



Employees' Retirement System of Alabama
GASB Statement 67 Information as of September 30, 2025
(\$ in Thousands)

	1% Decrease (6.45%)	Current Discount Rate	1% Increase (8.45%)
System's net pension liability	\$9,943,452	\$7,135,867	\$4,770,894

Paragraph 31(c): September 30, 2024 is the actuarial valuation date upon which the TPL is based. An expected TPL is determined as of September 30, 2025, using standard roll forward techniques for the TPL. The roll forward calculations add the annual normal cost (also called the service cost), subtract the actual benefit payments and refunds for the plan year and then apply the expected investment rate of return for the year. In addition, we have determined an expected TPL as of September 30, 2025, based on the TPL roll-forward in the September 30, 2024 GASB 67 report. The difference between this amount and the roll-forward of the actual TPL before any benefit or assumption changes is reflected as an experience gain or loss for the year. We have also determined an expected TPL as of September 30, 2025, after reflecting Act 2022-348 for employers that elected it since the previous measurement date. The difference between this amount and the roll-forward of the actual TPL before any benefit or assumption changes is reflected as a benefit change gain or loss for the year. These procedures are shown in the following table:



TPL Roll-Forward (\$ in Thousands)			
	<u>Expected</u>	<u>Actual Before Plan Changes</u>	<u>Actual After Plan Changes</u>
(a) TPL as of September 30, 2024	\$23,812,137	\$24,307,751	\$24,307,968
(b) Expected Rate of Return	7.45%	7.45%	7.45%
(c) Entry Age Normal Cost* for the Year October 1, 2024 - September 30, 2025	501,421	501,421	501,463
(d) Actual Benefit Payments (including refunds) for the Year October 1, 2024 – September 30, 2025	1,533,019	1,533,019	1,533,019
(e) TPL as of September 30, 2025 =[(a) x (1+(b))] + (c) – [(d) x (1+0.5x(b))]	\$24,497,438	\$25,029,975	\$25,030,251
(f) Difference between Expected and Actual Experience (Gain)/Loss		\$532,537	
(g) Difference between Actual TPL Before and After Plan Changes-Benefit Change (Gain)/Loss			\$276

*Also called the Service Cost



SCHEDULE A

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY GASB 67 Paragraph 32(a) (\$ in Thousands)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total pension liability										
Service Cost*	\$ 308,840	\$ 325,138	\$ 307,064	\$ 315,841	\$ 329,995	\$ 348,684	\$ 400,919	\$ 431,049	\$ 460,137	\$ 501,421
Interest	1,233,415	1,271,712	1,303,322	1,329,988	1,407,878	1,466,595	1,517,397	1,560,145	1,636,838	1,716,899
Benefit changes	-	-	-	-	71,320	39,193	21,613	945	36,900	276
Difference between expected and actual experience	101	(64,111)	(79,478)	24,803	243,909	96,894	45,487	488,251	442,837	532,537
Changes of assumptions	544,310	-	87,608	-	-	726,196	-	-	-	-
Benefit payments	(1,043,293)	(1,056,006)	(1,102,478)	(1,123,150)	(1,215,223)	(1,268,499)	(1,331,069)	(1,366,801)	(1,401,848)	(1,466,659)
Refunds of contributions	(44,660)	(46,374)	(44,890)	(55,478)	(45,303)	(52,064)	(61,364)	(64,003)	(69,260)	(66,360)
New unit City of Montgomery	-	-	-	-	560,498	-	-	-	-	-
Net change in total pension liability	998,713	430,359	471,148	492,004	1,353,074	1,356,999	592,983	1,049,586	1,105,604	1,218,114
Total pension liability - beginning	\$15,961,667	\$16,960,380	\$17,390,739	\$17,861,887	\$18,353,891	\$19,706,965	\$21,063,964	\$21,656,947	\$22,706,533	\$23,812,137
Total pension liability - ending (a)	\$16,960,380	\$17,390,739	\$17,861,887	\$18,353,891	\$19,706,965	\$21,063,964	\$21,656,947	\$22,706,533	\$23,812,137	\$25,030,251
Components of Plan Fiduciary Net Position reserved to fund Total Pension Liability										
Contributions - employer	\$ 435,243	\$ 426,369	\$ 426,340	\$ 467,553	\$ 519,806	\$ 516,402	\$ 562,109	\$ 593,211	\$ 669,034	\$ 765,696
Contributions - member	238,017	233,901	241,741	254,440	270,947	286,396	310,159	334,456	362,580	390,969
Contributions - new unit City of Montgomery	-	-	-	-	344,352	-	-	-	-	-
Other	-	-	(7,481)	-	-	-	165	247	330	330
Net investment income/(loss)	1,052,886	1,402,009	1,098,412	320,585	724,025	2,861,199	(1,945,460)	1,653,894	2,936,370	1,678,327
Benefit payments	(1,043,293)	(1,056,006)	(1,102,478)	(1,123,150)	(1,215,223)	(1,268,499)	(1,331,069)	(1,366,801)	(1,401,848)	(1,466,659)
Refunds of contributions	(44,660)	(46,374)	(44,890)	(55,478)	(45,303)	(52,064)	(61,364)	(64,003)	(69,260)	(66,360)
Administrative Expenses	(13,023)	(14,502)	(13,763)	(15,829)	(16,539)	(14,496)	(14,857)	(16,822)	(18,414)	(20,052)
Net change in plan fiduciary net position	625,170	945,396	597,881	(151,879)	582,065	2,328,938	(2,480,317)	1,134,182	2,478,792	1,282,251
Plan fiduciary net position - beginning	\$10,551,904	\$11,177,074	\$12,122,471	\$12,720,352	\$12,568,473	\$13,150,538	\$15,479,476	\$12,999,159	\$14,133,341	\$16,612,133
Plan fiduciary net position - ending (b)	\$11,177,074	\$12,122,471	\$12,720,352	\$12,568,473	\$13,150,538	\$15,479,476	\$12,999,159	\$14,133,341	\$16,612,133	\$17,894,384
Net pension liability - ending (a) - (b)	\$ 5,783,306	\$ 5,268,268	\$ 5,141,535	\$ 5,785,418	\$ 6,556,427	\$ 5,584,488	\$ 8,657,788	\$ 8,573,192	\$ 7,200,004	\$ 7,135,867

*Also called the Entry Age Normal Cost

SCHEDULE OF THE NET PENSION LIABILITY
GASB 67 Paragraph 32(b)
(*\$* in Thousands)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total pension liability	\$ 16,960,380	\$ 17,390,739	\$ 17,861,887	\$ 18,353,891	\$ 19,706,965	\$ 21,063,964	\$ 21,656,947	\$ 22,706,533	\$ 23,812,137	\$ 25,030,251
Plan fiduciary net position	11,177,074	12,122,471	12,720,352	12,568,473	13,150,538	15,479,476	12,999,159	14,133,341	16,612,133	17,894,384
Net pension liability	\$ 5,783,306	\$ 5,268,268	\$ 5,141,535	\$ 5,785,418	\$ 6,556,427	\$ 5,584,488	\$ 8,657,788	\$ 8,573,192	\$ 7,200,004	\$ 7,135,867
Plan Fiduciary Net Position as a % of the Total Pension Liability	65.90%	69.71%	71.22%	68.48%	66.73%	73.49%	60.02%	62.24%	69.76%	71.49%
Covered payroll*	\$ 3,592,658	\$ 3,680,078	\$ 3,692,241	\$ 3,789,556	\$ 4,003,430	\$ 4,124,367	\$ 4,185,892	\$ 4,499,346	\$ 4,814,187	\$ 5,226,552
Net pension liability as a percentage of covered payroll	160.98%	143.16%	139.25%	152.67%	163.77%	135.40%	206.83%	190.54%	149.56%	136.53%

*Payroll from the annual actuarial valuation upon which the TPL is based, increased with assumed annual payroll growth