



Employees' Retirement System of Alabama
GASB Statement 67 Information as of September 30, 2021
(\$ in Thousands)

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
System's net pension liability	\$7,930,396	\$5,584,488	\$3,604,071

Paragraph 31(c): September 30, 2020 is the actuarial valuation date upon which the TPL is based. An expected TPL is determined as of September 30, 2021 using standard roll forward techniques for the TPL. The roll forward calculations add the annual normal cost (also called the service cost), subtract the actual benefit payments and refunds for the plan year and then apply the expected investment rate of return for the year. In addition, we have determined an expected TPL as of September 30, 2021 based on the TPL roll-forward in the September 30, 2020 GASB 67 report. The difference between this amount and the roll-forward of the actual TPL before any benefit or assumption changes is reflected as an experience gain or loss for the year. We have also determined an expected TPL as of September 30, 2021 after reflecting final Act 2019-132 local employer elections. The difference between this amount and the roll-forward of the actual TPL before any benefit or assumption changes is reflected as a benefit change gain or loss for the year. Finally we have determined an expected TPL as of September 30, 2021 after reflecting the new economic and demographic assumptions adopted by the Board in September, 2021. The difference between this amount and the roll-forward of the actual TPL before any assumption changes is reflected as an assumption change gain or loss for the year. These procedures are shown in the following table:



TPL Roll-Forward (\$ in Thousands)				
	<u>Expected</u>	<u>Actual Before Final Act 2019-132 Elections or 2020 Experience Study</u>	<u>Actual After Final Act 2019-132 Elections but Before 2020 Experience Study</u>	<u>Actual After 2020 Experience Study</u>
(a) TPL as of September 30, 2020	\$19,706,965	19,796,932	\$19,828,004	\$20,512,918
(b) Expected Rate of Return	7.70%	7.70%	7.70%	7.45%
(c) Entry Age Normal Cost* for the Year October 1, 2020 - September 30, 2021	348,684	348,684	354,413	392,588
(d) Actual Benefit Payments (including refunds) for the Year October 1, 2020 – September 30, 2021	1,320,563	1,320,563	1,320,563	1,320,563
(e) TPL as of September 30, 2021 =[(a) x (1+(b))] + (c) – [(d) x (1+0.5x(b))]	\$20,201,681	\$20,298,575	\$20,337,768	\$21,063,964
(f) Difference between Expected and Actual Experience (Gain)/Loss		\$96,894		
(g) Difference between Actual TPL Before and After Final Act 2019-132 Elections- Benefit Change (Gain)/Loss			\$39,193	
(h) Difference between Actual TPL Before and After 2020 Experience Study- Assumption Change (Gain)/Loss				\$726,196

*Also called the Service Cost



SCHEDULE A

REQUIRED SUPPLEMENTARY INFORMATION

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total pension liability										
Service Cost*	\$ 298,985	\$ 346,440	\$ 308,840	\$ 325,138	\$ 307,064	\$ 315,841	\$ 329,995	\$ 348,684		
Interest	1,164,853	1,199,079	1,233,415	1,271,712	1,303,322	1,329,988	1,407,878	1,466,595		
Benefit changes	-	-	-	-	-	-	71,320	39,193		
Difference between expected and actual experience		(35,546)	101	(64,111)	(79,478)	24,803	243,909	96,894		
Changes of assumptions	-	-	544,310	-	87,608	-	-	726,196		
Benefit payments	(948,645)	(1,023,732)	(1,043,293)	(1,056,006)	(1,102,478)	(1,123,150)	(1,215,223)	(1,268,499)		
Refunds of contributions	(49,767)	(49,865)	(44,660)	(46,374)	(44,890)	(55,478)	(45,303)	(52,064)		
New unit City of Montgomery							560,498			
Net change in total pension liability	465,426	436,376	998,713	430,359	471,148	492,004	1,353,074	1,356,999		
Total pension liability - beginning	\$15,059,865	\$15,525,291	\$15,961,667	\$16,960,380	\$17,390,739	\$17,861,887	\$18,353,891	\$19,706,965		
Total pension liability - ending (a)	\$15,525,291	\$15,961,667	\$16,960,380	\$17,390,739	\$17,861,887	\$18,353,891	\$19,706,965	\$21,063,964		
Components of Plan Fiduciary Net Position reserved to fund Total Pension Liability										
Contributions - employer	\$ 379,163	\$ 411,087	\$ 435,243	\$ 426,369	\$ 426,340	\$ 467,553	\$ 519,806	\$ 516,402		
Contributions - member	226,015	229,254	238,017	233,901	241,741	254,440	270,947	286,396		
Contributions - new unit City of Montgomery							344,352			
Other	-	68,897	-	-	(7,481)	-	-	-		
Net investment income	1,183,377	126,335	1,052,886	1,402,009	1,098,412	320,585	724,025	2,861,199		
Benefit payments	(948,645)	(1,023,732)	(1,043,293)	(1,056,006)	(1,102,478)	(1,123,150)	(1,215,223)	(1,268,499)		
Refunds of contributions	(49,767)	(49,865)	(44,660)	(46,374)	(44,890)	(55,478)	(45,303)	(52,064)		
Administrative Expenses	-	(13,182)	(13,023)	(14,502)	(13,763)	(15,829)	(16,539)	(14,496)		
Net change in plan fiduciary net position	790,143	(251,206)	625,170	945,397	597,881	(151,879)	582,065	2,328,938		
Plan fiduciary net position - beginning	\$10,012,967	\$10,803,110	\$10,551,904	\$11,177,074	\$12,122,471	\$12,720,352	\$12,568,473	\$13,150,538		
Plan fiduciary net position - ending (b)	\$10,803,110	\$10,551,904	\$11,177,074	\$12,122,471	\$12,720,352	\$12,568,473	\$13,150,538	\$15,479,476		
Net pension liability - ending (a) - (b)	\$ 4,722,181	\$ 5,409,763	\$ 5,783,306	\$ 5,268,268	\$ 5,141,535	\$ 5,785,418	\$ 6,556,427	\$ 5,584,488		



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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total pension liability	\$ 15,525,291	\$ 15,961,667	\$ 16,960,380	\$ 17,390,739	\$ 17,861,887	\$ 18,353,891	\$ 19,706,965	\$ 21,063,964			
Plan fiduciary net position	10,803,110	10,551,904	11,177,074	12,122,471	12,720,352	12,568,473	13,150,538	15,479,476			
Net pension liability	<u>\$ 4,722,181</u>	<u>\$ 5,409,763</u>	<u>\$ 5,783,306</u>	<u>\$ 5,268,268</u>	<u>\$ 5,141,535</u>	<u>\$ 5,785,418</u>	<u>\$ 6,556,427</u>	<u>\$ 5,584,488</u>			
Plan Fiduciary Net Position as a % of the Total Pension Liability	69.58%	62.22%	65.90%	69.71%	71.22%	68.48%	66.73%	73.49%			
Covered payroll*	\$ 3,511,115	\$ 3,556,282	\$ 3,592,658	\$ 3,680,078	\$ 3,692,241	\$ 3,789,556	\$ 4,003,430	\$ 4,124,367			
Net pension liability as a percentage of covered payroll	134.49%	180.20%	160.98%	143.16%	139.25%	152.67%	163.77%	135.40%			

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