189	\$ 257,189	\$ 434,785	\$ -	\$ 949,163
2044	\$ 3,746,764	\$ 11,358,980	\$ 15,105,744	\$ 243,540	\$ 243,540	\$ 461,174	\$ -	\$ 948,254
2045	\$ 3,536,202	\$ 12,022,714	\$ 15,558,916	\$ 229,853	\$ 229,853	\$ 488,122	\$ -	\$ 947,828
2046	\$ 3,324,297	\$ 12,701,387	\$ 16,025,684	\$ 216,079	\$ 216,079	\$ 515,677	\$ -	\$ 947,835
2047	\$ 3,111,535	\$ 13,394,919	\$ 16,506,454	\$ 202,250	\$ 202,250	\$ 543,833	\$ -	\$ 948,333
2048	\$ 2,900,097	\$ 14,101,551	\$ 17,001,648	\$ 188,506	\$ 188,506	\$ 572,524	\$ -	\$ 949,536
2049	\$ 2,691,796	\$ 14,819,901	\$ 17,511,697	\$ 174,967	\$ 174,967	\$ 601,687	\$ -	\$ 951,621
2050	\$ 2,487,046	\$ 15,550,002	\$ 18,037,048	\$ 161,658	\$ 161,658	\$ 631,330	\$ -	\$ 954,646
2051	\$ 2,286,239	\$ 16,291,920	\$ 18,578,159	\$ 148,606	\$ 148,606	\$ 661,451	\$ -	\$ 958,663
2052	\$ 2,090,147	\$ 17,045,357	\$ 19,135,504	\$ 135,860	\$ 135,860	\$ 692,041	\$ -	\$ 963,761
2053	\$ 1,900,090	\$ 17,809,479	\$ 19,709,569	\$ 123,506	\$ 123,506	\$ 723,065	\$ -	\$ 970,077
2054	\$ 1,717,354	\$ 18,583,502	\$ 20,300,856	\$ 111,628	\$ 111,628	\$ 754,490	\$ -	\$ 977,746
2055	\$ 1,542,455	\$ 19,367,427	\$ 20,909,882	\$ 100,260	\$ 100,260	\$ 786,317	\$ -	\$ 986,837
2056	\$ 1,375,825	\$ 20,161,354	\$ 21,537,179	\$ 89,429	\$ 89,429	\$ 818,550	\$ -	\$ 997,408
2057	\$ 1,218,625	\$ 20,964,669	\$ 22,183,294	\$ 79,211	\$ 79,211	\$ 851,165	\$ -	\$ 1,009,587
2058	\$ 1,071,478	\$ 21,777,315	\$ 22,848,793	\$ 69,646	\$ 69,646	\$ 884,159	\$ -	\$ 1,023,451
2059	\$ 934,335	\$ 22,599,922	\$ 23,534,257	\$ 60,732	\$ 60,732	\$ 917,556	\$ -	\$ 1,039,020
2060	\$ 806,765	\$ 23,433,519	\$ 24,240,284	\$ 52,440	\$ 52,440	\$ 951,400	\$ -	\$ 1,056,280
2061	\$ 688,919	\$ 24,278,574	\$ 24,967,493	\$ 44,780	\$ 44,780	\$ 985,710	\$ -	\$ 1,075,270
2062	\$ 580,993	\$ 25,135,525	\$ 25,716,518	\$ 37,765	\$ 37,765	\$ 1,020,501	\$ -	\$ 1,096,031
2063	\$ 482,625	\$ 26,005,388	\$ 26,488,013	\$ 31,371	\$ 31,371	\$ 1,055,818	\$ -	\$ 1,118,560
2064	\$ 394,003	\$ 26,888,651	\$ 27,282,654	\$ 25,610	\$ 25,610	\$ 1,091,680	\$ -	\$ 1,142,900
2065	\$ 315,157	\$ 27,785,976	\$ 28,101,133	\$ 20,485	\$ 20,485	\$ 1,128,111	\$ -	\$ 1,169,081
2066	\$ 246,154	\$ 28,698,013	\$ 28,944,167	\$ 16,000	\$ 16,000	\$ 1,165,139	\$ -	\$ 1,197,139
2067	\$ 187,371	\$ 29,625,121	\$ 29,812,492	\$ 12,179	\$ 12,179	\$ 1,202,780	\$ -	\$ 1,227,138
2068	\$ 138,727	\$ 30,568,140	\$ 30,706,867	\$ 9,017	\$ 9,017	\$ 1,241,067	\$ -	\$ 1,259,101
2069	\$ 99,603	\$ 31,528,470	\$ 31,628,073	\$ 6,474	\$ 6,474	\$ 1,280,056	\$ -	\$ 1,293,004
2070	\$ 68,936	\$ 32,507,979	\$ 32,576,915	\$ 4,481	\$ 4,481	\$ 1,319,824	\$ -	\$ 1,328,786
2071	\$ 45,634	\$ 33,508,589	\$ 33,554,223	\$ 2,966	\$ 2,966	\$ 1,360,449	\$ -	\$ 1,366,381
2072	\$ 28,800	\$ 34,532,049	\$ 34,560,849	\$ 1,872	\$ 1,872	\$ 1,402,001	\$ -	\$ 1,405,745
2073	\$ 17,491	\$ 35,580,184	\$ 35,597,675	\$ 1,137	\$ 1,137	\$ 1,444,555	\$ -	\$ 1,446,829
2074	\$ 10,226	\$ 36,655,379	\$ 36,665,605	\$ 665	\$ 665	\$ 1,488,208	\$ -	\$ 1,489,538
2075	\$ 5,549	\$ 37,760,024	\$ 37,765,573	\$ 361	\$ 361	\$ 1,533,056	\$ -	\$ 1,533,778

* Employer contributions are 7.5% of payroll until 98% funded on an actuarial value of assets basis and 6.5% of payroll after. The employer contributions are assumed to change after 6 years.

** Equal to total contributions (14.00% of payroll for new employees; 13.00% of payroll after 6 years) net of normal cost and expenses (8.94% of payroll).

Totals may not add due to rounding.



Single Discount Rate Development

Projection of Contributions (Dollars in Thousands) (Concluded)

Fiscal Year Ending	Payroll			Projected Contributions				
	Payroll for Current Employees	Payroll for New Employees	Total Employee Payroll	Contributions from Current Employees	Employer Contributions for Current Employees*	Contributions on Future Payroll toward Current UAL**	Additional State Contributions	Total Contributions
2076	\$ 2,657	\$ 38,895,883	\$ 38,898,540	\$ 173	\$ 173	\$ 1,579,173	\$ -	\$ 1,579,519
2077	\$ 1,018	\$ 40,064,479	\$ 40,065,497	\$ 66	\$ 66	\$ 1,626,618	\$ -	\$ 1,626,750
2078	\$ 299	\$ 41,267,162	\$ 41,267,461	\$ 19	\$ 19	\$ 1,675,447	\$ -	\$ 1,675,485
2079	\$ 91	\$ 42,505,394	\$ 42,505,485	\$ 6	\$ 6	\$ 1,725,719	\$ -	\$ 1,725,731
2080	\$ 20	\$ 43,780,630	\$ 43,780,650	\$ 1	\$ 1	\$ 1,777,494	\$ -	\$ 1,777,496
2081	\$ 2	\$ 45,094,067	\$ 45,094,069	\$ -	\$ -	\$ 1,830,819	\$ -	\$ 1,830,819
2082	\$ -	\$ 46,446,891	\$ 46,446,891	\$ -	\$ -	\$ 1,885,744	\$ -	\$ 1,885,744
2083	\$ -	\$ 47,840,298	\$ 47,840,298	\$ -	\$ -	\$ 1,942,316	\$ -	\$ 1,942,316
2084	\$ -	\$ 49,275,507	\$ 49,275,507	\$ -	\$ -	\$ 2,000,586	\$ -	\$ 2,000,586
2085	\$ -	\$ 50,753,772	\$ 50,753,772	\$ -	\$ -	\$ 2,060,603	\$ -	\$ 2,060,603
2086	\$ -	\$ 52,276,385	\$ 52,276,385	\$ -	\$ -	\$ 2,122,421	\$ -	\$ 2,122,421
2087	\$ -	\$ 53,844,677	\$ 53,844,677	\$ -	\$ -	\$ 2,186,094	\$ -	\$ 2,186,094
2088	\$ -	\$ 55,460,017	\$ 55,460,017	\$ -	\$ -	\$ 2,251,677	\$ -	\$ 2,251,677
2089	\$ -	\$ 57,123,818	\$ 57,123,818	\$ -	\$ -	\$ 2,319,227	\$ -	\$ 2,319,227
2090	\$ -	\$ 58,837,532	\$ 58,837,532	\$ -	\$ -	\$ 2,388,804	\$ -	\$ 2,388,804
2091	\$ -	\$ 60,602,658	\$ 60,602,658	\$ -	\$ -	\$ 2,460,468	\$ -	\$ 2,460,468
2092	\$ -	\$ 62,420,738	\$ 62,420,738	\$ -	\$ -	\$ 2,534,282	\$ -	\$ 2,534,282
2093	\$ -	\$ 64,293,360	\$ 64,293,360	\$ -	\$ -	\$ 2,610,310	\$ -	\$ 2,610,310
2094	\$ -	\$ 66,222,161	\$ 66,222,161	\$ -	\$ -	\$ 2,688,620	\$ -	\$ 2,688,620
2095	\$ -	\$ 68,208,826	\$ 68,208,826	\$ -	\$ -	\$ 2,769,278	\$ -	\$ 2,769,278
2096	\$ -	\$ 70,255,091	\$ 70,255,091	\$ -	\$ -	\$ 2,852,357	\$ -	\$ 2,852,357
2097	\$ -	\$ 72,362,743	\$ 72,362,743	\$ -	\$ -	\$ 2,937,927	\$ -	\$ 2,937,927
2098	\$ -	\$ 74,533,626	\$ 74,533,626	\$ -	\$ -	\$ 3,026,065	\$ -	\$ 3,026,065
2099	\$ -	\$ 76,769,635	\$ 76,769,635	\$ -	\$ -	\$ 3,116,847	\$ -	\$ 3,116,847
2100	\$ -	\$ 79,072,724	\$ 79,072,724	\$ -	\$ -	\$ 3,210,353	\$ -	\$ 3,210,353
2101	\$ -	\$ 81,444,905	\$ 81,444,905	\$ -	\$ -	\$ 3,306,663	\$ -	\$ 3,306,663
2102	\$ -	\$ 83,888,252	\$ 83,888,252	\$ -	\$ -	\$ 3,405,863	\$ -	\$ 3,405,863
2103	\$ -	\$ 86,404,900	\$ 86,404,900	\$ -	\$ -	\$ 3,508,039	\$ -	\$ 3,508,039
2104	\$ -	\$ 88,997,047	\$ 88,997,047	\$ -	\$ -	\$ 3,613,280	\$ -	\$ 3,613,280
2105	\$ -	\$ 91,666,958	\$ 91,666,958	\$ -	\$ -	\$ 3,721,679	\$ -	\$ 3,721,679
2106	\$ -	\$ 94,416,967	\$ 94,416,967	\$ -	\$ -	\$ 3,833,329	\$ -	\$ 3,833,329
2107	\$ -	\$ 97,249,476	\$ 97,249,476	\$ -	\$ -	\$ 3,948,329	\$ -	\$ 3,948,329
2108	\$ -	\$ 100,166,960	\$ 100,166,960	\$ -	\$ -	\$ 4,066,779	\$ -	\$ 4,066,779
2109	\$ -	\$ 103,171,969	\$ 103,171,969	\$ -	\$ -	\$ 4,188,782	\$ -	\$ 4,188,782
2110	\$ -	\$ 106,267,128	\$ 106,267,128	\$ -	\$ -	\$ 4,314,445	\$ -	\$ 4,314,445
2111	\$ -	\$ 109,455,142	\$ 109,455,142	\$ -	\$ -	\$ 4,443,879	\$ -	\$ 4,443,879
2112	\$ -	\$ 112,738,796	\$ 112,738,796	\$ -	\$ -	\$ 4,577,195	\$ -	\$ 4,577,195
2113	\$ -	\$ 116,120,960	\$ 116,120,960	\$ -	\$ -	\$ 4,714,511	\$ -	\$ 4,714,511
2114	\$ -	\$ 119,604,589	\$ 119,604,589	\$ -	\$ -	\$ 4,855,946	\$ -	\$ 4,855,946
2115	\$ -	\$ 123,192,727	\$ 123,192,727	\$ -	\$ -	\$ 5,001,625	\$ -	\$ 5,001,625
2116	\$ -	\$ 126,888,509	\$ 126,888,509	\$ -	\$ -	\$ 5,151,673	\$ -	\$ 5,151,673
2117	\$ -	\$ 130,695,164	\$ 130,695,164	\$ -	\$ -	\$ 5,306,224	\$ -	\$ 5,306,224
2118	\$ -	\$ 134,616,019	\$ 134,616,019	\$ -	\$ -	\$ 5,465,410	\$ -	\$ 5,465,410
2119	\$ -	\$ 138,654,499	\$ 138,654,499	\$ -	\$ -	\$ 5,629,373	\$ -	\$ 5,629,373
2120	\$ -	\$ 142,814,134	\$ 142,814,134	\$ -	\$ -	\$ 5,798,254	\$ -	\$ 5,798,254
2121	\$ -	\$ 147,098,558	\$ 147,098,558	\$ -	\$ -	\$ 5,972,201	\$ -	\$ 5,972,201
2122	\$ -	\$ 151,511,515	\$ 151,511,515	\$ -	\$ -	\$ 6,151,368	\$ -	\$ 6,151,368
2123	\$ -	\$ 156,056,861	\$ 156,056,861	\$ -	\$ -	\$ 6,335,909	\$ -	\$ 6,335,909
2124	\$ -	\$ 160,738,566	\$ 160,738,566	\$ -	\$ -	\$ 6,525,986	\$ -	\$ 6,525,986
2125	\$ -	\$ 165,560,723	\$ 165,560,723	\$ -	\$ -	\$ 6,721,765	\$ -	\$ 6,721,765

* Employer contributions are 7.5% of payroll until 98% funded on an actuarial value of assets basis and 6.5% of payroll after. The employer contributions are assumed to change after 6 years.

** Equal to total contributions (14.00% of payroll for new employees; 13.00% of payroll after 6 years) net of normal cost and expenses (8.94% of payroll).

Totals may not add due to rounding.



Single Discount Rate Development

Projection of Plan Fiduciary Net Position (Dollars in Thousands)

Fiscal Year Ending	Projected Beginning Plan Net Position	Projected Total Contributions	Projected Benefit Payments	Projected Administrative Expenses	Projected Investment Earnings at 7.00%	Projected Ending Plan Net Position
	(a)	(b)	(c)	(d)	(e)	(f)=(a)+(b)-(c)-(d)+(e)
2026	\$ 32,638,737	\$ 1,254,428	\$ 2,053,182	\$ 18,051	\$ 2,256,607	\$ 34,078,539
2027	\$ 34,078,539	\$ 1,223,745	\$ 2,139,698	\$ 17,014	\$ 2,353,396	\$ 35,498,969
2028	\$ 35,498,969	\$ 1,198,531	\$ 2,226,858	\$ 16,096	\$ 2,448,991	\$ 36,903,538
2029	\$ 36,903,538	\$ 1,181,845	\$ 2,313,355	\$ 15,368	\$ 2,543,786	\$ 38,300,445
2030	\$ 38,300,445	\$ 1,168,726	\$ 2,398,716	\$ 14,714	\$ 2,638,203	\$ 39,693,945
2031	\$ 39,693,945	\$ 1,158,030	\$ 2,480,250	\$ 14,107	\$ 2,732,596	\$ 41,090,214
2032	\$ 41,090,214	\$ 1,006,291	\$ 2,559,416	\$ 13,533	\$ 2,822,409	\$ 42,345,965
2033	\$ 42,345,965	\$ 995,814	\$ 2,637,246	\$ 12,984	\$ 2,907,292	\$ 43,598,841
2034	\$ 43,598,841	\$ 986,609	\$ 2,713,565	\$ 12,456	\$ 2,992,069	\$ 44,851,498
2035	\$ 44,851,498	\$ 978,681	\$ 2,787,014	\$ 11,948	\$ 3,076,973	\$ 46,108,190
2036	\$ 46,108,190	\$ 971,917	\$ 2,859,688	\$ 11,458	\$ 3,162,225	\$ 47,371,186
2037	\$ 47,371,186	\$ 966,217	\$ 2,930,275	\$ 10,983	\$ 3,248,026	\$ 48,644,171
2038	\$ 48,644,171	\$ 961,603	\$ 2,996,975	\$ 10,523	\$ 3,334,697	\$ 49,932,973
2039	\$ 49,932,973	\$ 957,961	\$ 3,059,913	\$ 10,076	\$ 3,422,637	\$ 51,243,583
2040	\$ 51,243,583	\$ 954,984	\$ 3,120,412	\$ 9,633	\$ 3,512,211	\$ 52,580,733
2041	\$ 52,580,733	\$ 952,529	\$ 3,179,514	\$ 9,191	\$ 3,603,709	\$ 53,948,266
2042	\$ 53,948,266	\$ 950,597	\$ 3,238,017	\$ 8,750	\$ 3,697,372	\$ 55,349,467
2043	\$ 55,349,467	\$ 949,163	\$ 3,295,114	\$ 8,309	\$ 3,793,457	\$ 56,788,665
2044	\$ 56,788,665	\$ 948,254	\$ 3,351,392	\$ 7,868	\$ 3,892,249	\$ 58,269,907
2045	\$ 58,269,907	\$ 947,828	\$ 3,406,764	\$ 7,426	\$ 3,994,031	\$ 59,797,576
2046	\$ 59,797,576	\$ 947,835	\$ 3,462,156	\$ 6,981	\$ 4,099,077	\$ 61,375,351
2047	\$ 61,375,351	\$ 948,333	\$ 3,517,111	\$ 6,534	\$ 4,207,663	\$ 63,007,702
2048	\$ 63,007,702	\$ 949,536	\$ 3,571,571	\$ 6,090	\$ 4,320,111	\$ 64,699,687
2049	\$ 64,699,687	\$ 951,621	\$ 3,623,470	\$ 5,653	\$ 4,436,851	\$ 66,459,036
2050	\$ 66,459,036	\$ 954,646	\$ 3,672,742	\$ 5,223	\$ 4,558,428	\$ 68,294,146
2051	\$ 68,294,146	\$ 958,663	\$ 3,720,020	\$ 4,801	\$ 4,685,412	\$ 70,213,400
2052	\$ 70,213,400	\$ 963,761	\$ 3,765,569	\$ 4,389	\$ 4,818,382	\$ 72,225,585
2053	\$ 72,225,585	\$ 970,077	\$ 3,808,189	\$ 3,990	\$ 4,958,000	\$ 74,341,482
2054	\$ 74,341,482	\$ 977,746	\$ 3,847,186	\$ 3,606	\$ 5,105,048	\$ 76,573,483
2055	\$ 76,573,483	\$ 986,837	\$ 3,883,272	\$ 3,239	\$ 5,260,372	\$ 78,934,181
2056	\$ 78,934,181	\$ 997,408	\$ 3,915,919	\$ 2,889	\$ 5,424,873	\$ 81,437,654
2057	\$ 81,437,654	\$ 1,009,587	\$ 3,943,989	\$ 2,559	\$ 5,599,581	\$ 84,100,273
2058	\$ 84,100,273	\$ 1,023,451	\$ 3,967,520	\$ 2,250	\$ 5,785,642	\$ 86,939,597
2059	\$ 86,939,597	\$ 1,039,020	\$ 3,984,896	\$ 1,962	\$ 5,984,342	\$ 89,976,102
2060	\$ 89,976,102	\$ 1,056,280	\$ 3,997,208	\$ 1,694	\$ 6,197,077	\$ 93,230,557
2061	\$ 93,230,557	\$ 1,075,270	\$ 4,003,612	\$ 1,447	\$ 6,425,331	\$ 96,726,098
2062	\$ 96,726,098	\$ 1,096,031	\$ 4,003,164	\$ 1,220	\$ 6,670,756	\$ 100,488,501
2063	\$ 100,488,501	\$ 1,118,560	\$ 3,996,570	\$ 1,014	\$ 6,935,134	\$ 104,544,611
2064	\$ 104,544,611	\$ 1,142,900	\$ 3,983,543	\$ 827	\$ 7,220,353	\$ 108,923,493
2065	\$ 108,923,493	\$ 1,169,081	\$ 3,963,699	\$ 662	\$ 7,528,464	\$ 113,656,678
2066	\$ 113,656,678	\$ 1,197,139	\$ 3,936,104	\$ 517	\$ 7,861,707	\$ 118,778,903
2067	\$ 118,778,903	\$ 1,227,138	\$ 3,899,117	\$ 393	\$ 8,222,572	\$ 124,329,103
2068	\$ 124,329,103	\$ 1,259,101	\$ 3,849,907	\$ 291	\$ 8,613,883	\$ 130,351,888
2069	\$ 130,351,888	\$ 1,293,004	\$ 3,787,466	\$ 209	\$ 9,038,795	\$ 136,896,013
2070	\$ 136,896,013	\$ 1,328,786	\$ 3,713,009	\$ 145	\$ 9,500,679	\$ 144,012,325
2071	\$ 144,012,325	\$ 1,366,381	\$ 3,626,801	\$ 96	\$ 10,003,083	\$ 151,754,892
2072	\$ 151,754,892	\$ 1,405,745	\$ 3,528,857	\$ 60	\$ 10,549,788	\$ 160,181,508
2073	\$ 160,181,508	\$ 1,446,829	\$ 3,418,775	\$ 37	\$ 11,144,854	\$ 169,354,379
2074	\$ 169,354,379	\$ 1,489,538	\$ 3,298,995	\$ 21	\$ 11,792,546	\$ 179,337,446
2075	\$ 179,337,446	\$ 1,533,778	\$ 3,173,153	\$ 12	\$ 12,497,213	\$ 190,195,273

For purposes of this projection, we assumed the 13.0% statutory contribution rate would continue after the plan becomes fully funded.

Totals may not add due to rounding.



Single Discount Rate Development

Projection of Plan Fiduciary Net Position (Dollars in Thousands)

(Concluded)

Fiscal Year Ending	Projected Beginning Plan Net Position	Projected Total Contributions	Projected Benefit Payments	Projected Administrative Expenses	Projected Investment Earnings at 7.00%	Projected Ending Plan Net Position
	(a)	(b)	(c)	(d)	(e)	(f)=(a)+(b)-(c)-(d)+(e)
2076	\$ 190,195,273	\$ 1,579,518	\$ 3,042,516	\$ 6	\$ 13,263,330	\$ 201,995,599
2077	\$ 201,995,599	\$ 1,626,750	\$ 2,908,014	\$ 2	\$ 14,095,606	\$ 214,809,939
2078	\$ 214,809,939	\$ 1,675,486	\$ 2,770,388	\$ 1	\$ 14,999,022	\$ 228,714,059
2079	\$ 228,714,059	\$ 1,725,731	\$ 2,630,405	\$ -	\$ 15,978,856	\$ 243,788,241
2080	\$ 243,788,241	\$ 1,777,496	\$ 2,488,849	\$ -	\$ 17,040,701	\$ 260,117,589
2081	\$ 260,117,589	\$ 1,830,819	\$ 2,346,339	\$ -	\$ 18,190,493	\$ 277,792,562
2082	\$ 277,792,562	\$ 1,885,744	\$ 2,203,505	\$ -	\$ 19,434,546	\$ 296,909,347
2083	\$ 296,909,347	\$ 1,942,316	\$ 2,060,987	\$ -	\$ 20,779,571	\$ 317,570,247
2084	\$ 317,570,247	\$ 2,000,586	\$ 1,919,438	\$ -	\$ 22,232,709	\$ 339,884,104
2085	\$ 339,884,104	\$ 2,060,603	\$ 1,779,515	\$ -	\$ 23,801,559	\$ 363,966,751
2086	\$ 363,966,751	\$ 2,122,421	\$ 1,641,875	\$ -	\$ 25,494,207	\$ 389,941,505
2087	\$ 389,941,505	\$ 2,186,094	\$ 1,507,161	\$ -	\$ 27,319,266	\$ 417,939,704
2088	\$ 417,939,704	\$ 2,251,677	\$ 1,375,996	\$ -	\$ 29,285,910	\$ 448,101,295
2089	\$ 448,101,295	\$ 2,319,227	\$ 1,248,975	\$ -	\$ 31,403,916	\$ 480,575,462
2090	\$ 480,575,462	\$ 2,388,804	\$ 1,126,663	\$ -	\$ 33,683,710	\$ 515,521,313
2091	\$ 515,521,313	\$ 2,460,468	\$ 1,009,587	\$ -	\$ 36,136,414	\$ 553,108,608
2092	\$ 553,108,608	\$ 2,534,282	\$ 898,237	\$ -	\$ 38,773,896	\$ 593,518,549
2093	\$ 593,518,549	\$ 2,610,310	\$ 793,055	\$ -	\$ 41,608,827	\$ 636,944,631
2094	\$ 636,944,631	\$ 2,688,620	\$ 694,435	\$ -	\$ 44,654,740	\$ 683,593,557
2095	\$ 683,593,557	\$ 2,769,278	\$ 602,712	\$ -	\$ 47,926,096	\$ 733,686,219
2096	\$ 733,686,219	\$ 2,852,357	\$ 518,153	\$ -	\$ 51,438,351	\$ 787,458,774
2097	\$ 787,458,774	\$ 2,937,927	\$ 440,946	\$ -	\$ 55,208,030	\$ 845,163,785
2098	\$ 845,163,785	\$ 3,026,065	\$ 371,185	\$ -	\$ 59,252,814	\$ 907,071,480
2099	\$ 907,071,480	\$ 3,116,847	\$ 308,859	\$ -	\$ 63,591,621	\$ 973,471,089
2100	\$ 973,471,089	\$ 3,210,353	\$ 253,846	\$ -	\$ 68,244,704	\$ 1,044,672,300
2101	\$ 1,044,672,300	\$ 3,306,663	\$ 205,918	\$ -	\$ 73,233,752	\$ 1,121,006,796
2102	\$ 1,121,006,796	\$ 3,405,863	\$ 164,741	\$ -	\$ 78,581,996	\$ 1,202,829,914
2103	\$ 1,202,829,914	\$ 3,508,039	\$ 129,884	\$ -	\$ 84,314,330	\$ 1,290,522,398
2104	\$ 1,290,522,398	\$ 3,613,280	\$ 100,837	\$ -	\$ 90,457,424	\$ 1,384,492,266
2105	\$ 1,384,492,266	\$ 3,721,679	\$ 77,028	\$ -	\$ 97,039,864	\$ 1,485,176,780
2106	\$ 1,485,176,780	\$ 3,833,329	\$ 57,851	\$ -	\$ 104,092,281	\$ 1,593,044,539
2107	\$ 1,593,044,539	\$ 3,948,329	\$ 42,686	\$ -	\$ 111,647,503	\$ 1,708,597,685
2108	\$ 1,708,597,685	\$ 4,066,779	\$ 30,924	\$ -	\$ 119,740,704	\$ 1,832,374,243
2109	\$ 1,832,374,243	\$ 4,188,782	\$ 21,983	\$ -	\$ 128,409,568	\$ 1,964,950,611
2110	\$ 1,964,950,611	\$ 4,314,445	\$ 15,326	\$ -	\$ 137,694,467	\$ 2,106,944,197
2111	\$ 2,106,944,197	\$ 4,443,879	\$ 10,477	\$ -	\$ 147,638,638	\$ 2,259,016,237
2112	\$ 2,259,016,237	\$ 4,577,195	\$ 7,022	\$ -	\$ 158,288,387	\$ 2,421,874,798
2113	\$ 2,421,874,798	\$ 4,714,511	\$ 4,615	\$ -	\$ 169,693,294	\$ 2,596,277,988
2114	\$ 2,596,277,988	\$ 4,855,946	\$ 2,975	\$ -	\$ 181,906,440	\$ 2,783,037,400
2115	\$ 2,783,037,400	\$ 5,001,625	\$ 1,884	\$ -	\$ 194,984,649	\$ 2,983,021,790
2116	\$ 2,983,021,790	\$ 5,151,673	\$ 1,173	\$ -	\$ 208,988,744	\$ 3,197,161,034
2117	\$ 3,197,161,034	\$ 5,306,224	\$ 720	\$ -	\$ 223,983,824	\$ 3,426,450,362
2118	\$ 3,426,450,362	\$ 5,465,410	\$ 437	\$ -	\$ 240,039,564	\$ 3,671,954,900
2119	\$ 3,671,954,900	\$ 5,629,373	\$ 263	\$ -	\$ 257,230,530	\$ 3,934,814,540
2120	\$ 3,934,814,540	\$ 5,798,254	\$ 157	\$ -	\$ 275,636,519	\$ 4,216,249,155
2121	\$ 4,216,249,155	\$ 5,972,201	\$ 94	\$ -	\$ 295,342,929	\$ 4,517,564,192
2122	\$ 4,517,564,192	\$ 6,151,368	\$ 56	\$ -	\$ 316,441,148	\$ 4,840,156,652
2123	\$ 4,840,156,652	\$ 6,335,909	\$ 33	\$ -	\$ 339,028,971	\$ 5,185,521,498
2124	\$ 5,185,521,498	\$ 6,525,986	\$ 20	\$ -	\$ 363,211,051	\$ 5,555,258,515
2125	\$ 5,555,258,515	\$ 6,721,765	\$ 25	\$ -	\$ 389,099,378	\$ 5,951,079,633

For purposes of this projection, we assumed the 13.0% statutory contribution rate would continue after the plan becomes fully funded.

Totals may not add due to rounding.



Single Discount Rate Development

Present Values of Projected Benefit Payments

(Dollars in Thousands)

Fiscal Year Ending	Projected Beginning Plan Net Position	Projected Benefit Payments	Funded Portion of Benefit Payments	Unfunded Portion of Benefit Payments	Present Value of Funded Benefit Payments using Expected Return Rate (v)	Present Value of Unfunded Benefit Payments using Municipal Bond Rate (vf)	Present Value of Benefit Payments using Single Discount Rate (sdr)
(a)	(b)	(c)	(d)	(e)	(f)=(d)*v^((a)-2025.5)	(g)=(e)*vf^((a)-2025.5)	(h)=(c)/(1+sdr)^(a-2025.5)
2026	\$ 32,638,737	\$ 2,053,182	\$ 2,053,182	\$ -	\$ 1,984,886	\$ -	\$ 1,984,886
2027	\$ 34,078,539	\$ 2,139,698	\$ 2,139,698	\$ -	\$ 1,933,200	\$ -	\$ 1,933,200
2028	\$ 35,498,969	\$ 2,226,858	\$ 2,226,858	\$ -	\$ 1,880,326	\$ -	\$ 1,880,326
2029	\$ 36,903,538	\$ 2,313,355	\$ 2,313,355	\$ -	\$ 1,825,572	\$ -	\$ 1,825,572
2030	\$ 38,300,445	\$ 2,398,716	\$ 2,398,716	\$ -	\$ 1,769,097	\$ -	\$ 1,769,097
2031	\$ 39,693,945	\$ 2,480,250	\$ 2,480,250	\$ -	\$ 1,709,561	\$ -	\$ 1,709,561
2032	\$ 41,090,214	\$ 2,559,416	\$ 2,559,416	\$ -	\$ 1,648,718	\$ -	\$ 1,648,718
2033	\$ 42,345,965	\$ 2,637,246	\$ 2,637,246	\$ -	\$ 1,587,714	\$ -	\$ 1,587,714
2034	\$ 43,598,841	\$ 2,713,565	\$ 2,713,565	\$ -	\$ 1,526,786	\$ -	\$ 1,526,786
2035	\$ 44,851,498	\$ 2,787,014	\$ 2,787,014	\$ -	\$ 1,465,525	\$ -	\$ 1,465,525
2036	\$ 46,108,190	\$ 2,859,688	\$ 2,859,688	\$ -	\$ 1,405,365	\$ -	\$ 1,405,365
2037	\$ 47,371,186	\$ 2,930,275	\$ 2,930,275	\$ -	\$ 1,345,845	\$ -	\$ 1,345,845
2038	\$ 48,644,171	\$ 2,996,975	\$ 2,996,975	\$ -	\$ 1,286,429	\$ -	\$ 1,286,429
2039	\$ 49,932,973	\$ 3,059,913	\$ 3,059,913	\$ -	\$ 1,227,519	\$ -	\$ 1,227,519
2040	\$ 51,243,583	\$ 3,120,412	\$ 3,120,412	\$ -	\$ 1,169,896	\$ -	\$ 1,169,896
2041	\$ 52,580,733	\$ 3,179,514	\$ 3,179,514	\$ -	\$ 1,114,069	\$ -	\$ 1,114,069
2042	\$ 53,948,266	\$ 3,238,017	\$ 3,238,017	\$ -	\$ 1,060,344	\$ -	\$ 1,060,344
2043	\$ 55,349,467	\$ 3,295,114	\$ 3,295,114	\$ -	\$ 1,008,450	\$ -	\$ 1,008,450
2044	\$ 56,788,665	\$ 3,351,392	\$ 3,351,392	\$ -	\$ 958,573	\$ -	\$ 958,573
2045	\$ 58,269,907	\$ 3,406,764	\$ 3,406,764	\$ -	\$ 910,665	\$ -	\$ 910,665
2046	\$ 59,797,576	\$ 3,462,156	\$ 3,462,156	\$ -	\$ 864,926	\$ -	\$ 864,926
2047	\$ 61,375,351	\$ 3,517,111	\$ 3,517,111	\$ -	\$ 821,173	\$ -	\$ 821,173
2048	\$ 63,007,702	\$ 3,571,571	\$ 3,571,571	\$ -	\$ 779,335	\$ -	\$ 779,335
2049	\$ 64,699,687	\$ 3,623,470	\$ 3,623,470	\$ -	\$ 738,934	\$ -	\$ 738,934
2050	\$ 66,459,036	\$ 3,672,742	\$ 3,672,742	\$ -	\$ 699,984	\$ -	\$ 699,984
2051	\$ 68,294,146	\$ 3,720,020	\$ 3,720,020	\$ -	\$ 662,612	\$ -	\$ 662,612
2052	\$ 70,213,400	\$ 3,765,569	\$ 3,765,569	\$ -	\$ 626,845	\$ -	\$ 626,845
2053	\$ 72,225,585	\$ 3,808,189	\$ 3,808,189	\$ -	\$ 592,468	\$ -	\$ 592,468
2054	\$ 74,341,482	\$ 3,847,186	\$ 3,847,186	\$ -	\$ 559,378	\$ -	\$ 559,378
2055	\$ 76,573,483	\$ 3,883,272	\$ 3,883,272	\$ -	\$ 527,687	\$ -	\$ 527,687
2056	\$ 78,934,181	\$ 3,915,919	\$ 3,915,919	\$ -	\$ 497,311	\$ -	\$ 497,311
2057	\$ 81,437,654	\$ 3,943,989	\$ 3,943,989	\$ -	\$ 468,109	\$ -	\$ 468,109
2058	\$ 84,100,273	\$ 3,967,520	\$ 3,967,520	\$ -	\$ 440,095	\$ -	\$ 440,095
2059	\$ 86,939,597	\$ 3,984,896	\$ 3,984,896	\$ -	\$ 413,105	\$ -	\$ 413,105
2060	\$ 89,976,102	\$ 3,997,208	\$ 3,997,208	\$ -	\$ 387,272	\$ -	\$ 387,272
2061	\$ 93,230,557	\$ 4,003,612	\$ 4,003,612	\$ -	\$ 362,517	\$ -	\$ 362,517
2062	\$ 96,726,098	\$ 4,003,164	\$ 4,003,164	\$ -	\$ 338,763	\$ -	\$ 338,763
2063	\$ 100,488,501	\$ 3,996,570	\$ 3,996,570	\$ -	\$ 316,079	\$ -	\$ 316,079
2064	\$ 104,544,611	\$ 3,983,543	\$ 3,983,543	\$ -	\$ 294,438	\$ -	\$ 294,438
2065	\$ 108,923,493	\$ 3,963,699	\$ 3,963,699	\$ -	\$ 273,805	\$ -	\$ 273,805
2066	\$ 113,656,678	\$ 3,936,104	\$ 3,936,104	\$ -	\$ 254,111	\$ -	\$ 254,111
2067	\$ 118,778,903	\$ 3,899,117	\$ 3,899,117	\$ -	\$ 235,255	\$ -	\$ 235,255
2068	\$ 124,329,103	\$ 3,849,907	\$ 3,849,907	\$ -	\$ 217,090	\$ -	\$ 217,090
2069	\$ 130,351,888	\$ 3,787,466	\$ 3,787,466	\$ -	\$ 199,597	\$ -	\$ 199,597
2070	\$ 136,896,013	\$ 3,713,009	\$ 3,713,009	\$ -	\$ 182,872	\$ -	\$ 182,872
2071	\$ 144,012,325	\$ 3,626,801	\$ 3,626,801	\$ -	\$ 166,941	\$ -	\$ 166,941
2072	\$ 151,754,892	\$ 3,528,857	\$ 3,528,857	\$ -	\$ 151,806	\$ -	\$ 151,806
2073	\$ 160,181,508	\$ 3,418,775	\$ 3,418,775	\$ -	\$ 137,449	\$ -	\$ 137,449
2074	\$ 169,354,379	\$ 3,298,995	\$ 3,298,995	\$ -	\$ 123,956	\$ -	\$ 123,956
2075	\$ 179,337,446	\$ 3,173,153	\$ 3,173,153	\$ -	\$ 111,428	\$ -	\$ 111,428

Totals may not add due to rounding.



Single Discount Rate Development

Present Values of Projected Benefit Payments

(Dollars in Thousands) (Concluded)

Fiscal Year Ending	Projected Beginning Plan Net Position	Projected Benefit Payments	Funded Portion of Benefit Payments	Unfunded Portion of Benefit Payments	Present Value of Funded Benefit Payments using Expected Return Rate (v)	Present Value of Unfunded Benefit Payments using Municipal Bond Rate (vf)	Present Value of Benefit Payments using Single Discount Rate (sdr)
(a)	(b)	(c)	(d)	(e)	(f)=(d)*v ^a ((a)-2025.5)	(g)=(e)*vf ^a ((a)-2025.5)	(h)=(c)/((1+sdr) ^a ((a)-2025.5))
2076	\$ 190,195,273	\$ 3,042,516	\$ 3,042,516	\$ -	\$ 99,851	\$ -	\$ 99,851
2077	\$ 201,995,599	\$ 2,908,014	\$ 2,908,014	\$ -	\$ 89,193	\$ -	\$ 89,193
2078	\$ 214,809,939	\$ 2,770,388	\$ 2,770,388	\$ -	\$ 79,413	\$ -	\$ 79,413
2079	\$ 228,714,059	\$ 2,630,405	\$ 2,630,405	\$ -	\$ 70,468	\$ -	\$ 70,468
2080	\$ 243,788,241	\$ 2,488,849	\$ 2,488,849	\$ -	\$ 62,314	\$ -	\$ 62,314
2081	\$ 260,117,589	\$ 2,346,339	\$ 2,346,339	\$ -	\$ 54,902	\$ -	\$ 54,902
2082	\$ 277,792,562	\$ 2,203,505	\$ 2,203,505	\$ -	\$ 48,187	\$ -	\$ 48,187
2083	\$ 296,909,347	\$ 2,060,987	\$ 2,060,987	\$ -	\$ 42,122	\$ -	\$ 42,122
2084	\$ 317,570,247	\$ 1,919,438	\$ 1,919,438	\$ -	\$ 36,663	\$ -	\$ 36,663
2085	\$ 339,884,104	\$ 1,779,515	\$ 1,779,515	\$ -	\$ 31,766	\$ -	\$ 31,766
2086	\$ 363,966,751	\$ 1,641,875	\$ 1,641,875	\$ -	\$ 27,392	\$ -	\$ 27,392
2087	\$ 389,941,505	\$ 1,507,161	\$ 1,507,161	\$ -	\$ 23,499	\$ -	\$ 23,499
2088	\$ 417,939,704	\$ 1,375,996	\$ 1,375,996	\$ -	\$ 20,051	\$ -	\$ 20,051
2089	\$ 448,101,295	\$ 1,248,975	\$ 1,248,975	\$ -	\$ 17,009	\$ -	\$ 17,009
2090	\$ 480,575,462	\$ 1,126,663	\$ 1,126,663	\$ -	\$ 14,340	\$ -	\$ 14,340
2091	\$ 515,521,313	\$ 1,009,587	\$ 1,009,587	\$ -	\$ 12,009	\$ -	\$ 12,009
2092	\$ 553,108,608	\$ 898,237	\$ 898,237	\$ -	\$ 9,985	\$ -	\$ 9,985
2093	\$ 593,518,549	\$ 793,055	\$ 793,055	\$ -	\$ 8,239	\$ -	\$ 8,239
2094	\$ 636,944,631	\$ 694,435	\$ 694,435	\$ -	\$ 6,743	\$ -	\$ 6,743
2095	\$ 683,593,557	\$ 602,712	\$ 602,712	\$ -	\$ 5,469	\$ -	\$ 5,469
2096	\$ 733,686,219	\$ 518,153	\$ 518,153	\$ -	\$ 4,394	\$ -	\$ 4,394
2097	\$ 787,458,774	\$ 440,946	\$ 440,946	\$ -	\$ 3,495	\$ -	\$ 3,495
2098	\$ 845,163,785	\$ 371,185	\$ 371,185	\$ -	\$ 2,750	\$ -	\$ 2,750
2099	\$ 907,071,480	\$ 308,859	\$ 308,859	\$ -	\$ 2,138	\$ -	\$ 2,138
2100	\$ 973,471,089	\$ 253,846	\$ 253,846	\$ -	\$ 1,642	\$ -	\$ 1,642
2101	\$ 1,044,672,300	\$ 205,918	\$ 205,918	\$ -	\$ 1,245	\$ -	\$ 1,245
2102	\$ 1,121,006,796	\$ 164,741	\$ 164,741	\$ -	\$ 931	\$ -	\$ 931
2103	\$ 1,202,829,914	\$ 129,884	\$ 129,884	\$ -	\$ 686	\$ -	\$ 686
2104	\$ 1,290,522,398	\$ 100,837	\$ 100,837	\$ -	\$ 498	\$ -	\$ 498
2105	\$ 1,384,492,266	\$ 77,028	\$ 77,028	\$ -	\$ 355	\$ -	\$ 355
2106	\$ 1,485,176,780	\$ 57,851	\$ 57,851	\$ -	\$ 249	\$ -	\$ 249
2107	\$ 1,593,044,539	\$ 42,686	\$ 42,686	\$ -	\$ 172	\$ -	\$ 172
2108	\$ 1,708,597,685	\$ 30,924	\$ 30,924	\$ -	\$ 116	\$ -	\$ 116
2109	\$ 1,832,374,243	\$ 21,983	\$ 21,983	\$ -	\$ 77	\$ -	\$ 77
2110	\$ 1,964,950,611	\$ 15,326	\$ 15,326	\$ -	\$ 50	\$ -	\$ 50
2111	\$ 2,106,944,197	\$ 10,477	\$ 10,477	\$ -	\$ 32	\$ -	\$ 32
2112	\$ 2,259,016,237	\$ 7,022	\$ 7,022	\$ -	\$ 20	\$ -	\$ 20
2113	\$ 2,421,874,798	\$ 4,615	\$ 4,615	\$ -	\$ 12	\$ -	\$ 12
2114	\$ 2,596,277,988	\$ 2,975	\$ 2,975	\$ -	\$ 7	\$ -	\$ 7
2115	\$ 2,783,037,400	\$ 1,884	\$ 1,884	\$ -	\$ 4	\$ -	\$ 4
2116	\$ 2,983,021,790	\$ 1,173	\$ 1,173	\$ -	\$ 3	\$ -	\$ 3
2117	\$ 3,197,161,034	\$ 720	\$ 720	\$ -	\$ 1	\$ -	\$ 1
2118	\$ 3,426,450,362	\$ 437	\$ 437	\$ -	\$ 1	\$ -	\$ 1
2119	\$ 3,671,954,900	\$ 263	\$ 263	\$ -	\$ -	\$ -	\$ -
2120	\$ 3,934,814,540	\$ 157	\$ 157	\$ -	\$ -	\$ -	\$ -
2121	\$ 4,216,249,155	\$ 94	\$ 94	\$ -	\$ -	\$ -	\$ -
2122	\$ 4,517,564,192	\$ 56	\$ 56	\$ -	\$ -	\$ -	\$ -
2123	\$ 4,840,156,652	\$ 33	\$ 33	\$ -	\$ -	\$ -	\$ -
2124	\$ 5,185,521,498	\$ 20	\$ 20	\$ -	\$ -	\$ -	\$ -
2125	\$ 5,555,258,515	\$ 25	\$ 25	\$ -	\$ -	\$ -	\$ -
Totals					\$ 42,042,380	\$ -	\$ 42,042,380

Totals may not add due to rounding.



SECTION H

GLOSSARY OF TERMS

Glossary of Terms

<i>Actuarial Accrued Liability (AAL)</i>	The AAL is the difference between the actuarial present value of all benefits and the actuarial value of future normal costs. The definition comes from the fundamental equation of funding which states that the present value of all benefits is the sum of the Actuarial Accrued Liability and the present value of future normal costs. The AAL may also be referred to as “accrued liability” or “actuarial liability.”
<i>Actuarial Assumptions</i>	These assumptions are estimates of future experience with respect to rates of mortality, disability, turnover, retirement, rate or rates of investment income and compensation increases. Actuarial assumptions are generally based on past experience, often modified for projected changes in conditions. Economic assumptions (compensation increases, payroll growth, inflation and investment return) consist of an underlying real rate of return plus an assumption for a long-term average rate of inflation.
<i>Accrued Service</i>	Service credited under the system which was rendered before the date of the actuarial valuation.
<i>Actuarial Equivalent</i>	A single amount or series of amounts of equal actuarial value to another single amount or series of amounts, computed on the basis of appropriate actuarial assumptions.
<i>Actuarial Cost Method</i>	A mathematical budgeting procedure for allocating the dollar amount of the actuarial present value of the pension trust benefits between future normal cost and actuarial accrued liability. The actuarial cost method may also be referred to as the actuarial funding method.
<i>Actuarial Gain (Loss)</i>	The difference in liabilities between actual experience and expected experience during the period between two actuarial valuations is the gain (loss) on the accrued liabilities.
<i>Actuarial Present Value (APV)</i>	The amount of funds currently required to provide a payment or series of payments in the future. The present value is determined by discounting future payments at predetermined rates of interest and probabilities of payment.
<i>Actuarial Valuation</i>	The actuarial valuation report determines, as of the actuarial valuation date, the service cost, total pension liability, and related actuarial present value of projected benefit payments for pensions.
<i>Actuarial Valuation Date</i>	The date as of which an actuarial valuation is performed.
<i>Actuarially Determined Contribution (ADC) or Annual Required Contribution (ARC)</i>	A calculated contribution into a defined benefit pension plan for the reporting period, most often determined based on the funding policy of the plan. Typically, the Actuarially Determined Contribution has a normal cost payment and an amortization payment.

Glossary of Terms

<i>Amortization Payment</i>	The amortization payment is the periodic payment required to pay off an interest-discounted amount with payments of interest and principal.
<i>Amortization Method</i>	The method used to determine the periodic amortization payment may be a level dollar amount, or a level percent of pay amount. The period will typically be expressed in years, and the method will either be “open” (meaning, reset each year) or “closed” (the number of years remaining will decline each year).
<i>Cost-of-Living Adjustments</i>	Postemployment benefit changes intended to adjust benefit payments for the effects of inflation.
<i>Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (cost-sharing pension plan)</i>	A multiple-employer defined benefit pension plan in which the pension obligations to the employees of more than one employer are pooled and pension plan assets can be used to pay the benefits of the employees of any employer that provides pensions through the pension plan.
<i>Covered-Employee Payroll</i>	The payroll of covered employees, which is typically only the pensionable pay and does not include pay above any pay cap.
<i>Deferred Inflows and Outflows</i>	The deferred inflows and outflows of pension resources are amounts used under GASB Statement No. 68 in developing the annual pension expense. Deferred inflows and outflows arise with differences between expected and actual experiences; changes of assumptions. The portion of these amounts not included in pension expense should be included in the deferred inflows or outflows of resources.
<i>Discount Rate</i>	For GASB purposes, the discount rate is the single rate of return that results in the present value of all projected benefit payments to be equal to the sum of the funded and unfunded projected benefit payments, specifically: 1. The benefit payments to be made while the pension plans’ fiduciary net position is projected to be greater than the benefit payments that are projected to be made in the period; and 2. The present value of the benefit payments not in (1) above, discounted using the municipal bond rate.

Glossary of Terms

<i>Entry Age Actuarial Cost Method (EAN)</i>	The EAN is a funding method for allocating the costs of the plan between the normal cost and the accrued liability. The actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis (either level dollar or level percent of pay) over the earnings or service of the individual between entry age and assumed exit age(s). The portion of the actuarial present value allocated to a valuation year is the normal cost. The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future normal costs is the actuarial accrued liability. The sum of the accrued liability plus the present value of all future normal costs is the present value of all benefits.
<i>GASB</i>	The Governmental Accounting Standards Board is an organization that exists in order to promulgate accounting standards for governmental entities.
<i>Fiduciary Net Position</i>	The fiduciary net position is the value of the assets of the trust.
<i>Long-Term Expected Rate of Return</i>	The long-term rate of return is the expected return to be earned over the entire trust portfolio based on the asset allocation of the portfolio.
<i>Money-Weighted Rate of Return</i>	The money-weighted rate of return is a method of calculating the returns that adjusts for the changing amounts actually invested. For purposes of GASB Statement No. 67, money-weighted rate of return is calculated as the internal rate of return on pension plan investments, net of pension plan investment expense.
<i>Multiple-Employer Defined Benefit Pension Plan</i>	A multiple-employer plan is a defined benefit pension plan that is used to provide pensions to the employees of more than one employer.
<i>Municipal Bond Rate</i>	The Municipal Bond Rate is the discount rate to be used for those benefit payments that occur after the assets of the trust have been depleted.
<i>Net Pension Liability (NPL)</i>	The NPL is the liability of employers and non-employer contribution entities to plan members for benefits provided through a defined benefit pension plan.
<i>Non-Employer Contribution Entities</i>	Non-employer contribution entities are entities that make contributions to a pension plan that is used to provide pensions to the employees of other entities. For purposes of the GASB Accounting Statement plan members are not considered non-employer contribution entities.
<i>Normal Cost</i>	The actuarial present value of the pension trust benefits allocated to the current year by the actuarial cost method.

Glossary of Terms

<i>Other Postemployment Benefits (OPEB)</i>	All postemployment benefits other than retirement income (such as death benefits, life insurance, disability, and long-term care) that are provided separately from a pension plan, as well as postemployment healthcare benefits regardless of the manner in which they are provided. Other postemployment benefits do not include termination benefits.
<i>Real Rate of Return</i>	The real rate of return is the rate of return on an investment after adjustment to eliminate inflation.
<i>Service Cost</i>	The service cost is the portion of the actuarial present value of projected benefit payments that is attributed to a valuation year.
<i>Total Pension Expense</i>	The total pension expense is the sum of the following items that are recognized at the end of the employer's fiscal year: 1. Service Cost 2. Interest on the Total Pension Liability 3. Current-Period Benefit Changes 4. Employee Contributions (made negative for addition here) 5. Projected Earnings on Plan Investments (made negative for addition here) 6. Pension Plan Administrative Expense 7. Other Changes in Plan Fiduciary Net Position 8. Recognition of Outflow (Inflow) of Resources due to Liabilities 9. Recognition of Outflow (Inflow) of Resources due to Assets
<i>Total Pension Liability (TPL)</i>	The TPL is the portion of the actuarial present value of projected benefit payments that is attributed to past periods of member service.
<i>Unfunded Actuarial Accrued Liability (UAAL)</i>	The UAAL is the difference between actuarial accrued liability and valuation assets.
<i>Valuation Assets</i>	The valuation assets are the assets used in determining the unfunded liability of the plan. For purposes of the GASB Statement No. 67, the valuation asset is equal to the market value of assets.