

# Employees' Retirement System of Alabama



## Actuarial Valuation Report

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**Prepared as of September 30, 2024**



May 21, 2025

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

Members of the Board:

In this report are submitted the results of the annual actuarial valuation of the assets and liabilities of the Employees' Retirement System of Alabama, prepared as of September 30, 2024 in accordance with Section 36-27-23(p) of the act governing the operation of the System.

The purpose of this report is to provide a summary of the funded status of the System as of September 30, 2024 and to recommend rates of State contribution.

The findings in this report are based on data and other information through September 30, 2024. The valuation was based upon information furnished by RSA Staff, concerning RSA benefits, financial transactions, plan provisions and active members, terminated members, retirees and beneficiaries. We checked for internal reasonability and year-to-year consistency but did not audit the data. 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. The complete cooperation of the RSA staff in furnishing materials requested is hereby acknowledged with appreciation.

The valuation reflects an additional 2% salary increase granted to State employees and State police officers effective October 1, 2024 in accordance with Act 2024-284.

**On the basis of the valuation, it is recommended that the employer make contributions to the System for State employees (members other than State Police) at the rate of 17.15% of payroll for Tier I members and 16.85% for Tier II members for the fiscal year ending September 30, 2027. It is also recommended that the employer make contributions to the System for State Police at the rate of 58.82% of payroll for Tier I members and 56.41% for Tier II members for the fiscal year ending September 30, 2027. This represents a decrease in the contribution rates from last year's valuation.**

**The contribution rates for local employers for the fiscal year beginning October 1, 2026 will be submitted in a separate report and will include the impact of the employer-elected changes through September 30, 2024, and the impact of any employer elections of Act 2022-348 approved by the Board through September 30, 2024.**

Effective with the September 30, 2021 valuation, the Board approved a phase in of the increase in the required contributions due to the assumption changes made in the most recent experience investigation over a period not to exceed five years with a floor equal to the 2023 fiscal year employer contribution rates. The 2027 fiscal year employer rates in this September 30, 2024 actuarial valuation reflect the fourth of five phase-in periods of 0.34% of payroll for Tier I members and 0.28% of payroll for Tier II members for State employees and 0.59% of payroll for Tier I members and 0.47% of payroll for Tier II members for State Police. The fiscal year 2028 employer rates in the upcoming September 30, 2025 actuarial valuation will have the final phase-in adjustment.



The promised benefits of the System are included in the actuarially calculated contribution rates which are developed using the Entry Age Normal cost method. Five-year smoothed market value of assets is used for actuarial valuation purposes. Gains and losses are reflected in the unfunded actuarial accrued liability that is being amortized by regular annual contributions as a level percentage of payroll, on the assumption that payroll will increase by 2.75% annually. The assumptions recommended by the actuary and adopted by the Board are in the aggregate reasonably related to the experience under the System and to reasonable expectations of anticipated experience under the System. The assumptions and methods used for funding purposes meet the parameters outlined in the Board's funding policy. We continue to estimate that the employer contribution will begin to pay down the UAAL during FYE 2027 for State employees; the UAAL for State Police began declining in FYE 2022 although it is higher this valuation due to an increase in liabilities from payroll increases more than expected.

In this report, we provide the following information and supporting schedules in the Actuarial and Statistical Sections of the Annual Comprehensive Financial Report:

- Summary of Actuarial Assumptions and Methods
- Actuarial Cost Method
- Summary of Plan Provisions as Interpreted for Valuation Purposes
- Schedule of Funding Progress
- Solvency Test
- Schedule of Active Member Valuation Data

We also provide the following schedules for the Annual Comprehensive Financial Report in a separate supplemental report:

- Analysis of Actuarial Gains and Losses
- Schedule of Retirants and Beneficiaries Added and Removed from Rolls
- Retired Members by Type of Benefit as of September 30, 2024
- Ten-Year History of Average Monthly Benefit Payments as of September 30

The necessary GASB Statements No. 67 and 68 disclosure information is provided in separate supplemental reports. However, some accounting information is provided for informational purposes only.

This is to certify that Larry Langer and Ed Koebel are members of the American Academy of Actuaries and have experience in performing valuations for public retirement systems, that the valuation was prepared in accordance with principles of practice prescribed by the Actuarial Standards Board, and that the actuarial calculations were performed by qualified actuaries in accordance with accepted actuarial procedures, based on the current provisions of the retirement system and on actuarial assumptions that are internally consistent and reasonably based on the actual experience of the System.

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.



Future actuarial results may differ significantly from the current results presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. Since the potential impact of such factors is outside the scope of a normal annual actuarial valuation, an analysis of the range of results is not presented herein.

The actuarial computations presented in this report are for purposes of determining the recommended funding amount for the System and appropriate for the determination of the employer contribution rates herein. The results contained herein are not appropriate for the settlement of liabilities. Use of these computations for purposes other than meeting these requirements may not be appropriate.

In our opinion the System is operating on an actuarially sound basis. Assuming that contributions to the System are made by the employer from year to year in the future at the rates recommended on the basis of the successive actuarial valuations, the continued sufficiency of the retirement fund to provide the benefits called for under the System may be safely anticipated.

The Table of Contents, which immediately follows, outlines the material contained in the report.

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 - SUMMARY OF PRINCIPAL RESULTS

### SUMMARY OF PRINCIPAL RESULTS FOR STATE EMPLOYEES

Results as of September 30,	2024	2023
Active Members		
Number	27,838	27,019
Annual Compensation	\$ 1,743,400,587	\$ 1,588,688,342
Retired members and beneficiaries <sup>2</sup>		
Number	25,307	25,179
Annual Allowances	\$ 612,478,873	\$ 600,834,868
Deferred vested members		
Number	1,248	1,296
Estimated deferred allowances	\$ 19,298,169	\$ 19,184,511
Actuarial accrued liability (AAL)	\$ 9,465,504,482	\$ 9,102,402,781
Assets		
Actuarial value (AVA)	\$ 5,397,929,927	\$ 5,191,170,764
Market value (MVA)	5,779,236,225	4,978,868,889
UAAL based on AVA	\$ 4,067,574,555	\$ 3,911,232,017
Funded Ratio based on AVA	57.0 %	57.0 %
UAAL based on MVA	\$ 3,686,268,257	\$ 4,123,533,892
Funded Ratio based on MVA	61.1 %	54.7 %
<b>Employer Rates for FYE September 30,<sup>1</sup></b>	<b>2027</b>	<b>2026</b>
<b><u>Tier I</u></b> (first hired prior to January 1, 2013)		
Total Normal Cost	9.08 %	8.94 %
Member Contributions	<u>(7.63)</u>	<u>(7.62)</u>
Employer Normal Cost	1.45 %	1.32 %
Unfunded actuarial accrued liability	15.33	15.65
Death benefit	0.07	0.07
Administration	<u>0.30</u>	<u>0.30</u>
<b>Total Tier I Employer Contribution Rate</b>	17.15 %	17.34 %
<b><u>Tier II</u></b> (first hired on or after January 1, 2013)		
Total Normal Cost	7.24 %	7.14 %
Member Contributions	<u>(6.09)</u>	<u>(6.08)</u>
Employer Normal Cost	1.15 %	1.06 %
Unfunded actuarial accrued liability	15.33	15.65
Death benefit	0.07	0.07
Administration	<u>0.30</u>	<u>0.30</u>
<b>Total Tier II Employer Contribution Rate</b>	16.85 %	17.08 %
Blended Amortization Period	24.0 years	24.9 years

<sup>1</sup>Contribution rates reflect a phase-in of the cost of assumption changes effective with the September 30, 2021 valuation over a period not to exceed five years with a floor equal to the 2023 fiscal year employer contribution rates. The increase in the employer contribution rates for fiscal year ending September 30, 2027 from the previous year due to this phase-in are 0.34% of payroll for Tier I members and 0.28% of payroll for Tier II members.

<sup>2</sup>Includes post-DROP members in suspended status who are also active with a second retirement account.





## SECTION I - SUMMARY OF PRINCIPAL RESULTS

### SUMMARY OF PRINCIPAL RESULTS FOR STATE POLICE

Results as of September 30,	2024	2023
Active Members		
Number	765	739
Annual Compensation	\$ 64,960,890	\$ 57,248,096
Retired members and beneficiaries		
Number	1,006	995
Annual Allowances	\$ 51,120,154	\$ 50,054,286
Deferred vested members		
Number	23	25
Estimated deferred allowances	\$ 423,667	\$ 576,266
Actuarial accrued liability (AAL)	\$ 808,488,304	\$ 764,733,772
Assets		
Actuarial value (AVA)	\$ 413,787,298	\$ 391,154,352
Market value (MVA)	442,954,983	375,931,713
UAAL based on AVA	\$ 394,701,006	\$ 373,579,420
Funded Ratio based on AVA	51.2 %	51.1 %
UAAL based on MVA	\$ 365,533,321	\$ 388,802,059
Funded Ratio based on MVA	54.8 %	49.2 %
<b>Employer Rates for FYE September 30,<sup>1</sup></b>	<b>2027</b>	<b>2026</b>
<b><u>Tier I</u></b> (first hired prior to January 1, 2013)		
Total Normal Cost	21.10 %	20.87 %
Member Contributions	(10.00)	(10.00)
Employer Normal Cost	11.10 %	10.87 %
Unfunded actuarial accrued liability	47.35	49.11
Death benefit	0.07	0.07
Administration	0.30	0.30
<b>Total Tier I Employer Contribution Rate</b>	<b>58.82 %</b>	<b>60.35 %</b>
<b><u>Tier II</u></b> (first hired on or after January 1, 2013)		
Total Normal Cost	18.69 %	18.46 %
Member Contributions	(10.00)	(10.00)
Employer Normal Cost	8.69 %	8.46 %
Unfunded actuarial accrued liability	47.35	49.11
Death benefit	0.07	0.07
Administration	0.30	0.30
<b>Total Tier II Employer Contribution Rate</b>	<b>56.41 %</b>	<b>57.94 %</b>
Blended Amortization Period	17.9 years	19.0 years

<sup>1</sup>Contribution rates reflect a phase-in of the cost of assumption changes effective with the September 30, 2021 valuation over a period not to exceed five years with a floor equal to the 2023 fiscal year employer contribution rates. The increase in the employer contribution rates for fiscal year ending September 30, 2027 from the previous year due to this phase-in are 0.59% of payroll for Tier I members and 0.47% of payroll for Tier II members.





## SECTION I - SUMMARY OF PRINCIPAL RESULTS

### SUMMARY OF PRINCIPAL RESULTS FOR LOCAL EMPLOYEES

Results as of September 30,	2024	2023
Active Members		
Number	60,310	58,692
Annual Compensation	\$ 3,268,583,841	\$ 3,028,428,877
Retired members and beneficiaries*		
Number	32,508	31,514
Annual Allowances	\$ 747,315,149	\$ 707,149,316
Deferred vested members		
Number	2,425	2,354
Estimated deferred allowances	\$ 35,409,402	\$ 32,552,958
Actuarial accrued liability (AAL)	\$ 14,002,973,803	\$ 13,244,124,534
Assets		
Actuarial value (AVA)	\$ 9,648,953,337	\$ 9,070,856,172
Market value (MVA)	10,329,013,731	8,717,047,404
UAAL based on AVA	\$ 4,354,020,466	\$ 4,173,268,362
Funded Ratio based on AVA	68.9 %	68.5 %
UAAL based on MVA	\$ 3,673,960,072	\$ 4,527,077,130
Funded Ratio based on MVA	73.8 %	65.8 %
Employer Rates for FYE September 30,	2027	2026
<b><u>Tier I</u></b> (first hired prior to January 1, 2013)		
Total Normal Cost	Varies	Varies
Member Contributions	<u>Varies</u>	<u>Varies</u>
Employer Normal Cost	Varies	Varies
Unfunded actuarial accrued liability	Varies	Varies
Death benefit	0.07	0.07
Administration	<u>0.30</u>	<u>0.30</u>
<b>Total Tier I Employer Contribution Rate</b>	Varies	Varies
<b><u>Tier II</u></b> (first hired on or after January 1, 2013)		
Total Normal Cost	Varies	Varies
Member Contributions	<u>Varies</u>	<u>Varies</u>
Employer Normal Cost	Varies	Varies
Unfunded actuarial accrued liability	Varies	Varies
Death benefit	0.07	0.07
Administration	<u>0.30</u>	<u>0.30</u>
<b>Total Tier II Employer Contribution Rate</b>	Varies	Varies
Blended Amortization Period	Varies: <30 years	Varies: <30 years

\*Includes post-DROP members in suspended status who are also active with a second retirement account.







## SECTION I - SUMMARY OF PRINCIPAL RESULTS

### SUMMARY OF PRINCIPAL RESULTS FOR ALL GROUPS

Results as of September 30,	2024	2023
Active Members		
Number	88,913	86,450
Annual Compensation	\$ 5,076,945,317	\$ 4,674,365,314
Retired members and beneficiaries*		
Number	58,821	57,688
Annual Allowances	\$ 1,410,914,176	\$ 1,358,038,470
Deferred vested members		
Number	3,696	3,675
Estimated deferred allowances	\$ 55,131,238	\$ 52,313,735
Actuarial accrued liability (AAL)	\$ 24,276,966,589	\$ 23,111,261,087
Assets		
Actuarial value (AVA)	\$ 15,460,670,562	\$ 14,653,181,288
Market value (MVA)	16,551,204,939	14,071,848,006
UAAL based on AVA	\$ 8,816,296,027	\$ 8,458,079,799
Funded Ratio based on AVA	63.7 %	63.4 %
UAAL based on MVA	\$ 7,725,761,650	\$ 9,039,413,081
Funded Ratio based on MVA	68.2 %	60.9 %

\*Includes post-DROP members in suspended status who are also active with a second retirement account.





## SECTION I - SUMMARY OF PRINCIPAL RESULTS

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1. Comments on the valuation results as of September 30, 2024 are given in Section IV and further discussion of the contribution levels is set out in Section V. The valuation reflects an additional 2% salary increase granted to State employees and State police officers effective October 1, 2024 in accordance with Act 2024-284.
2. Schedule B of this report shows the development of the actuarial value of assets. The actuarial value return on assets is estimated at 8.8% for the fiscal year ending September 30, 2024, which is compared to the current expected return of 7.45%.
3. Schedule D of this report outlines the full set of actuarial assumptions and methods used in the current valuation. There have been no changes since the previous valuation.
4. The Board Funding Policy is shown in Schedule F.
5. Provisions of the System, as summarized in Schedule H, were taken into account in the current valuation. There have been no changes since the previous valuation.
6. The results shown in this report reflect all local employer elections approved by the Board through October 1, 2024. The contribution rates for local employers for the fiscal year beginning October 1, 2026 will be submitted in a separate report.
7. The Summary of Principal Results shows the funded ratio and UAAL (unfunded actuarial accrued liability) on both asset basis: the AVA (actuarial value of assets) and the MVA (market value of assets). The funded ratio is the ratio of the assets to the actuarial accrued liability. The UAAL is the AAL (actuarial accrued liability) less the assets. The funded ratio is an indication of progress in funding the promised benefits. The AVA basis is used to determine employer contribution rates and is the traditional measurement of the funded ratio and UAAL. References to funded ratio and UAAL throughout this report are the traditional amounts. Since the funded ratio is less than 100% and the UAAL is greater than zero, there is a need for additional contributions towards payment of the UAAL. In addition, this funded ratio does not have any relationship to measuring sufficiency if the plan had to settle its liabilities.





## SECTION II - MEMBERSHIP DATA

1. Data regarding the membership of the System for use as a basis of the valuation were furnished by the Retirement System office. The following table shows the number of active members and their annual compensation as of September 30, 2024 on the basis of which the valuation was prepared.

**TABLE 1**  
**THE NUMBER AND ANNUAL COMPENSATION**  
**OF ACTIVE MEMBERS AS OF SEPTEMBER 30, 2024**

Group	Number	Compensation
State Employees		
Tier 1, FLC	1,470	\$ 124,710,380
Tier 1, Non-FLC	11,795	870,016,492
Tier 2, FLC	948	65,913,794
Tier 2, Non-FLC	13,549	674,978,445
Post-DROP Members Still in Active Service	76	7,781,476
Total	27,838	\$ 1,743,400,587
State Police		
Tier 1, Group 1	507	\$ 46,755,706
Tier 2, Group 1	258	18,205,184
Post-DROP Members Still in Active Service	-	-
Total	765	\$ 64,960,890
Local Employees		
Tier 1, FLC	6,283	\$ 476,977,239
Tier 1, Non-FLC	17,852	1,116,892,816
Tier 2, FLC	7,230	407,060,306
Tier 2, Non-FLC	28,914	1,264,279,745
Post-DROP Members Still in Active Service	31	3,373,735
Total	60,310	\$ 3,268,583,841
All Groups		
Tier 1	37,907	\$ 2,635,352,633
Tier 2	50,899	2,430,437,474
Post-DROP Members Still in Active Service	107	11,155,211
Total	88,913	\$ 5,076,945,318

The table reflects the active membership for whom complete valuation data were submitted. The results of the valuation include an estimated liability for an additional 207 vested inactive members where complete data was not available (with liabilities equal to contribution balances multiplied by a factor of 3), contribution balances for an additional 28,879 non-vested inactive members who have contributed in the last 5 years, and 26,771 non-vested inactive members who have not contributed for more than 5 years.





## SECTION II - MEMBERSHIP DATA

2. The following table shows a six-year history of active member valuation data.

**TABLE 2**  
**SCHEDULE OF ACTIVE MEMBER VALUATION DATA**

Valuation Date	Number	Annual Payroll	% Increase in Annual Payroll*	Annual Average Pay (Not Loaded)	% Increase in Average Pay**
<b>State Employees</b>					
9/30/2024	27,838	\$ 1,743,400,587	9.74 %	\$ 62,627	6.51 %
9/30/2023	27,019	1,588,688,342	5.74	58,799	4.32
9/30/2022	26,656	1,502,382,664	5.62	56,362	9.10
9/30/2021	27,535	1,422,423,897	(0.09)	51,659	2.30
9/30/2020	28,193	1,423,647,929	4.84	50,497	6.11
9/30/2019	28,533	1,357,895,545	4.84	47,590	6.57
<b>State Police</b>					
9/30/2024	765	\$ 64,960,890	13.47 %	\$ 84,916	9.62 %
9/30/2023	739	57,248,096	10.31	77,467	8.07
9/30/2022	724	51,897,979	2.12	71,682	12.56
9/30/2021	798	50,818,742	(1.68)	63,683	1.77
9/30/2020	826	51,686,733	20.19	62,575	(0.91)
9/30/2019	681	43,004,849	4.43	63,150	1.21
<b>Local Employees</b>					
9/30/2024	60,310	\$ 3,268,583,841	7.93 %	\$ 54,196	5.03 %
9/30/2023	58,692	3,028,428,877	7.25	51,599	4.74
9/30/2022	57,317	2,823,642,750	8.76	49,264	6.72
9/30/2021	56,238	2,596,107,201	2.37	46,163	2.79
9/30/2020	56,466	2,535,901,049	5.97	44,910	3.82
9/30/2019	55,320	2,393,056,664	2.15	43,258	5.06
<b>All Employees</b>					
9/30/2024	88,913	\$ 5,076,945,318	8.61 %	\$ 57,100	5.60 %
9/30/2023	86,450	4,674,365,315	6.77	54,070	4.61
9/30/2022	84,697	4,377,923,393	7.58	51,689	7.42
9/30/2021	84,571	4,069,349,840	1.45	48,118	2.55
9/30/2020	85,485	4,011,235,711	5.73	46,923	4.55
9/30/2019	84,534	3,793,957,058	3.12	44,881	5.60

\* Annual increase in *total pay* since 2019:

- State Employees: 5.13%
- State Police: 8.60%
- Local Employees: 6.43%
- All Employees: 6.00%

\*\* Annual increase in *average pay* since 2019:

- State Employees: 5.65%
- State Police: 6.10%
- Local Employees: 4.61%
- All Employees: 4.93%





## SECTION II - MEMBERSHIP DATA

3. The following table shows the number and annual retirement allowances payable to retired members and their beneficiaries on the rolls of the Retirement System as of the valuation date.

**TABLE 3**

**THE NUMBER AND ANNUAL RETIREMENT ALLOWANCE  
OF RETIRED MEMBERS AND BENEFICIARIES ON THE ROLL  
AS OF SEPTEMBER 30, 2024**

Type of Retirement	Group			
	State Employees <sup>1</sup>	State Police <sup>2</sup>	Local Employees <sup>3</sup>	Total Employees
Service:				
Number <sup>4</sup>	21,250	857	27,627	49,734
Annual Allowances <sup>4</sup>	\$549,301,117	\$ 46,924,180	\$676,871,653	\$1,273,096,950
Disability:				
Number	2,100	42	1,968	4,110
Annual Allowances	\$ 31,969,000	\$ 1,381,789	\$ 30,444,195	\$ 63,794,984
Beneficiaries:				
Number	1,957	107	2,913	4,977
Annual Allowances	\$ 31,208,756	\$ 2,814,185	\$ 39,999,301	\$ 74,022,242
Total:				
Number	25,307	1,006	32,508	58,821
Annual Allowances	\$612,478,873	\$ 51,120,154	\$747,315,149	\$1,410,914,176

<sup>1</sup> In addition, there are 1,248 vested inactive members with estimated deferred annual allowances totaling \$19,298,169.

<sup>2</sup> In addition, there are 23 vested inactive members with estimated deferred annual allowances totaling \$423,667.

<sup>3</sup> In addition, there are 2,425 vested inactive members with estimated deferred annual allowances totaling \$35,409,402.

<sup>4</sup> Includes post-DROP members in suspended status who are also active with a second retirement account.

4. Tables in Schedule I show the distribution by age and service of the number and average annual compensation of active members included in the valuation. In addition, tables in Schedule I show the distribution by age and benefit type of the number, annual benefits, and average annual benefits of retired members included in the valuation.





## SECTION III - ASSETS

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1. The current retirement law provides for the maintenance of five funds for the purpose of recording the fiscal transactions of the System, namely, the Annuity Savings Fund, the Pension Accumulation Fund, the Deferred Retirement Option Plan Fund, the Pre-Retirement Death Benefit Fund, and the Expense Fund.

- (a) ***Annuity Savings Fund***

The Annuity Savings Fund is the fund to which are credited all contributions made by members together with regular interest thereon. When a member retires or when a survivor allowance becomes payable, the amount of the member's accumulated contributions are transferred from the Annuity Savings Fund to the Pension Accumulation Fund. On September 30, 2024, the market value of assets credited to this Fund amounted to \$3,762,056,094 which represent the contributions of members to this date.

- (b) ***Pension Accumulation Fund***

The Pension Accumulation Fund is the fund to which are credited all contributions made by the employers, except those contributions made to the Pre-Retirement Death Benefit Fund which was created October 1, 1983. When a member retires or when a survivor allowance becomes payable, the pension is paid from this fund. The market value of assets credited to this fund amounted to \$12,754,415,983 on September 30, 2024.

- (c) ***DROP Fund***

The DROP Fund is the fund to which are credited deferred retirement benefits on behalf of members who elect to participate in the DROP, together with regular interest thereon. In addition, member contributions while participating in the DROP, together with regular interest therein, are credited to the Fund. At the end of the DROP deferral period, the member receives the amount of the deferred retirement benefits and contributions plus interest in the member's DROP account. The DROP is closed to new participants as of June 1, 2011. On September 30, 2024, the market value of assets credited to this Fund amounted to \$34,732,862.

- (d) ***Pre-Retirement Death Benefit Fund***

The Pre-Retirement Death Benefit Fund is the fund to which are credited contributions made by the employer for the special pre-retirement death benefit which became effective October 1, 1983. On September 30, 2024, the market value of assets credited to this fund amounted to \$13,110,109. These assets are not included in the valuation and the liabilities associated with these death benefits are not included in the valuation.





## SECTION III - ASSETS

### (e) *Expense Fund*

The Expense Fund is the fund from which the expenses of the administration of the Retirement System are paid. Any amounts credited to the accounts of members withdrawing before retirement and not returnable under the provisions of Code Section 36-27-16(c) are credited to the Expense Fund. Additional contributions required to meet the expenses of the Retirement System made by the employer are also credited to this fund. On September 30, 2024, the book value of assets credited to this fund amounted to \$12,258,071. These assets are not included in the valuation.

2. As of September 30, 2024 the total market value of assets, exclusive of the Pre-Retirement Death Benefit Fund and the Expense Fund, amounted to \$16,551,204,939 as shown in the following table.

**TABLE 4A**  
**MARKET VALUE OF ASSETS BY FUND**  
**AS OF SEPTEMBER 30, 2024**

Fund	Market Value of Assets
Annuity Savings Fund	\$ 3,762,056,094
Pension Accumulation Fund	12,754,415,983
DROP Fund	<u>34,732,862</u>
Total Market Value of Assets	\$ 16,551,204,939

3. The five-year market related actuarial value of assets as of September 30, 2024 was \$15,460,670,562. The following table shows the actuarial value of assets used for the current valuation allocated among State Employees, State Police and Local Employees.

**TABLE 4B**  
**COMPARISON OF ACTUARIAL VALUE OF ASSETS**  
**AT SEPTEMBER 30, 2024 AND SEPTEMBER 30, 2023**

Group	September 30, 2024 Actuarial Value	September 30, 2023 Actuarial Value
State Employees	\$ 5,397,929,927	\$ 5,191,170,764
State Police	413,787,298	391,154,352
Local Employees	<u>9,648,953,337</u>	<u>9,070,856,172</u>
Total Actuarial Value of Assets	\$ 15,460,670,562	\$ 14,653,181,288





## SECTION III - ASSETS

4. Schedule C shows the receipts and disbursements of the System for the year preceding the valuation date and a reconciliation of the fund balances at market value.
5. The following table shows the history of the expected and actual rates of investment returns.

**TABLE 4C**  
**HISTORICAL EXPECTED AND ACTUAL RETURNS**

FYE September 30,	Expected Return	Market Return	Actuarial Return
2024	7.450 %	21.2 %	8.8 %
2023	7.450	12.9	4.7
2022	7.450	(13.0)	5.3
2021	7.700	22.2	10.0
2020	7.700	5.8	7.7
2019	7.700	2.8	7.3
2018	7.750	9.3	9.1
2017	7.875	12.9	9.9
2016	8.000	10.2	8.9
2015	8.000	1.1	9.1

6. The following table shows a historical reconciliation of the market value of assets by source.







## SECTION III - ASSETS

TABLE 4D

### HISTORICAL RECONCILIATION MARKET VALUE BY SOURCE (\$ MILLIONS)

FYE 9/30	Beginning of Year Market Value of Assets (a)	Contribs (b)	Benefit Payments and Expenses (c)	Investment Income (d)	Change in Market Value Assets (e) = (b) + (c) + (d)	End of Year Market Value of Assets (f) = (a) + (e)
<b>State Employees</b>						
2024	\$ 4,978.9	\$ 389.2	\$ (625.9)	\$ 1,037.0	\$ 800.3	\$ 5,779.2
2023	4,683.0	338.9	(637.6)	594.6	295.9	4,978.9
2022	5,714.0	319.0	(631.5)	(718.5)	(1,031.0)	4,683.0
2021	4,931.9	314.4	(602.4)	1,070.1	782.1	5,714.0
2020	4,917.3	324.0	(584.3)	274.9	14.6	4,931.9
2019	5,059.4	297.5	(566.8)	127.3	(142.0)	4,917.4
2018	4,910.5	270.7	(565.4)	443.6	148.9	5,059.4
2017	4,616.0	267.0	(550.1)	577.6	294.5	4,910.5
2016	4,455.8	279.8	(562.7)	443.0	160.1	4,616.0
2015	4,697.1	263.1	(559.1)	54.8	(241.3)	4,455.8
<b>State Police</b>						
2024	\$ 375.9	\$ 38.0	\$ (49.2)	\$ 78.3	\$ 67.1	\$ 443.0
2023	338.4	32.4	(38.4)	43.5	37.5	375.9
2022	410.1	30.6	(51.2)	(51.1)	(71.7)	338.4
2021	348.9	30.7	(45.3)	75.8	61.2	410.1
2020	342.7	29.6	(42.6)	19.2	6.2	348.9
2019	352.9	25.3	(44.4)	8.8	(10.2)	342.7
2018	344.0	22.0	(43.9)	30.8	9.0	352.9
2017	318.9	27.4	(42.2)	39.9	25.0	344.0
2016	310.8	22.9	(45.2)	30.5	8.2	318.9
2015	329.6	20.8	(43.5)	3.8	(18.8)	310.8
<b>Local Employees</b>						
2024	\$ 8,717.0	\$ 585.9	\$ (792.8)	\$ 1,818.9	\$ 1,612.0	\$ 10,329.0
2023	7,917.7	539.2	(753.8)	1,013.9	799.3	8,717.0
2022	9,293.0	506.4	(706.0)	(1,175.7)	(1,375.3)	7,917.7
2021	7,809.5	442.3	(667.9)	1,709.1	1,483.5	9,293.0
2020	7,246.7	766.3	(631.3)	427.8	562.8	7,809.5
2019	7,244.5	385.0	(566.5)	183.7	2.2	7,246.7
2018	6,797.8	361.8	(536.1)	621.0	446.7	7,244.5
2017	6,173.6	352.6	(508.9)	780.5	624.2	6,797.8
2016	5,718.7	357.0	(478.4)	576.2	454.9	6,173.6
2015	5,776.5	344.1	(469.4)	67.6	(57.8)	5,718.7
<b>All Employees</b>						
2024	\$ 14,071.8	\$ 1,013.1	\$ (1,467.9)	\$ 2,934.2	\$ 2,479.4	\$ 16,551.2
2023	12,939.1	910.5	(1,429.8)	1,652.0	1,132.7	14,071.8
2022	15,417.1	856.0	(1,388.7)	(1,945.3)	(2,478.0)	12,939.1
2021	13,090.3	787.4	(1,315.6)	2,855.0	2,326.8	15,417.1
2020	12,506.7	1,119.9	(1,258.2)	721.9	583.6	13,090.3
2019	12,656.8	707.8	(1,177.6)	319.8	(150.0)	12,506.8
2018	12,052.2	654.6	(1,145.4)	1,095.4	604.5	12,656.8
2017	11,108.5	646.9	(1,101.2)	1,398.0	943.7	12,052.2
2016	10,485.3	659.8	(1,086.3)	1,049.7	623.2	11,108.5
2015	10,803.2	628.0	(1,072.0)	126.2	(317.9)	10,485.3





## SECTION IV - COMMENTS ON VALUATION

1. Schedule A of this report contains the valuation balance sheets which show the present and prospective assets and liabilities of the System as of September 30, 2024. Separate balance sheets are shown for each employee group as well as in total for all groups.
2. The total valuation balance sheet shows that the System has total prospective liabilities of \$27,889,509,137. Of this amount, \$13,109,667,276 is for the prospective benefits payable on account of present retired members, beneficiaries of deceased members, and DROP participants, \$473,538,837 is for the prospective benefits payable on account of present inactive members and \$14,306,303,024 is for the prospective benefits payable on account of present active members. Against these liabilities the System has total actuarial value of assets of \$15,460,670,562 as of September 30, 2024. The difference of \$12,428,838,575 between the total liabilities and the total present actuarial value of assets represents the present value of contributions to be made in the future. Of this amount, \$2,437,367,647 is the present value of future contributions expected to be made by members to the Annuity Savings Fund, and the balance of \$9,991,470,928 represents the present value of future contributions payable by the employers.
3. The employers' contributions to the System consist of normal contributions and unfunded actuarial accrued liability (UAAL) contributions. Prospective employer normal contributions have a present value of \$1,175,174,901. When this amount is subtracted from \$9,991,470,928, which is the present value of the total future contributions to be made by the employers, there remains \$8,816,296,027 as the amount of future UAAL contributions.
4. The funding policy adopted by the Board, as shown in Schedule F, provides that the initial total UAAL established as of September 30, 2021 shall be amortized over a closed 27-year period for state employees and a closed 21-year period for state police. Each subsequent valuation may produce a New Incremental UAAL consisting of all benefit changes that have occurred since the previous valuation which shall be amortized over a closed 15-year period. Each valuation beginning with the September 30, 2028 valuation for State employees, and the September 30, 2022 valuation for State Police 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 and will be amortized over closed 20- year periods. All gains and losses occurring after the establishment of the initial total UAAL and before those dates, except for those due to benefit improvements, shall be included in the remaining initial total UAAL each year and amortized over the remaining closed period.
5. The total UAAL rate payable by the State is 15.33% of payroll for State employees and 47.35% of payroll for State Police determined in accordance with the Board's funding policy and the phase-in methodology adopted by the Board. The UAAL contribution rate has been calculated on the assumption that each incremental component of accrued liability contribution will increase by 2.75% each year. Schedule G of this report shows the amortization schedules for all bases as of September 30, 2024.





## SECTION IV - COMMENTS ON VALUATION

6. The following table shows the components of the total UAAL and the derivation of the accrued liability contribution rate in accordance with the funding policy for State employees and State Police:

**TABLE 5**  
**TOTAL UAAL AND UAAL CONTRIBUTION RATE**  
**STATE EMPLOYEES**

Base	Initial Amounts			Amounts as of September 30, 2024		
	UAAL	Date	Yrs	UAAL	Yrs	Payment
Initial UAAL	\$ 3,235,144,946	9/30/2021	27	\$ 4,060,482,549	24	\$ 289,959,444
Benefit Improvements	10,513,204	9/30/2021	15	9,691,548	12	1,096,704
Benefit Improvements*	(2,657,103)	9/30/2023	15	(2,599,542)	14	(262,542)
Total				\$ 4,067,574,555		\$ 290,793,606
Total Amortization Payment Adjusted for Timing						280,350,548
Total Estimated Payroll**						1,808,962,646
UAAL Contribution Rate						15.50%
UAAL Contribution Rate Phase-in Methodology***						15.33%

### STATE POLICE

Base	Initial Amounts			Amounts as of September 30, 2024		
	UAAL	Date	Yrs	UAAL	Yrs	Payment
Initial UAAL	\$ 309,010,437	9/30/2021	21	\$ 304,317,117	18	\$ 25,866,604
New Incremental UAAL	27,489,656	9/30/2022	20	27,144,479	18	2,307,250
New Incremental UAAL	17,739,021	9/30/2023	20	17,650,344	19	1,449,016
New Incremental UAAL	24,222,971	9/30/2024	20	24,222,971	20	1,925,702
Benefit Improvements	264,104	9/30/2021	15	243,464	12	27,551
Benefit Improvements*	21,590,346	9/30/2023	15	21,122,631	14	2,133,292
Total				\$ 394,701,006		\$ 33,709,415
Total Amortization Payment Adjusted for Timing						32,498,833
Total Estimated Payroll**						68,327,718
UAAL Contribution Rate						47.56%
UAAL Contribution Rate Phase-in Methodology***						47.35%

\* Reflects the provisions of Act 2023-73

\*\* Estimated payroll based on applying the assumed salary scale to current salaries.

\*\*\* Phase in impact of assumption and method changes on employer contribution rates over a period not to exceed five years and maintain floor of FYE 2023 contribution rates.





## SECTION IV - COMMENTS ON VALUATION

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7. The Pre-Retirement Death Benefit Program was established October 1, 1983 under Act No. 83-616. The liabilities and assets associated with the pre-retirement death benefit are not included in the annual actuarial valuation of the System; however, the sufficiency of the Fund to provide the promised benefits is reviewed annually. The contribution requirements are determined every five years during our experience investigation. For all employers, an additional contribution of 0.07% of payroll will be required to meet the cost of the pre-retirement death benefit program this year.
8. For all employers, an additional contribution of 0.30% is required to cover the expenses of administering the System.
9. In our opinion, the current experience, assumptions, and methods adopted by the Board support the funding policy and generally accepted and emerging practice. Assuming that required contributions continue to be made each year, the funding of the System and the objectives of the Funding Policy will continue to remain on track.





## SECTION V - CONTRIBUTIONS PAYABLE BY EMPLOYER

1. The retirement act provides that the Board of Control shall certify to the Chief Fiscal Officer of each employer the rates of contribution required to be paid by the employer.
2. On the basis of the actuarial valuation prepared as of September 30, 2024 it is recommended that the State make contributions at the following rates for the fiscal year beginning October 1, 2026:

**TABLE 6**

### ACTUARIALLY DETERMINED EMPLOYER CONTRIBUTION RATES

Component	Employer Contribution Rates for FYE September 30, 2027			
	State Employees		State Police	
	Tier I	Tier II	Tier I	Tier II
Total Normal Cost	9.08 %	7.24 %	21.10 %	18.69 %
Member Contributions*	<u>(7.63)</u>	<u>(6.09)</u>	<u>(10.00)</u>	<u>(10.00)</u>
Employer Normal Cost	1.45 %	1.15 %	11.10 %	8.69 %
Unfunded Actuarial Accrued Liability	15.33	15.33	47.35	47.35
Death Benefit	0.07	0.07	0.07	0.07
Administration	<u>0.30</u>	<u>0.30</u>	<u>0.30</u>	<u>0.30</u>
Total Employer Contribution Rate**	17.15 %	16.85 %	58.82 %	56.41 %

\* Tier I members contribute 7.50% (8.50% for FLC members) and Tier II members contribute 6.00% (7.00% for FLC members). All Police members contribute 10.00%.

\*\* Contribution rates reflect a phase-in of the cost of assumption changes over a period not to exceed five years with a floor equal to the 2023 fiscal year contribution rates.

3. The total employer contribution rates without the phase-in would have been 17.49% of compensation for State Employees Tier I, 17.13% of compensation for State Employees Tier II, 59.41% of compensation for State Police Tier I, and 56.87% of compensation for State Police Tier II. Phasing in the increase in the required contributions over a period of time does slow the funding progress slightly.
4. Contribution rates for Local Employers will be submitted in a separate report. The rates for the fiscal year beginning October 1, 2026 were determined as of September 30, 2024, and will reflect any elections made pursuant to Act 2011-676, and Act 2022-348 as of September 30, 2024.





## SECTION VI - ANALYSIS OF FINANCIAL EXPERIENCE

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The calculation of the System's liabilities and actuarial value of assets requires the use of several assumptions concerning the future experience of the System and its members. In each annual actuarial valuation, the experience of the System is compared with what was expected based on the actuarial assumptions. The differences between the actual and expected experience are called actuarial gains or losses depending on whether the difference increases or decreases the UAAL.

For State employees, the UAAL increased approximately \$156 million; for State Police, the UAAL increased approximately \$21 million. The most significant items contributing to the increase for State Police and State employees were higher than expected salary increases. Slightly offsetting this was a gain due to more than expected investment earnings on an actuarial value basis. Other sources of gains and losses were relatively small and there appear to be no trends developing that would be of concern to the System. The following tables show the reconciliation of the UAAL of the System and a breakdown by source of the actuarial gains and losses for State employees and State Police. These sources include the expected return on assets, salary increases, retirement, withdrawal, disability, and mortality.

Since the benefits, assumptions and accrued liability rates vary by location for the Local employees, we do not develop an analysis of financial experience by source for this group.





## SECTION VI - ANALYSIS OF FINANCIAL EXPERIENCE

### RECONCILIATION OF UAAL, AVA, AND AAL FOR THE YEAR ENDING SEPTEMBER 30, 2024 (\$ THOUSANDS)

UAAL (Unfunded Actuarial Accrued Liability)	State Employees	State Police
(1) UAAL at beginning of year	\$ 3,911,232	\$ 373,579
(2) Total normal cost beginning of the year	130,521	11,854
(3) Actual contributions	389,152	38,043
(4) Interest accrual: $[(1) + (2)] - \frac{1}{2} [(3)] \times 7.45\%$	286,615	27,298
(5) Expected UAAL before changes: (1) + (2) - (3) + (4)	\$ 3,939,216	\$ 374,688
(6) Changes in benefit provisions	-	-
(7) Changes from revised actuarial assumptions and methods	-	-
(8) Expected UAAL after changes: (5) + (6) + (7)	\$ 3,939,216	\$ 374,688
(9) Actual UAAL at end of year	4,067,575	394,701
<b>(10) Total (Gain)/Loss: (9) - (8)</b>	<b>\$ 128,359</b>	<b>\$ 20,013</b>
AVA (Actuarial Value of Assets)	State Employees	State Police
(11) AVA at beginning of year	\$ 5,191,171	\$ 391,154
(12) Actual contributions	389,152	38,043
(13) Actual disbursements	(625,888)	(49,227)
(14) Expected Return: $[(11) + \frac{1}{2} [(12) + (13)]] \times 7.45\%$	377,924	28,724
(15) Expected AVA before changes: $[(11) + (12) + (13) + (14)]$	\$ 5,332,359	\$ 408,694
(16) Changes in benefit provisions	-	-
(17) Changes in actuarial assumptions and methods	-	-
(18) Expected AVA after changes: (15) + (16) + (17)	\$ 5,332,359	\$ 408,694
(19) AVA at end of year	5,397,930	413,787
<b>(20) AVA (Gain)/Loss: (18) - (19)</b>	<b>\$ (65,571)</b>	<b>\$ (5,093)</b>
AAL (Actuarial Accrued Liability)	State Employees	State Police
(21) AAL at beginning of year	\$ 9,102,403	\$ 764,734
(22) Total normal cost at beginning of year	130,521	11,854
(23) Actual disbursements	(625,888)	(49,227)
(24) Interest accrual: $[(21) + (22)] + \frac{1}{2} [(23)] \times 7.45\%$	664,539	56,022
(25) Expected AAL before changes: (21) + (22) + (23) + (24)	\$ 9,271,575	\$ 783,383
(26) Changes in benefit provisions	-	-
(27) Changes in actuarial assumptions and methods	-	-
(28) Expected AAL after changes: (25) + (26) + (27)	\$ 9,271,575	\$ 783,383
(29) AAL at end of year	9,465,504	808,488
<b>(30) AAL (Gain)/Loss: (29) - (28)</b>	<b>\$ 193,929</b>	<b>\$ 25,105</b>





## SECTION VI - ANALYSIS OF FINANCIAL EXPERIENCE

### (GAINS)/ LOSSES BY SOURCE FOR THE YEAR ENDING SEPTEMBER 30, 2024 (\$ THOUSANDS)

(Gains)/Losses by Source for FYE September 30, 2024				
Source	State Employees		State Police	
	Total	% of AAL	Total	% of AAL
<b>Age and Service Retirements.</b> Generally, earlier retirements cause losses and later retirements cause gains.	\$ (20,525)	(0.22%)	\$ (2,195)	(0.27%)
<b>Withdrawal.</b> More withdrawals than expected usually cause gains and less withdrawals than expected cause losses.	(7,035)	(0.07%)	(988)	(0.12%)
<b>Disability Retirements.</b> More disabilities than expected generally cause losses and less disabilities than expected cause gains.	(1,224)	(0.01%)	(78)	(0.01%)
<b>Death-In-Service Benefits.</b> If survivor claims are less than assumed, there is a gain. If claims are more than assumed, there is a loss.	(1,026)	(0.01%)	269	0.03%
<b>Salary Increases.</b> If salaries increase more than expected, there is a loss. If salaries increase less than expected, there is a gain.	181,968	1.92%	20,350	2.52%
<b>New Members/Rehires.</b> Any past service causes losses.	32,874	0.35%	8,525	1.05%
<b>Retiree Mortality.</b> More deaths than expected cause gains, less than expected cause losses.	8,408	0.09%	2,008	0.25%
<b>Investment Return.</b> Investment income greater than expected causes gains while investment income less than expected cause losses.	(65,571)	(0.69%)	(5,092)	(0.63%)
<b>Other.</b> Miscellaneous gains and losses resulting from data corrections, timing of financial transactions, unit transfers, changes in valuation software, etc.	489	0.01%	(2,787)	(0.34%)
<b>Total Actuarial (Gains)/Losses</b>	\$ 128,359	1.37%	\$ 20,013	2.48%







## SECTION VI - ANALYSIS OF FINANCIAL EXPERIENCE

### (GAINS)/ LOSSES BY SOURCE HISTORICAL TRENDS (\$ THOUSANDS)

Five-year History of (Gains)/Losses by Source					
SOURCE	2024	2023	2022	2021	2020
<b>State Employees</b>					
Age and Service Retirements	\$ (20,525)	\$ (21,949)	\$ 2,159	\$ (15,321)	\$ (14,306)
Withdrawal	(7,035)	(15,616)	(21,391)	(14,843)	(7,618)
Disability Retirements	(1,224)	(437)	549	(45)	400
Death-In-Service Benefits	(1,026)	(719)	4,032	2,608	3,512
Salary Increases	181,968	138,341	195,670	(807)	87,419
New Members/Rehires	32,874	25,578	21,005	19,376	16,550
Retiree Mortality	8,408	(9,320)	(2,868)	(4,450)	(10,301)
Investment Return	(65,571)	146,719	109,260	(119,475)	(6,741)
Other	<u>490</u>	<u>6,638</u>	<u>1,156</u>	<u>311</u>	<u>(1,853)</u>
<b>Total (Gain)/Loss</b>	<b>\$ 128,359</b>	<b>\$ 269,235</b>	<b>\$ 309,572</b>	<b>\$ (132,646)</b>	<b>\$ 67,062</b>
<b>State Police</b>					
Age and Service Retirements	\$ (2,195)	\$ (2,704)	\$ (581)	\$ (936)	\$ (1,136)
Withdrawal	(988)	(312)	(1,711)	(1,747)	(2,170)
Disability Retirements	(78)	(47)	(37)	(77)	57
Death-In-Service Benefits	269	218	205	207	197
Salary Increases	20,350	5,478	16,645	(4,162)	1,908
New Members/Rehires	8,525	1,590	1,203	2,804	6,144
Retiree Mortality	2,008	(153)	(907)	(2,519)	104
Investment Return	(5,092)	10,491	7,926	(8,289)	(242)
Other	<u>(2,786)</u>	<u>309</u>	<u>2,880</u>	<u>(203)</u>	<u>228</u>
<b>Total (Gain)/Loss</b>	<b>\$ 20,013</b>	<b>\$ 14,870</b>	<b>\$ 25,623</b>	<b>\$ (14,922)</b>	<b>\$ 5,090</b>





## SECTION VII - ACCOUNTING INFORMATION

The information required under Governmental Accounting Standards Board (GASB) Statements No. 67 and 68 is issued in separate reports. The following information is provided for informational purposes only.

1. The following is a distribution of the number of employees by type of membership.

### NUMBER OF ACTIVE AND RETIRED MEMBERS AS OF SEPTEMBER 30, 2024

Group	Number			
	State Employees	State Police	Local Employees	Total Employees
Retirees and beneficiaries currently receiving benefits	25,307	1,006	32,508	58,821
Terminated Employees entitled to benefits but not yet receiving benefits	8,198	62	24,522	32,782
Non-vested inactive members who have not contributed for more than 5 years	26,771	-	-	26,771
Active members	<u>27,838</u>	<u>765</u>	<u>60,310</u>	<u>88,913</u>
Total	88,114	1,833	117,340	207,287





## SECTION VII - ACCOUNTING INFORMATION

2. The schedule of funding progress is shown below, which may not add due to rounding differences.

### SCHEDULE OF FUNDING PROGRESS (\$ THOUSANDS)

as of 9/30	Actuarial Value of Plan Assets (AVA) (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (c) = (b) - (a)	Funded Ratio (d) = (a) ÷ (b)	Covered Payroll (e)	UAAL as a Percentage of Covered Payroll (f) = (c) ÷ (e)
<b>State Employees</b>						
2024	\$ 5,397,930	\$ 9,465,504	\$ 4,067,575	57.0 %	\$ 1,743,401	233.3 %
2023 <sup>4</sup>	5,191,171	9,102,403	3,911,232	57.0	1,588,688	246.2
2022	5,256,066	8,850,586	3,594,520	59.4	1,502,383	239.3
2021 <sup>1,3</sup>	5,294,885	8,540,543	3,245,658	62.0	1,422,424	228.2
2020	5,083,172	8,155,858	3,072,686	62.3	1,423,649	215.8
2019	4,964,556	7,964,131	2,999,575	62.3	1,357,896	220.9
2018 <sup>1</sup>	4,887,403	7,723,822	2,836,419	63.3	1,295,230	219.0
2017 <sup>1</sup>	4,759,602	7,581,147	2,821,545	62.8	1,271,675	221.9
2016 <sup>1</sup>	4,598,818	7,404,587	2,805,769	62.1	1,265,311	221.7
2015	4,504,338	7,159,668	2,655,330	62.9	1,270,556	209.0
<b>State Police</b>						
2024	\$ 413,787	\$ 808,488	\$ 394,701	51.2 %	\$ 64,961	607.6 %
2023 <sup>4</sup>	391,154	764,734	373,579	51.1	57,248	652.6
2022	379,554	715,489	335,935	53.0	51,898	647.3
2021 <sup>1,3</sup>	380,496	689,771	309,275	55.2	50,819	608.6
2020	359,724	658,319	298,595	54.6	51,687	577.7
2019	346,309	639,187	292,878	54.2	43,005	681.0
2018 <sup>1</sup>	341,389	620,411	279,022	55.0	41,181	677.6
2017 <sup>1</sup>	333,960	607,107	273,147	55.0	40,366	676.7
2016 <sup>1</sup>	318,103	590,658	272,555	53.9	41,214	661.3
2015	313,373	559,795	246,422	56.0	41,861	588.7
<b>Local Employees</b>						
2024	\$ 9,648,953	\$ 14,002,974	\$ 4,354,020	68.9 %	\$ 3,268,584	133.2 %
2023	9,070,856	13,244,125	4,173,268	68.5	3,028,429	137.8
2022	8,869,194	12,529,862	3,660,668	70.8	2,823,643	129.6
2021 <sup>1,2,3</sup>	8,615,712	11,874,628	3,258,916	72.6	2,596,107	125.5
2020	8,048,280	10,972,295	2,924,015	73.4	2,535,901	115.3
2019	7,334,924	9,940,224	2,605,300	73.8	2,393,057	108.9
2018 <sup>1</sup>	7,011,805	9,485,502	2,473,697	73.9	2,342,711	105.6
2017 <sup>1</sup>	6,597,390	9,062,580	2,465,190	72.8	2,272,659	108.5
2016 <sup>1</sup>	6,165,359	8,732,588	2,567,229	70.6	2,266,367	113.3
2015	5,771,547	8,004,257	2,232,710	72.1	2,175,599	102.6
<b>All Employees</b>						
2024	\$ 15,460,671	\$ 24,276,967	\$ 8,816,296	63.7 %	\$ 5,076,945	173.7 %
2023 <sup>4</sup>	14,653,181	23,111,261	8,458,080	63.4	4,674,365	180.9
2022	14,504,814	22,095,937	7,591,123	65.6	4,377,924	173.4
2021 <sup>1,2,3</sup>	14,291,093	21,104,942	6,813,849	67.7	4,069,350	167.4
2020	13,491,176	19,786,472	6,295,296	68.2	4,011,237	156.9
2019	12,645,789	18,543,542	5,897,753	68.2	3,793,958	155.5
2018 <sup>1</sup>	12,240,597	17,829,735	5,589,138	68.7	3,679,122	151.9
2017 <sup>1</sup>	11,690,952	17,250,834	5,559,882	67.8	3,584,700	155.1
2016 <sup>1</sup>	11,082,280	16,727,833	5,645,553	66.3	3,572,892	158.0
2015	10,589,258	15,723,720	5,134,462	67.3	3,488,016	147.2

<sup>1</sup> Reflects changes in actuarial assumptions and methods.

<sup>2</sup> Reflects impact of Act 2019-132.

<sup>3</sup> Reflects impact of Act 2022-351 and Act 2022-184.

<sup>4</sup> Reflects impact of Act 2023-73.





## SECTION VII - ACCOUNTING INFORMATION

3. The information presented in the required supplementary schedules was determined as part of the actuarial valuation at September 30, 2024. Additional information as of the latest actuarial valuation follows.

Group	State Employees	State Police	Local Employees
Valuation Date	September 30, 2024	September 30, 2024	September 30, 2024
Actuarial Cost Method	Entry Age	Entry Age	Entry Age
Amortization method	Level percent closed	Level percent closed	Level percent closed
Single equivalent remaining amortization period	24.0 years	17.9 years	Within 30 years-varies by employer
Asset valuation method	Five-year market related value	Five-year market related value	Five-year market related value
Actuarial Assumptions			
Investment rate of return*	7.45%	7.45%	7.45%
Projected salary increases*	3.25 - 6.00%	4.00 - 7.75%	3.25 - 6.00%
Cost-of-living adjustment	None	None	None
*Includes price inflation at	2.50%	2.50%	2.50%





## SECTION VIII - RISK ASSESSMENT

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### *Overview*

Actuarial Standards of Practice (ASOP) No. 51, issued by the Actuarial Standards Board, provides guidance on assessing and disclosing risks related to pension plan funding. This guidance is binding on all credentialed actuaries practicing in the United States. This standard was issued as final in September 2017 with application to measurement dates on or after November 1, 2018.

The term “risk” frequently has a negative connotation, but from an actuarial perspective, it can simply be considered that what actually happens in the real world will not always match what was expected, based on actuarial assumptions. Of course, when actual experience is better than expected, the favorable risk is easily absorbed. The risk of unfavorable experience will likely be unpleasant, and so understandably, there is a focus on aspects of risk that are negative.

Risk can usually be reduced or eliminated at some cost. Consumers, for example, buy auto and home insurance to reduce the risk of accidents or catastrophes. Another way to express this concept, however, is that there is generally some reward for assuming risk. Thus, retirement plans invest not just in US Treasury bonds, which have almost no risk, but also in equities, which are considerably riskier – because they have an expected reward of a higher return that justifies the risk.

Under ASOP 51, the actuary is called upon to identify the significant risks to the pension plan and provide information to help those sponsoring and administering the plan understand the implications of these risks. In this section, we identify some of the key risks for the System and provide information to help interested parties better understand these risks.





## SECTION VIII - RISK ASSESSMENT

### Investment Risk

The investment return on assets is the most obvious risk – and usually the largest risk – to funding a pension plan. To illustrate the magnitude of this risk, the following chart shows the Asset Volatility Ratio (AVR), defined as the fair value of assets divided by covered payroll.

#### ASSET VOLATILITY RATIO (AVR) (\$ THOUSANDS)

Valuation	Fair Value of Assets	Covered Payroll	Asset Volatility Ratio (AVR)
<b>State Employees</b>			
2024	\$5,779,236	\$1,743,401	3.31
2023	\$4,978,869	\$1,588,688	3.13
2022	\$4,682,983	\$1,502,383	3.12
2021	\$5,714,043	\$1,422,424	4.02
2020	\$4,931,877	\$1,423,648	3.46
2019	\$4,917,295	\$1,357,896	3.62
<b>State Police</b>			
2024	\$442,955	\$64,961	6.82
2023	\$375,932	\$57,248	6.57
2022	\$338,356	\$51,898	6.52
2021	\$410,079	\$50,819	8.07
2020	\$348,883	\$51,687	6.75
2019	\$342,665	\$43,005	7.97

The asset volatility ratio is especially useful to compare across plans or through time. It is also frequently useful to consider how the AVR translates into changes in the Required Contribution Rate (actuarially determined employer contribution rate). The greater the AVR, the more volatility there is in the Required Contribution Rate. For plans with low AVRs, the impact of investment gains and losses on Required Contribution Rates is less than for plans with high AVRs. The AVR for State Employees as of September 30, 2024 is 3.31 and the AVR for State Police is 6.82.





## SECTION VIII - RISK ASSESSMENT

As shown in the table below, if the market value return is 5% below assumed, or 2.45% (7.45% minus 5.00%) for the System, there will be an increase in the Required Contribution Rate of 0.46% of payroll in the first year for State Employees and 0.95% for State Police. Without asset smoothing or without returns above the expected return in the next four years, the impact on the Required Contribution Rate would be 2.30% for State Employees and 4.74% for State Police.

### IMPACT ON EMPLOYER RATE BASED ON AVR

AVR	Unsmoothed Amortization	Smoothed Amortization
<b>State Employees</b>		
3.00	2.08%	0.42%
3.31	2.30%	0.46%
4.00	2.78%	0.56%
<b>State Police</b>		
6.00	4.17%	0.83%
6.82	4.74%	0.95%
7.00	4.86%	0.97%





## SECTION VIII - RISK ASSESSMENT

### Sensitivity Measures

Valuations are generally performed with a single set of assumptions that reflects the best estimate of future conditions, in the opinion of the actuary and typically the governing board. Note that under actuarial standards of practice, the set of economic assumptions used for funding must be consistent. To enhance the understanding of the importance of an assumption, a sensitivity test can be performed where the valuation results are recalculated using a different assumption or set of assumptions.

The following tables contain the key measures for the System using the valuation assumption for investment return of 7.45%, along with the results if the assumption were 6.45% or 8.45%. In this analysis, only the investment return assumption is changed. Consequently, there may be inconsistencies between the investment return and other economic assumptions such as inflation or payroll increases. In addition, simply because the valuation results under alternative assumptions are shown here, it should not be implied that CMC believes that either assumption (6.45% or 8.45%) would comply with actuarial standards of practice. The contribution rates below represent the full ADEC with phase in.

Component	Based on Discount Rate of:		
	7.45% (Current)	6.45% (Current less 1%)	8.45% (Current plus 1%)
<b>State Employees</b>			
Results as of September 30, 2024			
Actuarial Accrued Liability (AAL)	\$9,465,504	\$10,474,740	\$8,609,875
Actuarial Value of Assets (AVA)	<u>5,397,930</u>	<u>5,397,930</u>	<u>5,397,930</u>
Unfunded Actuarial Accrued Liability (UAAL)	\$4,067,575	\$5,076,810	\$3,211,945
Funded Ratio (AVA ÷ AAL)	57.0%	51.5%	62.7%
Employer Rates for FYE September 30, 2027			
Tier I (first hired prior to January 1, 2013)	17.49%	21.78%	13.72%
Tier II (first hired on or after January 1, 2013)	17.13%	20.82%	13.82%
<b>State Police</b>			
Results as of September 30, 2024			
Actuarial Accrued Liability (AAL)	\$808,488	\$895,107	\$735,158
Actuarial Value of Assets (AVA)	<u>413,787</u>	<u>413,787</u>	<u>413,787</u>
Unfunded Actuarial Accrued Liability (UAAL)	\$394,701	\$481,320	\$321,371
Funded Ratio (AVA ÷ AAL)	51.2%	46.2%	56.3%
Employer Rates for FYE September 30, 2027			
Tier I (first hired prior to January 1, 2013)	59.41%	70.39%	49.82%
Tier II (first hired on or after January 1, 2013)	56.87%	67.01%	47.91%







## SECTION VIII - RISK ASSESSMENT

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### ***Mortality Risk***

The mortality assumption is a significant assumption for valuation results, second only to the investment assumption in most situations. The System's mortality assumption utilizes a mortality table (with separate rates for males and females, as well as different rates by status) and a projection scale for how the mortality table is expected to improve through time.

The future, however, is unknown, and actual mortality improvements may occur at a faster rate than expected, or at a slower rate than expected. Although changes in mortality will affect the benefits paid, this assumption is reviewed carefully during the regular experience studies that the System conducts so that incremental changes can be made to smoothly reflect emerging experience. The risk to the System due to mortality is significantly reduced due to the use of the generational improvement method. The next actuarial experience study will be for the period from October 1, 2020 to September 30, 2025.

### ***Contribution Risk***

The System is funded primarily by member and employer contributions to the trust fund, together with the earnings on those accumulated contributions. Each year in the valuation, the Actuarial Determined Employer Contribution (ADEC) rate is determined, based on the System's funding policy. This rate is the sum of the rates for the normal cost for the plan (which includes expected administrative expenses), and the rate necessary to amortize the UAAL. Since the level percentage of payroll method is used to determine the UAAL amortization amounts, there is an expectation that future payments will grow at the assumed 2.75% annual rate of increase in covered payroll. If payroll grows at a slower rate, under this amortization method, less than expected UAAL amortization payments would result in a greater UAAL in future years and may require increases to either the amortization rate or the amortization period. From a policy perspective, since the ADEC rate has always been made by the plan sponsors, and that procedure is expected to continue, there is no risk to the System associated with the contribution amounts being less than the ADEC.

### ***Liquidation Risk***

Under the revised Actuarial Standards of Practice (ASOP) No. 4 effective for valuations after February 15, 2023, we must now include a low-default-risk obligation measure of the System's liability in our funding valuation report. This is an informational disclosure as described below and would not be appropriate for assessing the funding progress or health of this plan.

This measure uses the unit credit cost method and reflects all the assumptions and provisions of the funding valuation except that the discount rate is derived from considering low-default-risk fixed income securities. We considered the FTSE Pension Discount Curve based on market bond rates published by the Society of Actuaries as of September 30, 2024 and with the 30-year spot rate used for all durations beyond 30. Using these assumptions, we calculate a liability of approximately \$28 billion for all plans.

This amount approximates the termination liability if the plan (or all covered employment) ended on the valuation date and all of the accrued benefits had to be paid with cash-flow matched bonds. This assurance of funded status and benefit security is typically more relevant for corporate plans than for governmental plans since governments rarely have the need or option to completely terminate a plan.





# SCHEDULE A - VALUATION BALANCE SHEET AND SOLVENCY TEST

## VALUATION BALANCE SHEET SHOWING THE PRESENT AND PROSPECTIVE ASSETS AND LIABILITIES OF THE EMPLOYEES' RETIREMENT SYSTEM OF ALABAMA

	State Employees	State Police	Local Employees	All Employees
<b>Assets</b>				
Actuarial Value of Present Assets	\$ 5,397,929,927	\$ 413,787,298	\$ 9,648,953,337	\$ 15,460,670,562
Present value of future members' contributions to the Annuity Savings Fund	\$ 876,494,022	\$ 49,525,012	\$ 1,511,348,613	\$ 2,437,367,647
Present value of future employer contributions to the Pension Accumulation Fund:				
Normal contributions	\$ 185,967,453	\$ 53,212,539	\$ 935,994,909	\$ 1,175,174,901
Unfunded accrued liability contributions	4,067,574,555	394,701,006	4,354,020,466	8,816,296,027
Total prospective employer contributions	\$ 4,253,542,008	\$ 447,913,545	\$ 5,290,015,375	\$ 9,991,470,928
<b>Total Assets</b>	<b>\$ 10,527,965,957</b>	<b>\$ 911,225,855</b>	<b>\$ 16,450,317,325</b>	<b>\$ 27,889,509,137</b>
<b>Liabilities</b>				
Present value of benefits in payment on account of:				
Service Retirements	\$ 4,897,030,673	\$ 465,344,444	\$ 6,572,303,587	\$ 11,934,678,704
Disability Retirements	274,901,117	12,754,637	272,148,391	559,804,145
Beneficiaries of Deceased Members	232,985,661	20,655,699	326,810,205	580,451,565
DROP Participant Accounts	25,910,791	-	8,822,071	34,732,862
Total In Payment Liabilities	\$ 5,430,828,242	\$ 498,754,780	\$ 7,180,084,254	\$ 13,109,667,276
Present value of benefits payable to Inactives for:				
Inactive Members	\$ 149,117,730	\$ 2,648,644	\$ 294,970,252	\$ 446,736,626
Inactive T-section accounts	26,802,211	-	-	26,802,211
Total Inactive Liabilities	\$ 175,919,941	\$ 2,648,644	\$ 294,970,252	\$ 473,538,837
Present value of prospective benefits payable on account of present active members:				
Service retirement allowances	\$ 4,327,160,550	\$ 387,420,056	\$ 7,868,982,396	\$ 12,583,563,002
Disability retirement allowances	246,483,594	7,823,717	386,651,153	640,958,464
Death Benefits	44,435,481	1,298,768	74,590,125	120,324,374
Termination Benefits	303,138,149	13,279,890	645,039,145	961,457,184
Total Active Liabilities	\$ 4,921,217,774	\$ 409,822,431	\$ 8,975,262,819	\$ 14,306,303,024
<b>Total Liabilities</b>	<b>\$ 10,527,965,957</b>	<b>\$ 911,225,855</b>	<b>\$ 16,450,317,325</b>	<b>\$ 27,889,509,137</b>





## SCHEDULE A - VALUATION BALANCE SHEET AND SOLVENCY TEST

### VALUATION BALANCE SHEET (\$ MILLIONS)

Val Date 9/30	Aggregate Accrued Liabilities for:				Portion of Accrued Liabilities Cover by Reported Assets			
	Active Member Contribs (a)	Retirants and Beneficiaries (b)	Employer Financed	Reported Assets	(a)	(b)	(c)	
			Portion of Active Members (c)					
2024	\$ 3,762	\$ 13,110	\$ 7,405	\$ 15,461	100 %	89 %	- %	
2023 <sup>4</sup>	3,571	12,645	6,895	14,653	100	88	-	
2022	3,406	12,266	6,424	14,505	100	90	-	
2021 <sup>1,2,3</sup>	3,292	11,795	6,018	14,291	100	93	-	
2020	3,207	10,985	5,595	13,491	100	94	-	
2019	3,039	10,300	5,205	12,646	100	93	-	
2018 <sup>1</sup>	2,922	9,945	4,963	12,241	100	94	-	
2017 <sup>1</sup>	2,817	9,567	4,866	11,691	100	93	-	
2016 <sup>1</sup>	2,707	9,210	4,811	11,082	100	91	-	
2015	2,591	8,666	4,466	10,589	100	92	-	

<sup>1</sup> Reflects changes in actuarial assumptions and methods.

<sup>2</sup> Reflects impact of Act 2019-132.

<sup>3</sup> Reflects impact of Act 2022-351 and Act 2022-184.

<sup>4</sup> Reflects impact of Act 2023-73.





# SCHEDULE B - DEVELOPMENT OF THE ACTUARIAL VALUE OF ASSETS

## DEVELOPMENT OF THE ACTUARIAL VALUE OF ASSETS AS OF SEPTEMBER 30, 2024 ALL GROUPS

Development of Actuarial Value of Assets	State Employees	State Police	Local Employees	Total - All Groups
(1) Actuarial Value of Assets on September 30, 2023				
a. Actuarial Value on September 30, 2023	\$5,191,170,764	\$391,154,352	\$9,070,856,172	\$14,653,181,288
b. Adjustment	0	0	0	0
c. Adjusted Actuarial Value on September 30, 2023	\$5,191,170,764	\$391,154,352	\$9,070,856,172	\$14,653,181,288
(2) Market Value of Assets on September 30, 2024	\$5,779,236,225	\$442,954,983	\$10,329,013,731	\$16,551,204,939
(3) Market Value of Assets on September 30, 2023				
a. Market Value on September 30, 2023	\$4,978,868,889	\$375,931,713	\$8,717,047,404	\$14,071,848,006
b. Adjustment	0	0	0	0
c. Adjusted Market Value on September 30, 2023	\$4,978,868,889	\$375,931,713	\$8,717,047,404	\$14,071,848,006
(4) Cash Flow				
a. Contributions	\$389,151,901	\$38,043,012	\$585,923,531	\$1,013,118,444
b. Benefit Payments and DROP Disbursements	(610,588,229)	(51,012,631)	(740,247,404)	(1,401,848,264)
c. Refunds to Members and Employers	(17,452,667)	(99,484)	(44,340,825)	(61,892,976)
d. Transfers to Expense Fund - Interest Forfeitures	(4,164,695)	0	0	(4,164,695)
e. Transfers Among Employers	6,317,696	1,884,805	(8,202,501)	0
f. Investment Expenses	(5,842,438)	0	0	(5,842,438)
g. Net	(\$242,578,432)	(\$11,184,298)	(\$206,867,199)	(\$460,629,929)
(5) Investment Income				
a. Market total: (2) – (3)c – (4)g	\$1,042,945,768	\$78,207,568	\$1,818,833,526	\$2,939,986,862
b. Assumed Rate	7.45%	7.45%	7.45%	7.45%
c. Amount for Immediate Recognition				
[(3)c x (5)b] + [(4)a + (4)b + (4)c + (4)d + (4)e] * (5)b * 0.5) - (4)f	\$367,949,754	\$27,590,298	\$641,714,228	\$1,037,254,280
d. Adjustment for Employer Lump Sums			(\$57,812)	(\$57,812)
e. Adjusted Amount for Immediate Recognition (5)c + (5)d	\$367,949,754	\$27,590,298	\$641,656,416	\$1,037,196,468
f. Amount for Phased-in Recognition (5)a – (5)e	\$674,996,014	\$50,617,270	\$1,177,177,110	\$1,902,790,394
(6) Phased-In Recognition of Investment Income				
a. Current Year: 0.20*(5)f	\$134,999,203	\$10,123,454	\$235,435,422	\$380,558,079
b. First Prior Year	51,110,430	3,710,898	86,661,208	141,482,536
c. Second Prior Year	(226,425,843)	(16,182,272)	(372,225,185)	(614,833,300)
d. Third Prior Year	140,437,302	9,909,724	223,171,545	373,518,571
e. Fourth Prior Year	(18,733,251)	(1,334,858)	(29,735,042)	(49,803,151)
f. Total Recognized Investment Gain	\$81,387,841	\$6,226,946	\$143,307,948	\$230,922,735
(7) Actuarial Value of Assets on September 30, 2024:				
(1)c + (4)g + (5)e + (6)f	\$5,397,929,927	\$413,787,298	\$9,648,953,337	\$15,460,670,562





## SCHEDULE B - DEVELOPMENT OF THE ACTUARIAL VALUE OF ASSETS

### DEVELOPMENT OF THE ACTUARIAL VALUE OF ASSETS AS OF SEPTEMBER 30, 2024

Five-year History of Investment Gain/(Loss) Recognition			
FYE	Investment Gain/(Loss)	Amount Recognized	Remaining Balance as of September 30, 2024
September 30, 2024	\$1,902,790,394	380,558,079	\$1,522,232,315
September 30, 2023	707,412,680	282,965,072	424,447,608
September 30, 2022	(3,074,166,500)	(1,844,499,900)	(1,229,666,600)
September 30, 2021	1,867,592,852	1,494,074,284	373,518,568
September 30, 2020	(249,015,747)	(249,015,747)	0





## SCHEDULE C - SUMMARY OF RECEIPTS AND DISBURSEMENTS

Summary of Receipts and Disbursements for FYE September 30, 2024	State Employees	State Police	Local Employees	Total All Groups
(1) Receipts for the Period				
a. Contributions:				
i. Members	\$123,585,490	\$6,251,717	\$232,742,637	\$362,579,844
ii. Employers	265,236,411	31,791,295	353,180,894	650,208,600
iii. Other	330,000	0	0	330,000
iv. Total Contributions	\$389,151,901	\$38,043,012	\$585,923,531	\$1,013,118,444
b. Investment Income	\$1,042,945,768	\$78,207,568	\$1,818,833,526	\$2,939,986,862
c. Total Receipts for the Period	\$1,432,097,669	\$116,250,580	\$2,404,757,057	\$3,953,105,306
(2) Disbursements for the Period				
a. Benefit Payments	(\$608,740,092)	(\$51,012,631)	(\$739,172,699)	(\$1,398,925,422)
b. Refunds to Members	(17,452,667)	(99,484)	(44,340,825)	(61,892,976)
c. DROP Distributions	(1,848,137)	0	(1,074,705)	(2,922,842)
d. Miscellaneous:				
i. Transfers to Plant Fund	\$0	\$0	\$0	\$0
ii. Transfers to Expense Fund-Interest Forfeitures	(4,164,695)	0	0	(4,164,695)
iii. Transfers to Expense Fund-Investment Expenses	(3,232,153)	0	0	(3,232,153)
iv. Transfers to Pre-retirement Death Benefit Fund	(2,610,285)	0	0	(2,610,285)
v. Transfers Among Employers	6,317,696	1,884,805	(8,202,501)	0
vi. Unit Withdrawal	0	0	0	0
e. Total Disbursements for the Period	(\$631,730,333)	(\$49,227,310)	(\$792,790,730)	(\$1,473,748,373)
(3) Excess of Receipts Over Disbursements: (1)c. - (2)e.	\$800,367,336	\$67,023,270	\$1,611,966,327	\$2,479,356,933
(4) Reconciliation of Asset Balances				
a. Market Value of Assets as of September 30, 2023	\$4,978,868,889	\$375,931,713	\$8,717,047,404	\$14,071,848,006
b. Adjustment	\$0	\$0	\$0	\$0
c. Excess of Receipts Over Disbursements (3)	\$800,367,336	\$67,023,270	\$1,611,966,327	\$2,479,356,933
d. Market Value of Assets as of September 30, 2024:	<u>\$5,779,236,225</u>	<u>\$442,954,983</u>	<u>\$10,329,013,731</u>	<u>\$16,551,204,939</u>
Rate of Return on Market Value of Assets	21.21%	21.21%	21.21%	21.21%





## SCHEDULE D - ACTUARIAL ASSUMPTIONS AND METHODS

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 7, 2021, and adopted by the Board on September 14, 2021. The combined effect of the assumptions is expected to have no significant bias.

LONG-TERM INVESTMENT RATE OF RETURN: 7.45% per annum, compounded annually, including price inflation at 2.50%.

SALARY INCREASES: Representative values of the assumed annual rates of future salary increases are as follows and include wage inflation at 2.75% per annum:

### STATE AND LOCAL EMPLOYEES

Service	Annual Rate *
0	6.00 %
1-5	4.25
6-10	4.00
11-15	3.75
16-19	3.50
20 & Over	3.25

### STATE POLICE

Service	Annual Rate *
0-3	7.75 %
4-5	7.50
6	6.25
7-10	5.50
11-14	5.25
15-17	4.75
18-19	4.50
20 & Over	4.00

\* Includes wage inflation at 2.75% per annum.





## SCHEDULE D - ACTUARIAL ASSUMPTIONS AND METHODS

### SEPARATIONS FROM ACTIVE SERVICE- STATE AND LOCAL EMPLOYEES

TERMINATION: Representative values of the assumed annual rates of withdrawal are shown in the following tables:

Years of Service	Annual Rate of Withdrawal*	
	Non-FLC Members	FLC Members
0-1	20.00%	16.50%
2	16.75	12.00
3	14.00	11.50
4	13.00	11.00
5	7.50	6.50
6	6.75	6.25
7	6.50	6.00
8	5.75	5.40
9	5.25	5.00
10-12	3.50	3.00
13-14	3.50	2.75
15	3.00	2.25
16-18	2.50	2.00
19	2.00	1.50
20+	1.50	1.50

*There are no withdrawal decrements after eligibility for service retirement.*

\* For local employers with fewer than 25 employees the rates are multiplied by 50%.







## SCHEDULE D - ACTUARIAL ASSUMPTIONS AND METHODS

SERVICE RETIREMENT: The assumed annual rates of service retirement are as follows:

### REGULAR MEMBERS

Age	Annual Rate <sup>1</sup>			
	TIER I <sup>2</sup>		TIER II	
	1 <sup>ST</sup> Eligible	Subsequent	1 <sup>ST</sup> Eligible	Subsequent
49 & Under	16.50%	10.50%	2.50%	2.50%
50 to 54	20.00	10.50	2.50	2.50
55 to 56	20.00	10.50	10.00	10.00
57	20.00	10.50	20.00	20.00
58	25.00	12.50	20.00	20.00
59	23.00	12.50	20.00	20.00
60	12.00	15.00	50.00	50.00
61	13.00	12.00	50.00	50.00
62	23.00	23.00	50.00	50.00
63	23.00	20.00	23.00	20.00
64	23.00	17.00	23.00	17.00
65	32.00	25.00	32.00	25.00
66	35.00	28.50	35.00	28.50
67	35.00	24.00	35.00	24.00
68 to 79	35.00	21.00	35.00	21.00
80 & Above	100.00	100.00	100.00	100.00

<sup>1</sup>For local employers with fewer than 25 employees we assume that all members retire upon first eligibility for a service retirement benefit.

<sup>2</sup>25% are assumed to retire at age 60 with 25 years of service.

### FLC MEMBERS

Age	Annual Rate <sup>1</sup>			
	TIER I <sup>2</sup>		TIER II	
	1 <sup>ST</sup> Eligible	Subsequent	1 <sup>ST</sup> Eligible	Subsequent
48 & Under 49	35.00%	22.00%	2.50%	2.50%
50 to 51	35.00	22.00	10.00	10.00
52 to 55	35.00	22.00	10.00	10.00
56 to 59	35.00	22.00	20.00	20.00
60	35.00	18.00	20.00	20.00
61	40.00	18.00	15.00	15.00
62	17.00	21.00	17.00	17.00
63	40.00	18.50	40.00	18.50
64	40.00	30.00	40.00	30.00
65	40.00	25.00	40.00	25.00
66	40.00	22.00	40.00	22.00
67-69	40.00	27.00	40.00	27.00
70 to 74	40.00	38.00	40.00	38.00
75 & Above	40.00	30.00	40.00	30.00
	60.00	30.00	60.00	30.00
	100.00	100.00	100.00	100.00

<sup>1</sup>For local employers with fewer than 25 employees we assume that all members retire upon first eligibility for a service retirement benefit.

<sup>2</sup>50% are assumed to retire at age 60 with 25 years of service.





## SCHEDULE D - ACTUARIAL ASSUMPTIONS AND METHODS

RATES OF DEATH: Representative values of the assumed annual rates of death are as follows:

Age	Annual Rate of Death*			
	Non FLC State & Local		FLC State & Local	
	Male	Female	Male	Female
20	0.040%	0.014%	0.042%	0.016%
25	0.040	0.011	0.049	0.025
30	0.050	0.017	0.054	0.034
35	0.065	0.027	0.060	0.046
40	0.089	0.043	0.074	0.062
45	0.132	0.066	0.101	0.085
50	0.201	0.099	0.147	0.115
55	0.297	0.145	0.216	0.157
60	0.432	0.218	0.323	0.213
65	0.631	0.344	0.499	0.290
69	0.866	0.512	0.793	0.466

\*Base mortality rates as of 2010 before application of the improvement scale

RATES OF DISABILITY: Representative values of the assumed annual rates of disability are as follows:

### STATE EMPLOYEES

Age	Annual Rate of Disability*				
	Tier I			Tier II	
	Service < 25		Service >=25	Male	Female
	Male	Female			
20	0.014%	0.013%		0.014%	0.013%
25	0.082	0.075		0.082	0.075
30	0.150	0.138		0.150	0.138
35	0.180	0.200		0.180	0.200
40	0.350	0.300		0.350	0.300
45	0.650	0.500	0.250%	0.650	0.500
50	1.000	0.800	0.250	1.000	0.800
55	1.350	1.100	0.250	1.350	1.100
60	1.200	1.450	0.250	1.200	1.450
65	0.600	0.750	0.250	0.600	0.750
69	0.200	0.270		0.200	0.270





## SCHEDULE D - ACTUARIAL ASSUMPTIONS AND METHODS

### LOCAL EMPLOYEES

Age	Annual Rate of Disability*				
	Tier I			Tier II	
	Service < 25		Service >=25		
	Male	Female		Male	Female
20	0.006%	0.014%		0.006%	0.014%
25	0.033	0.082		0.033	0.082
30	0.060	0.150		0.060	0.150
35	0.120	0.080		0.120	0.080
40	0.290	0.230		0.290	0.230
45	0.470	0.350	0.250%	0.470	0.350
50	0.800	0.600	0.250	0.800	0.600
55	1.300	0.900	0.250	1.300	0.900
60	1.000	0.550	0.250	1.000	0.550
65	0.500	0.160	0.250	0.500	0.160
69	0.100	0.032		0.100	0.032

\*There are no disability rates for members with less than 10 years of service.





## SCHEDULE D - ACTUARIAL ASSUMPTIONS AND METHODS

### STATE POLICE

Withdrawal*			Death**		Disability		Retirement		
Years of Service	Rate	Age	Male	Female	Male	Female	10-19	20-24	25+
0	6.00%	20	0.042%	0.016%	0.050%	0.012%			
1-5	6.00	25	0.049	0.025	0.250	0.060			
6-10	1.50	30	0.054	0.034	0.500	0.120			
11-15	1.50	35	0.060	0.046	0.300	0.180			
20+	1.00	40	0.074	0.062	0.200	0.290	5.00%	33.00%	40.00%
		45	0.101	0.085	0.550	0.440	20.00	35.00	40.00
		50	0.147	0.115	0.500	0.500	20.00	35.00	40.00
		55	0.216	0.157			100.00	100.00	33.00
		60	0.323	0.213					35.00
		62	0.383	0.241					35.00
		65	0.499	0.290					100.00

\*There are no withdrawal decrements after eligibility for service retirement.

\*\*Base mortality rates as of 2010 before application of the improvement scale

DEATH AFTER RETIREMENT: Rates of mortality are according to the Pub-2010 Below-Median Tables, projected generationally using the MP-2020 scale, which is adjusted by 66-2/3% beginning with year 2019:

Group	Membership Table	Set Forward (+)/ Setback (-)	Adjustment to Rates
Non FLC Service Retirees	General Healthy Below Median	Male: +2, Female: +2	Male: 90% ages < 65, 96% ages >= 65 Female: 96% all ages
FLC/State Police Service Retirees	Public Safety Healthy Below Median	Male: +1, Female: none	None
Beneficiaries	Contingent Survivor Below Median	Male: +2, Female: +2	None
Non-FLC Disabled Retirees	General Disability	Male: +7, Female: +3	None
FLC/State Police Disabled Retirees	Public Safety Disability	Male: +7, Female: none	None





## SCHEDULE D - ACTUARIAL ASSUMPTIONS AND METHODS

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**DEATH IN ACTIVE SERVICE BENEFIT:** For those eligible for service retirement who die in active service, it is assumed that 70% of beneficiaries will elect the lump sum death benefit, 20% will elect the Option 2 allowance, and 10% will elect the Option 3 allowance.

**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.

**UNUSED SICK LEAVE:** 1.00% load on service retirement liabilities for active members (No load for Tier II members).

**PERCENT MARRIED:** 100% of employees are assumed to be married, with the wife 3 years younger than the husband.

**ACTUARIAL METHOD:** Individual entry age normal cost method. Actuarial gains and losses are reflected in the unfunded actuarial accrued liability.

**ASSET METHOD:** Actuarial value, as developed in Schedule B. The actuarial value of assets recognizes a portion of the difference between the market value of assets and the expected value of assets, based on the assumed valuation rate of return. The amount recognized each year is 20% of the difference between market value and expected market value.

**LIABILITY FOR CURRENT INACTIVE MEMBERS:** Member Contribution Balance is multiplied by a factor of 3.0 for vested local employees with incomplete data and by a factor of 1.0 for all non-vested inactive members.

**LIABILITY FOR POST-DROP ACTIVE MEMBERS:** Members are assumed to retire immediately and receive their accrued benefit.

**COLA:** No future ad hoc cost of living adjustments (COLAs) are assumed.

**FUTURE SERVICE CREDIT:** One year of creditable service per year of employment.





## SCHEDULE E - ACTUARIAL COST METHOD

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1. The valuation is prepared on the projected benefit basis, which is used to determine the present value of each member's expected benefit payable at retirement or death. The calculations are based on the member's age, years of service, sex, compensation, expected future salary increases, and an assumed future interest earnings rate (currently 7.45%). The calculations consider the probability of a member's death or termination of employment prior to becoming eligible for a benefit and the probability of the member terminating with a service, disability, or survivor's benefit. The present value of the expected benefits payable to active members is added to the present value of the expected future payments to retired members and beneficiaries to obtain the present value of all expected benefits payable to the present group of members and beneficiaries.
2. The employer contributions required to support the benefits of the System are determined following a level funding approach and consist of a normal contribution and an accrued liability contribution.
3. The normal contribution is determined using the "individual entry age normal" method. Under this method, a calculation is made to determine the uniform and constant percentage rate of employer contribution which, if applied to the compensation of each new member during the entire period of his anticipated covered service, would be required in addition to the contributions of the member to meet the cost of all benefits payable on his behalf.
4. The unfunded accrued liability is determined by subtracting the current assets and the present value of prospective employer normal contributions and member contributions from the present value of expected benefits to be paid from the System. The accrued liability contribution amortizes the balance of the unfunded accrued liability over a period of years from the valuation date.





## SCHEDULE F - BOARD FUNDING POLICY

### FUNDING POLICY OF THE EMPLOYEES' RETIREMENT SYSTEM BOARD OF CONTROL Effective September 30, 2021

The purpose of the funding policy is to state the overall funding objectives for the Employees' 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 Board's funding policy applies to all plans administered by the Board of Control. The funding policy reflects the Board's long-term strategy for stability in funding of the plans.

#### 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 or as a dollar amount for employers with no active members 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 30<sup>th</sup> 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.





## SCHEDULE F - BOARD FUNDING POLICY

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- **Unfunded Actuarial Accrued Liability (UAAL) for State Employees and State Police**
  - **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). All gains and losses occurring after the initial valuation date and before September 30, 2028 for State Employees, and September 30, 2021 for State Police, with the exception of those due to benefit improvements, shall be included in the remaining initial total UAAL each year and amortized over the remaining closed period.
  - **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 beginning with the September 30, 2028 valuation for State Employees and the September 30, 2022 valuation for State Police, 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 for State Employees and State Police**
  - The Initial Total UAAL will be amortized over a 27-year closed period for State Employees and a 21-year closed period for State Police.
  - 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 Section 36-27-24.
  - 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, the individual amortization rate for each of the New Incremental UAAL bases, and the amortization rate for the remaining initial total UAAL.
- **UAAL and UAAL Amortization Period and Contribution Rates for Local Employers**

Local employers have assumptions and funding appropriate for their situations as deemed by Actuary and staff







## SCHEDULE F - BOARD FUNDING POLICY

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- **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 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 20 years.
- **Special Consideration**--If the resulting contribution rate will not support the cash flow and projected benefit payment needs of a particular unit or employer, then the RSA staff may approve a more aggressive funding policy for these units or employers. In addition, If the resulting contribution rate is determined to be in excess of the cash flow and projected benefit payment needs of a particular unit or employer, then the RSA staff may approve a less aggressive funding policy for these units or employers.

### 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 system's experience at least every five years and utilize the results of the investigation to form the basis for those recommendations.

### 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.





## SCHEDULE G - AMORTIZATION OF BASES

### AMORTIZATION SCHEDULE FOR THE REMAINING INITIAL UAAL INCLUDING GAINS AND LOSSES NOT DUE TO BENEFIT IMPROVEMENTS AFTER SEPTEMBER 30, 2021

#### STATE EMPLOYEES

Val Date 9/30	Remaining Initial UAAL		
	Outstanding		Yrs Left
	Balance as of Val Date		
			Amortization Payment
2021	\$ 3,235,144,946	27	\$ 216,878,236
2022	3,584,234,913	26	245,059,718
2023	3,903,876,184	25	272,583,712
<b>2024</b>	<b>4,060,482,549</b>	<b>24</b>	<b>289,959,444</b>
2025	4,073,029,055	23	297,933,329
2026	4,078,536,391	22	306,126,495
2027	4,076,260,857	21	314,544,974
2028	4,065,397,317	20	323,194,961
2029	4,045,074,456	19	332,082,822
2030	4,014,349,681	18	341,215,100
2031	3,972,203,632	17	350,598,515
2032	3,917,534,288	16	360,239,974
2033	3,849,150,618	15	370,146,573
2034	3,765,765,766	14	380,325,604
2035	3,665,989,712	13	390,784,558
2036	3,548,321,388	12	401,531,134
2037	3,411,140,197	11	412,573,240
2038	3,252,696,902	10	423,919,004
2039	3,071,103,817	9	435,576,777
2040	2,864,324,274	8	447,555,138
2041	2,630,161,294	7	459,862,904
2042	2,366,245,406	6	472,509,134
2043	2,070,021,555	5	485,503,135
2044	1,738,735,026	4	498,854,472
2045	1,369,416,313	3	512,572,970
2046	958,864,858	2	526,668,726
2047	503,631,564	1	541,152,116
2048	-	0	-





## SCHEDULE G - AMORTIZATION OF BASES

### AMORTIZATION SCHEDULE FOR BASES DUE TO BENEFIT IMPROVEMENTS

#### STATE EMPLOYEES

Val Date	Benefit Improvement UAAL			Oustanding		
	Outstanding Balance as of Val Date	Yrs Left	Amortization Payment	Outstanding Balance as of Val Date	Yrs Left	Amortization Payment
2021	\$ 10,513,204	15	\$ 1,010,983			
2022	10,285,455	14	1,038,785			
2023	10,012,936	13	1,067,352	\$ (2,657,103)	15	\$ (255,515)
<b>2024</b>	<b>9,691,548</b>	<b>12</b>	<b>1,096,704</b>	<b>(2,599,542)</b>	<b>14</b>	<b>(262,542)</b>
2025	9,316,864	11	1,126,863	(2,530,666)	13	(269,762)
2026	8,884,107	10	1,157,852	(2,449,439)	12	(277,181)
2027	8,388,121	9	1,189,693	(2,354,741)	11	(284,803)
2028	7,823,343	8	1,222,410	(2,245,366)	10	(292,635)
2029	7,183,772	7	1,256,026	(2,120,011)	9	(300,683)
2030	6,462,937	6	1,290,566	(1,977,269)	8	(308,951)
2031	5,653,860	5	1,326,057	(1,815,625)	7	(317,448)
2032	4,749,016	4	1,362,524	(1,633,441)	6	(326,177)
2033	3,740,294	3	1,399,993	(1,428,955)	5	(335,147)
2034	2,618,953	2	1,438,493	(1,200,265)	4	(344,364)
2035	1,375,572	1	1,478,052	(945,321)	3	(353,834)
2036	-	0	-	(661,913)	2	(363,564)
2037				(347,662)	1	(373,563)
2038				-	0	-
2039						
2040						
2041						
2042						
2043						
2044						
2045						
2046						
2047						
2048						





## SCHEDULE G - AMORTIZATION OF BASES

### AMORTIZATION SCHEDULE FOR THE REMAINING INITIAL UAAL AFTER SEPTEMBER 30, 2021

#### STATE POLICE

Val Date 9/30	Remaining Initial UAAL		
	Oustanding Balance as of Val Date	Yrs Left	Amortization Payment
2021	\$ 309,010,437	21	\$ 23,844,813
2022	308,186,902	20	24,500,546
2023	306,646,280	19	25,174,311
<b>2024</b>	<b>304,317,117</b>	<b>18</b>	<b>25,866,604</b>
2025	301,122,138	17	26,577,936
2026	296,977,801	16	27,308,829
2027	291,793,818	15	28,059,822
2028	285,472,635	14	28,831,467
2029	277,908,879	13	29,624,333
2030	268,988,757	12	30,439,002
2031	258,589,417	11	31,276,074
2032	246,578,255	10	32,136,166
2033	232,812,169	9	33,019,911
2034	217,136,765	8	33,927,958
2035	199,385,496	7	34,860,977
2036	179,378,738	6	35,819,654
2037	156,922,800	5	36,804,695
2038	131,808,854	4	37,816,824
2039	103,811,790	3	38,856,787
2040	72,688,981	2	39,925,348
2041	38,178,962	1	41,023,295
2042	-	0	-
2043			





## SCHEDULE G - AMORTIZATION OF BASES

### AMORTIZATION SCHEDULE FOR ANNUAL INCREMENTAL EXPERIENCE BASES

#### STATE POLICE

Val Date 9/30	Annual Incremental Experience Bas								
	Oustanding Balance as of Val Date	Yrs Left	Amortization Payment	Oustanding Balance as of Val Date	Yrs Left	Amortization Payment	Oustanding Balance as of Val Date	Yrs Left	Amortization Payment
2022	\$ 27,489,656	20	\$ 2,185,400						
2023	27,352,236	19	2,245,498	\$ 17,739,021	20	\$ 1,410,234			
<b>2024</b>	<b>27,144,480</b>	<b>18</b>	<b>2,307,250</b>	<b>17,650,344</b>	<b>19</b>	<b>1,449,016</b>	<b>\$ 24,222,970</b>	<b>20</b>	<b>\$ 1,925,702</b>
2025	26,859,494	17	2,370,699	17,516,279	18	1,488,864	24,101,879	19	1,978,658
2026	26,489,827	16	2,435,893	17,332,378	17	1,529,807	23,918,811	18	2,033,071
2027	26,027,426	15	2,502,880	17,093,833	16	1,571,877	23,667,691	17	2,088,981
2028	25,463,589	14	2,571,709	16,795,447	15	1,615,104	23,341,953	16	2,146,428
2029	24,788,917	13	2,642,431	16,431,604	14	1,659,519	22,934,500	15	2,205,455
2030	23,993,260	12	2,715,098	15,996,239	13	1,705,156	22,437,665	14	2,266,104
2031	23,065,660	11	2,789,763	15,482,803	12	1,752,047	21,843,167	13	2,328,422
2032	21,994,289	10	2,866,482	14,884,225	11	1,800,229	21,142,061	12	2,392,454
2033	20,766,382	9	2,945,310	14,192,871	10	1,849,735	20,324,691	11	2,458,247
2034	19,368,167	8	3,026,306	13,400,505	9	1,900,603	19,380,633	10	2,525,848
2035	17,784,789	7	3,109,530	12,498,240	8	1,952,870	18,298,642	9	2,595,309
2036	16,000,226	6	3,195,042	11,476,489	7	2,006,573	17,066,582	8	2,666,680
2037	13,997,201	5	3,282,905	10,324,914	6	2,061,754	15,671,362	7	2,740,014
2038	11,757,087	4	3,373,185	9,032,366	5	2,118,452	14,098,864	6	2,815,364
2039	9,259,805	3	3,465,948	7,586,825	4	2,176,710	12,333,865	5	2,892,786
2040	6,483,712	2	3,561,261	5,975,333	3	2,236,569	10,359,952	4	2,972,338
2041	3,405,488	1	3,659,197	4,183,926	2	2,298,075	8,159,430	3	3,054,077
2042	-	0	-	2,197,553	1	2,361,271	5,713,231	2	3,138,065
2043				-	0	-	3,000,802	1	3,224,362
2044							-	0	-





## SCHEDULE G - AMORTIZATION OF BASES

### AMORTIZATION SCHEDULE FOR BASES DUE TO BENEFIT IMPROVEMENTS

#### STATE POLICE

Val Date	Benefit Improvement UAAL			Oustanding		
	Outstanding Balance as of Val Date	Yrs Left	Amortization Payment	Balance as of Val Date	Yrs Left	Amortization Payment
2021	\$ 264,104	15	\$ 25,397			
2022	258,383	14	26,096			
2023	251,537	13	26,813	\$ 21,590,346	15	\$ 2,076,196
<b>2024</b>	<b>243,464</b>	<b>12</b>	<b>27,551</b>	<b>21,122,631</b>	<b>14</b>	<b>2,133,292</b>
2025	234,051	11	28,308	20,562,975	13	2,191,957
2026	223,180	10	29,087	19,902,960	12	2,252,236
2027	210,720	9	29,887	19,133,495	11	2,314,173
2028	196,532	8	30,708	18,244,767	10	2,377,813
2029	180,466	7	31,553	17,226,189	9	2,443,202
2030	162,358	6	32,421	16,066,338	8	2,510,390
2031	142,033	5	33,312	14,752,890	7	2,579,426
2032	119,302	4	34,229	13,272,554	6	2,650,360
2033	93,961	3	35,170	11,610,999	5	2,723,245
2034	65,791	2	36,137	9,752,773	4	2,798,134
2035	34,555	1	37,129	7,681,221	3	2,875,084
2036	-	0	-	5,378,388	2	2,954,148
2037				2,824,930	1	3,035,387
2038				-	0	-
2039						
2040						
2041						
2042						
2043						





## SCHEDULE G - AMORTIZATION OF BASES

### AMORTIZATION SCHEDULE FOR TOTAL UAAL AS OF SEPTEMBER 30, 2024

STATE EMPLOYEES			STATE POLICE		
Val Date 9/30	Total UAAL		Val Date 9/30	Total UAAL	
	Oustanding Balance as of Val Date	Amortization Payment		Oustanding Balance as of Val Date	Amortization Payment
2021	\$ 3,245,658,150	\$ 217,889,219	2021	\$ 309,274,541	\$ 23,870,210
2022	3,594,520,368	246,098,503	2022	335,934,941	26,712,042
2023	3,911,232,017	273,395,549	2023	351,989,074	28,856,856
<b>2024</b>	<b>4,067,574,555</b>	<b>290,793,606</b>	<b>2024</b>	<b>394,701,006</b>	<b>33,709,415</b>
2025	4,079,815,253	298,790,430	2025	390,396,816	34,636,422
2026	4,084,971,059	307,007,166	2026	384,844,957	35,588,923
2027	4,082,294,237	315,449,864	2027	377,926,983	36,567,620
2028	4,070,975,294	324,124,736	2028	369,514,923	37,573,229
2029	4,050,138,217	333,038,165	2029	359,470,555	38,606,493
2030	4,018,835,349	342,196,715	2030	347,644,617	39,668,171
2031	3,976,041,867	351,607,124	2031	333,875,970	40,759,044
2032	3,920,649,863	361,276,321	2032	317,990,686	41,879,920
2033	3,851,461,957	371,211,419	2033	299,801,073	43,031,618
2034	3,767,184,454	381,419,733	2034	279,104,634	44,214,986
2035	3,666,419,963	391,908,776	2035	255,682,943	45,430,899
2036	3,547,659,475	401,167,570	2036	229,300,423	46,642,097
2037	3,410,792,535	412,199,677	2037	199,741,207	47,924,755
2038	3,252,696,902	423,919,004	2038	166,697,171	46,123,825
2039	3,071,103,817	435,576,777	2039	132,992,285	47,392,231
2040	2,864,324,274	447,555,138	2040	95,507,978	48,695,516
2041	2,630,161,294	459,862,904	2041	53,927,806	50,034,644
2042	2,366,245,406	472,509,134	2042	7,910,784	5,499,336
2043	2,070,021,555	485,503,135	2043	3,000,802	3,224,362
2044	1,738,735,026	498,854,472	2044	-	-
2045	1,369,416,313	512,572,970	2045		
2046	958,864,858	526,668,726	2046		
2047	503,631,564	541,152,116	2047		
2048	-	-	2048		





## SCHEDULE H - MAIN SYSTEM PROVISIONS

### AS INTERPRETED FOR VALUATION PURPOSES

The Employees' Retirement System of Alabama was established on October 1, 1945. The valuation took into account amendments to the System effective through the valuation date. Act 2019-132 allows local employers that participate in the System to elect to provide Tier I retirement benefits to their Tier II employees, upon approval by the Board of Control, until May 8, 2021, and will be reflected in the valuations prepared for the individual employers. Act 2022-138 removes the deadline for this election effective April 13, 2022. There is a new tier (Tier II) of benefits for all members initially joining the System on and after January 1, 2013. Act 2023-73 revised the definition of "state police" to include all employees of the Alabama State Law Enforcement Agency who are certified by the Alabama Peace Officers' Standards and Training Commission and perform law enforcement duties, as well as investigators employed by the AG's office and Ethics Commission. These members pay the same employee contribution rate and receive the same benefits as State Police. 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 1 - the 3 highest years in the last 10 years of creditable service
- Tier 2 - the 5 highest years in the last 10 years of creditable service

Membership Service – all creditable 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 previous 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 the accumulated contributions of an employer.

Retirement Allowance – the sum of the annuity and pension payments.







## SCHEDULE H - MAIN SYSTEM PROVISIONS

### 2 – BENEFITS MEMBERS CLASSIFIED AS STATE EMPLOYEES

#### 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, (except for employees of local employers who did not elect 25-year retirement), 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 completed 30 years of creditable service or 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 his creditable service. At retirement, a member receives one additional year of creditable service in determining the retirement allowance for each five years of creditable 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. For a member whose age at retirement is less than age 62 (age 56 for a full-time certified firefighter, police officer, or correctional officer), the amount of the allowance will be reduced by 2% for each year that the member's age is less than age 62 (age 56 for a full-time certified firefighter, police officer, or correctional officer).





## SCHEDULE H - MAIN SYSTEM PROVISIONS

### Disability Retirement Allowance

#### Condition for Allowance

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

#### Amount of Allowance

##### Tier I

Upon 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 his creditable service. At retirement, a member receives one additional year of creditable service in determining the retirement allowance for each five years of creditable 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.

### Benefits Payable on Separation from Service

Any member who withdraws from service is entitled to receive a return of member 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 2 (spouse) or option 3 (non-spouse beneficiary) 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).\*





## SCHEDULE H - MAIN SYSTEM PROVISIONS

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In the event of the death of a member with more than one year of creditable service who is not eligible for retirement, the designated beneficiary shall receive a return of member contributions and total interest earned. Also, the designated beneficiary shall receive 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).\*

In the event of a job-related death of a member at any age with less than 1 year of creditable 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 death occurs.\*

In the event of a non-job-related death of a member with less than 1 year of service, the beneficiary shall receive the return of member contributions and total interest earned plus a matching death benefit which is limited to a maximum of \$5,000.

\* 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 creditable service and the death was not job-related.

### Deferred Retirement Option Plan (DROP)

A member could elect to participate in the Deferred Retirement Option Plan (DROP) upon completion of at least 25 years of service (at least 30 years for employers that did not elect 25 year retirement) of creditable service (excluding sick leave) and attainment of at least 55 years of age. Under the DROP, the member deferred receipt of a retirement allowance and continued employment for a period not to exceed five years, nor to be less than three years. At the end of this period, the member withdrew from active service and received the retirement benefit based on his or her years of service credit at the time of enrollment in the DROP, and also received a payment for the deferred retirement benefits, employee contributions while participating in the DROP, and interest earned on DROP deposits.





## SCHEDULE H - MAIN SYSTEM PROVISIONS

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

### Member Contributions

#### Tier I

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

Beginning October 1, 2011, the contribution rates were increased to 7.25% of salary for regular members and 8.25% of salary for full-time certified police officers, firefighters, and correctional officers, for all State employees and for local employees whose employers elect to do so.

Beginning October 1, 2012, the contribution rates were increased to 7.50% of salary for regular members and 8.50% of salary for full-time certified police officers, firefighters, and correctional officers, for all State employees and for local employees whose employers elect to do so.

#### 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 Systems 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 36-27-16.3(c)(1)).





# SCHEDULE H - MAIN SYSTEM PROVISIONS

## MEMBERS OF LOCAL EMPLOYERS

Members of local employers generally receive the same benefit structure as State employees, however some benefits must be elected by individual employers. Members whose employers have not yet elected to grant retirement upon completion of 25 years of service must have 30 years of service for retirement before age 60 (For Tier I). These employers have the option of electing 25-year retirement for their Tier I members. Employers may also elect to increase Tier I member contribution rates to 7.5% of payroll for regular members and 8.5% of payroll for FLC members. Employers who have not elected to allow sick leave conversion may still elect to do so. Employers may elect to provide Tier I benefits to their Tier II members, provided the members pay the increased members rates shown above.

Members of the City of Montgomery who elected to remain under the City's retirement plan structure are subject to the conditions and benefit structure of that plan. A brief description of this structure is as follows:

### Condition for Allowance

Group I	For general municipal employees hired before October 1, 2013, a retirement allowance is payable upon the request of any member who has completed 20 years of creditable service, or who has attained age 65 (25 years or age 62 if hired after October 1, 2005 or elected)
Group II	For members of the fire department or police department of the City, a retirement allowance is payable upon the request of any member who has completed 20 years of creditable service or attained age 62 (25 years or age 55 if hired after October 1, 2005, or 25 years or age 55 with 10 years of creditable service if hired after October 1, 2013)

### Amount of Allowance

Group I	<p><b>20-year retirement plan:</b> Upon service retirement a member receives a retirement allowance equal to 2.0% of the member's average final compensation multiplied by the number of years of his creditable service (up to 20 years), and 1% of the member's average final compensation multiplied by the number of years of his creditable service over 20 years. Maximum benefit is 60% of average final compensation.</p> <p><b>25-year retirement plan:</b> Upon service retirement a member receives a retirement allowance equal to 2.0% of the member's average final compensation multiplied by the number of years of his creditable service. Maximum benefit is 100% of average final compensation.</p>
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## SCHEDULE H - MAIN SYSTEM PROVISIONS

### Group II

**20-year retirement plan:** Upon service retirement a member receives a retirement allowance equal to 2.5% of the member's average final compensation multiplied by the number of years of his creditable service (up to 20 years), and 1% of the member's average final compensation multiplied by the number of years of his creditable service over 20 years. Maximum benefit is 60% of average final compensation.

**25-year retirement plan:** Upon service retirement a member receives a retirement allowance equal to 2.5% of the member's average final compensation multiplied by the number of years of his creditable service. Maximum benefit is 100% of average final compensation.

**Age 62 retirement plan:** Upon service retirement a member receives a retirement allowance equal to 2.5% of the member's average final compensation multiplied by the number of years of his creditable service. Maximum benefit is 100% of average final compensation. Benefit is reduced by early retirement factor (5/9% for each month annuity start date precedes age 62 but not earlier than age 55).

### Employee Retention Incentive Program (ERIP)

An employee is eligible to enter the ERIP plan if he or she is an active employee and has at least 20 years of service (25 years for a 25-year retirement plan participant). The participant can effectively elect to retire up to three years prior to termination and receive the payments that would have been made as a lump sum (accumulated with 5% interest). Subsequent monthly benefits are based on the benefit used to determine the lump sum.

### Preretirement Death Benefits

If the member is eligible for a service retirement, 50% of the accrued benefit, reduced for a 50% joint and survivor annuity. If the member is not eligible for a service retirement benefit, a lump sum of member contributions is payable.

### Disability Benefits

If a participant has 10 years of service and becomes permanently disabled he is entitled to immediately receive his monthly accrued benefit, based on his current years of service and current final average earnings.





## SCHEDULE H - MAIN SYSTEM PROVISIONS

### Separation Benefits

Group I	Return of contributions if less than 10 years of service. If more than 10 years of service, member is entitled to his accrued benefit payable at age 62 (age 65 for 20-year plan).
Group II	Return of contributions if less than 10 years of service. If more than 10 years of service, member is entitled to his accrued benefit payable at age 55 (age 62 for 20-year plan and Age 62 plan).

### MEMBERS CLASSIFIED AS STATE POLICE

### Service Retirement Allowance

Condition for Allowance	A retirement allowance is payable upon the request of any member who has completed 25 years of creditable service or who has attained age 52 and completed at least 10 years of creditable service.
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### Amount of Allowance

Tier I	<p>Upon service retirement a member receives a retirement allowance equal to 2.875% of the member's average final compensation multiplied by the number of years of his creditable service.</p> <p>A member who has attained 20 or more years of creditable service and retires prior to age 60 is eligible to receive a "bonus service credit" up to 4 years as follows:</p> <ul style="list-style-type: none"><li>- Age 56 or older – bonus service of 4 years reduced by 1 month for each month over the age of 56.</li><li>- Age 52 to 56 – bonus service of 4 years.</li><li>- Age 52 or less (disability retirement only) – bonus service of 4 years.</li><li>- Age 52 or less with 25 or more years of service – bonus service of 4 years.</li></ul>
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## SCHEDULE H - MAIN SYSTEM PROVISIONS

Tier II	Upon service retirement a member receives a retirement allowance equal to 2.375% of the member's average final compensation multiplied by the number of years of his creditable service. At retirement, a member receives one additional year of creditable service in determining the retirement allowance for each five years of creditable service as a state police officer. The benefit is capped at 80% of the member's average final compensation.
Disability Retirement Allowance	
Condition for Allowance	A disability retirement allowance may be granted to a member who has 10 or more years of creditable service or who becomes disabled as a result of his employment in line of duty without regard to his years of creditable service, and who becomes permanently incapacitated, mentally or physically, for the further performance of duty before reaching the minimum age for service retirement.
Amount of Allowance	
Tier I	Upon retirement for disability, a member receives a retirement allowance equal to 2.875% of the member's average final compensation multiplied by the number of years of his creditable service.
Tier II	Upon retirement for disability, a member receives a retirement allowance equal to 2.375% of the member's average final compensation multiplied by the number of years of his creditable service. At retirement, a member receives one additional year of creditable service in determining the retirement allowance for each five years of creditable service as a state police officer. The benefit is capped at 80% of the member's average final compensation.
Benefits Payable on Separation from Service	Any member who withdraws from service is entitled to receive a return of member 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 52.







## SCHEDULE H - MAIN SYSTEM PROVISIONS

### Benefits Payable upon Death in Active Service

In the event of the death of a member who is eligible for service retirement, the designated beneficiary may elect: (1) to exercise option 2 (spouse) or option 3 (non-spouse beneficiary) 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 with more than one year of creditable service who is not eligible for retirement, the designated beneficiary shall receive a return of member contributions and total interest earned. Also, the designated beneficiary shall receive 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).\*

In the event of a job-related death of a member at any age with less than 1 year of creditable service, the designated beneficiary shall receive the return of member contributions and total earned interest plus a death benefit payable from the preretirement death benefit fund equal to the annual earnable compensation of the member at the time death occurs.\*

In the event of a non-job-related death of a member with less than 1 year of creditable service, the beneficiary shall receive the return of member contributions and total interest earned plus a matching death benefit which is limited to a maximum of \$5,000.

- \* 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 creditable service and the death was not job-related.





## SCHEDULE H - MAIN SYSTEM PROVISIONS

### Deferred Retirement Option Plan (DROP)

Prior to March 25, 2011, a member could 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 52 years of age. Under the DROP, the member deferred receipt of a retirement allowance and continued employment for a period not to exceed five years, nor to be less than three years. At the end of this period, the member withdrew from active service and received the retirement benefit based on his or her years of service credit at the time of enrollment in the DROP, and also received 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 was that no new participants were allowed to enter the DROP with an effective participation date after June 1, 2011.

### Member Contributions

Each member contributes 10% of salary.

### 3 - SPECIAL PRIVILEGES AT RETIREMENT – ALL MEMBERS

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

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





## SCHEDULE H - MAIN SYSTEM PROVISIONS

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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.

Partial Lump Sum Option Plan (PLOP). For members retiring on or after October 1, 2019, in addition to selecting Options 1, 2, 3, or 4, the member may also elect to receive a one-time lump-sum distribution in addition to the monthly retirement benefit. The PLOP distribution will be made as a single payment at the time the first monthly benefit is paid. Based on the amount of the PLOP and the member's age, the monthly retirement benefit is actuarially reduced.





## SCHEDULE I - SCHEDULES OF MEMBERSHIP DATA

### NUMBER OF ACTIVE MEMBERS AND THEIR AVERAGE COMPENSATION BY AGE AND YEARS OF SERVICE AS OF SEPTEMBER 30, 2024

#### STATE EMPLOYEES

Attained Age	Completed Years of Service										Total	Payroll
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up		
Under 25	581	427	9								1,017	\$38,758,755
25 to 29	598	1,281	272								2,151	\$99,718,876
30 to 34	434	1,063	995	188	3						2,683	\$140,988,779
35 to 39	342	883	981	709	232	1					3,148	\$183,928,920
40 to 44	292	780	695	630	848	253	3				3,501	\$222,211,271
45 to 49	227	689	628	471	771	850	142	4			3,782	\$255,063,640
50 to 54	219	632	631	434	651	672	382	127	4		3,752	\$257,240,423
55 to 59	156	466	495	405	488	550	373	386	110	1	3,430	\$238,034,385
60 to 64	86	322	435	335	385	360	250	312	235	26	2,746	\$189,718,559
65 to 69	31	102	208	147	168	156	102	85	85	62	1,146	\$82,278,823
70 & up	19	47	104	93	78	59	28	36	14	4	482	\$35,458,156
<b>Total</b>	2,985	6,692	5,453	3,412	3,624	2,901	1,280	950	448	93	27,838	\$1,743,400,587

Average Age: 46.00      Average Service: 11.32





## SCHEDULE I - SCHEDULES OF MEMBERSHIP DATA

### NUMBER OF ACTIVE MEMBERS AND THEIR AVERAGE COMPENSATION BY AGE AND YEARS OF SERVICE AS OF SEPTEMBER 30, 2024

#### STATE POLICE

Attained Age	Completed Years of Service										Total	Payroll
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up		
Under 25	2	7	2								11	\$608,524
25 to 29	2	27	29								58	\$4,009,269
30 to 34	3	23	53	24							103	\$7,201,323
35 to 39	1	9	31	37	30	1					109	\$8,130,076
40 to 44	1	11	10	22	75	29					148	\$12,991,436
45 to 49		5	9	12	35	62	15				138	\$12,911,204
50 to 54	1	5	6	4	33	36	32	3			120	\$11,886,408
55 to 59		3	6	9	17	12	7	4			58	\$5,215,039
60 & up		1	1	3	8	3	2	2			20	\$2,007,612
Total	10	91	147	111	198	143	56	9			765	\$64,960,890

Average Age: 42.70

Average Service: 14.56





## SCHEDULE I - SCHEDULES OF MEMBERSHIP DATA

### NUMBER OF ACTIVE MEMBERS AND THEIR AVERAGE COMPENSATION BY AGE AND YEARS OF SERVICE AS OF SEPTEMBER 30, 2024

#### LOCAL EMPLOYEES

Attained Age	Completed Years of Service										Total	Payroll
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up		
Under 25	2,233	2,268	63								4,564	\$164,117,698
25 to 29	1,380	3,421	1,377	25							6,203	\$284,554,375
30 to 34	1,107	2,640	2,303	800	13						6,863	\$345,913,250
35 to 39	876	2,091	1,753	1,564	815	19					7,117	\$391,365,111
40 to 44	720	1,660	1,270	1,126	1,414	635	16				6,841	\$399,799,054
45 to 49	613	1,462	1,135	843	1,211	1,252	367	4			6,887	\$417,227,408
50 to 54	646	1,454	1,156	938	1,090	1,165	777	177	6		7,409	\$448,993,395
55 to 59	470	1,232	977	816	921	908	619	322	86	3	6,354	\$371,601,236
60 to 64	262	848	847	613	725	625	463	248	160	44	4,835	\$278,137,388
65 to 69	153	365	383	271	271	249	160	88	60	63	2,063	\$113,681,409
70 & up	103	308	220	145	143	100	62	37	32	24	1,174	\$53,193,517
Total	8,563	17,749	11,484	7,141	6,603	4,952	2,464	876	344	134	60,310	\$3,268,583,841

Average Age: 43.64

Average Service: 9.28





## SCHEDULE I - SCHEDULES OF MEMBERSHIP DATA

### NUMBER OF SERVICE RETIREMENTS AND THEIR BENEFITS BY AGE

Age	Number of Members	Total Annual Benefits	Average Annual Benefits
Under 50	412	\$ 14,273,296	\$ 34,644
50 – 54	1,611	59,312,529	36,817
55 – 59	3,204	115,865,901	36,163
60 – 64	6,839	210,293,398	30,749
65 – 69	10,440	278,915,362	26,716
70 – 74	10,974	259,054,909	23,606
75 – 79	8,330	181,832,450	21,829
80 – 84	4,505	91,725,362	20,361
85 – 89	2,292	43,186,943	18,842
90 – 94	893	14,983,258	16,779
95 & Over	234	3,653,542	15,613
Total	49,734	\$ 1,273,096,950	\$ 25,598

Average Age: 70.65

\*Includes post-DROP members in suspended status who are also active with a second retirement account.





## SCHEDULE I - SCHEDULES OF MEMBERSHIP DATA

### NUMBER OF BENEFICIARIES AND THEIR BENEFITS BY AGE

Age	Number of Members	Total Annual Benefits	Average Annual Benefits
Under 50	290	\$ 3,774,999	\$ 13,017
50 – 54	138	1,957,323	14,184
55 – 59	219	4,042,926	18,461
60 – 64	387	7,030,188	18,166
65 – 69	596	10,016,582	16,806
70 – 74	828	12,865,122	15,538
75 – 79	863	12,888,435	14,934
80 – 84	758	10,067,039	13,281
85 – 89	553	7,635,280	13,807
90 – 94	255	2,792,337	10,950
95 & Over	90	952,011	10,578
Total	4,977	\$ 74,022,242	\$ 14,873

Average Age: 73.08







## SCHEDULE I - SCHEDULES OF MEMBERSHIP DATA

### NUMBER OF DISABLED RETIREES AND THEIR BENEFITS BY AGE

Age	Number of Members	Total Annual Benefits	Average Annual Benefits
Under 50	216	\$ 3,733,732	\$ 17,286
50 – 54	371	7,046,964	18,995
55 – 59	608	10,787,011	17,742
60 – 64	792	12,954,896	16,357
65 – 69	797	11,849,798	14,868
70 – 74	659	9,118,927	13,838
75 – 79	416	5,513,365	13,253
80 – 84	175	1,949,708	11,141
85 – 89	54	607,424	11,249
90 – 94	20	215,448	10,772
95 & Over	2	17,711	8,856
Total	4,110	\$ 63,794,984	\$ 15,522

Average Age: 64.88





## SCHEDULE I - SCHEDULES OF MEMBERSHIP DATA

### STATUS RECONCILIATION FROM 2023 TO 2024

Reconciliation of Data from Last Year to This Year	Active	Retired	Disabled	Survivor	Vested	Total
<b>Total as of September 30, 2023</b>	86,450	48,738	4,148	4,802	3,675	147,813
Service Retirements	(2,213)	2,419			(206)	
Disability Retirements	(115)		116		(1)	
Termination (Re-Retirement)	(13)	13				
Deceased	(129)	(1,148)	(136)	(253)	(13)	(1,679)
Deceased with Beneficiary	(20)	(337)	(24)	382	(1)	
Deferred Vested Termination	(536)				536	
Refunds	(3,013)				(195)	(3,208)
Transfer Out	(28)					(28)
Inactive	(4,245)					(4,245)
Return to Active Status	177	(6)			(171)	
Pick-up/Status Change	895	55	6	46	72	1,074
New Members	11,703					11,703
<b>Total as of September 30, 2024</b>	88,913	49,734	4,110	4,977	3,696	151,430

