



























**Paragraph 80(i):** Collective amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (100% of these amounts are allocated to the State):

<b>Deferred Amounts to be Recognized in Fiscal Years Following the Reporting Date:</b>	
Year 1	(\$5,643,610)
Year 2	(3,104,946)
Year 3	425,268
Year 4	2,531,111
Year 5	0
Thereafter	0

**Paragraph 80(j):** The amount of revenue recognized for the support provided by the non-employer contributing entity for the participating employers is provided in Schedule B.



## **SECTION IV – PENSION EXPENSE**

As noted earlier, the collective Pension Expense (PE) consists of a number of different items. GASB 68 refers to the first as Service Cost which is the Normal Cost using the Entry Age Normal actuarial funding method. The second item is interest on the beginning Total Pension Liability (TPL) and the cash flow during the year at the 7.65% rate of return in effect as of the previous measurement date.

The next three items refer to any changes that occurred in the TPL due to:

- benefit changes, or
- actual versus expected experience, or
- changes in actuarial assumptions.

Benefit changes, which are reflected immediately in PE, can be positive, if there is a benefit enhancement for existing Plan members, or negative if there is a benefit reduction. For the year ended September 30, 2019, there were no benefit changes to be recognized.

The next item to be recognized is the portion of current year changes in TPL due to actual versus expected Plan experience for the year. The portion to recognize in the current year is determined by spreading the total change over the average expected remaining service life of the entire Plan membership determined at the beginning of the year. The average expected remaining service life of active members is the average number of years the active members are expected to remain active. For the year ended September 30, 2019 this number of years for the active members is 9.0. The average expected remaining service life of the inactive members is zero. The number of years to use for the amortization is the weighted average for all active and inactive members, or 3.9 years. The amount to be recognized due to actual versus expected experience for the year is (\$1,158,381).

The last item under changes in TPL are changes in actuarial assumptions since the last measurement date. Recognition of the change in TPL due to changes in actuarial assumptions, is also spread over the average expected remaining service life of the plan membership. The amount to be recognized due to changes in assumptions for the year is \$0 because there were no assumption changes.

Member contributions for the year and projected earnings on the Fiduciary Net Position (FNP), determined at the discount rate used to calculate the liabilities, are subtracted from the amount determined thus far. One-fifth of current period differences between projected and actual investment earnings on the FNP are recognized in the pension expense. The projected earnings on the FNP, the current difference between projected and actual investment earnings on the FNP, and the amount recognized due to this difference are calculated as shown in the following table.



<b>Investment Earnings (Gain)/Loss Determined as of the Measurement Date</b>	
a. Expected asset return rate	7.65%
b. Beginning of year FNP (BOY)	\$ 317,316,314
c. End of year FNP	312,541,402
d. Expected return on BOY for the plan year (a x b)	24,274,698
e. External Cash Flow	
(i) Employer contributions	18,021,653
(ii) Member contributions	4,101,223
(iii) Refunds of contributions	(646,441)
(iv) Benefit Payments	(36,909,073)
(v) Administrative expenses	(357,439)
(vi) Other	<u>0</u>
(vii) Total net external cash flow	(15,790,077)
f. Expected return on net cash flow (a x 0.5 x (e(vii) – e(vi))) + (a x e(vi))	(603,970)
g. Projected earnings for plan year (d + f)	23,670,728
h. Net investment income (c – b – e(vii))	11,015,165
i. Investment earnings (gain)/loss (g – h)	<u>\$ 12,655,563</u>
j. Amount recognized in Pension Expense (i / 5)	<u>\$ 2,531,113</u>

The current year portions of previously determined experience, assumption and earnings amounts, recognized as deferred outflows and inflows (see Section III) are included also. Deferred outflows are added to the PE while deferred inflows are subtracted from the PE. Administrative expenses and other miscellaneous items are also included in the PE.



The calculation of the Collective Pension Expense determined as of the measurement date is shown in the following table:

<b>Collective Pension Expense Determined as of the Measurement Date</b>	
Service Cost at end of year	\$ 9,574,324
Interest on the TPL and net cash flow	33,909,566
Current-period benefit changes	0
Expensed portion of current-period difference between expected and actual experience in the total pension liability	(1,158,381)
Expensed portion of current-period changes of assumptions	0
Member contributions	(4,101,223)
Projected earnings on plan investments	(23,670,728)
Expensed portion of current-period differences between projected and actual earnings on plan investments	2,531,113
Administrative expense	357,439
Other	0
Recognition of beginning deferred outflows of resources as pension expense	5,392,575
Recognition of beginning deferred inflows of resources as pension expense	<u>(4,372,212)</u>
<b>Collective Pension Expense</b>	<b><u>\$ 18,462,473</u></b>





## **SECTION V – REQUIRED SUPPLEMENTARY INFORMATION**

**Paragraphs 81(a)-(b):** This information was supplied in individual employer reporting.

**Paragraph 82:**

**Changes of benefit terms.** The member contribution rate was increased from 6.00% of salary to 8.25% of salary on October 1, 2011, and to 8.50% of salary on October 1, 2012.

All justices, judges, and circuit clerks elected or appointed on or after November 8, 2016 are covered under a new benefit structure. In addition, district attorneys serving in the capacity of district attorney on or after that date will also become members of the Fund and will be covered under the new structure as follows:

- (i) A service retirement allowance is payable upon the request of any member who has attained age 62 and completed at least 10 years of creditable service.
- (ii) Upon service or disability retirement a member who is a judge with years of service less than 18 years, receives a retirement allowance equal to 4% of the member's average final compensation (the 5 highest years in the last 10 years of creditable service) multiplied by the number of years of creditable service, not to exceed 75% of average final compensation. For a member who is a judge with 18 or more years of service, the allowance is 75% of the member's average final compensation.
- (iii) Upon service or disability retirement a member who is a clerk or a district attorney receives a retirement allowance equal to 3% of the member's average final compensation (the 5 highest years in the last 10 years of creditable service), not to exceed 80% of average final compensation.

**Changes of assumptions.**

In 2018, the discount rate was changed from 7.75% to 7.65%.

In 2016, rates of retirement, disability and mortality were adjusted to more closely reflect actual experience. In 2016, economic assumptions and the assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience. In 2016 the expectation of retired life mortality was changed to the RP-2000 White Collar Mortality Table projected to 2020 using scale BB and adjusted 115% for males and 112% for females older than 78.

In 2010 and later, the expectation of retired life mortality was changed to the RP-2000 Mortality Tables rather than the 1994 Group Annuity Mortality Table, which was used prior to 2010. In 2010, rates of withdrawal, retirement, disability and mortality were adjusted to more closely reflect actual experience. In 2010, assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.



**SCHEDULE A**  
**Alabama Judicial Retirement Fund**  
**Schedule of Employer Allocations**  
**For the Fiscal Years Ended September 30, 2018 and September 30, 2019**

County	2018 Employer		2019 Employer	
	2018 Calculated Salary	Allocation Percentage	2019 Calculated Salary	Allocation Percentage
Autauga	\$ 124,148	0.28377%	\$ 112,612	0.24600%
Baldwin	129,357	0.29567%	126,088	0.27544%
Barbour	52,501	0.12000%	64,424	0.14073%
Bibb	76,365	0.17455%	80,457	0.17576%
Blount	78,805	0.18012%	84,068	0.18365%
Bullock	52,501	0.12000%	52,163	0.11395%
Butler	90,076	0.20589%	90,076	0.19677%
Calhoun	99,979	0.22852%	107,768	0.23542%
Chambers	88,213	0.20163%	89,978	0.19656%
Cherokee	96,313	0.22014%	108,997	0.23810%
Chilton	66,431	0.15184%	82,145	0.17945%
Choctaw	92,737	0.21197%	95,056	0.20765%
Clarke	81,796	0.18696%	83,432	0.18226%
Clay	74,112	0.16940%	73,311	0.16015%
Cleburne	103,379	0.23629%	103,899	0.22697%
Coffee	108,775	0.24863%	110,951	0.24237%
Colbert	73,124	0.16714%	74,540	0.16283%
Conecuh	110,883	0.25345%	92,483	0.20203%
Coosa	75,641	0.17289%	75,733	0.16544%
Covington	91,246	0.20856%	93,105	0.20339%
Crenshaw	97,359	0.22253%	95,358	0.20831%
Cullman	93,997	0.21485%	100,682	0.21994%
Dale	78,127	0.17858%	79,178	0.17296%
Dallas	110,851	0.25337%	95,020	0.20757%
DeKalb	101,689	0.23243%	104,055	0.22731%
Elmore	97,868	0.22370%	97,752	0.21354%
Escambia	76,663	0.17523%	76,663	0.16747%
Etowah	146,574	0.33502%	126,348	0.27601%
Fayette	144,277	0.32977%	100,472	0.21948%
Franklin	125,947	0.28788%	129,725	0.28338%
Geneva	77,877	0.17800%	89,140	0.19473%
Greene	83,701	0.19132%	87,191	0.19047%
Hale	105,723	0.24165%	105,933	0.23141%
Henry	108,448	0.24788%	114,722	0.25061%
Houston	106,050	0.24240%	110,128	0.24057%
Jackson	106,842	0.24421%	108,140	0.23623%
Jefferson	292,370	0.66828%	295,122	0.64469%
Lamar	121,993	0.27884%	92,379	0.20180%
Lauderdale	87,871	0.20085%	89,373	0.19523%
Lawrence	75,669	0.17296%	74,994	0.16382%
Lee	104,675	0.23926%	108,992	0.23809%
Limestone	107,102	0.24480%	107,602	0.23506%



SCHEDULE A (continued)

County	2018 Calculated Salary	2018 Employer Allocation Percentage	2019 Calculated Salary	2019 Employer Allocation Percentage
Lowndes	83,029	0.18978%	90,820	0.19840%
Macon	136,222	0.31136%	112,089	0.24486%
Madison	104,269	0.23833%	112,109	0.24490%
Marengo	112,396	0.25690%	115,768	0.25289%
Marion	107,101	0.24480%	82,089	0.17932%
Marshall	81,851	0.18709%	81,851	0.17880%
Mobile	155,831	0.35618%	160,132	0.34981%
Monroe	125,970	0.28793%	108,428	0.23686%
Montgomery	95,489	0.21826%	105,692	0.23088%
Morgan	90,656	0.20721%	91,275	0.19939%
Perry	71,543	0.16353%	72,304	0.15795%
Pickens	66,358	0.15167%	66,358	0.14496%
Pike	92,600	0.21166%	95,798	0.20927%
Randolph	61,945	0.14159%	63,930	0.13965%
Russell	82,552	0.18869%	89,474	0.19546%
Shelby	103,136	0.23574%	102,844	0.22466%
St. Clair	91,314	0.20872%	94,190	0.20576%
Sumter	75,642	0.17290%	75,643	0.16524%
Talladega	86,771	0.19833%	88,055	0.19236%
Tallapoosa	36,621	0.08370%	63,712	0.13918%
Tuscaloosa	148,928	0.34041%	143,834	0.31420%
Walker	72,552	0.16583%	78,736	0.17200%
Washington	107,021	0.24462%	107,542	0.23493%
Wilcox	77,342	0.17678%	70,474	0.15395%
Winston	<u>106,868</u>	<u>0.24427%</u>	<u>111,881</u>	<u>0.24440%</u>
Total for State Support Provided to the Counties	\$ <u>6,592,062</u>	<u>15.06751%</u>	\$ <u>6,575,283</u>	<u>14.36368%</u>
State Employer		<u>84.93249%</u>		<u>85.63632%</u>
Total State of Alabama		<u>100.00000%</u>		<u>100.00000%</u>



**SCHEDULE B**

**Alabama Judicial Retirement Fund  
Schedule of Pension Amounts by Employer**

**As of and for the Fiscal Year Ended September 30, 2020 with Net Pension Liability as of September 30, 2019**

County	Net Pension Liability 2019	Deferred Outflows of Resources					Deferred Inflows of Resources				Pension Expense			
		Difference Between Expected and Actual Experience	Net Difference Between Projected and Actual Pension Plan Earnings on Investments	Change of Assumptions	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Outflows of Resources	Differences Between Expected and Actual Experience	Change of Assumptions	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Inflows of Resources	Proportionate Share of Plan Pension Expense	Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Employer Pension Expense	
Autauga	\$ 371,237	\$ -	\$ 3,141	\$ 4,880	\$ -	\$ 8,021	\$ 22,270	\$ -	\$ 45,414	\$ 67,684	\$ 45,418	\$ (17,072)	\$ 28,346	
Baldwin	415,665	-	3,517	5,464	-	2,439	11,420	24,935	-	23,506	48,441	50,853	(5,916)	44,937
Barbour	212,375	-	1,797	2,792	24,089	28,678	12,740	-	647	13,387	25,983	7,484	33,467	
Bibb	265,238	-	2,244	3,487	1,405	7,136	15,911	-	940	16,851	32,449	(639)	31,810	
Blount	277,145	-	2,345	3,643	5,483	11,471	16,625	-	756	17,381	33,905	8,318	42,223	
Bullock	171,961	-	1,455	2,260	-	3,715	10,316	-	7,675	17,991	21,038	(3,245)	17,793	
Butler	296,944	-	2,513	3,903	1,244	7,660	17,813	-	11,459	29,272	36,327	(3,390)	32,937	
Calhoun	355,271	-	3,006	4,670	14,464	22,140	21,312	-	-	21,312	43,464	7,796	51,260	
Chambers	296,627	-	2,510	3,899	562	6,971	17,794	-	6,738	24,532	36,289	411	36,700	
Cherokee	359,315	-	3,040	4,723	20,868	28,631	21,555	-	24,928	46,483	43,961	(5,647)	38,314	
Chilton	270,807	-	2,291	3,560	32,081	37,932	16,245	-	819	17,064	33,130	10,028	43,158	
Choctaw	313,363	-	2,651	4,119	4,947	11,717	18,798	-	5,021	23,819	38,338	3,060	41,398	
Clarke	275,047	-	2,327	3,615	2,213	8,155	16,500	-	6,907	23,407	33,651	(231)	33,420	
Clay	241,681	-	2,045	3,177	-	5,222	14,498	-	14,065	28,563	29,566	(4,984)	24,582	
Cleburne	342,519	-	2,898	4,502	592	7,992	20,547	-	11,823	32,370	41,905	(4,352)	37,553	
Coffee	365,759	-	3,095	4,808	5,384	13,287	21,941	-	7,274	29,215	44,747	1,753	46,500	
Colbert	245,726	-	2,079	3,230	-	5,309	14,741	-	5,908	20,649	30,064	(2,870)	27,194	
Conecuh	304,882	-	2,580	4,008	-	6,588	18,289	-	61,109	79,398	37,299	(21,959)	15,340	
Coosa	249,664	-	2,112	3,282	4,575	9,969	14,977	-	8,656	23,633	30,544	(1,991)	28,553	
Covington	306,935	-	2,597	4,035	8,547	15,179	18,412	-	6,007	24,419	37,550	(3,706)	33,844	
Crenshaw	314,359	-	2,660	4,132	6,525	13,317	18,858	-	16,523	35,381	38,459	648	39,107	
Cullman	331,910	-	2,808	4,363	12,666	19,837	19,911	-	-	19,911	40,607	9,640	50,247	
Dale	261,013	-	2,208	3,431	3,232	8,871	15,658	-	6,530	22,188	31,935	4,460	36,395	
Dallas	313,243	-	2,650	4,118	27,230	33,998	18,791	-	53,736	72,527	38,324	(3,274)	35,050	
DeKalb	343,032	-	2,902	4,509	3,693	11,104	20,578	-	6,221	26,799	41,967	1,794	43,761	
Elmore	322,252	-	2,727	4,236	1,456	8,419	19,331	-	11,805	31,136	39,424	(2,159)	37,265	
Escambia	252,728	-	2,138	3,322	3,156	8,616	15,161	-	9,222	24,383	30,920	(2,836)	28,084	
Etowah	416,525	-	3,524	5,475	-	8,999	24,986	-	70,376	95,362	50,958	(25,932)	25,026	
Fayette	331,216	-	2,802	4,354	1,675	8,831	19,869	-	128,149	148,018	40,521	(43,611)	(3,090)	
Franklin	427,647	-	3,618	5,621	-	9,239	25,654	-	6,778	32,432	52,321	(3,592)	48,729	
Geneva	293,866	-	2,486	3,863	19,440	25,789	17,628	-	960	18,588	35,951	5,486	41,437	
Greene	287,437	-	2,432	3,778	7,883	14,093	17,243	-	2,761	20,004	35,167	(1,454)	33,713	
Hale	349,219	-	2,955	4,590	8,021	15,566	20,949	-	12,170	33,119	42,724	(1,397)	41,327	
Henry	378,194	-	3,200	4,971	3,194	11,365	22,687	-	1,041	23,728	46,270	1,235	47,505	
Houston	363,043	-	3,072	4,772	558	8,402	21,778	-	3,060	24,838	44,415	16,301	60,716	
Jackson	356,493	-	3,016	4,686	10,663	18,365	21,385	-	9,272	30,657	43,614	286	43,900	
Jefferson	972,898	-	8,236	12,787	-	21,023	58,360	-	31,005	89,365	119,022	(14,002)	105,020	



**SCHEDULE B (continued)**

County	Deferred Outflows of Resources						Deferred Inflows of Resources				Pension Expense		
	Net Pension Liability 2019	Net Difference Between Projected and Actual Experience		Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Resources		Total Deferred Outflows of Resources	Differences Between Expected and Actual Experience	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Resources		Total Deferred Inflows of Resources	Proportionate Share of Pension Expense	Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Pension Expense	
		Investments	Change of Assumptions	Contributions	Share of Resources			Change of Assumptions	Contributions			Share of Resources	Contributions
Lamar	304,535	-	2,577	4,003	-	6,580	18,268	-	125,368	143,636	37,256	(48,097)	(10,841)
Lauderdale	294,620	-	2,493	3,873	3,410	9,776	17,674	-	6,531	24,205	36,046	7,384	43,430
Lawrence	247,220	-	2,092	3,250	-	5,342	14,830	-	13,781	28,611	30,246	(4,863)	25,383
Lee	359,300	-	3,040	4,723	5,213	12,976	21,554	-	1,360	22,914	43,958	6,392	50,350
Limestone	354,727	-	3,001	4,663	4,799	12,463	21,279	-	11,600	32,879	43,397	220	43,617
Lowndes	299,404	-	2,533	3,936	19,240	25,709	17,961	-	-	17,961	36,628	10,400	47,028
Macon	369,517	-	3,127	4,857	3,189	11,173	22,167	-	77,634	99,801	45,207	(26,603)	18,604
Madison	369,577	-	3,127	4,858	7,634	15,619	22,170	-	1,275	23,445	45,215	525	45,740
Marengo	381,635	-	3,229	5,017	9,804	18,050	22,893	-	4,896	27,789	46,690	11,473	58,163
Marion	270,611	-	2,290	3,557	-	5,847	16,233	-	77,401	93,634	33,107	(27,908)	5,199
Marshall	269,826	-	2,283	3,547	-	5,830	16,186	-	10,637	26,823	33,011	(1,785)	31,226
Mobile	527,896	-	4,467	6,939	-	11,406	31,667	-	9,326	40,993	64,583	(4,983)	59,600
Monroe	357,444	-	3,024	4,699	8,161	15,884	21,442	-	72,528	93,970	43,729	(18,655)	25,074
Montgomery	348,419	-	2,948	4,580	14,664	22,192	20,901	-	19,425	40,326	42,626	(4,130)	38,496
Morgan	300,898	-	2,546	3,955	4,239	10,740	18,050	-	9,328	27,378	36,812	(1,817)	34,995
Perry	238,361	-	2,017	3,133	-	5,150	14,299	-	9,679	23,978	29,162	(3,474)	25,688
Pickens	218,758	-	1,851	2,876	-	4,727	13,123	-	10,703	23,826	26,762	(2,098)	24,664
Pike	315,808	-	2,672	4,151	-	6,823	18,945	-	5,813	24,758	38,637	2,202	40,839
Randolph	210,745	-	1,783	2,770	-	4,553	12,642	-	3,016	15,658	25,784	(1,742)	24,042
Russell	294,967	-	2,496	3,877	7,866	14,239	17,694	-	1,014	18,708	36,085	1,424	37,509
Shelby	339,033	-	2,869	4,457	-	7,326	20,338	-	49,200	69,538	41,479	(20,462)	21,017
St. Clair	310,511	-	2,627	4,082	3,018	9,727	18,627	-	3,684	22,311	37,987	(645)	37,342
Sumter	249,363	-	2,110	3,278	2,577	7,965	14,959	-	9,062	24,021	30,508	(862)	29,646
Talladega	290,289	-	2,456	3,816	1,562	7,834	17,414	-	7,173	24,587	35,514	(2,592)	32,922
Tallapoosa	210,036	-	1,777	2,761	64,464	69,002	12,600	-	36,163	48,763	25,697	(11,724)	13,973
Tuscaloosa	474,157	-	4,012	6,233	-	10,245	28,444	-	37,112	65,556	58,010	(13,072)	44,938
Walker	259,564	-	2,196	3,412	7,170	12,778	15,571	-	898	16,469	31,755	1,338	33,093
Washington	354,531	-	3,000	4,660	581	8,241	21,268	-	11,308	32,576	43,373	(841)	42,532
Wilcox	232,325	-	1,966	3,054	-	5,020	13,937	-	27,480	41,417	28,423	(8,506)	19,917
Winston	368,822	-	3,121	4,848	3,885	11,854	22,125	-	2,990	25,115	45,123	(209)	44,914
Total for State Support	<u>\$ 21,676,135</u>	<u>\$ -</u>	<u>\$ 183,407</u>	<u>\$ 284,930</u>	<u>\$ 409,761</u>	<u>\$ 878,098</u>	<u>\$ 1,300,307</u>	<u>\$ -</u>	<u>\$ 1,275,646</u>	<u>\$ 2,575,953</u>	<u>\$ 2,651,890</u>	<u>\$ (259,269)</u>	<u>\$ 2,392,621</u>
State Employer	<u>129,233,205</u>	<u>-</u>	<u>1,093,474</u>	<u>1,698,753</u>	<u>880,157</u>	<u>3,672,384</u>	<u>7,752,434</u>	<u>-</u>	<u>14,272</u>	<u>7,766,706</u>	<u>15,810,583</u>	<u>259,269</u>	<u>16,069,852</u>
Total State of Alabama	<u>\$ 150,909,340</u>	<u>\$ -</u>	<u>\$ 1,276,881</u>	<u>\$ 1,983,683</u>	<u>\$ 1,289,918</u>	<u>\$ 4,550,482</u>	<u>\$ 9,052,741</u>	<u>\$ -</u>	<u>\$ 1,289,918</u>	<u>\$ 10,342,659</u>	<u>\$ 18,462,473</u>	<u>\$ -</u>	<u>\$ 18,462,473</u>



**SCHEDULE C**

**Alabama Judicial Retirement Fund  
Schedule of Remaining Deferred Outflows/(Inflows)  
As of and for the Fiscal Year Ending September 30, 2020**

<u>County</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>Thereafter</u>
Autauga	\$ (29,922)	\$ (23,337)	\$ (12,630)	\$ 6,226	\$ -	\$ -
Baldwin	(22,017)	(15,926)	(6,050)	6,972	-	-
Barbour	(18)	3,696	8,050	3,563	-	-
Bibb	(9,991)	(5,321)	1,148	4,449	-	-
Blount	(7,928)	(4,647)	2,017	4,648	-	-
Bullock	(9,236)	(6,201)	(1,722)	2,883	-	-
Butler	(13,926)	(10,175)	(2,492)	4,981	-	-
Calhoun	(6,205)	(2,608)	3,682	5,959	-	-
Chambers	(12,965)	(8,537)	(1,034)	4,975	-	-
Cherokee	(18,269)	(11,924)	6,316	6,025	-	-
Chilton	450	5,188	10,688	4,542	-	-
Choctaw	(10,250)	(6,590)	(517)	5,255	-	-
Clarke	(12,560)	(6,488)	(816)	4,612	-	-
Clay	(15,689)	(9,016)	(2,690)	4,054	-	-
Cleburne	(16,424)	(11,254)	(2,444)	5,744	-	-
Coffee	(12,857)	(8,166)	(1,039)	6,134	-	-
Colbert	(11,449)	(7,116)	(896)	4,121	-	-
Conecuh	(32,813)	(27,380)	(17,732)	5,115	-	-
Coosa	(9,439)	(6,584)	(1,828)	4,187	-	-
Covington	(7,048)	(6,527)	(814)	5,149	-	-
Crenshaw	(13,269)	(10,039)	(4,028)	5,272	-	-
Cullman	(6,057)	(2,578)	2,994	5,567	-	-
Dale	(9,894)	(6,611)	(1,188)	4,376	-	-
Dallas	(17,618)	(11,830)	(14,334)	5,253	-	-
DeKalb	(13,393)	(7,350)	(704)	5,752	-	-
Elmore	(15,127)	(10,283)	(2,712)	5,405	-	-
Escambia	(11,263)	(6,806)	(1,936)	4,238	-	-
Etowah	(40,292)	(32,883)	(20,174)	6,986	-	-
Fayette	(55,387)	(50,562)	(38,794)	5,556	-	-
Franklin	(18,712)	(11,175)	(478)	7,172	-	-
Geneva	(4,855)	301	6,826	4,929	-	-
Greene	(4,051)	(7,099)	419	4,820	-	-
Hale	(13,616)	(7,468)	(2,326)	5,857	-	-
Henry	(13,522)	(7,183)	2,000	6,342	-	-
Houston	(14,198)	(8,649)	321	6,090	-	-
Jackson	(9,943)	(6,824)	(1,504)	5,979	-	-
Jefferson	(47,982)	(30,806)	(5,878)	16,324	-	-
Lamar	(59,530)	(54,024)	(28,611)	5,109	-	-
Lauderdale	(10,887)	(7,380)	(1,104)	4,942	-	-
Lawrence	(15,802)	(8,989)	(2,625)	4,147	-	-
Lee	(10,828)	(5,921)	785	6,026	-	-
Limestone	(15,165)	(8,915)	(2,285)	5,949	-	-



SCHEDULE C (continued)

County	2021	2022	2023	2024	2025	Thereafter
Lowndes	(752)	(676)	4,155	5,021	-	-
Macon	(39,309)	(32,728)	(22,789)	6,198	-	-
Madison	(11,949)	(5,440)	3,364	6,199	-	-
Marengo	(6,186)	(9,570)	(385)	6,402	-	-
Marion	(37,136)	(32,292)	(22,898)	4,539	-	-
Marshall	(14,008)	(9,246)	(2,266)	4,527	-	-
Mobile	(23,432)	(14,126)	(883)	8,854	-	-
Monroe	(31,948)	(34,096)	(18,037)	5,995	-	-
Montgomery	(19,127)	(9,632)	4,781	5,844	-	-
Morgan	(12,609)	(7,306)	(1,770)	5,047	-	-
Perry	(13,987)	(7,466)	(1,372)	3,997	-	-
Pickens	(13,441)	(7,495)	(1,833)	3,670	-	-
Pike	(15,338)	(7,877)	(16)	5,296	-	-
Randolph	(9,109)	(5,396)	(134)	3,534	-	-
Russell	(8,920)	(3,732)	3,235	4,948	-	-
Shelby	(35,114)	(28,078)	(4,708)	5,688	-	-
St. Clair	(11,606)	(6,137)	(49)	5,208	-	-
Sumter	(9,896)	(8,278)	(2,065)	4,183	-	-
Talladega	(12,739)	(7,621)	(1,262)	4,869	-	-
Tallapoosa	(9,653)	6,874	19,496	3,522	-	-
Tuscaloosa	(34,146)	(20,936)	(8,182)	7,953	-	-
Walker	(7,766)	(3,202)	2,923	4,354	-	-
Washington	(16,583)	(11,199)	(2,499)	5,946	-	-
Wilcox	(18,398)	(14,279)	(7,616)	3,896	-	-
Winston	(14,953)	(5,758)	1,264	6,186	-	-
Total for State Support Provided to the Counties	<u>\$ (1,108,052)</u>	<u>\$ (757,679)</u>	<u>\$ (195,685)</u>	<u>\$ 363,561</u>	<u>\$ -</u>	<u>\$ -</u>
State Employer	<u>(4,535,558)</u>	<u>(2,347,267)</u>	<u>620,953</u>	<u>2,167,550</u>	-	-
Total State of Alabama	<u>\$ (5,643,610)</u>	<u>\$ (3,104,946)</u>	<u>\$ 425,268</u>	<u>\$ 2,531,111</u>	<u>\$ -</u>	<u>\$ -</u>



## **SCHEDULE D**

### **SUMMARY OF MAIN PLAN PROVISIONS AS INTERPRETED FOR ACCOUNTING AND REPORTING VALUATION PURPOSES**

The Judicial Retirement Fund was established September 18, 1973. This valuation included amendments to the Fund effective through the valuation date. There is a new tier of benefits (Tier II) for all justices, judges and circuit clerks elected or appointed on or after November 8, 2016. In addition, there is a new tier of benefits (District Attorneys' Plan) for all District Attorneys elected or appointed on or after November 8, 2016. The following summary describes the main benefit and contribution provisions of the Fund as interpreted for the valuation.

#### **Membership**

Any justice of the Supreme Court, judge of the Court of Civil Appeals, judge of the Court of Criminal Appeals, judge of the Circuit Court or officeholder of any newly created judicial office receiving compensation from the State treasury became a member of the fund if he was holding office on the effective date of the Act and elected to come under its provisions. Any such justice or judge elected or appointed to office after the effective date of the Act or any district or probate judge elected or appointed to office after October 10, 1975 or October 1, 1976, respectively, automatically becomes a member. Any circuit clerk or district attorney elected or appointed on or after November 8, 2016 automatically becomes a member. Certain other district and probate judges as well as certain former county court judges, district attorneys or assistant district attorneys serving as circuit judges and certain supernumerary judges and justices could also elect to become members.

#### **Average Final Compensation**

The average compensation of a Tier II (Group 3) or District Attorney member for the 5 highest years in the last 10 years of credited service.

#### **Credited Service**

Credited service is service as a member plus certain periods of previous service credited in accordance with the provisions of the Act.





## SCHEDULE D (continued)

### Benefits

#### *Service Retirement Benefit*

##### Condition for Benefit

###### **Tier I (Groups 1 and 2):**

A retirement benefit is payable upon the request of any member who has:

- Completed 12 years of credited service and attained age 65, or
- Completed 15 years of credited service and whose age plus service equals or exceeds 77, or
- Completed at least 18 years of credited service or three full terms as a judge or justice, or
- Completed 10 years of credited service and attained age 70

However, a judge who became a member on or after July 30, 1979 or who is a district or probate judge must meet the following age and service requirement combinations in order to be eligible to retire:

- Completed 12 years of credited service and attained age 65, or
- Completed at least 15 years of credited service and attained age 60, and whose age plus service equals or exceeds 77, or
- Completed 10 years of credited service and attained age 70, or
- Completed 25 years of credited service (or completed 24 years of credited service provided the member purchases one year of service prior to retirement) regardless of age

###### **Tier II (Group 3) and District Attorneys:**

Completed 10 years of service and attained age 62.

##### Amount of Benefit

###### **Tier I (Groups 1 and 2):**

The service retirement benefit for a member is equal to:

- (a) For a circuit or appellate judge, who was a member prior to July 30, 1979, 75% of the salary prescribed by law for the position from which the member retires.
- (b) For a circuit or appellate judge who became a member on or after July 30, 1979, 5% of the member's salary at the time of separation from service.
- (c) For a district judge, 75% of the position's salary immediately prior to retirement.
- (d) For a probate judge, 75% of the member's salary at the time of separation from service.

###### **Tier II (Group 3) and District Attorneys:**

The service retirement benefit for a member is equal to:

- (a) For a member who is a judge with years of service less than 18 years, 4% of average final compensation multiplied by years of credited service; for a member who is a judge with 18 or more years of service, 75% of average final compensation, not to exceed 75% of average final compensation.
- (b) For a member who is a clerk or district attorney, 3% of average final compensation multiplied by years of credited service, not to exceed 80% of average final compensation.



**SCHEDULE D (continued)**

*Disability Retirement Benefit*

Condition for Benefit A disability retirement benefit is payable to any member who becomes permanently, physically or mentally, unable to carry out his duties on a full-time basis, provided the member has completed five or more years of credited service. (ten years for new tier members)

Amount of Benefit

**Tier I (Groups 1 and 2):**

- (a) The disability retirement benefit for a member other than a district or probate judge who was a member prior to July 30, 1979 is equal to 25% of the salary prescribed by law for the position from which the member retires on disability plus 10% of such salary for each year of credited service in excess of five years. The disability retirement benefit is subject to a minimum of 30% and a maximum of 75% of such salary.
- (b) The disability retirement benefit for a judge who became a member on or after July 30, 1979 or who is a district or probate judge is equal to 25% of his salary immediately prior to retirement plus 10% of such salary for each year of credited service in excess of five years. The disability retirement benefit is subject to a minimum of 30% and a maximum of 75% of such salary.

**Tier II (Group 3) and District Attorneys:**

- (a) For a member who is a judge with years of service less than 18 years, 4% of average final compensation multiplied by years of credited service; for a member who is a judge with 18 or more years of service, 75% of average final compensation, not to exceed 75% of average final compensation. .
- (b) For a member who is a clerk or district attorney, 3% of average final compensation multiplied by years of credited service, not to exceed 80% of average final compensation.

*Spouse's Benefit*

**Tier I (Groups 1 and 2):**

Condition for Benefit Upon the death of an active, inactive or retired member with at least 5 years of credited service, a death benefit is payable to the member's spouse.

Amount of Benefit

The death benefit payable to the spouse of a judge other than a district or probate judge consists of a yearly benefit equal to 3% of the salary prescribed by law for the position of the former member for each year of service, not to exceed 30% of such salary.

The death benefit payable to the spouse of a district judge consists of a yearly benefit equal to 3% of the position's salary prescribed by law at the time of death for each year of service not to exceed 30% of such salary.

The death benefit payable to the spouse of a probate judge is a yearly benefit equal to the greater of \$480 for each year of credited service to a maximum of 10 years, or 3% of the member's salary at the time of separation from service for each year of credited service not to exceed 30% of such salary.

The benefit is payable for the spouse's life or until his or her remarriage.



**SCHEDULE D (continued)**

*Death in Active Service Benefit*

**Tier II (Group 3) and District Attorneys:**

Amount of Benefit

(a) In the event of the death of a member who is eligible for service retirement, the designated beneficiary may elect: (1) to exercise option 3 as defined below under “Special Privileges at Retirement – All Employees” or (2) to receive a return of member contributions and total interest earned plus a death benefit payable from the pre-retirement death benefit fund equal to the salary on which the member made retirement contributions for the previous fiscal year (October 1 – September 30).

(b) In the event of the death of a member who is not eligible for retirement, the designated beneficiary shall receive the accumulated contributions not to exceed \$5,000 or the accumulated contributions of the member plus an additional death benefit payable from the pre-retirement death benefit payable from the pre- retirement death benefit fund equal to the salary on which their retirement contributions were made for the previous fiscal year. (October 1- September 30)

*Benefit Payable on Separation from Service*

If a member terminates service and elects not to withdraw his contributions and accrued interest from the Fund, he is eligible to receive any of the benefits for which he has sufficient credited service upon reaching an eligible retirement age.

A member terminating service before reaching eligibility for retirement benefits may elect to receive a return of contributions and accrued interest. “Regular Interest” is 4% which is the rate adopted by the Board and applied to the balance in each member’s account every year; however, if a member receives a refund of contributions, the interest rate applied to the refund is lower than the 4% regular rate (Based on Section 36-27-16.3(c)(1)).

**Contributions**

By Members

**Tier I (Groups 1 and 2):**

Prior to October 1, 2011, each member contributed 6.0% of salary.

Beginning October 1, 2011, each member contributed 8.25% of salary.

Beginning October 1, 2012, each member contributes 8.50% of salary.

**Tier II (Group 3) and District Attorneys:**

Each Tier II member and District Attorney member contributes 8.50% of salary.

If positive investment performance results in a decrease in the total contribution rate paid by employers and employees participating in the Fund, the Retirement Systems of Alabama shall first reduce the employee contribution rate.

By State

The State makes contributions which, in addition to the members’ contributions, are sufficient to carry out the provisions of the Act.



## **SCHEDULE D (continued)**

### **Special Privileges at Retirement**

#### **Tier II (Group 3) and District Attorneys:**

In lieu of the full retirement allowance, any member may, at retirement, elect to receive a reduced retirement allowance equal in value to the full allowance, with the provision that:

Option 1. If the member dies before the annuity payments equal or exceed the present value of the member's annuity at the date of retirement, the balance is paid to a designated beneficiary or to the estate, or

Option 2. After the member's death, the member's allowance is continued throughout the life of the designated beneficiary, or

Option 3. After the member's death, one half of the member's allowance is continued throughout the life of the designated beneficiary, or

Option 4. Some other benefit is paid either to the member or to the designated beneficiary provided such benefit, together with the reduced retirement allowance, is of equivalent actuarial value to his retirement allowance and is approved by the Board of Control.



**SCHEDULE E**

**STATEMENT OF ACTUARIAL ASSUMPTIONS AND METHODS**

The assumptions and methods used in the valuation are based on the actuarial experience study prepared as of September 30, 2015 and adopted by the Board on September 29, 2016 and on an investment rate of return of 7.65% adopted by the Board on December 19, 2018.

**Investment Rate of Return:** 7.65% per annum, compounded annually, including inflation at 2.75%.

**Salary Increases:** 3.5% per annum for less than 14 years of service and 3.0% for 14 or greater years of service, compounded annually, including wage inflation at 3.00%.

**Separations Before Retirement:** Representative values of the assumed annual rates of withdrawal, death and disability are as follows:

<u>Age</u>	<u>Annual Rate of</u>			
	<u>Withdrawal</u>	<u>Death*</u>		<u>Disability**</u>
		<u>Male</u>	<u>Female</u>	
30	2.50%	0.0376%	0.0149%	0.020%
35	2.50	0.0655	0.0268	0.040
40	2.50	0.0914	0.0399	0.068
45	2.50	0.1278	0.0635	0.108
50	2.50	0.1812	0.0947	0.163
55	2.50	0.2567	0.1371	0.250
60	2.50	0.3815	0.1929	0.395
64	2.50	0.5070	0.2558	0.570

\* Rates of pre-retirement mortality are according to the sex distinct RP-2000 Employee Mortality Table (with the sex distinct RP-2000 Combined Mortality Table for ages over 70) projected with Scale BB to 2020 with an adjustment factor of 90% for males and 60% for females.

\*\*Disability rates turn off at retirement eligibility.



**SCHEDULE E (continued)**

**Rates of Retirement:**

**Tier I (Groups 1 and 2):** Between the ages of 55 and 59, 25% of members are assumed to retire in the year when first eligible and 10% in each year thereafter. Between the ages of 60 and 69, 30% of members are assumed to retire in the year when first eligible and 15% in each year thereafter. 30% of the remaining members are assumed to retire each year between age 70 and 74, and all remaining members are assumed to retire at age 75.

**Tier II (Group 3) and District Attorneys' Plan:**

<u>Age</u>	<u>Judges</u>		<u>Clerks and District Attorneys</u>
	<u>&lt;18 years</u>	<u>≥18 years</u>	
62-69	10%	15%*	10%**
70-74	30%	30%	30%
75	100%	100%	100%

\*An additional 15% are assumed to retire at 18 years of service

\*\*An additional 20% are assumed to retire when first eligible for retirement and at 27 years of service.

**Deaths After Retirement:** Rates of mortality for the period after service retirement are according to the sex distinct RP-2000 White Collar Mortality Table projected to 2020 using scale BB and adjusted 115% for males and 112% for females older than age 78. The sex distinct RP-2000 Disabled Mortality Table projected to 2020 using scale BB and adjusted 105% for males and 120% for females is used for the period after disability retirement. Representative values of assumed mortality are as follows:

<u>Age</u>	<u>Service Retirement</u>		<u>Disability Retirement</u>	
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
55	0.3575%	0.2339%	3.5044%	1.7959%
60	0.5579	0.3825	3.8359	2.1434
65	0.9991	0.6795	4.1382	2.6417
70	1.6384	1.1928	4.8570	3.5474
75	2.8589	2.0200	6.3692	4.9231
80	5.0501	3.7900	8.4883	6.8160
85	8.8966	6.5271	10.9897	9.4450
90	16.4327	11.3249	15.4359	13.4706

**Percent Married:** 85% of active members are assumed to be married with the husband 4 years older than the wife.

**Actuarial Method:** Individual Entry age normal. Gains and losses are reflected in the unfunded accrued liability.

**Assets:** Market Value.

**Liability for Current Inactive Members:** Member Contribution Balance is multiplied by a factor of 1.0.



### SCHEDULE E (continued)

**Post Retirement Increases:** Allowances of retired members and spouses who receive benefits based on the salaries prescribed by law for the position are assumed to increase by 3.00% per year. The members' actual salaries at retirement are assumed to be equal to the salary prescribed by law for their position.

**Benefits Payable upon Separation from Service:** Active members who terminated from service prior to becoming eligible for a benefit are assumed to receive a refund of contributions with interest assumed to be 4% per year.



**SCHEDULE F**  
**FUNDING POLICY OF THE**  
**EMPLOYEES' RETIREMENT SYSTEM BOARD OF CONTROL FOR**  
**THE ADMINISTRATION OF THE JUDICIAL RETIREMENT SYSTEM**  
**Effective 9/30/2019**

The purpose of the funding policy is to state the overall funding objectives for the Judicial Retirement Fund (Fund), the benchmarks that will be used to measure progress in achieving those goals, and the methods and assumptions that will be employed to develop the benchmarks.

The funding policy reflects the Board's long-term strategy for stability in funding of the plan.

**I. Funding Objectives**

- The goal in requiring employer and member contributions to the Fund is to accumulate sufficient assets during a member's employment to fully finance the benefits the member is expected to receive throughout retirement. In meeting this objective, the Fund will strive to meet the following funding objectives:
- To maintain an increasing funded ratio (ratio of fund actuarial value of assets to actuarial accrued liabilities) that reflects a trend of improved actuarial condition. The long-term objective is to attain a funded ratio which is consistent with the fiscal health and long-term stability of the Fund.
- To maintain adequate asset levels to finance the benefits promised to members and monitor the future demands for liquidity.
- To develop a pattern of contribution rates expressed as a percentage of member payroll as measured by valuations prepared in accordance with applicable State laws and the principles of practice prescribed by the Actuarial Standards Board. In no event will the employer contribution rate be negative.
- To provide intergenerational equity for taxpayers with respect to Fund costs.

**II. Benchmarks**

To track progress in achieving the previously outlined funding objectives, the following benchmarks will be measured annually as of the valuation date. The valuation date is the date that the annual actuarial valuation of the Fund's assets and liabilities is prepared. This date is currently September 30th each year with due recognition that a single year's results may not be indicative of long-term trends:

- **Funded ratio** – The funded ratio, defined as the actuarial value of assets divided by the actuarial accrued liability, should increase over time, before adjustments for changes in benefits, actuarial methods, and/or actuarial assumptions. An open amortization period is one for which the amortization period is recalculated on a yearly basis and the ending date of the amortization period is a variable with each recalculation. A closed amortization period is one which is calculated over a fixed period and at the end of that period, the amount is fully amortized.
- **Unfunded Actuarial Accrued Liability (UAAL)**
  - **Transitional UAAL** - The UAAL established as of the initial valuation date for which this funding policy is adopted shall be known as the Transitional UAAL.
  - **New Incremental UAAL** - Each subsequent valuation will produce a New Incremental UAAL consisting of all benefit changes, assumption and method changes and experience gains and/or losses that have occurred since the previous valuation.
- **UAAL Amortization Period and Contribution Rates**
  - The Transitional UAAL will be amortized over a closed period. The closed period shall be the amortization period for the valuation preceding the adoption of the funding policy not to exceed 30 years.





## **SCHEDULE F (continued)**

- Each New Incremental UAAL shall be amortized over a closed 30 year period.
- Incremental UAAL resulting from plan changes that grant benefit improvements shall be amortized over a period not to exceed 15 years.
- Employer Normal Contribution Rate – the contribution rate determined as of the valuation date each year based on the provisions of Alabama Code Sections 36-27-24 and 12-18-2.
- In each valuation subsequent to the adoption of this funding policy the required employer contribution rate will be determined by the summation of the employer Normal Contribution Rate, a contribution rate for administrative expenses, the individual amortization rate for each of the New Incremental UAAL bases, the amortization rate for the Transitional UAAL.

### **III. Methods and Assumptions**

The actuarial funding method used to develop the benchmarks will be the Entry Age Normal (EAN) actuarial cost method. The actuarial methods and assumptions used will be those last adopted by the Board based upon the advice and recommendation of the actuary including the Interest Smoothing methodology. The actuary shall conduct an investigation into the Fund's experience at least every five years and utilize the results of the investigation to form the basis for those recommendations which shall include the Interest Smoothing Methodology.

### **IV. Funding Policy Progress**

The Board will periodically have projections of funded status performed to assess the current and expected future progress towards the overall funding goal