

Imperial County Employees' Retirement System

**Actuarial Valuation and Review
as of June 30, 2025**



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Segal



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December 5, 2025

Board of Retirement
Imperial County Employees' Retirement System
1221 West State Street
El Centro, CA 92243

Dear Board Members:

We are pleased to submit this Actuarial Valuation and Review as of June 30, 2025 for the Imperial County Employees' Retirement System ("ICERS" or "the System" or "the Plan"). It summarizes the actuarial data used in the valuation, analyzes the preceding year's experience, and establishes the funding requirements for fiscal year 2026–2027.

This report has been prepared in accordance with generally accepted actuarial principles and practices for the exclusive use and benefit of the Board of Retirement (the Board), based upon information provided by the staff of ICERS and the Plan's other service providers.

Segal does not audit the data provided. The accuracy and comprehensiveness of the data is the responsibility of those supplying the data. To the extent we can, however, Segal does review the data for reasonableness and consistency. Based on our review of the data, we have no reason to doubt the substantial accuracy of the information on which we have based this report and we have no reason to believe there are facts or circumstances that would affect the validity of these results.

The measurements shown in this actuarial valuation may not be applicable for other purposes. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements; and changes in plan provisions or applicable law.

The actuarial calculations were directed under the supervision of Molly Calcagno, ASA, MAAA, Enrolled Actuary. We are members of the American Academy of Actuaries and we meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of our knowledge, the information supplied in this actuarial valuation is complete and accurate. The assumptions used in this actuarial valuation were selected by the Board based upon our analysis and recommendations. In our

Board of Retirement
Imperial County Employees' Retirement System
December 5, 2025

opinion, the assumptions are reasonable and take into account the experience of ICERS and reasonable expectations. In addition, in our opinion, the combined effect of these assumptions is expected to have no significant bias.

Segal makes no representation or warranty as to the future status of the Plan and does not guarantee any particular result. This document does not constitute legal, tax, accounting or investment advice or create or imply a fiduciary relationship. The Board is encouraged to discuss any issues raised in this report with the Plan's legal, tax and other advisors before taking, or refraining from taking, any action.

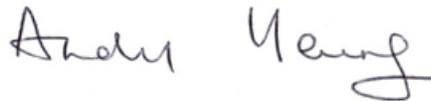
We look forward to reviewing this report at your next meeting and to answering any questions.

Sincerely,

Segal



Todd Tauzer, FSA, MAAA, FCA, CERA
Senior Vice President and Actuary



Andy Yeung, ASA, MAAA, FCA, EA
Vice President and Actuary



Molly Calcagno, ASA, MAAA, EA
Senior Actuary

OH/jl

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Section 1: Actuarial Valuation Summary

Purpose and basis

This report has been prepared by Segal to present a valuation of the Imperial County Employees' Retirement System ("ICERS" or "the System" or "the Plan") as of June 30, 2025. The valuation was performed to determine whether the assets and contribution rates are sufficient to provide the prescribed benefits.

The contribution requirements presented in this report are based on:

- The benefit provisions of the Plan, as administered by the Board;
- The characteristics of covered active, inactive, and retired members and beneficiaries as of June 30, 2025, provided by the staff of ICERS;
- The assets of the Plan as of June 30, 2025, provided by the staff of ICERS;
- Economic assumptions regarding future salary increases and investment earnings adopted by the Board for the June 30, 2025 valuation;
- Other actuarial assumptions regarding employee terminations, retirement, death, etc. adopted by the Board for the June 30, 2025 valuation; and
- The funding policy adopted by the Board.

Certain disclosure information required by Governmental Accounting Standards Board (GASB) Statements No. 67 and 68 as of June 30, 2025 for the Plan and the employers, respectively, are provided in separate reports.

One of the general goals of an actuarial valuation is to establish contributions which fully fund the System's liabilities, and which, as a percentage of payroll, remain as level as possible for each generation of active members. Annual actuarial valuations measure the progress toward this goal, as well as test the adequacy of the contribution rates.

The contribution requirements are determined as a percentage of payroll. The System's employer rates provide for both normal cost and a contribution to amortize any unfunded or overfunded actuarial accrued liabilities. In this valuation, we have applied the funding policy adopted by the Board on March 21, 2012 and last updated on June 15, 2022. Details of the funding policy are provided in *Section 4, Exhibit 1* starting on page 69.

Section 1: Actuarial Valuation Summary

The rates calculated in this report may be adopted by the Board for the fiscal year that extends from July 1, 2026 through June 30, 2027.

Highlights of the valuation

Funding measures

1. The funded ratio (the ratio of valuation value of assets to the actuarial accrued liability) increased from 92.3% to 93.1%. This ratio is one measure of funding status, and its history is a measure of funding progress. Using the market value of assets, the funded ratio increased from 91.4% to 94.9%. These measurements are not necessarily appropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the Plan's benefit obligation or the need for, or the amount of, future contributions. A history of the System's funded ratios is provided in *Section 2, Subsection G* on pages 38 and 39.
2. The unfunded actuarial accrued liability (the difference between the actuarial accrued liability and the valuation value of assets) decreased from \$101.0 million to \$95.2 million. The decrease in unfunded actuarial accrued liability (UAAL) is primarily due to investment return on the valuation value (i.e., after asset smoothing) greater than the assumed rate of 6.75% used in the June 30, 2024 valuation offset somewhat by the individual salary increases greater than expected for active members. A reconciliation of the System's UAAL from the prior year is provided in *Section 2, Subsection E* on page 29.

A table of the current UAAL amortization balances and payments may be found in *Section 3, Exhibit H* starting on page 62.

A graphical projection of the UAAL amortization balances and payments is provided in *Section 3, Exhibit I* starting on page 67.

Actuarial experience

3. The net actuarial experience gain of \$1.3 million, or 0.10% of actuarial accrued liability, is due to an investment gain of \$9.6 million, or 0.70% of actuarial accrued liability, offset to some degree by a net loss from sources other than investments of \$8.3 million, or 0.60% of the actuarial accrued liability, prior to reflection of assumption changes, if applicable. The loss from sources other than investments was primarily due to individual salary increases greater than expected for active members.
4. The rate of return on the market value of assets was 10.65% for the year ending June 30, 2025. The return on the valuation value of assets was 7.55% for the same period after recognizing a portion of this year's investment gain and a portion of prior years' investment gains and losses. This resulted in an actuarial gain when measured against the assumed rate of return of 6.75% used in the June 30, 2024 valuation. This actuarial investment gain (after asset smoothing) decreased the average employer contribution rate by 0.50% of payroll and the average member contribution rate by 0.02% of payroll. (The reduction in the average member contribution rate is smaller than the reduction in the average employer contribution rate because the assets

Section 1: Actuarial Valuation Summary

for the supplemental benefit that we use to calculate the UAAL rate change for the employee is only one-tenth of the assets for the regular benefit that we use to calculate the UAAL rate change for the employer. In addition, the impact of investment experience is different in the rate reconciliation for the employer and the member due to such factors as actual versus estimated timing of when contributions and benefits were paid during the year, rounding, etc.)

Contributions

1. The average employer rate¹ calculated in this valuation has decreased from 20.16% to 19.88% of payroll. This decrease is primarily due to investment return on the valuation value (i.e., after asset smoothing) greater than the assumed rate of 6.75% used in the June 30, 2024 valuation, partially offset by individual salary increases greater than expected for active members. A complete reconciliation of the System's aggregate employer rate is provided in *Section 2, Subsection F* on page 32.
2. The average member rate calculated in this valuation has increased from 13.07% to 13.12% of payroll due to individual salary increases greater than expected for active members. A complete reconciliation of the System's aggregate member rate is provided in *Section 2, Subsection F* on page 34.

The detailed member rates by cost group are provided in *Section 4, Exhibit 3* of this report.

3. The results of this valuation reflect agreements in effect for fiscal year 2025–2026 for the County to pick up the Supplemental UAAL contributions for the Tier 3 members. According to a list provided by ICERS on that date, all bargaining units covering General Tier 3 members except for Unrepresented Medical Staffs; Technical (Teamster);² Crafts, Labor and Trades (Teamster);² Clerical (Teamster);² and all bargaining units covering Safety Tier 3 members, have reached agreements with the County. Additional details, including employer rates and payroll, are provided in *Section 2*. Members belonging to the bargaining units that have reached this agreement (referenced in this valuation report as “Employer Picks Up Supplemental UAAL”) have a separate set of Tier 3 employer and member contribution rates that differ from the Tier 3 employer and member contribution rates for members who are not a part of the bargaining units that have reached this agreement (referenced in this valuation report as “Member Pays Supplemental UAAL”). For valuation purposes, we have assumed the same pick-up agreements affecting underlying employers and bargaining units will continue after fiscal year 2025–2026.

We understand that General Tier 3 members who are employed by the Courts, ICTC and LAFCO are not covered by such an agreement.

4. Contributions toward administrative expenses are allocated between the employers and the members based on the relative proportion of their respective contributions to the total. We have updated the allocation of contribution rates for administrative expenses to reflect the agreements currently in effect for the County to pick up the Supplemental UAAL contributions for certain

¹ The calculated employer rates include an employer pick-up of members' contributions equal to 3% of payroll for General and Safety members in the Legacy Tiers.

² We note that the above bargaining units have previously had their Supplemental UAAL contributions for the Tier 3 members picked up by the County.

Section 1: Actuarial Valuation Summary

Tier 3 members. We will continue this practice of updating the allocation annually in future actuarial valuations to reflect any changes in the relative proportions of employer and member contributions.

5. Segal strongly recommends an actuarial funding method that targets 100% funding of the actuarial accrued liability. Generally, this implies payments that are ultimately at least enough to cover normal cost, interest on the UAAL and the principal balance. The funding policy adopted by the Board of Retirement meets this standard.

Future expectations

6. The total unrecognized net investment **gain** as of June 30, 2025 is \$25.0 million as compared to an unrecognized net investment **loss** of \$11.0 million in the previous valuation. This net deferred gain of \$25.0 million will be recognized in the determination of the actuarial value of assets for funding purposes in the next few years as shown in *Section 2, Subsection B* on page 22.

The net deferred gain of \$25.0 million represents about 1.9% of the market value of assets. Unless offset by future investment losses or other unfavorable experience, the recognition of the \$25.0 million net market gain is expected to have an impact on the System's future funded ratio and contribution rate requirements. This potential impact may be illustrated as follows:

- a. If the net deferred gain was recognized immediately in the valuation value of assets, the funded percentage would increase from 93.1% to 94.9%.

For comparison purposes, if the net deferred loss as of June 30, 2024 had been recognized immediately in the June 30, 2024 valuation, the funded percentage would have decreased from 92.3% to 91.4%.

- b. If the net deferred gain was recognized immediately in the valuation value of assets, the average employer contribution rate would decrease from 19.88% to 18.58% of payroll and the aggregate member contribution rate would decrease from 13.12% of payroll to 13.03% of payroll.

For comparison purposes, if the net deferred loss as of June 30, 2024 had been recognized immediately in the June 30, 2024 valuation, the average employer contribution rate would have increased from 20.36% to 20.97% of payroll and the aggregate member contribution rate would have increased from 12.98% of payroll to 13.01% of payroll.³

Risk

7. As of June 30, 2025, the System has a zero balance in the Member and Retiree Non-valuation Reserves, Employee Benefit Enhancement Reserve, Employee COLA Contribution Relief Reserve and Unallocated Earnings Reserve. During 2024-2025,

³ These recommended rates are different from those shown above because they have not been recomposited to reflect the proportion of payrolls among the different Tiers and General/Safety membership classes.

Section 1: Actuarial Valuation Summary

there was a shortfall in Available Earnings to credit interest to the Valuation Reserves⁴ at the assumed rate. As a result, there was a change in the Contra Tracking Account (used to track prior shortfalls in crediting interest to the Valuation Reserves) from negative \$140.3 million as of June 30, 2024 to negative \$144.3 million as of June 30, 2025. According to the Interest Crediting and Undistributed Earnings Policy reviewed by the Board on June 15, 2022, in the future the Contra Tracking Account has to be zeroed out and the Contingency Reserve has to be restored to 1% of the assets before the System will consider applying unallocated earnings to provide contribution rate relief and/or non-statutory benefits.

8. It is important to note that this actuarial valuation is based on plan assets as of June 30, 2025. The Plan's funded status does not reflect short-term fluctuations of the market, but rather is based on the market values on the last day of the plan year. Segal is available to prepare projections of potential outcomes of market conditions and other demographic experience upon request.
9. Because the actuarial valuation results are dependent on a given set of assumptions, there is a risk that emerging results may differ significantly as actual experience proves to be different from the assumptions. As we are not presenting a stand-alone risk assessment report as of June 30, 2025, we have included a brief discussion of some risks that may affect the System in *Section 2, Subsection I*, starting on page 41. This discussion of risks is included to satisfy the disclosures required by the Actuarial Standard of Practice No. 51 (ASOP 51).

However, upon completion of the June 30, 2026 valuation that will use the new actuarial assumptions that will be recommended and adopted by the Board in the upcoming experience study, we intend to coordinate with ICERS staff in conducting a stand-alone risk assessment report under conditions that might be of interest to ICERS. A more detailed analysis of the potential range of the impact of risk to the System's future financial condition provides the Board with a better understanding of the inherent risks for the Plan.

10. The risk assessment in *Section 2, Subsection I* includes the disclosure of a "Low-Default-Risk Obligation Measure" (LDROM). This disclosure, along with commentary on the significance of the LDROM, is a requirement under Actuarial Standard of Practice No. 4 (ASOP 4) for all pension funding actuarial valuation reports and can be found starting on page 43.
11. At this time, there has been no resolution to the Deputy Sheriffs' Association, et. al., v. County of Imperial and Imperial County Employees' Retirement System litigation. We will reflect any outcome, once it is known, in future actuarial valuations.

⁴ Without considering the Contra Tracking Account, the balance of all the Valuation Reserves is equal to \$1,428.1 million as of June 30, 2025. After considering the Contra Tracking Account, the balance of all the Valuation Reserve is reduced to \$1,283.8 million. The shortfall in Available Earnings as discussed above is related to the balance of \$1,428.1 million.

Section 1: Actuarial Valuation Summary

Summary of key valuation results

Average Employer Contribution Calculated as of June 30
 (\$ in '000s)

Plan and Employer	2025 Contribution Rate	2025 Annual Amount ⁵	2024 Contribution Rate	2024 Annual Amount ⁵
General				
• General Legacy	19.49%	\$10,490	19.86%	\$10,690
• General Tier 3 (Member pays supplemental UAAL)	15.77%	7,000	16.20%	7,191
• General Tier 3 (Employer picks up supplemental UAAL)	16.38%	5,348	16.78%	5,479
Safety				
• Safety Legacy	29.37%	3,475	29.09%	3,442
• Safety Tier 3 (Member pays supplemental UAAL) ⁶	25.02%	0	24.94%	0
• Safety Tier 3 (Employer picks up supplemental UAAL)	32.81%	5,207	32.53%	5,163
All Categories Combined	19.88%	\$31,520	20.16%	\$31,965

⁵ Based on June 30, 2025 projected annual compensation as shown on page 37.

⁶ At the time of this valuation, all Safety Tier 3 members are part of bargaining units that have reached an agreement with the County for the employer to pick up the Supplemental UAAL contributions for the Safety Tier 3 members. The employer and member contribution rates for Safety Tier 3 where the member still pays the Supplemental UAAL have been included for informational purposes only.

Section 1: Actuarial Valuation Summary

Average Member Contribution Calculated as of June 30 (\$ in '000s)

Plan and Employer	2025 Contribution Rate	2025 Annual Amount ⁷	2024 Contribution Rate	2024 Annual Amount ⁷
General				
• General Legacy (Average entry age: 31)	11.46%	\$6,168	11.42%	\$6,147
• General Tier 3 (Member pays supplemental UAAL)	11.33%	5,030	11.28%	5,007
• General Tier 3 (Employer picks up supplemental UAAL)	10.66%	3,480	10.64%	3,474
Safety				
• Safety Legacy (Average entry age: 27) ⁸	29.22%	3,457	29.01%	3,432
• Safety Tier 3 (Member pays supplemental UAAL) ⁹	25.36%	0	25.06%	0
• Safety Tier 3 (Employer picks up supplemental UAAL)	16.85%	2,674	16.76%	2,660
All Categories Combined	13.12%	\$20,809	13.07%	\$20,720

⁷ Based on June 30, 2025 projected annual compensation as shown on page 37.

⁸ The average entry age for Safety Legacy increased from 26 as of June 30, 2024 to 27 as of June 30, 2025.

⁹ At the time of this valuation, all Safety Tier 3 members are part of bargaining units that have reached an agreement with the County for the employer to pick up the Supplemental UAAL contributions for the Safety Tier 3 members. The employer and member contribution rates for Safety Tier 3 where the member still pays the Supplemental UAAL have been included for informational purposes only.

Section 1: Actuarial Valuation Summary

Valuation Results as of June 30 (\$ in '000s)

Line Description	2025	2024
Actuarial accrued liability		
• Total actuarial accrued liability	\$1,378,997	\$1,309,119
– Retired members and beneficiaries	764,266	721,769
– Inactive members ¹⁰	87,715	79,039
– Active members	527,016	508,311
• Normal cost for plan year beginning June 30 ¹¹	40,213	38,048
Assets		
• Market value of assets (MVA)	\$1,308,838	\$1,197,046
• Actuarial value of assets (AVA)	1,283,817	1,208,083
• AVA as a percentage of MVA	98.1%	100.9%
• Valuation value of assets (VVA) ¹²	\$1,283,817	\$1,208,083
Funded status		
• Unfunded actuarial accrued liability on MVA basis	\$70,159	\$112,073
• Funded percentage on MVA basis	94.9%	91.4%
• Unfunded actuarial accrued liability on VVA basis	\$95,180	\$101,036
• Funded percentage on VVA basis	93.1%	92.3%
Key assumptions		
• Net investment return	6.75%	6.75%
• Inflation rate	2.50%	2.50%
• Payroll growth	3.00%	3.00%
• Cost-of-living adjustments	2.00%	2.00%

¹⁰ Includes inactive members due a refund of member contributions.

¹¹ Includes the administrative expense load applied to the normal cost contribution rates.

¹² Excludes non-valuation reserves.

Section 1: Actuarial Valuation Summary

Demographic Data as of June 30

Demographic Data by Status	2025	2024	Change
Active members			
• Number of members	2,358	2,326	1.4%
• Average age	42.1	42.1	0.0
• Average service	9.7	9.8	(0.1)
• Total projected compensation	\$158,568,755	\$149,618,371	6.0%
• Average projected compensation	\$67,247	\$64,324	4.5%
Retired members and beneficiaries			
• Number of members	1,494	1,446	3.3%
– Service retired	1,136	1,091	4.1%
– Disability retired	149	150	(0.7%)
– Beneficiaries	209	205	2.0%
• Average age	69.9	69.9	0.0
• Average monthly benefit	\$3,390	\$3,311	2.4%
Inactive members			
• Number of members ¹³	906	874	3.7%
• Average age	43.0	42.6	0.4
Total members	4,758	4,646	2.4%

¹³ Includes inactive members due a refund of member contributions.

Section 1: Actuarial Valuation Summary

Important information about actuarial valuations

An actuarial valuation is a budgeting tool with respect to the financing of future projected obligations of a pension plan. It is an estimated forecast – the actual long-term cost of the plan will be determined by the actual benefits and expenses paid and the actual investment experience of the plan.

In order to prepare a valuation, Segal relies on a number of input items. These include:

Input Item	Description
Plan provisions	Plan provisions define the rules that will be used to determine benefit payments, and those rules, or the interpretation of them, may change over time. Even where they appear precise, outside factors may change how they operate. It is important to keep Segal informed with respect to plan provisions and administrative procedures, and to review the plan summary included in our report to confirm that Segal has correctly interpreted the plan of benefits.
Member information	An actuarial valuation for a plan is based on data provided to the actuary by the staff of ICERS. Segal does not audit such data for completeness or accuracy, other than reviewing it for obvious inconsistencies compared to prior data and other information that appears unreasonable. It is important for Segal to receive the best possible data and to be informed about any known incomplete or inaccurate data.
Financial information	Part of the cost of a plan will be paid from existing assets — the balance will need to come from future contributions and investment income. The valuation is based on the asset values as of the valuation date, typically reported by the staff of ICERS. A snapshot as of a single date may not be an appropriate value for determining a single year’s contribution requirement, especially in volatile markets. Plan sponsors often use an “actuarial value of assets” that differs from market value to gradually reflect year-to-year changes in the market value of assets in determining the contribution requirements.
Actuarial assumptions	In preparing an actuarial valuation, Segal starts by developing a forecast of the benefits to be paid to existing plan members for the rest of their lives and the lives of their beneficiaries. This requires actuarial assumptions as to the probability of death, disability, withdrawal, and retirement of members in each year, as well as forecasts of the plan’s benefits for each of those events. In addition, the benefits forecasted for each of those events in each future year reflect actuarial assumptions as to salary increases and cost-of-living adjustments (if applicable). The forecasted benefits are then discounted to a present value, typically based on an estimate of the rate of return that will be achieved on the plan’s assets. All of these factors are uncertain and unknowable. Thus, there will be a range of reasonable assumptions, and the results may vary materially based on which assumptions are selected within that range. That is, there is no right answer (except with hindsight). It is important for any user of an actuarial valuation to understand and accept this constraint. The actuarial model may use approximations and estimates that will have an immaterial impact on our results. In addition, the actuarial assumptions may change over time, and while this can have a significant impact on the reported results, it does not mean that the previous assumptions or results were unreasonable or wrong.

Section 1: Actuarial Valuation Summary

The user of Segal's actuarial valuation (or other actuarial calculations) should keep the following in mind:

- The actuarial valuation is prepared at the request of the System. Segal is not responsible for the use or misuse of its report, particularly by any other party.
- An actuarial valuation is a measurement at a specific date — it is not a prediction of a plan's future financial condition. Accordingly, Segal did not perform an analysis of the potential range of financial measurements, except where otherwise noted.
- If ICERS is aware of any event or trend that was not considered in this valuation that may materially change the results of the valuation, Segal should be advised, so that we can evaluate it.
- Segal does not provide investment, legal, accounting or tax advice and is not acting as a fiduciary to the Plan. This valuation is based on Segal's understanding of applicable guidance in these areas and of the Plan's provisions, but they may be subject to alternative interpretations. The System should look to their other advisors for expertise in these areas.
- While Segal maintains extensive quality assurance procedures, an actuarial valuation involves complex computer models and numerous inputs. In the event that an inaccuracy is discovered after presentation of Segal's valuation, Segal may revise that valuation or make an appropriate adjustment in the next valuation.
- Segal's report shall be deemed to be final and accepted by ICERS upon delivery and review. ICERS should notify Segal immediately of any questions or concerns about the final content.

Section 2: Actuarial Valuation Results

A. Member information

The Actuarial Valuation and Review considers the number and demographic characteristics of covered members, including active members, inactive vested members, retired members and beneficiaries.

This section presents a summary of significant statistical data on these member groups. More detailed information for this valuation year and the preceding valuation can be found in *Section 3, Exhibits A, B, and C.*

Member Population

As of June 30	Active Members	Inactive Members ¹⁴	Retired Members and Beneficiaries (Pay Status)	Total Non-Actives	Ratio of Non-Actives to Actives	Ratio of Pay Status to Actives
2016	2,127	425	1,078	1,503	0.71	0.51
2017	2,186	451	1,121	1,572	0.72	0.51
2018	2,161	500	1,193	1,693	0.78	0.55
2019	2,283	526	1,232	1,758	0.77	0.54
2020	2,246	572	1,280	1,852	0.82	0.57
2021	2,236	597	1,360	1,957	0.88	0.61
2022	2,221	707	1,370	2,077	0.94	0.62
2023	2,300	772	1,399	2,171	0.94	0.61
2024	2,326	874	1,446	2,320	1.00	0.62
2025	2,358	906	1,494	2,400	1.02	0.63

¹⁴ Includes inactive members due a refund of member contributions.

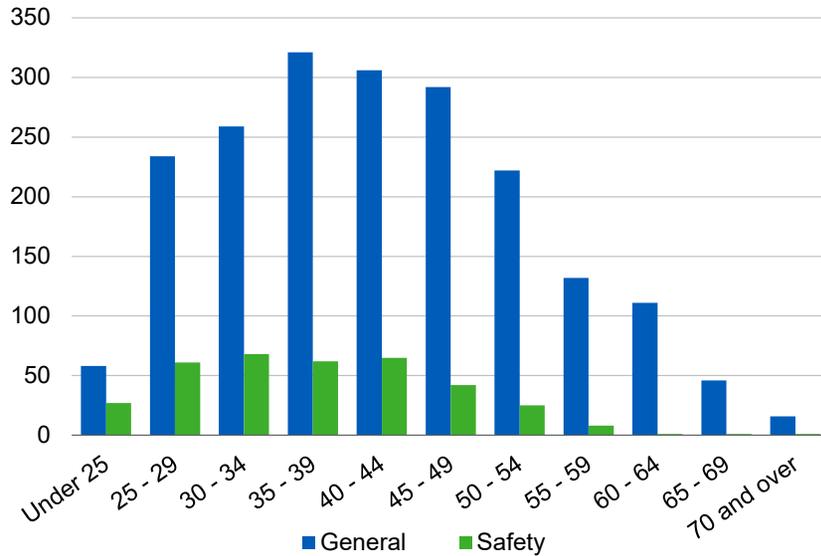
Section 2: Actuarial Valuation Results

Active members

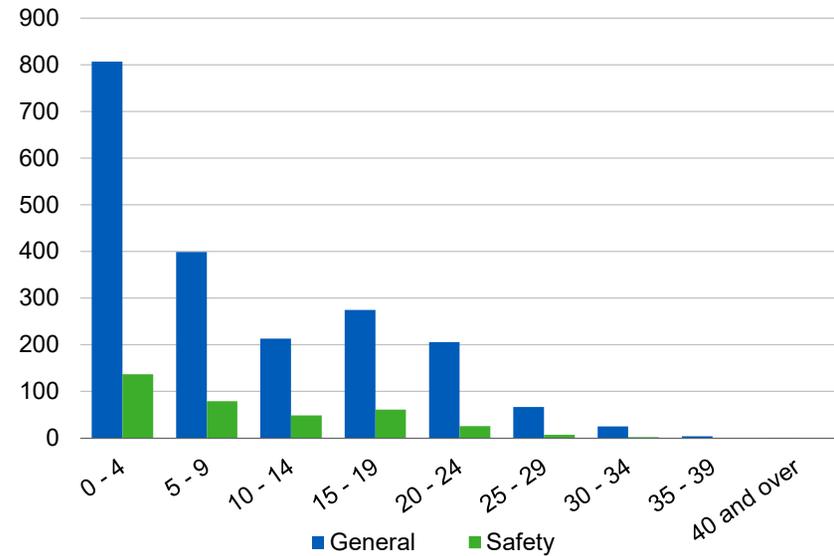
Demographic Data	As of June 30, 2025	As of June 30, 2024	Change
Active members	2,358	2,326	1.4%
Average age ¹⁵	42.1	42.1	0.0
Average years of service	9.7	9.8	(0.1)
Average compensation	\$67,247	\$64,324	4.5%

Distribution of Active Members as of June 30, 2025

Actives by Age



Actives by Years of Service



Inactive members

Demographic Data	As of June 30, 2025	As of June 30, 2024	Change
Inactive members ¹⁶	906	874	3.7%

¹⁵ Among the active members, there were none with unknown age information.

¹⁶ Includes inactive members due a refund of member contributions.

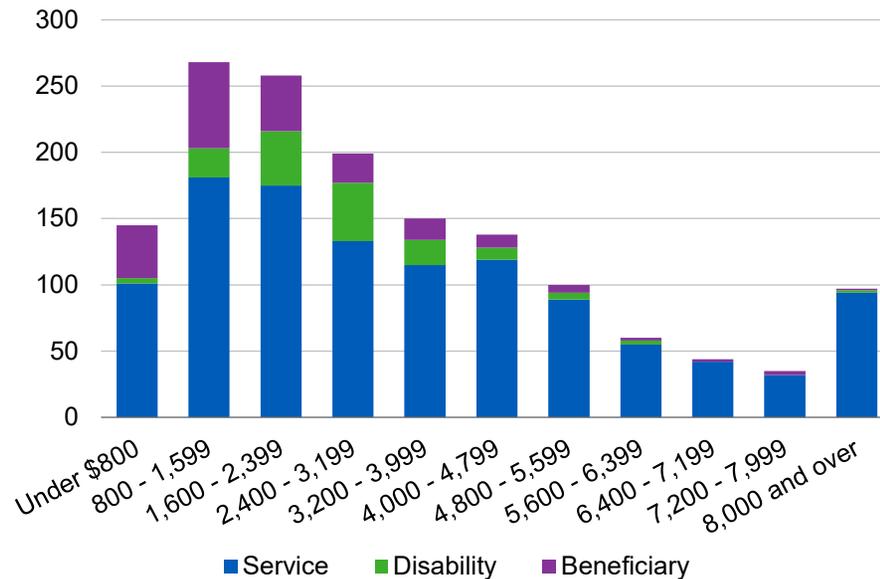
Section 2: Actuarial Valuation Results

Retired members and beneficiaries

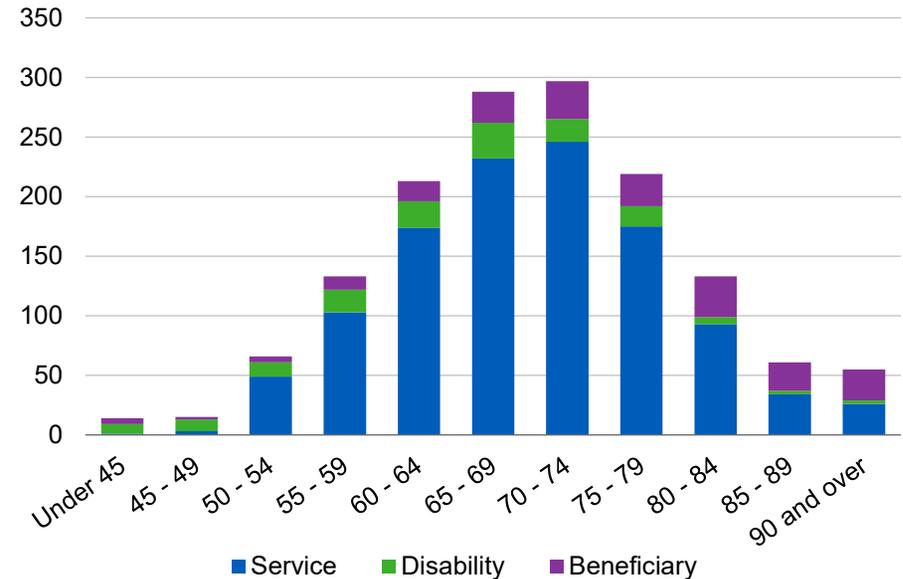
Demographic Data	As of June 30, 2025	As of June 30, 2024	Change
Retired members	1,285	1,241	3.5%
Beneficiaries	209	205	2.0%
Average age	69.9	69.9	0.0
Average monthly amount	\$3,390	\$3,311	2.4%
Total monthly amount	\$5,064,671	\$4,787,806	5.8%

Distribution of Retired Members and Beneficiaries as of June 30, 2025

By Type and Monthly Amount



By Type and Age



Section 2: Actuarial Valuation Results

Historical plan population

The chart below demonstrates the progression of the active population over the last ten years. The chart also shows the growth among the retired population over the same time period.

Member Data Statistics

Active Members versus Retired Members and Beneficiaries (Pay Status)

As of June 30	Active Count	Active Average Age	Active Average Service	Pay Status Count	Pay Status Average Age	Pay Status Monthly Amount
2016	2,127	42.2	10.1	1,078	69.2	\$2,726
2017	2,186	42.0	10.0	1,121	69.1	2,858
2018	2,161	42.1	10.1	1,193	69.1	2,904
2019	2,283	41.8	9.8	1,232	69.3	2,989
2020	2,246	42.1	10.1	1,280	69.3	3,062
2021	2,236	41.9	10.0	1,360	69.2	3,122
2022	2,221	42.2	10.2	1,370	69.5	3,183
2023	2,300	42.1	10.0	1,399	69.8	3,271
2024	2,326	42.1	9.8	1,446	69.9	3,311
2025	2,358	42.1	9.7	1,494	69.9	3,390

Section 2: Actuarial Valuation Results

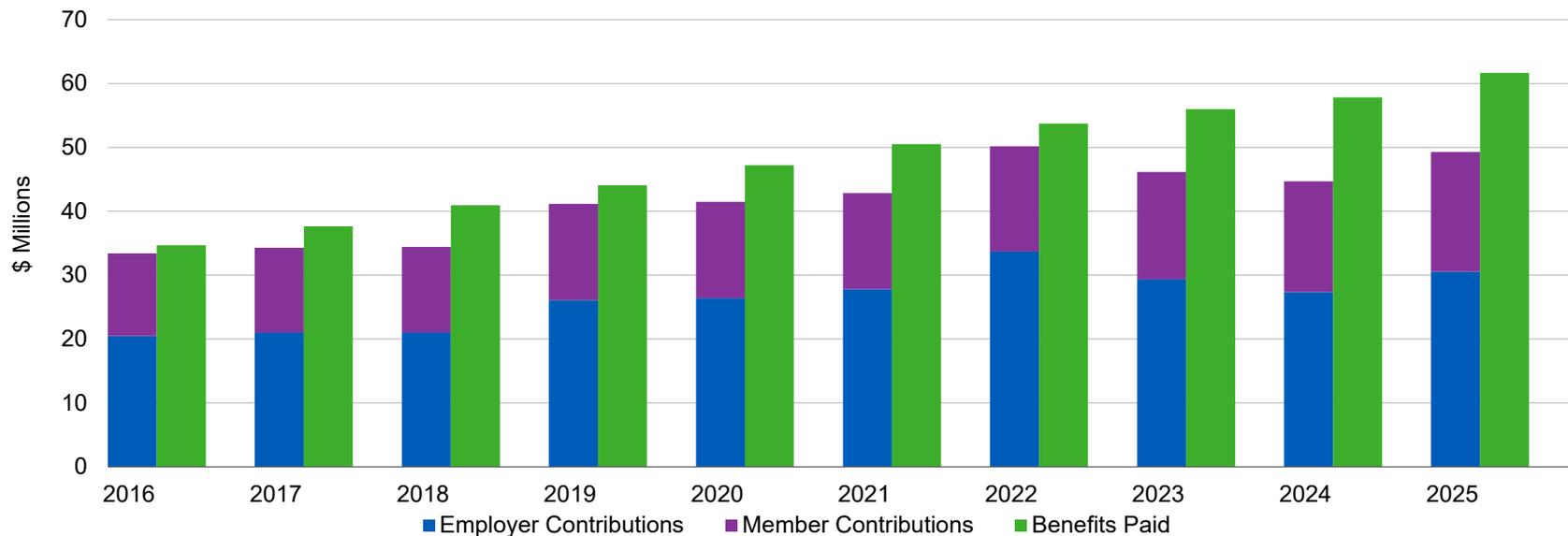
B. Financial information

Retirement plan funding anticipates that, over the long term, both contributions and investment earnings (less investment fees) will be needed to cover benefit payments and administrative expenses. Retirement plan assets change as a result of the net impact of these income and expense components.

Additional financial information, including a summary of transactions for the valuation year, is presented in *Section 3, Exhibits D, E, F and G*.

It is desirable to have level and predictable plan costs from one year to the next. For this reason, the Board has approved an asset valuation method that gradually adjusts to market value. Under this valuation method, the full value of market fluctuations is not recognized in a single year and, as a result, the valuation asset value and the plan costs are more stable. The amount of the adjustment to recognize market value is treated as income, which may be positive or negative. Realized and unrealized gains and losses are treated equally and, therefore, the sale of assets has no immediate effect on the actuarial value.

Comparison of Contributions Made with Benefits for Years Ended June 30



Section 2: Actuarial Valuation Results

Determination of Actuarial Value and Valuation Value of Assets for Year Ended June 30, 2025

Step	Actual Return	Expected Return	Investment Gain/(Loss)	Percent Deferred	Amount
1. Market value of assets					\$1,308,837,826
2. Calculation of deferred return					
a. Six months ended June 30, 2021	\$111,116,323	\$36,908,880	\$74,207,443	10%	\$7,420,744
b. Six months ended December 31, 2021	46,387,302	39,500,495	6,886,807	20	1,377,361
c. Six months ended June 30, 2022	(130,216,544)	41,008,985	(171,225,529)	30	(51,367,659)
d. Six months ended December 31, 2022	6,495,862	36,172,306	(29,676,444)	40	(11,870,578)
e. Six months ended June 30, 2023	74,606,613	36,170,196	38,436,417	50	19,218,209
f. Six months ended December 31, 2023	50,140,116	38,528,202	11,611,914	60	6,967,149
g. Six months ended June 30, 2024	58,650,076	40,001,051	18,649,025	70	13,054,318
h. Six months ended December 31, 2024	42,874,018	40,276,430	2,597,588	80	2,078,070
i. Six months ended June 30, 2025	83,852,904	41,471,395	42,381,509	90	38,143,358
j. Total deferred return ¹⁷					\$25,020,972
3. Actuarial value of assets 1 – 2j					\$1,283,816,854
4. Ratio of actuarial to market value 3 ÷ 1					98.1%
5. Actuarial value of assets corridor limits					
a. Lower limit - 70% of MVA					\$916,186,478
b. Upper limit - 130% of MVA					\$1,701,489,174
6. Non-valuation reserves					
a. Contingency Reserve					\$0
b. Reserve for Capital Assets					0
c. Subtotal					\$0
7. Valuation value of assets 3 – 6c					\$1,283,816,854

Note: Results may be slightly off due to rounding.

¹⁷ The total deferred return as of June 30, 2025 is recognized in each of the next five years as follows:

a. Amount recognized on June 30, 2026	\$ (8,646,999)
b. Amount recognized on June 30, 2027	(322,551)
c. Amount recognized on June 30, 2028	18,891,649
d. Amount recognized on June 30, 2029	10,860,722
e. Amount recognized on June 30, 2030	4,238,151

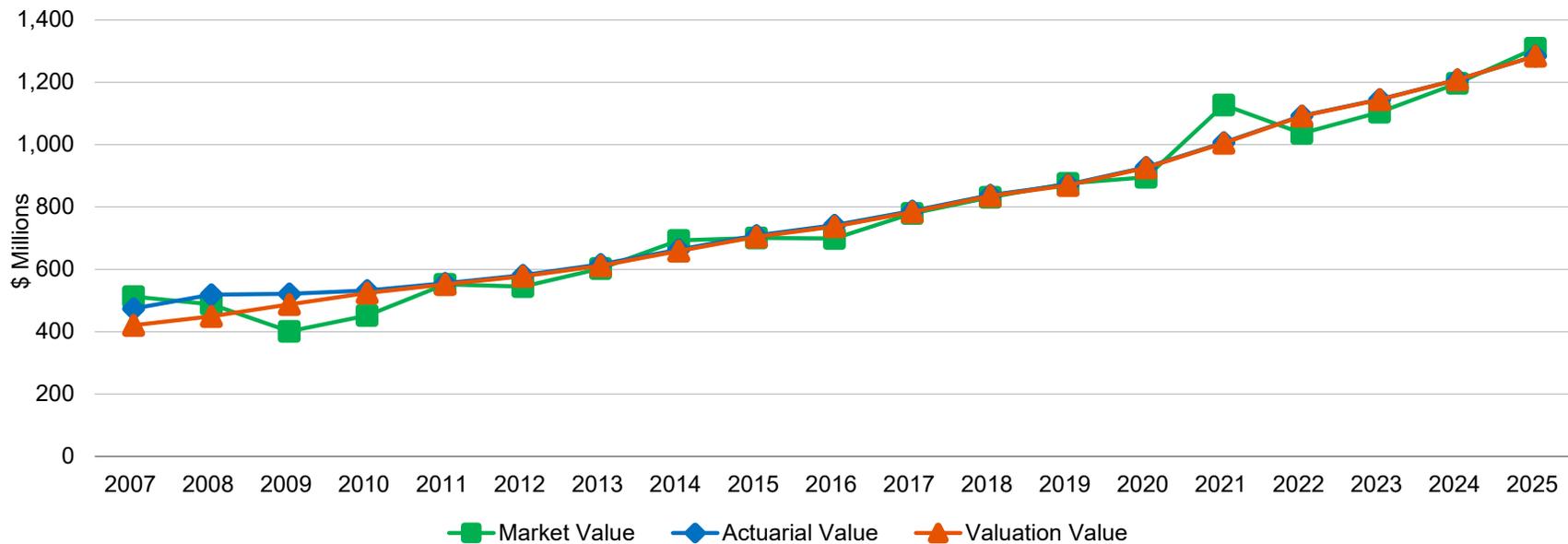
Section 2: Actuarial Valuation Results

Asset history

The market value, actuarial value and valuation value of assets are representations of the Plan's financial status. As investment gains and losses are gradually taken into account, the actuarial value of assets tracks the market value of assets. The valuation value of assets is generally the actuarial value, excluding any non-valuation reserves.

The valuation value of assets is significant because the Plan's liabilities are compared to these assets to determine what portion, if any, remains unfunded. Amortization of the unfunded actuarial accrued liability is an important element in determining the contribution requirement.

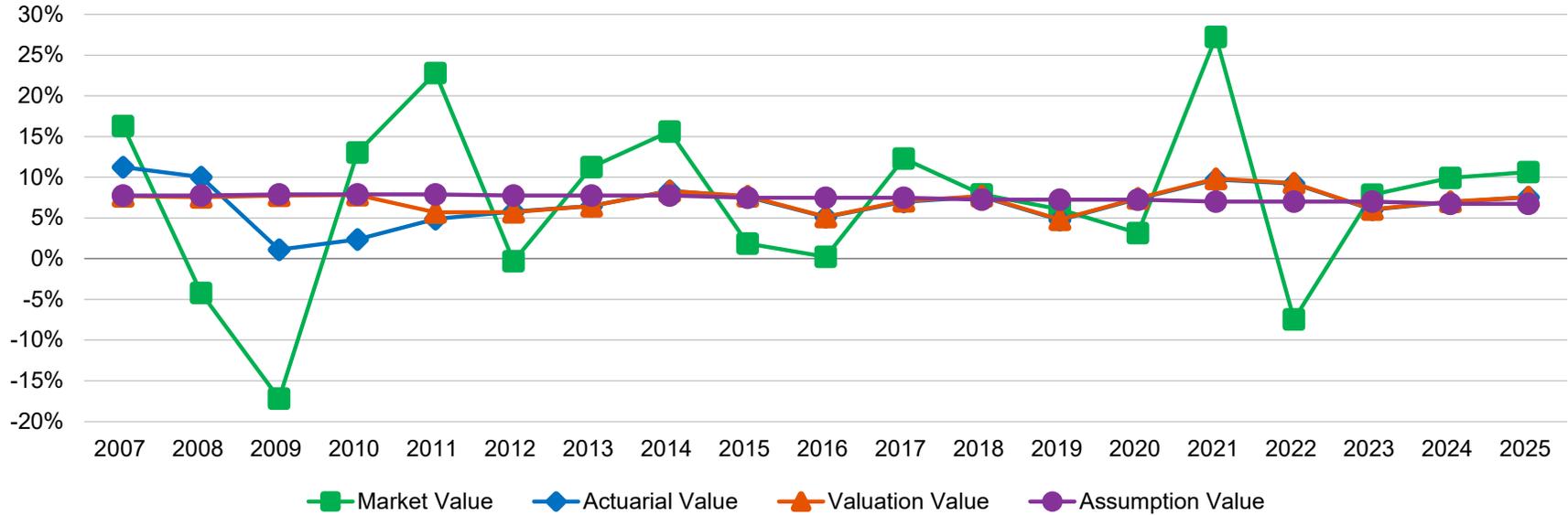
Market Value, Actuarial Value, and Valuation Value of Assets as of June 30



Section 2: Actuarial Valuation Results

Historical investment returns

Market, Actuarial and Valuation Rates of Return for Years Ended June 30



Legend	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Market rate	16.30%	(4.21%)	(17.17%)	13.04%	22.82%	(0.31%)	11.24%	15.64%	1.86%	0.25%	12.32%	7.89%	6.06%	3.15%	27.24%	(7.45%)	7.88%	9.92%	10.65%
Actuarial rate	11.25%	10.02%	1.12%	2.37%	4.89%	5.79%	6.49%	8.33%	7.59%	5.13%	6.98%	7.61%	4.74%	7.34%	9.74%	9.23%	6.02%	6.96%	7.55%
Valuation rate	7.71%	7.55%	7.76%	7.82%	5.68%	5.72%	6.49%	8.30%	7.69%	5.16%	7.09%	7.71%	4.81%	7.42%	9.82%	9.29%	6.07%	7.01%	7.55%
Assumed rate	7.75%	7.75%	7.90%	7.90%	7.90%	7.75%	7.75%	7.75%	7.50%	7.50%	7.50%	7.25%	7.25%	7.25%	7.00%	7.00%	7.00%	6.75%	6.75%

Average Rates of Return	Market Value	Actuarial Value	Valuation Value
Most recent five-year geometric average return	9.09%	7.89%	7.94%
Most recent 10-year geometric average return	7.46%	7.12%	7.18%
Most recent 15-year geometric average return	8.27%	6.95%	7.05%

Section 2: Actuarial Valuation Results

C. Actuarial experience

To calculate any actuarially determined contribution, assumptions are made about future events that affect the amount and timing of benefits to be paid and assets to be accumulated. Each year actual experience is measured against the assumptions. If overall experience is more favorable than anticipated (an actuarial gain), the actuarially determined contribution will decrease from the previous year. On the other hand, the actuarially determined contribution will increase if overall actuarial experience is less favorable than expected (an actuarial loss).

Taking account of experience gains or losses in one year without making a change in assumptions reflects the belief that the single year's experience was a short-term development and that, over the long term, experience will return to the original assumptions. For contribution requirements to remain stable, assumptions should approximate experience.

If assumptions are changed, the contribution requirement is adjusted to take into account a change in experience anticipated for all future years. There are no changes in actuarial assumptions reflected in this valuation.

The actuarial experience for the year can be found below and a discussion of the major components can be found on the following pages.

Actuarial Experience for Year Ended June 30, 2025

Source	Amount
1. Net gain from investments ¹⁸	\$(9,627,000)
2. Net loss from contributions	455,000
3. Net loss from other experience ¹⁹	7,843,000
4. Net experience gain	\$(1,329,000)

¹⁸ Details on next page.

¹⁹ See *Subsection E* for further details. Does not include the effect of plan, method or assumption changes, if any.

Section 2: Actuarial Valuation Results

Investment experience

A major component of projected asset growth is the assumed rate of return. The assumed return should represent the expected long-term rate of return, based on the Plan's investment policy.

For valuation purposes, the assumed rate of return on the valuation value of assets is 6.75% based on the June 30, 2024 valuation. The actual rate of return on a valuation basis for the 2024-2025 plan year was 7.55% after recognizing a portion of this year's investment gain and a portion of prior years' investment gains and losses. Since the actual return for the year was greater than the assumed return, the Plan experienced an actuarial gain during the year ended June 30, 2025 with regard to its investments.

Investment Experience for Year Ended June 30, 2025

Line Description	Market Value	Actuarial Value	Valuation Value
1. Net investment income	\$126,726,922	\$90,668,825	\$90,668,825
2. Average value of assets	1,189,578,528	1,200,615,653	1,200,615,653
3. Rate of return 1 ÷ 2	10.65%	7.55%	7.55%
4. Assumed rate of return	6.75%	6.75%	6.75%
5. Expected investment income 2 × 4	\$80,296,551	\$81,041,557	\$81,041,557
6. Investment gain/(loss) 1 – 5	\$46,430,371	\$9,627,268	\$9,627,268

Section 2: Actuarial Valuation Results

Contributions

Contributions for the year ended June 30, 2025 totaled \$49.3 million, compared to the projected amount of \$49.7 million. This resulted in a loss²⁰ of \$0.5 million for the year, when adjusted for timing.

Other experience

There are other differences between the expected and the actual experience that appear when the new valuation is compared with the projections from the previous valuation. These include:

- Mortality experience (more or fewer than expected deaths),
- The extent of turnover among members,
- Retirement experience (earlier or later than projected),
- The number of disability retirements (more or fewer than projected),
- Salary increases (greater or smaller than projected), and
- Cost-of-living adjustments (greater or lower than anticipated)

The net loss from this other experience for the year ended June 30, 2025 amounted to \$7.8 million, which is 0.6% of the actuarial accrued liability. See *Section 2, Subsection E* for a detailed development of the unfunded actuarial accrued liability.

²⁰ Mainly from lower than expected actual covered payroll for fiscal year 2024-2025 used to determine the UAAL contributions, offset somewhat by the anticipated one-year delay in implementing the lower contribution rates from the June 30, 2024 valuation.

Section 2: Actuarial Valuation Results

D. Other changes impacting the actuarial accrued liability

Actuarial assumptions and methods

There were no changes in actuarial assumptions or method since the prior valuation.

Details on actuarial assumptions and methods are in *Section 4, Exhibit 1*.

Plan provisions

There were no changes in plan provisions since the prior valuation.

A summary of plan provisions is in *Section 4, Exhibit 2*.

Section 2: Actuarial Valuation Results

E. Unfunded actuarial accrued liability

Development of Unfunded Actuarial Accrued Liability for Year Ended June 30, 2025 (\$ in '000s)

Line Description	Amount
1. Unfunded actuarial accrued liability at beginning of year	\$101,036
2. Normal cost at middle of year ²¹	35,594
3. Expected administrative expenses	3,142
4. Expected employer and member contributions ²²	(49,700)
5. Interest to end of year	6,437
6. Expected unfunded actuarial accrued liability at end of year	\$96,509
7. Changes due to:	
a. Investment return greater than expected, after asset smoothing	\$(9,627)
b. Actual contributions less than expected under funding policy ²³	455
c. Individual salary increases greater than expected	6,475
d. Gain from active to service retirement experience during 2024/2025	(2,483)
e. Other net experience loss ²⁴	3,851
f. Total changes	\$(1,329)
8. Unfunded actuarial accrued liability at end of year 6 + 7f	\$95,180

Note: The sum of items 7c through 7e equals the “Net loss from other experience” shown in *Section 2, Subsection C*.

²¹ Excludes administrative expense load.

²² Includes contributions towards administrative expenses.

²³ Mainly from lower than expected actual covered payroll for fiscal year 2024-2025 used to determine the UAAL contributions, offset somewhat by the anticipated one-year delay in implementing the lower contribution rates from the June 30, 2024 valuation.

²⁴ Other differences in actual versus expected experience including (but not limited to) mortality, disability, termination, and administrative expense experience.

Section 2: Actuarial Valuation Results

F. Recommended contribution

The recommended contribution is equal to the employer normal cost payment and a payment on the unfunded actuarial accrued liability. As of June 30, 2025, the average recommended employer contribution is 19.88% of payroll.

The Board sets the funding policy used to calculate the recommended contribution based on layered 15-year amortization periods for gains or losses and plan amendments (20-year periods for changes in actuarial assumptions or methods) as a level percentage of payroll. See *Section 4, Exhibit 1* for further details on the funding policy. Based on this policy, there is no negative amortization and each amortization layer is fully funded in 15 years (20 years for changes in actuarial assumptions or methods). As shown in the graphical projection of the UAAL amortization balances and payments found in *Section 3, Exhibit 1*, before taking into consideration the deferred investment gains and/or losses that will be recognized in the next several valuations, the UAAL of the Plan is expected to be fully amortized by 2043, assuming all assumptions are realized and contributions are made in accordance with the funding policy.

The current funding policy is intended to fully fund the cost of the benefits and to allocate the cost of benefits reasonably and equitably over time while minimizing the volatility of employer contributions. The recommended contribution is expected to remain level as a percent of payroll, except when any current amortization layer is fully amortized and assuming there are no future actuarial gains or losses. Furthermore, the funded ratio is expected to increase as the UAAL is methodically funded by employer contributions. The recommended contribution under the funding policy is a "Reasonable Actuarially Determined Contribution" as required under Actuarial Standard of Practice No. 4 *Measuring Pension Obligations and Determining Pension Plan Costs or Contributions*.

Section 2: Actuarial Valuation Results

Average Recommended Employer Contribution Calculated as of June 30 (\$ in '000s)

Line Description	2025 Amount	2025 % of Projected Compensation	2024 Amount	2024 % of Projected Compensation
1. Total normal cost ²⁵	\$40,213	25.36%	\$38,048	25.43%
2. Expected member normal cost contributions ²⁶	19,079	12.04%	18,016	12.04%
3. Employer normal cost 1 – 2	\$21,134	13.33%	\$20,032	13.39%
4. Actuarial accrued liability	1,378,997		1,309,119	
5. Valuation value of assets	1,283,817		1,208,083	
6. Unfunded actuarial accrued liability 4 – 5	\$95,180		\$101,036	
7. Payment on UAAL ²⁵	12,051	7.60%	11,807	7.90%
8. Expected member contributions on UAAL ²⁶	1,665	1.05%	1,385	0.93%
9. Employer payment on UAAL 7 – 8	\$10,386	6.55%	\$10,422	6.97%
10. Average recommended employer contribution 3 + 9	\$31,520	19.88%	\$30,454	20.36%
11. Projected payroll	\$158,569		\$149,618	

Note: Contributions are assumed to be paid at the middle of the year.

²⁵ Includes administrative expense load.

²⁶ This is the aggregate member contribution rate based on summing the contributions for each member. There is an increase in the members' Supplemental UAAL contribution rate by 0.17% as General Tier 3 members covered under bargaining units Technical (Teamster); Crafts, Labor & Trades (Teamster); and Clerical (Teamster) no longer have agreements in place for the County to pay those contributions

Section 2: Actuarial Valuation Results

Reconciliation of average recommended employer contribution rate

Reconciliation from June 30, 2024 to June 30, 2025

Item	Contribution Rate
1. Average recommended employer contribution as of June 30, 2024	20.16%
2. Changes due to:	
a. Investment return greater than expected after asset smoothing	(0.50%)
b. Actual contributions less than expected ²⁷	0.01%
c. Individual salary increases greater than expected	0.32%
d. Amortizing prior year's UAAL over a larger than expected total payroll	(0.16%)
e. Active to service retirement experience during 2024/2025	(0.18%)
f. Change in member demographics on normal cost	0.06%
g. Increase in the Supplemental UAAL contributions for Tier 3 members picked up by employer	0.03%
h. Other net experience loss ²⁸	0.14%
i. Total change	(0.28%)
3. Average recommended employer contribution as of June 30, 2025 1 + 2i	19.88%

²⁷ Mainly from lower than expected actual covered payroll for fiscal year 2024-2025 used to determine the UAAL contributions, offset somewhat by the anticipated one-year delay in implementing the lower contribution rates from the June 30, 2024 valuation.

²⁸ Other differences in actual versus expected experience including (but not limited to) mortality, disability, termination, and administrative expense experience.

Section 2: Actuarial Valuation Results

Reconciliation from June 30, 2024 to June 30, 2025 by Tier

Item	General Legacy	General Tier 3: Member Pays Supplemental UAAL	General Tier 3: Employer Picks Up Supplemental UAAL	Safety Legacy	Safety Tier 3: Member Pays Supplemental UAAL	Safety Tier 3: Employer Picks Up Supplemental UAAL	Total
1. Average recommended employer contribution as of June 30, 2024	19.86%	16.20%	16.78%	29.09%	24.94%	32.53%	20.16%
2. Changes due to:							
a. Investment return greater than expected after asset smoothing	(0.46%)	(0.46%)	(0.46%)	(0.69%)	(0.69%)	(0.69%)	(0.50%)
b. Actual contributions (greater)/less than expected	0.03%	0.03%	0.03%	(0.06%)	(0.06%)	(0.06%)	0.01%
c. Individual salary increases greater than expected	0.29%	0.29%	0.29%	0.45%	0.45%	0.45%	0.32%
d. Amortizing prior year's UAAL over a (larger)/smaller than expected total payroll	(0.14%)	(0.14%)	(0.14%)	(0.27%)	(0.27%)	(0.27%)	(0.16%)
e. Active to service retirement experience during 2024/2025	(0.29%)	(0.29%)	(0.29%)	0.36%	0.36%	0.36%	(0.18%)
f. Change in member demographics on normal cost	0.07%	0.01%	0.01%	0.28%	0.08%	0.08%	0.06%
g. Increase in the Supplemental UAAL contributions for Tier 3 members picked up by employer	0.00%	0.00%	0.03%	0.00%	0.00%	0.20%	0.03%
h. Other net experience loss ²⁹	0.13%	0.13%	0.13%	0.21%	0.21%	0.21%	0.14%
i. Total change	(0.37%)	(0.43%)	(0.40%)	0.28%	0.08%	0.28%	(0.28%)
3. Average recommended employer contribution as of June 30, 2025 1 + 2i	19.49%	15.77%	16.38%	29.37%	25.02%	32.81%	19.88%

²⁹ Other differences in actual versus expected experience including (but not limited to) mortality, disability, termination, and administrative expense experience. The difference also includes a true-up of transfer of liability for an inactive General member who retired during 2024/2025 that had Safety services. This is the primary reason of the rate increase for Safety tier as shown in item 2h.

Section 2: Actuarial Valuation Results

Reconciliation of average recommended member contribution rate

Reconciliation from June 30, 2024 to June 30, 2025

Item	Contribution Rate
1. Average recommended member contribution as of June 30, 2024 ³⁰	13.07%
2. Changes due to:	
a. Investment return greater than expected after asset smoothing ³¹	(0.02%)
b. Actual contributions less than expected ³²	0.01%
c. Individual salary increases greater than expected	0.03%
d. Amortizing prior year's UAAL over a larger than expected total payroll	(0.03%)
e. Active to service retirement experience during 2024/2025	0.03%
f. Change in member demographics on normal cost	0.01%
g. Other net experience loss ³³	0.02%
h. Total change	0.05%
3. Average recommended member contribution as of June 30, 2025³⁰	13.12%

³⁰ The aggregate member rates are based on average entry ages of 31 and 27 for General Legacy and Safety Legacy, respectively, in the June 30, 2025 valuation. (The average entry age for General Legacy remained at 31 from June 30, 2024 to June 30, 2025 and the average entry age for Safety Legacy increased from 26 as of June 30, 2024 to 27 as of June 30, 2025.)

³¹ The reduction in the average member contribution rate is smaller than the reduction in the average employer contribution rate because the assets for the supplemental benefit that we use to calculate the UAAL rate change for the employee is only one-tenth of the assets for the regular benefit that we use to calculate the UAAL rate change for the employer. In addition, the impact of investment experience is different in the rate reconciliation for the employer and the member due to such factors as actual versus estimated timing when contributions and benefits were paid during the year, rounding, etc.

³² Mainly from lower than expected actual covered payroll for fiscal year 2024-2025 used to determine the UAAL contributions, offset somewhat by the anticipated one-year delay in implementing the lower contribution rates from the June 30, 2024 valuation.

³³ Other differences in actual versus expected experience including (but not limited to) mortality, disability, termination, and administrative expense experience.

Section 2: Actuarial Valuation Results

Reconciliation from June 30, 2024 to June 30, 2025 by Tier

Item	General Legacy	General Tier 3: Member Pays Supplemental UAAL	General Tier 3: Employer Picks Up Supplemental UAAL	Safety Legacy	Safety Tier 3: Member Pays Supplemental UAAL	Safety Tier 3: Employer Picks Up Supplemental UAAL	Total
1. Average recommended member contribution as of June 30, 2024 ³⁴	11.42%	11.28%	10.64%	29.01%	25.06%	16.76%	13.07%
2. Changes due to:							
a. Investment return greater than expected after asset smoothing	(0.03%)	(0.03%)	N/A	(0.03%)	(0.03%)	N/A	(0.02%)
b. Actual contributions less than expected	0.01%	0.01%	N/A	0.05%	0.05%	N/A	0.01%
c. Individual salary increases greater than expected	0.03%	0.03%	N/A	0.09%	0.09%	N/A	0.03%
d. Amortizing prior year's UAAL over a (larger)/smaller than expected total payroll	(0.02%)	(0.02%)	N/A	(0.30%)	(0.30%)	N/A	(0.03%)
e. Active to service retirement experience during 2024/2025	0.03%	0.03%	N/A	0.11%	0.11%	N/A	0.03%
f. Change in member demographics on normal cost	0.00%	0.01%	0.01%	(0.01%)	0.08%	0.08%	0.01%
g. Other net experience loss ³⁵	0.02%	0.02%	0.01%	0.30%	0.30%	0.01%	0.02%
h. Total change	0.04%	0.05%	0.02%	0.21%	0.30%	0.09%	0.05%
3. Average recommended member contribution as of June 30, 2025³⁴ 1 + 2h	11.46%	11.33%	10.66%	29.22%	25.36%	16.85%	13.12%

³⁴ The aggregate member rates are based on average entry ages of 31 and 27 for General Legacy and Safety Legacy, respectively, in the June 30, 2025 valuation. (The average entry age for General Legacy remained at 31 from June 30, 2024 to June 30, 2025 and the average entry age for Safety Legacy increased from 26 as of June 30, 2024 to 27 as of June 30, 2025.)

³⁵ Other differences in actual versus expected experience including (but not limited to) mortality, disability, termination, and administrative expense experience. The difference also includes a true-up of transfer of liability for an inactive General member who retired during 2024/2025 that had Safety services. This is the primary reason of the rate increase for Safety tier as shown in item 2g.

Section 2: Actuarial Valuation Results

Recommended employer contribution rate

Recommended Employer Contribution Calculated as of June 30
(\$ in '000s)

Component by Tier	2025 Basic ³⁶	2025 COLA	2025 Total	2025 Estimated Annual Amount ³⁷	2024 Basic ³⁸	2024 COLA	2024 Total	2024 Estimated Annual Amount ³⁷
General Legacy								
Normal cost	12.39%	1.99%	14.38%	\$7,740	12.32%	1.98%	14.30%	\$7,697
UAAL	3.12%	1.99%	5.11%	2,750	3.50%	2.06%	5.56%	2,993
Total contribution	15.51%	3.98%	19.49%	\$10,490	15.82%	4.04%	19.86%	\$10,690
General Tier 3 (Member pays supplemental UAAL)								
Normal cost	8.79%	1.87%	10.66%	\$4,732	8.77%	1.87%	10.64%	\$4,723
UAAL	3.12%	1.99%	5.11%	2,268	3.50%	2.06%	5.56%	2,468
Total contribution	11.91%	3.86%	15.77%	\$7,000	12.27%	3.93%	16.20%	\$7,191
General Tier 3 (Employer picks up supplemental UAAL)								
Normal cost	8.79%	1.87%	10.66%	\$3,480	8.77%	1.87%	10.64%	\$3,474
UAAL	3.51%	2.21%	5.72%	1,868	3.88%	2.26%	6.14%	2,005
Total contribution	12.30%	4.08%	16.38%	\$5,348	12.65%	4.13%	16.78%	\$5,479
Safety Legacy								
Normal cost	17.73%	3.47%	21.20%	\$2,508	17.48%	3.43%	20.91%	\$2,474
UAAL ³⁹	4.56%	3.61%	8.17%	967	4.62%	3.56%	8.18%	968
Total contribution	22.29%	7.08%	29.37%	\$3,475	22.10%	6.99%	29.09%	\$3,442

³⁶ The Basic normal cost and UAAL rates shown for each cost group as of June 30, 2025 include an explicit administrative expense of 0.83% and 0.44% of payroll, respectively.

³⁷ Based on June 30, 2025 projected annual compensation shown on the next page.

³⁸ The Basic normal cost and UAAL rates shown for each cost group as of June 30, 2024 include an explicit administrative expense of 0.82% and 0.46% of payroll, respectively.

³⁹ The UAAL Total Rate associated with the Safety Supplemental UAAL Relief is 1.06% as of June 30, 2025 and 1.10% as of June 30, 2024. Starting with the June 30, 2006 valuation, ICERS adopted the Safety Employees' Supplemental Contribution Relief, which stipulated that 1/3 of the UAAL as of that date would be paid by the County over 25 years. The outstanding balance is \$1.6 million as of June 30, 2025 and there are 6 years of amortization remaining.

Section 2: Actuarial Valuation Results

Component by Tier	2025 Basic ⁴⁰	2025 COLA	2025 Total	2025 Estimated Annual Amount ⁴¹	2024 Basic ⁴²	2024 COLA	2024 Total	2024 Estimated Annual Amount ⁴¹
Safety Tier 3 (Member pays supplemental UAAL)								
Normal cost	13.31%	3.54%	16.85%	\$0	13.23%	3.53%	16.76%	\$0
UAAL	4.56%	3.61%	8.17%	0	4.62%	3.56%	8.18%	0
Total contribution	17.87%	7.15%	25.02%	\$0	17.85%	7.09%	24.94%	\$0
Safety Tier 3 (Employer picks up supplemental UAAL)								
Normal cost	13.31%	3.54%	16.85%	\$2,674	13.23%	3.53%	16.76%	\$2,660
UAAL	10.02%	5.94%	15.96%	2,533	10.00%	5.77%	15.77%	2,503
Total contribution	23.33%	9.48%	32.81%	\$5,207	23.23%	9.30%	32.53%	\$5,163
All categories combined								
Normal cost	11.13%	2.20%	13.33%	\$21,134	11.07%	2.19%	13.26%	\$21,028
UAAL	4.00%	2.55%	6.55%	10,386	4.31%	2.59%	6.90%	10,937
Total contribution	15.13%	4.75%	19.88%	\$31,520	15.38%	4.78%	20.16%	\$31,965

June 30, 2025 Projected Annual Compensation (\$ in '000s)

Category	Legacy	Tier 3: Member Pays Supplemental UAAL	Tier 3: Employer Picks Up Supplemental UAAL	Total
General	\$53,825	\$44,392	\$32,649	\$130,866
Safety	11,831	0	15,872	27,703
Total	\$65,656	\$44,392	\$48,521	\$158,569

⁴⁰ The Basic normal cost and UAAL rates shown for each cost group as of June 30, 2025 include an explicit administrative expense of 0.83% and 0.44% of payroll, respectively.

⁴¹ Based on June 30, 2025 projected annual compensation shown above.

⁴² The Basic normal cost and UAAL rates shown for each cost group as of June 30, 2024 include an explicit administrative expense of 0.82% and 0.46% of payroll, respectively.

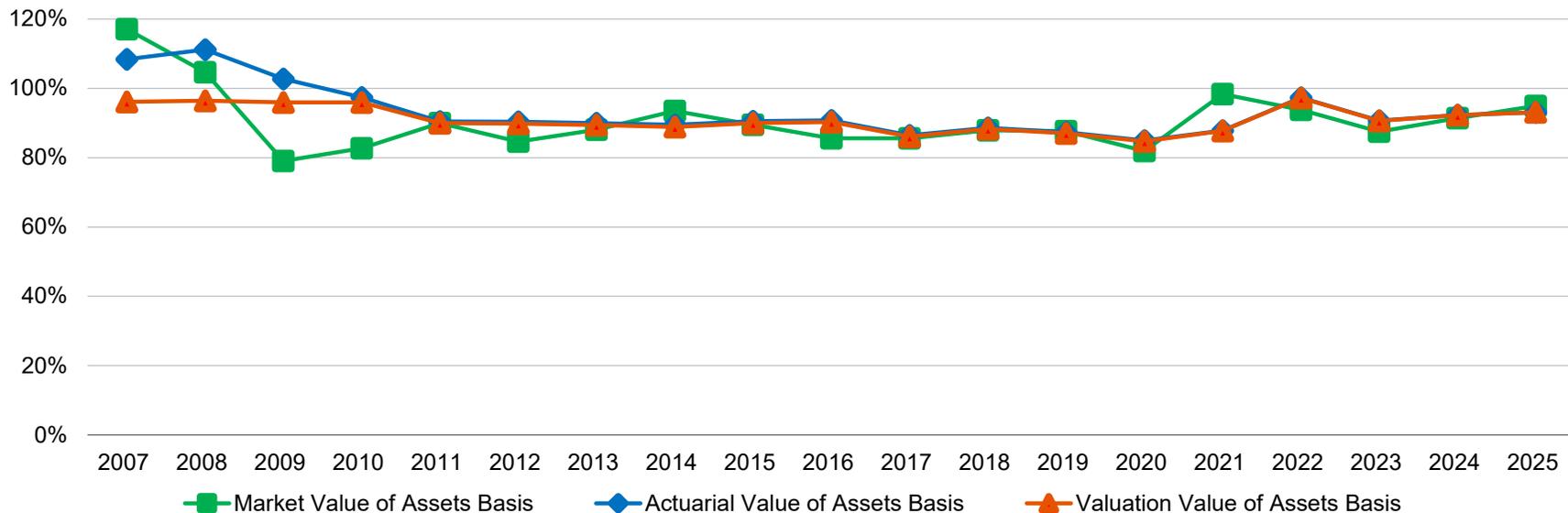
Section 2: Actuarial Valuation Results

G. Funded status

A commonly reported piece of information regarding the Plan's financial status is the funded ratio. These ratios compare the market, actuarial and valuation value of assets to the actuarial accrued liability of the Plan. Higher ratios indicate a relatively well-funded plan while lower ratios may indicate recent changes to actuarial assumptions, funding of the plan below actuarial requirements, poor asset performance, or a variety of other causes.

The funded status measures shown in this valuation are appropriate for assessing the need for or amount of future contributions. However, they are not necessarily appropriate for assessing the sufficiency of Plan assets to cover the estimated cost of settling the Plan's benefit obligations. As the chart below shows, the measures are different depending on whether the market, actuarial, or valuation value of assets is used.

Funded Ratio as of June 30



Section 2: Actuarial Valuation Results

Schedule of Funding Progress

As of June 30	Valuation Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b) – (a)	Funded Ratio (a) ÷ (b)	Projected Compensation (c)	UAAL as a % of Projected Compensation [(b) – (a)] ÷ (c)
2016	\$737,506,000	\$816,442,000	\$78,936,000	90.3%	\$115,443,000	68.4%
2017	783,848,000	910,321,000	126,473,000	86.1%	119,934,000	105.5%
2018	835,211,000	945,385,000	110,174,000	88.3%	118,800,000	92.7%
2019	869,620,000	998,690,000	129,070,000	87.1%	128,681,000	100.3%
2020	925,377,000	1,091,767,000	166,390,000	84.8%	132,291,000	125.8%
2021	1,005,105,000	1,145,580,000	140,475,000	87.7%	135,725,000	103.5%
2022	1,091,781,000	1,176,722,000	84,941,000	92.8%	134,257,000	63.3%
2023	1,144,538,000	1,262,246,000	177,708,000	90.7%	143,616,000	82.0%
2024	1,208,083,000	1,309,119,000	101,036,000	92.3%	149,618,000	67.5%
2025	1,283,817,000	1,378,997,000	95,180,000	93.1%	158,569,000	60.0%

Section 2: Actuarial Valuation Results

H. Actuarial balance sheet

An overview of the Plan's funding is given by an actuarial balance sheet. In this approach, first the amount and timing of all future payments that will be made by the Plan for current members is determined. Then these payments are discounted at the valuation interest rate to the date of the valuation, thereby determining the present value, referred to as the "liability" of the Plan.

Second, this liability is compared to the assets. The "assets" for this purpose include the net amount of assets already accumulated by the Plan, the present value of future member contributions, the present value of future employer normal cost contributions, and the present value of future employer amortization payments for the unfunded actuarial accrued liability.

Actuarial Balance Sheet as of June 30, 2025

(\$ in '000s)

Line Description	Regular and Tier 3	Supplemental	Total
Liabilities			
Present value of benefits for retired members and beneficiaries	\$671,595	\$92,671	\$764,266
Present value of benefits for inactive members	79,359	8,356	87,715
Present value of benefits for active members	787,258	64,941	852,199
Total liabilities	\$1,538,212	\$165,968	\$1,704,180
Current and Future Assets			
Total valuation value of assets	\$1,158,920	\$124,897	\$1,283,817
Present value of future contributions by members			
• Entry age normal cost	150,642	13,233	163,875
• Unfunded actuarial accrued liability	0	26,272	26,272
Present value of future employer contributions for:			
• Entry age normal cost	161,308	0	161,308
• Unfunded actuarial accrued liability	67,342	1,566	68,908
Total of current and future assets	\$1,538,212	\$165,968	\$1,704,180

Section 2: Actuarial Valuation Results

I. Risk

Because the actuarial valuation results are dependent on a fixed set of assumptions and data as of a specific date, there is risk that emerging results may differ, perhaps significantly, as actual experience is fluid and will not exactly track current assumptions. This potential divergence may have a significant impact on the future financial condition of the plan.

This report does not contain a detailed analysis of the potential range of future measurements, but does include a concise discussion of some of the primary risks that may affect the Plan's future financial condition. A more detailed assessment of the risks tailored to specific interests or concerns of the Board would provide the Board with a better understanding of the risks inherent in the Plan that can inform both financial preparation and future decision making. This assessment would enable us to work with the Board to highlight and illustrate particular risks or potential future outcomes they may be interested in discussing and could include scenario testing, sensitivity testing, stress testing and stochastic modeling.

This section provides descriptions and basic assessments of the primary risks that are likely to have an ongoing influence on the Plan's financial health, as well as a discussion of historical trends and maturity measures:

Risk assessments

- **Asset/Liability Mismatch Risk** (the potential that future plan experience does not affect asset and liability values in the same way, causing them to diverge)

The most significant asset/liability mismatch risk to the Plan is investment risk, as discussed below. In fact, investment risk has the potential to impact asset/liability mismatch in two ways. The first is evident in annual valuations; when asset values deviate from assumptions they are typically independent from liability changes. The second can be caused when systemic asset deviations from assumptions may signal the need for an assumption change, which causes liability values and contribution rates to move in the opposite direction from any change in the expected experience of asset growth rates.

Asset/liability mismatch can also be caused by demographic assumption risk such as longevity, which affects liabilities but has no impact on asset levels. This risk is also discussed below.

- **Investment Risk** (the risk that investment returns will be different than expected)

The investment return assumption is a long-term, static assumption for valuation purposes even though in reality market experience can be quite volatile in any given year. That volatility can cause significant changes in the financial condition of the Plan, affecting both funded status and contribution rates. The inherent year-to-year volatility is reduced by smoothing through the valuation value of assets, however investment experience can still have a sizable impact. As discussed in *Section 2, Subsection J, Volatility Ratios*, on page 45, a 1% asset gain or loss (relative to the assumed investment return) translates to about 8.3% of one-

Section 2: Actuarial Valuation Results

year's payroll. Since actuarial gains and losses are amortized over 15 years, there would be a 0.7% of payroll decrease/(increase) in the required contribution for each 1% asset gain/(loss).

The year-by-year market value rate of return over the last 10 years has ranged from a low of -7.45% to a high of 27.24%.

- **Longevity Risk** (the risk that mortality experience will be different than expected)

The actuarial valuation includes current life expectancy assumptions and an expectation of future improvement in life expectancy, which are significant assumptions given the relatively long duration of liabilities for pension plans. Emerging plan experience that does not match these expectations will result in increases or decreases in the actuarially determined contribution over time. This risk can be reduced by using tables appropriate for the Plan (public experience tables) that are weighted by benefit levels, and by using generational mortality projections. The Board has adopted mortality tables based on this methodology.

- **Other Risks**

In addition to longevity, the valuation includes a variety of other assumptions that are unlikely to match future experience exactly. One example is projected salary scales over time. As salary is central to the determination of benefits paid in retirement, deviations from the projected salary scales could have a material impact on the benefits anticipated for each member. Examples of other demographic assumptions include retirement, termination and disability assumptions, and will likely vary in significance for different groups (for example, disability assumptions are typically more significant for Safety groups).

Some plans also carry significant contribution risk, defined as the potential for actual future contributions deviating from expected future contributions. However, the employers have a proven track-record of making the actuarially determined contributions based on the Board's Actuarial Funding Policy, so contribution risk is minimal.

Evaluation of historical trends

Past experience can help demonstrate the sensitivity of key results to the Plan's actual experience. Over the past ten years:

- The funded percentage on the valuation value of assets basis has increased from 90.3% to 93.1%. This is primarily due to contributions made to amortize the UAAL (i.e., amortizing each layer of UAAL over 15 years as a level percentage of pay). For a more detailed history see *Section 2, Subsection G, Funded status* starting on page 38.
- The average geometric investment return on the valuation value of assets over the last 10 years was 7.18%. This includes a high of 9.82% and a low of 4.81%. The average over the last five years is 7.94%. For more details see the *Section 2, Subsection B, Historical investment returns* on page 24.
- The primary source of new UAAL was the strengthening of assumptions through multiple assumption changes. For example, the assumption changes in 2017 reduced the discount rate from 7.50% to 7.25% and updated mortality tables, adding \$46.7 million in

Section 2: Actuarial Valuation Results

unfunded liability. The assumption changes in 2020 reduced the discount rate from 7.25% to 7.00% and again updated mortality tables, adding \$64.1 million in unfunded liability. The assumption changes in 2023 reduced the discount rate from 7.00% to 6.75%, adding \$28.6 million in unfunded liability. For more details on unfunded liability changes see *Section 3, Exhibit H, Table of Amortization Bases* starting on page 62.

- The plan's funding policy effectively deals with these unfunded liabilities over time. This can be seen most clearly in *Section 3, Exhibit J, Projection of UAAL balances and payments* starting on page 67 and 68.

Maturity measures

In the last 10 years the ratio of members in pay status to active participants has increased from 0.51 to 0.63. An increased ratio indicates that the plan has grown in maturity over time. This is to be expected, but is also informative for understanding plan sensitivity to particular risks. For more details see *Section 2, Subsection A, Member information* on page 17.

As pension plans mature, the cash needed to fulfill benefit obligations will increase over time. Therefore, cash flow projections and analysis should be performed to assure that the Plan's asset allocation is aligned to meet emerging pension liabilities. Over the past year, benefits paid were \$12.4 million more than contributions received (gross of administrative expenses). Plans with high levels of negative cash flows may have a need for a larger allocation to income generating assets, which can create a drag on investment return. However, the Plan currently has a low level of negative cash flow and is relatively well funded (at a 93.1% funded ratio). For more details on historical cash flows see *Section 2, Subsection B, Financial information* on page 21.

A further discussion of plan maturity measures and how they relate to changes in assets and liabilities is included in *Section 2, Subsection J, Volatility ratios* on page 45.

Low-Default-Risk Obligation Measure (LDROM)

In December 2021, the Actuarial Standards Board issued a revision of Actuarial Standard of Practice No. 4 (ASOP 4) *Measuring Pension Obligations and Determining Pension Plan Costs or Contributions*. One of the revisions to ASOP 4 requires the disclosure of a Low-Default-Risk Obligation Measure (LDROM) when performing a funding valuation. The LDROM presented in this report is calculated using the same methodology and assumptions used to determine the AAL used for funding, except for the discount rate. The LDROM is required to be calculated using "a discount rate...derived from low-default-risk fixed income securities whose cash flows are reasonably consistent with the pattern of benefits expected to be paid in the future."

The LDROM is a calculation assuming a plan's assets are invested in an all-bond portfolio, generally lowering expected long-term investment returns. The discount rate selected and used for this purpose is the Bond Buyer General Obligation 20-year Municipal Bond Index Rate, published at the end of each week. The last published rate in June of the measurement period, by The Bond

Section 2: Actuarial Valuation Results

Buyer, is 5.20% for use effective June 30, 2025. This is the rate used to determine the discount rate for valuing reported public pension plan liabilities in accordance with Governmental Accounting Standards when plan assets are projected to be insufficient to make projected benefit payments, and the 20-year period reasonably approximates the duration of plan liabilities. The LDRM is not used to determine a plan's funded status or actuarially determined contribution rates. The plan's expected return on assets, currently 6.75%, is used for these calculations.

As of June 30, 2025, the LDRM for the Plan is \$1,706.3 million.⁴³ The difference between the Plan's actuarial accrued liability of \$1,379.0 million and the LDRM can be thought of as the increase in the actuarial accrued liability if the entire portfolio were invested in low-default-risk securities. Alternatively, this difference could also be viewed as representing the expected savings from investing in the Plan's diversified portfolio compared to investing only in low-default-risk securities.

ASOP 4 requires commentary to help the intended user understand the significance of the LDRM with respect to the funded status of the plan, plan contributions, and the security of member benefits. In general, if plan assets were invested exclusively in low-default-risk securities, the funded status would be lower and the actuarially determined contribution would be higher. While investing in a portfolio with low-default-risk securities may be more likely to reduce investment volatility and the volatility of employer contributions, it also may be more likely to result in higher employer contributions or lower benefits.

⁴³ For comparison purposes, as of June 30, 2024, the LDRM was \$1,966.6 million based on a discount rate of 3.93%, while the Plan's actuarial accrued liability was \$1,309.1 million.

Section 2: Actuarial Valuation Results

J. Volatility ratios

Retirement plans are subject to volatility in the level of required contributions. This volatility tends to increase as retirement plans become more mature.

The Asset Volatility Ratio (AVR), which is equal to the market value of assets divided by total projected compensation, provides an indication of the potential contribution volatility for any given level of investment volatility. A higher AVR indicates that the plan is subject to a greater level of contribution volatility. This is a current measurement since it is based on the current level of assets.

The current AVR is about 8.3. This means that a 1% asset gain or loss (relative to the assumed investment return) translates to about 8.3% of one-year's payroll. Since actuarial gains and losses are amortized over 15 years, there would be a 0.7% of payroll decrease/(increase) in the required contribution for each 1% asset gain/(loss).

The Liability Volatility Ratio (LVR), which is equal to the actuarial accrued liability divided by total projected compensation, provides an indication of the longer-term potential for contribution volatility for any given level of investment volatility. This is because, over an extended period of time, the plan's assets should track the plan's liabilities. For example, if a plan is 50% funded on a market value basis, the liability volatility ratio would be double the asset volatility ratio and the plan sponsor should expect contribution volatility to increase over time as the plan becomes better funded.

The LVR also indicates how volatile contributions will be in response to changes in the actuarial accrued liability due to actual experience or to changes in actuarial assumptions. The current total Plan LVR is about 8.7 but is 7.7 for General compared to 13.6 for Safety. This means, for example, that assumption changes will have a greater impact on employer contribution rates for Safety than for General. The total Plan LVR is about 5% higher than the AVR. Therefore, we would expect that contribution volatility will increase over the long term.

Section 2: Actuarial Valuation Results

Volatility Ratios

Asset Volatility Ratio (AVR) versus Liability Volatility Ratio (LVR)

As of June 30	AVR General	AVR Safety	AVR Total	LVR General	LVR Safety	LVR Total
2016	5.4	8.8	6.1	6.3	10.6	7.1
2017	5.9	9.3	6.5	6.8	11.0	7.6
2018	6.3	10.0	7.0	7.1	11.5	8.0
2019	6.0	10.4	6.8	6.9	11.9	7.8
2020	6.0	10.4	6.8	7.3	13.0	8.3
2021	7.4	12.4	8.3	7.4	13.1	8.4
2022	6.9	11.7	7.7	7.7	13.7	8.8
2023	6.8	11.6	7.7	7.7	13.8	8.8
2024	7.1	12.2	8.0	7.7	13.8	8.7
2025	7.4	12.5	8.3	7.7	13.6	8.7

Section 3: Supplemental Information

Exhibit A: Table of plan demographics

Total Plan – Demographics as of June 30

Demographic Data by Status	2025 ⁴⁴	2024 ⁴⁵	Change
Active members			
• Number	2,358	2,326	1.4%
• Average age	42.1	42.1	0.0
• Average years of service	9.7	9.8	(0.1)
• Total projected compensation	\$158,568,755	\$149,618,371	6.0%
• Average projected compensation	\$67,247	\$64,324	4.5%
• Account balances	\$158,053,268	\$151,394,635	4.4%
• Total active vested members	1,416	1,442	(1.8%)
Inactive members			
• Number	906	874	3.7%
• Average age	43.0	42.6	0.4
Retired members			
• Number	1,136	1,091	4.1%
• Average age at retirement	58.7	58.9	(0.2)
• Average age	69.7	69.8	(0.1)
• Average monthly benefit	\$3,732	\$3,662	1.9%
Disabled members			
• Number	149	150	(0.7%)
• Average age at retirement	48.2	48.3	(0.1)
• Average age	64.3	64.1	0.2
• Average monthly benefit	\$2,672	\$2,620	2.0%
Beneficiaries			
• Number	209	205	2.0%
• Average age	74.9	74.9	0.0
• Average monthly benefit	\$2,046	\$1,947	5.1%

⁴⁴ Includes 166 active members, 50 inactive vested members, 75 retired members, 29 disabled members, and 17 beneficiaries with service from both the General and Safety Tiers.

⁴⁵ Includes 159 active members, 49 inactive vested members, 70 retired members, 29 disabled members, and 17 beneficiaries with service from both the General and Safety Tiers.

Section 3: Supplemental Information

General Legacy – Demographics as of June 30

Demographic Data by Status	2025 ⁴⁶	2024 ⁴⁷	Change
Active members			
• Number	693	757	(8.5%)
• Average age	51.6	50.9	0.7
• Average years of service	19.7	19.1	0.6
• Total projected compensation	\$53,825,467	\$55,267,689	(2.6%)
• Average projected compensation	\$77,670	\$73,009	6.4%
• Account balances	\$80,598,054	\$81,472,436	(1.1%)
• Total active vested members	686	749	(8.4%)
Inactive members			
• Number	343	352	(2.6%)
• Average age	48.9	48.4	0.5
Retired members			
• Number	912	875	4.2%
• Average age at retirement	59.6	59.8	(0.2)
• Average age	70.4	70.6	(0.2)
• Average monthly benefit	\$3,417	\$3,353	1.9%
Disabled members			
• Number	71	73	(2.7%)
• Average age at retirement	51.3	51.4	(0.1)
• Average age	66.8	66.5	0.3
• Average monthly benefit	\$2,089	\$2,027	3.1%
Beneficiaries			
• Number	170	166	2.4%
• Average age	75.4	75.7	(0.3)
• Average monthly benefit	\$1,829	\$1,762	3.8%

⁴⁶ Includes 3 active members, 2 inactive vested members, 9 retired members, 3 disabled members, and 3 beneficiaries with service from both the General and Safety Legacy Tiers.

⁴⁷ Includes 4 active members, 3 inactive vested members, 7 retired members, 3 disabled members, and 3 beneficiaries with service from both the General and Safety Legacy Tiers.

Section 3: Supplemental Information

General Tier 3 – Demographics as of June 30

Demographic Data by Status	2025 ⁴⁸	2024 ⁴⁹	Change
Active members			
• Number	1,304	1,217	7.1%
• Average age	38.3	37.9	0.4
• Average years of service	4.4	4.1	0.3
• Total projected compensation	\$77,041,224	\$68,411,741	12.6%
• Average projected compensation	\$59,081	\$56,213	5.1%
• Account balances	\$30,711,272	\$25,583,711	20.0%
• Total active vested members	506	466	8.6%
Inactive members			
• Number	430	398	8.0%
• Average age	39.0	38.1	0.9
Retired members			
• Number	17	14	21.4%
• Average age at retirement	66.2	66.1	0.1
• Average age	69.3	68.9	0.4
• Average monthly benefit	\$1,078	\$863	24.9%
Disabled members			
• Number	2	1	100.0%
• Average age at retirement	44.4	48.2	(3.8)
• Average age	49.8	54.3	(4.5)
• Average monthly benefit	\$1,769	\$1,987	(11.0%)
Beneficiaries			
• Number	0	0	N/A
• Average age	N/A	N/A	N/A
• Average monthly benefit	N/A	N/A	N/A

⁴⁸ Includes 6 active members, 2 inactive vested members with service from both the General and Safety Tier 3.

⁴⁹ Includes 4 active members, 2 inactive vested members with service from both the General and Safety Tier 3.

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Safety Legacy – Demographics as of June 30

Demographic Data by Status	2025 ⁵⁰	2024 ⁵¹	Change
Active members			
• Number	126	136	(7.4%)
• Average age	46.1	45.3	0.8
• Average years of service	18.3	17.9	0.4
• Total projected compensation	\$11,830,533	\$12,115,728	(2.4%)
• Average projected compensation	\$93,893	\$89,086	5.4%
• Account balances	\$36,511,421	\$36,114,842	1.1%
• Total active vested members	124	135	(8.1%)
Inactive members			
• Number	75	74	1.4%
• Average age	44.6	44.0	0.6
Retired members			
• Number	207	202	2.5%
• Average age at retirement	54.2	54.3	(0.1)
• Average age	66.4	66.2	0.2
• Average monthly benefit	\$5,333	\$5,196	2.6%
Disabled members			
• Number	74	75	(1.3%)
• Average age at retirement	45.5	45.5	0.0
• Average age	62.8	62.3	0.5
• Average monthly benefit	\$3,277	\$3,213	2.0%
Beneficiaries			
• Number	39	39	0.0%
• Average age	73.1	71.9	1.2
• Average monthly benefit	\$2,991	\$2,732	9.5%

⁵⁰ Includes 65 active members, 30 inactive vested members, 66 retired members, 26 disabled members, and 14 beneficiaries with service from both the General and Safety Legacy Tiers.

⁵¹ Includes 70 active members, 29 inactive vested members, 63 retired members, 26 disabled members, and 14 beneficiaries with service from both the General and Safety Legacy Tiers.

Section 3: Supplemental Information

Safety Tier 3 – Demographics as of June 30

Demographic Data by Status	2025 ⁵²	2024 ⁵³	Change
Active members			
• Number	235	216	8.8%
• Average age	33.0	32.5	0.5
• Average years of service	4.8	4.4	0.4
• Total projected compensation	\$15,871,531	\$13,823,213	14.8%
• Average projected compensation	\$67,538	\$63,996	5.5%
• Account balances	\$10,232,521	\$8,223,645	24.4%
• Total active vested members	100	92	8.7%
Inactive members			
• Number	58	50	16.0%
• Average age	35.4	35.9	(0.5)
Retired members			
• Number	0	0	N/A
• Average age at retirement	N/A	N/A	N/A
• Average age	N/A	N/A	N/A
• Average monthly benefit	N/A	N/A	N/A
Disabled members			
• Number	2	1	100.0%
• Average age at retirement	40.0	34.9	5.1
• Average age	42.6	35.9	6.7
• Average monthly benefit	\$1,831	\$2,141	(14.5%)
Beneficiaries			
• Number	0	0	N/A
• Average age	N/A	N/A	N/A
• Average monthly benefit	N/A	N/A	N/A

⁵² Includes 92 active members, 16 inactive vested members with service from both the General and Safety Tier 3.

⁵³ Includes 81 active members, 15 inactive vested members with service from both the General and Safety Tier 3

Section 3: Supplemental Information

Exhibit B: Distribution of active members

Total Plan

Active Counts and Average Projected Compensation by Age and Years of Service as of June 30, 2025

Age	Total	0-4 Years	5-9 Years	10-14 Years	15-19 Years	20-24 Years	25-29 Years	30-34 Years	35-39 Years	40 Years and Over
Under 25	85	85	—	—	—	—	—	—	—	—
	\$48,656	\$48,656	—	—	—	—	—	—	—	—
25-29	295	266	29	—	—	—	—	—	—	—
	\$55,453	\$54,420	\$64,938	—	—	—	—	—	—	—
30-34	327	202	109	16	—	—	—	—	—	—
	\$59,275	\$53,087	\$68,321	\$75,770	—	—	—	—	—	—
35-39	383	165	121	76	21	—	—	—	—	—
	\$64,146	\$53,309	\$65,595	\$80,932	\$80,202	—	—	—	—	—
40-44	371	92	100	60	99	20	—	—	—	—
	\$71,818	\$53,842	\$70,830	\$76,853	\$84,334	\$82,385	—	—	—	—
45-49	334	57	54	41	82	82	17	1	—	—
	\$74,358	\$49,239	\$71,862	\$77,047	\$79,266	\$83,851	\$91,763	\$53,784	—	—
50-54	247	36	29	30	62	58	22	10	—	—
	\$77,224	\$69,291	\$73,389	\$80,439	\$72,793	\$78,108	\$86,041	\$110,198	—	—
55-59	140	20	17	19	27	28	18	8	3	—
	\$76,282	\$70,241	\$59,655	\$90,703	\$72,365	\$67,681	\$92,352	\$105,091	\$61,717	—
60-64	112	13	10	15	30	27	11	5	1	—
	\$71,422	\$76,888	\$66,740	\$65,382	\$65,628	\$66,094	\$76,249	\$126,486	\$127,101	—
65-69	47	6	8	3	11	13	5	1	—	—
	\$74,347	\$109,461	\$67,555	\$54,498	\$81,089	\$63,004	\$74,738	\$48,867	—	—
70 and over	17	2	1	2	4	4	1	2	—	1
	\$82,119	\$99,944	\$84,123	\$147,783	\$73,401	\$51,305	\$55,088	\$93,941	—	\$74,657
Total	2,358	944	478	262	336	232	74	27	4	1
	\$67,247	\$54,710	\$68,337	\$79,044	\$77,841	\$76,541	\$86,253	\$106,136	\$78,063	\$74,657

Section 3: Supplemental Information

General Legacy

Active Counts and Average Projected Compensation by Age and Years of Service as of June 30, 2025

Age	Total	0-4 Years	5-9 Years	10-14 Years	15-19 Years	20-24 Years	25-29 Years	30-34 Years	35-39 Years	40 Years and Over
Under 25	—	—	—	—	—	—	—	—	—	—
25-29	—	—	—	—	—	—	—	—	—	—
30-34	1	—	—	1	—	—	—	—	—	—
	\$74,282	—	—	\$74,282	—	—	—	—	—	—
35-39	44	1	1	30	12	—	—	—	—	—
	\$76,056	\$43,711	\$55,332	\$79,543	\$71,761	—	—	—	—	—
40-44	113	3	2	21	72	15	—	—	—	—
	\$78,810	\$64,225	\$90,973	\$76,392	\$80,571	\$75,038	—	—	—	—
45-49	173	—	2	21	66	70	13	1	—	—
	\$79,183	—	\$123,051	\$65,586	\$77,465	\$81,851	\$90,706	\$53,784	—	—
50-54	151	1	2	15	55	49	20	9	—	—
	\$78,699	\$94,240	\$143,517	\$77,018	\$71,933	\$76,200	\$84,674	\$107,044	—	—
55-59	87	—	1	6	25	28	17	7	3	—
	\$80,711	—	\$69,667	\$138,073	\$71,433	\$67,681	\$92,040	\$99,005	\$61,717	—
60-64	79	1	—	5	29	27	11	5	1	—
	\$73,146	\$231,908	—	\$76,212	\$61,474	\$66,094	\$76,249	\$126,486	\$127,101	—
65-69	32	1	1	1	10	13	5	1	—	—
	\$68,334	\$149,478	\$55,971	\$54,482	\$68,515	\$63,004	\$74,738	\$48,867	—	—
70 and over	13	—	—	1	4	4	1	2	—	1
	\$71,541	—	—	\$113,583	\$73,401	\$51,305	\$55,088	\$93,941	—	\$74,657
Total	693	7	9	101	273	206	67	25	4	1
	\$77,670	\$101,716	\$99,561	\$78,960	\$74,280	\$74,237	\$85,147	\$103,176	\$78,063	\$74,657

Section 3: Supplemental Information

General Tier 3

Active Counts and Average Projected Compensation by Age and Years of Service as of June 30, 2025

Age	Total	0-4 Years	5-9 Years	10-14 Years	15-19 Years	20-24 Years	25-29 Years	30-34 Years	35-39 Years	40 Years and Over
Under 25	58	58	—	—	—	—	—	—	—	—
	\$43,336	\$43,336	—	—	—	—	—	—	—	—
25-29	234	213	21	—	—	—	—	—	—	—
	\$53,436	\$52,379	\$64,154	—	—	—	—	—	—	—
30-34	258	172	79	7	—	—	—	—	—	—
	\$56,576	\$51,648	\$66,306	\$67,862	—	—	—	—	—	—
35-39	277	148	101	28	—	—	—	—	—	—
	\$59,278	\$52,681	\$63,626	\$78,464	—	—	—	—	—	—
40-44	193	84	83	26	—	—	—	—	—	—
	\$62,986	\$53,036	\$69,462	\$74,460	—	—	—	—	—	—
45-49	119	56	48	14	1	—	—	—	—	—
	\$62,043	\$48,514	\$68,875	\$90,999	\$86,326	—	—	—	—	—
50-54	71	33	26	12	—	—	—	—	—	—
	\$70,501	\$67,291	\$68,375	\$83,933	—	—	—	—	—	—
55-59	45	18	14	13	—	—	—	—	—	—
	\$64,878	\$66,307	\$59,362	\$68,841	—	—	—	—	—	—
60-64	32	11	10	10	1	—	—	—	—	—
	\$67,432	\$64,061	\$66,740	\$59,966	\$186,096	—	—	—	—	—
65-69	14	5	7	2	—	—	—	—	—	—
	\$78,626	\$101,457	\$69,210	\$54,506	—	—	—	—	—	—
70 and over	3	2	1	—	—	—	—	—	—	—
	\$94,671	\$99,944	\$84,123	—	—	—	—	—	—	—
Total	1,304	800	390	112	2	—	—	—	—	—
	\$59,081	\$52,935	\$66,481	\$75,828	\$136,211	—	—	—	—	—

Section 3: Supplemental Information

Safety Legacy

Active Counts and Average Projected Compensation by Age and Years of Service as of June 30, 2025

Age	Total	0-4 Years	5-9 Years	10-14 Years	15-19 Years	20-24 Years	25-29 Years	30-34 Years	35-39 Years	40 Years and Over
Under 25	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—
25-29	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—
30-34	1	—	—	1	—	—	—	—	—	—
	\$96,587	—	—	\$96,587	—	—	—	—	—	—
35-39	16	—	—	8	8	—	—	—	—	—
	\$91,858	—	—	\$91,560	\$92,156	—	—	—	—	—
40-44	42	—	1	9	27	5	—	—	—	—
	\$94,433	—	\$105,888	\$87,794	\$94,371	\$104,423	—	—	—	—
45-49	38	1	2	4	15	12	4	—	—	—
	\$91,599	\$89,824	\$95,571	\$93,001	\$86,722	\$95,514	\$95,201	—	—	—
50-54	23	1	—	3	7	9	2	1	—	—
	\$87,611	\$73,008	—	\$83,570	\$79,550	\$88,496	\$99,716	\$138,579	—	—
55-59	4	—	—	—	2	—	1	1	—	—
	\$103,352	—	—	—	\$84,023	—	\$97,667	\$147,695	—	—
60-64	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—
65-69	1	—	—	—	1	—	—	—	—	—
	\$206,832	—	—	—	\$206,832	—	—	—	—	—
70 and over	1	—	—	1	—	—	—	—	—	—
	\$181,983	—	—	\$181,983	—	—	—	—	—	—
Total	126	2	3	26	60	26	7	2	—	—
	\$93,893	\$81,416	\$99,010	\$93,227	\$91,964	\$94,798	\$96,843	\$143,137	—	—

Section 3: Supplemental Information

Safety Tier 3

Active Counts and Average Projected Compensation by Age and Years of Service as of June 30, 2025

Age	Total	0-4 Years	5-9 Years	10-14 Years	15-19 Years	20-24 Years	25-29 Years	30-34 Years	35-39 Years	40 Years and Over
Under 25	27	27	—	—	—	—	—	—	—	—
	\$60,085	\$60,085	—	—	—	—	—	—	—	—
25-29	61	53	8	—	—	—	—	—	—	—
	\$63,192	\$62,618	\$66,993	—	—	—	—	—	—	—
30-34	67	30	30	7	—	—	—	—	—	—
	\$68,887	\$61,341	\$73,627	\$80,916	—	—	—	—	—	—
35-39	46	16	19	10	1	—	—	—	—	—
	\$72,434	\$59,725	\$76,601	\$83,507	\$85,851	—	—	—	—	—
40-44	23	5	14	4	—	—	—	—	—	—
	\$70,280	\$61,158	\$73,558	\$70,210	—	—	—	—	—	—
45-49	4	—	2	2	—	—	—	—	—	—
	\$68,234	—	\$68,655	\$67,812	—	—	—	—	—	—
50-54	2	1	1	—	—	—	—	—	—	—
	\$85,060	\$106,610	\$63,511	—	—	—	—	—	—	—
55-59	4	2	2	—	—	—	—	—	—	—
	\$81,172	\$105,645	\$56,700	—	—	—	—	—	—	—
60-64	1	1	—	—	—	—	—	—	—	—
	\$62,966	\$62,966	—	—	—	—	—	—	—	—
65-69	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—
70 and over	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—
Total	235	135	76	23	1	—	—	—	—	—
	\$67,538	\$62,396	\$72,950	\$79,041	\$85,851	—	—	—	—	—

Section 3: Supplemental Information

Exhibit C: Reconciliation of member data

Line Description	Active Members	Inactive Members	Retired Members	Disabled Members	Beneficiaries	Total
Number as of June 30, 2024	2,326	874	1,091	150	205	4,646
New members	259	16	N/A	N/A	N/A	275
Terminations with vested rights	(91)	91	N/A	N/A	N/A	0
Contribution refunds	(79)	(51)	N/A	N/A	N/A	(130)
Retirements	(60)	(14)	74	N/A	N/A	0
New disabilities	(3)	(1)	(1)	5	N/A	0
Return to work	9	(9)	0	0	N/A	0
Died with or without beneficiary	(3)	0	(29)	(6)	5 ⁵⁴	(33)
Data adjustments	0	0	1	0	(1)	0
Number as of June 30, 2025	2,358	906	1,136	149	209	4,758

⁵⁴ This is the net increase/(decrease) in the number of beneficiaries after subtracting the number of beneficiaries who died during the year.

Section 3: Supplemental Information

Exhibit D: Summary of income and expenses on a market value basis

Statement of Income and Expenses for Years Ended June 30

Line Description	2025	2024
Contribution income		
• Employer contributions	\$30,523,595	\$27,366,348
• Member contributions	18,748,342	17,329,798
• Less administrative expenses	(2,548,299)	(3,000,826)
– Net contribution income	\$46,723,639	\$41,695,320
Investment income		
• Investment, dividends and other income	\$133,261,992	\$115,473,932
• Less investment	(6,535,071)	(6,683,740)
– Net investment income	\$126,726,921	\$108,790,192
Total income available for benefits	\$173,450,560	\$150,485,512
Less benefit payments		
• Service retirement	\$(58,991,122)	\$(55,935,380)
• Death payments	(379,476)	(195,962)
• Refund of contributions	(2,288,288)	(1,681,379)
– Net benefit payments	\$(61,658,886)	\$(57,812,721)
Change in market value of assets	\$111,791,674	\$92,672,791
Net assets at market value at the beginning of the year	\$1,197,046,152	\$1,104,373,361
Net assets at market value at the end of the year	\$1,308,837,826	\$1,197,046,152

Note: Results may be slightly off due to rounding.

Section 3: Supplemental Information

Exhibit E: Summary statement of plan assets

Statement of Plan Assets as of June 30

Line Description	2025	2024
Cash equivalents	\$5,337,694	\$6,493,444
Accounts receivable		
• Contributions	\$2,543,343	\$2,125,142
• Interest and dividends	1,122,889	1,186,011
• Sale of investments	552,839	0
• Other	89,820	59,782
– Total accounts receivable	\$4,308,891	\$3,370,935
Investments		
• Fixed income	\$334,359,925	\$332,760,992
• Equities	673,570,900	572,220,227
• Alternative	188,530,631	181,929,578
• Real assets	102,813,179	101,168,750
– Total investments at market value	\$1,299,274,635	\$1,188,079,547
Total assets	\$1,308,921,220	\$1,197,943,926
Accounts payable		
• Investment payables	\$(3,134)	\$(696,612)
• Other	(80,260)	(201,162)
– Total accounts payable	\$(83,394)	\$(897,774)
Net assets at market value	\$1,308,837,826	\$1,197,046,152
Net assets at actuarial value	\$1,283,816,854	\$1,208,083,277
Net assets at valuation value	\$1,283,816,854	\$1,208,083,277

Note: Results may be slightly off due to rounding.

Section 3: Supplemental Information

Exhibit F: Summary of reported reserve information

Reserve Information as of June 30, 2025

Line Description	Regular and Tier 3 Reserves	Supplemental Reserves	Total Reserves
Used in development of valuation value of assets			
• Members' deposit reserves	\$203,062,592	\$60,503,660	\$263,566,252
• Employer's advance reserves	583,881,704	1,230,644	585,112,348
• Service pension reserves (members' contributions)	142,319,033	23,516,238	165,835,271
• Service pension reserves (employer's contributions)	333,187,630	43,247,605	376,435,235
• Disability pension reserves (members' contributions)	417,376	2,909,924	3,327,300
• Disability pension reserves (employer's contributions)	15,884,080	5,509,686	21,393,766
• Survivors' death benefit reserve	8,337,459	652,739	8,990,198
• Death benefit reserve	3,433,542	0	3,433,542
Subtotal	\$1,290,523,416	\$137,570,496	\$1,428,093,912
• Contra tracking account			\$(144,277,058)
Subtotal valuation value of assets			\$1,283,816,854
Not used in development of valuation value of assets			
• Member and retiree non-valuation reserves			\$0
• Contingency reserve			0
• Employee benefit enhancement			0
• Employee COLA contribution relief			0
• Unallocated earnings			0
• Fixed asset reserve			0
• Retiree health insurance premiums			0
• Reserve for capital assets			0
• Miscellaneous			0
Subtotal			\$0
Subtotal actuarial value of assets			\$1,283,816,854
• Market stabilization reserve			\$25,020,972
Total market value assets			\$1,308,837,826

The reserves provided above are further divided into amounts to pay Basic and COLA benefits.

Note: Results may be slightly off due to rounding.

Section 3: Supplemental Information

Exhibit G: Development of the Plan through June 30, 2025

Year Ended June 30	Employer Contributions	Member Contributions	Administrative Expenses	Net Investment Return	Benefit Payments	Market Value of Assets at Year-End	Valuation Value of Assets at Year-End	Valuation Value as a Percent of Market Value
2016	\$20,506,786	\$12,918,809	\$2,303,583	\$1,726,183	\$34,668,642	\$699,069,483	\$737,505,710	105.50%
2017	21,009,400	13,299,670	2,441,608	85,772,872	37,634,981	779,074,836	783,847,755	100.61%
2018	21,014,523	13,405,766	2,224,214	61,159,489	40,946,752	831,483,648	835,211,129	100.45%
2019	26,078,469	15,085,120	2,736,486	50,186,720	44,082,381	876,015,092	869,620,635	99.27%
2020	26,378,159	15,111,979	2,742,587	27,457,377	47,202,121	895,017,899	925,376,513	103.39%
2021	27,812,265	15,022,486	2,923,519	242,359,108	50,500,650	1,126,787,589	1,005,105,128	89.20%
2022	33,723,091	16,454,735	3,015,583	(83,829,242)	53,737,387	1,036,383,203	1,091,780,908	105.35%
2023	29,345,685	16,813,311	3,286,940	81,102,474	55,984,372	1,104,373,361	1,144,538,336	103.64%
2024	27,366,348	17,329,798	3,000,826	108,790,192	57,812,721	1,197,046,152	1,208,083,277	100.92%
2025	30,523,595	18,748,342	2,548,299	126,726,922	61,658,886	1,308,837,826	1,283,816,854	98.09%

Note: Results may be slightly off due to rounding.

Section 3: Supplemental Information

Exhibit H: Table of amortization bases

Total Plan
(\$ in '000s)

Base Type	Date Established	Initial Amount	Initial Period	Outstanding Balance	Years Remaining	Annual Payment
Restart Amortization	2012	\$65,569	19	\$40,119	6	\$7,545
Actuarial Loss	2013	6,683	15	2,459	3	878
Actuarial Gain	2014	(11,644)	15	(5,401)	4	(1,472)
Assumption Changes	2014	21,648	20	16,850	9	2,224
Actuarial Gain	2015	(3,578)	15	(1,966)	5	(436)
Actuarial Loss	2016	1,512	15	941	6	177
Actuarial Loss	2017	1,805	15	1,248	7	205
Assumption Changes	2017	46,707	20	41,286	12	4,297
Actuarial Gain	2018	(14,725)	15	(11,037)	8	(1,611)
Actuarial Loss	2019	20,690	15	16,574	9	2,187
Actuarial Loss	2020	85	15	70	10	8
Assumption Changes	2020	64,113	20	60,831	15	5,321
Plan Amendment ⁵⁵	2020	(24,232)	15	(20,490)	10	(2,475)
Actuarial Gain	2021	(25,735)	15	(22,800)	11	(2,546)
Actuarial Gain	2022	(48,966)	15	(45,077)	12	(4,691)
Actuarial Loss	2023	7,346	15	6,980	13	682
Assumption Changes	2023	28,554	20	28,143	18	2,153
Actuarial Gain	2024	(12,506)	15	(12,221)	14	(1,127)
Actuarial Gain	2025	(1,329)	15	(1,329)	15	(116)
Grand Total				\$95,180		\$11,202

⁵⁵ Effective with the June 30, 2020 valuation, terminal pay was eliminated from compensation earnable for the calculation of retirement benefits.

Section 3: Supplemental Information

General Legacy Regular Plus General Tier 3 (\$ in '000s)

Base Type	Date Established	Initial Amount	Initial Period	Outstanding Balance	Years Remaining	Annual Payment
Restart Amortization	2012	\$40,847	19	\$24,993	6	\$4,700
Actuarial Loss	2013	5,116	15	1,883	3	672
Actuarial Gain	2014	(7,650)	15	(3,548)	4	(967)
Assumption Changes	2014	10,549	20	8,211	9	1,084
Actuarial Gain	2015	(2,641)	15	(1,451)	5	(322)
Actuarial Loss	2016	743	15	463	6	87
Actuarial Loss	2017	635	15	438	7	72
Assumption Changes	2017	36,622	20	32,372	12	3,369
Actuarial Gain	2018	(9,142)	15	(6,852)	8	(1,000)
Actuarial Loss	2019	15,470	15	12,391	9	1,635
Actuarial Gain	2020	(1,783)	15	(1,507)	10	(182)
Assumption Changes	2020	34,956	20	33,167	15	2,901
Plan Amendment ⁵⁶	2020	(16,148)	15	(13,653)	10	(1,649)
Actuarial Gain	2021	(19,725)	15	(17,475)	11	(1,951)
Actuarial Gain	2022	(30,968)	15	(28,508)	12	(2,967)
Actuarial Loss	2023	5,049	15	4,797	13	469
Assumption Changes	2023	16,813	20	16,571	18	1,268
Actuarial Gain	2024	(8,067)	15	(7,883)	14	(727)
Actuarial Gain	2025	(4,406)	15	(4,406)	15	(385)
Subtotal				\$50,003		\$6,106

⁵⁶ Effective with the June 30, 2020 valuation, terminal pay was eliminated from compensation earnable for the calculation of retirement benefits.

Section 3: Supplemental Information

General Legacy Supplemental (\$ in '000s)

Base Type	Date Established	Initial Amount	Initial Period	Outstanding Balance	Years Remaining	Annual Payment
Restart Amortization	2012	\$4,449	19	\$2,722	6	\$512
Actuarial Gain	2013	(213)	15	(79)	3	(28)
Actuarial Gain	2014	(687)	15	(319)	4	(87)
Assumption Changes	2014	1,702	20	1,325	9	175
Actuarial Gain	2015	(412)	15	(227)	5	(50)
Actuarial Gain	2016	(191)	15	(120)	6	(23)
Actuarial Gain	2017	(335)	15	(230)	7	(38)
Assumption Changes	2017	1,264	20	1,116	12	116
Actuarial Gain	2018	(229)	15	(172)	8	(25)
Actuarial Loss	2019	1,554	15	1,245	9	164
Actuarial Loss	2020	25	15	20	10	2
Assumption Changes	2020	6,406	20	6,078	15	532
Plan Amendment ⁵⁷	2020	(1,586)	15	(1,342)	10	(162)
Actuarial Gain	2021	(1,793)	15	(1,588)	11	(177)
Actuarial Gain	2022	(3,256)	15	(2,998)	12	(312)
Actuarial Loss	2023	302	15	287	13	28
Assumption Changes	2023	1,258	20	1,240	18	95
Actuarial Loss	2024	165	15	161	14	15
Actuarial Loss	2025	696	15	696	15	61
Subtotal				\$7,815		\$798

⁵⁷ Effective with the June 30, 2020 valuation, terminal pay was eliminated from compensation earnable for the calculation of retirement benefits.

Section 3: Supplemental Information

Safety Legacy Regular Plus Safety Tier 3 (\$ in '000s)

Base Type	Date Established	Initial Amount	Initial Period	Outstanding Balance	Years Remaining	Annual Payment
Restart Amortization	2012	\$11,321	19	\$6,927	6	\$1,303
Actuarial Loss	2013	815	15	300	3	107
Actuarial Gain	2014	(3,097)	15	(1,437)	4	(392)
Assumption Changes	2014	6,871	20	5,349	9	706
Actuarial Gain	2015	(654)	15	(359)	5	(80)
Actuarial Loss	2016	800	15	499	6	94
Actuarial Loss	2017	1,773	15	1,225	7	201
Assumption Changes	2017	7,653	20	6,765	12	704
Actuarial Gain	2018	(5,148)	15	(3,858)	8	(563)
Actuarial Loss	2019	2,488	15	1,993	9	263
Actuarial Loss	2020	1,073	15	906	10	109
Assumption Changes	2020	16,832	20	15,970	15	1,397
Plan Amendment ⁵⁸	2020	(5,136)	15	(4,343)	10	(525)
Actuarial Gain	2021	(4,214)	15	(3,734)	11	(417)
Actuarial Gain	2022	(12,322)	15	(11,344)	12	(1,181)
Actuarial Loss	2023	61	15	58	13	6
Assumption Changes	2023	6,797	20	6,699	18	513
Actuarial Gain	2024	(5,303)	15	(5,182)	14	(478)
Actuarial Loss	2025	905	15	905	15	79
Subtotal				\$17,339		\$1,847

⁵⁸ Effective with the June 30, 2020 valuation, terminal pay was eliminated from compensation earnable for the calculation of retirement benefits.

Section 3: Supplemental Information

Safety Legacy Supplemental (\$ in '000s)

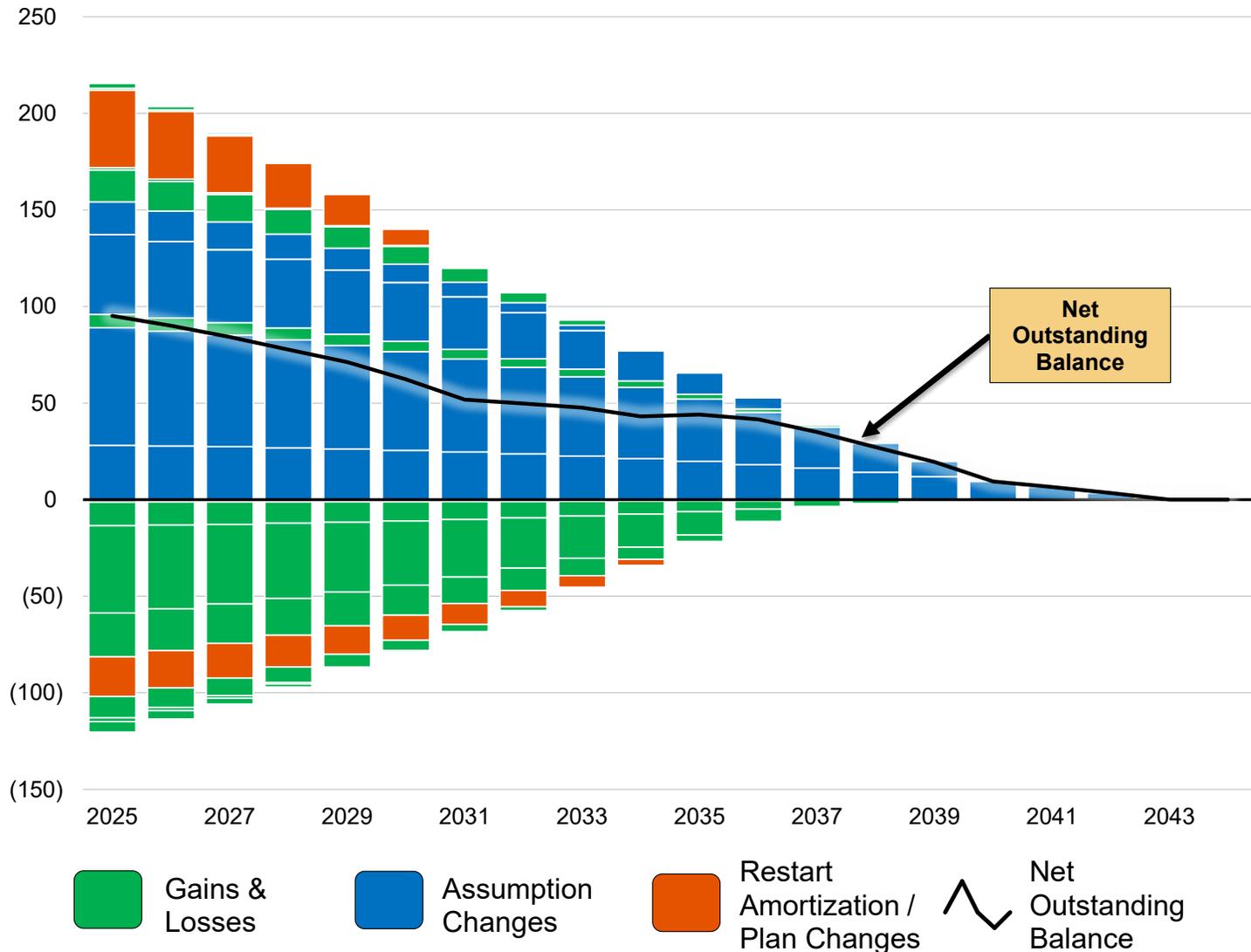
Base Type	Date Established	Initial Amount	Initial Period	Outstanding Balance	Years Remaining	Annual Payment
Restart Amortization	2012	\$8,952	19	\$5,477	6	\$1,030
Actuarial Loss	2013	965	15	355	3	127
Actuarial Gain	2014	(210)	15	(97)	4	(26)
Assumption Changes	2014	2,526	20	1,965	9	259
Actuarial Loss	2015	129	15	71	5	16
Actuarial Loss	2016	160	15	99	6	19
Actuarial Gain	2017	(268)	15	(185)	7	(30)
Assumption Changes	2017	1,168	20	1,033	12	108
Actuarial Gain	2018	(206)	15	(155)	8	(23)
Actuarial Loss	2019	1,178	15	945	9	125
Actuarial Loss	2020	770	15	651	10	79
Assumption Changes	2020	5,919	20	5,616	15	491
Plan Amendment ⁵⁹	2020	(1,362)	15	(1,152)	10	(139)
Actuarial Gain	2021	(3)	15	(3)	11	(0)
Actuarial Gain	2022	(2,420)	15	(2,227)	12	(232)
Actuarial Loss	2023	1,934	15	1,838	13	180
Assumption Changes	2023	3,686	20	3,633	18	278
Actuarial Loss	2024	699	15	683	14	63
Actuarial Loss	2025	1,476	15	1,476	15	129
Subtotal				\$20,023		\$2,451

⁵⁹ Effective with the June 30, 2020 valuation, terminal pay was eliminated from compensation earnable for the calculation of retirement benefits.

Section 3: Supplemental Information

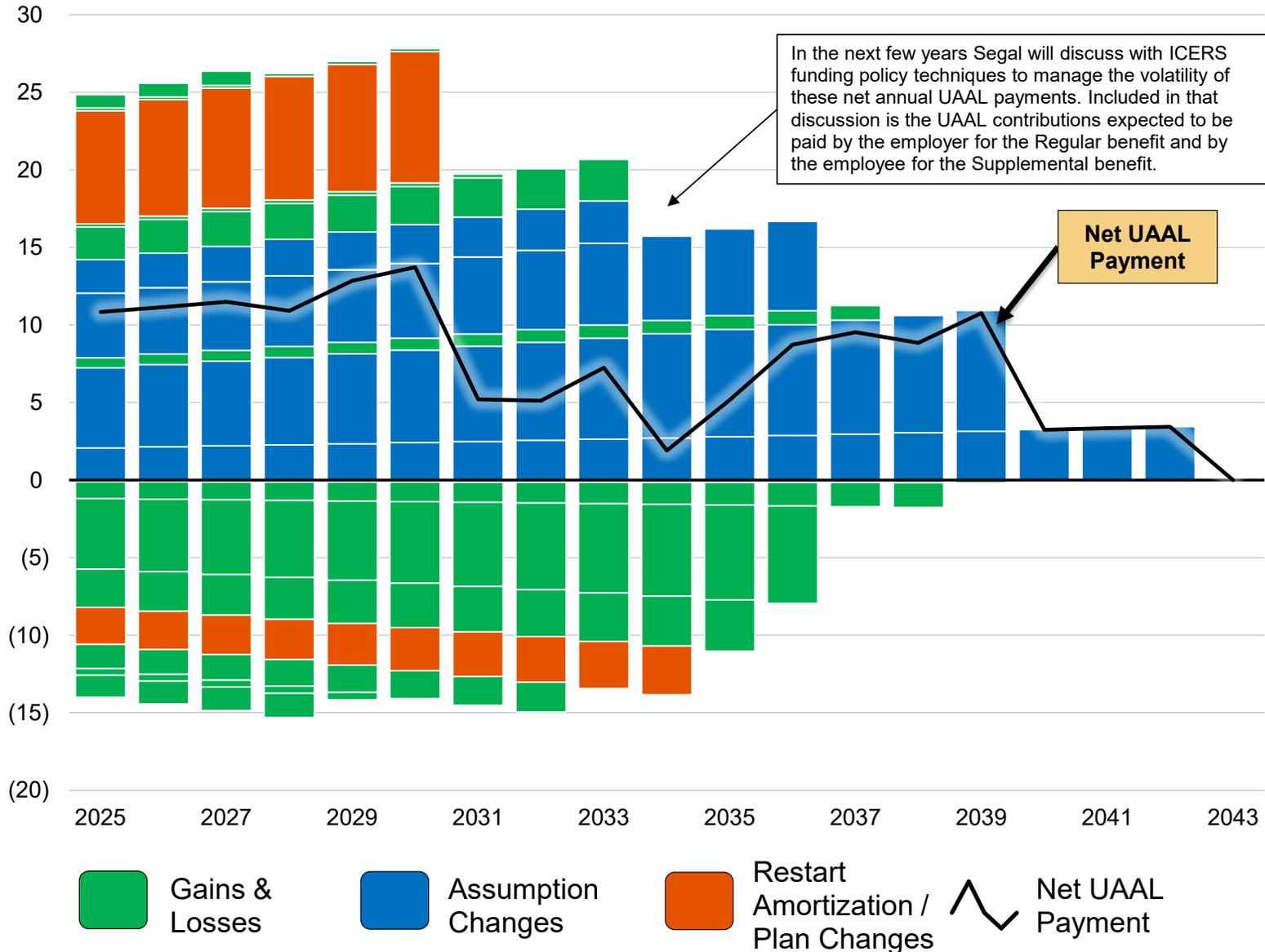
Exhibit I: Projection of UAAL balances and payments

Outstanding Balance of \$95 Million in Net UAAL as of June 30, 2025
 (\$ in Millions)



Section 3: Supplemental Information

Annual Payments Required to Amortize \$95 Million in Net UAAL as of June 30, 2025
 (\$ in Millions)



Section 4: Actuarial Valuation Basis

Exhibit 1: Actuarial assumptions, methods and models

Rationale for assumptions

The information and analysis used in selecting each assumption that has a significant effect on this actuarial valuation is shown in the July 1, 2019 through June 30, 2022 Actuarial Experience Study report dated April 12, 2023. Unless otherwise noted, all actuarial assumptions and methods shown below apply to all tiers. These assumptions were adopted by the Board.

Net investment return

6.75%; net of investment expenses.

Based on the Actuarial Experience Study referenced above, expected investment expenses (excluding investment management fees) represent about 0.05% of the actuarial value of assets.

Administrative expenses

2.10% of payroll allocated to both the employer and member based on the components of the total average contribution rate (before expenses) for the employer and member. This results in an administrative expense load as shown below:

Administrative Expenses

Category	Average Contribution Rate Before Administrative Expense	Weighting	Total Loading
Employer	18.61%	60.28%	1.27%
Member	12.26%	39.72%	0.83%
Total	30.87%	100.00%	2.10%

Under this approach, the employer normal cost rate is then increased by the same percent of payroll as the member rate with the remaining employer loading allocated to the employer UAAL rate. This is done to maintain a 50/50 sharing of normal cost for those in Tier 3. The table below shows this allocation.

Section 4: Actuarial Valuation Basis

Allocation of Administrative Expense Load as a % of Payroll

Category	Rate
Addition to employer regular basic normal cost rate	0.83%
Addition to employer regular basic UAAL rate	0.44%
Addition to member regular basic rate	0.83%
Total Addition to Contribution Rates	2.10%

The administrative expense load is added to the Regular Basic rates for employers and members.

Member contribution crediting rate

2.50%; credited semi-annually.

Inflation rate

Increase of 2.50% per year.

Cost-of-Living Adjustments (COLA)

Retiree COLA increases due to CPI subject to a 2.00% maximum change per year for all General and Safety.

Payroll growth

Inflation of 2.50% per year plus real “across the board” salary increases of 0.50% per year.

Increase in Internal Revenue Code Section 401(a)(17) compensation limit

Increase of 2.50% per year from the valuation date.

Increase in Section 7522.10 compensation limit

Increase of 2.50% per year from the valuation date.

Section 4: Actuarial Valuation Basis

Salary increases

The annual rate of compensation increase includes:

- Inflation at 2.50%, plus
- “Across-the-board” salary increase of 0.50% per year, plus
- Merit and promotion increase based on years of service:

Merit and Promotion Increases (%)

Years of Service	General	Safety
Less than 1	7.00	7.75
1–2	6.25	6.50
2–3	5.75	6.25
3–4	4.75	5.75
4–5	4.50	4.25
5–6	4.00	3.50
6–7	3.25	3.25
7–8	3.00	3.25
8–9	3.00	3.25
9–10	3.00	3.25
10–11	2.50	2.25
11–12	1.75	1.50
12–13	1.50	1.25
13–14	1.25	1.25
14–15	1.00	1.25
15 and over	1.00	1.25

Section 4: Actuarial Valuation Basis

Post-retirement mortality rates

The Pub-2010 mortality tables and adjustments as shown below reasonably reflect the mortality experience as of the measurement date. These mortality tables were adjusted to future years using the generational projection to reflect future mortality improvement between the measurement date and those years.

Healthy

- **General members**

- Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 5% for males and females, projected generationally with the two-dimensional mortality improvement scale MP-2021.

- **Safety members**

- Pub-2010 Safety Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2021.

Disabled

- **General members**

- Pub-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Table (separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2021.

- **Safety members**

- Pub-2010 Safety Disabled Retiree Amount-Weighted Mortality Table (separate tables for males and females) with rates increased by 5% for males and unadjusted for females, projected generationally with the two-dimensional mortality improvement scale MP-2021.

Beneficiary

- **Beneficiaries not currently in pay status**

- Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 5% for males and females, projected generationally with the two-dimensional mortality improvement scale MP-2021.

Section 4: Actuarial Valuation Basis

- **Beneficiaries in pay status**

- Pub-2010 Contingent Survivor Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 5% for males and unadjusted for females, projected generationally with the two-dimensional mortality improvement scale MP-2021.

Pre-retirement mortality rates

- **General members**

- Pub-2010 General Employee Amount-Weighted Above-Median Mortality Table (separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2021.

- **Safety members**

- Pub-2010 Safety Employee Amount-Weighted Above-Median Mortality Table (separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2021.

Pre-Retirement Mortality Rates (%) – Before Generational Projection from 2010

Age	General Male	General Female	Safety Male	Safety Female
20	0.04	0.01	0.04	0.02
25	0.02	0.01	0.03	0.02
30	0.03	0.01	0.04	0.02
35	0.04	0.02	0.04	0.03
40	0.06	0.03	0.05	0.04
45	0.09	0.05	0.07	0.06
50	0.13	0.08	0.10	0.08
55	0.19	0.11	0.15	0.11
60	0.28	0.17	0.23	0.14
65	0.41	0.27	0.35	0.20
70	0.61	0.44	0.66	0.39

For General members, all pre-retirement deaths are assumed to be non-service connected.

For Safety members, 50% of pre-retirement deaths are assumed to be non-service connected and the other 50% are assumed to be service connected.

Section 4: Actuarial Valuation Basis

Mortality rates for member contributions

- **General members**
 - Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 5% for males and females, projected 30 years (from 2010) with the two-dimensional mortality improvement scale MP-2021, weighted 30% male and 70% female.
- **Safety members**
 - Pub-2010 Safety Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females), projected 30 years (from 2010) with the two-dimensional mortality improvement scale MP-2021, weighted 80% male and 20% female.

Assumptions for optional form of benefits⁶⁰

Interest rate

6.75% per annum

Anticipated annual cost-of-living adjustment

2.00% per annum (Following ICERS' past practice, this assumption is only used in calculating reserves and it is not used in calculating optional benefits.)

Mortality tables

- **Service retirement**
 - **General members**
 - Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 5% for males and females, projected generationally with the two-dimensional mortality improvement scale MP-2021, weighted 30% male and 70% female.

⁶⁰ These assumptions for optional forms of payment are effective for retirements on or after July 1, 2024.

Section 4: Actuarial Valuation Basis

- **General beneficiaries**
 - Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 5% for males and females, projected generationally with the two-dimensional mortality improvement scale MP-2021, weighted 70% male and 30% female.
- **Safety members**
 - Pub-2010 Safety Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2021, weighted 80% male and 20% female.
- **Safety beneficiaries**
 - Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 5% for males and females, projected generationally with the two-dimensional mortality improvement scale MP-2021, weighted 20% male and 80% female.
- **Disability retirement**
 - **General members**
 - Pub-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Table (separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2021, weighted 30% male and 70% female.
 - **General beneficiaries**
 - Same table used for general beneficiary with service retirement.
 - **Safety members**
 - Pub-2010 Safety Disabled Retiree Amount-Weighted Mortality Table (separate tables for males and females) with rates increased by 5% for males and unadjusted for females, projected generationally with the two-dimensional mortality improvement scale MP-2021, weighted 80% male and 20% female.
 - **Safety beneficiaries**
 - Same table used for safety beneficiary with service retirement.

Section 4: Actuarial Valuation Basis

Disability

Disability Incidence Rates (%)

Age	General	Safety
20	0.000	0.020
25	0.006	0.038
30	0.016	0.230
35	0.056	0.650
40	0.122	1.030
45	0.180	1.480
50	0.260	1.820
55	0.390	2.560
60	0.630	3.450
65	0.300	1.500

70% of General disabilities are assumed to be service connected disabilities. The other 30% are assumed to be non-service connected disabilities.

100% of Safety disabilities are assumed to be service connected disabilities.

Section 4: Actuarial Valuation Basis

Termination

Termination Rates (%)

Years of Service	General	Safety
Less than 1	18.25	10.50
1–2	8.50	8.00
2–3	8.00	7.25
3–4	8.00	6.00
4–5	7.25	5.00
5–6	7.25	5.00
6–7	6.00	5.00
7–8	5.50	5.00
8–9	4.25	4.50
9–10	4.25	3.50
10–11	4.25	3.50
11–12	3.00	3.25
12–13	3.00	2.50
13–14	3.00	2.50
14–15	3.00	2.25
15–16	3.00	2.00
16–17	2.00	1.75
17–18	2.00	1.50
18–19	1.50	1.25
19–20	1.25	1.00
20 and over	1.25	1.00

Section 4: Actuarial Valuation Basis

Proportion of Total Terminations Assumed to Receive Refunds and Deferred Vested Benefits (%)

Years of Service	Refunds	Deferred Vested Benefits
0–4	100.00	0.00
5–9	40.00	60.00
10–14	30.00	70.00
15–19	30.00	70.00
20 and over	0.00	100.00

No termination is assumed after a member is eligible for retirement (as long as a retirement rate is present).

Section 4: Actuarial Valuation Basis

Retirement

Retirement Rates (%)⁶¹

Age	General Legacy: (Less than 30 Years of Service)	General Legacy: (30 or More Years of Service)	General Tier 3	Safety Legacy ⁶²	Safety Tier 3
45	0.00	0.00	0.00	3.00	0.00
46	0.00	0.00	0.00	3.00	0.00
47	0.00	0.00	0.00	5.00	0.00
48	0.00	0.00	0.00	5.00	0.00
49	0.00	0.00	0.00	12.00	0.00
50	3.00	10.00	0.00	15.00	10.00
51	3.00	10.00	0.00	20.00	7.00
52	3.00	10.00	3.00	20.00	11.00
53	3.00	10.00	2.00	20.00	12.00
54	6.00	10.00	2.50	20.00	12.00
55	8.00	25.00	4.00	20.00	14.00
56	12.00	25.00	8.25	20.00	14.00
57	6.00	25.00	5.00	20.00	14.00
58	10.00	25.00	7.50	20.00	10.00
59	8.00	25.00	6.50	25.00	10.00
60	12.00	25.00	9.50	25.00	35.00
61	16.00	25.00	11.00	25.00	35.00
62	16.00	25.00	13.50	30.00	35.00
63	20.00	25.00	20.00	30.00	35.00
64	25.00	25.00	21.00	35.00	35.00

⁶¹ The retirement rates only apply to members who are eligible to retire at the age shown.

⁶² Safety Legacy members have a 100% retirement rate upon reaching 30 years of service.

Section 4: Actuarial Valuation Basis

Age	General Legacy: (Less than 30 Years of Service)	General Legacy: (30 or More Years of Service)	General Tier 3	Safety Legacy ⁶²	Safety Tier 3
65	25.00	35.00	26.00	35.00	35.00
66	25.00	35.00	28.00	35.00	35.00
67	25.00	35.00	30.00	35.00	35.00
68	30.00	35.00	30.00	35.00	35.00
69	30.00	35.00	30.00	35.00	35.00
70	40.00	40.00	40.00	100.00	100.00
71	40.00	40.00	40.00	100.00	100.00
72	40.00	40.00	40.00	100.00	100.00
73	40.00	40.00	40.00	100.00	100.00
74	40.00	40.00	40.00	100.00	100.00
75 and over	100.00	100.00	100.00	100.00	100.00

Inactive members

Current and Future Inactive Member Assumptions

Membership and Reciprocity	% of Future Inactive Members	Retirement Age for Members with Less Than Five Years Of Service	Retirement Age for Members with Five or More Years of Service
General <i>with</i> reciprocity	60%	61	61
General <i>without</i> reciprocity	40%	70	61
Safety <i>with</i> reciprocity	70%	54	54
Safety <i>without</i> reciprocity	30%	60	54

For reciprocals, projected salary is calculated based on the salary increase assumption.

Future benefit accruals

1.0 year of service per year of employment.

Section 4: Actuarial Valuation Basis

Unknown data for members

Same as those exhibited by members with similar known characteristics. If not specified, members are assumed to be male. If not provided, salary is assumed to be equal to the average salary of the membership group and tier.

Definition of active members

All active members of ICERS as of the valuation date.

Form of payment

All active and inactive members are assumed to elect the unmodified option at retirement.

Survivor assumptions

Current Active and Inactive Member Eligible Survivor Assumptions

Member Gender	% with Eligible Survivor at Retirement or Pre-Retirement Death	Eligible Survivor Age	Eligible Survivor Gender
Male member	75%	2 years younger than member	Female
Female member	55%	2 years older than member	Male

Terminal pay assumptions

None.

Sick leave conversion

Additional Service Converted from Unused Sick Leave

Tier	Amount of Hours
General members	22 hours per year of service.
Safety members	36 hours per year of service.

Section 4: Actuarial Valuation Basis

Actuarial cost method

Entry Age Actuarial Cost Method.

Entry age is the age on the valuation date minus years of service. Normal cost and actuarial accrued liability are calculated on an individual basis and are based on costs allocated as a level percentage of compensation, as if the current benefit formula for each individual has always been in effect.

The “Average Entry Age” used in illustrating the member contribution rate for General Legacy and Safety Legacy tiers on page 12 is based on the entry age field provided by ICERS (for the purpose of determining member contribution rate for Legacy tier) in the census data.

Actuarial value of assets

Market value of assets (MVA) less unrecognized returns in each of the last ten semi-annual interest crediting periods. Unrecognized returns are equal to the difference between the actual market return and the expected return on the market value, and are recognized semi-annually over a five-year period. The actuarial value of assets (AVA) is limited by a 30% corridor; the AVA cannot be less than 70% of MVA, nor greater than 130% of MVA.

Valuation value of assets

The actuarial value of assets reduced by the value of the non-valuation reserves.

Amortization policy

The UAAL associated with the Regular Legacy Benefit as of June 30, 2012 is amortized over a declining 19-year period (with 6 years remaining as of June 30, 2025).

The UAAL associated with the Supplemental UAAL Relief for Safety members (with an outstanding balance of \$1,566,000 as of June 30, 2025) is amortized over a declining 19-year period (with 6 years remaining as of June 30, 2025).

Any new UAAL emerging after June 30, 2012 that arises due to actuarial gains or losses will be amortized over a 15-year closed period. Any change in UAAL as a result of a change in actuarial assumptions or methods will be amortized over a 20-year closed period. Any change in UAAL that arises due to plan amendments will be amortized over a 15-year closed period and any change in UAAL due to temporary retirement incentive programs will be amortized over a 5-year closed period. If ICERS becomes over 120% funded, such surplus and any subsequent surpluses will be amortized over an open amortization period of 30 years.

Section 4: Actuarial Valuation Basis

Employer contributions

The recommended employer contributions are provided in *Section 2, Subsection F* and consist of two components.

Normal Cost

The annual contribution rate that, if paid annually from a member's first year of membership through the year of retirement, would accumulate to the amount necessary to fully fund the member's retirement-related benefits. Accumulation includes annual crediting of interest at the assumed investment earning rate. The contribution rate is expressed as a level percentage of the member's compensation.

Contribution to the UAAL

The annual contribution rate that, if paid annually over the UAAL amortization period, would accumulate to the amount necessary to fully fund the UAAL. Accumulation includes annual crediting of interest at the assumed investment earning rate. The contribution (or rate credit in the case of a negative UAAL) is calculated to remain as a level percentage of future active member payroll (including payroll for new members as they enter the System) assuming a constant number of active members. In order to remain as a level percentage of payroll, amortization payments (credits) are scheduled to increase at the annual rate of 3.00% (i.e., 2.50% inflation plus 0.50% across-the-board salary increase).

The amortization policy is described on the previous page.

Member contributions

The member contribution rates for all members are provided in *Section 4, Exhibit 3*.

General Legacy and Safety Legacy Members

Articles 6 and 6.8 of the 1937 Act define the methodology to be used in the calculation of member basic contribution rates for General Legacy members and Safety Legacy members, respectively.

The basic contribution rate for the Regular benefit is determined so that the accumulation of a member's basic contributions made in a given year until a certain age will be sufficient to fund an annuity at that age that is equal to 1/120 of Final Average Salary for General and 1/100 of Final Average Salary for Safety. That age is 55 for all General and 50 for all Safety.

Section 4: Actuarial Valuation Basis

It is assumed that contributions are made annually at the same rate, starting at entry age. In addition to their basic contributions for the Regular benefit, members pay one-half of the total normal cost necessary to fund their cost-of-living Regular benefit. Accumulation includes semi-annual crediting of interest at the assumed investment earning rate.

Members pay the additional normal cost attributable to the difference between the Total (i.e., Regular plus Supplemental) and Regular benefits. In addition, members also pay for the cost of any unfunded actuarial accrued liability attributable to the difference between the Total and the Regular benefits.

General Tier 3 and Safety Tier 3 Members

Pursuant to Section 7522.30(a) of the Government Code, General Tier 3 and Safety Tier 3 members are required to contribute at least 50% of the normal cost rate. In addition, there are certain additional requirements that would have to be met such as requiring the new employees to pay the contribution rate of “similarly situated employees”, if it is greater (reference: Section 7522.30(c)). We further understand that different rules may have to be applied for collectively bargained employees, non-represented, managerial or other supervisory employees (reference: Section 7522.30(e)). In preparing the normal cost rates in this report, we have assumed that exactly 50% of the normal cost would be paid by the new members and we have taken into account in this valuation only the requirements of Section 7522.30(c), but not requirements of Section 7522.30(e).

Members also pay for the cost of any UAAL for General Legacy and Safety Legacy Tiers attributable to the difference between the Total (i.e., Regular plus Supplemental) and the Regular benefits.

The results of this valuation reflect agreements in effect for fiscal year 2025–2026 for the County to pick up the Supplemental UAAL contributions for the Tier 3 members. According to a list provided by ICERS on that date, all bargaining units covering General Tier 3 members except for Unrepresented Medical Staffs; Technical (Teamster);⁶³ Crafts, Labor and Trades (Teamster);⁶³ Clerical (Teamster);⁶³ and all bargaining units covering Safety Tier 3 members, have reached agreements with the County. Additional details, including employer rates and payroll, are provided in *Section 2*. Members belonging to the bargaining units that have reached this agreement (referenced in this valuation report as “Employer Picks Up Supplemental UAAL”) have a separate set of Tier 3 employer and member contribution rates that differ from the Tier 3 employer and member contribution rates for members who are not a part of the bargaining units that have reached this agreement (referenced in this valuation report as “Member Pays Supplemental UAAL”).

We understand that General Tier 3 members who are employed by the Courts, ICTC and LAFCO are not covered by such an agreement. For valuation purposes, we have assumed the same pick-up agreements affecting underlying employers and bargaining units will continue after fiscal year 2025–2026.

⁶³ We note that the above bargaining units have previously had their Supplemental UAAL contributions for the Tier 3 members picked up by the County.

Section 4: Actuarial Valuation Basis

Internal revenue code section 415

Section 415 of the Internal Revenue Code (IRC) specifies the maximum benefits that may be paid to an individual from a defined benefit plan and the maximum amounts that may be allocated each year to an individual's account in a defined contribution plan.

A qualified pension plan may not pay benefits in excess of the Section 415 limits. The ultimate penalty for non-compliance is disqualification: active participants could be taxed on their vested benefits and the IRS may seek to tax the income earned on the plan's assets.

In particular, Section 415(b) of the IRC limits the maximum annual benefit payable at the Normal Retirement Age to a dollar limit of \$160,000 indexed for inflation. That limit is \$280,000 for 2025. Normal Retirement Age for these purposes is age 62. These are the limits in simplified terms. They must be adjusted based on each participant's circumstances, for such things as age at retirement, form of benefits chosen and after tax contributions.

Legacy benefits in excess of the limits may be paid through a qualified governmental excess plan that meets the requirements of Section 415(m).

Legal Counsel's review and interpretation of the law and regulations should be sought on any questions in this regard.

Legacy contribution rates determined in this valuation have not been reduced for the Section 415 limitations for active and inactive vested members. Actual limitations will result in gains as they occur.

Models

Segal valuation results are based on proprietary actuarial modeling software. The actuarial valuation models generate a comprehensive set of liability and cost calculations that are presented to meet regulatory, legislative and client requirements. Our Actuarial Technology and Systems unit, comprised of both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility and user control. The client team programs the assumptions and the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible actuary.

Changes in actuarial assumptions, methods or models

There have been no changes in actuarial assumptions, methods or models since the prior valuation.

Section 4: Actuarial Valuation Basis

Exhibit 2: Summary of plan provisions

This exhibit summarizes the major provisions of the Plan included in the valuation. It is not intended to be, nor should it be interpreted as, a complete statement of all plan provisions. If the System should find the plan summary not in accordance with the actual provisions, the System should alert the actuary so they can both be sure the proper provisions are valued.

Plan year

July 1 through June 30

Membership eligibility

Membership with ICERS usually begins with the first day of the pay period following the date of appointment to a full-time position of at least 30 hours per week.

Membership Tier	Membership Eligibility
General	All General members terminated before July 1, 2005 will receive the General Regular Benefit. All General members terminated on or after July 1, 2005 with membership dates prior to January 1, 2013 will receive the Regular plus Supplemental Benefit. All other General members will receive the CalPEPRA Benefit (Tier 3).
Safety	All Safety members with membership dates prior to January 1, 2013 will receive the Regular plus Supplemental Benefit. All other Safety members will receive the CalPEPRA Benefit (Tier 3).

Final compensation and service for benefit determination

Final Compensation and Service	Plan Provision
Final average compensation	
General Legacy and Safety Legacy	Highest consecutive 12 months of compensation earnable (\$31462.1) (FAS1).
Tier 3	Highest consecutive 36 months of pensionable compensation (\$7522.32) (FAS3).

Section 4: Actuarial Valuation Basis

Final Compensation and Service	Plan Provision
Compensation limit	
Tier 3	Pensionable compensation is limited to \$186,096 for 2025. The limit is indexed for inflation on an annual basis.
Compensation earnable	
General and Safety Legacy	Includes base pay plus uniform allowance, shift differential, on-call pay, bilingual pay, training officer stipend, bomb stipend, EMT/paramedic stipend, firefighters in lieu of holiday pay, resident duty pay, educational allowance, annual vacation buyback (dept. heads and management only), staff stipend, in lieu of mileage, and sick leave buyback.
Pensionable compensation	
Tier 3	Includes base pay plus shift differential, on-call pay, bilingual pay, training officer stipend, bomb stipend, EMT/paramedic stipend, firefighters in lieu of holiday pay, hazardous stipend, educational allowance, and staff stipend.
Service	
All members	Years of service (Yrs) are generally based on a member's employment during a period of time for which deductions are made from their compensation.

Service retirement benefits

Provision by Tier	Service Retirement Plan Provision
Eligibility	
General Legacy	Age 50 with 10 years of service, or age 70 regardless of service, or after 30 years regardless of age (\$31672).
General Tier 3	Age 52 with 5 years of service (§7522.20(a)), or age 70 regardless of service (§31672.3).
Safety Legacy	Age 50 with 10 years of service, or age 60 regardless of service, or after 20 years regardless of age (\$31663.25).
Safety Tier 3	Age 50 with 5 years of service (§7522.25(d)), or age 70 regardless of service (§31672.3).
Benefit amount	
All members	The benefit formula for all members varies by membership tier and retirement age. See the tables below for a selection of benefit formulas at various ages for each membership tier.

Section 4: Actuarial Valuation Basis

Provision by Tier	Service Retirement Plan Provision
Maximum benefit	
General and Safety Legacy	100% of Highest Average Compensation (§31676.11, §31676.14, §31664, and §31664.1).
Tier 3	There is no final compensation limit on the maximum retirement benefit.

Service retirement benefit formula (sample ages)

Tier and Retirement Age	Service Retirement Benefit Formula by Tier
General Regular (§31676.11)	
Age 50	$1.24\% \times \text{FAS1} \times \text{Yrs}$
Age 55	$1.67\% \times \text{FAS1} \times \text{Yrs}$
Age 60	$2.18\% \times \text{FAS1} \times \text{Yrs}$
Age 65 and over	$2.61\% \times \text{FAS1} \times \text{Yrs}$
General Regular Plus Supplemental (§31676.14)	
Age 50	$1.48\% \times \text{FAS1} \times \text{Yrs}$
Age 55	$1.95\% \times \text{FAS1} \times \text{Yrs}$
Age 60	$2.44\% \times \text{FAS1} \times \text{Yrs}$
Age 65 and over	$2.61\% \times \text{FAS1} \times \text{Yrs}$
General Tier 3 (§7522.20(a))	
Age 52	$1.00\% \times \text{FAS3} \times \text{Yrs}$
Age 55	$1.30\% \times \text{FAS3} \times \text{Yrs}$
Age 60	$1.80\% \times \text{FAS3} \times \text{Yrs}$
Age 62	$2.00\% \times \text{FAS3} \times \text{Yrs}$
Age 65	$2.30\% \times \text{FAS3} \times \text{Yrs}$
Age 67 and over	$2.50\% \times \text{FAS3} \times \text{Yrs}$

Section 4: Actuarial Valuation Basis

Tier and Retirement Age	Service Retirement Benefit Formula by Tier
Safety Regular (§31664)	
Age 50	$2.00\% \times \text{FAS1} \times \text{Yrs}$
Age 55 and over	$2.62\% \times \text{FAS1} \times \text{Yrs}$
Safety Regular Plus Supplemental (§31664.1)	
Age 50 and over	$3.00\% \times \text{FAS1} \times \text{Yrs}$
Safety Tier 3 (§7522.25(d))	
Age 50	$2.00\% \times \text{FAS3} \times \text{Yrs}$
Age 55	$2.50\% \times \text{FAS3} \times \text{Yrs}$
Age 57 and over	$2.70\% \times \text{FAS3} \times \text{Yrs}$

Disability benefits

Non-service connected disability

Provision by Tier	Non-Service Connected Disability Plan Provision
Eligibility	
All members	Five years of service (§31720).
Benefit amount	
All members	20% of Final Compensation for the first five years of service plus 2% for each year of additional service for a maximum of 40% of Final Compensation (§31727.7). The service retirement benefit is paid, if greater.

Service connected disability (line-of-duty)

Provision by Tier	Service Connected Disability Plan Provision
Eligibility	
All members	No age or service requirements (§31720).

Section 4: Actuarial Valuation Basis

Provision by Tier	Service Connected Disability Plan Provision
Benefit amount	
All members	50% of the Final Compensation or 100% of Service Retirement benefit, if greater (§31727.4).

Pre-retirement death benefits

Basic death benefit

Provision by Tier	Pre-Retirement Death (Basic Death) Benefit Plan Provision
Eligibility	
All members	No age or service requirements.
Vested members	Five years of service.
Benefit amount	
All members	Refund of employee contributions with interest, plus one month's compensation for each year of service, to a maximum of six months' compensation (§31781).
Vested members	60% of the greater of Service Retirement or Ordinary Disability Retirement benefit payable to surviving eligible spouse (§31765.1, §31781.1), in lieu of the basic lump sum benefit above.

Line-of-duty death benefit

Provision by Tier	Pre-Retirement Death (Line-of-Duty) Benefit Plan Provision
Eligibility	
All members	No age or service requirements.
Safety members	No age or service requirements, violent death.
Benefit amount	
All members	50% of Final Compensation or 100% of Service Retirement benefit, if greater, payable to spouse or minor children (§31787).
Safety members	Additional lump sum of twelve months' compensation.

Section 4: Actuarial Valuation Basis

Post-retirement death benefits

Service retirement or non-service connected disability retirement

Unless another option was selected at retirement, 60% of member's unmodified allowance continued to eligible spouse (§31760.1) and \$5,000 lump sum benefit payable to member's beneficiary (§31789.3). An eligible spouse is a surviving spouse who was married to the member at least one year prior to the date of retirement (§31760.1) or at least two years prior to the date of death and has attained age 55 on or prior to the date of death (§31786.1).

Line-of-duty disability

Unless another option was selected at retirement, 100% of member's allowance continued to eligible spouse (§31786).

Withdrawal benefits

Less than five years of service

Refund of accumulated employee contributions with interest, or earned benefit at age 70 (§31628). Effective January 1, 2003, a member may also elect to leave contributions on deposit in the retirement fund (§31629.5).

Five or more years of service

If contributions left on deposit, a member is entitled to earned benefits commencing at any time after eligible to retire (§31700).

Post-retirement cost-of-living benefits

Future changes based on Consumer Price Index to a maximum of 2% per year; excess "banked" (§31870).

Member contributions

Please refer to *Section 4, Exhibit 3* for specific rates.

Section 4: Actuarial Valuation Basis

Provision by Tier	Member Contribution Plan Provision
General Legacy	
Basic Regular contributions	Entry-age-based rates that provide for an annuity at age 55 equal to 1/120 of FAS1 (§31621.1).
Cost-of-Living Regular contributions	Entry-age-based rates that provide for one-half of future Cost-of-Living costs.
Supplemental contributions	Members pay the additional normal cost attributable to the difference between the Total (i.e., Regular and Supplemental benefits) and Regular benefits. In addition, members also pay for the cost of any UAAL attributable to the difference between the Total and the Regular benefits.
Employer Pickup contributions	3% of pay.
General Tier 3	
Contributions	Non-entry age based rates that provide for 50% of total normal cost rate.
Supplemental UAAL contributions	Members also pay, as the same level percentage salary as all other General members, the cost of any UAAL attributable to the difference between the Total and the Regular benefits for General Legacy members.
Employer Pickup contributions	Certain General County bargaining units have reached an agreement for the employer to pick up the Supplemental UAAL contributions for the Tier 3 members. Details are provided in <i>Section 4, Exhibit 1</i> .
Safety Legacy	
Basic Regular contributions	Entry-age-based rates that provide for an annuity at age 50 equal to 1/100 of FAS1 (§31639.25).
Cost-of-Living Regular contributions	Entry-age-based rates that provide for one-half of future Cost-of-Living costs.
Supplemental contributions	Members pay the additional normal cost attributable to the difference between the Total (i.e., Regular and Supplemental benefits) and Regular benefits. In addition, members also pay for the cost of any UAAL attributable to the difference between the Total and the Regular benefits.
Employer Pickup contributions	3% of pay.
Safety Tier 3	
Contributions	Non-entry-age-based rates that provide for 50% of total normal cost rate.
Supplemental UAAL contributions	Members also pay, as the same level percentage salary as all other Safety members, the cost of any UAAL attributable to the difference between the Total and the Regular benefits for Safety Legacy members.
Employer Pickup contributions	All Safety County bargaining units have reached an agreement for the employer to pick up the Supplemental UAAL contributions for the Tier 3 members. Details are provided in <i>Section 4, Exhibit 1</i> .

Section 4: Actuarial Valuation Basis

Other information

Safety Legacy members with 30 or more years of service are exempt from paying member contributions. The same applies for General Legacy members hired on or before March 7, 1973.

Changes in plan provisions

There have been no changes in plan provisions since the prior valuation.

Section 4: Actuarial Valuation Basis

Exhibit 3: Member contribution rates

Comparison of Total Member Rate

Entry Age	Based on June 30, 2025 Valuation ⁶⁴	Based on June 30, 2024 Valuation ⁶⁵	Change
General Legacy			
25	10.47%	10.43%	0.04%
35	12.23%	12.19%	0.04%
45	14.28%	14.24%	0.04%
General Tier 3 (Member pays supplemental UAAL)			
All ages	11.33%	11.28%	0.05%
General Tier 3 (Employer picks up supplemental UAAL)			
All ages	10.66%	10.64%	0.02%
Safety Legacy			
25	28.78%	28.58%	0.20%
35	31.30%	31.08%	0.22%
45	33.24%	33.02%	0.22%
Safety Tier 3 (Member pays supplemental UAAL)			
All ages	25.36%	25.06%	0.30%
Safety Tier 3 (Employer picks up supplemental UAAL)			
All ages	16.85%	16.76%	0.09%

⁶⁴ Includes an explicit administrative expense load of 0.83% payroll that have been allocated to the June 30, 2025 member contribution rates.

⁶⁵ Includes an explicit administrative expense load of 0.82% payroll that have been allocated to the June 30, 2024 member contribution rates.

Section 4: Actuarial Valuation Basis

General Legacy Members' Contribution Rates (as a % of Monthly Payroll)

Entry Age	Basic	COLA	Supplemental ⁶⁶	Pickup	Total
15	7.32%	1.73%	3.13%	(3.00%)	9.18%
16	7.32%	1.73%	3.13%	(3.00%)	9.18%
17	7.42%	1.75%	3.13%	(3.00%)	9.30%
18	7.53%	1.78%	3.13%	(3.00%)	9.44%
19	7.64%	1.81%	3.13%	(3.00%)	9.58%
20	7.75%	1.84%	3.13%	(3.00%)	9.72%
21	7.86%	1.87%	3.13%	(3.00%)	9.86%
22	7.98%	1.90%	3.13%	(3.00%)	10.01%
23	8.09%	1.93%	3.13%	(3.00%)	10.15%
24	8.21%	1.96%	3.13%	(3.00%)	10.30%
25	8.34%	2.00%	3.13%	(3.00%)	10.47%
26	8.46%	2.03%	3.13%	(3.00%)	10.62%
27	8.59%	2.07%	3.13%	(3.00%)	10.79%
28	8.72%	2.10%	3.13%	(3.00%)	10.95%
29	8.85%	2.13%	3.13%	(3.00%)	11.11%
30	8.98%	2.17%	3.13%	(3.00%)	11.28%
31	9.12%	2.21%	3.13%	(3.00%)	11.46%
32	9.27%	2.25%	3.13%	(3.00%)	11.65%
33	9.42%	2.29%	3.13%	(3.00%)	11.84%
34	9.57%	2.33%	3.13%	(3.00%)	12.03%
35	9.73%	2.37%	3.13%	(3.00%)	12.23%
36	9.89%	2.41%	3.13%	(3.00%)	12.43%

⁶⁶ The breakdown of the Supplemental Benefit into normal cost and UAAL rates is as follows:

Benefit	Rate
Normal cost:	2.46%
UAAL:	0.67%
Total:	3.13%

Section 4: Actuarial Valuation Basis

Entry Age	Basic	COLA	Supplemental ⁶⁶	Pickup	Total
37	10.06%	2.46%	3.13%	(3.00%)	12.65%
38	10.24%	2.50%	3.13%	(3.00%)	12.87%
39	10.43%	2.56%	3.13%	(3.00%)	13.12%
40	10.63%	2.61%	3.13%	(3.00%)	13.37%
41	10.82%	2.66%	3.13%	(3.00%)	13.61%
42	11.00%	2.71%	3.13%	(3.00%)	13.84%
43	11.17%	2.75%	3.13%	(3.00%)	14.05%
44	11.28%	2.78%	3.13%	(3.00%)	14.19%
45	11.35%	2.80%	3.13%	(3.00%)	14.28%
46	11.43%	2.82%	3.13%	(3.00%)	14.38%
47	11.53%	2.85%	3.13%	(3.00%)	14.51%
48	11.61%	2.87%	3.13%	(3.00%)	14.61%
49	11.65%	2.88%	3.13%	(3.00%)	14.66%
50	11.64%	2.88%	3.13%	(3.00%)	14.65%
51	11.64%	2.88%	3.13%	(3.00%)	14.65%
52	11.55%	2.85%	3.13%	(3.00%)	14.53%
53	11.44%	2.82%	3.13%	(3.00%)	14.39%
54 and over	11.29%	2.78%	3.13%	(3.00%)	14.20%

Interest: 6.75% per annum

COLA: 2.00%

Administrative Expenses: 0.83% of payroll added to Basic rates

Mortality: See *Section 4, Exhibit 1*

Salary Increase: Inflation (2.50%) + Across-the-Board Increase (0.50%) + Merit (See *Section 4, Exhibit 1*)

COLA Loading Factor: 26.62% for Regular benefits, applied to Basic rates prior to adjustment for administrative expenses

Non-Refundability Factor: 90.52%

Section 4: Actuarial Valuation Basis

General Tier 3 Members' Contribution Rates Member Pays Supplemental UAAL *(as a % of Monthly Payroll)*⁶⁷

Entry Age	Basic	COLA	Legacy Supplemental UAAL	Total
All ages	8.79%	1.87%	0.67%	11.33%

General Tier 3 Members' Contribution Rates Employer Picks Up Supplemental UAAL *(as a % of Monthly Payroll)*⁶⁷

Entry Age	Basic	COLA	Legacy Supplemental UAAL	Total
All ages	8.79%	1.87%	0.00%	10.66%

The General Tier 3 member contribution rate is 50% of the total normal cost (Basic + COLA) plus, as the same level percentage salary as all other General members, the cost of any UAAL attributable to the difference between the Total and the Regular benefits for General Legacy members. The Basic rate shown above also includes an administrative expense load of 0.83% of payroll.

⁶⁷ It is our understanding that in the determination of pension benefits under the CalPEPRA formulas, the maximum compensation that can be taken into account for 2025 is equal to \$186,096 (reference: Section 7522.10). These amounts should be adjusted for changes to the Consumer Price Index for All Urban Consumers after 2025 (reference: Section 7522.10(d)).

Section 4: Actuarial Valuation Basis

Safety Legacy Members' Contribution Rates (as a % of Monthly Payroll)

Entry Age	Basic	COLA	Supplemental ⁶⁸	Pickup	Total
15	9.92%	3.26%	16.84%	(3.00%)	27.02%
16	9.92%	3.26%	16.84%	(3.00%)	27.02%
17	10.06%	3.31%	16.84%	(3.00%)	27.21%
18	10.19%	3.35%	16.84%	(3.00%)	27.38%
19	10.33%	3.40%	16.84%	(3.00%)	27.57%
20	10.47%	3.45%	16.84%	(3.00%)	27.76%
21	10.61%	3.50%	16.84%	(3.00%)	27.95%
22	10.76%	3.56%	16.84%	(3.00%)	28.16%
23	10.91%	3.61%	16.84%	(3.00%)	28.36%
24	11.06%	3.67%	16.84%	(3.00%)	28.57%
25	11.22%	3.72%	16.84%	(3.00%)	28.78%
26	11.37%	3.78%	16.84%	(3.00%)	28.99%
27	11.54%	3.84%	16.84%	(3.00%)	29.22%
28	11.70%	3.89%	16.84%	(3.00%)	29.43%
29	11.88%	3.96%	16.84%	(3.00%)	29.68%
30	12.06%	4.02%	16.84%	(3.00%)	29.92%
31	12.24%	4.09%	16.84%	(3.00%)	30.17%
32	12.43%	4.16%	16.84%	(3.00%)	30.43%
33	12.63%	4.23%	16.84%	(3.00%)	30.70%
34	12.84%	4.30%	16.84%	(3.00%)	30.98%
35	13.07%	4.39%	16.84%	(3.00%)	31.30%
36	13.30%	4.47%	16.84%	(3.00%)	31.61%

⁶⁸ The breakdown of the Supplemental Benefit into normal cost and UAAL rates is as follows:

Benefit	Rate
Normal cost:	8.33%
UAAL:	8.51%
Total:	16.84%

Section 4: Actuarial Valuation Basis

Entry Age	Basic	COLA	Supplemental ⁶⁸	Pickup	Total
37	13.56%	4.56%	16.84%	(3.00%)	31.96%
38	13.81%	4.65%	16.84%	(3.00%)	32.30%
39	13.98%	4.71%	16.84%	(3.00%)	32.53%
40	14.05%	4.74%	16.84%	(3.00%)	32.63%
41	14.13%	4.77%	16.84%	(3.00%)	32.74%
42	14.23%	4.80%	16.84%	(3.00%)	32.87%
43	14.34%	4.84%	16.84%	(3.00%)	33.02%
44	14.45%	4.88%	16.84%	(3.00%)	33.17%
45	14.50%	4.90%	16.84%	(3.00%)	33.24%
46	14.41%	4.87%	16.84%	(3.00%)	33.12%
47	14.28%	4.82%	16.84%	(3.00%)	32.94%
48	14.13%	4.77%	16.84%	(3.00%)	32.74%
49 and over	13.89%	4.68%	16.84%	(3.00%)	32.41%

Interest: 6.75% per annum

COLA: 2.00%

Administrative Expenses: 0.83% of payroll added to Basic rates

Mortality: See *Section 4, Exhibit 1*

Salary Increase: Inflation (2.50%) + Across-the-Board Increase (0.50%) + Merit (See *Section 4, Exhibit 1*)

COLA Loading Factor: 35.83% for Regular benefits, applied to Basic rates prior to adjustment for administrative expenses

Non-Refundability Factor: 91.45%

Section 4: Actuarial Valuation Basis

Safety Tier 3 Members' Contribution Rates Member Pays Supplemental UAAL *(as a % of Monthly Payroll)*⁶⁹

Entry Age	Basic	COLA	Legacy Supplemental UAAL	Total
All ages	13.31%	3.54%	8.51%	25.36%

Safety Tier 3 Members' Contribution Rates Employer Picks Up Supplemental UAAL *(as a % of Monthly Payroll)*⁶⁹

Entry Age	Basic	COLA	Legacy Supplemental UAAL	Total
All ages	13.31%	3.54%	0.00%	16.85%

The Safety Tier 3 member contribution rate is 50% of the total normal cost (Basic + COLA) plus, as the same level percentage salary as all other Safety members, the cost of any UAAL attributable to the difference between the Total and the Regular benefits for Safety Legacy members. The Basic rate shown above also includes an administrative expense load of 0.83% of payroll.

⁶⁹ It is our understanding that in the determination of pension benefits under the CalPEPRA formulas, the maximum compensation that can be taken into account for 2025 is equal to \$186,096 (reference: Section 7522.10). These amounts should be adjusted for changes to the Consumer Price Index for All Urban Consumers after 2025 (reference: Section 7522.10(d)).

Appendix A: Definition of Pension Terms

The following list defines certain technical terms for the convenience of the reader:

Term	Definition
Actuarial accrued liability for actives	The equivalent of the accumulated normal costs allocated to the years before the valuation date.
Actuarial accrued liability for retirees and beneficiaries	Actuarial present value of lifetime benefits to existing retirees and beneficiaries. This sum takes account of life expectancies appropriate to the ages of the annuitants and the interest that the sum is expected to earn before it is entirely paid out in benefits.
Actuarial cost method	A procedure allocating the actuarial present value of future benefits to various time periods; a method used to determine the normal cost and the actuarial accrued liability that are used to determine the actuarially determined contribution.
Actuarial gain or loss	A measure of the difference between actual experience and that expected based upon a set of actuarial assumptions, during the period between two actuarial valuation dates. To the extent that actual experience differs from that assumed, actuarial accrued liabilities emerge which may be the same as forecasted or may be larger or smaller than projected. Actuarial gains are due to favorable experience, e.g., assets earn more than projected, salary increases are less than assumed, members retire later than assumed, etc. Favorable experience means actual results produce actuarial liabilities not as large as projected by the actuarial assumptions. On the other hand, actuarial losses are the result of unfavorable experience, i.e., actual results yield actuarial liabilities that are larger than projected.
Actuarially equivalent	Of equal actuarial present value, determined as of a given date and based on a given set of actuarial assumptions.
Actuarial present value	<p>The value of an amount or series of amounts payable or receivable at various times, determined as of a given date by the application of a particular set of actuarial assumptions. Each such amount or series of amounts is:</p> <p>Adjusted for the probable financial effect of certain intervening events (such as changes in compensation levels, marital status, etc.)</p> <p>Multiplied by the probability of the occurrence of an event (such as survival, death, disability, withdrawal, etc.) on which the payment is conditioned, and</p> <p>Discounted according to an assumed rate (or rates) of return to reflect the time value of money.</p>

Appendix A: Definition of Pension Terms

Term	Definition
Actuarial present value of future benefits	The actuarial present value of benefit amounts expected to be paid at various future times under a particular set of actuarial assumptions, taking into account such items as the effect of advancement in age, anticipated future compensation, and future service credits. The actuarial present value of future benefits includes the liabilities for active members, retired members, beneficiaries receiving benefits, and inactive members entitled to either a refund of member contributions or a future retirement benefit. Expressed another way, it is the value that would have to be invested on the valuation date so that the amount invested plus investment earnings would provide sufficient assets to pay all projected benefits and expenses when due.
Actuarial valuation	The determination, as of a valuation date, of the Normal cost, actuarial accrued liability, actuarial value of assets, and related actuarial present values for a plan, as well as actuarially determined contributions.
Actuarial value of assets	The value of the Plan's assets as of a given date, used by the actuary for valuation purposes. This may be the market or fair value of plan assets, but commonly plans use a smoothed value in order to reduce the year-to-year volatility of calculated results, such as the funded ratio and the actuarially determined contribution.
Actuarially determined	Values that have been determined utilizing the principles of actuarial science. An actuarially determined value is derived by application of the appropriate actuarial assumptions to specified values determined by provisions of the Plan.
Actuarially determined contribution	The employer's contributions, expressed as a dollar amount or a percentage of covered plan compensation, determined under the Plan's funding policy. The actuarially determined contribution consists of the employer normal cost and the amortization payment.
Amortization method	A method for determining the amortization payment. The most common methods used are level dollar and level percentage of payroll. Under the level dollar method, the amortization payment is one of a stream of payments, all equal, whose actuarial present value is equal to the unfunded actuarial accrued liability. Under the level percentage of pay method, the amortization payment is one of a stream of increasing payments, whose actuarial present value is equal to the unfunded actuarial accrued liability. Under the level percentage of pay method, the stream of payments increases at the assumed rate at which total covered payroll of all active members will increase.
Amortization payment	The portion of the pension plan contribution, or actuarially determined contribution, that is intended to pay off the unfunded actuarial accrued liability.

Appendix A: Definition of Pension Terms

Term	Definition
Assumptions or actuarial assumptions	The estimates upon which the cost of the Plan is calculated, including: Investment return — the rate of investment yield that the Plan will earn over the long-term future; Mortality rates — the rate or probability of death at a given age for employees and retirees; Retirement rates — the rate or probability of retirement at a given age or service; Disability rates — the rate or probability of disability retirement at a given age; Withdrawal rates — the rate or probability at which employees of various ages are expected to leave employment for reasons other than death, disability, or retirement; Salary increase rates — the rates of salary increase due to inflation, real wage growth and merit and promotion increases.
Closed amortization period	A specific number of years that is counted down by one each year, and therefore declines to zero with the passage of time. For example, if the amortization period is initially set at 20 years, it is 19 years at the end of one year, 18 years at the end of two years, etc. See “open amortization period.”
Decrements	Those causes/events due to which a member’s status (active-inactive-retiree-beneficiary) changes, that is: death, retirement, disability, or withdrawal.
Defined benefit plan	A retirement plan in which benefits are defined by a formula based on the member’s compensation, age and/or years of service.
Defined contribution plan	A retirement plan, such as a 401(k) plan, a 403(b) plan, or a 457 plan, in which the contributions to the plan are assigned to an account for each member, the plan’s earnings are allocated to each account, and each member’s benefits are a direct function of the account balance.
Employer normal cost	The portion of the normal cost to be paid by the employer. This is equal to the normal cost less expected member contributions.
Experience study	A periodic review and analysis of the actual experience of the Plan that may lead to a revision of one or more actuarial assumptions. Actual rates of decrement and salary increases are compared to the actuarially assumed values and modified based on recommendations from the Actuary.
Funded ratio	The ratio of the valuation value of assets to the actuarial accrued liability. Plans sometimes also calculate a market funded ratio, using the market value of assets, rather than the valuation value of assets.
GASB 67 and GASB 68	Governmental Accounting Standards Board (GASB) Statements No. 67 and No. 68. These are the governmental accounting standards that set the accounting rules for public retirement systems and the employers that sponsor or contribute to them. Statement No. 68 sets the accounting rules for the employers that sponsor or contribute to public retirement systems, while Statement No. 67 sets the rules for the systems themselves.

Appendix A: Definition of Pension Terms

Term	Definition
Investment return	The rate of earnings of the Plan from its investments, including interest, dividends and capital gain and loss adjustments, computed as a percentage of the average value of the fund. For actuarial purposes, the investment return often reflects a smoothing of the capital gains and losses to avoid significant swings in the value of assets from one year to the next.
Negative amortization	Negative amortization is a result of an increase in the unfunded actuarial accrued liability when the amortization payment is less than the interest accrued on the unfunded actuarial accrued liability.
Net pension liability	The net pension liability is equal to the total pension liability minus the plan fiduciary net position.
Normal cost	The portion of the actuarial present value of future benefits and expenses, if applicable, allocated to a valuation year by the actuarial cost method. Any payment with respect to an unfunded actuarial accrued liability is not part of the normal cost (see “amortization payment”). For pension plan benefits that are provided in part by employee contributions, normal cost refers to the total of member contributions and employer normal cost unless otherwise specifically stated.
Open amortization period	An open amortization period is one which is used to determine the amortization payment but which does not change over time. If the initial period is set as 30 years, the same 30-year period is used in each future year in determining the amortization period.
Plan fiduciary net position	Market value of assets.
Service costs	The portions of the actuarial present value of projected benefit payments that are attributed to valuation years.
Total pension liability	The actuarial accrued liability under the entry age normal cost method and based on the blended discount rate as described in GASB 67 and 68.
Unfunded actuarial accrued liability	The excess of the actuarial accrued liability over the valuation value of assets. This value may be negative, in which case it may be expressed as a negative unfunded actuarial accrued liability, also called the funding surplus or an overfunded actuarial accrued liability.
Valuation date or actuarial valuation date	The date as of which the value of assets is determined and as of which the Actuarial Present Value of Future Benefits is determined. The expected benefits to be paid in the future are discounted to this date.
Valuation value of assets	The actuarial value of assets reduced by the value of non-valuation reserves.

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