Alabama Judicial Retirement Fund

GASB Statement No. 68 Report

Prepared as of September 30, 2025

CavMac
Actuarial Consulting Services

January 16, 2026

Board of Control
Alabama Judicial Retirement Fund
Montgomery, Alabama

Ladies and Gentlemen:

Presented in this report is information to assist the Alabama Judicial Retirement Fund (JRF) 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 (CavMac). The information presented is for the period ending September 30, 2025 (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, 2024. The valuation was based upon data, furnished by the JRF staff, for active, inactive and retired members along with pertinent financial information. While not verifying data at the source, the actuary performed tests for consistency and reasonableness. The valuation results depend on the integrity of the data. If any of the information is inaccurate or incomplete, our results may be different, and our calculations may need to be revised. Please see the actuarial valuation for additional details on the funding requirements for the System.

To the best of our knowledge, the information contained in this report is complete and accurate. The calculations were performed by qualified actuaries according to generally accepted actuarial principles and practices, as well as in conformity with Actuarial Standards of Practice issued by the Actuarial Standards Board.

In order to prepare the results in this report, we have utilized actuarial models that were developed to measure liabilities and develop actuarial costs. These models include tools that we have produced and tested, along with commercially available valuation software that we have reviewed to confirm the appropriateness and accuracy of the output. In utilizing these models, we develop and use input parameters and assumptions about future contingent events along with recognized actuarial approaches to develop the needed results.

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 reasonable 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. Larry Langer, Edward Koebel, and Wendy Ludbrook are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

The calculation of the liability associated with the benefits described in this report was performed for the purpose of providing reporting and disclosure information that satisfies the requirements of GASB 67 and GASB 68 for accounting valuation purposes 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.

Respectfully submitted,

Larry Langer, ASA, EA, FCA, MAAA
Principal and Consulting Actuary

Edward J. Koebel, EA, FCA, MAAA
Chief Executive Officer

Jennifer Johnson
Managing Director

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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 Alabama Judicial Retirement Fund (JRF) is a cost-sharing multiple-employer defined benefit pension plan in a special funding situation.

This report, prepared as of September 30, 2025 (the Measurement Date), presents information to assist the employers participating in JRF in meeting the requirements of GASB 68 for the fiscal year ending in 2026 (Reporting Date). The material provided in this report is based on the data we received to prepare the annual actuarial valuation of the Alabama Judicial Retirement Fund as of September 30, 2024. The results of the valuation were detailed in a report dated December 16, 2025.

The NPL shown in the GASB Statement No. 67 Report for the Alabama Judicial Retirement Fund Prepared as of September 30, 2025, and submitted December 11, 2025, is the collective NPL used for purposes of GASB 68. Please refer to that report for the derivation of the collective NPL.

Among the assumptions needed for the liability calculation is a Single Equivalent Interest Rate (SEIR). To determine the SEIR, the FNP must be projected into the future for as long as there are anticipated benefits payable under the plan's provision applicable to the membership and beneficiaries of the Fund on the Measurement Date. Future contributions were projected to be made in accordance with the Funding Policy adopted by the Board. The Funding Policy is shown in Schedule F of this report. If the FNP is not projected to be depleted at any point in the future, as the results currently indicate, the long-term expected rate of return on plan investments expected to be used to finance the benefit payments may be used as the SEIR.

If, however, at a future measurement date the FNP is projected to be depleted, the SEIR is determined as the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by discounting all projected benefit payments through the date of depletion by the long-term expected rate of return and the present value determined by discounting those benefits after the date of depletion by a 20-year tax-exempt municipal bond (rating AA/Aa or higher) rate. The Municipal Bond Index Rate used, if necessary, for this purpose is the average of the Bond Buyer General Obligation 20-year Municipal Bond Index, the Bloomberg (Barclays) General Obligation 20-year Municipal Bond Index, and the S&P High Grade 20-year Municipal Bond Index. We have determined that a discount rate of 7.40 percent meets the requirements of GASB 68.

SECTION I - INTRODUCTION

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 Measurement Date, and investment gains/losses are amortized over five years. The development of the collective PE is shown in Section IV.

The unrecognized 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 III.

These collective amounts have been allocated based on the proportionate share associated with each participating employer. The State makes contributions to JRF for its employees and also on behalf of employees of the participating county employers. Therefore, these employers are considered to be in a special funding situation as defined by GASB 68 and the State is treated as a non-employer contributing entity in JRF. Since the counties do not contribute directly to the JRF, there is no NPL or deferred inflows or outflows to report in the financial statements of the counties. However, the notes to the financial statements must disclose the portion of the non-employer contributing entities' total proportionate share of the collective NPL that is associated with the employer. In addition, each county must recognize the total PE associated with the county as well as revenue in an amount equal to the non-employer contributing entities' total proportionate share of the collective PE associated with the county.

The proportionate share percentages for the State as the employer and the State as a non-employer contributing entity, have been calculated based on actual contributions to the Fund as shown in the following table:

Contribution Type	Amount	Proportionate Share
Employer Contributions related to special funding employers	$ 3,228,272	12.92886%
Employer Contributions related to State employer	21,741,228	87.07114%
Total Employer Contributions	$ 24,969,500	100.00000%

SECTION I - INTRODUCTION

The proportionate share percentages for each employer in a special funding situation have been determined by allocating the total proportionate share for these employers based on the total salaries of the employees of each employer.

Schedule A of this report shows the amount of salaries for the employees of each county employer for the years ending September 30, 2024, and September 30, 2025. Schedule A also shows the proportionate share percentages that have been determined based on these salaries.

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

	2025	2024
Valuation Date:	September 30, 2024	September 30, 2023
Measurement Date:	September 30, 2025	September 30, 2024
Reporting Date:	September 30, 2026	September 30, 2025
Single Equivalent Interest Rate (SEIR):		
Long-Term Expected Rate of Return	7.40%	7.40%
Municipal Bond Index Rate	4.62%	3.89%
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	7.40%	7.40%
Net Pension Liability:		
Total Pension Liability (TPL)	$574,932,155	$565,117,269
Plan Fiduciary Net Position (FNP)	398,982,582	377,167,007
Net Pension Liability (NPL = TPL – FNP)	$175,949,573	$187,950,262
FNP as a percentage of TPL	69.40%	66.74%
Collective Pension Expense (PE):	$25,184,234	$32,595,933
Deferred Outflows of Resources:	$18,293,538	$29,317,650
Deferred Inflows of Resources:	$29,146,126	$27,954,815

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)-(f): These paragraphs require information to be disclosed regarding the actuarial assumptions used to measure the TPL.

The TPL was determined by an actuarial valuation as of September 30, 2024, using the following actuarial assumptions, applied to all periods included in the measurement: The complete set of actuarial assumptions utilized in developing the TPL are outlined in Schedule E. These assumptions include:

Inflation	2.50 percent
Projected Salary increases	2.75 - 3.50 percent, including inflation
Investment rate of return	7.40 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the Pub-2010 Teacher tables with the following adjustments, projected generationally using scale MP-2020 adjusted by 66-2/3% beginning with year 2019:

Group	Membership Table	Set Forward(+) / Setback (-)	Adjustment to Rates
Service Retirees	Teacher Retiree-Below Median	Male: +2, Female: +2	Male: 108% ages < 63, 96% ages > 67, Phasing down 63-67; Female: 112% ages < 69, 98% > age 74, Phasing down 69-74
Beneficiaries	Contingent Survivor Below Median	Male: +2, Female: None	None
Disabled Retirees	Teacher Disability	Male: +8, Female: +3	None

The actuarial assumptions used the September 30, 2024 valuation, for purposes of determining the TPL, were based on the results of an actuarial experience study for the period October 1, 2015 – September 30, 2020 and a discount rate of 7.40%, as adopted by the Board of Trustees on September 14, 2021.

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 rates of return for each major asset class, as provided by RSA, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return*
Fixed Income	22.0%	2.8%
US Large Stocks	39.0%	8.0%
US Mid Stocks	11.0%	10.0%
US Small Stocks	5.0%	11.0%
Int'l Developed Mkt Stocks	12.0%	9.5%
Int'l Emerging Mkt Stocks	3.0%	11.0%
Alternatives	1.0%	9.0%
Real Estate	2.0%	6.5%
Cash	5.0%	1.5%
Total	100.0%	

* Includes assumed rate of inflation of 2.00%.

Discount rate. The discount rate used to measure the total pension liability was 7.40 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 Fund, calculated using the discount rate of 7.40 percent, as well as what the Fund's NPL would be if it were calculated using a discount rate that is 1-percentage-point lower (6.40 percent) or 1-percentage-point higher (8.40 percent) than the current rate:

	1% Decrease (6.40%)	Current Discount Rate (7.40%)	1% Increase (8.40%)
Fund's net pension liability	$228,352,013	$175,949,573	$130,607,528

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, 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. The procedure used to determine the TPL as of September 30, 2025 is shown on page 7 of the GASB 67 report for JRF submitted on December 11, 2025.

Paragraph 80(g): Please see Section IV of this report for the development of the collective pension expense. The PE associated with 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 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	Collective Deferred Inflows of Resources
Differences between expected and actual experience	$18,293,538	$473,253
Changes of assumptions	0	0
Net difference between projected and actual earnings on plan investments	0	28,672,873
Total	$18,293,538	$29,146,126

SECTION III - NOTES TO FINANCIAL STATEMENTS

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

				Beginning Balance						Ending Balance	
	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)	Recognized in Pension Expense / Deferred (e)	Recognized in Pension Expense / Deferred Inflow (f)	Deferred Outflows (a) + (c) - (e)	Deferred Inflows (b) + (d) - (f)
2025	$2,472,969	$0	4.4	$0	$0	$2,472,969	$0	$562,038	$0	$1,910,931	$0
2024	5,038,068	0	4.6	3,942,836	0	0	0	1,095,232	0	2,847,604	0
2023	42,538,583	0	4.4	23,202,863	0	0	0	9,667,860	0	13,535,003	0
2022	0	4,259,273	4.5	0	1,419,758	0	0	0	946,505	0	473,253
2021	746,396	0	4.6	97,356	0	0	0	97,356	0	0	0
Total				$27,243,055	$1,419,758	$2,472,969	$0			$18,293,538	$473,253

Collective Deferred Outflows and Inflows for Differences from Assumption Changes

				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)	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)
2025	$0	$0	4.4	$0	$0	$0	$0	$0	$0	$0	$0
2024	0	0	4.6	0	0	0	0	0	0	0	0
2023	0	0	4.4	0	0	0	0	0	0	0	0
2022	0	0	4.5	0	0	0	0	0	0	0	0
2021	15,905,243	0	4.6	2,074,595	0	0	0	2,074,595	0	0	0
Total				$2,074,595	$0	$0	$0			$0	$0

Collective Deferred Outflows and Inflows for Differences in Investment Experience

				Beginning Balance						Ending Balance	
	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)	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)
2025	$0	$10,027,813	5.0	$0	$0	$0	$10,027,813	$0	$2,005,563	$0	$8,022,250
2024	0	46,208,717	5.0	0	36,966,974	0	0	0	9,241,743	0	27,725,231
2023	0	21,424,363	5.0	0	12,854,617	0	0	0	4,284,873	0	8,569,744
2022	78,221,764	0	5.0	31,288,705	0	0	0	15,644,353	0	15,644,352	0
2021	0	40,010,863	5.0	0	8,002,171	0	0	0	8,002,171	0	0
Total				$31,288,705	$57,823,762	$0	$10,027,813			$15,644,352	$44,317,225
				Net difference between projected and actual earnings on investments							$28,672,873

Summary of Amortization of Deferred Outflows and Inflows of Resources										
Amortization	Actual and Expected Experience					Assumption Changes				
Year	2021	2022	2023	2024	2025	2021	2022	2023	2024	2025
2027	$0	($473,253)	$9,667,860	$1,095,232	$562,038	$0	$0	$0	$0	$0
2028	0	0	3,867,143	1,095,232	562,038	0	0	0	0	0
2029	0	0	0	657,140	562,038	0	0	0	0	0
2030	0	0	0	0	224,817	0	0	0	0	0
2031	0	0	0	0	0	0	0	0	0	0
Thereafter	0	0	0	0	0	0	0	0	0	0
TOTAL	**$0**	**($473,253)**	**$13,535,003**	**$2,847,604**	**$1,910,931**	**$0**	**$0**	**$0**	**$0**	**$0**

Summary of Amortization of Deferred Outflows and Inflows of Resources						
Amortization	Investment Gains/Losses					
Year	2021	2022	2023	2024	2025	Total
2027	$0	$15,644,352	($4,284,873)	($9,241,743)	($2,005,563)	$10,964,050
2028	0	0	(4,284,871)	(9,241,743)	(2,005,563)	(10,007,764)
2029	0	0	0	(9,241,745)	(2,005,563)	(10,028,130)
2030	0	0	0	0	(2,005,561)	(1,780,744)
2031	0	0	0	0	0	$0
Thereafter	0	0	0	0	0	$0
TOTAL	**$0**	**$15,644,352**	**($8,569,744)**	**($27,725,231)**	**($8,022,250)**	**($10,852,588)**

SECTION III - NOTES TO FINANCIAL STATEMENTS

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

Deferred Amounts to be Recognized in Fiscal Years Following the Reporting Date:	
Year 1	$10,964,050
Year 2	(10,007,764)
Year 3	(10,028,130)
Year 4	(1,780,744)
Year 5	0
Thereafter	0

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

SECTION IV - PENSION EXPENSE

As noted earlier, the collective Pension Expense (PE) consists of a number of different items. GASB 68 refers to the first as Service Cost which is the Normal Cost using the Entry Age Normal actuarial funding method. The second item is interest on the beginning Total Pension Liability (TPL) and the cash flow during the year at the 7.40% rate of return in effect as of the previous measurement date.

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

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

Benefit changes, which are reflected immediately in PE, can be positive if there is a benefit enhancement for existing Plan members, or negative if there is a benefit reduction. For the year ended September 30, 2025, 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, 2025, this number of years for the active members is 10.0. The average expected remaining service life of the inactive members is zero. The number of years to use for the amortization is the weighted average for all active and inactive members, or 4.4 years. The amount to be recognized due to actual versus expected experience for the year is $562,038.

The last item under changes in TPL are changes in actuarial assumptions since the last measurement date. Recognition of the change in TPL due to changes in actuarial assumptions, is also spread over the average expected remaining service life of the plan membership. For the year ended September 30, 2025, there were no assumption changes to be recognized.

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

Investment Earnings (Gain)/Loss Determined as of the Measurement Date	
a. Expected asset return rate	7.40%
b. Beginning of year FNP (BOY)	$ 377,167,007
c. End of year FNP	398,982,582
d. Expected return on BOY for the plan year (a x b)	27,910,359
e. External Cash Flow	
(i) Employer contributions	24,969,500
(ii) Member contributions	5,252,659
(iii) Refunds of contributions	(67,302)
(iv) Benefit Payments	(45,136,470)
(v) Administrative expenses	(565,732)
(vi) Other	-
(vii) Total net external cash flow	(15,547,345)
f. Expected return on net cash flow	
(a x 0.5 x e(vii))	(575,252)
g. Projected earnings for plan year (d + f)	27,335,107
h. Net investment income (c – b – e(vii))	37,362,920
i. Investment earnings (gain)/loss (g – h)	$ (10,027,813)
j. Amount recognized in Pension Expense (i / 5)	$ (2,005,563)

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

SECTION IV - PENSION EXPENSE

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	
Service Cost at end of year	$ 12,399,551
Interest on the TPL and net cash flow	40,146,138
Current-period benefit changes	-
Expensed portion of current-period difference between expected and actual experience in the total pension liability	562,038
Expensed portion of current-period changes of assumptions	-
Member contributions	(5,252,659)
Projected earnings on plan investments	(27,335,107)
Expensed portion of current-period differences between projected and actual earnings on plan investments	(2,005,563)
Administrative expense	565,732
Other	-
Recognition of beginning deferred outflows of resources as pension expense	12,935,043
Recognition of beginning deferred inflows of resources as pension expense	(6,830,939)
Collective Pension Expense	$ 25,184,234

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

Paragraph 82:

Changes of benefit terms.

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

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

(i) A service retirement allowance is payable upon the request of any member who has attained age 62 and completed at least 10 years of creditable service.

(ii) Upon service or disability retirement a member who is a judge with years of service less than 18 years, receives a retirement allowance equal to 4% of the member's average final compensation (the 5 highest years in the last 10 years of creditable service) multiplied by the number of years of creditable service, not to exceed 75% of average final compensation. For a member who is a judge with 18 or more years of service, the allowance is 75% of the member's average final compensation.

(iii) Upon service or disability retirement a member who is a clerk or a district attorney receives a retirement allowance equal to 3% of the member's average final compensation (the 5 highest years in the last 10 years of creditable service), not to exceed 80% of average final compensation.

Changes of assumptions.

In 2021, rates of retirement and mortality were adjusted to more closely reflect actual experience. In 2021, economic assumptions and the assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience, including a change in the discount rate from 7.65% to 7.40%. In 2021 and later, the expectation of retired life mortality was changed to the Pub-2010 Teacher Retiree Below Median Tables projected generationally with 66-2/3% of the MP-2020 scale beginning in 2019.

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

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

Schedule A - Employer Allocations

Alabama Judicial Retirement Fund
For the Fiscal Years Ended September 30, 2024 and September 30, 2025

County	2024 Calculated Salary	2024 Employer Allocation Percentage	2025 Calculated Salary	2025 Employer Allocation Percentage
Autauga	$ 136,334	0.21973%	$ 139,061	0.23159%
Baldwin	161,922	0.26098%	166,100	0.27661%
Barbour	72,548	0.11693%	76,023	0.12661%
Bibb	119,776	0.19305%	121,986	0.20315%
Blount	97,198	0.15666%	99,393	0.16552%
Bullock	67,500	0.10879%	65,000	0.10825%
Butler	102,367	0.16499%	122,541	0.20407%
Calhoun	173,951	0.28036%	152,952	0.25472%
Chambers	104,603	0.16859%	107,623	0.17923%
Cherokee	114,359	0.18432%	118,519	0.19738%
Chilton	81,534	0.13141%	84,752	0.14114%
Choctaw	110,170	0.17757%	113,475	0.18898%
Clarke	91,214	0.14701%	94,775	0.15783%
Clay	79,507	0.12814%	80,787	0.13454%
Cleburne	107,658	0.17352%	97,107	0.16172%
Coffee	92,712	0.14943%	101,974	0.16982%
Colbert	96,071	0.15484%	119,800	0.19951%
Conecuh	109,588	0.17663%	121,328	0.20205%
Coosa	80,658	0.13000%	81,971	0.13651%
Covington	112,209	0.18085%	115,446	0.19226%
Crenshaw	95,358	0.15369%	95,358	0.15880%
Cullman	119,978	0.19337%	124,945	0.20808%
Dale	102,104	0.16457%	108,151	0.18011%
Dallas	126,082	0.20321%	126,082	0.20997%
DeKalb	116,712	0.18811%	119,040	0.19824%
Elmore	98,000	0.15795%	116,582	0.19415%
Escambia	88,000	0.14183%	88,000	0.14655%
Etowah	142,512	0.22969%	148,512	0.24732%
Fayette	126,336	0.20362%	124,481	0.20730%
Franklin	152,044	0.24506%	166,579	0.27741%
Geneva	101,322	0.16330%	104,047	0.17327%
Greene	87,440	0.14093%	90,063	0.14999%
Hale	114,566	0.18465%	112,837	0.18791%
Henry	159,057	0.25636%	144,698	0.24097%
Houston	161,611	0.26047%	160,127	0.26667%
Jackson	118,244	0.19058%	120,963	0.20145%
Jefferson	301,022	0.48519%	299,693	0.49913%
Lamar	143,685	0.23158%	121,220	0.20187%
Lauderdale	94,372	0.15210%	82,200	0.13689%
Lawrence	91,683	0.14777%	93,160	0.15514%
Lee	136,346	0.21975%	139,017	0.23151%
Limestone	121,749	0.19623%	127,836	0.21289%

Schedule A - Employer Allocations

County	2024 Calculated Salary	2024 Employer Allocation Percentage	2025 Calculated Salary	2025 Employer Allocation Percentage
Lowndes	$ 110,374	0.17789%	$ 116,779	0.19448%
Macon	66,427	0.10706%	61,427	0.10230%
Madison	108,098	0.17423%	113,598	0.18918%
Marengo	139,684	0.22513%	143,827	0.23952%
Marion	100,664	0.16224%	100,664	0.16764%
Marshall	95,471	0.15387%	97,380	0.16217%
Mobile	188,186	0.30331%	181,968	0.30304%
Monroe	113,000	0.18213%	114,000	0.18985%
Montgomery	117,532	0.18943%	118,695	0.19767%
Morgan	101,888	0.16422%	103,886	0.17301%
Perry	75,546	0.12176%	75,546	0.12581%
Pickens	68,438	0.11030%	90,842	0.15128%
Pike	121,478	0.19579%	124,986	0.20815%
Randolph	61,945	0.09984%	61,945	0.10316%
Russell	112,549	0.18140%	112,549	0.18743%
Shelby	161,631	0.26051%	164,914	0.27464%
St. Clair	114,771	0.18498%	121,244	0.20191%
Sumter	81,227	0.13092%	81,459	0.13566%
Talladega	88,051	0.14192%	88,051	0.14664%
Tallapoosa	92,709	0.14942%	96,883	0.16134%
Tuscaloosa	172,490	0.27801%	177,780	0.29607%
Walker	72,549	0.11693%	132,912	0.22135%
Washington	110,705	0.17843%	111,745	0.18609%
Wilcox	83,440	0.13448%	62,997	0.10491%
Winston	114,030	0.18379%	113,162	0.18845%
Total for State Support Provided to the Counties	$ 7,582,985	12.22180%	$ 7,763,443	12.92886%
State Employer		87.77820%		87.07114%
Total State of Alabama		100.00000%		100.00000%

Alabama Judicial Retirement Fund
As of and for the Fiscal Year Ended September 30, 2026 with Net Pension Liability as of September 30, 2025

		Deferred Outflows of Resources					Deferred Inflows of Resources				Pension Expense		
County	Net Pension Liability 2025	Difference Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	Change of Assumptions	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Outflows of Resources	Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Inflows of Resources	Proportionate Share of Plan Pension Expense	Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Employer Pension Expense
Autauga	$ 407,482	$ 42,366	$ -	$ -	$ 17,312	$ 59,678	$ 1,096	$ 66,404	$ 11,592	$ 79,092	$ 58,324	$ (3,216)	$ 55,108
Baldwin	486,694	50,602	-	-	30,975	81,577	1,309	79,312	1,798	82,419	69,662	3,366	73,028
Barbour	222,770	23,161	-	-	15,722	38,883	599	36,303	12,840	49,742	31,886	(3,245)	28,641
Bibb	357,442	37,163	-	-	25,167	62,330	961	58,249	3,621	62,831	51,162	11,296	62,458
Blount	291,232	30,279	-	-	14,178	44,457	783	47,459	10,876	59,118	41,685	(4,663)	37,022
Bullock	190,465	19,803	-	-	17,876	37,679	512	31,038	4,323	35,873	27,262	127	27,389
Butler	359,060	37,332	-	-	56,346	93,678	966	58,513	9,761	69,240	51,393	6,368	57,761
Calhoun	448,179	46,597	-	-	61,082	107,679	1,205	73,036	39,433	113,674	64,149	9,989	74,138
Chambers	315,354	32,788	-	-	19,255	52,043	848	51,390	7,100	59,338	45,138	(3,022)	42,116
Cherokee	347,289	36,108	-	-	18,830	54,938	934	56,595	18,215	75,744	49,709	(10,094)	39,615
Chilton	248,335	25,819	-	-	14,028	39,847	668	40,469	16,308	57,445	35,545	(9,987)	25,558
Choctaw	332,510	34,571	-	-	18,745	53,316	894	54,186	7,035	62,115	47,593	(4,903)	42,690
Clarke	277,701	28,873	-	-	15,601	44,474	747	45,254	10,075	56,076	39,748	(5,897)	33,851
Clay	236,723	24,612	-	-	12,803	37,415	637	38,576	8,747	47,960	33,883	(3,868)	30,015
Cleburne	284,546	29,584	-	-	-	29,584	765	46,370	31,452	78,587	40,728	(20,825)	19,903
Coffee	298,798	31,066	-	-	30,271	61,337	804	48,692	9,840	59,336	42,768	(6,146)	36,622
Colbert	351,037	36,497	-	-	74,447	110,944	944	57,205	3,865	62,014	50,245	18,022	68,267
Conecuh	355,506	36,962	-	-	39,760	76,722	956	57,934	6,619	65,509	50,885	5,237	56,122
Coosa	240,189	24,973	-	-	9,480	34,453	646	39,141	14,261	54,048	34,379	(8,524)	25,855
Covington	338,281	35,171	-	-	21,789	56,960	910	55,126	13,078	69,114	48,419	(2,228)	46,191
Crenshaw	279,408	29,050	-	-	7,367	36,417	752	45,533	19,658	65,943	39,993	(15,314)	24,679
Cullman	366,116	38,065	-	-	23,394	61,459	985	59,663	5,543	66,191	52,403	775	53,178
Dale	316,903	32,948	-	-	30,439	63,387	852	51,643	10,238	62,733	45,359	4,303	49,662
Dallas	369,441	38,411	-	-	13,000	51,411	994	60,204	19,101	80,299	52,879	331	53,210
DeKalb	348,802	36,265	-	-	14,794	51,059	938	56,841	13,064	70,843	49,925	(9,004)	40,921
Elmore	341,606	35,517	-	-	52,193	87,710	919	55,668	18,263	74,850	48,895	(1,268)	47,627
Escambia	257,854	26,809	-	-	7,285	34,094	694	42,020	13,334	56,048	36,907	(5,727)	31,180
Etowah	435,158	45,244	-	-	26,543	71,787	1,170	70,914	16,940	89,024	62,286	(399)	61,887
Fayette	364,743	37,923	-	-	26,914	64,837	981	59,439	23,666	84,086	52,207	(3,039)	49,168
Franklin	488,102	50,748	-	-	61,167	111,915	1,313	79,541	26,642	107,496	69,864	2,269	72,133
Geneva	304,868	31,697	-	-	14,374	46,071	820	49,681	11,221	61,722	43,637	(7,611)	36,026
Greene	263,907	27,438	-	-	13,621	41,059	710	43,006	8,288	52,004	37,774	(6,018)	31,756
Hale	330,627	34,375	-	-	4,700	39,075	889	53,879	19,558	74,326	47,324	(14,334)	32,990
Henry	423,986	44,082	-	-	4,207	48,289	1,140	69,093	31,986	102,219	60,686	(5,107)	55,579
Houston	469,205	48,783	-	-	30,304	79,087	1,262	76,462	13,646	91,370	67,159	13,478	80,637
Jackson	354,450	36,852	-	-	17,417	54,269	953	57,762	9,379	68,094	50,734	(9,195)	41,539
Jefferson	878,217	91,311	-	-	20,099	111,410	2,365	143,117	56,051	201,533	125,703	(39,694)	86,009
Lamar	355,189	36,929	-	-	27,936	64,865	955	57,882	80,873	139,710	50,839	(17,431)	33,408
Lauderdale	240,857	25,042	-	-	2,320	27,362	648	39,250	34,684	74,582	34,475	(19,980)	14,495
Lawrence	272,968	28,381	-	-	12,763	41,144	734	44,483	2,667	47,884	39,071	(2,458)	36,613
Lee	407,341	42,351	-	-	18,992	61,343	1,096	66,381	8,032	75,509	58,304	(2,364)	55,940
Limestone	374,579	38,945	-	-	24,207	63,152	1,008	61,042	13,253	75,303	53,615	(5,125)	48,490

Schedule B - Pension Amounts by Employer

		Deferred Outflows of Resources					Deferred Inflows of Resources				Pension Expense		
County	Net Pension Liability 2025	Difference Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	Change of Assumptions	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Outflows of Resources	Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	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
Lowndes	$ 342,187	$ 35,577	$ -	$ -	$ 23,920	$ 59,497	$ 920	$ 55,763	$ 12,101	$ 68,784	$ 48,978	$ (4,831)	$ 44,147
Macon	179,996	18,714	-	-	-	18,714	484	29,332	30,910	60,726	25,763	(33,258)	(7,495)
Madison	332,861	34,608	-	-	21,555	56,163	895	54,243	20,146	75,284	47,644	(12,024)	35,620
Marengo	421,434	43,817	-	-	20,748	64,565	1,134	68,677	25,204	95,015	60,321	(7,936)	52,385
Marion	294,962	30,667	-	-	8,385	39,052	793	48,067	15,951	64,811	42,219	(5,935)	36,284
Marshall	285,337	29,667	-	-	15,758	45,425	767	46,499	2,854	50,120	40,841	(2,314)	38,527
Mobile	533,198	55,437	-	-	281	55,718	1,434	86,890	17,950	106,274	76,318	(14,288)	62,030
Monroe	334,040	34,730	-	-	11,130	45,860	898	54,435	17,855	73,188	47,812	(12,962)	34,850
Montgomery	347,800	36,161	-	-	11,881	48,042	935	56,678	19,261	76,874	49,782	(13,257)	36,525
Morgan	304,410	31,650	-	-	13,598	45,248	819	49,607	11,264	61,690	43,571	(6,438)	37,133
Perry	221,362	23,015	-	-	5,839	28,854	595	36,073	11,900	48,568	31,684	(9,487)	22,197
Pickens	266,177	27,674	-	-	59,099	86,773	716	43,376	14,724	58,816	38,099	6,327	44,426
Pike	366,239	38,078	-	-	21,022	59,100	985	59,683	3,490	64,158	52,421	(3,127)	49,294
Randolph	181,510	18,872	-	-	4,785	23,657	488	29,579	11,544	41,611	25,980	(9,115)	16,865
Russell	329,782	34,288	-	-	8,719	43,007	887	53,742	18,473	73,102	47,203	(11,179)	36,024
Shelby	483,228	50,241	-	-	40,246	90,487	1,300	78,747	6,418	86,465	69,166	2,220	71,386
St. Clair	355,260	36,936	-	-	30,342	67,278	956	57,893	3,789	62,638	50,849	(338)	50,511
Sumter	238,693	24,817	-	-	6,835	31,652	642	38,898	13,566	53,106	34,165	(9,543)	24,622
Talladega	258,012	26,826	-	-	28,953	55,779	694	42,046	22,412	65,152	36,930	(12,095)	24,835
Tallapoosa	283,877	29,515	-	-	20,234	49,749	764	46,261	11,965	58,990	40,632	(1,180)	39,452
Tuscaloosa	520,934	54,162	-	-	26,039	80,201	1,401	84,892	16,012	102,305	74,563	(9,870)	64,693
Walker	389,464	40,493	-	-	150,554	191,047	1,048	63,467	15,302	79,817	55,745	31,822	87,567
Washington	327,425	34,042	-	-	11,375	45,417	881	53,357	22,658	76,896	46,865	(17,884)	28,981
Wilcox	184,589	19,192	-	-	10,983	30,175	496	30,081	45,668	76,245	26,421	(15,754)	10,667
Winston	331,577	34,474	-	-	6,719	41,193	892	54,034	18,421	73,347	47,460	(14,285)	33,175
Total for State Support	$ 22,748,274	$ 2,365,146	$ -	$ -	$ 1,526,703	$ 3,891,849	$ 61,186	$ 3,707,076	$ 1,106,764	$ 4,875,026	$ 3,256,034	$ (361,856)	$ 2,894,178
State Employer	153,201,299	15,928,392	-	-	681,548	16,609,940	412,067	24,965,797	1,101,487	26,479,351	21,928,200	361,856	22,290,056
Total State of Alabama	$ 175,949,573	$ 18,293,538	$ -	$ -	$ 2,208,251	$ 20,501,789	$ 473,253	$ 28,672,873	$ 2,208,251	$ 31,354,377	$ 25,184,234	$ -	$ 25,184,234

SCHEDULE C – REMAINING DEFERRED OUTFLOWS/(INFLOWS)

As of and for the Fiscal Year Ending September 30, 2026

County	2027	2028	2029	2030	2031	Thereafter
Autauga	$ 26,120	$ (22,549)	$ (20,870)	$ (2,115)	$ -	$ -
Baldwin	39,292	(18,073)	(19,786)	(2,275)	-	-
Barbour	13,264	(12,349)	(11,162)	(612)	-	-
Bibb	32,788	(14,461)	(16,924)	(1,904)	-	-
Blount	17,457	(15,799)	(14,875)	(1,444)	-	-
Bullock	15,462	(4,677)	(6,960)	(2,019)	-	-
Butler	33,694	(6,741)	(5,511)	2,996	-	-
Calhoun	42,234	(14,118)	(25,227)	(8,884)	-	-
Chambers	22,967	(14,249)	(14,627)	(1,386)	-	-
Cherokee	17,823	(19,939)	(17,391)	(1,299)	-	-
Chilton	9,977	(14,458)	(12,253)	(864)	-	-
Choctaw	20,630	(14,414)	(13,584)	(1,431)	-	-
Clarke	15,526	(13,831)	(12,323)	(974)	-	-
Clay	14,745	(11,899)	(12,080)	(1,311)	-	-
Cleburne	3,805	(25,001)	(22,925)	(4,882)	-	-
Coffee	22,428	(10,836)	(10,024)	433	-	-
Colbert	44,880	1,374	(1,348)	4,024	-	-
Conecuh	31,004	(10,094)	(10,409)	712	-	-
Coosa	10,827	(15,433)	(13,665)	(1,324)	-	-
Covington	23,308	(17,038)	(16,938)	(1,486)	-	-
Crenshaw	8,910	(19,680)	(16,793)	(1,963)	-	-
Cullman	27,335	(15,379)	(15,478)	(1,210)	-	-
Dale	27,167	(12,469)	(13,472)	(572)	-	-
Dallas	20,437	(25,086)	(21,646)	(2,593)	-	-
DeKalb	19,215	(19,312)	(17,876)	(1,811)	-	-
Elmore	26,455	(9,474)	(6,804)	2,683	-	-
Escambia	12,472	(17,509)	(15,108)	(1,809)	-	-
Etowah	29,080	(23,668)	(21,235)	(1,414)	-	-
Fayette	28,666	(20,894)	(23,956)	(3,065)	-	-
Franklin	41,420	(18,368)	(19,183)	550	-	-
Geneva	17,124	(16,329)	(15,051)	(1,395)	-	-
Greene	15,762	(13,112)	(12,461)	(1,134)	-	-
Hale	11,873	(23,727)	(20,605)	(2,792)	-	-
Henry	19,816	(34,253)	(32,591)	(6,902)	-	-
Houston	42,651	(23,977)	(27,261)	(3,696)	-	-
Jackson	19,723	(16,612)	(15,191)	(1,745)	-	-
Jefferson	29,365	(60,585)	(52,365)	(6,538)	-	-
Lamar	11,235	(37,183)	(40,262)	(8,635)	-	-
Lauderdale	2,242	(22,475)	(21,970)	(5,017)	-	-
Lawrence	18,452	(11,743)	(11,939)	(1,510)	-	-
Lee	26,881	(19,531)	(19,387)	(2,129)	-	-
Limestone	23,653	(18,167)	(16,671)	(966)	-	-

SCHEDULE C – REMAINING DEFERRED OUTFLOWS/(INFLOWS)

County	2027	2028	2029	2030	2031	Thereafter
Lowndes	$ 21,230	$ (15,613)	$ (14,256)	$ (648)	$ -	$ -
Macon	(8,776)	(16,826)	(13,783)	(2,627)	-	-
Madison	15,850	(18,541)	(15,597)	(833)	-	-
Marengo	20,396	(26,611)	(22,412)	(1,823)	-	-
Marion	13,822	(20,227)	(17,285)	(2,069)	-	-
Marshall	20,870	(11,541)	(12,545)	(1,479)	-	-
Mobile	25,593	(36,514)	(34,196)	(5,439)	-	-
Monroe	14,157	(20,983)	(18,430)	(2,072)	-	-
Montgomery	14,354	(21,972)	(19,090)	(2,124)	-	-
Morgan	17,359	(16,614)	(15,596)	(1,591)	-	-
Perry	9,144	(14,403)	(12,903)	(1,552)	-	-
Pickens	27,053	(2,636)	(718)	4,258	-	-
Pike	26,021	(14,574)	(14,895)	(1,610)	-	-
Randolph	6,282	(12,326)	(10,634)	(1,276)	-	-
Russell	12,886	(21,339)	(19,328)	(2,314)	-	-
Shelby	38,626	(15,147)	(16,963)	(2,494)	-	-
St. Clair	28,681	(11,007)	(12,308)	(726)	-	-
Sumter	9,417	(15,661)	(13,599)	(1,611)	-	-
Talladega	17,926	(10,371)	(15,118)	(1,810)	-	-
Tallapoosa	19,714	(14,444)	(13,660)	(851)	-	-
Tuscaloosa	30,510	(26,480)	(23,927)	(2,207)	-	-
Walker	59,996	17,370	20,095	13,769	-	-
Washington	13,030	(22,656)	(19,839)	(2,014)	-	-
Wilcox	327	(18,990)	(20,526)	(6,881)	-	-
Winston	12,311	(22,469)	(19,431)	(2,565)	-	-
Total for State Support Provided to the Counties	$ 1,404,944	$ (1,164,693)	$ (1,113,131)	$ (110,297)	$ -	$ -
State Employer	9,559,106	(8,843,071)	(8,914,999)	(1,670,447)	-	-
Total State of Alabama	$ 10,964,050	$ (10,007,764)	$ (10,028,130)	$ (1,780,744)	$ -	$ -

AS INTERPRETED FOR ACCOUNTING AND REPORTING VALUATION PURPOSES

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

Membership

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

Average Final Compensation

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

Creditable Service

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

Benefits

Service Retirement Benefit

Condition for Benefit

Tier I (Groups 1 and 2):

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

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

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

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

Tier II (Group 3) and District Attorneys:

Completed 10 years of credible service and attained age 62**.**

Amount of Benefit

Tier I (Groups 1 and 2): The service retirement benefit for a member is equal to:

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

Tier II (Group 3) and District Attorneys: The service retirement benefit for a member is equal to:

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

Disability Retirement Benefit

Condition for Benefit

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

Amount of Benefit

Tier I (Groups 1 and 2):	The disability retirement benefit for a member other than a district or probate judge who was a member prior to July 30, 1979, is equal to 25% of the salary prescribed by law for the position from which the member retires plus 10% of such salary for each year of creditable service in excess of five years. The disability retirement benefit is subject to a minimum of 30% and a maximum of 75% of such salary. The disability retirement benefit for a judge who became a member on or after July 30, 1979, or who is a district or probate judge is equal to 25% of his salary immediately prior to retirement plus 10% of such salary for each year of creditable service in excess of five years. The disability retirement benefit is subject to a minimum of 30% and a maximum of 75% of such salary.
Tier II (Group 3) and District Attorneys:	For a member who is a judge with less than 18 years of creditable service, 4% of average final compensation multiplied by the number of years of creditable service; for a member who is a judge with 18 or more years of creditable service, 75% of average final compensation, not to exceed 75% of average final compensation. For a member who is a clerk or district attorney, 3% of average final compensation multiplied by the number of years of creditable service, not to exceed 80% of average final compensation.

Spouse's Benefit

Condition for Benefit

Tier I (Groups 1 and 2):	Upon the death of an active, inactive or retired member with at least 5 years of creditable service, a death benefit is payable to the member's spouse.

Amount of Benefit

Tier I (Groups 1 and 2):

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

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

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

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

Death in Active Service Benefit

Amount of Benefit

Tier II (Group 3) and District Attorneys:

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

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

Benefit Payable on Separation from Service

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

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

Contributions

By Members

Tier I (Groups 1 and 2): Prior to October 1, 2011, each member contributed 6.0% of salary.
Beginning October 1, 2011, each member contributed 8.25% of salary.
Beginning October 1, 2012, each member contributes 8.50% of salary.

Tier II (Group 3) and District Attorneys: Each Tier II member and District Attorney member contributes 8.50% of salary.

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

By State

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

Special Privileges at Retirement

Tier II (Group 3) and District Attorneys:

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

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

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

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

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

The assumptions and methods used in the valuation are based on the results of the Experience Investigation for the Five-Year Period Ending September 30, 2020, dated July 12, 2021, and adopted by the Board on September 14, 2021. The combined effect of the assumptions is expected to have no significant bias.

Investment Rate of Return: 7.40% per annum, compounded annually, including inflation at 2.50%.

Salary Increases: 3.50% per annum for less than 14 years of service, 3.25% for 14 years of service, and 2.75% for 15 or greater years of service, compounded annually, including wage inflation at 2.75%.

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

	Annual Rate of				
	Withdrawal		Death*		Disability**
Years of Service		Age	Male	Female	
<1	3.00%	30	0.0195%	0.0111%	0.020%
1	3.00	35	0.0267	0.0169	0.040
2-5	3.00	40	0.0371	0.0260	0.068
6-9	3.00	45	0.0585	0.0403	0.108
10-14	1.30	50	0.0969	0.0605	0.163
	1.30	55	0.1508	0.0878	0.250
15-19	1.30	60	0.2321	0.1326	0.395
20+	1.30	64	0.3439	0.1995	0.570

* Base rates of pre-retirement mortality as of 2010 from the sex distinct Pub-2010 Teacher Employee Below Median Table with an adjustment factor of 65%, before application of the improvement scale

** Disability rates turn off at retirement eligibility.

Rates of Retirement:

	Tier I Judges (Groups 1 and 2)*	Tier II Judges (Group 3)		Clerks and District Attorneys***
Age		<18 years	≥18 years**	
45-59	7.5%			
60-61	16.5%			
62	20.0%	10.0%	30.0%	10.0%
63-64	16.5%	10.0%	16.5%	10.0%
65-69	20.0%	10.0%	20.0%	10.0%
70-74	30.0%	30.0%	30.0%	30.0%
75	100.0%	100.0%	100.0%	100.0%

* 30% are assumed to retire when first eligible at ages <60; 25% are assumed to retire when first eligible at ages 60-69.

** 30% are assumed to retire when first eligible.

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

Deaths After Retirement: Mortality rates were based on the Pub-2010 Teacher tables with the following adjustments, projected generationally using scale MP-2020 adjusted by 66-2/3% beginning with year 2019:

Group	Membership Table	Set Forward(+)/ Setback (-)	Adjustment to Rates
Service Retirees	Teacher Retiree Below Median	Male: +2, Female: +2	Male: 108% ages < 63, 96% ages > 67, Phasing down 63-67; Female: 112% ages < 69, 98% > age 74, Phasing down 69-74
Beneficiaries	Contingent Survivor Below Median	Male: +2, Female: None	None
Disabled Retirees	Teacher Disability	Male: +8, Female: +3	None

SCHEDULE E- ACTUARIAL ASSUMPTIONS AND METHODS

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

Actuarial Method: Individual Entry age normal.

Assets: Market Value.

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

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

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

EMPLOYEES' RETIREMENT SYSTEM BOARD OF CONTROL FOR THE ADMINISTRATION OF THE JUDICIAL RETIREMENT FUND
Effective September 30, 2021

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

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

I. Funding Objectives The goal in requiring employer and member contributions to the Fund is to accumulate sufficient assets during a member's employment to fully finance the benefits the member is expected to receive throughout retirement. In meeting this objective, the Fund will strive to meet the following funding objectives:

- To maintain an increasing funded ratio (ratio of fund actuarial value of assets to actuarial accrued liabilities) that reflects a trend of improved actuarial condition. The long-term objective is to attain a funded ratio which is consistent with the fiscal health and long-term stability of the Fund.
- To maintain adequate asset levels to finance the benefits promised to members and monitor the future demands for liquidity.
- To develop a pattern of contribution rates expressed as a percentage of member payroll as measured by valuations prepared in accordance with applicable State laws and the principles of practice prescribed by the Actuarial Standards Board. In no event will the employer contribution rate be negative.
- To provide intergenerational equity for taxpayers with respect to Fund costs.

II. Benchmarks

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

- **Funded ratio** – The funded ratio, defined as the actuarial value of assets divided by the actuarial accrued liability, should increase over time, before adjustments for changes in benefits, actuarial methods, and/or actuarial assumptions.

- **Unfunded Actuarial Accrued Liability (UAAL)**
  - **Initial Total UAAL -** The initial total UAAL established as of the initial valuation date (September 30, 2021) for which this funding policy is adopted shall be amortized over a closed period. (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).
  - **New Incremental UAAL** - Each valuation after the initial valuation date will produce a New Incremental UAAL consisting of all benefit changes that have occurred since the previous valuation. Each valuation after the initial valuation date will produce a New Incremental UAAL consisting of all assumption and method changes and experience gains and/or losses that have occurred since the previous valuation.

- **UAAL Amortization Period and Contribution Rates**
  - The Initial Total UAAL will be amortized over a closed 19-year period.
  - Except as noted later, each New Incremental UAAL shall be amortized over a closed 20 year period.
  - Incremental UAAL resulting from plan changes that grant benefit improvements shall be amortized over a period not to exceed 15 years.
  - Employer Normal Contribution Rate – the contribution rate determined as of the valuation date each year based on the provisions of Alabama Code Sections 36-27-24 and 12-18-2.
  - In each valuation subsequent to the adoption of this funding policy the required employer contribution rate will be determined by the summation of the employer Normal Contribution Rate, a contribution rate for the pre-retirement death benefit fund, a contribution rate for administrative expenses, the individual amortization rate for each of the New Incremental UAAL bases, and the amortization rate for the remaining initial UAAL.

III. Methods and Assumptions

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