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Retirement Systems
of Alabama

GASB STATEMENT NO. 68 REPORT

FOR THE

TEACHERS' RETIREMENT SYSTEM OF ALABAMA

PREPARED AS OF SEPTEMBER 30, 2015





Cavanaugh Macdonald

CONSULTING, LLC

The experience and dedication you deserve

October 4, 2016

Board of Control
Teachers' Retirement System of Alabama
Montgomery, Alabama

Ladies and Gentlemen:

Presented in this report is information to assist the Teachers' Retirement System of Alabama (TRS) in meeting the requirements of the Governmental Accounting Standards Board (GASB) Statement No. 68 and to identify the information to be provided by the actuary, Cavanaugh Macdonald Consulting (CMC). The information presented is for the period ending September 30, 2015 (the Measurement Date).

GASB Statement Number 68 established accounting and financial reporting requirements for governmental employers that provide pension benefits to their employees through a trust.

The annual actuarial valuation used as a basis for much of the information presented in this report was performed as of September 30, 2014. The valuation was based upon data provided by the Retirement System staff, for active, inactive and retired members along with pertinent financial information.

The actuarial calculations were performed by qualified actuaries according to generally accepted actuarial procedures and methods. The calculations are based on the current provisions of the System, and on actuarial assumptions that are, individually and in the aggregate, internally consistent and reasonably based on the actual experience of the System. In addition, the calculations were completed in compliance with the laws governing the System and, in our opinion, meet the requirements of GASB 68. Ed Macdonald and John Garrett are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

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Board of Control
October 4, 2016
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These results are only for financial reporting and may not be appropriate for funding purposes or other types of analysis. Calculations for purposes other than satisfying the requirements of GASB 67 and GASB 68 may produce significantly different results. Future actuarial results may differ significantly from the current results presented in this report due to such factors as changes in plan experience or changes in economic or demographic assumptions.

Sincerely yours,

A handwritten signature in blue ink, appearing to read 'Edward Macdonald', with a stylized flourish at the end.

Edward A. Macdonald, ASA, FCA, MAAA
President

A handwritten signature in blue ink, appearing to read 'Cathy Turcot', with a stylized flourish at the end.

Cathy Turcot
Principal and Managing Director

A handwritten signature in blue ink, appearing to read 'John J. Garrett', with a stylized flourish at the end.

John J. Garrett, ASA, FCA, MAAA
Principal and Consulting Actuary

CT/mjn



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**REPORT OF THE ANNUAL GASB STATEMENT NO. 68
REQUIRED INFORMATION FOR THE
EMPLOYERS PARTICIPATING IN THE TEACHERS' RETIREMENT SYSTEM OF ALABAMA**

PREPARED AS OF SEPTEMBER 30, 2015

SECTION I – INTRODUCTION

The Governmental Accounting Standards Board issued Statement No. 68 (GASB 68), *“Accounting and Financial Reporting For Pensions”* in June 2012. GASB 68’s effective date is for an employer’s fiscal year beginning after June 15, 2014. The Teachers' Retirement System of Alabama (TRS) is a cost-sharing multiple employer defined benefit pension plan.

This report, prepared as of September 30, 2015 (the Measurement Date), presents information to assist the employers participating in TRS in meeting the requirements of GASB 68 for the fiscal year ending in 2016 (Reporting Date). Much of the material provided in this report is based on the data, assumptions and results of the annual actuarial valuation of TRS as of September 30, 2014. The results of that valuation were detailed in a report dated July 10, 2015.

The NPL shown in the GASB Statement No. 67 Report for the Teachers' Retirement System of Alabama Prepared as of September 30, 2015, and submitted January 12, 2016, is the collective NPL used for purposes of GASB 68. Please refer to that report for the derivation of the collective NPL.

Pension Expense (PE) includes amounts for service cost (the normal cost under the Entry Age Normal actuarial cost method for the year), interest on the Total Pension Liability (TPL), changes in benefit structure, amortization of increases/decreases in liability due to actuarial experience and actuarial assumption changes, and amortization of investment gains/losses. The actuarial experience and assumption change impacts are amortized over the average expected remaining service life of the Plan membership as of the beginning of the membership period, and investment gains/losses are amortized over five years. The development of the collective PE is shown in Section IV.

The unamortized portions of each year’s experience, assumption changes and investment gains/losses are used to develop deferred inflows and outflows, which also must be included in the employer’s financial statements. The development of the collective deferred inflows and outflows is shown in Section IV.

These collective amounts have been allocated based on actual contributions made to TRS during the measurement period to determine the proportionate share associated with each participating employer.

Schedule A of this report shows the total amount of employer contributions for the years ending September 30, 2014, and September 30, 2015, from each participating employer. Schedule A also shows the proportionate share percentages that have been determined based on these contributions.

Based on these percentages we have determined the proportionate share amounts of the NPL, PE and Deferred Inflows and Outflows for each participating employer. These amounts are shown in Schedule B.

Section II of this report is a summary of the principal results of the collective amounts under GASB 68. Section III provides the results of all the necessary calculations, presented in the order laid out in GASB 68 for note disclosure and Section V shows the Required Supplementary Information (RSI).



SECTION II - SUMMARY OF COLLECTIVE AMOUNTS
(\$ IN THOUSANDS)

	2015	2014
Valuation Date:	September 30, 2014	September 30, 2013
Measurement Date:	September 30, 2015	September 30, 2014
Reporting Date:	September 30, 2016	September 30, 2015
Single Equivalent Interest Rate (SEIR):		
Long-Term Expected Rate of Return	8.00%	8.00%
Municipal Bond Index Rate	3.78%	4.13%
Fiscal Year in which Plan's Fiduciary Net Position is projected to be depleted from future benefit payments for current members	N/A	N/A
Single Equivalent Interest Rate	8.00%	8.00%
Net Pension Liability:		
Total Pension Liability (TPL)	\$ 32,213,446	\$ 31,338,446
Plan Fiduciary Net Position (FNP)	<u>21,747,731</u>	<u>22,253,818</u>
Net Pension Liability (NPL = TPL – FNP)	\$ 10,465,715	\$ 9,084,628
FNP as a percentage of TPL	67.51%	71.01%
Collective Pension Expense (PE):	\$ 809,123	\$ 687,176
Deferred Outflows of Resources:	\$ 685,199	\$ 0
Deferred Inflows of Resources:	\$ 56,700	\$ 681,134



SECTION III – NOTES TO FINANCIAL STATEMENTS

The material presented herein will follow the order presented in GASB 68. Paragraph numbers are provided for ease of reference. Amounts are shown in aggregate. Please refer to Schedule B of this report for the proportionate share of certain pension amounts as required by GASB 68.

Paragraphs 77 and 78(a)-(e): These paragraphs require information to be disclosed regarding the actuarial assumptions used to measure the TPL. The complete set of actuarial assumptions utilized in developing the TPL are outlined in Schedule E.

The TPL was determined by an actuarial valuation as of September 30, 2014, using the following key actuarial assumptions:

Inflation	3.00 percent
Salary increases, including inflation	3.50 – 8.25 percent
Long-Term Investment Rate of Return, net of pension plan investment expense, including inflation	8.00 percent

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvement based on Scale AA projected to 2015 and set back one year for females. In our opinion, the projection to 2015 of the RP-2000 mortality rates with Scale AA continues to provide a sufficient margin in the assumed rates of mortality to allow for additional improvement in mortality experience.

The actuarial assumptions used in the September 30, 2014 valuation were based on the results of an actuarial experience study for the period October 1, 2005 – September 30, 2010.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:



Asset Class	Target Allocation	Long-Term Expected Rate of Return*
Fixed Income	25.00%	5.00%
US Large Stocks	34.00%	9.00%
US Mid Stocks	8.00%	12.00%
US Small Stocks	3.00%	15.00%
Int'l Developed Mkt Stocks	15.00%	11.00%
Int'l Emerging Mkt Stocks	3.00%	16.00%
Real Estate	10.00%	7.50%
Cash	<u>2.00%</u>	1.50%
Total	<u>100.00%</u>	

*Includes assumed rate of inflation of 2.50%.

Discount rate. The discount rate used to measure the total pension liability was 8.00 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Paragraph 78 (g): This paragraph requires disclosure of the sensitivity of the NPL to changes in the discount rate. The following presents the NPL of the System, calculated using the discount rate of 8.00 percent, as well as what the System's NPL would be if it were calculated using a discount rate that is 1-percentage-point lower (7.00 percent) or 1-percentage-point higher (9.00 percent) than the current rate (\$ thousands):

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
System's Net Pension Liability	\$13,845,362	\$10,465,715	\$7,599,251

Paragraph 80(a): This paragraph requires disclosure of the employer's proportionate share of the collective NPL and if an employer has a special funding situation the portion of the non-employer contributing entities' proportional share of the collective NPL that is associated with the employer. These amounts are shown in Schedule B.

Paragraph 80(b): This paragraph requires disclosure of the employer's proportion (percentage) of the collective NPL and the changes in proportion since the prior measurement date. These amounts are shown for all entities in Schedule A.



Paragraph 80(c): September 30, 2014, is the actuarial valuation date upon which the TPL is based. An expected TPL is determined as of September 30, 2015, using standard roll forward techniques. The procedure used to determine the TPL as of September 30, 2015, is shown on page 6 of the GASB 67 report for TRS submitted on January 12, 2016.

Paragraph 80(g): Please see Section IV of this report for the development of the collective pension expense. The PE for each employer is shown in Schedule B.

Paragraph 80(h): Since certain expense items are amortized over closed periods each year, the deferred portions of these items must be tracked annually. If the amounts serve to reduce pension expense they are labeled deferred inflows. If they will increase pension expense they are labeled deferred outflows. The amortization of these amounts is accomplished on a level dollar basis, with no interest included in the deferred amounts. Experience gains/losses and the impact of changes in actuarial assumptions, if any, are amortized over the average expected remaining service life of the active and inactive Plan members at the beginning of the fiscal year. Investment gains and losses are amortized over a fixed five year period.

The table below provides a summary of the collective deferred inflows and outflows as of the Measurement Date. The allocation of the collective deferred inflows and outflows is provided in Schedule B.

	Collective Deferred Outflows of Resources (\$ thousands)	Collective Deferred Inflows of Resources (\$ thousands)
Differences between expected and actual experience	\$0	\$56,700
Changes of actuarial assumptions	0	0
Net difference between projected and actual earnings on plan investments	<u>685,199</u>	<u>0</u>
Total	<u>\$ 685,199</u>	<u>\$ 56,700</u>

The following tables show the components of the collective deferred outflows of resources and the collective deferred inflows of resources by year.



Collective Deferred Outflows and Inflows for Differences between Expected and Actual Experience (\$ thousands)											
Beginning Balance										Ending Balance	
Year	Initial Balance of Losses / Deferred Outflow	Initial Balance of Gains / Deferred Inflow	Amortization Period	Deferred Outflows (a)	Deferred Inflows (b)	Losses / Deferred Outflows (c)	Gains / Deferred Inflows (d)	Amounts Recognized in Pension Expense / Deferred Outflow (e)	Amounts Recognized in Pension Expense / Deferred Inflow (f)	Deferred Outflows (a) + (c) - (e)	Deferred Inflows (b) + (d) - (f)
2015	\$0	\$70,200	5.2	\$0	\$0	\$0	\$70,200	\$0	\$13,500	\$0	\$56,700
2014	0	0	5.3	0	0	0	0	0	0	0	0
Total				<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$70,200</u>			<u>\$0</u>	<u>\$56,700</u>

Collective Deferred Outflows and Inflows for Differences from Assumption Changes (\$ thousands)											
Beginning Balance										Ending Balance	
Year	Initial Balance of Losses / Deferred Outflow	Initial Balance of Gains / Deferred Inflow	Amortization Period	Deferred Outflows (a)	Deferred Inflows (b)	Losses / Deferred Outflows (c)	Gains / Deferred Inflows (d)	Amounts Recognized in Pension Expense / Deferred Outflow (e)	Amounts Recognized in Pension Expense / Deferred Inflow (f)	Deferred Outflows (a) + (c) - (e)	Deferred Inflows (b) + (d) - (f)
2015	\$0	\$0	5.2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2014	0	0	5.3	0	0	0	0	0	0	0	0
Total				<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>			<u>\$0</u>	<u>\$0</u>

Collective Deferred Outflows and Inflows for Differences in Investment Experience (\$ thousands)											
Beginning Balance										Ending Balance	
Year	Initial Balance of Losses / Deferred Outflow	Initial Balance of Gains / Deferred Inflow	Amortization Period	Deferred Outflows (a)	Deferred Inflows (b)	Losses / Deferred Outflows (c)	Gains / Deferred Inflows (d)	Amounts Recognized in Pension Expense / Deferred Outflow (e)	Amounts Recognized in Pension Expense / Deferred Inflow (f)	Deferred Outflows (a) + (c) - (e)	Deferred Inflows (b) + (d) - (f)
2015	\$1,495,062	\$0	5.0	\$0	\$0	\$1,495,062	\$0	\$299,012	\$0	\$1,196,050	\$0
2014	0	851,417	5.0	0	681,134	0	0	0	170,283	0	510,851
Total				<u>\$0</u>	<u>\$681,134</u>	<u>\$1,495,062</u>	<u>\$0</u>			<u>\$1,196,050</u>	<u>\$510,851</u>
Net difference between projected and actual earnings on investments										\$685,199	



Summary of Amortization of Deferred Outflows and Inflows of Resources (\$ thousands)							
Amortization Year	Actual and Expected Experience		Assumption Changes		Investment Gains/Losses		Total
	2014	2015	2014	2015	2014	2015	
2017	\$0	(\$13,500)	\$0	\$0	(\$170,283)	\$299,012	\$115,229
2018	0	(13,500)	0	0	(170,283)	299,012	115,229
2019	0	(13,500)	0	0	(170,285)	299,012	115,227
2020	0	(13,500)	0	0	0	299,014	285,514
2021	0	(2,700)	0	0	0	0	(2,700)
Thereafter	0	0	0	0	0	0	0
TOTAL	\$0	(\$56,700)	\$0	\$0	(\$510,851)	\$1,196,050	\$628,499



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 (\$ thousands):

Deferred Amounts to be Recognized in Fiscal Years Following the Reporting Date:	
Year 1	\$ 115,229
Year 2	115,229
Year 3	115,227
Year 4	285,514
Year 5	(2,700)
Thereafter	0

Paragraph 80(j): There are no non-employer contributions recognized for the support provided by non-employer contributing entities in TRS.



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 8.00% 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 improvement for existing Plan members, or negative if there is a benefit reduction. For the year ended September 30, 2015, 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, 2015, this number of years for the active members is 10.3. The average expected remaining service life of the inactive members is zero. Therefore, the number of years to use for the amortization is the weighted average for all active and inactive members, or 5.2 years. The amount to be recognized due to actual versus expected experience for the year is (\$13,500,000).

The last item under changes in TPL are changes in actuarial assumptions. There were no changes in assumptions since the last measurement date. If there was a change in TPL due to changes in actuarial assumptions, recognition of the change would also be spread over the average expected remaining service life of the plan membership.

Member contributions for the year and projected earnings on the Fiduciary Net Position (FNP), again 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 amount to be recognized due to investment experience for the year is \$299,012,000.

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



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

Collective Pension Expense Determined as of the Measurement Date (\$ thousands)	
Service Cost at end of year	\$ 660,390
Interest on the TPL and net cash flow	2,421,604
Current-period benefit changes	0
Expensed portion of current-period difference between expected and actual experience in the total pension liability	(13,500)
Expensed portion of current-period changes of assumptions	0
Member contributions	(477,918)
Projected earnings on plan investments	(1,756,523)
Expensed portion of current-period differences between projected and actual earnings on plan investments	299,012
Administrative expense	19,331
Other	(172,990)
Recognition of beginning deferred outflows of resources as pension expense	0
Recognition of beginning deferred inflows of resources as pension expense	<u>(170,283)</u>
Collective Pension Expense	<u>\$ 809,123</u>



SECTION V – REQUIRED SUPPLEMENTARY INFORMATION

Paragraphs 81(a)-(b): CMC was not required to supply this information.

Paragraph 82:

Changes of benefit terms. The member contribution rates were increased from 5.00% (6.00% for certified law enforcement, correctional officers, and firefighters) of earnable compensation to 7.25% (8.25%) of earnable compensation effective October 1, 2011, and to 7.50% (8.50%) of earnable compensation effective October 1, 2012. Members hired on or after January 1, 2013, are covered under a new benefit structure.

Changes of assumptions. 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
Teachers' Retirement System of Alabama
Schedule of Employer Allocations
For the Fiscal Years Ended September 30, 2014 and September 30, 2015
(Dollar Amounts Not in Thousands)

Employer	Employer Code	2015 Employer Contributions	2015 Employer Allocation Percentage
Alabama A&M University	TAMI	\$ 5,296,334	0.717743%
Alabama Association of School Boards	TAAB	120,137	0.016281%
Alabama Education Association	TAEA	762,530	0.103336%
Alabama Fire College	T AFC	278,476	0.037738%
Alabama High School Athletic Association	TAAA	121,485	0.016463%
Alabama Higher Education Partnership	TAHP	26,606	0.003606%
Alabama Industrial Development Training	TIDT	1,068,943	0.144860%
Alabama Institute for Deaf and Blind	TAID	4,038,061	0.547225%
Alabama Retired State Employees Association	TREA	49,465	0.006703%
Alabama School of Fine Arts	THFA	468,332	0.063467%
Alabama Southern Community College	TMOC	833,604	0.112967%
Alabama State Employees Association	TASE	105,993	0.014364%
Alabama State University	TMST	5,689,859	0.771072%
Alabama Technology Network	TATN	535,264	0.072537%
Alabama Vocational Association	TAVA	5,152	0.000698%
Alabaster City School System	TALR	3,529,260	0.478274%
Albertville City Board of Education	TALB	2,542,597	0.344565%
Alexander City Board of Education	TALX	1,728,465	0.234236%
Andalusia City Board of Education	TADL	907,598	0.122995%
Anniston Board of Education	TANN	1,398,942	0.189580%
Arab City Board of Education	TARB	1,496,838	0.202847%
Athens City Board of Education	TATH	2,188,917	0.296635%
Athens State University	TATC	1,803,769	0.244441%
Attalla City Schools	TATT	983,853	0.133329%
Auburn City Board of Education	TAUB	4,662,398	0.631834%
Auburn University	TAPI	44,022,506	5.965792%
Autauga County Board of Education	TATG	4,770,433	0.646474%



SCHEDULE A (continued)

Employer	Employer Code	2015 Employer Contributions	2015 Employer Allocation Percentage
Baldwin County Board of Education	TBLD	17,232,637	2.335313%
Barbour County Schools	TBAR	586,606	0.079495%
Bessemer Board of Education	TBSM	2,350,397	0.318518%
Bevill State Community College	TWCT	1,883,624	0.255263%
Bibb County Board of Education	TBIB	1,914,247	0.259413%
Birmingham City Schools	TBMH	15,181,596	2.057362%
Bishop State Community College	TMJC	1,673,057	0.226727%
Blount County Board of Education	TBLT	4,262,741	0.577673%
Boaz City Board of Education	TBOZ	1,282,031	0.173737%
Brewton City Board of Education	TBWT	672,013	0.091069%
Bullock County Board of Education	TBLK	942,933	0.127783%
Butler County Board of Education	TBLR	1,865,388	0.252792%
Calhoun Community College	TDEC	2,474,621	0.335353%
Calhoun County Board of Education	TCAL	5,221,017	0.707536%
CAPNA, Inc.	TNCA	1,293,768	0.175327%
Central Alabama Community College	TACC	913,437	0.123786%
Chambers County Board of Education	TCHB	2,145,662	0.290773%
Chattahoochee Valley Community College	TCVS	632,137	0.085665%
Cherokee County Board of Education	TCHK	2,341,277	0.317282%
Chickasaw City School System	TCKW	470,545	0.063767%
Chilton County Board of Education	TCHT	3,883,566	0.526289%
Choctaw County Board of Education	TCHW	928,275	0.125797%
Clarke County Board of Education	TCLK	1,747,063	0.236756%
Clay County Board of Education	TCLY	1,118,099	0.151521%
Cleburne County Board of Education	TCLB	1,536,940	0.208281%
Coffee County Board of Education	TCOF	1,072,597	0.145355%
Colbert County Board of Education	TCOL	1,858,261	0.251826%
Community Svc Programs of West Alabama	TCSP	583,481	0.079072%
Conecuh County Board of Education	TCON	1,105,846	0.149861%
Coosa County Board of Education	TCSA	647,251	0.087713%
Council for Leaders in Alabama Schools	TACA	62,950	0.008531%
Covington County Board of Education	TCOV	1,775,371	0.240593%
Crenshaw County Board of Education	TCRW	1,239,140	0.167924%
Cullman City Board of Education	TCMN	1,788,496	0.242371%



SCHEDULE A (continued)

Employer	Employer Code	2015 Employer Contributions	2015 Employer Allocation Percentage
Cullman County Commission on Education	TCUL	5,528,626	0.749222%
Dale County Board of Education	TDAL	1,629,407	0.220812%
Daleville City Board of Education	TDLV	655,209	0.088792%
Dallas County Board of Education	TDLS	2,180,426	0.295485%
Dauphin Island Sea Lab	TMES	471,871	0.063946%
Decatur Board of Education	TDTR	5,616,339	0.761109%
Dekalb County Board of Education	TDKB	4,887,442	0.662331%
Demopolis City Schools	TDPL	1,228,509	0.166484%
Developing Alabama Youth Foundation	TDAY	60,581	0.008210%
Dothan Board of Education	TDTN	5,354,863	0.725674%
Elba City Board of Education	TELB	435,873	0.059068%
Elmore County Board of Education	TELM	5,709,749	0.773767%
Enterprise Board of Education	TENP	3,627,154	0.491541%
Enterprise Ozark Community College	TEPC	888,344	0.120386%
Escambia County Board of Education	TESC	2,672,444	0.362161%
Etowah County Board of Ed	TETH	4,817,936	0.652912%
Etowah County Community Service Program, Inc.	TECA	16,118	0.002184%
Eufaula City Board of Education	TEFL	1,577,492	0.213777%
Fairfield Board of Education	TFRF	1,068,603	0.144814%
Faulkner State Community College	TBMC	1,293,609	0.175306%
Fayette County Board of Education	TFAY	1,372,116	0.185945%
Florence City Board of Education	TFLO	2,851,291	0.386398%
Fort Payne City Board of Education	TFTP	1,624,681	0.220172%
Franklin County Board of Education	TFRK	1,991,037	0.269819%
Gadsden City Board of Education	TGDS	3,189,958	0.432293%
Gadsden State Community College	TGDC	2,607,693	0.353386%
Gardendale Board of Education	TGBE	49,210	0.006669%
Geneva City Board of Education	TGCB	719,290	0.097476%
Geneva County Board of Education	TGEN	1,455,994	0.197312%
George Corley Wallace State Community College	TGWS	959,876	0.130079%
Greene County Board of Education	TGRN	781,342	0.105885%
Guntersville City Board of Education	TGUN	1,172,850	0.158941%
H. Councill Trenholm State Technical College	TMGT	940,057	0.127394%
Hale County Board of Education	THAL	1,560,880	0.211526%



SCHEDULE A (continued)

Employer	Employer Code	2015 Employer Contributions	2015 Employer Allocation Percentage
Haleyville City Board of Education	THAV	981,320	0.132985%
Hartselle City Board of Education	THCS	1,844,398	0.249947%
Henry County Board of Education	THNY	1,385,141	0.187710%
Homewood City Board of Education	THOM	3,074,198	0.416606%
Hoover City Board of Education	THOV	9,769,431	1.323923%
Houston County Board of Education	THST	3,286,211	0.445337%
Huntsville City Schools	THTS	13,611,290	1.844559%
J. F. Drake State Technical College	THVS	576,554	0.078133%
J. F. Ingram State Technical College	TDRT	884,782	0.119903%
Jackson County Board of Education	TJKS	3,482,197	0.471896%
Jacksonville City Board of Education	TJCS	863,976	0.117083%
Jacksonville State University	TJST	5,434,293	0.736438%
Jasper City Board of Education	TJSP	1,742,058	0.236078%
Jeff Davis Community College	TBRC	539,513	0.073113%
Jefferson County American Federation of Teachers	TJFT	25,034	0.003393%
Jefferson County Board of Education	TJEF	21,509,101	2.914846%
Jefferson State Community College	TJJC	2,404,052	0.325790%
Lamar County Schools	TLAM	1,272,286	0.172416%
Lanett City Schools	TLNT	534,476	0.072431%
Lauderdale County Board of Ed	TLAU	4,600,301	0.623418%
Law Enforcement Academy--Baldwin County	TSWP	12,349	0.001673%
Law Enforcement Academy--Tuscaloosa	TLET	12,403	0.001681%
Lawrence County Board of Education	TLAW	2,869,443	0.388858%
Lawson State College	TLSC	1,536,324	0.208198%
Lee County Board of Education	TL EE	5,756,632	0.780121%
Leeds Board of Education, City of	TLDS	1,031,466	0.139781%
Limestone County Board of Education	TLST	5,185,762	0.702758%
Linden City Board of Education	TLND	310,153	0.042031%
Lowndes County Board of Education	TLDN	1,331,848	0.180488%
Lurleen B. Wallace Community College	TLUR	901,292	0.122140%
Macon County Board of Education	TMAC	1,465,440	0.198592%
Madison City Board of Education	TMDC	5,535,470	0.750150%
Madison County Board of Education	TMAD	11,164,625	1.512995%
Marengo County Board of Education	TMNG	700,067	0.094871%



SCHEDULE A (continued)

Employer	Employer Code	2015 Employer Contributions	2015 Employer Allocation Percentage
Marion County Board of Education	TMAR	1,893,724	0.256631%
Marion Military Institute	TMMI	578,221	0.078359%
Marshall County Board of Education	TMSH	3,295,687	0.446621%
Midfield City Board of Education	TMID	676,027	0.091613%
Mobile School Commissioners	TMOB	32,563,651	4.412924%
Monroe County Board of Education	TMON	2,040,225	0.276485%
Montgomery City and County Board of Education	TMTG	17,322,326	2.347467%
Morgan County Board of Education	TMOR	4,595,630	0.622785%
Mountain Brook City Board of Education	TMTB	3,724,921	0.504790%
Muscle Shoals City Schools	TMSC	1,728,945	0.234301%
Northeast Alabama Community College	TNEC	951,734	0.128976%
Northwest Shoals Community College	TNWC	1,467,169	0.198826%
Oneonta City Board of Education	TONE	741,023	0.100421%
Opelika City Board of Education	TOPK	2,746,679	0.372221%
Opp City Board of Education	TOPP	744,357	0.100873%
Organized Community Action Program Inc	TOCA	433,616	0.058762%
Oxford City Schools	TOXF	2,469,911	0.334715%
Ozark City Board of Education	TOZK	1,310,508	0.177596%
Pelham City Board of Education	TPLS	1,812,969	0.245688%
Pell City School System	TPEL	2,240,717	0.303655%
Perry County Board of Education	TPRY	977,886	0.132520%
Phenix City Board of Education	TPHC	3,795,038	0.514292%
Pickens County Board of Education	TPKS	1,546,843	0.209623%
Piedmont City Schools	TPMT	684,829	0.092806%
Pike County Board of Education	TPIK	1,360,740	0.184403%
Pike Road City Schools	TPRB	359,985	0.048784%
Randolph County Board of Education	TRAN	1,267,746	0.171801%
Reid State Technical College	TEVN	448,779	0.060817%
Roanoke City Schools	TROK	787,505	0.106720%
Russell County Board of Education	TRUS	1,941,363	0.263087%
Russellville City Board of Education	TRSV	1,509,915	0.204619%
Saraland Board of Education	TSAR	1,346,743	0.182506%
Satsuma City Schools	TSTM	635,943	0.086181%
School Superintendents of Alabama	TSAL	34,977	0.004740%



SCHEDULE A (continued)

Employer	Employer Code	2015 Employer Contributions	2015 Employer Allocation Percentage
Scottsboro Board of Education	TSCO	1,630,345	0.220939%
Selma Public Schools	TSMA	2,205,334	0.298860%
Sheffield City Board of Education	TSHF	770,470	0.104412%
Shelby County Board of Education	TSBY	12,546,670	1.700285%
Shelton State Community College	TTVS	2,018,031	0.273477%
Snead State Community College	TSJC	741,667	0.100508%
Southern Union State Community College	TSUC	1,453,303	0.196947%
Special Programming for Achievement Network	TBSC	249,255	0.033778%
St. Clair County Board of Education	TSTC	4,674,963	0.633536%
State of Alabama--Commission on Higher Education	TCHE	238,184	0.032278%
State of Alabama--Department of Rehab Services	TDRS	4,290,016	0.581369%
State of Alabama--Department of Post-Secondary Ed	TPSE	513,700	0.069615%
State of Alabama--Department of Youth Services	TDYS	2,031,067	0.275244%
State of Alabama--High School of Math & Science	THMS	283,803	0.038460%
State of Alabama--PEEHIP	TPHP	227,958	0.030892%
State of Alabama--State Board of Education	TSBE	5,493,133	0.744412%
State of Alabama--Teachers Retirement System	TTRS	1,331,992	0.180507%
Sumter County Board of Education	TSUM	1,082,944	0.146757%
Sylacauga City Board of Education	TSYL	1,404,486	0.190331%
Talladega City Board of Education	TTAL	1,170,567	0.158632%
Talladega County Board of Education	TTDG	4,316,620	0.584975%
Tallapoosa County Board of Education	TTPS	1,650,559	0.223679%
Tallassee City Board of Education	TTAS	1,041,412	0.141129%
Tarrant Board of Education	TTAR	736,600	0.099822%
Thomasville City Schools	TTOM	811,319	0.109947%
Troy City Board of Education	TTRY	1,181,696	0.160140%
Troy University	TTST	10,736,418	1.454966%
Trussville City Board of Education	TTCB	2,590,022	0.350992%
Tuscaloosa City Schools	TTUS	6,601,842	0.894661%
Tuscaloosa County Schools	TTLS	9,486,189	1.285539%
Tuscumbia City Board of Education	TTSC	871,577	0.118113%
University Chancellor's Office	TUCO	1,131,698	0.153364%
University of Alabama	TUVA	40,388,015	5.473257%
University of Alabama--Birmingham	TUMC	87,932,772	11.916376%



SCHEDULE A (continued)

Employer	Employer Code	2015 Employer Contributions	2015 Employer Allocation Percentage
University of Alabama--Huntsville	TUAH	11,308,770	1.532529%
University of Montevallo	TALC	2,929,850	0.397044%
University of North Alabama	TFST	4,722,477	0.639975%
University of South Alabama	TUSA	23,506,083	3.185471%
University of West Alabama	TLVC	2,555,105	0.346260%
Vestavia Hills Board of Education	TVES	4,770,874	0.646534%
Walker County Board of Education	TWLK	4,564,808	0.618608%
Wallace Community College--Dothan	TGWD	1,885,205	0.255477%
Wallace State College--Hanceville	TCUT	1,916,108	0.259665%
Washington County Board of Education	TWSH	1,656,125	0.224433%
Wilcox County Board of Education	TWIL	1,151,193	0.156006%
Winfield City Board of Education	TWFD	713,331	0.096668%
Winston Education Board	TWIN	<u>1,611,006</u>	<u>0.218319%</u>
	Total	\$ <u>737,915,537</u>	<u>100.000000%</u>



SCHEDULE B

**Teachers' Retirement System of Alabama
Schedule of Pension Amounts by Employer**

**As of and for the Fiscal Year Ended September 30, 2016 with Net Pension Liability as of September 30, 2015
(Dollar Amounts in Thousands)**

Employer	Employer Code	2015 Net Pension Liability	Deferred Outflows of Resources				Deferred Inflows of Resources				Pension Expense			
			Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Earnings on Pension Plan Investments	Change of Assumptions	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Resources	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 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 Resources	Total Employer Pension Expense
Alabama A&M University	TAMI	\$ 75,117	\$ -	\$ 4,918	\$ -	\$ -	\$ 4,918	\$ 407	\$ -	\$ 396	\$ 803	\$ 5,807	\$ (103)	\$ 5,704
Alabama Association of School Boards	TAAB	1,704	-	112	-	151	263	9	-	-	9	131	37	168
Alabama Education Association	TAEA	10,815	-	708	-	301	1,009	59	-	380	439	836	1	837
Alabama Fire College	T AFC	3,950	-	259	-	-	259	21	-	145	166	305	(42)	263
Alabama High School Athletic Association	TAAA	1,723	-	113	-	124	237	9	-	-	9	132	34	166
Alabama Higher Education Partnership	TAHP	377	-	25	-	10	35	2	-	14	16	28	(3)	25
Alabama Industrial Development Training	TIDT	15,161	-	993	-	411	1,404	82	-	-	82	1,172	115	1,287
Alabama Institute for Deaf and Blind	TAID	57,271	-	3,750	-	861	4,611	310	-	-	310	4,428	242	4,670
Alabama Retired State Employees Association	TREA	702	-	46	-	55	101	4	-	7	11	54	11	65
Alabama School of Fine Arts	THFA	6,642	-	435	-	199	634	36	-	1	37	513	47	560
Alabama Southern Community College	TMOC	11,823	-	774	-	113	887	64	-	57	121	914	10	924
Alabama State Employees Association	TASE	1,503	-	98	-	12	110	8	-	-	8	116	3	119
Alabama State University	TMST	80,698	-	5,283	-	1,718	7,001	437	-	3,085	3,522	6,239	(214)	6,025
Alabama Technology Network	TATN	7,591	-	497	-	-	497	41	-	535	576	586	(144)	442
Alabama Vocational Association	TAVA	73	-	5	-	-	5	-	-	4	4	5	(1)	4
Alabaster City School System	TALR	50,055	-	3,277	-	2,320	5,597	271	-	5,160	5,431	3,870	(1,012)	2,858
Albertville City Board of Education	TALB	36,061	-	2,361	-	2,286	4,647	195	-	-	195	2,788	606	3,394
Alexander City Board of Education	TALX	24,514	-	1,605	-	88	1,693	133	-	6	139	1,896	26	1,922
Andalusia City Board of Education	TADL	12,872	-	843	-	75	918	70	-	162	232	994	(15)	979
Anniston Board of Education	TANN	19,841	-	1,299	-	267	1,566	107	-	-	107	1,533	70	1,603
Arab City Board of Education	TARB	21,229	-	1,390	-	1,111	2,501	115	-	-	115	1,640	298	1,938
Athens City Board of Education	TATH	31,045	-	2,033	-	868	2,901	168	-	-	168	2,400	234	2,634
Athens State University	TATC	25,582	-	1,675	-	-	1,675	139	-	954	1,093	1,978	(272)	1,706
Attalla City Schools	TATT	13,954	-	914	-	401	1,315	76	-	-	76	1,079	112	1,191
Auburn City Board of Education	TAUB	66,126	-	4,329	-	3,083	7,412	358	-	-	358	5,113	837	5,950
Auburn University	TAPI	624,361	-	40,878	-	21,432	62,310	3,383	-	-	3,383	48,271	5,430	53,701
Autauga County Board of Education	TATG	67,658	-	4,430	-	31	4,461	367	-	153	520	5,232	(26)	5,206
Baldwin County Board of Education	TBLD	244,407	-	16,002	-	13,350	29,352	1,324	-	-	1,324	18,895	3,560	22,455
Barbour County Schools	TBAR	8,320	-	545	-	-	545	45	-	595	640	643	(151)	492
Bessemer Board of Education	TBSM	33,335	-	2,182	-	-	2,182	181	-	670	851	2,577	(177)	2,400
Bevill State Community College	TWCT	26,715	-	1,749	-	-	1,749	145	-	897	1,042	2,065	(239)	1,826
Bibb County Board of Education	TBIB	27,149	-	1,777	-	518	2,295	147	-	343	490	2,099	19	2,118
Birmingham City Schools	TBMH	215,317	-	14,097	-	384	14,481	1,167	-	3,787	4,954	16,648	(1,056)	15,592
Bishop State Community College	TMJC	23,729	-	1,554	-	-	1,554	129	-	1,066	1,195	1,835	(277)	1,558
Blount County Board of Education	TBLT	60,457	-	3,958	-	141	4,099	328	-	56	384	4,674	29	4,703
Boaz City Board of Education	TBOZ	18,183	-	1,190	-	110	1,300	99	-	-	99	1,408	32	1,440
Brewton City Board of Education	TBWT	9,531	-	624	-	-	624	52	-	201	253	738	(54)	684
Bullock County Board of Education	TBLK	13,373	-	876	-	-	876	72	-	138	210	1,033	(37)	996
Butler County Board of Education	TBLR	26,456	-	1,732	-	579	2,311	143	-	537	680	2,045	(25)	2,020



SCHEDULE B (continued)

Employer	Employer Code	2015 Net Pension Liability	Deferred Outflows of Resources					Deferred Inflows of Resources				Pension Expense		
			Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on Pension Plan	Change of Assumptions	Changes in Proportion and Differences Between Employer Contributions and Share of Resources	Total Deferred Outflows of Resources	Differences Between Expected and Actual Experience	Change of Assumptions	Changes in Proportion and Differences Between Employer Contributions and Share of Resources	Total Deferred Inflows of Resources	Proportionate Share of Plan Pension Expense	Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Share of Resources	Total Employer Pension Expense
Calhoun Community College	TDEC	35,097	-	2,298	-	920	3,218	190	-	263	453	2,714	139	2,853
Calhoun County Board of Education	TCAL	74,049	-	4,848	-	968	5,816	401	-	238	639	5,725	158	5,883
CAPNA, Inc.	TNCA	18,349	-	1,201	-	4,300	5,501	99	-	-	99	1,418	1,197	2,615
Central Alabama Community College	TACC	12,955	-	848	-	267	1,115	70	-	609	679	1,002	(122)	880
Chambers County Board of Education	TCHB	30,431	-	1,992	-	353	2,345	165	-	262	427	2,353	45	2,398
Chattahoochee Valley Community College	TCVS	8,965	-	587	-	27	614	49	-	58	107	694	(11)	683
Cherokee County Board of Education	TCHK	33,206	-	2,174	-	34	2,208	180	-	124	304	2,567	(19)	2,548
Chickasaw City School System	TCKW	6,674	-	437	-	563	1,000	36	-	-	36	516	167	683
Chilton County Board of Education	TCHT	55,080	-	3,606	-	177	3,783	298	-	-	298	4,258	43	4,301
Choctaw County Board of Education	TCHW	13,166	-	862	-	-	862	71	-	395	466	1,018	(109)	909
Clarke County Board of Education	TCLK	24,778	-	1,622	-	-	1,622	134	-	1,019	1,153	1,915	(249)	1,666
Clay County Board of Education	TCLY	15,858	-	1,038	-	123	1,161	86	-	-	86	1,227	36	1,263
Cleburne County Board of Education	TCLB	21,798	-	1,427	-	685	2,112	118	-	-	118	1,685	198	1,883
Coffee County Board of Education	TCOF	15,212	-	996	-	460	1,456	82	-	-	82	1,175	116	1,291
Colbert County Board of Education	TCOL	26,355	-	1,726	-	-	1,726	143	-	588	731	2,038	(153)	1,885
Community Svc Programs of West Alabama	TCSP	8,275	-	542	-	-	542	45	-	416	461	639	(121)	518
Conecuh County Board of Education	TCON	15,684	-	1,027	-	-	1,027	85	-	366	451	1,212	(94)	1,118
Coosa County Board of Education	TCSA	9,180	-	601	-	-	601	50	-	679	729	711	(189)	522
Council for Leaders in Alabama Schools	TACA	893	-	58	-	14	72	5	-	2	7	70	3	73
Covington County Board of Education	TCOV	25,180	-	1,649	-	205	1,854	136	-	12	148	1,946	45	1,991
Crenshaw County Board of Education	TCRW	17,574	-	1,151	-	-	1,151	95	-	91	186	1,358	(24)	1,334
Cullman City Board of Education	TCMN	25,366	-	1,661	-	457	2,118	137	-	-	137	1,961	120	2,081
Cullman County Commission on Education	TCUL	78,411	-	5,134	-	1,386	6,520	425	-	-	425	6,062	377	6,439
Dale County Board of Education	TDAL	23,109	-	1,513	-	361	1,874	125	-	-	125	1,786	102	1,888
Daleville City Board of Education	TDLV	9,293	-	608	-	51	659	50	-	199	249	719	(33)	686
Dallas County Board of Education	TDLS	30,925	-	2,025	-	-	2,025	168	-	773	941	2,391	(203)	2,188
Dauphin Island Sea Lab	TMES	6,692	-	438	-	86	524	36	-	246	282	517	(33)	484
Decatur Board of Education	TDTR	79,655	-	5,215	-	-	5,215	432	-	2,399	2,831	6,159	(600)	5,559
Dekalb County Board of Education	TDKB	69,317	-	4,538	-	1,112	5,650	376	-	-	376	5,360	297	5,657
Demopolis City Schools	TDPL	17,424	-	1,141	-	178	1,319	94	-	-	94	1,347	52	1,399
Developing Alabama Youth Foundation	TDAY	859	-	56	-	130	186	5	-	-	5	67	39	106
Dothan Board of Education	TDTN	75,947	-	4,972	-	2,047	7,019	411	-	-	411	5,872	539	6,411
Elba City Board of Education	TELB	6,182	-	405	-	-	405	33	-	254	287	478	(72)	406
Elmore County Board of Education	TELM	80,980	-	5,302	-	292	5,594	439	-	370	809	6,262	1	6,263
Enterprise Board of Education	TENP	51,443	-	3,368	-	1,029	4,397	279	-	-	279	3,978	294	4,272
Enterprise Ozark Community College	TEPC	12,599	-	825	-	-	825	68	-	2,738	2,806	973	(714)	259
Escambia County Board of Education	TESC	37,903	-	2,482	-	-	2,482	205	-	198	403	2,929	(49)	2,880
Etowah County Board of Ed	TETH	68,332	-	4,474	-	40	4,514	370	-	388	758	5,283	(80)	5,203
Etowah County Community Service Program, Inc.	TECA	229	-	15	-	-	15	1	-	91	92	18	(23)	(5)
Eufaula City Board of Education	TEFL	22,373	-	1,465	-	156	1,621	121	-	187	308	1,729	4	1,733
Fairfield Board of Education	TFRF	15,156	-	992	-	361	1,353	82	-	73	155	1,172	64	1,236
Faulkner State Community College	TBMC	18,347	-	1,201	-	93	1,294	99	-	79	178	1,418	9	1,427
Fayette County Board of Education	TFAY	19,460	-	1,274	-	87	1,361	105	-	491	596	1,504	(91)	1,413
Florence City Board of Education	TFLO	40,439	-	2,648	-	328	2,976	219	-	596	815	3,125	(102)	3,023
Fort Payne City Board of Education	TFTP	23,043	-	1,509	-	441	1,950	125	-	-	125	1,781	119	1,900
Franklin County Board of Education	TFRK	28,238	-	1,849	-	633	2,482	153	-	-	153	2,182	170	2,352
Gadsden City Board of Education	TGDS	45,242	-	2,962	-	692	3,654	245	-	-	245	3,498	196	3,694
Gadsden State Community College	TGDC	36,984	-	2,421	-	-	2,421	200	-	2,336	2,536	2,859	(619)	2,240



SCHEDULE B (continued)

Employer	Employer Code	2015 Net Pension Liability	Deferred Outflows of Resources					Deferred Inflows of Resources				Pension Expense		
			Differences Between Expected and Actual Experience	Investment Earnings on Pension Plan	Change of Assumptions	Net Difference Between Projected and Actual Contributions and Proportionate Share of	Changes in Proportion and Differences Between Employer Contributions and 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	Total Deferred Inflows of Resources	Proportionate Share of Plan Pension Expense	Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Total Employer Pension Expense	Total Employer Pension Expense
Gardendale Board of Education	TGBE	698	-	46	-	380	426	4	-	-	4	54	115	169
Geneva City Board of Education	TGCB	10,202	-	668	-	119	787	55	-	-	55	789	36	825
Geneva County Board of Education	TGEN	20,650	-	1,352	-	793	2,145	112	-	-	112	1,596	216	1,812
George Corley Wallace State Community College	TGWS	13,614	-	891	-	186	1,077	74	-	650	724	1,054	(98)	956
Greene County Board of Education	TGRN	11,082	-	726	-	-	726	60	-	539	599	857	(139)	718
Guntersville City Board of Education	TGUN	16,634	-	1,089	-	380	1,469	90	-	-	90	1,285	96	1,381
H. Council Trenholm State Technical College	TMGT	13,333	-	873	-	-	873	72	-	948	1,020	1,031	(254)	777
Hale County Board of Education	THAL	22,138	-	1,449	-	14	1,463	120	-	117	237	1,712	(23)	1,689
Haleyville City Board of Education	THAV	13,918	-	911	-	19	930	75	-	40	115	1,076	(8)	1,068
Hartselle City Board of Education	THCS	26,159	-	1,713	-	497	2,210	142	-	-	142	2,023	147	2,170
Henry County Board of Education	THNY	19,645	-	1,286	-	29	1,315	106	-	102	208	1,518	(16)	1,502
Homewood City Board of Education	THOM	43,601	-	2,855	-	434	3,289	236	-	953	1,189	3,370	(95)	3,275
Hoover City Board of Education	THOV	138,558	-	9,072	-	1,075	10,147	751	-	392	1,143	10,712	232	10,944
Houston County Board of Education	THST	46,608	-	3,051	-	544	3,595	253	-	-	253	3,605	147	3,752
Huntsville City Schools	THTS	193,046	-	12,639	-	-	12,639	1,046	-	1,931	2,977	14,925	(483)	14,442
J. F. Drake State Technical College	THVS	8,177	-	535	-	244	779	44	-	-	44	632	66	698
J. F. Ingram State Technical College	TDRT	12,549	-	822	-	412	1,234	68	-	733	801	969	(50)	919
Jackson County Board of Education	TJKS	49,387	-	3,233	-	77	3,310	268	-	196	464	3,819	(23)	3,796
Jacksonville City Board of Education	TJCS	12,254	-	802	-	121	923	66	-	-	66	949	33	982
Jacksonville State University	TJST	77,073	-	5,046	-	309	5,355	418	-	16	434	5,959	68	6,027
Jasper City Board of Education	TJSP	24,707	-	1,618	-	127	1,745	134	-	114	248	1,909	(5)	1,904
Jeff Davis Community College	TBRC	7,652	-	501	-	-	501	41	-	677	718	591	(196)	395
Jefferson County American Federation of Teachers	TJFT	355	-	23	-	41	64	2	-	2	4	28	13	41
Jefferson County Board of Education	TJEF	305,059	-	19,972	-	814	20,786	1,653	-	-	1,653	23,586	198	23,784
Jefferson State Community College	TJJC	34,096	-	2,232	-	12	2,244	185	-	368	553	2,636	(109)	2,527
Lamar County Schools	TLAM	18,045	-	1,181	-	158	1,339	98	-	-	98	1,397	42	1,439
Lanett City Schools	TLNT	7,580	-	496	-	342	838	41	-	-	41	586	93	679
Lauderdale County Board of Ed	TLAU	65,245	-	4,272	-	350	4,622	353	-	-	353	5,044	95	5,139
Law Enforcement Academy--Baldwin County	TSWP	175	-	11	-	74	85	1	-	19	20	14	18	32
Law Enforcement Academy--Tuscaloosa	TLET	176	-	12	-	-	12	1	-	133	134	13	(39)	(26)
Lawrence County Board of Education	TLAW	40,697	-	2,664	-	138	2,802	220	-	1,117	1,337	3,146	(224)	2,922
Lawson State College	TLSC	21,789	-	1,427	-	-	1,427	118	-	885	1,003	1,684	(268)	1,416
Lee County Board of Education	TLEE	81,645	-	5,345	-	2,847	8,192	442	-	-	442	6,311	756	7,067
Leeds Board of Education, City of	TLDS	14,629	-	958	-	773	1,731	79	-	-	79	1,131	217	1,348
Limestone County Board of Education	TLST	73,548	-	4,815	-	3,588	8,403	398	-	-	398	5,685	912	6,597
Linden City Board of Education	TLND	4,399	-	288	-	34	322	24	-	66	90	341	(5)	336
Lowndes County Board of Education	TLDN	18,889	-	1,237	-	-	1,237	102	-	1,051	1,153	1,459	(317)	1,142
Lurleen B. Wallace Community College	TLUR	12,783	-	837	-	186	1,023	69	-	176	245	988	(9)	979
Macon County Board of Education	TMAC	20,784	-	1,361	-	-	1,361	113	-	514	627	1,607	(145)	1,462
Madison City Board of Education	TMDC	78,508	-	5,140	-	2,455	7,595	425	-	-	425	6,068	625	6,693
Madison County Board of Education	TMAD	158,345	-	10,367	-	409	10,776	858	-	-	858	12,241	100	12,341
Marengo County Board of Education	TMNG	9,929	-	650	-	-	650	54	-	1,339	1,393	768	(360)	408
Marion County Board of Education	TMAR	26,858	-	1,758	-	13	1,771	146	-	432	578	2,077	(128)	1,949
Marion Military Institute	TMMI	8,201	-	537	-	600	1,137	44	-	-	44	633	154	787
Marshall County Board of Education	TMSH	46,742	-	3,060	-	-	3,060	253	-	472	725	3,613	(129)	3,484
Midfield City Board of Education	TMID	9,588	-	628	-	-	628	52	-	241	293	741	(72)	669
Mobile School Commissioners	TMOB	461,843	-	30,237	-	-	30,237	2,502	-	2,789	5,291	35,706	(741)	34,965
Monroe County Board of Education	TMON	28,936	-	1,894	-	7	1,901	157	-	224	381	2,238	(66)	2,172



SCHEDULE B (continued)

Employer	Employer Code	2015 Net Pension Liability	Deferred Outflows of Resources					Deferred Inflows of Resources				Pension Expense		
			Differences Between Expected and Actual Experience	Investment Earnings on Pension Plan	Change of Assumptions	Net Difference Between Projected and Actual Contributions and Proportionate Share of Resources	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Resources	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 Resources	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 Resources
Montgomery City and County Board of Education	TMTG	245,679	-	16,085	-	1,447	17,532	1,331	-	806	2,137	18,995	100	19,095
Morgan County Board of Education	TMOR	65,179	-	4,267	-	670	4,937	353	-	353	5,040	185	5,225	
Mountain Brook City Board of Education	TMTB	52,830	-	3,459	-	1,021	4,480	286	-	286	4,084	260	4,344	
Muscle Shoals City Schools	TMSC	24,521	-	1,605	-	877	2,482	133	-	133	1,896	237	2,133	
Northeast Alabama Community College	TNEC	13,498	-	884	-	160	1,044	73	-	228	301	1,043	(6)	1,037
Northwest Shoals Community College	TNWC	20,809	-	1,362	-	57	1,419	113	-	435	548	1,611	(86)	1,525
Oneonta City Board of Education	TONE	10,510	-	688	-	69	757	57	-	74	131	813	(5)	808
Opelika City Board of Education	TOPK	38,955	-	2,550	-	95	2,645	211	-	41	252	3,012	11	3,023
Opp City Board of Education	TOPP	10,557	-	691	-	121	812	57	-	57	816	36	852	
Organized Community Action Program Inc	TOCA	6,150	-	403	-	491	894	33	-	33	475	123	598	
Oxford City Schools	TOXF	35,030	-	2,293	-	226	2,519	190	-	190	2,709	66	2,775	
Ozark City Board of Education	TOZK	18,587	-	1,217	-	193	1,410	101	-	851	952	1,437	(145)	1,292
Pelham City Board of Education	TPLS	25,713	-	1,683	-	14,073	15,756	139	-	76	215	1,988	4,246	6,234
Pell City School System	TPEL	31,780	-	2,081	-	97	2,178	172	-	132	304	2,457	(2)	2,455
Perry County Board of Education	TPRY	13,869	-	908	-	-	908	75	-	903	978	1,072	(234)	838
Phenix City Board of Education	TPHC	53,824	-	3,524	-	1,459	4,983	292	-	292	4,162	388	4,550	
Pickens County Board of Education	TPKS	21,938	-	1,436	-	-	1,436	119	-	714	833	1,696	(204)	1,492
Piedmont City Schools	TPMT	9,713	-	636	-	463	1,099	53	-	53	752	124	876	
Pike County Board of Education	TPIK	19,299	-	1,264	-	10	1,274	105	-	74	179	1,492	(20)	1,472
Pike Road City Schools	TPRB	5,106	-	334	-	3,562	3,896	28	-	28	396	859	1,255	
Randolph County Board of Education	TRAN	17,980	-	1,177	-	61	1,238	97	-	167	264	1,390	(35)	1,355
Reid State Technical College	TEVN	6,365	-	417	-	131	548	34	-	352	386	492	(45)	447
Roanoke City Schools	TROK	11,169	-	731	-	134	865	61	-	61	864	38	902	
Russell County Board of Education	TRUS	27,534	-	1,803	-	867	2,670	149	-	149	2,129	232	2,361	
Russellville City Board of Education	TRSV	21,415	-	1,402	-	590	1,992	116	-	116	1,655	159	1,814	
Saraland Board of Education	TSAR	19,101	-	1,251	-	1,949	3,200	103	-	103	1,476	547	2,023	
Satsuma City Schools	TSTM	9,019	-	591	-	428	1,019	49	-	113	162	697	103	800
School Superintendents of Alabama	TSAL	496	-	32	-	84	116	3	-	3	39	21	60	
Scottsboro Board of Education	TSCO	23,123	-	1,514	-	378	1,892	125	-	125	1,788	96	1,884	
Selma Public Schools	T SMA	31,278	-	2,048	-	955	3,003	169	-	140	309	2,417	184	2,601
Sheffield City Board of Education	TSHF	10,927	-	715	-	140	855	59	-	54	113	845	17	862
Shelby County Board of Education	TSBY	177,947	-	11,650	-	-	11,650	964	-	34,054	35,018	13,759	(9,470)	4,289
Shelton State Community College	TTVS	28,621	-	1,874	-	-	1,874	155	-	364	519	2,212	(108)	2,104
Snead State Community College	TSJC	10,519	-	689	-	65	754	57	-	13	70	812	12	824
Southern Union State Community College	TSUC	20,612	-	1,349	-	5	1,354	112	-	273	385	1,595	(82)	1,513
Special Programming for Achievement Network	TBSC	3,535	-	231	-	148	379	19	-	121	140	273	(2)	271
St. Clair County Board of Education	TSTC	66,304	-	4,341	-	1,288	5,629	359	-	359	5,126	376	5,502	
State of Alabama--Commission on Higher Education	TCHE	3,378	-	221	-	236	457	18	-	5	23	261	70	331
State of Alabama--Department of Rehab Services	TDRS	60,844	-	3,984	-	2,626	6,610	330	-	2,450	2,780	4,703	213	4,916
State of Alabama--Department of Post-Secondary Ed	TPSE	7,286	-	477	-	362	839	39	-	481	520	564	(59)	505
State of Alabama--Department of Youth Services	TDYS	28,806	-	1,886	-	-	1,886	156	-	3,399	3,555	2,226	(858)	1,368
State of Alabama--High School of Math & Science	THMS	4,025	-	264	-	301	565	22	-	225	247	311	38	349
State of Alabama--PEEHIP	TPHP	3,233	-	212	-	333	545	18	-	-	18	251	82	333
State of Alabama--State Board of Education	TSBE	77,908	-	5,101	-	4,298	9,399	422	-	1,724	2,146	6,023	892	6,915
State of Alabama--Teachers Retirement System	TTRS	18,891	-	1,237	-	1,312	2,549	102	-	198	300	1,460	351	1,811
Sumter County Board of Education	TSUM	15,359	-	1,006	-	-	1,006	83	-	1,029	1,112	1,187	(282)	905
Sylacauga City Board of Education	TSYL	19,919	-	1,304	-	317	1,621	108	-	-	108	1,540	81	1,621
Talladega City Board of Education	TTAL	16,602	-	1,087	-	-	1,087	90	-	1,957	2,047	1,284	(474)	810



SCHEDULE B (continued)

Employer	Employer Code	2015 Net Pension Liability	Deferred Outflows of Resources					Deferred Inflows of Resources				Pension Expense		
			Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Earnings on Investment Plan	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
Talladega County Board of Education	TTDG	61,222	-	4,008	-	-	4,008	332	-	95	427	4,735	(29)	4,706
Tallapoosa County Board of Education	TTPS	23,410	-	1,533	-	200	1,733	127	-	445	572	1,810	(45)	1,765
Tallassee City Board of Education	TTAS	14,770	-	967	-	364	1,331	80	-	-	80	1,142	98	1,240
Tarrant Board of Education	TTAR	10,447	-	684	-	290	974	57	-	213	270	808	4	812
Thomasville City Schools	TTOM	11,507	-	753	-	57	810	62	-	-	62	890	17	907
Troy City Board of Education	TTRY	16,760	-	1,097	-	-	1,097	91	-	1,010	1,101	1,296	(259)	1,037
Troy University	TTST	152,272	-	9,969	-	703	10,672	825	-	1,602	2,427	11,773	(318)	11,455
Trussville City Board of Education	TTCB	36,734	-	2,405	-	724	3,129	199	-	-	199	2,840	195	3,035
Tuscaloosa City Schools	TTUS	93,632	-	6,130	-	875	7,005	507	-	1,428	1,935	7,238	(75)	7,163
Tuscaloosa County Schools	TTLS	134,540	-	8,809	-	3,980	12,789	729	-	-	729	10,401	1,075	11,476
Tuscumbia City Board of Education	TTSC	12,361	-	809	-	209	1,018	67	-	-	67	955	53	1,008
University Chancellor's Office	TUCO	16,051	-	1,051	-	879	1,930	87	-	277	364	1,241	125	1,366
University of Alabama	TUVA	572,814	-	37,503	-	31,777	69,280	3,103	-	-	3,103	44,285	8,210	52,495
University of Alabama--Birmingham	TUMC	1,247,128	-	81,647	-	-	81,647	6,762	-	45,013	51,775	96,423	(12,252)	84,171
University of Alabama--Huntsville	TUAH	160,390	-	10,501	-	4,873	15,374	869	-	6,094	6,963	12,399	25	12,424
University of Montevallo	TALC	41,553	-	2,721	-	2,013	4,734	225	-	-	225	3,212	526	3,738
University of North Alabama	TFST	66,978	-	4,385	-	2,193	6,578	363	-	-	363	5,179	557	5,736
University of South Alabama	TUSA	333,381	-	21,827	-	-	21,827	1,806	-	20,962	22,768	25,774	(5,658)	20,116
University of West Alabama	TLVC	36,238	-	2,373	-	1,638	4,011	196	-	-	196	2,801	491	3,292
Vestavia Hills Board of Education	TVES	67,664	-	4,430	-	1,714	6,144	367	-	-	367	5,231	496	5,727
Walker County Board of Education	TWLK	64,742	-	4,239	-	-	4,239	351	-	1,129	1,480	5,005	(274)	4,731
Wallace Community College--Dothan	TGWD	26,737	-	1,751	-	886	2,637	145	-	-	145	2,066	225	2,291
Wallace State College--Hanceville	TCUT	27,176	-	1,779	-	86	1,865	147	-	91	238	2,101	(6)	2,095
Washington County Board of Education	TWSH	23,488	-	1,538	-	-	1,538	127	-	1,138	1,265	1,814	(301)	1,513
Wilcox County Board of Education	TWIL	16,327	-	1,069	-	-	1,069	88	-	381	469	1,262	(92)	1,170
Winfield City Board of Education	TWFD	10,117	-	662	-	187	849	55	-	-	55	783	53	836
Winston Education Board	TWIN	22,849	-	1,496	-	221	1,717	124	-	168	292	1,767	27	1,794
Total for All Entities		\$ 10,465,687	\$ -	\$ 685,199	\$ -	\$ 184,624	\$ 869,823	\$ 56,700	\$ -	\$ 184,624	\$ 241,324	\$ 809,123	\$ -	\$ 809,123



SCHEDULE C

**Teachers' Retirement System of Alabama
 Schedule of Discount Rate Sensitivity, Amortization of Deferred Outflows/(Inflows) and Employer Contribution
 As of and for the Fiscal Year Ending September 30, 2016
 (Dollar Amounts in Thousands)**

Employer	Employer Code	NPL @ Minus 1% (7.00%)	NPL @ Plus 1% (9.00%)	Projected Deferred Outflows/(Inflows) To Be Recognized in Pension Expense for the Fiscal Year Ended September 30						2014 Actual Employer Contributions
				2017	2018	2019	2020	2021	Thereafter	
Alabama A&M University	TAMI	\$ 99,374	\$ 54,543	\$ 724	\$ 724	\$ 724	\$ 1,974	\$ (31)	\$ -	\$ 5,296
Alabama Association of School Boards	TAAB	2,254	1,237	56	56	56	80	6	-	120
Alabama Education Association	TAEA	14,307	7,853	120	120	120	229	(19)	-	763
Alabama Fire College	T AFC	5,225	2,868	1	1	1	91	(1)	-	278
Alabama High School Athletic Association	TAAA	2,279	1,251	53	53	53	68	1	-	121
Alabama Higher Education Partnership	TAHP	499	274	1	1	1	13	3	-	27
Alabama Industrial Development Training	TIDT	20,056	11,008	282	282	282	473	3	-	1,069
Alabama Institute for Deaf and Blind	TAID	75,765	41,585	873	873	873	1,685	(3)	-	4,038
Alabama Retired State Employees Association	TREA	928	509	19	19	19	31	2	-	49
Alabama School of Fine Arts	THFA	8,787	4,823	120	120	120	231	6	-	468
Alabama Southern Community College	TMOC	15,641	8,585	140	140	140	344	2	-	834
Alabama State Employees Association	TASE	1,989	1,092	20	20	20	45	(3)	-	106
Alabama State University	TMST	106,758	58,596	674	674	674	1,626	(169)	-	5,690
Alabama Technology Network	TATN	10,043	5,512	(60)	(60)	(60)	118	(17)	-	535
Alabama Vocational Association	TAVA	97	53	0	0	0	1	0	-	5
Alabaster City School System	TALR	66,219	36,345	(461)	(461)	(461)	1,450	99	-	3,529
Albertville City Board of Education	TALB	47,706	26,184	1,003	1,003	1,003	1,389	54	-	2,543
Alexander City Board of Education	TALX	32,431	17,800	296	296	296	675	(9)	-	1,728
Andalusia City Board of Education	TADL	17,029	9,347	127	127	127	319	(14)	-	908
Anniston Board of Education	TANN	26,248	14,407	288	288	288	589	6	-	1,399
Arab City Board of Education	TARB	28,085	15,415	532	532	532	770	20	-	1,497
Athens City Board of Education	TATH	41,070	22,542	576	576	576	993	12	-	2,189
Athens State University	TATC	33,844	18,576	10	10	10	572	(20)	-	1,804
Attalla City Schools	TATT	18,460	10,132	266	266	266	440	1	-	984
Auburn City Board of Education	TAUB	87,480	48,015	1,565	1,565	1,565	2,306	53	-	4,662
Auburn University	TAPI	825,985	453,356	12,304	12,304	12,304	21,396	619	-	44,023
Autauga County Board of Education	TATG	89,507	49,127	719	719	719	1,811	(27)	-	4,770
Baldwin County Board of Education	TBLD	323,333	177,466	6,251	6,251	6,251	8,980	295	-	17,233
Barbour County Schools	TBAR	11,006	6,041	(59)	(59)	(59)	105	(23)	-	587
Bessemer Board of Education	TBSM	44,100	24,205	190	190	190	791	(30)	-	2,350
Bevill State Community College	TWCT	35,342	19,398	55	55	55	574	(32)	-	1,884
Bibb County Board of Education	TBIB	35,917	19,713	318	318	318	833	18	-	1,914
Birmingham City Schools	TBMH	284,849	156,344	1,315	1,315	1,315	5,619	(37)	-	15,182
Bishop State Community College	TMJC	31,391	17,230	(16)	(16)	(16)	444	(37)	-	1,673
Blount County Board of Education	TBLT	79,981	43,899	695	695	695	1,651	(21)	-	4,263
Boaz City Board of Education	TBOZ	24,055	13,203	232	232	232	510	(5)	-	1,282
Brewton City Board of Education	TBWT	12,609	6,921	51	51	51	226	(8)	-	672
Bullock County Board of Education	TBLK	17,692	9,711	110	110	110	342	(6)	-	943
Butler County Board of Education	TBLR	35,000	19,210	266	266	266	812	21	-	1,865
Calhoun Community College	TDEC	46,431	25,484	525	525	525	1,153	37	-	2,475
Calhoun County Board of Education	TCAL	97,961	53,767	973	973	973	2,228	30	-	5,221
CAPNA, Inc.	TNCA	24,275	13,324	1,399	1,399	1,399	1,134	71	-	1,294
Central Alabama Community College	TACC	17,139	9,407	21	21	21	362	11	-	913
Chambers County Board of Education	TCHB	40,259	22,097	380	380	380	800	(22)	-	2,146
Chattahoochee Valley Community College	TCVS	11,861	6,510	88	88	88	244	(1)	-	632
Cherokee County Board of Education	TCHK	43,929	24,111	347	347	347	877	(14)	-	2,341
Chickasaw City School System	TCKW	8,829	4,846	240	240	240	241	3	-	471
Chilton County Board of Education	TCHT	72,867	39,994	649	649	649	1,544	(6)	-	3,884
Choctaw County Board of Education	TCHW	17,417	9,560	36	36	36	299	(11)	-	928
Clarke County Board of Education	TCLK	32,780	17,992	24	24	24	450	(53)	-	1,747



SCHEDULE C (continued)

Employer	Employer Code	NPL @ Minus 1% (7.00%)	NPL @ Plus 1% (9.00%)	Projected Deferred Outflows/(Inflows) To Be Recognized in Pension Expense for the Fiscal Year Ended September 30						2014 Actual Employer Contributions
				2017	2018	2019	2020	2021	Thereafter	
Clay County Board of Education	TCLY	20,979	11,514	211	211	211	447	(5)	-	1,118
Cleburne County Board of Education	TCLB	28,837	15,828	438	438	438	680	0	-	1,537
Coffee County Board of Education	TCOF	20,125	11,046	283	283	283	510	15	-	1,073
Colbert County Board of Education	TCOL	34,866	19,137	137	137	137	610	(26)	-	1,858
Community Svc Programs of West Alabama	TCSP	10,948	6,009	(30)	(30)	(30)	175	(4)	-	583
Conecuh County Board of Education	TCON	20,749	11,388	79	79	79	357	(18)	-	1,106
Coosa County Board of Education	TCSA	12,144	6,666	(88)	(88)	(88)	149	(13)	-	647
Council for Leaders in Alabama Schools	TACA	1,181	648	13	13	13	25	1	-	63
Covington County Board of Education	TCOV	33,311	18,283	322	322	322	736	4	-	1,775
Crenshaw County Board of Education	TCRW	23,250	12,761	169	169	169	461	(3)	-	1,239
Cullman City Board of Education	TCMN	33,557	18,418	399	399	399	778	6	-	1,788
Cullman County Commission on Education	TCUL	103,732	56,935	1,240	1,240	1,240	2,362	13	-	5,529
Dale County Board of Education	TDAL	30,572	16,780	356	356	356	680	1	-	1,629
Daleville City Board of Education	TDLV	12,294	6,748	69	69	69	212	(9)	-	655
Dallas County Board of Education	TDLS	40,911	22,455	137	137	137	704	(31)	-	2,180
Dauphin Island Sea Lab	TMES	8,854	4,859	41	41	41	132	(13)	-	472
Decatur Board of Education	TDTR	105,378	57,839	277	277	277	1,668	(115)	-	5,616
Dekalb County Board of Education	TDKB	91,702	50,332	1,060	1,060	1,060	2,082	12	-	4,887
Demopolis City Schools	TDPL	23,050	12,652	244	244	244	495	(2)	-	1,229
Developing Alabama Youth Foundation	TDAY	1,137	624	48	48	48	37	0	-	61
Dothan Board of Education	TDTN	100,472	55,146	1,375	1,375	1,375	2,443	40	-	5,355
Elba City Board of Education	TELB	8,178	4,489	(4)	(4)	(4)	133	(3)	-	436
Elmore County Board of Education	TELM	107,131	58,800	893	893	893	2,146	(40)	-	5,710
Enterprise Board of Education	TENP	68,056	37,353	860	860	860	1,537	1	-	3,627
Enterprise Ozark Community College	TEPC	16,668	9,148	(575)	(575)	(575)	(168)	(88)	-	888
Escambia County Board of Education	TESC	50,143	27,522	368	368	368	990	(15)	-	2,672
Etowah County Board of Ed	TETH	90,398	49,616	672	672	672	1,776	(36)	-	4,818
Etowah County Community Service Program, Inc.	TECA	302	166	(20)	(20)	(20)	(13)	(4)	-	16
Eufaula City Board of Education	TEFL	29,598	16,245	250	250	250	578	(15)	-	1,577
Fairfield Board of Education	TFRF	20,050	11,005	231	231	231	492	13	-	1,069
Faulkner State Community College	TBMC	24,272	13,322	211	211	211	491	(8)	-	1,294
Fayette County Board of Education	TFAY	25,745	14,130	123	123	123	423	(27)	-	1,372
Florence City Board of Education	TFLO	53,498	29,363	343	343	343	1,125	7	-	2,851
Fort Payne City Board of Education	TFTP	30,484	16,731	373	373	373	704	2	-	1,625
Franklin County Board of Education	TFRK	37,357	20,504	481	481	481	877	9	-	1,991
Gadsden City Board of Education	TGDS	59,853	32,851	694	694	694	1,328	(1)	-	3,190
Gadsden State Community College	TGDC	48,928	26,855	(212)	(212)	(212)	596	(75)	-	2,608
Gardendale Board of Education	TGBE	923	507	123	123	123	52	1	-	49
Geneva City Board of Education	TGCB	13,496	7,407	148	148	148	289	(1)	-	719
Geneva County Board of Education	TGEN	27,319	14,994	443	443	443	692	12	-	1,456
George Corley Wallace State Community College	TGWS	18,010	9,885	52	52	52	231	(34)	-	960
Greene County Board of Education	TGRN	14,660	8,046	(17)	(17)	(17)	196	(18)	-	781
Guntersville City Board of Education	TGUN	22,006	12,078	279	279	279	532	10	-	1,173
H. Councill Trenholm State Technical College	TMGH	17,638	9,681	(107)	(107)	(107)	202	(28)	-	940
Hale County Board of Education	THAL	29,287	16,074	221	221	221	575	(12)	-	1,561
Haleyville City Board of Education	THAV	18,412	10,106	145	145	145	380	0	-	981
Hartselle City Board of Education	THCS	34,606	18,994	435	435	435	768	(5)	-	1,844
Henry County Board of Education	THNY	25,989	14,265	200	200	200	517	(10)	-	1,385
Homewood City Board of Education	THOM	57,681	31,659	385	385	385	1,000	(55)	-	3,074
Hoover City Board of Education	THOV	183,302	100,608	1,758	1,758	1,758	3,787	(57)	-	9,769
Houston County Board of Education	THST	61,659	33,842	660	660	660	1,363	(1)	-	3,286
Huntsville City Schools	THTS	255,386	140,173	1,642	1,642	1,642	4,860	(124)	-	13,611
J. F. Drake State Technical College	THVS	10,818	5,938	156	156	156	261	6	-	577
J. F. Ingram State Technical College	TDRT	16,601	9,112	88	88	88	204	(35)	-	885
Jackson County Board of Education	TJKS	65,336	35,861	521	521	521	1,305	(22)	-	3,482
Jacksonville City Board of Education	TJCS	16,211	8,897	168	168	168	353	0	-	864
Jacksonville State University	TJST	101,963	55,964	917	917	917	2,175	(5)	-	5,434
Jasper City Board of Education	TJSP	32,686	17,940	267	267	267	695	1	-	1,742
Jeff Davis Community College	TBRC	10,123	5,556	(112)	(112)	(112)	126	(7)	-	540
Jefferson County American Federation of Teachers	TJFT	470	258	17	17	17	12	(3)	-	25
Jefferson County Board of Education	TJEF	403,571	221,506	3,557	3,557	3,557	8,505	(43)	-	21,509



SCHEDULE C (continued)

Employer	Employer Code	NPL @ Minus 1% (7.00%)	NPL @ Plus 1% (9.00%)	Projected Deferred Outflows/(Inflows) To Be Recognized in Pension Expense for the Fiscal Year Ended September 30						2014 Actual Employer Contributions
				2017	2018	2019	2020	2021	Thereafter	
Jefferson State Community College	TJJC	45,107	24,758	266	266	266	901	(8)	-	2,404
Lamar County Schools	TLAM	23,872	13,102	241	241	241	521	(3)	-	1,272
Lanett City Schools	TLNT	10,028	5,504	176	176	176	262	7	-	534
Lauderdale County Board of Ed	TLAU	86,314	47,375	813	813	813	1,838	(8)	-	4,600
Law Enforcement Academy--Baldwin County	TSWP	232	127	20	20	20	9	(4)	-	12
Law Enforcement Academy--Tuscaloosa	TLET	233	128	(37)	(37)	(37)	(11)	0	-	12
Lawrence County Board of Education	TLAW	53,839	29,550	224	224	224	856	(63)	-	2,869
Lawson State College	TLSC	28,826	15,821	(28)	(28)	(28)	512	(4)	-	1,536
Lee County Board of Education	TLEE	108,011	59,283	1,655	1,655	1,655	2,729	56	-	5,757
Leeds Board of Education, City of	TLDS	19,353	10,622	378	378	378	507	11	-	1,031
Limestone County Board of Education	TLST	97,299	53,404	1,722	1,722	1,722	2,730	109	-	5,186
Linden City Board of Education	TLND	5,819	3,194	43	43	43	105	(2)	-	310
Lowndes County Board of Education	TLDN	24,989	13,716	(109)	(109)	(109)	417	(6)	-	1,332
Lurleen B. Wallace Community College	TLUR	16,911	9,282	132	132	132	376	6	-	901
Macon County Board of Education	TMAC	27,496	15,092	84	84	84	496	(14)	-	1,465
Madison City Board of Education	TMDC	103,861	57,006	1,489	1,489	1,489	2,637	66	-	5,535
Madison County Board of Education	TMAD	209,480	114,976	1,843	1,843	1,843	4,411	(22)	-	11,165
Marengo County Board of Education	TMNG	13,135	7,209	(251)	(251)	(251)	45	(35)	-	700
Marion County Board of Education	TMAR	35,531	19,502	168	168	168	697	(8)	-	1,894
Marion Military Institute	TMMI	10,849	5,955	244	244	244	344	17	-	578
Marshall County Board of Education	TMSH	61,836	33,940	386	386	386	1,199	(22)	-	3,296
Midfield City Board of Education	TMID	12,684	6,962	34	34	34	239	(6)	-	676
Mobile School Commissioners	TMOB	610,985	335,349	4,344	4,344	4,344	12,110	(196)	-	32,564
Monroe County Board of Education	TMON	38,280	21,011	253	253	253	771	(10)	-	2,040
Montgomery City and County Board of Education	TMTG	325,015	178,390	2,805	2,805	2,805	6,976	4	-	17,322
Morgan County Board of Education	TMOR	86,227	47,327	903	903	903	1,878	(3)	-	4,596
Mountain Brook City Board of Education	TMTB	69,890	38,360	842	842	842	1,646	22	-	3,725
Muscle Shoals City Schools	TMSC	32,440	17,805	507	507	507	816	12	-	1,729
Northeast Alabama Community College	TNEC	17,857	9,801	143	143	143	330	(16)	-	952
Northwest Shoals Community College	TNWC	27,528	15,109	143	143	143	467	(25)	-	1,467
Oneonta City Board of Education	TONE	13,904	7,631	111	111	111	296	(3)	-	741
Opelika City Board of Education	TOPK	51,535	28,286	440	440	440	1,081	(8)	-	2,747
Opp City Board of Education	TOPP	13,966	7,666	152	152	152	300	(1)	-	744
Organized Community Action Program Inc	TOCA	8,136	4,465	191	191	191	272	16	-	434
Oxford City Schools	TOXF	46,343	25,436	452	452	452	983	(10)	-	2,470
Ozark City Board of Education	TOZK	24,589	13,496	60	60	60	323	(45)	-	1,311
Pelham City Board of Education	TPLS	34,016	18,670	4,529	4,529	4,529	1,964	(10)	-	1,813
Pell City School System	TPEL	42,042	23,076	348	348	348	846	(16)	-	2,241
Perry County Board of Education	TPRY	18,348	10,071	(81)	(81)	(81)	204	(31)	-	978
Phenix City Board of Education	TPHC	71,206	39,082	981	981	981	1,725	23	-	3,795
Pickens County Board of Education	TPKS	29,023	15,930	38	38	38	504	(15)	-	1,547
Piedmont City Schools	TPMT	12,849	7,053	231	231	231	345	8	-	685
Pike County Board of Education	TPIK	25,531	14,013	192	192	192	520	(1)	-	1,361
Pike Road City Schools	TPRB	6,754	3,707	915	915	915	963	160	-	77
Randolph County Board of Education	TRAN	23,786	13,056	163	163	163	489	(4)	-	1,268
Reid State Technical College	TEVN	8,420	4,622	25	25	25	104	(17)	-	449
Roanoke City Schools	TROK	14,776	8,110	161	161	161	323	(2)	-	788
Russell County Board of Education	TRUS	36,425	19,993	535	535	535	901	15	-	1,941
Russellville City Board of Education	TRSV	28,330	15,550	395	395	395	684	7	-	1,510
Saraland Board of Education	TSAR	25,269	13,869	757	757	757	798	28	-	1,347
Satsuma City Schools	TSTM	11,932	6,549	202	202	202	257	(6)	-	636
School Superintendents of Alabama	TSAL	656	360	26	26	26	33	2	-	35
Scottsboro Board of Education	TSCO	30,590	16,790	351	351	351	708	6	-	1,630
Selma Public Schools	TSMA	41,378	22,711	528	528	528	1,069	41	-	2,205
Sheffield City Board of Education	TSHF	14,456	7,935	137	137	137	325	6	-	770
Shelby County Board of Education	TSBY	235,411	129,209	(7,511)	(7,511)	(7,511)	(164)	(671)	-	12,547
Shelton State Community College	TTVS	37,864	20,782	207	207	207	743	(9)	-	2,018
Snead State Community College	TSJC	13,916	7,638	128	128	128	302	(2)	-	742
Southern Union State Community College	TSUC	27,268	14,966	145	145	145	539	(5)	-	1,453
Special Programming for Achievement Network	TBSC	4,677	2,567	37	37	37	121	7	-	249
St. Clair County Board of Education	TSTC	87,715	48,144	1,106	1,106	1,106	1,958	(6)	-	4,675



SCHEDULE C (continued)

Employer	Employer Code	NPL @ Minus 1% (7.00%)	NPL @ Plus 1% (9.00%)	Projected Deferred Outflows/(Inflows) To Be Recognized in Pension Expense for the Fiscal Year Ended September 30						2014 Actual Employer Contributions
				2017	2018	2019	2020	2021	Thereafter	
State of Alabama--Commission on Higher Education	TCHE	4,469	2,453	107	107	107	114	(1)	-	238
State of Alabama--Department of Rehab Services	TDRS	80,493	44,180	883	883	883	1,315	(134)	-	4,290
State of Alabama--Department of Post-Secondary Ed	TPSE	9,638	5,290	21	21	21	239	17	-	514
State of Alabama--Department of Youth Services	TDYS	38,109	20,916	(541)	(541)	(541)	89	(135)	-	2,031
State of Alabama--High School of Math & Science	THMS	5,325	2,923	82	82	82	85	(13)	-	284
State of Alabama--PEEHIP	TPHP	4,277	2,348	118	118	118	162	11	-	228
State of Alabama--State Board of Education	TSBE	103,067	56,570	1,750	1,750	1,750	2,103	(100)	-	5,493
State of Alabama--Teachers Retirement System	TTRS	24,992	13,717	559	559	559	586	(14)	-	1,332
Sumter County Board of Education	TSUM	20,319	11,152	(113)	(113)	(113)	259	(26)	-	1,083
Sylacauga City Board of Education	TSYL	26,352	14,464	300	300	300	605	8	-	1,404
Talladega City Board of Education	TTAL	21,963	12,055	(291)	(291)	(291)	6	(93)	-	1,171
Talladega County Board of Education	TTDG	80,992	44,454	645	645	645	1,661	(15)	-	4,317
Tallapoosa County Board of Education	TTPS	30,969	16,998	213	213	213	550	(28)	-	1,651
Tallassee City Board of Education	TTAS	19,540	10,725	261	261	261	465	3	-	1,041
Tarrant Board of Education	TTAR	13,821	7,586	119	119	119	336	11	-	737
Thomasville City Schools	TTOM	15,223	8,355	144	144	144	318	(2)	-	811
Troy City Board of Education	TTRY	22,172	12,169	(74)	(74)	(74)	258	(40)	-	1,182
Troy University	TTST	201,445	110,567	1,359	1,359	1,359	4,174	(6)	-	10,736
Trussville City Board of Education	TTCB	48,596	26,673	599	599	599	1,122	11	-	2,590
Tuscaloosa City Schools	TTUS	123,869	67,988	956	956	956	2,294	(92)	-	6,602
Tuscaloosa County Schools	TTLS	177,988	97,691	2,556	2,556	2,556	4,328	64	-	9,486
Tuscumbia City Board of Education	TTSC	16,353	8,976	189	189	189	378	6	-	872
University Chancellor's Office	TUCO	21,234	11,655	302	302	302	622	38	-	1,132
University of Alabama	TUVA	757,792	415,927	14,517	14,517	14,517	21,732	894	-	40,388
University of Alabama--Birmingham	TUMC	1,649,857	905,552	1,479	1,479	1,477	26,791	(1,354)	-	87,937
University of Alabama--Huntsville	TUAH	212,184	116,461	1,791	1,791	1,791	3,370	(332)	-	11,309
University of Montevallo	TALC	54,972	30,172	984	984	984	1,507	50	-	2,930
University of North Alabama	TFST	88,607	48,633	1,294	1,294	1,294	2,269	64	-	4,722
University of South Alabama	TUSA	441,040	242,072	(1,987)	(1,987)	(1,987)	5,596	(576)	-	23,506
University of West Alabama	TLVC	47,941	26,313	890	890	890	1,151	(6)	-	2,555
Vestavia Hills Board of Education	TVES	89,515	49,132	1,241	1,241	1,241	2,056	(2)	-	4,771
Walker County Board of Education	TWLK	85,649	47,010	439	439	439	1,509	(67)	-	4,565
Wallace Community College--Dothan	TGWD	35,372	19,414	519	519	519	909	26	-	1,885
Wallace State College--Hanceville	TCUT	35,952	19,733	293	293	293	752	(4)	-	1,916
Washington County Board of Education	TWSH	31,074	17,055	(42)	(42)	(42)	437	(38)	-	1,656
Wilcox County Board of Education	TWIL	21,600	11,855	88	88	88	357	(21)	-	1,151
Winfield City Board of Education	TWFD	13,384	7,346	164	164	164	300	2	-	713
Winston Education Board	TWIN	30,227	16,591	279	279	279	603	(15)	-	1,611
Total for All Employers		\$ 13,845,362	\$ 7,599,251	\$ 115,229	\$ 115,229	\$ 115,227	\$ 285,514	\$ (2,700)	\$ -	\$ 737,633



SCHEDULE D

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

The Teachers' Retirement System of Alabama was established on September 15, 1939, and went into effect September 30, 1941. The valuation took into account amendments to the System through the valuation date. There is a new tier (Tier II) of benefits for all members initially joining the System on and after January 1, 2013. The following summary describes the main benefit and contribution provisions of the System as interpreted for the valuation.

1 - DEFINITIONS

Average Final Compensation - the average compensation of a member for:

Tier I – the 3 highest years in the last 10 years of Creditable Service

Tier II – the 5 highest years in the last 10 years of Creditable Service

Membership Service – all service rendered while a member of the retirement system and for which contributions are made.

Creditable Service – the sum of membership service, prior service, and any other service established as creditable in accordance with the provisions of the retirement law.

Annuity – payments for life derived from accumulated contributions of a member.

Pension – payments for life derived from employer contributions.

Retirement Allowance – the sum of the annuity and pension.

2 - BENEFITS

Service Retirement Allowance

Condition for Allowance

Tier I

A retirement allowance is payable upon the request of any member who has completed 25 years of creditable service or who has attained age 60 and completed at least 10 years of creditable service.

Tier II

A retirement allowance is payable upon the request of any member who has attained age 62 and completed at least 10 years of creditable service (age 56 with 10 years of creditable service for a full-time certified firefighter, police officer or correctional officer).

Amount of Allowance

Tier I

Upon service retirement a member receives a retirement allowance equal to 2.0125% of the member's average final compensation multiplied by the number of years of creditable service. At retirement, a member receives one additional year of creditable service in



SCHEDULE D (continued)

determining the retirement allowance for each five years of service as a full-time certified firefighter, police officer or correctional officer.

Tier II Upon service retirement a member receives a retirement allowance equal to 1.65% of the member's average final compensation multiplied by the number of years of creditable service. The benefit is capped at 80% of the member's average final compensation.

Both The member may elect to receive a reduced retirement allowance in order to provide an allowance to a designated beneficiary after the member's death (see "Special Privileges at Retirement" below).

Disability Retirement Allowance

Condition for Allowance A disability retirement allowance may be granted to a member who has 10 years or more of creditable service who becomes totally and permanently incapacitated for duty before reaching eligibility for a service retirement allowance.

Amount of Allowance

Tier I On retirement for disability, a member receives a retirement allowance equal to 2.0125% of the member's average final compensation multiplied by the number of years of creditable service. At retirement, a member receives one additional year of creditable service in determining the retirement allowance for each five years of service as a full-time certified firefighter, police officer or correctional officer.

Tier II Upon disability retirement a member receives a retirement allowance equal to 1.65% of the member's average final compensation multiplied by the number of years of creditable service. The benefit is capped at 80% of the member's average final compensation.

Both The member may elect to receive a reduced retirement allowance in order to provide an allowance to a designated beneficiary after the member's death (see "Special Privileges at Retirement" below).

Benefits Payable on Separation from Service

Any member who withdraws from service is entitled to receive his or her contributions with allowable interest. A member who has completed 10 years of creditable service may, after separation from service, continue in the membership of the System and file for service retirement after reaching age 60 (age 62 for Tier II members).

Benefits Payable upon Death in Active Service

In the event of the death of a member eligible for service retirement, the designated beneficiary may elect (1) to exercise Option 3 defined below under "Special Privileges at Retirement" or (2) to receive a return of member contributions and total earned interest 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 scholastic year (July 1-June 30).*



SCHEDULE D (continued)

In the event of the death of a member with more than one year of service who is not eligible to retire, the designated beneficiary shall receive the return of member contributions and total earned interest. Also, the designated beneficiary shall receive an additional death benefit payable from the pre-retirement death benefit fund equal to the salary on which retirement contributions were made for the previous scholastic year (July 1-June 30).*

In the event of a job-related death of a member with less than one year of service, the designated beneficiary shall receive the return of member contributions and total earned interest plus a death benefit payable from the pre-retirement death benefit fund equal to the annual earnable compensation of the member at the time of death.*

In the event of the death of a member with less than one year of service that is not job-related, the designated beneficiary shall receive the return of member contributions and total earned interest plus a matching death benefit which is limited to a \$5,000 maximum.

*However, if the death occurred more than 180 calendar days after the member's last day in pay status, or if the deceased had applied for a refund of contributions or terminated employment, the lump sum will be the same as if the member had less than one year of service and the death was not job-related.

Special Privileges at Retirement

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 annuity payments have equaled the present value of the annuity at the date of retirement, the balance is paid to a designated beneficiary or to his 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 such other person as the member shall designate 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.

Deferred Retirement Option Plan (DROP)

Prior to March 25, 2011, a member may elect to participate in the Deferred Retirement Option Plan (DROP) upon completion of at least 25 years of creditable service (excluding sick leave) and attainment of at least 55 years of age. Under the DROP, the member may defer receipt of a retirement allowance and continue employment for a period not to exceed five years, nor to be less than three years. At the end of



SCHEDULE D (continued)

this period, the member will withdraw from active service and receive the retirement benefit calculated at the time of enrollment in the DROP, and also receive a payment for the deferred retirement benefits, employee contributions while participating in the DROP and interest earned on DROP deposits.

The effect of Act 2011-27 is that no new participants will be allowed to enter DROP with an effective participation date after June 1, 2011.

Term Life Insurance

Upon the death of a contributing member there is paid a term life insurance benefit of \$15,000 (pro-rated for part-time members)

Member Contributions

Tier I

Prior to October 1, 2011, regular members contributed 5.0% of salary and certified police officers, firefighters and correctional officers contributed 6.0% of salary. DROP participants continue to contribute during the DROP period, but receive a refund of these contributions and regular interest upon retirement.

Beginning October 1, 2011, the contribution rates were increased to 7.25% for regular members and 8.25% for police officers, firefighters and correctional officers.

Beginning October 1, 2012, the contribution rates were increased to 7.50% for regular members and 8.50% for police officers, firefighters and correctional officers.

Tier II

Regular members contribute 6% of salary and full-time certified firefighters, police officers and correctional officers contribute 7% of salary

Both

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

“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 16-25-14-(g)(1)).



SCHEDULE E

STATEMENT OF ACTUARIAL ASSUMPTIONS AND METHODS

LONG-TERM INVESTMENT RATE OF RETURN: 8.00 per annum, compounded annually, including price inflation at 3%.

SALARY INCREASES: Representative values of the assumed annual rates of future salary increases are as follows and include wage inflation at 3.25% per annum:

Service	Annual Rate	Service	Annual Rate
0	8.25 %	6	5.00 %
1	6.50	7	4.75
2	5.75	8 to 13	4.50
3	5.50	14 to 18	4.00
4	5.25	19 & Over	3.50
5	5.00		

SEPARATIONS BEFORE SERVICE RETIREMENT: Representative values of the assumed annual rates of death, disability, and withdrawal are as follows:

Age	Annual Rate of						
	Death*	Disability		Withdrawal			
		Years of Service		Years of Service			
	0-24	25+	0-4	5-9	10-20	20+	
<u>Male</u>							
20	0.02%	0.04%		30.00%			
25	0.02	0.05		15.68	10.00%		
30	0.03	0.05		14.25	5.40	5.00%	
35	0.05	0.10		14.25	5.40	3.00	
40	0.07	0.18		14.00	5.40	2.50	1.00%
45	0.09	0.31	0.10%	14.00	5.00	2.50	1.00
50	0.12	0.51	0.10	12.50	4.50	2.50	1.00
55	0.20	0.96	0.10	12.00	4.00	2.50	1.00
60	0.40	0.50	0.10	12.00	4.00		
65	0.77			12.00	6.00		
69	1.20			12.00	6.00		



SCHEDULE E (continued)

Female

20	0.01%	0.10%		28.50%			
25	0.01	0.10		14.00	8.00%		
30	0.01	0.10		14.00	5.80	4.00%	
35	0.02	0.15		14.00	5.00	3.00	
40	0.03	0.16		12.00	4.50	2.10	1.10%
45	0.04	0.33	0.15%	11.50	3.75	2.10	0.75
50	0.06	0.63	0.15	11.00	3.75	2.10	0.75
55	0.11	0.99	0.15	11.00	3.75	2.50	0.75
60	0.21	0.25	0.25	12.00	4.50		
65	0.40			14.00	6.00		
69	0.62			14.00	6.00		

* Rates of pre-retirement mortality are according to the sex distinct RP-2000 Combined Mortality Table Projected with Scale AA to 2015 set back one year for females with an adjustment of factor of 0.75 for males and 0.50 for females.

SERVICE RETIREMENT:

The assumed annual rates of service retirement for **Tier I** members are as follows:

For members first eligible for unreduced benefits upon attaining 25 years of service but before age 65, rates are as follows:

<u>Age Group</u>	<u>Annual Rate</u>	
	<u>Male*</u>	<u>Female**</u>
47 & Under	20.0%	25.0%
48	20.0	17.0
49	20.0	16.0
50 to 52	15.0	16.0
53 to 54	14.0	16.0
55 to 59	15.0	20.0
60	15.0	15.0
61	20.0	25.0
62	35.0	35.0
63	30.0	25.0
64	25.0	30.0

*Retirement rates are increased by 7% in the year first eligible for unreduced retirement from age 50 through age 54 and by 10% from age 55 through age 60.

**Retirement rates are increased by 7% in the year first eligible for unreduced retirement from age 50 through age 54 and by 20% from age 55 through age 60.



SCHEDULE E (continued)

For members first eligible for unreduced benefits before attaining 25 years of service and all members age 65 and over, the rates are as follows:

<u>Age Group</u>	<u>Annual Rate</u>	
	<u>Male</u>	<u>Female</u>
60	13.0%	20.0%
61	12.0	15.0
62	28.0	25.0
63	20.0	20.0
64	15.0	18.0
65	30.0	30.0
66	28.0	30.0
67	20.0	25.0
68	20.0	28.0
69	20.0	22.0
70	20.0	25.0
71 to 74	20.0	22.0
75 & Above	100.0	100.0

The assumed annual rates of service retirement for **Tier II** members are as follows:

<u>Age Group</u>	<u>Annual Rate</u>			
	<u>Male</u>		<u>Female</u>	
	<u>Less than 25 years of service</u>	<u>25 or more years of service</u>	<u>Less than 25 years of service</u>	<u>25 or more years of service</u>
62	50.0%	60.0%	50.0%	65.0%
63	20.0	30.0	20.0	25.0
64	15.0	25.0	18.0	30.0
65	30.0	30.0	30.0	30.0
66	28.0	28.0	30.0	30.0
67	20.0	20.0	25.0	25.0
68	20.0	20.0	28.0	28.0
69	20.0	20.0	22.0	22.0
70	20.0	20.0	25.0	25.0
71 to 74	20.0	20.0	22.0	22.0
75 & above	100.0	100.0	100.0	100.0



SCHEDULE E (continued)

DEATHS AFTER RETIREMENT: Rates of mortality for the period after service retirement are according to the sex distinct RP-2000 Combined Mortality Table Projected with Scale AA to 2015 set back one year for females. Rates of mortality for the period after disability retirement are according to the RP-2000 Disabled Mortality Table, adjusted for males by a factor of 0.85. Representative values of the assumed annual rates of death after retirement are as follows:

<u>Age</u>	<u>Annual Rate</u>			
	<u>After Service Retirement</u>		<u>After Disability Retirement</u>	
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
35	0.07%	0.04%	1.92%	0.75%
40	0.10	0.05	1.92	0.75
45	0.12	0.08	1.92	0.75
50	0.16	0.12	2.46	1.15
55	0.27	0.21	3.01	1.65
60	0.53	0.41	3.57	2.18
65	1.03	0.80	4.26	2.80
70	1.77	1.38	5.32	3.76
75	3.06	2.26	6.98	5.22
80	5.54	3.74	9.30	7.23
85	9.97	6.35	12.04	10.02
90	17.27	11.39	15.59	14.00
95	25.96	17.74	22.74	19.45

SPOUSE’S BENEFIT: For those eligible for spouse’s benefits, it is assumed that 75% will elect the lump sum death benefit payable from the death benefit fund and 25% will elect the spouse’s benefit payable from the pension accumulation fund and included in the liabilities of the System.

BENEFITS PAYABLE UPON SEPARATION FROM SERVICE: For active members who separate from service prior to eligibility for a service retirement allowance, the liability is assumed to be the greater of the value of the refund of contributions and the value of the deferred annuity. Assumed refunds are reduced by 10% to account for interest accumulation adjustments which are less than the “regular” 4% rate adopted by the Board.

UNUSED SICK LEAVE: 3% load on service retirement liabilities for active members. (No load for Tier II members)

PERCENTAGE MARRIED: 100% of active members are assumed to be married with the husband 3 years older than the wife.

VALUATION METHOD: Individual entry age normal cost method.

ASSET METHOD: Market value.

LIABILITY FOR CURRENT INACTIVE MEMBERS: Member Contribution Balance is multiplied by a factor of 2.0.



SCHEDULE E

FUNDING POLICY OF THE TRS BOARD OF CONTROL

The purpose of the funding policy is to state the overall funding objectives for the Teachers' Retirement System of Alabama (System), 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. For that reason, it is critical that this funding policy remain unchanged until its objectives are met.

I. Funding Objectives

The goal in requiring employer and member contributions to the System 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 System will strive to meet the following funding objectives:

- To maintain an increasing funded ratio (ratio of system 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 System.
- 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 System 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 System'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 (applicable only to employers participating in the System as of the adoption date of the funding policy).
 - **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**
 - In each valuation 1/15th of 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. The remaining Transitional UAAL each year will be amortized over an open period. The open period shall be the amortization period for the valuation preceding the adoption of the funding policy not to exceed 30 years. After 15 years the entire Transitional UAAL will be closed.
 - Each New Incremental UAAL shall be amortized over a closed 30 year period.
 - Employer Normal Contribution Rate – the contribution rate determined as of the valuation date each year based on the provisions of Alabama Code Section 16-25-21.



SCHEDULE E (continued)

- 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, a contribution rate for the pre-retirement death benefit fund, a contribution rate for the term life insurance fund, the individual amortization rate for each of the New Incremental UAAL bases, the individual amortization rate for each of the 15 closed periods for the Transitional UAAL and the amortization of any remaining open portion of the Transitional UAAL.
- **UAAL Amortization Period for Employers joining the System after the Implementation of this Funding Policy**
 - For Employers joining the System after the implementation of this Funding Policy, the employer contribution rate shall be computed as the sum of the employer Normal Contribution rate, a contribution rate for administrative expenses, a contribution rate for the pre-retirement death benefit fund, a contribution rate for the term life insurance fund, and the initial UAAL contribution rate. The initial UAAL contribution rate shall be determined by amortizing the initial UAAL over a closed period equal to the expected future working lifetime of the active membership. This initial amortization period shall not be less than 10 years nor greater than 30 years.
 - In subsequent years the UAAL and employer contribution rate shall be determined in accordance with the rules of the Funding Policy described in the previous section.

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 system'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 goals of the System.