State of Alaska Public Employees' Retirement System

Actuarial Valuation Report as of June 30, 2025

Gallagher

Insurance | Risk Management | Consulting

May 8, 2026

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

Certification of Actuarial Valuation

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

This report summarizes the annual actuarial valuation results of the State of Alaska Public Employees' Retirement System (PERS) as of June 30, 2025 performed by Gallagher Benefit Services, Inc. (Gallagher).

The actuarial valuation is based on financial information provided in the financial statements audited by KPMG LLP, member data provided by the Division of Retirement and Benefits, and medical enrollment data provided by the healthcare claims administrator (Aetna), as summarized in this report. The benefits considered are those delineated in Alaska statutes effective June 30, 2025. The actuary did not verify the data submitted, but did perform tests for consistency and reasonableness.

All costs, liabilities, and other factors under PERS were determined in accordance with generally accepted actuarial principles and procedures. An actuarial cost method is used to measure the actuarial liabilities which we believe is reasonable. Gallagher is solely responsible for the actuarial data and actuarial results presented in this report. This report fully and fairly discloses the actuarial position of PERS as of June 30, 2025.

PERS is funded by Employer, State, and Member Contributions in accordance with the funding policy adopted by the Alaska Retirement Management Board (Board) and as required by Alaska state statutes. The calculations of the Employer and State Contributions are reasonable actuarially determined contributions as defined in Actuarial Standard of Practice No. 4 (ASOP 4), and are consistent with the requirements set out in Alaska Statutes 37.10.220(a)(8). When determining the smoothing period for the actuarial value of assets and the amortization period for the unfunded actuarial accrued liability, the following items were considered: (i) the balance among benefit security, intergenerational equity, and stability of actuarially determined contributions, (ii) the timing and duration of expected benefit payments, and (iii) the nature and frequency of plan amendments.

The funding objective for PERS is to pay required contributions that remain level as a percent of total PERS compensation. The Board has also established a funding policy objective that the required contributions be sufficient to pay the Normal Costs of active plan members, plan expenses, and amortize the Unfunded Actuarial Accrued Liability (UAAL) as a level percent of total PERS compensation over a closed 25-year period as required by Alaska state statutes. The closed 25-year period was originally established effective June 30, 2014.

Effective June 30, 2018, the Board adopted a 25-year layered UAAL amortization method in order to help control future contribution volatility. The amortization period for the “initial amount” layer was the remainder of the 25-year closed period that was originally established in 2014. The amortization period for all other layers was 25 years. 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 the “initial amount” layer which was not changed.

The UAAL amortization continues to be on a level percent of pay basis. The compensation used to determine required contributions is the total compensation of all active members in PERS, including those hired after July 1, 2006 who are members of the Defined Contribution Retirement (DCR) Plan. This objective is currently being met and is projected to continue to be met. Absent future gains/losses, changes in actuarial assumptions/methods, and/or actual contributions different than the actuarially determined contributions, the actuarially determined contributions are expected to remain level as a percent of pay and the funded status of the pension trust is expected to increase to 100% in FY39 based on the projections in Section 3.9A of this report. Absent future gains/losses and/or changes in actuarial assumptions/methods, the funded status of the healthcare trust is expected to remain above 100%.

The Board and staff of the State of Alaska may use this report for the review of the operations of PERS. 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 due to failure to understand applicable assumptions, methodologies, 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.

Future actuarial measurements may differ significantly from current measurements due to plan experience differing from that anticipated by the actuarial assumptions, changes in assumptions, changes expected as part of the natural operation of the methodology used for these measurements, and changes in plan provisions or applicable law. In particular, retiree group benefits models necessarily rely on the use of approximations and estimates and are sensitive to changes in these approximations and estimates. Small variations in these approximations and estimates may lead to significant changes in actuarial measurements. An analysis of the potential range of such future differences is beyond the scope of this valuation.

In our opinion, the actuarial assumptions used are reasonable, taking into account the experience of the plan and reasonable long-term expectations, and represent our best estimate of the anticipated long-term experience under the plan. In our professional judgment, the combined effect of the assumptions is expected to have no significant bias. The actuary performs an analysis of plan experience periodically and recommends changes if, in the opinion of the actuary, assumption changes are needed to more accurately reflect expected future experience. The last full experience analysis was performed for the period July 1, 2017 to June 30, 2021. Based on that experience study, the Board adopted new assumptions effective beginning with the June 30, 2022 valuation to better reflect expected future experience. Based on our annual analysis of recent claims experience, changes were made to the healthcare per capita claims cost rates effective June 30, 2025 to better reflect expected future healthcare experience.

In June 2025, the Board adopted a new payroll growth assumption of 2.00% effective beginning with the June 30, 2025 valuation. The payroll growth assumption does not affect the plan’s liabilities. It is used to amortize the unfunded liability on a level percent of payroll basis. The prior payroll growth assumption was 2.75%. The Board adopted the new assumption to better match recent payroll growth experience.

A summary of the actuarial assumptions and methods used in this actuarial valuation is shown in Sections 5.2 and 5.3. We certify that the assumptions and methods used for funding purposes, as described in Sections 5.2 and 5.3 of this report, meet the requirements of all applicable Actuarial Standards of Practice.

Actuarial Standard of Practice No. 27 (ASOP 27) requires the actuary to disclose the information and analysis used to support the actuary's determination that the assumptions selected by the plan sponsor do not significantly conflict with those that, in the actuary's professional judgment, are reasonable for the purpose of the measurement. Gallagher provides advice on reasonable assumptions when performing periodic experience studies. The Board selects the assumptions to be used in the valuation, and the signing actuaries review the assumptions annually through discussions with staff and the Board, and analysis of actuarial experience.

In the case of the Board's selected expected return on assets (EROA), the signing actuaries have used economic information and tools provided by Gallagher's Investments Practice. A spreadsheet tool created by this practice converts averages, standard deviations, and correlations from Gallagher's Capital Market Assumptions that are used for stochastic forecasting into approximate percentile ranges for the arithmetic and geometric average returns. The EROA spreadsheet tool is intended to suggest possible reasonable ranges for the expected return on assets without attempting to predict or select a specific best estimate rate of return. It takes into account the duration of investment and the target allocation of assets in the portfolio to various asset classes.

Based on the actuaries' analysis, including consistency with other assumptions used in the valuation, the percentiles generated by the EROA spreadsheet tool described above, and review of actuarial gain/loss analysis, the signing actuaries believe the assumptions, in their professional judgment, do not significantly conflict with what are reasonable for the purpose of the measurement.

ACFR Information

We have prepared the following information in this report for the Actuarial Section and Statistical Section of the ACFR: (i) member data tables in Section 4; (ii) analysis of financial experience in Section 1.6; (iii) summary of actuarial assumptions in Section 5.3; and (iv) historical information in Section 7.

Governmental Accounting Standards Board (GASB) Statement No. 67 (GASB 67) was effective for PERS beginning with fiscal year ending June 30, 2014, and Statement No. 74 (GASB 74) was effective for PERS beginning with fiscal year ending June 30, 2017. Please see our separate GASB 67 and GASB 74 reports for other information needed for the ACFR.

Risk Information

Actuarial Standard of Practice No. 51 (ASOP 51) applies to actuaries performing funding calculations related to a pension plan. ASOP 51 does not apply to actuaries performing services in connection with other post-employment benefits, such as medical benefits. Accordingly, ASOP 51 does not apply to the healthcare portion of PERS. See Section 6 of this report for further details regarding ASOP 51. Section 6 also contains information on the Low-Default-Risk Obligation Measure (LDROM) required to be disclosed under Actuarial Standard of Practice No. 4 (ASOP 4).

Use of Models

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. In addition to the EROA spreadsheet tool disclosed above, Gallagher uses third-party software to perform annual actuarial valuations and projections. The model is intended to calculate the liabilities associated with the provisions of the plan using data and assumptions as of the measurement date under the funding methods specified in this report. Gallagher also uses internally developed models that apply applicable funding methods and policies to the liabilities derived from the third-party software and other inputs, such as plan assets and contributions, to generate many of the exhibits found in this report.

Gallagher maintains an extensive review process in which the results of the liability calculations are checked using detailed sample life output, changes from year to year are summarized by source, and significant deviations from expectations are investigated. Other funding outputs and the internal models are similarly 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 value health benefits 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, and Brett can be reached at (260) 423-1072.

Respectfully submitted,

David J. Kershner, FSA, EA, MAAA, FCA
Principal

Kevin Spanier, ASA, EA, MAAA, FCA
Principal

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

The undersigned actuary is responsible for all assumptions related to the average annual per capita health claims cost and the health care cost trend rates, and hereby affirms his qualification to render opinions in such matters in accordance with the Qualification Standards of the American Academy of Actuaries. Robert can be reached at (312) 399-9339.

Robert Besenhofer, ASA, MAAA, FCA
Director

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Overview

The State of Alaska Public Employees' Retirement System (PERS) provides pension and postemployment healthcare benefits to eligible participants. The Commissioner of the Department of Administration is responsible for administering the plan. The Alaska Retirement Management Board (Board) has fiduciary responsibility over the assets of the plan. This report presents the results of the actuarial valuation of PERS as of the valuation date of June 30, 2025.

Purpose

An actuarial valuation is performed on the plan annually as of the end of the fiscal year. The main purposes of the actuarial valuation detailed in this report are:

1. To determine the Employer/State contribution necessary to meet the Board's funding policy for the plan;
2. To disclose the funding assets and liability measures as of the valuation date;
3. To review the current funded status of the plan and assess the funded status as an appropriate measure for determining future actuarially determined contributions;
4. To compare actual and expected experience under the plan during the last fiscal year; and
5. To report trends in contributions, assets, liabilities, and funded status over the last several years.

The actuarial valuation provides a "snapshot" of the funded position of PERS based on the plan provisions, membership data, assets, and actuarial methods and assumptions as of the valuation date.

Actuarial projections are also performed to provide a long-term view of the expected future funded status and contribution patterns (see Section 3). The future funded status and contribution patterns would be different than those shown in Section 3 if future experience does not match the actuarial assumptions used in the projections.

Retiree group benefits models necessarily rely on the use of approximations and estimates, and are sensitive to changes in these approximations and estimates. Small variations in these approximations and estimates may lead to significant changes in actuarial measurements.

Funded Status

Where presented, references to "funded ratio" and "unfunded actuarial accrued liability" typically are measured on an actuarial value of assets basis. It should be noted that the same measurements using market value of assets would result in different funded ratios and unfunded accrued liabilities. Moreover, the funded ratio presented is appropriate for evaluating the need and level of future contributions but makes no assessment regarding the funded status of the plan if the plan were to settle (i.e., purchase annuities) for a portion or all of its liabilities.

Funded Status as of June 30 ($ in thousands)	2024	2025
Pension		
a. Actuarial Accrued Liability	$ 17,059,775	$ 17,311,947
b. Valuation Assets	11,608,256	12,162,329
c. Unfunded Actuarial Accrued Liability, (a) - (b)	$ 5,451,519	$ 5,149,618
d. Funded Ratio based on Valuation Assets, (b) ÷ (a)	68.0%	70.3%
e. Fair Value of Assets	$ 11,555,868	$ 12,286,031
f. Funded Ratio based on Fair Value of Assets, (e) ÷ (a)	67.7%	71.0%

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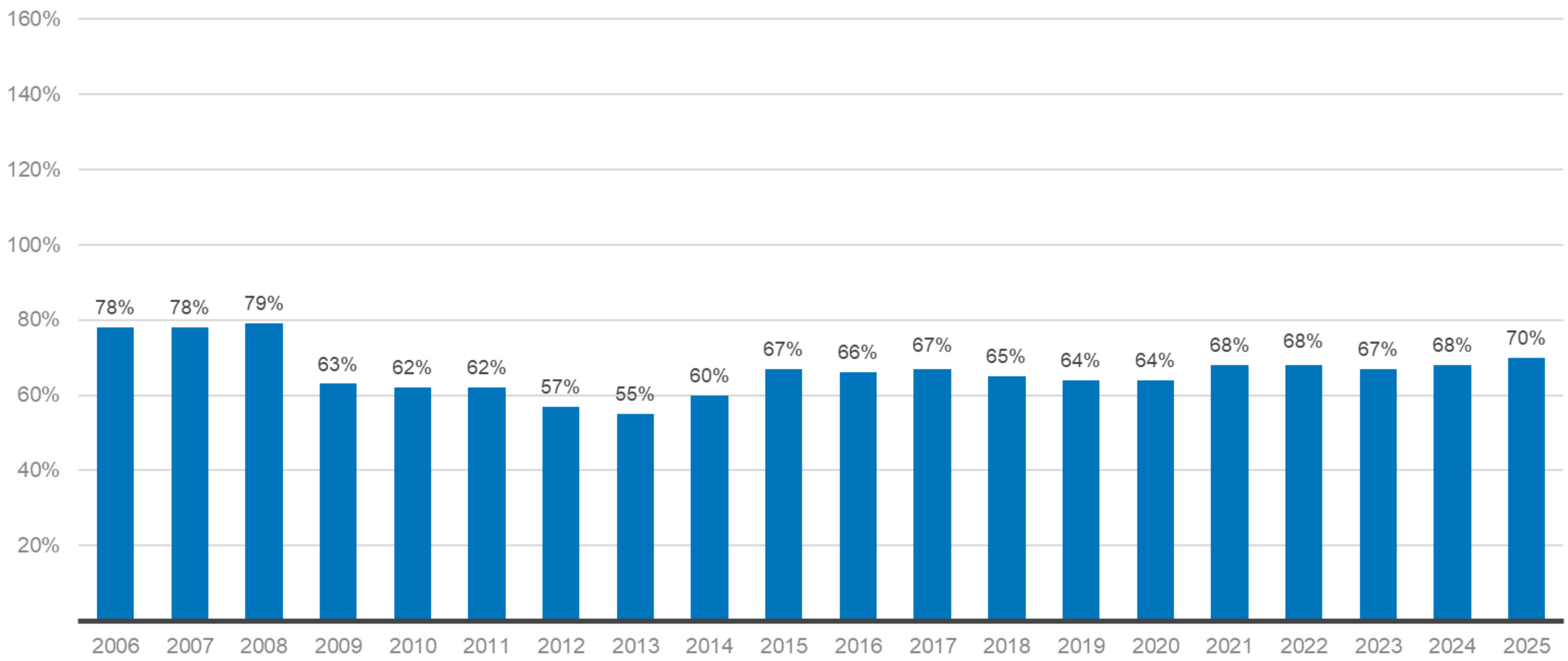
Funded Status as of June 30 ($ in thousands)	2024	2025
Healthcare		
a. Actuarial Accrued Liability	$ 7,129,523	$ 7,408,403
b. Valuation Assets	9,433,351	9,785,277
c. Unfunded Actuarial Accrued Liability, (a) - (b)	$ (2,303,828)	$ (2,376,874)
d. Funded Ratio based on Valuation Assets, (b) ÷ (a)	132.3%	132.1%
e. Fair Value of Assets	$ 9,400,625	$ 9,891,510
f. Funded Ratio based on Fair Value of Assets, (e) ÷ (a)	131.9%	133.5%

Funded Ratio History (Based on Valuation Assets)

Pension (2006 and later)



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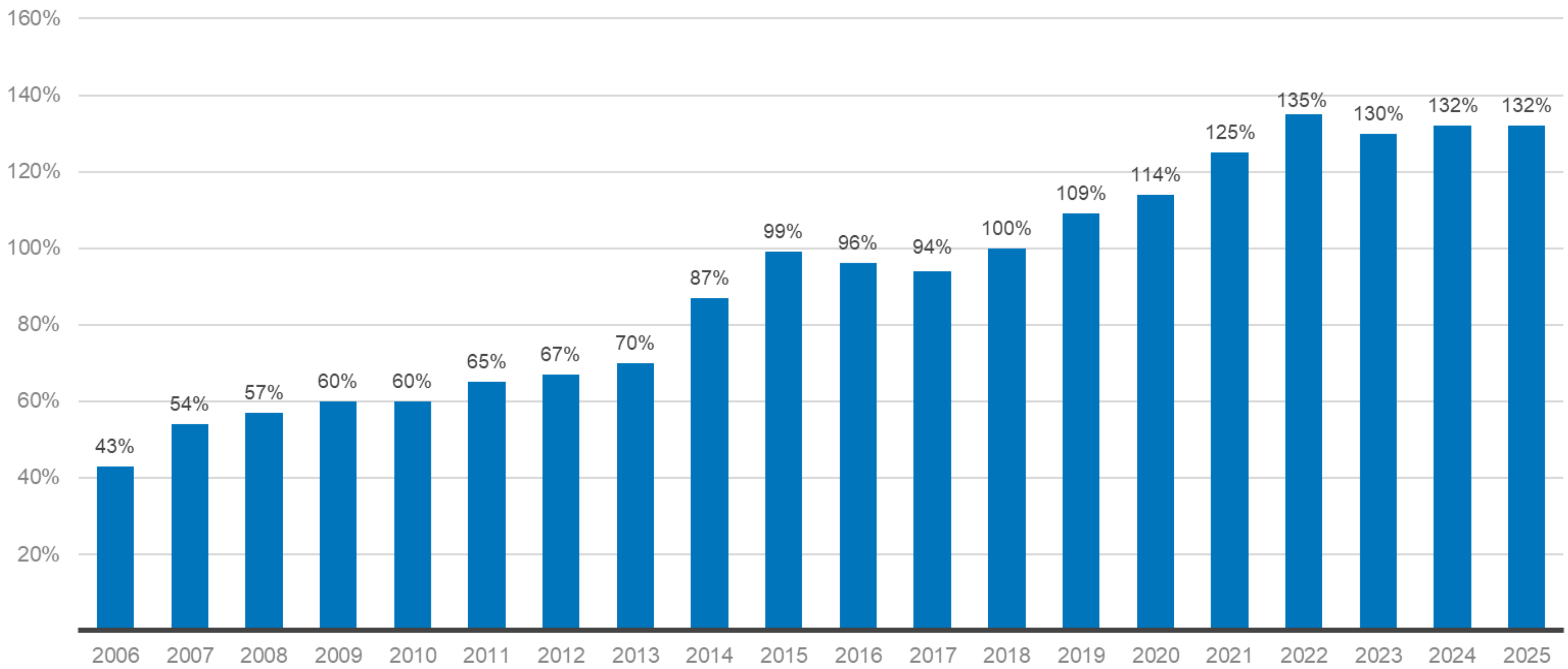
Funded Ratio History (Based on Valuation Assets)

Healthcare (2006 and later)



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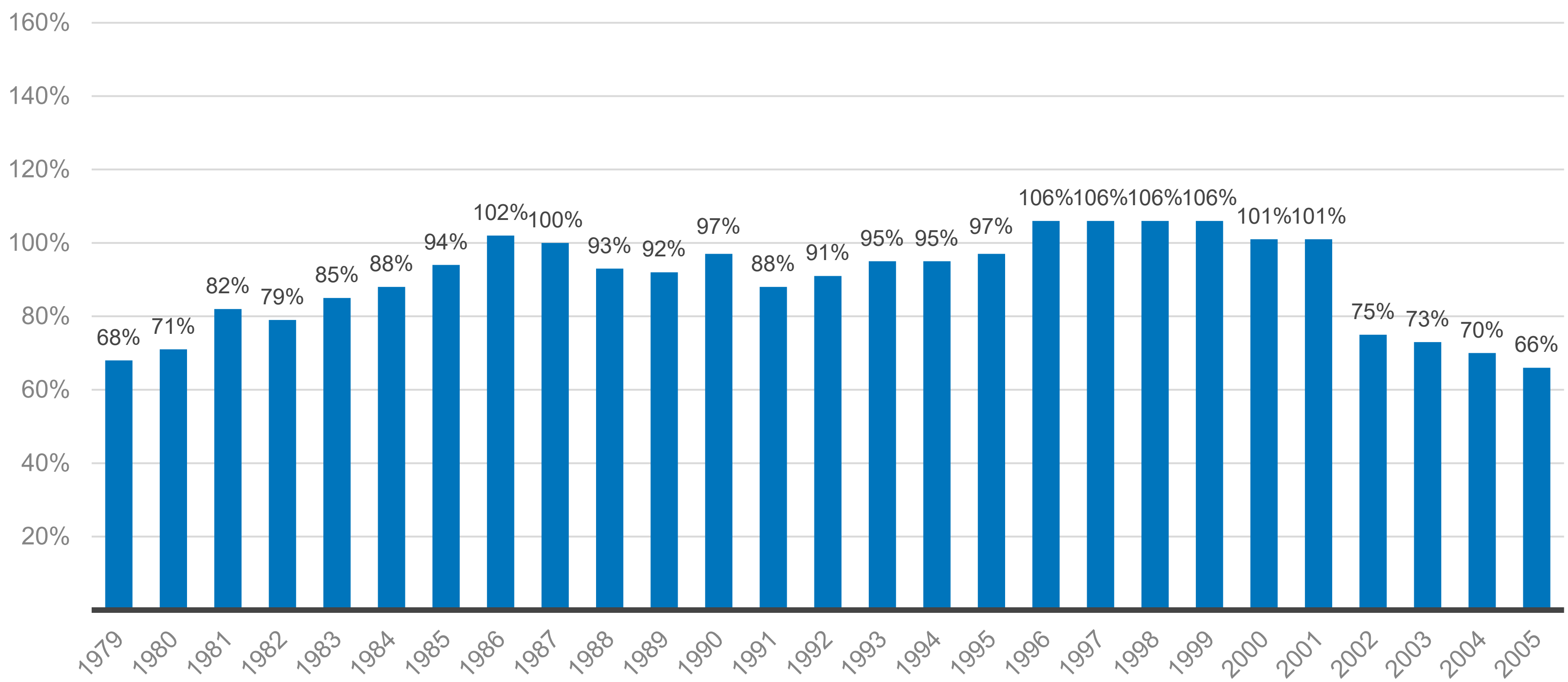
Funded Ratio History (Based on Valuation Assets)

Total (1979 – 2005)*



* Prior to 2006, assets and liabilities were provided in aggregate only (Pension and Healthcare combined).

Executive Summary

The key reasons for the change in the funded status are explained below. The funded status for healthcare benefits is not necessarily an appropriate measure to confirm that assets are sufficient to settle health plan obligations as there are no available financial instruments for purchase. Future experience is likely to vary from assumptions, so there is potential for actuarial gains or losses.

1. Investment Experience

The asset valuation method recognizes 20% of the investment gain or loss each year, for a period of five years. The FY25 investment return based on fair value of assets was approximately 10.8% compared to the expected investment return of 7.25% (net of investment expenses). This resulted in a market asset gain of $404 million (pension) and $329 million (healthcare). Due to the recognition of investment gains and losses over a 5-year period, the FY25 investment return based on actuarial value of assets was approximately 9.3%, which resulted in an actuarial asset gain of $224 million (pension) and $188 million (healthcare).

2. Salary Increases

Salary increases for continuing active members during FY25 were higher than expected based on the valuation assumptions, resulting in a liability loss of $124 million.

3. Demographic Experience

Section 4 provides statistics on active and inactive members. The number of active members decreased from 7,757 at June 30, 2024 to 7,100 at June 30, 2025 due to active members exiting the plan during the year (due to retirement, termination, death, and disability) and the closure of the plan to new entrants as of July 1, 2006. The average age of active members increased from 54.70 to 55.17 and average credited service increased from 19.90 to 20.34 years.

The number of benefit recipients increased from 39,078 to 39,357, and their average age increased from 72.61 to 73.12. The number of vested terminated participants decreased from 4,513 to 4,237. Their average age increased from 55.30 to 55.74.

The overall effect of the demographic experience during FY25 was a liability gain of $5 million (pension) and a liability loss of $10 million[1] (healthcare).

4. COLA / PRPA Experience

The cost-of-living increases (COLA) for benefit recipients during FY25 were less than expected based on the valuation assumptions, resulting in a liability gain of $2 million. The CPI-based postretirement pension adjustments (PRPA) were also less than expected, resulting in a liability gain of $35 million.

5. Retiree Medical Claims Experience

As described in Section 5.2, recent medical claims experience and changes in healthcare enrollment data provided to us for the June 30, 2025 valuation generated a liability loss of $146 million. Healthcare benefits paid during FY25 were greater than expected, which generated a liability loss of $38 million. The EGWP subsidy received by the plan during FY25 was $80 million, as compared to the expected EGWP subsidy of $71 million.

6. Changes in Methods Since the Prior Valuation

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 the “initial amount” layer. The amortization period for the “initial amount” layer was originally established effective June 30, 2014.

There were no other changes in actuarial methods since the prior valuation.

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1 Includes the effects of changes in dependent coverage elections and Medicare Part B only experience.

Executive Summary

7. Changes in Assumptions Since the Prior Valuation

Healthcare claim costs are updated annually as described in Section 5.2. The effects of these assumption changes are shown on page 10.

The amounts included in the Normal Cost for administrative expenses were updated based on the last two years of actual administrative expenses paid from plan assets.

In June 2025, the Board adopted a new payroll growth assumption of 2.00% effective beginning with the June 30, 2025 valuation. The prior payroll growth assumption was 2.75%. The Board adopted the new assumption to better match recent payroll growth experience.

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

8. Changes in Benefit Provisions Since the Prior Valuation

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

Executive Summary

Comparative Summary of Contribution Rates

	Actual FY 2027	Estimated FY 2028
Pension		
a. Normal Cost Rate Net of Member Contributions	1.89%	1.70%
b. Past Service Cost Rate	18.57%	19.53%
c. Total Employer/State Contribution Rate, (a) + (b), not less than (a)[1]	20.46%	21.23%
Healthcare		
a. Normal Cost Rate	1.78%	1.60%
b. Past Service Cost Rate	(7.19%)	(11.65%)
c. Total Employer/State Contribution Rate, (a) + (b), not less than (a)[1]	1.78%	1.60%
Total		
a. Normal Cost Rate Net of Member Contributions	3.67%	3.30%
b. Past Service Cost Rate	18.57%	19.53%
c. Total Employer/State Contribution Rate, (a) + (b)[1]	22.24%	22.83%
d. Adopted Total Employer/State Contribution Rate	22.75%[2]	TBD
e. Defined Contribution Retirement (DCR) Rate Paid by Employers	7.09%	7.30%
f. Adopted Total Rate, Including DCR Rate Paid by Employers, (d) + (e)	29.84%	TBD

Contribution rates are based on total (DB and DCR) payroll. Contribution rates reflect the 2.00% payroll growth assumption, which was adopted at the June 2025 meeting and effective for the June 30, 2025 valuation. The contribution rates shown above for FY28 are estimated assuming no actuarial gains/losses during FY26 and FY27. Actual FY28 contribution rates will be adopted by the Board in September 2026 reflecting FY26 asset experience.

Contribution rates include Employer contribution rates as limited by Alaska state statutes and the Additional State Contribution required under SB 125.

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1 Beginning with the June 30, 2014 valuation, contribution rates for FY17 and beyond are determined using new methodology in accordance with 2014 legislation under HB 385 and SB 119, 2014 Alaska Laws, which changed the amortization methodology to a closed 25-year period as a level percentage of pay, and eliminated the time lag on the contribution rate calculation by using a 2-year “roll-forward” approach assuming 0% population growth. Investment gains and losses are recognized over a 5-year period beginning in FY15. Effective June 30, 2025, the Board modified the 25-year layered UAAL amortization method that was adopted effective June 30 2018 by reducing the initial amortization period from 25 years to 15 years for all layers, except for the “initial amount” layer. The amortization period for the “initial amount” layer was originally established effective June 30, 2014 and has not been modified.

2 The FY27 contribution rates adopted by the Board in September 2025 were 22.75% for Pension and 0.00% for Healthcare. The FY27 adopted rates reflect the modified layered UAAL amortization method described in Section 5.2 and the 2.00% payroll growth assumption.

Executive Summary

Summary of Actuarial Accrued Liability Gain/(Loss) and Other Changes During the Year

The following table summarizes the sources of change in the total Employer/State contribution rate as of June 30, 2024 and June 30, 2025 based on DB and DCR payroll combined:

	Pension	Healthcare
1. Total Employer/State Contribution Rate as of June 30, 2024	19.69%	2.28%
2. Change due to:		
a. Health Claims Experience	N/A	0.01%
b. Salary Increases	0.27%	N/A
c. Investment Experience	(0.50%)	0.00%
d. Demographic Experience and Miscellaneous[1]	(0.92%)	(0.22%)
e. Actual vs Expected Contributions	(0.09%)	0.00%
f. Assumption Changes[2]	0.70%	0.00%
g. Method Changes[3]	1.86%	0.00%
h. Plan Changes	0.00%	0.00%
i. Total Change, (a) + (b) + (c) + (d) + (e) + (f) + (g) + (h)	1.32%	(0.21%)
3. Total Employer/State Contribution Rate as of June 30, 2025, (1) + (2)(i)	21.01%	2.07%

[1] Includes the effects of census data changes between the two valuations.

[2] Effective June 30, 2025, the payroll growth assumption was changed from 2.75% to 2.00%. The payroll growth assumption is used to amortize the unfunded liability on a level percent of payroll basis.

[3] Effective June 30, 2025, the Board modified the 25-year layered UAAL amortization method that was adopted effective June 30, 2018 by reducing the initial amortization period from 25 years to 15 years for all layers, except for the “initial amount” layer. The amortization period for the “initial amount” layer was originally established effective June 30, 2014 and has not been modified.

Executive Summary

The following table shows the FY25 gain/(loss) on actuarial accrued liability as of June 30, 2025 ($ in thousands):

	Pension	Healthcare
Retirement Experience[1]	$ 9,820	$ 11,846
Termination Experience	(9,362)	(5,266)
Disability Experience	(235)	(52)
Active Mortality Experience	6,644	2,004
Inactive Mortality Experience	(2,303)	(3,504)
Transfers between PF and Others	6,016	(922)
Salary Increases	(123,747)	N/A
Rehires (Net of Rehire Load)	(2,724)	(4,781)
Metcalfe Transfers[2]	(1,746)	(587)
COLA Increases	2,083	N/A
PRPA Increases	34,863	N/A
Benefit Payments Different than Expected	21,189	(37,707)
Per Capita Claims Cost	N/A	(145,831)
Medicare Part B Only Experience	N/A	451
Changes in Dependent Coverage Elections	N/A	(15,857)
Programming Changes[3]	(51)	(33,449)
Miscellaneous[4]	(4,048)	17,704
Total	$ (63,601)	$ (215,951)

1 The healthcare figure includes a $4M gain due to new retirees from active status who elected not to receive healthcare benefits.
2 These liability losses were partly offset by amounts ($241K Pension and $174K Healthcare) that were deposited in FY25 to the DB trusts on behalf of Metcalfe transfers from DCR to DB.
3 Includes updated coding for Deferred Vested death benefits (pension), updated credited service for tier 3 deferred retirees (healthcare), and updated coding for tier 3 deferred vested members with less than 10 years of service (healthcare).
4 Includes the effects of various data changes that are typical when new census data is received for the annual valuation, as well as other items that do not fit neatly into any of the other categories. The healthcare figure includes gains of $8M for cashouts of actives and deferred vested members, and $7M due to fewer elections of medical coverage for new retirees from deferred vested status compared to the assumed election percentage.

Executive Summary

The rehire gain/(loss) amount is the difference between (i) the increase in Actuarial Accrued Liability at June 30, 2025 due to rehires during the most recent plan year, and (ii) the load that was added to the June 30, 2024 Normal Cost based on the rehire load assumption used in the June 30, 2024 valuation. The development of the FY25 rehire gain/(loss) amount is shown in the table below ($ in thousands):

	Pension	Healthcare
1. Increase/(Decrease) in Actuarial Accrued Liability at June 30, 2025 due to Rehires	$ 18,745	$ 6,211
2. June 30, 2024 Normal Cost Rehire Load, with interest to June 30, 2025	$ 16,021	$ 1,430
3. Rehire Gain/(Loss), (2) - (1)	$ (2,724)	$ (4,781)

1 Actuarial Funding Results

1.1 Actuarial Liabilities and Normal Cost ($ in thousands)

Peace Officer / Firefighter

As of June 30, 2025	Present Value of Projected Benefits	Actuarial Accrued (Past Service) Liability
Active Members		
Retirement Benefits	$ 870,115	$ 782,277
Termination Benefits	1,857	(2,910)
Disability Benefits	365	(1,753)
Death Benefits	4,318	2,452
Return of Contributions	334	(2,631)
Medical and Prescription Drug Benefits	333,544	290,312
Medicare Part D Subsidy	(47,272)	(41,246)
Indebtedness	(3,439)	(3,439)
Subtotal	$ 1,159,822	$ 1,023,062
Inactive Members		
Not Vested	$ 2,964	$ 2,964
Vested Terminations		
- Retirement Benefits	40,962	40,962
- Medical and Prescription Drug Benefits	117,441	117,441
- Medicare Part D Subsidy	(19,976)	(19,976)
- Indebtedness	(774)	(774)
Retirees & Beneficiaries		
- Retirement Benefits	2,176,343	2,176,343
- Medical and Prescription Drug Benefits	846,210	846,210
- Medicare Part D Subsidy	(182,508)	(182,508)
Subtotal	$ 2,980,662	$ 2,980,662
Total	**$ 4,140,484**	**$ 4,003,724**
Total Pension	**$ 3,093,045**	**$ 2,993,491**
Total Medical, Net of Part D Subsidy	**$ 1,047,439**	**$ 1,010,233**
Total Medical, Gross of Part D Subsidy	**$ 1,297,195**	**$ 1,253,963**
By Tier		
Tier 1		
- Pension	$ 933,846	$ 933,415
- Medical, Net of Part D Subsidy	248,411	248,137
Tier 2		
- Pension	764,259	756,967
- Medical, Net of Part D Subsidy	277,573	274,382
Tier 3		
- Pension	1,394,940	1,303,109
- Medical, Net of Part D Subsidy	521,455	487,714
Total	**$ 4,140,484**	**$ 4,003,724**

1 Actuarial Funding Results

1.1 Actuarial Liabilities and Normal Cost ($ in thousands) (continued)

Peace Officer / Firefighter

As of June 30, 2025		Normal Cost, with half year interest
Active Members		
Retirement Benefits	$	20,303
Termination Benefits		1,153
Disability Benefits		511
Death Benefits		445
Return of Contributions		700
Medical and Prescription Drug Benefits		9,954
Medicare Part D Subsidy		(1,414)
Rehire Assumption (Pension)		3,536
Rehire Assumption (Medical)		205
Administrative Expenses (Pension)		2,035
Administrative Expenses (Medical)		730
Total	**$**	**38,158**
Total Pension	**$**	**28,683**
Total Medical, Net of Part D Subsidy	**$**	**9,475**
Total Medical, Gross of Part D Subsidy	**$**	**10,889**
By Tier		
Tier 1		
- Pension	$	265
- Medical, Net of Part D Subsidy		153
Tier 2		
- Pension		2,786
- Medical, Net of Part D Subsidy		1,054
Tier 3		
- Pension		25,632
- Medical, Net of Part D Subsidy		8,268
Total	**$**	**38,158**

1 Actuarial Funding Results

1.1 Actuarial Liabilities and Normal Cost ($ in thousands) (continued)

Others

As of June 30, 2025	Present Value of Projected Benefits	Actuarial Accrued (Past Service) Liability
Active Members		
Retirement Benefits	$ 3,337,900	$ 3,087,689
Termination Benefits	166,488	90,846
Disability Benefits	13,449	4,129
Death Benefits	23,319	18,216
Return of Contributions	8,816	(22,332)
Medical and Prescription Drug Benefits	1,854,552	1,562,574
Medicare Part D Subsidy	(383,031)	(329,081)
Indebtedness	(34,349)	(34,349)
Subtotal	$ 4,987,144	$ 4,377,692
Inactive Members		
Not Vested	$ 78,476	$ 78,476
Vested Terminations		
- Retirement Benefits	645,906	645,906
- Medical and Prescription Drug Benefits	929,112	929,112
- Medicare Part D Subsidy	(174,852)	(174,852)
- Indebtedness	(16,204)	(16,204)
Retirees & Beneficiaries		
- Retirement Benefits	10,466,079	10,466,079
- Medical and Prescription Drug Benefits	6,014,687	6,014,687
- Medicare Part D Subsidy	(1,604,270)	(1,604,270)
Subtotal	$ 16,338,934	$ 16,338,934
Total	**$ 21,326,078**	**$ 20,716,626**
Total Pension	**$ 14,689,880**	**$ 14,318,456**
Total Medical, Net of Part D Subsidy	**$ 6,636,198**	**$ 6,398,170**
Total Medical, Gross of Part D Subsidy	**$ 8,798,351**	**$ 8,506,373**
By Tier		
Tier 1		
- Pension	$ 5,746,621	$ 5,733,326
- Medical, Net of Part D Subsidy	2,189,198	2,176,391
Tier 2		
- Pension	4,276,614	4,218,072
- Medical, Net of Part D Subsidy	1,956,712	1,912,725
Tier 3		
- Pension	4,666,645	4,367,058
- Medical, Net of Part D Subsidy	2,490,288	2,309,054
Total	**$ 21,326,078**	**$ 20,716,626**

1 Actuarial Funding Results

1.1 Actuarial Liabilities and Normal Cost ($ in thousands) (continued)

Others

As of June 30, 2025	Normal Cost, with half year interest	
Active Members		
Retirement Benefits	$	51,706
Termination Benefits		13,655
Disability Benefits		1,767
Death Benefits		1,040
Return of Contributions		5,909
Medical and Prescription Drug Benefits		57,808
Medicare Part D Subsidy		(10,830)
Rehire Assumption (Pension)		11,334
Rehire Assumption (Medical)		1,127
Administrative Expenses (Pension)		6,524
Administrative Expenses (Medical)		4,015
Total	**$**	**144,055**
Total Pension	**$**	**91,935**
Total Medical, Net of Part D Subsidy	**$**	**52,120**
Total Medical, Gross of Part D Subsidy	**$**	**62,950**

By Tier		
Tier 1		
- Pension	$	5,450
- Medical, Net of Part D Subsidy		4,632
Tier 2		
- Pension		18,391
- Medical, Net of Part D Subsidy		12,009
Tier 3		
- Pension		68,094
- Medical, Net of Part D Subsidy		35,479
Total	**$**	**144,055**

1 Actuarial Funding Results

1.1 Actuarial Liabilities and Normal Cost ($ in thousands) (continued)

All Members

As of June 30, 2025	Present Value of Projected Benefits	Actuarial Accrued (Past Service) Liability
Active Members		
Retirement Benefits	$ 4,208,015	$ 3,869,966
Termination Benefits	168,345	87,936
Disability Benefits	13,814	2,376
Death Benefits	27,637	20,668
Return of Contributions	9,150	(24,963)
Medical and Prescription Drug Benefits	2,188,096	1,852,886
Medicare Part D Subsidy	(430,303)	(370,327)
Indebtedness	(37,788)	(37,788)
Subtotal	$ 6,146,966	$ 5,400,754
Inactive Members		
Not Vested	$ 81,440	$ 81,440
Vested Terminations		
- Retirement Benefits	686,868	686,868
- Medical and Prescription Drug Benefits	1,046,553	1,046,553
- Medicare Part D Subsidy	(194,828)	(194,828)
- Indebtedness	(16,978)	(16,978)
Retirees & Beneficiaries		
- Retirement Benefits	12,642,422	12,642,422
- Medical and Prescription Drug Benefits	6,860,897	6,860,897
- Medicare Part D Subsidy	(1,786,778)	(1,786,778)
Subtotal	$ 19,319,596	$ 19,319,596
Total	**$ 25,466,562**	**$ 24,720,350**
Total Pension	**$ 17,782,925**	**$ 17,311,947**
Total Medical, Net of Part D Subsidy	**$ 7,683,637**	**$ 7,408,403**
Total Medical, Gross of Part D Subsidy	**$ 10,095,546**	**$ 9,760,336**
By Tier		
Tier 1		
- Pension	$ 6,680,467	$ 6,666,741
- Medical, Net of Part D Subsidy	2,437,609	2,424,528
Tier 2		
- Pension	5,040,873	4,975,039
- Medical, Net of Part D Subsidy	2,234,285	2,187,107
Tier 3		
- Pension	6,061,585	5,670,167
- Medical, Net of Part D Subsidy	3,011,743	2,796,768
Total	**$ 25,466,562**	**$ 24,720,350**

1 Actuarial Funding Results

1.1 Actuarial Liabilities and Normal Cost ($ in thousands) (continued)

All Members

As of June 30, 2025	Normal Cost, with half year interest	
Active Members		
Retirement Benefits	$	72,009
Termination Benefits		14,808
Disability Benefits		2,278
Death Benefits		1,485
Return of Contributions		6,609
Medical and Prescription Drug Benefits		67,762
Medicare Part D Subsidy		(12,244)
Rehire Assumption (Pension)		14,870
Rehire Assumption (Medical)		1,332
Administrative Expenses (Pension)		8,559
Administrative Expenses (Medical)		4,745
Total	**$**	**182,213**
Total Pension	**$**	**120,618**
Total Medical, Net of Part D Subsidy	**$**	**61,595**
Total Medical, Gross of Part D Subsidy	**$**	**73,839**

By Tier		
Tier 1		
- Pension	$	5,715
- Medical, Net of Part D Subsidy		4,785
Tier 2		
- Pension		21,177
- Medical, Net of Part D Subsidy		13,063
Tier 3		
- Pension		93,726
- Medical, Net of Part D Subsidy		43,747
Total	**$**	**182,213**

1 Actuarial Funding Results

1.2 Actuarial Contributions as of June 30, 2025 ($ in thousands)

Peace Officer / Firefighter

Normal Cost Rate	Pension	Healthcare
1. Total Normal Cost, with half year interest	$ 28,683	$ 9,475
2. DB Rate Payroll Projected for FY26	123,733	123,733
3. DCR Rate Payroll Projected for FY26	346,919	346,919
4. Total Rate Payroll Projected for FY26	470,652	470,652
5. Normal Cost Rate		
a. Based on DB Rate Payroll, (1) ÷ (2)	23.18%	7.66%
b. Based on Total Rate Payroll, (1) ÷ (4)	6.09%	2.01%
6. Average Member Contribution Rate	1.97%	0.00%
7. Employer Normal Cost, (5)(b) - (6)	4.12%	2.01%

Past Service Rate	Pension	Healthcare
1. Actuarial Accrued Liability	$ 2,993,491	$ 1,010,233
2. Valuation Assets[1]	2,103,046	1,334,351
3. Unfunded Actuarial Accrued Liability, (1) - (2)	$ 890,445	$ (324,118)
4. Funded Ratio, (2) ÷ (1)	70.3%	132.1%
5. Past Service Cost Amortization Payment, with half year interest	96,941	(37,922)
6. Total Rate Payroll Projected for FY26	470,652	470,652
7. Past Service Rate, (5) ÷ (6)	20.60%	(8.06%)
Total Employer / State Contribution Rate, not less than Normal Cost Rate	**24.72%**	**2.01%**
Normal Cost Rate by Tier (Total Employer and Member)[2]		
Tier 1	25.07%	14.47%
Tier 2	22.60%	8.55%
Tier 3	23.23%	7.49%

¹ Allocated between Peace Officer / Firefighter and Others in proportion to Actuarial Accrued Liability.
² Rates determined considering the payroll for members in each tier. DCR payroll is excluded from these calculations.

1 Actuarial Funding Results

1.2 Actuarial Contributions as of June 30, 2025 (continued)

Peace Officer / Firefighter

Schedule of Past Service Cost Amortizations - Pension ($ in thousands)

	Amortization Period		Balances		
Layer	Date Created	Years Remaining	Initial	Outstanding	Beginning-of-Year Payment
Initial Amount	6/30/2018	14	$ 731,232	$ 673,431	$ 65,312
Change in Assumptions	6/30/2018	8	88,162	87,317	12,925
FY19 Loss	6/30/2019	9	61,980	61,870	8,333
FY20 Loss	6/30/2020	10	31,158	31,267	3,879
FY21 Gain	6/30/2021	11	(83,489)	(84,027)	(9,695)
Change in Assumptions	6/30/2022	12	42,593	42,902	4,642
FY22 Loss	6/30/2022	12	9,774	9,844	1,065
FY23 Loss	6/30/2023	13	85,343	85,901	8,774
FY24 Loss	6/30/2024	14	9,611	9,650	936
FY25 Gain	6/30/2025	15	(27,710)	(27,710)	(2,564)
Total				**$ 890,445**	**$ 93,607**

Schedule of Past Service Cost Amortizations - Healthcare ($ in thousands)

	Amortization Period		Balances		
Layer	Date Created	Years Remaining	Initial	Outstanding	Beginning-of-Year Payment
Initial Amount	6/30/2018	14	$ (30,991)	$ (28,541)	$ (2,768)
Change in Assumptions/Methods/EGWP	6/30/2018	8	27,556	27,291	4,040
FY19 Gain	6/30/2019	9	(77,575)	(77,440)	(10,430)
FY20 Gain	6/30/2020	10	(38,036)	(38,169)	(4,735)
Medical/Prescription Drug Plan Changes	6/30/2021	11	(7,361)	(7,408)	(855)
FY21 Gain	6/30/2021	11	(94,266)	(94,874)	(10,947)
Change in Assumptions	6/30/2022	12	4,475	4,508	488
FY22 Gain	6/30/2022	12	(88,254)	(88,894)	(9,618)
FY23 Loss	6/30/2023	13	26,134	26,305	2,687
Change in Assumptions	6/30/2024	14	(14,815)	(14,876)	(1,443)
FY24 Gain	6/30/2024	14	(16,619)	(16,687)	(1,618)
FY25 Gain	6/30/2025	15	(15,333)	(15,333)	(1,419)
Total				**$ (324,118)**	**$ (36,618)**

1 Actuarial Funding Results

1.2 Actuarial Contributions as of June 30, 2025 ($ in thousands) (continued)

Others

Normal Cost Rate	Pension	Healthcare
1. Total Normal Cost, with half year interest	$ 91,935	$ 52,120
2. DB Rate Payroll Projected for FY26	629,140	629,140
3. DCR Rate Payroll Projected for FY26	1,874,984	1,874,984
4. Total Rate Payroll Projected for FY26	2,504,124	2,504,124
5. Normal Cost Rate		
a. Based on DB Rate Payroll, (1) ÷ (2)	14.61%	8.28%
b. Based on Total Rate Payroll, (1) ÷ (4)	3.67%	2.08%
6. Average Member Contribution Rate	1.71%	0.00%
7. Employer Normal Cost, (5)(b) - (6)	1.96%	2.08%

Past Service Rate	Pension	Healthcare
1. Actuarial Accrued Liability	$ 14,318,456	$ 6,398,170
2. Valuation Assets[1]	10,059,283	8,450,926
3. Unfunded Actuarial Accrued Liability, (1) - (2)	$ 4,259,173	$ (2,052,756)
4. Funded Ratio, (2) ÷ (1)	70.3%	132.1%
5. Past Service Cost Amortization Payment, with half year interest	459,648	(251,081)
6. Total Rate Payroll Projected for FY26	2,504,124	2,504,124
7. Past Service Rate, (5) ÷ (6)	18.36%	(10.03%)
Total Employer / State Contribution Rate, not less than Normal Cost Rate	**20.32%**	**2.08%**
Normal Cost Rate by Tier (Total Employer and Member)[2]		
Tier 1	19.59%	16.65%
Tier 2	15.08%	9.85%
Tier 3	14.21%	7.40%

¹ Allocated between Peace Officer / Firefighter and Others in proportion to Actuarial Accrued Liability.
² Rates determined considering the payroll for members in each tier. DCR payroll is excluded from these calculations.

1 Actuarial Funding Results

1.2 Actuarial Contributions as of June 30, 2025 (continued)

Others

Schedule of Past Service Cost Amortizations - Pension ($ in thousands)

	Amortization Period		Balances		
Layer	Date Created	Years Remaining	Initial	Outstanding	Beginning-of-Year Payment
Initial Amount	6/30/2018	14	$ 3,889,167	$ 3,581,741	$ 347,373
Change in Assumptions	6/30/2018	8	467,280	462,788	68,504
FY19 Loss	6/30/2019	9	235,559	235,143	31,669
FY20 Loss	6/30/2020	10	93,343	93,673	11,619
FY21 Gain	6/30/2021	11	(495,211)	(498,403)	(57,507)
Change in Assumptions	6/30/2022	12	163,298	164,484	17,796
FY22 Loss	6/30/2022	12	14,404	14,509	1,570
FY23 Loss	6/30/2023	13	413,408	416,111	42,503
FY24 Gain	6/30/2024	14	(38,668)	(38,825)	(3,766)
FY25 Gain	6/30/2025	15	(172,048)	(172,048)	(15,921)
Total				**$ 4,259,173**	**$ 443,840**

Schedule of Past Service Cost Amortizations - Healthcare ($ in thousands)

	Amortization Period		Balances		
Layer	Date Created	Years Remaining	Initial	Outstanding	Beginning-of-Year Payment
Initial Amount	6/30/2018	14	$ (47,263)	$ (43,529)	$ (4,222)
Change in Assumptions/Methods/EGWP	6/30/2018	8	22,293	22,078	3,268
FY19 Gain	6/30/2019	9	(553,265)	(552,286)	(74,382)
FY20 Gain	6/30/2020	10	(253,711)	(254,602)	(31,582)
Medical/Prescription Drug Plan Changes	6/30/2021	11	(54,446)	(54,797)	(6,322)
FY21 Gain	6/30/2021	11	(613,647)	(617,604)	(71,260)
Change in Assumptions	6/30/2022	12	(92,867)	(93,542)	(10,121)
FY22 Gain	6/30/2022	12	(417,035)	(420,062)	(45,448)
FY23 Loss	6/30/2023	13	205,161	206,503	21,093
Change in Assumptions	6/30/2024	14	(185,978)	(186,733)	(18,110)
FY24 Loss	6/30/2024	14	5,530	5,553	538
FY25 Gain	6/30/2025	15	(63,735)	(63,735)	(5,898)
Total				**$ (2,052,756)**	**$ (242,446)**

1 Actuarial Funding Results

1.2 Actuarial Contributions as of June 30, 2025 ($ in thousands) (continued)

All Members

Normal Cost Rate	Pension	Healthcare
1. Total Normal Cost, with half year interest	$ 120,618	$ 61,595
2. DB Rate Payroll Projected for FY26	752,873	752,873
3. DCR Rate Payroll Projected for FY26	2,221,903	2,221,903
4. Total Rate Payroll Projected for FY26	2,974,776	2,974,776
5. Normal Cost Rate		
a. Based on DB Rate Payroll, (1) ÷ (2)	16.02%	8.18%
b. Based on Total Rate Payroll, (1) ÷ (4)	4.05%	2.07%
6. Average Member Contribution Rate[1]	1.75%	0.00%
7. Employer Normal Cost, (5)(b) - (6)	2.30%	2.07%

Past Service Rate	Pension	Healthcare
1. Actuarial Accrued Liability	$ 17,311,947	$ 7,408,403
2. Valuation Assets	12,162,329	9,785,277
3. Unfunded Actuarial Accrued Liability, (1) - (2)	$ 5,149,618	$ (2,376,874)
4. Funded Ratio, (2) ÷ (1)	70.3%	132.1%
5. Past Service Cost Amortization Payment, with half year interest	556,589	(289,003)
6. Total Rate Payroll Projected for FY26	2,974,776	2,974,776
7. Past Service Rate, (5) ÷ (6)	18.71%	(9.72%)
Total Employer / State Contribution Rate, not less than Normal Cost Rate	**21.01%**	**2.07%**
Normal Cost Rate by Tier (Total Employer and Member)[2]		
Tier 1	19.79%	16.57%
Tier 2	15.77%	9.73%
Tier 3	15.89%	7.42%

[1] 7.5% for Peace Officer / Firefighter and 6.80% weighted average for Others
[2] Rates determined considering the payroll for members in each tier. DCR payroll is excluded from these calculations.

1 Actuarial Funding Results

1.2 Actuarial Contributions as of June 30, 2025 (continued)

All Members

Schedule of Past Service Cost Amortizations - Pension ($ in thousands)

	Amortization Period		Balances		
Layer	Date Created	Years Remaining	Initial	Outstanding	Beginning-of-Year Payment
Initial Amount	6/30/2018	14	$ 4,620,399	$ 4,255,172	$ 412,685
Change in Assumptions	6/30/2018	8	555,442	550,105	81,429
FY19 Loss	6/30/2019	9	297,539	297,013	40,002
FY20 Loss	6/30/2020	10	124,501	124,940	15,498
FY21 Gain	6/30/2021	11	(578,700)	(582,430)	(67,202)
Change in Assumptions	6/30/2022	12	205,891	207,386	22,438
FY22 Loss	6/30/2022	12	24,178	24,353	2,635
FY23 Loss	6/30/2023	13	498,751	502,012	51,277
FY24 Gain	6/30/2024	14	(29,057)	(29,175)	(2,830)
FY25 Gain	6/30/2025	15	(199,758)	(199,758)	(18,485)
Total				**$ 5,149,618**	**$ 537,447**

Schedule of Past Service Cost Amortizations - Healthcare ($ in thousands)

	Amortization Period		Balances		
Layer	Date Created	Years Remaining	Initial	Outstanding	Beginning-of-Year Payment
Initial Amount	6/30/2018	14	(78,254)	(72,070)	(6,990)
Change in Assumptions/Methods/EGWP	6/30/2018	8	49,849	49,369	7,308
FY19 Gain	6/30/2019	9	(630,840)	(629,726)	(84,812)
FY20 Gain	6/30/2020	10	(291,747)	(292,771)	(36,317)
Medical/Prescription Drug Plan Changes	6/30/2021	11	(61,807)	(62,205)	(7,177)
FY21 Gain	6/30/2021	11	(707,913)	(712,478)	(82,207)
Change in Assumptions	6/30/2022	12	(88,392)	(89,034)	(9,633)
FY22 Gain	6/30/2022	12	(505,289)	(508,956)	(55,066)
FY23 Loss	6/30/2023	13	231,295	232,808	23,780
Change in Assumptions	6/30/2024	14	(200,793)	(201,609)	(19,553)
FY24 Gain	6/30/2024	14	(11,089)	(11,134)	(1,080)
FY25 Gain	6/30/2025	15	(79,068)	(79,068)	(7,317)
Total				**$ (2,376,874)**	**$ (279,064)**

1 Actuarial Funding Results

1.3 Roll-Forward Contribution Rate Calculation for FY28 ($ in thousands)

	Pension	Healthcare
1. Liability Roll Forward		
a. Actuarial Accrued Liability as of June 30, 2025	**$ 17,311,947**	**$ 7,408,403**
b. Normal Cost	108,205	54,895
c. Interest on (a) and (b) at 7.25%	1,262,961	541,089
d. Estimated Benefit Payments	(1,181,081)	(488,215)
e. Interest on (d) at 7.25%, adjusted for timing	(49,478)	(17,371)
f. Expected Actuarial Accrued Liability as of June 30, 2026	**$ 17,452,554**	**$ 7,498,801**
g. Projected Normal Cost	94,493	48,316
h. Interest on (f) and (g) at 7.25%	1,272,161	547,166
i. Estimated Benefit Payments	(1,232,078)	(493,364)
j. Interest on (i) at 7.25%, adjusted for timing	(49,101)	(17,913)
k. Expected Actuarial Accrued Liability as of June 30, 2027	**$ 17,538,029**	**$ 7,583,006**
2. Asset Roll Forward		
a. Actuarial Value of Assets as of June 30, 2025	**$ 12,162,329**	**$ 9,785,277**
b. Interest on (a) at 7.25%	881,769	709,433
c. Employee Contributions	57,731	0
d. Employer Contributions	544,944	0
e. State Assistance Contributions	79,807	0
f. Interest on (c) thru (e) at 7.25%, adjusted for timing*	27,251	0
g. Estimated Benefit Payments	(1,181,081)	(488,215)
h. Administrative Expenses	(8,265)	(4,582)
i. Interest on (g) and (h) at 7.25%, adjusted for timing	(49,773)	(17,534)
j. AVA Adjustments	(183,761)	(148,438)
k. Expected Actuarial Value of Assets as of June 30, 2026	**$ 12,330,951**	**$ 9,835,941**
l. Interest on (k) at 7.25%	893,994	713,106
m. Employee Contributions	52,605	0
n. Employer Contributions	560,024	0
o. State Assistance Contributions**	106,323	0
p. Interest on (m) thru (o) at 7.25%, adjusted for timing*	29,528	0
q. Estimated Benefit Payments	(1,232,078)	(493,364)
r. Administrative Expenses	(7,266)	(4,038)
s. Interest on (q) and (r) at 7.25%, adjusted for timing	(49,360)	(18,057)
t. AVA Adjustments	144,224	120,570
u. Expected Actuarial Value of Assets as of June 30, 2027	**$ 12,828,945**	**$ 10,154,158**
3. Expected Unfunded Actuarial Accrued Liability as of June 30, 2027, 1(k) - 2(u)	**$ 4,709,084**	**$ (2,571,152)**

* Employee and Employer Contributions are paid throughout the year. State Assistance Contributions are assumed to be paid on July 1, 2025 for FY26, and July 1, 2026 for FY27.
** The FY27 State Assistance Contribution is expected to be contributed 100% to pension.

1 Actuarial Funding Results

1.3 Roll-Forward Contribution Rate Calculation for FY28 ($ in thousands) (continued)

	Pension	Healthcare
4. Expected Annual Rate Payroll for FY28		
a. Defined Benefit Members	$ 597,330	$ 597,330
b. Defined Contribution Retirement Members	2,368,135	2,368,135
c. Total Rate Payroll	**$ 2,965,465**	**$ 2,965,465**
5. Expected FY28 Contribution Rate Calculation		
a. Projected Normal Cost for FY28	$ 91,598	$ 47,561
b. Projected Normal Cost Rate for FY28	3.09%	1.60%
c. Expected Member Contribution Rate for FY28	(1.39%)	0.00%
d. Expected Employer Normal Cost Rate for FY28	**1.70%**	**1.60%**
e. Expected Unfunded Liability as of June 30, 2027	$ 4,709,084	$ (2,571,152)
f. FY28 Layered Amortization of Expected Unfunded Liability	579,077	(345,481)
g. Expected Past Service Cost Contribution Rate for FY28	**19.53%**	**(11.65%)**
h. Expected Total Contribution Rate for FY28, not less than Normal Cost Rate	**21.23%**	**1.60%**

1.3 Roll-Forward Contribution Rate Calculation for FY28 (continued)

The components of the expected FY28 amortization amounts are shown below (totals may not add due to rounding):

Expected FY28 Schedule of Past Service Cost Amortizations - Pension ($ in thousands)

	Amortization Period		Balances		
Layer	Date Created	Years Remaining at 6/30/27	Initial	Outstanding at 6/30/27	Beginning-of-Year Payment for FY28
Initial Amount	6/30/2018	12	$ 4,620,399	$ 3,968,389	$ 429,357
Change in Assumptions	6/30/2018	6	555,442	450,019	84,718
FY19 Loss	6/30/2019	7	297,539	251,868	41,618
FY20 Loss	6/30/2020	8	124,501	108,932	16,124
FY21 Gain	6/30/2021	9	(578,700)	(519,129)	(69,917)
Change in Assumptions	6/30/2022	10	205,891	188,192	23,345
FY22 Loss	6/30/2022	10	24,178	22,099	2,741
FY23 Loss	6/30/2023	11	498,751	462,366	53,349
FY24 Gain	6/30/2024	12	(29,057)	(27,209)	(2,944)
FY25 Gain	6/30/2025	13	(199,758)	(188,288)	(19,232)
Expected FY26 Loss	6/30/2026	14	175,049	170,367	16,523
Expected FY27 Gain	6/30/2027	15	(178,522)	(178,522)	(16,520)
Total				**$ 4,709,084**	**$ 559,162**

Expected FY28 Schedule of Past Service Cost Amortizations - Healthcare ($ in thousands)

	Amortization Period		Balances		
Layer	Date Created	Years Remaining at 6/30/27	Initial	Outstanding at 6/30/27	Beginning-of-Year Payment for FY28
Initial Amount	6/30/2018	12	$ (78,254)	$ (67,211)	$ (7,272)
Change in Assumptions/Methods/EGWP	6/30/2018	6	49,849	40,386	7,603
FY19 Gain	6/30/2019	7	(630,840)	(534,011)	(88,238)
FY20 Gain	6/30/2020	8	(291,747)	(255,258)	(37,784)
Medical/Prescription Drug Plan Changes	6/30/2021	9	(61,807)	(55,445)	(7,467)
FY21 Gain	6/30/2021	9	(707,913)	(635,043)	(85,528)
Change in Assumptions	6/30/2022	10	(88,392)	(80,794)	(10,022)
FY22 Gain	6/30/2022	10	(505,288)	(461,850)	(57,291)
FY23 Loss	6/30/2023	11	231,295	214,423	24,740
Change in Assumptions	6/30/2024	12	(200,793)	(188,021)	(20,343)
FY24 Gain	6/30/2024	12	(11,089)	(10,384)	(1,123)
FY25 Gain	6/30/2025	13	(79,068)	(74,528)	(7,613)
Expected FY26 Gain	6/30/2026	14	(87,239)	(84,906)	(8,235)
Expected FY27 Gain	6/30/2027	15	(378,510)	(378,510)	(35,027)
Total				**$ (2,571,152)**	**$ (333,600)**

1 Actuarial Funding Results

1.4 Actuarial Gain/(Loss) for FY25 ($ in thousands)

	Pension	Healthcare
1. Expected Actuarial Accrued Liability		
a. Actuarial Accrued Liability as of June 30, 2024	$ 17,059,775	$ 7,129,523
b. Normal Cost	112,577	56,838
c. Interest on (a) and (b) at 7.25%	1,244,996	521,011
d. Employer Group Waiver Plan	0	80,283
e. Benefit Payments	(1,114,695)	(577,494)
f. Refund of Contributions	(10,817)	0
g. Interest on (d) thru (f) at 7.25%, adjusted for timing	(43,490)	(17,709)
h. Assumptions/Methods Changes	0	0
i. Expected Actuarial Accrued Liability as of June 30, 2025 (a) + (b) + (c) + (d) + (e) + (f) + (g) + (h)	$ 17,248,346	$ 7,192,452
2. Actual Actuarial Accrued Liability as of June 30, 2025	17,311,947	7,408,403
3. Liability Gain/(Loss), (1)(i) - (2)	**$ (63,601)**	**$ (215,951)**
4. Expected Actuarial Asset Value		
a. Actuarial Value of Assets as of June 30, 2024	$ 11,608,256	$ 9,433,351
b. Interest on (a) at 7.25%	841,599	683,918
c. Employee Contributions	63,409	0
d. Employer Contributions	517,948	179
e. State Assistance Contributions	59,149	0
f. Employer Group Waiver Plan	0	80,283
g. Interest on (c) thru (f) at 7.25%, adjusted for timing	24,994	2,866
h. Benefit Payments	(1,114,695)	(577,494)
i. Refund of Contributions	(10,817)	0
j. Administrative Expenses	(7,970)	(4,602)
k. Interest on (h) thru (j) at 7.25%, adjusted for timing	(43,774)	(20,732)
l. Expected Actuarial Asset Value as of June 30, 2025 (a) + (b) + (c) + (d) + (e) + (f) + (g) + (h) + (i) + (j) + (k)	$ 11,938,099	$ 9,597,769
5. Actual Actuarial Asset Value as of June 30, 2025	12,162,329	9,785,277
6. Actuarial Asset Value Gain/(Loss), (5) - (4)(l)	**$ 224,230**	**$ 187,508**
7. Total Actuarial Gain/(Loss), (3) + (6)	**$ 160,629**	**$ (28,443)**
8. Contribution Gain/(Loss)	**$ 38,587**	**$ 107,173**
9. Administrative Expense Gain/(Loss)	**$ 542**	**$ 338**
10. FY25 Gain/(Loss), (7) + (8) + (9)	**$ 199,758**	**$ 79,068**

1 Actuarial Funding Results

1.5 Development of Change in Unfunded Liability During FY25 ($ in thousands)

	Pension	Healthcare
1. 2024 Unfunded Liability	$ 5,451,519	$ (2,303,828)
a. Interest on Unfunded Liability at 7.25%	$ 395,235	$ (167,028)
b. Normal Cost	112,577	56,838
c. Employee Contributions	(63,409)	0
d. Employer Contributions	(517,948)	(179)
e. State Assistance Contributions	(59,149)	0
f. Administrative Expenses	7,970	4,602
g. Interest on (b) thru (f) at 7.25%, adjusted for timing	(16,548)	4,278
h. Assumptions/Methods Changes	0	0
i. Expected Change in Unfunded Liability During FY25 (a) + (b) + (c) + (d) + (e) + (f) + (g) + (h)	$ (141,272)	$ (101,489)
2. Expected 2025 Unfunded Liability, (1) + (1)(i)	$ 5,310,247	$ (2,405,317)
a. Liability (Gain)/Loss During FY25	$ 63,601	$ 215,951
b. Actuarial Assets (Gain)/Loss During FY25	(224,230)	(187,508)
c. Total Actuarial (Gain)/Loss During FY25	$ (160,629)	$ 28,443
3. Actual 2025 Unfunded Liability, (2) + (2)(c)	$ 5,149,618	$ (2,376,874)

1 Actuarial Funding Results

1.6 Analysis of Financial Experience

Pension
Change in Employer / State Contribution Rate During Last Five Fiscal Years
Due to (Gains)/Losses from Differences Between Assumed and Actual Experience

Fiscal Year	2021	2022	2023	2024	2025
1. Health Claims	N/A	N/A	N/A	N/A	N/A
2. Salary Experience	0.05%	0.13%	0.23%	0.28%	0.27%
3. Investment Experience	(1.06%)	(0.34%)	(0.03%)	(0.17%)	(0.50%)
4. Demographic Experience and Miscellaneous	(0.54%)	0.52%	0.32%	(1.43%)	(0.92%)
5. Actual vs Expected Contributions	(0.06%)	(0.14%)	0.00%	0.06%	(0.09%)
6. (Gain) or Loss During Year From Experience, (1) + (2) + (3) + (4) + (5)	(1.61%)	0.17%	0.52%	(1.26%)	(1.24%)
7. Assumptions Changes	0.00%	0.54%	0.00%	0.00%	0.70%
8. Method Changes	0.00%	0.00%	0.00%	0.79%	1.86%
9. Plan Changes	0.00%	0.00%	0.00%	0.00%	0.00%
10. Composite (Gain) or Loss During Year, (6) + (7) + (8) + (9)	(1.61%)	0.71%	0.52%	(0.47%)	1.32%
11. Beginning Total Employer / State Contribution Rate	20.54%	18.93%	19.64%	20.16%	19.69%
12. Ending Valuation Year Employer / State Contribution Rate, (10) + (11)	18.93%	19.64%	20.16%	19.69%	21.01%
13. Fiscal Year Rates Adopted by ARMB					
a. Fiscal Year Employer / State Contribution Rate	18.47%	20.03%	21.43%	22.75%	21.23% *
b. Fiscal Year for which Rate Applies	FY24	FY25	FY26	FY27	FY28

* Expected rate. Actual rate to be determined

1 Actuarial Funding Results

1.6 Analysis of Financial Experience (continued)

Healthcare
Change in Employer / State Contribution Rate During Last Five Fiscal Years
Due to (Gains)/Losses from Differences Between Assumed and Actual Experience

Fiscal Year	2021	2022	2023	2024	2025
1. Health Claims	(0.12%)	(0.11%)	0.10%	0.01%	0.01%
2. Salary Experience	N/A	N/A	N/A	N/A	N/A
3. Investment Experience	0.00%	0.00%	0.00%	0.00%	0.00%
4. Demographic Experience and Miscellaneous	(0.26%)	(0.37%)	(0.14%)	(0.22%)	(0.22%)
5. Actual vs Expected Contributions	0.00%	0.00%	0.00%	0.00%	0.00%
6. (Gain) or Loss During Year From Experience, (1) + (2) + (3) + (4) + (5)	(0.38%)	(0.48%)	(0.04%)	(0.21%)	(0.21%)
7. Assumptions Changes	0.00%	(0.22%)	0.00%	(0.02%)	0.00%
8. Method Changes	0.00%	0.00%	0.00%	0.09%	0.00%
9. Plan Changes	(0.03%)	0.00%	0.00%	0.00%	0.00%
10. Composite (Gain) or Loss During Year, (6) + (7) + (8) + (9)	(0.41%)	(0.70%)	(0.04%)	(0.14%)	(0.21%)
11. Beginning Total Employer / State Contribution Rate	3.57%	3.16%	2.46%	2.42%	2.28%
12. Ending Valuation Year Employer / State Contribution Rate, (10) + (11)	3.16%	2.46%	2.42%	2.28%	2.07%
13. Fiscal Year Rates Adopted by ARMB					
a. Fiscal Year Employer / State Contribution Rate	0.00%	0.00%	0.00%	0.00%	1.60% *
b. Fiscal Year for which Rate Applies	FY24	FY25	FY26	FY27	FY28

* Expected rate. Actual rate to be determined

1 Actuarial Funding Results

1.7 History of Unfunded Liability and Funded Ratio

Pension ($ in thousands)

Valuation Date	Total Actuarial Accrued Liability	Valuation Assets	Assets as a Percent of Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability (UAAL)
June 30, 2006	$ 8,094,043	$ 6,331,065	78.2%	$ 1,762,978
June 30, 2007	8,662,324	6,739,004	77.8%	1,923,320
June 30, 2008	9,154,282	7,210,772	78.8%	1,943,510
June 30, 2009	9,702,086	6,108,528	63.0%	3,593,558
June 30, 2010	10,371,672	6,469,832	62.4%	3,901,840
June 30, 2011	10,919,047	6,762,149	61.9%	4,156,898
June 30, 2012	11,428,944	6,530,421	57.1%	4,898,523
June 30, 2013	11,945,881	6,510,749	54.5%	5,435,132
June 30, 2014	12,947,759	7,731,438	59.7%	5,216,321
June 30, 2015	13,337,929	8,931,160	67.0%	4,406,769
June 30, 2016	13,633,033	9,056,662	66.4%	4,576,371
June 30, 2017	13,832,130	9,229,703	66.7%	4,602,427
June 30, 2018	14,606,033	9,430,192	64.6%	5,175,841
June 30, 2019	15,039,180	9,576,693	63.7%	5,462,487
June 30, 2020	15,279,525	9,713,710	63.6%	5,565,815
June 30, 2021	15,419,975	10,466,709	67.9%	4,953,266
June 30, 2022	16,093,679	10,961,498	68.1%	5,132,181
June 30, 2023	16,835,581	11,272,339	67.0%	5,563,242
June 30, 2024	17,059,775	11,608,256	68.0%	5,451,519
June 30, 2025	17,311,947	12,162,329	70.3%	5,149,618

1 Actuarial Funding Results

1.7 History of Unfunded Liability and Funded Ratio (continued)

Healthcare ($ in thousands)

Valuation Date	Total Actuarial Accrued Liability	Valuation Assets	Assets as a Percent of Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability (UAAL)
June 30, 2006	$ 6,294,370	$ 2,709,843	43.1%	$ 3,584,527
June 30, 2007	5,908,609	3,161,956	53.5%	2,746,653
June 30, 2008	6,733,859	3,829,334	56.9%	2,904,525
June 30, 2009	6,877,285	4,134,450	60.1%	2,742,835
June 30, 2010	7,760,820	4,687,632	60.4%	3,073,188
June 30, 2011	7,821,503	5,051,625	64.6%	2,769,878
June 30, 2012	7,863,417	5,301,609	67.4%	2,561,808
June 30, 2013	8,046,878	5,651,877	70.2%	2,395,001
June 30, 2014	7,949,613	6,913,160	87.0%	1,036,453
June 30, 2015	7,310,734	7,242,299	99.1%	68,435
June 30, 2016	7,736,457	7,411,330	95.8%	325,127
June 30, 2017	8,049,265	7,557,068	93.9%	492,197
June 30, 2018	7,658,104	7,686,509	100.4%	(28,405)
June 30, 2019	7,151,694	7,810,491	109.2%	(658,797)
June 30, 2020	7,036,550	7,989,358	113.5%	(952,808)
June 30, 2021	6,856,170	8,581,155	125.2%	(1,724,985)
June 30, 2022	6,657,069	8,979,943	134.9%	(2,322,874)
June 30, 2023	7,085,823	9,180,231	129.6%	(2,094,408)
June 30, 2024	7,129,523	9,433,351	132.3%	(2,303,828)
June 30, 2025	7,408,403	9,785,277	132.1%	(2,376,874)

2 Plan Assets

2.1 Summary of Fair Value of Assets ($ in thousands)

As of June 30, 2025	Pension	Healthcare	Allocation Percent
Cash and Short-Term Investments			
- Cash and Cash Equivalents	$ 156,025	$ 125,582	1.3%
- Subtotal	$ 156,025	$ 125,582	1.3%
Fixed Income Investments			
- Domestic Fixed Income Pool	$ 2,600,299	$ 2,109,235	21.2%
- International Fixed Income Pool	0	0	0.0%
- Alternative Fixed Income Pool	324,840	263,495	2.6%
- High Yield Pool	0	0	0.0%
- Treasury Inflation Protection Pool	0	0	0.0%
- Emerging Debt Pool	0	0	0.0%
- Subtotal	$ 2,925,139	$ 2,372,730	23.8%
Equity Investments			
- Domestic Equity Pool	$ 3,151,034	$ 2,555,953	25.7%
- International Equity Pool	1,776,592	1,441,082	14.5%
- Private Equity Pool	1,877,749	1,523,138	15.3%
- Emerging Markets Equity Pool	328,509	266,471	2.7%
- Alternative Equity Strategies	372,359	302,040	3.0%
- Subtotal	$ 7,506,243	$ 6,088,684	61.2%
Other Investments			
- Real Estate Pool	$ 797,383	$ 646,798	6.5%
- Other Investments Pool	885,594	718,351	7.2%
- Absolute Return Pool	0	0	0.0%
- Other Assets	14	967	0.0%
- Subtotal	$ 1,682,991	$ 1,366,116	13.7%
Total Cash and Investments	$ 12,270,398	$ 9,953,112	100.0%
Net Accrued Receivables	15,633	(61,602)	
Net Assets	$ 12,286,031	$ 9,891,510	

2 Plan Assets

2.2 Changes in Fair Value of Assets During FY25 ($ in thousands)

Fiscal Year 2025	Pension	Healthcare
1. Fair Value of Assets as of June 30, 2024	$ 11,555,868	$ 9,400,625
2. Additions:		
a. Employee Contributions	$ 63,409	$ 0
b. Employer Contributions	517,941	5
c. State Assistance Contributions	59,149	0
d. Interest and Dividend Income	210,091	170,875
e. Net Appreciation/(Depreciation) in Fair Value of Investments	1,044,544	846,592
f. Employer Group Waiver Plan	0	80,283
g. Transfer In	7	174
h. Other	186	779
i. Total Additions	$ 1,895,327	$ 1,098,708
3. Deductions:		
a. Medical Benefits	$ 0	$ 577,494
b. Retirement Benefits	1,114,695	0
c. Refund of Contributions	10,817	0
d. Investment Expenses	31,682	25,727
e. Administrative Expenses	7,970	4,602
f. Transfer Out	0	0
g. Total Deductions	$ 1,165,164	$ 607,823
4. Fair Value of Assets as of June 30, 2025	$ 12,286,031	$ 9,891,510
5. Approximate Fair Value Investment Return Rate during FY25 Net of Investment Expenses	10.8%	10.8%

2 Plan Assets

2.3 Development of Actuarial Value of Assets ($ in thousands)

The actuarial value of asset was set equal to the fair value as of June 30, 2014 and the 20% corridor was eliminated. Investment gains and losses after June 30, 2014 are recognized 20% per year over 5 years.

	Pension	Healthcare
1. Investment Gain/(Loss) for FY25		
a. Fair Value as of June 30, 2024	$ 11,555,868	$ 9,400,625
b. Contributions	640,499	5
c. Employer Group Waiver Plan	0	80,283
d. Benefit Payments	1,125,512	577,494
e. Administrative Expenses	7,970	4,602
f. Transfers In/(Out)	7	174
g. Actual Investment Return (net of investment expenses)	1,223,139	992,519
h. Expected Return Rate (net of investment expenses)	7.25%	7.25%
i. Expected Return, Weighted for Timing	819,020	663,679
j. Investment Gain/(Loss) for the Year, (g) - (i)	404,119	328,840
2. Actuarial Value as of June 30, 2025		
a. Fair Value as of June 30, 2025	$ 12,286,031	$ 9,891,510
b. Deferred Investment Gain/(Loss)	123,702	106,233
c. Actuarial Value as of June 30, 2025, (a) - (b)	12,162,329	9,785,277
3. Ratio of Actuarial Value of Assets to Fair Value of Assets	99.0%	98.9%
4. Approximate Actuarial Value Investment Return Rate during FY25 Net of Investment Expenses	9.2%	9.3%

2 Plan Assets

2.3 Development of Actuarial Value of Assets (continued)

The tables below show the development of the gains/(losses) to be recognized in the current year:

Pension ($ in thousands)

Fiscal Year Ending	Asset Gain / (Loss)	Gain / (Loss) Recognized in Prior Years	Gain / (Loss) Recognized This Year	Gain / (Loss) Deferred to Future Years
June 30, 2021	$ 2,103,782	$ 1,683,024	$ 420,758	$ 0
June 30, 2022	(1,570,061)	(942,036)	(314,012)	(314,013)
June 30, 2023	34,796	13,918	6,959	13,919
June 30, 2024	167,501	33,500	33,500	100,501
June 30, 2025	404,119	0	80,824	323,295
Total	**$ 1,140,137**	**$ 788,406**	**$ 228,029**	**$ 123,702**

Healthcare ($ in thousands)

Fiscal Year Ending	Asset Gain / (Loss)	Gain / (Loss) Recognized in Prior Years	Gain / (Loss) Recognized This Year	Gain / (Loss) Deferred to Future Years
June 30, 2021	$ 1,730,106	$ 1,384,085	$ 346,021	$ 0
June 30, 2022	(1,288,435)	(773,061)	(257,687)	(257,687)
June 30, 2023	32,449	12,980	6,490	12,979
June 30, 2024	146,447	29,289	29,289	87,869
June 30, 2025	328,840	0	65,768	263,072
Total	**$ 949,407**	**$ 653,293**	**$ 189,881**	**$ 106,233**

2 Plan Assets

2.4 Historical Asset Rates of Return

	Actuarial Value		Fair Value	
Year Ending	Annual	Cumulative	Annual	Cumulative
June 30, 2005	8.7%	8.7%	8.5%	8.5%
June 30, 2006	9.3%	9.0%	11.4%	9.9%
June 30, 2007	11.6%	9.9%	18.5%	12.7%
June 30, 2008	10.0%	9.9%	(3.1%)	8.5%
June 30, 2009	(7.3%)	6.2%	(20.5%)	2.0%
June 30, 2010	7.2%	6.4%	10.2%	3.3%
June 30, 2011	7.2%	6.5%	20.4%	5.6%
June 30, 2012	1.2%	5.8%	0.2%	4.9%
June 30, 2013	4.0%	5.6%	12.1%	5.7%
June 30, 2014	21.9%	7.1%	18.1%	6.9%
June 30, 2015	7.0%	7.1%	2.9%	6.5%
June 30, 2016	5.0%	6.9%	(0.7%)	5.9%
June 30, 2017	5.4%	6.8%	12.8%	6.4%
June 30, 2018	6.1%	6.8%	8.2%	6.5%
June 30, 2019	5.5%	6.7%	6.0%	6.5%
June 30, 2020	5.8%	6.6%	4.1%	6.3%
June 30, 2021	11.6%	6.9%	30.0%	7.6%
June 30, 2022	8.7%	7.0%	(6.0%)	6.8%
June 30, 2023	7.4%	7.0%	7.6%	6.8%
June 30, 2024	8.0%	7.1%	8.8%	6.9%
June 30, 2025	9.3%	7.2%	10.8%	7.1%

Rates of return are shown based on combined assets for Pension and Healthcare.

Cumulative returns are since fiscal year ending June 30, 2005.

3 Projections

3.1 Projection Assumptions and Methods

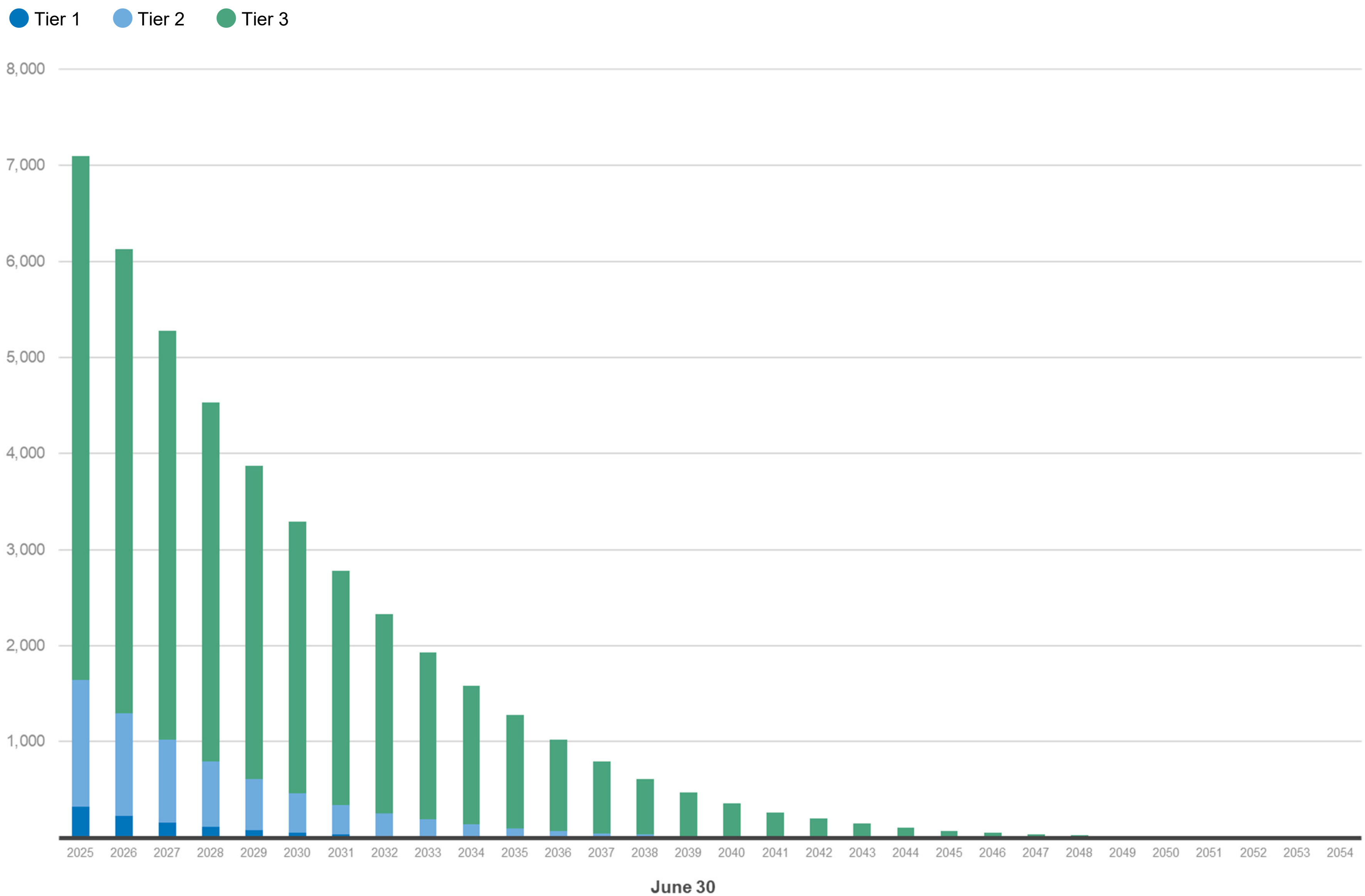
Key Assumptions

- 7.25% investment return (net of investment expenses) on the Fair Value of Assets in all future years.
- The Actuarial Value of Assets reflects the deferred gains and losses generated by the smoothing method. The current deferred amount is recognized in the first four years of the projections.
- Actuarial assumptions and methods as described in Section 5. Experience after June 30, 2025 is assumed to match the assumptions.
- The actuarially calculated contribution rate using a two-year roll-forward approach is adopted each year.
- Projections assume a 0% increase in the total active member population. All new members are expected to enter the DCR plan.
- Contribution rates are determined as a percent of total DB and DCR payroll.
- The DCR contribution rate determined as of June 30, 2025 is assumed to remain constant in all future years.
- The active rehire assumption shown in Section 5 is assumed to grade to zero on a uniform basis over 20 years.
- The Normal Cost is increased by the administrative expenses shown in Section 5. For future years, the percent increase is assumed to remain constant.
- The % of total DB/DCR payroll represented by the State's employees based on the June 30, 2025 data was assumed to remain constant in all future years.
- Board-adopted contribution rates for FY26 and FY27 are reflected. The projected actuarially determined contributions are assumed to be deposited to the trusts each year.
- Outstanding amortization bases for the pension trust are eliminated in the year that the pension trust is projected to reach 100% funding.
- For the projections in Section 3.9A, the healthcare Normal Cost is assumed to be contributed to the healthcare trust in FY28 and beyond. For the projections in Section 3.9B, zero healthcare Normal Cost is assumed to be contributed to the healthcare trust in all years.

3 Projections

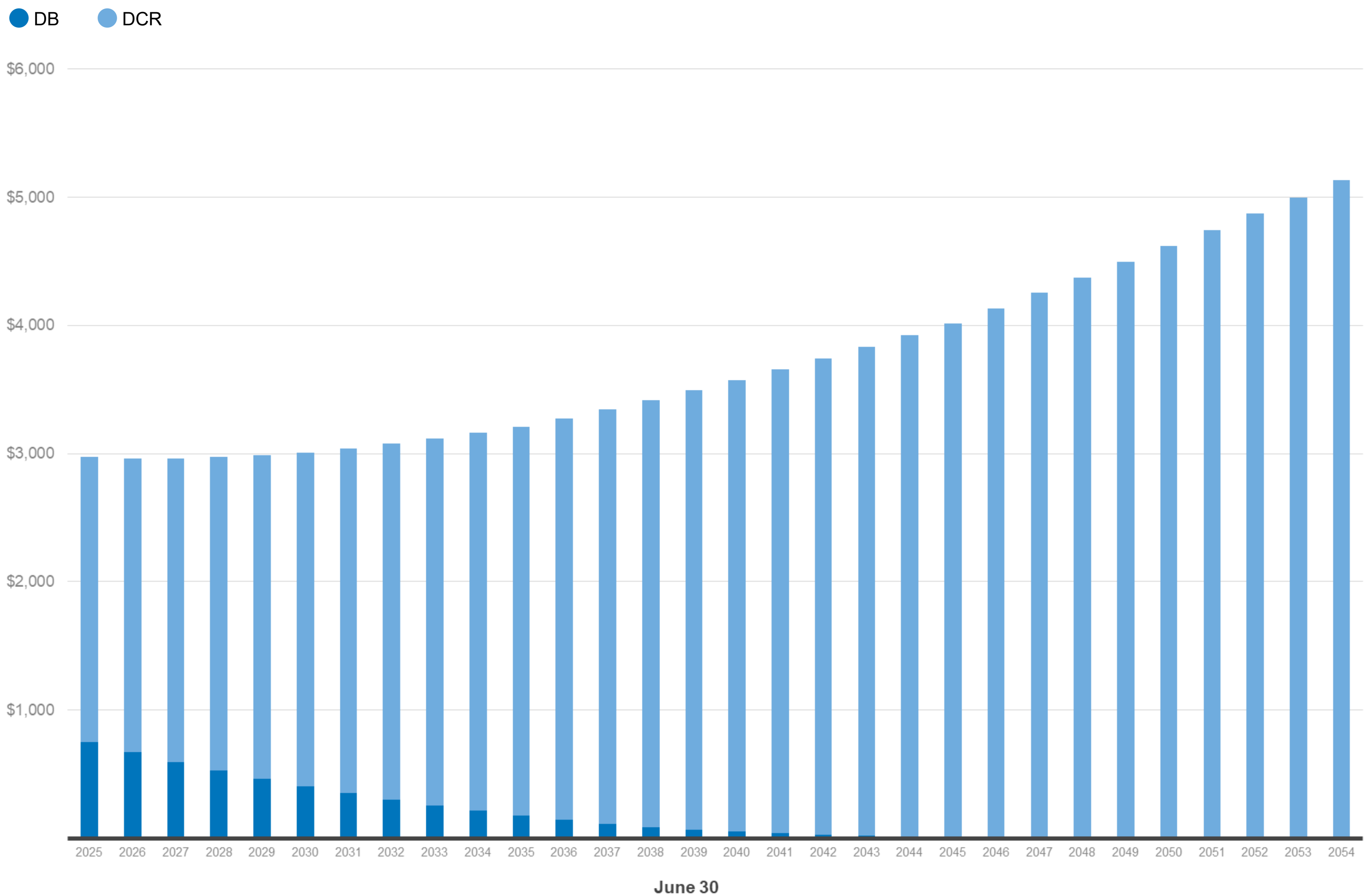
3.2 Membership Projections

Active Member Counts



3.2 Membership Projections (continued)

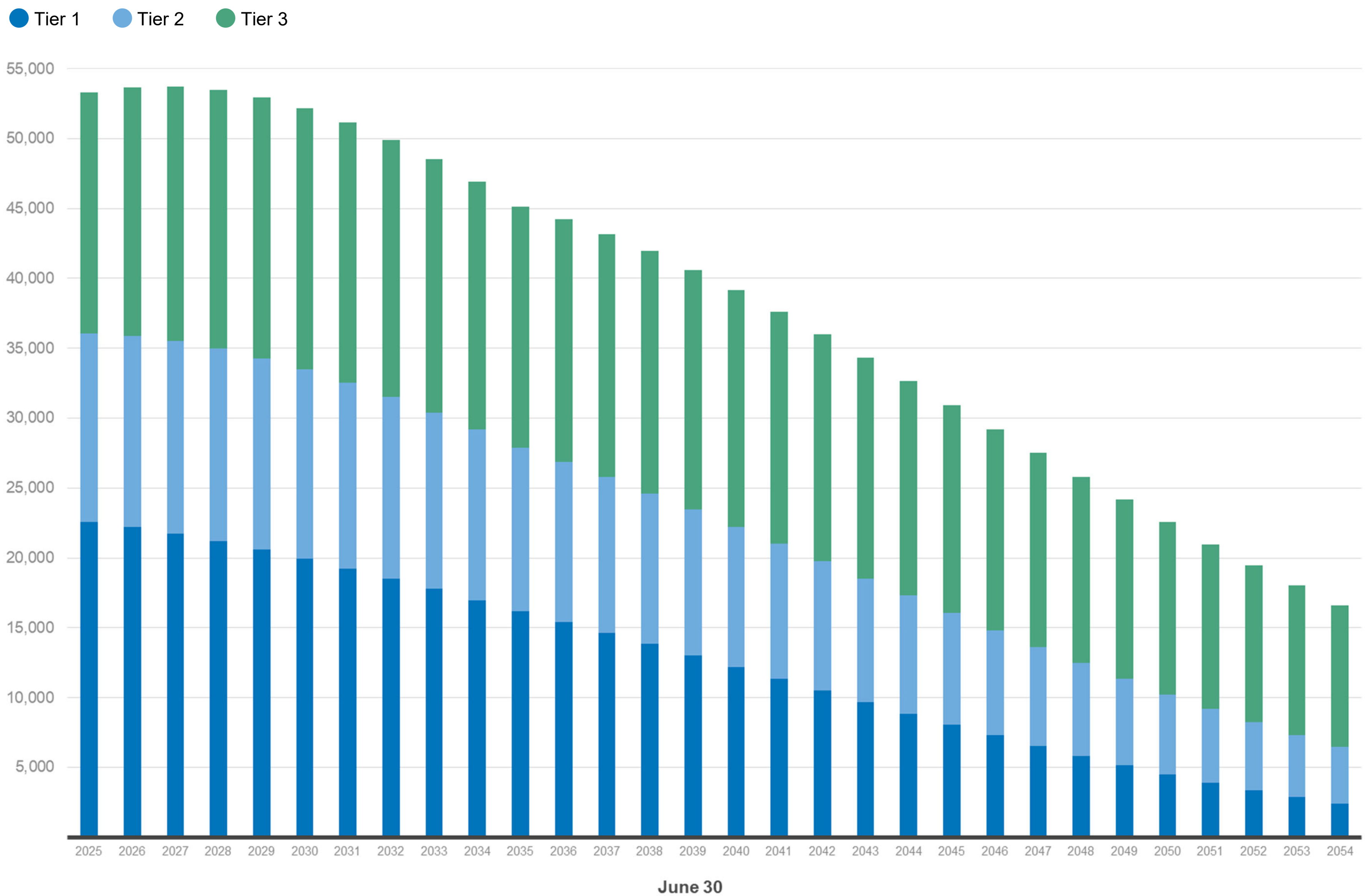
Total Payroll ($ in millions)



3 Projections

3.2 Membership Projections (continued)

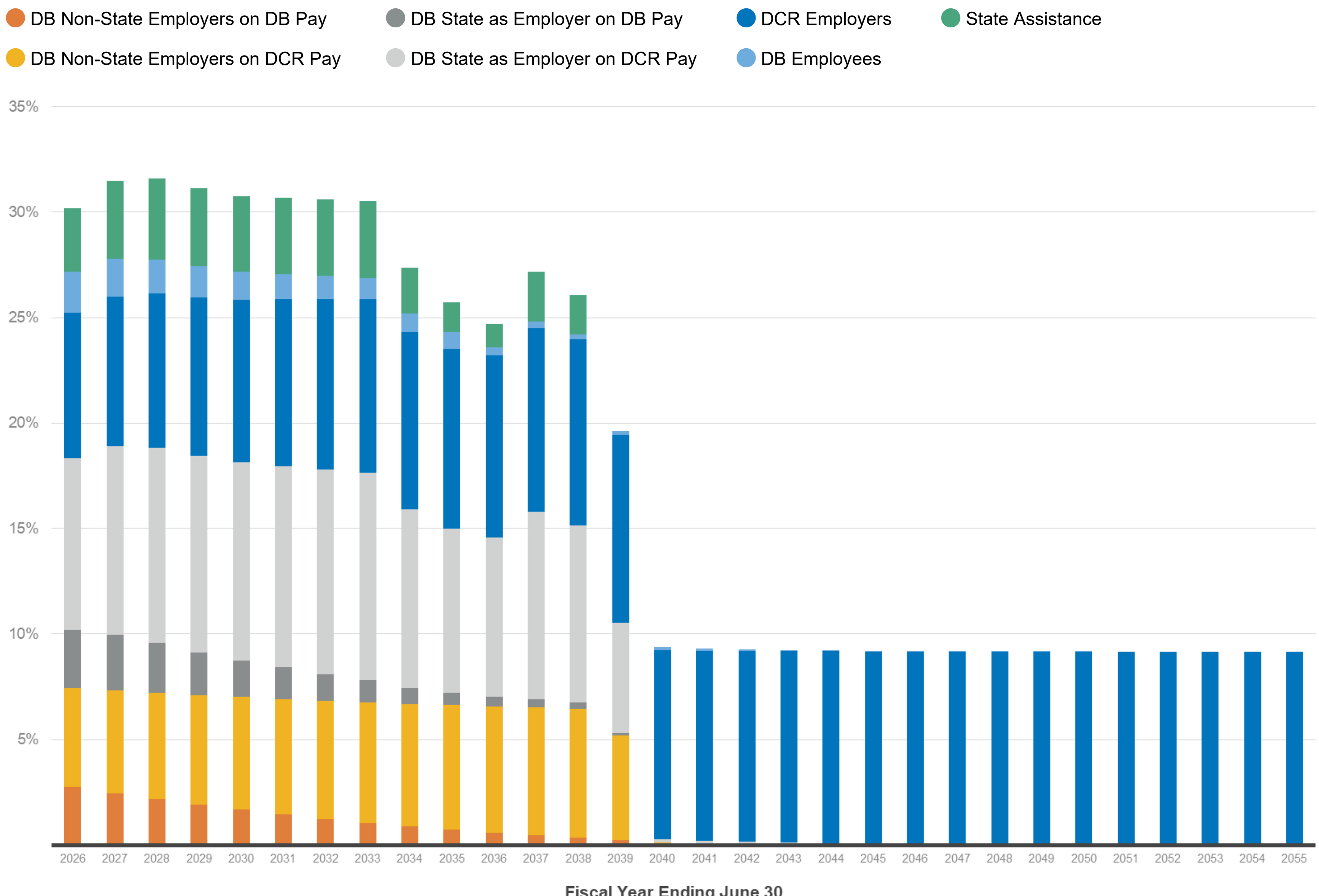
Inactive Member Counts



3 Projections

3.3 Projected Contribution Rates

Based on Total Payroll (DB and DCR)

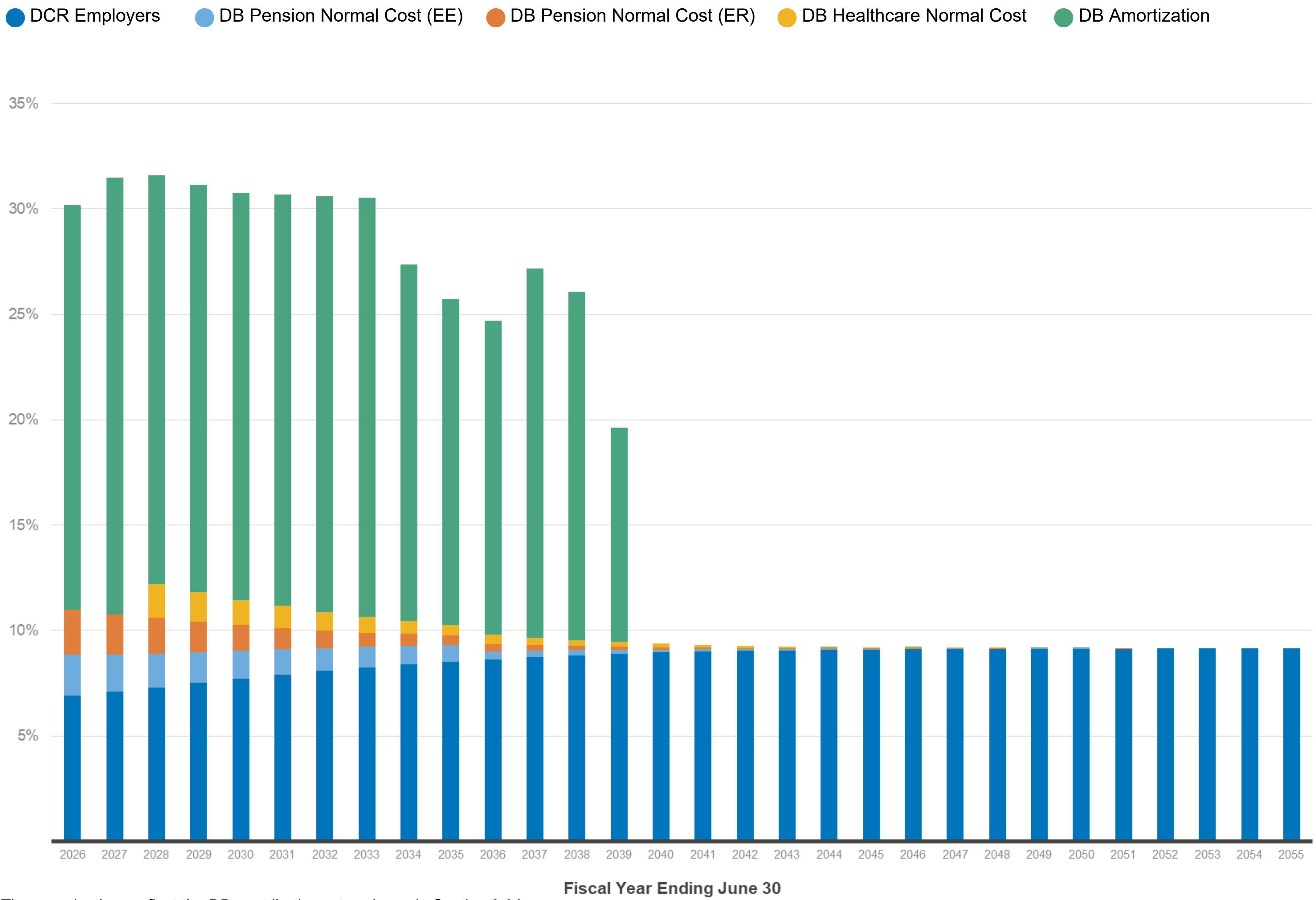


These projections reflect the DB contribution rates shown in Section 3.9A.

3 Projections

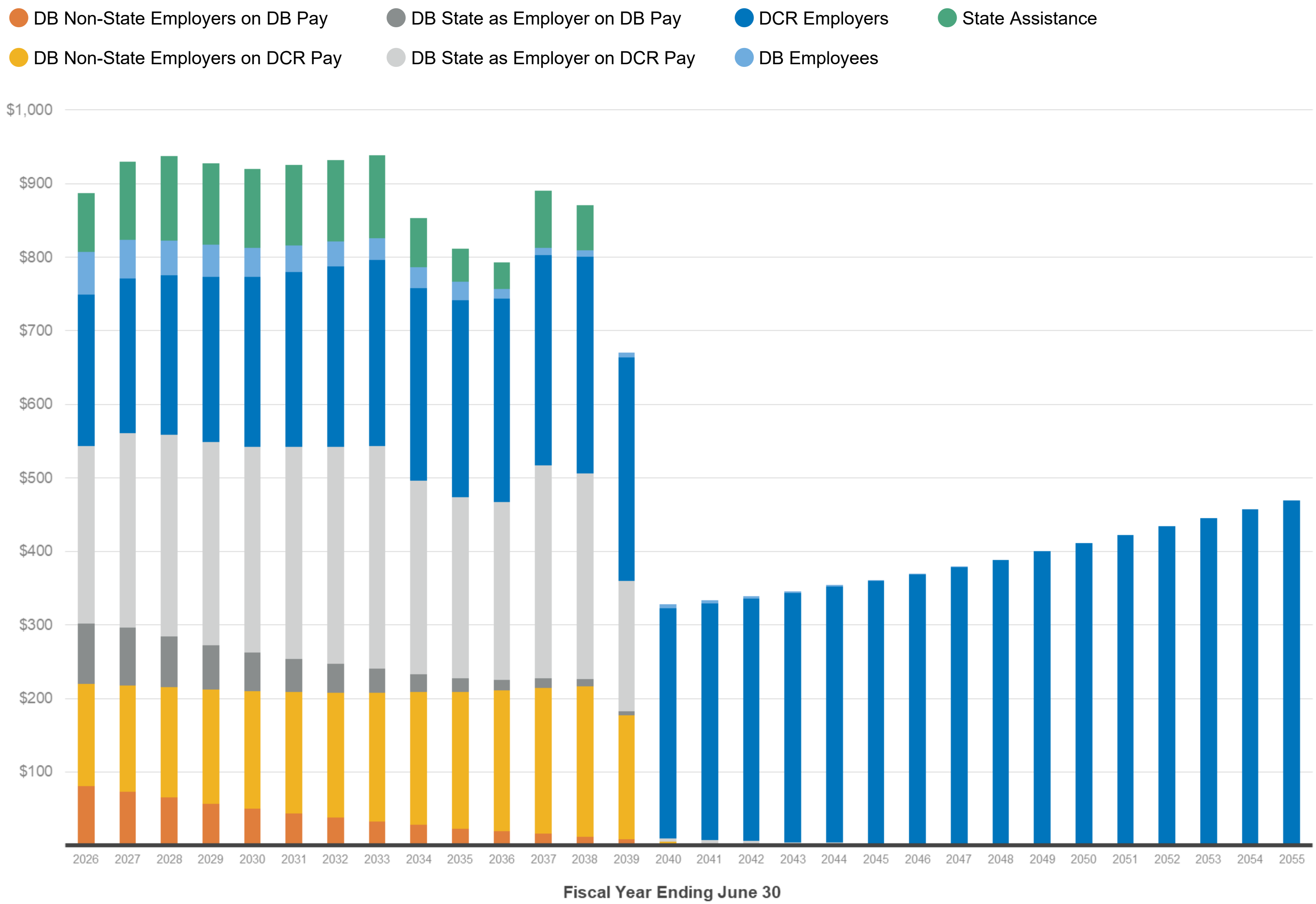
3.4 Projected Contribution Rates by Component

Based on Total Payroll (DB and DCR)



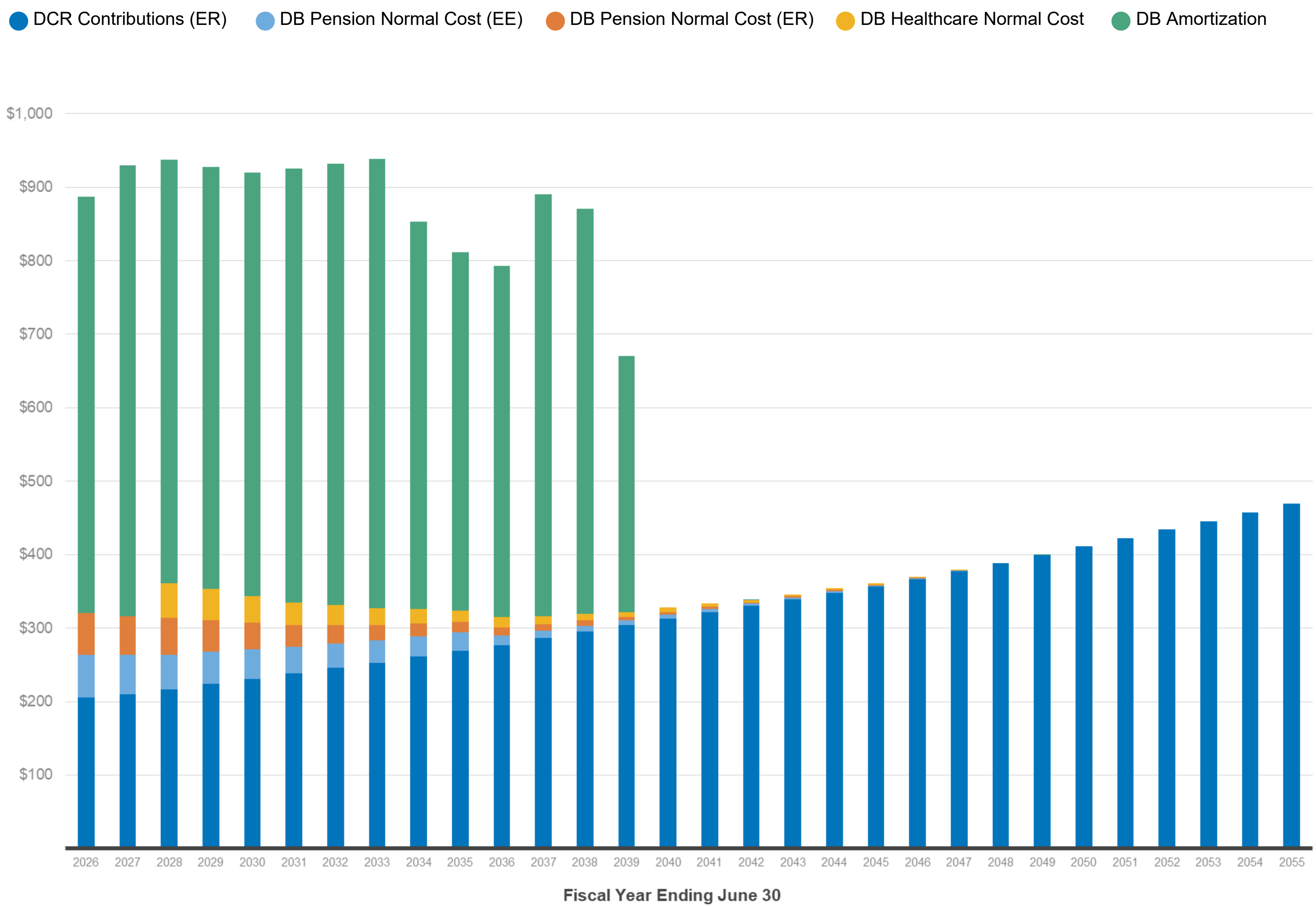
These projections reflect the DB contribution rates shown in Section 3.9A.

3.5 Projected Contribution Amounts ($ in millions)



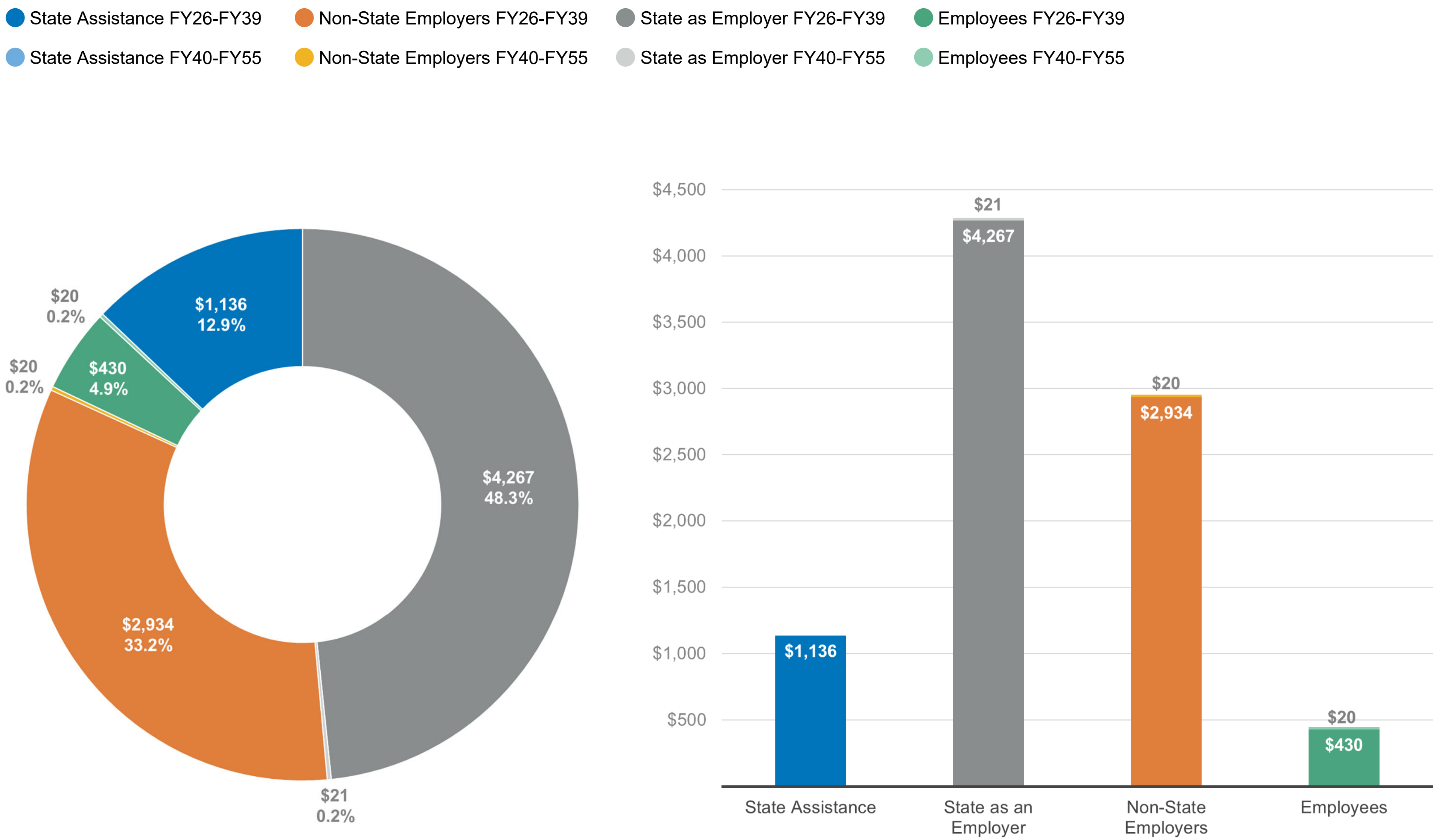
These projections reflect the DB contribution rates shown in Section 3.9A.

3.6 Projected Contribution Amounts by Component ($ in millions)



These projections reflect the DB contribution rates shown in Section 3.9A.

3.7 Summary of Projected Contributions by Source ($ in millions)

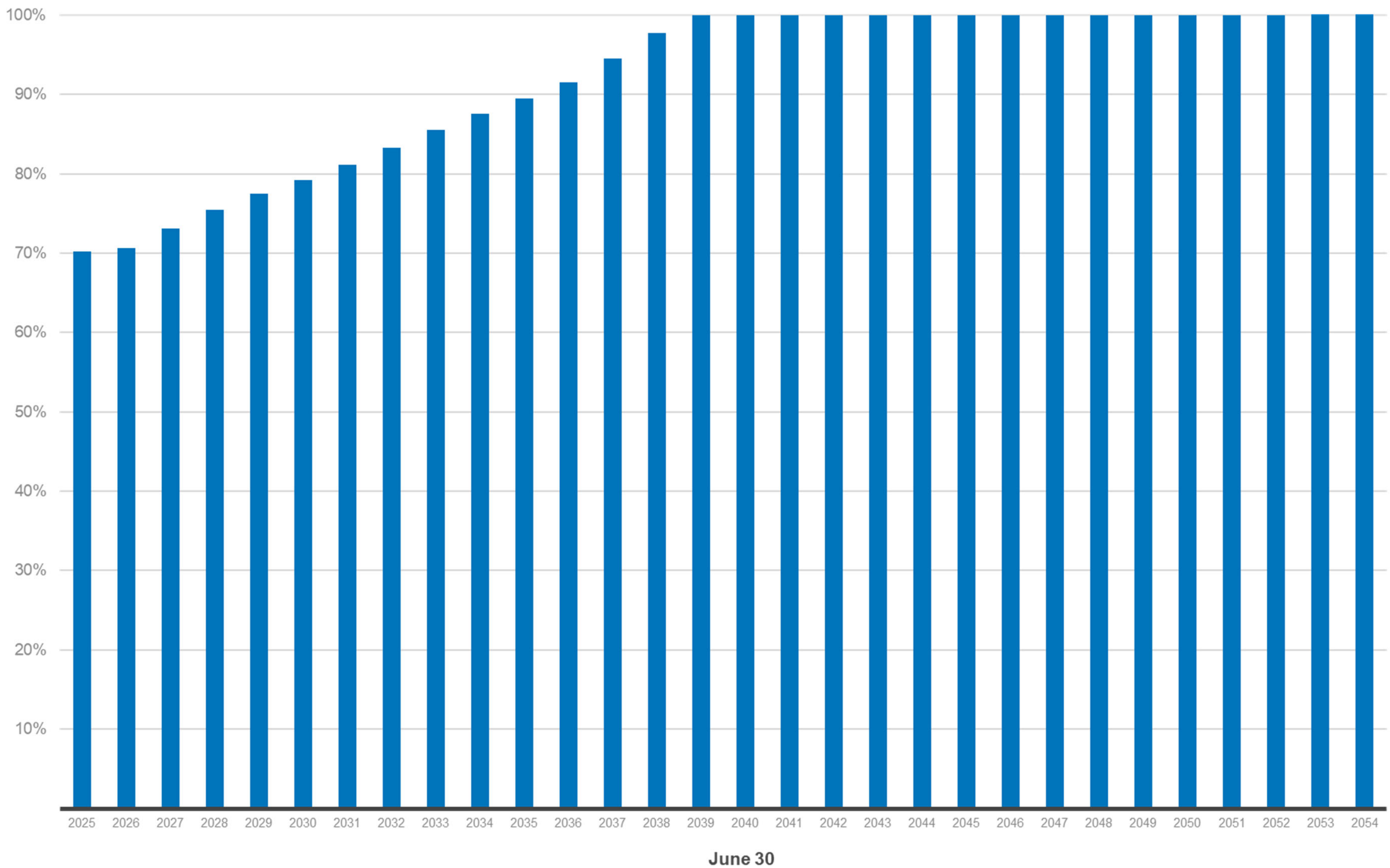


These projections reflect the DB contribution rates shown in Section 3.9A.

3 Projections

3.8 Projected Funded Ratios

Pension

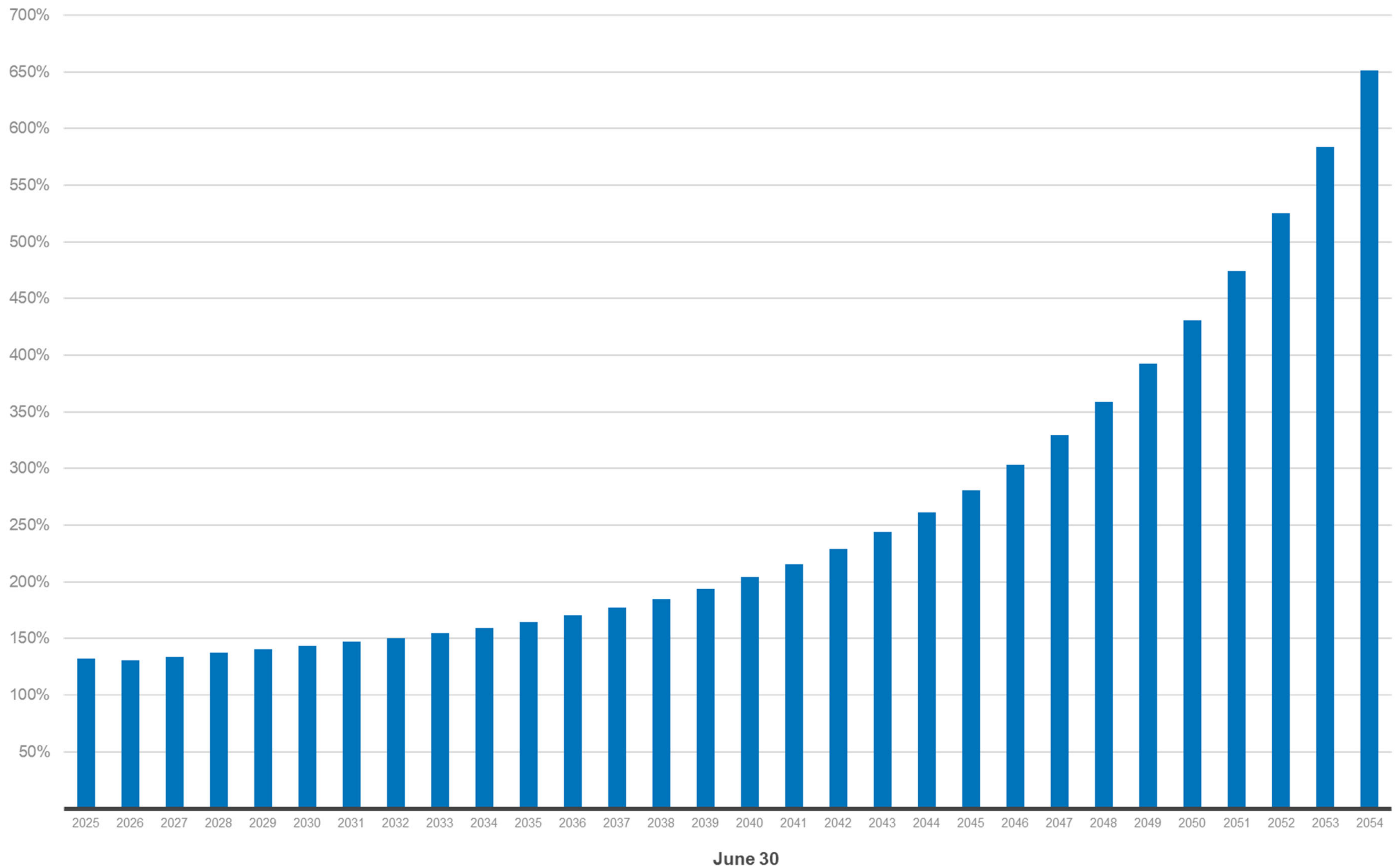


These projections reflect the DB contribution rates shown in Section 3.9A.

3 Projections

3.8 Projected Funded Ratios (continued)

Healthcare



These projections reflect the DB contribution rates shown in Section 3.9A.

3 Projections

3.9A Tables of Projected Actuarial Results ($ in thousands)

	Valuation Amounts on June 30				Cash Flow Amounts during Following 12 Months										Deferred Assed Gain / (Loss)	
	Pension		Healthcare			Actuarial Contrib. Rates			DB Contributions							
June 30	Actuarial Assets	Accrued Liability	Actuarial Assets	Accrued Liability	Total Salaries	DB	DCR	Total	Non-State Employers	State as an Employer	State Assistance	Employee	Total	Benefit Payments	Pension	Healthcare
2025	$ 12,162,329	$ 17,311,947	$ 9,785,277	$ 7,408,403	$ 2,974,777	21.43%	6.90%	28.33%	$ 220,778	$ 324,166	$ 79,807	$ 57,731	$ 682,482	$ 1,669,296	$ 316,431	$ 262,373
2026	12,330,951	17,452,554	9,835,941	7,498,801	2,963,616	22.75%	7.09%	29.84%	217,182	342,842	106,323	52,605	718,952	1,725,442	195,148	160,825
2027	12,828,945	17,538,029	10,154,158	7,583,006	2,965,465	22.83%	7.30%	30.13%	214,256	344,262	114,416	47,728	720,662	1,793,517	80,824	65,768
2028	13,250,893	17,572,226	10,510,429	7,646,141	2,974,862	22.28%	7.52%	29.80%	211,719	337,033	110,099	43,563	702,414	1,857,292	0	0
2029	13,604,636	17,548,964	10,829,024	7,686,371	2,990,083	21.84%	7.72%	29.56%	209,862	332,069	107,283	39,761	688,975	1,917,210	0	0
2030	13,848,288	17,472,960	11,073,801	7,703,269	3,010,579	21.72%	7.91%	29.63%	208,490	332,507	109,054	35,998	686,049	1,975,364	0	0
2031	14,074,468	17,345,134	11,308,827	7,693,929	3,040,695	21.58%	8.08%	29.66%	208,035	333,668	110,593	32,896	685,192	2,028,990	0	0
2032	14,286,781	17,166,314	11,535,251	7,658,165	3,075,936	21.44%	8.24%	29.68%	208,027	335,346	112,177	30,097	685,647	2,078,304	0	0
2033	14,489,262	16,937,956	11,753,385	7,595,228	3,116,296	18.15%	8.39%	26.54%	208,458	287,611	67,087	27,598	590,754	2,118,102	0	0
2034	14,584,821	16,662,137	11,968,350	7,508,695	3,161,792	16.45%	8.52%	24.97%	209,482	264,478	44,600	25,395	543,955	2,151,729	0	0
2035	14,620,443	16,340,741	12,182,211	7,399,282	3,212,148	15.72%	8.63%	24.35%	211,082	256,767	35,838	12,527	516,214	2,165,838	0	0
2036	14,629,193	15,976,940	12,397,991	7,268,212	3,275,307	18.20%	8.74%	26.94%	213,461	303,120	76,788	10,153	603,522	2,187,385	0	0
2037	14,722,281	15,570,919	12,615,660	7,114,050	3,343,008	17.07%	8.83%	25.90%	216,394	290,177	61,944	8,023	576,538	2,199,561	0	0
2038	14,791,101	15,126,604	12,839,535	6,939,029	3,415,813	10.55%	8.90%	19.45%	177,121	183,248	0	6,148	366,517	2,204,811	0	0
2039	14,648,414	14,648,087	13,071,566	6,743,262	3,493,049	0.28%	8.95%	9.23%	4,807	4,973	0	4,890	14,670	2,198,335	0	0
2040	14,141,151	14,140,703	13,317,559	6,530,530	3,573,988	0.20%	9.00%	9.20%	3,513	3,635	0	3,931	11,079	2,183,361	0	0
2041	13,608,537	13,608,195	13,582,380	6,303,451	3,657,403	0.15%	9.03%	9.18%	2,697	2,790	0	2,926	8,413	2,157,579	0	0
2042	13,055,540	13,055,326	13,872,643	6,066,142	3,742,505	0.12%	9.06%	9.18%	2,208	2,284	0	2,246	6,738	2,124,828	0	0
2043	12,487,086	12,486,708	14,192,098	5,819,641	3,831,373	0.09%	9.08%	9.17%	1,695	1,753	0	1,533	4,981	2,080,253	0	0
2044	11,906,930	11,906,435	14,549,963	5,570,592	3,923,255	0.07%	9.10%	9.17%	1,349	1,396	0	1,177	3,922	2,029,044	0	0
2045	11,319,967	11,319,289	14,950,861	5,320,424	4,017,518	0.05%	9.11%	9.16%	987	1,022	0	804	2,813	1,970,596	0	0
2046	10,729,536	10,728,824	15,401,417	5,072,687	4,134,709	0.03%	9.12%	9.15%	609	630	0	827	2,066	1,906,274	0	0
2047	10,139,610	10,138,788	15,907,421	4,829,857	4,253,457	0.02%	9.12%	9.14%	418	432	0	425	1,275	1,838,960	0	0
2048	9,553,347	9,552,474	16,472,792	4,592,290	4,374,044	0.01%	9.13%	9.14%	518	536	0	437	1,491	1,767,788	0	0
2049	8,974,312	8,972,922	17,103,578	4,361,739	4,496,344	0.01%	9.13%	9.14%	436	452	0	450	1,338	1,697,422	0	0
2050	8,404,928	8,402,970	17,801,403	4,135,640	4,620,414	0.01%	9.13%	9.14%	337	349	0	0	686	1,624,687	0	0
2051	7,847,246	7,844,986	18,571,720	3,915,188	4,745,393	0.00%	9.14%	9.14%	183	190	0	0	373	1,552,198	0	0
2052	7,303,427	7,301,004	19,418,571	3,699,440	4,871,771	0.00%	9.14%	9.14%	127	132	0	0	259	1,479,934	0	0
2053	6,775,424	6,772,825	20,346,533	3,487,764	4,999,903	0.00%	9.14%	9.14%	87	90	0	0	177	1,408,701	0	0
2054	6,264,753	6,261,964	21,360,083	3,279,055	5,130,186	0.00%	9.14%	9.14%	59	61	0	0	120	1,336,919	0	0
								Total	$ 2,954,377	$ 4,288,019	$ 1,136,009	$ 449,869	$ 8,828,274			

The contribution rates, contribution amounts, and benefit payments are determined separately for Pension and Healthcare. They are aggregated solely for purposes of display in this exhibit.

For these projections, the healthcare Normal Cost is assumed to be contributed to the healthcare trust in FY28 and beyond.

3 Projections

3.9A Tables of Projected Actuarial Results ($ in thousands) (continued)

June 30	Funded Ratio		Unfunded Liability / (Surplus)	
	Pension	Healthcare	Pension	Healthcare
2025	70%	132%	$ 5,149,618	$ (2,376,874)
2026	71%	131%	5,121,603	(2,337,140)
2027	73%	134%	4,709,084	(2,571,152)
2028	75%	137%	4,321,333	(2,864,288)
2029	78%	141%	3,944,328	(3,142,653)
2030	79%	144%	3,624,672	(3,370,532)
2031	81%	147%	3,270,666	(3,614,898)
2032	83%	151%	2,879,533	(3,877,086)
2033	86%	155%	2,448,694	(4,158,157)
2034	88%	159%	2,077,316	(4,459,655)
2035	89%	165%	1,720,298	(4,782,929)
2036	92%	171%	1,347,747	(5,129,779)
2037	95%	177%	848,638	(5,501,610)
2038	98%	185%	335,503	(5,900,506)
2039	100%	194%	(327)	(6,328,304)
2040	100%	204%	(448)	(6,787,029)
2041	100%	215%	(342)	(7,278,929)
2042	100%	229%	(214)	(7,806,501)
2043	100%	244%	(378)	(8,372,457)
2044	100%	261%	(495)	(8,979,371)
2045	100%	281%	(678)	(9,630,437)
2046	100%	304%	(712)	(10,328,730)
2047	100%	329%	(822)	(11,077,564)
2048	100%	359%	(873)	(11,880,502)
2049	100%	392%	(1,390)	(12,741,839)
2050	100%	430%	(1,958)	(13,665,763)
2051	100%	474%	(2,260)	(14,656,532)
2052	100%	525%	(2,423)	(15,719,131)
2053	100%	583%	(2,599)	(16,858,769)
2054	100%	651%	(2,789)	(18,081,028)

For these projections, the healthcare Normal Cost is assumed to be contributed to the healthcare trust in FY28 and beyond.

3 Projections

3.9B Tables of Projected Actuarial Results ($ in thousands)

June 30	Valuation Amounts on June 30				Cash Flow Amounts during Following 12 Months										Deferred Assed Gain / (Loss)	
	Pension		Healthcare			Actuarial Contrib. Rates			DB Contributions							
	Actuarial Assets	Accrued Liability	Actuarial Assets	Accrued Liability	Total Salaries	DB	DCR	Total	Non-State Employers	State as an Employer	State Assistance	Employee	Total	Benefit Payments	Pension	Healthcare
2025	$ 12,162,329	$ 17,311,947	$ 9,785,277	$ 7,408,403	$ 2,974,777	21.43%	6.90%	28.33%	$ 220,778	$ 324,166	$ 79,807	$ 57,731	$ 682,482	$ 1,669,296	$ 316,431	$ 262,373
2026	12,330,951	17,452,554	9,835,941	7,498,801	2,963,616	22.75%	7.09%	29.84%	217,182	342,842	106,323	52,605	718,952	1,725,442	195,148	160,825
2027	12,828,945	17,538,029	10,154,158	7,583,006	2,965,465	21.23%	7.30%	28.53%	214,256	320,135	91,970	47,728	674,089	1,793,517	80,824	65,768
2028	13,250,971	17,572,226	10,461,292	7,646,141	2,974,862	20.88%	7.52%	28.40%	211,719	315,855	90,361	43,563	661,498	1,857,292	0	0
2029	13,604,750	17,548,964	10,733,193	7,686,371	2,990,083	20.63%	7.72%	28.35%	209,863	313,670	90,088	39,761	653,382	1,917,210	0	0
2030	13,848,384	17,472,960	10,933,554	7,703,269	3,010,579	20.68%	7.91%	28.59%	208,490	316,586	94,109	35,998	655,183	1,975,364	0	0
2031	14,074,479	17,345,134	11,125,987	7,693,929	3,040,695	20.69%	8.08%	28.77%	208,035	319,907	97,740	32,896	658,578	2,028,990	0	0
2032	14,286,782	17,166,314	11,311,130	7,658,165	3,075,936	20.69%	8.24%	28.93%	208,027	323,615	101,141	30,097	662,880	2,078,304	0	0
2033	14,489,170	16,937,956	11,489,123	7,595,228	3,116,296	17.52%	8.39%	25.91%	208,459	277,628	57,897	27,598	571,582	2,118,102	0	0
2034	14,584,860	16,662,137	11,664,598	7,508,695	3,161,792	15.93%	8.52%	24.45%	209,482	256,118	36,830	25,395	527,825	2,151,729	0	0
2035	14,620,520	16,340,741	11,839,410	7,399,282	3,212,148	15.29%	8.63%	23.92%	211,082	249,744	29,207	12,527	502,560	2,165,838	0	0
2036	14,629,196	15,976,940	12,016,031	7,268,212	3,275,307	17.86%	8.74%	26.60%	213,461	297,457	71,476	10,153	592,547	2,187,385	0	0
2037	14,722,255	15,570,919	12,194,475	7,114,050	3,343,008	16.80%	8.83%	25.63%	216,395	285,586	57,672	8,023	567,676	2,199,561	0	0
2038	14,791,085	15,126,604	12,378,466	6,939,029	3,415,813	10.34%	8.90%	19.24%	173,595	179,600	0	6,148	359,343	2,204,811	0	0
2039	14,648,397	14,648,087	12,569,640	6,743,262	3,493,049	0.12%	8.95%	9.07%	2,060	2,131	0	4,890	9,081	2,198,335	0	0
2040	14,141,133	14,140,703	12,773,455	6,530,530	3,573,988	0.08%	9.00%	9.08%	1,405	1,454	0	3,931	6,790	2,183,361	0	0
2041	13,608,518	13,608,195	12,994,387	6,303,451	3,657,403	0.06%	9.03%	9.09%	1,079	1,116	0	2,926	5,121	2,157,579	0	0
2042	13,055,520	13,055,326	13,238,611	6,066,142	3,742,505	0.05%	9.06%	9.11%	920	952	0	2,246	4,118	2,124,828	0	0
2043	12,487,065	12,486,708	13,509,385	5,819,641	3,831,373	0.04%	9.08%	9.12%	753	779	0	1,533	3,065	2,080,253	0	0
2044	11,906,908	11,906,435	13,815,769	5,570,592	3,923,255	0.03%	9.10%	9.13%	578	598	0	1,177	2,353	2,029,044	0	0
2045	11,319,944	11,319,289	14,161,813	5,320,424	4,017,518	0.02%	9.11%	9.13%	395	409	0	804	1,608	1,970,596	0	0
2046	10,729,512	10,728,824	14,553,916	5,072,687	4,134,709	0.01%	9.12%	9.13%	203	210	0	827	1,240	1,906,274	0	0
2047	10,139,584	10,138,788	14,997,620	4,829,857	4,253,457	0.01%	9.12%	9.13%	209	216	0	425	850	1,838,960	0	0
2048	9,553,319	9,552,474	15,496,590	4,592,290	4,374,044	0.00%	9.13%	9.13%	303	314	0	437	1,054	1,767,788	0	0
2049	8,974,282	8,972,922	16,056,149	4,361,739	4,496,344	0.00%	9.13%	9.13%	215	223	0	450	888	1,697,422	0	0
2050	8,404,896	8,402,970	16,677,570	4,135,640	4,620,414	0.01%	9.13%	9.14%	227	235	0	0	462	1,624,687	0	0
2051	7,847,212	7,844,986	17,366,177	3,915,188	4,745,393	0.00%	9.14%	9.14%	106	110	0	0	216	1,552,198	0	0
2052	7,303,391	7,301,004	18,125,463	3,699,440	4,871,771	0.00%	9.14%	9.14%	73	76	0	0	149	1,479,934	0	0
2053	6,775,385	6,772,825	18,959,561	3,487,764	4,999,903	0.00%	9.14%	9.14%	50	52	0	0	102	1,408,701	0	0
2054	6,264,711	6,261,964	19,872,478	3,279,055	5,130,186	0.00%	9.14%	9.14%	34	35	0	0	69	1,336,919	0	0
								Total	$ 2,939,434	$ 4,131,819	$ 1,004,621	$ 449,869	$ 8,525,743			

The contribution rates, contribution amounts, and benefit payments are determined separately for Pension and Healthcare. They are aggregated solely for purposes of display in this exhibit.

For these projections, zero healthcare Normal Cost is assumed to be contributed to the healthcare trust in all years.

3.9B Tables of Projected Actuarial Results ($ in thousands) (continued)

June 30	Funded Ratio		Unfunded Liability / (Surplus)	
	Pension	Healthcare	Pension	Healthcare
2025	70%	132%	$ 5,149,618	$ (2,376,874)
2026	71%	131%	5,121,603	(2,337,140)
2027	73%	134%	4,709,084	(2,571,152)
2028	75%	137%	4,321,255	(2,815,151)
2029	78%	140%	3,944,214	(3,046,822)
2030	79%	142%	3,624,576	(3,230,285)
2031	81%	145%	3,270,655	(3,432,058)
2032	83%	148%	2,879,532	(3,652,965)
2033	86%	151%	2,448,786	(3,893,895)
2034	88%	155%	2,077,277	(4,155,903)
2035	89%	160%	1,720,221	(4,440,128)
2036	92%	165%	1,347,744	(4,747,819)
2037	95%	171%	848,664	(5,080,425)
2038	98%	178%	335,519	(5,439,437)
2039	100%	186%	(310)	(5,826,378)
2040	100%	196%	(430)	(6,242,925)
2041	100%	206%	(323)	(6,690,936)
2042	100%	218%	(194)	(7,172,469)
2043	100%	232%	(357)	(7,689,744)
2044	100%	248%	(473)	(8,245,177)
2045	100%	266%	(655)	(8,841,389)
2046	100%	287%	(688)	(9,481,229)
2047	100%	311%	(796)	(10,167,763)
2048	100%	337%	(845)	(10,904,300)
2049	100%	368%	(1,360)	(11,694,410)
2050	100%	403%	(1,926)	(12,541,930)
2051	100%	444%	(2,226)	(13,450,989)
2052	100%	490%	(2,387)	(14,426,023)
2053	100%	544%	(2,560)	(15,471,797)
2054	100%	606%	(2,747)	(16,593,423)

For these projections, zero healthcare Normal Cost is assumed to be contributed to the healthcare trust in all years.

3 Projections

3.10 Projected Pension Benefit Recipients and Amounts ($ in thousands)

June 30	Pension Recipient Counts	Pension Benefit Amounts	June 30	Pension Recipient Counts	Pension Benefit Amounts
2025	39,357	$ 1,181,081	2067	2,866	$ 309,272
2026	40,449	1,232,078	2068	2,479	274,838
2027	41,257	1,280,399	2069	2,133	242,509
2028	41,784	1,323,447	2070	1,823	212,349
2029	42,076	1,363,284	2071	1,548	184,416
2030	42,145	1,399,740	2072	1,304	158,749
2031	41,997	1,432,837	2073	1,091	135,372
2032	41,670	1,462,120	2074	905	114,282
2033	41,182	1,486,882	2075	743	95,453
2034	40,540	1,507,373	2076	605	78,832
2035	39,741	1,510,741	2077	487	64,335
2036	38,844	1,521,607	2078	388	51,851
2037	37,815	1,526,333	2079	306	41,244
2038	36,650	1,525,165	2080	238	32,360
2039	35,362	1,517,120	2081	184	25,029
2040	33,979	1,503,965	2082	140	19,074
2041	32,517	1,484,845	2083	106	14,315
2042	31,001	1,460,218	2084	78	10,578
2043	29,423	1,430,825	2085	58	7,697
2044	27,832	1,396,237	2086	42	5,517
2045	26,213	1,357,926	2087	30	3,899
2046	24,605	1,315,918	2088	22	2,720
2047	23,000	1,270,885	2089	16	1,881
2048	21,426	1,223,268	2090	11	1,291
2049	19,894	1,173,456	2091	8	887
2050	18,406	1,122,087	2092	6	611
2051	16,968	1,069,635	2093	5	426
2052	15,589	1,016,451	2094	3	303
2053	14,269	962,932	2095	3	221
2054	13,016	909,413	2096	2	163
2055	11,831	856,204	2097	2	123
2056	10,715	803,570	2098	1	95
2057	9,673	751,728	2099	1	73
2058	8,702	700,876	2100	1	57
2059	7,803	651,181	2101	1	44
2060	6,974	602,786	2102	0	0
2061	6,212	555,815	2103	0	0
2062	5,514	510,375	2104	0	0
2063	4,878	466,560	2105	0	0
2064	4,298	424,462	2106	0	0
2065	3,772	384,160	2107	0	0
2066	3,295	345,738	2108	0	0

4 Member Data

4.1 Summary of Members Included

As of June 30	2021	2022	2023	2024	2025
Active Members					
1. Number	9,888	8,795	8,361	7,757	7,100 [1]
2. Average Age	53.51	53.78	54.22	54.70	55.17
3. Average Credited Service	18.96	19.52	19.53	19.90	20.34
4. Average Entry Age	34.55	34.26	34.69	34.80	34.83
5. Average Annual Earnings	$ 86,316	$ 89,603	$ 93,767	$ 99,264	$ 104,831
6. Number Vested	9,675	8,604	7,976	7,307	6,661
7. Percent Who Are Vested	97.8%	97.8%	95.4%	94.2%	93.8%
Retirees, Disabilitants, and Beneficiaries					
1. Number	37,717	38,243	38,639	39,078	39,357
2. Average Age	71.17	71.61	72.12	72.61	73.12
3. Average Years Since Retirement	12.66	12.94	13.29	13.63	13.99
4. Average Monthly Pension Benefit					
a. Base	$ 1,752	$ 1,802	$ 1,846	$ 1,883	$ 1,928
b. COLA[2]	94	95	95	96	97
c. PRPA[2]	230	282	378	377	395
d. Adjustment	0	1	0	1	1
e. Total	$ 2,076	$ 2,180	$ 2,319	$ 2,357	$ 2,421
Vested Terminations (vested at termination, not refunded contributions, or commenced benefit)					
1. Number	5,135	4,955	4,812	4,513	4,237
2. Average Age	53.92	54.37	54.98	55.30	55.74
3. Average Monthly Pension Benefit	$ 1,205	$ 1,258	$ 1,306	$ 1,314	$ 1,353
Non-Vested Terminations (not vested at termination, not refunded contributions)					
1. Number	10,432	10,223	10,070	9,903	9,712
2. Average Account Balance	$ 7,325	$ 7,573	$ 7,917	$ 8,240	$ 8,386
Total Number of Members	**63,172**	**62,216**	**61,882**	**61,251**	**60,406**

[1] Includes 3,229 male active members and 3,871 female active members.

[2] Calculated by taking the average of the data field, as provided by the State of Alaska, for all participants in the group.

4 Member Data

4.1 Summary of Members Included (continued)

	DB					
As of June 30, 2025	Tier 1	Tier 2	Tier 3	Total	DCR Tier 4	Grand Total
Active Members						
1. Number	324	1,320	5,456	7,100	28,096	35,196
2. Average Age	66.48	59.23	53.51	55.17	41.59	44.33
3. Average Credited Service	22.84	22.68	19.62	20.34	5.67	8.63
4. Average Entry Age	43.64	36.55	33.89	34.83	35.92	35.70
5. Annual Earnings						
a. Total (000's)	$ 28,848	$ 133,762	$ 581,688	$ 744,298	$ 2,188,975	$ 2,933,273
b. Average	$ 89,037	$ 101,335	$ 106,614	$ 104,831	$ 77,911	$ 83,341

Total and average annual earnings ("valuation pay") are the annualized earnings for the fiscal year ending on the valuation date.

As of June 30, 2025	Tier 1	Tier 2	Tier 3	Total
Retirees, Disabilitants, and Beneficiaries				
1. Number	21,510	10,538	7,309	39,357
2. Average Age	75.67	70.99	68.71	73.12
3. Average Years Since Retirement	18.17	10.29	7.01	13.99
4. Average Monthly Pension Benefit				
a. Base	$ 1,835	$ 2,192	$ 1,823	$ 1,928
b. COLA	121	75	58	97
c. PRPA	541	266	149	395
d. Adjustment	0	1	2	1
e. Total	$ 2,497	$ 2,534	$ 2,032	$ 2,421

4 Member Data

4.1 Summary of Members Included (continued)

As of June 30, 2025	Active Members	Inactive Members: Retirees	Inactive Members: Covered Spouses	Inactive Members: Covered Children / Dependents	Inactive Members: Deferred	Inactive Members: Total Inactive Members
Retiree Medical Participants						
1. Retiree Coverage Only	7,036	20,621	0	0	1,951	22,572
2. Retiree + Spouse	0	12,799	12,799	0	2,226	27,824
3. Retiree + Children / Dependents	0	391	0	421	0	812
4. Family	0	660	660	909	0	2,229
5. Total	7,036	34,471	13,459	1,330	4,177	53,437

As of June 30, 2025	Retirees	Covered Spouses	Covered Children / Dependents	Deferred	Total Inactive Members
Retiree Medical Participants					
1. Pre-Medicare	5,069	2,838	1,330	3,912	13,149
2. Medicare Part A & B	29,104	10,530	0	265	39,899
3. Medicare Part B Only	298	91	0	0	389
4. Total	34,471	13,459	1,330	4,177	53,437

As of June 30, 2025	Retirees
Summary of Retiree Medical Data Received	
1. Retiree records on pension data	39,357
2. Remove duplicates on pension data	(1,435)
3. Valued in a different retiree healthcare plan[1]	(1,214)
4. Records without medical coverage	(2,386)
5. Medical only retirees	149
6. Total	34,471

As of June 30	2021	2022	2023	2024	2025
Retiree Medical Retirees					
1. Number	32,857	33,254	30,872	34,401	34,471
2. Average Age	70.87	71.31	72.27	72.67	73.19

[1] Each member's retiree medical benefits are valued in the plan indicated in the data from Aetna

4 Member Data

4.1 Summary of Members Included (continued)

Active Members by Group

As of June 30	2021	2022	2023	2024	2025
Peace Officer / Firefighter					
1. Number	1,137	1,014	913	842	732 [1]
2. Average Age	49.18	49.64	50.18	50.89	51.35
3. Average Credited Service	20.15	20.82	21.44	21.93	22.50
4. Average Entry Age	29.03	28.82	28.74	28.96	28.85
5. Average Annual Earnings	$ 127,327	$ 135,357	$ 142,982	$ 154,737	$ 163,437
6. Number Vested	1,134	1,011	909	830	722
7. Percent Who Are Vested	99.7%	99.7%	99.6%	98.6%	98.6%
Others					
1. Number	8,751	7,781	7,448	6,915	6,368 [2]
2. Average Age	54.07	54.32	54.72	55.17	55.60
3. Average Credited Service	18.80	19.35	19.29	19.65	20.08
4. Average Entry Age	35.27	34.97	35.43	35.52	35.52
5. Average Annual Earnings	$ 80,987	$ 83,641	$ 87,735	$ 92,509	$ 98,094
6. Number Vested	8,541	7,593	7,067	6,477	5,939
7. Percent Who Are Vested	97.6%	97.6%	94.9%	93.7%	93.3%
Total					
1. Number	9,888	8,795	8,361	7,757	7,100
2. Average Age	53.51	53.78	54.22	54.70	55.17
3. Average Credited Service	18.96	19.52	19.53	19.90	20.34
4. Average Entry Age	34.55	34.26	34.69	34.80	34.83
5. Average Annual Earnings	$ 86,316	$ 89,603	$ 93,767	$ 99,264	$ 104,831
6. Number Vested	9,675	8,604	7,976	7,307	6,661
7. Percent Who Are Vested	97.8%	97.8%	95.4%	94.2%	93.8%

Average annual earnings (“valuation pay”) are the annualized earnings for the fiscal year ending on the valuation date.

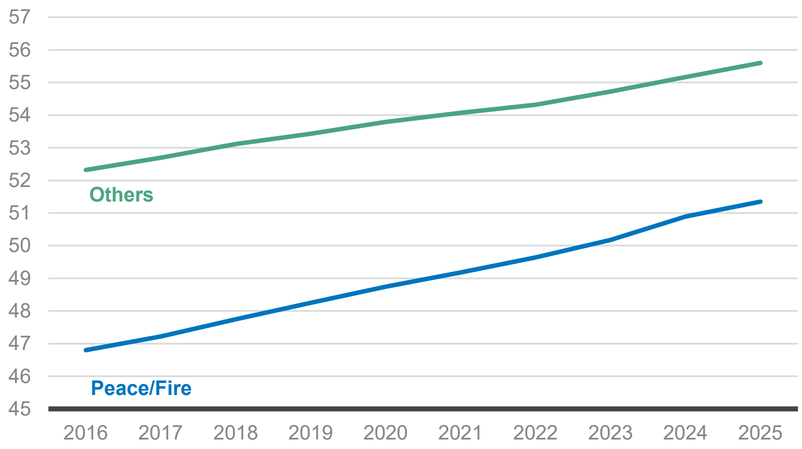
[1] Includes 640 male active members and 92 female active members.
[2] Includes 2,589 male active members and 3,779 female active members.

4 Member Data

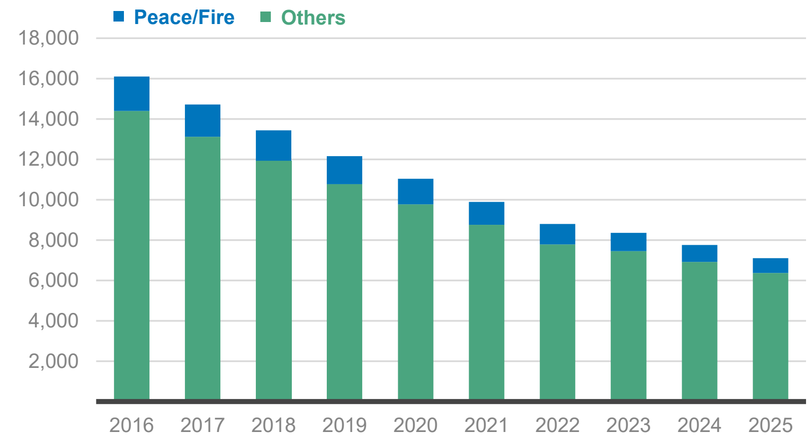
4.1 Summary of Members Included (continued)

Active Members at June 30

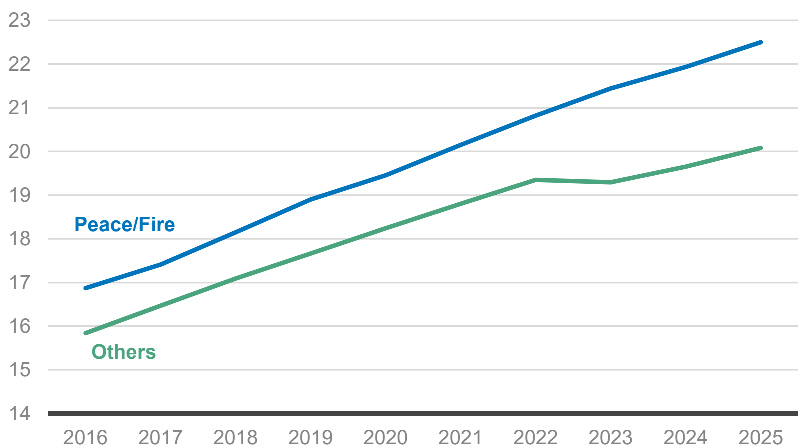
Average Age



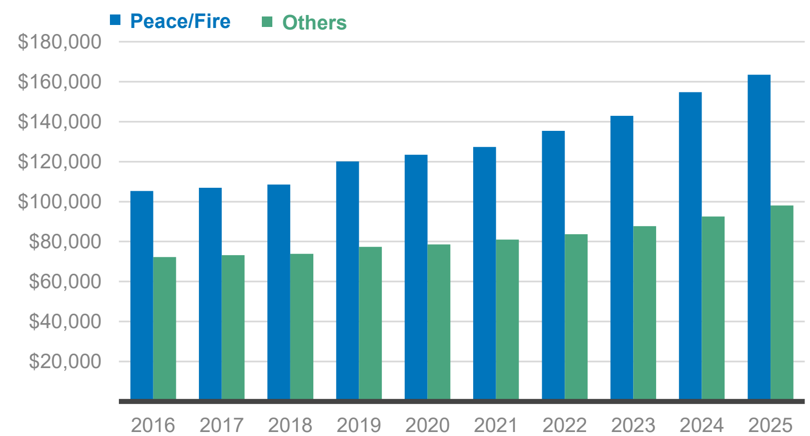
Number of Actives



Average Credited Service



Average Annual Earnings



Average annual earnings ("valuation pay") are the annualized earnings for the fiscal year ending on the valuation date.

4 Member Data

4.2 Age and Service Distribution of Active Members

Peace Officer / Firefighter

Annual Earnings by Age

Age	Number	Total Annual Earnings	Average Annual Earnings
0 - 19	0	$ 0	$ 0
20 - 24	0	0	0
25 - 29	0	0	0
30 - 34	1	169,613	169,613
35 - 39	4	600,344	150,086
40 - 44	105	17,237,648	164,168
45 - 49	207	36,106,531	174,428
50 - 54	220	35,762,192	162,555
55 - 59	146	22,984,750	157,430
60 - 64	37	5,334,580	144,178
65 - 69	9	1,099,246	122,138
70 - 74	3	340,629	113,543
75+	0	0	0
Total	**732**	**$ 119,635,533**	**$ 163,437**

Annual Earnings by Credited Service

Years of Service	Number	Total Annual Earnings	Average Annual Earnings
0	0	$ 0	$ 0
1	0	0	0
2	3	250,123	83,374
3	1	60,484	60,484
4	2	189,554	94,777
0 - 4	**6**	**$ 500,161**	**$ 83,360**
5 - 9	7	781,541	111,649
10 - 14	21	2,424,290	115,442
15 - 19	173	27,118,201	156,753
20 - 24	335	56,132,058	167,558
25 - 29	144	25,126,414	174,489
30 - 34	41	6,775,093	165,246
35 - 39	5	777,775	155,555
40+	0	0	0
Total	**732**	**$ 119,635,533**	**$ 163,437**

Years of Credited Service by Age

	Years of Service									
Age	0 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30 - 34	35 - 39	40+	Total
0 - 19	0	0	0	0	0	0	0	0	0	0
20 - 24	0	0	0	0	0	0	0	0	0	0
25 - 29	0	0	0	0	0	0	0	0	0	0
30 - 34	0	0	0	1	0	0	0	0	0	1
35 - 39	0	1	1	2	0	0	0	0	0	4
40 - 44	1	1	6	54	42	1	0	0	0	105
45 - 49	2	1	4	47	120	33	0	0	0	207
50 - 54	0	1	3	31	107	67	11	0	0	220
55 - 59	3	2	4	31	47	35	23	1	0	146
60 - 64	0	1	3	6	15	7	3	2	0	37
65 - 69	0	0	0	1	3	0	4	1	0	9
70 - 74	0	0	0	0	1	1	0	1	0	3
75+	0	0	0	0	0	0	0	0	0	0
Total	**6**	**7**	**21**	**173**	**335**	**144**	**41**	**5**	**0**	**732**

Total and average annual earnings (“valuation pay”) are the annualized earnings for the fiscal year ending on the valuation date.

4 Member Data

4.2 Age and Service Distribution of Active Members (continued)

Others

Annual Earnings by Age

Age	Number	Total Annual Earnings	Average Annual Earnings
0 - 19	0	$ 0	$ 0
20 - 24	0	0	0
25 - 29	0	0	0
30 - 34	0	0	0
35 - 39	47	4,568,272	97,197
40 - 44	465	47,205,068	101,516
45 - 49	1,048	105,082,286	100,269
50 - 54	1,437	152,135,948	105,871
55 - 59	1,614	158,138,390	97,979
60 - 64	1,092	100,777,077	92,287
65 - 69	441	37,740,651	85,580
70 - 74	167	14,191,866	84,981
75+	57	4,823,529	84,623
Total	**6,368**	**$ 624,663,087**	**$ 98,094**

Annual Earnings by Credited Service

Years of Service	Number	Total Annual Earnings	Average Annual Earnings
0	22	$ 1,212,482	$ 55,113
1	53	3,074,304	58,006
2	83	5,441,556	65,561
3	70	4,481,866	64,027
4	77	5,711,227	74,172
0 - 4	**305**	**$ 19,921,435**	**$ 65,316**
5 - 9	388	28,873,682	74,417
10 - 14	626	49,210,795	78,611
15 - 19	1,466	136,664,348	93,223
20 - 24	2,095	220,914,521	105,448
25 - 29	1,126	128,165,601	113,824
30 - 34	252	28,610,468	113,534
35 - 39	83	9,079,627	109,393
40+	27	3,222,610	119,356
Total	**6,368**	**$ 624,663,087**	**$ 98,094**

Years of Credited Service by Age

	Years of Service									
Age	0 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30 - 34	35 - 39	40+	Total
0 - 19	0	0	0	0	0	0	0	0	0	0
20 - 24	0	0	0	0	0	0	0	0	0	0
25 - 29	0	0	0	0	0	0	0	0	0	0
30 - 34	0	0	0	0	0	0	0	0	0	0
35 - 39	6	7	14	19	1	0	0	0	0	47
40 - 44	24	37	62	208	129	5	0	0	0	465
45 - 49	68	63	119	260	448	90	0	0	0	1,048
50 - 54	56	83	118	288	532	336	24	0	0	1,437
55 - 59	63	91	143	334	497	392	77	17	0	1,614
60 - 64	54	69	115	245	311	181	86	25	6	1,092
65 - 69	19	24	37	89	124	84	38	17	9	441
70 - 74	13	11	12	19	38	30	20	17	7	167
75+	2	3	6	4	15	8	7	7	5	57
Total	**305**	**388**	**626**	**1,466**	**2,095**	**1,126**	**252**	**83**	**27**	**6,368**

Total and average annual earnings ("valuation pay") are the annualized earnings for the fiscal year ending on the valuation date.

4 Member Data

4.3 Member Data Reconciliation

Pension

		Inactive Members					
	Active Members	Due a Refund	Deferred Benefits	Retired Members	Disabled Members	Bene-ficiaries	Total
As of June 30, 2024	**7,757**	**9,903**	**4,513**	**33,887** *	**89**	**5,118**	**61,267**
Vested Terminations	(213)	(6)	220	(1)	0	0	0
Non-Vested Terminations	(60)	66	(6)	0	0	0	0
Refund of Contributions	(19)	(184)	(25)	0	0	0	(228)
Disability Retirements	(8)	0	(3)	0	11	0	0
Age Retirements	(604)	(1)	(357)	984	(22)	0	0
Deaths With Beneficiary	(4)	(1)	(3)	(292)	(3)	303	0
Deaths Without Beneficiary	(13)	(32)	(14)	(527)	0	(212)	(798)
Expired Benefits	0	0	0	(1)	(3)	(5)	(9)
Data Corrections	1	0	0	5	1	8	15
Converted To/From DCR Plan	3	1	0	2	0	0	6
Transfers In/Out	(9)	0	(3)	(2)	0	0	(14)
Rehires	261	(40)	(93)	(18)	0	0	110
Pick Ups***	8	6	8	5	0	45	72
Net Change	**(657)**	**(191)**	**(276)**	**155**	**(16)**	**139**	**(846)**
As of June 30, 2025	**7,100**	**9,712**	**4,237**	**34,042** **	**73**	**5,257**	**60,421**

* Includes 16 medical only retirees
** Includes 15 medical only retirees
*** Pickup beneficiaries are primarily new DROs.

4 Member Data

4.3 Member Data Reconciliation (continued)

Healthcare

		Inactive Members				
	Active Members	Retirees	Covered Spouses	Covered Children / Dependents	Deferred	Total Inactive Members
As of June 30, 2024	**7,667**	**34,401**	**13,516**	**1,337**	**4,417**	**53,671**
Vested Terminations	(202)	0	0	0	202	202
Non-Vested Terminations	(50)	0	0	0	0	0
Refund of Contributions	(19)	0	0	0	(23)	(23)
Disability Retirements	(5)	5	3	3	0	11
Age Retirements	(504)	504	289	89	0	882
Deferred Retirements	0	212	117	33	(212)	150
Retired without Medical Coverage	(90)	0	0	0	(26)	(26)
Deceased	(17)	(908)	(115)	(14)	(12)	(1,049)
New Beneficiaries	0	129	(129)	0	11	11
Added Retiree Medical Coverage	0	123	40	12	(72)	103
Added Dependent Coverage	0	0	75	61	0	136
Dropped Retiree Medical Coverage	0	(22)	(8)	(4)	3	(31)
Dropped Dependent Coverage	0	0	(277)	(185)	0	(462)
Change in Double Coverage	0	42	(42)	0	0	0
Removal of Spouse Duplicates	0	0	0	0	(19)	(19)
Rehires	250	(14)	(5)	(1)	(89)	(109)
Transfers In/Out	6	(1)	(5)	(1)	(3)	(10)
Net Change	**(631)**	**70**	**(57)**	**(7)**	**(240)**	**(234)**
As of June 30, 2025	**7,036**	**34,471**	**13,459**	**1,330**	**4,177**	**53,437**

4 Member Data

4.4 Schedule of Active Member Data

Peace Officer / Firefighter

Valuation Date	Number	Annual Earnings (000's)	Annual Average Earnings	Percent Increase in Average Earnings	Number of Participating Employers
June 30, 2025	732	$ 119,636	$ 163,437	5.6%	148
June 30, 2024	842	130,289	154,739	8.2%	150
June 30, 2023	913	130,542	142,982	5.6%	150
June 30, 2022	1,014	137,252	135,357	6.3%	150
June 30, 2021	1,137	144,771	127,326	3.2%	151
June 30, 2020	1,266	156,271	123,436	2.8%	153
June 30, 2019	1,382	165,963	120,089	10.6%	155
June 30, 2018	1,507	163,630	108,580	1.5%	155
June 30, 2017	1,606	171,821	106,987	1.6%	155
June 30, 2016	1,704	179,461	105,317	3.8%	155

Others

Valuation Date	Number	Annual Earnings (000's)	Annual Average Earnings	Percent Increase in Average Earnings	Number of Participating Employers
June 30, 2025	6,368	$ 624,663	$ 98,094	6.0%	148
June 30, 2024	6,915	639,700	92,509	5.4%	150
June 30, 2023	7,448	653,448	87,735	4.9%	150
June 30, 2022	7,781	650,807	83,641	3.3%	150
June 30, 2021	8,751	708,718	80,987	3.0%	151
June 30, 2020	9,767	767,817	78,613	1.7%	153
June 30, 2019	10,770	832,832	77,329	4.6%	155
June 30, 2018	11,927	881,716	73,926	1.0%	155
June 30, 2017	13,113	960,106	73,218	1.4%	155
June 30, 2016	14,401	1,039,960	72,214	3.2%	155

Total and average annual earnings ("valuation pay") are the annualized earnings for the fiscal year ending on the valuation date.

4 Member Data

4.5 Active Member Payroll Reconciliation ($ in thousands)

Payroll Field	Payroll Data
a) DRB actual reported salaries FY25 in employer list	$ 2,820,998
b) DRB actual reported salaries FY25 in valuation data	2,692,444
c) Annualized valuation data	2,933,273
d) Valuation payroll as of June 30, 2025	3,065,277
e) Rate payroll for FY26	2,974,776
f) Rate payroll for FY28	2,965,465

a) Actual reported salaries from DRB employer listing showing all payroll paid during FY25, including those who were not active as of June 30, 2025
b) Payroll from valuation data for people who are in active status as of June 30, 2025
c) Payroll from (b) annualized for both new entrants and part-timers
d) Payroll from (c) with one year of salary scale applied to estimate salaries payable for the upcoming year
e) Payroll from (d) with the part-timer annualization removed
f) Payroll from (e) with two years of assumed decrements and salary scale, and 0% population growth

4 Member Data

4.6 Summary of New Pension Benefit Recipients

Peace Officer / Firefighter

During the Year Ending June 30	2021	2022	2023	2024	2025
Service					
1. Number	129	117	106	98	112
2. Average Age at Commencement	55.30	55.39	55.01	55.10	55.05
3. Average Monthly Pension Benefit	$ 5,248	$ 5,647	$ 6,208	$ 6,700	$ 6,995
Survivor (including surviving spouse and DROs)					
1. Number	58	39	36	50	49
2. Average Age at Commencement	64.58	70.91	65.75	66.91	68.07
3. Average Monthly Pension Benefit	$ 1,971	$ 1,996	$ 1,951	$ 2,376	$ 2,513
Disability					
1. Number	4	1	1	0	1
2. Average Age at Commencement	52.10	54.74	47.86	0.00	58.01
3. Average Monthly Pension Benefit	$ 2,890	$ 5,427	$ 3,376	$ 0	$ 5,085
Total					
1. Number	191	157	143	148	162
2. Average Age at Commencement	58.05	59.24	57.66	59.09	59.01
3. Average Monthly Pension Benefit	$ 4,204	$ 4,739	$ 5,117	$ 5,239	$ 5,628

4 Member Data

4.6 Summary of New Pension Benefit Recipients (continued)

Peace Officer / Firefighter

	Years of Credited Service						
	0 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30+
Period 7/1/2024 – 6/30/2025:							
Average Monthly Pension	$ 0	$ 806	$ 2,222	$ 4,969	$ 6,884	$ 8,948	$ 9,566
Average Final Avg Salary	$ 0	$ 70,933	$ 112,523	$ 145,527	$ 159,626	$ 181,056	$ 158,522
Number of Recipients	0	6	3	17	44	35	8
Period 7/1/2023 – 6/30/2024:							
Average Monthly Pension	$ 0	$ 751	$ 1,717	$ 5,058	$ 6,096	$ 8,572	$ 9,309
Average Final Avg Salary	$ 0	$ 64,072	$ 87,007	$ 147,018	$ 143,933	$ 170,525	$ 162,048
Number of Recipients	0	3	5	13	35	33	9
Period 7/1/2022 – 6/30/2023:							
Average Monthly Pension	$ 2,787	$ 760	$ 2,484	$ 4,297	$ 6,322	$ 7,866	$ 8,927
Average Final Avg Salary	$ 93,744	$ 80,385	$ 104,037	$ 129,639	$ 143,492	$ 150,864	$ 149,341
Number of Recipients	2	2	5	14	56	21	7
Period 7/1/2021 – 6/30/2022:							
Average Monthly Pension	$ 0	$ 860	$ 2,227	$ 4,341	$ 5,743	$ 7,831	$ 7,566
Average Final Avg Salary	$ 0	$ 60,646	$ 97,870	$ 122,607	$ 137,018	$ 144,961	$ 119,732
Number of Recipients	0	2	7	33	42	27	7
Period 7/1/2020 – 6/30/2021:							
Average Monthly Pension	$ 2,612	$ 767	$ 1,619	$ 3,711	$ 5,196	$ 6,960	$ 7,970
Average Final Avg Salary	$ 68,013	$ 63,962	$ 79,481	$ 116,789	$ 129,218	$ 141,383	$ 135,765
Number of Recipients	2	5	9	26	42	40	9
Period 7/1/2019 – 6/30/2020:							
Average Monthly Pension	$ 0	$ 694	$ 2,212	$ 3,626	$ 5,531	$ 6,829	$ 8,636
Average Final Avg Salary	$ 0	$ 60,557	$ 107,689	$ 111,341	$ 131,016	$ 140,297	$ 127,620
Number of Recipients	0	6	11	23	40	32	9
Period 7/1/2018 – 6/30/2019:							
Average Monthly Pension	$ 3,792	$ 651	$ 1,933	$ 3,362	$ 4,786	$ 6,196	$ 5,688
Average Final Avg Salary	$ 94,797	$ 56,617	$ 89,247	$ 99,086	$ 114,079	$ 125,509	$ 110,542
Number of Recipients	2	5	11	25	38	26	6
Period 7/1/2017 – 6/30/2018:							
Average Monthly Pension	$ 0	$ 1,063	$ 2,133	$ 3,747	$ 4,847	$ 6,024	$ 7,717
Average Final Avg Salary	$ 0	$ 86,908	$ 91,941	$ 107,039	$ 115,635	$ 121,972	$ 132,459
Number of Recipients	0	4	18	19	35	30	3
Period 7/1/2016 – 6/30/2017:							
Average Monthly Pension	$ 0	$ 686	$ 2,075	$ 3,234	$ 4,462	$ 5,151	$ 6,376
Average Final Avg Salary	$ 0	$ 74,166	$ 83,315	$ 99,520	$ 109,258	$ 104,716	$ 108,035
Number of Recipients	0	8	9	28	41	23	14
Period 7/1/2015 – 6/30/2016:							
Average Monthly Pension	$ 0	$ 958	$ 1,742	$ 3,347	$ 4,622	$ 5,778	$ 7,221
Average Final Avg Salary	$ 0	$ 76,190	$ 87,241	$ 97,297	$ 109,236	$ 118,513	$ 115,323
Number of Recipients	0	6	11	19	30	28	16

"Average Monthly Pension" includes postretirement pension adjustments and cost-of-living increases.

Beneficiaries are not included in the table above.

4 Member Data

4.6 Summary of New Pension Benefit Recipients (continued)

Others

During the Year Ending June 30	2021	2022	2023	2024	2025
Service					
1. Number	1,171	1,121	909	968	862
2. Average Age at Commencement	62.03	62.03	61.77	62.34	62.48
3. Average Monthly Pension Benefit	$ 2,693	$ 2,915	$ 3,081	$ 2,799	$ 3,098
Survivor (including surviving spouse and DROs)					
1. Number	391	326	346	331	293
2. Average Age at Commencement	72.34	70.13	72.93	73.93	73.28
3. Average Monthly Pension Benefit	$ 1,265	$ 1,380	$ 1,352	$ 1,416	$ 1,347
Disability					
1. Number	14	6	8	4	11
2. Average Age at Commencement	53.39	47.91	52.27	51.05	54.15
3. Average Monthly Pension Benefit	$ 2,587	$ 2,533	$ 2,566	$ 3,973	$ 3,085
Total					
1. Number	1,576	1,453	1,263	1,303	1,166
2. Average Age at Commencement	64.51	63.79	64.77	65.25	65.12
3. Average Monthly Pension Benefit	$ 2,338	$ 2,569	$ 2,604	$ 2,451	$ 2,658

4.6 Summary of New Pension Benefit Recipients (continued)

Others

	Years of Credited Service						
	0 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30+
Period 7/1/2024 – 6/30/2025:							
Average Monthly Pension	$ 1,106	$ 628	$ 1,183	$ 2,375	$ 3,647	$ 5,535	$ 6,270
Average Final Avg Salary	$ 45,917	$ 50,074	$ 58,513	$ 77,511	$ 92,388	$ 110,812	$ 102,768
Number of Recipients	10	145	144	160	165	151	98
Period 7/1/2023 – 6/30/2024:							
Average Monthly Pension	$ 1,166	$ 657	$ 1,307	$ 2,241	$ 3,322	$ 4,966	$ 6,328
Average Final Avg Salary	$ 62,445	$ 51,775	$ 63,828	$ 75,209	$ 85,610	$ 97,054	$ 99,584
Number of Recipients	19	164	154	199	201	152	83
Period 7/1/2022 – 6/30/2023:							
Average Monthly Pension	$ 1,389	$ 742	$ 1,284	$ 2,272	$ 3,416	$ 4,947	$ 6,593
Average Final Avg Salary	$ 56,785	$ 53,321	$ 61,779	$ 72,666	$ 84,997	$ 99,220	$ 106,748
Number of Recipients	16	113	148	194	184	165	97
Period 7/1/2021 – 6/30/2022:							
Average Monthly Pension	$ 1,453	$ 623	$ 1,340	$ 2,181	$ 3,373	$ 4,644	$ 6,822
Average Final Avg Salary	$ 61,752	$ 48,643	$ 63,167	$ 73,283	$ 84,361	$ 91,984	$ 105,569
Number of Recipients	6	147	181	286	227	165	115
Period 7/1/2020 – 6/30/2021:							
Average Monthly Pension	$ 553	$ 628	$ 1,317	$ 2,213	$ 3,091	$ 4,607	$ 6,054
Average Final Avg Salary	$ 37,456	$ 50,287	$ 62,986	$ 73,819	$ 78,565	$ 91,034	$ 98,834
Number of Recipients	17	163	228	281	194	188	114
Period 7/1/2019 – 6/30/2020:							
Average Monthly Pension	$ 492	$ 601	$ 1,311	$ 2,065	$ 3,040	$ 4,686	$ 6,213
Average Final Avg Salary	$ 42,520	$ 47,573	$ 61,357	$ 69,829	$ 78,632	$ 93,182	$ 100,366
Number of Recipients	32	165	218	258	183	197	122
Period 7/1/2018 – 6/30/2019:							
Average Monthly Pension	$ 652	$ 646	$ 1,301	$ 2,071	$ 3,058	$ 4,596	$ 5,685
Average Final Avg Salary	$ 49,840	$ 52,459	$ 60,651	$ 69,110	$ 76,946	$ 92,620	$ 94,857
Number of Recipients	21	190	266	289	222	205	105
Period 7/1/2017 – 6/30/2018:							
Average Monthly Pension	$ 414	$ 607	$ 1,299	$ 1,982	$ 3,034	$ 4,475	$ 6,085
Average Final Avg Salary	$ 34,603	$ 48,524	$ 61,668	$ 67,811	$ 78,675	$ 88,707	$ 97,703
Number of Recipients	26	221	351	280	223	214	127
Period 7/1/2016 – 6/30/2017:							
Average Monthly Pension	$ 381	$ 640	$ 1,271	$ 2,067	$ 3,119	$ 4,579	$ 6,224
Average Final Avg Salary	$ 39,320	$ 50,209	$ 61,150	$ 70,810	$ 79,613	$ 91,169	$ 98,661
Number of Recipients	27	254	375	233	212	191	115
Period 7/1/2015 – 6/30/2016:							
Average Monthly Pension	$ 434	$ 660	$ 1,240	$ 2,017	$ 3,059	$ 4,158	$ 6,583
Average Final Avg Salary	$ 44,649	$ 48,729	$ 60,599	$ 66,996	$ 78,592	$ 83,505	$ 103,143
Number of Recipients	30	323	387	266	192	161	135

“Average Monthly Pension” includes postretirement pension adjustments and cost-of-living increases.

Beneficiaries are not included in the table above.

4 Member Data

4.7 Summary of All Pension Benefit Recipients

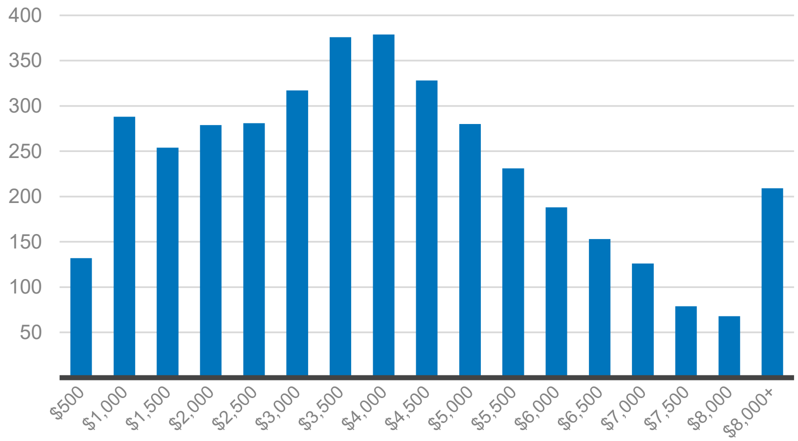
	Peace Officer / Firefighter	Others
Service		
1. Number as of June 30, 2024	3,133	30,738
2. Net Change During FY25	45	111
3. Number as of June 30, 2025	3,178	30,849
4. Average Age at Commencement	53.39	58.88
5. Average Current Age	69.65	73.21
6. Average Monthly Pension Benefit	$ 4,270	$ 2,403
Survivors (including surviving spouses and DROs)		
1. Number as of June 30, 2024	738	4,380
2. Net Change During FY25	44	95
3. Number as of June 30, 2025	782	4,475
4. Average Age at Commencement	60.18	65.07
5. Average Current Age	72.05	75.50
6. Average Monthly Pension Benefit	$ 2,050	$ 1,279
Disability		
1. Number as of June 30, 2024	13	76
2. Net Change During FY25	(5)	(11)
3. Number as of June 30, 2025	8	65
4. Average Age at Commencement	43.49	46.28
5. Average Current Age	51.93	55.11
6. Average Monthly Pension Benefit	$ 3,118	$ 2,550
Total		
1. Number as of June 30, 2024	3,884	35,194
2. Net Change During FY25	84	195
3. Number as of June 30, 2025	3,968	35,389
4. Average Age at Commencement	54.71	59.64
5. Average Current Age	70.09	73.47
6. Average Monthly Pension Benefit	$ 3,830	$ 2,261

4 Member Data

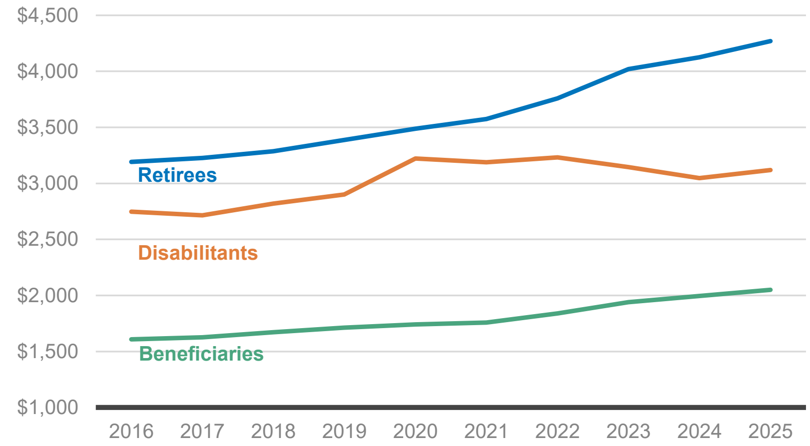
4.7 Summary of All Pension Benefit Recipients (continued)

Peace Officer / Firefighter

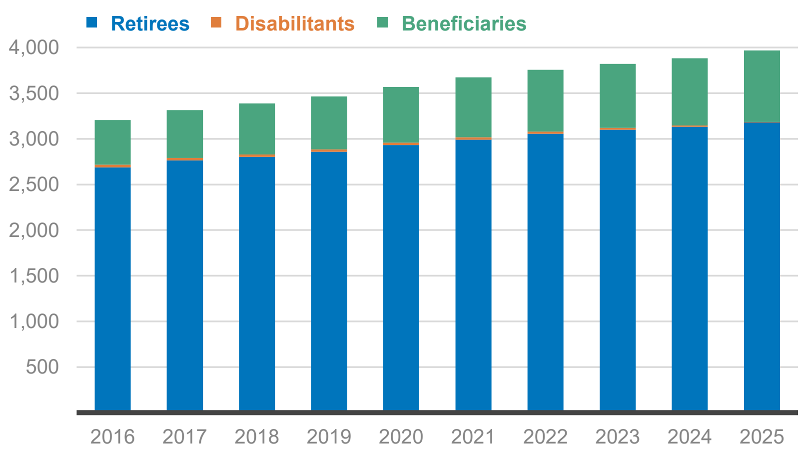
Number of Recipients by Monthly Pension Amount at June 30, 2025



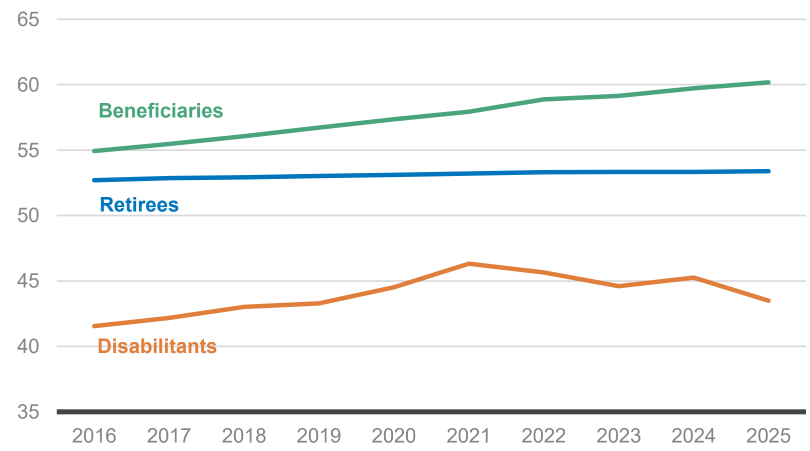
Average Monthly Pension Amount



Number of Recipients by Status



Average Commencement Age

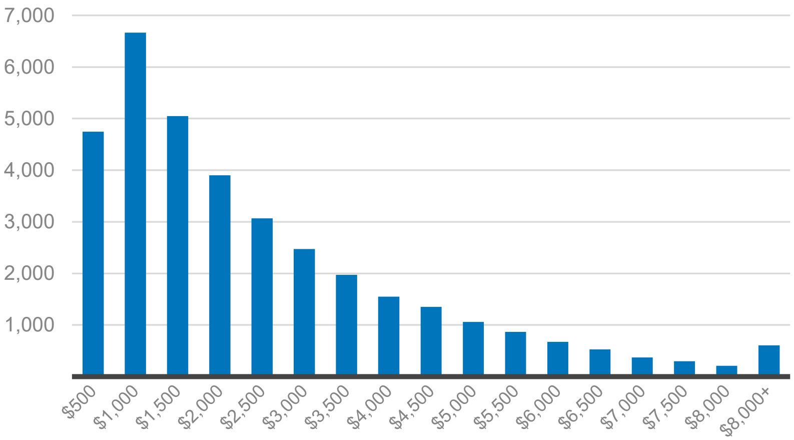


4 Member Data

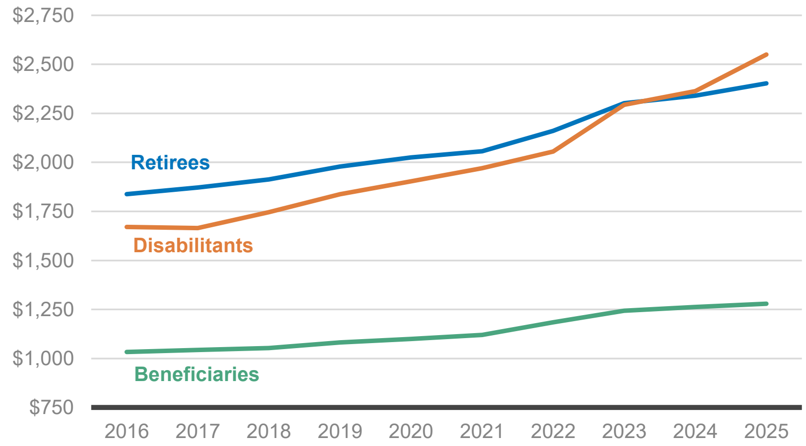
4.7 Summary of All Pension Benefit Recipients (continued)

Others

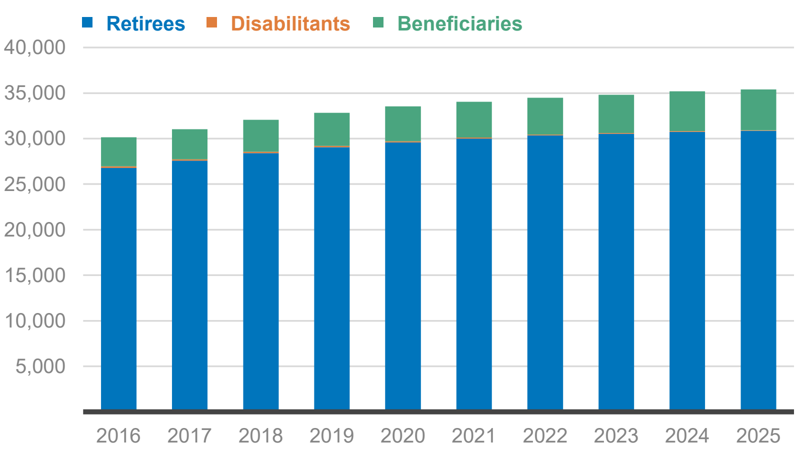
Number of Recipients by Monthly Pension Amount at June 30, 2025



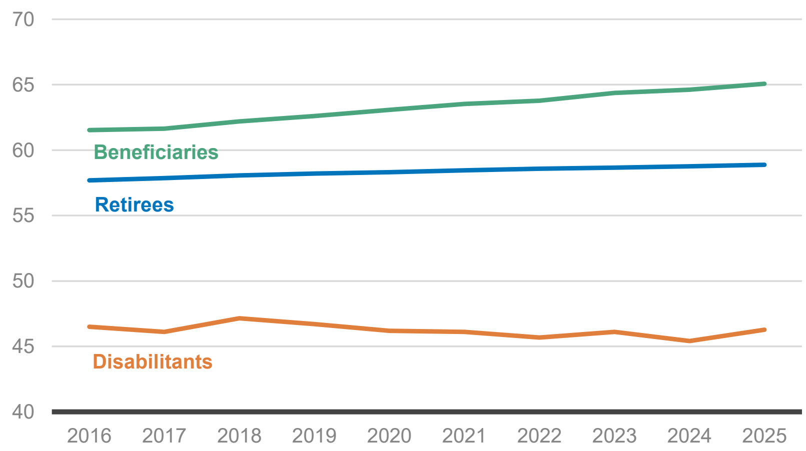
Average Monthly Pension Amount



Number of Recipients by Status



Average Commencement Age



4 Member Data

4.7 Summary of All Pension Benefit Recipients (continued)

Peace Officer / Firefighter

Annual Pension Benefit by Age

Age	Number	Total Annual Pension Benefit	Average Annual Pension Benefit
0 - 19	0	$ 0	$ 0
20 - 24	0	0	0
25 - 29	0	0	0
30 - 34	1	34,370	34,370
35 - 39	0	0	0
40 - 44	14	718,849	51,346
45 - 49	68	4,882,574	71,803
50 - 54	232	16,586,501	71,494
55 - 59	360	24,005,399	66,682
60 - 64	509	25,344,113	49,792
65 - 69	657	28,197,109	42,918
70 - 74	797	31,336,520	39,318
75+	1,330	51,282,112	38,558
Total	**3,968**	**$ 182,387,547**	**$ 45,965**

Annual Pension Benefit by Years Since Commenced

Years Since Comm.	Number	Total Annual Pension Benefit	Average Annual Pension Benefit
0	167	$ 11,457,783	$ 68,609
1	143	8,700,748	60,844
2	170	9,644,859	56,734
3	163	9,471,946	58,110
4	183	9,702,245	53,018
0 - 4	**826**	**$ 48,977,581**	**$ 59,295**
5 - 9	719	36,359,459	50,569
10 - 14	502	21,231,741	42,294
15 - 19	505	16,889,314	33,444
20 - 24	597	23,001,790	38,529
25 - 29	482	19,975,203	41,442
30 - 34	176	7,432,266	42,229
35 - 39	123	6,856,413	55,743
40+	38	1,663,780	43,784
Total	**3,968**	**$ 182,387,547**	**$ 45,965**

Years Since Commencement by Age

	Years Since Commencement									
Age	0 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30 - 34	35 - 39	40+	Total
0 - 19	0	0	0	0	0	0	0	0	0	0
20 - 24	0	0	0	0	0	0	0	0	0	0
25 - 29	0	0	0	0	0	0	0	0	0	0
30 - 34	1	0	0	0	0	0	0	0	0	1
35 - 39	0	0	0	0	0	0	0	0	0	0
40 - 44	13	1	0	0	0	0	0	0	0	14
45 - 49	60	6	1	1	0	0	0	0	0	68
50 - 54	158	67	6	0	0	1	0	0	0	232
55 - 59	192	115	44	8	1	0	0	0	0	360
60 - 64	174	180	79	51	20	3	2	0	0	509
65 - 69	72	176	139	106	133	29	1	0	1	657
70 - 74	61	88	147	161	213	109	16	1	1	797
75+	95	86	86	178	230	340	157	122	36	1,330
Total	**826**	**719**	**502**	**505**	**597**	**482**	**176**	**123**	**38**	**3,968**

4 Member Data

4.7 Summary of All Pension Benefit Recipients (continued)

Others

Annual Pension Benefit by Age

Age	Number	Total Annual Pension Benefit	Average Annual Pension Benefit
0 - 19	0	$ 0	$ 0
20 - 24	0	0	0
25 - 29	0	0	0
30 - 34	2	94,723	47,362
35 - 39	2	20,377	10,189
40 - 44	11	200,595	18,236
45 - 49	29	554,719	19,128
50 - 54	95	3,529,995	37,158
55 - 59	562	23,698,427	42,168
60 - 64	4,174	134,997,587	32,342
65 - 69	7,416	227,958,021	30,739
70 - 74	8,936	244,869,949	27,403
75+	14,162	324,302,698	22,899
Total	**35,389**	**$ 960,227,091**	**$ 27,133**

Annual Pension Benefit by Years Since Commenced

Years Since Comm.	Number	Total Annual Pension Benefit	Average Annual Pension Benefit
0	1,172	$ 35,824,549	$ 30,567
1	1,168	35,060,024	30,017
2	1,299	40,614,485	31,266
3	1,400	45,288,606	32,349
4	1,401	44,159,035	31,520
0 - 4	**6,440**	**$ 200,946,699**	**$ 31,203**
5 - 9	7,146	219,711,343	30,746
10 - 14	7,204	203,819,858	28,293
15 - 19	5,795	141,231,895	24,371
20 - 24	4,259	97,165,653	22,814
25 - 29	2,864	64,986,050	22,691
30 - 34	1,014	19,824,606	19,551
35 - 39	558	11,006,700	19,725
40+	109	1,534,287	14,076
Total	**35,389**	**$ 960,227,091**	**$ 27,133**

Years Since Commencement by Age

	Years Since Commencement									
Age	0 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30 - 34	35 - 39	40+	Total
0 - 19	0	0	0	0	0	0	0	0	0	0
20 - 24	0	0	0	0	0	0	0	0	0	0
25 - 29	0	0	0	0	0	0	0	0	0	0
30 - 34	1	1	0	0	0	0	0	0	0	2
35 - 39	0	2	0	0	0	0	0	0	0	2
40 - 44	7	1	3	0	0	0	0	0	0	11
45 - 49	18	4	4	3	0	0	0	0	0	29
50 - 54	61	14	11	6	3	0	0	0	0	95
55 - 59	398	111	29	15	7	1	0	1	0	562
60 - 64	2,836	993	294	35	6	4	5	1	0	4,174
65 - 69	1,474	3,302	1,946	612	57	12	8	5	0	7,416
70 - 74	731	1,695	3,077	2,547	798	68	13	6	1	8,936
75+	914	1,023	1,840	2,577	3,388	2,779	988	545	108	14,162
Total	**6,440**	**7,146**	**7,204**	**5,795**	**4,259**	**2,864**	**1,014**	**558**	**109**	**35,389**

4 Member Data

4.8 Pension Benefit Recipients by Type of Benefit and Option Elected

Peace Officer / Firefighter

Amount of Monthly Pension Benefit	Number of Recipients	Type of Pension Benefit			Option Selected				
		1	2	3	1	2	3	4	5
$ 1 – 500	132	61	71	0	89	17	7	4	15
501 – 1,000	288	156	132	0	179	60	24	15	10
1,001 – 1,500	254	129	124	1	174	50	15	6	9
1,501 – 2,000	279	166	113	0	181	46	36	9	7
2,001 – 2,500	281	195	85	1	131	79	55	7	9
2,501 – 3,000	317	241	74	2	156	86	45	17	13
3,001 – 3,500	376	319	55	2	149	142	64	13	8
3,501 – 4,000	379	332	46	1	143	147	61	16	12
4,001 – 4,500	328	296	32	0	115	132	60	19	2
4,501 – 5,000	280	264	16	0	82	116	62	16	4
5,001 – 5,500	231	224	6	1	56	118	34	20	3
5,501 – 6,000	188	178	10	0	47	86	46	8	1
6,001 – 6,500	153	148	5	0	49	64	32	6	2
6,501 – 7,000	126	123	3	0	42	49	27	7	1
7,001 – 7,500	79	76	3	0	25	33	16	5	0
7,501 – 8,000	68	68	0	0	26	27	14	1	0
8,000+	209	209	0	0	40	97	65	7	0
Total	3,968	3,185	775	8	1,684	1,349	663	176	96

Type of Pension Benefit
1. Regular Retirement
2. Survivor Payment
3. Disability

Option Selected
1. Whole Life Annuity
2. 75% Joint and Contingent Annuity
3. 50% Joint and Contingent Annuity
4. 66 2/3% Joint and Survivor Annuity
5. Level Income Option

4 Member Data

4.8 Pension Benefit Recipients by Type of Benefit and Option Elected (continued)

Others

Amount of Monthly Pension Benefit	Number of Recipients	Type of Pension Benefit			Option Selected				
		1	2	3	1	2	3	4	5
$ 1 – 500	4,746	3,628	1,116	2	2,608	963	650	182	343
501 – 1,000	6,663	5,447	1,210	6	3,671	1,483	1,067	285	157
1,001 – 1,500	5,047	4,278	762	7	2,684	1,128	948	190	97
1,501 – 2,000	3,904	3,406	490	8	1,937	1,008	762	124	73
2,001 – 2,500	3,069	2,715	343	11	1,505	792	600	111	61
2,501 – 3,000	2,473	2,251	209	13	1,159	646	514	92	62
3,001 – 3,500	1,974	1,836	133	5	903	575	400	63	33
3,501 – 4,000	1,550	1,461	84	5	666	470	328	59	27
4,001 – 4,500	1,354	1,300	52	2	571	416	287	59	21
4,501 – 5,000	1,058	1,022	32	4	417	342	245	39	15
5,001 – 5,500	868	852	16	0	344	262	213	38	11
5,501 – 6,000	675	664	11	0	252	231	148	36	8
6,001 – 6,500	527	517	7	3	191	180	130	22	4
6,501 – 7,000	371	368	3	0	141	122	84	20	4
7,001 – 7,500	299	299	0	0	97	111	73	17	1
7,501 – 8,000	207	206	1	0	73	66	44	24	0
8,000+	604	601	3	0	206	194	147	53	4
Total	35,389	30,851	4,472	66	17,425	8,989	6,640	1,414	921

Type of Pension Benefit
1. Regular Retirement
2. Survivor Payment
3. Disability

Option Selected
1. Whole Life Annuity
2. 75% Joint and Contingent Annuity
3. 50% Joint and Contingent Annuity
4. 66 2/3% Joint and Survivor Annuity
5. Level Income Option

4 Member Data

4.9 Pension Benefit Recipients Added to and Removed from Rolls

Peace Officer / Firefighter

	Added to Rolls		Removed from Rolls		Rolls at End of Year		Percent Increase in Annual Pension Benefits	Average Annual Pension Benefit
Year Ended	No.[1]	Annual Pension Benefits[1]	No.[1]	Annual Pension Benefits[1]	No.	Annual Pension Benefits		
June 30, 2025	162	$ 10,940,832	78	$ 1,779,168	3,968	$ 182,387,547	5.3%	$ 45,965
June 30, 2024	148	9,304,464	85	2,647,883	3,884	173,225,883	4.0%	44,600
June 30, 2023	143	8,780,772	77	(4,050,263)	3,821	166,569,302	8.3%	43,593
June 30, 2022	157	8,928,276	75	(1,692,346)	3,755	153,738,267	7.4%	40,942
June 30, 2021	191	9,635,568	86	2,931,719	3,673	143,117,645	4.9%	38,965
June 30, 2020	164	8,472,240	61	1,078,932	3,568	136,413,796	5.7%	38,233
June 30, 2019	149	6,713,940	71	233,335	3,465	129,020,488	5.3%	37,235
June 30, 2018	153	7,002,504	81	2,573,694	3,387	122,539,883	3.7%	36,179
June 30, 2017	165	6,971,580	54	2,132,027	3,315	118,111,073	4.3%	35,629
June 30, 2016	137	6,618,744	49	1,594,394	3,204	113,271,520	4.6%	35,353

[1] Numbers are estimated, and include other internal transfers.

4 Member Data

4.9 Pension Benefit Recipients Added to and Removed from Rolls (continued)

Others

	Added to Rolls		Removed from Rolls		Rolls at End of Year		Percent Increase in Annual Pension Benefits	Average Annual Pension Benefit
Year Ended	No.[1]	Annual Pension Benefits[1]	No.[1]	Annual Pension Benefits[1]	No.	Annual Pension Benefits		
June 30, 2025	1,166	$ 37,190,736	971	$ 8,687,513	35,389	$ 960,227,091	3.1%	$ 27,133
June 30, 2024	1,303	38,323,836	927	15,026,825	35,194	931,723,868	2.6%	26,474
June 30, 2023	1,263	39,466,224	933	(22,497,890)	34,818	908,426,857	7.3%	26,091
June 30, 2022	1,453	44,793,084	1,009	(5,580,072)	34,488	846,462,743	6.3%	24,544
June 30, 2021	1,576	44,216,256	1,070	20,522,550	34,044	796,089,587	3.1%	23,384
June 30, 2020	1,472	42,340,608	779	9,911,423	33,538	772,395,881	4.4%	23,030
June 30, 2019	1,543	43,301,707	765	3,096,594	32,845	739,966,696	5.7%	22,530
June 30, 2018	1,708	46,316,673	673	10,533,376	32,067	699,761,583	5.4%	21,823
June 30, 2017	1,699	44,619,382	816	14,610,212	31,032	663,978,286	4.7%	21,397
June 30, 2016	1,780	44,409,702	660	12,099,362	30,149	633,969,116	5.4%	21,028

[1] Numbers are estimated, and include other internal transfers.

5 Basis of the Actuarial Valuation

5.1 Summary of Plan Provisions

Effective Date

January 1, 1961, with amendments through June 30, 2025. Chapter 82, 1986 Session Laws of Alaska, created a two-tier retirement system. Members who were first hired under PERS before July 1, 1986 (Tier 1) are eligible for different benefits than members hired after June 30, 1986 (Tier 2). Chapter 4, 1996 Session Laws of Alaska created a third tier for members who were first hired after June 30, 1996 (Tier 3). Chapter 9, 2005 Session Laws of Alaska, closed the plan to new members hired after June 30, 2006. The 2021 Alaska Supreme Court Metcalfe decision allows certain members the option of transferring from the DCR plan to the DB plan.

Administration of Plan

The Commissioner of Administration or the Commissioner’s designee is the administrator of the system. The Attorney General of the state is the legal counsel for the system and shall advise the administrator and represent the system in legal proceedings.

Prior to June 30, 2005, the Public Employees’ Retirement Board prescribed policies and adopted regulations and performed other activities necessary to carry out the provisions of the system. The Alaska State Pension Investment Board, Department of Revenue, Treasury Division was responsible for investing PERS funds.

On July 27, 2005, Senate Bill 141, enacted as Chapter 9, 2005 Session laws of Alaska, replaced the Public Employees’ Retirement Board and the Alaska State Pension Investment Board with the Alaska Retirement Management Board.

Employers Included

Currently, there are 148 employers participating in PERS, including the State of Alaska and 147 political subdivisions and public organizations. One additional political subdivision participates in PERS for DCR and healthcare benefits only.

Membership

PERS membership is mandatory for all permanent full-time and part-time employees of the State of Alaska and participating political subdivisions and public organizations, unless they are specifically excluded by Alaska Statute or employer participation agreements. Employees participating in the University of Alaska’s Optional Retirement Plan or other retirement plans funded by the State are not covered by PERS. Elected officials may waive PERS membership.

Certain members of the Alaska Teachers' Retirement System (TRS) are eligible for PERS retirement benefits for their concurrent elected public official service with municipalities. In addition, employees who work half-time in PERS and TRS simultaneously are eligible for half-time PERS and TRS credit.

Senate Bill 141, signed into law on July 27, 2005, closes the plan effective July 1, 2006 to new members first hired on or after July 1, 2006.

The 2021 Alaska Supreme Court Metcalfe decision allows certain members the option of transferring from the DCR plan to the DB plan.

5 Basis of the Actuarial Valuation

Credited Service

Permanent employees who work at least 30 hours a week earn full-time credit; part-time employees working between 15 and 30 hours a week earn partial credit based on the number of hours worked. Members receiving PERS occupational disability benefits continue to earn PERS credit while disabled. Survivors who are receiving occupational death benefits continue to earn PERS service credit while occupational survivor benefits are being paid.

Members may claim other types of service, including:

- part-time State of Alaska service rendered after December 31, 1960, and before January 1, 1976;
- service with the State, former Territory of Alaska, or U.S. Government in Alaska before January 1, 1961;
- past Peace Officer, correctional officer, fire fighter, and special officer service after January 1, 1961;
- military service (not more than five years may be claimed);
- temporary service after December 31, 1960;
- elected official service before January 1, 1981;
- Alaska Bureau of Indian Affairs service;
- past service rendered by employees who worked half-time in PERS and TRS simultaneously;
- leave without pay service after June 13, 1987, while receiving Workers' Compensation;
- Village Public Safety Officer service; and
- service as a temporary employee of the legislature before July 1, 1979, but this service must have been claimed no later than July 1, 2003, or by the date of retirement, if sooner (not more than ten years may be claimed).

Except for service before January 1, 1961, with the State, former Territory of Alaska, or U.S. Government in Alaska, contributions are required for all past service.

Past employment with participating political subdivisions that occurred before the employers joined PERS is creditable if the employers agree to pay the required contributions.

At the election of certain PERS members, certain service may be credited in the same fashion as members in TRS.

Members employed as dispatchers or within a state correctional facility may, at retirement, elect to convert their dispatcher or correctional facility service from “all other” service to Peace Officer/Firefighter service and retire under the 20-year retirement option. Members pay the full actuarial cost of conversion.

Employer Contributions

PERS employers contribute the amounts required, in addition to employees’ contributions, to fund the benefits of the system.

The normal cost rate is a uniform rate for all participating employers (less the value of members’ contributions).

The past service rate is a uniform rate for all participating employers to amortize the unfunded past service liability with payments that are a level percentage of payroll amount over a closed 25-year period starting June 30, 2014. Effective June 30, 2018, each future year’s difference between actual and expected unfunded service liability is separately amortized on a level percent of pay basis over 25 years.

Employer rates cannot be less than the normal cost rate.

5 Basis of the Actuarial Valuation

Pursuant to AS 39.35.255 effective July 1, 2008 and subsequently amended on July 1, 2021, each non-state PERS employer will pay a simple uniform contribution rate of 22% of non-state member payroll and the State as an employer will pay the total contribution rate, adopted by the Board, of State member payroll.

Additional State Contributions

Pursuant to AS 39.35.280 effective July 1, 2008, the State shall contribute an amount (in addition to the State contribution as an employer) that, when combined with the total employer contributions, will be sufficient to pay the total contribution rate adopted by the Board.

Member Contributions

Mandatory Contributions

Peace Officer/Firefighter members are required to contribute 7.5% of their compensation; all Others contribute 6.75%. Those all Others who have elected to have their service calculated under TRS rules contribute 9.76% of their compensation. Members' contributions are deducted from gross wages before federal income taxes are withheld.

Contributions for Claimed Service

Member contributions are also required for most of the claimed service described above.

Voluntary Contributions

Members may voluntarily contribute up to 5% of their salary on an after-tax basis. Voluntary contributions are recorded in a separate account and are payable to the:

a. member in lump sum payment upon termination of employment;
b. member's beneficiary if the member dies; or
c. member in a lump sum, life annuity, or payments over a designated period of time when the member retires.

Interest

Members’ contributions earn 4.5% interest, compounded semiannually on June 30 and December 31.

Refund of Contributions

Terminated members may receive refunds of their member contribution accounts which includes their mandatory and voluntary contributions, indebtedness payments, and interest earned. Terminated members’ accounts may be attached to satisfy claims under Alaska Statute 09.38.065, federal income tax levies, and valid Qualified Domestic Relations Orders.

Reinstatement of Contributions

Refunded accounts and the corresponding PERS service may be reinstated upon reemployment in PERS. Interest accrues on refunds until paid in full or members retire.

Retirement Benefits

Eligibility

a. Members, including deferred vested members, are eligible for normal retirement at age 55 or early retirement at age 50 if they were hired before July 1, 1986 (Tier 1), and age 60 or early retirement at age 55 if they were hired on or after July 1, 1986 (Tiers 2 & 3). Additionally, they must have at least:

   (i) five years of paid-up PERS service;

   (ii) 60 days of paid-up PERS service as employees of the legislature during each of five legislative sessions and they were first hired by the legislature before May 30, 1987;

(iii) 80 days of paid-up PERS service as employees of the legislature during each of five legislative sessions and they were first hired by the legislature after May 29, 1987;

(iv) two years of paid-up PERS service and they are vested in TRS; or

(v) two years of paid-up PERS service and a minimum three years of TRS service to qualify for a public service benefit.

b. Members may retire at any age when they have:

(i) 20 paid-up years of PERS Peace Officer/Firefighter service; or

(ii) 30 paid-up years of PERS "all other" or "elected official" service.

Benefit Type

Lifetime benefits are paid to members. Eligible members may receive normal, unreduced benefits when they (1) reach normal retirement age and complete the service required; or (2) satisfy the minimum service requirements under the "20 and out" or "30 and out" provisions. Members may receive early, reduced benefits when they reach early retirement age and complete the service required. Benefits are reduced by 6% per year prior to a member's normal retirement date.

Members may select a joint and survivor option. Members who entered PERS prior to July 1, 1996 may also select a 66-2/3 last survivor option or a level income option. Under these options and early retirement, benefits are actuarially adjusted so that members receive the actuarial equivalents of their normal benefit amounts.

Benefit Calculations

Retirement benefits are calculated by multiplying the average monthly compensation (AMC) times credited PERS service times the percentage multiplier. The AMC is determined by averaging the salaries earned during the five highest (three highest for Peace Officer/Firefighter members or members hired prior to July 1, 1996) consecutive payroll years. Members must earn at least 115 days of credit in the last year worked to include it in the AMC calculation. PERS pays a minimum benefit of $25.00 per month for each year of service when the calculated benefit is less.

The percentage multipliers for Peace Officer/Firefighter members are 2% for the first ten years of service and 2.5% for all service over ten years.

The percentage multipliers for all Others are 2% for the first ten years, 2.25% for the next ten years, and 2.5% for all remaining service earned on or after July 1, 1986. All service before that date is calculated at 2%.

Salaries are subject to compensation limits under IRC 401(a)(17) for members first hired on or after July 1, 1996. Retirement benefit amounts are subject to IRC 415(b) limits regardless of hire date.

Indebtedness

Members who terminate and refund their PERS contributions are not eligible to retire unless they return to PERS employment and pay back their refunds plus interest or accrue additional service which qualifies them for retirement. PERS refunds must be paid in full if the corresponding service is to count toward the minimum service requirements for retirement. Refunded PERS service is included in total service for the purpose of calculating retirement benefits. However, when refunds are not completely paid before retirement, benefits are actuarially reduced for life. Indebtedness balances may also be created when a member purchases qualified claimed service.

Reemployment of Retired Members

Retirement and retiree healthcare benefits are suspended while retired members are reemployed under PERS. During reemployment, members earn additional PERS service and contributions are withheld from their wages. A member who retired with a normal retirement benefit can elect to waive payment of PERS contributions. The waiver allows the member to continue receiving the retirement benefit during the period of reemployment. Members who elect the waiver option do not earn additional PERS service. The Waiver Option first became effective July 1, 2005 and applies to reemployment periods after that date. The Waiver Option is not available to members who retired early or under the Retirement Incentive Programs (RIPs). The Waiver Option is no longer available after June 30, 2009.

Members retired under the Retirement Incentive Programs (RIPs) who return to employment will:

a. forfeit the three years of incentive credits that they received;

b. owe PERS 150% of the benefits that they received for state and political subdivision members, and 110% for school district employees, under the 1996-2000 RIP, which may include costs for health insurance, excluding amounts that they paid to participate for the 1986 and 1989 RIPs. Under prior RIPs, the penalty is 110% of the benefits received; and

c. be charged 7% interest from the date that they are reemployed until their indebtedness is paid in full or they retire again. If the indebtedness is not completely paid, future benefits will be actuarially reduced for life.

Employers make contributions to the unfunded liability of the plan on behalf of rehired retired members at the rate the employer is making contributions to the unfunded liability of the plan for other members.

Disability Benefits

Monthly disability benefits are paid to permanently disabled members until they die, recover, or become eligible for normal retirement. Members are appointed to normal retirement on the first of the month after they become eligible.

Occupational Disability

Members are not required to satisfy age or service requirements to be eligible for occupational disability. Monthly benefits are equal to 40% of their gross monthly compensation on the date of their disability. Members on occupational disability continue to earn PERS service until they become eligible for normal retirement. Peace Officer/Firefighter members may elect to retain the disability benefit formula for the calculation of their normal retirement benefits.

At the time a disabled Peace Officer/Firefighter member retires, the retirement benefit will be increased by a percentage equal to the total cumulative percentage that has been applied to the disability benefit.

Non-Occupational Disability

Members must be vested (five paid up years of PERS service) to be eligible for non-occupational disability benefits. Monthly benefits are calculated based on the member's average monthly compensation and PERS service on the date of termination from employment because of disability. Members do not earn PERS service while on non-occupational disability.

Death Benefits

Death benefits may be paid to a spouse, dependent children, or a designated beneficiary upon the death of a member.

Occupational Death

When an active member dies from occupational causes, a monthly survivor’s pension may be paid to the spouse or to the member’s dependent children if there is no spouse, unless benefits are payable under the supplemental contributions provision. The pension equals 40% of the member’s base salary on the date of death or disability. On the member’s normal retirement date, the benefit converts to a normal retirement benefit based on the member’s average base salary on the date of death and PERS service, including service accumulated from the date of death to normal retirement date. Survivors of Peace Officer/Firefighter members receive the greater of 50% of the member’s base salary on the date of death or disability, or 75% of the member’s monthly normal retirement benefit (including service projected to Normal Retirement). If the member is unmarried with no children, a refund of contributions is payable to the estate.

Death after Occupational Disability

When a member dies while occupationally disabled, benefits are paid as described above in Occupational Death.

Non-Occupational Death

When a vested member dies from non-occupational causes, the surviving spouse may elect to receive a monthly 50% joint and survivor benefit or a lump sum benefit (see below). The monthly benefit is based on the member's average base salary and PERS service accrued on the date of death.

Lump Sum Non-Occupational Death Benefit

Upon the death of a member who has less than one year of service or an inactive member who is not vested, the designated beneficiary receives the member's contribution account, which includes mandatory and voluntary contributions, indebtedness payments, and interest earned. If the member has more than one year of PERS service or is vested, the beneficiary also receives $1,000 and $100 for each year of PERS service.

Death After Retirement

If a joint and survivor option was selected at retirement, the eligible spouse receives continuing, lifetime monthly benefits after the member dies. If a joint and survivor option was not selected, the designated beneficiary receives the member's contribution account, less any benefits already paid and the member's last benefit check.

Postretirement Pension Adjustments

Postretirement pension adjustments (PRPAs) are granted annually to eligible benefit recipients when the consumer price index (CPI) for urban wage earners and clerical workers for Anchorage increases during the preceding calendar year. PRPAs are calculated by multiplying the recipient's base benefit including past PRPAs, but excluding the Alaska COLA, times:

a. The lesser of 75% of the CPI increase in the preceding calendar year or 9% if the recipient is at least age 65 or on PERS disability; or

b. The lesser of 50% of the CPI increase in the preceding calendar year or 6% if the recipient is at least age 60, or under age 60 if the recipient has been receiving benefits for at least five years.

Ad hoc PRPAs, up to a maximum of 4%, may be granted to eligible recipients who were first hired before July 1, 1986 (Tier 1) if the CPI increases and the funded ratio is at least 105%.

In a year where an ad hoc PRPA is granted, eligible recipients will receive the higher of the two calculations.

Alaska Cost-of-Living Allowance (COLA)

Eligible benefit recipients who reside in Alaska receive an Alaska COLA equal to 10% of their base benefits or $50, whichever is more. The following benefit recipients are eligible:

a. members who first entered PERS before July 1, 1986 (Tier 1) and their survivors;

b. members who first entered PERS after June 30, 1986 (Tiers 2 & 3) and their survivors if they are at least age 65; and

c. all disabled members.

5 Basis of the Actuarial Valuation

Postemployment Healthcare Benefits

Major medical benefits are provided to retirees and their surviving spouses by PERS for all employees hired before July 1, 1986 (Tier 1) and disabled retirees. Employees hired after June 30, 1986 (Tier 2) and their surviving spouses with five years of credited service (or ten years of credited service for those first hired after June 30, 1996 (Tier 3)) must pay the full monthly premium if they are under age sixty and will receive benefits paid by PERS if they are over age sixty. Tier 3 Members with between five and ten years of credited service must pay the full monthly premium regardless of their age. Tier 2 and Tier 3 Members with less than five years of credited service are not eligible for postemployment healthcare benefits. Tier 2 Members who are receiving a conditional benefit and are age eligible are eligible for postemployment healthcare benefits. In addition, Peace Officers and their surviving spouses with twenty-five years of Peace Officer membership service, Other employees and their surviving spouses with thirty years of membership service, and any disabled member receive benefits paid by PERS, regardless of their age or date of hire.

Medical, prescription drug, dental, vision, and audio coverage is provided through the AlaskaCare Retiree Health Plan. Health plan provisions do not vary by retirement tier or age, except for Medicare coordination. Participants in dental, vision, and audio coverage pay a full self-supporting rate and those benefits are not included in this valuation.

Starting in 2022, prior authorization is required for certain specialty medications for all participants. There is no change to the medications that are covered by the plan.

Starting in 2022, certain preventive benefits for pre-Medicare participants are covered by the plan.

Surviving spouses continue coverage only if a pension payment form that provided survivor benefits was elected. Alternate payees (i.e., individuals who are the subject of a domestic relations order or DRO) are allowed to participate in the plan, but must pay the full cost.

Where premiums are required prior to age 60 (Tiers 2 & 3), the valuation bases this payment upon the age of the retiree.

Participants in the defined benefit plan are covered under the following benefit design:

Plan Design Feature	Amounts
Deductible (single / family)	$150 / $450
Coinsurance (most services)	20%
Outpatient Surgery / Testing	0%
Maximum Out-of-Pocket (single / family, excluding deductible)	$800 / $2,400
Rx Copays (generic / brand / mail-order), does not apply to OOP max	$4 / $8 / $0
Lifetime Maximum	$2,000,000

The plan coordinates with Medicare on a traditional Coordination of Benefits Method. Starting in 2019, the prescription drug coverage is through a Medicare Part D EGWP arrangement.

Changes in Benefit Provisions Valued Since the Prior Valuation

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

5 Basis of the Actuarial Valuation

5.2 Description of Actuarial Methods and Valuation Procedures

The funding method used in this valuation was adopted by the Board in October 2006. Changes in methods were adopted by the Board in January 2019 based on the experience study for the period July 1, 2013 to June 30, 2017, and in September 2025 to reflect a preference to fund the UAAL more rapidly. The asset smoothing method used to determine valuation assets was changed effective June 30, 2014.

Benefits valued are those delineated in Alaska State statutes as of the valuation date. Changes in State statutes effective after the valuation date are not taken into consideration in setting the assumptions and methods.

Actuarial Cost Method

Liabilities and contributions shown in the report are computed using the Entry Age Normal Actuarial Cost Method, level percent of pay.

Effective June 30, 2018, the Board adopted a 25-year layered 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[1]. 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. Future layers will be created each year based on the difference between actual and expected UAAL occurring that year, and will be amortized over separate closed 25-year periods. The UAAL amortization continues to be on a level percent of pay basis. State statutes allow the contribution rate to be determined on payroll for all members, defined benefit and defined contribution member payroll combined.

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.

Projected pension and postemployment healthcare benefits were determined for all active members. Cost factors designed to produce annual costs as a constant percentage of each member's expected compensation in each year from the assumed entry age to the assumed retirement age were applied to the projected benefits to determine the normal cost (the portion of the total cost of the plan allocated to the current year under the method). The normal cost is determined by summing intermediate results for active members and determining an average normal cost rate which is then related to the total payroll of active members. The actuarial accrued liability for active members (the portion of the total cost of the plan allocated to prior years under the method) was determined as the excess of the actuarial present value of projected benefits over the actuarial present value of future normal costs.

The actuarial accrued liability for retired members and their beneficiaries currently receiving benefits, terminated vested members and disabled members not yet receiving benefits was determined as the actuarial present value of the benefits expected to be paid. No future normal costs are payable for these members.

The actuarial accrued liability under this method at any point in time is the theoretical amount of the fund that would have been accumulated had annual contributions equal to the normal cost been made in prior years (it does not represent the liability for benefits accrued to the valuation date). The unfunded actuarial accrued liability is the excess of the actuarial accrued liability over the actuarial value of plan assets measured on the valuation date.

Under this method, experience gains or losses (i.e., decreases or increases in accrued liabilities attributable to deviations in experience from the actuarial assumptions) adjust the unfunded actuarial accrued liability.

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[1] Layer #1 is referred to as "initial amount" in the cover letter, Executive Summary, and Section 1.

5 Basis of the Actuarial Valuation

Valuation of Assets

The actuarial asset value was reinitialized to equal Fair Value of Assets as of June 30, 2014. Beginning in FY15, the asset valuation method recognizes 20% of the investment gain or loss each year, for a period of five years. All assets are valued at fair value. Assets are accounted for on an accrued basis and are taken directly from financial statements audited by KPMG LLP.

Changes in Methods Since the Prior Valuation

The UAAL amortization method was modified as described above beginning with the June 30, 2025 valuation. There were no other changes in the asset or valuation methods since the prior valuation.

Valuation of Retiree Medical and Prescription Drug Benefits

This section outlines the detailed methodology used in the internal model developed by Gallagher to calculate the initial per capita claims cost rates for the PERS postemployment healthcare plan. Note that the methodology reflects the results of our annual experience rate update for the period from July 1, 2024 to June 30, 2025.

Base claims cost rates are incurred healthcare costs expressed as a rate per member per year. Ideally, claims cost rates should be derived for each significant component of cost that can be expected to require differing projection assumptions or methods (i.e., medical claims, prescription drug claims, administrative costs, etc.). Separate analysis is limited by the availability and historical credibility of cost and enrollment data for each component of cost. This valuation reflects non-prescription claims separated by Medicare status, including eligibility for free Part A coverage. Prescription costs are analyzed separately as in prior valuations. Administrative costs are assumed in the final per capita claims cost rates used for valuation purposes, as described below. Analysis to date on Medicare Part A coverage is limited since Part A claim data is not available by individual, nor is this status incorporated into historical claim data.

Benefits

Medical, prescription drug, dental, vision and audio coverage is provided through the AlaskaCare Retiree Health Plan and is available to employees of the State and subdivisions who meet retirement criteria based on the retirement plan tier in effect at their date of hire. Health plan provisions do not vary by retirement tier or age, except for Medicare coordination for those Medicare-eligible. Dental, vision, and audio claims (DVA) are excluded from data analyzed for this valuation because those are retiree-pay all benefits where rates are assumed to be self-supporting. Gallagher relies upon rates set by a third-party for the DVA benefits. Gallagher reviewed historical rate-setting information and views contribution rate adjustments made are not unreasonable.

Administration and Data Sources

The plan has been administered by Aetna since January 1, 2014.

Claims incurred for the period from June 2024 through May 2025 were provided by the State of Alaska from reports extracted from their data warehouse, which separated claims by Medicare status. Monthly enrollment data for the same period was provided by Aetna.

Aetna also provided census information identifying Medicare Part B only participants. These participants are identified when hospital claims are denied by Medicare. Aetna then flags that participant as a Part B only participant. Gallagher added newly identified participants to our list of Medicare Part B only participants. Gallagher assumes that once identified as Part B only, that participant remains in that status until we are notified otherwise.

Aetna provided a snapshot file as of July 1, 2025 of retirees and dependents that included a coverage level indicator. The monthly enrollment data includes double coverage participants. These are participants whereby both the retiree and spouse are retirees from the State and both are reflected with Couple coverage in the enrollment. In this case, such a couple would show up as four members in the monthly enrollment (each would be both a retiree and a spouse). As a result, the snapshot census file was used to adjust the total member counts in the monthly enrollment reports to estimate the number of unique participants enrolled in coverage. Based on the snapshot files from the last two valuations, the total member count in the monthly enrollment reports needs to be reduced by approximately 12-13% to account for the number of participants with double coverage.

Aetna does not provide separate experience by Medicare status in standard reporting, so the special reports mentioned above from the data warehouse were used to obtain that information and incorporate it into the per capita rate development for each year of experience (with corresponding weights applied in the final per capita cost).

Methodology

Gallagher projected historical claim data to FY26 for retirees using the following steps:

1. Develop historical annual incurred claim cost rates – An analysis of medical costs was completed based on claims information and enrollment data provided by the State of Alaska and Aetna for each year in the experience period of June 1, 2023 through May 31, 2025. The experience periods are shifted one month earlier compared to the prior valuation.

    - Costs for medical services and prescriptions were analyzed separately, and separate trend rates were developed to project expected future medical and prescription costs for the valuation year (e.g., from the experience period up through FY26).
    - Because the reports provided reflected incurred claims, no additional adjustment was needed to determine incurred claims to be used in the valuation.
    - An offset for costs expected to be reimbursed by Medicare was incorporated beginning at age 65. Alaska retirees who do not have 40 quarters of Medicare-covered compensation do not qualify for Medicare Part A coverage free of charge. This is a relatively small and closed group. Medicare was applied to State employment for all employees hired after March 31, 1986. For the “no-Part A” individuals who are required to enroll in Medicare Part B, the State is the primary payer for hospital bills and other Part A services. Claims experience is not available separately for participants with both Medicare Parts A and B and those with Part B only. For Medicare Part B only participants, a lower average claims cost was applied to retirees covered by both Medicare Part A and B vs. retirees covered only by Medicare Part B based upon manual rate models that estimate the Medicare covered proportion of medical costs. To the extent that no-Part A claims can be isolated and applied strictly to the appropriate closed group, actuarial accrued liability will be more accurate.
    - Based on census data received from Aetna, approximately 2% of the current retiree population was identified as having coverage only under Medicare Part B. We assume that 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.
    - Based upon a reconciliation of valuation census data to the snapshot eligibility files provided by Aetna as of July 1, 2024, and July 1, 2025, Gallagher adjusted member counts used for duplicate records where participants have double coverage (i.e., primary coverage as a retiree and secondary coverage as the covered spouse of another retiree). This adjustment is to reflect the total cost per distinct individual/member which is then applied to distinct members in the valuation census.
    - Gallagher understands that pharmacy claims reported do not reflect rebates. Based on actual pharmacy rebate information provided by Optum, rebates were assumed to be 29.8% of pre-Medicare and 19.8% of Medicare prescription drug claims for FY24; and 29.2% of pre-Medicare and 22.8% of Medicare prescription drug claims for FY25. These rebate assumptions were used for the experience periods starting and ending one month prior to the respective fiscal years.

2. Develop estimated EGWP reimbursements – The estimated CY26 reimbursements under EGWP were provided by Segal Consulting, who worked with the EGWP administrator (Optum) to develop those estimates. These amounts are applicable only to Medicare-eligible participants. The estimated reimbursements under EGWP from FY22 through FY26 were trended to FY26 and then blended to develop the EGWP subsidies for the June 30, 2025 valuation. The first-year trend rate applied to

5 Basis of the Actuarial Valuation

EGWP per capita costs was also adjusted to reflect the increase in EGWP subsidies from CY25 to CY26.

3. Adjust for claim fluctuation, anomalous experience, etc. – Explicit adjustments are often made for anticipated large claims or other anomalous experience. Due to group size and demographics, we did not make any large claim adjustments. We do blend both Alaska plan-specific and national trend factors as described below. Gallagher compared data utilized to lag reports and quarterly plan experience presentations provided by the State and Aetna to assess accuracy and reasonableness of data.

4. Trend all data points to the projection period – Project prior years' experience forward to FY26 for retiree benefits on an incurred claim basis. Trend factors derived from historical Alaska-specific experience and national trend factors are shown below in item 5.

5. Apply credibility to prior experience – Adjust prior year's data by assigning weighting factors to recent periods, as shown at the right of the table below. The Board approved a change in the weighting of experience periods beginning with the June 30, 2017 valuation. We averaged projected plan costs by applying 75% weight to Alaska-specific trends and 25% weight to national trends.

   Alaska-Specific and National Average Weighted Trend from Experience Period to Valuation Year

Experience Period	Medical, Pre-Medicare	Medical, Medicare	Prescription Drugs	Weighting Factors
6/1/2023 to 5/31/2024	6.8%	8.9%	12.0%	50%
6/1/2024 to 5/31/2025	6.1%	10.0%	17.8%	50%

   Trend assumptions used for rate development are assessed annually and as additional/improved reporting becomes available, we will incorporate into rate development as appropriate. Due to the one-month lag in claims experience, all claims were trended an additional month to FY26.

6. Develop separate administration costs – No adjustments were made for internal administrative costs. Third party retiree plan administration fees for FY26 are based upon total fees projected to 2026 by Segal Consulting based on actual FY25 fees. The annual per participant per year administrative cost rate for medical and prescription benefits is $353.

Healthcare Reform

Healthcare Reform legislation passed on March 23, 2010 included several provisions with potential implications for the State of Alaska Retiree Health Plan liability. Gallagher evaluated the impact due to these provisions.

Because the State plan is retiree-only, and was in effect at the time the legislation was enacted, not all provisions of the health reform legislation apply to the State plan. Unlimited lifetime benefits and dependent coverage to age 26 are two of these provisions. We reviewed the impact of including these provisions, but there was no decision made to adopt them, and no requirement to do so.

Because Transitional Reinsurance fees are only in effect until 2016, we excluded these for valuation purposes.

The Further Consolidated Appropriations Act, 2020 passed in December 2019 repealed several healthcare-related taxes, including the Cadillac Tax.

The Tax Cuts and Jobs Act passed in December 2017 included the elimination of the individual mandate penalty and changed the inflation measure for purposes of determining the limits for the High Cost Excise Tax to use chained CPI. It is our understanding the law does not directly impact other provisions of the ACA. While the nullification of the ACA's individual mandate penalty does not directly impact employer group health plans, it could contribute to the destabilization of the individual market and increase the number of uninsured. Such destabilization could translate to increased costs for employers. We have considered this when setting our healthcare cost trend assumptions and will continue to monitor this issue.

The Inflation Reduction Act (IRA) was signed into law on August 16, 2022. The law contains several provisions that are expected to impact Alaska's Medicare prescription drug plan (EGWP) due to design and funding changes, the most meaningful of which occurred in 2025. The IRA is also expected to bend the trend curve through price control measures such as HHS's ability to negotiate prices for older, high-cost single source brand drugs (first effective in 2026) and through the imposition of rebates for drugs that increase in excess of inflation (first effective in 2023). We have adjusted the EGWP subsidy and the first-year trend that is applied to these subsidies for the June 30, 2025 valuation based on estimated reimbursements provided by Segal Consulting. As further guidance and projections regarding the impact of the IRA become available, updates to these assumptions may be made for future measurement dates if deemed appropriate.

We have not identified any other specific provisions of healthcare reform or its potential repeal that would be expected to have a significant impact on the measured obligation. We will continue to monitor legislative activity.

Data

In accordance with actuarial standards, we note the following specific data sources and steps taken to value retiree medical benefits:

The Division of Retirement and Benefits provided pension valuation census data, which for people currently in receipt of healthcare benefits was supplemented by coverage data from the healthcare claims administrator (Aetna).

Certain adjustments and assumptions were made to prepare the data for valuation:

- All records provided with retiree medical coverage on the Aetna data were included in this valuation and we relied on the Aetna data as the source of medical coverage for current retirees and their dependents.
- Some records in the Aetna data were duplicates due to the double coverage (i.e., coverage as a retiree and as a spouse of another retiree) allowed under the plan. Records were adjusted for these members so that each member was only valued once. Any additional value of the double coverage (due to coordination of benefits) is small and reflected in the per capita costs.
- Covered children included in the Aetna data were valued until age 23, unless disabled. We assumed that those dependents over 23 were only eligible and valued due to being disabled.
- For individuals included in the pension data expecting a future pension, we valued health benefits starting at the same point that the pension benefit is assumed to start.
- Some records in the pension data were duplicates due to being a covered spouse in the Aetna data. Records were adjusted for these members so that each inactive member was only valued once, removing the record that came in through the pension data.
- Some Tier 3 inactive records in the pension data had zero credited service. Where possible, credited service was estimated for these records based on dates of hire and retirement.

We are not aware of any other data issues that would be expected to have a material impact on the results and there are no unresolved matters related to the data.

The following chart shows the basis of setting the per capita claims cost assumption, which includes both PERS and TRS.

5 Basis of the Actuarial Valuation

	Medical		Prescription Drugs (Rx)	
	Pre-Medicare	Medicare	Pre-Medicare	Medicare
A. Fiscal 2024				
1. Incurred Claims	$ 211,522,877	$ 124,759,268	$ 71,627,927	$ 301,319,664
2. Adjustments for Rx Rebates	0	0	(21,315,243)	(59,698,014)
3. Net incurred claims	$ 211,522,877	$ 124,759,268	$ 50,312,684	$ 241,621,650
4. Average Enrollment	15,459	51,852	15,459	51,852
5. Claim Cost Rate (3) / (4)	13,682	2,406	3,255	4,660
6. Trend to Fiscal 2026	1.139	1.207	1.337	1.337
7. Fiscal 2026 Incurred Cost Rate (5) x (6)	$ 15,581	$ 2,905	$ 4,352	$ 6,232
8. Adjustment Factor for 2022 Plan Changes	1.000	1.000	0.976	0.976
9. Adjusted Fiscal 2026 Incurred Cost Rate (7) x (8)	$ 15,581	$ 2,905	$ 4,247	$ 6,081
B. Fiscal 2025				
1. Incurred Claims	$ 205,404,879	$ 139,592,893	$ 75,467,663	$ 367,360,515
2. Adjustments for Rx Rebates	0	0	(22,038,554)	(83,667,013)
3. Net incurred claims	$ 205,404,879	$ 139,592,893	$ 53,429,108	$ 283,693,502
4. Average Enrollment	14,289	52,441	14,289	52,441
5. Claim Cost Rate (3) / (4)	14,375	2,662	3,739	5,410
6. Trend to Fiscal 2026	1.066	1.109	1.194	1.194
7. Fiscal 2026 Incurred Cost Rate (5) x (6)	$ 15,325	$ 2,951	$ 4,463	$ 6,458
8. Adjustment Factor for 2022 Plan Changes	1.000	1.000	0.986	0.973
9. Adjusted Fiscal 2026 Incurred Cost Rate (7) x (8)	$ 15,325	$ 2,951	$ 4,401	$ 6,283

	Medical		Prescription Drugs (Rx)	
	Pre-Medicare	Medicare	Pre-Medicare	Medicare
C. Adjusted Incurred Cost Rate by Fiscal Year				
1. Fiscal 2024 A.(9)	15,581	2,905	4,247	6,081
2. Fiscal 2025 B.(9)	15,325	2,951	4,401	6,283
D. Weighting by Fiscal Year				
1. Fiscal 2024	50%	50%	50%	50%
2. Fiscal 2025	50%	50%	50%	50%
E. Fiscal 2026 Incurred Cost Rate				
1. Rate at Average Age C x D	$ 15,453	$ 2,928	$ 4,324	$ 6,182
2. Average Aging Factor	0.813	1.224	0.838	1.149
3. Rate at Age 65 (1) / (2)	$ 19,003	$ 2,393	$ 5,158	$ 5,381
F. Development of Part A&B and Part B Only Cost from Pooled Rate Above				
1. Part A&B Average Enrollment		51,897		
2. Part B Only Average Enrollment		544		
3. Total Medicare Average Enrollment B(4)		52,441		
4. Cost ratio for those with Part B only to those with Parts A&B		3.300		
5. Factor to determine cost for those with Parts A&B (2) / (3) x (4) + (1) / (3) x 1.00		1.024		
6. Medicare per capita cost for all participants: E(3)		$ 2,393		
7. Cost for those eligible for Parts A&B: (6) / (5)		$ 2,337		
8. Cost for those eligible for Part B only: (7) x (4)		$ 7,712		

5 Basis of the Actuarial Valuation

Following the development of total projected costs, per capita claims costs were distributed by age by allocating total projected costs to the population census used in the valuation. The allocation was done separately for each of prescription drug and medical costs for the Medicare eligible and pre-Medicare populations. The allocation weights were developed using participant counts by age and assumed morbidity and aging factors. Results were tested for reasonableness based on historical trend and external benchmarks for costs paid by Medicare. The results of our analysis are summarized in the table below.

Per Capita Claims Costs by Age for July 1, 2025 through June 30, 2026

Age	Medical and Medicare Parts A & B	Medical and Medicare Part B Only	Prescription Drug	Medicare EGWP Subsidy
45	$ 11,597	$ 11,597	$ 3,310	$ 0
50	$ 13,121	$ 13,121	$ 3,931	$ 0
55	$ 14,845	$ 14,845	$ 4,669	$ 0
60	$ 16,796	$ 16,796	$ 4,907	$ 0
65	$ 2,337	$ 7,712	$ 5,381	$ 2,106
70	$ 2,580	$ 8,515	$ 5,970	$ 2,337
75	$ 2,849	$ 9,401	$ 6,624	$ 2,593
80	$ 3,176	$ 10,482	$ 6,525	$ 2,554

5 Basis of the Actuarial Valuation

5.3 Summary of Actuarial Assumptions

The demographic and economic assumptions used in the June 30, 2025 valuation are described below. Unless noted otherwise, these assumptions were adopted by the Board at the June 2022 meeting based on the experience study for the period July 1, 2017 to June 30, 2021.

Investment Return

7.25% per year, net of investment expenses.

Salary Scale

Salary scale rates based on the 2017-2021 actual experience (see Table 1).

Inflation – 2.50% per year.

Productivity – 0.25% per year.

Payroll Growth

2.00% per year.

Total Inflation

Total inflation as measured by the Consumer Price Index for urban and clerical workers for Anchorage is assumed to increase 2.50% annually.

Mortality (Pre-Commencement)

Mortality rates based on the 2017-2021 actual experience, to the extent the experience was statistically credible.

Employee mortality for Peace Officer/Firefighters in accordance with the following tables:

- Pension: Pub-2010 Safety Employee table, amount-weighted, and projected with MP-2021 generational improvement.
- Healthcare: Pub-2010 Safety Employee table, headcount-weighted, and projected with MP-2021 generational improvement.

Employee mortality for Others in accordance with the following tables:

- Pension: Pub-2010 General Employee table, amount-weighted, and projected with MP-2021 generational improvement.
- Healthcare: Pub-2010 General Employee table, headcount-weighted, and projected with MP-2021 generational improvement.

Deaths are assumed to result from occupational causes 70% of the time for Peace Officer/Firefighters, and 35% of the time for Others.

Mortality (Post-Commencement)

Mortality rates based on the 2017-2021 actual experience, to the extent the experience was statistically credible.

Retiree mortality for Peace Officer/Firefighters in accordance with the following tables:

- Pension: Pub-2010 Safety Retiree table, amount-weighted, and projected with MP-2021 generational improvement.
- Healthcare: Pub-2010 Safety Retiree table, headcount-weighted, and projected with MP-2021 generational improvement.

5 Basis of the Actuarial Valuation

Retiree mortality for Others in accordance with the following tables:

- Pension: 98% of male and 106% of female rates of the Pub-2010 General Retiree table, amount-weighted, and projected with MP-2021 generational improvement.
- Healthcare: 101% of male and 110% of female rates of the Pub-2010 General Retiree table, headcount-weighted, and projected with MP-2021 generational improvement.

Beneficiary mortality for Peace Officer/Firefighters in accordance with the following tables. These tables are applied only after the death of the original member.

- Pension: Pub-2010 Contingent Survivor table, amount-weighted, and projected with MP-2021 generational improvement.
- Healthcare: Pub-2010 Contingent Survivor table, headcount-weighted, and projected with MP-2021 generational improvement.

Beneficiary mortality for Others in accordance with the following tables. These tables are applied only after the death of the original member.

- Pension: 102% of male and 108% of female rates of the Pub-2010 Contingent Survivor table, amount-weighted, and projected with MP-2021 generational improvement.
- Healthcare: 101% of male and 108% of female rates of the Pub-2010 Contingent Survivor table, headcount-weighted, and projected with MP-2021 generational improvement.

Turnover

Select and ultimate rates based on the 2017-2021 actual experience (see Tables 2a and 2b).

Disability

No changes to the incidence rates from the prior valuation due to insufficient 2017-2021 actual experience (see Tables 3a and 3b). Disability rates cease once a member is eligible for retirement.

Disabilities are assumed to be occupational 70% of the time for Peace Officer/Firefighters, and 35% of the time for Others.

Post-disability mortality for Peace Officer/Firefighters in accordance with the following tables:

- Pension: Pub-2010 Safety Disabled Retiree table, amount-weighted, and projected with MP-2021 generational improvement.
- Healthcare: Pub-2010 Safety Disabled Retiree table, headcount-weighted, and projected with MP-2021 generational improvement.

Post-disability mortality for Others in accordance with the following tables:

- Pension: Pub-2010 Non-Safety Disabled Retiree table, amount-weighted, and projected with MP-2021 generational improvement.
- Healthcare: Pub-2010 Non-Safety Disabled Retiree table, headcount-weighted, and projected with MP-2021 generational improvement.

Retirement

Retirement rates based on the 2017-2021 actual experience (see Tables 4a and 4b).

Deferred vested members are assumed to retire at their earliest unreduced retirement date.

The modified cash refund annuity is valued as a three-year certain and life annuity.

5 Basis of the Actuarial Valuation

Spouse Age Difference

Male members are assumed to be three years older than their wives. Female members are assumed to be two years younger than their husbands.

Percent Married for Pension

For Peace Officer/Firefighters, 85% of male members and 60% of female members are assumed to be married at termination from active service. For Others, 75% of male members and 70% of female members are assumed to be married at termination from active service.

Dependent Spouse Medical Coverage Election

Applies to members who do not have double medical coverage. For Peace Officer/Firefighters, 75% of male members and 50% of female members are assumed to be married and cover a dependent spouse. For Others, 60% of male members and 50% of female members are assumed to be married and cover a dependent spouse.

Dependent Children

- Pension: None
- Healthcare: Benefits for dependent children have been valued only for members currently covering their dependent children. These benefits are only valued through the dependent children's age 23 (unless the child is disabled).

Imputed Data

Data changes from the prior year which are deemed to have an immaterial impact on liabilities and contribution rates are assumed to be correct in the current year's client data.

Non-vested terminations with appropriate refund dates are assumed to have received a full refund of contributions. Active members with missing salary and service are assumed to be terminated with status based on their vesting percentage.

Active Data Adjustment

No adjustment was made to reflect participants who terminate employment before the valuation date and are subsequently rehired after the valuation date.

Administrative Expenses

The Normal Cost as of June 30, 2025 was increased by the following amounts, payable at the beginning of the year. These amounts are based on the average of actual administrative expenses during the last two fiscal years. For projections, the percent increase was assumed to remain constant in future years.

- Pension: $8,265,000
- Healthcare: $4,582,000

Rehire Assumption

The Normal Cost used for determining contribution rates and in the projections includes a rehire assumption to account for anticipated rehires. The Normal Cost shown in the report includes the following assumptions based on the four years of rehire loss experience through June 30, 2021. For projections, these assumptions were assumed to grade to zero uniformly over a 20-year period.

- Pension: 15.30%
- Healthcare: 2.40%

Re-Employment Option

All re-employed retirees are assumed to return to work under the Standard Option.

5 Basis of the Actuarial Valuation

Service

Total credited service is provided by the State. This service is assumed to be the only service that should be used to calculate benefits. Additionally, the State provides claimed service (including Bureau of Indian Affairs Service). Claimed service is used for vesting and eligibility purposes as described in Section 5.1.

Part-Time Service

Peace Officer/Firefighter members are assumed to be full-time employees. For Other members, part-time employees are assumed to earn 0.75 years of service per year.

Final Average Earnings

Final Average Earnings is provided on the data for active members. This amount is used as a minimum in the calculation of the average earnings in the future.

Contribution Refunds

5% of terminating members with vested benefits are assumed to have their contributions refunded. 100% of those with non-vested benefits are assumed to have their contributions refunded.

Early Retirement Factors

State of Alaska staff provided the early retirement factors, which reflect grandfathered factors.

Alaska Cost-of-Living Adjustments (COLA)

Of those benefit recipients who are eligible for the Alaska COLA, 60% of Peace Officers/Firefighters and 65% of Others are assumed to remain in Alaska and receive the COLA.

Postretirement Pension Adjustment (PRPA)

50% and 75% of assumed inflation, or 1.25% and 1.875% respectively, is valued for the annual automatic PRPA as specified in the statute.

Healthcare Participation

100% of system paid members and their spouses are assumed to elect healthcare benefits as soon as they are eligible. For Peace Officer/Firefighters, 20% of non-system paid members and their spouses are assumed to elect healthcare benefits as soon as they are eligible. For Others, 25% of non-system paid members and their spouses are assumed to elect healthcare benefits as soon as they are eligible.

Medicare Part B Only

We assume that 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.

Healthcare Per Capita Claims Cost

Sample claims cost rates for FY26 are shown below. These costs are adjusted to age 65. Members are assumed to attain Medicare eligibility at age 65.

	Medical	Prescription Drugs
Pre-Medicare	$ 19,003	$ 5,158
Medicare Parts A & B	$ 2,337	$ 5,381
Medicare Part B Only	$ 7,712	$ 5,381
Medicare Part D – EGWP	N/A	$ 2,106

The smoothed FY26 EGWP subsidy assumption reflects a weighted blend of estimated reimbursements from FY22 through FY26. Since we received the estimated CY26 EGWP subsidy from Segal Consulting, the FY27 estimated subsidy is estimated as 6 months of the CY26 subsidy plus 6 months of this subsidy trended by the prescription drug trend table. This leads to a larger FY27 trend of 25.6%. Thereafter, the

5 Basis of the Actuarial Valuation

EGWP subsidy is assumed to increase in future years by the trend rates shown on the following pages. No future legislative changes or other events are expected to impact the EGWP subsidy. If any legislative or other changes occur in the future that impact the EGWP subsidy (which could either increase or decrease the plan's Actuarial Accrued Liability), those changes will be evaluated and quantified when they occur.

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. These rates are based on 2017-2021 actual experience.

Age	Medical	Prescription Drugs
0 - 44	2.0%	4.5%
45 - 54	2.5%	3.5%
55 - 64	2.5%	1.0%
65 - 74	2.0%	2.1%
75 - 84	2.2%	(0.3%)
85 - 94	0.5%	(2.5%)
95+	0.0%	0.0%

Healthcare Third Party Administrator Fees

$353 per person per year; assumed to increase at 4.50% per year.

5 Basis of the Actuarial Valuation

Healthcare Cost Trend

The table below shows the rate used to project the cost from the shown fiscal year to the next fiscal year. For example, 6.20% is applied to the FY26 pre-Medicare medical claims costs to get the FY27 pre-Medicare medical claims costs.

Fiscal Year	Medical Pre-65	Medical Post-65	Prescription Drugs / EGWP
FY26	6.20%	5.40%	8.50%[1]
FY27	6.05%	5.35%	8.20%
FY28	5.85%	5.35%	7.90%
FY29	5.65%	5.30%	7.45%
FY30	5.45%	5.30%	7.05%
FY31	5.30%	5.30%	6.60%
FY32	5.30%	5.30%	6.15%
FY33	5.30%	5.30%	5.70%
FY34-FY38	5.30%	5.30%	5.30%
FY39	5.25%	5.25%	5.30%
FY40	5.20%	5.20%	5.30%
FY41	5.10%	5.10%	5.20%
FY42	5.05%	5.05%	5.10%
FY43	4.95%	4.95%	5.00%
FY44	4.90%	4.90%	4.90%
FY45	4.80%	4.80%	4.85%
FY46	4.75%	4.75%	4.75%
FY47	4.70%	4.70%	4.70%
FY48	4.60%	4.60%	4.65%
FY49	4.55%	4.55%	4.55%
FY50+	4.50%	4.50%	4.50%

For the June 30, 2014 valuation and later, the updated Society of Actuaries' Healthcare Cost Trend Model is used to project medical and prescription drug costs. This model estimates trend amounts that are projected out for 80 years. The model has been populated with assumptions that are specific to the State of Alaska.

[1] The FY26 trend rate applied to the EGWP subsidy is 25.60%.

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Retired Member Contributions for Medical Benefits

Currently, contributions are required for PERS members who are under age 60 and have less than 30 years of service (25 for Peace Officer/Firefighter). Eligible Tier 1 members are exempt from contribution requirements. Annual FY26 contributions based on monthly rates shown below for CY26 are assumed based on the coverage category for current retirees. The retiree only rate shown is used for current active and inactive members and spouses in Tier 2 or 3 who are assumed to retire prior to age 60 with less than 30 years of service and who are not disabled. For dependent children, we value 1/3 of the annual retiree contribution to estimate the per child rate based on the assumed number of children in rates where children are covered.

Coverage Category	CY26 Annual Contribution	CY26 Monthly Contribution	CY25 Monthly Contribution
Retiree Only	$ 9,312	$ 776	$ 739
Retiree and Spouse	$ 18,624	$ 1,552	$ 1,478
Retiree and Child(ren)	$ 13,164	$ 1,097	$ 1,045
Retiree and Family	$ 22,476	$ 1,873	$ 1,784
Composite	$ 13,836	$ 1,153	$ 1,098

Tier 3 members who retire with between five and ten years of credited service pay the full monthly premium regardless of their age. Such future retirees, current retirees under the age of 60 who have not elected retiree medical coverage, and current retirees over the age of 60 who have elected retiree medical coverage are not valued with post-65 benefits because the cost of the premium is assumed to offset the entire employer cost.

Trend Rate for Retired Member Medical Contributions

CY26 contributions are trended back to FY26 using half a year of 4.00% trend. Thereafter, a rate of 4.00% is used to project retired member medical contributions to each subsequent fiscal year.

Changes in Assumptions Since the Prior Valuation

The healthcare per capita claims cost assumption is updated annually as described in Section 5.2.

The amounts included in the Normal Cost for administrative expenses were changed from $8,201,000 to $8,265,000 for pension, and from $4,759,000 to $4,582,000 for healthcare. These amounts are based on the most recent two years of actual administrative expenses paid from plan assets.

In June 2025, the Board adopted a new payroll growth assumption of 2.00% effective beginning with the June 30, 2025 valuation. The prior payroll growth assumption was 2.75%. The Board adopted the new assumption to better match recent payroll growth experience.

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

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Table 1: Salary Scales

Peace Officer / Firefighter		Others	
Years of Service	Percent Increase	Years of Service	Percent Increase
< 1	8.50%	< 1	6.75%
1	7.75%	1	6.00%
2	7.25%	2	5.50%
3	7.00%	3	5.00%
4	6.75%	4	4.75%
5	6.25%	5	4.25%
6	5.75%	6	4.05%
7	5.50%	7	3.95%
8	5.25%	8	3.75%
9	5.05%	9	3.55%
10	4.95%	10	3.45%
11	4.85%	11	3.25%
12	4.75%	12	3.10%
13	4.65%	13	3.05%
14	4.55%	14	3.00%
15	4.45%	15	2.95%
16	4.35%	16	2.90%
17	4.25%	17+	2.85%
18	4.05%		
19	4.05%		
20+	3.85%		

Table 2a: Turnover Rates for Peace Officer / Firefighter

Select Rates during the First 5 Years of Employment

Years of Service	Male	Female
< 1	15.00%	15.00%
1	12.00%	8.00%
2	7.20%	6.40%
3	5.67%	5.60%
4	6.48%	7.20%

Ultimate Rates after the First 5 Years of Employment

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

5 Basis of the Actuarial Valuation

Table 2b: Turnover Rates for Others

Select Rates during the First 5 Years of Employment

Hire Age Under 35			Hire Age Over 35		
Years of Service	Male	Female	Years of Service	Male	Female
< 1	29.00%	29.00%	< 1	20.00%	20.00%
1	16.25%	20.00%	1	12.00%	15.00%
2	13.00%	16.00%	2	10.00%	12.50%
3	10.40%	12.80%	3	8.50%	10.00%
4	8.45%	10.40%	4	8.50%	9.00%

Ultimate Rates after the First 5 Years of Employment

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

5 Basis of the Actuarial Valuation

Table 3a: Disability Rates for Peace Officer / Firefighter

Age	Male	Female	Age	Male	Female
< 23	0.0179%	0.0112%	46	0.1247%	0.0780%
23	0.0244%	0.0153%	47	0.1337%	0.0836%
24	0.0310%	0.0194%	48	0.1462%	0.0914%
25	0.0374%	0.0234%	49	0.1588%	0.0993%
26	0.0440%	0.0275%	50	0.1714%	0.1071%
27	0.0505%	0.0316%	51	0.1839%	0.1150%
28	0.0526%	0.0329%	52	0.1965%	0.1228%
29	0.0548%	0.0343%	53	0.2294%	0.1434%
30	0.0570%	0.0356%	54	0.2624%	0.1640%
31	0.0591%	0.0370%	55	0.2954%	0.1846%
32	0.0612%	0.0383%	56	0.3283%	0.2052%
33	0.0634%	0.0397%	57	0.3613%	0.2258%
34	0.0657%	0.0411%	58	0.4112%	0.2570%
35	0.0679%	0.0425%	59	0.4611%	0.2882%
36	0.0702%	0.0439%	60	0.5110%	0.3194%
37	0.0724%	0.0453%	61	0.5610%	0.3506%
38	0.0757%	0.0473%	62	0.6109%	0.3818%
39	0.0789%	0.0493%	63	0.6109%	0.3818%
40	0.0822%	0.0514%	64	0.6109%	0.3818%
41	0.0854%	0.0534%	65	0.6109%	0.3818%
42	0.0886%	0.0554%	66	0.6109%	0.3818%
43	0.0977%	0.0611%	67	0.6109%	0.3818%
44	0.1066%	0.0667%	68	0.4073%	0.2546%
45	0.1157%	0.0723%	69	0.2036%	0.1273%
			70+	0.2036%	0.1273%

5 Basis of the Actuarial Valuation

Table 3b: Disability Rates for Others

Age	Male	Female	Age	Male	Female
< 23	0.0327%	0.0376%	46	0.1125%	0.1154%
23	0.0360%	0.0400%	47	0.1208%	0.1236%
24	0.0392%	0.0424%	48	0.1329%	0.1360%
25	0.0425%	0.0448%	49	0.1451%	0.1484%
26	0.0456%	0.0472%	50	0.1572%	0.1608%
27	0.0489%	0.0496%	51	0.1694%	0.1734%
28	0.0501%	0.0510%	52	0.1815%	0.1858%
29	0.0513%	0.0524%	53	0.2132%	0.2168%
30	0.0524%	0.0538%	54	0.2450%	0.2478%
31	0.0536%	0.0554%	55	0.2766%	0.2788%
32	0.0548%	0.0568%	56	0.3084%	0.3098%
33	0.0566%	0.0586%	57	0.3401%	0.3408%
34	0.0584%	0.0606%	58	0.4068%	0.4096%
35	0.0602%	0.0624%	59	0.4736%	0.4784%
36	0.0620%	0.0644%	60	0.5405%	0.5470%
37	0.0638%	0.0662%	61	0.6072%	0.6158%
38	0.0669%	0.0696%	62	0.6740%	0.6844%
39	0.0701%	0.0728%	63	0.8526%	0.8450%
40	0.0734%	0.0762%	64	1.0314%	1.0054%
41	0.0765%	0.0794%	65	1.2101%	1.1660%
42	0.0797%	0.0826%	66	1.3889%	1.3264%
43	0.0879%	0.0908%	67	1.5675%	1.4870%
44	0.0962%	0.0990%	68	1.0451%	0.9914%
45	0.1043%	0.1072%	69	0.5225%	0.4956%
			70+	0.5225%	0.4956%

5 Basis of the Actuarial Valuation

Table 4a: Retirement Rates for Peace Officer / Firefighter

	Reduced		Unreduced	
Age	Male	Female	Male	Female
< 47	N/A	N/A	9.00%	7.50%
47	N/A	N/A	13.00%	18.50%
48	N/A	N/A	13.00%	18.50%
49	N/A	N/A	13.00%	18.50%
50	5.00%	5.00%	20.00%	21.00%
51	5.00%	5.00%	20.00%	21.00%
52	7.00%	7.00%	20.00%	21.00%
53	7.00%	7.00%	20.00%	21.00%
54	7.00%	7.00%	20.00%	21.00%
55	7.50%	7.50%	29.00%	20.00%
56	7.50%	7.50%	29.00%	20.00%
57	7.50%	7.50%	29.00%	20.00%
58	7.50%	7.50%	29.00%	20.00%
59	20.00%	20.00%	29.00%	20.00%
60 - 64	N/A	N/A	29.00%	31.50%
65 - 69	N/A	N/A	45.00%	45.00%
70+	N/A	N/A	100.00%	100.00%

5 Basis of the Actuarial Valuation

Table 4b: Retirement Rates for Others

	Reduced		Unreduced	
Age	Male	Female	Male	Female
< 50	N/A	N/A	11.50%	11.50%
50	7.00%	8.50%	37.50%	40.50%
51	7.00%	8.50%	37.50%	40.50%
52	11.00%	8.50%	37.50%	40.50%
53	11.00%	8.50%	37.50%	40.50%
54	24.00%	16.50%	37.50%	40.50%
55	7.00%	6.50%	25.50%	24.00%
56	7.00%	6.50%	25.50%	24.00%
57	7.00%	6.50%	25.50%	24.00%
58	7.00%	6.50%	25.50%	24.00%
59	18.00%	22.00%	25.50%	24.00%
60 - 64	N/A	N/A	26.50%	24.50%
65 - 69	N/A	N/A	30.50%	28.50%
70 - 74	N/A	N/A	27.50%	27.50%
75 - 79	N/A	N/A	50.00%	50.00%
80+	N/A	N/A	100.00%	100.00%

6 Risk Information

6.1 Risk Overview

Funding future retirement benefits prior to when those benefits become due involves assumptions regarding future economic and demographic experience. These assumptions are applied to calculate actuarial liabilities, current contribution requirements, and the funded status of the plan. However, to the extent future experience deviates from the assumptions used, variations will occur in these calculated values. These variations create risk to the plan. Understanding the risks to the funding of the plan is important.

Actuarial Standard of Practice No. 51 (ASOP 51)[1] requires certain disclosures of potential risks to the plan and provides useful information for intended users of actuarial reports that determine plan contributions or evaluate the adequacy of specified contribution levels to support benefit provisions.

Under ASOP 51, risk is defined as the potential of actual future measurements deviating from expected future measurements resulting from actual future experience deviating from actuarially assumed experience.

It is important to note that not all risk is negative, but all risk should be understood and accepted based on knowledge, judgment, and educated decisions. Future measurements may deviate in ways that produce positive or negative financial impacts to the plan.

In the actuary's professional judgment, the following risks may reasonably be anticipated to significantly affect the pension plan's future financial condition and contribution requirements.

- Investment Risk – potential that the investment return will differ from the rate assumed in the actuarial valuation
- Contribution Risk – potential that actual contributions will differ from actuarially determined contributions
- Long-Term Return on Investment Risk – potential that changes in long-term capital market assumptions or the plan's asset allocation will create the need to update the long-term return on investment assumption
- Longevity Risk – potential that participants live longer than projected under valuation mortality assumptions
- Salary Increase Risk – potential that future salaries will differ from the valuation assumptions
- Inflation Risk – potential that the consumer price index (CPI) for urban wage earners and clerical workers for Anchorage will differ from the rate assumed in the actuarial valuation
- Other Demographic Risk – potential that other demographic experience will differ from the valuation assumptions

The following information is provided to comply with ASOP 51 and furnish beneficial information on potential risks to the plan. This list is not all-inclusive. It is an attempt to identify the more significant risks and how those risks might affect the results shown in this report.

Note that ASOP 51 does not require the actuary to evaluate the ability or willingness of the plan sponsor to make contributions to the plan when due, or to assess the likelihood or consequences of potential future changes in law. In addition, this valuation report is not intended to provide investment advice or to provide guidance on the management or reduction of risk.

[1] ASOP 51 does not apply to the healthcare portion of the plan. Accordingly, all figures in this section relate to the pension portion.

6 Risk Information

6.2 Assessment of Risks

Investment Risk

Plan costs are very sensitive to the market return.

- Any return on assets lower than assumed will increase costs.
- The plan uses an actuarial value of assets that smooths gains and losses on market returns over a five-year period to help control some of the volatility in costs due to investment risk.
- Historical experience of actual returns is shown in Section 2.4 of this report. This historical experience illustrates how returns can vary over time.

The plan invests in a diversified portfolio of assets with the objective of maximizing investment returns at a reasonable level of risk. Actuarial Standard of Practice No. 4 (ASOP 4) requires the actuary to disclose a Low-Default-Risk Obligation Measure (LDROM) of the plan's pension liability and provide commentary to help the intended users of this report understand the significance of the LDROM with respect to funded status, contributions, and participant benefit security.

The LDROM is based on discount rates derived from low-default-risk fixed income securities whose cash flows are reasonably consistent with the pattern of pension benefits expected to be paid in the future. The LDROM shown here represents what the plan's pension liability would be if the plan invested its assets solely in a portfolio of high-quality bonds whose cash flows approximately match future pension benefit payments. Consequently, the difference between the LDROM and the Actuarial Accrued Liability represents the taxpayer savings from investing in a diversified portfolio of assets versus only investing in high-quality bonds. Furthermore, this difference also represents the cost of reducing investment risk.

As of June 30, 2025, the LDROM is $20.4 billion for the pension plan based on an interest rate of 5.66%. The interest rate used for the LDROM was determined by calculating a single equivalent discount rate using projected pension benefit payments and the Gallagher Above Median Yield Curve as of June 30, 2025. Please note that the interest rate used for the LDROM is based on bond yields as of the measurement date and will therefore vary for different measurement dates. All other assumptions are the same as those used for funding purposes as shown in this report.

Actuaries play a role in helping to determine funding methods and policies that can achieve affordable and appropriate contributions and risk management. The funded status based on the Actuarial Accrued Liability, as well as the actuarially determined contributions, are calculated using the expected return on assets, which reflects the actual investment portfolio. Since the assets are not invested solely in an all-bond portfolio, the LDROM does not indicate the plan's pension funded status or progress, nor does it provide information on necessary plan contributions.

Regarding participant benefit security, if this plan were to be funded on an LDROM basis, participant benefits currently accrued as of the measurement date might be considered more secure, since the investment risk would be significantly reduced. However, the fact that assets are invested in a diversified portfolio does not mean that the participants' benefits are not secure. The security of participant benefits relies on a combination of the assets in the plan, the investment returns generated from those assets, and the promise of future contributions from the plan sponsor. Reducing investment risk by investing solely in bonds may significantly increase the actuarially determined contributions, and thereby increase contribution risk by decreasing the ability of the plan sponsor to make necessary contributions to fund the benefits. Unnecessarily high contribution requirements in the near term may not be affordable and could imperil plan sustainability and benefit security. Participant benefits will remain secure if reasonable and appropriate contributions with managed risk are calculated and paid.

Since this plan is closed to new entrants, the investment horizon of the funds will decrease over the long term. As this change happens, the asset allocation may shift to less risky assets, and the difference between the Actuarial Accrued Liability and LDROM will become smaller. Monitoring this difference may help the plan sponsor decide when the cost of less investment risk is advantageous.

6 Risk Information

Contribution Risk

There is a risk to the plan when the employer's and/or State's actual contribution amount and the actuarially determined contribution differ.

- If the actual contribution is lower than the actuarially determined contribution, the plan may not be sustainable in the long term.
- Any underpayment of the actuarially determined contribution will increase future contribution amounts to help pay off the additional Unfunded Actuarial Accrued Liability associated with the underpayment.
- As long as the Board consistently adopts the actuarially determined contributions and the State pays the amount adopted by the Board, this risk is mitigated.

Long-Term Return on Investment Risk

Inherent in the long-term return on investment assumption is the expectation that the current rate will be used until the last benefit payment of the plan is made. There is a risk that sustained changes in economic conditions, changes in long-term future capital market assumptions, or changes to the plan's asset allocation will necessitate an update to the long-term return on investment assumption used.

- Under a lower long-term return on investment assumption, less investment return is available to pay plan benefits. This may lead to a need for increased employer contributions.
- The liabilities will be higher at a lower assumed rate of return because future benefits will have a lower discount rate applied when calculating the present value.
- A 1% decrease in the long-term return on investment assumption will increase the actuarial accrued liability by approximately 11%.
- This risk may be increased due to the plan being closed to new entrants. As the plan continues to mature, the magnitude of negative cash flow discussed in the Plan Maturity Measures later in this section will grow, thereby creating a need for more liquid assets that may not garner the same long-term return as currently assumed.

Longevity Risk

Plan costs will be increased as participants are expected to live longer.

- Benefits are paid over a longer lifetime when life expectancy is expected to increase. The longer duration of payments leads to higher liabilities.
- Health care has been improving, which affects the life expectancy of participants. As health care improves, leading to longer life expectancies, costs to the plan could increase.
- The mortality assumption for the plan mitigates this risk by assuming future improvement in mortality. However, any improvement in future mortality greater than that expected under the current mortality assumption would lead to increased costs for the plan.
- The Postretirement Pension Adjustments increase longevity risk because members who live longer than expected will incur more benefit payment increases than expected and therefore increase costs.

6 Risk Information

Salary Increase Risk

Plan costs will be increased if actual salary increases are larger than expected.

- Higher-than-expected salary increases will produce higher benefits.
- The higher benefits may be partially offset by increased employee contributions due to higher salaries.
- If future payroll grows at a rate different than assumed, contributions as a percentage of payroll will be affected.

Inflation Risk

Plan costs will be increased if the actual CPI for Anchorage is greater than the 2.5% assumed in the valuation.

- Retirement benefits will be greater than expected if the CPI is greater than the assumed rate, which will increase costs.
- This risk is mitigated by the 75% and 50% of CPI provisions and the 9% and 6% maximums.
- This risk is also mitigated by the age and time in payment requirements to receive an increase.
- Inflation risk may be associated with the interaction of inflation with other assumptions, but this is not significant as a standalone assumption, and therefore is considered as part of the associated assumption risk instead of being discussed here.

Other Demographic Risk

The plan is subject to risks associated with other demographic assumptions (e.g., retirement, termination, and retired members remaining in Alaska assumptions). Differences between actual and expected experience for these assumptions tend to have less impact on the overall costs of the plan. The demographic assumptions used in the valuation are re-evaluated regularly as part of the four-year experience studies to ensure the assumptions are consistent with long-term expectations.

6 Risk Information

6.3 Historical Information

Monitoring certain information over time may help understand risks faced by the plan. Historical information is included throughout this report. Some examples are:

- Funded Ratio History shown in the Executive Summary illustrates how the plan's funded status (comparison of actuarial accrued liabilities to actuarial value of assets) has changed over time.
- Section 1.6 shows historical analysis of financial experience including how contribution rates have changed over time.
- Section 2.4 shows the volatility of asset returns over time.
- Section 4 includes various historical information showing how member census data has changed over time.
- Section 7 includes historical information for the plan's funding progress, solvency test results, and changes in member demographics.

6 Risk Information

6.4 Plan Maturity Measures

There are certain measures that may aid in understanding the significant risks to the plan.

Ratio of Retired Liability to Total Liability ($ in thousands)

As of June 30	2021	2022	2023	2024	2025
1. Retiree and Beneficiary Accrued Liability	$ 10,774,140	$ 11,426,889	$ 12,144,404	$ 12,356,280	$ 12,642,422
2. Total Accrued Liability	$ 15,419,975	$ 16,093,679	$ 16,835,581	$ 17,059,775	$ 17,311,947
3. Ratio, (1) ÷ (2)	69.9%	71.0%	72.1%	72.4%	73.0%

A high percentage of liability concentrated on participants in pay status indicates a mature plan (often a ratio above 60% - 65%). Because the plan was closed to new entrants in 2006, we expect the percentage in item #3 to continue to increase over time. An increasing percentage may indicate a need for a less risky asset allocation, which may lead to a lower long-term return on asset assumption and increased costs. Higher percentages may also indicate greater investment risk as benefit payments may be greater than contributions creating an increased reliance on investment returns. This ratio should be monitored each year in the future.

Ratio of Cash Flow to Assets ($ in thousands)

During FYE June 30	2021	2022	2023	2024	2025
1. Contributions	$ 586,737	$ 579,650	$ 551,912	$ 569,245	$ 640,499
2. Benefit Payments	930,006	962,357	1,022,795	1,097,143	1,125,512
3. Cash Flow, (1) - (2)	$ (343,269)	$ (382,707)	$ (470,883)	$ (527,898)	$ (485,013)
4. Fair Value of Assets	$ 11,912,309	$ 10,816,140	$ 11,137,489	$ 11,555,868	$ 12,286,031
5. Ratio, (3) ÷ (4)	(2.9%)	(3.5%)	(4.2%)	(4.6%)	(3.9%)

When this cash flow ratio is negative, more cash is being paid out than deposited in the trust. Negative cash flow indicates the trust needs to rely on investment returns to cover benefit payments and / or may need to invest in more liquid assets to cover the benefit payments. More liquid assets may not generate the same returns as less liquid assets, which can increase the investment risk. Currently, the low magnitude of the ratio implies there may already be enough liquid assets to cover the benefit payments, less investment return is needed to cover the shortfall, or only a small portion of assets will need to be converted to cash. Therefore, the investment risk is likely not amplified at this time. However, due to the plan being closed, we expect this measure to become more negative over time. This maturity measure should be monitored in the future.

6 Risk Information

Contribution Volatility ($ in thousands)

As of June 30	2021	2022	2023	2024	2025
1. Fair Value of Assets	$ 11,912,309	$ 10,816,140	$ 11,137,489	$ 11,555,868	$ 12,286,031
2. DB/DCR Payroll	$ 2,406,757	$ 2,442,007	$ 2,588,883	$ 2,800,537	$ 2,974,776
3. Asset to Payroll Ratio, (1) ÷ (2)	4.9	4.4	4.3	4.1	4.1
4. Accrued Liability	$ 15,419,975	$ 16,093,679	$ 16,835,581	$ 17,059,775	$ 17,311,947
5. Liability to Payroll Ratio, (4) ÷ (2)	6.4	6.6	6.5	6.1	5.8

Plans that have higher asset-to-payroll ratios experience more volatile employer contributions (as a percentage of payroll) due to investment return. For example, a plan with an asset-to-payroll ratio of 10 may experience twice the contribution volatility due to investment return volatility than a plan with an asset-to-payroll ratio of 5.

Plans that have higher liability-to-payroll ratios experience more volatile employer contributions (as a percentage of payroll) due to changes in liability. For example, if an assumption change increases the liability of two plans by the same percent, the plan with a liability-to-payroll ratio of 10 may experience twice the contribution volatility than a plan with a liability-to-payroll ratio of 5.

7 Historical Information[1]

7.1 Funding Progress

Pension ($ in thousands)

Valuation Date	Actuarial Accrued Liability	Valuation Assets	Assets as Pct. of Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability (UAAL)	Active Member Payroll	UAAL as Pct. of Active Member Payroll
June 30, 2025	$ 17,311,947	$ 12,162,329	70.3%	$ 5,149,618	$ 752,873	684.0%
June 30, 2024	17,059,775	11,608,256	68.0%	5,451,519	779,613	699.3%
June 30, 2023	16,835,581	11,272,339	67.0%	5,563,242	792,805	701.7%
June 30, 2022	16,093,679	10,961,498	68.1%	5,132,181	796,666	644.2%
June 30, 2021	15,419,975	10,466,709	67.9%	4,953,266	858,641	576.9%
June 30, 2020	15,279,525	9,713,710	63.6%	5,565,815	930,061	598.4%
June 30, 2019	15,039,180	9,576,693	63.7%	5,462,487	1,004,467	543.8%
June 30, 2018	14,606,033	9,430,192	64.6%	5,175,841	1,049,152	493.3%
June 30, 2017	13,832,130	9,229,703	66.7%	4,602,427	1,159,599	396.9%
June 30, 2016	13,633,033	9,056,662	66.4%	4,576,371	1,247,884	366.7%
June 30, 2015	13,337,929	8,931,160	67.0%	4,406,769	1,322,925	333.1%
June 30, 2014	12,947,759	7,731,438	59.7%	5,216,321	1,412,237	369.4%
June 30, 2013	11,945,881	6,510,749	54.5%	5,435,132	1,514,034	359.0%
June 30, 2012	11,428,944	6,530,421	57.1%	4,898,523	1,569,710	312.1%
June 30, 2011	10,919,047	6,762,149	61.9%	4,156,898	1,611,744	257.9%
June 30, 2010	10,371,672	6,469,832	62.4%	3,901,840	1,661,170	234.9%
June 30, 2009	9,702,086	6,108,528	63.0%	3,593,558	1,662,781	216.1%
June 30, 2008	9,154,282	7,210,772	78.8%	1,943,510	1,657,186	117.3%
June 30, 2007	8,662,324	6,739,004	77.8%	1,923,320	1,689,969	113.8%
June 30, 2006	8,094,043	6,331,065	78.2%	1,762,978	1,676,318	105.2%

Change in assumptions reflected in 2022, 2018, 2014, 2010, and 2006 valuations.

Change in methods reflected in 2014 and 2006 valuations.

[1] GASB 67 replaced GASB 25 effective for the fiscal year ending June 30, 2014, and GASB 74 replaced GASB 43 effective for the fiscal year ending June 30, 2017. At the request of the State, historical accounting information has been included in this section as if GASB 25 and GASB 43 were still effective.

7 Historical Information

7.1 Funding Progress (continued)

Healthcare ($ in thousands)

Valuation Date	Actuarial Accrued Liability	Valuation Assets	Assets as Pct. of Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability (UAAL)	Active Member Payroll	UAAL as Pct. of Active Member Payroll
June 30, 2025	$ 7,408,403	$ 9,785,277	132.1%	$ (2,376,874)	$ 752,873	(315.7%)
June 30, 2024	7,129,523	9,433,351	132.3%	(2,303,828)	779,613	(295.5%)
June 30, 2023	7,085,823	9,180,231	129.6%	(2,094,408)	792,805	(264.2%)
June 30, 2022	6,657,069	8,979,943	134.9%	(2,322,874)	796,666	(291.6%)
June 30, 2021	6,856,170	8,581,155	125.2%	(1,724,985)	858,641	(200.9%)
June 30, 2020	7,036,550	7,989,358	113.5%	(952,808)	930,061	(102.4%)
June 30, 2019	7,151,694	7,810,491	109.2%	(658,797)	1,004,467	(65.6%)
June 30, 2018	7,658,104	7,686,509	100.4%	(28,405)	1,049,152	(2.7%)
June 30, 2017	8,049,265	7,557,068	93.9%	492,197	1,159,599	42.4%
June 30, 2016	7,736,457	7,411,330	95.8%	325,127	1,247,884	26.1%
June 30, 2015	7,310,734	7,242,299	99.1%	68,435	1,322,925	5.2%
June 30, 2014	7,949,613	6,913,160	87.0%	1,036,453	1,412,237	73.4%
June 30, 2013	8,046,878	5,651,877	70.2%	2,395,001	1,514,034	158.2%
June 30, 2012	7,863,417	5,301,609	67.4%	2,561,808	1,569,710	163.2%
June 30, 2011	7,821,503	5,051,625	64.6%	2,769,878	1,611,744	171.9%
June 30, 2010	7,760,820	4,687,632	60.4%	3,073,188	1,661,170	185.0%
June 30, 2009	6,877,285	4,134,450	60.1%	2,742,835	1,662,781	165.0%
June 30, 2008	6,733,859	3,829,334	56.9%	2,904,525	1,657,186	175.3%
June 30, 2007	5,908,609	3,161,956	53.5%	2,746,653	1,689,969	162.5%
June 30, 2006	6,294,370	2,709,843	43.1%	3,584,527	1,676,318	213.8%

Change in assumptions reflected in 2024, 2022, 2018, 2016, 2014, 2012, 2010, 2008, and 2006 valuations.

Change in methods reflected in 2018, 2014, 2006 valuations.

7 Historical Information

7.2 Solvency Test

Pension ($ in thousands)

	Actuarial Accrued Liability (AAL)				Portion of AAL Covered by Valuation Assets		
Valuation Date	(1) Active Member Contributions	(2) Inactive Members	(3) Active Members Employer Financed	Valuation Assets	(1)	(2)	(3)
June 30, 2025	$ 1,132,358	$ 13,393,752	$ 2,785,837	$ 12,162,329	100.0%	82.4%	0.0%
June 30, 2024	1,168,473	13,118,556	2,772,746	11,608,256	100.0%	79.6%	0.0%
June 30, 2023	1,188,514	12,944,910	2,702,157	11,272,339	100.0%	77.9%	0.0%
June 30, 2022	1,220,552	12,209,639	2,663,488	10,961,498	100.0%	79.8%	0.0%
June 30, 2021	1,291,313	11,524,330	2,604,332	10,466,709	100.0%	79.6%	0.0%
June 30, 2020	1,336,269	11,210,836	2,732,420	9,713,710	100.0%	74.7%	0.0%
June 30, 2019	1,375,913	10,801,729	2,861,538	9,576,693	100.0%	75.9%	0.0%
June 30, 2018	1,411,881	10,300,818	2,893,334	9,430,192	100.0%	77.8%	0.0%
June 30, 2017	1,435,091	9,505,267	2,891,772	9,229,703	100.0%	82.0%	0.0%
June 30, 2016	1,458,830	9,147,818	3,026,385	9,056,662	100.0%	83.1%	0.0%
June 30, 2015	1,475,852	8,762,863	3,099,214	8,931,160	100.0%	85.1%	0.0%
June 30, 2014	1,486,335	8,264,683	3,196,741	7,731,438	100.0%	75.6%	0.0%
June 30, 2013	1,479,538	7,514,255	2,952,088	6,510,749	100.0%	67.0%	0.0%
June 30, 2012	1,459,943	7,057,967	2,911,034	6,530,421	100.0%	71.8%	0.0%
June 30, 2011	1,421,967	6,657,517	2,839,563	6,762,149	100.0%	80.2%	0.0%
June 30, 2010	1,388,029	6,268,461	2,715,182	6,469,832	100.0%	81.1%	0.0%
June 30, 2009	1,315,924	5,914,959	2,471,203	6,108,528	100.0%	81.0%	0.0%
June 30, 2008	1,242,288	5,606,402	2,305,592	7,210,772	100.0%	100.0%	15.7%
June 30, 2007	1,203,007	5,282,132	2,177,185	6,739,004	100.0%	100.0%	11.7%
June 30, 2006	1,157,755	4,933,609	2,002,679	6,331,065	100.0%	100.0%	12.0%

Change in assumptions reflected in 2022, 2018, 2014, 2010, and 2006 valuations.

Change in methods reflected in 2014 and 2006 valuations.

7 Historical Information

7.2 Solvency Test (continued)

Healthcare ($ in thousands)

	Actuarial Accrued Liability (AAL)				Portion of AAL Covered by Valuation Assets		
Valuation Date	(1) Active Member Contributions	(2) Inactive Members	(3) Active Members Employer Financed	Valuation Assets	(1)	(2)	(3)
June 30, 2025	$ 0	$ 5,925,844	$ 1,482,559	$ 9,785,277	100.0%	100.0%	100.0%
June 30, 2024	0	5,628,851	1,500,672	9,433,351	100.0%	100.0%	100.0%
June 30, 2023	0	5,564,308	1,521,515	9,180,231	100.0%	100.0%	100.0%
June 30, 2022	0	5,188,441	1,468,628	8,979,943	100.0%	100.0%	100.0%
June 30, 2021	0	5,260,804	1,595,366	8,581,155	100.0%	100.0%	100.0%
June 30, 2020	0	5,306,689	1,729,861	7,989,358	100.0%	100.0%	100.0%
June 30, 2019	0	5,304,790	1,846,904	7,810,491	100.0%	100.0%	100.0%
June 30, 2018	0	5,546,497	2,111,607	7,686,509	100.0%	100.0%	100.0%
June 30, 2017	0	5,671,509	2,377,756	7,557,068	100.0%	100.0%	79.3%
June 30, 2016	0	5,393,537	2,342,920	7,411,330	100.0%	100.0%	86.1%
June 30, 2015	0	5,159,283	2,151,451	7,242,299	100.0%	100.0%	96.8%
June 30, 2014	0	5,455,114	2,494,499	6,913,160	100.0%	100.0%	58.5%
June 30, 2013	0	5,298,380	2,748,498	5,651,877	100.0%	100.0%	12.9%
June 30, 2012	0	5,026,080	2,837,337	5,301,609	100.0%	100.0%	9.7%
June 30, 2011	0	4,812,845	3,008,658	5,051,625	100.0%	100.0%	7.9%
June 30, 2010	0	4,581,806	3,179,014	4,687,632	100.0%	100.0%	3.3%
June 30, 2009	0	4,232,394	2,644,891	4,134,450	100.0%	97.7%	0.0%
June 30, 2008	0	4,166,270	2,567,589	3,829,334	100.0%	91.9%	0.0%
June 30, 2007	0	3,684,906	2,223,703	3,161,956	100.0%	85.8%	0.0%
June 30, 2006	0	3,990,202	2,304,168	2,709,843	100.0%	67.9%	0.0%

Change in assumptions reflected in 2024, 2022, 2018, 2016, 2014, 2012, 2010, 2008, and 2006 valuations.

Change in methods reflected in 2018, 2014, 2006 valuations.

7 Historical Information

7.3 Member Data

As of June 30	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Active Members										
1. Number	16,105	14,719	13,434	12,152	11,033	9,888	8,795	8,361	7,757	7,100
2. Average Age	51.74	52.10	52.52	52.84	53.21	53.51	53.78	54.22	54.70	55.17
3. Average Credited Service	15.95	16.57	17.21	17.80	18.38	18.96	19.52	19.53	19.90	20.34
4. Average Entry Age	35.79	35.53	35.30	35.04	34.83	34.55	34.26	34.69	34.80	34.83
5. Average Annual Earnings	$ 75,717	$ 76,902	$ 77,813	$ 82,192	$ 83,757	$ 86,316	$ 89,603	$ 93,767	$ 99,264	$ 104,831
6. Number Vested	15,607	14,314	13,103	11,868	10,791	9,675	8,604	7,976	7,307	6,661
7. Percent Who Are Vested	96.9%	97.2%	97.5%	97.7%	97.8%	97.8%	97.8%	95.4%	94.2%	93.8%
Retirees, Disabilitants, and Beneficiaries										
1. Number	33,353	34,347	35,454	36,310	37,106	37,717	38,243	38,639	39,078	39,357
2. Average Age	69.02	69.42	69.85	70.29	70.77	71.17	71.61	72.12	72.61	73.12
3. Average Years Since Retirement	11.48	11.71	11.87	12.14	12.45	12.66	12.94	13.29	13.63	13.99
4. Average Monthly Pension Benefit	$ 1,868	$ 1,898	$ 1,933	$ 1,994	$ 2,041	$ 2,076	$ 2,180	$ 2,319	$ 2,357	$ 2,421
Vested Terminations (vested at termination, not refunded contributions, and not commenced benefit)										
1. Number	6,160	5,962	5,660	5,499	5,327	5,135	4,955	4,812	4,513	4,237
2. Average Age	52.08	52.45	52.56	53.06	53.52	53.92	54.37	54.98	55.30	55.74
3. Average Monthly Pension Benefit	$ 1,042	$ 1,080	$ 1,087	$ 1,123	$ 1,158	$ 1,205	$ 1,258	$ 1,306	$ 1,314	$ 1,353
Non-Vested Terminations (not vested at termination and not refunded contributions)										
1. Number	11,880	11,506	11,192	10,921	10,642	10,432	10,223	10,070	9,903	9,712
2. Average Account Balance	$ 6,212	$ 6,462	$ 6,558	$ 6,923	$ 7,060	$ 7,325	$ 7,573	$ 7,917	$ 8,240	$ 8,386
Total Number of Members	**67,498**	**66,534**	**65,740**	**64,882**	**64,108**	**63,172**	**62,216**	**61,882**	**61,251**	**60,406**

Average annual earnings (“valuation pay”) are the annualized earnings for the fiscal year ending on the valuation date.

Glossary of Terms

Actuarial Accrued Liability

Total accumulated cost to fund pension or postemployment benefits arising from service in all prior years.

Actuarial Cost Method

Technique used to assign or allocate, in a systematic and consistent manner, the expected cost of a pension or postemployment plan for a group of plan members to the years of service that give rise to that cost.

Actuarial Present Value of Projected Benefits

Amount which, together with future interest, is expected to be sufficient to pay all future benefits.

Actuarial Valuation

Study of probable amounts of future pension or postemployment benefits and the necessary amount of contributions to fund those benefits.

Actuary

Person who performs mathematical calculations pertaining to pension and insurance benefits based on specific procedures and assumptions.

GASB 67 and 68

Governmental Accounting Standards Board Statement Number 67 amends Number 25 effective for the fiscal year beginning after June 15, 2013 and defines new financial reporting requirements for public pension plans. Governmental Accounting Standards Board Statement Number 68 amends Number 27 effective for fiscal years beginning after June 15, 2014 and defines new accounting and financial reporting requirements for employers sponsoring public pension plans.

GASB 74 and 75

Governmental Accounting Standards Board Statement Number 74 amends Number 43 effective for the fiscal year beginning after June 15, 2016 and defines new financial reporting requirements for public postemployment benefit plans. Governmental Accounting Standards Board Statement Number 75 amends Number 45 effective for fiscal years beginning after June 15, 2017 and defines new accounting and financial reporting requirements for employers sponsoring public postemployment benefit plans.

Normal Cost

That portion of the actuarial present value of benefits assigned to a particular year in respect to an individual participant or the plan as a whole.

Rate Payroll

Members' earnings used to determine contribution rates.

Unfunded Actuarial Accrued Liability (UAAL)

The portion of the actuarial accrued liability not offset by plan assets.

Valuation Payroll

Members' earnings used to determine Normal Cost and Actuarial Accrued Liability.

Vested Benefits

Benefits which are unconditionally guaranteed regardless of employment.