



CURRAN ACTUARIAL
— CONSULTING, LTD. —

Actuarial Valuation
June 30, 2025

Municipal Employees'
Retirement System



November 25, 2025

Board of Trustees
Municipal Employees' Retirement System
7937 Office Park Boulevard
Baton Rouge, Louisiana 70809

Ladies and Gentlemen:

We are pleased to present our report on the actuarial valuation of the Municipal Employees' Retirement System for the fiscal year ending June 30, 2025. Our report is based on the actuarial assumptions specified and relies on the data supplied by the system's administrators and accountants. This report was prepared at the request of the Board of Trustees of the Municipal Employees' Retirement System of the State of Louisiana. The primary purpose of this report is to determine the actuarially required contribution for the retirement system for the fiscal year ending June 30, 2026, and to recommend the net direct employer contribution rate for Fiscal 2027.

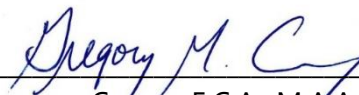
This report does not contain the information necessary for accounting disclosures as required by Governmental Accounting Standards Board (GASB) Statements 68; that information is provided separately to system auditors. This report was prepared exclusively for the Municipal Employees' Retirement System for a specific limited purpose. It is not for the use or benefit of any third party for any purpose.

In our opinion, all assumptions on which this valuation is based are reasonable individually and in the aggregate. Both economic and demographic assumptions are based on our expectations for future experience for the system. These assumptions are based upon the June 30, 2024 Experience Study, are summarized in the back of this report, and are described in detail within that separate report unless stated otherwise.

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

Sincerely,

CURRAN ACTUARIAL CONSULTING, LTD.

By: 

Gregory Curran, F.C.A., M.A.A.A., A.S.A.
Senior Consulting Actuary

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SUMMARY OF VALUATION RESULTS MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM – PLAN A

	June 30, 2025	June 30, 2024
Census Summary: Active Members (Including DROP participants)	4,372	4,409
Retired Members and Survivors	3,840	3,813
Terminated Due a Deferred Benefit	244	245
Terminated Due a Refund	4,169	3,989
Payroll:	\$ 204,798,108	\$ 199,682,634
Benefits in Payment:	\$ 84,833,562	\$ 80,919,832
Present Value of Future Benefits:	\$ 1,582,866,422	\$ 1,532,990,024
Actuarial Accrued Liability (EAN):	\$ 1,372,246,380	\$ 1,329,155,959
Frozen Unfunded Actuarial Accrued Liability:	\$ 36,256,454	\$ 42,950,562
Funding Deposit Account Credit Balance:	\$ 28,944,653	\$ 29,345,895
Actuarial Value of Assets (AVA):	\$ 1,142,614,852	\$ 1,065,421,967
Market Value of Assets (MVA):	\$ 1,157,394,126	\$ 1,061,632,500
Ratio of AVA to Actuarial Accrued Liability (EAN):	83.27%	80.16%
	Fiscal 2025	Fiscal 2024
Market Rate of Return:	9.4%	10.5%
Actuarial Rate of Return:	7.6%	6.2%
Assumed Rate of Return/Valuation Interest Rate:	6.85%	6.85%
	Fiscal 2026	Fiscal 2025
Employers' Normal Cost (Mid-year):	\$ 40,297,008	\$ 43,935,339
Amortization Cost (Mid-year):	\$ 9,718,418	\$ 9,322,224
Estimated Administrative Cost:	\$ 1,829,690	\$ 1,788,254
Projected Ad Valorem Tax Contributions:	\$ (8,907,316)	\$ (8,514,993)
Projected Revenue Sharing Funds:	\$ (110,567)	\$ (113,577)
Net Direct Employer Actuarially Required Contributions:	\$ 42,827,233	\$ 46,417,247
Projected Payroll:	\$ 205,824,787	\$ 198,868,476
Actuarially Required Net Direct Employer Contribution Rate:	20.81%	23.34%
Board Approved Net Direct Employer Contribution Rate:	27.00%	28.00%
Board Approved Employee Contribution Rate:	10.00%	10.00%
	Fiscal 2027	Fiscal 2026
Minimum Recommended Net Direct Employer Contribution Rate:	20.75%	23.25%

SUMMARY OF VALUATION RESULTS MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM – PLAN B

	June 30, 2025	June 30, 2024
Census Summary: Active Members (Including DROP participants)	2,142	2,103
Retired Members and Survivors	1,238	1,228
Terminated Due a Deferred Benefit	123	111
Terminated Due a Refund	2,320	2,138
Payroll:	\$ 95,074,939	\$ 90,832,236
Benefits in Payment:	\$ 16,705,024	\$ 16,025,703
Present Value of Future Benefits:	\$ 368,935,041	\$ 354,724,720
Actuarial Accrued Liability (EAN):	\$ 313,163,706	\$ 301,399,487
Funding Deposit Account Credit Balance:	\$ 9,696,911	\$ 8,041,291
Actuarial Value of Assets (AVA):	\$ 267,205,127	\$ 246,415,945
Market Value of Assets (MVA):	\$ 268,932,307	\$ 244,232,011
Ratio of AVA to Actuarial Accrued Liability (EAN):	85.32%	81.76%
	Fiscal 2025	Fiscal 2024
Market Rate of Return:	8.9%	9.9%
Actuarial Rate of Return:	7.2%	5.9%
Assumed Rate of Return/Valuation Interest Rate:	6.85%	6.85%
	Fiscal 2026	Fiscal 2025
Employers' Normal Cost (Mid-year):	\$ 11,847,258	\$ 12,707,027
Estimated Administrative Cost:	\$ 849,410	\$ 813,446
Projected Ad Valorem Tax Contributions:	\$ (4,135,109)	\$ (3,873,326)
Projected Revenue Sharing Funds:	\$ (51,329)	\$ (51,664)
Net Direct Employer Actuarially Required Contributions:	\$ 8,510,230	\$ 9,595,483
Projected Payroll:	\$ 97,010,022	\$ 92,672,550
Actuarially Required Net Direct Employer Contribution Rate:	8.77%	10.35%
Board Approved Net Direct Employer Contribution Rate:	13.50%	14.00%
Board Approved Employee Contribution Rate:	5.00%	5.00%
	Fiscal 2027	Fiscal 2026
Minimum Recommended Net Direct Employer Contribution Rate:	8.75%	10.25%

GENERAL COMMENTS

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

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

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

All the above processes would be in vain if the assumption process was static, and the plan would have to deal with the consequences of actual experience differing from assumptions after forty or fifty years of compounded errors. However, actuarial funding methods for pension plans all allow for periodic corrections of assumptions to conform with reality as it unfolds. This process of repeated correction of estimates produces imperfect results but is nevertheless a reasonable approach to determine the contribution levels that will provide for the future benefits of plan participants.

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

Prior to the Fiscal 2021 valuation, the determination of projected payroll was based on the assumption of a stable population. The provisions of Act 298 of the 2020 Regular Session provides that certain employees of the Lafayette City-Parish Consolidated Government who are first employed on or after November 1, 2020 are to be enrolled in the Parochial Employees' Retirement System instead of Plan A of the Municipal Employees' Retirement System. Without new hires from Plan A's largest employer, this change in statute is expected to result in a consistent reduction in overall Plan A active population. For this reason and in recognition of reductions in plan membership prior to the change related to Lafayette, beginning with the Fiscal 2021 valuation we have computed the Plan A projected payroll based on a recognition of an expected reduction in overall membership. Plan B is unaffected by the change related to the Lafayette City-Parish Consolidated Government. Therefore, for Plan B we have considered the recent changes in membership levels and have determined that maintaining the base assumption of membership stability is appropriate at this time.

COMMENTS ON DATA

For the valuation, the administrative director of the system furnished a census on electronic media derived from the system's master data processing file indicating each active covered employee's sex, date of birth, service credit, annual salary, and accumulated contributions. Information on retirees detailing dates of birth of retirees and beneficiaries, as well as option categories and benefit amounts, was provided in a similar manner. In addition, data was supplied on former employees who are vested or who have contributions remaining on deposit. As illustrated in Appendix A-2, there are 4,372 active members in Plan A, of whom, 1,967 members, including 140 participants in the Deferred Retirement Option Plan (DROP), have vested retirement benefits; 3,840 former Plan A members or their beneficiaries are receiving retirement benefits. An additional 4,413 former members of Plan A have contributions remaining on deposit with the system. This includes 244 former members who have vested rights or have filed reciprocal agreements for future retirement benefits. Census data on members of Plan B may be found in Appendix B-2. There are 2,142 active members in Plan B, of whom, 840 members, including 55 DROP participants, have vested retirement benefits; 1,238 former members of Plan B or their beneficiaries are receiving retirement benefits. An additional 2,443 former members of Plan B have contributions remaining on deposit with the system. Of this number, 123 have vested rights for future retirement benefits. **Figures 1.1 and 1.2** display membership levels over the past decade

Census data submitted to our office is tested for errors and changes are made when errors are identified. Several types of census data errors are possible. To ensure that the valuation results are as accurate as possible, a significant effort is made to identify and correct these errors. To minimize coverage errors (i.e., missing or duplicated individual records) the records are checked for duplicates, and a comparison of the current year's records to those submitted in prior years is made. Changes in status, new records, and previous records that have no corresponding current record are identified. This portion of the review

indicates the annual flow of members from one status to another and is used to check some of the actuarial assumptions, such as rates of retirement, withdrawal, and mortality. In addition, the census is checked for reasonableness in several areas such as age, service, salary, and current benefits. Records identified by this review as questionable are checked against data from prior valuations, are reviewed against information on the system’s membership database, and may be included in a detailed list of items sent to the system’s administrative staff for verification and/or correction. Once the identified data has been researched and verified or corrected, the final data is used in the valuation. Occasionally some requested information is either unavailable or impractical to obtain. In such cases, values may be assigned to missing data. The assigned values are based on information from similar records or based on information implied from other data in the record.

Figure 1.1. Plan A | Membership Counts

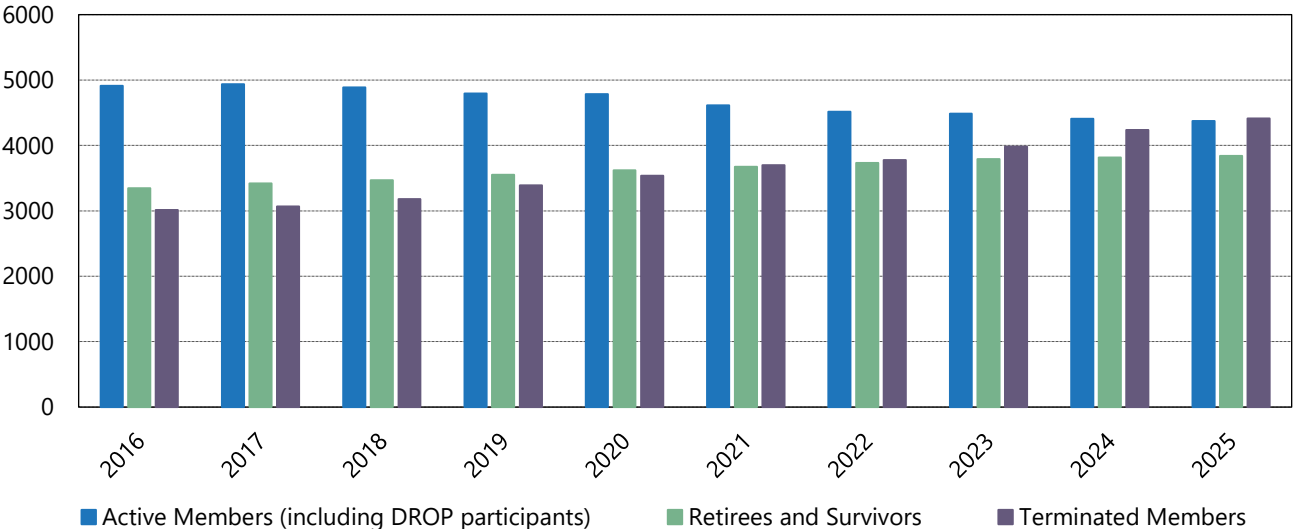
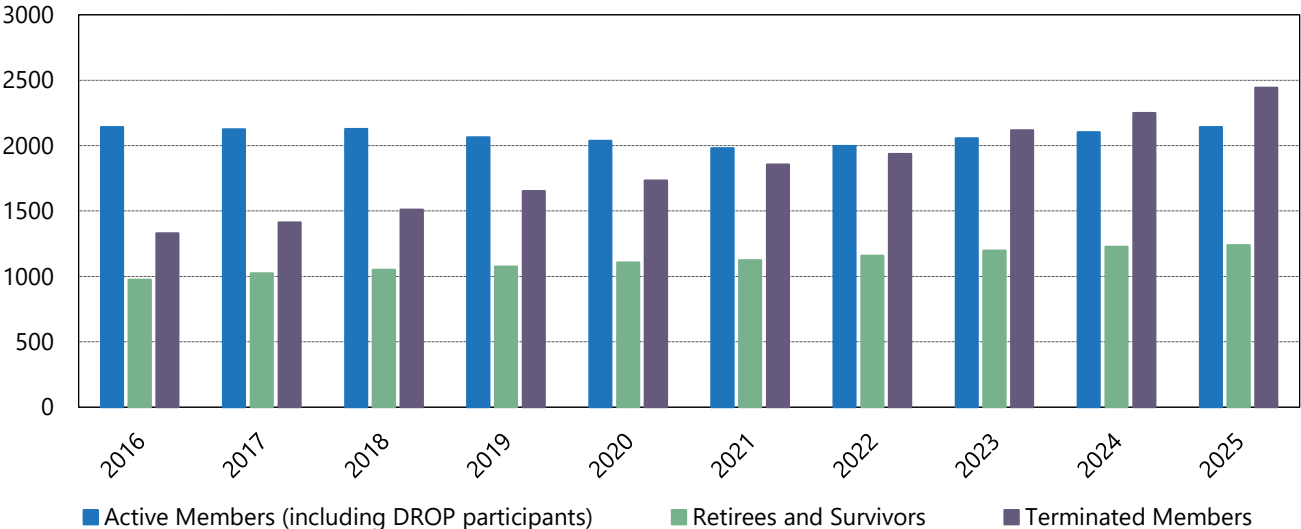


Figure 1.2. Plan B | Membership Counts



A member's salary is an important component of projecting future cash flows and computing normal costs and accrued liabilities. Our modeling requires the entry of annual salary for this purpose. For individuals who have not completed a full year of service during the measurement period, we use an estimate of their service during the fiscal year to annualize salaries. (New hire salaries are subject to a minimum level equal to the 20th percentile of salaries for members in the second duration.)

In addition to the statistical information provided on the system's participants, the system's administrative director furnished general information related to other aspects of the system's expenses, benefits and funding. Except as stated below, valuation asset values as well as income and expenses for the fiscal year were based on information furnished by the system's auditor, the firm of Hawthorn, Waymouth, and Carroll, L.L.P. As indicated in the system's audit report, the net market value of Plan A's assets was \$1,157,394,126 as of June 30, 2025. For Plan A, the net investment income for Fiscal 2025 measured on a market value basis amounted to \$99,611,090. Contributions to Plan A for the fiscal year totaled \$90,329,822; benefits and expenses amounted to \$94,179,286. With benefits and expenses slightly exceeding contributions to the system, system staff must periodically raise funds from the investment portfolio to meet cash flow needs.

The net market value of Plan B's assets was \$268,932,307 as of June 30, 2025. For Plan B, the net investment income for Fiscal 2025 measured on a market value basis amounted to \$21,802,857. Contributions to Plan B for the fiscal year totaled \$22,365,555; benefits and expenses amounted to \$19,468,116.

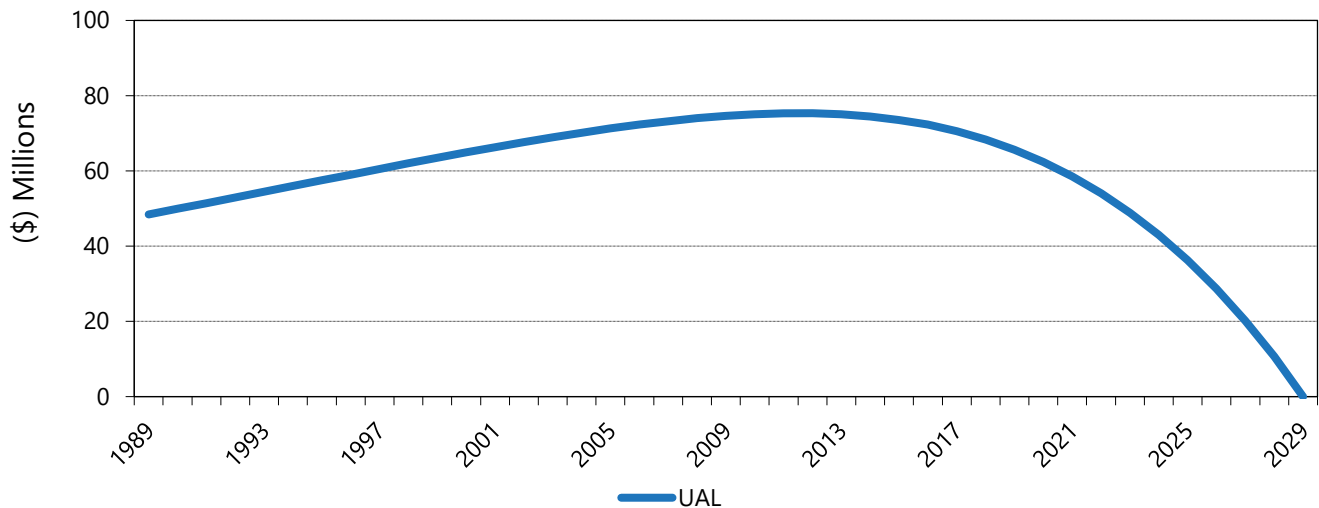
Notwithstanding our efforts to review both census and financial data for apparent errors, we must rely upon the system's administrative staff and accountants to provide accurate information. Our review of submitted information is limited to validation of reasonableness and consistency. Verification of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

COMMENTS ON ACTUARIAL METHODS AND ASSUMPTIONS

The system's actuarial funding method is set by R.S. 11:22. Prior to Fiscal 2018 both plans' valuations were based on the Frozen Attained Age Normal actuarial cost method with the unfunded actuarial accrued liability frozen as of June 30, 1989. Under the provisions of Louisiana R.S. 11:103 the unfunded accrued liability for Plan A, which was determined to be \$48,466,297 as of June 30, 1989, was amortized over forty years with payments increasing at 4.25% per year. The unfunded accrued liability for Plan B, which was determined to be \$9,853,175 as of June 30, 1989, was amortized over forty years with payments decreasing 2% per year. In Plan A, payroll growth less than 4.25% per year will increase future amortization payments as a percentage of payroll (See **Figure 2**). In Plan B, prior to the early payoff of the unfunded accrued liability, any payroll growth or payroll decline less than 2% per year would reduce future amortization payments as a percentage of payroll. As of June 30, 2018, the remaining balance of the frozen unfunded accrued liability for Plan B was completely offset by a portion of the credit balance in the plan's Funding Deposit Account. With the unfunded accrued liability fully amortized, the actuarial funding method for Plan B has been converted to the Aggregate Funding Method in accordance with R.S. 11:22(D). Under both the Frozen Attained Age Normal Cost Method and the Aggregate Funding Method, actuarial gains and losses are spread over future normal costs. Thus, favorable plan experience will lower

future normal costs; unfavorable experience will cause future normal costs to increase. In addition, changes in benefits and assumptions are also spread over future normal costs.

Figure 2. Plan A | Frozen Unfunded Actuarial Accrued Liability



Prior to the June 30, 2009 valuation, in any year in which the net direct employer contribution was set above the actuarially required employer contribution rate, excess funds collected, if any, were used to reduce the frozen unfunded actuarial accrued liability. Effective with the June 30, 2009 valuation, any excess funds collected as a result of a freeze in employer contributions are credited to the Funding Deposit Account. Funds deposited into the Funding Deposit Account can be used to reduce the unfunded accrued liability, reduce future normal costs, fund cost of living increases for retirees, or offset net direct employer contributions as determined by the Board of Trustees. A history of the Funding Deposit Account that shows contributions, interest, and withdrawals is contained in Figures 3.1 and 3.2.

Figure 3.1. Plan A | Funding Deposit Account History

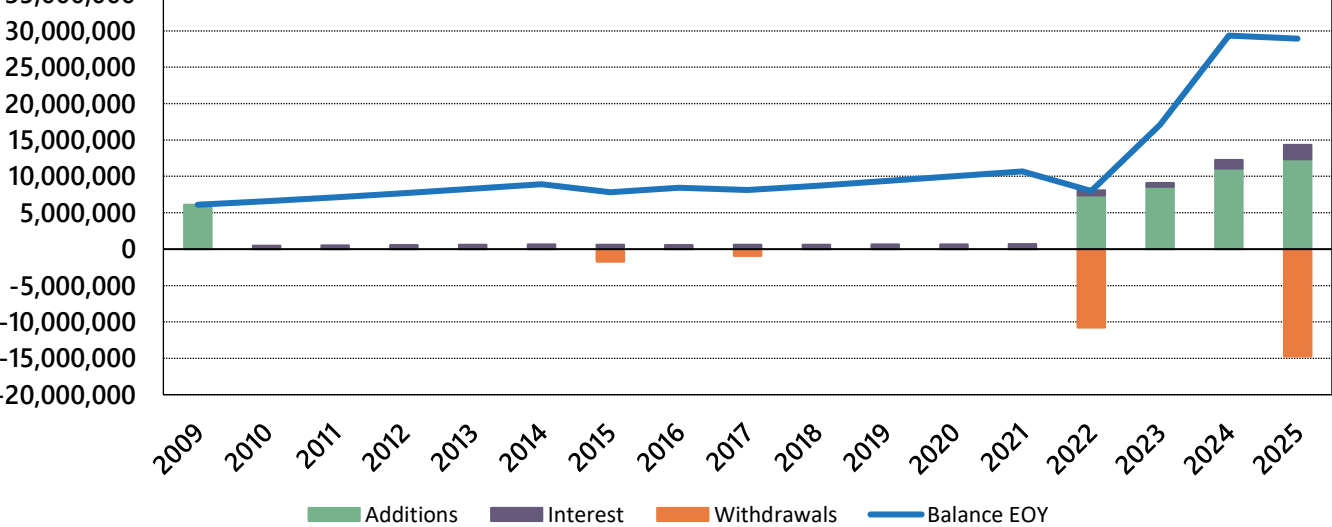
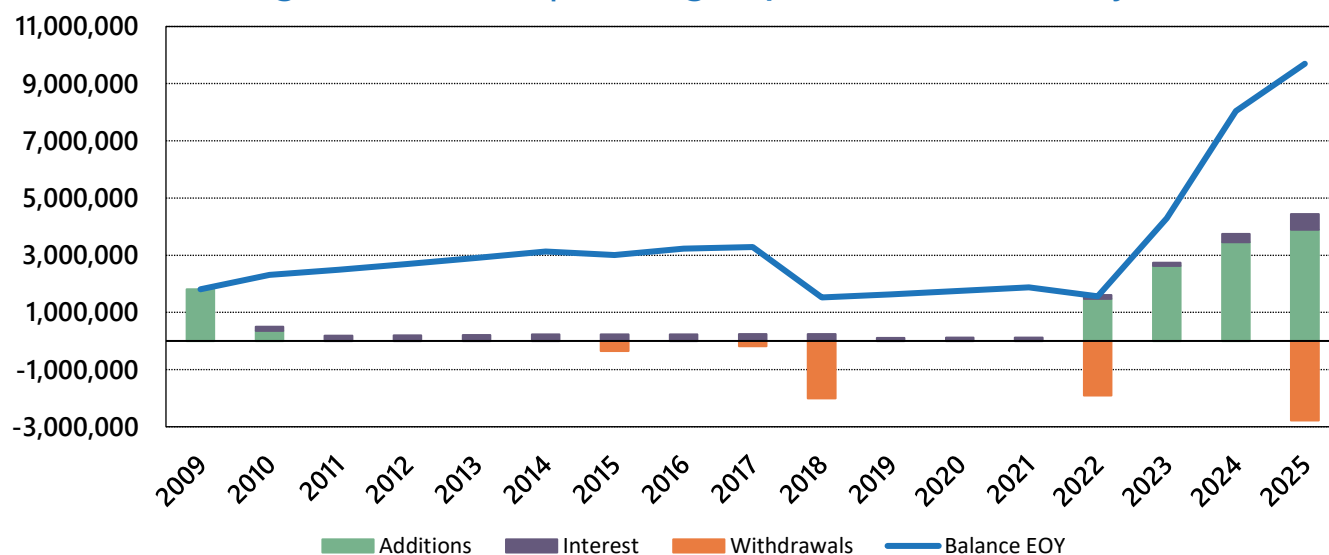


Figure 3.2. Plan B | Funding Deposit Account History



The current year actuarial assumptions utilized for this report are based on the results of an actuarial experience study for the period July 1, 2018 – June 30, 2023, unless otherwise specified in this report. This study included a review of all plan decrements in addition to salary scale experience and other demographic factors which impact plan costs. Details related to the study are contained within the 2024 Municipal Employees’ Retirement System Experience Study Report. The results of the actuarial valuation rely on the assumptions set by this experience study.

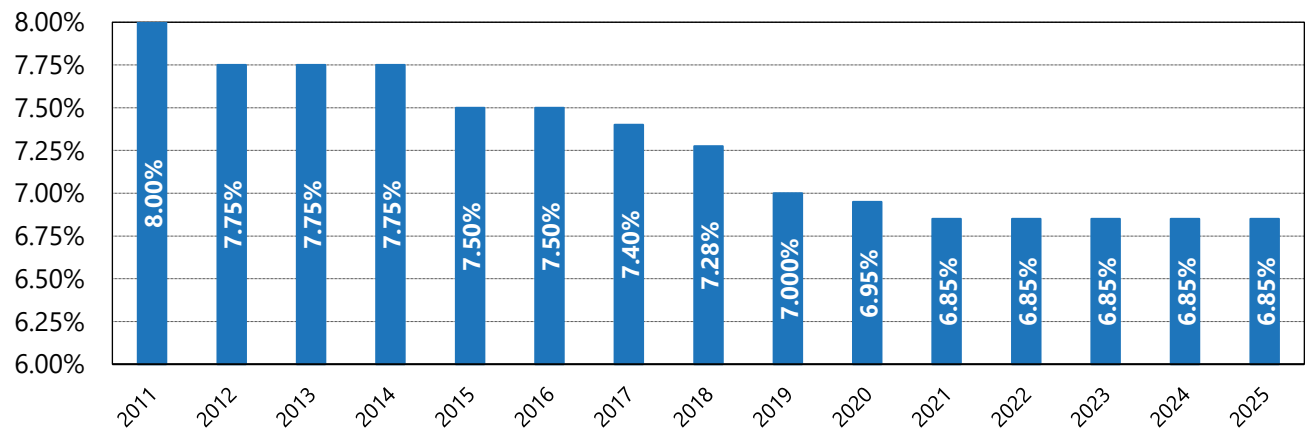
One of the most important actuarial assumptions is the valuation interest rate. Based upon contractions in the capital market assumptions produced by investment consultants and investment market participants, a significant effort was made between 2012 and 2021 to reduce the long-term rate of return assumption. Given the significant investment gains experienced within Fiscal 2021, the Board elected to opportunistically lower the valuation interest rate by 0.10%, to 6.85%. Following interest rate increases and market declines in 2022, many consultants and investment firms increased their expected returns on risky assets and fixed income investments. This led to an increase in the actuary’s reasonable range for the valuation interest rate.

Despite the lack of change in the valuation interest rate for the past few years, we continue to review this important assumption. Our most recent review of the valuation interest rate was performed based on a set of consultant average capital market assumptions developed by Curran Actuarial Consulting in early 2024. We collected capital market assumptions consisting of estimates of rates of return, standard deviations, and correlation coefficients for thirty asset classes. Long-term capital market assumptions were provided by six consulting firms that submitted capital market assumptions for use in developing this set of capital market assumptions. In addition, capital market assumptions from three large national money management firms were used. We have also reviewed the system’s assumed rate of long-term inflation by comparing the assumption to several professional sources. The consultant average capital market assumptions and system’s long-term assumed rate of inflation were used to derive forward estimates of the Fund’s portfolio earnings rate. The actuary’s reasonable range for the assumption related to the assumed long-term expected rate of return was reviewed by developing 10,000 stochastic trials over the coming 30 years. These trials were developed based upon the average arithmetic portfolio rate

of return and an estimate of the portfolio’s long-term standard deviation. The reasonable range was set based upon the 40th through 60th percentile of the geometric 30-year average rates of return taken from these trials. Our study performed in 2024 based upon the system’s target asset allocation resulted in a reasonable range of 6.57% through 7.66% with a 50th percentile value of 7.10%. The current assumed rate of return of 6.85% remains well below the midpoint of this reasonable range. Since the valuation interest rate remains within the system’s reasonable range and the projected capital market assumptions for many risky assets have increased, the system’s actuary recommended that the Board of Trustees make no further change in the valuation interest rate for 2024. Therefore, the valuation interest rate used in the Fiscal 2024 valuation remains 6.85%. For 2025, an assumed rate of inflation of 2.5% was implicit in the assumed rate of return for Plans A and B.

A history of the valuation interest rate applicable to both plans is shown in **Figure 4**.

Figure 4. Assumed Rate of Return



Although the Board of Trustees has authority to grant ad hoc Cost of Living Increases (COLAs) under limited circumstances, these COLAs have not been shown to have a historical pattern. This is evident in the length of time between the two most recent COLAs. The Board of Trustees was unable to provide COLAs to retirees during the period from April 1, 2009 until they approved a 1.6% of original benefit COLA effective July 1, 2022. In addition, the amounts of the COLAs granted in the past have not been relative to a defined cost-of-living or inflation index. We do not believe that there is sufficient evidence to conclude that COLAs will be granted on a predictable basis in the future. Furthermore, the Board of Trustees has the right to set aside funds in its Funding Deposit Account for a variety of purposes, including the prefunding of COLAs. In its April 2022 meeting, the Board of Trustees adopted a policy that formally states the Board’s intention to limit future COLAs to years in which there are sufficient funds set aside to prefund such COLAs from the balance of the Funding Deposit Account. Therefore, for the purpose of determining the present value of future benefits, we do not believe that it is appropriate to include a provision for potential future COLAs.

The current year actuarial assumptions utilized for the report are outlined at the end of this report. All assumptions other than those mentioned above are based on estimates of future long-term experience for the system as described in the system’s 2024 Experience Study report. All calculations, recommendations, and conclusions are based on the assumptions specified. To the extent that

prospective experience differs from that assumed, adjustments will be required to contribution levels. Such differences will be revealed in future actuarial valuations.

RISK FACTORS

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

Contribution Policy Risk

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

Funded Status

Beyond identifying risk categories, it is possible to quantify some risk factors. One fairly well-known risk metric is the funded ratio of the plan. The rate is given as plan assets divided by plan liabilities. However, the definition of each of these terms may vary. The two typical alternatives used for assets are the market and actuarial value of assets. There are several alternative measures of liability depending on the funding method employed. The Governmental Accounting Standards Board (GASB) specifies that for financial reporting purposes, the funded ratio is determined by using the market value of assets divided by the entry age normal accrued liability. This value is given in the system's financial report. Alternatively, we have calculated the ratio of the actuarial value of assets to the entry age normal accrued liability based on the funding methodology used to fund the plan. The ratio is 83.27% for Plan A and 85.32% for Plan B as of June 30, 2025.

This value gives some indication of the financial strength of the plan; however, it does not guarantee the ability of the fund to pay benefits in the future or indicate that, in the future, contributions are likely to be less than or greater than current contributions. In addition, the ratio cannot be used in isolation to compare the relative strength of different retirement systems. However, the trend of this ratio over time can give some insight into the financial health of the plan. In this regard, caution is warranted since market fluctuations in asset values and changes in plan assumptions can distort underlying trends in this value. **Figures 5.1 and 5.2** give a history of this value for the last ten years. Note that the underlying trend is somewhat disguised since the system has significantly reduced the valuation interest rate over this period. Absent the reduction in the discount rate, the current ratio would be higher and would have shown a larger increase over time. The funded ratio has shown great resiliency given such meaningful changes in the valuation interest rate from 7.50% ten years ago to 6.85% today

Figure 5.1. Plan A | Historical Funded Status

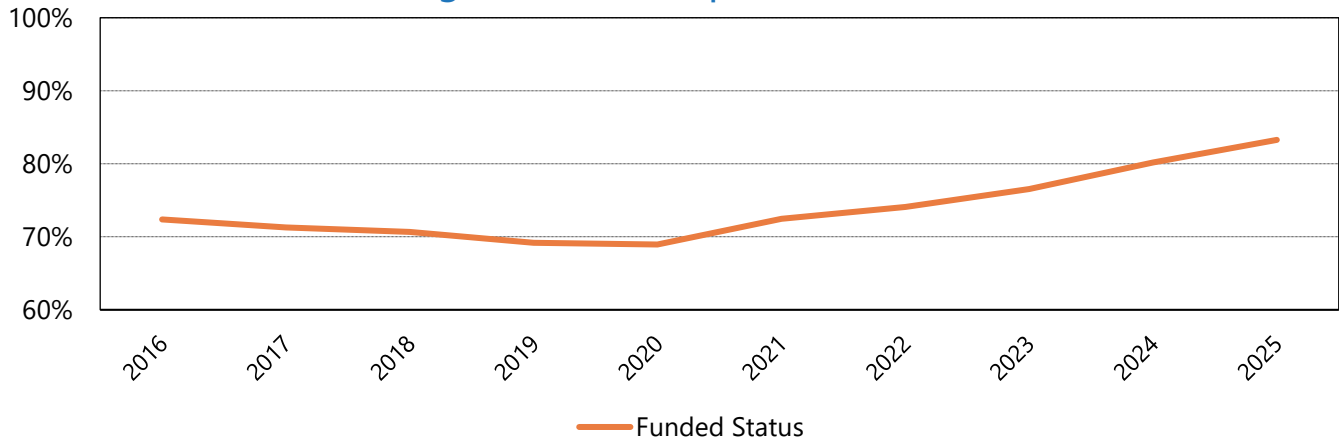
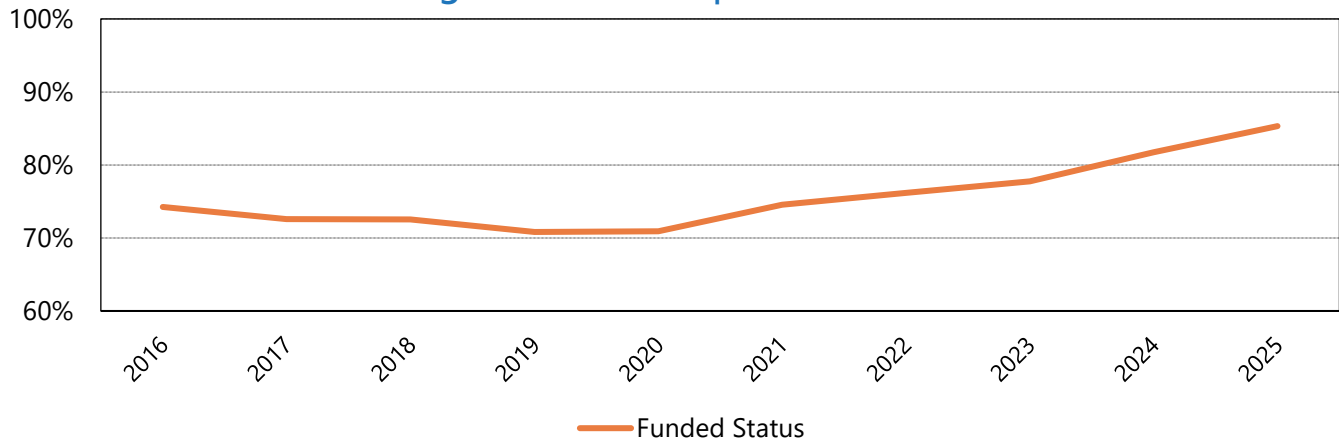


Figure 5.2. Plan B | Historical Funded Status



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

Inflation Risk

All pension plans are subject to the uncertainty of asset performance, of which inflation is a major component. The total nominal rate of return on assets is comprised of the real rates of return earned on the portfolio of investments plus the underlying inflation rate. High levels of inflation pose a risk to plan members in that they reduce the purchasing power of plan benefits. Were the plan to attempt to offset inflation by providing COLAs (often in the form of permanent benefit increases), minimum contribution rates would typically increase unless provisions are made to prefund such adjustments. Since the Board used the Funding Deposit Account to prefund the 2022 COLA, the minimum employer contribution rates were not affected. Very low inflation typically reduces the nominal rate of return on assets; deflation can potentially reduce the capital value of trust assets. During the decade preceding 2020, inflation levels remained in a fairly narrow range. Since 2020, inflation has significantly increased. So far, Federal Reserve efforts to fight inflation have not had the desired effect of returning inflation measures to their 2% target level. Forecasters seem to believe that long-term average rates of future inflation may remain higher than the target level. There is always the possibility that high inflation will remain a problem in the future or that the country will experience a deflationary period; however, most expert opinion currently assesses these alternatives as unlikely in the near term.

Reinvestment Risk

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

Asset Return Volatility Risk

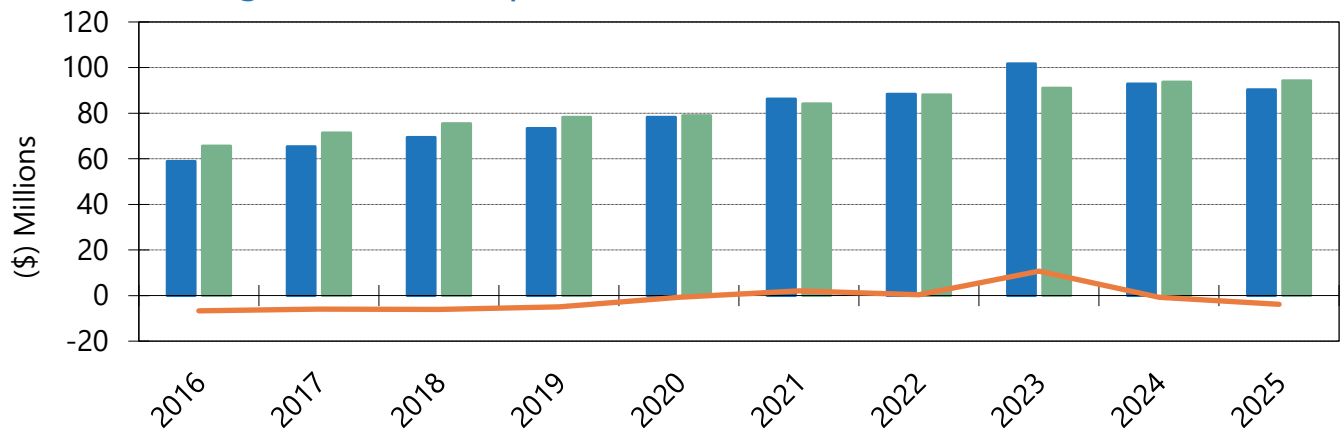
Long-term asset performance depends not only on average returns but also on the volatility of returns. Two portfolios of identical size with identical average rates of return will accumulate different levels of assets if the volatility of returns differs since increased volatility reduces the accumulation of assets. Volatility of returns will be determined by both market conditions and the asset allocation of the investment portfolio. If the system's investment portfolio has a substantial allocation to assets that have low price stability, the risk of portfolio volatility will increase, although low correlations among asset classes can mitigate this risk.

Cash Flow Risk

The system is also exposed to risk related to cash flow. Where benefit payments exceed contributions to a plan, the plan will be required to use investment income or potentially investment capital to pay benefits. In cases where it is necessary to use investment income to pay retirement benefits, investment market downturns place additional stress on the portfolio and make the recovery from such downturns more difficult since funds available for reinvestment are reduced by benefit payments. The historical cash flow graphs and demonstrations given below in **Figures 6.1 and 6.2** compare the total contribution income to benefits and expenses to determine the noninvestment cash flow of the system over the last ten years. Currently, annual benefit payments slightly exceed annual contributions in Plan A and annual contributions exceed annual benefit payments in Plan B.

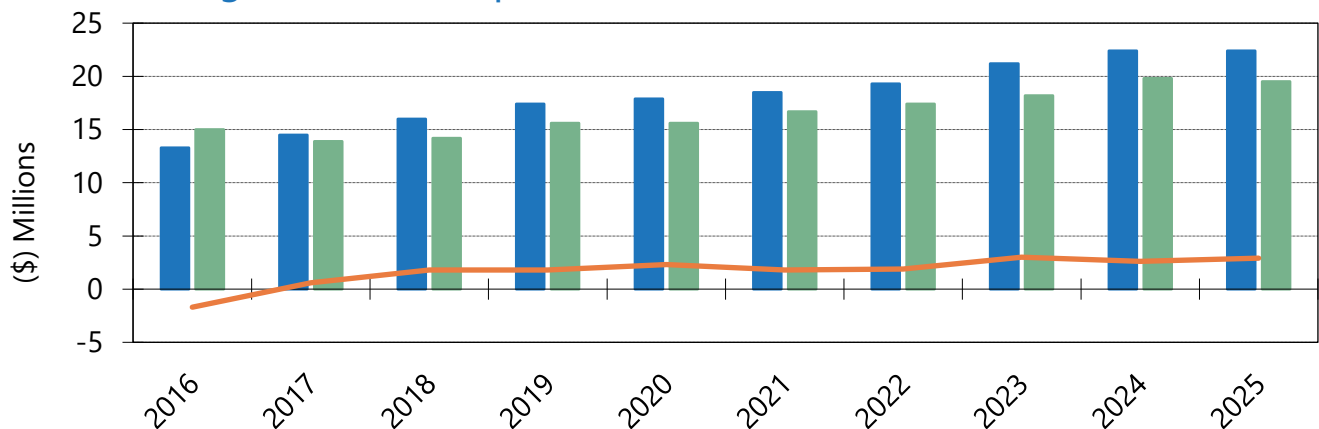
Future net noninvestment cash flows for each plan will be determined based upon both the plan's maturity and future contribution levels. Hence, increases in future contributions due to adverse actuarial experience will tend to mitigate the potential of negative cash flows arising from the natural maturation of the plan whereas reduced contribution levels resulting from positive experience could lead to negative cash flows. Recent experience includes years in which the system's benefit payments exceeded contribution income. Such negative noninvestment cash flows will likely occur again in the future given the expectation of a lower active population.

Figure 6.1. Plan A | Annual Net Non-Investment Cash Flows



Plan A		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Contribution Income (\$Mil)	■	58.9	65.4	69.4	73.3	78.3	86.2	88.4	101.7	92.9	90.3
Benefits and Expenses (\$Mil)	■	65.6	71.4	74.5	78.3	79.0	84.1	88.1	91.0	93.7	94.2
Net Non-Inv. Cash Flow (\$Mil)	—	-6.7	-6.0	-5.1	-5.0	-0.7	2.1	0.3	10.7	-0.8	-3.9

Figure 6.2. Plan B | Annual Net Non-Investment Cash Flows



Plan B		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Contribution Income (\$Mil)	■	13.3	14.5	16.0	17.4	17.9	18.5	19.3	21.2	22.4	22.4
Benefits and Expenses (\$Mil)	■	15.0	13.9	14.2	15.6	15.6	16.7	17.4	18.2	19.8	19.5
Net Non-Inv. Cash Flow (\$Mil)	—	-1.7	0.6	1.8	1.8	2.3	1.8	1.9	3.0	2.6	2.9

Sensitivity to Investment Gains/Losses

Every retirement system is subject to investment return risk. When the rate of return on the actuarial value of assets does not equal the assumed rate of return, the system experiences investment gains or losses. These can cause contribution rate requirements to be more volatile. For this plan, we have determined that based on current assets and demographics, for each percentage under the assumed rate of return on the actuarial value of assets, there will be a corresponding increase in the actuarially required contribution as a percentage of projected payroll of 0.79% for Plan A and 0.44% for Plan B.

Sensitivity to Changes in Valuation Interest Rate

With regard to the economic assumptions, we have determined that a reduction in the valuation interest rate by 1% (without any change to other collateral factors) would increase the actuarially required employer contribution rate for Fiscal 2026 by 10.52% of payroll for Plan A and 5.88% of payroll for Plan B. In the future, adjustments to the assumed rates of return may be required; however, the likelihood of such an event is difficult to gauge since it requires assigning probabilities to future capital market scenarios.

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

Maturity Risk

The ability of a system to recover from adverse asset or liability performance is partly related to the maturity of the plan population. In general, plans with increasing active membership are less vulnerable to asset and liability gains and losses than mature plans since changes in plan costs can be partially allocated to new members. If the plan has a large number of active members compared to retirees, asset or liability losses can be more easily addressed. As more members retire, contributions can only be collected from a smaller segment of the overall plan population. Often, population ratios of actives to annuitants are used to measure the plan's ability to adjust or recover from adverse events since contributions are made by or on behalf of active members but not for retirees. Thus, if the plan suffers a mortality loss through increased longevity, this will affect both actives and retirees, but the system can only fund this loss with contributions related to active members. A measure of risk related to plan maturity is the ratio of total benefit payments to active payroll. For Fiscal 2025, this ratio is 41% for Plan A and 18% for Plan B. Ten years ago, this ratio was 32% for Plan A and 14% for Plan B.

Assumption Risk

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

Noneconomic assumptions such as mortality or other rates of decrement such as withdrawal, retirement, or disability are also subject to change. In general, such changes tend to affect plan costs less than adjustments to the assumed rates of return. Quantifying the probability or magnitude of such changes is beyond the scope of this report.

In summary, there is a risk that future actuarial measurements may differ significantly from current measurements presented in this report due to factors such as the following: plan experience differing from that anticipated by the economic or demographic assumptions, changes in economic or demographic assumptions, and changes in plan provisions or applicable law. Ordinarily, variations in these factors will offset to some extent. However, even with the expectation that not all variations in costs will likely travel in the same direction, factors such as those outlined above have the potential on their own accord to pose a significant risk to future cost levels and solvency of the system.

Data Error Risk

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

Liability Duration Risk

Each pension plan has its own unique benefit structure and demographic profile. As a result, each plan will respond to changes in interest rates in a unique way. As the expected rate of return on investments changes and the interest rate used to discount plan liabilities is adjusted, the shift in plan liabilities will depend upon the duration of the liabilities (which can be understood as the plan's sensitivity to the change in the interest rate). A slightly different measure of the duration for the plan can also be understood as an indicator of the plan's maturity. When a pension plan is first established, all participants are active members; as members retire and the plan matures, the duration of the plan decreases. A determination of the liability duration gives some insight into the investment time horizon of the plan. Thus, the liability duration of a closed plan can be thought of as the weighted "center of gravity" of plan benefit cash flows with expected cash flows occurring both before and after the duration value. For open plans with a continuous flow of new entrants this measure is somewhat less informative since the duration horizon keeps changing as new members enter the plan. For this system, we have estimated the effective liability duration as 9.76 years for Plan A and 10.10 years for Plan B when measured based on the interest sensitivity of the fund's entry-age normal accrued liability.

Other Liability Risks

Other liability risks include such things as longevity risk (the risk that retirees will live longer than expected), termination risk (the risk that fewer than the anticipated number of members will terminate service prior to retirement), and other factors that may have an impact on the liability structure of the plan. In a general sense, the short-term effects of these risks on the cost structure of the plan are somewhat limited since changes in these factors tend to be gradual and follow long-term secular trends. Final average compensation plans are also vulnerable to unexpectedly large increases in salary for

individual members near retirement. The effect of such events frequently relates to pay plan revisions where salaries catch up after a number of years of slow growth. Revisions of this type usually depend on general economic conditions and can result in liability losses. However, they generally are infrequent and are more of a short-term issue.

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

CHANGES IN PLAN PROVISIONS

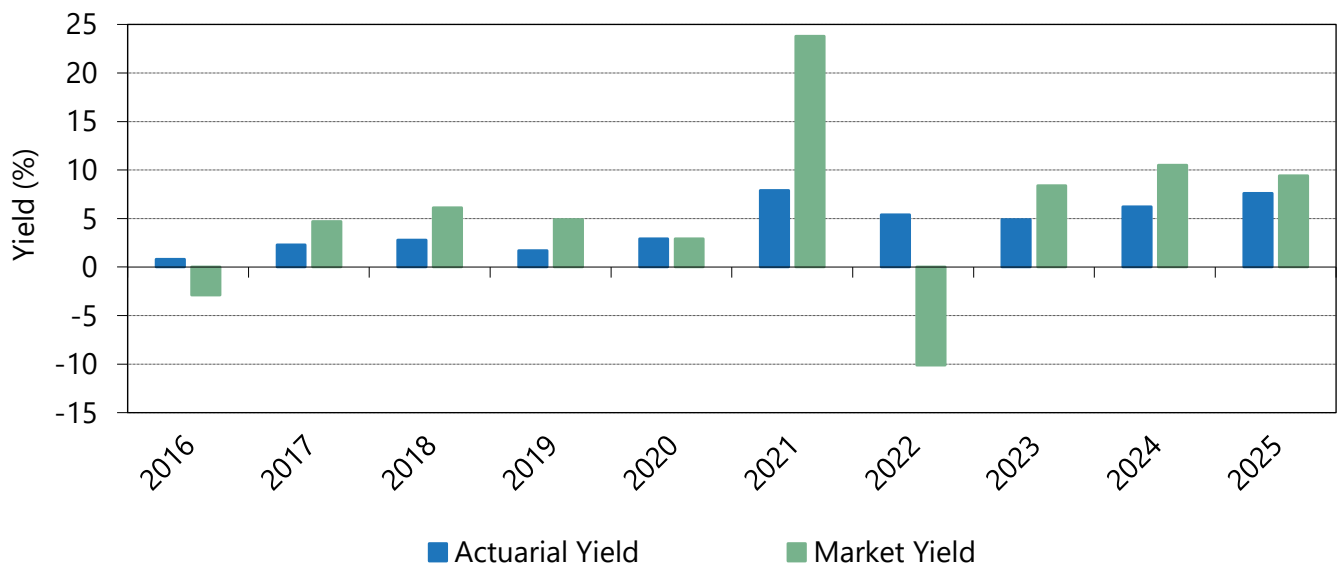
The following changes in plan provisions were enacted during the 2025 Regular Session of the Louisiana Legislature:

Act 232 states that any person who has been a member of MERS for at least 5 years and becomes employed in a position where he is no longer eligible for membership in MERS but is eligible for membership in LASERS may elect to remain a member of MERS in lieu of membership in LASERS by filing a notice with the Board of Trustees within 30 days of his new employment. Such election shall be irrevocable. This statutory provision applies to persons who become employed in a position covered by LASERS after December 31, 2024.

ASSET EXPERIENCE

The actuarial and market rates of return for the past ten years are given below in **Figures 7.1 and 7.2**. These rates of return on assets were determined by assuming a uniform distribution of income and expense throughout the fiscal year.

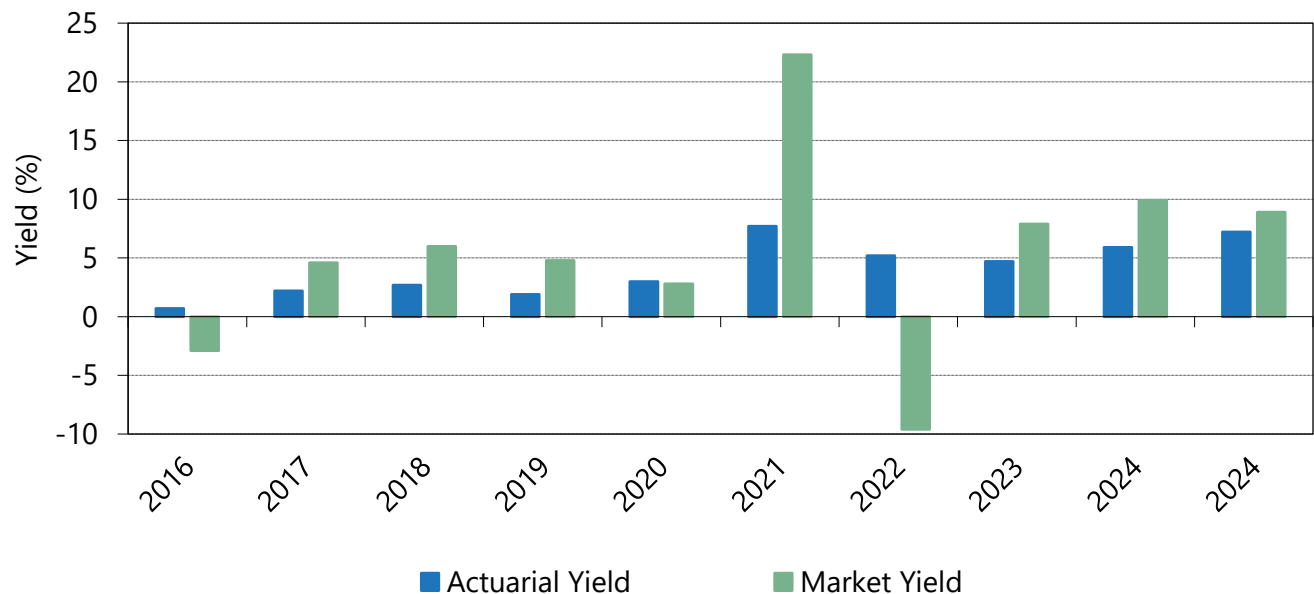
Figure 7.1. Plan A | Historical Asset Yields



Plan A	Market Yield	Actuarial Yield
2016	-2.9%	0.8%
2017	4.7%	2.3%
2018	6.1%	2.8%
2019	4.9%	1.7%
2020	2.9%	2.9%
2021	23.8%	7.9%
2022	-10.1%	5.4%
2023	8.4%	4.9%
2024	10.5%	6.2%
2025	9.4%	7.6%

Plan A – Geometric Average Market Rates of Return	
5-year average (Fiscal 2021 – 2025)	7.8%
10-year average (Fiscal 2016 – 2025)	5.4%
15-year average (Fiscal 2011 – 2025)	4.8%
20-year average (Fiscal 2006 – 2025)	4.7%
25-year average (Fiscal 2001 – 2025)	4.4%
30-year average (Fiscal 1996 – 2025)	5.5%

Figure 7.2. Plan B | Historical Asset Yields



Plan B	Market Yield	Actuarial Yield
2016	-2.9%	0.7%
2017	4.6%	2.2%
2018	6.0%	2.7%
2019	4.8%	1.9%
2020	2.8%	3.0%
2021	22.3%	7.7%
2022	-9.6%	5.2%
2023	7.9%	4.7%
2024	9.9%	5.9%
2025	8.9%	7.2%

Plan B – Geometric Average Market Rates of Return		
5-year average	(Fiscal 2021 – 2025)	7.4%
10-year average	(Fiscal 2016 – 2025)	5.2%
15-year average	(Fiscal 2011 – 2025)	4.6%
20-year average	(Fiscal 2006 – 2025)	4.5%
25-year average	(Fiscal 2001 – 2025)	4.1%
30-year average	(Fiscal 1996 – 2025)	5.3%

The market rate of return gives a measure of investment return on a total return basis and includes realized and unrealized capital gains and losses as well as interest income and dividends. This rate of return gives an indication of performance for an actively managed portfolio where securities are bought and sold with the objective of producing the highest total rate of return. During 2025, Plan A earned \$7,911,118 and Plan B earned \$2,314,317 of dividends and interest income. In addition, Plan A had net realized and unrealized capital gains on investments of \$94,401,939 while the total of such gains for Plan B amounted to \$20,069,636. Investment expenses were \$2,701,967 for Plan A and \$581,096 for Plan B.

The actuarial rate of return is presented for comparison to the assumed long-term rate of return of 6.85% for Fiscal 2025. This rate is calculated based on the smoothed value of assets subject to constraints. Investment income used to calculate this yield is based upon a smoothing of investment income above or below the valuation interest rate. The difference between rates of return on an actuarial and market value basis results from the smoothing utilized. Where the valuation interest rate changes during the smoothing period, smoothing is determined based on a comparison of actual returns to the appropriate valuation interest rate for each year in the smoothing period. In the future, yields in excess of the valuation interest rate assumption will reduce future costs; yields below the valuation interest rate assumption will increase future costs. For Plan A, the net actuarial investment earnings for Fiscal 2025 were \$8,190,605 more than the actuarial assumed earnings rate of 6.850%, and were \$914,657 more for Plan B. These actuarial gains reduced the normal cost accrual rate by 0.5694% for Plan A and 0.1498% for Plan B.

At the end of each fiscal year, a review of the data is made to identify current members of Plan A and Plan B who have consecutive service credit in both plans that have not been addressed in previous transfers of assets and liabilities between the Plan A and Plan B trust funds pursuant to the provisions of R.S. 11:1862(F). In the course of reviewing data for the June 30, 2025 valuation we found 6 members of

Plan A with Plan B service credit and 5 such members of Plan B with Plan A service for whom a transfer must be made. Based upon a valuation of the liabilities for service in the previous plan, we recommend a transfer of \$303,136 with accrued interest thereon from June 30, 2025 be made from the Plan B trust to the Plan A trust for Fiscal 2025.

DEMOGRAPHICS AND LIABILITY EXPERIENCE PLAN A

The average active member (including DROP participants) is 49 years old with 9.18 years of service and an annual salary of \$46,843. The plan's active membership, inclusive of DROP participants, decreased by 37 members during the fiscal year. The plan has experienced a decrease in the active plan population of 411 members over the last five years.

The average regular retiree is 72 years old with an annual benefit of \$24,696. The average age at retirement for regular retirees is 60. The number of retirees and beneficiaries receiving benefits from the system increased by 27 during the fiscal year; over the last five years the number of retirees has increased by 222 and benefit payments have increased by \$15,569,308.

Plan liability experience for Fiscal 2025 was slightly favorable. DROP entries, disabilities, and retirements among post-DROP employees were below projected levels. These factors tend to lower plan costs. Retiree and survivor deaths above projected levels also lowered plan costs. Active member retirements slightly above projected levels and withdrawal rates below projected levels partially offset these lower plan costs. Finally, although average salary increases exceeded plan assumptions at some durations, the largest increases were primarily in early durations with smaller than projected salary increases at many higher durations. The overall impact of salary increases was minimal. Overall, plan liability gains decreased the normal cost accrual rate by 0.5897%.

DEMOGRAPHICS AND LIABILITY EXPERIENCE PLAN B

The average active member (including DROP participants) is 49 years old with 8.26 years of service and an annual salary of \$44,386. The plan's active membership, inclusive of DROP participants, increased by 39 members during the fiscal year. The plan has experienced an increase in the active plan population of 105 members over the last five years.

The average regular retiree is 73 years old with an annual benefit of \$14,906. The average age at retirement for regular retirees is 64. The number of retirees and beneficiaries receiving benefits from the system increased by 10 during the fiscal year; over the last five years the number of retirees has increased by 131 and benefit payments have increased by \$3,881,809.

Plan liability experience for Fiscal 2025 was slightly favorable. DROP entries and disabilities slightly below projected levels and retiree and survivor deaths significantly above projected levels lowered plan costs. Active member retirements slightly above projected levels, withdrawals below projected levels, and average salaries above projected levels offset these savings. Finally, although average salary increases

exceeded plan assumptions at some durations, the largest increases were primarily in early durations with smaller than projected salary increases at many higher durations. The overall impact of salary increases caused costs to decrease slightly. Overall, plan liability gains decreased the normal cost accrual rate by 0.3984%.

FUNDING ANALYSIS AND RECOMMENDATIONS

Actuarial funding of a retirement system is a process whereby funds are accumulated over the working lifetimes of employees in such a manner as to have sufficient assets available at retirement to pay for the lifetime benefits accrued by each member of the system. The required contributions are determined by applying a cost allocation procedure to the results of an actuarial valuation of liabilities based on rates of mortality, termination, disability, and retirement, as well as investment return and other statistical measures specific to the particular group. The allocation of costs also depends on an asset smoothing method described in the assumptions section at the end of this report.

Each year a determination is made of two cost components, and the actuarially required contributions are based on the sum of these two components plus administrative expenses. These two components are the normal cost and the amortization payment on the unfunded actuarial accrued liability. The normal cost refers to the portion of annual cost based on the salary of active participants. The term unfunded accrued liability (UAL) refers to the excess of the present value of plan benefits over the sum of current assets and future normal costs. Each year the UAL grows with interest and is reduced by payments. The funding method in use for Plan A includes both normal cost and amortization of an unfunded actuarial accrued liability. The funding method in use for Plan B accounts for the fact that there is no unfunded actuarial accrued liability and therefore no need to account for an amortization payment. Neither funding method accounts for changes in plan experience, benefits, or assumptions within the unfunded actuarial accrued liability. These items increase or decrease future normal costs.

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

R.S. 11:103 governs the calculation of the annual actuarially determined employer contribution rate for statewide retirement systems. This statute describes the components of the employer contribution rate found in Exhibits I and IX. We believe that the minimum recommended net direct employer contribution rate developed within this report represents a Reasonable Actuarially Determined Contribution (or RADC) under the terms set forth in the actuarial standards of practice. We believe that the cost allocation procedure set forth in the statutes reasonably balances benefit security and intergenerational equity. The consistent payment of actuarially determined contributions based on Louisiana's constitutional requirements significantly improves the benefit security of plan members and retirees. The system's funding methodology seeks intergenerational equity by spreading actuarial costs over the average future working lifetime of current members. With the use of reasonable actuarial assumptions, the system's

contribution allocation procedure should produce reasonably stable and predictable results. The system's annual valuation directly calculates the present value of future benefits for each member and former member. This measure accounts for expected future benefit payments and the expected duration of those payments. The valuation results are based on plan provisions in effect as of the valuation date. Therefore, results will be affected if plan provisions are changed in the future.

Liability and asset experience as well as changes in assumptions and benefits can increase or decrease plan costs. In addition to these factors, any COLA granted in the prior fiscal year would increase required future contributions. However, to the extent that COLA's are funded by withdrawals from the Funding Deposit Account, there is no increase in future normal cost since an amount equal to the present value of the additional benefits is released from the Funding Deposit Account to offset the increase in liability. New entrants to the system can also increase or decrease costs as a percentage of payroll depending upon their demographic distribution and other factors related to prior plan experience. Finally, contributions above or below requirements may reduce or increase future costs.

The system's normal cost makes up the largest component of annual cost. The following table tracks the annual impact of gains and losses on the Plan A normal cost accrual rate:

PLAN A - RECONCILIATION OF THE NORMAL COST ACCRUAL RATE	
Employer's Normal Cost Accrual Rate – Fiscal 2025	23.5358%
Factors Increasing the Normal Cost Accrual Rate:	
Cost-of-living Increase	1.0254%
Factors Decreasing the Normal Cost Accrual Rate:	
Asset Experience Gain	0.5694%
New Members	1.4029%
Plan Liability Experience Gain	0.5897%
FDA Offset for 2025 COLA	1.0254%
Employer's Normal Cost Accrual Rate – Fiscal 2026	20.9738%

Figure 8.1 graphically shows the impact of gains and losses on Plan A’s employer normal cost accrual rate over the most recent ten year period. Losses cause an increase in the employer’s normal cost percentage while gains cause decreases.

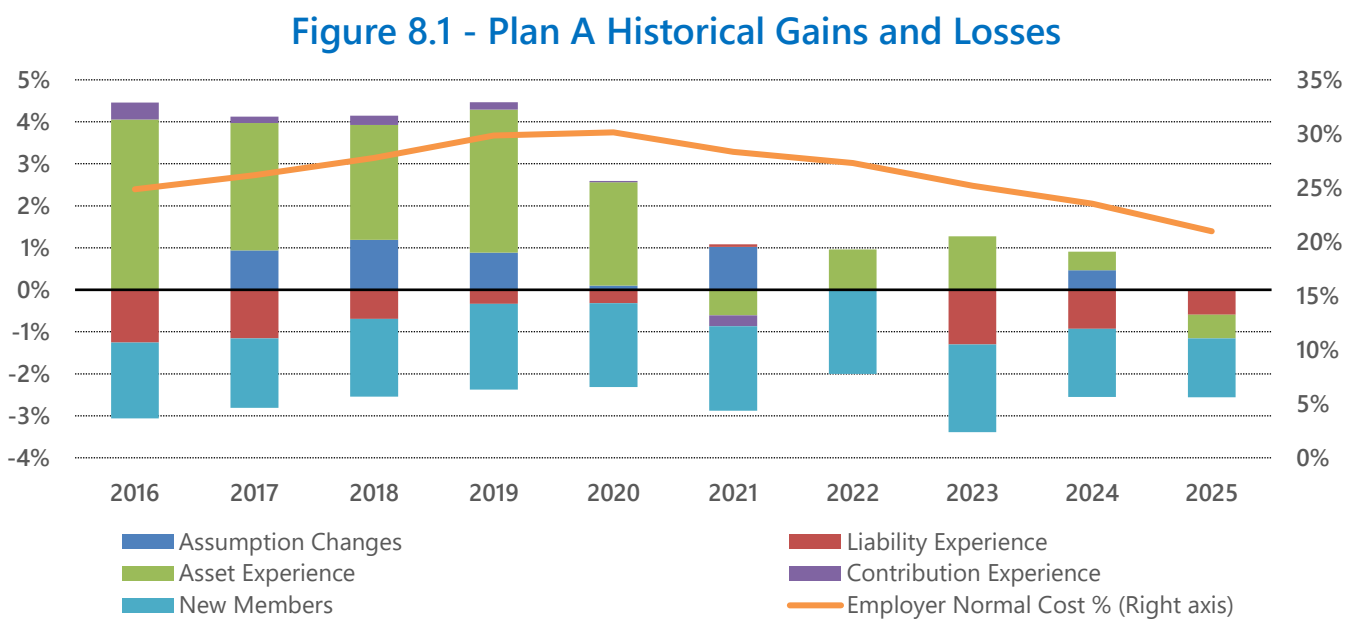
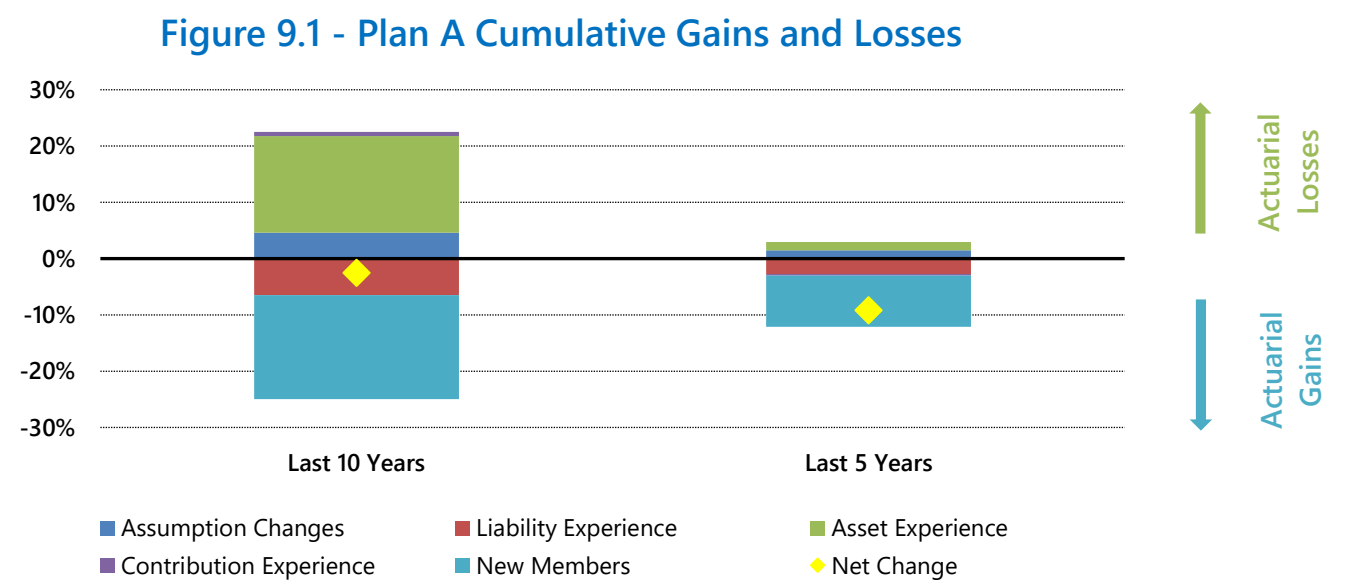


Figure 9.1 accumulates these gains and losses over the last 5 years and 10 years and shows whether the plan experienced more gains or losses during that period. As seen in this figure, over the last ten years, Plan A experienced slightly more gains than losses which caused normal cost accrual rates to decrease. During the last five years, the plan has also experienced greater levels of gains than losses. The largest source of losses during this period has been asset experience. New members have provided significant savings during this period.

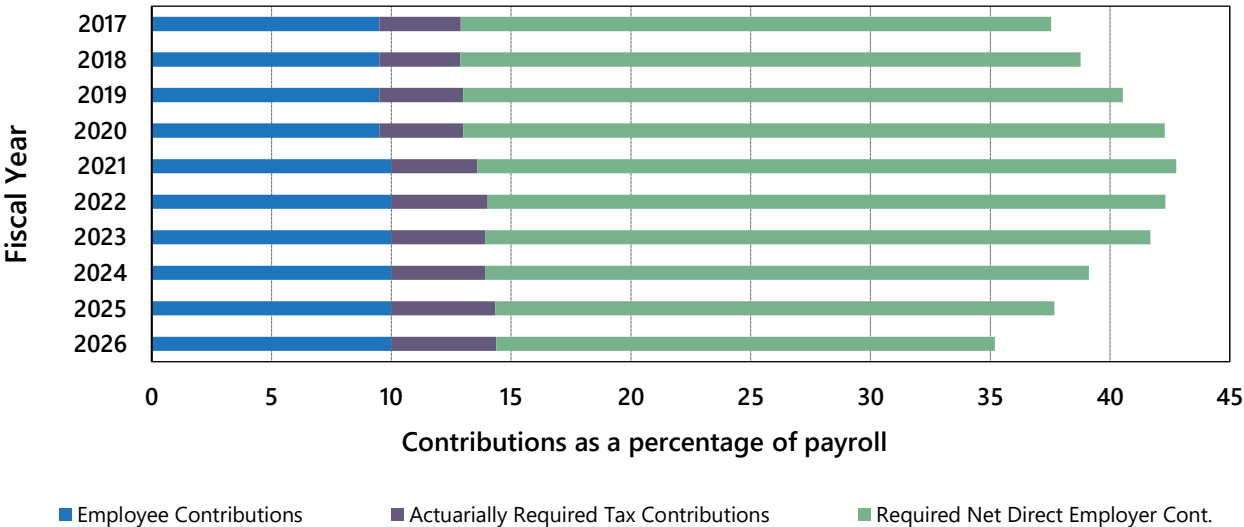


For Plan A, the derivation of the actuarially required contribution for the current fiscal year is given in Exhibit I. The employer normal cost for Fiscal 2026 adjusted for mid-year payment is \$40,297,008. The amortization payment on the plan's frozen unfunded actuarial accrued liability adjusted for mid-year payment is \$9,718,418. The total actuarially required contribution is determined by adding estimated administrative expenses to these two values. As given on line 16 of Exhibit I the gross actuarially required employer contribution for Fiscal 2026 is \$51,845,116. When this amount is reduced by projected tax contributions and revenue sharing funds, the resulting employers' minimum net direct actuarially required contribution for Fiscal 2026 is \$42,827,233.

Required net direct employer contributions are affected by the available ad valorem taxes and revenue sharing funds which the system receives each year. When these funds change as a percentage of payroll, net direct employer contribution rates are adjusted accordingly. We estimate that for Plan A these funds collected in Fiscal 2026 will increase by 0.04% of payroll. We also estimate the amortization payment on the fund's UAL will increase by 0.03% of projected payroll. The net effect of the above changes in the cost structure of the system resulted in a minimum actuarially required net direct employer contribution rate for Fiscal 2026 for Plan A of 20.81%; the board approved employer contribution rate for Fiscal 2026 is 27.00% of payroll. R.S. 11:103 requires that the net direct employer contributions be rounded to the nearest 0.25%; hence, the recommended minimum net direct employer contribution rate for Plan A is 20.75% for Fiscal 2027.

The cost of providing benefits to current and former members is borne by employees and employers and relies in part on dedicated ad valorem taxes and revenue sharing funds. **Figure 10.1** shows the breakdown of annual costs for Plan A as a percentage of payroll over the past ten years.

Figure 10.1. Plan A | Components of Actuarial Funding



The system’s normal cost makes up the largest component of annual cost. The following table tracks the annual impact to the Plan B normal cost accrual rate of gains and losses:

PLAN B - RECONCILIATION OF THE NORMAL COST ACCRUAL RATE	
Employer’s Normal Cost Accrual Rate – Fiscal 2025	15.3227%
Factors Increasing the Normal Cost Accrual Rate:	
Cost-of-living Increase	0.4560%
Factors Decreasing the Normal Cost Accrual Rate:	
Asset Experience Gain	0.1498%
New Members	1.1192%
Plan Liability Experience Gain	0.3984%
Contribution Gain/FDA Offset for 2025 COLA	0.4560%
Employer’s Normal Cost Accrual Rate – Fiscal 2026	13.6553%

Figure 8.2 graphically shows the impact of gains and losses on Plan B’s employer normal cost accrual rate over the most recent ten year period. Losses cause an increase in the employer’s normal cost percentage while gains cause decreases.

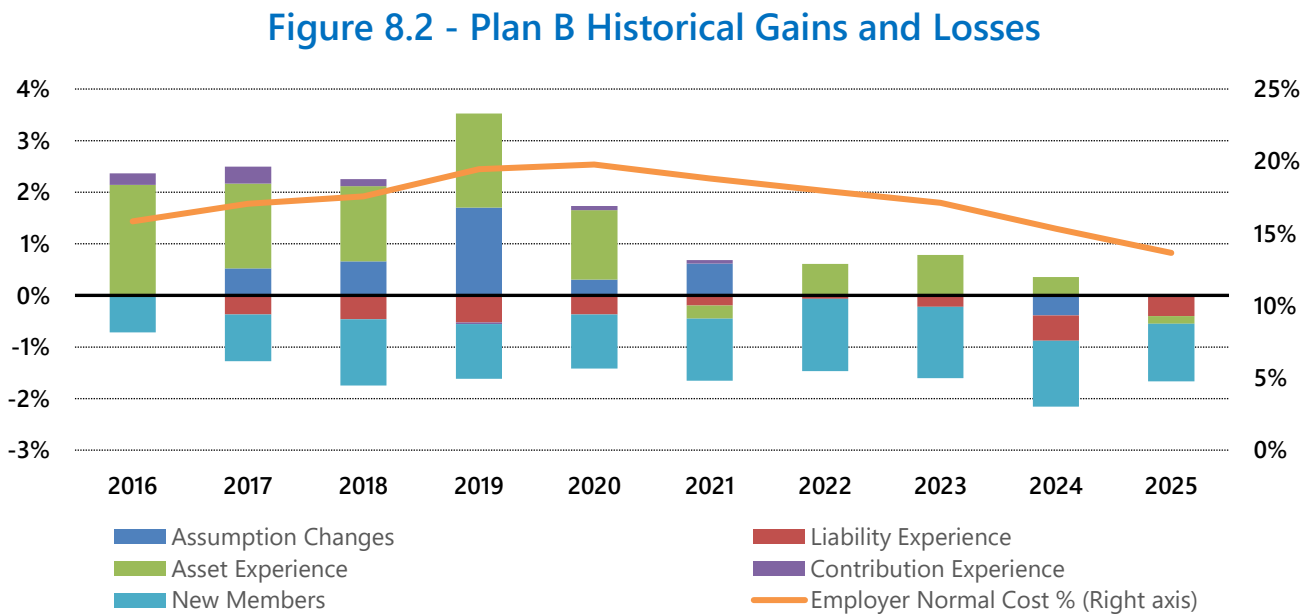
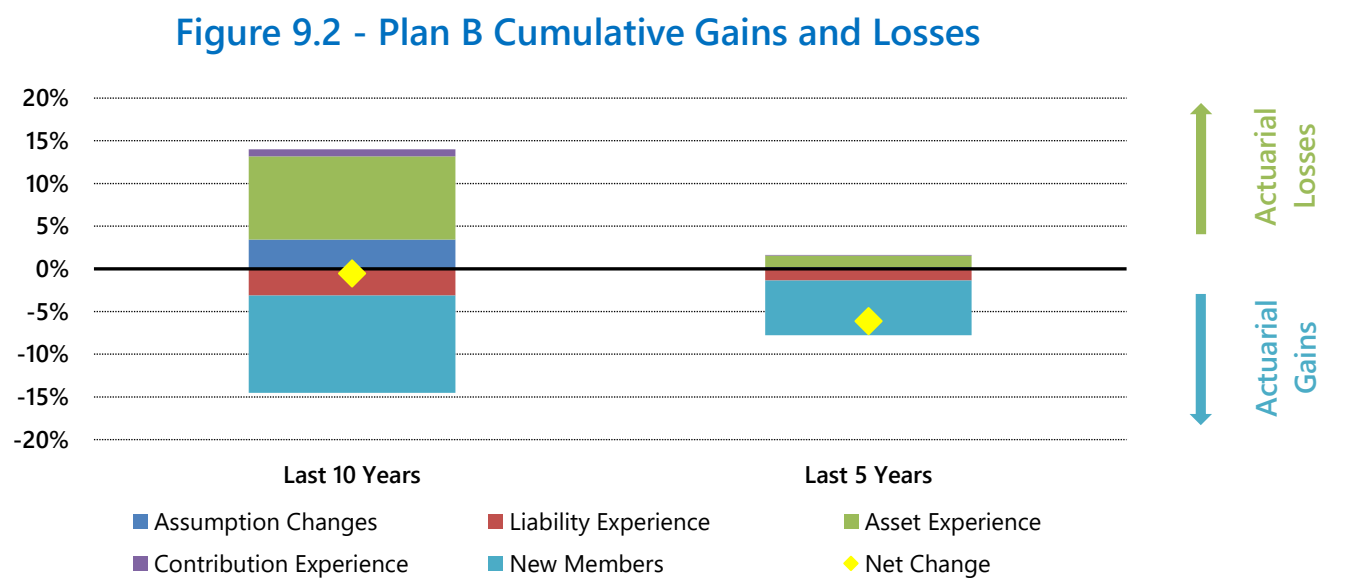


Figure 9.2 accumulates these gains and losses over the last 5 years and 10 years and shows whether the plan experienced more gains or losses during that period. As seen in this figure, over the last ten years, Plan B experienced slightly more gains than losses which caused normal cost accrual rates to decrease. During the last five years, the plan has also experienced greater levels of gains than losses. The largest source of losses during this period has been asset experience. New members have provided significant savings during this period.

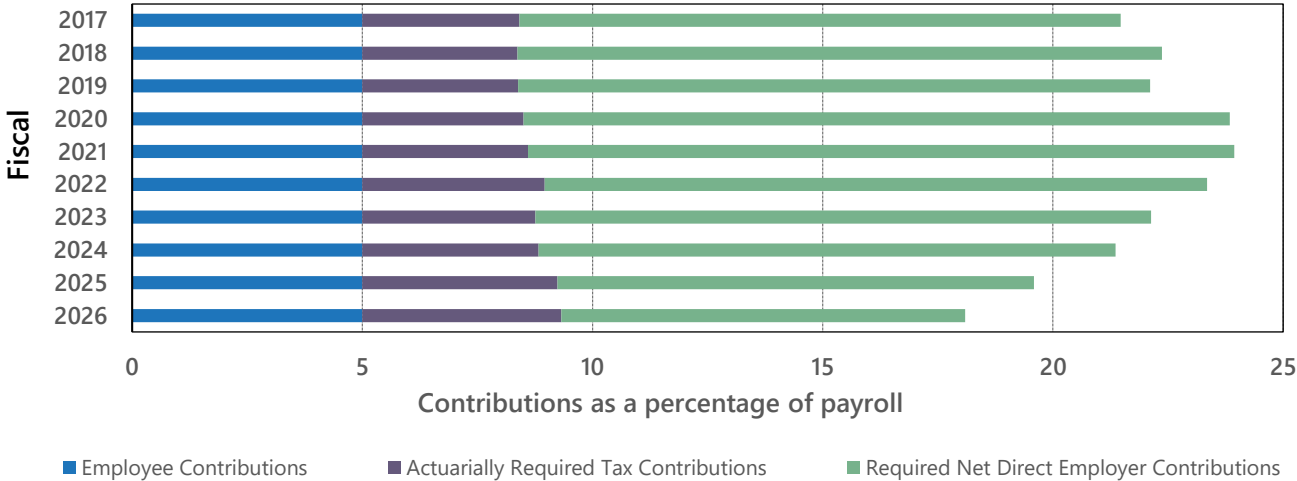


For Plan B, the derivation of the actuarially required contribution for the current fiscal year is given in Exhibit IX. The employer normal cost for Fiscal 2026 adjusted for mid-year payment is \$11,847,258. Based upon the Board of Trustees’ decision to use a portion of the credit balance in the plan’s Funding Deposit Account to pay off the remaining balance on the frozen unfunded accrued liability in Fiscal 2018, there is no projected amortization payment in the calculation of the minimum recommended net direct employer contribution rate for Fiscal 2027. The total actuarially required contribution is determined by adding estimated administrative expenses to the employer normal cost. As given on line 12 of Exhibit IX the gross actuarially required employer contribution for Fiscal 2026 is \$12,696,668. When this amount is reduced by projected tax contributions and revenue sharing funds, the resulting employers’ minimum net direct actuarially required contribution for Fiscal 2026 is \$8,510,230.

Required net direct employer contributions are affected by the available ad valorem taxes and revenue sharing funds which the system receives each year. When these funds change as a percentage of payroll, net direct employer contribution rates are adjusted accordingly. We estimate that for Plan B, the funds collected from ad valorem taxes and revenue sharing funds in Fiscal 2026 will increase by 0.08% of payroll. The net effect of the above changes in the cost structure of the system resulted in a minimum actuarially required net direct employer contribution rate for Fiscal 2026 for Plan B of 8.77%; the board approved employer contribution rate for Fiscal 2026 is 13.50% of payroll. R.S. 11:103 requires that the net direct employer contributions be rounded to the nearest 0.25%; hence, we are recommending a minimum net direct employer contribution rate for Plan B of 8.75% for Fiscal 2027.

The cost of providing benefits to current and former members is borne by employees and employers and relies in part on dedicated ad valorem taxes and revenue sharing funds. **Figure 10.2** shows the breakdown of annual costs for Plan B as a percentage of payroll over the past ten years.

Figure 10.2. Plan B | Components of Actuarial Funding



Under the provisions of R.S. 11:103, excess or deficient contributions typically decrease or increase future normal costs. However, the Board of Trustees has the right to set the net direct employer contribution rate above the minimum recommended level in accordance with R.S. 11:105, R.S. 11:106, or R.S. 11:107. First, under R.S. 11:105 and R.S. 11:107, if the minimum net direct employer contribution rate is scheduled to decrease, the Board may maintain the contribution rate at any level between the current net direct employer contribution rate and the minimum recommended rate. Additionally, pursuant to R.S. 11:106, the Board may set the employer contribution rate at any level up to 3% more than the minimum required contribution rate. According to R.S. 11:107.1, such excess contributions shall be combined with any contribution gain or loss, and any resulting excess will be credited to the Funding Deposit Account.

Under the provisions of RS 11:105, R.S. 11:106 and RS 11:107, the Board of Trustees may set the net direct employer contribution for Fiscal 2027 at any level between the minimum recommended employer contribution rate and the current employer contribution rate. For Plan A, the Board may set the net direct employer contribution at any rate between 20.75% and 27.00%. For Plan B, the board may set the rate at any rate between 8.75% and 13.50%. If the net direct employer contribution rate for either or both plans is set at a level above the minimum rate, and the plan experiences a contribution gain for the year, that gain is added to the appropriate plan’s Funding Deposit Account.

Both Plan A and Plan B have Funding Deposit Account Credit Balances. Both plans experienced a contribution gain due to a net direct employer contribution rate set above the minimum recommended employer contribution rate during Fiscal 2025. Therefore, surplus contributions were credited to the Funding Deposit Account (\$12,339,289 for Plan A and \$3,890,176 for Plan B) during the year. In accordance with R.S. 11:107.1(D), the balances were adjusted for the accrual of interest at the valuation interest rate. In addition, the Board of Trustees authorized a COLA from each Plan effective July 1, 2025 to be funded from each plan’s Funding Deposit Account. The COLA provided reduced the Plan A Funding

Deposit Account by \$14,750,725 and the Plan B Funding Deposit Account by \$2,785,384. The remaining funds in these accounts may be used to reduce the outstanding unfunded accrued liability, reduce the future normal costs, fund cost of living increases to retirees, or reduce contributions for specified fiscal years.

LOW-DEFAULT RISK OBLIGATION MEASURE (LDROM)

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

The LDROM can help to quantify both the impact of investing in a portfolio that includes risky assets and using a long-term expected rate of return from such a portfolio to discount liabilities. In addition, the LDROM can help stakeholders understand how much liabilities would increase if the system was measured using a discount rate that did not include the risk premium for assets with higher default risk.

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

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

The biggest decision in making LDROM calculations is the discount rate or rates to use. The standard discusses several possibilities. We have elected to base our LDROM calculations on discount rates derived from high-quality corporate bonds, which we believe best represent low-default-risk fixed income investments. For the purpose of these calculations, we use the U.S. Department of the Treasury's High-

Quality Market (HQM) Corporate Bond Yield Curve weighted according to the closed fund cash flows developed for the most recently completed system specific GASB 67 analyses. The LDROM calculations have been performed based on the Entry Age Normal funding method.

The U.S. Treasury HQM Corporate Bond Yield Curve is developed using regression variables, projects yield curves beyond the longest maturity date and makes use of bond market characteristics to help generate a stable curve. It represents spot yields of corporate bonds rated AAA, AA, or A and is available monthly on the IRS website. When the June 2025 HQM Corporate Bond Yield Curve is weighted based on the GASB 67 cash flows, the effective single discount rate derived from the analysis is 5.72% for Plan A and 5.75% for Plan B.

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

Plan A - LDROM Comparison	Funding Valuation	LDROM Valuation
Discount Rate	6.85%	5.72%
Accrued Liability for Active Members	\$ 497,325,705	\$ 579,131,241
Accrued Liability for Terminated Members	\$ 35,991,289	\$ 40,493,697
Accrued Liability for Retired Members	\$ 838,929,386	\$ 915,991,858
Total Actuarial Accrued Liability (AAL)	\$ 1,372,246,380	\$ 1,535,616,796
Funded Ratio (AVA/AAL)	83.27%	74.41%

Plan B - LDROM Comparison	Funding Valuation	LDROM Valuation
Discount Rate	6.85%	5.75%
Accrued Liability for Active Members	\$ 140,674,477	\$ 162,807,667
Accrued Liability for Terminated Members	\$ 13,518,638	\$ 15,328,324
Accrued Liability for Retired Members	\$ 158,970,591	\$ 172,404,955
Total Actuarial Accrued Liability (AAL)	\$ 313,163,706	\$ 350,540,946
Funded Ratio (AVA/AAL)	85.32%	76.23%

The differences in the measures shown above can be viewed within the risk/return framework. By accepting added investment risk, the system is expected to significantly reduce the employer's responsibility to fund system liabilities over the long run, but that decision will likely result in greater variability in employer contributions over time as risky assets typically experience greater return volatility.

COST OF LIVING ADJUSTMENTS

During Fiscal 2025 the actual cost of living (as measured by the US Department of Labor CPI-U) increased by 2.7%.

RELEVANT COLA STATUTES	
Statute	Description
R.S. 11:1761	Provides cost-of-living increases of up to 2% of each retiree's original benefit. Applies to those retired for at least one year.
R.S. 11:246	Provides supplemental cost-of-living increases to retirees and beneficiaries over the age of 65 equal to 2% of the benefit in payment on October 1, 1977, or the date the benefit was originally received if retirement commenced after that date. Applies to those retired for at least one year.
R.S. 11:241	Provides for cost-of-living benefits payable based on a formula equal to up to \$1 times the total of the number of years of credited service accrued at retirement or at death of the member or retiree plus the number of years since retirement or since death of the member or retiree to the system's fiscal year end preceding the payment of the benefit increase. Applies to those retired for at least one year.

In addition, Act 113 of the 2008 Regular Legislation Session provides for a COLA of 3% of the normal monthly benefit but not less than \$20 per month. Although this COLA is permanent, it may only be granted once. This one-time cost of living increase may only be paid from excess interest earnings.

Based upon the irrevocable election of the Board of Trustees to accept the alternative method for determining eligibility to authorize cost of living increases under Act 170 of the 2013 Legislative Session, the ratio of the plan's assets to benefit obligations must meet the criteria established in R.S. 11:243. Under this section, the system would only be authorized to grant a COLA under R. S. 11:241, R.S. 11:246, or R. S. 11: 1761 in fiscal years in which the rate of return on an actuarial basis exceeds the valuation interest rate and one of the following applies:

1. The system has a funded ratio of 90% or more and has not granted a benefit increase to retirees, survivors, and beneficiaries in the most recent fiscal year.
2. The system has a funded ratio of 80% or more and has not granted a benefit increase to retirees, survivors, and beneficiaries in the two most recent fiscal years.
3. The system has a funded ratio of 70% or more and has not granted a benefit increase to retirees, survivors, and beneficiaries in the three most recent fiscal years.

The system's Board of Trustees voted in the March 20, 2025 board meeting to approve a 2.0% of original benefit cost-of-living increase to all retirees and survivors who have received benefits for at least one year. The COLA was effective July 1, 2025 and was funded through a reduction in each plan's Funding Deposit Account.

Based on the frequency rules within R.S. 11:243, the Board of Trustees is not authorized to grant a cost-of-living increase following this valuation.

The following is a history of COLAs provided since January 1, 2000:

COLA HISTORY SINCE 2000	
July 1, 2025	COLA paying 2.0% of original benefit to all retirees and survivors who had received benefits for at least one year.
July 1, 2022	COLA paying 1.6% of original benefit to all retirees and survivors who had received benefits for at least one year.
April 1, 2009	COLA paying 1.5% of original benefit to all retirees and survivors who had received benefits for at least one year.
January 1, 2008	COLA paying 2.0% of original benefit to all retirees and survivors in addition to a supplemental COLA of 2% of original benefit payable to retirees and survivors over age 65 (for retirees and survivors who had received benefits for at least one year).
January 1, 2001	COLA paying 2.0% of original benefit to all retirees and survivors who had received benefits for at least one year.
January 1, 2000	COLA paying 2.0% of original benefit to all retirees and survivors in addition to a supplemental COLA of 2% of original benefit payable to retirees and survivors over age 65 (for retirees and survivors who had received benefits for at least one year).

EXHIBIT I

PLAN A: ANALYSIS OF ACTUARIALLY REQUIRED CONTRIBUTIONS

1. Present Value of Future Benefits.....	\$ 1,582,866,422
2. Frozen Unfunded Actuarial Accrued Liability	\$ 36,256,454
3. Actuarial Value of Assets.....	\$ 1,142,614,852
4. Funding Deposit Account Credit Balance.....	\$ 28,944,653
5. Present Value of Future Employee Contributions	<u>\$ 131,220,254</u>
6. Present Value of Future Employer Normal Costs (1 - 2 - (3 - 4) - 5)	\$ 301,719,515
7. Present Value of Future Salaries.....	\$ 1,438,551,427
8. Employer Normal Cost Accrual Rate (6 ÷ 7).....	20.973843%
9. Projected Fiscal 2026 Salary for Current Membership.....	\$ 185,869,242
10. Employer Normal Cost as of July 1, 2025 (8 × 9).....	\$ 38,983,923
11. Employer Normal Cost Interest Adjusted for Mid-year Payment.....	\$ 40,297,008
12. Amortization Payment on Frozen Unfunded Accrued Liability with Payments Increasing at 4.25% per year	\$ 9,401,742
13. Amortization Payment Interest Adjust for Mid-year Payment	\$ 9,718,418
14. TOTAL Employer Normal Cost & Amortization Payment (11 + 13)	\$ 50,015,426
15. Estimated Administrative Cost for Fiscal 2026.....	\$ 1,829,690
16. Gross Employer Actuarially Required Contribution for Fiscal 2026 (14 + 15).....	\$ 51,845,116
17. Projected Ad Valorem Tax Contributions for Fiscal 2026	\$ (8,907,316)
18. Projected Revenue Sharing Funds for Fiscal 2026.....	\$ (110,567)
19. Employers' Minimum Net Direct Actuarially Required Contribution for Fiscal 2026 (16 + 17 + 18)	\$ 42,827,233
20. Projected Payroll for Fiscal 2026.....	\$ 205,824,787
21. Employers' Minimum Net Direct Actuarially Required Contribution as a % of Projected Payroll for Fiscal 2026 (19 ÷ 20)	20.81%
22. Board Approved Employer Contribution Rate for 2026.....	27.00%
23. Minimum Recommended Net Direct Employer Contribution Rate for Fiscal 2027 (21, Rounded to the nearest 0.25%)	20.75%

EXHIBIT II

PLAN A: PRESENT VALUE OF FUTURE BENEFITS

PRESENT VALUE OF FUTURE BENEFITS FOR ACTIVE MEMBERS:

Retirement Benefits	\$	593,703,076	
Survivor Benefits		14,348,253	
Disability Benefits		17,138,767	
Vested Termination Benefits		56,328,625	
Refunds of Contributions		26,427,026	
 TOTAL Present Value of Future Benefits for Active Members	\$		707,945,747

PRESENT VALUE OF FUTURE BENEFITS FOR TERMINATED MEMBERS:

Terminated Vested Members Due Benefits at Retirement..	\$	26,991,600	
Terminated Members with Reciprocals			
Due Benefits at Retirement.....		556,818	
Terminated Members Due a Refund.....		8,442,871	
 TOTAL Present Value of Future Benefits for Terminated Members.....	\$		35,991,289

PRESENT VALUE OF FUTURE BENEFITS FOR RETIREES:

Regular Retirees			
Maximum	\$	293,765,693	
Option 2.....		329,716,483	
Option 3.....		100,108,256	
Option 4.....		4,203,247	
 TOTAL Regular Retirees	\$	727,793,679	
 Disability Retirees		13,567,317	
 Survivors		82,038,223	
 Reserve for Accrued Retiree DROP Balances/Annuities		15,530,167	
 TOTAL Present Value of Future Benefits for Retirees & Survivors	\$		838,929,386
 TOTAL Present Value of Future Benefits.....	\$		1,582,866,422

EXHIBIT III PLAN A – ACTUARIAL VALUE OF ASSETS

Excess (Shortfall) of Invested Income
For Current and Previous 4 Years:

Fiscal year 2025.....	\$	27,018,924
Fiscal year 2024.....		34,931,342
Fiscal year 2023.....		13,366,803
Fiscal year 2022		(165,706,954)
Fiscal year 2021		132,640,795
Total for Five Years.....	\$	42,250,910

Deferral of Excess (Shortfall) of Invested Income:

Fiscal year 2025 (80%).....	\$	21,615,139
Fiscal year 2024 (60%).....		20,958,805
Fiscal year 2023 (40%).....		5,346,721
Fiscal year 2022 (20%).....		(33,141,391)
Fiscal year 2021 (0%).....		0
Total Deferred for Year.....	\$	14,779,274

Market Value of Plan Net Assets, End of Year..... \$ 1,157,394,126

Preliminary Actuarial Value of Plan Assets, End of Year \$ 1,142,614,852

Actuarial Value of Assets Corridor

85% of Market Value, End of Year.....	\$	983,785,007
115% of Market Value, End of Year.....	\$	1,331,003,245

Final Actuarial Value of Plan Net Assets, End of Year..... \$ 1,142,614,852

EXHIBIT IV
PLAN A: PRESENT VALUE OF FUTURE CONTRIBUTIONS

Employee Contributions to the Annuity Savings Fund	\$	131,220,254
Employer Normal Contributions to the Pension Accumulation Fund		301,719,515
Employer Amortization Payments to the Pension Accumulation Fund		36,256,454
Funding Deposit Account Credit Balance		(28,944,653)
TOTAL PRESENT VALUE OF FUTURE CONTRIBUTIONS	\$	440,251,570

EXHIBIT V
PLAN A: CHANGE IN FROZEN UNFUNDED ACTUARIAL ACCRUED LIABILITY

Prior Year Frozen Unfunded Accrued Liability	\$	42,950,562
Interest on Frozen Unfunded Accrued Liability	\$	2,942,113
TOTAL Interest Adjusted Cost Elements	\$	2,942,113
Amortization Payment on the Unfunded Accrued Liability	\$	9,018,458
Interest on Amortization Payment		617,763
Credited Withdrawals from Funding Deposit Account		0
TOTAL Interest Adjusted Employer Contributions	\$	9,636,221
NET Change in Frozen Unfunded Accrued Liability	\$	(6,694,108)
CURRENT YEAR FROZEN UNFUNDED ACCRUED LIABILITY	\$	36,256,454

EXHIBIT VI
PLAN A: FUNDING DEPOSIT ACCOUNT

Funding Deposit Account Balance as of June 30, 2024	\$	29,345,895
Interest on Opening Balance at 6.850%.....		2,010,194
Contributions to the Funding Deposit Account.....		12,339,289
Withdrawals from the Funding Deposit Account.....		(14,750,725)
Funding Deposit Account Balance as of June 30, 2025	\$	28,944,653

EXHIBIT VII – SCHEDULE A
PLAN A: PENSION BENEFIT OBLIGATION

Present Value of Credited Projected Benefits Payable to Current Employees	\$	471,140,651
Present Value of Benefits Payable to Terminated Employees		35,991,289
Present Value of Benefits Payable to Current Retirees and Beneficiaries		838,929,386
TOTAL PENSION BENEFIT OBLIGATION	\$	1,346,061,326
NET ACTUARIAL VALUE OF ASSETS	\$	1,142,614,852
Ratio of Net Actuarial Value of Assets to Pension Benefit Obligation		84.89%

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

Accrued Liability for Active Employees	\$	497,325,705
Accrued Liability for Terminated Employees.....		35,991,289
Accrued Liability for Current Retirees and Beneficiaries.....		838,929,386
TOTAL ENTRY AGE NORMAL ACCRUED LIABILITY	\$	1,372,246,380
ACTUARIAL VALUE OF ASSETS.....	\$	1,142,614,852
Ratio of Net Actuarial Value of Assets to Entry Age Normal Accrued Liability.....		83.27%

EXHIBIT VIII

PLAN A: YEAR-TO-YEAR COMPARISON

	Fiscal 2025	Fiscal 2024	Fiscal 2023	Fiscal 2022
Number of Active Members	4,372	4,409	4,484	4,513
Number of Retirees & Survivors	3,840	3,813	3,790	3,732
Number of Terminated Due Deferred	244	245	251	258
Number Terminated Due Refunds	4,169	3,989	3,731	3,517
Active Lives Payroll	\$ 204,798,108	\$ 199,682,634	\$ 199,312,291	\$ 187,377,898
Retiree Benefits in Payment	\$ 84,833,562	\$ 80,919,832	\$ 78,886,254	\$ 76,362,820
Market Value of Assets (MVA)	\$ 1,157,394,126	\$ 1,061,632,500	\$ 961,610,161	\$ 877,147,955
Actuarial Value of Assets (AVA)	\$ 1,142,614,852	\$ 1,065,421,967	\$ 1,003,608,550	\$ 946,256,046
Entry Age Normal Accrued Liability	\$ 1,372,246,380	\$ 1,329,155,959	\$ 1,311,582,587	\$ 1,277,206,406
Ratio of AVA to EAN Accrued Liability	83.27%	80.16%	76.52%	74.09%
Frozen Unfunded Actuarial Accrued Liability	\$ 36,256,454	\$ 42,950,562	\$ 48,847,862	\$ 54,014,424
Present Value of Future Employer Normal	\$ 301,719,515	\$ 327,182,473	\$ 365,196,001	\$ 369,496,960
Present Value of Future Employee Contrib.	\$ 131,220,254	\$ 126,780,917	\$ 131,465,069	\$ 122,128,541
Funding Deposit Account Balance	\$ 28,944,653	\$ 29,345,895	\$ 17,097,231	\$ 8,002,037
Present Value of Future Benefits	\$ 1,582,866,422	\$ 1,532,990,024	\$ 1,532,020,251	\$ 1,483,893,934
	Fiscal 2026	Fiscal 2025	Fiscal 2024	Fiscal 2023
Employee Contribution Rate	10.00%	10.00%	10.00%	10.00%
Estimated Tax Contribution as a % of Payroll	4.38%	4.34%	3.92%	3.91%
Minimum Recommended Net Direct Employer Contribution Rate	23.25%	25.25%	27.75%	28.25%
Actual Employer Contribution Rate	27.00%	28.00%	29.50%	29.50%

Fiscal 2021	Fiscal 2020	Fiscal 2019	Fiscal 2018	Fiscal 2017	Fiscal 2016
4,611	4,783	4,795	4,888	4,937	4,912
3,673	3,618	3,552	3,468	3,417	3,345
243	213	199	185	184	186
3,455	3,322	3,191	2,994	2,885	2,826
\$ 185,740,910	\$ 188,745,713	\$ 183,483,655	\$ 181,786,660	\$ 182,044,919	\$ 177,777,678
\$ 72,508,123	\$ 69,264,254	\$ 66,516,732	\$ 63,184,393	\$ 60,663,715	\$ 57,895,282
\$ 975,735,673	\$ 786,276,078	\$ 765,059,686	\$ 734,226,194	\$ 697,057,939	\$ 671,876,210
\$ 897,366,504	\$ 829,419,184	\$ 806,503,031	\$ 797,679,469	\$ 781,417,434	\$ 769,849,744
\$ 1,238,502,345	\$ 1,203,027,922	\$ 1,165,954,887	\$ 1,129,080,666	\$ 1,096,616,918	\$ 1,063,558,257
72.46%	68.94%	69.17%	70.65%	71.26%	72.38%
\$ 58,511,472	\$ 62,368,613	\$ 65,648,756	\$ 68,334,864	\$ 70,511,316	\$ 72,227,730
\$ 377,569,940	\$ 401,841,036	\$ 385,947,438	\$ 367,352,092	\$ 344,034,117	\$ 315,256,488
\$ 119,944,886	\$ 119,736,262	\$ 109,888,429	\$ 110,664,765	\$ 109,901,879	\$ 105,774,692
\$ 10,695,893	\$ 10,000,835	\$ 9,346,575	\$ 8,712,724	\$ 8,112,406	\$ 8,421,235
\$ 1,442,696,909	\$ 1,403,364,260	\$ 1,358,641,079	\$ 1,335,318,466	\$ 1,297,752,340	\$ 1,254,687,419
Fiscal 2022	Fiscal 2021	Fiscal 2020	Fiscal 2019	Fiscal 2018	Fiscal 2017
10.00%	10.00%	9.50%	9.50%	9.50%	9.50%
4.02%	3.59%	3.50%	3.50%	3.39%	3.40%
29.25%	29.50%	27.75%	26.00%	24.75%	23.25%
29.50%	29.50%	27.75%	26.00%	24.75%	23.25% *

* Includes 0.5% from the Funding Deposit Account

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EXHIBIT IX

PLAN B: ANALYSIS OF ACTUARIALLY REQUIRED CONTRIBUTIONS

1.	Present Value of Future Benefits.....	\$	368,935,041
2.	Actuarial Value of Assets.....	\$	267,205,127
3.	Funding Deposit Account Credit Balance.....	\$	9,696,911
4.	Present Value of Future Employee Contributions	\$	<u>28,024,710</u>
5.	Present Value of Future Employer Normal Costs (1 – (2 – 3) – 4)	\$	83,402,115
6.	Present Value of Future Salaries.....	\$	610,767,444
7.	Employer Normal Cost Accrual Rate (5 ÷ 6).....		13.655298%
8.	Projected Fiscal 2026 Salary for Current Membership.....	\$	83,932,356
9.	Employer Normal Cost as of July 1, 2025 (7 × 8).....	\$	11,461,213
10.	Employer Normal Cost Interest Adjusted for Mid-year Payment.....	\$	11,847,258
11.	Estimated Administrative Cost for Fiscal 2026.....	\$	849,410
12.	Gross Employer Actuarially Required Contribution for Fiscal 2026 (10 + 11)	\$	12,696,668
13.	Projected Ad Valorem Tax Contributions for Fiscal 2026	\$	(4,135,109)
14.	Projected Revenue Sharing Funds for Fiscal 2026.....	\$	(51,329)
15.	Employers' Minimum Net Direct Actuarially Required Contribution for Fiscal 2026 (12 + 13 + 14).....	\$	8,510,230
16.	Projected Payroll for Fiscal 2026.....	\$	97,010,022
17.	Employers' Minimum Net Direct Actuarially Required Contribution as a % of Projected Payroll for Fiscal 2026 (15 ÷ 16)		8.77%
18.	Board Approved Employer Contribution Rate for 2026.....		13.50%
19.	Minimum Recommended Net Direct Employer Contribution Rate for Fiscal 2027 (17, Rounded to the nearest 0.25%)		8.75%

EXHIBIT X

PLAN B: PRESENT VALUE OF FUTURE BENEFITS

PRESENT VALUE OF FUTURE BENEFITS FOR ACTIVE MEMBERS:

Retirement Benefits	\$	162,206,353	
Survivor Benefits		3,722,372	
Disability Benefits		7,601,045	
Vested Termination Benefits		16,372,973	
Refunds of Contributions		6,543,069	
 TOTAL Present Value of Future Benefits for Active Members	\$		196,445,812

PRESENT VALUE OF FUTURE BENEFITS FOR TERMINATED MEMBERS:

Terminated Vested Members Due Benefits at Retirement..	\$	10,626,360	
Terminated Members with Reciprocals			
Due Benefits at Retirement.....		683,107	
Terminated Members Due a Refund.....		2,209,171	
 TOTAL Present Value of Future Benefits for Terminated Members.....	\$		13,518,638

PRESENT VALUE OF FUTURE BENEFITS FOR PENSIONERS:

Regular Retirees by Option Selected:			
Maximum	\$	56,808,504	
Option 2.....		56,563,933	
Option 3.....		18,508,518	
 TOTAL Regular Retirees	\$	131,880,955	
 TOTAL Disability Retirees	\$	3,727,693	
 TOTAL Survivors.....	\$	20,405,621	
 Reserve for Accrued Retiree DROP Account Balances	\$	2,956,322	
 TOTAL Present Value of Future Benefits for Retirees & Survivors	\$		158,970,591
 TOTAL Present Value of Future Benefits.....	\$		368,935,041

EXHIBIT XI

PLAN B – ACTUARIAL VALUE OF ASSETS

Excess (Shortfall) of Invested Income
For Current and Previous 4 Years:

Fiscal year 2025.....	\$	4,975,371
Fiscal year 2024.....		6,845,911
Fiscal year 2023.....		2,203,743
Fiscal year 2022.....		(36,210,804)
Fiscal year 2021.....		27,507,064
Total for Five Years	\$	5,321,285

Deferral of Excess (Shortfall) of Invested Income:

Fiscal year 2025 (80%)	\$	3,980,297
Fiscal year 2024 (60%)		4,107,547
Fiscal year 2023 (40%)		881,497
Fiscal year 2022 (20%)		(7,242,161)
Fiscal year 2021 (0%)		0
Total Deferred for Year.....	\$	1,727,180

Market Value of Plan Net Assets, End of Year \$ 268,932,307

Preliminary Actuarial Value of Plan Assets, End of Year \$ 267,205,127

Actuarial Value of Assets Corridor

85% of Market Value, End of Year	\$	228,592,461
115% of Market Value, End of Year.....	\$	309,272,153

Final Actuarial Value of Plan Net Assets, End of Year..... \$ 267,205,127

EXHIBIT XII
PLAN B: PRESENT VALUE OF FUTURE CONTRIBUTIONS

Employee Contributions to the Annuity Savings Fund	\$	28,024,710
Employer Normal Contributions to the Pension Accumulation Fund		83,402,115
Employer Amortization Payments to the Pension Accumulation Fund		0
Funding Deposit Account Credit Balance.....		(9,696,911)
TOTAL PRESENT VALUE OF FUTURE CONTRIBUTIONS	\$	101,729,914

EXHIBIT XIII
PLAN B: RECONCILIATION OF EMPLOYER CONTRIBUTIONS

Employer Normal Cost for Prior Year.....	\$	12,292,966
Interest on Normal Cost.....		842,067
Administrative Expenses		790,826
Interest on Expenses.....		26,638
TOTAL Interest Adjusted Actuarially Required Employer Contributions	\$	13,952,497
Direct Employer Contributions	\$	13,401,665
Interest on Employer Contributions		451,405
Ad Valorem Taxes and Revenue Sharing Funds		3,859,601
Interest on Taxes and Revenue Sharing Funds		130,002
TOTAL Interest Adjusted Employer Contributions	\$	17,842,673
CONTRIBUTION SURPLUS (DEFICIENCY).....	\$	3,890,176

EXHIBIT XV
PLAN B: FUNDING DEPOSIT ACCOUNT

Funding Deposit Account Balance as of June 30, 2024	\$	8,041,291
Interest on Opening Balance at 6.85%		550,828
Contributions to the Funding Deposit Account.....		3,890,176
Withdrawals from the Funding Deposit Account.....		(2,785,384)
Funding Deposit Account Balance as of June 30, 2025	\$	9,696,911

EXHIBIT XVI – SCHEDULE A
PLAN B: PENSION BENEFIT OBLIGATION

Present Value of Credited Projected Benefits Payable to Current Employees	\$	131,203,928
Present Value of Benefits Payable to Terminated Employees		13,518,638
Present Value of Benefits Payable to Current Retirees and Beneficiaries		158,970,591
TOTAL PENSION BENEFIT OBLIGATION	\$	303,693,157
NET ACTUARIAL VALUE OF ASSETS	\$	267,205,127
Ratio of Net Actuarial Value of Assets to Pension Benefit Obligation		87.99%

EXHIBIT XVI – SCHEDULE B
PLAN B: ENTRY AGE NORMAL ACCRUED LIABILITIES

Accrued Liability for Active Employees	\$	140,674,477
Accrued Liability for Terminated Employees.....		13,518,638
Accrued Liability for Current Retirees and Beneficiaries.....		158,970,591
TOTAL ENTRY AGE NORMAL ACCRUED LIABILITY	\$	313,163,706
ACTUARIAL VALUE OF ASSETS.....	\$	267,205,127
Ratio of Net Actuarial Value of Assets to Entry Age Normal Accrued Liability.....		85.32%

EXHIBIT XVII

PLAN B: YEAR-TO-YEAR COMPARISON

	Fiscal 2025	Fiscal 2024	Fiscal 2023	Fiscal 2022
Number of Active Members	2,142	2,103	2,055	1,997
Number of Retirees & Survivors	1,238	1,228	1,198	1,159
Number of Terminated Due Deferred Benefits	123	111	107	104
Number Terminated Due Refunds	2,320	2,138	2,010	1,832
Active Lives Payroll	\$ 95,074,939	\$ 90,832,236	\$ 86,043,818	\$ 79,381,407
Retiree Benefits in Payment	\$ 16,705,024	\$ 16,025,703	\$ 15,428,909	\$ 14,609,855
Market Value of Assets (MVA)	\$ 268,932,307	\$ 244,232,011	\$ 219,614,861	\$ 200,590,478
Actuarial Value of Assets (AVA)	\$ 267,205,127	\$ 246,415,945	\$ 230,016,557	\$ 216,737,373
Entry Age Normal Accrued Liability	\$ 313,163,706	\$ 301,399,487	\$ 295,780,151	\$ 284,474,338
Ratio of AVA to EAN Accrued Liability	85.32%	81.76%	77.77%	76.19%
Frozen Unfunded Actuarial Accrued Liability	\$ 0	\$ 0	\$ 0	\$ 0
Present Value of Future Employer Normal Cost	\$ 83,402,115	\$ 89,571,381	\$ 101,592,212	\$ 98,631,357
Present Value of Future Employee Contrib.	\$ 28,024,710	\$ 26,778,685	\$ 26,969,715	\$ 24,870,430
Funding Deposit Account Balance	\$ 9,696,911	\$ 8,041,291	\$ 4,297,012	\$ 1,560,738
Present Value of Future Benefits	\$ 368,935,041	\$ 354,724,720	\$ 354,281,472	\$ 338,678,422
	Fiscal 2026	Fiscal 2025	Fiscal 2024	Fiscal 2023
Employee Contribution Rate	5.00%	5.00%	5.00%	5.00%
Estimated Tax Contribution as a % of Payroll	4.32%	4.24%	3.83%	3.76%
Minimum Recommended Net Direct Employer Contribution Rate	10.25%	12.50%	13.25%	14.50%
Actual Employer Contribution Rate	13.50%	14.00%	15.50%	15.50%

Fiscal 2021	Fiscal 2020	Fiscal 2019	Fiscal 2018	Fiscal 2017	Fiscal 2016
1,980	2,037	2,063	2,128	2,125	2,142
1,125	1,107	1,076	1,050	1,025	975
110	103	97	92	82	71
1,745	1,629	1,556	1,419	1,331	1,258
\$ 75,792,699	\$ 76,799,634	\$ 75,213,353	\$ 74,696,846	\$ 73,275,324	\$ 71,918,938
\$ 13,509,829	\$ 12,823,215	\$ 12,223,991	\$ 11,522,493	\$ 10,946,571	\$ 10,254,964
\$ 219,732,397	\$ 177,974,097	\$ 170,871,104	\$ 161,284,802	\$ 150,467,958	\$ 143,201,586
\$ 204,077,162	\$ 187,812,515	\$ 180,085,046	\$ 175,032,415	\$ 168,698,012	\$ 164,516,476
\$ 273,783,925	\$ 264,774,249	\$ 254,292,446	\$ 241,302,909	\$ 232,425,916	\$ 221,633,353
74.54%	70.93%	70.82%	72.54%	72.58%	74.23%
\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,382,456	\$ 2,742,698
\$ 99,767,305	\$ 105,929,550	\$ 102,003,203	\$ 95,920,724	\$ 91,249,645	\$ 82,911,008
\$ 23,943,614	\$ 24,180,096	\$ 23,628,322	\$ 24,253,572	\$ 23,664,481	\$ 23,119,585
\$ 1,869,690	\$ 1,748,191	\$ 1,633,823	\$ 1,523,023	\$ 3,286,730	\$ 3,233,725
\$ 325,918,391	\$ 316,173,970	\$ 304,082,748	\$ 293,683,688	\$ 282,707,864	\$ 270,056,042
Fiscal 2022	Fiscal 2021	Fiscal 2020	Fiscal 2019	Fiscal 2018	Fiscal 2017
5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
3.96%	3.60%	3.50%	3.38%	3.37%	3.41%
15.25%	15.50%	13.75%	14.00%	13.25%	11.25%
15.50%	15.50%	14.00%	14.00%	13.25%	11.25% *

* Includes 0.25% from the Funding Deposit Account

APPENDIX A - 1

PLAN A - GASB 67 AND 82 INFORMATION

GASB INTRODUCTION

Appendix A-1 provides information necessary to prepare financial statements which comply with Governmental Accounting Standards Board (GASB) Statements 67 and 82 for Plan A. This appendix has been prepared in accordance with generally accepted actuarial principles and practices to the extent that there is no conflict with GASB Statements 67 and 82, and to the best of our knowledge and belief, fairly reflects the actuarial present values and liabilities stated herein. The findings in this report are based on data and other information through June 30, 2025.

As of June 30, 2025, Plan A pension plan membership consisted of the following:

Active plan members	4,372
Inactive plan members or beneficiaries currently receiving benefits	3,840
Inactive plan members entitled to but not yet receiving benefits	<u>4,413</u>
	<u>12,625</u>

Because the Municipal Employees' Retirement System – Plan A is funded using the Frozen Attained Age Normal actuarial cost method and GASB prescribed the use of the Entry Age Normal Funding Method for financial disclosures, the funding methods used are different for the funding and GASB valuations. In addition to the prescribed funding method, GASB requires calculations to spread employer normal cost only through DROP entry even though employers contribute during the DROP participation period. For funding purposes, employer normal cost is spread through final retirement in systems where employers contribute through DROP. An additional difference between the presentation of funding valuation results provided earlier in this report and the GASB valuation values shown within Appendix A-1 arise from the terminology used by GASB for financial statements. These differences include GASB's use of the system's market value of assets (termed Fiduciary Net Position) without the application of actuarial smoothing methods used to determine funding values.

For funding purposes, the system's Funding Deposit Account is excluded from the system's assets in determining the actuarially required contributions. However, GASB calculations are made on the audited financial statements and all assets, including those collected to Funding Deposit Account, are included in the system's total assets (Fiduciary Net Position). Because funds within the Funding Deposit Account may be used for funding, we do not include an offsetting liability for the Funding Deposit Account balance in the system's total liabilities (Total Pension Liability). Thus, for financial reporting purposes these funds help lower the system's Net Pension Liability.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such facts as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; changes in the

demographic composition of the group; completion of amortization payments or credit schedules; and changes in plan provisions or applicable law.

Fiduciary Net Position

The total market value of assets (or Fiduciary Net Position) for Plan A can be broken down into several separate accounts. As of June 30, 2025 these subaccounts are valued as follows:

Annuity Savings Fund	\$ 143,022,208
Annuity Reserve Fund	823,507,002
Pension Accumulation Fund	125,874,040
DROP Account	36,046,223
Funding Deposit Account	28,944,653
Total Fiduciary Net Position	\$ 1,157,394,126

Annuity Savings Fund - The Annuity Savings Fund represents employee contributions held on behalf of members and former members who have not yet begun receiving benefits.

Annuity Reserve Fund - The Annuity Reserve Fund represents the present value of future annuity benefits owed to retirees and survivors based on current plan assumptions.

Pension Accumulation Fund - The Pension Accumulation Fund represents the remaining amount of plan assets that have been accumulated to fund benefits (in excess of a return of employee contributions) for active members and vested former members. The Pension Accumulation Fund can be positive or negative. A negative figure would indicate a lack of funding for such future benefits. A positive figure represents an amount set aside for such future benefits.

DROP Account Balance - The DROP Account contains the DROP balances for DROP participants, active former DROP participants, and retired members who previously completed DROP and elected to leave their funds on deposit in the care of the retirement system.

Funding Deposit Account - The Funding Deposit Account is a side fund that contains surplus contributions made by employers pursuant to R.S. 11:105, R.S. 11:106, and R.S. 11:107. When the Board of Trustees elects to set the net direct employer contribution rate higher than the minimum recommended actuarially determined employer contribution rate, all surplus funds collected by the system are credited to the system’s Funding Deposit Account. The account earns interest annually at the Board-approved actuarial valuation interest rate. The funds in the account may be used for the following purposes: (1) to reduce the present value of future normal costs, (2) to pay all or a portion of any future net direct employer contributions, (3) to provide for a cost-of-living adjustment, pursuant to applicable law.

Total Pension Liability

The Total Pension Liability for Plan A (called the actuarial accrued liability in the funding report) as stated in this report is based on the Individual Entry Age Normal actuarial cost method as described in Statement 67 of the Government Accounting Standards Board (GASB 67). Calculations were made as of June 30, 2025 and were based on June 30, 2025 data.

The measurement of total pension liability as of June 30, 2025 has been completed using the same actuarial assumptions as those used in determining funding valuation figures. These assumptions are enumerated in the Actuarial Assumptions section of this report.

Pension Liability for Active Members	\$	511,695,932
Pension Liability for Terminated Members		35,991,289
Pension Liability for Retirees & Survivors		838,929,386
Total Pension Liability	\$	1,386,616,607

Net Pension Liability

The components of the net pension liability (or Unfunded Actuarial Accrued Liability) for Plan A as of June 30, 2025 determined using the market value of assets (Plan Fiduciary Net Position) instead of the smoothed Actuarial Value of Assets used in the funding valuation), are as follows:

Total Pension Liability	\$	1,386,616,607
Less: Plan Fiduciary Net Position		1,157,394,126
Net Pension Liability	\$	229,222,481

Sensitivity of Net Pension Liability to Differences in Discount Rate

The following presents the net pension liability of Plan A calculated using the discount rate of 6.85%, as well as what the system's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.85%) or one percentage point higher (7.85%) than the current rate (assuming all other assumptions remain unchanged):

	1% Decrease (5.85%)	Current Discount Rate (6.85%)	1% Increase (7.85%)
Net Pension Liability	\$375,993,304	\$229,222,481	\$105,378,644

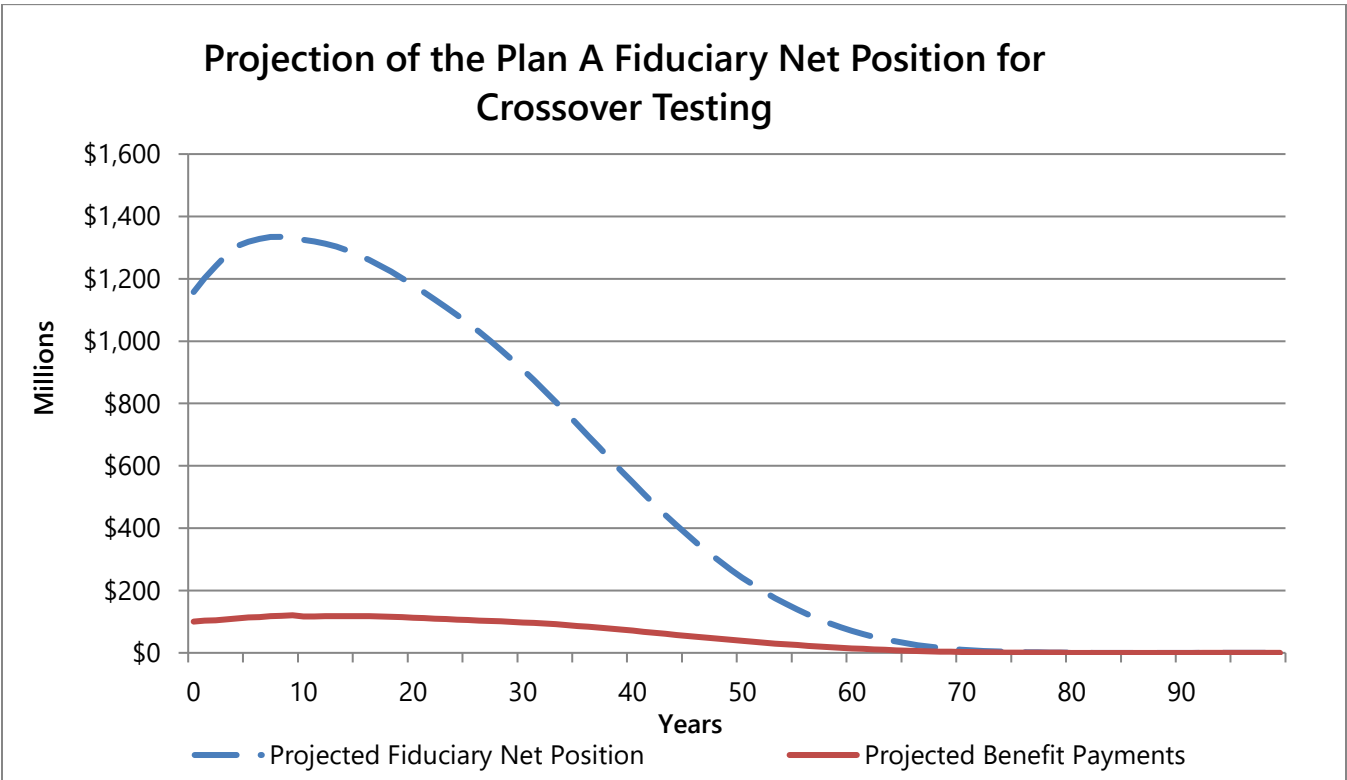
Collective Pension Expense

The collective pension expense is the total pension expense recognized by a cost-sharing plan under GASB 67, reflecting all changes in liabilities, assets, and deferrals before allocation to employers. For the year ended June 30, 2025, the Collective Pension Expense (Income) for the system is \$26,479,833.

Crossover Testing

GASB 67 requires the system’s actuary to perform a crossover test to determine whether a public pension plan should discount its liabilities using the long-term expected rate of return on plan investments or, in part, based on a tax-exempt, high-quality municipal bond index rate. The purpose of this test is to assess whether the system’s projected plan assets, together with future contributions, will be sufficient to cover all projected benefit payments. (See the following figure)

Within this crossover test, projected assets were found to meet or exceed projected benefit payments. Therefore, all liabilities have been discounted using the long-term expected rate of return.



Amortization of Deferred Inflows and Outflows

GASB 67 requires the amortization of deferred inflows and outflows. This amortization is not an amortization that recognizes the time value of money, but instead simply recognizes the impact of inflows and outflows for certain gains and losses equally over a specified amortization period by dividing the gain/loss over the amortization period. The following table describes the changes that are amortized and the amortization period to be used.

Source of Change	Basis of Amortization Period	Current Amortization Period
Differences between expected and actual experience (demographic/economic factors such as turnover, salary, mortality)	Expected remaining service life of active and inactive members	3
Changes in actuarial assumptions (e.g., discount rate, retirement age, inflation)	Expected remaining service life of active and inactive members	3
Differences between projected and actual investment earnings on plan assets	5 years (fixed, closed)	5

PLAN A - STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2025 AND 2024

	2025	2024
Current Assets:		
Cash & Cash Equivalents in Banks	\$ 10,647,678	\$ 13,555,845
Contributions Receivable	5,425,005	5,070,678
Accrued Interest and Dividends	4,236	20,637
Investments Receivable	4,438,968	4,495,423
Due from/(to) other Funds	192,148	281,386
Other Current Assets (including LCG receivable)	16,922,752	16,114,496
TOTAL CURRENT ASSETS	\$ 37,630,787	\$ 39,538,465
Property, Plant & Equipment	\$ 1,126,688	\$ 1,379,411
Investments:		
Cash & Cash Equivalents	\$ 1,408,250	\$ 5,345,393
Equities	612,799,343	583,686,050
Fixed Income	320,619,702	274,201,650
Real Estate	110,716,617	98,443,802
Alternative Investments	44,014,128	31,507,856
Self-Directed Investments	29,978,928	28,722,916
TOTAL INVESTMENTS	\$ 1,119,536,968	\$ 1,021,907,667
Current Liabilities:		
Accounts Payable	\$ 219,050	\$ 119,029
Benefits Payable	27,354	15,847
Refunds Payable	473,535	539,480
Investments Payable	230,358	30,119
Due to/(from) Plan B	(303,136)	241,581
Other Postemployment Benefits	193,455	188,151
Other Current Liabilities	59,701	58,836
TOTAL CURRENT LIABILITIES	\$ 900,317	\$ 1,193,043
FIDUCIARY NET POSITION	\$ 1,157,394,126	\$ 1,061,632,500

PLAN A - STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025 AND 2024

	2025	2024
BEGINNING OF YEAR NET POSITION	\$ 1,061,632,500	\$ 961,610,161
Income:		
Regular Member Contributions	\$ 20,041,589	\$ 19,521,108
Regular Employer Contributions	58,448,495	60,435,794
Irregular Contributions	381,357	78,023
Ad Valorem Taxes & Revenue Sharing	8,484,811	8,184,182
Transfers from Other Systems	850,296	1,062,235
Lafayette Dissolution Payments	2,123,274	3,649,192
TOTAL CONTRIBUTIONS	\$ 90,329,822	\$ 92,930,534
Net Appreciation of Fair Value of Investments	\$ 94,401,939	\$ 97,049,635
Dividends, Interest and Recurring Income	7,911,118	5,402,110
Investment Expense	(2,701,967)	(1,675,501)
TOTAL MARKET INVESTMENT INCOME	\$ 99,611,090	\$ 100,776,244
TOTAL INCOME	\$ 189,940,912	\$ 193,706,778
Expenses:		
Retirement Annuity Benefits	\$ 81,717,769	\$ 79,726,197
DROP Benefits	5,081,624	6,082,283
Transfers to/(from) Plan B	(303,136)	241,581
Refunds of Contributions	4,106,146	4,862,578
Funds Transferred to Other Systems	1,838,352	1,128,251
Administrative Expenses	1,738,531	1,643,549
TOTAL EXPENSES	\$ 94,179,286	\$ 93,684,439
NET MARKET INCOME (INCOME – EXPENSES)	\$ 95,761,626	\$ 100,022,339
END OF YEAR FIDUCIARY NET POSITION	\$ 1,157,394,126	\$ 1,061,632,500

PLAN A - SCHEDULE OF PENSION EXPENSE

FOR THE YEAR ENDED June 30, 2025

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (c) = (a) - (b)	Collective Deferred Inflows (d)	Collective Deferred Outflows (e)	Collective Pension Expense (f) = (c) + (d) - (e) + (g)	Revenue Excluded from Pension Expense* (g)
Beginning Balance:	\$ 1,343,032,392	\$ 1,061,632,500	\$ 281,399,892	\$ 73,469,847	\$ 66,282,781	N/A	N/A
Service Cost	26,336,683		26,336,683			\$ 26,336,683	
Interest on Total Pension Liability	90,801,127		90,801,127			90,801,127	
Changes in Benefit Terms	14,750,725		14,750,725			14,750,725	
Differences Between Expected and Actual Experience with Regard to Economic or Demographic Assumptions	781,508		781,508	0	781,508		
Current Year Amortization				(5,493,283)	(260,503)	(5,232,780)	
Changes in Assumptions About Future Economic or Demographic Factors or Other Inputs	0		0	0	0		
Current Year Amortization				(830,516)	0	(830,516)	
Benefit Payments	(86,799,393)		(86,799,393)			(86,799,393)	
Refunds of Contributions	(4,106,146)		(4,106,146)			(4,106,146)	
Other	1,819,711		1,819,711			1,819,711	
Contributions – Member		20,041,589	(20,041,589)			(20,041,589)	
Contributions – Employer*		58,448,495	(58,448,495)				\$ 58,448,495
Contributions – Nonemployer Contributing Entities*		8,484,811	(8,484,811)				8,484,811
Projected Earnings on Pension Plan Investments		72,592,166	(72,592,166)			(72,592,166)	
Difference Between Projected and Actual Earnings on Pension Plan Investments		27,018,924	(27,018,924)	27,018,924	0		
Current Year Amortization				(41,591,573)	(33,141,391)	(8,450,182)	
Benefit Payments		(86,799,393)	86,799,393			86,799,393	
Refunds of Contributions		(4,106,146)	4,106,146			4,106,146	
Administrative Expenses		(1,738,531)	1,738,531			1,738,531	
Other		1,819,711	(1,819,711)			(1,819,711)	
Net Increase (Decrease)	\$ 43,584,215	\$ 95,761,626	\$ (52,177,411)	\$ (20,896,448)	\$ (32,620,386)	\$ 26,479,833	\$ 66,933,306
Ending Balance	\$ 1,386,616,607	\$ 1,157,394,126	\$ 229,222,481	\$ 52,573,399	\$ 33,662,395	N/A	N/A

For the year ended June 30, 2025, the Collective Pension Expense (Income) for the system is \$ 26,479,833.

* Contributions from employers and non-employer contributing entities are excluded from Pension Expense and are reported as revenue as per paragraphs 58 and 71(c) of GASB 68.

PLAN A - SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS FOR THE YEARS 2016 – 2025

	2025	2024	2023	2022
Total Pension Liability:				
Service Cost	\$ 26,336,683	\$ 27,307,681	\$ 25,526,371	\$ 25,429,687
Interest	90,801,127	89,837,821	87,800,803	84,830,789
Changes of Benefit Terms	14,750,725	0	0	10,787,108
Differences Between Expected and Actual Experience	781,508	(11,466,652)	(5,013,196)	735,731
Changes of Assumptions	0	(2,491,548)	0	0
Benefit Payments	(86,799,393)	(85,808,480)	(82,710,684)	(78,574,078)
Refunds of Member Contributions	(4,106,146)	(4,862,578)	(5,173,218)	(5,591,630)
Other	1,819,711	3,419,618	14,195,114	967,731
Net Change in Total Pension Liability	\$ 43,584,215	\$ 15,935,862	\$ 34,625,190	\$ 38,585,338
Total Pension Liability – Beginning	\$ 1,343,032,392	\$ 1,327,096,530	\$ 1,292,471,340	\$ 1,253,886,002
Total Pension Liability – Ending (a)	\$ 1,386,616,607	\$ 1,343,032,392	\$ 1,327,096,530	\$ 1,292,471,340
Plan Fiduciary Net Position:				
Contributions – Member	\$ 20,041,589	\$ 19,521,108	\$ 19,060,352	\$ 18,397,014
Contributions – Employer	58,448,495	60,435,794	59,437,701	59,490,126
Contributions – Nonemployer Contributing Entities	8,484,811	8,184,182	7,522,754	7,121,442
Net Investment Income	99,611,090	100,776,244	73,810,226	(98,859,893)
Benefit Payments	(86,799,393)	(85,808,480)	(82,710,684)	(78,574,078)
Refunds of Member Contributions	(4,106,146)	(4,862,578)	(5,173,218)	(5,591,630)
Administrative Expenses	(1,738,531)	(1,643,549)	(1,680,039)	(1,538,430)
Other	1,819,711	3,419,618	14,195,114	967,731
Net Change in Plan Fiduciary Net Position	\$ 95,761,626	\$ 100,022,339	\$ 84,462,206	\$ (98,587,718)
Plan Fiduciary Net Position – Beginning	\$ 1,061,632,500	\$ 961,610,161	\$ 877,147,955	\$ 975,735,673
Plan Fiduciary Net Position – Ending (b)	\$ 1,157,394,126	\$ 1,061,632,500	\$ 961,610,161	\$ 877,147,955
Net Pension Liability (Asset) – Ending (a) – (b)	\$ 229,222,481	\$ 281,399,892	\$ 365,486,369	\$ 415,323,385
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.47%	79.05%	72.46%	67.87%
Covered Payroll	\$ 208,744,625	\$ 204,867,098	\$ 201,483,732	\$ 201,661,444
Net Pension Liability (Asset) as a Percentage of Covered Payroll	109.81%	137.36%	181.40%	205.95%

2021	2020	2019	2018	2017	2016
\$ 25,331,481	\$ 24,390,115	\$ 25,731,574	\$ 25,281,175	\$ 24,275,565	\$ 23,781,922
83,685,327	81,855,536	82,709,709	81,802,697	80,406,612	78,661,214
0	0	0	0	0	0
(4,771,059)	300,705	(7,352,601)	(15,881,370)	(12,403,109)	(13,416,767)
12,070,626	6,352,896	9,114,476	13,450,805	10,492,664	0
(75,118,801)	(72,465,689)	(71,299,748)	(67,316,775)	(65,477,729)	(62,293,294)
(5,121,224)	(3,652,378)	(4,584,449)	(4,508,706)	(3,455,854)	(3,691,857)
(807,317)	(1,090,051)	312,893	66,054	(185,316)	2,506,020
\$ 35,269,033	\$ 35,691,134	\$ 34,631,854	\$ 32,893,880	\$ 33,652,833	\$ 25,547,238
\$ 1,218,616,969	\$ 1,182,925,835	\$ 1,148,293,981	\$ 1,115,400,101	\$ 1,081,747,268	\$ 1,056,200,030
\$ 1,253,886,002	\$ 1,218,616,969	\$ 1,182,925,835	\$ 1,148,293,981	\$ 1,115,400,101	\$ 1,081,747,268
\$ 18,119,021	\$ 17,250,443	\$ 16,783,858	\$ 16,406,019	\$ 16,336,439	\$ 16,147,447
59,130,738	53,587,883	48,946,089	45,386,253	41,480,630	35,737,280
7,461,963	6,784,028	6,417,100	6,237,749	6,155,079	6,059,222
187,358,760	21,910,415	35,840,752	42,327,639	31,251,320	(20,424,673)
(75,118,801)	(72,465,689)	(71,299,748)	(67,316,775)	(65,477,729)	(62,293,294)
(5,121,224)	(3,652,378)	(4,584,449)	(4,508,706)	(3,455,854)	(3,691,857)
(1,563,545)	(1,108,259)	(1,583,003)	(1,429,978)	(922,840)	(1,148,300)
(807,317)	(1,090,051)	312,893	66,054	(185,316)	2,506,020
\$ 189,459,595	\$ 21,216,392	\$ 30,833,492	\$ 37,168,255	\$ 25,181,729	\$ (27,108,155)
\$ 786,276,078	\$ 765,059,686	\$ 734,226,194	\$ 697,057,939	\$ 671,876,210	\$ 698,984,365
\$ 975,735,673	\$ 786,276,078	\$ 765,059,686	\$ 734,226,194	\$ 697,057,939	\$ 671,876,210
\$ 278,150,329	\$ 432,340,891	\$ 417,866,149	\$ 414,067,787	\$ 418,342,162	\$ 409,871,058
77.82%	64.52%	64.68%	63.94%	62.49%	62.11%
\$ 200,443,180	\$ 193,109,488	\$ 188,254,188	\$ 183,378,800	\$ 182,332,440	\$ 180,948,253
138.77%	223.88%	221.97%	225.80%	229.44%	226.51%

PLAN A - SCHEDULE OF NET PENSION LIABILITY FOR THE YEARS 2016 – 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Total Pension Liability	\$ 1,386,616,607	\$ 1,343,032,392	\$ 1,327,096,530	\$ 1,292,471,340
Plan Fiduciary Net Position	<u>1,157,394,126</u>	<u>1,061,632,500</u>	<u>961,610,161</u>	<u>877,147,955</u>
Net Pension Liability (Asset)	<u>\$ 229,222,481</u>	<u>\$ 281,399,892</u>	<u>\$ 365,486,369</u>	<u>\$ 415,323,385</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.47%	79.05%	72.46%	67.87%
Covered Payroll	\$ 208,744,625	\$ 204,867,098	\$ 201,483,732	\$ 201,661,444
Net Pension Liability (Asset) as a Percentage of Covered Payroll	109.81%	137.36%	181.40%	205.95%

PLAN A - SCHEDULE OF CONTRIBUTIONS FOR THE YEARS 2016 – 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Actuarially Determined Contribution (Determined as of the Prior Fiscal Year) *	\$ 61,336,588	\$ 64,670,903	\$ 64,167,242	\$ 66,398,505
Contributions in Relation to the Actuarially Determined Contribution *	66,933,306	68,619,976	66,960,455	66,611,568
Contribution Deficiency (Excess)	<u>\$ (5,596,718)</u>	<u>\$ (3,949,073)</u>	<u>\$ (2,793,213)</u>	<u>\$ (213,063)</u>
Covered Payroll	\$ 208,744,625	\$ 204,867,098	\$ 201,483,732	\$ 201,661,444
Contributions as a Percentage of Covered Payroll	32.06%	33.49%	33.23%	33.03%

* Includes contributions from employers and non-employer contributing entities.

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$ 1,253,886,002	\$ 1,218,616,969	\$ 1,182,925,835	\$ 1,148,293,981	\$ 1,115,400,101	\$ 1,081,747,268
975,735,673	786,276,078	765,059,686	734,226,194	697,057,939	671,876,210
<u>\$ 278,150,329</u>	<u>\$ 432,340,891</u>	<u>\$ 417,866,149</u>	<u>\$ 414,067,787</u>	<u>\$ 418,342,162</u>	<u>\$ 409,871,058</u>
77.82%	64.52%	64.68%	63.94%	62.49%	62.11%
\$ 200,443,180	\$ 193,109,488	\$ 188,254,188	\$ 183,378,800	\$ 182,332,440	\$ 180,948,253
138.77%	223.88%	221.97%	225.80%	229.44%	226.51%

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$ 66,065,032	\$ 60,162,239	\$ 55,239,349	\$ 51,683,094	\$ 48,556,690	\$ 41,221,565
66,592,701	60,371,911	55,363,189	51,624,002	47,635,709	41,796,502
<u>\$ (527,669)</u>	<u>\$ (209,672)</u>	<u>\$ (123,840)</u>	<u>\$ 59,092</u>	<u>\$ 920,981</u>	<u>\$ (574,937)</u>
\$ 200,443,180	\$ 193,109,488	\$ 188,254,188	\$ 183,378,800	\$ 182,332,440	\$ 180,948,253
33.22%	31.26%	29.41%	28.15%	26.13%	23.10%

APPENDIX A - 2 CENSUS DATA – PLAN A

	Active	Terminated with Funds on Deposit	DROP	Retired	Total
Number of members as of June 30, 2024	4,253	4,234	156	3,813	12,456
Additions to Census					
Initial membership	555	112			667
Omitted in error last year					
Death of another member				43	43
Adjustment for multiple records		1		5	6
Change in Status during Year					
Actives terminating service	(240)	240			
Actives who retired	(102)			102	
Actives entering DROP	(48)		48		
Term. members rehired	33	(33)			
Term. members who retire		(28)		28	
Retirees who are rehired	2	14		(16)	
Refunded who are rehired	13	1			14
DROP participants retiring			(31)	31	
DROP returned to work	32		(32)		
Omitted in error last year					
Eliminated from Census					
Refund of contributions	(257)	(123)			(380)
Deaths	(9)	(5)	(1)	(166)	(181)
Included in error last year					
Adjustment for multiple records					
Number of members as of June 30, 2025	4,232	4,413	140	3,840	12,625

Plan A | Actives Census by Age:

Age			Number Male	Number Female	Total Number	Average Salary	Total Salary
16	-	20	39	2	41	28,189	1,155,744
21	-	25	158	46	204	33,063	6,744,784
26	-	30	190	87	277	37,370	10,351,442
31	-	35	254	126	380	43,103	16,379,233
36	-	40	268	157	425	46,070	19,579,814
41	-	45	292	195	487	48,742	23,737,213
46	-	50	283	180	463	48,133	22,285,804
51	-	55	334	202	536	49,245	26,395,281
56	-	60	386	205	591	50,622	29,917,400
61	-	65	378	201	579	49,413	28,610,135
66	-	70	162	80	242	50,061	12,114,643
71	-	75	55	44	99	51,641	5,112,424
76	-	80	21	15	36	52,407	1,886,644
81	-	85	7	3	10	48,859	488,594
86	-	90	2	0	2	19,477	38,953
Total			2,829	1,543	4,372	46,843	204,798,108

Includes 1,967 actives with vested benefits, including 140 DROP participants and 161 active former DROP participants.

Plan A | DROP Participants

Age			Number Male	Number Female	Total Number	Average Benefit	Total Benefit
41	-	45	0	1	1	31,408	31,408
46	-	50	4	1	5	38,536	192,682
51	-	55	9	3	12	39,063	468,754
56	-	60	19	5	24	43,643	1,047,423
61	-	65	42	23	65	24,493	1,592,040
66	-	70	15	5	20	19,752	395,045
71	-	75	5	3	8	21,347	170,775
76	-	80	3	1	4	26,229	104,914
81	-	85	0	1	1	16,895	16,895
Total			97	43	140	28,714	4,019,936

Plan A | Terminated Members Due a Deferred Retirement Benefit:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
31 - 35	7	3	10	14,699	146,987
36 - 40	12	12	24	12,813	307,508
41 - 45	21	10	31	19,926	617,704
46 - 50	16	16	32	19,950	638,391
51 - 55	27	20	47	17,352	815,523
56 - 60	40	26	66	17,637	1,164,015
61 - 65	21	6	27	14,173	382,683
66 - 70	2	3	5	21,000	104,999
71 - 75	1	0	1	11,107	11,107
81 - 85	0	1	1	3,806	3,806
Total	147	97	244	17,183	4,192,723

Plan A | Terminated Members Due a Refund of Contributions:

Contributions Ranging		Number	Total
From	To		Contributions
0	- 99	1,928*	102,895
100	- 499	668	179,670
500	- 999	357	255,243
1,000	- 1,999	354	504,087
2,000	- 4,999	416	1,319,015
5,000	- 9,999	206	1,442,449
10,000	- 19,999	173	2,375,771
20,000	- 99,999	67	2,010,397
Total		4,169	8,189,527

* Includes 1,539 members due a refund who were not included in the data. Excludes \$ 253,344 due to deceased members.

Plan A | Regular Retirees:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
46 - 50	9	7	16	33,778	540,440
51 - 55	49	16	65	36,388	2,365,200
56 - 60	89	45	134	38,461	5,153,815
61 - 65	285	159	444	30,371	13,484,923
66 - 70	456	252	708	26,288	18,611,685
71 - 75	422	211	633	24,029	15,210,509
76 - 80	312	164	476	20,348	9,685,584
81 - 85	196	93	289	18,449	5,331,641
86 - 90	94	49	143	15,968	2,283,414
91 - 95	33	21	54	13,530	730,615
96 - 100	5	8	13	8,356	108,627
101 - 105	2	1	3	12,861	38,584
Total	1,952	1,026	2,978	24,696	73,545,037

Plan A | Disability Retirees:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
36 - 40	1	0	1	26,108	26,108
41 - 45	0	1	1	16,003	16,003
46 - 50	2	2	4	15,597	62,389
51 - 55	10	0	10	17,664	176,639
56 - 60	14	8	22	14,107	310,363
61 - 65	19	9	28	13,159	368,460
66 - 70	10	4	14	10,261	143,656
71 - 75	10	3	13	8,125	105,624
76 - 80	6	3	9	9,032	81,284
81 - 85	0	3	3	5,820	17,459
86 - 90	1	0	1	5,512	5,512
Total	73	33	106	12,391	1,313,497

Plan A | Survivors:

Age			Number Male	Number Female	Total Number	Average Benefit	Total Benefit
0	-	20	3	3	6	10,282	61,689
26	-	30	1	0	1	11,482	11,482
31	-	35	0	1	1	4,777	4,777
36	-	40	1	3	4	11,584	46,334
41	-	45	0	5	5	10,832	54,161
46	-	50	6	9	15	11,843	177,650
51	-	55	3	15	18	15,013	270,235
56	-	60	4	36	40	12,920	516,804
61	-	65	11	63	74	13,383	990,350
66	-	70	6	87	93	15,624	1,453,060
71	-	75	10	108	118	15,700	1,852,646
76	-	80	6	114	120	13,474	1,616,879
81	-	85	7	116	123	11,712	1,440,599
86	-	90	10	81	91	11,067	1,007,080
91	-	95	2	34	36	10,418	375,057
96	-	100	0	11	11	8,748	96,225
Total			70	686	756	13,194	9,975,028

Plan A | Active Members:

Attained Ages	Completed Years of Service								Total
	0 - 1	1 - 5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	Over 30	
0 - 20	26	15	-	-	-	-	-	-	41
21 - 25	81	115	8	-	-	-	-	-	204
26 - 30	73	148	53	3	-	-	-	-	277
31 - 35	76	144	122	35	3	-	-	-	380
36 - 40	67	138	107	83	28	2	-	-	425
41 - 45	59	149	103	91	49	34	2	-	487
46 - 50	57	123	102	67	58	35	19	2	463
51 - 55	50	137	122	69	52	40	36	30	536
56 - 60	36	145	139	77	57	36	55	46	591
61 - 65	41	135	135	76	66	45	31	50	579
66 - 70	9	41	65	42	21	19	16	29	242
71 & Over	6	20	34	26	16	18	7	20	147
Total	581	1,310	990	569	350	229	166	177	4,372

Plan A | Average Annual Salary of Active Members:

Attained Ages	Completed Years of Service								Average
	0 - 1	1 - 5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	Over 30	
0 - 20	27,178	29,940	-	-	-	-	-	-	28,189
21 - 25	30,118	34,405	43,581	-	-	-	-	-	33,063
26 - 30	31,726	37,674	43,967	43,125	-	-	-	-	37,370
31 - 35	31,904	41,060	49,655	51,788	57,143	-	-	-	43,103
36 - 40	32,264	42,283	50,714	54,753	54,712	40,118	-	-	46,070
41 - 45	34,488	42,826	50,128	55,354	59,926	61,422	48,128	-	48,742
46 - 50	33,225	43,177	46,469	54,822	58,149	60,068	56,488	59,966	48,133
51 - 55	35,470	44,043	48,995	51,145	51,710	55,662	58,904	68,185	49,245
56 - 60	40,162	41,472	46,818	53,639	50,665	55,585	67,552	69,912	50,622
61 - 65	44,165	42,491	49,710	48,613	52,398	54,994	54,359	60,790	49,413
66 - 70	37,215	37,700	49,070	51,278	51,276	56,973	55,027	63,829	50,061
71 & Over	44,995	45,112	41,099	57,365	53,230	48,951	50,372	69,006	51,201
Average	33,756	40,956	48,333	53,068	54,217	56,493	59,781	65,831	46,843

Plan A | Terminated Members Due a Deferred Retirement Benefit:

Attained Ages	Years until Retirement Eligibility								Total
	0 - 1	1 - 2	2 - 3	3 - 5	5 - 10	10 - 15	15 - 20	Over 20	
0 - 30	-	-	-	-	-	-	-	-	-
31 - 35	-	-	-	-	-	-	-	10	10
36 - 40	-	-	-	-	-	-	5	19	24
41 - 45	1	-	-	-	-	3	16	11	31
46 - 50	-	-	-	-	-	23	7	2	32
51 - 55	-	-	-	3	38	5	1	-	47
56 - 60	12	15	10	19	9	1	-	-	66
61 - 65	17	1	3	3	3	-	-	-	27
66 - 70	5	-	-	-	-	-	-	-	5
71 & Over	2	-	-	-	-	-	-	-	2
Total	37	16	13	25	50	32	29	42	244

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

Attained Ages	Years until Retirement Eligibility								Average
	0 - 1	1 - 2	2 - 3	3 - 5	5 - 10	10 - 15	15 - 20	Over 20	
0 - 30	-	-	-	-	-	-	-	-	-
31 - 35	-	-	-	-	-	-	-	14,699	14,699
36 - 40	-	-	-	-	-	-	13,035	12,754	12,813
41 - 45	5,808	-	-	-	-	19,532	24,395	14,816	19,926
46 - 50	-	-	-	-	-	22,158	14,741	12,786	19,950
51 - 55	-	-	-	17,005	17,863	10,833	31,551	-	17,352
56 - 60	20,346	17,413	17,256	20,142	9,935	13,992	-	-	17,637
61 - 65	14,751	19,916	9,224	18,233	9,876	-	-	-	14,173
66 - 70	21,000	-	-	-	-	-	-	-	21,000
71 & Over	7,457	-	-	-	-	-	-	-	7,457
Average	16,774	17,570	15,402	19,536	15,957	19,887	20,353	13,759	17,183

Plan A | Service Retirees:

Attained Ages	Completed Years Since Retirement								Total
	0 - 1	1 - 2	2 - 3	3 - 5	5 - 10	10 - 15	15 - 20	Over 20	
0 - 50	4	6	1	1	4	-	-	-	16
51 - 55	9	5	5	24	17	5	-	-	65
56 - 60	22	24	10	28	39	10	1	-	134
61 - 65	49	43	57	70	100	75	39	11	444
66 - 70	49	43	64	101	223	117	80	31	708
71 - 75	11	15	19	64	182	191	83	68	633
76 - 80	5	5	8	19	79	143	128	89	476
81 - 85	4	2	2	10	17	52	70	132	289
86 - 90	1	-	1	4	3	15	25	94	143
91 & Over	-	-	-	-	-	4	4	62	70
Total	154	143	167	321	664	612	430	487	2,978

Plan A | Average Annual Benefits Payable to Service Retirees:

Attained Ages	Completed Years Since Retirement								Average
	0 - 1	1 - 2	2 - 3	3 - 5	5 - 10	10 - 15	15 - 20	Over 20	
0 - 50	43,378	37,924	31,936	30,973	19,118	-	-	-	33,778
51 - 55	49,009	44,592	39,969	33,476	33,255	26,511	-	-	36,388
56 - 60	34,506	50,951	41,045	39,509	34,629	27,776	26,845	-	38,461
61 - 65	26,789	26,827	27,468	32,664	37,615	30,731	23,600	16,339	30,371
66 - 70	22,793	20,907	24,661	22,532	28,051	32,684	26,717	16,937	26,288
71 - 75	20,149	18,584	23,916	27,301	22,644	24,747	25,760	22,389	24,029
76 - 80	14,732	15,751	13,608	23,803	20,830	20,536	18,725	22,394	20,348
81 - 85	21,409	12,759	18,391	23,299	26,490	17,190	15,581	19,059	18,449
86 - 90	3,774	-	41,224	22,594	12,119	17,370	15,989	15,441	15,968
91 & Over	-	-	-	-	-	8,394	13,099	12,772	12,540
Average	27,194	28,734	26,512	28,118	27,504	25,148	21,308	18,438	24,696

Plan A | Disability Retirees:

Attained Ages	Completed Years Since Retirement								Total
	0 - 1	1 - 5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	Over 30	
0 - 30	-	-	-	-	-	-	-	-	-
31 - 35	-	-	-	-	-	-	-	-	-
36 - 40	-	1	-	-	-	-	-	-	1
41 - 45	1	-	-	-	-	-	-	-	1
46 - 50	-	-	4	-	-	-	-	-	4
51 - 55	1	2	4	2	-	-	1	-	10
56 - 60	3	8	5	1	3	-	2	-	22
61 - 65	1	5	8	6	3	3	1	1	28
66 - 70	-	3	5	1	3	-	2	-	14
71 - 75	-	1	3	1	2	4	2	-	13
76 - 80	-	-	-	1	1	2	3	2	9
81 & Over	-	-	-	-	1	1	2	-	4
Total	6	20	29	12	13	10	13	3	106

Plan A | Average Annual Benefits Payable To Disability Retirees:

Attained Ages	Completed Years Since Retirement								Average
	0 - 1	1 - 5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	Over 30	
0 - 30	-	-	-	-	-	-	-	-	-
31 - 35	-	-	-	-	-	-	-	-	-
36 - 40	-	26,108	-	-	-	-	-	-	26,108
41 - 45	16,003	-	-	-	-	-	-	-	16,003
46 - 50	-	-	15,597	-	-	-	-	-	15,597
51 - 55	12,832	20,614	17,575	21,893	-	-	8,496	-	17,664
56 - 60	11,482	14,404	13,115	11,047	18,676	-	14,015	-	14,107
61 - 65	11,496	12,813	13,147	16,008	15,239	9,257	9,781	8,413	13,159
66 - 70	-	8,120	11,463	6,151	12,694	-	8,874	-	10,261
71 - 75	-	6,116	7,179	18,648	7,323	8,201	5,936	-	8,125
76 - 80	-	-	-	6,791	10,309	5,708	10,028	11,343	9,032
81 & Over	-	-	-	-	5,512	5,641	5,909	-	5,743
Average	12,463	13,855	13,183	15,206	13,099	7,763	9,064	10,366	12,391

Plan A | Surviving Beneficiaries of Former Members:

Attained Ages	Completed Years Since Retirement								Total
	0 - 1	1 - 5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	Over 30	
0 - 30	1	4	-	1	1	-	-	-	7
31 - 35	-	-	1	-	-	-	-	-	1
36 - 40	-	-	1	-	2	1	-	-	4
41 - 45	-	1	-	2	2	-	-	-	5
46 - 50	1	3	5	3	2	1	-	-	15
51 - 55	1	5	4	4	-	2	1	1	18
56 - 60	1	5	8	8	6	8	1	3	40
61 - 65	-	9	10	21	10	12	5	7	74
66 - 70	-	12	14	20	16	12	8	11	93
71 - 75	-	8	19	24	24	18	12	13	118
76 - 80	1	3	8	25	27	26	13	17	120
81 & Over	-	2	3	11	35	54	65	91	261
Total	5	52	73	119	125	134	105	143	756

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

Attained Ages	Completed Years Since Retirement								Average
	0 - 1	1 - 5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	Over 30	
0 - 30	9,104	11,553	-	6,373	11,482	-	-	-	10,453
31 - 35	-	-	4,777	-	-	-	-	-	4,777
36 - 40	-	-	18,534	-	8,828	10,144	-	-	11,584
41 - 45	-	22,551	-	6,263	9,542	-	-	-	10,832
46 - 50	11,622	16,114	15,223	8,925	4,797	5,202	-	-	11,843
51 - 55	42,202	18,153	21,169	6,579	-	7,501	3,803	7,474	15,013
56 - 60	17,676	16,083	14,839	14,179	8,089	15,963	7,793	846	12,920
61 - 65	-	12,791	19,366	17,027	12,034	11,574	4,403	6,107	13,383
66 - 70	-	16,515	15,872	25,823	13,013	15,235	7,453	5,962	15,624
71 - 75	-	12,973	22,432	21,093	15,590	12,656	11,735	5,665	15,700
76 - 80	11,571	8,392	13,427	19,436	13,273	12,010	15,645	6,635	13,474
81 & Over	-	10,638	19,862	8,208	10,739	10,394	12,117	11,243	11,184
Average	18,435	14,458	17,971	17,999	12,346	11,799	11,667	9,286	13,194

APPENDIX B - 1

PLAN B - GASB 67 AND 82 INFORMATION

GASB INTRODUCTION

Appendix B-1 provides information necessary to prepare financial statements which comply with Governmental Accounting Standards Board (GASB) Statements 67 and 82 for Plan B. This appendix has been prepared in accordance with generally accepted actuarial principles and practices to the extent that there is no conflict with GASB Statements 67 and 82, and to the best of our knowledge and belief, fairly reflects the actuarial present values and liabilities stated herein. The findings in this report are based on data and other information through June 30, 2025.

As of June 30, 2025, Plan B pension plan membership consisted of the following:

Active plan members	2,142
Inactive plan members or beneficiaries currently receiving benefits	1,238
Inactive plan members entitled to but not yet receiving benefits	<u>2,443</u>
	<u>5,823</u>

Because the Municipal Employees' Retirement System – Plan B is funded using the Aggregate Funding Method and GASB prescribed the use of the Entry Age Normal Funding Method for financial disclosures, the funding methods used are different for the funding and GASB valuations. In addition to the prescribed funding method, GASB requires calculations to spread employer normal cost only through DROP entry even though employers contribute during the DROP participation period. For funding purposes, employer normal cost is spread through final retirement in systems where employers contribute through DROP. An additional difference between the presentation of funding valuation results provided earlier in this report and the GASB valuation values shown within Appendix B-1 arise from the terminology used by GASB for financial statements. These differences include GASB's use of the system's market value of assets (termed Fiduciary Net Position) without the application of actuarial smoothing methods used to determine funding values.

For funding purposes, the system's Funding Deposit Account is excluded from the system's assets in determining the actuarially required contributions. However, GASB calculations are made on the audited financial statements and all assets, including those collected to Funding Deposit Account, are included in the system's total assets (Fiduciary Net Position). Because funds within the Funding Deposit Account may be used for funding, we do not include an offsetting liability for the Funding Deposit Account balance in the system's total liabilities (Total Pension Liability). Thus, for financial reporting purposes these funds help lower the system's Net Pension Liability.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such facts as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; changes in the

demographic composition of the group; completion of amortization payments or credit schedules; and changes in plan provisions or applicable law.

Fiduciary Net Position

The total market value of assets (or Fiduciary Net Position) for Plan B can be broken down into several separate accounts. As of June 30, 2025 these subaccounts are valued as follows:

Annuity Savings Fund	\$ 33,404,704
Annuity Reserve Fund	156,014,269
Pension Accumulation Fund	61,439,362
DROP Account	8,377,061
Funding Deposit Account	9,696,911
Total Fiduciary Net Position	\$ 268,932,307

Annuity Savings Fund - The Annuity Savings Fund represents employee contributions held on behalf of members and former members who have not yet begun receiving benefits.

Annuity Reserve Fund - The Annuity Reserve Fund represents the present value of future annuity benefits owed to retirees and survivors based on current plan assumptions.

Pension Accumulation Fund - The Pension Accumulation Fund represents the remaining amount of plan assets that have been accumulated to fund benefits (in excess of a return of employee contributions) for active members and vested former members. The Pension Accumulation Fund can be positive or negative. A negative figure would indicate a lack of funding for such future benefits. A positive figure represents an amount set aside for such future benefits.

DROP Account Balance - The DROP Account contains the DROP balances for DROP participants, active former DROP participants, and retired members who previously completed DROP and elected to leave their funds on deposit in the care of the retirement system.

Funding Deposit Account - The Funding Deposit Account is a side fund that contains surplus contributions made by employers pursuant to R.S. 11:105, R.S. 11:106, and R.S. 11:107. When the Board of Trustees elects to set the net direct employer contribution rate higher than the minimum recommended actuarially determined employer contribution rate, all surplus funds collected by the system are credited to the system’s Funding Deposit Account. The account earns interest annually at the Board-approved actuarial valuation interest rate. The funds in the account may be used for the following purposes: (1) to reduce the present value of future normal costs, (2) to pay all or a portion of any future net direct employer contributions, (3) to provide for a cost-of-living adjustment, pursuant to applicable law.

Total Pension Liability

The Total Pension Liability for Plan B (called the actuarial accrued liability in the funding report) as stated in this report is based on the Individual Entry Age Normal actuarial cost method as described in Statement 67 of the Government Accounting Standards Board (GASB 67). Calculations were made as of June 30, 2025 and were based on June 30, 2025 data.

The measurement of total pension liability as of June 30, 2025 has been completed using the same actuarial assumptions as those used in determining funding valuation figures. These assumptions are enumerated in the Actuarial Assumptions section of this report.

Pension Liability for Active Members	\$	144,252,200
Pension Liability for Terminated Members		13,518,638
Pension Liability for Retirees & Survivors		158,970,591
Total Pension Liability	\$	316,741,429

Net Pension Liability

The components of the net pension liability (or Unfunded Actuarial Accrued Liability) for Plan B as of June 30, 2025 determined using the market value of assets (Plan Fiduciary Net Position) instead of the smoothed Actuarial Value of Assets used in the funding valuation), are as follows:

Total Pension Liability	\$	316,741,429
Less: Plan Fiduciary Net Position		268,932,307
Net Pension Liability	\$	47,809,122

Sensitivity of Net Pension Liability to Differences in Discount Rate

The following presents the net pension liability of Plan B calculated using the discount rate of 6.85%, as well as what the system's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.85%) or one percentage point higher (7.85%) than the current rate (assuming all other assumptions remain unchanged):

	1% Decrease (5.85%)	Current Discount Rate (6.85%)	1% Increase (7.85%)
Net Pension Liability	\$82,470,374	\$47,809,122	\$18,507,206

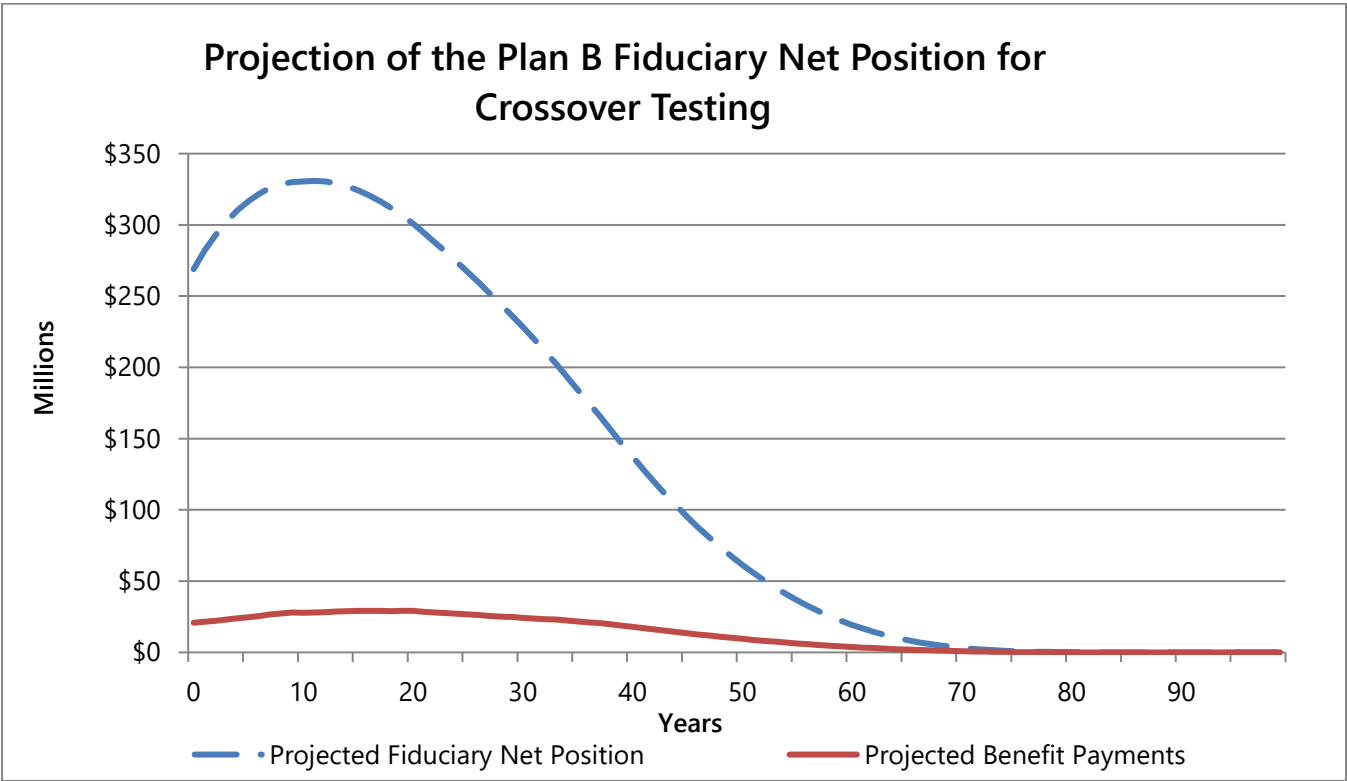
Collective Pension Expense

The collective pension expense is the total pension expense recognized by a cost-sharing plan under GASB 67, reflecting all changes in liabilities, assets, and deferrals before allocation to employers. For the year ended June 30, 2025, the Collective Pension Expense (Income) for the system is \$7,921,923.

Crossover Testing

GASB 67 requires the system’s actuary to perform a crossover test to determine whether a public pension plan should discount its liabilities using the long-term expected rate of return on plan investments or, in part, based on a tax-exempt, high-quality municipal bond index rate. The purpose of this test is to assess whether the system’s projected plan assets, together with future contributions, will be sufficient to cover all projected benefit payments. (See the following figure)

Within this crossover test, projected assets were found to meet or exceed projected benefit payments. Therefore, all liabilities have been discounted using the long-term expected rate of return.



Amortization of Deferred Inflows and Outflows

GASB 67 requires the amortization of deferred inflows and outflows. This amortization is not an amortization that recognizes the time value of money, but instead simply recognizes the impact of inflows and outflows for certain gains and losses equally over a specified amortization period by dividing the gain/loss over the amortization period. The following table describes the changes that are amortized and the amortization period to be used.

Source of Change	Basis of Amortization Period	Current Amortization Period
Differences between expected and actual experience (demographic/economic factors such as turnover, salary, mortality)	Expected remaining service life of active and inactive members	2
Changes in actuarial assumptions (e.g., discount rate, retirement age, inflation)	Expected remaining service life of active and inactive members	2
Differences between projected and actual investment earnings on plan assets	5 years (fixed, closed)	5

PLAN B - STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2025 AND 2024

	2025	2024
Current Assets:		
Cash & Cash Equivalents in Banks	\$ 26,807,800	\$ 22,800,407
Contributions Receivable	1,395,131	1,404,165
Accrued Interest and Dividends	19,089	15,969
Investments Receivable	941,599	953,574
Due from/(to) other Funds	(192,148)	(281,386)
Other Current Assets	217	48
TOTAL CURRENT ASSETS	\$ 28,971,688	\$ 24,892,777
Property, Plant & Equipment	\$ 512,511	\$ 595,498
Investments:		
Cash & Cash Equivalents	\$ 2,094,308	\$ 2,506,959
Equities	129,987,739	123,812,192
Fixed Income	68,010,240	58,163,986
Real Estate	23,485,343	20,882,019
Alternative Investments	9,339,735	6,686,889
Self-Directed Investments	7,190,074	6,714,844
TOTAL INVESTMENTS	\$ 240,107,439	\$ 218,766,889
Current Liabilities:		
Accounts Payable	\$ 47,687	\$ 28,104
Benefits Payable	10,660	6,044
Refunds Payable	127,191	110,844
Investments Payable	48,864	6,389
Due to/(from) Plan A	303,136	(241,581)
Other Postemployment Benefits	87,999	81,226
Other Current Liabilities	33,794	32,127
TOTAL CURRENT LIABILITIES	\$ 659,331	\$ 23,153
FIDUCIARY NET POSITION	\$ 268,932,307	\$ 244,232,011

PLAN B - STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025 AND 2024

	2025	2024
BEGINNING OF YEAR NET POSITION	\$ 244,232,011	\$ 219,614,861
Income:		
Regular Member Contributions	\$ 4,638,298	\$ 4,418,864
Regular Employer Contributions	13,401,665	14,149,257
Irregular Contributions	48,761	216,418
Ad Valorem Taxes & Revenue Sharing	3,859,601	3,533,140
Transfers from Other Systems	417,230	80,526
TOTAL CONTRIBUTIONS	\$ 22,365,555	\$ 22,398,205
Net Appreciation of Fair Value of Investments	\$ 20,069,636	\$ 20,672,719
Dividends, Interest and Recurring Income	2,314,317	1,664,689
Investment Expense	(581,096)	(358,999)
TOTAL MARKET INVESTMENT INCOME	\$ 21,802,857	\$ 21,978,409
TOTAL INCOME	\$ 44,168,412	\$ 44,376,614
Expenses:		
Retirement Annuity Benefits	\$ 16,161,182	\$ 15,731,044
DROP Benefits	1,036,822	2,122,077
Transfers to/(from) Plan A	303,136	(241,581)
Refund of Contributions	977,125	1,139,462
Funds Transferred to/(from) Other Systems	199,025	298,936
Administrative Expenses	790,826	709,526
TOTAL EXPENSES	\$ 19,468,116	\$ 19,759,464
NET MARKET INCOME (INCOME – EXPENSES)	\$ 24,700,296	\$ 24,617,150
END OF YEAR FIDUCIARY NET POSITION	\$ 268,932,307	\$ 244,232,011

PLAN B - SCHEDULE OF PENSION EXPENSE FOR THE YEAR ENDED June 30, 2025

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (c) = (a) - (b)	Collective Deferred Inflows (d)	Collective Deferred Outflows (e)	Collective Pension Expense (f) = (c) + (d) - (e) + (g)	Revenue Excluded from Pension Expense* (g)
Beginning Balance:	\$ 304,909,334	\$ 244,232,011	\$ 60,677,323	\$ 15,055,356	\$ 15,060,443	N/A	N/A
Service Cost	7,321,799		7,321,799			\$ 7,321,799	
Interest on Total Pension Liability	20,774,426		20,774,426			20,774,426	
Changes in Benefit Terms	2,785,384		2,785,384			2,785,384	
Differences Between Expected and Actual Experience with Regard to Economic or Demographic Assumptions	(838,215)		(838,215)	838,215	0		
Current Year Amortization				(667,248)	(576,122)	(91,126)	
Changes in Assumptions About Future Economic or Demographic Factors or Other Inputs	0		0	0	0		
Current Year Amortization				(1,129,346)	0	(1,129,346)	
Benefit Payments	(17,198,004)		(17,198,004)			(17,198,004)	
Refunds of Contributions	(977,125)		(977,125)			(977,125)	
Other	(36,170)		(36,170)			(36,170)	
Contributions – Member		4,638,298	(4,638,298)			(4,638,298)	
Contributions – Employer*		13,401,665	(13,401,665)				\$ 13,401,665
Contributions – Nonemployer Contributing Entities*		3,859,601	(3,859,601)				3,859,601
Projected Earnings on Pension Plan Investments		16,827,486	(16,827,486)			(16,827,486)	
Difference Between Projected and Actual Earnings on Pension Plan Investments		4,975,371	(4,975,371)	4,975,371	0		
Current Year Amortization				(8,306,417)	(7,242,161)	(1,064,256)	
Benefit Payments		(17,198,004)	17,198,004			17,198,004	
Refunds of Contributions		(977,125)	977,125			977,125	
Administrative Expenses		(790,826)	790,826			790,826	
Other		(36,170)	36,170			36,170	
Net Increase (Decrease)	\$ 11,832,095	\$ 24,700,296	\$ (12,868,201)	\$ (4,289,425)	\$ (7,818,283)	\$ 7,921,923	\$ 17,261,266
Ending Balance	\$ 316,741,429	\$ 268,932,307	\$ 47,809,122	\$ 10,765,931	\$ 7,242,160	N/A	N/A

For the year ended June 30, 2025, the Collective Pension Expense (Income) for the system is \$7,921,923.

* Contributions from employers and non-employer contributing entities are excluded from Pension Expense and are reported as revenue as per paragraphs 58 and 71(c) of GASB 68.

**PLAN B - SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FOR THE YEARS 2016 – 2025**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Total Pension Liability:				
Service Cost	\$ 7,321,799	\$ 7,570,558	\$ 6,946,477	\$ 6,620,222
Interest	20,774,426	20,423,295	19,660,449	18,913,060
Changes of Benefit Terms	2,785,384	0	0	1,912,832
Differences Between Expected and Actual Experience	(838,215)	(744,419)	1,728,366	(84,183)
Changes of Assumptions	0	(3,388,037)	0	0
Benefit Payments	(17,198,004)	(17,853,121)	(16,195,286)	(15,073,924)
Refunds of Member Contributions	(977,125)	(1,139,462)	(1,004,506)	(1,070,883)
Other	(36,170)	239,589	276,604	(491,552)
Net Change in Total Pension Liability	<u>\$ 11,832,095</u>	<u>\$ 5,108,403</u>	<u>\$ 11,412,104</u>	<u>\$ 10,725,572</u>
Total Pension Liability – Beginning	<u>\$ 304,909,334</u>	<u>\$ 299,800,931</u>	<u>\$ 288,388,827</u>	<u>\$ 277,663,255</u>
Total Pension Liability – Ending (a)	<u><u>\$ 316,741,429</u></u>	<u><u>\$ 304,909,334</u></u>	<u><u>\$ 299,800,931</u></u>	<u><u>\$ 288,388,827</u></u>
Plan Fiduciary Net Position:				
Contributions – Member	\$ 4,638,298	\$ 4,418,864	\$ 4,120,337	\$ 3,819,604
Contributions – Employer	13,401,665	14,149,257	13,309,035	12,490,060
Contributions – Nonemployer Contributing Entities	3,859,601	3,533,140	3,185,375	2,905,945
Net Investment Income	21,802,857	21,978,409	16,044,559	(21,093,403)
Benefit Payments	(17,198,004)	(17,853,121)	(16,195,286)	(15,073,924)
Refunds of Member Contributions	(977,125)	(1,139,462)	(1,004,506)	(1,070,883)
Administrative Expenses	(790,826)	(709,526)	(711,735)	(627,766)
Other	(36,170)	239,589	276,604	(491,552)
Net Change in Plan Fiduciary Net Position	<u>\$ 24,700,296</u>	<u>\$ 24,617,150</u>	<u>\$ 19,024,383</u>	<u>\$ (19,141,919)</u>
Plan Fiduciary Net Position – Beginning	<u>\$ 244,232,011</u>	<u>\$ 219,614,861</u>	<u>\$ 200,590,478</u>	<u>\$ 219,732,397</u>
Plan Fiduciary Net Position – Ending (b)	<u><u>\$ 268,932,307</u></u>	<u><u>\$ 244,232,011</u></u>	<u><u>\$ 219,614,861</u></u>	<u><u>\$ 200,590,478</u></u>
Net Pension Liability (Asset) – Ending (a) – (b)	<u>\$ 47,809,122</u>	<u>\$ 60,677,323</u>	<u>\$ 80,186,070</u>	<u>\$ 87,798,349</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.91%	80.10%	73.25%	69.56%
Covered Payroll	\$ 95,726,179	\$ 91,285,529	\$ 85,864,742	\$ 80,581,032
Net Pension Liability (Asset) as a Percentage of Covered Payroll	49.94%	66.47%	93.39%	108.96%

2021	2020	2019	2018	2017	2016
\$ 6,552,359	\$ 6,356,532	\$ 6,469,146	\$ 6,249,751	\$ 6,045,761	\$ 5,950,157
18,586,261	18,022,815	17,839,818	17,505,988	16,949,121	16,215,425
0	0	0	0	0	0
(3,183,157)	(805,689)	(2,963,047)	(4,292,673)	(1,895,698)	906,476
2,816,587	1,400,098	5,625,363	3,003,359	2,325,900	0
(14,477,201)	(13,570,261)	(13,132,769)	(12,170,889)	(11,786,964)	(10,863,578)
(1,183,058)	(922,512)	(1,172,865)	(1,117,113)	(1,008,206)	(1,023,784)
(45,254)	(236,704)	(181,188)	(301,679)	268,893	(2,325,973)
\$ 9,066,537	\$ 10,244,279	\$ 12,484,458	\$ 8,876,744	\$ 10,898,807	\$ 8,858,723
\$ 268,596,718	\$ 258,352,439	\$ 245,867,981	\$ 236,991,237	\$ 226,092,430	\$ 217,233,707
\$ 277,663,255	\$ 268,596,718	\$ 258,352,439	\$ 245,867,981	\$ 236,991,237	\$ 226,092,430
\$ 3,663,275	\$ 3,697,865	\$ 3,629,182	\$ 3,528,368	\$ 3,507,946	\$ 3,501,178
11,989,850	10,974,114	10,699,641	9,877,010	8,187,348	6,979,682
2,499,284	2,780,904	2,636,546	2,510,840	2,489,694	2,462,292
39,938,442	4,833,885	7,795,358	9,065,907	6,661,993	(4,332,169)
(14,477,201)	(13,570,261)	(13,132,769)	(12,170,889)	(11,786,964)	(10,863,578)
(1,183,058)	(922,512)	(1,172,865)	(1,117,113)	(1,008,206)	(1,023,784)
(627,038)	(454,298)	(687,603)	(575,600)	(1,054,332)	(465,057)
(45,254)	(236,704)	(181,188)	(301,679)	268,893	(2,325,973)
\$ 41,758,300	\$ 7,102,993	\$ 9,586,302	\$ 10,816,844	\$ 7,266,372	\$ (6,067,409)
\$ 177,974,097	\$ 170,871,104	\$ 161,284,802	\$ 150,467,958	\$ 143,201,586	\$ 149,268,995
\$ 219,732,397	\$ 177,974,097	\$ 170,871,104	\$ 161,284,802	\$ 150,467,958	\$ 143,201,586
\$ 57,930,858	\$ 90,622,621	\$ 87,481,335	\$ 84,583,179	\$ 86,523,279	\$ 82,890,844
79.14%	66.26%	66.14%	65.60%	63.49%	63.34%
\$ 77,353,871	\$ 78,386,529	\$ 76,426,007	\$ 74,543,472	\$ 74,430,436	\$ 73,470,337
74.89%	115.61%	114.47%	113.47%	116.25%	112.82%

PLAN B - SCHEDULE OF NET PENSION LIABILITY FOR THE YEARS 2016 – 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Total Pension Liability	\$ 316,741,429	\$ 304,909,334	\$ 299,800,931	\$ 288,388,827
Plan Fiduciary Net Position	268,932,307	244,232,011	219,614,861	200,590,478
Net Pension Liability (Asset)	<u>\$ 47,809,122</u>	<u>\$ 60,677,323</u>	<u>\$ 80,186,070</u>	<u>\$ 87,798,349</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.91%	80.10%	73.25%	69.56%
Covered Payroll	\$ 95,726,179	\$ 91,285,529	\$ 85,864,742	\$ 80,581,032
Net Pension Liability (Asset) as a Percentage of Covered Payroll	49.94%	66.47%	93.39%	108.96%

PLAN B - SCHEDULE OF CONTRIBUTIONS FOR THE YEARS 2016 – 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Actuarially Determined Contribution (Determined as of the Prior Fiscal Year) *	\$ 15,890,762	\$ 15,471,376	\$ 15,520,992	\$ 15,313,336
Contributions in Relation to the Actuarially Determined Contribution *	17,261,266	17,682,397	16,494,410	15,396,005
Contribution Deficiency (Excess)	<u>\$ (1,370,504)</u>	<u>\$ (2,211,021)</u>	<u>\$ (973,418)</u>	<u>\$ (82,669)</u>
Covered Payroll	\$ 95,726,179	\$ 91,285,529	\$ 85,864,742	\$ 80,581,032
Contributions as a Percentage of Covered Payroll	18.03%	19.37%	19.21%	19.11%

* Includes contributions from employers and non-employer contributing entities.

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$ 277,663,255	\$ 268,596,718	\$ 258,352,439	\$ 245,867,981	\$ 236,991,237	\$ 226,092,430
219,732,397	177,974,097	170,871,104	161,284,802	150,467,958	143,201,586
<u>\$ 57,930,858</u>	<u>\$ 90,622,621</u>	<u>\$ 87,481,335</u>	<u>\$ 84,583,179</u>	<u>\$ 86,523,279</u>	<u>\$ 82,890,844</u>
79.14%	66.26%	66.14%	65.60%	63.49%	63.34%
\$ 77,353,871	\$ 78,386,529	\$ 76,426,007	\$ 74,543,472	\$ 74,430,436	\$ 73,470,337
74.89%	115.61%	114.47%	113.47%	116.25%	112.82%

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$ 14,811,378	\$ 13,473,098	\$ 13,285,566	\$ 12,411,566	\$ 10,867,196	\$ 9,593,456
14,489,134	13,755,018	13,336,187	12,387,850	10,677,042	9,441,974
<u>\$ 322,244</u>	<u>\$ (281,920)</u>	<u>\$ (50,621)</u>	<u>\$ 23,716</u>	<u>\$ 190,154</u>	<u>\$ 151,482</u>
\$ 77,353,871	\$ 78,386,529	\$ 76,426,007	\$ 74,543,472	\$ 74,430,436	\$ 73,470,337
18.73%	17.55%	17.45%	16.62%	14.34%	12.85%

APPENDIX B - 2 CENSUS DATA – PLAN B

	Active	Terminated with Funds on Deposit	DROP	Retired	Total
Number of members as of June 30, 2024	2,049	2,249	54	1,228	5,580
Additions to Census					
Initial membership	366	101			467
Omitted in error last year					
Death of another member				17	17
Adjustment for multiple records				4	4
Change in Status during Year					
Actives terminating service	(180)	180			
Actives who retired	(49)			49	
Actives entering DROP	(23)		23		
Term. members rehired	20	(20)			
Term. members who retire		(9)		9	
Retirees who are rehired		4		(4)	
Refunded who are rehired	7				7
DROP participants retiring			(8)	8	
DROP returned to work	13		(13)		
Omitted in error last year					
Eliminated from Census					
Refund of contributions	(114)	(62)			(176)
Deaths	(2)		(1)	(73)	(76)
Included in error last year					
Adjustment for multiple records					
Number of members as of June 30, 2025	2,087	2,443	55	1,238	5,823

Plan B | Actives Census by Age:

Age	Number Male	Number Female	Total Number	Average Salary	Total Salary
16 - 20	22	2	24	28,398	681,562
21 - 25	84	26	110	33,747	3,712,191
26 - 30	96	36	132	35,875	4,735,536
31 - 35	110	49	159	39,524	6,284,386
36 - 40	130	65	195	42,538	8,294,851
41 - 45	134	86	220	43,619	9,596,264
46 - 50	139	85	224	46,927	10,511,731
51 - 55	178	107	285	45,956	13,097,425
56 - 60	195	104	299	48,603	14,532,185
61 - 65	184	96	280	47,464	13,290,002
66 - 70	98	47	145	49,063	7,114,153
71 - 75	32	10	42	47,977	2,015,053
76 - 80	12	10	22	44,483	978,634
81 - 85	4	1	5	46,193	230,966
Total	1,418	724	2,142	44,386	95,074,939

Includes 840 actives with vested benefits, including 55 DROP participants and 68 active former DROP participants.

Plan B | DROP Participants

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
51 - 55	5	2	7	25,646	179,524
56 - 60	4	1	5	24,106	120,532
61 - 65	22	7	29	14,879	431,488
66 - 70	6	3	9	8,458	76,119
71 - 75	3	0	3	6,349	19,048
76 - 80	1	1	2	12,441	24,882
Total	41	14	55	15,484	851,593

Plan B | Terminated Members Due a Deferred Retirement Benefit:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
31 - 35	1	0	1	6,114	6,114
36 - 40	5	1	6	7,504	45,026
41 - 45	10	10	20	15,447	308,933
46 - 50	10	7	17	13,850	235,455
51 - 55	13	8	21	15,230	319,826
56 - 60	22	11	33	12,932	426,751
61 - 65	7	8	15	14,659	219,891
66 - 70	4	2	6	8,007	48,039
71 - 75	2	0	2	4,440	8,879
81 - 85	1	0	1	494	494
91 - 95	1	0	1	630	630
Total	76	47	123	13,171	1,620,038

Plan B | Terminated Members Due a Refund of Contributions:

Contributions Ranging		Number	Total
From	To		Contributions
0	- 99	912*	30,158
100	- 499	626	158,273
500	- 999	294	213,460
1,000	- 1,999	194	274,115
2,000	- 4,999	198	621,928
5,000	- 9,999	66	455,188
10,000	- 19,999	26	311,581
20,000	- 99,999	4	93,545
Total		2,320	2,158,248

* Includes 525 members due a refund with balances totaling \$12,547 who were not included in the data. Excludes \$ 50,923 due to deceased members.

Plan B | Regular Retirees:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
51 - 55	2	1	3	26,749	80,246
56 - 60	12	2	14	30,959	433,421
61 - 65	74	45	119	16,307	1,940,509
66 - 70	156	94	250	16,781	4,195,174
71 - 75	168	73	241	15,039	3,624,490
76 - 80	90	39	129	13,026	1,680,332
81 - 85	65	34	99	10,577	1,047,150
86 - 90	40	17	57	10,541	600,832
91 - 95	11	7	18	15,536	279,641
96 - 100	1	1	2	5,198	10,396
Total	619	313	932	14,906	13,892,191

Plan B | Disability Retirees:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
51 - 55	1	0	1	6,552	6,552
56 - 60	4	1	5	12,058	60,290
61 - 65	12	4	16	12,102	193,626
66 - 70	5	2	7	12,432	87,022
76 - 80	1	0	1	12,585	12,585
Total	23	7	30	12,003	360,075

Plan B | Survivors:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
36 - 40	0	2	2	3,676	7,352
41 - 45	0	3	3	5,455	16,366
46 - 50	1	5	6	9,976	59,854
51 - 55	0	6	6	10,175	61,047
56 - 60	2	8	10	4,355	43,549
61 - 65	2	23	25	11,411	285,272
66 - 70	7	33	40	10,499	419,943
71 - 75	3	49	52	10,853	564,358
76 - 80	2	45	47	7,821	367,602
81 - 85	1	35	36	7,783	280,200
86 - 90	2	25	27	7,422	200,386
91 - 95	2	16	18	7,062	127,113
96 - 100	0	4	4	4,929	19,716
Total	22	254	276	8,887	2,452,758

Plan B | Active Members:

Attained Ages	Completed Years of Service								Total
	0 - 1	1 - 5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	Over 30	
0 - 20	21	3	-	-	-	-	-	-	24
21 - 25	46	60	4	-	-	-	-	-	110
26 - 30	45	63	24	-	-	-	-	-	132
31 - 35	43	69	34	12	1	-	-	-	159
36 - 40	42	88	34	16	15	-	-	-	195
41 - 45	41	82	35	27	23	9	3	-	220
46 - 50	34	74	44	23	25	12	11	1	224
51 - 55	35	101	45	25	31	21	13	14	285
56 - 60	43	70	47	41	39	23	20	16	299
61 - 65	20	81	56	33	29	28	14	19	280
66 - 70	10	36	34	21	11	12	4	17	145
71 & Over	3	13	15	18	9	2	5	4	69
Total	383	740	372	216	183	107	70	71	2,142

Plan B | Average Annual Salary of Active Members:

Attained Ages	Completed Years of Service								Average
	0 - 1	1 - 5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	Over 30	
0 - 20	27,937	31,627	-	-	-	-	-	-	28,398
21 - 25	30,402	35,836	40,897	-	-	-	-	-	33,747
26 - 30	30,697	36,817	43,112	-	-	-	-	-	35,875
31 - 35	32,506	39,017	46,327	46,660	59,434	-	-	-	39,524
36 - 40	34,703	40,960	50,651	45,869	51,790	-	-	-	42,538
41 - 45	33,573	40,194	44,212	45,787	59,886	67,514	51,727	-	43,619
46 - 50	37,407	40,596	44,150	48,467	64,855	68,446	60,107	74,525	46,927
51 - 55	38,973	41,098	45,528	48,248	54,613	51,033	60,572	55,380	45,956
56 - 60	36,595	42,661	48,592	45,158	61,632	50,287	63,386	63,069	48,603
61 - 65	36,738	41,420	45,771	50,390	52,806	59,081	49,401	57,732	47,464
66 - 70	39,045	38,902	45,386	54,496	44,985	71,373	38,360	66,527	49,063
71 & Over	30,280	39,682	47,711	50,533	49,208	38,905	54,609	49,738	46,734
Average	34,005	39,959	46,075	48,238	56,835	58,372	56,994	60,363	44,386

Plan B | Terminated Members Due a Deferred Retirement Benefit:

Attained Ages	Years until Retirement Eligibility								Total
	0 - 1	1 - 2	2 - 3	3 - 5	5 - 10	10 - 15	15 - 20	Over 20	
0 - 30	-	-	-	-	-	-	-	-	-
31 - 35	-	-	-	-	-	-	-	1	1
36 - 40	-	-	-	-	-	-	-	6	6
41 - 45	-	-	-	-	-	1	15	4	20
46 - 50	-	-	-	-	-	14	2	1	17
51 - 55	-	-	-	1	19	1	-	-	21
56 - 60	5	8	7	9	3	1	-	-	33
61 - 65	12	1	-	2	-	-	-	-	15
66 - 70	4	2	-	-	-	-	-	-	6
71 & Over	4	-	-	-	-	-	-	-	4
Total	25	11	7	12	22	17	17	12	123

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

Attained Ages	Years until Retirement Eligibility								Average
	0 - 1	1 - 2	2 - 3	3 - 5	5 - 10	10 - 15	15 - 20	Over 20	
0 - 30	-	-	-	-	-	-	-	-	-
31 - 35	-	-	-	-	-	-	-	6,114	6,114
36 - 40	-	-	-	-	-	-	-	7,504	7,504
41 - 45	-	-	-	-	-	9,804	16,957	11,192	15,447
46 - 50	-	-	-	-	-	15,797	5,463	3,367	13,850
51 - 55	-	-	-	13,548	15,605	9,780	-	-	15,230
56 - 60	5,998	17,687	13,771	14,427	8,243	4,296	-	-	12,932
61 - 65	16,889	6,245	-	5,487	-	-	-	-	14,659
66 - 70	8,352	7,316	-	-	-	-	-	-	8,007
71 & Over	2,501	-	-	-	-	-	-	-	2,501
Average	11,043	14,761	13,771	12,864	14,601	14,414	15,605	8,273	13,171

Plan B | Service Retirees:

Attained Ages	Completed Years Since Retirement								Total
	0 - 1	1 - 2	2 - 3	3 - 5	5 - 10	10 - 15	15 - 20	Over 20	
0 - 50	-	-	-	-	-	-	-	-	-
51 - 55	2	1	-	-	-	-	-	-	3
56 - 60	3	4	1	4	2	-	-	-	14
61 - 65	28	18	21	28	14	9	1	-	119
66 - 70	23	26	31	58	85	21	3	3	250
71 - 75	8	6	10	28	97	72	11	9	241
76 - 80	1	2	4	7	26	47	37	5	129
81 - 85	2	-	3	2	17	23	30	22	99
86 - 90	1	-	-	1	4	2	11	38	57
91 & Over	-	-	-	1	1	-	1	17	20
Total	68	57	70	129	246	174	94	94	932

Plan B | Average Annual Benefits Payable to Service Retirees:

Attained Ages	Completed Years Since Retirement								Average
	0 - 1	1 - 2	2 - 3	3 - 5	5 - 10	10 - 15	15 - 20	Over 20	
0 - 50	-	-	-	-	-	-	-	-	-
51 - 55	22,849	34,548	-	-	-	-	-	-	26,749
56 - 60	22,494	39,390	24,510	29,533	32,868	-	-	-	30,959
61 - 65	14,918	12,478	17,340	13,637	24,522	21,607	14,482	-	16,307
66 - 70	14,829	15,822	17,658	19,727	14,919	18,937	20,797	7,651	16,781
71 - 75	14,645	19,740	13,117	18,312	14,016	14,969	19,506	10,349	15,039
76 - 80	13,621	13,821	16,131	13,395	9,623	15,111	12,322	12,889	13,026
81 - 85	12,023	-	4,471	6,401	10,563	12,879	9,509	10,720	10,577
86 - 90	4,773	-	-	6,484	11,693	4,419	10,738	10,943	10,541
91 & Over	-	-	-	53,297	29,952	-	4,409	11,905	14,502
Average	15,170	17,091	16,359	18,010	14,403	15,432	12,289	11,006	14,906

Plan B | Disability Retirees:

Attained Ages	Completed Years Since Retirement								Total
	0 - 1	1 - 5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	Over 30	
0 - 30	-	-	-	-	-	-	-	-	-
31 - 35	-	-	-	-	-	-	-	-	-
36 - 40	-	-	-	-	-	-	-	-	-
41 - 45	-	-	-	-	-	-	-	-	-
46 - 50	-	-	-	-	-	-	-	-	-
51 - 55	-	-	-	1	-	-	-	-	1
56 - 60	1	1	1	1	-	1	-	-	5
61 - 65	-	1	5	3	4	2	-	1	16
66 - 70	-	-	1	6	-	-	-	-	7
71 - 75	-	-	-	-	-	-	-	-	-
76 - 80	-	-	-	-	-	-	-	1	1
81 & Over	-	-	-	-	-	-	-	-	-
Total	1	2	7	11	4	3	-	2	30

Plan B | Average Annual Benefits Payable To Disability Retirees:

Attained Ages	Completed Years Since Retirement								Average
	0 - 1	1 - 5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	Over 30	
0 - 30	-	-	-	-	-	-	-	-	-
31 - 35	-	-	-	-	-	-	-	-	-
36 - 40	-	-	-	-	-	-	-	-	-
41 - 45	-	-	-	-	-	-	-	-	-
46 - 50	-	-	-	-	-	-	-	-	-
51 - 55	-	-	-	6,552	-	-	-	-	6,552
56 - 60	12,239	20,280	9,720	10,583	-	7,468	-	-	12,058
61 - 65	-	13,912	12,859	10,259	15,208	9,445	-	4,918	12,102
66 - 70	-	-	19,749	11,212	-	-	-	-	12,432
71 - 75	-	-	-	-	-	-	-	-	-
76 - 80	-	-	-	-	-	-	-	12,585	12,585
81 & Over	-	-	-	-	-	-	-	-	-
Average	12,239	17,096	13,395	10,471	15,208	8,786	-	8,752	12,003

Plan B | Surviving Beneficiaries of Former Members:

Attained Ages	Completed Years Since Retirement								Total
	0 - 1	1 - 5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	Over 30	
0 - 30	-	-	-	-	-	-	-	-	-
31 - 35	-	-	-	-	-	-	-	-	-
36 - 40	-	1	-	-	-	-	1	-	2
41 - 45	-	1	-	-	1	1	-	-	3
46 - 50	-	3	-	2	-	-	1	-	6
51 - 55	1	-	2	2	-	-	1	-	6
56 - 60	-	3	1	1	2	1	1	1	10
61 - 65	-	4	8	4	4	3	1	1	25
66 - 70	-	2	12	12	6	2	2	4	40
71 - 75	-	3	7	12	14	8	5	3	52
76 - 80	1	-	3	11	14	12	4	2	47
81 & Over	-	2	6	5	8	22	21	21	85
Total	2	19	39	49	49	49	37	32	276

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

Attained Ages	Completed Years Since Retirement								Average
	0 - 1	1 - 5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	Over 30	
0 - 30	-	-	-	-	-	-	-	-	-
31 - 35	-	-	-	-	-	-	-	-	-
36 - 40	-	5,028	-	-	-	-	2,324	-	3,676
41 - 45	-	6,798	-	-	3,953	5,615	-	-	5,455
46 - 50	-	14,187	-	6,792	-	-	3,710	-	9,976
51 - 55	10,900	-	15,092	7,772	-	-	4,420	-	10,175
56 - 60	-	4,272	7,644	4,452	6,517	2,439	1,733	1,431	4,355
61 - 65	-	14,801	17,173	9,137	4,336	10,515	2,319	926	11,411
66 - 70	-	10,826	14,576	11,416	6,837	3,843	3,988	7,429	10,499
71 - 75	-	10,395	9,922	15,655	10,903	6,091	11,475	5,707	10,853
76 - 80	5,433	-	5,732	9,864	7,839	7,016	6,770	7,727	7,821
81 & Over	-	10,635	9,928	4,697	6,414	9,035	7,323	5,678	7,381
Average	8,167	10,553	12,727	10,754	7,940	7,734	7,046	5,746	8,887

APPENDIX C

SUMMARY OF PRINCIPAL PLAN PROVISIONS

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

MEMBERSHIP

All persons who are actively employed by a participating employer on a permanent, regularly scheduled basis of at least an average of thirty-five hours per week are members of this system. Excluded from membership are members of city councils, alderman, town councilmen, and constables; the exclusion does not apply to persons serving in excluded positions on January 1, 1997.

PLAN A PROVISIONS

CONTRIBUTION RATES

The Board of Trustees may set the employee contribution rate not less than 9.25% nor more than 10.00%. In addition, each sheriff and ex officio tax collector deducts one-fourth of one percent of the aggregate amount of the tax shown to be collected by the tax roll of each respective parish, excepting Orleans Parish, and remits the money to the system on an annual basis. Taxes are apportioned between Plan A and Plan B in proportion to salaries of plan participants. Taxes received from East Baton Rouge Parish are apportioned between the Municipal Employees' Retirement System and the Employees' Retirement System of the City of Baton Rouge. The system also receives revenue sharing funds each year as appropriated by the legislature. The remaining employer contributions are determined according to actuarial requirements and are set annually.

RETIREMENT BENEFITS (TIER 1)

Members with ten years of creditable service may retire at age sixty; members with twenty-five years of service may retire regardless of age. The monthly retirement allowance is equal to three percent of the member's final compensation multiplied by his years of creditable service; elected officials receive an additional one-half percent of final compensation for each year of such elected service. However, the accrued retirement benefits for those employees who were members of only the supplemental plan prior to October 1, 1978, are based on one percent of final compensation plus two dollars per month for each year of service credited prior to October 1, 1978. The retirement allowance may not exceed the greater of final annual salary or one hundred percent of the member's final average compensation. Members with twenty years of service credit, not otherwise eligible for normal retirement, are eligible for a modified actuarially reduced early retirement.

RETIREMENT BENEFITS (TIER 2)

Employees whose first employment making them eligible for membership occurs on or after January 1, 2013 become members of Tier 2. Normal retirement eligibility in Tier 2 is at age 67 with seven years of service credit, at age 62 with ten years of service credit, or age 55 with thirty years of service credit. Members are eligible for an actuarially reduced early retirement at twenty-five years of service credit. Retirement benefits are based on a 3% accrual rate. Employee contributions are set by the Board of Trustees within a range of 8% to 10%.

DISABILITY BENEFITS

Five years of creditable service are required in order to be eligible for disability benefits. Twenty years of creditable service are required in order for a member to have a vested disability benefit. A disabled member receives a normal retirement allowance if eligible under regular retirement provisions; if he is not eligible for a normal retirement, he receives a disability benefit equal to the lesser of:

1. Forty-five percent of his final average compensation or three percent of his final average compensation multiplied by his years of creditable service, whichever is greater; or
2. 2) Three percent of his final average compensation multiplied by his years of creditable service projected to his earliest normal retirement age.

SURVIVOR BENEFITS

Five years of creditable service are required in order to be eligible for survivor benefits. If the member is eligible for normal retirement at the time of death, the surviving spouse receives an automatic option two benefit. If the member is not eligible for a normal retirement, the surviving spouse with minor children receives sixty percent of final compensation payable until no child in her care satisfies the definition of minor child. The surviving spouse with no minor children receives forty percent of final compensation payable upon attainment of age sixty by the spouse, or the actuarial equivalent of this amount payable immediately (such equivalent not to be less than 20% of final compensation). Minor children with no surviving unmarried parent receive thirty percent of final compensation each not to exceed a total of sixty percent of final compensation. Survivor benefits are also payable to the surviving spouses of former members who have not withdrawn their accumulated contributions and who have at least twenty years of creditable service. The benefits payable are the actuarial equivalent of the Option 2 benefits that would have become payable to the surviving spouse at the time the former member would have begun receiving deferred normal retirement benefits, had the member survived until that date, elected Option 2, and died at that time.

PLAN B PROVISIONS

CONTRIBUTION RATES

The Board of Trustees may set the employee contribution rate not less than 5.00% nor more than 6.00%. In addition, each sheriff and ex officio tax collector deducts one-fourth of one percent of the aggregate amount of the tax shown to be collected by the tax roll of each respective parish, excepting Orleans

Parish, and remits the money to the system on an annual basis. Taxes are apportioned between Plan A and Plan B in proportion to salaries of plan participants. Taxes received from East Baton Rouge Parish are apportioned between the Municipal Employees' Retirement System and the Employees' Retirement System of the City of Baton Rouge. The system also receives revenue sharing funds each year as appropriated by the legislature. The remaining employer contributions are determined according to actuarial requirements and are set annually.

RETIREMENT BENEFITS (TIER 1)

Members with ten years of creditable service may retire at age sixty; members with thirty years of service may retire at any age. The monthly retirement allowance is equal to two percent of the member's final compensation multiplied by his years of creditable service; elected officials receive an additional one-half percent of final compensation for each year of such elected service.

RETIREMENT BENEFITS (TIER 2)

Employees whose first employment making them eligible for membership occurs on or after January 1, 2013 will become members of Tier 2. Normal retirement eligibility in Tier 2 is at age 67 with seven years of service credit, at age 62 with ten years of service credit, or age 55 with thirty years of service credit. Members are eligible for an actuarially reduced early retirement at twenty-five years of service credit. Retirement benefits are based on a 2% accrual rate. Employee contributions are set by the Board of Trustees within a range of 4% to 6%.

DISABILITY BENEFITS

Ten years of creditable service are required in order to be eligible for disability benefits. Twenty years of creditable service are required in order for a member to have a vested disability benefit. A disabled member receives a normal retirement allowance if eligible under regular retirement provisions; if he is not eligible for a normal retirement allowance, he receives a disability benefit equal to the lesser of:

1. Thirty percent of his final average compensation or two percent of his final average compensation multiplied by his years of creditable service, whichever is greater; and
2. Two percent of his final average compensation multiplied by his years of creditable service projected to his earliest normal retirement age.

SURVIVOR BENEFITS

The surviving spouse of a member who was eligible for normal retirement at the time of death receives an automatic option two benefit. The surviving spouse of a member with five or more years of creditable service and not eligible for normal retirement at the time of death receives either 30% of the member's final compensation payable to the spouse when they attain age 60 or an actuarial equivalent of 30% of the deceased member's final compensation, but not less than 15% of such final compensation. Survivor benefits are also payable to the surviving spouses of former members who have not withdrawn their accumulated contributions and who have at least twenty years of creditable service. The benefits payable are the actuarial equivalent of the Option 2 benefits that would have become payable to the surviving

spouse at the time the former member would have begun receiving deferred normal retirement benefits, had the member survived until that date, elected Option 2, and died at that time.

PROVISIONS APPLICABLE TO BOTH PLAN A AND B

FINAL AVERAGE COMPENSATION

For a member whose first employment making him eligible for membership in the system began after June 30, 2006, final average compensation is based on the average monthly earnings during the highest sixty consecutive months or joined months if service was interrupted. The earnings to be considered for each twelve-month period within the sixty-month period may not exceed 115% of the preceding twelve month period.

Effective January 1, 2013, for a member whose first employment making him eligible for membership in the system began before July 1, 2006, final average compensation was redefined to be thirty-six months plus the number of whole months since January 1, 2013 not to exceed sixty months. However, the actual monthly final average compensation used to determine the member's benefit cannot be less than the thirty-six-month final average compensation as of January 1, 2013. The earnings to be considered for each twelve-month period within the final average compensation period may not exceed 115% of the preceding twelve-month period.

UNUSED SICK & ANNUAL LEAVE

All unused sick and annual leave is credited at the time of retirement to the member if the employer so elects for his employees. The actuarial cost of providing this conversion is borne solely by the employer and must be paid to the Board within thirty days of the member's retirement date.

OPTIONAL ALLOWANCES

Members may receive their benefits as a life annuity, or in lieu of such a reduced benefit according to the option selected which is the actuarial equivalent of the maximum benefit.

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

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

Option 4 – Upon retirement, the member elects to receive a Board-approved benefit which is actuarially equivalent to the maximum benefit.

A member may also elect to receive an actuarially reduced benefit which provides for an automatic 2 ½% annual compound increase in monthly retirement benefits based on the reduced benefit and commencing on the later of age fifty-five or retirement anniversary; this COLA is in addition to any ad hoc COLAs which are payable.

DEFERRED RETIREMENT OPTION PLAN (DROP)

In lieu of terminating employment and accepting a service retirement allowance, any member of Plan A or B who is eligible for a normal retirement may elect to participate in the Deferred Retirement Option Plan (DROP) for up to three years and defer the receipt of benefits. Upon commencement of participation in the plan, membership in the system terminates. During participation in the plan, employer contributions are payable, but employee contributions cease. The monthly retirement benefits that would have been payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP account. After a member terminates his participation in DROP his account will earn interest at the actual rate of return earned on the funds left on deposit as certified by the custodian of the system's assets. This interest will be credited to the individual member's account balance on a daily basis beginning July 1, 2006. In addition, no cost-of-living increases are payable to participants until employment which made them eligible to become members of the system has been terminated for at least one full year.

Upon termination of employment prior to, or at the end of, the specified period of participation, a participant in the plan may receive, at his option, a lump sum payment from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or any other method of payment if approved by the Board of Trustees. The monthly benefits that were being paid into the DROP account will begin to be paid to the retiree. If a participant dies during the participation in the plan, a lump sum equal to his account balance in the plan fund shall be paid to his named beneficiary or, if none, to his estate. If employment is not terminated at the end of the three years, payments into the plan fund cease and the person resumes active contributing membership in the system. For any member hired prior to July 1, 2006, additional accrued benefits are based on final average compensation used to calculate the member's original benefit unless the additional period of service is at least thirty-six months. For any member hired on or after July 1, 2006, whose period of additional service after their DROP participation period ends is less than sixty months, the final compensation figure used to calculate the additional benefit will be that used to calculate the original benefit. If their period of additional service is sixty months or more, the final compensation figure used to calculate the additional benefit will be based on their compensation during the period of additional service.

COST OF LIVING ADJUSTMENTS

The Board of Trustees is authorized to grant retired members, and widows of members, who have been retired for at least one full year an annual cost of living increase of two percent of their original benefit and all retired members and widows who are sixty-five years of age and older a two percent increase in their original benefit (or their benefit as of October 1, 1977, if they retired prior to that time). In order for the Board to grant either of these increases the system must meet certain criteria detailed in the statute related to funding status and interest earnings on investments. In lieu of the prior provisions, R.S. 11:241 provides for cost-of-living benefits payable based on a formula equal to up to \$1 times the total of the number of years of credited service accrued at retirement or at death of the member or retiree plus the number of years since retirement or since death of the member or retiree to the system's fiscal year end preceding the payment of the benefit increase. In order for the board to grant any of these increases, the system must meet certain criteria detailed in the statutes related to funding status and interest earnings.

APPENDIX D

ACTUARIAL ASSUMPTIONS

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

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

ACTUARIAL COST METHOD

Plan A: Frozen Attained Age Normal Actuarial Cost Method with allocation based on earnings. The frozen actuarial accrued liabilities were calculated on the projected unit credit cost method.

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

ACTUARIAL ASSET VALUES

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

VALUATION INTEREST RATE

6.85% (Net of Investment Expense)

ANNUAL SALARY INCREASE RATE

Salary increases include 2.5% inflation. The gross rates including inflation and merit increases are as follows:

PLAN A		PLAN B	
Years of Service (less than or equal to)	Salary Increase (in the following year)	Years of Service (less than or equal to)	Salary Increase (in the following year)
1-2	9.0%	1-2	9.5%
Above 2	4.4%	Above 2	4.6%

ACTIVE MEMBER MORTALITY

Pub-2010 General Below-Median Employee Tables multiplied by 115% for males and 120% for females, each with each with the full generational projection using the MP2021 scale.

ANNUITANT AND BENEFICIARY MORTALITY

Pub-2010 General Below-Median Healthy Retiree Tables multiplied by 115% for males and 120% for females, each with each with the full generational projection using the MP2021 scale.

DISABLED LIVES MORTALITY

Pub-2010 Non-Safety Disabled Retiree Tables multiplied by 115% for males and 120% for females, each with each with the full generational projection using the MP2021 scale.

RETIREE COST OF LIVING ADJUSTMENTS

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

RETIREMENT RATES

The table of these rates is included later in the report. These rates apply only to those individuals eligible to retire. Members are assumed to retire no earlier than normal retirement age.

RETIREMENT RATES FOR ACTIVE FORMER DROP PARTICIPANTS

The table of these rates is included later in the report. These rates apply only to those active participants who were previously in DROP.

RETIREMENT LIMITATIONS

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

DROP ENTRY RATES

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

DROP PARTICIPATION PERIOD – PLAN A

Plan A members who enter the DROP plan are assumed to participate for the full 3-year period and 50% are assumed to retire at the end of DROP participation with 50% assumed to work 4 years post DROP and then retire.

DROP PARTICIPATION PERIOD – PLAN B

Plan B members who enter the DROP plan are assumed to participate for the full 3-year period and 45% are assumed to retire at the end of DROP participation with 55% assumed to work 4 years post DROP and then retire.

RATES OF DISABILITY

Plan A: 55% of the disability rates used for the 28th valuation of the Railroad Retirement System for individuals with 10 – 19 years of service through age 62; after age 62 the rate is that of a 62-year-old.

Plan B: 100% of the disability rates used for the 28th valuation of the Railroad Retirement System for individuals with 10 – 19 years of service through age 62; after age 62 the rate is that of a 62-year-old.

RATES OF WITHDRAWAL

The rates of withdrawal are applied based upon completed years of service according to the following table (Table continues on the following page):

Service Duration ($\leq$)	Plan A (Tier 1)	Plan A (Tier 2)	Plan B (Tiers 1 & 2)
1	27.00%	27.00%	31.00%
2	20.00%	20.00%	23.00%
3	16.00%	16.00%	18.00%
4	14.00%	14.00%	15.00%
5	12.00%	12.00%	13.00%
6	11.00%	11.00%	11.00%
7	10.00%	10.00%	11.00%
8	9.00%	9.00%	10.00%
9	8.00%	8.00%	9.00%
10	8.00%	8.00%	8.00%
11	8.00%	8.00%	7.00%
12	7.00%	7.00%	6.00%
13	7.00%	7.00%	5.00%
14	6.00%	6.00%	5.00%
15	5.00%	5.00%	4.00%
16	4.00%	4.00%	4.00%
17	4.00%	4.00%	4.00%
18	3.00%	3.00%	4.00%
19	3.00%	3.00%	4.00%
20	3.00%	3.00%	4.00%
21	3.00%	3.00%	4.00%
22	3.00%	3.00%	4.00%

Service Duration ($\leq$)	Plan A (Tier 1)	Plan A (Tier 2)	Plan B (Tiers 1 & 2)
23	3.00%	3.00%	5.00%
24	3.00%	3.00%	5.00%
25	3.00%	3.00%	4.00%
26	0.00%	3.00%	4.00%
27	0.00%	3.00%	4.00%
28	0.00%	3.00%	2.00%
29	0.00%	3.00%	1.00%
30	0.00%	3.00%	1.00%
31 and Over	0.00%	3.00%	1.00%

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

VESTING ELECTING PERCENTAGE

Plan A: 40% of members with up to 10 years of service, 70% of members with greater than 10 and up to 20 years of service, and 80% of members with more than 20 years of service are assumed to elect a deferred benefit in lieu of a refund of contributions.

Plan B: 40% of members with up to 10 years of service, 65% of members with greater than 10 and up to 20 years of service, and 85% of members with more than 20 years of service are assumed to elect a deferred benefit in lieu of a refund of contributions.

MARRIAGE STATISTICS

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

FAMILY STATISTICS

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

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

PLAN A – ACTUARIAL TABLES AND RATES

Age	Retirement Rates Tier 1	Retirement Rates Tier 2	DROP Entry Rates Tier 1	DROP Entry Rates Tier 2	Post-DROP Retirement Tier 1	Post-DROP Retirement Tier 2	Disability Rates
18	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00066
19	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00066
20	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00066
21	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00066
22	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00066
23	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00066
24	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00066
25	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00066
26	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00066
27	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00066
28	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00066
29	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00066
30	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00066
31	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00066
32	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00066
33	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00066
34	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00066
35	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00066
36	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00066
37	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00072
38	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00077
39	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00077
40	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00083
41	0.34000	0.00000	0.22000	0.00000	0.09000	0.00000	0.00094
42	0.34000	0.00000	0.22000	0.00000	0.09000	0.00000	0.00099
43	0.34000	0.00000	0.22000	0.00000	0.09000	0.00000	0.00110
44	0.34000	0.00000	0.24000	0.00000	0.09000	0.00000	0.00116
45	0.22000	0.00000	0.19000	0.00000	0.09000	0.00000	0.00132
46	0.13000	0.00000	0.15000	0.00000	0.09000	0.00000	0.00149
47	0.09000	0.00000	0.13000	0.00000	0.09000	0.00000	0.00165
48	0.06000	0.00000	0.12000	0.00000	0.09000	0.00000	0.00187
49	0.05000	0.00000	0.12000	0.00000	0.09000	0.00000	0.00215
50	0.04000	0.00000	0.14000	0.00000	0.09000	0.00000	0.00242
51	0.05000	0.00000	0.15000	0.00000	0.17000	0.00000	0.00281
52	0.05000	0.00000	0.18000	0.00000	0.18000	0.00000	0.00325
53	0.06000	0.00000	0.20000	0.00000	0.18000	0.00000	0.00380
54	0.06000	0.00000	0.22000	0.00000	0.17000	0.00000	0.00440
55	0.07000	0.05000	0.23000	0.22000	0.16000	0.16000	0.00517
56	0.07000	0.10000	0.23000	0.16000	0.15000	0.15000	0.00611
57	0.08000	0.09000	0.23000	0.18000	0.15000	0.15000	0.00721
58	0.08000	0.07000	0.23000	0.22000	0.15000	0.15000	0.00853
59	0.09000	0.09000	0.24000	0.23000	0.15000	0.15000	0.01007
60	0.09000	0.09000	0.18000	0.23000	0.17000	0.17000	0.01469
61	0.10000	0.09000	0.16000	0.23000	0.18000	0.18000	0.01716
62	0.11000	0.09000	0.15000	0.16000	0.20000	0.20000	0.01749
63	0.14000	0.10000	0.13000	0.15000	0.21000	0.21000	0.01749
64	0.16000	0.11000	0.11000	0.13000	0.22000	0.22000	0.01749
65	0.18000	0.14000	0.10000	0.12000	0.22000	0.22000	0.01749
66	0.19000	0.16000	0.09000	0.11000	0.22000	0.22000	0.01749
67	0.19000	0.17000	0.08000	0.10000	0.21000	0.21000	0.01749
68	0.20000	0.18000	0.09000	0.09000	0.21000	0.21000	0.01749
69	0.20000	0.19000	0.10000	0.09000	0.20000	0.20000	0.01749
70	0.21000	0.19000	0.11000	0.09000	0.20000	0.20000	0.01749
71	0.22000	0.18000	0.12000	0.09000	0.20000	0.20000	0.01749
72	0.23000	0.18000	0.13000	0.09000	0.20000	0.20000	0.01749
73	0.24000	0.19000	0.14000	0.10000	0.21000	0.21000	0.01749
74	0.23000	0.21000	0.14000	0.10000	0.21000	0.21000	0.01749
75	0.22000	0.23000	0.13000	0.11000	0.21000	0.21000	0.01749

PLAN B – ACTUARIAL TABLES AND RATES

Age	Retirement Rates Tier 1	Retirement Rates Tier 2	DROP Entry Rates Tier 1	DROP Entry Rates Tier 2	Post-DROP Retirement Tier 1	Post-DROP Retirement Tier 2	Disability Rates
18	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00120
19	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00120
20	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00120
21	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00120
22	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00120
23	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00120
24	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00120
25	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00120
26	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00120
27	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00120
28	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00120
29	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00120
30	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00120
31	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00120
32	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00120
33	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00120
34	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00120
35	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00120
36	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00120
37	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00130
38	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00140
39	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00140
40	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00150
41	0.00000	0.00000	0.39000	0.00000	0.00000	0.00000	0.00170
42	0.00000	0.00000	0.39000	0.00000	0.00000	0.00000	0.00180
43	0.00000	0.00000	0.39000	0.00000	0.00000	0.00000	0.00200
44	0.00000	0.00000	0.39000	0.00000	0.00000	0.00000	0.00210
45	0.00000	0.00000	0.39000	0.00000	0.00000	0.00000	0.00240
46	0.06000	0.00000	0.39000	0.00000	0.09000	0.00000	0.00270
47	0.06000	0.00000	0.39000	0.00000	0.09000	0.00000	0.00300
48	0.06000	0.00000	0.39000	0.00000	0.09000	0.00000	0.00340
49	0.06000	0.00000	0.39000	0.00000	0.09000	0.00000	0.00390
50	0.06000	0.00000	0.39000	0.00000	0.09000	0.00000	0.00440
51	0.06000	0.00000	0.39000	0.00000	0.09000	0.00000	0.00510
52	0.06000	0.00000	0.39000	0.00000	0.09000	0.00000	0.00590
53	0.06000	0.00000	0.39000	0.00000	0.09000	0.00000	0.00690
54	0.06000	0.00000	0.39000	0.00000	0.09000	0.00000	0.00800
55	0.06000	0.07000	0.39000	0.31000	0.09000	0.09000	0.00940
56	0.06000	0.07000	0.39000	0.40000	0.09000	0.09000	0.01110
57	0.06000	0.07000	0.39000	0.46000	0.09000	0.09000	0.01310
58	0.06000	0.07000	0.39000	0.42000	0.09000	0.09000	0.01550
59	0.06000	0.07000	0.39000	0.22000	0.09000	0.09000	0.01830
60	0.08000	0.07000	0.23000	0.22000	0.09000	0.09000	0.02670
61	0.08000	0.07000	0.16000	0.22000	0.09000	0.09000	0.03120
62	0.11000	0.12000	0.12000	0.18000	0.21000	0.21000	0.03180
63	0.12000	0.13000	0.11000	0.12000	0.21000	0.21000	0.03180
64	0.15000	0.15000	0.11000	0.09000	0.21000	0.21000	0.03180
65	0.19000	0.18000	0.11000	0.08000	0.21000	0.21000	0.03180
66	0.22000	0.21000	0.12000	0.08000	0.22000	0.22000	0.03180
67	0.25000	0.24000	0.12000	0.08000	0.22000	0.22000	0.03180
68	0.26000	0.25000	0.11000	0.08000	0.23000	0.23000	0.03180
69	0.26000	0.24000	0.10000	0.08000	0.24000	0.24000	0.03180
70	0.24000	0.22000	0.09000	0.07000	0.25000	0.25000	0.03180
71	0.21000	0.20000	0.09000	0.07000	0.28000	0.28000	0.03180
72	0.18000	0.17000	0.08000	0.06000	0.31000	0.31000	0.03180
73	0.16000	0.14000	0.09000	0.06000	0.24000	0.24000	0.03180
74	0.26000	0.30000	0.09000	0.06000	0.24000	0.24000	0.03180
75	0.26000	0.30000	0.09000	0.07000	0.24000	0.24000	0.03180

PRIOR YEAR ASSUMPTIONS

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

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

ACTUARIAL COST METHOD

Plan A: Frozen Attained Age Normal Actuarial Cost Method with allocation based on earnings. The frozen actuarial accrued liabilities were calculated on the projected unit credit cost method.

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

ACTUARIAL ASSET VALUES

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

VALUATION INTEREST RATE

6.85% (Net of Investment Expense)

ANNUAL SALARY INCREASE RATE

Salary increases include 2.5% inflation. The gross rates including inflation and merit increases are as follows:

PLAN A

Years of Service (less than or equal to)	Salary Increase (in the following year)
1-4	6.4%
Above 4	4.5%

PLAN B

Years of Service (less than or equal to)	Salary Increase (in the following year)
1-4	7.9%
Above 4	4.9%

ACTIVE MEMBER MORTALITY

120% of the PubG-2010(B) Employee Tables for males and females, each with each with the full generational MP2018 scale

ANNUITANT AND BENEFICIARY MORTALITY

120% of the PubG-2010(B) Healthy Retiree Tables for males and females, each with the full generational MP2018 scale

DISABLED LIVES MORTALITY

120% of the PubNS-2010(B) Disabled Retiree Tables for males and females, each with each with the full generational MP2018 scale

RETIREE COST OF LIVING ADJUSTMENTS

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

RETIREMENT RATES

The table of these rates is included later in the report. These rates apply only to those individuals eligible to retire. Members are assumed to retire no earlier than normal retirement age.

RETIREMENT RATES FOR ACTIVE FORMER DROP PARTICIPANTS

The table of these rates is included later in the report. These rates apply only to those active participants who were previously in DROP.

RETIREMENT LIMITATIONS

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

DROP ENTRY RATES

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

DROP PARTICIPATION PERIOD

DROP participants are assumed to participate for 3 years. At the end of the DROP participation period, one half of participants are assumed to retire; the other half are assumed to work three additional years.

RATES OF DISABILITY

Plan A: 25% of the disability rates used for the 21st valuation of the Railroad Retirement System for individuals with 10 – 19 years of service.

Plan B: 50% of the disability rates used for the 21st valuation of the Railroad Retirement System for individuals with 10 – 19 years of service.

RATES OF WITHDRAWAL

The rates of withdrawal are applied based upon completed years of service according to the following table (continued on the following page):

Service Duration (≤)	Plan A (Tier 1)	Plan A (Tier 2)	Plan B (Tiers 1 & 2)
1	23.00%	23.00%	29.00%
2	20.00%	20.00%	24.00%
3	17.00%	17.00%	19.00%
4	14.00%	14.00%	15.00%
5	12.00%	12.00%	12.00%
6	10.00%	10.00%	10.00%
7	9.00%	9.00%	9.00%
8	9.00%	9.00%	8.00%
9	8.00%	8.00%	7.00%
10	7.00%	7.00%	7.00%
11	6.00%	6.00%	6.00%
12	5.00%	5.00%	6.00%
13	4.00%	4.00%	5.00%
14	4.00%	4.00%	5.00%
15	3.00%	3.00%	4.00%
16	3.00%	3.00%	4.00%
17	3.00%	3.00%	4.00%
18	3.00%	3.00%	4.00%
19	3.00%	3.00%	4.00%
20	3.00%	3.00%	4.00%

Service Duration ($\leq$)	Plan A (Tier 1)	Plan A (Tier 2)	Plan B (Tiers 1 & 2)
21	3.00%	3.00%	4.00%
22	3.00%	3.00%	4.00%
23	4.00%	3.00%	3.00%
24	5.00%	3.00%	3.00%
25	8.00%	3.00%	2.00%
26	0.00%	3.00%	2.00%
27	0.00%	3.00%	1.00%
28	0.00%	3.00%	1.00%
29	0.00%	4.00%	1.00%
30	0.00%	5.00%	1.00%
31 and Over	0.00%	8.00%	1.00%

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

VESTING ELECTING PERCENTAGE

Plan A: 50% of members with less than 20 years of service are assumed to elect a deferred benefit in lieu of a refund of contributions. 85% of members with 20 or more years of service are assumed to elect the deferred benefit.

Plan B: 66% of members with less than 25 years of service are assumed to elect a deferred benefit in lieu of a refund of contributions. 85% of members with 25 or more years of service are assumed to elect the deferred benefit.

MARRIAGE STATISTICS

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

FAMILY STATISTICS

Assumptions utilized in determining the costs of various survivor benefits as listed below, are derived from the information provided in the 2010 U. S. Census:

Member's Age	% With Children	Number of Children	Average Age	Remarriage Rates
25	70%	1.84	5	0.04566
35	86%	2.13	9	0.02636
45	75%	1.70	12	0.01355
55	22%	1.42	14	N/A
65	4%	1.45	15	N/A

PLAN A – ACTUARIAL TABLES AND RATES

Age	Retirement Rates Tier 1	Retirement Rates Tier 2	DROP Entry Rates Tier 1	DROP Entry Rates Tier 2	Post-DROP Retirement Tier 1	Post-DROP Retirement Tier 2	Disability Rates	Remarriage Rates
18	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00038	0.06124
19	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00038	0.06124
20	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00038	0.06124
21	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00038	0.05818
22	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00038	0.05524
23	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00038	0.05242
24	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00038	0.04971
25	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00038	0.04566
26	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00038	0.04335
27	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00038	0.04114
28	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00038	0.03902
29	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00038	0.03698
30	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00038	0.03502
31	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00038	0.03314
32	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00038	0.03134
33	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00038	0.02961
34	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00038	0.02795
35	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00043	0.02636
36	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00048	0.02483
37	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00053	0.02336
38	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00060	0.02195
39	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00068	0.02060
40	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00078	0.01930
41	0.20000	0.00000	0.17000	0.00000	0.04000	0.00000	0.00088	0.01805
42	0.20000	0.00000	0.17000	0.00000	0.04000	0.00000	0.00098	0.01686
43	0.20000	0.00000	0.17000	0.00000	0.04000	0.00000	0.00110	0.01571
44	0.13000	0.00000	0.17000	0.00000	0.04000	0.00000	0.00125	0.01461
45	0.08000	0.00000	0.17000	0.00000	0.04000	0.00000	0.00143	0.01355
46	0.05000	0.00000	0.16000	0.00000	0.04000	0.00000	0.00163	0.01253
47	0.04000	0.00000	0.15000	0.00000	0.04000	0.00000	0.00183	0.01156
48	0.04000	0.00000	0.14000	0.00000	0.04000	0.00000	0.00208	0.01063
49	0.05000	0.00000	0.14000	0.00000	0.04000	0.00000	0.00235	0.00973
50	0.06000	0.00000	0.14000	0.00000	0.07000	0.00000	0.00268	0.00887
51	0.07000	0.00000	0.14000	0.00000	0.10000	0.00000	0.00305	0.00804
52	0.07000	0.00000	0.16000	0.00000	0.12000	0.00000	0.00345	0.00725
53	0.08000	0.00000	0.18000	0.00000	0.14000	0.00000	0.00392	0.00649
54	0.07000	0.00000	0.20000	0.00000	0.16000	0.00000	0.00445	0.00576
55	0.07000	0.07000	0.23000	0.23000	0.18000	0.18000	0.00505	0.00000
56	0.07000	0.07000	0.24000	0.24000	0.19000	0.19000	0.00575	0.00000
57	0.06000	0.06000	0.25000	0.25000	0.19000	0.19000	0.00653	0.00000
58	0.06000	0.06000	0.24000	0.24000	0.20000	0.20000	0.00740	0.00000
59	0.07000	0.07000	0.23000	0.23000	0.21000	0.21000	0.00843	0.00000
60	0.07000	0.07000	0.21000	0.21000	0.21000	0.21000	0.01220	0.00000
61	0.08000	0.08000	0.19000	0.19000	0.22000	0.22000	0.01220	0.00000
62	0.09000	0.09000	0.17000	0.17000	0.22000	0.22000	0.01220	0.00000
63	0.10000	0.10000	0.15000	0.15000	0.22000	0.22000	0.01220	0.00000
64	0.12000	0.12000	0.13000	0.13000	0.22000	0.22000	0.01220	0.00000
65	0.14000	0.14000	0.13000	0.13000	0.21000	0.21000	0.01220	0.00000
66	0.16000	0.16000	0.12000	0.12000	0.20000	0.20000	0.01220	0.00000
67	0.18000	0.18000	0.12000	0.12000	0.18000	0.18000	0.01220	0.00000
68	0.19000	0.19000	0.12000	0.12000	0.17000	0.17000	0.01220	0.00000
69	0.20000	0.20000	0.12000	0.12000	0.15000	0.15000	0.01220	0.00000
70	0.21000	0.21000	0.12000	0.12000	0.14000	0.14000	0.01220	0.00000
71	0.21000	0.21000	0.12000	0.12000	0.13000	0.13000	0.01220	0.00000
72	0.20000	0.20000	0.12000	0.12000	0.13000	0.13000	0.01220	0.00000
73	0.19000	0.19000	0.11000	0.11000	0.13000	0.13000	0.01220	0.00000
74	0.17000	0.17000	0.11000	0.11000	0.13000	0.13000	0.01220	0.00000
75	0.16000	0.16000	0.09000	0.09000	0.13000	0.13000	0.01220	0.00000

PLAN B – ACTUARIAL TABLES AND RATES

Age	Retirement Rates Tier 1	Retirement Rates Tier 2	DROP Entry Rates Tier 1	DROP Entry Rates Tier 2	Post-DROP Retirement Tier 1	Post-DROP Retirement Tier 2	Disability Rates	Remarriage Rates
18	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00075	0.06124
19	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00075	0.06124
20	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00075	0.06124
21	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00075	0.05818
22	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00075	0.05524
23	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00075	0.05242
24	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00075	0.04971
25	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00075	0.04566
26	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00075	0.04335
27	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00075	0.04114
28	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00075	0.03902
29	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00075	0.03698
30	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00075	0.03502
31	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00075	0.03314
32	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00075	0.03134
33	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00075	0.02961
34	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00075	0.02795
35	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00085	0.02636
36	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00095	0.02483
37	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00105	0.02336
38	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00120	0.02195
39	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00135	0.02060
40	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00155	0.01930
41	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00175	0.01805
42	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00195	0.01686
43	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00220	0.01571
44	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00250	0.01461
45	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00285	0.01355
46	0.01000	0.00000	0.10000	0.00000	0.15000	0.00000	0.00325	0.01253
47	0.01000	0.00000	0.10000	0.00000	0.15000	0.00000	0.00365	0.01156
48	0.01000	0.00000	0.10000	0.00000	0.15000	0.00000	0.00415	0.01063
49	0.01000	0.00000	0.22000	0.00000	0.15000	0.00000	0.00470	0.00973
50	0.01000	0.00000	0.32000	0.00000	0.15000	0.00000	0.00535	0.00887
51	0.02000	0.00000	0.35000	0.00000	0.15000	0.00000	0.00610	0.00804
52	0.02000	0.00000	0.36000	0.00000	0.15000	0.00000	0.00690	0.00725
53	0.03000	0.00000	0.36000	0.00000	0.15000	0.00000	0.00785	0.00649
54	0.03000	0.00000	0.36000	0.00000	0.14000	0.00000	0.00890	0.00576
55	0.03000	0.03000	0.37000	0.37000	0.12000	0.12000	0.01010	0.00000
56	0.03000	0.03000	0.38000	0.38000	0.10000	0.10000	0.01150	0.00000
57	0.03000	0.03000	0.39000	0.39000	0.08000	0.08000	0.01305	0.00000
58	0.04000	0.04000	0.37000	0.37000	0.07000	0.07000	0.01480	0.00000
59	0.05000	0.05000	0.34000	0.34000	0.06000	0.06000	0.01685	0.00000
60	0.06000	0.06000	0.28000	0.28000	0.06000	0.06000	0.02440	0.00000
61	0.08000	0.08000	0.22000	0.22000	0.07000	0.07000	0.02440	0.00000
62	0.11000	0.11000	0.17000	0.17000	0.09000	0.09000	0.02440	0.00000
63	0.13000	0.13000	0.12000	0.12000	0.12000	0.12000	0.02440	0.00000
64	0.16000	0.16000	0.10000	0.10000	0.15000	0.15000	0.02440	0.00000
65	0.18000	0.18000	0.08000	0.08000	0.18000	0.18000	0.02440	0.00000
66	0.20000	0.20000	0.07000	0.07000	0.20000	0.20000	0.02440	0.00000
67	0.22000	0.22000	0.06000	0.06000	0.22000	0.22000	0.02440	0.00000
68	0.23000	0.23000	0.06000	0.06000	0.24000	0.24000	0.02440	0.00000
69	0.23000	0.23000	0.06000	0.06000	0.25000	0.25000	0.02440	0.00000
70	0.23000	0.23000	0.06000	0.06000	0.25000	0.25000	0.02440	0.00000
71	0.23000	0.23000	0.07000	0.07000	0.25000	0.25000	0.02440	0.00000
72	0.21000	0.21000	0.08000	0.08000	0.24000	0.24000	0.02440	0.00000
73	0.20000	0.20000	0.09000	0.09000	0.24000	0.24000	0.02440	0.00000
74	0.19000	0.19000	0.09000	0.09000	0.23000	0.23000	0.02440	0.00000
75	0.18000	0.18000	0.09000	0.09000	0.21000	0.21000	0.02440	0.00000

GLOSSARY

ACCRUED BENEFIT

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

ACTUARIAL ACCRUED LIABILITY

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

ACTUARIAL ASSUMPTIONS

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

ACTUARIAL COST METHOD

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

ACTUARIAL EQUIVALENCE

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

ACTUARIAL GAIN (LOSS)

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

ACTUARIAL PRESENT VALUE

The value, as of a specified date, of an amount or series of amounts payable or receivable thereafter, with each amount adjusted to reflect the time value of money (through accrual of interest) and the probability

of payments. For example: if \$600 invested today will be worth \$1,000 in 10 years and there is a 50% probability that a person will live 10 years, then the actuarial present value of \$1,000 payable to that person if he should survive 10 years is \$300.

ACTUARIAL VALUE OF ASSETS

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

ASSET GAIN (LOSS)

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

AMORTIZATION PAYMENT

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

CONTRIBUTION SHORTFALL (EXCESS)

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

DECREMENTS

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

EMPLOYER NORMAL COST

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

FUNDED RATIO

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

NORMAL COST

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

PENSION BENEFIT OBLIGATION

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

PROJECTED BENEFITS

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

UNFUNDED ACTUARIAL ACCRUED LIABILITY

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

VESTED BENEFITS

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