

SPRINGFIELD POLICE PENSION FUND

GASB 67/68 ACTUARIAL VALUATION
AS OF MARCH 1, 2025



FOR THE FEBRUARY 28, 2026
FINANCIAL STATEMENT REPORTING

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GASB Statements 67 and 68 Actuarial Disclosures



Lauterbach & Amen

GASB 67: SPRINGFIELD POLICE PENSION FUND

Fiscal Year Ending: February 28, 2026

Actuarial Valuation Date: March 1, 2025

Data Date: February 28, 2025

Measurement Date: February 28, 2026

GASB 68: CITY OF SPRINGFIELD, ILLINOIS

Fiscal Year Ending: February 28, 2026

Actuarial Valuation Date: March 1, 2025

Data Date: February 28, 2025

Measurement Date: February 28, 2026

Contact:

Todd A. Schroeder

Partner

June 8, 2026

LAUTERBACH & AMEN, LLP



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ACTUARIAL CERTIFICATION

This certification provides supplemental information as required by the Governmental Accounting Standards Board. The enclosed schedules were prepared by the undersigned to assist in the preparation of the Annual Financial Report. The assumptions and methods used in the preparation of this report meet the parameters set for the disclosures presented in the financial section as required by the Governmental Accounting Standards Board. Additional information is provided solely to assist the auditors in the preparation of the required footnote disclosures.

The results in this report are based on the demographic data and financial information submitted by the City of Springfield, Illinois, and may include results from the prior Actuary. We did not prepare the Actuarial Valuations for the years prior to March 1, 2016. If applicable, those valuations were prepared by the prior Actuary whose reports have been furnished to us, and our disclosures are based on those reports. An audit of the prior Actuary's results was not performed, but high-level reviews were completed for general reasonableness, as appropriate, based on the purpose of this valuation. The accuracy of the results is dependent on the precision and completeness of the underlying information.

The valuation results summarized in this report involve actuarial calculations that require assumptions about future events. The City of Springfield, Illinois selected certain assumptions, while others were the result of guidance and/or judgment from the Plan's Actuary or Advisors. We believe that the assumptions used in this valuation are reasonable and appropriate for the purposes for which they have been used.

In preparing the results, our Actuaries used commercially available software (ProVal) developed by Winklevoss Technologies, LLC. This software is widely used for the purpose of performing Actuarial Valuations. Our Actuaries coded the plan provisions, assumptions, methods, and demographic data summarized in this report, and reviewed the liability and cost outputs for reasonableness. We are not aware of any material weaknesses or limitations in the software, and have determined it is appropriate for performing this valuation.



To the best of our knowledge, all calculations are in accordance with the applicable accounting requirements, while the procedures followed and presentation of results conform to generally accepted actuarial principles and practices. The undersigned consultants of Lauterbach & Amen, LLP, with actuarial credentials, meet the Qualification Standards of the American Academy of Actuaries to render this Actuarial Certification. There is no relationship between the Springfield Police Pension Fund or the City of Springfield, Illinois and Lauterbach & Amen, LLP that impairs our objectivity.

Respectfully Submitted,
LAUTERBACH & AMEN, LLP

Todd A. Schroeder, ASA, FCA, EA, MAAA

Kevin Cavanaugh, EA



PLAN FIDUCIARY NET POSITION

Statement of Plan Fiduciary Net Position
Statement of Changes in Plan Fiduciary Net Position



STATEMENT OF PLAN FIDUCIARY NET POSITION

	<u>2/28/2025</u>	<u>2/28/2026</u>
Assets		
Cash and Cash Equivalents	\$ 4,792,991	\$ 7,154,440
Total Cash	<u>4,792,991</u>	<u>7,154,440</u>
Receivables:		
Prepays	<u>1,333</u>	<u>1,333</u>
Total Receivables	<u>1,333</u>	<u>1,333</u>
Investments:		
Pooled Investment Accounts	<u>225,455,136</u>	<u>265,604,043</u>
Total Investments	<u>225,455,136</u>	<u>265,604,043</u>
Total Assets	<u>230,249,460</u>	<u>272,759,816</u>
Liabilities		
Payables:		
Expenses Due/Unpaid	<u>10,127</u>	<u>19,817</u>
Total Liabilities	<u>10,127</u>	<u>19,817</u>
Plan Fiduciary Net Position	<u>\$ 230,239,333</u>	<u>\$ 272,739,999</u>

The Plan Fiduciary Net Position shown above is intended to be in accordance with GAAP and the Governmental Accounting Standards Board. The Fair Value of Investments has been provided by the reporting entity, and the results are being audited by an independent auditor. The level of the assets has been reviewed for reasonableness, but we make no representation as to the accuracy of the measurement of the Fair Value of Investments. The Statement of Plan Fiduciary Net Position for 2026 is based on audited financials.



STATEMENT OF CHANGES IN PLAN FIDUCIARY NET POSITION

	<u>2/28/2026</u>
Additions	
Contributions	
Employer	\$ 16,315,503
Other	13,138
Members	<u>2,587,558</u>
Total Contributions	<u>18,916,199</u>
Investment Income	
Net Appreciation in Fair Value of Investments	45,901,985
Interest and Dividends	1,449,865
Less Investment Expense	<u>(217,129)</u>
Net Investment Income	<u>47,134,721</u>
Total Additions	<u>66,050,920</u>
Deductions	
Benefit Payments	22,879,344
Transfers & Refunds of Member Contributions	460,157
Administrative Expense	<u>210,753</u>
Total Deductions	<u>23,550,254</u>
Net Increase in Net Position	<u>42,500,666</u>
Plan Fiduciary Net Position	
Beginning of Year	<u>230,239,333</u>
End of Year	<u>\$ 272,739,999</u>

The changes in Plan Fiduciary Net Position shown above are intended to be in accordance with GAAP and the Governmental Accounting Standards Board. The Plan activity has been provided by the reporting entity, and the results are being audited by an independent auditor. The cash flows have been reviewed for reasonableness, but we make no representation as to the accuracy of the measurement of the Fair Value of Investments. The Statement of Changes in Plan Fiduciary Net Position for 2026 is based on audited financials.



ACTUARIAL PENSION LIABILITY INFORMATION

Statement of Total Pension Liability
Statement of Changes in Total Pension Liability
Statement of Changes in Net Pension Liability
Deferred Outflows and Inflows of Resources
Deferred Outflows and Inflows of Resources – Detail
Pension Expense Development



STATEMENT OF TOTAL PENSION LIABILITY

	<u>2/28/2025</u>	<u>2/28/2026</u>
Active Members	<u>\$ 113,872,670</u>	<u>\$ 103,395,199</u>
Inactive Members		
Terminated Members	4,821,516	4,743,907
Retired Members	296,853,135	315,413,622
Disabled Members	6,024,755	5,972,154
Other Beneficiaries	<u>12,436,881</u>	<u>12,673,365</u>
Total Inactive Members	<u>320,136,287</u>	<u>338,803,048</u>
Total Pension Liability	<u>\$ 434,008,957</u>	<u>\$ 442,198,247</u>

The Total Pension Liability (“TPL”) shown above is dependent on several factors such as Plan Provisions and Actuarial Assumptions used in this report. In addition, the calculation of the TPL may be dependent on the Plan Fiduciary Net Position shown in the prior section of this report. Changes in the Plan Fiduciary Net Position due to any factor, including adjustments on final audit, could change the TPL. The dependence of the TPL on the Plan Fiduciary Net Position is due to the role of the Plan Fiduciary Net Position (and the Plan’s Projected Fiduciary Net Position) on the determination of the Discount Rate used for the TPL.

The TPL has been determined for GASB 67/68 reporting purposes only. The resulting TPL is intended to be used in the financial statement reporting of the Plan and/or Employer. The resulting liability is not intended to be a representation of the Plan liability for other purposes, including but not limited to, determination of cash funding requirements and recommendations. The TPL is based on data as of the *Actuarial Valuation - Data Date* shown in this report. The TPL has been determined as of the Actuarial Valuation Date and based on the assumptions used in this report, and adjusted to the Measurement Date as needed.



STATEMENT OF CHANGES IN TOTAL PENSION LIABILITY

	<u>2/28/2026</u>
Changes in Total Pension Liability	
Service Cost	\$ 5,617,417
Interest	28,803,887
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	4,274,581
Change in Assumptions	(7,167,094)
Benefit Payments and Refunds	<u>(23,339,501)</u>
Net Change in Total Pension Liability	8,189,290
Total Pension Liability - Beginning	<u>434,008,957</u>
Total Pension Liability - Ending (a)	<u>\$ 442,198,247</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 272,739,999</u>
Employer's Net Pension Liability - Ending (a) - (b)	<u>\$ 169,458,248</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	61.68%
Covered-Employee Payroll	\$ 22,764,698
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	744.39%

The Plan Fiduciary Net Position was detailed in the prior section of this report. The Employer's Net Pension Liability is the excess of the Total Pension Liability over the Plan Fiduciary Net Position.

Total Pension Liability may be dependent on the Plan Fiduciary Net Position. Changes in the Plan Fiduciary Net Position could change the determination of the Total Pension Liability. Any changes in the Plan Fiduciary Net Position, including adjustments on final audit, can have an impact on the Employer's Net Pension Liability that extends beyond the dollar-for-dollar change in the Plan Fiduciary Net Position.

Covered-Employee Payroll is based on the Covered-Employee Payroll for the Plan Members during the Fiscal Year.

A key demographic risk is mortality improvement differing from expected. While the actuarial assumptions reflect small, continuous improvements in mortality experience and these assumptions are refined upon the completion of each actuarial experience study, the risk arises because there is a possibility of a sudden shift in mortality experience.



STATEMENT OF CHANGES IN NET PENSION LIABILITY

The table below illustrates the changes in Net Pension Liability (“NPL”) from the prior Measurement Date to the current Measurement Date. Under Statement 68, the difference between the NPL from the prior Measurement Date to the current Measurement Date should be recognized as a component of Pension Expense, unless permitted to be recognized as a Deferred Outflow or Inflow of Resources.

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances Beginning at 3/1/2025	<u>\$ 434,008,957</u>	<u>\$ 230,239,333</u>	<u>\$ 203,769,624</u>
Changes for the Year:			
Service Cost	5,617,417	-	5,617,417
Interest	28,803,887	-	28,803,887
Actuarial Experience	4,274,581	-	4,274,581
Change in Assumptions	(7,167,094)	-	(7,167,094)
Changes of Benefit Terms	-	-	-
Contributions - Employer	-	16,315,503	(16,315,503)
Contributions - Members	-	2,587,558	(2,587,558)
Contributions - Other	-	13,138	(13,138)
Net Investment Income	-	47,134,721	(47,134,721)
Benefit Payments and Refunds	(23,339,501)	(23,339,501)	-
Administrative Expense	-	(210,753)	210,753
Net Changes	<u>\$ 8,189,290</u>	<u>\$ 42,500,666</u>	<u>\$ (34,311,376)</u>
Balances Ending at 2/28/2026	<u><u>\$ 442,198,247</u></u>	<u><u>\$ 272,739,999</u></u>	<u><u>\$ 169,458,248</u></u>

The changes in Total Pension Liability shown above are described in the *Statement of Changes in Total Pension Liability* section of this report. The Plan Fiduciary Net Position was detailed in the prior section of this report. The Employer’s Net Pension Liability is the excess of the Total Pension Liability over the Plan Fiduciary Net Position.



DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

The table below shows the cumulative amounts to be shown as Deferred Outflows and Inflows of Resources. Changes in Total Pension Liability related to the differences between expected and actual experience, or changes in assumptions regarding future events, are recognized in Pension Expense over the average future working career of all Members (active and inactive) in the Pension Plan. The net difference in projected and actual earnings on Pension Plan investments over the measurement period are recognized over a 5-year period. Amounts not yet recognized are summarized below:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total Deferred Amounts
Differences Between Expected and Actual Experience	\$ 15,275,891	\$ (929,713)	\$ 14,346,178
Change in Assumptions	7,615,629	(22,855,755)	(15,240,126)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	5,004,570	(32,375,400)	(27,370,830)
Contributions Subsequent to the Measurement Date*	-	-	-
Total	<u>\$ 27,896,090</u>	<u>\$ (56,160,868)</u>	<u>\$ (28,264,778)</u>

*Contributions Subsequent to the Measurement Date may be recognized as a reduction to the Net Pension Liability. The amount is not known as of the date of this report. Subsequent to the Measurement Date, the following amounts will be recognized in Pension Expense in the upcoming years:

Year Ended

February 28:

2027	\$ (9,553,443)
2028	(10,128,837)
2029	(5,293,314)
2030	(3,289,184)
2031	-
Thereafter	\$ -



DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES – DETAIL

The table below shows the annual detail amounts that have been summarized on the prior page. Under Statement 68, the level of detail shown on the prior page is sufficient for financial statement reporting. The detail shown below is primarily for tracking purposes.

Pension Expense Source	Date Established	Initial Period	Initial Balance	Remaining Period	2/28/2026 Expense Recognized	2/28/2026 Deferred Balance
Asset Gain	2/28/2026	5.00	\$ (31,180,160)	5.00	\$ (6,236,032)	\$ (24,944,128)
Change in Assumptions Gain	2/28/2026	4.21	(7,167,094)	4.21	(1,702,398)	(5,464,696)
Actuarial Loss	2/28/2026	4.21	4,274,581	4.21	1,015,340	3,259,241
Asset Gain	2/28/2025	5.00	(6,385,194)	4.00	(1,277,039)	(3,831,116)
Change in Assumptions Loss	2/28/2025	5.73	11,699,077	4.73	2,041,724	7,615,629
Actuarial Loss	2/28/2025	5.73	12,564,212	4.73	2,192,708	8,178,796
Asset Gain	2/29/2024	5.00	(9,000,390)	3.00	(1,800,078)	(3,600,156)
Change in Assumptions Gain	2/29/2024	5.40	(22,486,802)	3.40	(4,164,223)	(9,994,133)
Actuarial Loss	2/29/2024	5.40	4,563,994	3.40	845,185	2,028,439
Asset Loss	2/28/2023	5.00	25,022,850	2.00	5,004,570	5,004,570
Change in Assumptions Gain	2/28/2023	5.33	(24,113,864)	2.33	(4,524,178)	(6,017,152)
Actuarial Loss	2/28/2023	5.33	7,251,275	2.33	1,360,465	1,809,415
Asset Loss	2/28/2022	5.00	2,141,072	1.00	428,212	-
Change in Assumptions Gain	2/28/2022	5.30	(24,376,044)	1.30	(4,599,254)	(1,379,774)
Actuarial Gain	2/28/2022	5.30	(16,425,003)	1.30	(3,099,058)	(929,713)
Change in Assumptions Loss	2/28/2021	5.67	44,807,789	0.67	5,294,744	-
Actuarial Loss	2/28/2021	5.67	535,492	0.67	63,272	-
Change in Assumptions Loss	2/29/2020	6.82	27,952,499	0.82	3,360,857	-
Actuarial Loss	2/29/2020	6.82	1,239,833	0.82	149,069	-
Total			\$ 918,123		\$ (5,646,114)	\$ (28,264,778)

Each detail amount shown above was established as of the Fiscal Year End shown and the full amount deferred has been determined as of that time. Any events that occur in subsequent Fiscal Years do not have an impact on the prior Fiscal Year. The bases are established independently each year.



PENSION EXPENSE DEVELOPMENT

The table below displays the Pension Expense development for the current year. The Pension Expense includes items that change the Net Pension Liability from one year to the next, netted out for amounts that are deferred under GASB pronouncement, plus any amounts that are being recognized that were deferred previously.

See below for the Pension Expense development:

	<u>2/28/2026</u>
Pension Expense/(Income) Under GASB 68	
Service Cost	\$ 5,617,417
Interest	28,803,887
Changes of Benefit Terms	-
Contributions - Members	(2,587,558)
Contributions - Other	(13,138)
Expected Investment Income	(15,954,561)
Administrative Expense	210,753
Other Changes	-
Initial Pension Expense/(Income)	<u>\$ 16,076,800</u>
Recognition of Outflow/(Inflow) of Resources Due to Liabilities	(1,765,747)
Recognition of Outflow/(Inflow) of Resources Due to Assets	<u>(3,880,367)</u>
Total Pension Expense/(Income)	<u>\$ 10,430,686</u>



ACTUARIAL ASSUMPTIONS INFORMATION

Statement of Significant Actuarial Assumptions
Assumption Changes
Actuarial Assumptions (Demographic)
Postemployment Benefit Changes
Expected Return on Pension Plan Investments
Municipal Bond Rate
Discount Rate
Discount Rate Sensitivity
Assessment and Use of Actuarial Models



STATEMENT OF SIGNIFICANT ACTUARIAL ASSUMPTIONS

Actuarial Assumptions (Economic)

Discount Rate Used for the Total Pension Liability	6.88%
Expected Rate of Return on Investments	7.00%
High-Quality 20 Year Tax-Exempt G.O. Bond Rate	4.71%
Projected Individual Pay Increases	4.00% - 8.90%
Projected Total Payroll Increases	3.25%
Consumer Price Index (Urban)	2.50%
Inflation Rate	2.50%

See the *Actuarial Assumptions (Demographic)* section of this report for further details on Demographic Assumptions.

The Actuarial Assumptions (Economic) rates shown above are assumed to be annual rates, compounded on an annual basis. For more information on the selection of the actuarial assumptions, please see the Actuarial Assumption Summary document prepared for the Plan, available upon request.

ASSUMPTION CHANGES

The assumptions were changed from the prior year.

The High-Quality 20 Year Tax-Exempt General Obligation (“G.O.”) Bond Rate assumption was changed from 4.15% to 4.71% for the current year. The underlying index used is The Bond Buyer 20-Bond G.O. Index as discussed in more detail later in this section. The choice of Index is unchanged from the prior year. The rate has been updated to the current Fiscal Year End based on changes in market conditions as reflected in the Index. The change was made to reflect our understanding of the requirements of GASB under Statement 67 and Statement 68.

The Discount Rate used in the determination of the Total Pension Liability was changed from 6.75% to 6.88%. The Discount Rate is impacted by a couple of metrics. Any change in the underlying High-Quality 20 Year Tax Exempt G.O. Bond Rate will impact the blended Discount Rate.

The assumption changes stated above were made to better reflect the future anticipated experience of the Plan.



In addition, there are changes that can be made that impact the projection of the Plan Fiduciary Net Position. For example, changes in the Formal or Informal Funding Policy can impact the Discount Rate. Actual changes in the Plan Fiduciary Net Position from one year to the next can impact the projections as well.



ACTUARIAL ASSUMPTIONS (DEMOGRAPHIC)

Projected Individual Pay Increases*

Projected individual pay increases include a long-term average increase for inflation, average annual increases for promotions, and any additional increases for a step program. Sample rates are as follows:

Service	Rate	Service	Rate
0	8.38%	8	4.00%
1	8.06%	9	8.90%
2	7.76%	10	4.00%
3	4.00%	15	4.00%
4	6.00%	20	4.00%
5	4.00%	25	4.00%
6	4.00%	30	4.00%
7	4.00%	35	4.00%

* Projected individual pay increases for active Members hired at age 40 or older are assumed annual increases at the ultimate rate reduced by 50 basis points, without adjustments in early service years.

Retirement Rates – Tier I

100% of the L&A Assumption Study for Tier I Police 2024 Cap Age 65. Sample rates are as follows:

Age	Rate	Age	Rate
50	22.00%	58	25.00%
51	20.00%	59	25.00%
52	20.00%	60	25.00%
53	20.00%	61	25.00%
54	20.00%	62	25.00%
55	20.00%	63	25.00%
56	25.00%	64	25.00%
57	25.00%	65	100.00%



Retirement Rates – Tier II

100% of the L&A Assumption Study for Tier II Police 2024 Cap Age 65. Sample rates are as follows:

Age	Rate	Age	Rate
50	5.50%	58	25.00%
51	5.00%	59	25.00%
52	5.00%	60	25.00%
53	5.00%	61	25.00%
54	5.00%	62	25.00%
55	50.00%	63	25.00%
56	50.00%	64	25.00%
57	25.00%	65	100.00%

Termination Rates

150% of the L&A Assumption Study for Police 2024. Sample rates are as follows:

Age/ Service	0	1	2	3	4	5+
25	19.50%	13.50%	10.50%	9.00%	5.25%	9.00%
30	18.90%	11.70%	9.00%	7.80%	5.25%	7.20%
35	18.15%	9.45%	7.13%	6.30%	5.25%	4.95%
40	8.57%	4.71%	3.75%	3.43%	3.11%	3.64%
45	20.25%	12.00%	7.50%	3.75%	9.00%	3.00%
50	20.25%	12.00%	7.50%	3.75%	9.00%	3.00%

Disability Rates

100% of the L&A Assumption Study for Police 2024. Sample rates are as follows:

Age	Rate	Age	Rate
25	0.00%	40	0.40%
30	0.05%	45	0.64%
35	0.18%	50	0.64%

65% of active Members who become disabled are assumed to be in the Line of Duty.



Mortality Rates

Active Mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study improved to 2021 using MP-2021 Improvement Rates. These rates are then improved generationally using MP-2021 Improvement Rates.

25% of active Member deaths are assumed to be in the Line of Duty.

Retiree Mortality follows the L&A Assumption Study for Police 2024. These rates are experience weighted with the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study improved to 2021 using MP-2021 Improvement Rates. These rates are then improved generationally using MP-2021 Improvement Rates.

Disabled Mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010 Study for disabled participants improved to 2021 using MP-2021 Improvement Rates. These rates are then improved generationally using MP-2021 Improvement Rates.

Spouse Mortality follows the L&A Assumption Study for Police 2024. These rates are experience weighted with the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study for contingent survivors improved to 2021 using MP-2021 Improvement Rates. For all rates not provided there (ages 45 and younger) the PubG-2010 Study for general employees was used. These rates are then improved generationally using MP-2021 Improvement Rates.

Marital Assumptions

Active Members: 80% of active Members are assumed to be married. Female spouses are assumed to be 3 years younger than male spouses.

Retiree and Disabled Members: Actual spousal data was utilized for retiree and disabled Members.



POSTEMPLOYMENT BENEFIT CHANGES

Eligibility for postemployment benefit increases is determined based on the Illinois Pension Code. Tier I Police retirees are provided with an annual increase of 3.00% of the current retirement benefits by statute when eligible. Tier II Police retirees are provided postemployment benefit increases based on the lesser of 3.00% of the original retirement benefits or one-half of the Consumer Price Index (Urban) for the prior September.

The CPI-U for September 1995 was 153.20. The CPI-U for September 2025 was 324.80. The average increase in the CPI-U for September 1995 through September 2025 was 2.54% (on a compounded basis).



EXPECTED RETURN ON PENSION PLAN INVESTMENTS

The Long-Term Expected Rate of Return is intended to represent the best estimate of future real rates of return and is shown for each of the major asset classes in the investment policy.

The target asset allocations shown below are representative expectations as disclosed in the Illinois Police Officers' Pension Investment Fund Investment Policy Statement, dated March 14, 2025, for plan funding purposes. The table below illustrates the best estimate of Long-Term Expected Rates of Return developed for each of the major asset classes, adjusted for expected inflation, as disclosed in the Verus 2026 Capital Market Assumptions (30-year return & risk assumptions), dated November 2025.

There are multiple approaches seen to providing these rates. Typically, the information is either based on capital market projections, or historical rates seen for the asset classes. We do not provide an opinion on the reasonableness of the returns provided nor the reasonableness of the approach used in the determination of the rates provided. The information provided is shown below for convenience.

The rates provided in the table below are based on a geometric average. The Investment Policy Statement will provide more detail regarding the Fund's policies on asset allocation targets and acceptable ranges.

Asset Class	Long-Term Expected Rate of Return	Long-Term Inflation Expectation	Long-Term Expected Real Rate of Return	Target Allocation
US Large	5.60%	2.50%	3.10%	23.00%
US Small	6.50%	2.50%	4.00%	5.00%
International Developed	6.70%	2.50%	4.20%	19.00%
International Developed Small	8.10%	2.50%	5.60%	5.00%
Emerging Markets	6.70%	2.50%	4.20%	6.00%
Private Equity	8.00%	2.50%	5.50%	7.00%
High Yield Corp. Credit	7.30%	2.50%	4.80%	3.00%
Emerging Market Debt	7.15%	2.50%	4.65%	3.00%
Bank Loans	6.70%	2.50%	4.20%	3.00%
Private Credit	8.40%	2.50%	5.90%	5.00%
Real Estate	6.20%	2.50%	3.70%	5.00%
Infrastructure	8.20%	2.50%	5.70%	3.00%
Cash	3.90%	2.50%	1.40%	1.00%
Short-Term Gov't/Credit	4.90%	2.50%	2.40%	3.00%
US Treasury	4.70%	2.50%	2.20%	3.00%
US TIPS	4.70%	2.50%	2.20%	3.00%
Core Fixed Income	5.60%	2.50%	3.10%	3.00%



Long-Term Expected Real Rates of Return under GASB are expected to reflect the period of time that begins when a Plan Member begins to provide service to the employer and ends at the point when all benefits to the Plan Member have been paid. The rates provided above are intended to estimate those figures.

The Long-Term Inflation Expectation is 2.50% and is included in the Long-Term Expected Rates of Return. The Long-Term Inflation Expectation is from the same source as the Long-Term Expected Real Rates of Return, and is not necessarily reflective of the inflation measures used for other purposes in the report.

Geometric rates of return are equal to arithmetic rates of return when the annual returns exhibit no volatility over time. When arithmetic returns are volatile on a year-to-year basis, the actual realized geometric returns over time will be lower. Higher volatility results in a greater difference.

The Expected Rate of Return on Investments for this valuation is 7.00%. Lauterbach & Amen, LLP does not provide investment advice. We look at a variety of factors when reviewing the Expected Rate of Return on Investments assumption selected by the client. These factors include: historical Rates of Return on Investments, capital market projections performed by the Consolidated Board's investment advisors, the Consolidated Board's investment policy, capital market forward-looking benchmark expected returns by independent investment companies, rates used by comparable pension systems, and other factors identified in the Actuarial Standards of Practice.

Generally speaking, the ideal assumption for Expected Rate of Return on Investments is one that has a 50% chance of being met over the long-term. Recently, we have observed the following factors that impact Expected Rate of Return on Investments:

- Volatility in the market has been high which drags down long-term geometric returns.
- Similar pension systems are looking to reduce future expectations. We generally see about 95% of similar pension systems using an Expected Rate of Return on Investments that is between 6.25% and 7.50%.
- We have reviewed studies conducted by Firms who gather information from multiple investment advisors who provide models and opinions on capital market returns. Those studies help guide us to see if the assumption is expected to have a 50% chance of being met over the long-term. Plans are generally aiming towards 40th to 60th percentile returns, which can help define a range of reasonableness. Specific information regarding the 40th to 60th percentile returns was not available, so we reviewed the 25th to 75th percentile returns.



-
- When developing the assumption for the Expected Rate of Return on Investments, consideration should be given to the composition of the Plan's assets. In particular, the proportion of assets held in invested vehicles versus balances maintained as locally held cash can materially influence the overall return expectation. For plans that maintain a substantial level of locally held cash - typically earning minimal or short-term interest rates - a lower Expected Rate of Return on Investments may be warranted to appropriately reflect the reduced earnings potential of those assets.



MUNICIPAL BOND RATE

The Municipal Bond Rate assumption is based on the Bond Buyer 20-Bond G.O. Index. The rate shown earlier in this section of the report is the February 26, 2026 rate. The 20-Bond G.O. Index is based on an average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Moody's Aa2 and Standard & Poor's AA.

The indices represent theoretical yields rather than actual price or yield quotations. Municipal bond traders are asked to estimate what a current-coupon bond for each issuer in the indices would yield if the bond was sold at par value. The indices are simple averages of the average estimated yields of the bonds.

DISCOUNT RATE

The Discount Rate used in the determination of the Total Pension Liability is based on a combination of the Expected Rate of Return on Plan Investments and the Municipal Bond Rate.

Cash flow projections were used to determine the extent to which the Plan's Projected Fiduciary Net Position will be able to cover Projected Benefit Payments. To the extent that Projected Benefit Payments are covered by the Plan's Projected Fiduciary Net Position, the Expected Rate of Return on Plan Investments is used to determine the portion of the Net Pension Liability associated with those payments. To the extent that Projected Benefit Payments are not covered by the Plan's Projected Fiduciary Net Position, the Municipal Bond Rate is used to determine the portion of the Net Pension Liability associated with those payments.

Projected benefit payments are determined during the actuarial process based on the assumptions. More details on the assumptions are earlier in this section of the report. The expected contributions are based on the Funding Policy of the Plan. The Funding Policy is discussed in more detail in the *Funding Policy* section of this report.



DISCOUNT RATE SENSITIVITY

The Employer's Net Pension Liability has been determined using the Discount Rate listed earlier in this section of the report. Below is a table illustrating the sensitivity of the Employer's Net Pension Liability to the Discount Rate assumption.

	1% Decrease (5.88%)	Current Discount Rate (6.88%)	1% Increase (7.88%)
Employer's Net Pension Liability	\$229,838,597	\$169,458,248	\$120,084,418

The sensitivity of the Employer's Net Pension Liability to the Discount Rate is based primarily on two factors:

1. The duration of the Plan's Projected Benefit Payments. Younger Plans with benefit payments further in the future will be more sensitive to changes in the Discount Rate.
2. The Percent Funded of the Plan (ratio of the Plan Fiduciary Net Position to the Total Pension Liability). The higher the Percent Funded, the higher the sensitivity to the Discount Rate.



ASSESSMENT AND USE OF ACTUARIAL MODELS

Actuarial Valuations rely upon the use of actuarial modeling software to predict the occurrence of future events, which include specific demographic and financial potential outcomes. Actuarial assumptions are established to provide a guideline to use for such modeling.

- The model used in this Actuarial Valuation is intended to determine the Recommended Contribution, under the selected Funding Policy, to assist in the preparation of the Annual Financial Report. The actuarial assumptions used were developed with this goal in mind.
- There are no known material limitations or inconsistencies among the actuarial assumptions or methods.
- The output from the model is reasonable based on the individual actuarial assumptions and based on the actuarial assumptions in the aggregate.
- The actuarial software used to calculate plan liabilities has been purchased from an outside vendor. We have performed thorough testing of the software, including review of sample participants, to ensure the intended purpose of the model, the operation of the model, sensitivities and dependencies, and strengths and limitations of the model are sufficient for this purpose.
- Demographic data and financial information have been provided by client professionals, financial advisors, and/or auditors, who are known to be experts in their respective fields. We rely on the fact that the information provided by these experts has been given for the intended purpose of this Actuarial Valuation.
- Where applicable, certain actuarial assumptions and Funding Policy may be required as prescribed by law. In such instances, we have followed legal guidance to ensure conformity.
- The Expected Rate of Return on Investments assumption has been chosen using input from several sources; including, but not limited to: client professionals, financial advisors, auditors, and other capital market outlooks. We have relied on the information provided, in the aggregate, to settle on the selected Expected Rate of Return on Investments assumption.



PARTICIPANT DATA

Participant Demographic Data & Average Future Working Career



PARTICIPANT DEMOGRAPHIC DATA & AVERAGE FUTURE WORKING CAREER

The chart below summarizes the Member count, payroll, and average future working career as of:

Actuarial Valuation - Data Date	2/29/2024	2/28/2025
Fiscal Year End for Reporting	<u>(FYE 2/28/2025)</u>	<u>(FYE 2/28/2026)</u>
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	308	322
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	64	79
Active Plan Members	251	246
Total	<u>623</u>	<u>647</u>
Payroll of Active Plan Members	<u>\$ 25,278,281</u>	<u>\$ 25,588,189</u>
Average Future Working Career (In Years)		
Active Plan Members	14.22	11.08
Inactive Plan Members	0.00	0.00
Total	5.73	4.21

Member counts shown above are as of the Actuarial Valuation Date for the two most recent Fiscal Years. Payroll of Active Plan Members is the pensionable salary for active Plan Members as of the Actuarial Valuation – Data Date. For the Fiscal Year Ending February 28, 2026, a beginning of year Actuarial Valuation Date was used along with a rollforward of liabilities to the end of the Fiscal Year based on assumptions and standard rollforward techniques

The average future working career is measured as of the Actuarial Valuation Date and is based on the demographic assumptions used in the preparation of this report.



FUNDING POLICY

Components of the Actuarially Determined Contribution
Formal Funding Policy
Informal Funding Policy
Funding Policy – Other Considerations



COMPONENTS OF THE ACTUARIALLY DETERMINED CONTRIBUTION

The Actuarially Determined Contribution (“ADC”) includes the determination of the Normal Cost Contribution for active Plan Members, as well as a provision for the payment towards Unfunded Liability.

The actuarial funding method used in the determination of the Normal Cost and the Actuarial Accrued Liability is the Projected Unit Credit Cost Method. The method allocates Normal Cost Contributions by Members over the working career of the Member.

Unfunded Liability is the excess of the Actuarial Accrued Liability over the Actuarial Value of Assets. The Actuarially Determined Contribution includes a payment towards Unfunded Liability existing at the Actuarial Valuation Date. The payment towards Unfunded Liability is set up as a level percent of payroll payment that is expected to increase during the payment period and target 90% funding. The current Employer Contributions are being compared to the Actuarially Determined Contribution as developed in the March 1, 2024 Actuarial Valuation. The equivalent single amortization period as of that valuation is 16 years.

The Actuarial Value of Assets smooths gains and losses on the Fair Value of Assets over a 5-year period.

Under no circumstances will the Actuarially Determined Contribution be less than the amount determined as the Statutory Minimum Contribution under Illinois State Statutes.

FORMAL FUNDING POLICY

There is no Formal Funding Policy that exists between the Pension Board and the City at this time.

INFORMAL FUNDING POLICY

In determining the most appropriate Informal Funding Policy, GASB provides the following guidance in the Statement:

Application of professional judgment should consider the most recent five-year contribution history of the employers and nonemployer contributing entities as a key indicator of future contributions from those sources and should reflect all other known events and conditions.... the amount of projected cash flows for contributions from employers and nonemployer contributing entities should be limited to an average of contributions from those sources over the most recent five-year period and may be modified based on consideration of subsequent events. For this purpose, the basis for the average (for example, percentage of covered payroll contributed or percentage of Actuarially Determined Contributions made) should be a matter of professional judgment.



In our review of the Informal Funding Policy, the following factors are considered and described herein:

1. Five-Year Contribution History of the Employer (with a focus on the average contributions from those sources)
2. Other Known Events and Conditions
3. Consideration of Subsequent Events

Five-Year Contribution History of the Employer

Employer Contributions (under the Informal Funding Policy) should be limited to the average over the most recent five years. In determining the basis for the average, we reviewed three possibilities: (a) the average dollar contribution; (b) the average percent of pensionable pay; and (c) the average percent of the Actuarially Determined Contribution. Please see the table below for a summary of these values:

Fiscal Year End	Employer Contributions	Most Applicable ADC	% of ADC	Covered- Employee Payroll	% of Payroll
2/28/2026	\$16,315,503	\$15,776,732	103.41%	\$22,764,698	71.67%
2/28/2025	\$14,408,161	\$13,838,043	104.12%	\$24,785,301	58.13%
2/28/2024	\$14,293,826	\$12,997,152	109.98%	\$24,799,445	57.64%
2/28/2023	\$15,326,587	\$13,701,540	111.86%	\$19,694,760	77.82%
2/28/2022	\$13,667,031	\$13,029,355	104.89%	\$19,074,828	71.65%

When compared to the other policies reviewed, history suggests that a contribution as a percent of the Actuarially Determined Contribution is the least volatile, and as a result, the most stable contribution method under an Informal Funding Policy.

Other Known Events and Conditions

GASB has a provision for consideration of any other known events or conditions in the most recent five-year history in applying judgement for the Informal Funding Policy. There are no events or conditions that have been considered in the development of the Informal Funding Policy.

Consideration of Subsequent Events

GASB has a provision for modification based on consideration of subsequent events in the development of the Informal Funding Policy. There are no subsequent events that have been considered in the development of the Informal Funding Policy.



Informal Funding Policy – Selected

The Informal Funding Policy that has been determined for future contributions is 106.85% of the Actuarially Determined Contribution. This represents the full future contributions expected to be made.

FUNDING POLICY – OTHER CONSIDERATIONS

Under GASB, the future contribution amount is not intended to include dollars contributed on behalf of future employees. Contributions are only intended to cover contributions towards the Normal Cost of current employees as of the Actuarial Valuation Date as well as payment of Unfunded Liability on behalf of the current employees. Contributions under the Funding Policy have been adjusted as necessary to exclude dollars that would be anticipated to be contributed on behalf of future employees hired after the Actuarial Valuation Date.

The contribution level may not pay off the Unfunded Liability during the active working career of current employees. In that case, contributions will persist beyond the working career of current employees. To the extent that a portion of the above total contribution is anticipated to pay contributions for the Normal Cost of future employees, the amount has been netted out. The remaining amount is anticipated to be paid towards the Unfunded Liability existing for current employees.

The Actuarially Determined Contribution is determined annually based on the parameters previously discussed. The funding methods and procedures are assumed to continue into the future. If applicable, the tax levy in the next December is assumed to be the Actuarially Determined Contribution. Funding is assumed to go into the Plan during the next full Fiscal Year.



SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Changes in the Net Pension Liability
Schedule of Total Pension Liability and Related Ratios
Schedule of Contributions
Notes to Schedule of Contributions



SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY

	2/28/2026	2/28/2025	2/29/2024	2/28/2023	2/28/2022	2/28/2021	2/29/2020	2/28/2019	2/28/2018	2/28/2017
Total Pension Liability										
Service Cost	\$ 5,617,417	\$ 5,672,999	\$ 5,391,785	\$ 5,997,377	\$ 6,732,848	\$ 6,270,637	\$ 5,433,549	\$ 5,402,823	\$ 5,748,820	\$ 5,393,901
Interest	28,803,887	27,759,435	25,877,471	24,660,320	23,276,563	23,765,466	22,328,221	21,610,194	20,741,627	21,725,059
Changes of Benefit Terms	-	795,481	-	(207,457)	-	-	1,385,547	-	-	-
Differences Between Expected and Actual Experience	4,274,581	12,564,212	4,563,994	7,251,275	(16,425,003)	535,492	1,239,833	(1,646,679)	184,291	1,874,991
Change in Assumptions	(7,167,094)	11,699,077	(22,486,802)	(24,113,864)	(24,376,044)	44,807,789	27,952,499	(1,351,671)	(7,183,405)	(30,742,288)
Benefit Payments and Refunds	(23,339,501)	(21,691,910)	(20,416,273)	(19,522,273)	(18,211,896)	(16,696,378)	(15,232,522)	(14,426,366)	(13,748,823)	(12,646,059)
Net Change in Total Pension Liability	\$ 8,189,290	\$ 36,799,294	\$ (7,069,825)	\$ (5,934,622)	\$ (29,003,532)	\$ 58,683,006	\$ 43,107,127	\$ 9,588,301	\$ 5,742,509	\$ (14,394,396)
Total Pension Liability - Beginning	434,008,957	397,209,663	404,279,488	410,214,110	439,217,642	380,534,636	337,427,509	327,839,208	322,096,699	336,491,095
Total Pension Liability - Ending (a)	\$ 442,198,247	\$ 434,008,957	\$ 397,209,663	\$ 404,279,488	\$ 410,214,110	\$ 439,217,642	\$ 380,534,636	\$ 337,427,509	\$ 327,839,208	\$ 322,096,699
Plan Fiduciary Net Position										
Contributions - Employer	\$ 16,315,503	\$ 14,408,161	\$ 14,293,826	\$ 15,326,587	\$ 13,667,031	\$ 11,908,796	\$ 10,991,768	\$ 10,844,009	\$ 10,116,706	\$ 9,942,505
Contributions - Members	2,587,558	2,654,032	2,418,786	1,978,296	1,942,188	1,980,847	2,040,242	2,040,972	2,051,279	1,900,135
Contributions - Other	13,138	1,782	-	-	-	-	-	-	12,373	-
Net Investment Income	47,134,721	21,187,079	22,528,431	(10,537,996)	11,706,032	28,692,339	7,672,564	2,054,003	15,485,439	17,594,578
Benefit Payments and Refunds	(23,339,501)	(21,691,910)	(20,416,273)	(19,522,273)	(18,211,896)	(16,696,378)	(15,232,522)	(14,426,366)	(13,748,823)	(12,646,059)
Administrative Expense	(210,753)	(178,543)	(151,180)	(189,318)	(181,247)	(176,869)	(171,151)	(168,690)	(189,477)	(216,033)
Prior Period Audit Adjustment	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	\$ 42,500,666	\$ 16,380,601	\$ 18,673,590	\$ (12,944,704)	\$ 8,922,108	\$ 25,708,735	\$ 5,300,901	\$ 343,928	\$ 13,727,498	\$ 16,575,126
Plan Fiduciary Net Position - Beginning	230,239,333	213,858,732	195,185,142	208,129,846	199,207,738	173,499,003	168,198,102	167,854,174	154,126,676	137,551,550
Plan Fiduciary Net Position - Ending (b)	\$ 272,739,999	\$ 230,239,333	\$ 213,858,732	\$ 195,185,142	\$ 208,129,846	\$ 199,207,738	\$ 173,499,003	\$ 168,198,102	\$ 167,854,174	\$ 154,126,676
Employer's Net Pension Liability - Ending (a) - (b)	\$ 169,458,248	\$ 203,769,624	\$ 183,350,931	\$ 209,094,346	\$ 202,084,264	\$ 240,009,904	\$ 207,035,633	\$ 169,229,407	\$ 159,985,034	\$ 167,970,023

The current year information was developed in the completion of this report.



SCHEDULE OF TOTAL PENSION LIABILITY AND RELATED RATIOS

	2/28/2026	2/28/2025	2/29/2024	2/28/2023	2/28/2022	2/28/2021	2/29/2020	2/28/2019	2/28/2018	2/28/2017
Total Pension Liability - Ending (a)	<u>\$ 442,198,247</u>	<u>\$ 434,008,957</u>	<u>\$ 397,209,663</u>	<u>\$ 404,279,488</u>	<u>\$ 410,214,110</u>	<u>\$ 439,217,642</u>	<u>\$ 380,534,636</u>	<u>\$ 337,427,509</u>	<u>\$ 327,839,208</u>	<u>\$ 322,096,699</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 272,739,999</u>	<u>\$ 230,239,333</u>	<u>\$ 213,858,732</u>	<u>\$ 195,185,142</u>	<u>\$ 208,129,846</u>	<u>\$ 199,207,738</u>	<u>\$ 173,499,003</u>	<u>\$ 168,198,102</u>	<u>\$ 167,854,174</u>	<u>\$ 154,126,676</u>
Employer's Net Pension Liability - Ending (a) - (b)	<u>\$ 169,458,248</u>	<u>\$ 203,769,624</u>	<u>\$ 183,350,931</u>	<u>\$ 209,094,346</u>	<u>\$ 202,084,264</u>	<u>\$ 240,009,904</u>	<u>\$ 207,035,633</u>	<u>\$ 169,229,407</u>	<u>\$ 159,985,034</u>	<u>\$ 167,970,023</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	61.68%	53.05%	53.84%	48.28%	50.74%	45.36%	45.59%	49.85%	51.20%	47.85%
Covered-Employee Payroll	\$ 22,764,698	\$ 24,785,301	\$ 24,799,445	\$ 19,694,760	\$ 19,074,828	\$ 20,775,455	\$ 19,932,784	\$ 22,047,109	\$ 22,186,171	\$ 21,487,817
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	744.39%	822.14%	739.33%	1,061.68%	1,059.43%	1,155.26%	1,038.67%	767.58%	721.10%	781.70%

Covered-Employee Payroll shown above for the current year is based on the Covered-Employee Payroll for the Plan Members during the Fiscal Year.



SCHEDULE OF CONTRIBUTIONS

	2/28/2026	2/28/2025	2/29/2024	2/28/2023	2/28/2022	2/28/2021	2/29/2020	2/28/2019	2/28/2018	2/28/2017
Actuarially Determined Contribution	\$ 15,776,732	\$ 13,838,043	\$ 12,997,152	\$ 13,701,540	\$ 13,029,355	\$ 11,637,707	\$ 10,991,768	\$ 10,843,009	\$ 10,116,706	\$ 9,942,505
Contributions in Relation to the Actuarially Determined Contribution	16,315,503	14,408,161	14,293,826	15,326,587	13,667,031	11,908,796	10,991,768	10,844,009	10,116,706	9,942,505
Contribution Deficiency/(Excess)	\$ (538,771)	\$ (570,118)	\$ (1,296,674)	\$ (1,625,047)	\$ (637,676)	\$ (271,089)	\$ -	\$ (1,000)	\$ -	\$ -
Covered-Employee Payroll	\$ 22,764,698	\$ 24,785,301	\$ 24,799,445	\$ 19,694,760	\$ 19,074,828	\$ 20,775,455	\$ 19,932,784	\$ 22,047,109	\$ 22,186,171	\$ 21,487,817
Contributions as a Percentage of Covered-Employee Payroll	71.67%	58.13%	57.64%	77.82%	71.65%	57.32%	55.14%	49.19%	45.60%	46.27%

NOTES TO SCHEDULE OF CONTRIBUTIONS

The Actuarially Determined Contribution shown above for the current year is the Alternative Contribution from the March 1, 2024 Actuarial Valuation completed by Lauterbach & Amen, LLP for the December 2024 tax levy, if applicable. The methods and assumptions shown below are based on the same Actuarial Valuation. For more detail on the age-based and service-based rates disclosed below, please see the Actuarial Valuation.

Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level % Pay (Closed)
Equivalent Single Amortization Period	90% Funded Over 16 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation (CPI-U)	2.25%
Total Payroll Increases	3.25%
Individual Pay Increases	3.75% - 8.65%
Expected Rate of Return on Investments	7.00%
Mortality Rates	Pub-2010 Adjusted for Plan Status, Demographics, and Illinois Public Pension Data, as Described
Retirement Rates	100% of L&A 2020 Illinois Police Retirement Rates Capped at Age 65
Termination Rates	100% of L&A 2020 Illinois Police Termination Rates
Disability Rates	100% of L&A 2020 Illinois Police Disability Rates



GASB METHODS AND PROCEDURES

GASB Methods and Procedures



GASB METHODS AND PROCEDURES

	Statement 67	Statement 68
	<u>Pension Plan Financials</u>	<u>Employer Financials</u>
Fiscal Year End for Reporting	February 28, 2026	February 28, 2026
Measurement Date	February 28, 2026	February 28, 2026
Actuarial Valuation Date	March 1, 2025	March 1, 2025
Actuarial Valuation - Data Date	February 28, 2025	February 28, 2025
Asset Valuation Method	Fair Value	Fair Value
Actuarial Cost Method	Entry Age Normal (Level %)	Entry Age Normal (Level %)

Methodology Used in the Determination of Deferred Outflows and Inflows of Resources

Amortization Method	Straight Line	Straight Line
Amortization Period		
Actuarial Experience	4.21 Years	4.21 Years
Change in Assumptions	4.21 Years	4.21 Years
Asset Experience	5.00 Years	5.00 Years



SUPPLEMENTARY TABLES

GASB Projections – Summary and Procedure

GASB Projections – Limitations

Projection of Contributions

Notes to Projection of Contributions

Projection of the Pension Plan's Fiduciary Net Position

Notes to Projection of the Pension Plan's Fiduciary Net Position

Actuarial Present Value of Projected Benefit Payments

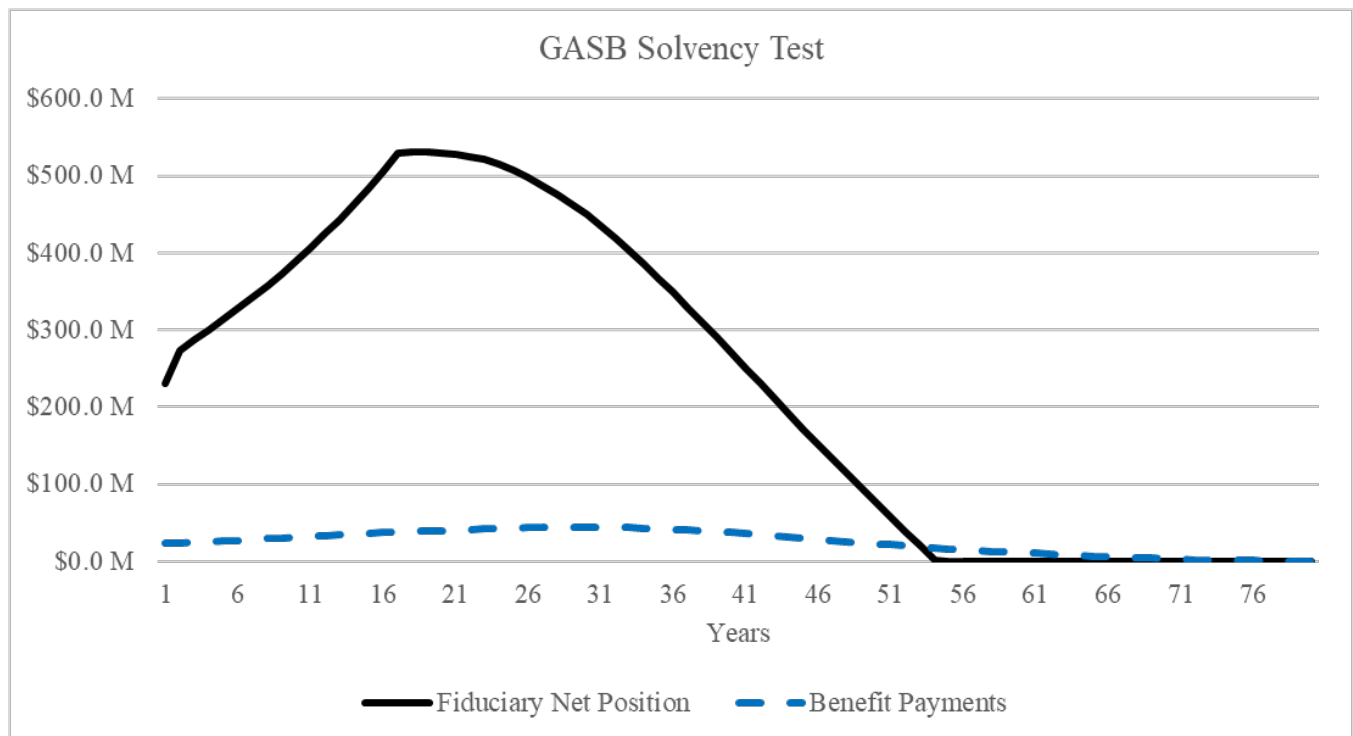
Notes to Actuarial Present Value of Projected Benefit Payments



GASB PROJECTIONS – SUMMARY AND PROCEDURE

GASB requires a solvency test to use in the determination of the Discount Rate each year. The Plan Fiduciary Net Position is projected forward. To the extent that the Plan Fiduciary Net Position is anticipated to be greater than \$0, Projected Benefit Payments are discounted based on the Expected Rate of Return on Plan Investments.

If the Plan Fiduciary Net Position is anticipated to reach \$0 prior to the payment of Projected Benefit Payments for employees who are in the Plan as of the Actuarial Valuation Date, then the remaining Projected Benefit Payments are discounted using the High-Quality Municipal Bond Rate, as described in the *Actuarial Assumptions Information* section of this report. The chart below is a high-level summary of the projections:



The Plan's Projected Fiduciary Net Position is anticipated to cover Projected Benefit Payments in full for the current employees through 2079.



GASB PROJECTIONS – LIMITATIONS

Projections of any type require assumptions about future events. The projections required for GASB reporting are deterministic in nature. That means that values are projected forward under one set of assumptions which can be thought of as the average result. Actual results could vary, and projections of one deterministic assumption set do not necessarily provide a framework for making risk management or Funding Policy decisions. Projections that deal with risk management are outside the scope of this report.

In addition, GASB requirements create results that are specific only to financial statement reporting, and should not be used or interpreted for other purposes. For example, GASB cash flow projections do not entail the total expected cash flows of the Plan, but rather a subset of cash flows specific to employees who are in the Plan as of the Actuarial Valuation Date. While the likely expectation may be that future employees are hired to replace the current employees, cash flows attributable to their benefits are not considered. Under GASB, when the Plan Fiduciary Net Position reaches \$0, that represents the Plan Fiduciary Net Position for the assets attributable to the current employees.

Also, GASB mandates certain assumptions that are made in the projection process. Most notably, Projected Contributions under an Informal Funding Policy. In proposing an Informal Funding Policy, GASB suggests a focus be placed on the average contributions over the past 5 years. Projected Contributions in this section may be based on the five-year average, unless a Formal Funding Policy is in place.

Contributions reflecting an Informal Funding Policy are applied under GASB, whether or not the projected results dictate a need for more or less contributions. This would not be the case with other uses for projections. Any events that are taken into account (past or future) in the Informal Funding Policy are discussed in the *Funding Policy* section of this report.

Projections further into the future are more sensitive to assumption changes. For projections that run out close to 80 years, a small change in an assumption may have a dramatic impact on the projections. If the solvency of the Plan as determined by GASB remains constant, then dramatic changes in the projection results may not necessarily lead to big changes in the determination of the Total Pension Liability.

We recommend the projections are not used for any other purposes, other than providing information for purposes of the financial statement report.

The following pages provide the detail behind the chart shown on the prior page.



PROJECTION OF CONTRIBUTIONS – YEARS 1 TO 30

Year	Projected Pensionable Payroll			Projected Contributions			
	Payroll for Current Employees (a)	Payroll for Future Employees (b)	Total Employee Payroll (c) = (a) + (b)	Contributions from Current Employees (d) - Notes	Employer Contributions for Current Employees (e) - Notes	Contributions Related to Payroll of Future Employees (f) - Notes	Total Contributions (g) = (d) + (e) + (f)
1	\$ 25,588,189	\$ -	\$ 25,588,189	\$ 2,600,696	\$ 16,315,503	\$ -	\$ 18,916,199
2	24,963,256	1,456,549	26,419,805	2,473,859	16,917,837	-	19,391,696
3	24,397,304	2,881,145	27,278,449	2,417,773	15,823,058	-	18,240,831
4	23,736,159	4,428,840	28,164,998	2,352,253	16,443,172	-	18,795,425
5	22,892,007	6,188,354	29,080,361	2,268,598	17,045,262	-	19,313,860
6	22,176,199	7,849,274	30,025,472	2,197,661	17,620,260	-	19,817,921
7	21,431,711	9,569,589	31,001,300	2,123,883	18,222,693	-	20,346,576
8	20,756,731	11,252,111	32,008,842	2,056,992	18,860,365	-	20,917,357
9	20,036,997	13,012,133	33,049,130	1,985,666	19,512,573	-	21,498,239
10	19,333,541	14,789,686	34,123,227	1,915,954	20,153,903	-	22,069,857
11	18,762,808	16,469,424	35,232,231	1,859,394	20,843,174	-	22,702,568
12	18,036,266	18,341,013	36,377,279	1,787,394	21,582,522	-	23,369,916
13	17,340,372	20,219,168	37,559,540	1,718,431	22,337,309	-	24,055,740
14	16,726,800	22,053,425	38,780,226	1,657,626	23,137,527	-	24,795,153
15	16,071,639	23,968,944	40,040,583	1,592,699	24,022,264	-	25,614,963
16	15,636,598	25,705,303	41,341,902	1,549,587	24,972,196	-	26,521,783
17	15,110,670	27,574,843	42,685,514	1,497,467	1,805,154	-	3,302,621
18	14,285,869	29,786,923	44,072,793	1,415,730	1,769,959	-	3,185,689
19	13,460,203	32,044,955	45,505,159	1,333,906	1,716,584	-	3,050,490
20	12,756,709	34,227,368	46,984,076	1,264,190	1,672,169	-	2,936,359
21	11,996,663	36,514,396	48,511,059	1,188,869	1,637,745	-	2,826,614
22	10,819,944	39,267,724	50,087,668	1,072,256	1,615,026	-	2,687,282
23	9,881,980	41,833,537	51,715,517	979,304	1,284,222	-	2,263,526
24	8,833,916	44,562,356	53,396,272	-	-	-	-
25	7,689,699	47,441,952	55,131,651	-	-	-	-
26	6,718,108	50,205,321	56,923,429	-	-	-	-
27	5,793,917	52,979,524	58,773,441	-	-	-	-
28	4,995,814	55,687,764	60,683,577	-	-	-	-
29	4,220,169	58,435,624	62,655,794	-	-	-	-
30	3,366,780	61,325,327	64,692,107	-	-	-	-

Column d – Contributions from current employees to the Plan (employees in the Plan as of the Actuarial Valuation Date).

Column e – Employer Contributions to the Plan excluding contributions for employees hired after the Actuarial Valuation Date.

Column f – Contributions from future employees to the extent that contributions are assumed to be greater than their Normal Cost.



PROJECTION OF CONTRIBUTIONS – YEARS 31 TO 60

Year	Projected Pensionable Payroll			Projected Contributions			
	Payroll for Current Employees (a)	Payroll for Future Employees (b)	Total Employee Payroll (c) = (a) + (b)	Contributions from Current Employees (d) - Notes	Employer Contributions for Current Employees (e) - Notes	Contributions Related to Payroll of Future Employees (f) - Notes	Total Contributions (g) = (d) + (e) + (f)
31	\$ 2,561,100	\$ 64,233,501	\$ 66,794,600	\$ -	\$ -	\$ -	\$ -
32	1,694,210	67,271,215	68,965,425	-	-	-	-
33	1,104,375	70,102,427	71,206,801	-	-	-	-
34	724,765	72,796,258	73,521,022	-	-	-	-
35	504,544	75,405,912	75,910,456	-	-	-	-
36	367,909	78,009,636	78,377,545	-	-	-	-
37	263,013	80,661,803	80,924,816	-	-	-	-
38	189,104	83,365,768	83,554,872	-	-	-	-
39	129,354	86,141,052	86,270,405	-	-	-	-
40	80,537	88,993,657	89,074,194	-	-	-	-
41	46,233	91,922,872	91,969,105	-	-	-	-
42	15,700	94,942,401	94,958,101	-	-	-	-
43	4,839	98,039,400	98,044,239	-	-	-	-
44	-	101,230,677	101,230,677	-	-	-	-
45	-	104,520,674	104,520,674	-	-	-	-
46	-	107,917,596	107,917,596	-	-	-	-
47	-	111,424,918	111,424,918	-	-	-	-
48	-	115,046,227	115,046,227	-	-	-	-
49	-	118,785,230	118,785,230	-	-	-	-
50	-	122,645,750	122,645,750	-	-	-	-
51	-	126,631,737	126,631,737	-	-	-	-
52	-	130,747,268	130,747,268	-	-	-	-
53	-	134,996,554	134,996,554	-	-	-	-
54	-	139,383,942	139,383,942	-	-	-	-
55	-	143,913,920	143,913,920	-	-	-	-
56	-	148,591,123	148,591,123	-	-	-	-
57	-	153,420,334	153,420,334	-	-	-	-
58	-	158,406,495	158,406,495	-	-	-	-
59	-	163,554,706	163,554,706	-	-	-	-
60	-	168,870,234	168,870,234	-	-	-	-

Column d – Contributions from current employees to the Plan (employees in the Plan as of the Actuarial Valuation Date).

Column e – Employer Contributions to the Plan excluding contributions for employees hired after the Actuarial Valuation Date.

Column f – Contributions from future employees to the extent that contributions are assumed to be greater than their Normal Cost.



PROJECTION OF CONTRIBUTIONS – YEARS 61 TO 80

Year	Projected Pensionable Payroll			Projected Contributions			
	Payroll for Current Employees (a)	Payroll for Future Employees (b)	Total Employee Payroll (c) = (a) + (b)	Contributions from Current Employees (d) - Notes	Employer Contributions for Current Employees (e) - Notes	Contributions Related to Payroll of Future Employees (f) - Notes	Total Contributions (g) = (d) + (e) + (f)
61	\$ -	\$ 174,358,517	\$ 174,358,517	\$ -	\$ -	\$ -	\$ -
62	-	180,025,169	180,025,169	-	-	-	-
63	-	185,875,987	185,875,987	-	-	-	-
64	-	191,916,956	191,916,956	-	-	-	-
65	-	198,154,257	198,154,257	-	-	-	-
66	-	204,594,271	204,594,271	-	-	-	-
67	-	211,243,584	211,243,584	-	-	-	-
68	-	218,109,001	218,109,001	-	-	-	-
69	-	225,197,543	225,197,543	-	-	-	-
70	-	232,516,464	232,516,464	-	-	-	-
71	-	240,073,249	240,073,249	-	-	-	-
72	-	247,875,629	247,875,629	-	-	-	-
73	-	255,931,587	255,931,587	-	-	-	-
74	-	264,249,364	264,249,364	-	-	-	-
75	-	272,837,468	272,837,468	-	-	-	-
76	-	281,704,686	281,704,686	-	-	-	-
77	-	290,860,088	290,860,088	-	-	-	-
78	-	300,313,041	300,313,041	-	-	-	-
79	-	310,073,215	310,073,215	-	-	-	-
80	-	320,150,594	320,150,594	-	-	-	-

NOTES TO PROJECTION OF CONTRIBUTIONS

Total Employee Payroll is projected to increase annually at the Projected Total Payroll Increases rate shown in the *Actuarial Assumptions Information* section of this report. Payroll for current employees (employees in the Plan as of the Actuarial Valuation Date) are projected on an employee-by-employee basis, using the Projected Individual Pay Increases and probability of remaining an employee in the future.

Employer Contributions are related to current employees in the Plan as of the Actuarial Valuation Date. To the extent that Projected Contributions under the Funding Policy are made to cover the Normal Cost of benefit payments for future employees, those contributions are excluded for purposes of these projections and this report.

Contributions are based on the Funding Policy as described in the *Funding Policy* section of this report. The contributions do not factor in changes in the Funding Policy based on an assumed Employer decision; if, the projections were to play out in this fashion. The only future events that are considered were outlined in the *Funding Policy* section of this report. Contributions from future employees have not been included. It is assumed that contributions made by future employees will not exceed the Normal Cost of their participation in the Plan. In addition, Employer Contributions on behalf of future employees have not been included per the GASB parameters.



PROJECTION OF THE PENSION PLAN'S FIDUCIARY NET POSITION – YEARS 1 TO 30

Year	Projected Beginning Fiduciary Net Position (a)	Projected Total Contributions (b)	Projected Benefit Payments (c)	Projected Administrative Expense (d)	Projected Investment Earnings (e)	Projected Ending Fiduciary Net Position (f) = (a)+(b)-(c)-(d)+(e)
1	\$ 230,239,333	\$ 18,916,199	\$ 23,339,501	\$ 210,753	\$ 47,134,721	\$ 272,739,999
2	272,739,999	19,391,696	23,745,292	213,322	18,931,958	287,105,039
3	287,105,039	18,240,831	24,682,268	215,887	19,864,346	300,312,061
4	300,312,061	18,795,425	25,709,841	218,447	20,772,194	313,951,392
5	313,951,392	19,313,860	26,726,614	221,000	21,709,416	328,027,054
6	328,027,054	19,817,921	27,674,523	223,545	22,679,089	342,625,996
7	342,625,996	20,346,576	28,718,603	226,078	23,682,886	357,710,777
8	357,710,777	20,917,357	29,815,162	228,599	24,720,330	373,304,704
9	373,304,704	21,498,239	30,845,924	231,104	25,796,072	389,521,987
10	389,521,987	22,069,857	31,781,137	233,591	26,918,469	406,495,584
11	406,495,584	22,702,568	32,739,472	236,059	28,095,137	424,317,758
12	424,317,758	23,369,916	33,822,198	238,504	29,328,066	442,955,038
13	442,955,038	24,055,740	34,785,979	240,923	30,622,862	462,606,738
14	462,606,738	24,795,153	35,746,121	243,315	31,990,672	483,403,127
15	483,403,127	25,614,963	36,487,558	245,675	33,449,079	505,733,936
16	505,733,936	26,521,783	37,268,873	248,002	35,016,547	529,755,391
17	529,755,391	3,302,621	38,224,795	250,291	35,851,841	530,434,767
18	530,434,767	3,185,689	38,985,050	252,540	35,868,617	530,251,483
19	530,251,483	3,050,490	39,637,958	254,745	35,828,126	529,237,397
20	529,237,397	2,936,359	40,269,217	256,902	35,730,976	527,378,613
21	527,378,613	2,826,614	41,008,324	259,007	35,571,078	524,508,974
22	524,508,974	2,687,282	41,662,986	261,058	35,342,342	520,614,554
23	520,614,554	2,263,526	42,172,764	263,049	35,036,989	515,479,255
24	515,479,255	-	42,695,246	264,977	34,579,940	507,098,972
25	507,098,972	-	43,103,093	266,836	33,978,981	497,708,024
26	497,708,024	-	43,552,985	268,623	33,305,805	487,192,222
27	487,192,222	-	43,754,420	270,332	32,562,589	475,730,059
28	475,730,059	-	43,968,376	271,959	31,752,692	463,242,416
29	463,242,416	-	44,202,976	273,499	30,870,293	449,636,234
30	449,636,234	-	44,293,663	274,945	29,914,635	434,982,260

Column b – Contributions on behalf of current employees in the Plan as of the Actuarial Valuation Date.

Column d – Based on the average Administrative Expense in recent years, and projected to increase in the future.

Column e – Based on the Expected Rate of Return on Plan Investments, and does not factor in allocation changes.



PROJECTION OF THE PENSION PLAN'S FIDUCIARY NET POSITION – YEARS 31 TO 60

Year	Projected Beginning Fiduciary Net Position (a)	Projected Total Contributions (b)	Projected Benefit Payments (c)	Projected Administrative Expense (d)	Projected Investment Earnings (e)	Projected Ending Fiduciary Net Position (f) = (a)+(b)-(c)-(d)+(e)
31	\$ 434,982,260	\$ -	\$ 44,392,900	\$ 276,293	\$ 28,885,336	\$ 419,198,404
32	419,198,404	-	44,161,100	277,536	27,788,536	402,548,305
33	402,548,305	-	43,750,541	278,669	26,637,359	385,156,453
34	385,156,453	-	43,220,583	279,685	25,438,442	367,094,627
35	367,094,627	-	42,519,779	280,578	24,198,611	348,492,881
36	348,492,881	-	41,811,919	281,340	22,921,238	329,320,860
37	329,320,860	-	40,843,682	281,965	21,613,063	309,808,275
38	309,808,275	-	39,748,267	282,446	20,285,504	290,063,066
39	290,063,066	-	38,521,919	282,774	18,946,250	270,204,624
40	270,204,624	-	37,222,149	282,943	17,601,645	250,301,178
41	250,301,178	-	35,865,346	282,943	16,255,892	230,408,782
42	230,408,782	-	34,451,751	282,766	14,912,907	210,587,171
43	210,587,171	-	33,003,014	282,403	13,576,112	190,877,867
44	190,877,867	-	31,531,842	281,846	12,247,972	171,312,150
45	171,312,150	-	30,053,700	281,084	10,930,133	151,907,499
46	151,907,499	-	28,579,469	280,108	9,623,440	132,671,361
47	132,671,361	-	27,118,379	278,908	8,328,090	113,602,165
48	113,602,165	-	25,679,036	277,472	7,043,674	94,689,330
49	94,689,330	-	24,268,240	275,790	5,769,212	75,914,512
50	75,914,512	-	22,891,143	273,851	4,503,241	57,252,758
51	57,252,758	-	21,552,404	271,643	3,243,851	38,672,563
52	38,672,563	-	20,254,744	269,153	1,988,743	20,137,409
53	20,137,409	-	19,000,229	266,368	735,288	1,606,100
54	1,606,100	-	17,790,628	263,277	-	-
55	-	-	16,625,825	-	-	-
56	-	-	15,505,120	-	-	-
57	-	-	14,427,122	-	-	-
58	-	-	13,389,221	-	-	-
59	-	-	12,388,607	-	-	-
60	-	-	11,422,120	-	-	-

Column b – Contributions on behalf of current employees in the Plan as of the Actuarial Valuation Date.

Column d – Based on the average Administrative Expense in recent years, and projected to increase in the future.

Column e – Based on the Expected Rate of Return on Plan Investments, and does not factor in allocation changes.



PROJECTION OF THE PENSION PLAN'S FIDUCIARY NET POSITION – YEARS 61 TO 80

Year	Projected Beginning Fiduciary Net Position (a)	Projected Total Contributions (b)	Projected Benefit Payments (c)	Projected Administrative Expense (d)	Projected Investment Earnings (e)	Projected Ending Fiduciary Net Position (f) = (a)+(b)-(c)-(d)+(e)
61	\$ -	\$ -	\$ 10,486,609	\$ -	\$ -	\$ -
62	-	-	9,579,989	-	-	-
63	-	-	8,701,098	-	-	-
64	-	-	7,849,606	-	-	-
65	-	-	7,026,807	-	-	-
66	-	-	6,234,960	-	-	-
67	-	-	5,477,375	-	-	-
68	-	-	4,758,359	-	-	-
69	-	-	4,082,645	-	-	-
70	-	-	3,455,387	-	-	-
71	-	-	2,881,358	-	-	-
72	-	-	2,364,404	-	-	-
73	-	-	1,907,164	-	-	-
74	-	-	1,510,346	-	-	-
75	-	-	1,172,836	-	-	-
76	-	-	891,848	-	-	-
77	-	-	663,164	-	-	-
78	-	-	481,499	-	-	-
79	-	-	340,858	-	-	-
80	-	-	234,909	-	-	-

NOTES TO PROJECTION OF THE PENSION PLAN'S FIDUCIARY NET POSITION

Projected Total Contributions are Employee and Employer Contributions projected to be made under the Funding Policy on behalf of current employees in the Plan as of the Actuarial Valuation Date. The amounts shown are detailed earlier in this section.

Projected Benefit Payments shown represents current employees as of the Actuarial Valuation Date. The Plan will pay benefits in the future on behalf of employees hired after the Actuarial Valuation Date, but those benefit payments are not projected for this purpose.

Projected Investment Earnings are based on the Expected Rate of Return on Plan Investments. Administrative Expense are typically not charged on a per employee basis. Administrative Expenses shown are not projected to distinguish between current and future employees.

The Projected Fiduciary Net Position represents assets held or projected to be held on behalf of current employees in the Plan as of the Actuarial Valuation Date. The Plan will hold assets in the future on behalf of employees hired after the Actuarial Valuation Date, but those assets are not projected for this purpose.



ACTUARIAL PRESENT VALUE OF PROJECTED BENEFIT PAYMENTS – YEARS 1 TO 30

Year	Projected Beginning Fiduciary Net Position	Projected Benefit Payments	Projected Benefit Payments		Actuarial Present Values of Projected Benefit Payments		
			"Funded" Portion of Benefit Payments	"Unfunded" Portion of Benefit Payments	Present Value of "Funded" Benefit Payments (7.00%)	Present Value of "Unfunded" Benefit Payments (4.71%)	Present Value of Benefit Payments Using the Single Discount Rate (6.88%)
1	\$ 230,239,333	\$ 23,339,501	\$ 23,339,501	\$ -	\$ 22,563,147	\$ -	\$ 22,575,810
2	272,739,999	23,745,292	23,745,292	-	21,453,683	-	21,489,824
3	287,105,039	24,682,268	24,682,268	-	20,841,339	-	20,899,888
4	300,312,061	25,709,841	25,709,841	-	20,288,791	-	20,368,631
5	313,951,392	26,726,614	26,726,614	-	19,711,376	-	19,811,161
6	328,027,054	27,674,523	27,674,523	-	19,075,212	-	19,193,302
7	342,625,996	28,718,603	28,718,603	-	18,499,873	-	18,635,301
8	357,710,777	29,815,162	29,815,162	-	17,949,768	-	18,101,470
9	373,304,704	30,845,924	30,845,924	-	17,355,442	-	17,521,771
10	389,521,987	31,781,137	31,781,137	-	16,711,812	-	16,890,916
11	406,495,584	32,739,472	32,739,472	-	16,089,480	-	16,280,172
12	424,317,758	33,822,198	33,822,198	-	15,534,182	-	15,735,941
13	442,955,038	34,785,979	34,785,979	-	14,931,623	-	15,142,538
14	462,606,738	35,746,121	35,746,121	-	14,339,959	-	14,558,844
15	483,403,127	36,487,558	36,487,558	-	13,679,809	-	13,904,211
16	505,733,936	37,268,873	37,268,873	-	13,058,633	-	13,287,747
17	529,755,391	38,224,795	38,224,795	-	12,517,363	-	12,751,281
18	530,434,767	38,985,050	38,985,050	-	11,931,141	-	12,167,751
19	530,251,483	39,637,958	39,637,958	-	11,337,346	-	11,575,161
20	529,237,397	40,269,217	40,269,217	-	10,764,392	-	11,002,529
21	527,378,613	41,008,324	41,008,324	-	10,244,826	-	10,483,225
22	524,508,974	41,662,986	41,662,986	-	9,727,454	-	9,964,989
23	520,614,554	42,172,764	42,172,764	-	9,202,315	-	9,437,611
24	515,479,255	42,695,246	42,695,246	-	8,706,844	-	8,939,497
25	507,098,972	43,103,093	43,103,093	-	8,214,968	-	8,443,948
26	497,708,024	43,552,985	43,552,985	-	7,757,675	-	7,982,861
27	487,192,222	43,754,420	43,754,420	-	7,283,696	-	7,503,539
28	475,730,059	43,968,376	43,968,376	-	6,840,479	-	7,054,856
29	463,242,416	44,202,976	44,202,976	-	6,427,082	-	6,635,946
30	449,636,234	44,293,663	44,293,663	-	6,018,942	-	6,221,520

The Projected Fiduciary Net Position and Benefit Payments are based on current employees in the Plan as of the Actuarial Valuation Date. The development of the Projected Fiduciary Net Position is shown in more detail earlier in this section.



ACTUARIAL PRESENT VALUE OF PROJECTED BENEFIT PAYMENTS – YEARS 31 TO 60

Year	Projected Beginning Fiduciary Net Position	Projected Benefit Payments	Projected Benefit Payments		Actuarial Present Values of Projected Benefit Payments		
			"Funded" Portion of Benefit Payments	"Unfunded" Portion of Benefit Payments	Present Value of "Funded" Benefit Payments (7.00%)	Present Value of "Unfunded" Benefit Payments (4.71%)	Present Value of Benefit Payments Using the Single Discount Rate (6.88%)
31	\$ 434,982,260	\$ 44,392,900	\$ 44,392,900	\$ -	\$ 5,637,782	\$ -	\$ 5,834,074
32	419,198,404	44,161,100	44,161,100	-	5,241,443	-	5,430,025
33	402,548,305	43,750,541	43,750,541	-	4,853,004	-	5,033,255
34	385,156,453	43,220,583	43,220,583	-	4,480,578	-	4,652,214
35	367,094,627	42,519,779	42,519,779	-	4,119,558	-	4,282,167
36	348,492,881	41,811,919	41,811,919	-	3,785,960	-	3,939,819
37	329,320,860	40,843,682	40,843,682	-	3,456,344	-	3,600,847
38	309,808,275	39,748,267	39,748,267	-	3,143,595	-	3,278,699
39	290,063,066	38,521,919	38,521,919	-	2,847,295	-	2,972,999
40	270,204,624	37,222,149	37,222,149	-	2,571,238	-	2,687,768
41	250,301,178	35,865,346	35,865,346	-	2,315,432	-	2,423,087
42	230,408,782	34,451,751	34,451,751	-	2,078,665	-	2,177,754
43	210,587,171	33,003,014	33,003,014	-	1,860,986	-	1,951,887
44	190,877,867	31,531,842	31,531,842	-	1,661,709	-	1,744,833
45	171,312,150	30,053,700	30,053,700	-	1,480,198	-	1,555,988
46	151,907,499	28,579,469	28,579,469	-	1,315,504	-	1,384,414
47	132,671,361	27,118,379	27,118,379	-	1,166,589	-	1,229,077
48	113,602,165	25,679,036	25,679,036	-	1,032,403	-	1,088,924
49	94,689,330	24,268,240	24,268,240	-	911,853	-	962,855
50	75,914,512	22,891,143	22,891,143	-	803,842	-	849,754
51	57,252,758	21,552,404	21,552,404	-	707,318	-	748,558
52	38,672,563	20,254,744	20,254,744	-	621,244	-	658,203
53	20,137,409	19,000,229	19,000,229	-	544,641	-	577,691
54	1,606,100	17,790,628	1,606,100	16,184,528	43,027	1,379,537	506,094
55	-	16,625,825	-	16,625,825	-	1,353,407	442,514
56	-	15,505,120	-	15,505,120	-	1,205,403	386,120
57	-	14,427,122	-	14,427,122	-	1,071,146	336,148
58	-	13,389,221	-	13,389,221	-	949,371	291,884
59	-	12,388,607	-	12,388,607	-	838,910	252,686
60	-	11,422,120	-	11,422,120	-	738,671	217,976

The Projected Fiduciary Net Position and Benefit Payments are based on current employees in the Plan as of the Actuarial Valuation Date. The development of the Projected Fiduciary Net Position is shown in more detail earlier in this section.



ACTUARIAL PRESENT VALUE OF PROJECTED BENEFIT PAYMENTS – YEARS 61 TO 80

Year	Projected Beginning Fiduciary Net Position	Projected Benefit Payments	Projected Benefit Payments		Actuarial Present Values of Projected Benefit Payments		
			"Funded" Portion of Benefit Payments	"Unfunded" Portion of Benefit Payments	Present Value of "Funded" Benefit Payments (7.00%)	Present Value of "Unfunded" Benefit Payments (4.71%)	Present Value of Benefit Payments Using the Single Discount Rate (6.88%)
61	\$ -	\$ 10,486,609	\$ -	\$ 10,486,609	\$ -	\$ 647,666	\$ 187,241
62	-	9,579,989	-	9,579,989	-	565,058	160,042
63	-	8,701,098	-	8,701,098	-	490,133	136,002
64	-	7,849,606	-	7,849,606	-	422,279	114,795
65	-	7,026,807	-	7,026,807	-	361,012	96,147
66	-	6,234,960	-	6,234,960	-	305,921	79,821
67	-	5,477,375	-	5,477,375	-	256,661	65,608
68	-	4,758,359	-	4,758,359	-	212,940	53,327
69	-	4,082,645	-	4,082,645	-	174,483	42,809
70	-	3,455,387	-	3,455,387	-	141,033	33,900
71	-	2,881,358	-	2,881,358	-	112,313	26,448
72	-	2,364,404	-	2,364,404	-	88,017	20,306
73	-	1,907,164	-	1,907,164	-	67,803	15,325
74	-	1,510,346	-	1,510,346	-	51,280	11,355
75	-	1,172,836	-	1,172,836	-	38,029	8,250
76	-	891,848	-	891,848	-	27,618	5,870
77	-	663,164	-	663,164	-	19,612	4,084
78	-	481,499	-	481,499	-	13,599	2,774
79	-	340,858	-	340,858	-	9,194	1,837
80	-	234,909	-	234,909	-	6,051	1,185

NOTES TO THE ACTUARIAL PRESENT VALUE OF PROJECTED BENEFIT PAYMENTS

The Projected Fiduciary Net Position and Benefit Payments are based on current employees in the Plan as of the Actuarial Valuation Date. The development of the Projected Fiduciary Net Position is shown in more detail earlier in this section.

The Funded and Unfunded Portion of Benefit Payments are split based on the time that the Projected Fiduciary Net Position is to reach \$0 (based on assets for current employees).

The Present Value ("PV") of the Funded and Unfunded Portion of Benefit Payments are determined separately. The PV of the Funded Portion of Benefit Payments uses the Expected Rate of Return on Plan Investments. The PV of the Unfunded Portion of Benefit Payments are determined using the High-Quality Municipal Bond Rate as of the Measurement Date, as described in the *Actuarial Assumptions Information* section of this report.

The Discount Rate used for GASB purposes is the rate such that when applied to the Total Projected Benefit Payments results in a Present Value that equals the sum of the Present Value of the Funded and Unfunded Portion of Benefit Payments. The Discount Rate is rounded to four decimal places; therefore, the resulting Present Value comparisons may show a slight difference due to rounding.



SUMMARY OF PRINCIPAL PLAN PROVISIONS

Establishment of the Fund
Administration
Member Contributions
Regular Retirement Pension Benefit
Early Retirement Pension Benefit
Surviving Spouse Benefit
Termination Benefit – Vested
Disability Benefit



ESTABLISHMENT OF THE FUND

The Police Pension Fund is established and administered as prescribed by “Article 3 – Police Pension Fund – Municipalities 500,000 and Under” of the Illinois Pension Code.

ADMINISTRATION

The Police Pension Fund is administered by a Board of Trustees whose duties are to manage the Pension Fund, determine applications for pensions, authorize payment of pensions, establish rules, pay expenses, and keep records.

MEMBER CONTRIBUTIONS

Members contribute 9.910% of their pensionable salary.

REGULAR RETIREMENT PENSION BENEFIT

Tier I

Eligibility: Age 50 with at least 20 years of creditable service.

Benefit: 50% of final salary for the first 20 years of service, plus an additional 2.5% of final salary for each year of service beyond 20 years of service, and not to exceed 75% of final salary. “Final salary” is based on the police officer’s pensionable salary attached to rank held on the last day of service, unless the pensionable salary was greater at some point within the year prior to the last day of service. If so, the pensionable salary is averaged over the last 12 months.

Annual Increase in Benefit: A police officer is entitled to receive an initial increase equal to 1/12 of 3% of the original monthly benefit for each full month that has passed since the pension began. The initial increase date will be the later of the first day of the month after the pensioner turns age 55 or the first day of the month after the benefit date anniversary. Subsequent increases of 3% of the current monthly benefit will be granted every January 1st thereafter.



REGULAR RETIREMENT PENSION BENEFIT - CONTINUED

Tier II

Eligibility: Age 55 with at least 10 years of creditable service.

Benefit: 2.5% of final average salary for each year of service, and not to exceed 75% of final average salary. "Final average salary" is determined by dividing the total pensionable salary during 48 consecutive months of service within the last 60 months of service in which total pensionable salary was the highest, by the number of months of service in that period (or by dividing the total pensionable salary during 96 consecutive months of service within the last 120 months of service in which total pensionable salary was the highest, by the number of months of service in that period, if greater). Annual salary for this purpose will not exceed the salary cap, indexed by the lesser of 3% or the CPI-U (not less than 0%) for the 12 months ending with the September preceding each November 1st. The salary cap will not decrease.

Annual Increase in Benefit: The initial increase date will be the later of the January 1st after the pensioner turns age 60 or the January 1st after the benefit date anniversary. Subsequent increases will be granted every January 1st thereafter. The initial increase and subsequent increases will be the lesser of 3% of the original benefit or $\frac{1}{2}$ of the CPI-U (not less than 0%) for the 12 months ending with the September preceding each November 1st.

EARLY RETIREMENT PENSION BENEFIT

Tier I

None.

Tier II

Eligibility: Age 50 with at least 10 years of creditable service.

Benefit: The regular retirement pension benefit reduced by $\frac{1}{2}$ of 1% for each month that the police officer's age is between 50 and 55.

Annual Increase in Benefit: The initial increase date will be the later of the January 1st after the pensioner turns age 60 or the January 1st after the benefit date anniversary. Subsequent increases will be granted every January 1st thereafter. The initial increase and subsequent increases will be the lesser of 3% of the original benefit or $\frac{1}{2}$ of the CPI-U (not less than 0%) for the 12 months ending with the September preceding each November 1st.



SURVIVING SPOUSE BENEFIT

Tier I

Eligibility: Married to an active police officer with at least 8 years of creditable service, a disabled pensioner at the time of death, or a retired pensioner on the last day of service.

Active Line of Duty Death Benefit: An eligible surviving spouse is entitled to receive 100% of the police officer's final pensionable salary attached to rank held on the last day of service.

Non-Duty Death Benefit:

Disabled or Retired Pensioner: An eligible surviving spouse is entitled to receive the pensioner's benefit at the time of death.

Active Member with 20+ Years of Service: An eligible surviving spouse is entitled to the police officer's eligible benefit at the time of death.

Active Member with 10-20 Years of Service: An eligible surviving spouse is entitled to receive 50% of the police officer's pensionable salary attached to rank held on the last day of service, unless the pensionable salary was greater at some point within the year prior to the last day of service. If so, the pensionable salary is averaged over the last 12 months.

Annual Increase in Benefit: None.

Tier II

Eligibility: Married to an active police officer with at least 10 years of creditable service, a disabled pensioner at the time of death, or a retired pensioner on the last day of service.

Active Line of Duty Death Benefit: An eligible surviving spouse is entitled to receive 100% of the police officer's final pensionable salary attached to rank held on the last day of service.

Non-Duty Death Benefit:

Disabled or Retired Pensioner, Active Member with 20+ Years of Service, and Active Member with 10-20 Years of service: An eligible surviving spouse is entitled to receive the greater of 66⅔% of the police officer's earned pension benefit at the time of death or 54% of the police officer's monthly salary at the time of death.

Annual Increase in Benefit: The initial increase date will be the January 1st after the surviving spouse turns age 60. Subsequent increases will be granted every January 1st thereafter. The initial increase and subsequent increases will be the lesser of 3% of the original benefit or ½ of the CPI-U (not less than 0%) for the 12 months ending with the September preceding each November 1st.



SURVIVING SPOUSE BENEFIT – CONTINUED

Public Act 102-0811 passed on May 13, 2022 and is effective as of January 1, 2023 for Article 3 Pension Funds. The Act establishes that a surviving spouse of a deceased police retiree may be eligible for a survivor's pension of up to 15 years of benefit payments if (a) the surviving spouse has attained age 62 and (b) if the police officer was married to the surviving spouse after retirement, and for at least 5 years prior to the officer's death. Previously, there was no survivor's pension for spouses married after retirement. In our opinion, under a prudent interpretation of the provisions, we believe the impact to be de minimis. The legal community has suggested some uncertainty about multiple provisions contained in the Act, and the IDOI Public Pension Division has not provided an interpretation. The client has not made an administrative interpretation as to how the provisions of the Act will impact future surviving spouses. Due to the uncertainty around the interpretation and the expected *de minimis* impact, we have not valued this contingency separately for active Members. However, for any current retirees who were married after retirement and have been married for at least 5 years, as well as any surviving spouses currently in receipt of benefits under this provision, we have valued the liability of the benefit granted.

TERMINATION BENEFIT – VESTED

Tier I

Eligibility: Age 60 with at least 8 but less than 20 years of creditable service.

Benefit: 2.5% of final salary for each year of service. "Final salary" is based on the police officer's pensionable salary attached to rank held on the last day of service, unless the pensionable salary was greater at some point within the year prior to the last day of service. If so, the pensionable salary is averaged over the last 12 months.

Annual Increase in Benefit: A police officer is entitled to receive an initial increase equal to 1/12 of 3% of the original monthly benefit for each full month that has passed since the pension began. The initial increase date will be the first day of the month after the benefit date anniversary. Subsequent increases of 3% of the current monthly benefit will be granted every January 1st thereafter.

Tier II

None.



DISABILITY BENEFIT

Tier I

Eligibility: Duty or Non-Duty Disability with at least 1 day of creditable service. Occupational Disease Disability with at least 5 years of creditable service.

Benefit: For a duty disability with at least 1 day of creditable service or an occupational disease disability with at least 5 years of creditable service, a police officer is entitled to receive the greater of 65% of final salary or the regular retirement pension benefit at the time of disability. For a non-duty disability with at least 1 day of creditable service, a police officer is entitled to receive 50% of their final salary. "Final salary" is based on the police officer's pensionable salary attached to rank held on the last day of service.

Annual Increase in Benefit: A police officer is entitled to receive an initial increase equal to 3% of the original monthly benefit for each full year that has passed since the pension began. The initial increase date will be the later of the January 1st after following pensioner turns age 60 or the January 1st after the benefit date anniversary. Subsequent increases of 3% of the original monthly benefit will be granted every January 1st thereafter.

Tier II

Eligibility: Duty or Non-Duty Disability with at least 1 day of creditable service. Occupational Disease Disability with at least 5 years of creditable service.

Benefit: For a duty disability with at least 1 day of creditable service or an occupational disease disability with at least 5 years of creditable service, a police officer is entitled to receive the greater of 65% of final salary or the regular retirement pension benefit at the time of disability. For a non-duty disability with at least 1 day of creditable service, a police officer is entitled to receive 50% of their final salary. "Final salary" is based on the police officer's pensionable salary attached to rank held on the last day of service.

Annual Increase in Benefit: The initial increase date will be the later of the January 1st after the pensioner turns age 60 or the January 1st after the benefit date anniversary. Subsequent increases will be granted every January 1st thereafter. The initial increase and subsequent increases will be the lesser of 3% of the original benefit or $\frac{1}{2}$ of the CPI-U (not less than 0%) for the 12 months ending with the September preceding each November 1st.