CURRAN ACTUARIAL
CONSULTING, LTD.

Annual Funding Valuation
June 30, 2024

Municipal Employees' Retirement System

CURRAN ACTUARIAL
CONSULTING, LTD.

November 21, 2024

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, 2024. Our report is based on the actuarial assumptions specified and relies on the data supplied by the system's administrators and accountants. This report was prepared at the request of the Board of Trustees of the 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, 2025, and to recommend the net direct employer contribution rate for Fiscal 2026. This report does not contain the information necessary for accounting disclosures as required by Governmental Accounting Standards Board (GASB) Statements 67 and 68; that information is included in a separate report. This report was prepared exclusively for the 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 of the 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.

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Senior Consulting Actuary

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

		June 30, 2024	June 30, 2023
Census Summary:	Active Members (Including DROP participants)	4,409	4,484
	Retired Members and Survivors	3,813	3,790
	Terminated Due a Deferred Benefit	245	251
	Terminated Due a Refund	3,989	3,731
Payroll:		$ 199,682,634	$ 199,312,291
Benefits in Payment:		$ 80,919,832	$ 78,886,254
Present Value of Future Benefits:		$ 1,532,990,024	$ 1,532,020,251
Actuarial Accrued Liability (EAN):		$ 1,329,155,959	$ 1,311,582,587
Frozen Unfunded Actuarial Accrued Liability:		$ 42,950,562	$ 48,847,862
Funding Deposit Account Credit Balance:		$ 29,345,895	$ 17,097,231
Actuarial Value of Assets (AVA):		$ 1,065,421,967	$ 1,003,608,550
Market Value of Assets (MVA):		$ 1,061,632,500	$ 961,610,161
Ratio of AVA to Actuarial Accrued Liability (EAN):		80.16%	76.52%

	Fiscal 2024	Fiscal 2023
Market Rate of Return:	10.5%	8.4%
Actuarial Rate of Return:	6.2%	4.9%

	Fiscal 2025	Fiscal 2024
Employers' Normal Cost (Mid-year):	$ 43,935,339	$ 47,317,703
Amortization Cost (Mid-year):	$ 9,322,224	$ 8,942,182
Estimated Administrative Cost:	$ 1,788,254	$ 1,805,983
Projected Ad Valorem Tax Contributions:	$ (8,514,993)	$ (7,708,238)
Projected Revenue Sharing Funds:	$ (113,577)	$ (112,045)
Net Direct Employer Actuarially Required Contributions:	$ 46,417,247	$ 50,245,585
Projected Payroll:	$ 198,868,476	$ 199,411,751
Actuarially Required Net Direct Employer Contribution Rate:	23.34%	25.20%
Board Approved Net Direct Employer Contribution Rate:	28.00%	29.50%
Board Approved Employee Contribution Rate:	10.00%	10.00%

	Fiscal 2026	Fiscal 2025
Minimum Recommended Net Direct Employer Contribution Rate:	23.25%	25.25%

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

		June 30, 2024	June 30, 2023
Census Summary:	Active Members (Including DROP participants)	2,103	2,055
	Retired Members and Survivors	1,228	1,198
	Terminated Due a Deferred Benefit	111	107
	Terminated Due a Refund	2,138	2,010
Payroll:		$ 90,832,236	$ 86,043,818
Benefits in Payment:		$ 16,025,703	$ 15,428,909
Present Value of Future Benefits:		$ 354,724,720	$ 354,281,472
Actuarial Accrued Liability (EAN):		$ 301,399,487	$ 295,780,151
Funding Deposit Account Credit Balance:		$ 8,041,291	$ 4,297,012
Actuarial Value of Assets (AVA):		$ 246,415,945	$ 230,016,557
Market Value of Assets (MVA):		$ 244,232,011	$ 219,614,861
Ratio of AVA to Actuarial Accrued Liability (EAN):		81.76%	77.77%

	Fiscal 2024	Fiscal 2023
Market Rate of Return:	9.9%	7.9%
Actuarial Rate of Return:	5.9%	4.7%

	Fiscal 2025	Fiscal 2024
Employers' Normal Cost (Mid-year):	$ 12,707,027	$ 13,635,353
Estimated Administrative Cost:	$ 813,446	$ 779,649
Projected Ad Valorem Tax Contributions:	$ (3,873,326)	$ (3,327,673)
Projected Revenue Sharing Funds:	$ (51,664)	$ (48,370)
Net Direct Employer Actuarially Required Contributions:	$ 9,595,483	$ 11,038,959
Projected Payroll:	$ 92,672,550	$ 88,076,018
Actuarially Required Net Direct Employer Contribution Rate:	10.35%	12.53%
Board Approved Net Direct Employer Contribution Rate:	14.00%	15.50%
Board Approved Employee Contribution Rate:	5.00%	5.00%

	Fiscal 2026	Fiscal 2025
Minimum Recommended Net Direct Employer Contribution Rate:	10.25%	12.50%

GENERAL COMMENTS

The values and calculations in this report were determined by applying statistical analysis and projections to system data and the assumptions listed. There is sometimes a tendency for readers to either dismiss results as mere "guesses" or alternatively ascribe a greater degree of certainty and accuracy to the results than is warranted. In fact, neither of these 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 of the above processes would be in vain if the assumption process was static, and the plan would have to deal with the consequences of actual experience differing from assumptions after forty or fifty years of compounded errors. 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 results which although imperfect is nevertheless a reasonable approach to determine the contribution levels which 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 Exhibit IX, there are 4,409 active members in Plan A, of whom, 1,984 members, including 156 participants in the Deferred Retirement Option Plan (DROP), have vested retirement benefits; 3,813 former Plan A members or their beneficiaries are receiving retirement benefits. An additional 4,234 former members of Plan A have contributions remaining on deposit with the system. This includes 245 former members who have vested rights or have filed reciprocal agreements for future retirement benefits. Census data on members of Plan B may be found in Exhibit XIX. There are 2,103 active members in Plan B, of whom, 865 members, including 54 DROP participants, have vested retirement benefits; 1,228 former members of Plan B or their beneficiaries are receiving retirement benefits. An additional 2,249 former members of Plan B have contributions remaining on deposit with the system. Of this number, 111 have vested rights for future retirement benefits. **Figures 1.1 and 1.2** display membership levels over the past decade.

Figure 1.1. Plan A | Membership Counts

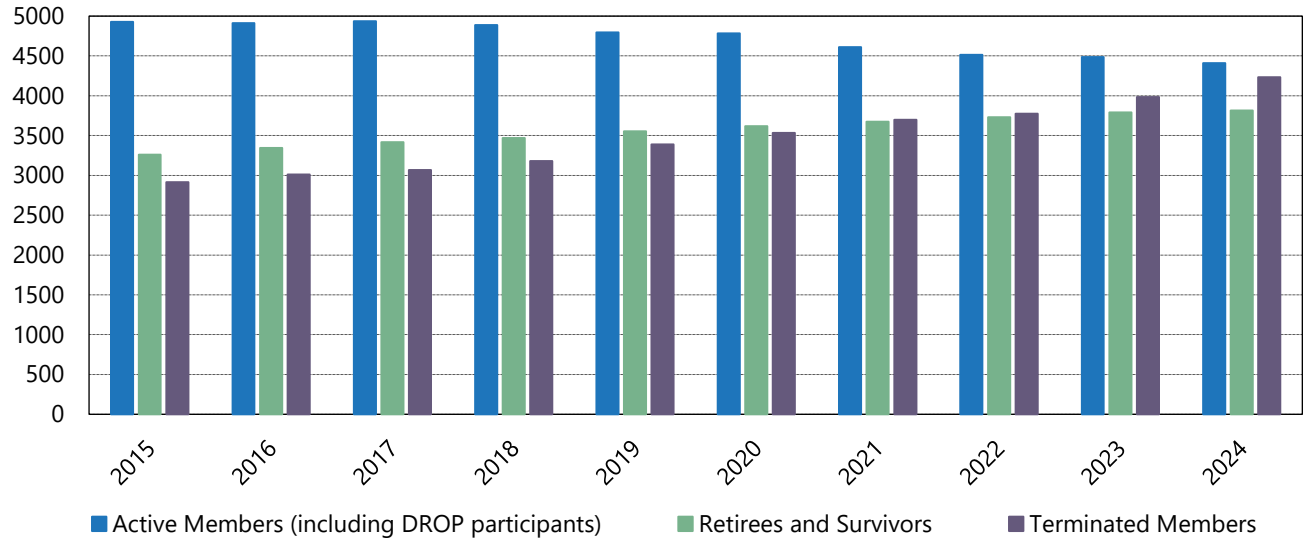
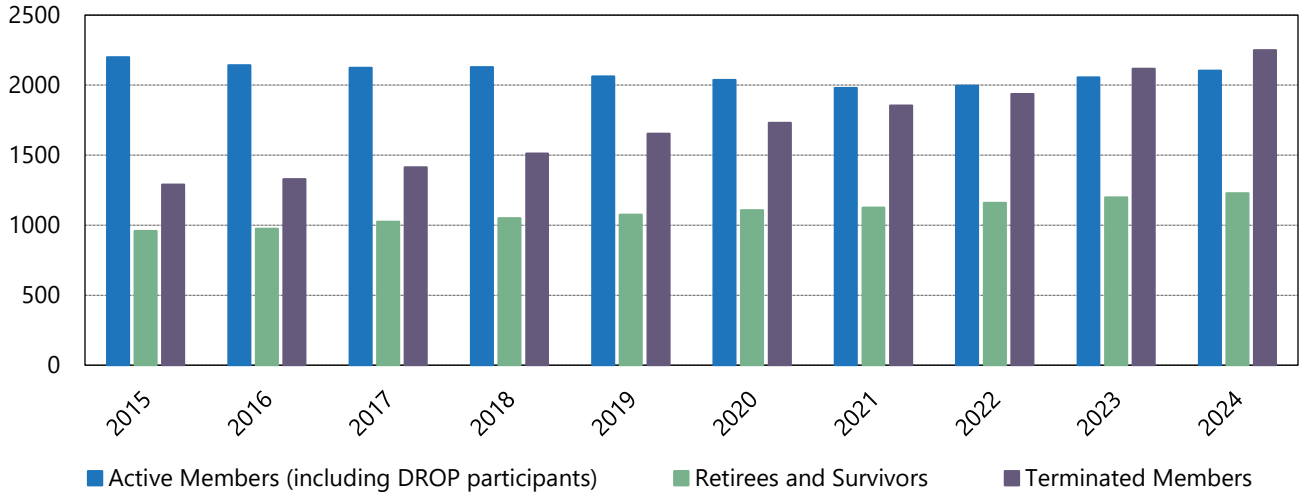


Figure 1.2. Plan B | Membership Counts



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

for use in the valuation. Occasionally some requested information is either unavailable or impractical to obtain. In such cases, values may be assigned to missing data. The assigned values are based on information from similar records or based on information implied from other data in the record.

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 $1,061,632,500 as of June 30, 2024. For Plan A, the net investment income for Fiscal 2024 measured on a market value basis amounted to $100,776,244. Contributions to Plan A for the fiscal year totaled $92,930,534; benefits and expenses amounted to $93,684,439. 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 $244,232,011 as of June 30, 2024. For Plan B, the net investment income for Fiscal 2024 measured on a market value basis amounted to $21,978,409. Contributions to Plan B for the fiscal year totaled $22,398,205; benefits and expenses amounted to $19,759,464.

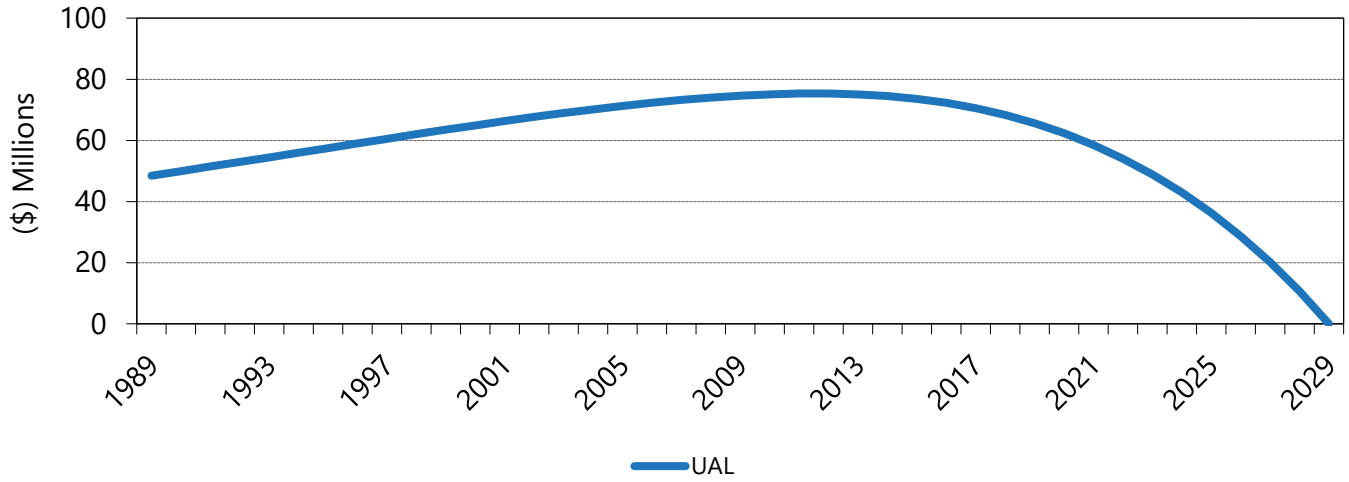
Notwithstanding our efforts to review both census and financial data for apparent errors, we must rely upon the system's administrative staff and accountants to provide accurate information. Our review of submitted information is limited to validation of reasonableness and consistency. Verification of 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 at 2% per year. In Plan A, payroll growth less than 4.25% per year will increase future amortization payments as a percent 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 percent 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 to 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

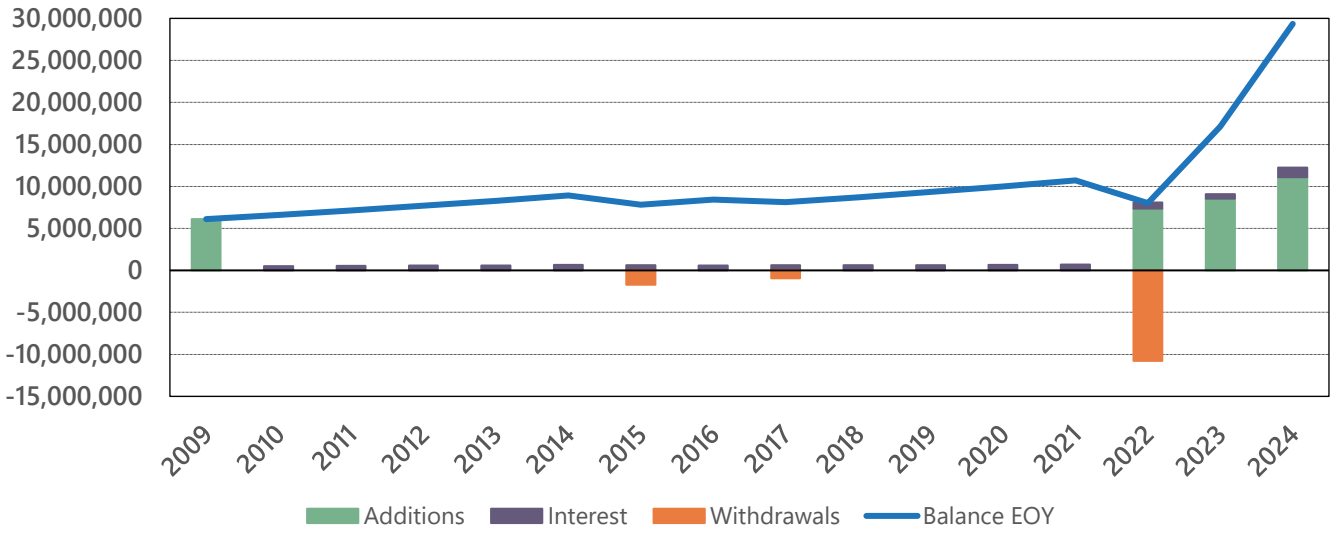
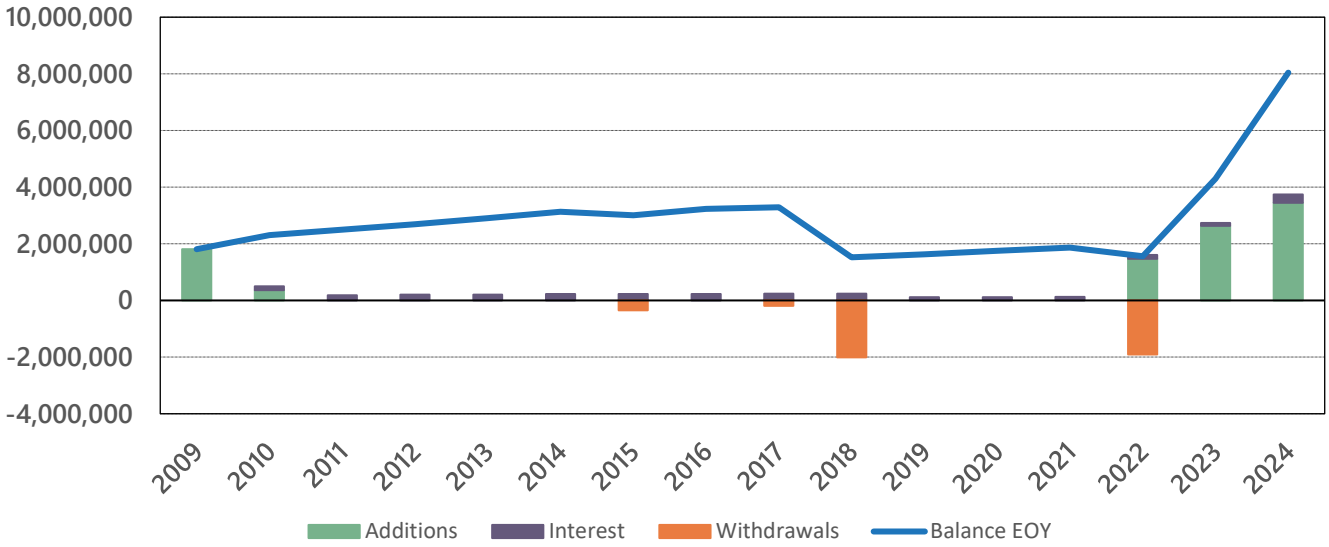


Figure 3.2. Plan B | Funding Deposit Account History



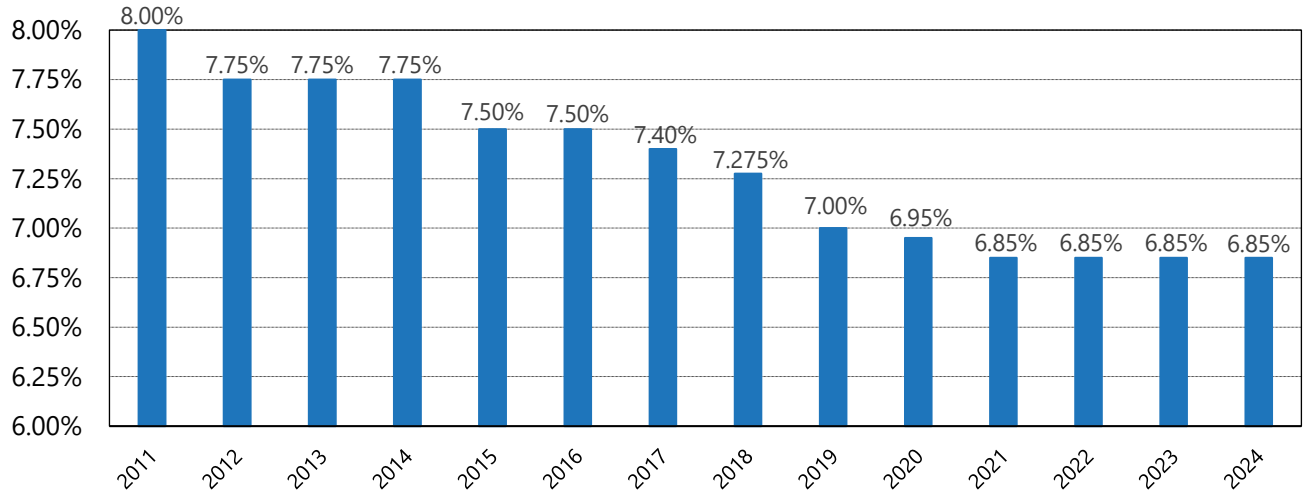
The current year actuarial assumptions utilized for this report are based on the results of an actuarial experience study for the period July 1, 2018 – June 30, 2023, unless otherwise specified in this report. This study included a review of all plan decrements in addition to salary scale experience 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 2022 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.

In reviewing the valuation interest rate for Fiscal 2024, consideration was given to several factors. The Fund's target asset allocation was reviewed based upon the Curran Actuarial Consulting Consultant Average capital market assumption study for 2024. The study found that the 6.85% assumed rate of return used in the 2023 valuation remained within the actuary's reasonable range of 6.57% to 7.66%. The median value in the reasonable range was 7.10% and the study found that the 6.85% assumption has a 54.68% chance of being exceeded over a 30-year period. The reasonable range was set by developing 10,000 stochastic trials based on the expected long-term arithmetic return for the Fund's target allocation and the consultant average portfolio standard deviation. 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 2024, 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. The net effect of all changes in assumptions resulted in an increase in the normal cost accrual rate by 0.4633% in Plan A and a decrease in the normal cost accrual rate by 0.3876% in Plan B.

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 80.16% for Plan A and 81.76% for Plan B as of June 30, 2024.This value gives some indication of the financial strength of the plan; however, it does not guarantee the ability of the fund to pay benefits in the future or indicate that, in the future, contributions are likely to be less than or greater than current contributions. In addition, the ratio cannot be used in isolation to compare the relative strength of different retirement systems. However, the trend of this ratio over time can give some insight into the financial health of the plan. Even in this regard, caution is warranted since market fluctuations in asset values and changes in plan assumptions can distort underlying trends in this value.

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.

Figure 5.1. Plan A | Historical Funded Status

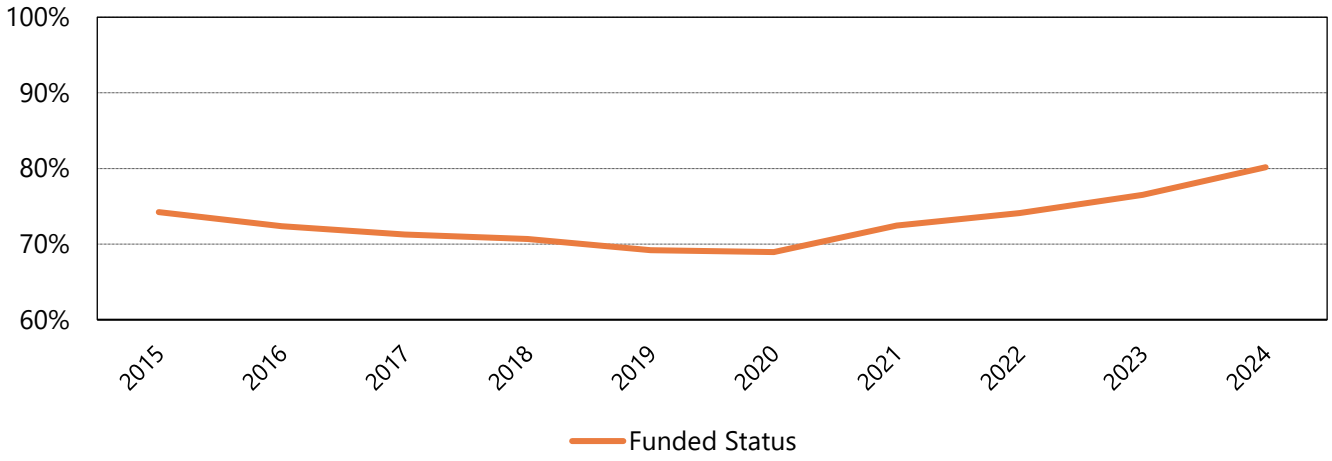
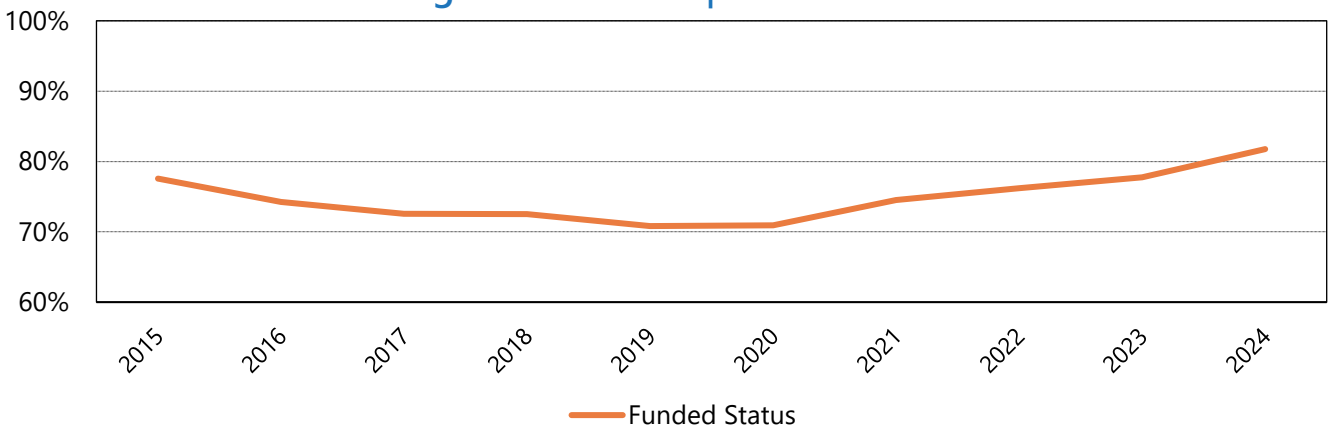


Figure 5.2. Plan B | Historical Funded Status



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

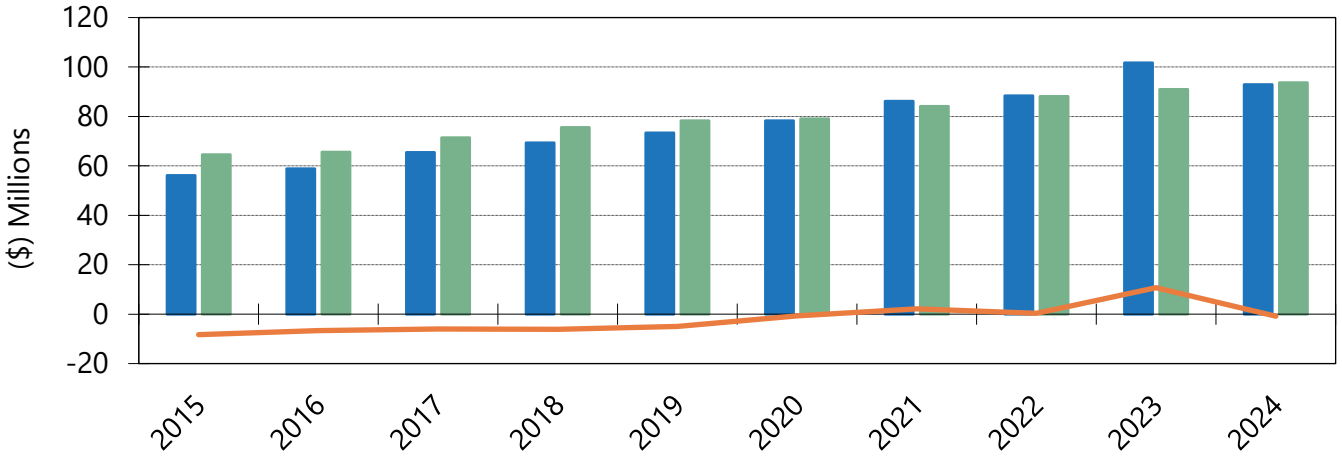
Long-term asset performance depends not only on average returns but also on the volatility of returns. Two portfolios of identical size with identical average rates of return will accumulate different levels of assets if the volatility of returns differs since increased volatility reduces the accumulation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

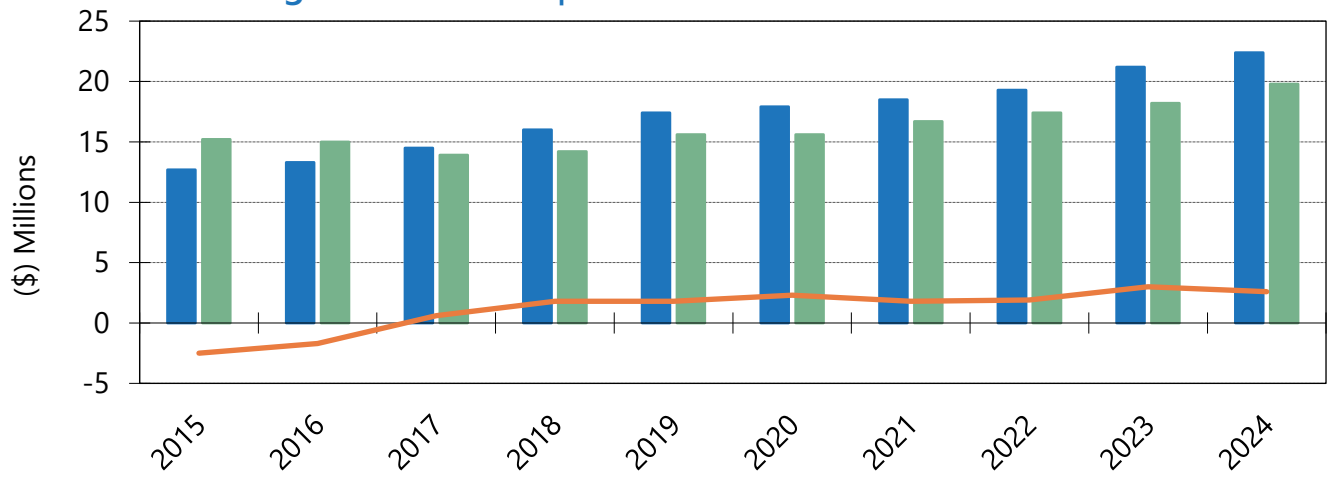
Future net noninvestment cash flows for each plan will be determined based upon both the plan's maturity and future contribution levels. Hence, increases in future contributions due to adverse actuarial experience will tend to mitigate the potential of negative cash flows arising from the natural maturation 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		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Contribution Income ($Mil)		56.2	58.9	65.4	69.4	73.3	78.3	86.2	88.4	101.7	92.9
Benefits and Expenses ($Mil)		64.5	65.6	71.4	74.5	78.3	79.0	84.1	88.1	91.0	93.7
Net Non-Inv. Cash Flow ($Mil)		-8.3	-6.7	-6.0	-5.1	-5.0	-0.7	2.1	0.3	10.7	-0.8

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



Plan B		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Contribution Income ($Mil)		12.7	13.3	14.5	16.0	17.4	17.9	18.5	19.3	21.2	22.4
Benefits and Expenses ($Mil)		15.2	15.0	13.9	14.2	15.6	15.6	16.7	17.4	18.2	19.8
Net Non-Inv. Cash Flow ($Mil)		-2.5	-1.7	0.6	1.8	1.8	2.3	1.8	1.9	3.0	2.6

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 0.77% for Plan A and 0.42% 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 2025 by 10.44% of payroll for Plan A and 5.84% 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 2024, this ratio is 41% for Plan A and 18% for Plan B. Ten years ago, this ratio was 31% for Plan A and 13% 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 10.27 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 2024 Regular Session of the Louisiana Legislature:

ACT 28 reduced the number of years of creditable service that the three elected official members of the board of trustees must have to serve on the board (from six years to four years).

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

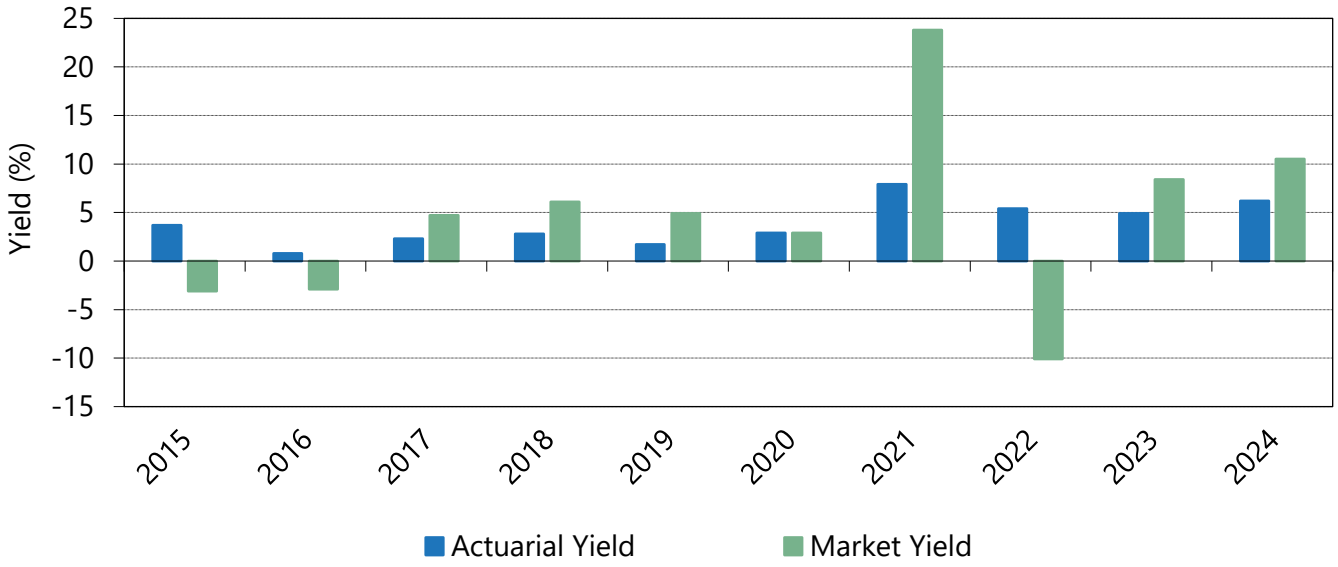
ACT 360 made changes to R.S. 11:1733 to allow Lafayette City-Parish Consolidated Government to elect to have payments calculated in accordance with R.S. 11:1733(F)(3) prior to June 30, 2024 be re-amortized over the period beginning July 1, 2024, and ending twenty years from the date from which payments were originally set to commence. The act also provided that any certification performed on or after July 1, 2024 may be amortized over twenty years in equal monthly payments with interest at the system's actuarial valuation interest rate.

ACT 634 made changes to allow those who retire with more than thirty years of creditable service at age sixty or greater to become reemployed by an employer while not meeting the definition of an employee without any reduction in the benefits received. Such a reemployed retiree shall not become a member of the system.

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.

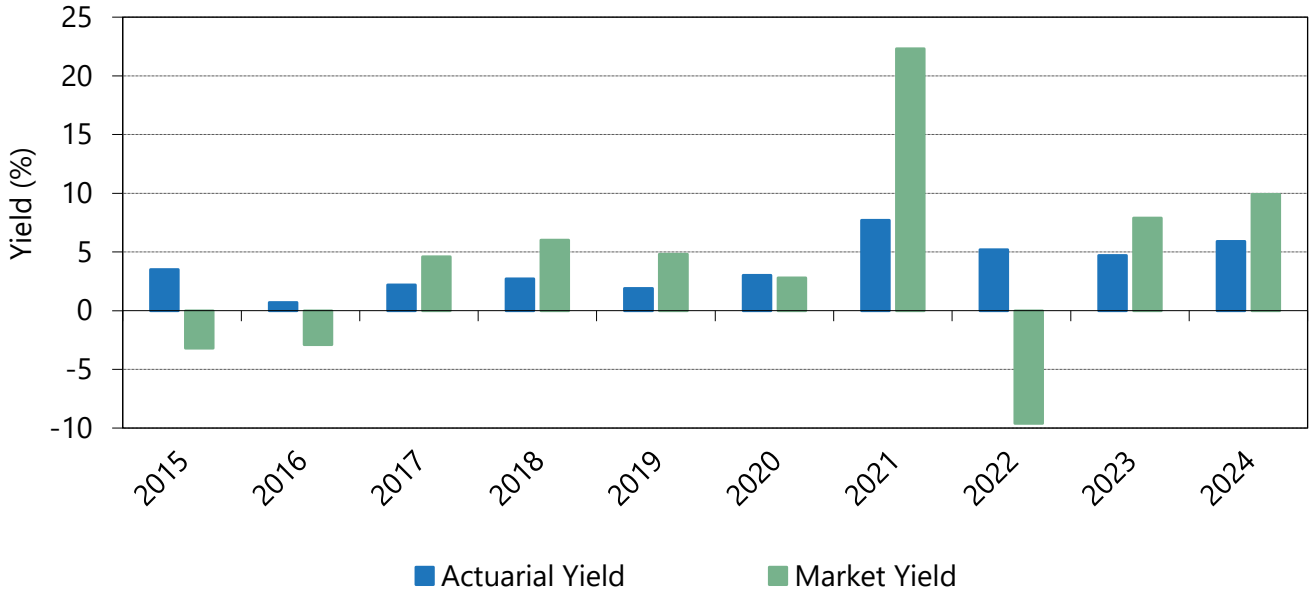
Figure 7.1. Plan A | Historical Asset Yields



Plan A	Market Yield	Actuarial Yield
2015	-3.1%	3.7%
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%

Plan A – Geometric Average Market Rates of Return	
5-year average (Fiscal 2020 – 2024)	6.5%
10-year average (Fiscal 2015 – 2024)	4.2%
15-year average (Fiscal 2010 – 2024)	4.9%
20-year average (Fiscal 2005 – 2024)	4.6%
25-year average (Fiscal 2000 – 2024)	4.3%
30-year average (Fiscal 1995 – 2024)	5.7%

Figure 7.2. Plan B | Historical Asset Yields



Plan B	Market Yield	Actuarial Yield
2015	-3.2%	3.5%
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%

Plan B – Geometric Average Market Rates of Return		
5-year average	(Fiscal 2020 – 2024)	6.2%
10-year average	(Fiscal 2015 – 2024)	3.9%
15-year average	(Fiscal 2010 – 2024)	4.7%
20-year average	(Fiscal 2005 – 2024)	4.4%
25-year average	(Fiscal 2000 – 2024)	4.1%
30-year average	(Fiscal 1995 – 2024)	5.5%

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 2024, Plan A earned $5,402,110 and Plan B earned $1,664,689 of dividends and interest income. In addition, Plan A had net

realized and unrealized capital gains on investments of $97,049,635 while the total of such gains for Plan B amounted to $20,672,719. Investment expenses were $1,675,501 for Plan A and $358,999 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 2024. This rate is calculated based on the smoothed value of assets subject to constraints as given in Exhibit VI for Plan A and Exhibit XVI for Plan B. Investment income used to calculate this yield is based upon a smoothing of investment income above or below the valuation interest rate. The difference between rates of return on an actuarial and market value basis results from the smoothing utilized. 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 2024 were $6,154,470 less than the actuarial assumed earnings rate of 6.850%, and were $2,084,367 less for Plan B. These actuarial losses increased the normal cost accrual rate by 0.4427% for Plan A and 0.3566% 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, 2024 valuation we found 47 members of Plan A with Plan B service credit and 11 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 $241,581 with accrued interest thereon from June 30, 2024 be made from the Plan A trust to the Plan B trust for Fiscal 2024.

DEMOGRAPHICS AND LIABILITY EXPERIENCE
PLAN A

A reconciliation of the census for the plan is given in Exhibit IX. The average active member is 48 years old with 9.2 years of service and an annual salary of $45,290. The plan's active membership, inclusive of DROP participants, decreased by 75 members during the fiscal year. The plan has experienced a decrease in the active plan population of 386 members over the last five years.

The average regular retiree is 72 years old with an annual benefit of $23,819. The average age at retirement for regular retirees is 60. The number of retirees and beneficiaries receiving benefits from the system increased by 23 during the fiscal year; over the last five years the number of retirees has increased by 261 and benefit payments have increased by $14,403,100.

Plan liability experience for Fiscal 2024 was slightly favorable. Withdrawals and retiree deaths were above expected levels; disabilities, DROP entries, and DROP-Return to Work Retirements were below expected levels. These factors tend to decrease costs. Retirements and average salary increases slightly above expected levels offset these savings. Overall, plan liability gains decreased the normal cost accrual rate by 0.9267%.

DEMOGRAPHICS AND LIABILITY EXPERIENCE
PLAN B

A reconciliation of the census for the plan is given in Exhibit XIX. The average active member is 49 years old with 8.55 years of service and an annual salary of $43,192. The plan's active membership, inclusive of DROP participants, increased by 48 members during the fiscal year. The plan has experienced an increase in the active plan population of 40 members over the last five years.

The average regular retiree is 73 years old with an annual benefit of $14,424. The average age at retirement for regular retirees is 64. The number of retirees and beneficiaries receiving benefits from the system increased by 30 during the fiscal year; over the last five years the number of retirees has increased by 152 and benefit payments have increased by $3,801,712.

Plan liability experience for Fiscal 2024 was slightly favorable. DROP entries and disabilities were below expected levels. These factors tend to decrease costs. Withdrawals slightly below expected levels and average salary increases above expected levels offset these savings. Retirements, DROP-Return to Work Retirements, and retiree deaths were near projected levels. Overall, plan liability gains decreased the normal cost accrual rate by 0.4939%.

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.

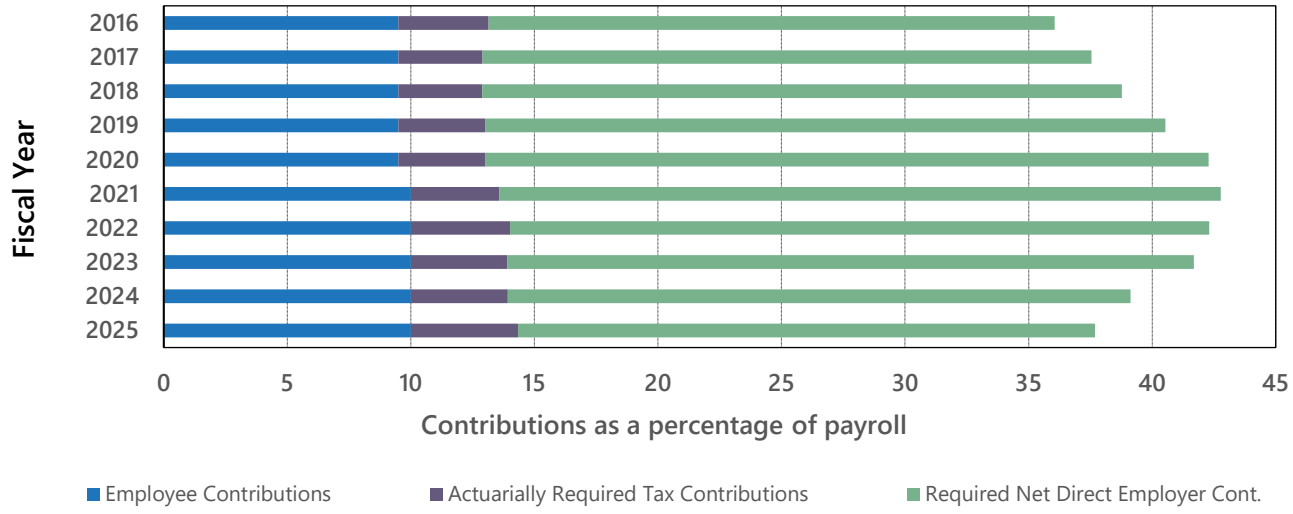
R.S. 11:103 governs the calculation of the annual actuarially determined employer contribution rate for statewide retirement systems. This statute describes the components of the employer contribution rate found in Exhibit I. We believe that the minimum recommended net direct employer contribution rate 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.

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.

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 2025 adjusted for mid-year payment is $43,935,339. The amortization payment on the plan's frozen unfunded actuarial accrued liability adjusted for mid-year payment is $9,322,224. 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 2025 is $55,045,817. When this amount is reduced by projected tax contributions and revenue sharing funds, the resulting employers' minimum net direct actuarially required contribution for Fiscal 2025 is $46,417,247. This is 23.34% of the projected Plan A payroll for Fiscal 2025.

The cost of providing benefits to current and former members is borne by employees and employers and relies in part on dedicated ad valorem taxes and revenue sharing funds. **Figures 8.1** shows the breakdown of annual costs for Plan A as a percentage of payroll over the past ten years.

Figure 8.1. Plan A | Components of Actuarial Funding



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

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

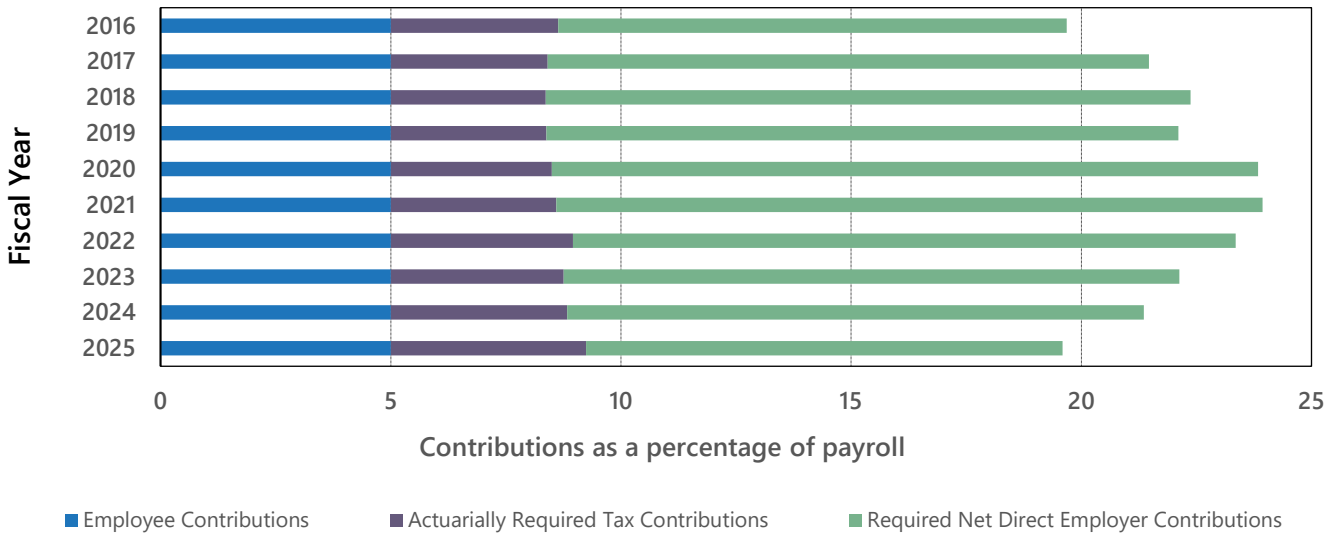
PLAN A - RECONCILIATION OF THE NORMAL COST ACCRUAL RATE	
Employer's Normal Cost Accrual Rate – Fiscal 2024	25.1803%
Factors Increasing the Normal Cost Accrual Rate:	
Assumption Changes	0.4633%
Asset Experience Loss	0.4427%
Factors Decreasing the Normal Cost Accrual Rate:	
New Members	1.6238%
Plan Liability Experience Gain	0.9267%
Employer's Normal Cost Accrual Rate – Fiscal 2025	23.5358%

Required net direct employer contributions are also affected by the available ad valorem taxes and revenue sharing funds which the system receives each year. When these funds change as a percentage of payroll, net direct employer contributions are adjusted accordingly. We estimate that for Plan A these funds collected in Fiscal 2025 will increase by 0.42% of payroll. We also estimate the amortization payment on the fund's UAL will increase by 0.20% 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 2025 for Plan A of 23.34%; the board approved employer contribution rate for Fiscal 2025 is 28.00% of payroll. R.S. 11:103 requires that the net direct employer contributions be rounded to the nearest 0.25%; hence, after accounting for the anticipated contribution shortfall, we are recommending a minimum net direct employer contribution rate for Plan A of 23.25% for Fiscal 2026.

For Plan B, the derivation of the actuarially required contribution for the current fiscal year is given in Exhibit XI. The normal cost for Fiscal 2025 adjusted for mid-year payment is $12,707,027. 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 2026. The total actuarially required contribution is determined by adding estimated administrative expenses to the normal cost accrual rate. As given on line 12 of Exhibit XI the gross actuarially required employer contribution for Fiscal 2025 is $13,520,473. When this amount is reduced by projected tax contributions and revenue sharing funds, the resulting employers' minimum net direct actuarially required contribution for Fiscal 2025 is $9,595,483. This is 10.35% of the projected Plan B payroll for Fiscal 2025.

The cost of providing benefits to current and former members is borne by employees and employers and relies in part on dedicated ad valorem taxes and revenue sharing funds. **Figures 8.2** shows the breakdown of annual costs for Plan B as a percentage of payroll over the past ten years.

Figure 8.2. Plan B | Components of Actuarial Funding



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

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

PLAN B - RECONCILIATION OF THE NORMAL COST ACCRUAL RATE	
Employer's Normal Cost Accrual Rate – Fiscal 2024	17.1218%
Factors Increasing the Normal Cost Accrual Rate:	
Asset Experience Loss	0.3566%
Factors Decreasing the Normal Cost Accrual Rate:	
Assumption Changes	0.3876%
New Members	1.2742%
Plan Liability Experience Gain	0.4939%
Employer's Normal Cost Accrual Rate – Fiscal 2025	15.3227%

We estimate that for Plan B, the funds collected from ad valorem taxes and revenue sharing funds in Fiscal 2025 will increase by 0.41% of payroll. The net effect of the above changes in the cost structure of the system resulted in a minimum actuarially required net direct employer contribution rate for Fiscal 2025 for Plan B of 10.35%; the actual employer contribution rate for Fiscal 2025 is 14.00% of payroll. R.S. 11:103 requires that the net direct employer contributions be rounded to the nearest 0.25%; hence, after accounting for the anticipated contribution shortfall, we are recommending a minimum net direct employer contribution rate for Plan B of 10.25% for Fiscal 2026.

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 2026 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 23.25% and 28.00%. For Plan B, the board may set the rate at any rate between 10.25% and 14.00%. If the net direct employer contribution rate for either or both plans is set at a level above the minimum rate and the plan or plans experience 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 2024. Therefore, surplus contributions were credited to the Funding Deposit Account ($11,077,504 for Plan A and $3,449,934 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. 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 a number of investment risks, including the risk of default. Such risks are generally mitigated through diversification among the asset classes and through portfolio construction within each asset class. When considering expert opinions about expectations of future returns, generally called capital market assumptions, and when considering historical evidence, it is 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 intend to 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 2024 HQM Corporate Bond Yield Curve is weighted based on the GASB 67 cash flows, the effective single discount rate derived from the analysis is 5.39% for Plan A and 5.40% for Plan B.

In the following section, we will 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%	5.39%
Accrued Liability for Active Members	$ 492,813,028	$ 599,406,062
Accrued Liability for Terminated Members	$ 34,164,842	$ 39,910,676
Accrued Liability for Retired Members	$ 802,178,089	$ 900,683,439
Total Actuarial Accrued Liability (AAL)	$ 1,329,155,959	$ 1,540,000,177
Funded Ratio (AVA/AAL)	80.16%	69.18%

Plan B - LDROM Comparison	Funding Valuation	LDROM Valuation
Discount Rate	6.85%	5.40%
Accrued Liability for Active Members	$ 138,770,058	$ 168,473,436
Accrued Liability for Terminated Members	$ 10,637,693	$ 12,608,735
Accrued Liability for Retired Members	$ 151,991,736	$ 169,460,519
Total Actuarial Accrued Liability (AAL)	$ 301,399,487	$ 350,542,690
Funded Ratio (AVA/AAL)	81.76%	70.30%

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 2024 the actual cost of living (as measured by the US Department of Labor CPI-U) increased by 3.0%.

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 17, 2022 meeting to approve a 1.6% 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, 2022 and was funded through a reduction in each plans' Funding Deposit Account.

Based on the frequency rules within R.S. 11:243 and since neither plan had excess interest earnings during fiscal 2024, the Board of Trustees is not authorized to grant a cost-of-living increase.

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

COLA HISTORY SINCE 2000	
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	$	1,532,990,024
2.	Frozen Unfunded Actuarial Accrued Liability	$	42,950,562
3.	Actuarial Value of Assets	$	1,065,421,967
4.	Funding Deposit Account Credit Balance	$	29,345,895
5.	Present Value of Future Employee Contributions	$	126,780,917
6.	Present Value of Future Employer Normal Costs (1 - 2 – (3 – 4) – 5)	$	327,182,473
7.	Present Value of Future Salaries	$	1,390,150,596
8.	Employer Normal Cost Accrual Rate (6 ÷ 7)		23.535757%
9.	Projected Fiscal 2025 Salary for Current Membership	$	180,592,016
10.	Employer Normal Cost as of July 1, 2024 (8 × 9)	$	42,503,698
11.	Employer Normal Cost Interest Adjusted for Mid-year Payment	$	43,935,339
12.	Amortization Payment on Frozen Unfunded Accrued Liability with Payments Increasing at 4.25% per year	$	9,018,458
13.	Amortization Payment Interest Adjust for Mid-year Payment	$	9,322,224
14.	TOTAL Employer Normal Cost & Amortization Payment (11 + 13)	$	53,257,563
15.	Estimated Administrative Cost for Fiscal 2025	$	1,788,254
16.	Gross Employer Actuarially Required Contribution for Fiscal 2025 (14 + 15)	$	55,045,817
17.	Projected Ad Valorem Tax Contributions for Fiscal 2025	$	(8,514,993)
18.	Projected Revenue Sharing Funds for Fiscal 2025	$	(113,577)
19.	Employers' Minimum Net Direct Actuarially Required Contribution for Fiscal 2025 (16 + 17 + 18)	$	46,417,247
20.	Projected Payroll for Fiscal 2025	$	198,868,476
21.	Employers' Minimum Net Direct Actuarially Required Contribution as a % of Projected Payroll for Fiscal 2025 (19 ÷ 20)		23.34%
22.	Board Approved Employer Contribution Rate for 2025		28.00%
23.	Minimum Recommended Net Direct Employer Contribution Rate for Fiscal 2026 (21, Rounded to the nearest 0.25%)		23.25%

EXHIBIT II
PLAN A: PRESENT VALUE OF FUTURE BENEFITS

PRESENT VALUE OF FUTURE BENEFITS FOR ACTIVE MEMBERS:

Retirement Benefits	$ 587,593,156	
Survivor Benefits	13,751,050	
Disability Benefits	16,097,752	
Vested Termination Benefits	53,438,588	
Refunds of Contributions	25,766,547	
TOTAL Present Value of Future Benefits for Active Members		$ 696,647,093

PRESENT VALUE OF FUTURE BENEFITS FOR TERMINATED MEMBERS:

Terminated Vested Members Due Benefits at Retirement	$ 25,502,456	
Terminated Members with Reciprocals Due Benefits at Retirement	657,292	
Terminated Members Due a Refund	8,005,094	
TOTAL Present Value of Future Benefits for Terminated Members		$ 34,164,842

PRESENT VALUE OF FUTURE BENEFITS FOR RETIREES:

Regular Retirees			
Maximum	$ 285,931,795		
Option 2	310,924,722		
Option 3	95,233,264		
Option 4	4,149,226		
TOTAL Regular Retirees		$ 696,239,007	
Disability Retirees		12,868,340	
Survivors		79,600,981	
Reserve for Accrued Retiree DROP Balances/Annuities		13,469,761	
TOTAL Present Value of Future Benefits for Retirees & Survivors			$ 802,178,089
TOTAL Present Value of Future Benefits			$ 1,532,990,024

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

CURRENT ASSETS:

Cash in Banks	$	13,555,845	
Contributions and Taxes Receivable		5,070,678	
Accrued Interest and Dividends		20,637	
Investments Receivable		4,495,423	
Due (to) from Other Funds		281,386	
Other Current Assets		16,114,496	
TOTAL CURRENT ASSETS			$ 39,538,465
Property, Plant & Equipment			$ 1,379,411

INVESTMENTS:

Cash Equivalents	$	5,345,393	
Equities		583,686,050	
Fixed Income		274,201,650	
Real Estate		98,443,802	
Alternative Investments		31,507,856	
DROP Balances Held Outside System Assets		28,722,916	
TOTAL INVESTMENTS			$ 1,021,907,667
TOTAL ASSETS			$ 1,062,825,543

CURRENT LIABILITIES:

Accounts Payable	$	119,029	
Benefits Payable		15,847	
Refunds Payable		539,480	
Investments Payable		30,119	
Due to/(from) Plan B		241,581	
Other Post-Employment Benefits		188,151	
Other Current Liabilities		58,836	
TOTAL CURRENT LIABILITIES			$ 1,193,043
MARKET VALUE OF ASSETS			$ 1,061,632,500

EXHIBIT III – SCHEDULE B
PLAN A – ACTUARIAL VALUE OF ASSETS

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

Fiscal year 2024	$	34,931,342
Fiscal year 2023		13,366,803
Fiscal year 2022		(165,706,954)
Fiscal year 2021		132,640,795
Fiscal year 2020		(31,619,883)
Total for Five Years	$	(16,387,897)

Deferral of Excess (Shortfall) of Invested Income:

Fiscal year 2024 (80%)	$	27,945,074
Fiscal year 2023 (60%)		8,020,082
Fiscal year 2022 (40%)		(66,282,782)
Fiscal year 2021 (20%)		26,528,159
Fiscal year 2020 (0%)		0
Total Deferred for Year	$	(3,789,467)

Market Value of Plan Net Assets, End of Year	$	1,061,632,500
Preliminary Actuarial Value of Plan Assets, End of Year	$	1,065,421,967

Actuarial Value of Assets Corridor

85% of Market Value, End of Year	$	902,387,625
115% of Market Value, End of Year	$	1,220,877,375
Final Actuarial Value of Plan Net Assets, End of Year	$	1,065,421,967

EXHIBIT IV
PLAN A: PRESENT VALUE OF FUTURE CONTRIBUTIONS

Employee Contributions to the Annuity Savings Fund	$	126,780,917
Employer Normal Contributions to the Pension Accumulation Fund		327,182,473
Employer Amortization Payments to the Pension Accumulation Fund		42,950,562
Funding Deposit Account Credit Balance		(29,345,895)
TOTAL PRESENT VALUE OF FUTURE CONTRIBUTIONS	$	467,568,057

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

Prior Year Frozen Unfunded Accrued Liability		$	48,847,862
Interest on Frozen Unfunded Accrued Liability	$ 3,346,079		
TOTAL Interest Adjusted Cost Elements		$	3,346,079
Amortization Payment on the Unfunded Accrued Liability	$ 8,650,799		
Interest on Amortization Payment	592,580		
Credited Withdrawals from Funding Deposit Account	0		
TOTAL Interest Adjusted Employer Contributions		$	9,243,379
NET Change in Frozen Unfunded Accrued Liability		$	(5,897,300)
CURRENT YEAR FROZEN UNFUNDED ACCRUED LIABILITY		$	42,950,562

EXHIBIT VI
PLAN A: ANALYSIS OF CHANGE IN ASSETS

Actuarial Value of Assets (June 30, 2023)		$ 1,003,608,550
INCOME:		
Member Contributions	$ 19,521,108	
Employer Contributions	60,435,794	
Irregular Contributions	3,727,215	
Ad Valorem Taxes and Revenue Sharing	8,184,182	
Transfers from Other Plan/Systems	1,062,235	
Total Contributions		$ 92,930,534
Net Appreciation in Fair Value of Investments	$ 97,049,635	
Interest & Dividend Income	5,402,110	
Investment Expense	(1,675,501)	
Net Investment Income		$ 100,776,244
TOTAL Income		$ 193,706,778
EXPENSES:		
Retirement Benefits	$ 79,726,197	
DROP Disbursements	6,082,283	
Refunds of Contributions	4,862,578	
Funds Transferred to another System	1,128,251	
Transfer to/(from) Plan B	241,581	
Administrative Expenses	1,643,549	
TOTAL Expenses		$ 93,684,439
Net Market Value Income for Fiscal 2024 (Income – Expenses)		$ 100,022,339
Unadjusted Fund Balance as of June 30, 2024 (Fund Balance Previous Year + Net Income)		$ 1,103,630,889
Adjustment for Actuarial Smoothing		$ (38,208,922)
Actuarial Value of Assets: (June 30, 2024)		$ 1,065,421,967

EXHIBIT VII
PLAN A: FUNDING DEPOSIT ACCOUNT

Funding Deposit Account Balance as of June 30, 2023	$	17,097,231
Interest on Opening Balance at 6.850%		1,171,160
Contributions to the Funding Deposit Account		11,077,504
Withdrawals from the Funding Deposit Account		0
Funding Deposit Account Balance as of June 30, 2024	$	29,345,895

EXHIBIT VIII – SCHEDULE A
PLAN A: PENSION BENEFIT OBLIGATION

Present Value of Credited Projected Benefits Payable to Current Employees	$	467,745,178
Present Value of Benefits Payable to Terminated Employees		34,164,842
Present Value of Benefits Payable to Current Retirees and Beneficiaries		802,178,089
TOTAL PENSION BENEFIT OBLIGATION	$	1,304,088,109
NET ACTUARIAL VALUE OF ASSETS	$	1,065,421,967
Ratio of Net Actuarial Value of Assets to Pension Benefit Obligation		81.70%

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

Accrued Liability for Active Employees	$	492,813,028
Accrued Liability for Terminated Employees		34,164,842
Accrued Liability for Current Retirees and Beneficiaries		802,178,089
TOTAL ENTRY AGE NORMAL ACCRUED LIABILITY	$	1,329,155,959
ACTUARIAL VALUE OF ASSETS	$	1,065,421,967
Ratio of Net Actuarial Value of Assets to Entry Age Normal Accrued Liability		80.16%

EXHIBIT IX
CENSUS DATA – PLAN A

	Active	Terminated with Funds on Deposit	DROP	Retired	Total
Number of members as of June 30, 2023	4,301	3,982	183	3,790	12,256
Additions to Census					
Initial membership	580	168			748
Omitted in error last year		1			1
Death of another member				64	64
Adjustment for multiple records		2			2
Change in Status during Year					
Actives terminating service	(304)	304			
Actives who retired	(81)			81	
Actives entering DROP	(52)		52		
Term. members rehired	29	(29)			
Term. members who retire		(34)		34	
Retirees who are rehired		12		(12)	
Refunded who are rehired	18	3			21
DROP participants retiring			(45)	45	
DROP returned to work	33		(33)		
Omitted in error last year					
Eliminated from Census					
Refund of contributions	(262)	(166)			(428)
Deaths	(9)	(9)	(1)	(184)	(203)
Included in error last year				(1)	(1)
Adjustment for multiple records				(4)	(4)
Number of members as of June 30, 2024	4,253	4,234	156	3,813	12,456

Plan A | Actives Census by Age:

Age	Number Male	Number Female	Total Number	Average Salary	Total Salary
16 - 20	55	6	61	29,039	1,771,352
21 - 25	155	47	202	32,205	6,505,388
26 - 30	178	98	276	36,548	10,087,153
31 - 35	254	134	388	42,007	16,298,541
36 - 40	266	149	415	44,942	18,650,795
41 - 45	295	177	472	47,316	22,333,242
46 - 50	283	193	476	46,625	22,193,315
51 - 55	351	208	559	47,733	26,682,556
56 - 60	422	203	625	47,953	29,970,819
61 - 65	354	202	556	48,104	26,745,748
66 - 70	151	82	233	48,792	11,368,614
71 - 75	58	42	100	50,198	5,019,758
76 - 80	23	11	34	48,049	1,633,662
81 - 85	9	2	11	35,933	395,259
86 - 90	1	0	1	26,432	26,432
Total	2,855	1,554	4,409	45,290	199,682,634

Includes 1,984 actives with vested benefits, including 156 DROP participants and 166 active former DROP participants.

Plan A | DROP Participants

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
46 - 50	1	1	2	35,731	71,462
51 - 55	11	6	17	41,498	705,473
56 - 60	23	8	31	43,958	1,362,713
61 - 65	43	29	72	25,181	1,813,048
66 - 70	13	9	22	19,645	432,195
71 - 75	6	4	10	18,467	184,670
76 - 80	2	0	2	39,463	78,926
Total	99	57	156	29,798	4,648,487

Plan A | Terminated Members Due a Deferred Retirement Benefit:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
31 - 35	5	5	**10**	13,144	**131,440**
36 - 40	11	13	**24**	12,674	**304,186**
41 - 45	21	10	**31**	17,314	**536,746**
46 - 50	13	17	**30**	18,745	**562,349**
51 - 55	25	15	**40**	16,896	**675,842**
56 - 60	44	32	**76**	16,855	**1,280,947**
61 - 65	15	6	**21**	12,000	**251,997**
66 - 70	9	3	**12**	12,038	**144,454**
81 - 85	0	1	**1**	3,806	**3,806**
Total	**143**	**102**	**245**	**15,885**	**3,891,767**

Plan A | Terminated Members Due a Refund of Contributions:

Contributions Ranging From	To	Number	Total Contributions
0 -	99	1,924*	**102,673**
100 -	499	628	**167,575**
500 -	999	321	**230,022**
1,000 -	1,999	315	**452,369**
2,000 -	4,999	374	**1,192,032**
5,000 -	9,999	198	**1,408,642**
10,000 -	19,999	172	**2,386,077**
20,000 -	99,999	57	**1,777,321**
Total		**3,989**	**7,716,711**

* Includes 1,539 members due a refund who were not included in the data. Excludes $288,383 due to deceased members.

Plan A | Regular Retirees:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
46 - 50	9	7	16	31,257	500,110
51 - 55	46	18	64	33,250	2,128,010
56 - 60	103	51	154	37,133	5,718,465
61 - 65	296	179	475	28,755	13,658,551
66 - 70	457	231	688	25,487	17,534,769
71 - 75	419	192	611	23,028	14,069,890
76 - 80	290	153	443	19,007	8,420,205
81 - 85	184	90	274	18,052	4,946,174
86 - 90	95	48	143	15,400	2,202,252
91 - 95	30	21	51	11,558	589,478
96 - 100	8	9	17	11,209	190,560
101 - 105	2	0	2	10,547	21,094
Total	1,939	999	2,938	23,819	69,979,558

Plan A | Disability Retirees:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
36 - 40	1	0	1	25,596	25,596
41 - 45	0	1	1	13,644	13,644
46 - 50	4	1	5	20,295	101,473
51 - 55	9	0	9	14,193	127,738
56 - 60	16	6	22	14,079	309,736
61 - 65	15	10	25	13,437	335,924
66 - 70	11	4	15	8,539	128,088
71 - 75	11	2	13	8,327	108,251
76 - 80	5	4	9	8,056	72,504
81 - 85	1	2	3	5,671	17,014
86 - 90	1	0	1	4,951	4,951
Total	74	30	104	11,970	1,244,919

Plan A | Survivors:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
0 - 20	4	4	8	14,421	115,365
26 - 30	1	0	1	11,261	11,261
31 - 35	0	1	1	4,685	4,685
36 - 40	1	4	5	11,294	56,471
41 - 45	0	6	6	11,731	70,386
46 - 50	5	7	12	11,626	139,513
51 - 55	3	17	20	10,629	212,584
56 - 60	3	43	46	12,295	565,557
61 - 65	10	64	74	12,889	953,787
66 - 70	8	87	95	16,801	1,596,093
71 - 75	9	104	113	14,318	1,617,978
76 - 80	6	120	126	12,567	1,583,417
81 - 85	6	110	116	10,812	1,254,207
86 - 90	9	83	92	10,550	970,628
91 - 95	2	42	44	10,258	451,350
96 - 100	0	10	10	8,070	80,700
101 - 105	0	2	2	5,687	11,373
Total	67	704	771	12,575	9,695,355

Plan A | Active Members:

Attained Ages	Completed Years of Service								
	0 - 1	1 - 5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	Over 30	Total
0 - 20	47	14	-	-	-	-	-	-	61
21 - 25	85	107	10	-	-	-	-	-	202
26 - 30	80	139	54	3	-	-	-	-	276
31 - 35	77	147	117	43	4	-	-	-	388
36 - 40	58	144	106	74	32	1	-	-	415
41 - 45	65	152	107	66	44	36	2	-	472
46 - 50	54	131	104	65	60	33	28	1	476
51 - 55	46	145	124	67	52	48	42	35	559
56 - 60	50	156	136	82	57	39	58	47	625
61 - 65	25	126	144	68	62	47	40	44	556
66 - 70	11	38	58	37	25	16	21	27	233
71 & Over	8	23	37	14	21	17	9	17	146
Total	606	1,322	997	519	357	237	200	171	4,409

Plan A | Average Annual Salary of Active Members:

Attained Ages	Completed Years of Service								
	0 - 1	1 - 5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	Over 30	Average
0 - 20	28,510	30,815	-	-	-	-	-	-	29,039
21 - 25	29,822	34,018	33,064	-	-	-	-	-	32,205
26 - 30	32,716	36,283	41,920	54,283	-	-	-	-	36,548
31 - 35	33,085	40,019	47,387	49,194	52,154	-	-	-	42,007
36 - 40	30,849	40,972	48,414	54,867	53,808	47,707	-	-	44,942
41 - 45	33,049	43,455	49,671	52,479	60,943	56,009	51,822	-	47,316
46 - 50	34,348	41,921	45,176	52,690	54,675	54,453	55,962	79,304	46,625
51 - 55	32,240	44,418	45,296	45,863	48,816	53,929	61,038	67,966	47,733
56 - 60	33,527	39,461	45,266	50,674	47,487	56,925	62,224	70,025	47,953
61 - 65	31,842	41,304	47,921	46,974	54,053	55,263	51,523	60,023	48,104
66 - 70	30,211	41,565	46,714	50,307	53,617	47,785	47,678	65,919	48,792
71 & Over	48,059	43,626	41,902	51,524	47,722	48,940	38,483	72,648	48,460
Average	32,185	40,377	46,356	50,543	52,749	54,277	56,258	66,697	45,290

Plan A | Terminated Members Due a Deferred Retirement Benefit:

Attained Ages	Years until Retirement Eligibility								
	0 - 1	1 - 2	2 - 3	3 - 5	5 - 10	10 - 15	15 - 20	Over 20	Total
0 - 30	-	-	-	-	-	-	-	-	-
31 - 35	-	-	-	-	-	-	-	10	10
36 - 40	-	-	-	-	-	-	-	24	24
41 - 45	-	1	-	-	-	3	19	8	31
46 - 50	-	-	-	-	5	19	5	1	30
51 - 55	-	-	-	3	34	3	-	-	40
56 - 60	18	12	13	21	8	4	-	-	76
61 - 65	13	1	1	4	2	-	-	-	21
66 - 70	12	-	-	-	-	-	-	-	12
71 & Over	1	-	-	-	-	-	-	-	1
Total	44	14	14	28	49	29	24	43	245

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

Attained Ages	Years until Retirement Eligibility								
	0 - 1	1 - 2	2 - 3	3 - 5	5 - 10	10 - 15	15 - 20	Over 20	Average
0 - 30	-	-	-	-	-	-	-	-	-
31 - 35	-	-	-	-	-	-	-	13,144	13,144
36 - 40	-	-	-	-	-	-	-	12,674	12,674
41 - 45	-	5,511	-	-	-	15,004	19,565	14,310	17,314
46 - 50	-	-	-	-	17,347	19,199	19,018	15,756	18,745
51 - 55	-	-	-	12,328	17,805	11,159	-	-	16,896
56 - 60	16,730	20,405	15,747	18,993	9,342	14,161	-	-	16,855
61 - 65	11,125	16,764	19,916	9,069	17,205	-	-	-	12,000
66 - 70	12,038	-	-	-	-	-	-	-	12,038
71 & Over	3,806	-	-	-	-	-	-	-	3,806
Average	13,501	19,081	16,045	16,862	16,352	17,238	19,451	13,160	15,885

Plan A | Service Retirees:

Attained Ages	Completed Years Since Retirement								
	0 - 1	1 - 2	2 - 3	3 - 5	5 - 10	10 - 15	15 - 20	Over 20	Total
0 - 50	6	1	2	2	5	-	-	-	**16**
51 - 55	9	6	15	12	22	-	-	-	**64**
56 - 60	24	14	22	28	42	20	4	-	**154**
61 - 65	48	67	41	80	108	75	47	9	**475**
66 - 70	44	58	44	99	225	110	80	28	**688**
71 - 75	13	16	20	54	188	185	74	61	**611**
76 - 80	4	6	8	22	66	127	144	66	**443**
81 - 85	2	3	3	9	18	52	68	119	**274**
86 - 90	-	1	2	2	7	13	24	94	**143**
91 & Over	-	-	-	-	-	4	2	64	**70**
Total	**150**	**172**	**157**	**308**	**681**	**586**	**443**	**441**	**2,938**

Plan A | Average Annual Benefits Payable to Service Retirees:

Attained Ages	Completed Years Since Retirement								
	0 - 1	1 - 2	2 - 3	3 - 5	5 - 10	10 - 15	15 - 20	Over 20	Average
0 - 50	37,181	31,310	30,812	29,037	25,204	-	-	-	**31,257**
51 - 55	41,893	37,002	34,508	30,880	29,127	-	-	-	**33,250**
56 - 60	47,172	39,650	41,149	39,913	32,975	26,005	25,838	-	**37,133**
61 - 65	25,709	26,727	23,335	30,104	36,569	28,295	22,515	15,439	**28,755**
66 - 70	19,489	22,137	19,829	25,282	27,098	31,908	23,934	17,728	**25,487**
71 - 75	18,127	22,579	21,044	24,618	21,738	24,618	24,478	20,826	**23,028**
76 - 80	15,417	12,445	15,085	24,028	20,422	18,136	17,446	22,290	**19,007**
81 - 85	12,509	23,930	22,619	24,767	22,514	16,289	14,900	19,270	**18,052**
86 - 90	-	40,941	28,692	15,614	10,954	18,882	12,881	15,334	**15,400**
91 & Over	-	-	-	-	-	11,975	4,294	11,635	**11,445**
Average	**27,641**	**25,766**	**25,354**	**27,823**	**26,600**	**24,147**	**19,708**	**17,814**	**23,819**

Plan A | Disability Retirees:

Attained Ages	Completed Years Since Retirement								
	0 - 1	1 - 5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	Over 30	Total
0 - 30	-	-	-	-	-	-	-	-	-
31 - 35	-	-	-	-	-	-	-	-	-
36 - 40	-	1	-	-	-	-	-	-	1
41 - 45	-	-	1	-	-	-	-	-	1
46 - 50	-	2	3	-	-	-	-	-	5
51 - 55	-	3	2	2	-	1	1	-	9
56 - 60	1	9	6	2	3	-	1	-	22
61 - 65	-	6	5	5	4	3	1	1	25
66 - 70	1	3	4	2	1	2	2	-	15
71 - 75	-	-	3	2	3	3	2	-	13
76 - 80	-	-	-	2	1	2	1	3	9
81 & Over	-	-	-	-	1	1	2	-	4
Total	2	24	24	15	13	12	10	4	104

Plan A | Average Annual Benefits Payable To Disability Retirees:

Attained Ages	Completed Years Since Retirement								
	0 - 1	1 - 5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	Over 30	Average
0 - 30	-	-	-	-	-	-	-	-	-
31 - 35	-	-	-	-	-	-	-	-	-
36 - 40	-	25,596	-	-	-	-	-	-	25,596
41 - 45	-	-	13,644	-	-	-	-	-	13,644
46 - 50	-	26,967	15,847	-	-	-	-	-	20,295
51 - 55	-	15,502	8,568	21,471	-	8,496	12,660	-	14,193
56 - 60	8,659	14,408	12,299	13,893	18,317	-	14,870	-	14,079
61 - 65	-	13,898	13,233	15,449	16,000	9,083	9,608	8,271	13,437
66 - 70	11,369	6,316	10,758	7,098	7,840	7,637	8,715	-	8,539
71 - 75	-	-	7,040	14,285	7,126	6,974	8,130	-	8,327
76 - 80	-	-	-	8,385	4,865	6,346	12,286	8,631	8,056
81 & Over	-	-	-	-	5,406	4,951	5,804	-	5,491
Average	10,014	14,919	11,768	13,834	12,188	7,465	9,472	8,541	11,970

Plan A | Surviving Beneficiaries of Former Members:

Attained Ages	Completed Years Since Retirement								
	0 - 1	1 - 5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	Over 30	Total
0 - 30	2	2	3	1	1	-	-	-	9
31 - 35	-	1	-	-	-	-	-	-	1
36 - 40	-	-	1	1	2	1	-	-	5
41 - 45	-	1	3	2	-	-	-	-	6
46 - 50	2	1	1	6	-	2	-	-	12
51 - 55	1	5	4	6	-	3	-	1	20
56 - 60	-	6	8	11	7	6	3	5	46
61 - 65	2	10	17	11	14	12	2	6	74
66 - 70	1	10	19	21	21	8	9	6	95
71 - 75	1	7	20	16	23	17	13	16	113
76 - 80	1	5	11	15	32	33	17	12	126
81 & Over	-	3	6	8	29	52	62	104	264
Total	10	51	93	98	129	134	106	150	771

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

Attained Ages	Completed Years Since Retirement								
	0 - 1	1 - 5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	Over 30	Average
0 - 30	10,533	12,124	21,268	6,250	11,261	-	-	-	14,070
31 - 35	-	4,685	-	-	-	-	-	-	4,685
36 - 40	-	-	18,176	7,698	10,322	9,954	-	-	11,294
41 - 45	-	22,551	10,716	7,843	-	-	-	-	11,731
46 - 50	24,730	6,568	28,086	8,061	-	3,519	-	-	11,626
51 - 55	6,739	18,072	12,468	6,241	-	6,939	-	7,353	10,629
56 - 60	-	13,784	13,965	14,269	10,827	17,291	8,134	2,048	12,295
61 - 65	14,424	13,210	17,804	15,887	9,813	10,651	8,231	5,626	12,889
66 - 70	15,675	19,300	21,607	22,087	13,219	17,354	7,061	5,512	16,801
71 - 75	10,079	16,522	22,733	19,116	13,318	12,953	9,480	5,123	14,318
76 - 80	3,546	13,133	17,703	15,104	12,158	11,519	13,257	8,196	12,567
81 & Over	-	15,431	11,245	7,780	9,345	10,464	11,448	10,263	10,486
Average	13,541	15,369	18,644	15,364	11,543	11,587	10,970	8,880	12,575

EXHIBIT X
PLAN A: YEAR-TO-YEAR COMPARISON

	Fiscal 2024	Fiscal 2023	Fiscal 2022	Fiscal 2021
Number of Active Members	4,409	4,484	4,513	4,611
Number of Retirees & Survivors	3,813	3,790	3,732	3,673
Number of Terminated Due Deferred	245	251	258	243
Number Terminated Due Refunds	3,989	3,731	3,517	3,455
Active Lives Payroll	$ 199,682,634	$ 199,312,291	$ 187,377,898	$ 185,740,910
Retiree Benefits in Payment	$ 80,919,832	$ 78,886,254	$ 76,362,820	$ 72,508,123
Market Value of Assets (MVA)	$ 1,061,632,500	$ 961,610,161	$ 877,147,955	$ 975,735,673
Actuarial Value of Assets (AVA)	$ 1,065,421,967	$ 1,003,608,550	$ 946,256,046	$ 897,366,504
Entry Age Normal Accrued Liability	$ 1,329,155,959	$ 1,311,582,587	$ 1,277,206,406	$ 1,238,502,345
Ratio of AVA to EAN Accrued Liability	80.16%	76.52%	74.09%	72.46%
Frozen Unfunded Actuarial Accrued Liability	$ 42,950,562	$ 48,847,862	$ 54,014,424	$ 58,511,472
Present Value of Future Employer Normal	$ 327,182,473	$ 365,196,001	$ 369,496,960	$ 377,569,940
Present Value of Future Employee Contrib.	$ 126,780,917	$ 131,465,069	$ 122,128,541	$ 119,944,886
Funding Deposit Account Balance	$ 29,345,895	$ 17,097,231	$ 8,002,037	$ 10,695,893
Present Value of Future Benefits	$ 1,532,990,024	$ 1,532,020,251	$ 1,483,893,934	$ 1,442,696,909

	Fiscal 2025	Fiscal 2024	Fiscal 2023	Fiscal 2022
Employee Contribution Rate	10.00%	10.00%	10.00%	10.00%
Estimated Tax Contribution as a % of Payroll	4.34%	3.92%	3.91%	4.02%
Actuarially Required Net Direct Employer Contribution Rate	23.34%	25.20%	27.78%	28.29%
Actual Employer Contribution Rate	28.00%	29.50%	29.50%	29.50%

Fiscal 2020	Fiscal 2019	Fiscal 2018	Fiscal 2017	Fiscal 2016	Fiscal 2015
4,783	4,795	4,888	4,937	4,912	4,926
3,618	3,552	3,468	3,417	3,345	3,262
213	199	185	184	186	182
3,322	3,191	2,994	2,885	2,826	2,731
$ 188,745,713	$ 183,483,655	$ 181,786,660	$ 182,044,919	$ 177,777,678	$ 172,033,158
$ 69,264,254	$ 66,516,732	$ 63,184,393	$ 60,663,715	$ 57,895,282	$ 54,791,332
$ 786,276,078	$ 765,059,686	$ 734,226,194	$ 697,057,939	$ 671,876,210	$ 698,984,365
$ 829,419,184	$ 806,503,031	$ 797,679,469	$ 781,417,434	$ 769,849,744	$ 770,402,847
$ 1,203,027,922	$ 1,165,954,887	$ 1,129,080,666	$ 1,096,616,918	$ 1,063,558,257	$ 1,038,155,304
68.94%	69.17%	70.65%	71.26%	72.38%	74.21%
$ 62,368,613	$ 65,648,756	$ 68,334,864	$ 70,511,316	$ 72,227,730	$ 73,553,869
$ 401,841,036	$ 385,947,438	$ 367,352,092	$ 344,034,117	$ 315,256,488	$ 287,312,026
$ 119,736,262	$ 109,888,429	$ 110,664,765	$ 109,901,879	$ 105,774,692	$ 101,854,569
$ 10,000,835	$ 9,346,575	$ 8,712,724	$ 8,112,406	$ 8,421,235	$ 7,833,707
$ 1,403,364,260	$ 1,358,641,079	$ 1,335,318,466	$ 1,297,752,340	$ 1,254,687,419	$ 1,225,289,604

Fiscal 2021	Fiscal 2020	Fiscal 2019	Fiscal 2018	Fiscal 2017	Fiscal 2016
10.00%	9.50%	9.50%	9.50%	9.50%	9.50%
3.59%	3.50%	3.50%	3.39%	3.40%	3.64%
29.18%	29.28%	27.53%	25.88%	24.64%	22.92%
29.50%	27.75%	26.00%	24.75%	23.25% *	19.75%

* Includes 0.5% from the Funding Deposit Account

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EXHIBIT XI
PLAN B: ANALYSIS OF ACTUARIALLY REQUIRED CONTRIBUTIONS

1.	Present Value of Future Benefits	$	354,724,720
2.	Actuarial Value of Assets	$	246,415,945
3.	Funding Deposit Account Credit Balance	$	8,041,291
4.	Present Value of Future Employee Contributions	$	26,778,685
5.	Present Value of Future Employer Normal Costs (1 – (2 – 3) – 4)	$	89,571,381
6.	Present Value of Future Salaries	$	584,568,024
7.	Employer Normal Cost Accrual Rate (5 ÷ 6)		15.322662%
8.	Projected Fiscal 2025 Salary for Current Membership	$	80,227,355
9.	Employer Normal Cost as of July 1, 2024 (7 × 8)	$	12,292,966
10.	Employer Normal Cost Interest Adjusted for Mid-year Payment	$	12,707,027
11.	Estimated Administrative Cost for Fiscal 2025	$	813,446
12.	Gross Employer Actuarially Required Contribution for Fiscal 2025 (10 + 11)	$	13,520,473
13.	Projected Ad Valorem Tax Contributions for Fiscal 2025	$	(3,873,326)
14.	Projected Revenue Sharing Funds for Fiscal 2025	$	(51,664)
15.	Employers' Minimum Net Direct Actuarially Required Contribution for Fiscal 2025 (12 + 13 + 14)	$	9,595,483
16.	Projected Payroll for Fiscal 2025	$	92,672,550
17.	Employers' Minimum Net Direct Actuarially Required Contribution as a % of Projected Payroll for Fiscal 2025 (15 ÷ 16)		10.35%
18.	Board Approved Employer Contribution Rate for 2025		14.00%
19.	Minimum Recommended Net Direct Employer Contribution Rate for Fiscal 2026 (17, Rounded to the nearest 0.25%)		10.25%

EXHIBIT XII
PLAN B: PRESENT VALUE OF FUTURE BENEFITS

PRESENT VALUE OF FUTURE BENEFITS FOR ACTIVE MEMBERS:

Retirement Benefits	$ 159,068,930	
Survivor Benefits	3,579,425	
Disability Benefits	7,313,709	
Vested Termination Benefits	16,011,152	
Refunds of Contributions	6,122,075	
TOTAL Present Value of Future Benefits for Active Members		$ 192,095,291

PRESENT VALUE OF FUTURE BENEFITS FOR TERMINATED MEMBERS:

Terminated Vested Members Due Benefits at Retirement	$ 7,977,781	
Terminated Members with Reciprocals Due Benefits at Retirement	755,964	
Terminated Members Due a Refund	1,903,948	
TOTAL Present Value of Future Benefits for Terminated Members		$ 10,637,693

PRESENT VALUE OF FUTURE BENEFITS FOR PENSIONERS:

Regular Retirees by Option Selected:			
Maximum	$ 56,250,701		
Option 2	53,214,366		
Option 3	16,459,068		
TOTAL Regular Retirees		$ 125,924,135	
TOTAL Disability Retirees		$ 3,632,875	
TOTAL Survivors		$ 19,763,571	
Reserve for Accrued Retiree DROP Account Balances		$ 2,671,155	
TOTAL Present Value of Future Benefits for Retirees & Survivors			$ 151,991,736
TOTAL Present Value of Future Benefits			$ 354,724,720

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

CURRENT ASSETS:

Cash in Banks	$	22,800,407	
Contributions and Taxes Receivable		1,404,165	
Accrued Interest and Dividends		15,969	
Investments Receivable		953,574	
Due (to) from Other Funds		(281,386)	
Other Current Assets		48	
TOTAL CURRENT ASSETS			$ 24,892,777
Property Plant & Equipment			$ 595,498

INVESTMENTS:

Cash Equivalents	$	2,506,959	
Equities		123,812,192	
Fixed Income		58,163,986	
Real Estate		20,882,019	
Alternative Investments		6,686,889	
Self-Directed Investments		6,714,844	
TOTAL INVESTMENTS			$ 218,766,889
TOTAL ASSETS			$ 244,255,164

CURRENT LIABILITIES:

Accounts Payable	$	28,104	
Benefits Payable		6,044	
Refunds Payable		110,844	
Investments Payable		6,389	
Due to/(from) Plan A		(241,581)	
Other Post-Employment Benefits		81,226	
Other Current Liabilities		32,127	
TOTAL CURRENT LIABILITIES			$ 23,153
MARKET VALUE OF ASSETS			$ 244,232,011

EXHIBIT XIII – SCHEDULE B
PLAN B – ACTUARIAL VALUE OF ASSETS

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

Fiscal year 2024	$	6,845,911
Fiscal year 2023		2,203,743
Fiscal year 2022		(36,210,804)
Fiscal year 2021		27,507,064
Fiscal year 2020		(7,205,168)
Total for Five Years	$	(6,859,254)

Deferral of Excess (Shortfall) of Invested Income:

Fiscal year 2024 (80%)	$	5,476,729
Fiscal year 2023 (60%)		1,322,246
Fiscal year 2022 (40%)		(14,484,322)
Fiscal year 2021 (20%)		5,501,413
Fiscal year 2020 (0%)		0
Total Deferred for Year	$	(2,183,934)
Market Value of Plan Net Assets, End of Year	$	244,232,011
Preliminary Actuarial Value of Plan Assets, End of Year	$	246,415,945

Actuarial Value of Assets Corridor

85% of Market Value, End of Year	$	207,597,209
115% of Market Value, End of Year	$	280,866,813
Final Actuarial Value of Plan Net Assets, End of Year	$	246,415,945

EXHIBIT XIV
PLAN B: PRESENT VALUE OF FUTURE CONTRIBUTIONS

Employee Contributions to the Annuity Savings Fund	$	26,778,685
Employer Normal Contributions to the Pension Accumulation Fund		89,571,381
Employer Amortization Payments to the Pension Accumulation Fund		0
Funding Deposit Account Credit Balance		(8,041,291)
TOTAL PRESENT VALUE OF FUTURE CONTRIBUTIONS	$	108,308,775

EXHIBIT XV
PLAN B: RECONCILIATION OF EMPLOYER CONTRIBUTIONS

Employer Normal Cost for Prior Year	$ 13,191,043	
Interest on Normal Cost	903,586	
Administrative Expenses	709,526	
Interest on Expenses	23,900	
TOTAL Interest Adjusted Actuarially Required Employer Contributions		$ 14,828,055
Direct Employer Contributions	$ 14,149,257	
Interest on Employer Contributions	476,586	
Ad Valorem Taxes and Revenue Sharing Funds	3,533,140	
Interest on Taxes and Revenue Sharing Funds	119,006	
TOTAL Interest Adjusted Employer Contributions		$ 18,277,989
CONTRIBUTION SURPLUS (DEFICIENCY)		$ 3,449,934

EXHIBIT XVI
PLAN B: ANALYSIS OF CHANGE IN ASSETS

Actuarial Value of Assets (June 30, 2023)		$ 230,016,557
INCOME:		
Member Contributions	$ 4,418,864	
Employer Contributions	14,149,257	
Irregular Contributions	216,418	
Ad Valorem Taxes and Revenue Sharing	3,533,140	
Transfers from Other Plan/Systems	80,526	
Total Contributions		$ 22,398,205
Net Appreciation in Fair Value of Investments	$ 20,672,719	
Interest & Dividend Income	1,664,689	
Investment Expense	(358,999)	
Net Investment Income		$ 21,978,409
TOTAL Income		$ 44,376,614
EXPENSES:		
Retirement Benefits	$ 15,731,044	
DROP Disbursements	2,122,077	
Refunds of Contributions	1,139,462	
Funds Transferred to another System	298,936	
Transfer to/(from) Plan A	(241,581)	
Administrative Expenses	709,526	
TOTAL Expenses		$ 19,759,464
Net Market Value Income for Fiscal 2024 (Income – Expenses)		$ 24,617,150
Unadjusted Fund Balance as of June 30, 2024 (Fund Balance Previous Year + Net Income)		$ 254,633,707
Adjustment for Actuarial Smoothing		$ (8,217,762)
Actuarial Value of Assets: (June 30, 2024)		$ 246,415,945

EXHIBIT XVII
PLAN B: FUNDING DEPOSIT ACCOUNT

Funding Deposit Account Balance as of June 30, 2023	$	4,297,012
Interest on Opening Balance at 6.85%		294,345
Contributions to the Funding Deposit Account		3,449,934
Withdrawals from the Funding Deposit Account		0
Funding Deposit Account Balance as of June 30, 2024	$	8,041,291

EXHIBIT XVIII – SCHEDULE A
PLAN B: PENSION BENEFIT OBLIGATION

Present Value of Credited Projected Benefits Payable to Current Employees	$	129,579,883
Present Value of Benefits Payable to Terminated Employees		10,637,693
Present Value of Benefits Payable to Current Retirees and Beneficiaries		151,991,736
TOTAL PENSION BENEFIT OBLIGATION	$	292,209,312
NET ACTUARIAL VALUE OF ASSETS	$	246,415,945
Ratio of Net Actuarial Value of Assets to Pension Benefit Obligation		84.33%

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

Accrued Liability for Active Employees	$	138,770,058
Accrued Liability for Terminated Employees		10,637,693
Accrued Liability for Current Retirees and Beneficiaries		151,991,736
TOTAL ENTRY AGE NORMAL ACCRUED LIABILITY	$	301,399,487
ACTUARIAL VALUE OF ASSETS	$	246,415,945
Ratio of Net Actuarial Value of Assets to Entry Age Normal Accrued Liability		81.76%

EXHIBIT XIX
CENSUS DATA – PLAN B

	Active	Terminated with Funds on Deposit	DROP	Retired	Total
Number of members as of June 30, 2023	1,997	2,117	58	1,198	5,370
Additions to Census					
Initial membership	362	110			472
Omitted in error last year					
Death of another member				19	19
Adjustment for multiple records		1		1	2
Change in Status during Year					
Actives terminating service	(144)	144			
Actives who retired	(37)			37	
Actives entering DROP	(19)		19		
Term. members rehired	8	(8)			
Term. members who retire		(15)		15	
Retirees who are rehired		1		(1)	
Refunded who are rehired	8				8
DROP participants retiring			(10)	10	
DROP returned to work	12		(12)		
Omitted in error last year					
Eliminated from Census					
Refund of contributions	(135)	(99)			(234)
Deaths	(3)	(2)	(1)	(49)	(55)
Included in error last year					
Adjustment for multiple records				(2)	(2)
Number of members as of June 30, 2024	2,049	2,249	54	1,228	5,580

Plan B | Actives Census by Age:

Age	Number Male	Number Female	Total Number	Average Salary	Total Salary
16 - 20	24	4	28	29,050	813,390
21 - 25	71	28	99	32,663	3,233,607
26 - 30	79	37	116	35,166	4,079,271
31 - 35	122	49	171	37,464	6,406,398
36 - 40	117	56	173	41,511	7,181,353
41 - 45	131	81	212	44,640	9,463,646
46 - 50	137	79	216	45,912	9,916,893
51 - 55	170	113	283	43,636	12,349,039
56 - 60	210	103	313	47,246	14,788,066
61 - 65	199	95	294	44,856	13,187,553
66 - 70	82	43	125	48,215	6,026,826
71 - 75	37	14	51	48,605	2,478,852
76 - 80	8	9	17	39,785	676,348
81 - 85	5	0	5	46,199	230,994
Total	1,392	711	2,103	43,192	90,832,236

Includes 865 actives with vested benefits, including 54 DROP participants and 72 active former DROP participants.

Plan B | DROP Participants

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
51 - 55	5	2	7	24,018	168,126
56 - 60	3	0	3	26,837	80,512
61 - 65	19	9	28	18,082	506,308
66 - 70	8	3	11	13,889	152,779
71 - 75	4	1	5	13,032	65,159
Total	39	15	54	18,016	972,884

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	3,679	3,679
36 - 40	7	1	8	8,064	64,515
41 - 45	11	7	18	13,280	239,042
46 - 50	10	4	14	12,222	171,112
51 - 55	11	8	19	15,226	289,297
56 - 60	18	9	27	10,669	288,056
61 - 65	9	8	17	11,912	202,510
66 - 70	3	1	4	7,813	31,251
71 - 75	1	0	1	3,588	3,588
81 - 85	1	0	1	494	494
91 - 95	1	0	1	630	630
Total	73	38	111	11,659	1,294,174

Plan B | Terminated Members Due a Refund of Contributions:

Contributions Ranging From	To	Number	Total Contributions
0 -	99	894*	29,190
100 -	499	565	142,267
500 -	999	256	186,025
1,000 -	1,999	179	249,555
2,000 -	4,999	165	519,145
5,000 -	9,999	51	355,183
10,000 -	19,999	23	280,384
20,000 -	99,999	5	122,482
Total		2,138	1,884,231

* Includes 525 members due a refund who were not included in the data. Excludes $ 19,717 due to deceased members.

Plan B | Regular Retirees:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
51 - 55	3	0	3	29,715	89,146
56 - 60	13	4	17	24,222	411,771
61 - 65	83	45	128	17,972	2,300,393
66 - 70	161	84	245	15,724	3,852,485
71 - 75	154	64	218	14,332	3,124,394
76 - 80	90	41	131	11,751	1,539,431
81 - 85	64	31	95	10,952	1,040,394
86 - 90	38	21	59	10,866	641,066
91 - 95	14	8	22	12,086	265,891
96 - 100	2	2	4	8,399	33,595
Total	622	300	922	14,424	13,298,566

Plan B | Disability Retirees:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
46 - 50	1	0	1	7,046	7,046
51 - 55	1	0	1	6,426	6,426
56 - 60	5	1	6	13,013	78,079
61 - 65	13	6	19	11,596	220,319
66 - 70	2	0	2	12,119	24,238
76 - 80	1	0	1	12,377	12,377
Total	23	7	30	11,616	348,485

Plan B | Survivors:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
31 - 35	0	1	1	5,028	5,028
36 - 40	0	3	3	4,863	14,589
41 - 45	1	2	3	8,713	26,139
46 - 50	0	5	5	8,208	41,039
51 - 55	0	5	5	9,436	47,178
56 - 60	2	11	13	4,634	60,237
61 - 65	2	18	20	12,638	252,761
66 - 70	8	40	48	10,288	493,810
71 - 75	2	44	46	9,887	454,810
76 - 80	2	38	40	8,404	336,144
81 - 85	1	36	37	6,814	252,125
86 - 90	3	27	30	7,518	225,544
91 - 95	1	18	19	7,045	133,858
96 - 100	0	5	5	6,645	33,227
101 - 105	0	1	1	2,163	2,163
Total	22	254	276	8,618	2,378,652

Plan B | Active Members:

Attained Ages	Completed Years of Service								
	0 - 1	1 - 5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	Over 30	Total
0 - 20	22	6	-	-	-	-	-	-	28
21 - 25	45	51	3	-	-	-	-	-	99
26 - 30	38	53	24	1	-	-	-	-	116
31 - 35	45	79	33	12	2	-	-	-	171
36 - 40	45	66	32	17	13	-	-	-	173
41 - 45	33	76	48	18	23	12	2	-	212
46 - 50	37	68	37	21	26	13	12	2	216
51 - 55	32	88	54	22	36	22	15	14	283
56 - 60	41	71	52	42	46	28	22	11	313
61 - 65	21	75	67	37	34	24	15	21	294
66 - 70	9	25	33	12	12	15	3	16	125
71 & Over	2	12	21	15	10	4	3	6	73
Total	370	670	404	197	202	118	72	70	2,103

Plan B | Average Annual Salary of Active Members:

Attained Ages	Completed Years of Service								
	0 - 1	1 - 5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	Over 30	Average
0 - 20	27,027	36,465	-	-	-	-	-	-	29,050
21 - 25	30,972	33,470	44,296	-	-	-	-	-	32,663
26 - 30	28,587	35,630	44,668	32,578	-	-	-	-	35,166
31 - 35	31,299	37,925	42,853	41,600	44,271	-	-	-	37,464
36 - 40	34,421	39,938	50,194	44,286	49,034	-	-	-	41,511
41 - 45	33,630	40,039	46,008	51,335	58,904	60,308	50,001	-	44,640
46 - 50	34,234	39,996	42,704	49,801	61,679	69,451	55,504	66,030	45,912
51 - 55	36,030	37,748	43,516	49,373	49,095	48,003	57,460	53,772	43,636
56 - 60	34,489	45,318	42,796	44,020	57,147	56,259	52,125	66,493	47,246
61 - 65	35,551	37,863	44,006	46,556	50,650	54,009	46,959	57,501	44,856
66 - 70	29,124	43,039	44,911	44,066	45,021	63,258	30,706	68,540	48,215
71 & Over	62,324	34,883	46,193	46,799	57,378	41,442	71,203	36,294	46,386
Average	32,727	38,929	44,529	46,411	54,043	56,514	52,567	59,118	43,192

Plan B | Terminated Members Due a Deferred Retirement Benefit:

Attained Ages	Years until Retirement Eligibility								
	0 - 1	1 - 2	2 - 3	3 - 5	5 - 10	10 - 15	15 - 20	Over 20	Total
0 - 30	-	-	-	-	-	-	-	-	-
31 - 35	-	-	-	-	-	-	-	1	1
36 - 40	-	-	-	-	-	-	-	8	8
41 - 45	-	-	-	-	-	1	15	2	18
46 - 50	-	-	-	-	1	11	2	-	14
51 - 55	-	-	-	1	18	-	-	-	19
56 - 60	6	3	3	11	3	1	-	-	27
61 - 65	12	-	3	1	1	-	-	-	17
66 - 70	3	1	-	-	-	-	-	-	4
71 & Over	3	-	-	-	-	-	-	-	3
Total	24	4	6	13	23	13	17	11	111

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

Attained Ages	Years until Retirement Eligibility								
	0 - 1	1 - 2	2 - 3	3 - 5	5 - 10	10 - 15	15 - 20	Over 20	Average
0 - 30	-	-	-	-	-	-	-	-	-
31 - 35	-	-	-	-	-	-	-	3,679	3,679
36 - 40	-	-	-	-	-	-	-	8,064	8,064
41 - 45	-	-	-	-	-	14,771	14,150	6,014	13,280
46 - 50	-	-	-	-	11,855	13,427	5,780	-	12,222
51 - 55	-	-	-	13,168	15,341	-	-	-	15,226
56 - 60	10,278	8,519	12,182	12,184	6,650	10,315	-	-	10,669
61 - 65	14,275	-	6,745	6,291	4,682	-	-	-	11,912
66 - 70	8,238	6,538	-	-	-	-	-	-	7,813
71 & Over	1,571	-	-	-	-	-	-	-	1,571
Average	10,933	8,024	9,464	11,806	13,592	13,291	13,165	7,293	11,659

Plan B | Service Retirees:

Attained Ages	Completed Years Since Retirement								
	0 - 1	1 - 2	2 - 3	3 - 5	5 - 10	10 - 15	15 - 20	Over 20	Total
0 - 50	-	-	-	-	-	-	-	-	-
51 - 55	2	-	1	-	-	-	-	-	3
56 - 60	11	1	2	1	2	-	-	-	17
61 - 65	18	23	27	34	15	9	2	-	128
66 - 70	22	32	23	49	92	20	4	3	245
71 - 75	6	8	7	34	87	59	9	8	218
76 - 80	1	5	5	6	31	33	43	7	131
81 - 85	-	1	1	3	17	19	28	26	95
86 - 90	-	-	-	3	2	2	13	39	59
91 & Over	-	-	1	-	-	-	2	23	26
Total	60	70	67	130	246	142	101	106	922

Plan B | Average Annual Benefits Payable to Service Retirees:

Attained Ages	Completed Years Since Retirement								
	0 - 1	1 - 2	2 - 3	3 - 5	5 - 10	10 - 15	15 - 20	Over 20	Average
0 - 50	-	-	-	-	-	-	-	-	-
51 - 55	28,257	-	32,632	-	-	-	-	-	29,715
56 - 60	21,825	24,030	22,775	37,648	32,233	-	-	-	24,222
61 - 65	16,436	17,854	17,910	14,808	25,710	21,982	11,692	-	17,972
66 - 70	14,323	16,065	19,440	18,303	13,217	19,362	13,411	7,508	15,724
71 - 75	14,016	15,146	12,216	14,648	14,298	14,295	18,290	10,449	14,332
76 - 80	13,750	9,062	14,806	8,035	11,369	12,539	11,868	11,653	11,751
81 - 85	-	4,327	5,890	12,018	9,517	13,661	9,565	11,729	10,952
86 - 90	-	-	-	13,563	9,494	17,347	9,654	10,800	10,866
91 & Over	-	-	52,252	-	-	-	6,437	10,190	11,519
Average	16,757	15,994	18,307	15,853	13,997	15,046	11,467	10,832	14,424

Plan B | Disability Retirees:

Attained Ages	Completed Years Since Retirement								
	0 - 1	1 - 5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	Over 30	Total
0 - 30	-	-	-	-	-	-	-	-	-
31 - 35	-	-	-	-	-	-	-	-	-
36 - 40	-	-	-	-	-	-	-	-	-
41 - 45	-	-	-	-	-	-	-	-	-
46 - 50	-	-	1	-	-	-	-	-	1
51 - 55	-	-	-	1	-	-	-	-	1
56 - 60	-	2	2	1	1	-	-	-	6
61 - 65	-	-	7	5	4	2	1	-	19
66 - 70	-	-	-	2	-	-	-	-	2
71 - 75	-	-	-	-	-	-	-	-	-
76 - 80	-	-	-	-	-	-	-	1	1
81 & Over	-	-	-	-	-	-	-	-	-
Total	-	2	10	9	5	2	1	1	30

Plan B | Average Annual Benefits Payable To Disability Retirees:

Attained Ages	Completed Years Since Retirement								
	0 - 1	1 - 5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	Over 30	Average
0 - 30	-	-	-	-	-	-	-	-	-
31 - 35	-	-	-	-	-	-	-	-	-
36 - 40	-	-	-	-	-	-	-	-	-
41 - 45	-	-	-	-	-	-	-	-	-
46 - 50	-	-	7,046	-	-	-	-	-	7,046
51 - 55	-	-	-	6,426	-	-	-	-	6,426
56 - 60	-	16,761	13,425	10,379	7,329	-	-	-	13,013
61 - 65	-	-	11,992	10,668	14,915	9,269	4,834	-	11,596
66 - 70	-	-	-	12,119	-	-	-	-	12,119
71 - 75	-	-	-	-	-	-	-	-	-
76 - 80	-	-	-	-	-	-	-	12,377	12,377
81 & Over	-	-	-	-	-	-	-	-	-
Average	-	16,761	11,784	10,487	13,398	9,269	4,834	12,377	11,616

Plan B | Surviving Beneficiaries of Former Members:

Attained Ages	Completed Years Since Retirement								
	0 - 1	1 - 5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	Over 30	Total
0 - 30	-	-	-	-	-	-	-	-	-
31 - 35	1	-	-	-	-	-	-	-	1
36 - 40	-	1	-	-	-	2	-	-	3
41 - 45	-	1	-	1	1	-	-	-	3
46 - 50	-	2	-	1	-	-	2	-	5
51 - 55	-	2	2	1	-	-	-	-	5
56 - 60	-	2	3	1	3	1	2	1	13
61 - 65	-	2	6	5	4	2	-	1	20
66 - 70	-	4	12	11	10	5	1	5	48
71 - 75	-	3	6	12	10	8	5	2	46
76 - 80	-	-	5	4	13	11	6	1	40
81 & Over	1	3	9	3	10	22	18	26	92
Total	2	20	43	39	51	51	34	36	276

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

Attained Ages	Completed Years Since Retirement								
	0 - 1	1 - 5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	Over 30	Average
0 - 30	-	-	-	-	-	-	-	-	-
31 - 35	5,028	-	-	-	-	-	-	-	5,028
36 - 40	-	6,798	-	-	-	3,896	-	-	4,863
41 - 45	-	12,059	-	10,203	3,877	-	-	-	8,713
46 - 50	-	14,967	-	3,118	-	-	3,994	-	8,208
51 - 55	-	3,440	16,038	8,223	-	-	-	-	9,436
56 - 60	-	5,213	4,434	6,176	5,062	9,760	1,991	1,408	4,634
61 - 65	-	19,698	21,566	8,126	5,309	10,598	-	912	12,638
66 - 70	-	10,759	13,208	12,682	8,703	5,084	4,121	7,240	10,288
71 - 75	-	13,634	8,642	12,912	10,551	5,305	9,860	4,931	9,887
76 - 80	-	-	7,720	9,792	7,397	11,026	5,646	7,058	8,404
81 & Over	17,936	5,383	6,943	6,210	6,777	7,461	7,008	6,679	7,032
Average	11,482	10,279	11,307	10,784	7,780	7,687	6,630	6,364	8,618

EXHIBIT XX
PLAN B: YEAR-TO-YEAR COMPARISON

	Fiscal 2024	Fiscal 2023	Fiscal 2022	Fiscal 2021
Number of Active Members	2,103	2,055	1,997	1,980
Number of Retirees & Survivors	1,228	1,198	1,159	1,125
Number of Terminated Due Deferred Benefits	111	107	104	110
Number Terminated Due Refunds	2,138	2,010	1,832	1,745
Active Lives Payroll	$ 90,832,236	$ 86,043,818	$ 79,381,407	$ 75,792,699
Retiree Benefits in Payment	$ 16,025,703	$ 15,428,909	$ 14,609,855	$ 13,509,829
Market Value of Assets (MVA)	$ 244,232,011	$ 219,614,861	$ 200,590,478	$ 219,732,397
Actuarial Value of Assets (AVA)	$ 246,415,945	$ 230,016,557	$ 216,737,373	$ 204,077,162
Entry Age Normal Accrued Liability	$ 301,399,487	$ 295,780,151	$ 284,474,338	$ 273,783,925
Ratio of AVA to EAN Accrued Liability	81.76%	77.77%	76.19%	74.54%
Frozen Unfunded Actuarial Accrued Liability	$ 0	$ 0	$ 0	$ 0
Present Value of Future Employer Normal Cost	$ 89,571,381	$ 101,592,212	$ 98,631,357	$ 99,767,305
Present Value of Future Employee Contrib.	$ 26,778,685	$ 26,969,715	$ 24,870,430	$ 23,943,614
Funding Deposit Account Balance	$ 8,041,291	$ 4,297,012	$ 1,560,738	$ 1,869,690
Present Value of Future Benefits	$ 354,724,720	$ 354,281,472	$ 338,678,422	$ 325,918,391

	Fiscal 2025	Fiscal 2024	Fiscal 2023	Fiscal 2022
Employee Contribution Rate	5.00%	5.00%	5.00%	5.00%
Estimated Tax Contribution as a % of Payroll	4.24%	3.83%	3.76%	3.96%
Actuarially Required Net Direct Employer Contribution Rate	10.35%	12.53%	13.37%	14.39%
Actual Employer Contribution Rate	14.00%	15.50%	15.50%	15.50%

Fiscal 2020	Fiscal 2019	Fiscal 2018	Fiscal 2017	Fiscal 2016	Fiscal 2015
2,037	2,063	2,128	2,125	2,142	2,200
1,107	1,076	1,050	1,025	975	959
103	97	92	82	71	71
1,629	1,556	1,419	1,331	1,258	1,218
$ 76,799,634	$ 75,213,353	$ 74,696,846	$ 73,275,324	$ 71,918,938	$ 69,909,530
$ 12,823,215	$ 12,223,991	$ 11,522,493	$ 10,946,571	$ 10,254,964	$ 9,917,688
$ 177,974,097	$ 170,871,104	$ 161,284,802	$ 150,467,958	$ 143,201,586	$ 149,268,995
$ 187,812,515	$ 180,085,046	$ 175,032,415	$ 168,698,012	$ 164,516,476	$ 165,154,609
$ 264,774,249	$ 254,292,446	$ 241,302,909	$ 232,425,916	$ 221,633,353	$ 212,961,895
70.93%	70.82%	72.54%	72.58%	74.23%	77.55%
$ 0	$ 0	$ 0	$ 2,382,456	$ 2,742,698	$ 3,088,551
$ 105,929,550	$ 102,003,203	$ 95,920,724	$ 91,249,645	$ 82,911,008	$ 72,948,195
$ 24,180,096	$ 23,628,322	$ 24,253,572	$ 23,664,481	$ 23,119,585	$ 22,770,216
$ 1,748,191	$ 1,633,823	$ 1,523,023	$ 3,286,730	$ 3,233,725	$ 3,008,116
$ 316,173,970	$ 304,082,748	$ 293,683,688	$ 282,707,864	$ 270,056,042	$ 260,953,455

Fiscal 2021	Fiscal 2020	Fiscal 2019	Fiscal 2018	Fiscal 2017	Fiscal 2016
5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
3.60%	3.50%	3.38%	3.37%	3.41%	3.64%
15.34%	15.34%	13.73%	14.00%	13.06%	11.04%
15.50%	14.00%	14.00%	13.25%	11.25% *	9.50%

* Includes 0.25% from the Funding Deposit Account

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. 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.

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

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

PLAN B

Years of Service (less than or equal to)	Salary Increase (in the following year)
1-2	9.5%
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 (continued on the following page):

Service Duration (≤)	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%

Service Duration (≤)	Plan A (Tier 1)	Plan A (Tier 2)	Plan B (Tiers 1 & 2)
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%
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 less than 10 years of service, 70% of members with between 10 – 19 years of service, and 80% of members with 20 or more years of service are assumed to elect a deferred benefit in lieu of a refund of contributions.

Plan B: 40% of members with less than 10 years of service, 65% of members with between 10 – 19 years of service, and 85% of members with 20 or more 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	Remarriage Rates
18	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00066	0.06124
19	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00066	0.06124
20	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00066	0.06124
21	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00066	0.05818
22	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00066	0.05524
23	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00066	0.05242
24	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00066	0.04971
25	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00066	0.04566
26	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00066	0.04335
27	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00066	0.04114
28	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00066	0.03902
29	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00066	0.03698
30	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00066	0.03502
31	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00066	0.03314
32	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00066	0.03134
33	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00066	0.02961
34	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00066	0.02795
35	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00066	0.02636
36	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00066	0.02483
37	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00072	0.02336
38	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00077	0.02195
39	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00077	0.02060
40	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00083	0.01930
41	0.34000	0.00000	0.22000	0.00000	0.09000	0.00000	0.00094	0.01805
42	0.34000	0.00000	0.22000	0.00000	0.09000	0.00000	0.00099	0.01686
43	0.34000	0.00000	0.22000	0.00000	0.09000	0.00000	0.00110	0.01571
44	0.34000	0.00000	0.24000	0.00000	0.09000	0.00000	0.00116	0.01461
45	0.22000	0.00000	0.19000	0.00000	0.09000	0.00000	0.00132	0.01355
46	0.13000	0.00000	0.15000	0.00000	0.09000	0.00000	0.00149	0.01253
47	0.09000	0.00000	0.13000	0.00000	0.09000	0.00000	0.00165	0.01156
48	0.06000	0.00000	0.12000	0.00000	0.09000	0.00000	0.00187	0.01063
49	0.05000	0.00000	0.12000	0.00000	0.09000	0.00000	0.00215	0.00973
50	0.04000	0.00000	0.14000	0.00000	0.09000	0.00000	0.00242	0.00887
51	0.05000	0.00000	0.15000	0.00000	0.17000	0.00000	0.00281	0.00804
52	0.05000	0.00000	0.18000	0.00000	0.18000	0.00000	0.00325	0.00725
53	0.06000	0.00000	0.20000	0.00000	0.18000	0.00000	0.00380	0.00649
54	0.06000	0.00000	0.22000	0.00000	0.17000	0.00000	0.00440	0.00576
55	0.07000	0.05000	0.23000	0.22000	0.16000	0.16000	0.00517	0.00000
56	0.07000	0.10000	0.23000	0.16000	0.15000	0.15000	0.00611	0.00000
57	0.08000	0.09000	0.23000	0.18000	0.15000	0.15000	0.00721	0.00000
58	0.08000	0.07000	0.23000	0.22000	0.15000	0.15000	0.00853	0.00000
59	0.09000	0.09000	0.24000	0.23000	0.15000	0.15000	0.01007	0.00000
60	0.09000	0.09000	0.18000	0.23000	0.17000	0.17000	0.01469	0.00000
61	0.10000	0.09000	0.16000	0.23000	0.18000	0.18000	0.01716	0.00000
62	0.11000	0.09000	0.15000	0.16000	0.20000	0.20000	0.01749	0.00000
63	0.14000	0.10000	0.13000	0.15000	0.21000	0.21000	0.01749	0.00000
64	0.16000	0.11000	0.11000	0.13000	0.22000	0.22000	0.01749	0.00000
65	0.18000	0.14000	0.10000	0.12000	0.22000	0.22000	0.01749	0.00000
66	0.19000	0.16000	0.09000	0.11000	0.22000	0.22000	0.01749	0.00000
67	0.19000	0.17000	0.08000	0.10000	0.21000	0.21000	0.01749	0.00000
68	0.20000	0.18000	0.09000	0.09000	0.21000	0.21000	0.01749	0.00000
69	0.20000	0.19000	0.10000	0.09000	0.20000	0.20000	0.01749	0.00000
70	0.21000	0.19000	0.11000	0.09000	0.20000	0.20000	0.01749	0.00000
71	0.22000	0.18000	0.12000	0.09000	0.20000	0.20000	0.01749	0.00000
72	0.23000	0.18000	0.13000	0.09000	0.20000	0.20000	0.01749	0.00000
73	0.24000	0.19000	0.14000	0.10000	0.21000	0.21000	0.01749	0.00000
74	0.23000	0.21000	0.14000	0.10000	0.21000	0.21000	0.01749	0.00000
75	0.22000	0.23000	0.13000	0.11000	0.21000	0.21000	0.01749	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	0.00120	0.06124
19	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00120	0.06124
20	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00120	0.06124
21	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00120	0.05818
22	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00120	0.05524
23	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00120	0.05242
24	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00120	0.04971
25	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00120	0.04566
26	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00120	0.04335
27	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00120	0.04114
28	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00120	0.03902
29	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00120	0.03698
30	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00120	0.03502
31	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00120	0.03314
32	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00120	0.03134
33	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00120	0.02961
34	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00120	0.02795
35	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00120	0.02636
36	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00120	0.02483
37	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00130	0.02336
38	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00140	0.02195
39	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00140	0.02060
40	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00150	0.01930
41	0.00000	0.00000	0.39000	0.00000	0.00000	0.00000	0.00170	0.01805
42	0.00000	0.00000	0.39000	0.00000	0.00000	0.00000	0.00180	0.01686
43	0.00000	0.00000	0.39000	0.00000	0.00000	0.00000	0.00200	0.01571
44	0.00000	0.00000	0.39000	0.00000	0.00000	0.00000	0.00210	0.01461
45	0.00000	0.00000	0.39000	0.00000	0.00000	0.00000	0.00240	0.01355
46	0.06000	0.00000	0.39000	0.00000	0.09000	0.00000	0.00270	0.01253
47	0.06000	0.00000	0.39000	0.00000	0.09000	0.00000	0.00300	0.01156
48	0.06000	0.00000	0.39000	0.00000	0.09000	0.00000	0.00340	0.01063
49	0.06000	0.00000	0.39000	0.00000	0.09000	0.00000	0.00390	0.00973
50	0.06000	0.00000	0.39000	0.00000	0.09000	0.00000	0.00440	0.00887
51	0.06000	0.00000	0.39000	0.00000	0.09000	0.00000	0.00510	0.00804
52	0.06000	0.00000	0.39000	0.00000	0.09000	0.00000	0.00590	0.00725
53	0.06000	0.00000	0.39000	0.00000	0.09000	0.00000	0.00690	0.00649
54	0.06000	0.00000	0.39000	0.00000	0.09000	0.00000	0.00800	0.00576
55	0.06000	0.07000	0.39000	0.31000	0.09000	0.09000	0.00940	0.00000
56	0.06000	0.07000	0.39000	0.40000	0.09000	0.09000	0.01110	0.00000
57	0.06000	0.07000	0.39000	0.46000	0.09000	0.09000	0.01310	0.00000
58	0.06000	0.07000	0.39000	0.42000	0.09000	0.09000	0.01550	0.00000
59	0.06000	0.07000	0.39000	0.22000	0.09000	0.09000	0.01830	0.00000
60	0.08000	0.07000	0.23000	0.22000	0.09000	0.09000	0.02670	0.00000
61	0.08000	0.07000	0.16000	0.22000	0.09000	0.09000	0.03120	0.00000
62	0.11000	0.12000	0.12000	0.18000	0.21000	0.21000	0.03180	0.00000
63	0.12000	0.13000	0.11000	0.12000	0.21000	0.21000	0.03180	0.00000
64	0.15000	0.15000	0.11000	0.09000	0.21000	0.21000	0.03180	0.00000
65	0.19000	0.18000	0.11000	0.08000	0.21000	0.21000	0.03180	0.00000
66	0.22000	0.21000	0.12000	0.08000	0.22000	0.22000	0.03180	0.00000
67	0.25000	0.24000	0.12000	0.08000	0.22000	0.22000	0.03180	0.00000
68	0.26000	0.25000	0.11000	0.08000	0.23000	0.23000	0.03180	0.00000
69	0.26000	0.24000	0.10000	0.08000	0.24000	0.24000	0.03180	0.00000
70	0.24000	0.22000	0.09000	0.07000	0.25000	0.25000	0.03180	0.00000
71	0.21000	0.20000	0.09000	0.07000	0.28000	0.28000	0.03180	0.00000
72	0.18000	0.17000	0.08000	0.06000	0.31000	0.31000	0.03180	0.00000
73	0.16000	0.14000	0.09000	0.06000	0.24000	0.24000	0.03180	0.00000
74	0.26000	0.30000	0.09000	0.06000	0.24000	0.24000	0.03180	0.00000
75	0.26000	0.30000	0.09000	0.07000	0.24000	0.24000	0.03180	0.00000

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%

Service Duration (≤)	Plan A (Tier 1)	Plan A (Tier 2)	Plan B (Tiers 1 & 2)
20	3.00%	3.00%	4.00%
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.