

State of Alaska

Public Employees' Retirement System (PERS)

Teachers' Retirement System (TRS)

Public Employees' Defined Contribution
Retirement System (PERS DCR)

Teachers' Defined Contribution
Retirement System (TRS DCR)

Judicial Retirement System (JRS)

National Guard and Naval Militia
Retirement System (NGNMRS)

Experience Study Report for the Period
July 1, 2021 to June 30, 2025



Gallagher

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August 3, 2026

State of Alaska
The Alaska Retirement Management Board
The Department of Administration, Division of Retirement and Benefits
P.O. Box 110203
Juneau, AK 99811-0203

Dear Members of The Alaska Retirement Management Board and The Department of Administration,

We were engaged by the Alaska Retirement Management Board (Board) to study the economic and demographic experience of active and retired members of the State of Alaska Public Employees' Retirement System (PERS), Teachers' Retirement System (TRS), Public Employees' Defined Contribution Retirement System (PERS DCR), Teachers' Defined Contribution Retirement System (TRS DCR), Judicial Retirement System (JRS), and National Guard and Naval Militia Retirement System (NGNMRS) for the 4-year period July 1, 2021 to June 30, 2025.

Alaska Statutes 37.10.220(a)(9) require an experience study of the economic and demographic experience of active and retired members of the State of Alaska Retirement Systems to be performed not less than once every 4 years, except for the healthcare assumptions which are to be reviewed annually as part of the annual actuarial valuations. The results of the experience study provide information to assist the Board in assessing whether to adopt new actuarial assumptions for measuring the Systems' pension and postretirement healthcare benefit obligations.

This report provides details of the experience of the Systems for the period July 1, 2021 to June 30, 2025, and outlines our proposed actuarial assumptions for the Board to consider adopting effective for the June 30, 2026 actuarial valuations. The experience study was prepared in accordance with generally accepted actuarial principles and procedures.

The results of the current experience study were discussed in detail with the Actuarial Committee at the December 2025, March 2026, and June 2026 meetings, including the estimated impact of the proposed assumptions on liabilities and funded ratios based on the June 30, 2024 valuations.

At the June 2026 meeting, the Board adopted the proposed assumptions shown in this report. Where we proposed different alternatives, the Board made the following decisions:

- Maintain the current 7.25% investment return assumption for PERS, TRS, and JRS,
- Maintain the current 2.50% inflation rate for valuing the Postretirement Pension Adjustments, and
- Implement a DCR rehire assumption as a load to the DCR Normal Cost.

In addition, the Board decided not to implement a DCR new entrant load that was recommended by the Board's review actuary.

The new assumptions adopted by the Board will be implemented effective with the June 30, 2026 valuations.

The Board and staff of the State of Alaska may use this report for the review of the experience of the Systems. Use of this report for any other purpose or by anyone other than the Board or staff of the State of Alaska may not be appropriate and may result in mistaken conclusions because of failure to understand applicable assumptions, methods, or inapplicability of the report for that purpose. Because of the risk of misinterpretation of actuarial results, Gallagher recommends requesting its advanced review of any statement to be based on information contained in this report. Gallagher will accept no liability for any such statement made without its prior review.

Actuarial Standard of Practice No. 56 (ASOP 56) provides guidance to actuaries performing actuarial services that involve designing, developing, selecting, modifying, using, reviewing, or evaluating models. For this report, Gallagher used internally developed models and third-party software to compare actual versus assumed experience and to determine proposed assumptions.

The internal models and third-party software outputs were reviewed in detail and at a higher level for accuracy, reasonability, and consistency with prior results. Gallagher also reviews the third-party model when significant changes are made to the software. This review is performed by experts within Gallagher who are familiar with applicable funding methods, as well as the manner in which the model generates its output. If significant changes are made to the internal models, extra checking and review are completed.

Additional models used to analyze inflation rates and investment returns are described later in the report.

This report was prepared under our supervision and in accordance with all applicable Actuarial Standards of Practice. David Kershner is a Fellow of the Society of Actuaries, an Enrolled Actuary, a Member of the American Academy of Actuaries, and a Fellow of the Conference of Consulting Actuaries. Kevin Spanier is an Associate of the Society of Actuaries, an Enrolled Actuary, a Member of the American Academy of Actuaries, and a Fellow of the Conference of Consulting Actuaries. Brett Hunter is a Fellow of the Society of Actuaries, an Enrolled Actuary, a Member of the American Academy of Actuaries, and a Fellow of the Conference of Consulting Actuaries. We meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

We are available to discuss this report with you at your convenience. David can be reached at (602) 803-6174, Kevin can be reached at (770) 916-4184, Brett can be reached at (260) 423-1072, and Robert can be reached at (312) 399-9339.

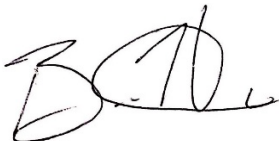
Respectfully submitted,



David J. Kershner, FSA, EA, MAAA, FCA
Senior Vice President



Kevin Spanier, ASA, EA, MAAA, FCA
Senior Vice President



Brett Hunter, FSA, EA, MAAA, FCA
Senior Consultant

The undersigned actuary is an Associate of the Society of Actuaries, a Member of the American Academy of Actuaries, and a Fellow of the Conference of Consulting Actuaries. He is responsible for all healthcare-related assumptions and hereby affirms his qualification to render opinions in such matters in accordance with the Qualification Standards of the American Academy of Actuaries.

A handwritten signature in black ink, appearing to read "Rob Besenhofer". The signature is fluid and cursive, with a long horizontal stroke at the end.

Robert Besenhofer, ASA, MAAA, FCA
Director

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Introduction

Assumptions are a key element in an actuarial valuation. In order to perform an actuarial valuation of the assets and liabilities of the Systems, the actuary must adopt assumptions with respect to each of the following:

- Investment return on the Systems' funds over the period that benefits to current members will be paid, including inflation during the same period.
- The relative increases in the salary of a member from the date of the valuation to the date of separation from active service.
- The expected mortality rates among pensioners (healthy and disabled).
- The probabilities of members separating from active service due to termination of employment, death, and disability.
- The ages at which members are expected to retire.
- The rate at which separating members will elect to receive a refund of their contributions.
- The number of dependents, marriage at retirement, and age of spouse at retirement.
- Assumptions specific to postretirement healthcare benefits.

The actuarial valuation is the method by which the actuarially determined contribution is calculated. Actuarial assumptions do not directly impact the total cost of a retirement program, but they are a key variable in determining the timing of that cost and the allocation of the cost between current and future contributions. For actuarial valuations, the actuary should select reasonable assumptions that share the following characteristics:

- They are appropriate for purpose of the measurement,
- They reflect the actuary's professional judgement,
- They take into account current and historical data that is relevant to selecting the assumption for the measurement date, to the extent such relevant data is reasonably available,
- They reflect the actuary's best estimate of future experience, the actuary's observation of the estimates inherent in market data (if any), or a combination thereof, and
- They are expected to have no significant bias.

In accordance with Alaska Statutes 37.10.220(a)(9), the Alaska Retirement Management Board (Board) requests an actuarial experience study at least once every 4 years. The purpose of the current study is to measure actual experience under the Systems during the 4-year period July 1, 2021 to June 30, 2025, compare this experience to the current assumptions, and propose changes to the assumptions to better match future expected experience. The last experience study was performed in 2022 based on experience during the 4-year period July 1, 2017 to June 30, 2021.

Introduction

Methodology

Census data is provided to the actuary by the State of Alaska Department of Administration, Retirement and Benefits Division for purposes of the actuarial valuations. The census data is provided annually for all Systems, except for JRS and NGNMRS. The census data for JRS and NGNMRS is provided once every two years. The census data includes demographic characteristics of current and past members, changes in the members' status or relationship with the Systems, and a salary history for active members. These demographic changes and salary history are the basis for the experience study.

We analyzed each System's experience for the 4-year period July 1, 2021 to June 30, 2025. The census data used for our analysis was the same data used for the actuarial valuations. Due to the impacts from the COVID-19 pandemic, the weight of the first year of experience (July 1, 2021 to June 30, 2022) was adjusted to be half the weight of the other years' experience for the purpose of analyzing demographic experience.

Tabulations were compiled using distributions by age and/or service of the liability (or headcount) of members who were exposed during the 4-year period to the events of termination of employment, retirement, death, and disability. A member is considered exposed to an event if he or she meets the age and/or service requirements for that event. The tabulations for mortality, retirement, and ultimate withdrawal (PERS and TRS) were weighted by the liability for each member. All other assumptions were weighted by headcounts. The assumed rates of occurrence for each event, which are currently used in the annual actuarial valuations, were then applied to the members exposed to determine the liability (or headcount) of members expected to separate from service for each category.

The liability (or headcount) of members who actually separated from service due to termination of employment, retirement, death, or disability were then compared to the expected liability (or headcount). Data was grouped by age and/or service increments to provide meaningful results.

The expected and actual salaries as of the end of each year were compared to actual salaries as of the end of each previous year. These comparisons produced average annual increases in both expected and actual salaries for the 4-year period. For our analysis, we excluded a few active members with unusual pay changes that were considered outliers, such as those with missing pay, pay increases over 200%, and pay decreases over 50%. Excluding these outliers did not materially affect the overall results.

The results of the experience study are the basis for the actuary's proposed assumption changes. The actuary must also take into account any benefit changes that occurred during the experience period. If a change in benefit levels or benefit eligibility was made during the experience period, the actuary should consider the impact the change may have on the data used in the analysis. There have been no significant changes in the Systems' benefits during the 4-year period ending June 30, 2025.

In addition to comparing actual to expected experience and adjusting the results for special plan benefits and anticipated economic conditions, the actuary must consider future expectations of experience due to future plan changes or expected changes in the economy.

To summarize, the actuary's proposed assumptions are based on the following:

- Comparison of actual to expected experience,
- Adjustment for special plan benefits and past economic conditions, and
- Adjustment for future plan changes and economic conditions.

Actuarial Standards of Practice

The Actuarial Standards Board issues Actuarial Standards of Practice that all actuaries must follow. The Actuarial Standards of Practice that are applicable to the experience study include No. 4 (Measuring Pension Obligations and Determining Pension Plan Costs or Contributions), No. 6 (Measuring Retiree Group Benefit Obligations), and No. 27 (Selection of Assumptions for Measuring Pension Obligations). The experience study was performed in accordance with all applicable Actuarial Standards of Practice.

1 Demographic Assumptions

This section compares actual demographic experience during the 4-year period ending June 30, 2025 with expected experience, which is based on the current demographic assumptions that have been in effect since the June 30, 2022 actuarial valuations.

1.1 Mortality

The mortality assumption is used to project the life expectancy of active members and pensioners. Mortality assumptions typically include (i) a base table with mortality rates that differ by status, occupation, gender, and age, and (ii) a scale that projects future improvements in mortality.

In May 2025, the Society of Actuaries published the results of an updated mortality study based exclusively on public sector pension plan experience during calendar years 2013-2019. The standard base mortality tables from this study are called Pub-2016, with different tables for teachers, general employees, and safety employees.

In the Pub-2016 mortality study report, the Society of Actuaries stated that the amount-weighted tables (based on salary for active members and based on benefits for pensioners) produce the most appropriate results for measuring pension obligations. However, the headcount-weighted tables are more appropriate for measuring postretirement medical obligations where benefits are not correlated to income.

The Society of Actuaries concluded that it is not inappropriate or inconsistent to use amount-weighted tables to measure pension obligations and the corresponding headcount-weighted tables to measure postretirement medical obligations, even when covering the same member population.

The mortality assumption also includes a mortality improvement scale, which projects future changes in mortality rates. Consistent with our prior experience study, we are proposing a generational mortality improvement scale that projects future changes in mortality by age and year of birth (those born more recently are expected to live longer).

Updates to the improvement scales had been published annually in October prior to the COVID-19 pandemic. We understand these annual updates will commence again once there is sufficient post-pandemic data. The most recently published improvement scale is called MP-2021.

1 Demographic Assumptions

The table below shows the pension Actuarial Accrued Liability (AAL) for actual and expected deaths of active members in PERS/PERS DCR and TRS/TRS DCR during the 4-year period ending June 30, 2025.

- “Actual” is the pension AAL due to actual deaths that occurred during this period.
- “Expected” is the pension AAL due to expected deaths during this period based on the current assumptions.
- “Proposed” is the pension AAL that would have been expected due to deaths during this period using the proposed assumptions.

We have also included the actual, expected, and proposed number of deaths (headcounts) for the pension plans in the table below. These results are based on the amount-weighted mortality tables used for the pension plans.

Active Member Mortality

Group	Actuarial Accrued Liability					Headcounts		
	Actual (A)	Expected (E)	Proposed (P)	A/E Ratio	A/P Ratio	Actual	Expected	Proposed
PERS and PERS DCR – Peace/Fire								
Male	\$ 4,294,244	\$ 3,425,993	\$ 3,535,433	125%	121%	12	9.89	9.57
Female	<u>490,961</u>	<u>316,396</u>	<u>372,860</u>	155%	132%	<u>1</u>	<u>1.28</u>	<u>1.30</u>
Total	\$ 4,785,205	\$ 3,742,389	\$ 3,908,293	128%	122%	13	11.17	10.87
PERS and PERS DCR – Others								
Male	\$ 19,856,046	\$ 13,548,379	\$ 14,220,123	147%	140%	111	75.46	80.08
Female	<u>9,686,512</u>	<u>8,977,179</u>	<u>9,717,708</u>	108%	100%	<u>69</u>	<u>54.90</u>	<u>60.29</u>
Total	\$ 29,542,558	\$ 22,525,558	\$ 23,937,831	131%	123%	180	130.36	140.37
TRS and TRS DCR								
Male	\$ 5,240,018	\$ 3,455,433	\$ 3,445,975	152%	152%	17	10.67	10.71
Female	<u>5,620,935</u>	<u>4,331,523</u>	<u>4,193,877</u>	130%	134%	<u>19</u>	<u>16.77</u>	<u>16.19</u>
Total	\$ 10,860,953	\$ 7,786,956	\$ 7,639,852	139%	142%	36	27.44	26.90

1 Demographic Assumptions

The active mortality experience during the 4-year period ending June 30, 2025 was too small to be meaningful. Accordingly, we propose the pre-commencement mortality assumptions shown in the table below with no adjustment factors for credibility. The amount-weighted tables are proposed for pension benefits, and the headcount-weighted tables are proposed for healthcare benefits. The above-median variants of the tables are based on the salary of the active member.

Group	Base Table	Improvement Scale
PERS and PERS DCR – Peace/Fire	Pub-2016 Safety Employee	MP-2021
PERS and PERS DCR – Others	Pub-2016 General Employee	MP-2021
TRS and TRS DCR	Pub-2016 Teachers Employee	MP-2021
JRS	Pub-2016 General Employee, Above-Median	MP-2021
NGNMRS	Pub-2016 Safety Employee	MP-2021

We propose annual updates to the mortality improvement scale to the most recently published scale as of each valuation date.

1 Demographic Assumptions

The table below shows the experience (pension AAL and headcounts) for actual and expected deaths of healthy retirees in the pension plans during the 4-year period ending June 30, 2025. These results are based on the amount-weighted mortality tables used for the pension plans.

Healthy Retiree Mortality

Group	Actuarial Accrued Liability					Headcounts		
	Actual (A)	Expected (E)	Proposed (P)	A/E Ratio	A/P Ratio	Actual	Expected	Proposed
PERS and PERS DCR – Peace/Fire								
Male	\$ 75,027,907	\$ 80,729,025	\$ 75,610,779	93%	99%	200	196.21	185.64
Female	<u>5,632,563</u>	<u>7,411,149</u>	<u>7,104,347</u>	76%	79%	<u>18</u>	<u>24.11</u>	<u>23.76</u>
Total	\$ 80,660,470	\$ 88,140,174	\$ 82,715,126	92%	98%	218	220.32	209.40
PERS and PERS DCR – Others								
Male	\$ 302,399,872	\$ 302,511,524	\$ 302,647,075	100%	100%	1,252	1,130.22	1,146.13
Female	<u>190,123,246</u>	<u>207,130,299</u>	<u>191,125,186</u>	92%	99%	<u>1,283</u>	<u>1,232.42</u>	<u>1,161.89</u>
Total	\$ 492,523,118	\$ 509,641,823	\$ 493,772,261	97%	100%	2,535	2,362.64	2,308.02
TRS and TRS DCR								
Male	\$ 172,527,584	\$ 154,410,880	\$ 169,940,541	112%	102%	456	389.46	430.77
Female	<u>137,805,273</u>	<u>146,132,903</u>	<u>144,016,393</u>	94%	96%	<u>464</u>	<u>455.40</u>	<u>455.48</u>
Total	\$ 310,332,857	\$ 300,543,783	\$ 313,956,934	103%	99%	920	844.86	886.25
JRS								
Male	\$ 12,882,064	\$ 11,008,870	\$ 10,935,243	117%	118%	14	9.86	9.92
Female	<u>661,742</u>	<u>1,140,529</u>	<u>1,109,563</u>	58%	60%	<u>1</u>	<u>0.81</u>	<u>0.79</u>
Total	\$ 13,543,806	\$ 12,149,399	\$ 12,044,806	111%	112%	15	10.67	10.71
NGNMRS								
Male	\$ 100,550	\$ 107,946	\$ 98,621	93%	102%	15	14.04	12.85
Female	<u>5,114</u>	<u>14,332</u>	<u>13,389</u>	36%	38%	<u>1</u>	<u>1.99</u>	<u>1.86</u>
Total	\$ 105,664	\$ 122,278	\$ 112,010	86%	94%	16	16.03	14.71

1 Demographic Assumptions

The healthy retiree mortality experience during the 4-year period ending June 30, 2025 was partially statistically credible based on standard mortality credibility theory commonly used by actuaries. Accordingly, we propose the healthy retiree mortality assumptions shown in the table below with adjustment factors for credibility. The amount-weighted tables are proposed for pension benefits, and the headcount-weighted tables are proposed for healthcare benefits. The above-median variants of the tables are based on the benefit of the retiree.

Since the NGNMRS pension benefits do not vary based on the salary of the member, we considered both the amount-weighted and headcount-weighted versions of the Pub-2016 Safety Retiree tables. We concluded that the amount-weighted table was a better fit to the actual experience for NGNMRS.

Group	Base Table	Improvement Scale
PERS and PERS DCR – Peace/Fire	Pub-2016 Safety Retiree	MP-2021
PERS and PERS DCR – Others	Pub-2016 General Retiree ¹	MP-2021
TRS and TRS DCR	Pub-2016 Teachers Retiree ²	MP-2021
JRS	Pub-2016 General Retiree, Above-Median	MP-2021
NGNMRS	Pub-2016 Safety Retiree	MP-2021

We propose annual updates to the mortality improvement scale to the most recently published scale as of each valuation date.

¹ 99% male / 98% female for pension and 96% male / 102% female for healthcare

² 103% male / 94% female for pension and 102% male / 96% female for healthcare

1 Demographic Assumptions

The table below shows the experience (pension AAL and headcounts) for actual and expected deaths of disabled retirees in the pension plans during the 4-year period ending June 30, 2025. These results are based on the amount-weighted mortality tables used for the pension plans.

Disabled Retiree Mortality

Group	Actuarial Accrued Liability					Headcounts		
	Actual (A)	Expected (E)	Proposed (P)	A/E Ratio	A/P Ratio	Actual	Expected	Proposed
PERS and PERS DCR – Peace/Fire								
Male	\$ 4,140,752	\$ 3,126,226	\$ 3,108,137	132%	133%	15	8.50	8.48
Female	125,335	496,729	558,893	25%	22%	1	1.36	1.57
Total	\$ 4,266,087	\$ 3,622,955	\$ 3,667,030	118%	116%	16	9.86	10.05
PERS and PERS DCR – Others								
Male	\$ 14,762,947	\$ 14,330,987	\$ 11,632,242	103%	127%	56	47.27	38.98
Female	8,044,837	7,256,220	6,199,127	111%	130%	43	37.77	33.29
Total	\$ 22,807,784	\$ 21,587,207	\$ 17,831,369	106%	128%	99	85.04	72.27
TRS and TRS DCR								
Male	\$ 3,826,767	\$ 3,199,822	\$ 2,740,392	120%	140%	12	9.74	8.52
Female	2,848,386	4,948,521	4,363,394	58%	65%	11	16.48	14.90
Total	\$ 6,675,153	\$ 8,148,343	\$ 7,103,786	82%	94%	23	26.22	23.42

The disabled mortality experience during the 4-year period ending June 30, 2025 was too small to be meaningful. Accordingly, we propose the disabled mortality assumptions shown in the table below with no adjustment factors for credibility. The amount-weighted tables are proposed for pension benefits, and the headcount-weighted tables are proposed for healthcare benefits.

Group	Base Table	Improvement Scale
PERS and PERS DCR – Peace/Fire	Pub-2016 Safety Disabled Retiree	MP-2021
PERS and PERS DCR – Others	Pub-2016 Non-Safety Disabled Retiree	MP-2021
TRS and TRS DCR	Pub-2016 Non-Safety Disabled Retiree	MP-2021
JRS	Pub-2016 Non-Safety Disabled Retiree	MP-2021
NGNMRS	Pub-2016 Safety Disabled Retiree	MP-2021

We propose annual updates to the mortality improvement scale to the most recently published scale as of each valuation date.

1 Demographic Assumptions

The table below shows the experience (pension AAL and headcounts) for actual and expected deaths of beneficiaries in the pension plans during the 4-year period ending June 30, 2025. These results are based on the amount-weighted mortality tables used for the pension plans.

Beneficiary Mortality

Group	Actuarial Accrued Liability					Headcounts		
	Actual (A)	Expected (E)	Proposed (P)	A/E Ratio	A/P Ratio	Actual	Expected	Proposed
PERS and PERS DCR – Peace/Fire								
Male	\$ 55,344	\$ 205,025	\$ 203,671	27%	27%	2	2.04	2.12
Female	<u>8,490,749</u>	<u>10,074,425</u>	<u>10,306,966</u>	84%	82%	<u>50</u>	<u>50.70</u>	<u>52.20</u>
Total	\$ 8,546,093	\$ 10,279,450	\$ 10,510,637	83%	81%	52	52.74	54.32
PERS and PERS DCR – Others								
Male	\$ 11,132,163	\$ 12,199,096	\$ 12,282,798	91%	91%	172	185.74	192.07
Female	<u>47,392,519</u>	<u>39,254,967</u>	<u>42,337,431</u>	121%	112%	<u>426</u>	<u>354.44</u>	<u>385.05</u>
Total	\$ 58,524,682	\$ 51,454,063	\$ 54,620,229	114%	107%	598	540.18	577.12
TRS and TRS DCR								
Male	\$ 9,111,623	\$ 8,468,502	\$ 8,889,701	108%	102%	87	74.94	80.96
Female	<u>24,301,021</u>	<u>24,687,491</u>	<u>25,167,486</u>	98%	97%	<u>161</u>	<u>149.85</u>	<u>154.18</u>
Total	\$ 33,412,644	\$ 33,155,993	\$ 34,057,187	101%	98%	248	224.79	235.14

The beneficiary mortality experience during the 4-year period ending June 30, 2025 was partially statistically credible based on standard mortality credibility theory commonly used by actuaries. Accordingly, we propose the beneficiary mortality assumptions shown in the table below with adjustment factors for credibility. The amount-weighted tables are proposed for pension benefits, and the headcount-weighted tables are proposed for healthcare benefits. The above-median variants of the tables are based on the benefit of the beneficiary.

Group	Base Table	Improvement Scale
PERS and PERS DCR – Peace/Fire	Pub-2016 Contingent Survivor	MP-2021
PERS and PERS DCR – Others	Pub-2016 Contingent Survivor ¹	MP-2021
TRS and TRS DCR	Pub-2016 Contingent Survivor, Above-Median ²	MP-2021
JRS	Pub-2016 Contingent Survivor, Above-Median	MP-2021
NGNMRS	Pub-2016 Contingent Survivor	MP-2021

We propose annual updates to the mortality improvement scale to the most recently published scale as of each valuation date.

¹ 96% male / 113% female for pension and 93% male / 110% female for healthcare

² 100% male / 98% female for pension and 100% male / 100% female for healthcare

1 Demographic Assumptions

1.2 Termination

The termination assumption is used to project the ages when active members are expected to terminate employment.

The current termination assumptions reflect “select and ultimate” rates, except for JRS. During the select period (first few years of employment), the assumption is based on years of service. Thereafter, the ultimate rates are based on age.

Termination rates for DB members with less than 5 years of service (PERS) or 8 years of service (TRS) were not studied since the DB plans were closed to new entrants as of July 1, 2006. Therefore, we propose no changes to the DB select termination rates for PERS and TRS.

Since there was insufficient experience for NGNMRS and JRS members, we propose no changes to the termination rates for these plans.

The following table shows the pension AAL for actual and expected terminations of active DB members in PERS and TRS during the 4-year period ending June 30, 2025.

- “Actual” is the pension AAL due to actual terminations that occurred during this period.
- “Expected” is the pension AAL due to expected terminations during this period based on the current assumptions.
- “Proposed” is the pension AAL that would have been expected due to terminations during this period using the proposed assumptions.

We have also included the actual, expected, and proposed number of terminations (headcounts) for the pension plans in the table below.

DB Ultimate Period

Group	Actuarial Accrued Liability					Headcounts		
	Actual (A)	Expected (E)	Proposed (P)	A/E Ratio	A/P Ratio	Actual	Expected	Proposed
PERS – Peace/Fire								
Male	\$ 15,689,665	\$ 11,253,229	\$ 13,906,924	139%	113%	29	17.54	21.53
Female	<u>2,498,649</u>	<u>2,621,979</u>	<u>2,498,962</u>	95%	100%	<u>7</u>	<u>4.70</u>	<u>4.51</u>
Total	\$ 18,188,314	\$ 13,875,208	\$ 16,405,886	131%	111%	36	22.24	26.04
PERS – Others								
Male	\$ 74,838,443	\$ 85,625,897	\$ 81,173,114	87%	92%	219	210.90	199.09
Female	<u>107,462,558</u>	<u>112,889,503</u>	<u>110,067,919</u>	95%	98%	<u>372</u>	<u>330.93</u>	<u>320.14</u>
Total	\$ 182,301,001	\$ 198,515,400	\$ 191,241,033	92%	95%	591	541.83	519.23
TRS								
Male	\$ 17,030,160	\$ 10,514,144	\$ 13,742,546	162%	124%	38	24.77	32.26
Female	<u>41,275,512</u>	<u>26,616,856</u>	<u>33,496,735</u>	155%	123%	<u>108</u>	<u>70.48</u>	<u>88.61</u>
Total	\$ 58,305,672	\$ 37,131,000	\$ 47,239,281	157%	123%	146	95.25	120.87

1 Demographic Assumptions

For the DCR plans, only the headcounts for the occupation death & disability plans are shown below since the experience was analyzed on a headcount basis.

DCR Select Period

Group	Headcounts				
	Actual (A)	Expected (E)	Proposed (P)	A/E Ratio	A/P Ratio
PERS DCR – Peace/Fire					
< 1 year	139	112.72	123.97	123%	112%
1 year	136	134.21	132.52	101%	103%
2 years	107	109.89	106.78	97%	100%
3 years	77	91.59	89.08	84%	86%
4 years	<u>85</u>	<u>70.77</u>	<u>79.41</u>	120%	107%
Total	544	519.18	531.76	105%	102%
PERS DCR – Others					
< 1 year	2,248	2,127.96	2,202.62	106%	102%
1 year	3,136	2,849.06	3,029.18	110%	104%
2 years	1,772	1,653.09	1,746.37	107%	101%
3 years	1,252	1,155.12	1,231.64	108%	102%
4 years	<u>965</u>	<u>854.31</u>	<u>882.00</u>	113%	109%
Total	9,373	8,639.54	9,091.81	108%	103%
TRS DCR					
< 1 year	43	61.63	52.47	70%	82%
1 year	599	621.95	599.76	96%	100%
2 years	423	388.72	410.08	109%	103%
3 years	307	248.77	283.04	123%	108%
4 years	252	202.02	221.79	125%	114%
5 years	<u>217</u>	<u>152.81</u>	<u>188.21</u>	142%	115%
Total	1,841	1,675.90	1,755.35	110%	105%

1 Demographic Assumptions

DCR Ultimate Period

Group	Headcounts				
	Actual (A)	Expected (E)	Proposed (P)	A/E Ratio	A/P Ratio
PERS DCR – Peace/Fire					
Male	300	285.29	292.71	105%	102%
Female	<u>80</u>	<u>76.24</u>	<u>76.96</u>	105%	104%
Total	380	361.53	369.67	105%	103%
PERS DCR – Others					
Male	1,625	1,524.88	1,575.77	107%	103%
Female	<u>2,168</u>	<u>2,026.20</u>	<u>2,099.23</u>	107%	103%
Total	3,793	3,551.08	3,675.00	107%	103%
TRS DCR					
Male	308	270.17	288.43	114%	107%
Female	<u>806</u>	<u>660.27</u>	<u>732.35</u>	122%	110%
Total	1,114	930.44	1,020.78	120%	109%

The current and proposed termination rates are shown in Appendix D.

1 Demographic Assumptions

1.3 Retirement

The retirement assumption is used to project when active members are expected to retire. Some participants are eligible for unreduced retirement benefits if they meet certain age and/or service requirements. Otherwise, they are eligible for reduced retirement benefits.

Since there was insufficient experience for NGNMRS and JRS members, we propose no changes to the retirement rates for these plans.

The tables below show the pension AAL for actual and expected retirements of active DB members in PERS and TRS during the 4-year period ending June 30, 2025.

- “Actual” is the pension AAL due to actual retirements that occurred during this period.
- “Expected” is the pension AAL due to expected retirements during this period based on the current assumptions.
- “Proposed” is the pension AAL that would have been expected due to retirements during this period using the proposed assumptions.

We have also included the actual, expected, and proposed number of retirements (headcounts) for the pension plans in the tables below.

Reduced Retirement

Group	Actuarial Accrued Liability					Headcounts		
	Actual (A)	Expected (E)	Proposed (P)	A/E Ratio	A/P Ratio	Actual	Expected	Proposed
PERS – Peace/Fire								
Male	\$ 6,009,863	\$ 7,536,339	\$ 6,767,924	80%	89%	12	13.00	11.68
Female	<u>1,052,259</u>	<u>1,201,429</u>	<u>1,128,758</u>	88%	93%	<u>3</u>	<u>2.46</u>	<u>2.31</u>
Total	\$ 7,062,122	\$ 8,737,768	\$ 7,896,682	81%	89%	15	15.46	13.99
PERS – Others								
Male	\$ 126,403,113	\$ 114,924,349	\$ 120,804,311	110%	105%	223	218.08	229.18
Female	<u>125,878,315</u>	<u>133,037,060</u>	<u>128,623,532</u>	95%	98%	<u>307</u>	<u>322.75</u>	<u>312.24</u>
Total	\$ 252,281,428	\$ 247,961,409	\$ 249,427,843	102%	101%	530	540.83	541.42
TRS								
Male	\$ 6,416,531	\$ 6,854,177	\$ 6,620,292	94%	97%	16	14.58	14.08
Female	<u>19,689,261</u>	<u>16,728,982</u>	<u>18,249,798</u>	118%	108%	<u>47</u>	<u>40.38</u>	<u>44.04</u>
Total	\$ 26,105,792	\$ 23,583,159	\$ 24,870,090	111%	105%	63	54.96	58.12

1 Demographic Assumptions

Unreduced Retirement

Group	Actuarial Accrued Liability					Headcounts		
	Actual (A)	Expected (E)	Proposed (P)	A/E Ratio	A/P Ratio	Actual	Expected	Proposed
PERS – Peace/Fire								
Male	\$ 313,436,953	\$ 356,026,748	\$ 338,739,772	88%	93%	281	349.40	333.98
Female	<u>51,272,384</u>	<u>45,042,347</u>	<u>48,440,027</u>	114%	106%	<u>58</u>	<u>56.85</u>	<u>61.19</u>
Total	\$ 364,709,337	\$ 401,069,095	\$ 387,179,799	91%	94%	339	406.25	395.17
PERS – Others								
Male	\$ 461,100,081	\$ 491,767,529	\$ 480,008,572	94%	96%	784	897.58	869.79
Female	<u>524,267,277</u>	<u>551,907,251</u>	<u>544,669,656</u>	95%	96%	<u>1,111</u>	<u>1,252.30</u>	<u>1,236.26</u>
Total	\$ 985,367,358	\$1,043,674,780	\$1,024,678,228	94%	96%	1,895	2,149.88	2,106.05
TRS								
Male	\$ 269,315,016	\$ 230,478,388	\$ 250,636,587	117%	107%	373	334.50	364.07
Female	<u>480,168,059</u>	<u>435,065,948</u>	<u>464,278,995</u>	110%	103%	<u>692</u>	<u>664.45</u>	<u>707.70</u>
Total	\$ 749,483,075	\$ 665,544,336	\$ 714,915,582	113%	105%	1,065	998.95	1,071.77

The current and proposed retirement rates are shown in Appendix E.

1 Demographic Assumptions

1.4 Disability

The disability assumption is used to project the ages when active members are expected to become disabled.

The disability experience during the 4-year period ending June 30, 2025 was too small to be meaningful. Accordingly, we propose no changes to the current disability rates for all plans.

1 Demographic Assumptions

1.5 Other Demographic Assumptions

Occupational Death and Disability

PERS provides different benefits for members who become disabled or die due to occupational causes. TRS provides different benefits for members who die due to occupational causes. The table below summarizes the experience for the 4-year period ending June 30, 2025, as well as the current and proposed assumptions:

	PERS Peace/Fire	PERS Others	TRS
Experience	80%	31%	n/a ¹
Current Assumption	70%	35%	15%
Proposed Assumption	70%	35%	15%

Rehire Assumption (PERS and TRS)

The rehire assumption is used to estimate the liabilities that will be generated each year due to rehires. A percentage load is added to the Normal Cost (or active Actuarial Accrued Liability) to account for anticipated rehires during the upcoming year. The DB plans implemented rehire loads beginning with the June 30, 2016 valuations. For the DCR plans, we have included proposed rehire loads beginning with the June 30, 2026 valuations at the request of the Board. The tables below summarize the experience for the 4-year period ending June 30, 2025, as well as the current and proposed assumptions:

Rehire Load for DB Plans (Normal Cost)	Pension		Healthcare	
	PERS	TRS	PERS	TRS
Experience	21.36%	11.47%	9.89%	0.68%
Current Assumption	15.30%	12.00%	2.40%	0.20%
Proposed Assumption	21.40%	11.50%	9.90%	0.70%

Rehire Load for DCR Plans Option #1 (Normal Cost)	Occupational Death & Disability		Retiree Medical	
	PERS DCR	TRS DCR	PERS DCR	TRS DCR
Experience	1.11%	(0.11%)	24.83%	70.05%
Current Assumption	none	none	none	none
Proposed Assumption	1.10%	0.00%	24.80%	70.00%

Rehire Load for DCR Plans Option #2 (Active Liability)	Occupational Death & Disability		Retiree Medical	
	PERS DCR	TRS DCR	PERS DCR	TRS DCR
Experience	0.71%	(5.18%)	2.06%	4.46%
Current Assumption	none	none	none	none
Proposed Assumption	0.70%	0.00%	2.10%	4.50%

¹ There was no experience indicating TRS members who died from occupational causes.

1 Demographic Assumptions

Part-Time Service

Some PERS and TRS members are employed part-time, as indicated in the data provided to us for the annual valuations. Members earn a portion of a year of service for their part-time employment. An assumption is made regarding the amount of service these members will earn during each year in the future. We reviewed members who were part-time to analyze this assumption. The table below summarizes the experience for the 4-year period ending June 30, 2025, as well as the current and proposed assumptions.

	PERS Peace/Fire	PERS Others	TRS
Experience (years)	n/a ¹	0.70	0.81
Current Assumption (years)	1.00	0.75	0.75
Proposed Assumption (years)	1.00	0.75	0.75

Unused Sick Leave (TRS only)

TRS members receive service credit for unused sick leave when they retire. An assumption is made to determine the expected amount of credit received by members when they retire. The current assumption is that a TRS member will receive 5.25 days for each year of service. The experience for the 4-year period ending June 30, 2025 was 5.60 days. We propose changing this assumption from 5.25 days to 5.50 days.

Contribution Refunds

Vested members who terminate prior to being eligible for retirement have the option of withdrawing their contributions with interest or leaving their money in the System and receiving a deferred retirement annuity benefit. The table below summarizes the experience for the 4-year period ending June 30, 2025, as well as the current and proposed assumptions for the percentage of vested members who will withdraw their contributions at termination.

	PERS Peace/Fire	PERS Others	TRS
Experience	4%	2%	0%
Current Assumption	5%	5%	0%
Proposed Assumption	5%	5%	0%

For non-vested members, 100% are assumed to withdraw their contributions at termination.

Lump Sum Elections (NGNMRS only)

NGNMRS members can elect to receive their retirement benefits in the form of an annuity or as a lump sum. The table below summarizes the lump-sum election experience for the 4-year period ending June 30, 2025, as well as the current and proposed assumptions.

	Actives	Terminated Vested
Experience	56%	44%
Current Assumption	50%	50%
Proposed Assumption	50%	50%

¹ There are no PERS Peace/Fire members in the data who are classified as part-time.

1 Demographic Assumptions

Alaska Residency Cost-of-Living Adjustments (COLA)

Eligible benefit recipients who reside in Alaska receive an additional COLA benefit equal to 10% of their base benefit. An assumption is made regarding how many members will remain in Alaska after retirement. The table below summarizes the experience for the 4-year period ending June 30, 2025, as well as the current and proposed assumptions.

	PERS Peace/Fire	PERS Others	TRS
Experience	58%	63%	58%
Current Assumption	60%	65%	60%
Proposed Assumption	60%	65%	60%

Spouse Age Difference

The age difference between husbands and wives is used in conjunction with the dependent spouse assumptions to value death benefits, expected optional form of payment elections, and postretirement healthcare benefits. The table below summarizes the experience for the 4-year period ending June 30, 2025, as well as the current and proposed assumptions.

	PERS Peace/Fire	PERS Others	TRS	DCR Plans	JRS
Male Member Older than Wife (years)					
Experience	2.6	3.1	3.6	(0.3)	3.7
Current Assumption	3.0	3.0	3.0	3.0	4.0
Proposed Assumption	3.0	3.0	4.0	2.0	4.0
Female Member Younger than Husband (years)					
Experience	(0.1)	2.0	1.9	2.4	1.6
Current Assumption	2.0	2.0	2.0	2.0	4.0
Proposed Assumption	1.0	2.0	2.0	2.0	3.0

Percent Married for Pension

This assumption is used to estimate the death benefits payable to a spouse upon the death of an active or deferred vested member in the pension valuation. There was insufficient experience to analyze this assumption, so we proposed no changes to the current assumption.

1 Demographic Assumptions

Dependent Spouse Medical Coverage Election

This assumption is used to determine the expected number of spouses who are eligible to elect participation in the postretirement healthcare valuation. This assumption also includes an allowance for future covered children. The tables below summarize the experience for the 4-year period ending June 30, 2025, as well as the current and proposed assumptions.

	PERS Peace/Fire		PERS Others		TRS		JRS	
	Male	Female	Male	Female	Male	Female	Male	Female
Experience	79%	53%	67%	51%	66%	55%	63%	52%
Current Assumption	75%	50%	60%	50%	60%	50%	80%	60%
Proposed Assumption	80%	55%	65%	50%	65%	55%	70%	55%

	PERS DCR Peace/Fire		PERS DCR Others		TRS DCR	
	Male	Female	Male	Female	Male	Female
Experience	57%	0%	35%	29%	33%	46%
Current Assumption	75%	50%	60%	50%	60%	50%
Proposed Assumption	60%	40%	50%	40%	50%	40%

Dependent Children

Healthcare benefits are valued only for members who are currently covering dependent children. Coverage for dependent children is currently assumed through age 23 (unless disabled, in which case coverage is assumed throughout the disabled child's life). The dependent spouse medical coverage election assumptions shown above include an allowance for future covered children.

Medicare Part B Only

This assumption is used to project the likelihood that members will not be eligible for Medicare Part A benefits. The current assumption is 2% of actives hired before April 1, 1986 and current retirees who are not yet Medicare eligible will not be eligible for Medicare Part A. The experience for the 4-year period ending June 30, 2025 was 3%. We propose changing this assumption from 2% to 3%.

1 Demographic Assumptions

Healthcare Participation

This assumption is used to project the likelihood that active members will elect to receive healthcare benefits upon retirement. The tables below summarize the experience for the 4-year period ending June 30, 2025, as well as the current and proposed assumptions.

DB Plans	PERS Peace/Fire			PERS Others			TRS		
	System Paid	Non-System Paid	Deferred Retiree	System Paid	Non-System Paid	Deferred Retiree	System Paid	Non-System Paid	Deferred Retiree
Experience ¹	99%	31%	86%	98%	22%	96%	98%	32%	101%
Current Assumption	100%	20%	100%	100%	25%	100%	100%	20%	100%
Proposed Assumption	100%	30%	85%	100%	20%	95%	100%	30%	100%

DCR Plans (age 65+)	Years of Service				
	< 15	15 - 19	20 - 24	25 - 29	30+
Experience	70%	56%	n/a	n/a	n/a
Current Assumption	75%	80%	85%	90%	95%
Proposed Assumption	70%	75%	85%	90%	95%

Healthcare Base Claims Cost Adjustments

This assumption is applied to the per capita claims cost rates developed for the DB plans to account for higher initial copays, deductibles, out-of-pocket limits, and member cost sharing in the DCR plans. The healthcare base claims cost adjustments are summarized in the table below.

	Pre-Medicare Medical	Medicare Medical	Prescription Drugs
Current Assumption	0.956	0.674	0.911
Proposed Assumption	0.961	0.731	0.933

Healthcare Cost Ratio for Those with Part B Only to Those with Parts A&B

The cost ratio for those with Medicare Part B only to those with Medicare Parts A&B are summarized in the table below.

	Cost Ratio
Current Assumption	3.30
Proposed Assumption	2.91

¹ Deferred Retiree experience includes members participating after the first year that they are eligible for System-Paid benefits, but the assumption is only applied in the first year. This allows TRS to have more than 100% actual experience in the experience period.

1 Demographic Assumptions

Healthcare Morbidity

Morbidity rates (also called aging factors) are used to estimate utilization of healthcare benefits at each age to reflect the fact that healthcare utilization typically increases with age. Separate morbidity rates are used for medical and prescription drug benefits. The current and proposed morbidity factors are summarized in the table below.

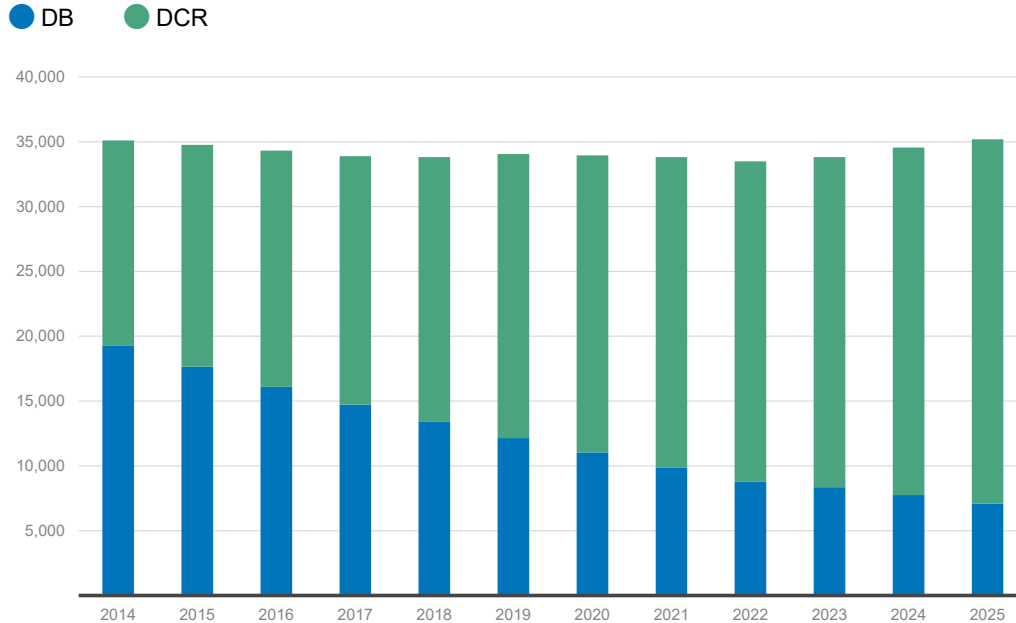
Age	Current		Proposed	
	Medical	Rx	Medical	Rx
< 45	2.0%	4.5%	1.5%	2.5%
45 - 54	2.5%	3.5%	2.0%	2.0%
55 - 64	2.5%	1.0%	3.5%	1.0%
65 - 74	2.0%	2.1%	1.0%	2.3%
75 - 84	2.2%	(0.3%)	2.0%	0.0%
85 - 94	0.5%	(2.5%)	1.0%	(1.5%)
95+	0.0%	0.0%	0.0%	0.0%

1 Demographic Assumptions

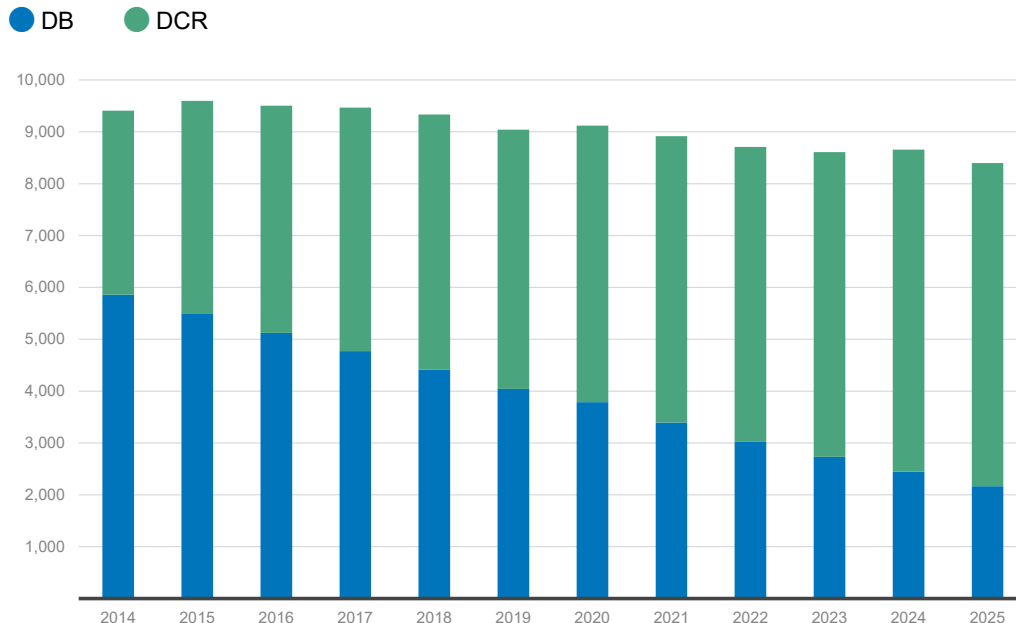
Active Population Growth

The graphs below show the number of DB and DCR active members for fiscal years 2014-2025.

PERS and PERS DCR



TRS and TRS DCR



The average percentage increase/(decrease) in the total number of active members (DB and DCR) during the last 4 fiscal years (2022-2025) was 1.01% for PERS and (1.48%) for TRS. The current active population growth assumption used for the PERS and TRS projections is 0%. We proposed no change to this assumption.

2 Economic Assumptions

For the proposed inflation rate and investment returns, we have used economic information provided by Gallagher's Investments Practice.

Gallagher's capital market assumptions provide relevant expected returns, standard deviations, and correlations. Projected returns are then developed for the portfolio using a third-party economic scenario generator. This sophisticated model uses a multifactor approach to create internally consistent, realistic economic scenarios for all asset classes that reflect the current economic environment as a starting point. Equity returns include stochastic volatility with jumps to reflect extreme, infrequent events. However, such scenarios do not typically impact the 5th through 95th percentiles of projected returns. Corporate bond yields are generated by adding credit spreads to the corresponding zero-coupon Treasury yields. The credit spreads are driven by several factors, including equity returns, and also contain a shock process to allow the model to generate such scenarios as the 2008 Financial Crisis. However, we do not model specific risks such as war, pandemics, political risks, severe economic dislocations occurring with greater frequency or severity than predicted by the model, or the risk that relationships among macroeconomic variables may differ from those of the past. From these scenarios, a probabilistic model of expected returns is created, reflecting the duration of investment and the approximate allocation of assets in the portfolio to various asset classes. Under current calibrations, our model will tend to show a greater divergence between arithmetic and geometric average returns at higher standard deviations of portfolio return.

2.1 Inflation

Inflation is a core component of several of the economic assumptions, including the investment return, salary increases, payroll growth rate, and healthcare trend rates.

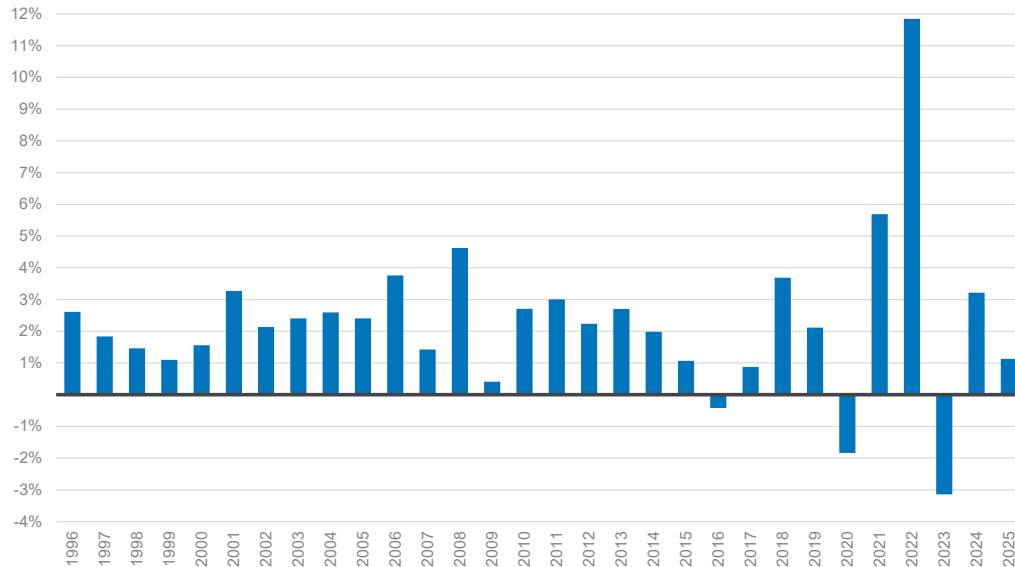
The table below shows the geometric averages of the inflation rates measured by the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) over various periods. The table shows national inflation rates and inflation rates specific to urban Alaska (Anchorage). CPI-W for Urban Alaska (Anchorage) is used to determine the Postretirement Pension Adjustments (PRPAs) increases for pensioners in PERS and TRS. Over the long term, these increases have been about 25 basis points lower than the national increases.

Period	Average CPI-W Increases	
	National	Urban Alaska (Anchorage)
10 Years Ending June 30, 2025	3.06%	2.24%
20 Years Ending June 30, 2025	2.57%	2.31%
30 Years Ending June 30, 2025	2.52%	2.25%

2 Economic Assumptions

The graph below shows the historical inflation rates for CPI-W for Urban Alaska (Anchorage) over the past 30 fiscal years.

Historical CPI-W for Urban Alaska (Anchorage)



Our model produced the following expected geometric inflation rates based on Gallagher's 2025 Q3 capital market assumptions:

- 10-year 2.48%
- 20-year 2.40%
- 30-year 2.32%

Based on the results from our model, we propose maintaining the 2.50% inflation rate for the 2026-2029 valuations¹. The current and proposed inflation rates are summarized in Appendix A.

¹ The Board may want to adopt a slightly lower inflation assumption, for example 2.25%, solely for purposes of valuing the Postretirement Pension Adjustments (PRPAs).

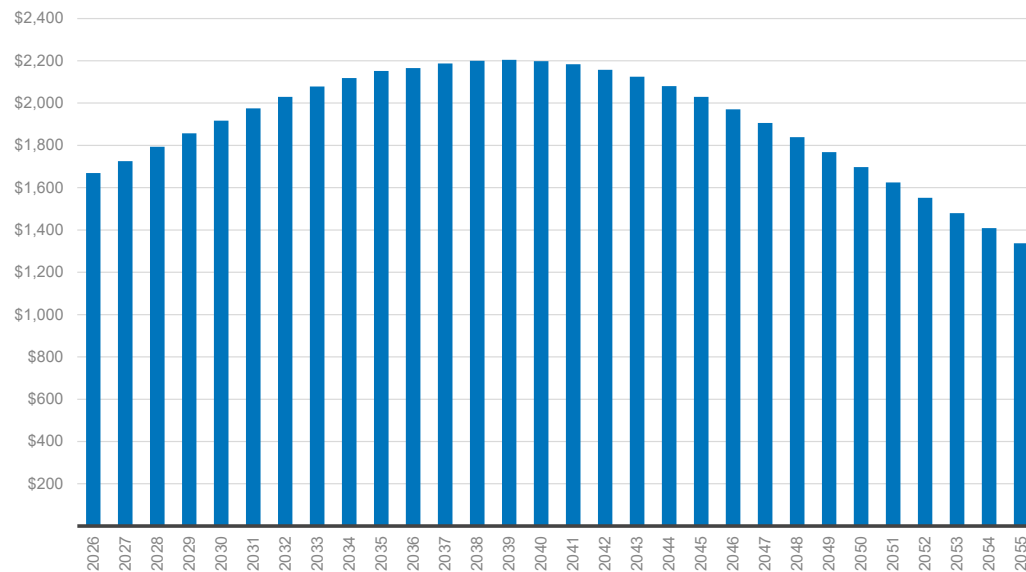
2 Economic Assumptions

2.2 Investment Returns

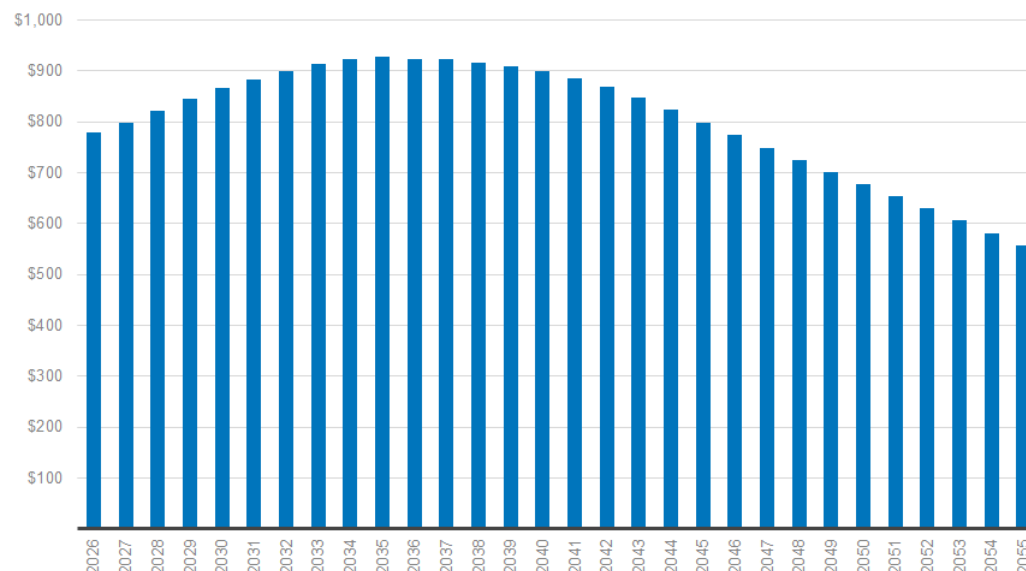
The investment return assumption is used to discount the projected benefits expected to be paid from each System. This assumption has the largest impact on each System's liability and contribution rates. In setting this assumption, we consider recent history but also recognize that the last few years of returns may not be the best predictor of long-term expectations.

Although PERS and TRS were closed to new entrants in 2006, the total projected pension and healthcare benefits are significant for many years to come. The graphs below show the projected benefits expected to be paid over the next 30 fiscal years based on the June 30, 2025 valuation projections. We believe a 20-year or 30-year time horizon is appropriate when evaluating the long-term investment return assumption.

PERS – 30-Year Projection of Pension and Healthcare Benefits (\$ millions)



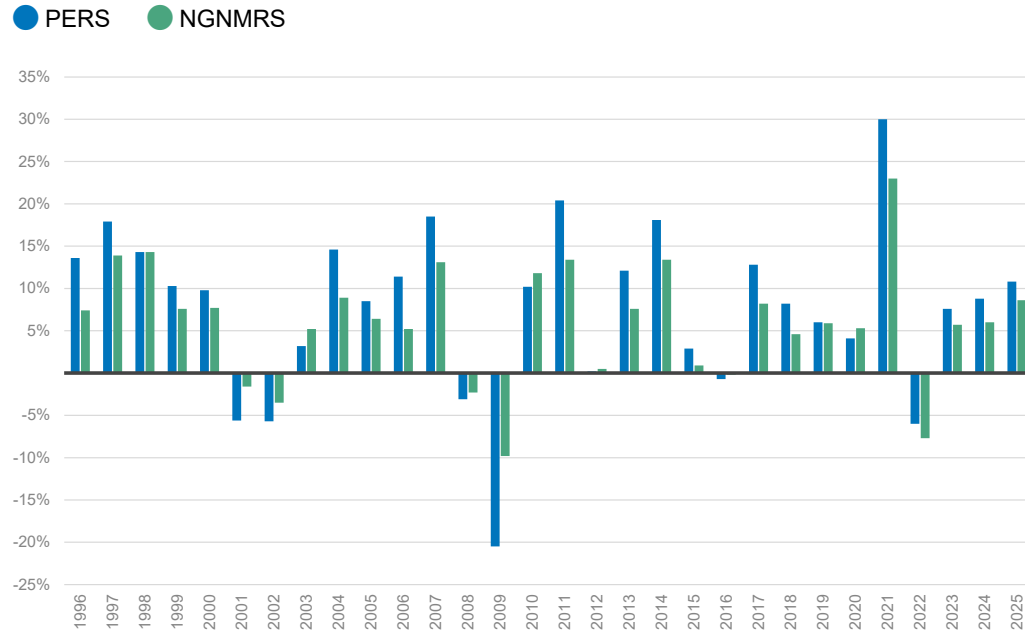
TRS – 30-Year Projection of Pension and Healthcare Benefits (\$ millions)



2 Economic Assumptions

The graph below shows the historical market rates of return over the past 30 fiscal years for PERS and NGNMRS. The rates of return for TRS and JRS were equal to or very close to the rates of return for PERS.

Historical Market Rates of Return



Our analysis reflects the FY26 target asset allocations adopted by the Board in June 2025:

Asset Class	PERS/TRS/JRS	NGNMRS
Broad Domestic Equity	25.0%	12.0%
Global Equity (non-US)	17.0%	9.0%
Global Equity	3.6%	3.6%
Aggregate Bonds	25.2%	57.5%
Direct Real Estate	9.8%	4.9%
REITs	1.4%	0.7%
Infrastructure	2.8%	1.4%
Private Equity	14.0%	8.0%
Cash Equivalents	<u>1.2%</u>	<u>2.9%</u>
Total	100.0%	100.0%

2 Economic Assumptions

We projected expected future investment returns under two methods:

- **Geometric** – Geometric nominal and real rates of return were projected for the next 30 years. Returns beyond 30 years are assumed to be the same as the average return for year 30.
- **Building Block** – Arithmetic real returns by asset class are deconstructed into relevant components. The values for each component (e.g., inflation, risk-free return, and various equity and other risk premiums) are determined based on various factors, including GDP growth rates, historical values, risk premiums implied by current market conditions, and current consensus estimates, taking into account investment horizon. Expected inflation is added to real returns to develop nominal returns.

The table below shows the results of our geometric analysis based on Gallagher's 2025 Q3 capital market assumptions. The 65th and 35th percentiles are the endpoints we use to assess the reasonableness of the investment return assumption.

The geometric returns shown below are net of an investment expense assumption of 12 basis points, which was provided by the State's Department of Revenue.

	PERS/TRS/JRS			NGNMRS		
	10-Year	20-Year	30-Year	10-Year	20-Year	30-Year
Geometric Returns						
Inflation Rate	2.48%	2.40%	2.32%	2.48%	2.40%	2.32%
Real Rate of Return	<u>4.28%</u>	<u>4.68%</u>	<u>4.89%</u>	<u>3.34%</u>	<u>3.63%</u>	<u>3.80%</u>
Nominal Rate of Return	6.76%	7.08%	7.21%	5.82%	6.03%	6.12%
Nominal Rate of Return, net of Investment Expenses						
Expected Value	6.64%	6.96%	7.09%	5.70%	5.91%	6.00%
65 th Percentile	8.21%	8.11%	8.05%	6.57%	6.53%	6.53%
35 th percentile	5.39%	5.95%	6.27%	4.95%	5.37%	5.48%

The table below shows the results of the Building Block method based on Gallagher's 2024 Q4 capital market assumptions. The Building Block method results were not presented to the Actuarial Committee based on Gallagher's 2025 Q3 capital market assumptions.

	PERS/TRS/JRS			NGNMRS		
	10-Year	20-Year	30-Year	10-Year	20-Year	30-Year
Building Block (Arithmetic Returns)						
Inflation Rate	2.46%	2.51%	2.47%	2.46%	2.51%	2.47%
Real Rate of Return	<u>5.07%</u>	<u>5.25%</u>	<u>5.43%</u>	<u>3.81%</u>	<u>3.87%</u>	<u>4.01%</u>
Nominal Rate of Return	7.53%	7.76%	7.90%	6.27%	6.38%	6.48%
Investment Expenses	<u>(0.12%)</u>	<u>(0.12%)</u>	<u>(0.12%)</u>	<u>(0.12%)</u>	<u>(0.12%)</u>	<u>(0.12%)</u>
Nominal Rate of Return, net of Investment Expenses	7.41%	7.64%	7.78%	6.15%	6.26%	6.36%

We propose (i) maintaining the current 7.25% investment return assumption or lowering it to 7.00% for PERS/TRS/JRS, and (ii) maintaining the current 5.75% investment return assumption for NGNMRS. The current and proposed investment return assumptions are summarized in Appendix A.

2 Economic Assumptions

2.3 Individual Salary Increases

The salary increase assumption is used to project each active member's pay from the current amount until the member's expected retirement date.

We reviewed the salary increases that active members in PERS and TRS received during the 4-year period ending June 30, 2025. The average annual salary increases, as well as the expected and proposed salary increases, are summarized in the table below.

	FY 2022	FY 2023	FY 2024	FY 2025	4-Year Average
PERS and PERS DCR – Peace/Fire					
Actual	8.27%	9.58%	11.60%	6.83%	9.03%
Expected	5.46%	5.50%	5.50%	5.54%	5.50%
Proposed	6.31%	6.38%	6.35%	6.38%	6.37%
PERS and PERS DCR – Others					
Actual	5.49%	7.77%	8.50%	8.44%	7.61%
Expected	4.16%	4.18%	4.21%	4.24%	4.20%
Proposed	5.47%	5.50%	5.55%	5.59%	5.50%
TRS and TRS DCR					
Actual	5.99%	3.56%	5.68%	6.79%	5.52%
Expected	4.13%	4.14%	4.20%	4.25%	4.18%
Proposed	4.94%	4.97%	5.05%	5.11%	4.92%

The current and proposed salary increase rates are shown in Appendix B.

2 Economic Assumptions

2.4 Payroll Growth Rates

To calculate the contribution rates for PERS and TRS, the Unfunded Actuarial Accrued Liability is amortized on a level percent of pay basis using total DB and DCR payroll. Because pay is expected to increase, an assumption is made for the rate at which total payroll is expected to increase.

The tables below show the increases in total payroll for active members (DB and DCR) during the 4-year period ending June 30, 2025.

PERS and PERS DCR (\$ in thousands)

Fiscal Year	Total Payroll	Percent Increase
2021	\$ 2,406,757	n/a
2022	\$ 2,442,007	1.46%
2023	\$ 2,588,883	6.01%
2024	\$ 2,800,537	8.18%
2025	\$ 2,974,776	6.22%

TRS and TRS DCR (\$ in thousands)

Fiscal Year	Total Payroll	Percent Increase
2021	\$ 750,334	n/a
2022	\$ 758,938	1.15%
2023	\$ 754,274	(0.61%)
2024	\$ 779,350	3.32%
2025	\$ 792,816	1.73%

Effective June 30, 2025, the Board adopted new payroll growth rates of 2.00% for PERS, 1.00% for TRS, and 1.50% for JRS based on a 10-year history of actual payroll growth through June 30, 2024. We propose no changes to these new assumptions.

2 Economic Assumptions

2.5 Healthcare Cost Trend Rates

The healthcare cost trend rates are used to project the baseline per capita costs into the future. Separate trend rates are used for each major healthcare benefit category (medical, prescription drugs, and EGWP).

The healthcare cost trend rates are reviewed annually as part of the actuarial valuation process. We have also reviewed them as part of the experience study since the inflation rate and other related assumptions are being evaluated.

We have used the Getzen model, developed by the Society of Actuaries, to set the healthcare cost trend rates for the Systems since 2012.

In evaluating the healthcare cost trend rates, we considered:

- Alaska plan experience
- Gallagher 2025 National Health Care Trend Survey
- Segal 2025 Health Plan Cost Trend Survey
- Trend assumptions for other state retirement systems
- Federal Open Market Committee June 2025 forecast of real GDP growth
- Congressional Budget Office July 2025 forecast of real GDP growth
- Callan June 2025 Board meeting 10-year projection of real GDP growth

The current and proposed healthcare cost trend rates are shown in Appendix C.

3 Actuarial Methods

3.1 Actuarial Cost Method

Liabilities and contributions are currently determined using the Entry Age Normal Actuarial Cost Method, level percent of pay basis.

We propose no changes to the actuarial cost method.

3.2 Asset Valuation Methods

The current asset valuation methods recognize 20% of the investment gain or loss each year, for a period of five years. For the DCR plans, JRS, and NGNMRS, the valuation assets are constrained to a range of 80% to 120% of the fair value of assets.

We propose no changes to the asset valuation methods.

3.3 Amortization Methods

For PERS and TRS:

- Effective June 30, 2018, the Board adopted a 25-year layered Unfunded Actuarial Accrued Liability (UAAL) amortization method. Layer #1 equals the sum of (i) the UAAL at June 30, 2018 based on the 2017 valuation, plus (ii) the FY18 experience gain/loss. Layer #1 is amortized over the remainder of the 25-year closed period that was originally established in 2014. Layer #2 equals the change in UAAL at June 30, 2018 due to the experience study and EGWP implementation. Layer #2 is amortized over a separate closed 25-year period starting in 2018. Post-2018 layers are created each year based on the difference between the actual and expected UAAL occurring that year and are amortized over separate closed 25-year periods. The amortizations continue to be on a level percent of pay basis.
- Effective June 30, 2025, the Board modified the 25-year layered UAAL amortization method to reduce the initial amortization period from 25 years to 15 years for all layers, except for Layer #1 which was unchanged.

For JRS:

- In September 2025, the Board adopted a 15-year fresh start approach for the amortization method effective June 30, 2024. The UAAL as of June 30, 2024 was amortized over a 15-year closed period. Future layers are created each year based on the difference between actual and expected UAAL occurring that year and are amortized over separate closed 15-year periods. The amortizations continue to be on a level percent of pay basis.
- In December 2025, the Board adopted Resolution 2025-23 that recommended a new funding policy effective June 30, 2025:
 - If the funded ratio, determined separately for pension and healthcare, is less than 100% on an actuarial value of assets basis, the total contribution rate equals the normal cost rate plus the total amortization rate determined in accordance with the amortization method used for FY27 contribution rates, but not less than the normal cost rate.
 - If the funded ratio, determined separately for pension and healthcare, is at least 100% and less than 125% on an actuarial value of assets basis, all outstanding amortization bases (layers) are eliminated, in which case the amortization rate equals zero and the total contribution rate equals the normal cost rate.

3 Actuarial Methods

- If the funded ratio, determined separately for pension and healthcare, is at least 125% on an actuarial value of assets basis, the total contribution rate equals the normal cost rate offset by a 100-year amortization of the funding surplus.
- The amortizations continue to be on a level percent of pay basis.
- Total contribution rates are not less than zero.

For the DCR plans, each year's difference between the actual and expected UAAL is amortized over a separate closed 25-year period on a level percent of pay basis.

For NGNMRS, the UAAL is amortized over 20 years less the average total military service of active members on a level dollar basis.

We propose no changes to the amortization methods.

Appendix: Current and Proposed Assumptions¹

A. Inflation, Investment Returns, and Payroll Growth Rates

Current	PERS	TRS	JRS	NGNMRS
Inflation Rate	2.50%	2.50%	2.50%	2.50%
Real Rate of Return	<u>4.75%</u>	<u>4.75%</u>	<u>4.75%</u>	<u>3.25%</u>
Nominal Rate of Return	7.25%	7.25%	7.25%	5.75%
Payroll Growth Rate	2.00%	1.00%	1.50%	n/a

Proposed #1	PERS	TRS	JRS	NGNMRS
Inflation Rate*	2.50%	2.50%	2.50%	2.50%
Real Rate of Return	<u>4.75%</u>	<u>4.75%</u>	<u>4.75%</u>	<u>3.25%</u>
Nominal Rate of Return	7.25%	7.25%	7.25%	5.75%
Payroll Growth Rate	2.00%	1.00%	1.50%	n/a

Proposed #2	PERS	TRS	JRS	NGNMRS
Inflation Rate*	2.50%	2.50%	2.50%	2.50%
Real Rate of Return	<u>4.50%</u>	<u>4.50%</u>	<u>4.50%</u>	<u>3.25%</u>
Nominal Rate of Return	7.00%	7.00%	7.00%	5.75%
Payroll Growth Rate	2.00%	1.00%	1.50%	n/a

* The Board may want to adopt a slightly lower inflation assumption, for example 2.25%, solely for purposes of valuing the Postretirement Pension Adjustments (PRPAs).

Nominal rates of return are net of investment expenses of 12 basis points, as provided by the State's Department of Revenue.

¹ Certain assumptions are not shown if the proposed assumptions and current assumptions are the same.

Appendix: Current and Proposed Assumptions

B. Salary Increase Rates

PERS and PERS DCR – Peace/Fire

Service	Current	Proposed
< 1	8.50%	9.50%
1	7.75%	8.75%
2	7.25%	8.00%
3	7.00%	7.50%
4	6.75%	7.00%
5	6.25%	6.50%
6	5.75%	6.25%
7	5.50%	6.00%
8	5.25%	5.85%
9	5.05%	5.75%
10	4.95%	5.65%
11	4.85%	5.50%
12	4.75%	5.50%
13	4.65%	5.50%
14	4.55%	5.50%
15	4.45%	5.50%
16	4.35%	5.25%
17	4.25%	5.25%
18	4.05%	5.25%
19	4.05%	5.25%
20+	3.85%	5.25%

PERS and PERS DCR – Others

Service	Current	Proposed
< 1	6.75%	9.00%
1	6.00%	7.25%
2	5.50%	6.75%
3	5.00%	6.25%
4	4.75%	6.00%
5	4.25%	5.80%
6	4.05%	5.55%
7	3.95%	5.30%
8	3.75%	5.05%
9	3.55%	4.90%
10	3.45%	4.75%
11	3.25%	4.55%
12	3.10%	4.30%
13	3.05%	4.15%
14	3.00%	4.00%
15	2.95%	3.95%
16	2.90%	3.90%
17	2.85%	3.85%
18	2.85%	3.80%
19	2.85%	3.75%
20+	2.85%	3.70%

Appendix: Current and Proposed Assumptions

B. Salary Increase Rates (continued)

TRS

Service	Current	Proposed
< 1	7.00%	8.50%
1	6.50%	7.00%
2	6.00%	6.50%
3	5.75%	6.25%
4	5.50%	6.00%
5	5.25%	5.75%
6	5.00%	5.50%
7	4.75%	5.25%
8	4.50%	5.10%
9	4.25%	4.95%
10	4.00%	4.85%
11	3.75%	4.70%
12	3.50%	4.55%
13	3.45%	4.40%
14	3.35%	4.25%
15	3.25%	4.10%
16	3.15%	3.95%
17	3.05%	3.80%
18	3.00%	3.65%
19	2.95%	3.50%
20+	2.85%	3.25%

TRS DCR

Service	Current	Proposed
< 1	7.25%	8.50%
1	6.75%	7.00%
2	6.25%	6.50%
3	5.75%	6.25%
4	5.25%	6.00%
5	5.00%	5.75%
6	4.75%	5.50%
7	4.50%	5.25%
8	4.25%	5.10%
9	4.00%	4.95%
10	3.75%	4.85%
11	3.50%	4.70%
12	3.25%	4.55%
13	3.05%	4.40%
14	3.00%	4.25%
15	2.95%	4.10%
16	2.90%	3.95%
17	2.85%	3.80%
18	2.85%	3.65%
19	2.85%	3.50%
20+	2.85%	3.25%

Appendix: Current and Proposed Assumptions

C. Healthcare Trend Rates

Fiscal Year	Current			Proposed		
	Medical Pre-65	Medical Post-65	Rx and EGWP	Medical Pre-65	Medical Post-65	Rx and EGWP
2025	6.40%	5.40%	8.80%	n/a	n/a	n/a
2026	6.20%	5.40%	8.50%	6.20%	5.40%	8.50%
2027	6.05%	5.35%	8.20%	7.00%	6.00%	11.00%
2028	5.85%	5.35%	7.90%	6.90%	5.90%	10.90%
2029	5.65%	5.30%	7.45%	6.60%	5.75%	9.95%
2030	5.45%	5.30%	7.05%	6.30%	5.65%	9.00%
2031	5.30%	5.30%	6.60%	6.00%	5.50%	8.00%
2032	5.30%	5.30%	6.15%	5.70%	5.40%	7.05%
2033	5.30%	5.30%	5.70%	5.40%	5.25%	6.10%
2034	5.30%	5.30%	5.30%	5.15%	5.15%	5.15%
2035	5.30%	5.30%	5.30%	4.95%	4.95%	4.95%
2036	5.30%	5.30%	5.30%	4.95%	4.95%	4.95%
2037	5.30%	5.30%	5.30%	4.90%	4.90%	4.90%
2038	5.30%	5.30%	5.30%	4.90%	4.90%	4.90%
2039	5.25%	5.25%	5.30%	4.90%	4.90%	4.90%
2040	5.20%	5.20%	5.30%	4.90%	4.90%	4.90%
2041	5.10%	5.10%	5.20%	4.90%	4.90%	4.90%
2042	5.05%	5.05%	5.10%	4.90%	4.90%	4.90%
2043	4.95%	4.95%	5.00%	4.85%	4.85%	4.85%
2044	4.90%	4.90%	4.90%	4.80%	4.80%	4.80%
2045	4.80%	4.80%	4.85%	4.75%	4.75%	4.75%
2046	4.75%	4.75%	4.75%	4.70%	4.70%	4.70%
2047	4.70%	4.70%	4.70%	4.65%	4.65%	4.65%
2048	4.60%	4.60%	4.65%	4.60%	4.60%	4.60%
2049	4.55%	4.55%	4.55%	4.55%	4.55%	4.55%
2050+	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%

Appendix: Current and Proposed Assumptions

D. Termination Rates

PERS – Peace/Fire: Ultimate Rates after First 5 Years

Age	Current		Proposed	
	Male	Female	Male	Female
< 30	2.40%	5.80%	2.40%	5.80%
30 - 34	2.00%	5.10%	2.00%	5.10%
35 - 39	1.60%	3.00%	1.60%	3.00%
40 - 44	1.30%	3.00%	1.90%	2.50%
45 - 49	1.50%	2.90%	2.10%	3.00%
50 - 54	3.00%	5.00%	3.00%	5.00%
55+	2.25%	1.80%	3.00%	5.00%

PERS – Others: Ultimate Rates after First 5 Years

Age	Current		Proposed	
	Male	Female	Male	Female
< 30	7.80%	8.20%	7.80%	8.20%
30 - 34	7.00%	7.10%	7.00%	7.10%
35 - 39	5.70%	5.50%	5.00%	5.80%
40 - 44	4.50%	5.20%	4.50%	4.60%
45 - 49	4.20%	4.40%	3.60%	4.00%
50 - 54	3.60%	4.70%	3.60%	4.90%
55+	2.90%	4.90%	3.60%	4.90%

TRS: Ultimate Rates after First 8 Years

Age	Current		Proposed	
	Male	Female	Male	Female
< 30	3.60%	4.60%	3.60%	4.60%
30 - 34	3.60%	5.40%	3.60%	5.40%
35 - 39	3.60%	3.90%	3.60%	3.90%
40 - 44	3.10%	2.60%	3.70%	3.20%
45 - 49	3.10%	2.60%	3.70%	3.20%
50 - 54	4.60%	4.80%	6.80%	6.20%
55+	2.80%	4.80%	6.80%	6.20%

Appendix: Current and Proposed Assumptions

D. Termination Rates (continued)

PERS DCR – Peace/Fire

Select Rates during First 5 Years

Service	Current		Proposed	
	Male	Female	Male	Female
< 1	17.00%	27.00%	19.00%	28.00%
1	12.00%	21.00%	12.00%	20.00%
2	11.00%	15.00%	11.00%	13.00%
3	11.00%	13.00%	11.00%	11.00%
4	10.00%	9.00%	11.00%	11.00%

Ultimate Rates after First 5 Years

Age	Current		Proposed	
	Male	Female	Male	Female
< 30	6.60%	10.20%	7.90%	15.40%
30 - 34	6.80%	10.00%	7.80%	9.60%
35 - 39	6.70%	9.90%	6.30%	9.40%
40 - 44	6.50%	9.50%	6.40%	9.50%
45 - 49	6.50%	9.30%	6.80%	9.50%
50 - 54	8.50%	9.10%	7.70%	9.30%
55 - 59	9.80%	9.60%	9.90%	9.30%
60 - 64	12.50%	10.30%	13.40%	10.30%
65+	19.20%	10.70%	13.40%	10.30%

Appendix: Current and Proposed Assumptions

D. Termination Rates (continued)

PERS DCR – Others

Select Rates during First 5 Years

Service	Current		Proposed	
	Male	Female	Male	Female
< 1	28.00%	29.00%	29.00%	30.00%
1	20.00%	24.00%	22.00%	25.00%
2	16.00%	19.00%	17.00%	20.00%
3	14.00%	16.00%	15.00%	17.00%
4	12.00%	14.00%	13.00%	14.00%

Ultimate Rates after First 5 Years

Age	Current		Proposed	
	Male	Female	Male	Female
< 30	13.70%	15.80%	14.30%	15.50%
30 - 34	12.20%	11.20%	11.90%	11.50%
35 - 39	9.70%	10.20%	9.50%	10.40%
40 - 44	8.50%	10.60%	9.10%	10.40%
45 - 49	8.90%	8.90%	9.10%	9.30%
50 - 54	8.40%	8.70%	8.40%	9.30%
55 - 59	8.70%	9.50%	8.70%	10.30%
60 - 64	10.10%	11.80%	11.50%	11.90%
65+	11.20%	15.70%	15.00%	20.60%

Appendix: Current and Proposed Assumptions

D. Termination Rates (continued)

TRS DCR

Select Rates during First 6 Years

Service	Current		Proposed	
	Male	Female	Male	Female
< 1	28.00%	31.00%	25.00%	26.00%
1	28.00%	21.00%	25.00%	21.00%
2	19.00%	18.00%	20.00%	19.00%
3	17.00%	13.00%	16.00%	16.00%
4	13.00%	13.00%	15.00%	14.00%
5	13.00%	10.00%	14.00%	13.00%

Ultimate Rates after First 6 Years

Age	Current		Proposed	
	Male	Female	Male	Female
< 30	10.50%	8.70%	11.30%	9.80%
30 - 34	10.50%	8.70%	12.30%	10.40%
35 - 39	10.40%	8.60%	9.40%	9.40%
40 - 44	10.30%	8.60%	9.40%	8.20%
45 - 49	10.00%	8.40%	10.30%	8.60%
50 - 54	9.50%	8.10%	10.30%	8.60%
55 - 59	8.80%	7.90%	11.40%	10.80%
60 - 64	9.30%	8.70%	17.50%	12.10%
65+	10.90%	7.40%	17.50%	12.10%

Appendix: Current and Proposed Assumptions

E. Retirement Rates

PERS – Peace/Fire

Reduced Retirement

Age	Current		Proposed	
	Male	Female	Male	Female
50	5.00%	5.00%	6.90%	7.20%
51	5.00%	5.00%	6.90%	7.20%
52	7.00%	7.00%	6.90%	7.20%
53	7.00%	7.00%	6.90%	7.20%
54	7.00%	7.00%	6.90%	7.20%
55	7.50%	7.50%	6.90%	7.20%
56	7.50%	7.50%	6.90%	7.20%
57	7.50%	7.50%	6.90%	7.20%
58	7.50%	7.50%	6.90%	7.20%
59	20.00%	20.00%	17.00%	18.00%

Unreduced Retirement

Age	Current		Proposed	
	Male	Female	Male	Female
< 47	9.00%	7.50%	7.70%	9.20%
47 - 49	13.00%	18.50%	14.00%	16.00%
50 - 54	20.00%	21.00%	18.50%	21.50%*
55 - 59	29.00%	20.00%	26.00%	27.00%
60 - 64	29.00%	31.50%	33.50%	27.00%
65 - 69	45.00%	45.00%	36.50%	45.00%
70+	100.00%	100.00%	100.00%	100.00%

* 30.00% at age 50

Appendix: Current and Proposed Assumptions

E. Retirement Rates (continued)

PERS – Others

Reduced Retirement

Age	Current		Proposed	
	Male	Female	Male	Female
50	7.00%	8.50%	7.00%	8.50%
51	7.00%	8.50%	7.00%	8.50%
52	11.00%	8.50%	11.00%	8.50%
53	11.00%	8.50%	11.00%	8.50%
54	24.00%	16.50%	24.00%	16.50%
55	7.00%	6.50%	7.20%	6.60%
56	7.00%	6.50%	7.20%	6.60%
57	7.00%	6.50%	7.20%	6.60%
58	7.00%	6.50%	7.20%	6.60%
59	18.00%	22.00%	19.50%	20.00%

Unreduced Retirement

Age	Current		Proposed	
	Male	Female	Male	Female
< 50	11.50%	11.50%	11.50%	11.50%
50 - 54	37.50%	40.50%	37.00%	34.00%
55 - 59	25.50%	24.00%	28.00%	25.50%
60 - 64	26.50%	24.50%	26.00%	24.50%
65 - 69	30.50%	28.50%	28.50%	27.50%
70 - 74	27.50%	27.50%	23.50%	25.50%
75 - 79	50.00%	50.00%	50.00%	50.00%
80+	100.00%	100.00%	100.00%	100.00%

Appendix: Current and Proposed Assumptions

E. Retirement Rates (continued)

TRS

Reduced Retirement

Age	Current		Proposed	
	Male	Female	Male	Female
50	5.00%	5.00%	5.00%	5.00%
51	5.00%	5.00%	5.00%	5.00%
52	5.00%	10.00%	5.00%	10.00%
53	5.00%	5.00%	5.00%	5.00%
54	10.00%	5.00%	10.00%	5.00%
55	14.50%	11.00%	12.90%	12.00%
56	9.50%	11.00%	9.60%	12.00%
57	9.50%	11.00%	9.60%	12.00%
58	9.50%	11.00%	9.60%	12.00%
59	9.50%	11.00%	9.60%	12.00%

Unreduced Retirement

Age	Current		Proposed	
	Male	Female	Male	Female
< 45	3.00%	3.00%	3.60%	4.20%
45 - 46	5.50%	7.00%	3.60%	4.20%
47 - 49	5.50%	7.00%	7.20%	7.80%
50 - 54	12.50%	13.00%	14.40%	13.50%
55 - 59	20.00%	17.50%	20.50%	19.80%
60 - 64	19.50%	23.50%	24.00%	25.50%
65 - 69	28.00%	23.50%	25.00%	25.00%
70 - 74	30.00%	36.00%	32.00%	37.00%
75 - 79	50.00%	50.00%	50.00%	50.00%
80+	100.00%	100.00%	100.00%	100.00%

Appendix: Current and Proposed Assumptions

E. Retirement Rates (continued)

PERS DCR – Peace/Fire

Age	Current	Proposed
< 55	2.00%	2.00%
55	3.00%	3.00%
56	3.00%	3.00%
57	3.00%	3.00%
58	3.00%	3.00%
59	3.00%	3.00%
60	5.00%	5.00%
61	5.00%	5.00%
62	10.00%	10.00%
63	5.00%	5.00%
64	5.00%	5.00%
65	25.00%	25.00%
66	25.00%	25.00%
67	25.00%	25.00%
68	20.00%	20.00%
69	20.00%	20.00%
70+	100.00%	100.00%

PERS DCR – Others

Age	Current	Proposed
< 55	2.00%	2.00%
55	3.00%	3.00%
56	3.00%	3.00%
57	3.00%	3.00%
58	3.00%	3.00%
59	3.00%	3.00%
60	5.00%	5.00%
61	5.00%	5.00%
62	10.00%	10.00%
63	5.00%	5.00%
64	5.00%	5.00%
65	25.00%	30.00%
66	25.00%	25.50%
67	25.00%	23.50%
68	20.00%	20.50%
69	20.00%	23.00%
70+	100.00%	100.00%

Appendix: Current and Proposed Assumptions

E. Retirement Rates (continued)

TRS DCR

Age	Current	Proposed
< 55	2.00%	2.00%
55	3.00%	3.00%
56	3.00%	3.00%
57	3.00%	3.00%
58	3.00%	3.00%
59	3.00%	3.00%
60	5.00%	5.00%
61	5.00%	5.00%
62	10.00%	10.00%
63	5.00%	5.00%
64	5.00%	5.00%
65	25.00%	26.00%
66	25.00%	20.50%
67	25.00%	28.50%
68	20.00%	21.50%
69	20.00%	25.00%
70+	100.00%	100.00%

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