

# Alabama Judicial Retirement Fund



## Actuarial Valuation Report

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**Prepared as of September 30, 2024**



May 16, 2025

Board of Control  
Alabama Judicial Retirement Fund  
Montgomery, Alabama

Members of the Board:

In this report are submitted the results of the annual valuation of the assets and liabilities of the Alabama Judicial Retirement Fund (Fund), prepared as of September 30, 2024 in accordance with Sections 12-18-2(a) and 36-27-23(p) of the act governing the operation of the Fund.

The purpose of this report is to provide a summary of the funded status of the Fund as of September 30, 2024 and to recommend rates of employer contribution for the fiscal year ending September 30, 2027.

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 the 2% salary increase granted to all state employees effective October 1, 2024 in accordance with Act 2024-284.

**On the basis of the valuation, we have determined employer contribution rates of 48.00% of payroll for Tier I members and 43.48% of payroll for members of the Judges' and Clerks' plan (Tier II) for the fiscal year ending September 30, 2027. For the District Attorneys' plan, we have determined an employer contribution rate of 19.77% of payroll for the fiscal year ending September 30, 2027.**

The promised benefits of the Fund 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 Fund and to reasonable expectations of anticipated experience under the Fund. The assumptions and methods used for funding purposes meet the parameters outlined in the Board's funding policy.



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 Statement Nos. 67 and 68 disclosure information is provided in separate supplemental reports.

This is to certify that Larry Langer, Edward Koebel and Wendy Ludbrook 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 fund and on actuarial assumptions that are internally consistent and reasonably based on the actual experience of the Fund.

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 Fund 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 Fund is operating on an actuarially sound basis. Assuming that contributions to the Fund 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 Fund 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, FCA, EA, MAAA  
Chief Executive Officer

Jennifer Johnson  
Managing Director

Wendy Ludbrook, FSA, EA, FCA, MAAA  
Consulting Actuary



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## SECTION I - SUMMARY OF PRINCIPAL RESULTS

### Summary of Principal Results for Judicial Retirement Fund (Other than District Attorneys' Plan)

Results as of September 30,	2024	2023
Active Members		
Number	362	361
Annual Compensation*	\$ 55,860,237	\$ 53,811,263
Retired members and beneficiaries		
Number	459	466
Annual Allowances	\$ 42,709,259	\$ 43,163,885
Deferred vested members		
Number	12	12
Estimated deferred allowances	\$ 1,306,126	\$ 1,172,506
Actuarial accrued liability (AAL)	\$ 562,165,516	\$ 552,379,935
Assets		
Actuarial value (AVA)	\$ 341,092,213	\$ 329,002,661
Market value (MVA)	367,645,185	315,886,053
UAAL based on AVA	\$ 221,073,303	\$ 223,377,274
Funded Ratio based on AVA	60.7 %	59.6 %
UAAL based on MVA	\$ 194,520,331	\$ 236,493,882
Funded Ratio based on MVA	65.4 %	57.2 %
Employer Rates for FYE September 30,	2027	2026
<b>Tier I</b> (Groups 1 and 2)		
Total Normal Cost	22.67 %	22.71 %
Member Contributions	(8.50)	(8.50)
Employer Normal Cost	14.17 %	14.21 %
Unfunded actuarial accrued liability	33.08	33.37
Death benefit	-	-
Administration	0.75	0.75
<b>Total Tier I Employer Contribution Rate</b>	<b>48.00 %</b>	<b>48.33 %</b>
<b>Tier II</b> Judges' and Clerks' Plan (Group 3)		
Total Normal Cost	18.00 %	17.99 %
Member Contributions	(8.50)	(8.50)
Employer Normal Cost	9.50 %	9.49 %
Unfunded actuarial accrued liability	33.08	33.37
Death benefit	0.15	0.15
Administration	0.75	0.75
<b>Total Tier II Employer Contribution Rate</b>	<b>43.48 %</b>	<b>43.76 %</b>
Blended Amortization Period	16.6 years	17.6 years

\* Includes all salary increases reflected in the valuation.





## SECTION I - SUMMARY OF PRINCIPAL RESULTS

### Summary of Principal Results for District Attorneys' Plan

Results as of September 30,	2024	2023
Active Members		
Number	25	24
Annual Compensation*	\$ 4,036,356	\$ 3,810,085
Retired members and beneficiaries		
Number	1	1
Annual Allowances	\$ 98,927	\$ 98,927
Deferred vested members		
Number	1	1
Estimated deferred allowances	\$ 66,268	\$ 66,628
Actuarial accrued liability (AAL)	\$ 5,156,030	\$ 4,093,089
Assets		
Actuarial value (AVA)	\$ 5,550,860	\$ 4,182,828
Market value (MVA)	6,003,826	3,969,563
UAAL based on AVA	\$ (394,830)	\$ (89,739)
Funded Ratio based on AVA	107.7 %	102.2 %
UAAL based on MVA	\$ (847,796)	\$ 123,526
Funded Ratio based on MVA	116.4 %	97.0 %
Employer Rates for FYE September 30,	2027	2026
Total Normal Cost	14.75 %	14.73 %
Member Contributions	(8.50)	(8.50)
Employer Normal Cost	6.25 %	6.23 %
Unfunded actuarial accrued liability	11.77	11.79
Death benefit	1.00	1.00
Administration	0.75	0.75
<b>Total Tier I Employer Contribution Rate</b>	<b>19.77 %</b>	<b>19.77 %</b>
Blended Amortization Period	N/A	N/A

\* Includes all salary increases reflected in the valuation.





## SECTION I - SUMMARY OF PRINCIPAL RESULTS

### Summary of Principal Results - Total

Results as of September 30,	2024	2023
Active Members		
Number	387	385
Annual Compensation*	\$ 59,896,593	\$ 57,621,347
Retired members and beneficiaries		
Number	460	467
Annual Allowances	\$ 42,808,186	\$ 43,262,811
Deferred vested members		
Number	13	13
Estimated deferred allowances	\$ 1,372,394	\$ 1,239,134
Actuarial accrued liability (AAL)	\$ 567,321,546	\$ 556,473,024
Assets		
Actuarial value (AVA)	\$ 346,643,073	\$ 333,185,489
Market value (MVA)	373,649,011	319,855,616
UAAL based on AVA	\$ 220,678,473	\$ 223,287,535
Funded Ratio based on AVA	61.1 %	59.9 %
UAAL based on MVA	\$ 193,672,535	\$ 236,617,408
Funded Ratio based on MVA	65.9 %	57.5 %

\* Includes all salary increases reflected in the valuation.







## 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 the 2% salary increase granted to all state employees effective October 1, 2024.
2. Schedule B of this report shows the development of the actuarial value of assets. The actuarial value return on assets is estimated at 8.97% for the fiscal year ending September 30, 2024, which is compared to the current expected return of 7.40%.
3. Schedule D outlines the full set of actuarial assumptions and methods employed in the current valuation. There have been no changes since the previous valuation.
4. The Board's Funding Policy is provided in Schedule F.
5. Provisions of the Fund, as summarized in Schedule H, were taken into account in the current valuation. There have been no changes since the previous valuation.
6. 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

- 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*
<b>Tier 1 ( Groups 1 and 2)</b>		
District Court Judges	56	\$ 9,842,321
Probate Court Judges	33	3,805,963
Non District Non Probate Judges	93	16,742,930
Total	182	\$ 30,391,214
<b>Tier II ( Group 3)</b>		
District Court Judges	56	\$ 8,935,924
Probate Court Judges	35	3,917,275
Non District Non Probate Judges	65	10,477,146
Clerks	24	2,138,678
Total	180	\$ 25,469,023
<b>District Attorneys' Plan</b>	25	\$ 4,036,356
<b>Total</b>	<b>387</b>	<b>\$ 59,896,593</b>

\* Includes all salary increases reflected in the valuation.

The table reflects the active membership for whom complete valuation data were submitted. The results of the valuation include contribution balances for an additional 23 non-vested inactive members.





## SECTION II - MEMBERSHIP

2. The following table shows a ten-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**	% Increase in Average Pay
September 30, 2024	387	\$ 59,896,593	3.95%	\$ 154,772	3.41%
September 30, 2023	385	57,621,347	4.10%	149,666	0.58%
September 30, 2022	372	55,352,812	15.58%	148,798	14.34%
September 30, 2021	368	47,891,703	1.71%	130,140	0.88%
September 30, 2020	365	47,084,500	3.88%	128,999	4.17%
September 30, 2019	366	\$ 45,325,830	3.44%	\$ 123,841	-2.50%
September 30, 2018	345	43,819,340	-1.07%	127,013	0.65%
September 30, 2017	351	44,291,914	2.95%	126,188	-1.45%
September 30, 2016	336	43,022,891	0.49%	128,044	1.08%
September 30, 2015	338	42,814,343	0.27%	126,670	0.27%

Includes all salary increases reflected in the 2024 valuation.

\* 3.8% increase for annual payroll since 2015

\*\* 2.3% increase for annual average payroll since 2015

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

**TABLE 3**  
**SCHEDULE OF RETIREMENT ALLOWANCES**

Group	Number*	Annual Retirement Allowances
Service Retirements	338	\$ 36,659,469
Disability Retirements	9	804,624
Beneficiaries of Deceased Members	113	5,344,093
<b>Total</b>	<b>460</b>	<b>\$ 42,808,186</b>

\* In addition, there were 13 vested inactive members with estimated deferred annual allowances totaling \$1,372,394 included in the valuation.

4. Schedule I shows the distribution by age and service of the number and average annual compensation of active members included in the valuation and a distribution by age of the number and benefits of retired members and beneficiaries included in the valuation.





## SECTION III - ASSETS

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1. The Judicial Retirement Fund assets are currently allocated to four funds for the purpose of recording the fiscal transactions of the Fund, namely, the Annuity Savings Fund, the Pension Accumulation Fund, the Expense Fund, and the Pre-Retirement Death Benefit 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 is transferred from the Annuity Savings Fund to the Pension Accumulation Fund. The market value of assets credited to the Annuity Savings Fund on September 30, 2024, which represent the accumulated contributions of active members to that date, including interest, amounted to \$55,269,584 for members other than District Attorneys and \$1,761,173 for the District Attorneys' Plan members.

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

The Pension Accumulation Fund is the fund to which are credited all contributions made by the employer, except those contributions made to the Expense Fund. When a member retires or when a survivor allowance becomes payable, the pension is paid from this fund. In addition, the amount of the member's accumulated contributions is transferred from the Annuity Savings Fund to the Pension Accumulation Fund and the annuity is paid from this fund. On September 30, 2024 the market value of assets credited to this fund is \$312,375,601 for members other than the District Attorneys and \$4,242,653 for the District Attorneys' Plan members.

- (c) ***Expense Fund***

The Expense Fund is the fund from which the expenses of the administration of the retirement fund are paid. Any amounts credited to the accounts of members withdrawing before retirement and not returnable under the provisions of Sections 12-18-54 and 12-18-83 are credited to the Expense Fund. Additional contributions required to meet the expenses of the retirement fund made by the employer are also credited to this fund. On September 30, 2024, the market value of assets credited to this fund amounted to \$3,390,192. These assets are not included in the valuation.

- (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 for members of the Judges and Clerks Plan and the District Attorneys' Plan. On September 30, 2024 the market value of assets credited to this fund amounted to \$(109,721) for members of the Judges and Clerks Plan and \$237,525 for members of the District Attorneys' Plan. 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

2. The amount of assets taken into account in this valuation is based on information reported by the Retirement Fund.
3. As of September 30, 2024, the total market value of assets, exclusive of the Expense Fund and the Pre-retirement Death Benefit Funds, amounted to \$373,649,011, of which \$367,645,185 is for members other than District Attorneys and \$6,003,826 is for the District Attorneys' Plan.
4. The market related actuarial value of assets was \$346,643,073, of which \$341,092,213 is for members other than the District Attorneys and \$5,550,860 is for the District Attorneys' Plan. Schedule B shows the development of the actuarial value of assets as of September 30, 2024.
5. Schedule C shows the receipts and disbursements of the Fund for the year preceding the valuation date and a reconciliation of the fund balances at market value.
6. The following table shows the history of the expected and actual rates of investment returns.

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

Year Ending	Expected Return	Market Return	Actuarial Return
September 30, 2024	7.40%	22.21%	8.97%
September 30, 2023	7.40%	14.66%	4.74%
September 30, 2022	7.40%	-14.87%	5.27%
September 30, 2021	7.65%	20.52%	10.43%
September 30, 2020	7.65%	7.87%	8.41%
September 30, 2019	7.65%	3.82%	7.17%
September 30, 2018	7.75%	9.32%	8.86%
September 30, 2017	7.75%	11.94%	9.38%
September 30, 2016	8.00%	11.03%	8.66%
September 30, 2015	8.00%	-0.32%	8.80%





## SECTION III - ASSETS

7. The following table shows a historical reconciliation of the market value of assets by source (\$ thousands).

**TABLE 4B**  
**HISTORICAL RECONCILIATION MARKET VALUE BY SOURCE**

Valuation Year Ending September 30	Beginning of Year Market Value of Assets (a)	Contributions (b)	Benefits and Administrative Expenses (c)	Investment Income (d)	Change in Market Value of Assets (e) = (b) + (c) + (d)	End of Year Market Value of Assets (f) = (a) + (e)
2024	\$ 319,855.6	\$ 27,242.4	\$ (42,970.2)	\$ 69,521.2	\$ 53,793.4	\$ 373,649.0
2023	293,992.5	25,876.0	(42,807.9)	42,795.0	25,863.1	319,855.6
2022	362,030.7	24,617.1	(40,875.8)	(51,779.5)	(68,038.2)	293,992.5
2021	315,535.3	21,906.0	(39,125.8)	63,715.2	46,495.4	362,030.7
2020	309,782.4	21,667.2	(39,069.8)	23,155.5	5,752.9	315,535.3
2019	\$ 314,801.1	\$ 21,550.7	\$ (37,583.8)	\$ 11,014.4	\$ (5,018.7)	\$ 309,782.4
2018	300,265.9	20,479.4	(33,566.8)	27,622.6	14,535.2	314,801.1
2017	279,971.3	20,798.0	(33,188.6)	32,685.2	20,294.6	300,265.9
2016	261,963.6	20,707.9	(31,021.7)	28,321.5	18,007.7	279,971.3
2015	274,975.2	18,350.1	(30,505.8)	(855.9)	(13,011.6)	261,963.6





## SECTION IV – COMMENTS ON VALUATION

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1. Schedule A of this report contains the valuation balance sheet which shows the present and prospective assets and liabilities of the Fund as of September 30, 2024.
2. The valuation balance sheet shows that the Fund has total accrued liabilities of \$567,321,546. Of this amount, \$367,275,134 is for the benefits payable on account of present retired members and beneficiaries of deceased members, \$10,705,049 is for the benefits payable on account of present inactive members and \$189,341,363 is for the benefits payable on account of present active members. Against these liabilities, the Fund has total present actuarial value of assets of \$346,643,073 as of September 30, 2024. The difference of \$220,678,473 between the total accrued liabilities and the total present actuarial value of assets represents the present value of future unfunded actuarial accrued liability (UAAL) contributions to be made by the State.
3. The employer's regular contributions to the Fund consist of normal contributions, UAAL contributions and contributions for administrative expenses. The valuation indicates that employer normal contributions at a rate of 14.17% of payroll for Tier I members 9.50% of payroll for Tier II members and 6.25% of payroll for District Attorneys' Plan members are required to provide the benefits of the Fund.
4. The funding policy adopted by the Board, as shown in Schedule F, provides that the total UAAL as of September 30, 2021 (Initial Total UAAL), be amortized as a level percentage of payroll over a closed 19-year period. In each subsequent valuation all benefit changes, assumption and method changes and experience gains and/or losses that have occurred since the previous valuation will determine a New Incremental UAAL. Each New Incremental UAAL due to benefit changes will be amortized as a level percent of payroll over a closed 15-year period from the date it is established. Each New Incremental UAAL due to assumption and method changes and experience gains and/or losses will be amortized as a level percent of payroll over a closed 20-year period from the date it is established.
5. The total UAAL contribution rate for members other than District Attorneys is 33.08% of payroll, determined in accordance with the Board's funding policy. The UAAL contribution rates have been calculated on the assumption that the aggregate amount of accrued liability contribution will increase by 2.75% each year. Schedule G of this report shows the amortization schedules for all UAAL bases as of September 30, 2024.





## SECTION IV – COMMENTS ON VALUATION

6. The following table shows the components of the total UAAL for members other than District Attorneys, and the derivation of the accrued liability contribution rate in accordance with the funding policy:

**TABLE 5**

**TOTAL UAAL AND UAAL CONTRIBUTION RATE  
Members other than District Attorney Plan Members**

Base	Initial Amounts			Amounts as of September 30, 2024		
	UAAL	Date	Yrs	UAAL	Yrs	Payment
Initial UAAL	\$ 166,022,505	9/30/2021	19	\$ 160,704,179	16	\$ 14,725,756
New Incremental UAAL 9/30/2022	45,102,793	9/30/2022	20	44,521,434	18	3,769,653
New Incremental UAAL 9/30/2023	15,531,825	9/30/2023	20	15,451,600	19	1,263,393
New Incremental UAAL 9/30/2024	396,090	9/30/2024	20	396,090	20	31,357
Total UAAL				\$ 221,073,303		\$ 19,790,159
Amortization Payment Adjusted for Timing						\$ 19,084,049
Total Estimated Payroll for Non District Attorneys'						\$ 57,684,572
UAAL Contribution Rate						33.08%

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

7. An additional contribution of 0.75% of payroll is required to cover expenses of administering the Fund.
8. Act 2015-498 requires members of the Judges' and Clerks' Plan and the District Attorneys' Plan to participate in the Pre-Retirement Death Benefit Program. The liabilities and assets associated with the pre-retirement death benefit are not included in the annual actuarial valuation of the Fund; however, the sufficiency of the Fund to provide the promised benefits is reviewed annually. The contribution requirements will be determined every five years during our experience investigation. For the Judges and Clerks' Plan an additional contribution of 0.15% of payroll will be required to meet the cost of the pre-retirement death benefit program this year. For the District Attorneys' Plan 1.00% of payroll will be required to meet the cost of the pre-retirement death benefit program this year.
9. The UAAL contribution rate for the District Attorneys' Plan had been determined to be 11.77% of payroll, based on a total contribution rate of 19.77% of payroll, which is the rate determined during the legislative process and is the rate currently in effect. Since the District Attorneys' Plan is funded with segregated assets and members of the Plan may transfer in prior service, it is necessary to ensure that funds are available to pay all promised benefits, therefore, a total contribution rate of 19.77% is recommended.







## SECTION V – CONTRIBUTIONS PAYABLE BY EMPLOYER

1. Section 12-18-3 of the Retirement Fund Law provides that sufficient monies shall be appropriated to carry out the provisions of the Law.
2. On the basis of the actuarial valuation prepared as of September 30, 2024 it is recommended that the employer make contributions at the following rates beginning October 1, 2026:

**TABLE 6**

**EMPLOYER REQUIRED CONTRIBUTION RATES  
AS A PERCENTAGE OF MEMBERS' COMPENSATION**

Employer Contribution Rate for	Fiscal Year Ending September 30, 2027
<b>Tier 1 ( Groups 1 and 2)</b>	
Normal	14.17%
Accrued Liability	33.08%
Administration	<u>0.75%</u>
Total	48.00%
<b>Tier II ( Group 3)</b>	
Normal	9.50%
Accrued Liability	33.08%
Administration	0.75%
Death Benefit	<u>0.15%</u>
Total	43.48%
<b>District Attorneys' Plan</b>	
Normal	6.25%
Accrued Liability	11.77%
Administration	0.75%
Death Benefit	<u>1.00%</u>
Total	19.77%





## SECTION VI – ANALYSIS OF FINANCIAL EXPERIENCE

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The calculation of the Fund's liabilities and actuarial value of assets requires the use of several assumptions concerning the future experience of the Fund and its members. In each annual actuarial valuation, the experience of the Fund 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 decreases or increases the UAAL, respectively. The UAAL was expected to increase from \$223,287,535 on September 30, 2023 to \$223,592,671 on September 30, 2024.

The actual UAAL as of September 30, 2024 was \$220,678,473, which was lower than expected leading to an overall actuarial gain for the Fund. The most significant item contributing to the gain in the UAAL was investment return being more than expected. Other gains in the UAAL were retirement and mortality experience. These gains were offset somewhat by salary increases being more than anticipated (including the 2% salary increase effective October 1, 2024). Other sources of gains and losses were relatively small and there appear to be no trends developing that would be of concern to the Fund.

The following tables show the reconciliation of the UAAL of the Fund and a breakdown by source of the actuarial gains and losses. These sources include the expected return on assets, salary increases, retirement, withdrawal, disability, and mortality.





## SECTION VI – ANALYSIS OF FINANCIAL EXPERIENCE

### RECONCILIATION OF THE UAAL, AVA, AND AAL FOR THE YEAR ENDING SEPTEMBER 30, 2024

UAAL (Unfunded Actuarial Accrued Liability)	
(1) UAAL at beginning of year	\$ 223,287,535
(2) Total normal cost at beginning of year	11,203,170
(3) Actual contributions	27,242,378
(4) Interest accrual: $[(1) + (2)] - \frac{1}{2} [(3)] \times 7.40\%$	16,344,344
(5) Expected UAAL at end of year before changes: $(1) + (2) - (3) + (4)$	\$ 223,592,671
(6) Changes in benefit provisions	-
(7) Changes in actuarial assumptions and methods	-
(8) Expected UAAL after changes: $(5) + (6) + (7)$	\$ 223,592,671
(9) Actual UAAL at end of year	220,678,473
<b>(10) UAAL (Gain)/Loss: (9) - (8)</b>	<b>\$ (2,914,198)</b>
AVA (Actuarial Value of Assets)	
(11) AVA at beginning of year	\$ 333,185,489
(12) Actual contributions	27,242,378
(13) Actual disbursements	(42,970,163)
(14) Expected Return: $[(11) + \frac{1}{2} [(12) + (13)]] \times 7.40\%$	24,073,798
(15) Expected AVA before changes: $(11) + (12) + (13) + (14)$	\$ 341,531,502
(16) Changes in benefit provisions	-
(17) Changes in actuarial assumptions and methods	-
(18) Expected AVA after changes: $(15) + (16) + (17)$	\$ 341,531,502
(19) AVA at end of year	346,643,073
<b>(20) AVA (Gain)/Loss: (18) - (19)</b>	<b>\$ (5,111,571)</b>
AAL (Actuarial Accrued Liability)	
(21) AAL at beginning of year	\$ 556,473,024
(22) Total normal cost at beginning of year	11,203,170
(23) Actual disbursements	(42,970,163)
(24) Interest accrual: $[(1) + (2)] + \frac{1}{2} [(3)] \times 7.40\%$	40,418,141
(25) Expected AAL before changes: $(11) + (12) + (13) + (14)$	\$ 565,124,172
(26) Changes in benefit provisions	-
(27) Changes in actuarial assumptions and methods	-
(28) Expected AAL after changes: $(15) + (16) + (17)$	\$ 565,124,172
(29) AAL at end of year	567,321,546
<b>(30) AAL (Gain)/Loss: (29) - (28)</b>	<b>\$ 2,197,374</b>





## SECTION VI – ANALYSIS OF FINANCIAL EXPERIENCE

**(GAINS)/LOSSES BY SOURCE  
FOR THE YEAR ENDING SEPTEMBER 30, 2024**  
(Dollar amounts in thousands)

<b>(Gains)/Losses by Source for FYE September 30, 2024</b>		
<b>Source</b>	<b>Dollars</b>	<b>% of AAL</b>
<b>Age &amp; Service Retirements.</b> Generally, earlier retirements cause losses and later retirements cause gains.	\$ (2,170)	(0.38) %
<b>Withdrawal.</b> More withdrawals than expected usually cause gains and less withdrawals than expected cause losses.	801	0.14
<b>Disability Retirements.</b> More disabilities than expected generally cause losses and less disabilities than expected cause gains.	267	0.05
<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.	182	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.	1,108	0.20
<b>New Members/Rehires.</b> Any past service causes losses.	1,949	0.34
<b>Retiree Mortality.</b> More deaths than expected cause gains, less than expected cause losses.	(504)	(0.09)
<b>Investment Return.</b> Investment income greater than expected causes gains while investment income less than expected cause losses.	(5,112)	(0.90)
<b>Other.</b> Miscellaneous gains and losses resulting from data corrections, timing of financial transactions, unit transfers, changes in valuation software, etc.	565	0.10
<b>Total Actuarial (Gains)/Losses</b>	<b>\$ (2,914)</b>	<b>(0.51) %</b>

\* Includes benefit increases for retirees and beneficiaries due to the 2% salary increase granted to all state employees effective October 1, 2024.





## SECTION VI – ANALYSIS OF FINANCIAL EXPERIENCE

### (GAINS)/LOSSES BY SOURCE

#### Historical Trends

(Dollar amounts in thousands)

Five-year History of (Gains)/Losses by Source					
Source	2024	2023	2022	2021	2020
Age & Service Retirements	\$ (2,170)	\$ 480	\$ (1,503)	\$ (1,598)	\$ (813)
Withdrawal	801	(794)	(98)	(190)	529
Disability Retirements	267	163	97	(193)	(186)
Death-In-Service Benefits	182	189	251	169	(27)
Salary Increases	1,108	(1,355)	34,074	(5,605)	(1,610)
New Members/Rehires	1,949	2,347	279	486	129
Retiree Mortality	(504)	1,605	5,147	604	3,017
Investment Return	(5,112)	8,690	6,950	(8,606)	(2,285)
Other	565	1,764	1,476	1,731	(322)
<b>Total (Gain)/Loss</b>	<b>\$ (2,914)</b>	<b>\$ 13,089</b>	<b>\$ 46,673</b>	<b>\$ (13,202)</b>	<b>\$ (1,568)</b>





## SECTION VII – ACCOUNTING INFORMATION

The information required under Governmental Accounting Standards Board (GASB) Statement Nos. 67 and 68 is issued in separate reports. The following information is provided for informational purposes only.

- 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
Retirees and beneficiaries currently receiving benefits	460
Terminated employees entitled to benefits but not yet receiving benefits	13
Non-vested inactive members	23
Active members	387
Total	883

- The schedule of funding progress as shown below.

### SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a) / c]
9/30/2024	\$ 346,643,073	\$ 567,321,546	\$ 220,678,473	61.1%	\$ 59,896,593	368.4%
9/30/2023	333,185,489	556,473,024	223,287,535	59.9%	57,621,347	387.5%
9/30/2022	334,668,122	544,518,140	209,850,018	61.5%	55,352,812	379.1%
9/30/2021 *	333,779,256	499,915,582	166,136,326	66.8%	47,891,703	346.9%
9/30/2020	318,673,256	481,862,876	163,189,620	66.1%	47,084,500	346.6%
9/30/2019	\$ 310,688,721	\$ 475,829,487	\$ 165,140,766	65.3%	\$ 45,325,830	364.3%
9/30/2018 *	305,396,555	457,833,685	152,437,130	66.7%	43,819,340	347.9%
9/30/2017 **	293,089,859	448,446,324	155,356,465	65.4%	44,291,914	350.8%
9/30/2016 *	279,807,201	446,920,633	167,113,432	62.6%	43,022,891	388.4%
9/30/2015	267,414,404	427,591,122	160,176,718	62.5%	42,814,343	374.1%

\* Reflects changes in actuarial assumptions and methods.

\*\* Reflects changes in plan provisions





## SECTION VII – ACCOUNTING INFORMATION

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

Valuation date	September 30, 2024
Actuarial cost method	Entry Age Normal
Amortization method	Level percent closed*
Single equivalent remaining amortization period	16.5 years
Asset valuation method	Five-year market related value
Actuarial assumptions:	
Investment Rate of return	7.40%
Projected Salary Increases	2.75%
Cost-of-living adjustments	2.75% per year for certain members hired prior to July 30, 1979 and for spouses benefits subject to increase
Price inflation	2.75%

\* For the District Attorneys' Plan, the amortization method is Level percent open.





## SECTION VIII – RISK ASSESSMENT

### 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 Fund and provide information to help interested parties better understand these risks.

### 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.

(\$ in thousands)

Valuation	Fair Value of Assets	Covered Payroll	Asset Volatility Ratio
2024	\$ 373,649	\$ 59,897	6.24
2023	319,856	57,621	5.55
2022	293,992	55,353	5.31
2021	362,031	47,892	7.56
2020	315,535	47,085	6.70
2019	\$ 309,782	\$ 45,326	6.83
2018	314,801	43,819	7.18
2017	300,266	44,292	6.78
2016	279,971	43,023	6.51
2015	261,964	42,814	6.12







## SECTION VIII – RISK ASSESSMENT

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 AVR's, the impact of investment gains and losses on Required Contribution Rates is less than for plans with high AVR's. The AVR for JRF at September 30, 2024 is 6.24. As shown in the table below, if the market value return is 5% below assumed, or 2.40% (7.40% minus 5.00%) for the Fund, the increase in the Required Contribution Rate is 0.48% of payroll in the first year. Without asset smoothing or without returns above the expected return in the next four years, the impact on the Required Contribution Rate would be 2.40%.

Impact of Rate of Return of 5% Less Than Assumed based on AVR		
AVR	Unsmoothed Amortization	Smoothed Amortization
6.00	2.31%	0.46%
6.24	2.40%	0.48%
7.00	2.70%	0.54%

### 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 table contains the key measures for the Fund using the valuation assumption for investment return of 7.40% along with the results if the assumption were 6.40% or 8.40%. 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 CavMac believes that either assumption (6.40% or 8.40%) would comply with actuarial standards of practice.

(\$ in thousands)				
Based on a Discount Rate of:				
As of September 30, 2024	7.40% (Current)	6.40% (Current less 1%)	8.40% (Current plus 1%)	
Accrued Liability	\$ 567,322	\$ 619,397	\$ 522,291	
Actuarial Value of Assets	346,643	346,643	346,643	
Unfunded Actuarial Accrued Liability	\$ 220,678	\$ 272,754	\$ 175,648	
Funded Ratio	61.1%	56.0%	66.4%	





## 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 Fund's mortality assumption utilizes a mortality table (with separate rates for males and females, as well as different rates by status) and a generational 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 Fund conducts so that incremental changes can be made to smoothly reflect emerging experience. The risk to the Fund 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 Fund 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 Actuarially Determined Employer Contribution (ADEC) rate is determined, based on the Fund'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 minimal to the Fund associated with the contribution amounts being less than the ADEC.





## SECTION VIII – RISK ASSESSMENT

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### ***Low-Default-Risk Obligation Measure***

Under the revised Actuarial Standards of Practice (ASOP) No. 4 effective for valuations after February 15, 2023, we are required to include a low-default-risk obligation measure of the Fund'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 the plan.

This measure uses the unit credit cost method and reflects all the assumptions and provisions of the funding valuation (including the assumed COLA paid), 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 \$659.2 million.

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. If the plan were funded with the intent of being able to be terminated at any valuation date, contribution requirements may need to increase and would also be more volatile. 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 RESULTS AND SOLVENCY TEST

Valuation Results	
Judicial Retirement Fund (Other than District Attorneys' Plan)	
(1) <b>Actuarial Accrued Liabilities</b>	
<b>(a) Present Service Members</b>	
a. Service Pensions	\$ 180,719,188
b. Disability Pensions	952,112
c. Death Benefits*	1,310,104
d. Termination Benefits	2,625,996
e. Total	<u>\$ 185,607,400</u>
<b>(b) Present Inactive Members</b>	
a. Non-Vested	\$ 1,265,408
b. Deferred Vested	8,996,645
c. Total	<u>\$ 10,262,053</u>
<b>(c) Present Retired Members and Beneficiaries</b>	
a. Service Retirements	\$ 319,281,450
b. Disability Retirements	7,972,076
c. Beneficiaries of Deceased Members	39,042,537
d. Total	<u>\$ 366,296,063</u>
<b>(d) Total Actuarial Accrued Liabilities</b>	\$ 562,165,516
<b>((a) + (b) + (c))</b>	
(2) <b>Actuarial Value of Assets</b>	\$ 341,092,213
(3) <b>Unfunded Actuarial Accrued Liability</b>	\$ 221,073,303
<b>(1(d) - 2)</b>	

\* Liability for death benefits payable after retirement is included with liability for service and disability pensions





## SCHEDULE A - VALUATION RESULTS AND SOLVENCY TEST

Valuation Results	
District Attorneys' Plan	
(1) <b>Actuarial Accrued Liabilities</b>	
<b>(a) Present Service Members</b>	
a. Service Pensions	\$ 3,443,112
b. Disability Pensions	72,725
c. Death Benefits*	42,847
d. Termination Benefits	175,279
e. Total	<u>\$ 3,733,963</u>
<b>(b) Present Inactive Members</b>	
a. Non-Vested	\$ 172,186
b. Deferred Vested	270,810
c. Total	<u>\$ 442,996</u>
<b>(c) Present Retired Members and Beneficiaries</b>	
a. Service Retirements	\$ 979,071
b. Disability Retirements	-
c. Beneficiaries of Deceased Members	-
d. Total	<u>\$ 979,071</u>
<b>(d) Total Actuarial Accrued Liabilities</b>	\$ 5,156,030
<b>((a) + (b) + (c))</b>	
(2) <b>Actuarial Value of Assets</b>	\$ 5,550,860
(3) <b>Unfunded Actuarial Accrued Liability</b>	\$ (394,830)
<b>(1(d) - 2)</b>	

\* Liability for death benefits payable after retirement is included with liability for service and disability pensions





## SCHEDULE A - VALUATION RESULTS AND SOLVENCY TEST

Valuation Results	
Total - All Plans	
(1) <b>Actuarial Accrued Liabilities</b>	
<b>(a) Present Service Members</b>	
a. Service Pensions	\$ 184,162,300
b. Disability Pensions	1,024,837
c. Death Benefits*	1,352,951
d. Termination Benefits	2,801,275
e. Total	<u>\$ 189,341,363</u>
<b>(b) Present Inactive Members</b>	
a. Non-Vested	\$ 1,437,594
b. Deferred Vested	9,267,455
c. Total	<u>\$ 10,705,049</u>
<b>(c) Present Retired Members and Beneficiaries</b>	
a. Service Retirements	\$ 320,260,521
b. Disability Retirements	7,972,076
c. Beneficiaries of Deceased Members	39,042,537
d. Total	<u>\$ 367,275,134</u>
<b>(d) Total Actuarial Accrued Liabilities</b>	\$ 567,321,546
<b>((a) + (b) + (c))</b>	
(2) <b>Actuarial Value of Assets</b>	\$ 346,643,073
(3) <b>Unfunded Actuarial Accrued Liability</b>	\$ 220,678,473
<b>(1(d) - 2)</b>	

\* Liability for death benefits payable after retirement is included with liability for service and disability pensions





## SCHEDULE A - VALUATION RESULTS AND SOLVENCY TEST

### SOLVENCY TEST

Val Date 9/30	Aggregate Accrued Liabilities for:			Employer Financed Portion of Active Members	Reported Assets	Portion of Accrued Liabilities Covered by Reported Assets		
	Active Member Contribs (a)	Retirants and Beneficiaries (b)				(a)	(b)	(c)
2024	\$ 57,031	\$ 367,275	\$	143,016	\$ 346,643	100 %	79 %	- %
2023	51,331	375,785		129,356	333,185	100	75	-
2022	51,509	357,653		135,356	334,668	100	79	-
2021 *	47,304	343,885		108,727	333,779	100	83	-
2020	43,899	338,492		99,472	318,673	100	81	-
2019	40,993	338,734		96,102	310,689	100	80	-
2018 *	48,609	296,550		112,675	305,397	100	87	-
2017	44,792	296,231		107,423	293,090	100	84	-
2016 *	45,900	280,836		120,184	279,807	100	83	-
2015	42,745	272,624		112,222	267,414	100	82	-

\* Reflects changes in actuarial assumptions or methods.





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

Judicial Retirement Fund (Other than District Attorneys' Plan)			
(1) Actuarial Value of Assets on September 30, 2023	\$		329,002,661
(2) Market Value of Assets on September 30, 2024	\$		367,645,185
(3) Market Value of Assets on September 30, 2023	\$		315,886,053
(4) Cash Flow			
a. Contributions	\$		26,139,036
b. Benefit Payments			(42,777,313)
c. Refund to Members			(36,216)
d. Transfer to Expense Fund - Interest Forfeitures			0
e. Investment Expenses			0
f. Net Cash Flow: a. + b. + c. + d. + e.	\$		(16,674,493)
(5) Actual Investment Return: (2) - (3) - (4)f.	\$		68,433,625
(6) Expected Investment Return: 7.40% x [(3) + 0.50 x ((4)a. + (4)b. + (4)c. + (4)d. + (4)e.)]	\$		22,758,612
(7) Investment Gain/(Loss) for the Fiscal Year ((5) - (6))	\$		45,675,013
(8) Phased-In Recognition of Investment Gain/(Loss) for FYE:			
a. September 30, 2024: 20% of (7)	\$		9,135,003
b. September 30, 2023			4,314,938
c. September 30, 2022			(15,462,863)
d. September 30, 2021			7,994,454
e. September 30, 2020			23,901
f. Total Recognized Investment Gain/(Loss) for Fiscal Year	\$		6,005,433
(9) Actuarial Value of Assets on September 30, 2024: (1) + (4)f. + (6) + (8)f.	\$		341,092,213
Assumed Rate of Return on Assets			7.40%
Rate of Return on Actuarial Value of Assets			8.97%
Five-year History of Investment Gain/(Loss) Recognition			
FYE	Investment Gain/(Loss)	Amount Recognized	Remaining Balance as of September 30, 2024
September 30, 2024	\$ 45,675,013	\$ 9,135,003	\$ 36,540,010
September 30, 2023	21,574,688	8,629,876	12,944,812
September 30, 2022	(77,314,317)	(46,388,589)	(30,925,728)
September 30, 2021	39,972,271	31,977,816	7,994,455
September 30, 2020	119,513	119,513	-







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

District Attorneys' Plan			
(1) Actuarial Value of Assets on September 30, 2023		\$	4,182,828
(2) Market Value of Assets on September 30, 2024		\$	6,003,826
(3) Market Value of Assets on September 30, 2023		\$	3,969,563
(4) Cash Flow			
a. Contributions		\$	1,103,342
b. Benefit Payments			(156,634)
c. Refund to Members			0
d. Transfer to Expense Fund - Interest Forfeitures			0
e. Investment Expenses			0
f. Net Cash Flow: a. + b. + c. + d. + e.		\$	946,708
(5) Actual Investment Return: (2) - (3) - (4)f.		\$	1,087,555
(6) Expected Investment Return: 7.40% x [(3) + 0.50 x ((4)a. + (4)b. + (4)c. + (4)d. + (4)e.)]		\$	328,776
(7) Investment Gain/(Loss) for the Fiscal Year ((5) - (6))		\$	758,779
(8) Phased-In Recognition of Investment Gain/(Loss) for FYE:			
a. September 30, 2024: 20% of (7)		\$	151,756
b. September 30, 2023			18,278
c. September 30, 2022			(130,765)
d. September 30, 2021			52,630
e. September 30, 2020			649
f. Total Recognized Investment Gain/(Loss) for Fiscal Year		\$	92,548
(9) Actuarial Value of Assets on September 30, 2024: (1) + (4)f. + (6) + (8)f.		\$	5,550,860
Assumed Rate of Return on Assets			7.40%
Rate of Return on Actuarial Value of Assets			9.05%
Five-year History of Investment Gain/(Loss) Recognition			
FYE	Investment Gain/(Loss)	Amount Recognized	Remaining Balance as of September 30, 2024
September 30, 2024	\$ 758,779	\$ 151,756	\$ 607,023
September 30, 2023	91,392	36,556	54,836
September 30, 2022	(653,824)	(392,295)	(261,529)
September 30, 2021	263,151	210,520	52,631
September 30, 2020	3,237	3,237	-





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

Total - All Plans			
(1) Actuarial Value of Assets on September 30, 2023	\$	333,185,489	
(2) Market Value of Assets on September 30, 2024	\$	373,649,011	
(3) Market Value of Assets on September 30, 2023	\$	319,855,616	
(4) Cash Flow			
a. Contributions	\$	27,242,378	
b. Benefit Payments		(42,933,947)	
c. Refund to Members		(36,216)	
d. Transfer to Expense Fund - Interest Forfeitures		0	
e. Investment Expenses		0	
f. Net Cash Flow: a. + b. + c. + d. + e.	\$	(15,727,785)	
(5) Actual Investment Return: (2) - (3) - (4)f.	\$	69,521,180	
(6) Expected Investment Return: 7.40% x [(3) + 0.50 x ((4)a. + (4)b. + (4)c. + (4)d. + (4)e.)]	\$	23,087,388	
(7) Investment Gain/(Loss) for the Fiscal Year ((5) - (6))	\$	46,433,792	
(8) Phased-In Recognition of Investment Gain/(Loss) for FYE:			
a. September 30, 2024: 20% of (7)	\$	9,286,759	
b. September 30, 2023		4,333,216	
c. September 30, 2022		(15,593,628)	
d. September 30, 2021		8,047,084	
e. September 30, 2020		24,550	
f. Total Recognized Investment Gain/(Loss) for Fiscal Year	\$	6,097,981	
(9) Actuarial Value of Assets on September 30, 2024: (1) + (4)f. + (6) + (8)f.	\$	346,643,073	
Assumed Rate of Return on Assets		7.40%	
Rate of Return on Actuarial Value of Assets		8.97%	
Five-year History of Investment Gain/(Loss) Recognition			
FYE	Investment Gain/(Loss)	Amount Recognized	Remaining Balance as of September 30, 2024
September 30, 2024	\$ 46,433,792	\$ 9,286,759	\$ 37,147,034
September 30, 2023	21,666,080	8,666,432	12,999,648
September 30, 2022	(77,968,141)	(46,780,884)	(31,187,257)
September 30, 2021	40,235,422	32,188,336	8,047,086
September 30, 2020	122,750	122,750	-





## SCHEDULE C – SUMMARY OF RECEIPTS AND DISBURSEMENTS

For the Period Ending September 30, 2024			
(1) Receipts for the Period			
a. Contributions:			
i. Members	\$	5,249,321	
ii. Employer		21,993,057	
iii. Total			\$ 27,242,378
b. Investment Income			69,521,180
c. Total Receipts for the Period			\$ 96,763,558
(2) Disbursements for the Period			
a. Benefit Payments	\$	42,933,947	
b. Refunds to Members		36,216	
c. Transfer to the Expense Fund		0	
d. Total Disbursements for the Period	\$	42,970,163	
(3) Excess of Receipts over Disbursements: (1)c. - (2)d.	\$	53,793,395	
(4) Reconciliation of Asset Balances			
a. Market Value of Assets as of September 30, 2023	\$	319,855,616	
b. Excess of Receipts over Disbursements: (3)		53,793,395	
c. <b>Market Value of Assets as of September 30, 2024</b>	\$	373,649,011	
Rate of Return on Market Value of Assets			22.21%





## SCHEDULE D – OUTLINE OF ACTUARIAL ASSUMPTIONS & 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 12, 2021, and adopted by the Board on September 14, 2021. The combined effect of the assumptions is expected to have no significant bias.

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

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

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

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

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

\*\* Disability rates turn off at retirement eligibility.





## SCHEDULE D – OUTLINE OF ACTUARIAL ASSUMPTIONS & METHODS

### Rates of Retirement:

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

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

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

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

**Deaths After Retirement:** Rates of mortality for the period after becoming a retiree are according to the Pub-2010 Family of Tables projected generationally with MP-2019 Scale adjusted by 66-2/3% beginning with year 2019, and with further adjustments are used for post-retirement mortality assumptions as follows:

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





## SCHEDULE D – OUTLINE OF ACTUARIAL ASSUMPTIONS & METHODS

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

**Actuarial Method:** Individual Entry age normal. Gains and losses are reflected in the unfunded accrued liability. See Schedule E for more details.

**Assets:** 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.

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

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

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





## SCHEDULE E - ACTUARIAL COST METHOD

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1. The valuation is prepared on the projected benefit basis, under which the present value, at the interest rate assumed to be earned in the future (see Schedule D for a description of the interest rate used), of each member's expected benefit payable at retirement or death is determined, based on their age, service, sex, and compensation. The calculations take into account the probability of a member's death or termination of employment prior to becoming eligible for a benefit, as well as the probability of them terminating with a service, disability, or survivor's benefit. Future salary increases are also anticipated. The present value of the expected benefits payable on account of the 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 from the Fund on account of the present group of members and beneficiaries.
2. The employer contributions required to support the benefits of the Fund 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 their anticipated covered service, would be required in addition to the contributions of the member to meet the cost of all benefits payable on their behalf.
4. The unfunded accrued liability contributions are determined by subtracting the present value of prospective employer normal contributions and member contributions together with the current assets held from the present value of expected benefits to be paid from the Fund.





## SCHEDULE F – BOARD FUNDING POLICY

### FUNDING POLICY OF THE EMPLOYEES' RETIREMENT SYSTEM BOARD OF CONTROL FOR THE ADMINISTRATION OF THE JUDICIAL RETIREMENT FUND

Effective September 30, 2021

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

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

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

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

### II. Benchmarks

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

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







## SCHEDULE F – BOARD FUNDING POLICY

- **Initial Total UAAL** - The initial total UAAL established as of the initial valuation date (September 30, 2021) for which this funding policy is adopted shall be amortized over a closed period. (A closed amortization period is one which is calculated over a fixed period and at the end of that period, the amount is fully amortized).
- **New Incremental UAAL** - Each valuation after the initial valuation date will produce a New Incremental UAAL consisting of all benefit changes that have occurred since the previous valuation. Each valuation after the initial valuation date will produce a New Incremental UAAL consisting of all assumption and method changes and experience gains and/or losses that have occurred since the previous valuation.
- **UAAL Amortization Period and Contribution Rates**
  - The Initial Total UAAL will be amortized over a closed 19-year period.
  - Except as noted later, each New Incremental UAAL shall be amortized over a closed 20 year period.
  - Incremental UAAL resulting from plan changes that grant benefit improvements shall be amortized over a period not to exceed 15 years.
  - Employer Normal Contribution Rate – the contribution rate determined as of the valuation date each year based on the provisions of Alabama Code Sections 36-27-24 and 12-18-2.
  - In each valuation subsequent to the adoption of this funding policy the required employer contribution rate will be determined by the summation of the employer Normal Contribution Rate, a contribution rate for the pre-retirement death benefit fund, a contribution rate for administrative expenses, the individual amortization rate for each of the New Incremental UAAL bases, and the amortization rate for the remaining initial UAAL.

### III. Methods and Assumptions

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

### 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 goal.





## SCHEDULE G – AMORTIZATION OF BASES

### AMORTIZATION SCHEDULE AS OF SEPTEMBER 30, 2024

Val Date 9/30	Initial UAAL			9/30/2022 Incremental UAAL			9/30/2023 Incremental UAAL			9/30/2024 Incremental UAAL			Total UAAL	
	Outstanding Balance as of Val Date	Yrs Left	Amortization Payment	Outstanding Balance as of Val Date	Yrs Left	Amortization Payment	Outstanding Balance as of Val Date	Yrs Left	Amortization Payment	Outstanding Balance as of Val Date	Yrs Left	Amortization Payment	Outstanding Balance as of Val Date	Amortization Payment
2021	\$ 166,022,505	19	\$ 13,574,759										\$ 166,022,505	\$ 13,574,759
2022	164,733,412	18	13,948,065	\$ 45,102,793	20	\$ 3,570,572							209,836,205	17,518,637
2023	162,975,620	17	14,331,636	44,869,829	19	3,668,762	\$ 15,531,825	20	\$ 1,229,580				223,377,274	19,229,978
<b>2024</b>	<b>160,704,179</b>	<b>16</b>	<b>14,725,756</b>	<b>44,521,434</b>	<b>18</b>	<b>3,769,653</b>	<b>15,451,600</b>	<b>19</b>	<b>1,263,393</b>	<b>\$ 396,090</b>	<b>20</b>	<b>\$ 31,357</b>	<b>221,073,303</b>	<b>19,790,159</b>
2025	157,870,532	15	15,130,715	44,046,367	17	3,873,319	15,331,625	18	1,298,137	394,044	19	32,219	217,642,568	20,334,390
2026	154,422,237	14	15,546,809	43,432,479	16	3,979,835	15,168,028	17	1,333,835	390,984	18	33,105	213,413,728	20,893,584
2027	150,302,673	13	15,974,347	42,666,648	15	4,089,280	14,956,627	16	1,370,516	386,812	17	34,015	208,312,760	21,468,158
2028	145,450,724	12	16,413,641	41,734,699	14	4,201,736	14,692,901	15	1,408,205	381,421	16	34,951	202,259,745	22,058,533
2029	139,800,437	11	16,865,016	40,621,331	13	4,317,283	14,371,971	14	1,446,931	374,695	15	35,912	195,168,434	22,665,142
2030	133,280,653	10	17,328,804	39,310,026	12	4,436,009	13,988,566	13	1,486,721	366,510	14	36,899	186,945,755	23,288,433
2031	125,814,617	9	17,805,346	37,782,960	11	4,557,999	13,536,999	12	1,527,606	356,733	13	37,914	177,491,309	23,928,865
2032	117,319,552	8	18,294,993	36,020,900	10	4,683,344	13,011,131	11	1,569,616	345,217	12	38,957	166,696,800	24,586,910
2033	107,706,206	7	18,798,106	34,003,103	9	4,812,136	12,404,339	10	1,612,780	331,806	11	40,028	154,445,454	25,263,050
2034	96,878,359	6	19,315,054	31,707,197	8	4,944,470	11,709,480	9	1,657,131	316,332	10	41,129	140,611,368	25,957,784
2035	84,732,304	5	19,846,217	29,109,060	7	5,080,442	10,918,851	8	1,702,703	298,612	9	42,260	125,058,827	26,671,622
2036	71,156,278	4	20,391,988	26,182,688	6	5,220,155	10,024,143	7	1,749,527	278,449	8	43,422	107,641,558	27,405,092
2037	56,029,854	3	20,952,768	22,900,052	5	5,363,709	9,016,403	6	1,797,639	255,632	7	44,616	88,201,941	28,158,732
2038	39,223,295	2	21,528,969	19,230,947	4	5,511,211	7,885,978	5	1,847,074	229,933	6	45,843	66,570,153	28,933,097
2039	20,596,849	1	22,121,016	15,142,826	3	5,662,769	6,622,466	4	1,897,868	201,105	5	47,103	42,563,246	29,728,756
2040	-	0	-	10,600,626	2	5,818,495	5,214,660	3	1,950,060	168,884	4	48,399	15,984,170	7,816,954
2041				5,566,577	1	5,978,504	3,650,485	2	2,003,686	132,982	3	49,730	9,350,044	8,031,920
2042				-	0	-	1,916,935	1	2,058,788	93,093	2	51,097	2,010,028	2,109,885
2043							-	0	-	48,885	1	52,502	48,885	52,502
2044										-	0	-	-	-
2045														
2046														
2047														
2048														





## SCHEDULE H – SUMMARY OF MAIN PLAN PROVISIONS

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

### **Membership**

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

### **Average Final Compensation**

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

### **Creditable Service**

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





## SCHEDULE H – SUMMARY OF MAIN PLAN PROVISIONS

### Benefits

#### *Service Retirement Benefit*

##### Condition for Benefit

##### **Tier I (Groups 1 and 2):**

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

Completed 12 years of creditable service and attained age 65, or

Completed 15 years of creditable service and whose age plus creditable service equals or exceeds 77, or

Completed at least 18 years of creditable service or three full terms as a judge or justice, or

Completed 10 years of creditable service and attained age 70.

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

Completed 12 years of creditable service and attained age 65, or

Completed at least 15 years of creditable service and attained age 60, whose age plus creditable service equals or exceeds 77, or

Completed 10 years of creditable service and attained age 70, or

Completed 25 years of creditable service (or completed 24 years of creditable service provided the member purchases one year of service prior to retirement) regardless of age.

##### **Tier II (Group 3) and District Attorneys:**

Completed 10 years of creditable service and attained age 62.

##### Amount of Benefit

##### **Tier I (Groups 1 and 2):**

The service retirement benefit for a member is equal to:

- (a) For a circuit or appellate judge who was a member prior to July 30, 1979, 75% of the salary prescribed by law for the position from which the member retires.





## SCHEDULE H – SUMMARY OF MAIN PLAN PROVISIONS

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

### **Tier II (Group 3) and District Attorneys:**

The service retirement benefit for a member is equal to:

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

### **Disability Retirement Benefit**

#### Condition for Benefit

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

#### Amount of Benefit

### **Tier I (Groups 1 and 2):**

The disability retirement benefit for a member other than a district or probate judge who was a member prior to July 30, 1979, is equal to 25% of the salary prescribed by law for the position from which the member retires plus 10% of such salary for each year of creditable service in excess of five years. The disability retirement benefit is subject to a minimum of 30% and a maximum of 75% of such salary.

The disability retirement benefit for a judge who became a member on or after July 30, 1979, or who is a district or probate judge is equal to 25% of their salary immediately prior to retirement plus 10% of such salary for each year of creditable service in excess of five years. The disability





## SCHEDULE H – SUMMARY OF MAIN PLAN PROVISIONS

retirement benefit is subject to a minimum of 30% and a maximum of 75% of such salary.

### **Tier II (Group 3) and District Attorneys:**

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

For a member who is a clerk or district attorney, 3% of average final compensation multiplied by the number of years of creditable service, not to exceed 80% of average final compensation.

### **Spouse's Benefit**

#### Condition for Benefit

##### **Tier I (Groups 1 and 2):**

Upon the death of an active, inactive or retired member with at least 5 years of creditable service, a death benefit is payable to the member's spouse.

#### Amount of Benefit

##### **Tier I (Groups 1 and 2):**

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

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

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

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





## SCHEDULE H – SUMMARY OF MAIN PLAN PROVISIONS

### ***Death in Active Service Benefit***

#### Amount of Benefit

##### **Tier II (Group 3) and District Attorneys:**

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

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

### ***Benefit Payable on Separation from Service***

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

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





## SCHEDULE H – SUMMARY OF MAIN PLAN PROVISIONS

### ***By Members***

#### **Tier I (Groups 1 and 2):**

### **Contributions**

Prior to October 1, 2011, each member contributed 6.0% of salary.

Beginning October 1, 2011, each member contributed 8.25% of salary.

Beginning October 1, 2012, each member contributes 8.50% of salary.

#### **Tier II (Group 3) and District Attorneys:**

Each Tier II member and District Attorney member contributes 8.50% of salary.

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

### ***By State***

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

### **Special Privileges at Retirement**

#### **Tier II (Group 3) and District Attorneys:**

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

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

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

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

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







## SCHEDULE I – SCHEDULE OF MEMBERSHIP DATA

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

Attained Age	Completed Years of Service										Total
	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	
Under 25 Avg. Pay											
25 to 29 Avg. Pay											
30 to 34 Avg. Pay											
35 to 39 Avg. Pay		4 141,947	3 136,240	4 133,706							11 137,394
40 to 44 Avg. Pay		12 152,897	12 136,591	7 155,963	1 178,558						32 148,255
45 to 49 Avg. Pay	1 80,121	22 152,389	27 147,328	7 169,480	7 160,020	1 178,558					65 152,240
50 to 54 Avg. Pay	1 127,840	14 130,287	34 141,738	13 153,521	6 131,716	4 163,665					72 141,829
55 to 59 Avg. Pay	2 165,693	6 142,416	29 149,754	15 161,022	17 172,890	5 145,879	1 116,311	3 198,485			78 158,005
60 to 64 Avg. Pay		8 150,239	7 152,446	12 165,033	19 180,840	4 173,871	4 200,599		1 191,950		55 170,458
65 to 69 Avg. Pay		5 135,261	16 138,242	15 165,805	8 177,592	5 158,259	2 155,030	2 184,616	2 215,258	2 161,394	57 158,243
70 & up Avg. Pay			5 150,722	3 168,540	3 174,405	3 173,867		2 159,182		1 191,950	17 165,551
Total Avg. Pay	4 134,837	71 145,237	133 144,513	76 160,488	61 170,624	22 162,318	7 175,538	7 183,293	3 207,488	3 171,580	387 154,772

\* Includes all salary increases reflected in the valuation.

The top number in each box is the count of actives for that age and service combination. The bottom amount is the average compensation for the group.

Average Age: 55.5  
Average Years of Service: 11.1





## SCHEDULE I – SCHEDULE OF MEMBERSHIP DATA

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

Age	Number of Members	Total Annual Benefits	Average Annual Benefits
Under 50	0	\$ 0	\$ 0
50-54	1	115,558	115,558
55-59	2	158,220	79,110
60-64	13	1,572,098	120,931
65-69	50	5,659,743	113,195
70-74	73	7,939,258	108,757
75-79	110	11,604,464	105,495
80-84	59	6,457,669	109,452
85-89	21	2,087,403	99,400
90-94	8	910,227	113,778
95 & Over	1	154,829	154,829
Total	338	\$ 36,659,469	\$ 108,460

Average Age: 75.5

### NUMBER OF BENEFICIARIES AND THEIR BENEFITS BY AGE

Age	Number of Members	Total Annual Benefits	Average Annual Benefits
Under 50	0	\$ 0	\$ 0
50-54	1	34,632	34,632
55-59	1	49,474	49,474
60-64	6	324,656	54,109
65-69	8	368,535	46,067
70-74	9	467,965	51,996
75-79	24	1,312,185	54,674
80-84	21	868,870	41,375
85-89	17	648,186	38,129
90-94	18	880,354	48,909
95 & Over	8	389,236	48,655
Total	113	\$ 5,344,093	\$ 47,293

Average Age: 81.1





## SCHEDULE I – SCHEDULE OF MEMBERSHIP DATA

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

Age	Number of Members	Total Annual Benefits	Average Annual Benefits
Under 50	1	\$ 130,355	\$ 130,355
50-54	0	0	0
55-59	1	105,705	105,705
60-64	1	128,718	128,718
65-69	2	204,876	102,438
70-74	2	121,899	60,950
75-79	2	113,071	56,536
80-84	0	0	0
85-89	0	0	0
90-94	0	0	0
95 & Over	0	0	0
<b>Total</b>	<b>9</b>	<b>\$ 804,624</b>	<b>\$ 89,403</b>

Average Age: 66.8

### 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>	<b>385</b>	<b>352</b>	<b>8</b>	<b>107</b>	<b>13</b>	<b>865</b>
Service Retirements	(4)	5			(1)	
Disability Retirements	(1)		1			
Deceased		(4)		(10)		(14)
Deceased with Beneficiary		(15)		15		
Deferred Vested Termination	(1)				1	
Refunds						
Inactive						
Return to Active Status						
Pick-up/Status Change	1					1
New	7			1		8
<b>Total as of September 30, 2024</b>	<b>387</b>	<b>338</b>	<b>9</b>	<b>113</b>	<b>13</b>	<b>860</b>

