

Montgomery County Employees' Retirement System

Actuarial Valuation as of July 1, 2024



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September 27, 2024

Mr. Eli Martinez
Executive Director
Montgomery County Employees' Retirement System
101 Monroe Street, 6th Floor
Rockville, Maryland 20850

Dear Mr. Martinez:

We are pleased to provide our formal annual Actuarial Valuation Report as of July 1, 2024 for the Montgomery County Employees' Retirement System ("System"). The actuarial valuation was performed at the request of Montgomery County ("County") and is intended for use by the County and the System and those designated by the County and the System. This report may be provided to parties other than the County and System only in its entirety and only with the permission of the County and the System. GRS is not responsible for unauthorized use of this report.

The purposes of the actuarial valuation are to measure the funding progress of the System and to determine the recommended annual contribution to the System for the Plan Year commencing July 1, 2025 and ending on June 30, 2026. Information required by GASB Statement Nos. 67 and 68 is provided in a separate report. This report should not be relied on for any purpose other than the purposes described herein. Determinations of financial results, associated with the benefits described in this report, for purposes other than those identified above may be significantly different.

The recommended annual contribution in this report is determined using the actuarial assumptions and methods disclosed in Section C of this report. This report includes risk metrics on pages A-5 and A-6 but does not include a more robust assessment of the risks of future experience not meeting the actuarial assumptions. Additional assessment of risks was outside the scope of this assignment.

This actuarial valuation assumed the continuing ability of the plan sponsor to make the contributions necessary to fund this plan. A determination regarding whether or not the plan sponsor is actually able to do so is outside the scope of this assignment and was not performed.

The actuarial valuation was based upon information furnished by the County Staff, concerning benefits provided by the Montgomery County Employees' Retirement System, financial transactions, plan provisions and census data for active members, terminated members, retirees and beneficiaries as of July 1, 2024. We checked for internal and year-to-year consistency, but did not audit the data. We are not responsible for the accuracy or completeness of the information provided by the County Staff.

This report was prepared using actuarial assumptions adopted by the Board as authorized under Montgomery County Code. All actuarial assumptions used in this report are reasonable for the purposes of this actuarial valuation and meet the parameters set forth in the Actuarial Standards of Practice issued by the Actuarial Standards Board. Additional information about the actuarial assumptions is included in the Section C of this report. The actuarial assumptions used in this actuarial valuation are based on the phase 1 and phase 2 experience study reports covering the period July 1, 2018 through July 1, 2023.

The following assumption changes were first reflected in this actuarial valuation:

- Sick Leave
 - A decrease for all groups except Group A.
- Salary Increases
 - An overall increase in the assumed rates of salary increases.
- Retirement
 - An overall decrease in the assumed retirement rates for most groups.
- Withdrawal
 - An overall increase in the assumed withdrawal rates for Groups F and G.
- Disability
 - An overall decrease in the assumed disability rates for most groups.

The following plan changes have been reflected in this actuarial valuation. All other plan provisions have remained unchanged since the last valuation, performed as of July 1, 2024.

- Group E, J, GRIP
 - Transfer of ECC employees from RSP/GRIP to Groups E and J.
- Groups E, F, G, J
 - A deferred vested benefit will be payable at age 72 (increased from age 70 ½) for participants who do not meet retirement eligibility conditions upon vested termination (are not age 55 with 15 or more years of service).
- Group G
 - The Social Security integration age was increased to age 70.

This report was prepared using our proprietary valuation model and related software which, in our professional judgment, has the capability to provide results that are consistent with the purposes of the valuation, and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled. We are relying on the GRS actuaries and Internal Software, Training and Processes Team who developed and maintain the model.




This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. To the best of our knowledge, the information contained in this report is accurate, and fairly presents the actuarial position of the Montgomery County Employees' Retirement System as of the actuarial valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, and with the Actuarial Standards of Practice issued by the Actuarial Standards Board.

Amy Williams, Alex Rivera and Mark Buis are Members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

The signing actuaries are independent of the plan sponsor.

We will be pleased to review this report with you at your convenience.

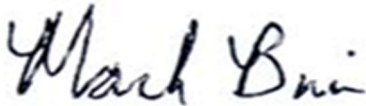
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SECTION A

ACTUARIAL VALUATION RESULTS

Comments on the Actuarial Valuation

At your request, we have performed an actuarial valuation of the Montgomery County Employees' Retirement System as of July 1, 2024.

The purposes of this actuarial valuation are as follows:

- To determine the funding status of the System as of the actuarial valuation date;
- To determine the recommended contribution for the fiscal year beginning July 1, 2025; and
- To provide other data required by the System.

Accounting information required under Governmental Accounting Standards Board ("GASB") Statement Nos. 67 and 68 is presented in a separate report.

We received the data from the Montgomery County Employees' Retirement System Staff. We performed certain checks for reasonableness and found the data to be complete and reliable for actuarial valuation purposes. However, we did not audit the data.

A total of 6,681 active members (excluding DRSP and DROP) were included in the actuarial valuation as of July 1, 2024. Between the 2023 and 2024 actuarial valuations, the number of active employees increased by 452 members. The average annual actuarial valuation pay (excluding DRSP and DROP) increased by 6.4%, from \$90,695 to \$96,494 between the 2023 and 2024 actuarial valuation. The number of benefit recipients (including DRSP and DROP) decreased from 6,986 to 6,972, or -0.2%, since the last actuarial valuation. The average monthly benefit increased by 2.5%, from \$3,852 to \$3,947. Section B summarizes the membership data.

There is a group of retirees who have benefits that are insured by Aetna. The total benefit amount reported for each of these members in the actuarial valuation report includes the insured benefit amount. However, the actuarial liabilities exclude the value of the insured benefits. The actuarial liabilities included in the actuarial valuation for these members are for benefits in excess of the insured benefit and represent cost of living adjustments provided by the Montgomery County Employees' Retirement System.

Actuarial Assumptions and Methods

Section C outlines the actuarial assumptions and methods used in the actuarial valuation. The actuarial assumptions used in this actuarial valuation are based on the experience study reports covering the period July 1, 2018 through July 1, 2023.

The following assumption changes were first reflected in this actuarial valuation:

- Sick Leave
 - A decrease for all groups except Group A.
- Salary Increases
 - An overall increase in the assumed rates of salary increases.
- Retirement
 - An overall decrease in the assumed retirement rates for most groups.
- Withdrawal
 - An overall increase in the assumed withdrawal rates for Groups F and G.



Comments on the Actuarial Valuation (Continued)

- Disability
 - An overall decrease in the assumed disability rates for most groups.

The assumption for administrative expenses is equal to 105% of the average of the prior three years' administrative expenses. This amount has increased from \$3,281,200 to \$3,560,000.

All other assumptions used in this actuarial valuation are the same as those used in the actuarial valuation at July 1, 2023.

Plan Changes

Section D outlines the principal benefit provisions of the System. The following plan changes have been reflected in this actuarial valuation. All other plan provisions have remained unchanged since the last valuation, performed as of July 1, 2023.

- Group E, J, GRIP
 - Transfer of ECC employees from RSP/GRIP to Groups E and J.
- Groups E, F, G, J
 - A deferred vested benefit will be payable at age 72 (increased from age 70 ½) for participants who do not meet retirement eligibility conditions upon vested termination (are not age 55 with 15 or more years of service).
- Group G
 - The Social Security integration age was increased to age 70.

Plan Experience

During the plan year ending June 30, 2024, the unfunded liability (the actuarial value of assets minus the actuarial accrued liability) of \$71,184,308 as of July 1, 2023 increased to \$197,749,027 as of July 1, 2024, which is an increase in the unfunded actuarial accrued liability of \$126,564,719. The key factors contributing to the increase in the unfunded actuarial accrued liability were (1) higher salary increases than expected by the actuarial assumptions, (2) unfavorable asset experience based on the actuarial value of assets, and (3) higher than expected COLA increases for retired members. (The COLA increase was 3.289% or 3.174% compared to an assumed COLA increase of 2.50% or 2.45%, respectively, for benefits attributable to service prior to July 1, 2011, and 2.50% compared to an assumed COLA increase of 2.20% for benefits attributable to service on or after July 1, 2011. For members who receive an increase based on 60% of CPI, the actual increase was 1.974% compared to an assumed COLA increase of 1.50%.) These increases were partially offset by decreases due to changes in assumptions.

The fiscal year 2024 County contributions include amounts in addition to those calculated in the July 1, 2022 actuarial valuation that were budgeted after benefit provision changes. The additional amounts are \$1,659,074 for MCGEO (Groups E and J), \$3,205,615 for Fire (Group G) and \$1,220,578 for Police (Group F).

On a market value basis, the Plan assets had an investment return of approximately 8.78%¹ (net of investment expenses). Recognition of the fiscal year end 2020, 2022 and 2023 investment losses were partially offset by recognition of the fiscal year end 2021 and 2024 investment gains. The net investment

¹ As provided by Montgomery County ERS.



Comments on the Actuarial Valuation (Continued)

losses resulted in an estimated net asset rate of return of 6.69% on an actuarial value of assets basis, which compares to the assumed rate of return of 7.50%.

The funded ratio (ratio of assets to liabilities) decreased from 98.6% to 96.3% on an actuarial value of assets basis, and decreased from 94.2% to 92.9% on a market value of assets basis between the 2023 and 2024 actuarial valuations.

The funded ratio and unfunded actuarial accrued liability are useful for assessing the need for and the amount of future unfunded liability contributions (excludes normal cost contributions). They are not appropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the System's benefit obligations.

Recommended County Contributions

The total contribution rate is equal to the normal cost rate plus amortization of the unfunded liability as a level percentage of payroll. The combined unfunded liability as of July 1, 2023 (and in each future year) for Groups A, H and GRIP (Groups A and H are closed to new members) is amortized over a 20-year closed amortization period as a level percentage of payroll and subsequent unfunded liability over separate 20-year closed amortization periods as a level percentage of payroll.

The unfunded liability as of July 1, 2015, for the Public Safety groups (Groups E, F, G and J) was amortized over a closed period of 20 years (11 years remaining at the actuarial valuation as of July 1, 2024) and the unfunded liability bases established in each subsequent year are amortized over separate 20-year closed periods as a level percentage of payroll.

The single equivalent amortization period for the System in total as of July 1, 2024 is 16.2 years. The single equivalent amortization period is 23.5 years for Groups A, H, and GRIP and 15.9 years for the non-GRIP open groups (Public Safety groups) as of July 1, 2024. There is currently an unfunded liability for all groups except Group J, and therefore, the amortization period relates to amortizing the surplus for Group J.

The total contribution rate minus the average employee contribution rate equals the County contribution rate. The actuarial valuation as of July 1, 2023 established the County contribution rate for fiscal year beginning July 1, 2024 and ending June 30, 2025. This actuarial valuation as of July 1, 2024 establishes the County contribution rate for fiscal year beginning July 1, 2025 and ending June 30, 2026.

Outside agencies are separately amortizing their portion of the non-GRIP unfunded liability as a level dollar amount over a 20-year closed period as of July 1, 2015 (10-year closed period for Strathmore Hall and Washington Suburban Transit Commission). In determining the unfunded actuarial accrued liability base and amortization of unfunded liability contribution rate for Groups A, H, and GRIP, the non-GRIP outside agencies' unfunded liability was deducted along with excluding the non-GRIP outside agencies' contribution basis payroll for amortization of the unfunded actuarial accrued liability.

The County contribution rates for Groups A, H and GRIP are equal to the separate County normal cost rates for each group plus the pooled unfunded liability contribution rate of 0.20% that was calculated on a combined basis for all three groups. The County contribution rates for fiscal year 2026 increased for Public Safety Groups E, F and G, for non-Public Safety (combined Groups A, H and GRIP) and Group J from the fiscal year 2025 County contribution rate. The increases in the County contribution rates were mainly attributable to unfavorable asset experience based on the actuarial value of assets and higher than expected salary



Comments on the Actuarial Valuation (Concluded)

increases. In addition, there was a significant increase in Group J payroll due to about a 25% increase in the number of active members. This increase in payroll resulted in an increase in the portion of the contribution rate that is amortizing the Group J surplus.

The actuarial value of assets is currently approximately 104% of the market value of assets. There are \$175,764,212 in asset losses currently being deferred that will be phased into the actuarial value of assets over the next four years. Assuming all future assumptions are realized, there is projected to be an increase in the recommended County contribution as the remaining deferred asset losses are recognized. Without an offsetting asset gain, a significant deferred asset loss of about \$158 million is projected to be recognized in the July 1, 2026 actuarial valuation, which will result in an increase in the fiscal year 2028 County contribution requirement.

A separate contribution rate is calculated for the Public Safety agency (CP) than for the Non-Public Safety agencies (CC, CM, CN, CZ). The same unfunded liability contribution rate and rate for expenses of administration plus the separate Public Safety/Non-Public Safety County normal cost rate (for benefits) was used to calculate the separate GRIP contribution rates.

RISKS ASSOCIATED WITH MEASURING THE ACCRUED LIABILITY AND ACTUARIALLY DETERMINED CONTRIBUTION

The determination of the accrued liability and the actuarially determined contribution requires the use of assumptions regarding future economic and demographic experience. Risk measures, as illustrated in this report, are intended to aid in the understanding of the effects of future experience differing from the assumptions used in the course of the actuarial valuation. Risk measures may also help with illustrating the potential volatility in the accrued liability and the actuarially determined contribution that result from the differences between actual experience and the actuarial assumptions.

Future actuarial measurements may differ significantly from the current measurements 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 due to changing conditions; 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. The scope of an actuarial valuation does not include an analysis of the potential range of such future measurements.

Examples of risk that may reasonably be anticipated to significantly affect the plan's future financial condition include:

1. **Investment Risk** – actual investment returns may differ from the expected returns;
2. **Asset/Liability Mismatch** – changes in asset values may not match changes in liabilities, thereby altering the gap between the accrued liability and assets and consequently altering the funded status and contribution requirements;
3. **Contribution Risk** – actual contributions may differ from expected future contributions. For example, actual contributions may not be made in accordance with the plan's funding policy or material changes may occur in the anticipated number of covered employees, covered payroll or other relevant contribution base;
4. **Salary and Payroll Risk** – actual salaries and total payroll may differ from expected, resulting in actual future accrued liability and contributions differing from expected;
5. **Longevity Risk** – members may live longer or shorter than expected and receive pensions for a period of time other than assumed; and
6. **Other Demographic Risks** – members may terminate, retire or become disabled at times or with benefits other than assumed resulting in actual future accrued liability and contributions differing from expected.

The effects of certain trends in experience can generally be anticipated. For example, if the investment return since the most recent actuarial valuation is less (or more) than the assumed rate, the cost of the plan can be expected to increase (or decrease). Likewise, if longevity is improving (or worsening), increases (or decreases) in cost can be anticipated.

The County contribution rates shown on page A-9 may be considered as a minimum contribution rate that complies with the County's funding policy. The timely receipt of the actuarially determined contributions is critical to support the financial health of the plan. Users of this report should be aware that contributions made at the actuarially determined rate do not necessarily guarantee benefit security.

Risk Measures

PLAN MATURITY MEASURES

Risks facing a pension plan evolve over time. A young plan with virtually no investments and paying few benefits may experience little investment risk. An older plan with a large number of members in pay status and a significant trust may be much more exposed to investment risk. Generally accepted plan maturity measures include the following:

	2020	2021	2022	2023	2024
Ratio of the market value of assets to total payroll	8.60	10.46	9.47	8.46	7.62
Ratio of actuarial accrued liability to payroll	8.79	9.01	9.45	8.98	8.20
Ratio of actives to retirees and beneficiaries ¹	0.91	0.91	0.86	0.89	0.96
Ratio of net cash flow to market value of assets	-0.04	-0.03	-0.04	-0.05	-0.05

¹ DRSP/DROP participants included in the count of retirees and beneficiaries.

RATIO OF MARKET VALUE OF ASSETS TO PAYROLL

The relationship between assets and payroll is a useful indicator of the potential volatility of contributions. For example, if the market value of assets is 2.0 times the payroll, a return on assets 5% different than assumed would equal 10% of payroll. A higher (lower) or increasing (decreasing) level of this maturity measure generally indicates a higher (lower) or increasing (decreasing) volatility in plan sponsor contributions as a percentage of payroll.

RATIO OF ACTUARIAL ACCRUED LIABILITY TO PAYROLL

The relationship between actuarial accrued liability and payroll is a useful indicator of the potential volatility of contributions for a fully funded plan. A funding policy that targets a funded ratio of 100% is expected to result in the ratio of assets to payroll and the ratio of liability to payroll converging over time. The ratio of liability to payroll may also be used as a measure of sensitivity of the liability itself. For example, if the actuarial accrued liability is 2.5 times the payroll, a change in liability 2% other than assumed would equal 5% of payroll. A higher (lower) or increasing (decreasing) level of this maturity measure generally indicates a higher (lower) or increasing (decreasing) volatility in liability (and also plan sponsor contributions) as a percentage of payroll.

RATIO OF ACTIVES TO RETIREES AND BENEFICIARIES

A young plan with many active members and few retirees will have a high ratio of actives to retirees. A mature open plan may have close to the same number of actives to retirees resulting in a ratio near 1.0. A super-mature or closed plan may have significantly more retirees than actives resulting in a ratio below 1.0.

RATIO OF NET CASH FLOW TO MARKET VALUE OF ASSETS

A positive net cash flow means contributions exceed benefits and expenses. A negative cash flow means existing funds are being used to make payments. A certain amount of negative net cash flow is generally expected to occur when benefits are prefunded through a qualified trust. Large negative net cash flows as a percent of assets may indicate a super-mature plan or a need for additional contributions.

ADDITIONAL RISK ASSESSMENT

Additional risk assessment is outside the scope of the annual actuarial valuation. Additional assessment may include scenario tests, sensitivity tests, stochastic modeling, stress tests and a comparison of the present value of accrued benefits at low-risk discount rates with the actuarial accrued liability.



Low-Default-Risk Obligation Measure

INTRODUCTION

In December 2021, the Actuarial Standards Board (ASB) adopted a revision to Actuarial Standard of Practice (ASOP) No. 4, Measuring Pension Obligations and Determining Pension Plan Costs or Contributions. The revised ASOP No. 4 requires the calculation and disclosure of a liability referred to by the ASOP as the “Low-Default-Risk Obligation Measure” (LDROM).

What is the LDROM?

The LDROM is a particular measure of the benefits earned (or costs accrued if appropriate under the actuarial cost method used for this purpose) as of the measurement date.

How is the LDROM Calculated?

The LDROM is calculated using an immediate gain actuarial cost method, one in which gains and losses become part of the unfunded actuarial accrued liabilities. Examples would be Entry Age Normal Cost, Projected Unit Credit, and Traditional Unit Credit. It is based upon a discount rate or discount rates derived from low-default-risk fixed income securities whose cash flows are reasonably consistent with the pattern of benefits expected to be paid in the future.

What Does the LDROM Tell Me?

The LDROM gives an approximate measure of the cost as of the measurement date of securing benefits by constructing a Low Default Risk Bond portfolio whose cash flows match the pattern of benefits expected to be paid in the future. The LDROM is very dependent upon market interest rates at the time of the LDROM measurement. The lower the market interest rates, the higher the LDROM, and vice versa.

Is the LDROM the “Right” Liability that Should Be Reported?

No single number, including the LDROM can provide all of the information necessary to understand the financial condition of a pension plan. The rationale that the ASB cited for the calculation and disclosure of the LDROM was included in the Transmittal Memorandum of ASOP No. 4 and is presented below (emphasis added):

“The ASB believes that the calculation and disclosure of this measure provides appropriate, useful information for the intended user regarding the funded status of a pension plan. The calculation and disclosure of this additional measure is not intended to suggest that this is the “right” liability measure for a pension plan. However, the ASB does believe that this additional disclosure provides a more complete assessment of a plan’s funded status and provides additional information regarding the security of benefits that members have earned as of the measurement date.”

COMPARING THE ACCRUED LIABILITIES AND THE LDROM

The LDROM results presented in this report are based on the Entry Age Normal (EAN) actuarial cost method and discount rates based upon the June 2024(end of month) FTSE Pension Discount Curve (PDC). The PDC is calculated based on a universe of AA rated corporate bonds from the FTSE US Broad Investment-Grade Bond Index (USBIG®) of varying maturities and the yields of the Treasury model curve.

The 1-, 5-, 10-, 20- and 30-year rates follow: 5.50%, 4.86%, 5.09%, 5.59% and 5.33%.



Low-Default-Risk Obligation Measure

The funding actuarial accrued liability is based on the EAN actuarial cost method and discount rate (the expected long-term rate of return on assets) of 7.50%.

Presented below is a comparison of the funding actuarial accrued liability and the LDROM as of July 1, 2024 for the Montgomery County Employees' Retirement System:

Funding Valuation Actuarial Accrued Liability	\$ 5,288,851,329
LDROM	<u>6,604,720,982</u>
Difference	\$ (1,315,869,653)

The difference between the funding actuarial accrued liability and the LDROM (\$1,315,869,653) is one illustration of the potential savings in contributions (on a present value basis) due to the additional investment earnings that the System anticipates from taking on the risk in its well-diversified portfolio (which would not be earned by investing in low-default-risk fixed income securities).

Since plan assets are not invested in a portfolio of low-default-risk fixed income securities, LDROM does not provide relevant information on the funded status or statutory contribution requirements. (The funded status and statutory contributions are based on the funding valuation actuarial accrued liability using a discount rate of 7.50%.) Benefit security for members of the plan relies on a combination of the current assets in the plan, the future investment returns generated on those assets, and the promise of future contributions from the plan sponsor.

The LDROM liability contained in this report was provided solely to comply with the requirements of ASOP No. 4 Section 3.11 and should not be used for any other purpose. This measure may not be appropriate for assessing the need for or amount of future contributions. This measure may not be appropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the plan's benefit obligation if the portfolio market interest rates used to settle the benefit obligations are significantly different than those used in the LDROM liability measurement.

Summary of Actuarial Valuation Results

		July 1, 2023	July 1, 2024
		Results	Results
Membership Data			
	Active Members	6,229	6,681
	DRSP/DROP	177	114
	Deferred Vested	768	860
	Retirees and Beneficiaries	6,809	6,858
	TOTAL	13,983	14,513
Plan Liabilities			
	Actuarial Accrued Liability:		
	Active Members	\$ 1,569,656,299	\$ 1,713,018,379
	DRSP/DROP	204,625,557	138,417,913
	Deferred Vested	64,416,985	75,364,531
	Retirees and Beneficiaries	3,236,357,796	3,362,050,506
	TOTAL	\$ 5,075,056,637	\$ 5,288,851,329
	Actuarial Value of Assets at Valuation Date	\$ 5,003,872,329	\$ 5,091,102,302
	Unfunded (Overfunded) Actuarial Accrued Liability	\$ 71,184,308	\$ 197,749,027
	Funded Position of Plan's Actuarial Accrued Liability ¹	98.6 %	96.3 %
Recommended Annual Contribution Requirements ²			
		Fiscal Year	Fiscal Year
		2025	2026
	Annual Normal Cost	\$ 94,964,753	\$ 105,809,217
	Normal Cost Expense Load	3,281,201	3,560,000
	Amortization Payment	6,185,910	15,781,425
	Total Annual Required Contribution	104,431,864	125,150,642
	Expected Employee Contributions	30,463,444	34,490,782
	County Contribution Requirement	\$ 73,968,420	\$ 90,659,860
	Contribution Basis Payroll:		
	For Normal Cost	\$ 539,568,523	\$ 615,054,098
	For Amortization of Unfunded Liability	\$ 552,289,993	\$ 643,158,581
	County Contribution % of Payroll		
	Public Safety (Groups E, F, G)	22.57%	23.78%
	Non-Public Safety (Groups A, H)	4.85%	5.36%
	GRIP	5.94%	6.82%
	Public Safety (Group J)	5.91%	8.97%

¹ Equals the ratio of the actuarial value of assets to the total actuarial accrued liability.

² Includes the Retirement Incentive cost. Excludes the non-GRIP outside agency unfunded liability contribution of \$1,245,769. Includes the GRIP outside agency estimated normal cost and unfunded liability contribution and the non-GRIP estimated normal cost contribution of \$615,896 for fiscal year 2025 and \$602,261 for fiscal year 2026. County estimated contribution is \$73,352,524 for fiscal year 2025 and \$90,057,599 for fiscal year 2026.



Contribution Rate Summary

All Plans

Valuation as of July 1, 2024											July 1, 2023	
Non-Public Safety			Public Safety									
Group A	Group H	Total Non PS	Group J	Group E	Group F	Group G	Group E, F, G	GRIP	Total	Total Agency	Total	
County Contribution Requirement (\$)												
Non-GRIP	\$ 2,180,680	\$ 1,174,811	\$ 3,355,491	\$ 1,098,267	\$ 8,067,436	\$ 21,915,279	\$ 38,524,787	\$ 68,507,502	\$ -	\$ 72,961,260	\$ 1,311,665	\$ 61,338,413
GRIP	-	-	-	-	-	-	-	-	18,944,369	18,944,369	536,365	13,875,776
Total All Plans	\$ 2,180,680	\$ 1,174,811	\$ 3,355,491	\$ 1,098,267	\$ 8,067,436	\$ 21,915,279	\$ 38,524,787	\$ 68,507,502	\$ 18,944,369	\$ 91,905,629	\$ 1,848,030	\$ 75,214,189
County Normal Cost Contribution Requirement (% of Payroll)												
Non-GRIP	5.14%	5.17%	5.16%	12.76%	14.78%	17.44%	21.05%	18.52%	-	16.74%	5.14%	17.12%
GRIP	-	-	-	-	-	-	-	-	6.62%	6.62%	6.62%	6.66%
Total All Plans	5.14%	5.17%	5.16%	12.76%	14.78%	17.44%	21.05%	18.52%	6.62%	12.17%	-	12.56%
County UAL Contribution Requirement (% of Payroll)												
Non-GRIP	0.20%	0.20%	0.20%	-3.79%	1.63%	1.47%	10.39%	5.26%	-	4.31%	NA	2.59%
GRIP	-	-	-	-	-	-	-	-	0.20%	0.20%	0.20%	-0.72%
Total All Plans	0.20%	0.20%	0.20%	-3.79%	1.63%	1.47%	10.39%	5.26%	0.20%	2.45%	NA	1.12%
Total County Contribution Requirement (% of Payroll)												
Non-GRIP	5.34%	5.37%	5.36%	8.97%	16.41%	18.91%	31.44%	23.78%	-	21.05%	NA	19.71%
GRIP	-	-	-	-	-	-	-	-	6.82%	6.82%	6.82%	5.94%
Total All Plans	5.34%	5.37%	5.36%	8.97%	16.41%	18.91%	31.44%	23.78%	6.82%	14.62%	NA	13.68%

Valuation as of July 1, 2023											July 1, 2022	
Non-Public Safety			Public Safety									
Group A	Group H	Total Non PS	Group J	Group E	Group F	Group G	Group E, F, G	GRIP	Total	Total Agency	Total	
County Contribution Requirement (\$)												
Non-GRIP	\$ 2,231,883	\$ 1,120,435	\$ 3,352,318	\$ 486,894	\$ 5,023,817	\$ 18,927,127	\$ 33,548,257	\$ 57,499,201	\$ -	\$ 61,338,413	\$ 1,362,117	\$ 40,642,685
GRIP	-	-	-	-	-	-	-	-	13,875,776	13,875,776	499,548	12,193,657
Total All Plans	\$ 2,231,883	\$ 1,120,435	\$ 3,352,318	\$ 486,894	\$ 5,023,817	\$ 18,927,127	\$ 33,548,257	\$ 57,499,201	\$ 13,875,776	\$ 75,214,189	\$ 1,861,665	\$ 52,836,342
County Normal Cost Contribution Requirement (% of Payroll)												
Non-GRIP	5.64%	5.52%	5.57%	13.73%	14.88%	18.25%	21.51%	19.17%	-	17.12%	5.64%	15.45%
GRIP	-	-	-	-	-	-	-	-	6.66%	6.66%	6.66%	6.68%
Total All Plans	5.64%	5.52%	5.57%	13.73%	14.88%	18.25%	21.51%	19.17%	6.66%	12.56%	-	11.85%
County UAL Contribution Requirement (% of Payroll)												
Non-GRIP	-0.72%	-0.72%	-0.72%	-7.82%	-1.21%	-0.52%	8.81%	3.40%	-	2.59%	NA	-1.74%
GRIP	-	-	-	-	-	-	-	-	-0.72%	-0.72%	-0.72%	-0.58%
Total All Plans	-0.72%	-0.72%	-0.72%	-7.82%	-1.21%	-0.52%	8.81%	3.40%	-0.72%	1.12%	NA	-3.27%
Total County Contribution Requirement (% of Payroll)												
Non-GRIP	4.92%	4.80%	4.85%	5.91%	13.67%	17.73%	30.32%	22.57%	-	19.71%	NA	13.71%
GRIP	-	-	-	-	-	-	-	-	5.94%	5.94%	5.94%	6.10%
Total All Plans	4.92%	4.80%	4.85%	5.91%	13.67%	17.73%	30.32%	22.57%	5.94%	13.68%	NA	10.60%

Beginning in fiscal year 2017 for non-GRIP members, outside agencies will make normal cost contributions for their active employees (based on payroll) plus a level dollar amortization payment. The level dollar amortization payment will be made for 20 years (10 years for Strathmore Hall and Washington Suburban Transit Commission) and is not based on payroll. There are 11 years remaining in the 20-year closed amortization period, and 1 year remaining in the 10-year closed amortization period, as of July 1, 2024.

The unfunded liability for the non-Public Safety groups A, H, and GRIP was amortized over a 20-year closed period beginning July 1, 2023. The unfunded liability for the Public Safety groups (Groups E, F, G and J) was amortized over separate 20-year closed periods beginning July 1, 2015.



Actuarial Valuation Results

All Plans

	Combined Groups A, H, GRIP	Valuation as of July 1, 2024								% of Payroll	July 1, 2023		
		Non-Public Safety		Public Safety				GRIP	Total		Total	% of Payroll	
		Group A	Group H	Group J	Group E	Group F	Group G						
Total All Plans													
Active Members													
Number	3,647	148	239	124	586	1,069	1,255	3,260	6,681		6,229		
Average Age	49.8	60.2	60.9	49.0	41.9	40.6	38.7	48.5	45.5		45.5		
Average Credited Service	10.2	30.7	29.9	12.6	8.9	14.8	12.5	7.8	11.3		11.8		
Total Base Payroll	\$ 333,810,973	\$ 19,302,001	\$ 24,378,396	\$ 13,682,761	\$ 51,821,329	\$ 119,911,162	\$ 125,453,459	\$ 290,130,576	\$ 644,679,684		\$ 564,939,277		
Contribution Basis Payroll:													
For Normal Cost	\$ 316,893,793	\$ 17,494,478	\$ 21,802,623	\$ 12,674,432	\$ 48,858,352	\$ 115,492,201	\$ 121,135,320	\$ 277,596,692	\$ 615,054,098		\$ 539,568,523		
For Amortization of Unfunded Liability*	332,289,870	17,780,898	24,378,396	13,682,761	51,821,329	119,911,162	125,453,459	290,130,576	643,158,581		552,289,993		
DRSP/DROP Members													
Number					18	40	56		114		177		
Total Base Payroll					\$ 2,279,182	\$ 5,510,726	\$ 7,929,943		\$ 15,719,851		\$ 22,623,905		
Total Benefits					1,131,584	3,420,422	4,629,063		9,181,069		13,729,018		
Terminated Vested Members													
Number	769	15	17	4	26	43	18	737	860		768		
Total Benefits (non-GRIP)	\$ 386,015	\$ 253,015	\$ 133,000	\$ 31,964	\$ 222,831	\$ 525,170	\$ 186,612		\$ 1,352,593		\$ 1,525,797		
Retired Members and Beneficiaries													
Number								16	6,858		6,809		
Total Benefits								\$ 291,703	\$ 322,571,322		\$ 309,153,544		
Total Membership								4,013	14,513		13,983		
Actuarial Accrued Liability													
Active Members	\$ 449,763,438	\$ 88,515,535	\$ 98,398,878	\$ 45,582,523	\$ 153,664,870	\$ 552,059,374	\$ 511,948,174	\$ 262,849,025	\$ 1,713,018,379		\$ 1,569,656,299		
DRSP/DROP Members					16,980,317	51,148,438	70,289,158		138,417,913		204,625,557		
Terminated Vested Members	71,208,302	2,687,787	1,265,389	147,785	952,079	2,416,433	639,932	67,255,126	75,364,531		64,416,985		
Retired Members and Beneficiaries	1,409,341,243	821,145,316	585,426,406	27,375,038	317,529,014	878,411,999	729,393,212	2,769,521	3,362,050,506		3,236,357,796		
Total	1,930,312,983	912,348,638	685,090,673	73,105,346	489,126,280	1,484,036,244	1,312,270,476	332,873,672	5,288,851,329		5,075,056,637		
Actuarial Value of Assets													
	\$ 1,911,115,352			\$ 79,092,764	\$ 475,668,805	\$ 1,448,980,429	\$ 1,176,244,952		\$ 5,091,102,302		\$ 5,003,872,329		
Unfunded Actuarial Accrued Liability													
Outside Agency Non-GRIP Unfunded Liability	\$ 19,197,631			\$ (5,987,418)	\$ 13,457,475	\$ 35,055,815	\$ 136,025,524		\$ 197,749,027		\$ 71,184,308		
	9,287,959			-	-	-	-		9,287,959		9,885,730		
Net Unfunded Actuarial Accrued Liability	9,909,672			(5,987,418)	13,457,475	35,055,815	136,025,524		188,461,068		61,298,578		
Funded Ratio (Actuarial Value of Assets)													
	99.0%			108.2%	97.2%	97.6%	89.6%		96.3%		98.6%		
Annual Gross Normal Cost													
Benefits	\$ 33,000,791	\$ 1,776,941	\$ 2,233,650	\$ 2,379,020	\$ 10,200,645	\$ 26,806,632	\$ 33,422,129	\$ 28,990,200	\$ 105,809,217	17.20%	\$ 94,964,753	17.60%	
Expenses of Administration	934,700	183,953	204,493	94,730	319,347	1,147,291	1,063,932	546,254	3,560,000	0.58%	3,281,201	0.61%	
Total	33,935,491	1,960,894	2,438,143	2,473,750	10,519,992	27,953,923	34,486,061	29,536,454	109,369,217	17.78%	98,245,954	18.21%	
Amortization of Unfunded Liability ¹													
	\$ 654,795	\$ 35,038	\$ 48,039	\$ (518,499)	\$ 846,603	\$ 1,778,496	\$ 13,020,030	\$ 571,718	\$ 15,781,425	2.45%	\$ 6,185,910	1.12%	
Annual Contribution Requirement:													
County Portion	\$ 21,054,091	\$ 934,911	\$ 1,174,811	\$ 1,098,267	\$ 8,067,436	\$ 21,915,279	\$ 38,524,787	\$ 18,944,369	\$ 90,659,860	14.62%	\$ 73,968,420	13.68%	
Employee Portion	13,536,195	1,061,021	1,311,371	856,984	3,299,159	7,817,140	8,981,304	11,163,803	34,490,782	5.61%	30,463,444	5.65%	
Total	34,590,286	1,995,932	2,486,182	1,955,251	11,366,595	29,732,419	47,506,091	30,108,172	125,150,642	20.23%	104,431,864	19.33%	
Non-Public Safety/Public Safety/GRIP County Portion													
			\$ 2,109,722				\$ 69,605,769	\$ 18,944,369					
*Excludes Non-GRIP Payroll from Outside Agencies													
Outside Agency UAL Payroll		\$ 1,521,103											

¹ Amortization bases established prior to the July 1, 2015 actuarial valuation were recombined into a single amortization base equal to the total unfunded liability as of July 1, 2015. Beginning July 1, 2023, the amortization of the current and future unfunded liability for the non-Public Safety groups A, H, and GRIP was amortized over a 20-year closed period. Beginning July 1, 2015, amortization of the current and future unfunded liability will occur over separate closed 20-year amortization periods for each of the Public Safety groups (Groups E, F, G and J).



Actuarial Valuation Results Outside Agencies

Valuation as of July 1, 2024													
Non-GRIP	Assessment and Taxation	Circuit Court	CRU 92 Credit Union	District Court	Housing Opportunities Commission	Revenue Authority	Strathmore Hall	Town of Chevy Chase	Washington Suburban Transit Commission	Total Agency (Excluding GRIP)	Total County Non-Agency (Excluding GRIP)	Total ERS (Excluding GRIP)	
Actuarial Accrued Liability													
Active Members (Non-GRIP)	\$ -	\$ -	\$ -	\$ -	\$ 4,784,983	\$ 613,950	\$ 1,847,326	\$ -	\$ -	\$ 7,246,259	\$ 1,442,923,095	\$ 1,450,169,354	
DRSP/DROP Members	-	-	-	-	-	-	-	-	-	-	138,417,913	138,417,913	
Terminated Vested Members	-	-	-	-	25,269	-	-	45,452	-	70,721	8,038,684	8,109,405	
Retired Members and Beneficiaries	10,563,475	945,281	3,702,775	1,261,045	34,214,543	1,982,959	2,425,487	966,727	239,423	56,301,716	3,302,979,269	3,359,280,985	
Total	\$ 10,563,475	\$ 945,281	\$ 3,702,775	\$ 1,261,045	\$ 39,024,795	\$ 2,596,909	\$ 4,272,813	\$ 1,012,179	\$ 239,423	\$ 63,618,696	\$ 4,892,358,961	\$ 4,955,977,657	
Actuarial Accrued Liability by Group													
Group A	\$ 10,563,475	\$ 945,281	\$ 3,702,775	\$ 1,261,045	\$ 39,024,795	\$ 2,596,909	\$ 4,272,813	\$ 1,012,179	\$ 239,423	\$ 63,618,696			
Remaining Unfunded Actuarial Accrued Liability Non-GRIP	\$ 1,658,432	\$ 60,671	\$ 549,479	\$ 291,097	\$ 5,931,428	\$ 722,717	\$ 74,135	\$ -	\$ -	\$ 9,287,959			
Closed Level Dollar Amortization of Unfunded Actuarial Accrued Liability ¹ Non-GRIP	\$ 210,887	\$ 7,715	\$ 69,872	\$ 37,016	\$ 754,243	\$ 91,901	\$ 74,135	\$ -	\$ -	\$ 1,245,769			
Contribution Basis Payroll:													
For Normal Cost (Non-GRIP)	\$ -	\$ -	\$ -	\$ -	\$ 906,783	\$ 100,849	\$ 274,392	\$ -	\$ -	\$ 1,282,024	\$ 336,175,382	337,457,406	
Normal Cost Contribution Requirement (% of Payroll)	5.14%	5.14%	5.14%	5.14%	5.14%	5.14%	5.14%	5.14%	5.14%	5.14%			
Estimated Normal Cost \$ Contribution Requirement	\$ -	\$ -	\$ -	\$ -	\$ 46,609	\$ 5,184	\$ 14,104	\$ -	\$ -	\$ 65,896	\$ 56,439,888	\$ 56,505,784	
Actual \$ UAL Contribution Requirement	210,887	7,715	69,872	37,016	754,243	91,901	74,135	-	-	1,245,769	15,209,707	16,455,476	
Estimated Total \$ Contribution Requirement	\$ 210,887	\$ 7,715	\$ 69,872	\$ 37,016	\$ 800,852	\$ 97,085	\$ 88,239	\$ -	\$ -	\$ 1,311,665	\$ 71,649,595	\$ 72,961,260	

¹ The Town of Chevy Chase and Washington Suburban Transit Commission paid off their remaining unfunded liability and therefore have no remaining balance as of July 1, 2018 and July 1, 2021, respectively. For Strathmore Hall, the remaining amortization period is 1 year as of July 1, 2024. For all other agencies, the remaining amortization period is 11 years as of July 1, 2024.

Beginning in fiscal year 2017 for non-GRIP members, outside agencies will make normal cost contributions for their active employees (based on payroll) plus the level dollar amortization payment shown above. The level dollar amortization payment will be made for 20 years (10 years for Strathmore Hall and Washington Suburban Transit Commission) and is not based on payroll. Contributions for GRIP members will continue to be made based on the contribution rates determined in the actuarial valuations and actual payroll. Contribution basis payroll for normal cost that is shown is the fiscal year 2025 amount. Actual projected payroll for non-GRIP for fiscal year 2026 may be lower than the amount shown (or \$0 if there are no remaining active members).



Actuarial Valuation Results Outside Agencies

Valuation as of July 1, 2024

	Assessment and Taxation	Circuit Court	CRU 92 Credit Union	District Court	Housing Opportunities Commission	Revenue Authority	Strathmore Hall	Town of Chevy Chase	Washington Suburban Transit Commission	Total Agency (GRIP)	Total County Non-Agency (GRIP)	Total ERS (GRIP)
GRIP												
Actuarial Accrued Liability												
Active Members (GRIP)	\$ -	\$ -	\$ -	\$ -	\$ 7,523,121	\$ 249,326	\$ 449,205	\$ 387,622	\$ -	\$ 8,609,274	\$ 254,239,751	\$ 262,849,025
Terminated Vested Members	-	-	-	-	4,945,263	95,272	619,074	-	-	5,659,609	61,595,517	67,255,126
Retired Members and Beneficiaries	-	-	-	-	-	-	-	-	-	-	2,769,521	2,769,521
Total	\$ -	\$ -	\$ -	\$ -	\$ 12,468,384	\$ 344,598	\$ 1,068,279	\$ 387,622	\$ -	\$ 14,268,883	\$ 318,604,789	\$ 332,873,672
Contribution Basis Payroll:												
For Normal Cost (GRIP)	\$ -	\$ -	\$ -	\$ -	\$ 6,114,528	\$ 360,811	\$ 1,342,580	\$ 36,112	\$ -	\$ 7,854,031	\$ 269,742,661	\$ 277,596,692
For Amortization of Unfunded Liability (GRIP)	\$ -	\$ -	\$ -	\$ -	\$ 6,407,600	\$ 370,680	\$ 1,399,262	\$ 36,674	\$ -	\$ 8,214,215	\$ 281,916,361	\$ 290,130,576
Normal Cost Contribution Requirement (% of Payroll)	6.62%	6.62%	6.62%	6.62%	6.62%	6.62%	6.62%	6.62%	6.62%			
UAL Contribution Requirement (% of Payroll)	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%			
Estimated Normal Cost \$ Contribution Requirement	\$ -	\$ -	\$ -	\$ -	\$ 404,782	\$ 23,886	\$ 88,879	\$ 2,391	\$ -	\$ 519,937	\$ 17,852,714	\$ 18,372,651
Estimated \$ UAL Contribution Requirement	-	-	-	-	12,815	741	2,799	73	-	16,428	555,290	571,718
Estimated Total \$ Contribution Requirement	\$ -	\$ -	\$ -	\$ -	\$ 417,597	\$ 24,627	\$ 91,677	\$ 2,464	\$ -	\$ 536,365	\$ 18,408,004	\$ 18,944,369
Total Non-GRIP and GRIP												
Fixed Closed Level Dollar Amortization Payment	\$ 210,887	\$ 7,715	\$ 69,872	\$ 37,016	\$ 754,243	\$ 91,901	\$ 74,135	\$ -	\$ -	Total Agency \$ 1,245,769	Total Non-Agency	Total ERS
Estimated \$ Contribution for Payroll Based Contribution	-	-	-	-	464,206	29,811	105,781	2,464	-	602,261		
Total Estimated Contribution	\$ 210,887	\$ 7,715	\$ 69,872	\$ 37,016	\$ 1,218,449	\$ 121,712	\$ 179,916	\$ 2,464	\$ -	\$ 1,848,030	\$ 90,057,599	\$ 91,905,629

Beginning in fiscal year 2017 for non-GRIP members, outside agencies will make normal cost contributions for their active employees (based on payroll) plus the level dollar amortization payment shown above. The level dollar amortization payment will be made for 20 years (10 years for Strathmore Hall and Washington Suburban Transit Commission) and is not based on payroll. Contributions for GRIP members will continue to be made based on the contribution rates determined in the actuarial valuations and actual payroll. Contribution basis payroll for normal cost that is shown is the fiscal year 2025 amount. Actual projected payroll for non-GRIP for fiscal year 2026 may be lower than the amount shown (or \$0 if there are no remaining active members).



Actuarial Valuation Results

Guaranteed Retirement Income Plan (GRIP)

	Valuation as of July 1, 2024						July 1, 2023	
	Agency					% of Payroll	Total	% of Payroll
	CC	CM	CN	CP	CZ			
Total All Plans								
Active Members								
Number	1	2,544	710	2	3	3,260	2,941	
Average Age	66.3	47.9	50.4	54.1	67.8	48.5	48.3	
Average Credited Service	8.5	7.2	10.2	4.2	9.6	7.8	7.9	
Total Base Payroll	\$ 51,583	\$ 203,978,069	\$ 85,252,255	\$ 292,840	\$ 555,829	\$ 290,130,576	\$ 245,325,540	
Contribution Basis Payroll:								
For Normal Cost	\$ 48,158	\$ 195,072,525	\$ 81,833,163	\$ 284,429	\$ 358,417	\$ 277,596,692	\$ 235,003,608	
For Amortization of Unfunded Liability	51,583	203,978,069	85,252,255	292,840	555,829	290,130,576	245,325,539	
Terminated Members								
Number	2	489	239	4	3	737	631	
Retired Members and Beneficiaries								
Number		12	4			16	12	
Total Benefits	\$	225,549	\$ 66,154			\$ 291,703	\$ 183,184	
Total Membership	3	3,045	953	6	6	4,013	3,584	
Actuarial Accrued Liability								
Active Members	\$ 48,163	\$ 153,060,118	\$ 108,941,811	\$ 112,342	\$ 686,591	\$ 262,849,025	\$ 232,250,965	
Terminated Vested Members	158,621	29,056,954	34,640,496	2,455,112	943,943	67,255,126	55,846,588	
Retired Members and Beneficiaries	-	2,274,196	495,325	-	-	2,769,521	1,546,198	
Total	206,784	184,391,269	144,077,632	2,567,454	1,630,534	332,873,672	289,643,751	
Annual Gross Normal Cost								
Benefits	\$ 5,080	\$ 20,348,667	\$ 8,565,830	\$ 32,310	\$ 38,313	\$ 28,990,200	\$ 24,608,578	10.47%
Expenses of Administration ¹	95	383,863	161,031	560	705	546,254	485,496	0.21%
Total	5,175	20,732,530	8,726,861	32,870	39,018	29,536,454	25,094,074	10.68%
Amortization of Unfunded Liability ²	\$ 102	\$ 401,950	\$ 167,994	\$ 577	\$ 1,095	\$ 571,718	\$ (1,764,257)	-0.72%
Annual Contribution Requirement:								
County Portion	\$ 3,351	\$ 13,331,579	\$ 5,558,845	\$ 24,818	\$ 25,776	\$ 18,944,369	\$ 13,875,776	5.94%
Employee Portion	1,926	7,802,901	3,336,010	8,629	14,337	11,163,803	9,454,041	4.02%
Total	5,277	21,134,480	8,894,855	33,447	40,113	30,108,172	23,329,817	9.96%
Non-Public Safety County Portion						\$ 18,919,551	\$ 13,867,526	5.94%
Public Safety County Portion (Agency CP)						\$ 24,818	\$ 8,250	7.73%

¹ The normal cost rate for expenses of administration is set to 0.20% of payroll for each agency.

² The contribution for the amortization of the unfunded liability for each agency is equal to 0.20% based on the updated funding policy to combine Groups A, H and GRIP for funding purposes.



Actuarial Valuation Results

Amortization of Unfunded Actuarial Accrued Liability and Amortization Payments By Group

Combined Groups A, H and GRIP

Base		Unfunded Liability Base ¹	Financing	Amortization	Amortization Payment			
Year	Description	Combined Groups A, H and GRIP	Period	Factor	Group A	Group H	GRIP	Combined Groups A, H and GRIP
2023	Unfunded Liability (Surplus) Before FY 2023 Changes	\$ (9,803,310)	19	13.287997				\$ (737,757)
2023	FY 2023 Assumption and Method Changes	(17,690,972)	19	13.287997				(1,331,350)
2023	FY 2023 Plan Changes	-	19	13.287997				-
2024	FY 2024 Plan Experience	38,116,263	20	13.731755				2,775,775
2024	FY 2024 Assumption and Method Changes	(901,436)	20	13.731755				(65,646)
2024	FY 2024 Plan Changes	189,127	20	13.731755				13,773
Unfunded Liability		\$ 9,909,672	23.5 yrs.	15.134007	\$ 35,038	\$ 48,039	\$ 571,718	\$ 654,795
Payroll for Unfunded Liability					\$ 17,780,898	\$ 24,378,396	\$ 290,130,576	\$ 332,289,870
Unfunded Liability Contribution Rate					0.20%	0.20%	0.20%	0.20%

¹ Unfunded liability excludes Outside Agency Non-GRIP unfunded liability of \$9,287,959. The unfunded liability contribution rate for Groups A, H and GRIP is equal to amortization of the combined unfunded liability for all three groups beginning as of July 1, 2023. The unfunded liability as of July 1, 2023, and new unfunded liability after July 1, 2023 is amortized over separate 20-year closed periods as a level percent of the combined payroll.



Actuarial Valuation Results

Amortization of Unfunded Actuarial Accrued Liability and Amortization Payments

By Group

Open Groups

Base Year	Description	Unfunded Liability Base					Remaining Financing Period	Amortization Factor	Amortization Payment				
		Group J	Group E	Group F	Group G	Total			Group J	Group E	Group F	Group G	Total
2015	Pre FY 2015 Retirement Incentive	\$ -	\$ 905,058	\$ -	\$ -	\$ 905,058	11 yrs.	8.963958	\$ -	\$ 100,966	\$ -	\$ -	\$ 100,966
2015	Pre FY 2015 Plan Experience	-	32,934,417	96,758,486	98,130,793	227,823,696	11	8.963958	-	3,674,093	10,794,169	10,947,261	25,415,523
2015	Pre FY 2015 Plan Changes	-	2,942,021	(1,421,033)	60,903,110	62,424,098	11	8.963958	-	328,206	(158,527)	6,794,220	6,963,899
2015	Pre FY 2015 Cost Method Changes	-	180,809	305,223	1,154,160	1,640,192	11	8.963958	-	20,171	34,050	128,756	182,977
2015	FY 2015 Plan Experience	-	(19,793,844)	(51,587,515)	(35,007,573)	(106,388,932)	11	8.963958	-	(2,208,159)	(5,754,993)	(3,905,370)	(11,868,522)
2015	FY 2015 Assumption and Method Changes	-	(6,963,454)	(15,921,573)	(7,057,499)	(29,942,526)	11	8.963958	-	(776,828)	(1,776,177)	(787,319)	(3,340,324)
2015	FY 2015 Plan Changes	-	3,936,222	-	-	3,936,222	11	8.963958	-	439,116	-	-	439,116
2016	FY 2016 Plan Experience	-	(6,643,897)	(22,275,042)	(18,603,479)	(47,522,418)	12	9.588723	-	(692,887)	(2,323,046)	(1,940,141)	(4,956,074)
2017	FY 2017 Plan Experience	(192,195)	(9,953,523)	(21,153,958)	(19,590,427)	(50,890,103)	13	10.187335	(18,866)	(977,049)	(2,076,496)	(1,923,018)	(4,995,429)
2018	FY 2018 Plan Experience	(380,192)	(5,134,533)	(13,303,197)	1,058,021	(17,759,901)	14	10.760888	(35,331)	(477,148)	(1,236,255)	98,321	(1,650,413)
2019	FY 2019 Plan Experience	(258,030)	54,114	(5,996,193)	(9,356,942)	(15,557,051)	15	11.310432	(22,813)	4,784	(530,147)	(827,284)	(1,375,460)
2019	FY 2019 Assumption and Method Changes	(588,776)	(3,910,131)	(12,280,212)	(10,585,953)	(27,365,072)	15	11.310432	(52,056)	(345,710)	(1,085,742)	(935,946)	(2,419,454)
2020	FY 2020 Plan Experience	638,387	(1,258,619)	981,818	3,041,702	3,403,288	16	11.836972	53,932	(106,329)	82,945	256,966	287,514
2021	FY 2021 Plan Experience	(3,302,655)	(15,186,355)	(42,673,808)	(41,993,723)	(103,156,541)	17	12.341471	(267,606)	(1,230,514)	(3,457,757)	(3,402,651)	(8,358,528)
2022	FY 2022 Plan Experience	(8,679,266)	9,742,255	9,670,347	12,035,221	22,768,557	18	12.824851	(676,754)	759,639	754,032	938,430	1,775,347
2022	FY 2022 Plan Change	-	-	5,982,241	-	5,982,241	18	12.824851	-	-	466,457	-	466,457
2023	FY 2023 Plan Experience	1,525,125	5,259,850	42,265,887	25,551,452	74,602,314	19	13.287997	114,775	395,835	3,180,757	1,922,897	5,614,264
2023	FY 2023 Assumption and Method Changes	(351,837)	(3,510,780)	(9,127,766)	(7,154,438)	(20,144,821)	19	13.287997	(26,478)	(264,207)	(686,918)	(538,414)	(1,516,017)
2023	FY 2023 Plan Changes	1,947,937	11,619,311	42,178,640	46,236,210	101,982,098	19	13.287997	146,594	874,422	3,174,191	3,479,547	7,674,754
2024	FY 2024 Plan Experience	3,979,826	13,195,961	36,925,060	32,041,906	86,142,753	20	13.731755	289,826	960,981	2,689,027	2,333,417	6,273,251
2024	FY 2024 Assumption and Method Changes	(314,671)	5,074,436	(4,270,991)	(7,189,996)	(6,701,222)	20	13.731755	(22,916)	369,540	(311,030)	(523,604)	(488,010)
2024	FY 2024 Plan Changes	(11,071)	(31,843)	(599)	12,412,979	12,369,466	20	13.731755	(806)	(2,319)	(44)	903,962	900,793
Unfunded Liability		\$ (5,987,418)	\$ 13,457,475	\$ 35,055,815	\$ 136,025,524	\$ 178,551,396	15.9 yrs.	11.803779	\$ (518,499)	\$ 846,603	\$ 1,778,496	\$ 13,020,030	\$ 15,126,630
		Payroll for Unfunded Liability							\$ 13,682,761	\$ 51,821,329	\$ 119,911,162	\$ 125,453,459	\$ 310,868,711
		Unfunded Liability Contribution Rate							-3.79%	1.63%	1.48%	10.38%	4.87%
		Single Equivalent Amortization Period (Years)							15.4	25.6	40.8	13.4	15.9

For illustrative purposes, we have illustrated the amortization payment based on combining the outstanding amortization bases and amortizing the (surplus)/unfunded liability over 20 years.

Unfunded Liability Base					Financing Period	Amortization Factor	Amortization Payment				
Group J	Group E	Group F	Group G	Total			Group J	Group E	Group F	Group G	Total
\$ (5,987,418)	\$ 13,457,475	\$ 35,055,815	\$ 136,025,524	\$ 178,551,396	20 yrs.	13.731755	\$ (436,027)	\$ 980,026	\$ 2,552,901	\$ 9,905,909	\$ 13,002,809



Actuarial Valuation Results

Amortization of Unfunded Actuarial Accrued Liability and Amortization Payments By Group

Total

Base Year	Description	Combined Groups A, H, and GRIP	Unfunded Liability Base ¹				
			Open Groups				Total
			Group J	Group E	Group F	Group G	
2015	Pre FY 2015 Retirement Incentive		\$ -	\$ 905,058	\$ -	\$ -	\$ 905,058
2015	Pre FY 2015 Plan Experience		-	32,934,417	96,758,486	98,130,793	227,823,696
2015	Pre FY 2015 Plan Changes		-	2,942,021	(1,421,033)	60,903,110	62,424,098
2015	Pre FY 2015 Cost Method Changes		-	180,809	305,223	1,154,160	1,640,192
2015	FY 2015 Plan Experience		-	(19,793,844)	(51,587,515)	(35,007,573)	(106,388,932)
2015	FY 2015 Assumption and Method Changes		-	(6,963,454)	(15,921,573)	(7,057,499)	(29,942,526)
2015	FY 2015 Plan Changes		-	3,936,222	-	-	3,936,222
2016	FY 2016 Plan Experience		-	(6,643,897)	(22,275,042)	(18,603,479)	(47,522,418)
2017	FY 2017 Plan Experience		(192,195)	(9,953,523)	(21,153,958)	(19,590,427)	(50,890,103)
2018	FY 2018 Plan Experience		(380,192)	(5,134,533)	(13,303,197)	1,058,021	(17,759,901)
2019	FY 2019 Plan Experience		(258,030)	54,114	(5,996,193)	(9,356,942)	(15,557,051)
2019	FY 2019 Assumption and Method Changes		(588,776)	(3,910,131)	(12,280,212)	(10,585,953)	(27,365,072)
2020	FY 2020 Plan Experience		638,387	(1,258,619)	981,818	3,041,702	3,403,288
2021	FY 2021 Plan Experience		(3,302,655)	(15,186,355)	(42,673,808)	(41,993,723)	(103,156,541)
2022	FY 2022 Plan Experience		(8,679,266)	9,742,255	9,670,347	12,035,221	22,768,557
2022	FY 2022 Plan Change		-	-	5,982,241	-	5,982,241
2023	FY 2023 Plan Experience	\$ (9,803,310)	1,525,125	5,259,850	42,265,887	25,551,452	64,799,004
2023	FY 2023 Assumption and Method Changes	(17,690,972)	(351,837)	(3,510,780)	(9,127,766)	(7,154,438)	(37,835,793)
2023	FY 2023 Plan Changes	-	1,947,937	11,619,311	42,178,640	46,236,210	101,982,098
2024	FY 2024 Plan Experience	38,116,263	3,979,826	13,195,961	36,925,060	32,041,906	124,259,016
2024	FY 2024 Assumption and Method Changes	(901,436)	(314,671)	5,074,436	(4,270,991)	(7,189,996)	(7,602,658)
2024	FY 2024 Plan Changes	189,127	(11,071)	(31,843)	(599)	12,412,979	12,558,593
Unfunded Liability		\$ 9,909,672	\$ (5,987,418)	\$ 13,457,475	\$ 35,055,815	\$ 136,025,524	\$ 188,461,068

¹ Unfunded liability for Group A excludes Outside Agency Non-GRIP unfunded liability of \$9,287,959.



Actuarial Valuation Results

Amortization of Unfunded Actuarial Accrued Liability and Amortization Payments By Group

Base Year	Description	Remaining Financing Period	Amortization Factor	Amortization of Unfunded Liability Base					
				Combined Groups A, H, and GRIP	Open Groups				Total
					Group J	Group E	Group F	Group G	
2015	Pre FY 2015 Retirement Incentive	11.0 yrs.	8.963988		\$ -	\$ 100,966	\$ -	\$ -	\$ 100,966
2015	Pre FY 2015 Plan Experience	11.0	8.963959		-	3,674,093	10,794,169	10,947,261	25,415,523
2015	Pre FY 2015 Plan Changes	11.0	8.963958		-	328,206	(158,527)	6,794,220	6,963,899
2015	Pre FY 2015 Cost Method Changes	11.0	8.963924		-	20,171	34,050	128,756	182,977
2015	FY 2015 Plan Experience	11.0	8.963958		-	(2,208,159)	(5,754,993)	(3,905,370)	(11,868,522)
2015	FY 2015 Assumption and Method Changes	11.0	8.963959		-	(776,828)	(1,776,177)	(787,319)	(3,340,324)
2015	FY 2015 Plan Changes	11.0	8.963969		-	439,116	-	-	439,116
2016	FY 2016 Plan Experience	12.0	9.588722		-	(692,887)	(2,323,046)	(1,940,141)	(4,956,074)
2017	FY 2017 Plan Experience	13.0	10.187334		(18,866)	(977,049)	(2,076,496)	(1,923,018)	(4,995,429)
2018	FY 2018 Plan Experience	14.0	10.760883		(35,331)	(477,148)	(1,236,255)	98,321	(1,650,413)
2019	FY 2019 Plan Experience	15.0	11.310435		(22,813)	4,784	(530,147)	(827,284)	(1,375,460)
2019	FY 2019 Assumption and Method Changes	15.0	11.310433		(52,056)	(345,710)	(1,085,742)	(935,946)	(2,419,454)
2020	FY 2020 Plan Experience	16.0	11.836947		53,932	(106,329)	82,945	256,966	287,514
2021	FY 2021 Plan Experience	17.0	12.341472		(267,606)	(1,230,514)	(3,457,757)	(3,402,651)	(8,358,528)
2022	FY 2022 Plan Experience	18.0	12.824849		(676,754)	759,639	754,032	938,430	1,775,347
2022	FY 2022 Plan Change	18.0	12.824850		-	-	466,457	-	466,457
2023	FY 2023 Plan Experience	19.0	13.287996	\$ (737,757)	114,775	395,835	3,180,757	1,922,897	4,876,507
2023	FY 2023 Assumption and Method Changes	19.0	13.287993	(1,331,350)	(26,478)	(264,207)	(686,918)	(538,414)	(2,847,367)
2023	FY 2023 Plan Changes	19.0	13.287996	-	146,594	874,422	3,174,191	3,479,547	7,674,754
2024	FY 2024 Plan Experience	20.0	13.731756	2,775,775	289,826	960,981	2,689,027	2,333,417	9,049,026
2024	FY 2024 Assumption and Method Changes	20.0	13.731736	(65,646)	(22,916)	369,540	(311,030)	(523,604)	(553,656)
2024	FY 2024 Plan Changes	20.0	13.731751	13,773	(806)	(2,319)	(44)	903,962	914,566
Amortization Payments		16.2 yrs.	11.941955	\$ 654,795	\$ (518,499)	\$ 846,603	\$ 1,778,496	\$ 13,020,030	\$ 15,781,425
Unfunded Liability				\$ 9,909,672	\$ (5,987,418)	\$ 13,457,475	\$ 35,055,815	\$ 136,025,524	\$ 188,461,068
Single Equivalent Amortization Period (Years)				23.5	15.4	25.6	40.8	13.4	16.2



Actuarial Valuation Results

Gain/Loss Analysis

	Group J	Groups A, H, GRIP	Groups E, F, G	Total
Unfunded liability at previous valuation	\$ (9,730,592)	\$ (17,699,188)	\$ 98,614,088	\$ 71,184,308
Expected unfunded liability at current valuation				
Normal cost for plan year	1,862,551	29,994,300	66,389,102	98,245,953
Interest on unfunded liability and normal cost	(661,211)	(222,987)	9,840,641	8,956,443
Contributions with interest to current valuation date ¹	<u>1,112,251</u>	<u>28,939,248</u>	<u>78,461,928</u>	<u>108,513,427</u>
Total expected change in unfunded liability at current valuation	89,089	832,065	(2,232,185)	(1,311,031)
Total expected unfunded liability at current valuation	(9,641,503)	(16,867,123)	96,381,903	69,873,277
Change due to:				
Recognition of asset (gains)/losses	607,632	15,042,533	24,029,120	39,679,285
Salary increases	1,900,822	9,161,401	40,603,337	51,665,560
COLA increases	166,308	9,803,003	13,801,822	23,771,133
Amount and timing of contributions ²	(103,045)	848,084	6,595,478	7,340,517
Demographic experience and other	1,408,110	1,922,042	(2,866,832)	463,320
Change in actuarial assumptions	(314,671)	(901,436)	(6,386,551)	(7,602,658)
Plan changes	<u>(11,071)</u>	<u>189,127</u>	<u>12,380,537</u>	<u>12,558,593</u>
Total change	3,654,085	36,064,754	88,156,911	127,875,750
Unfunded liability at current valuation	\$ (5,987,418)	\$ 19,197,631	\$ 184,538,814	\$ 197,749,027

	County Contribution			Funded Status
	Group J	Groups A, H, GRIP	Groups E, F, G	Total
FY 2025 County Contribution/July 1, 2023 Funded Ratio	5.91%	5.77%	22.57%	98.6%
FY 2026 County Contribution/Expected July 1, 2024 Funded Ratio	6.82%	5.78%	22.53%	98.7%
Change due to:				
Recognition of asset (gains)/losses	0.37%	0.32%	0.61%	-0.8%
Salary increases	1.51%	0.25%	0.86%	-1.0%
COLA increases	0.10%	0.23%	0.35%	-0.4%
Amount and timing of contributions	-0.06%	0.02%	0.17%	-0.1%
Demographic experience and other	1.23%	0.10%	-0.10%	0.0%
Plan changes	0.51%	0.02%	0.21%	-0.2%
Change in actuarial assumptions	<u>-1.51%</u>	<u>-0.08%</u>	<u>-0.85%</u>	<u>0.1%</u>
Total change	2.15%	0.86%	1.25%	-2.4%
FY 2026 County Contribution/July 1, 2024 Funded Ratio	8.97%	6.64%	23.78%	96.3%

Demographic Experience and Other includes changes due to retirement, mortality, disability and termination experience that varied from the actuarial assumptions, and data changes.

The combined FY 2026 County contribution rate for the Public Safety groups (Group E, F, G and J) is 23.14%.

¹ Based on the normal cost and amortization payments from the actuarial valuation as of July 1, 2023.

² Reflects differences in unfunded liability contributions between when the contribution rate was calculated (actuarial valuation date) and when the contributions were made (fiscal year).



Actuarial Valuation Results

Gain/Loss Analysis

Reconciliation of County Contribution Requirement

FY 2025 County contribution	\$ 73,968,420
Change in normal cost (plan experience)	7,776,308
Expected increase in amortization payment	<u>185,577</u>
Expected FY 2026 County contribution	\$ 81,930,305
Change in normal cost due to:	
Change in normal cost (assumptions)	\$ (2,260,423)
Change in normal cost (plan changes)	<u>1,580,040</u>
Sum of changes	(680,383)
Change in amortization payment due to:	
Recognition of asset (gains)/losses	\$ 2,889,600
Salary increases	8,304,709
COLA increases	1,731,107
Demographic experience	(4,410,953)
Amount and timing of contributions	534,565
Change in actuarial assumptions	(553,656)
Plan changes	<u>914,566</u>
Sum of changes	9,409,938
FY 2026 County contribution	\$ 90,659,860

Includes the Retirement Incentive cost. Excludes the non-GRIP outside agency unfunded liability contribution of \$1,245,769. Includes the GRIP outside agency estimated normal cost and unfunded liability contribution and the non-GRIP estimated normal cost contribution of \$615,896 for fiscal year 2025 and \$602,261 for fiscal year 2026. County estimated contribution is \$73,352,524 for fiscal year 2025 and \$90,057,599 for fiscal year 2026.



Actuarial Valuation Results

Gain/Loss Analysis

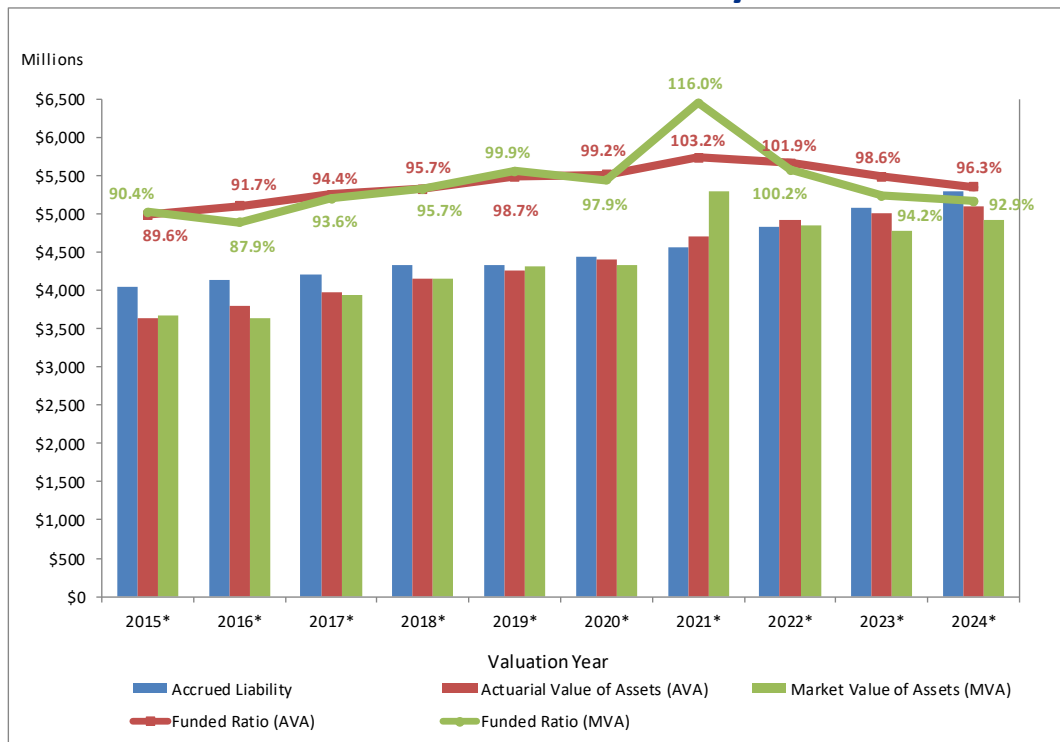
	Valuation as of July 1, 2024							
	Non-Public Safety		Public Safety					
	Group A	Group H	Group J	Group E	Group F	Group G	GRIP	Total
Actuarial Accrued Liability								
Baseline	\$ 912,868,243	\$ 685,822,726	\$ 73,431,088	\$ 484,083,687	\$ 1,488,307,834	\$ 1,307,047,493	\$ 332,334,323	\$ 5,283,895,394
Change due to:								
Assumptions and Methods	(519,605)	(732,053)	(314,671)	5,074,436	(4,270,991)	(7,189,996)	350,222	(7,602,658)
Benefit Provisions								
Group J - Deferred Age Increase to 72 ¹			(11,071)					(11,071)
Group E - Deferred Age Increase to 72 ¹				(31,843)				(31,843)
Group F - Deferred Age Increase to 72 ¹					(599)			(599)
Group G - Deferred Age Increase to 72 ¹						(3,204)		(3,204)
Group G - Age 70 Integration						12,416,183		12,416,183
GRIP - Groups E, J Transfer							189,127	189,127
Total due to plan changes	-	-	(11,071)	(31,843)	(599)	12,412,979	189,127	12,558,593
Final Actuarial Accrued Liability	\$ 912,348,638	\$ 685,090,673	\$ 73,105,346	\$ 489,126,280	\$ 1,484,036,244	\$ 1,312,270,476	\$ 332,873,672	\$ 5,288,851,329
Annual Contribution Requirement								
Baseline	\$ 1,000,381	\$ 1,246,559	\$ 1,069,400	\$ 6,762,892	\$ 23,046,163	\$ 38,499,774	\$ 19,354,163	\$ 90,979,332
Change due to:								
Assumptions and Methods	(66,716)	(73,457)	(168,760)	216,670	(1,130,605)	(1,469,772)	(121,438)	(2,814,077)
Benefit Provisions								
Group J - Deferred Age Increase to 72 ¹			(6,299)					(6,299)
Group E - Deferred Age Increase to 72 ¹				(12,889)				(12,889)
Group F - Deferred Age Increase to 72 ¹					(279)			(279)
Group G - Deferred Age Increase to 72 ¹						(674)		(674)
Group G - Age 70 Integration						1,495,459		1,495,459
GRIP - Groups E, J Transfer	1,246	1,709	203,926	1,100,763			(288,356)	1,019,288
Total due to plan changes	1,246	1,709	197,627	1,087,874	(279)	1,494,785	(288,356)	2,494,606
Final Annual Contribution Requirement	\$ 934,911	\$ 1,174,811	\$ 1,098,267	\$ 8,067,436	\$ 21,915,279	\$ 38,524,787	\$ 18,944,369	\$ 90,659,860

¹ A deferred vested benefit will be payable at age 72 (increased from age 70 ½) for participants who do not meet retirement eligibility conditions upon vested termination (are not age 55 with 15 or more years of service).

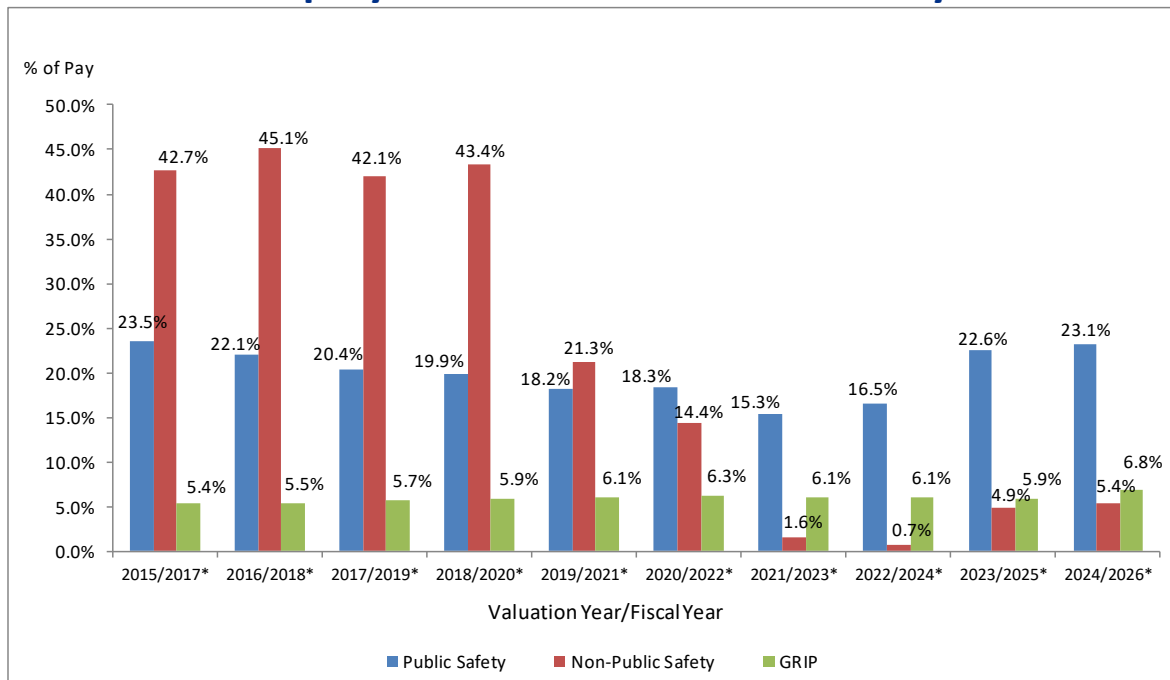


Historical Trends of Funded Ratio and Employer Contributions

Funded Ratio History



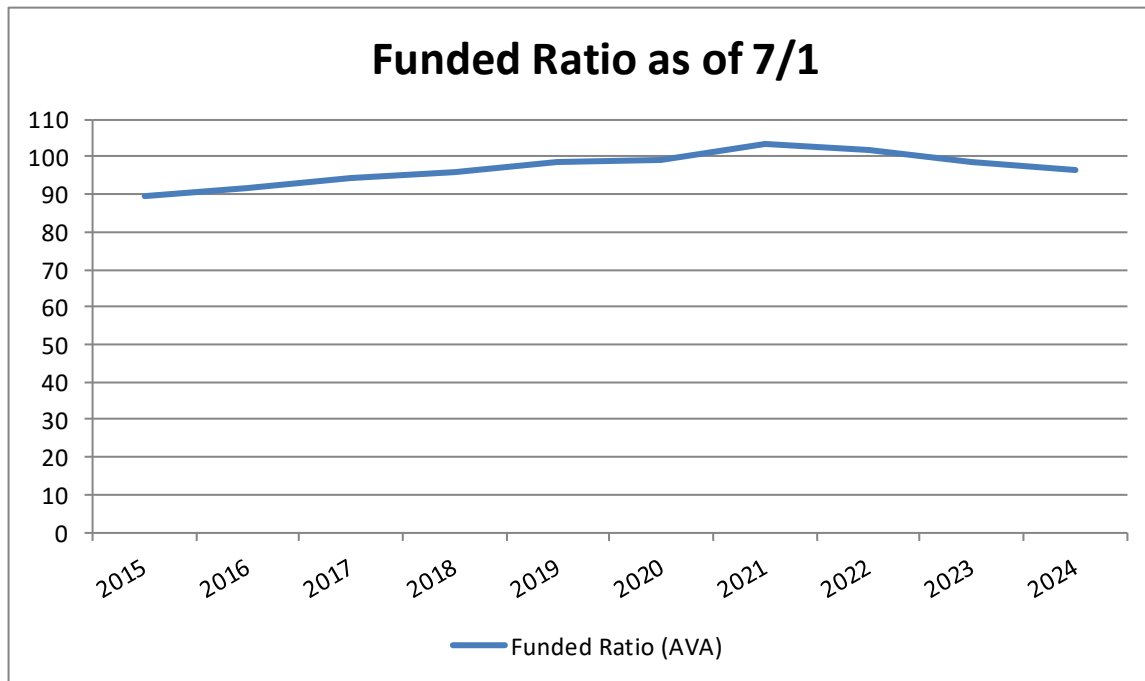
Employer Contribution Rate History



* Results beginning with the 2019 valuation (FY 2021) include changes to the actuarial assumptions used in the valuation, based on the key findings from an experience review of the System for the period from July 1, 2014 to July 1, 2018. Results beginning with the 2024 valuation (FY 2026) include changes to the actuarial assumptions used in the valuation, based on the key findings from an experience review of the System for the period from July 1, 2018 to July 1, 2023.

Funded Ratio History

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded AAL (UAAL) (b – a)	Funded Ratio (AVA) (a / b)
7/1/2015	\$3,630,075,610	\$4,050,736,852	\$420,661,242	89.6 %
7/1/2016	3,798,555,275	4,141,060,968	342,505,693	91.7
7/1/2017	3,968,497,692	4,202,633,142	234,135,450	94.4
7/1/2018	4,149,354,330	4,334,296,798	184,942,468	95.7
7/1/2019	4,261,996,413	4,320,161,072	58,164,659	98.7
7/1/2020	4,393,054,415	4,428,048,342	34,993,927	99.2
7/1/2021	4,709,827,390	4,564,967,315	(144,860,075)	103.2
7/1/2022	4,915,636,212	4,824,808,944	(90,827,268)	101.9
7/1/2023	5,003,872,329	5,075,056,637	71,184,308	98.6
7/1/2024	5,091,102,302	5,288,851,329	197,749,027	96.3



Actuarial Valuation Results

Solvency Test

Valuation Date 7/1	(1)	(2)	(3)	Portion (%) of Present Value Covered				
	Active	Retirees,	Active Members	Actuarial	By Assets			
	Member	Term Vested and	(Employer	Value of				
	Contributions	Beneficiaries	Financed Portion)	Assets	(1)	(2)	(3)	
2015	\$4,050,736,852	\$280,135,577	\$ 2,698,040,722	\$ 1,072,560,553	\$3,630,075,610	100%	100%	61%
2016	4,141,060,968	297,715,372	2,747,575,831	1,095,769,765	3,798,555,275	100%	100%	69%
2017	4,202,633,142	314,707,102	2,789,167,599	1,098,758,441	3,968,497,692	100%	100%	79%
2018	4,334,296,798	327,611,097	2,900,824,622	1,105,861,079	4,149,354,330	100%	100%	83%
2019	4,320,161,072	333,645,308	2,927,345,196	1,059,170,568	4,261,996,413	100%	100%	95%
2020	4,428,048,342	350,094,770	3,003,483,784	1,074,469,788	4,393,054,415	100%	100%	97%
2021	4,564,967,315	357,460,046	3,175,042,247	1,032,465,022	4,709,827,390	100%	100%	100%
2022	4,824,808,944	357,178,578	3,443,545,983	1,024,084,383	4,915,636,212	100%	100%	100%
2023	5,075,056,637	376,109,982	3,505,400,338	1,193,546,318	5,003,872,329	100%	100%	94%
2024	5,288,851,329	401,039,080	3,575,832,950	1,311,979,299	5,091,102,302	100%	100%	85%

DRSP and DROP member liability included in item (2) with retirees.



Statement of Fiduciary Net Position

	Fiscal Year Ending	
	June 30, 2023	June 30, 2024
Assets		
Equity in County's pooled cash and investments	\$ 533,121	\$ 1,454,673
Investments:		
Government and agency obligations	93,931,515	103,736,433
Municipal/Provincial obligations	6,212,249	3,730,249
Corporate bonds	370,885,557	327,673,033
Commercial mortgage-backed securities	1,911,798	1,136,675
Common and preferred stock	1,001,153,671	993,464,495
Mutual and commingled funds	1,507,342,585	1,571,705,022
Short-term investments	213,371,201	218,199,003
Cash collateral received under securities lending agreements	153,525,364	81,601,717
Private real assets	497,879,182	518,870,577
Private equity/debt	1,077,712,424	1,164,000,733
Total Investments	4,923,925,546	4,984,117,937
Dividend, interest and other receivables	11,441,323	12,307,363
Contributions receivable	3,524,000	4,357,110
Net capital assets	-	-
Total assets	4,939,423,990	5,002,237,083
Liabilities		
Payable for collateral received under securities lending agreements	153,525,364	81,601,717
Benefit payable and other liabilities	7,629,735	5,297,276
Total liabilities	161,155,099	86,898,993
Net position restricted for pensions	\$ 4,778,268,891	\$ 4,915,338,090



Statement of Changes in Fiduciary Net Position

Total Employees' Retirement System (ERS)

	Fiscal Year Ending	
	June 30, 2023	June 30, 2024
Additions:		
Contributions:		
Employer	\$ 52,523,686	\$ 64,878,147
Members	33,543,896	37,411,080
Total contributions	86,067,582	102,289,227
 Total income from investment activities	199,703,743	393,293,595
Less investment expenses	18,760,157	17,512,452
Net income (loss) from investment activities	180,943,586	375,781,143
 Income from securities lending	7,423,162	7,203,767
Less securities lending expenses	6,488,569	6,355,641
Net income from securities lending	934,593	848,126
 Total additions (deductions)	267,945,761	478,918,496
 Deductions:		
Retiree benefits	238,982,643	252,974,673
Disability benefits	59,673,567	61,121,142
Survivor benefits	11,782,336	12,719,539
Refunds and distributions	12,310,678	11,238,312
Administrative expenses	3,243,582	3,795,631
 Total deductions	325,992,806	341,849,297
 Net increase in net position	(58,047,045)	137,069,199
 Net position restricted for pensions		
 Beginning of year	4,836,315,936	4,778,268,891
 End of year	<u>\$ 4,778,268,891</u>	<u>\$ 4,915,338,090</u>



Development of Actuarial Value of Assets (Total ERS)

Fiscal Year Ending	2023	2024	2025	2026	2027	2028
Beginning of Year:						
(1) Market Value of Assets	\$ 4,836,315,936	\$ 4,778,268,891				
(2) Actuarial Value of Assets	4,915,636,212	5,003,872,329				
End of Year:						
(3) Market Value of Assets	4,778,268,891	4,915,338,090				
(4a) Contributions	86,067,582	102,289,227				
(4b) Net Disbursements	325,992,806	341,849,297				
(5) Total Investment Income						
= (3) - (1) - (4a) + (4b)	181,878,179	376,629,269				
(6) Projected Rate of Return	7.50%	7.50%				
(7) Projected Investment Income						
= (1) x (6) + [(1 + (6)) ^ 5 - 1] x (4a - 4b)	353,889,152	349,549,070				
(8) Asset Adjustment	-	-				
(9) Investment Income in Excess of Projected Income	(172,010,973)	27,080,199				
(10) Excess Investment Income Recognized						
This Year (5-year recognition)						
(10a) From This Year	\$ (34,402,195)	\$ 5,416,040				
(10b) From One Year Ago	(129,372,288)	(34,402,195)	\$ 5,416,040			
(10c) From Two Years Ago	164,522,789	(129,372,288)	(34,402,195)	\$ 5,416,040		
(10d) From Three Years Ago	(28,923,375)	164,522,789	(129,372,288)	(34,402,195)	\$ 5,416,040	
(10e) From Four Years Ago	2,447,258	(28,923,373)	164,522,789	(129,372,289)	(34,402,193)	\$ 5,416,039
(10f) Total Recognized Investment Gain/(Loss)	(25,727,811)	(22,759,027)	6,164,346	(158,358,444)	(28,986,153)	5,416,039
(11) Change in Actuarial Value of Assets						
= (4a) - (4b) + (7) + (8) + (10f)	88,236,117	87,229,973				
End of Year:						
(3) Market Value of Assets	\$ 4,778,268,891	\$ 4,915,338,090				
(12) Final Actuarial Value of Assets as of 6/30 = (2) + (11)	\$ 5,003,872,329	\$ 5,091,102,302				
(13) Difference between Market & Actuarial Values	(225,603,438)	(175,764,212)				
(14) Estimated Market Value Rate of Return on Total Plan Assets	3.86%	8.08%				
(15) Estimated Market Value Return on Invested Plan Assets ¹	3.28%	8.78%				
(16) Actuarial Value Rate of Return	6.84%	6.69%				
(17) Ratio of Actuarial Value to Market Value	105%	104%				

¹ Rate calculated and provided by the County.



Allocation of Actuarial Value of Assets by Group

	Valuation as of July 1, 2024						July 1, 2023
	Non-Public Safety	Public Safety					
	Groups A, H, GRIP	Group J	Group E	Group F	Group G	Total	Total
Beginning of Year:							
(1) Actuarial Value of Assets ¹	\$ 1,914,664,544	\$ 75,572,282	\$ 469,463,869	\$ 1,416,210,420	\$ 1,127,961,214	\$ 5,003,872,329	\$ 4,915,636,212
End of Year:							
(2a) County Contributions	\$ 17,930,046	\$ 386,819	\$ 4,944,917	\$ 12,607,104	\$ 29,009,261	\$ 64,878,147	\$ 52,523,686
(2b) Employee Contributions	13,872,887	785,316	3,175,200	9,213,144	10,364,533	37,411,080	33,543,896
(2c) Total Contributions ²	\$ 31,802,933	\$ 1,172,135	\$ 8,120,117	\$ 21,820,248	\$ 39,373,794	\$ 102,289,227	\$ 86,067,582
(3a) Benefit Payments and Refunds	\$ 158,167,359	\$ 2,555,220	\$ 32,189,944	\$ 80,587,148	\$ 64,553,995	\$ 338,053,666	\$ 322,749,224
(3b) Administrative Expenses	1,050,397	102,037	321,681	1,209,581	1,111,935	3,795,631	3,243,582
(3c) Total Deductions ³	\$ 159,217,756	\$ 2,657,257	\$ 32,511,625	\$ 81,796,729	\$ 65,665,930	\$ 341,849,297	\$ 325,992,806
(4) Investment Return (AVA Basis)	\$ 123,865,631	\$ 5,005,604	\$ 30,596,444	\$ 92,746,490	\$ 74,575,874	\$ 326,790,043	\$ 328,161,341
(5) Actuarial Value of Assets	\$ 1,911,115,352	\$ 79,092,764	\$ 475,668,805	\$ 1,448,980,429	\$ 1,176,244,952	\$ 5,091,102,302	\$ 5,003,872,329
(6) AVA Rate of Return	6.69%	6.69%	6.69%	6.69%	6.69%	6.69%	6.84%

The fiscal year 2024 County contributions include amounts in addition to those calculated in the July 1, 2022 actuarial valuation that were budgeted after benefit provision changes. The additional amounts are \$1,659,074 for MCGEO (Groups E and J), \$3,205,615 for Fire (Group G) and \$1,220,578 for Police (Group F).

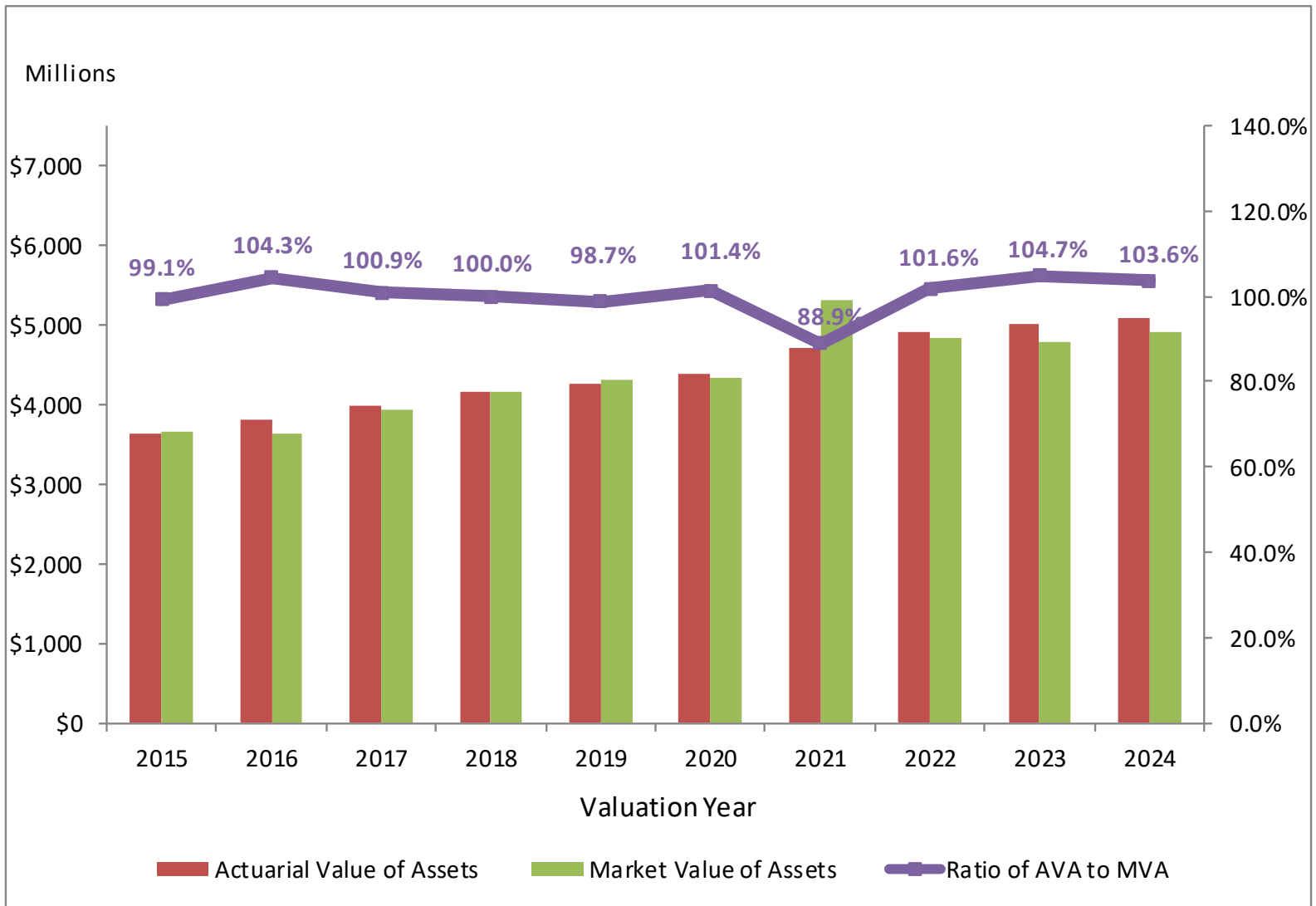
¹ Actuarial value of assets by group is from the actuarial valuation as of July 1, 2023.

² Contributions by group allocated based on fiscal year 2024 contribution rates and expected fiscal year 2024 payroll from the prior actuarial valuation as of July 1, 2023.

³ Deductions by group allocated based on amounts projected by group from the prior actuarial valuation as of July 1, 2023.



Historical Comparison of Actuarial Value of Assets to Market Value of Assets (Total ERS)



SECTION B

ACTUARIAL VALUATION DATA

Summary of Participant Data (July 1, 2024 and July 1, 2023)

	Valuation as of July 1, 2024							Total
	Non-Public Safety		Public Safety				GRIP	
	Group A	Group H	Group J	Group E	Group F	Group G		
Total All Plans								
Active Members								
Number	148	239	124	586	1,069	1,255	3,260	6,681
Average Age	60.2	60.9	49.0	41.9	40.6	38.7	48.5	45.5
Average Service	30.7	29.9	12.6	8.9	14.8	12.5	7.8	11.3
Total Base Payroll	\$ 19,302,001	\$ 24,378,396	\$ 13,682,761	\$ 51,821,329	\$ 119,911,162	\$ 125,453,459	\$ 290,130,576	\$ 644,679,684
Contribution Basis Payroll:								
For Normal Cost	\$ 17,494,478	\$ 21,802,623	\$ 12,674,432	\$ 48,858,352	\$ 115,492,201	\$ 121,135,320	\$ 277,596,692	\$ 615,054,098
For Amortization of Unfunded Liability*	17,780,898	24,378,396	13,682,761	51,821,329	119,911,162	125,453,459	290,130,576	643,158,581
DRSP/DROP Members								
Number				18	40	56		114
Total Base Payroll				\$ 2,279,182	\$ 5,510,726	\$ 7,929,943		\$ 15,719,851
Total Benefits				1,131,584	3,420,422	4,629,063		9,181,069
Terminated Vested Members								
Number	15	17	4	26	43	18	737	860
Total Benefits	\$ 253,015	\$ 133,000	\$ 31,964	\$ 222,831	\$ 525,170	\$ 186,612		\$ 1,352,592
Retired Members and Beneficiaries								
Number							16	6,858
Total Benefits							\$ 291,703	\$ 322,571,322
Total Membership							4,013	14,513

	Valuation as of July 1, 2023							
	Non-Public Safety		Public Safety					
	Group A	Group H	Group J	Group E	Group F	Group G	GRIP	Total
Total All Plans								
Active Members								
Number	175	274	98	460	1,076	1,205	2,941	6,229
Average Age	59.7	60.6	49.3	42.5	39.9	39.0	48.3	45.5
Average Service	30.2	29.6	14.7	10.8	14.2	12.5	7.9	11.8
Total Base Payroll	\$ 21,433,655	\$ 25,225,984	\$ 9,739,649	\$ 38,663,619	\$ 111,054,938	\$ 113,495,892	\$ 245,325,540	\$ 564,939,277
Contribution Basis Payroll:								
For Normal Cost	\$ 19,417,042	\$ 22,769,114	\$ 9,094,889	\$ 36,916,035	\$ 106,898,116	\$ 109,469,719	\$ 235,003,608	\$ 539,568,523
For Amortization of Unfunded Liability*	15,050,570	18,959,785	9,739,649	38,663,619	111,054,938	113,495,892	245,325,540	552,289,993
DRSP/DROP Members								
Number				29	84	64		177
Total Base Payroll				\$ 3,212,462	\$ 10,603,079	\$ 8,808,364		\$ 22,623,905
Total Benefits				1,684,460	6,976,663	5,067,896		13,729,019
Terminated Vested Members								
Number	18	24	4	25	48	18	631	768
Total Benefits	\$ 275,407	\$ 218,434	\$ 31,964	\$ 205,227	\$ 608,152	\$ 186,612		\$ 1,525,796
Retired Members and Beneficiaries								
Number							12	6,809
Total Benefits							\$ 183,184	\$ 309,153,544
Total Membership							3,584	13,983

*Excludes Non-GRIP UAL Payroll from Outside Agencies. As of July 1, 2024, this amount is \$1,521,103, and as of July 1, 2023, this amount is \$1,238,692.



Summary of Active Participant Data by Plan

Valuation as of July 1, 2024 Including DROP/DRSP Actives								
	Non-Public Safety		Public Safety				GRIP	Total
	Group A	Group H	Group J	Group E	Group F	Group G		
<u>Optional Non-Integrated</u>								
Number	-	2	-	-	-	1		3
Total Base Payroll	\$ -	\$ 236,133	\$ -	\$ -	\$ -	\$ 132,512		\$ 368,645
<u>Optional Integrated</u>								
Number	2	-	-	-	-	-		2
Total Base Payroll	\$ 232,524	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 232,524
<u>Mandatory Integrated</u>								
Number	146	237	124	604	1,109	1,310		3,530
Total Base Payroll	\$ 19,069,477	\$ 24,142,264	\$ 13,682,761	\$ 54,100,511	\$ 125,421,888	\$ 133,250,890		\$ 369,667,791
<u>GRIP</u>								
Number							3,260	3,260
Total Base Payroll							\$ 290,130,576	\$ 290,130,576
<u>Total All Plans</u>								
Number	148	239	124	604	1,109	1,311	3,260	6,795
Total Base Payroll	\$ 19,302,001	\$ 24,378,397	\$ 13,682,761	\$ 54,100,511	\$ 125,421,888	\$ 133,383,402	\$ 290,130,576	\$ 660,399,536
Valuation as of July 1, 2024 Excluding DROP/DRSP Actives								
	Non-Public Safety		Public Safety				GRIP	Total
	Group A	Group H	Group J	Group E	Group F	Group G		
<u>Optional Non-Integrated</u>								
Number	-	2	-	-	-	1		3
Total Base Payroll	\$ -	\$ 236,133	\$ -	\$ -	\$ -	\$ 132,512		\$ 368,645
<u>Optional Integrated</u>								
Number	2	-	-	-	-	-		2
Total Base Payroll	\$ 232,524	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 232,524
<u>Mandatory Integrated</u>								
Number	146	237	124	586	1,069	1,254		3,416
Total Base Payroll	\$ 19,069,477	\$ 24,142,264	\$ 13,682,761	\$ 51,821,329	\$ 119,911,162	\$ 125,320,947		\$ 353,947,940
<u>GRIP</u>								
Number							3,260	3,260
Total Base Payroll							\$ 290,130,576	\$ 290,130,576
<u>Total All Plans</u>								
Number	148	239	124	586	1,069	1,255	3,260	6,681
Total Base Payroll	\$ 19,302,001	\$ 24,378,397	\$ 13,682,761	\$ 51,821,329	\$ 119,911,162	\$ 125,453,459	\$ 290,130,576	\$ 644,679,685



Summary of Active Participant Data by Outside Agencies

Valuation as of July 1, 2024

	Assessment and Taxation	Circuit Court	CRU 92 Credit Union	District Court	Housing Opportunities Commission	Revenue Authority	Strathmore Hall	Town of Chevy Chase	Washington Suburban Transit Commission	Total Agency	Total Non- Agency	Total ERS
<u>Non-GRIP Membership</u>												
Active Members												
Number	-	-	-	-	11	2	1	-	-	14	3,407	3,421
Average Age	-	-	-	-	66.9	55.5	56.9	-	-	64.5	42.6	42.7
Average Service	-	-	-	-	34.9	34.2	29.8	-	-	34.4	14.5	14.6
Total Base Payroll	\$	- \$	- \$	- \$	1,114,230	\$ 109,800	\$ 297,074	\$	- \$	\$ 1,521,103	\$ 353,028,005	\$ 354,549,108
DRSP/DROP Members												
Number											114	114
Total Base Payroll											\$ 15,719,851	\$ 15,719,851
Total Benefits											\$ 9,181,069	\$ 9,181,069
Terminated Vested Members												
Number	-	-	-	-	1	-	-	1	-	2	121	123
Total Benefits	\$	- \$	- \$	- \$	2,783	\$	- \$	- \$	4,366	\$	\$ 1,345,444	\$ 1,352,593
Retired Members and Beneficiaries												
Number	15	4	8	5	123	14	5	4	1	179	6,663	6,842
Total Benefits	\$1,222,341	\$107,617	\$417,903	\$174,742	\$3,738,585	\$269,469	\$213,849	\$112,350	\$18,176	\$6,275,031	\$ 316,004,589	\$ 322,279,619
Total Non-GRIP Membership	15	4	8	5	135	16	6	5	1	195	10,305	10,500
<u>GRIP Membership</u>												
Active Members												
Number	-	-	-	-	78	5	21	1	-	105	3,155	3,260
Average Age	-	-	-	-	9.6	6.3	2.8	13.5	-	8.1	49.8	48.5
Average Service	-	-	-	-	53.4	49.5	38.2	46.1	-	50.1	6.4	7.8
Total Base Payroll	\$	- \$	- \$	- \$	6,407,600	\$ 370,680	\$ 1,399,262	\$ 36,674	\$	\$ 8,214,215	\$ 281,916,361	\$ 290,130,576
Terminated GRIP Members	-	-	-	-	57	2	8	-	-	67	670	737
Retired GRIP Members											16	16
Total GRIP Membership	-	-	-	-	135	7	29	1	-	172	3,841	4,013
Total GRIP and Non-GRIP Membership	15	4	8	5	270	23	35	6	1	367	14,146	14,513



Age/Service by Group as of July 1, 2024

Group A

Current Age	Under 5	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 and Over	Totals	Valuation Payroll
Under 25	-	-	-	-	-	-	-	-	-	0	\$ -
25-29	-	-	-	-	-	-	-	-	-	0	-
30-34	1	-	-	-	-	-	-	-	-	1	71,294
35-39	-	-	2	-	-	-	-	-	-	2	207,312
40-44	1	-	-	2	1	-	-	-	-	4	372,692
45-49	-	2	-	5	1	-	-	-	-	8	932,709
50-54	1	1	-	2	1	4	7	1	-	17	1,885,978
55-59	-	-	1	2	1	4	19	7	-	34	4,363,975
60-64	-	-	-	-	1	5	22	13	1	42	6,070,925
65-69	-	-	-	1	-	1	9	12	3	26	3,497,532
70-74	-	-	-	-	-	-	5	2	3	10	1,436,346
75 and Over	-	-	-	-	-	1	1	-	2	4	463,238
Total	3	3	3	12	5	15	63	35	9	148	\$ 19,302,001

While not used in the financial computations, the following group averages are computed and shown because of their general interest.

Current Valuation		Previous Valuation	
Average Age	60.2	Average Age	59.7
Average Service	30.7	Average Service	30.2
Average Annual Pay	\$ 130,419	Average Annual Pay	\$ 122,478
Vested Participants	145	Vested Participants	172
Nonvested Participants	3	Nonvested Participants	3
Total Participants	148	Total Participants	175

Group H

Current Age	Under 5	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 and Over	Totals	Valuation Payroll
Under 25	1	-	-	-	-	-	-	-	-	1	\$ 68,820
25-29	1	-	-	-	-	-	-	-	-	1	63,975
30-34	-	3	-	-	-	-	-	-	-	3	239,363
35-39	1	-	-	2	-	-	-	-	-	3	288,399
40-44	1	1	1	3	1	-	-	-	-	7	649,649
45-49	-	3	1	-	3	1	-	-	-	8	868,629
50-54	1	-	-	1	4	8	8	1	-	23	2,427,854
55-59	1	2	-	1	7	11	21	8	-	51	5,223,172
60-64	-	1	1	-	4	13	25	18	2	64	6,549,920
65-69	-	-	-	-	2	6	16	15	3	42	4,187,169
70-74	-	-	-	-	2	3	7	12	5	29	3,047,637
75 and Over	-	-	-	-	-	1	3	1	2	7	763,809
Total	6	10	3	7	23	43	80	55	12	239	\$ 24,378,396

While not used in the financial computations, the following group averages are computed and shown because of their general interest.

Current Valuation		Previous Valuation	
Average Age	60.9	Average Age	60.6
Average Service	29.9	Average Service	29.6
Average Annual Pay	\$ 102,002	Average Annual Pay	\$ 92,066
Vested Participants	233	Vested Participants	267
Nonvested Participants	6	Nonvested Participants	7
Total Participants	239	Total Participants	274



Age/Service by Group as of July 1, 2024

Group J

Current Age	Under 5	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 and Over	Totals	Valuation Payroll
Under 25	-	-	-	-	-	-	-	-	-	0	\$ -
25-29	2	-	-	-	-	-	-	-	-	2	177,921
30-34	5	4	1	-	-	-	-	-	-	10	965,448
35-39	6	3	1	1	-	-	-	-	-	11	1,010,720
40-44	11	2	4	7	1	-	-	-	-	25	2,671,803
45-49	6	-	2	2	7	1	-	-	-	18	2,083,776
50-54	6	2	3	-	5	5	1	-	-	22	2,679,509
55-59	3	-	2	3	3	3	1	1	-	16	1,911,303
60-64	2	1	1	3	8	-	-	-	-	15	1,620,092
65-69	-	-	-	1	-	-	1	-	-	2	212,277
70-74	1	-	1	-	-	1	-	-	-	3	349,912
75 and Over	-	-	-	-	-	-	-	-	-	0	-
Total	42	12	15	17	24	10	3	1	-	124	\$ 13,682,761

While not used in the financial computations, the following group averages are computed and shown because of their general interest.

Current Valuation		Previous Valuation	
Average Age	49.0	Average Age	49.3
Average Service	12.6	Average Service	14.7
Average Annual Pay	\$ 110,345	Average Annual Pay	\$ 99,384
Vested Participants	82	Vested Participants	80
Nonvested Participants	42	Nonvested Participants	18
Total Participants	124	Total Participants	98

Group E

Current Age	Under 5	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 and Over	Totals	Valuation Payroll
Under 25	22	-	-	-	-	-	-	-	-	22	\$ 1,324,960
25-29	43	12	-	-	-	-	-	-	-	55	3,787,880
30-34	57	33	8	-	-	-	-	-	-	98	7,607,468
35-39	45	21	12	6	-	-	-	-	-	84	6,906,794
40-44	41	16	13	23	7	-	-	-	-	100	9,192,478
45-49	26	6	7	12	26	3	-	-	-	80	7,914,506
50-54	23	14	3	22	19	9	2	-	-	92	9,258,898
55-59	9	2	4	8	10	5	-	-	-	38	3,879,211
60-64	1	-	-	2	5	3	-	-	-	11	1,296,337
65-69	1	-	-	2	-	3	-	-	-	6	652,797
70-74	-	-	-	-	-	-	-	-	-	0	-
75 and Over	-	-	-	-	-	-	-	-	-	0	-
Total	268	104	47	75	67	23	2	-	-	586	\$ 51,821,329

While not used in the financial computations, the following group averages are computed and shown because of their general interest.

Current Valuation		Previous Valuation	
Average Age	41.9	Average Age	42.5
Average Service	8.9	Average Service	10.8
Average Annual Pay	\$ 88,432	Average Annual Pay	\$ 84,051
Vested Participants	318	Vested Participants	320
Nonvested Participants	268	Nonvested Participants	140
Total Participants	586	Total Participants	460



Age/Service by Group as of July 1, 2024

Group F

Current Age	Under 5	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 and Over	Totals	Valuation Payroll
Under 25	26	-	-	-	-	-	-	-	-	26	\$ 1,755,684
25-29	79	29	-	-	-	-	-	-	-	108	8,343,350
30-34	25	97	61	-	-	-	-	-	-	183	17,025,059
35-39	9	42	102	52	-	-	-	-	-	205	22,181,155
40-44	5	11	25	110	52	-	-	-	-	203	25,156,948
45-49	1	6	8	31	92	23	-	-	-	161	20,955,096
50-54	-	2	5	13	43	47	12	1	-	123	16,367,845
55-59	-	-	-	8	7	22	13	-	-	50	6,779,851
60-64	-	-	-	1	1	1	2	1	-	6	868,322
65-69	-	-	1	-	1	-	-	1	1	4	477,852
70-74	-	-	-	-	-	-	-	-	-	0	-
75 and Over	-	-	-	-	-	-	-	-	-	0	-
Total	145	187	202	215	196	93	27	3	1	1,069	\$ 119,911,162

While not used in the financial computations, the following group averages are computed and shown because of their general interest.

Current Valuation		Previous Valuation	
Average Age	40.6	Average Age	39.9
Average Service	14.8	Average Service	14.2
Average Annual Pay	\$ 112,171	Average Annual Pay	\$ 103,211
Vested Participants	924	Vested Participants	910
Nonvested Participants	145	Nonvested Participants	166
Total Participants	1,069	Total Participants	1,076

Group G

Current Age	Under 5	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 and Over	Totals	Valuation Payroll
Under 25	110	-	-	-	-	-	-	-	-	110	\$ 6,700,702
25-29	98	28	5	-	-	-	-	-	-	131	9,428,200
30-34	53	94	71	1	-	-	-	-	-	219	19,182,355
35-39	24	67	92	63	2	-	-	-	-	248	24,660,389
40-44	9	21	36	112	38	-	-	-	-	216	24,254,680
45-49	-	7	15	55	51	30	-	-	-	158	19,529,596
50-54	2	5	7	27	39	25	13	-	-	118	14,722,546
55-59	-	2	2	8	10	12	12	-	-	46	5,828,239
60-64	-	-	2	-	-	2	1	-	-	5	627,575
65-69	-	-	-	1	-	-	-	1	2	4	519,175
70-74	-	-	-	-	-	-	-	-	-	0	-
75 and Over	-	-	-	-	-	-	-	-	-	0	-
Total	296	224	230	267	140	69	26	1	2	1,255	\$ 125,453,459

While not used in the financial computations, the following group averages are computed and shown because of their general interest.

Current Valuation		Previous Valuation	
Average Age	38.7	Average Age	39.0
Average Service	12.5	Average Service	12.5
Average Annual Pay	\$ 99,963	Average Annual Pay	\$ 94,187
Vested Participants	959	Vested Participants	934
Nonvested Participants	296	Nonvested Participants	271
Total Participants	1,255	Total Participants	1,205



Age/Service by Group as of July 1, 2024

GRIP

Current Age	Under 5	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 and Over	Totals	Valuation Payroll
Under 25	29	4	-	-	-	-	-	-	-	33	\$ 1,784,663
25-29	111	22	4	-	-	-	-	-	-	137	9,036,387
30-34	213	97	15	4	-	-	-	-	-	329	25,468,656
35-39	202	161	37	8	-	-	-	-	-	408	34,962,306
40-44	201	147	51	17	3	-	-	-	-	419	37,760,020
45-49	195	155	59	32	14	-	-	-	-	455	43,074,247
50-54	160	151	44	28	29	15	-	-	-	427	40,049,500
55-59	135	121	56	44	37	16	-	-	-	409	37,531,471
60-64	78	112	55	51	44	18	1	-	-	359	33,887,135
65-69	35	51	40	29	33	24	-	-	-	212	19,849,599
70-74	8	14	5	5	5	7	-	-	-	44	4,298,474
75 and Over	3	2	6	6	5	5	1	-	-	28	2,428,118
Total	1,370	1,037	372	224	170	85	2	-	-	3,260	\$ 290,130,576

While not used in the financial computations, the following group averages are computed and shown because of their general interest.

Current Valuation		Previous Valuation	
Average Age:	48.5	Average Age	48.3
Average Service:	7.8	Average Service	7.9
Average Annual Pay:	\$ 88,997	Average Annual Pay	\$ 83,416
Vested Participants	2,309	Vested Participants	2,309
Nonvested Participants	951	Nonvested Participants	632
Total Participants	3,260	Total Participants	2,941

Total All Groups

Current Age	Under 5	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 and Over	Totals	Valuation Payroll
Under 25	188	4	-	-	-	-	-	-	-	192	\$ 11,634,830
25-29	334	91	9	-	-	-	-	-	-	434	30,837,713
30-34	354	328	156	5	-	-	-	-	-	843	70,559,643
35-39	287	294	246	132	2	-	-	-	-	961	90,217,074
40-44	269	198	130	274	103	-	-	-	-	974	100,058,270
45-49	228	179	92	137	194	58	-	-	-	888	95,358,560
50-54	193	175	62	93	140	113	43	3	-	822	87,392,130
55-59	148	127	65	74	75	73	66	16	-	644	65,517,222
60-64	81	114	59	57	63	42	51	32	3	502	50,920,307
65-69	36	51	41	34	36	34	26	29	9	296	29,396,400
70-74	9	14	6	5	7	11	12	14	8	86	9,132,369
75 and Over	3	2	6	6	5	7	5	1	4	39	3,655,165
Total	2,130	1,577	872	817	625	338	203	95	24	6,681	\$ 644,679,684

While not used in the financial computations, the following group averages are computed and shown because of their general interest.

Current Valuation		Previous Valuation	
Average Age	45.5	Average Age	45.5
Average Service	11.3	Average Service	11.8
Average Annual Pay	\$ 96,494	Average Annual Pay	\$ 90,695
Vested Participants	4,970	Vested Participants	4,992
Nonvested Participants	1,711	Nonvested Participants	1,237
Total Participants	6,681	Total Participants	6,229



Schedule of Active Member Data as of July 1, 2024

Valuation Date 7/1	Number	Annual Payroll	Average Annual Pay	% Increase in Avg Pay
2015	5,541	\$418,728,584	\$75,569	3.82%
2016	5,513	427,622,475	77,566	2.64%
2017	5,738	444,274,516	77,427	-0.18%
2018	6,004	467,974,450	77,944	0.67%
2019	6,003	476,619,112	79,397	1.86%
2020	6,204	503,656,510	81,183	2.25%
2021	6,214	506,377,759	81,490	0.38%
2022	5,956	510,692,954	85,744	5.22%
2023	6,229	564,939,277	90,695	5.77%
2024	6,681	644,679,684	96,494	6.39%

Schedule of Members in Pay Status as of July 1, 2024

Valuation Date 7/1	Annuitants	Survivors	Disableds	Total Number	Total Annual Benefits	Total Average Annual Benefit
2015	4,807	448	1,125	6,380	\$235,612,875	\$36,930
2016	4,882	445	1,126	6,453	240,863,796	37,326
2017	4,947	453	1,116	6,516	245,139,028	37,621
2018	5,031	465	1,119	6,615	255,539,421	38,630
2019	5,128	471	1,132	6,731	266,179,533	39,545
2020	5,190	466	1,127	6,783	269,846,761	39,783
2021	5,273	461	1,109	6,843	286,012,038	41,796
2022	5,383	466	1,117	6,966	312,419,906	44,849
2023	5,410	465	1,111	6,986	322,882,562	46,219
2024	5,375 ¹	493 ²	1,104	6,972	331,752,391	47,584

Beginning with the July 1, 2014 valuation, counts for annuitants and annual benefit amounts include DRSP and DROP members. Annual benefit amounts include total benefit amount for insured retirees (including the benefit amount that is paid by Aetna).

¹ Count includes 63 insured retirees with Total Annual Benefits of \$2,602,878.

² Count includes 78 insured survivors with Total Annual Benefits of \$1,970,670.



SECTION C

ACTUARIAL VALUATION METHODS AND ASSUMPTIONS

Actuarial Cost Method

Normal cost and the allocation of benefit values between service rendered before and after the valuation date were determined using the **Individual Entry-Age Normal actuarial cost method** having the following characteristics:

- The normal cost for each individual active member, payable from the date of employment to the date of retirement, is sufficient to accumulate the value of the member's benefit at the time of retirement; and
- Each annual normal cost is a constant percentage of the member's year by year projected covered pay.

Financing of Unfunded Actuarial Accrued Liabilities. The unfunded actuarial accrued liability is amortized using a level-percentage of pay amortization of a closed period amortization base. The amortization method was changed from an 18-year closed period amortization of the base established on July 1, 2010, and 20-year closed period amortization of the bases established thereafter, to recombining all amortization bases established prior to July 1, 2015, into a single amortization base equal to the unfunded actuarial liability as of July 1, 2015. The single amortization base as of July 1, 2015, and subsequent unfunded liability arising in future valuations are amortized over separate 20-year closed periods for the Public Safety groups (Group E, F, G and J) beginning July 1, 2015. The amortization method for Groups A, H, and GRIP was changed to amortize the combined unfunded liability as of July 1, 2023 over a 20-year closed amortization period as a level percentage of payroll and to amortize subsequent unfunded liability over separate 20-year closed amortization periods as a level percentage of payroll.

Allocation of Unfunded Liability and Amortization Payments by Group. The amortization payments for non-GRIP members are allocated between Groups A, E, F, G, H and J. The amortization payment schedule by group for the bases established prior to the 2012 valuation is based on the allocation established by the prior actuary. The amortization payment schedule by group for the bases established beginning in the 2012 valuation is based on allocations calculated by GRS using a consistent method with the prior actuary.

The unfunded liability as of July 1, 2014 was calculated for each group based on the amortization payment amounts in that valuation and the remaining amortization period for each payment. Beginning with the July 1, 2015 actuarial valuation, changes in the unfunded liability are separately calculated and reported for each group.

The actuarial value of assets by group as of July 1, 2014 was calculated as the difference between the actuarial accrued liability and the unfunded liability as of July 1, 2014. Beginning with the actuarial valuation as of July 1, 2015, the non-GRIP actuarial value of assets by group is calculated using the following methodology:

- 1) Beginning of year actuarial value of assets for each benefit group (calculated in the prior year's valuation); plus
- 2) Non-investment cash flows (allocated based on each group's projected non-investment cash flows from the prior valuation); plus
- 3) Assumed investment return on the actuarial value of assets (rate of return equal to the rate of return on an actuarial value of assets basis for non-GRIP assets).



Actuarial Cost Method (Concluded)

Beginning with the actuarial valuation as of July 1, 2023, a combined asset value is calculated for Groups A, H and GRIP in conjunction with the change to amortize the combined unfunded liability of the three groups on a combined basis.

Actuarial Value of Pension Plan Assets. The calculated value is determined by adjusting the market value of assets to reflect the investment gains and losses (the difference between the actual investment return and the expected investment return) during each of the last five years at the rate of 20 percent per year.

Contribution Basis Payroll. The payroll for each member who is active at the actuarial valuation date is called the Base Payroll. For purposes of calculating the contribution rates based on the dollar contributions determined, different payroll amounts are used.

Contribution Basis Payroll for Normal Cost is the expected payroll for current active members payable in the upcoming year and reflects that a percentage of members will exit the active population due to retirement, termination, death or disability. This payroll is on a consistent basis with the normal cost dollars shown in the report.

Contribution Basis Payroll for Amortization of Unfunded Liability is equal to the total base payroll. Beginning with the actuarial valuation as of July 1, 2023, unfunded liability contributions for Groups A, H and GRIP are being funded on a combined basis and on a combined basis, Groups A, H and GRIP are an open group.

Actuarial Assumptions in the Valuation Process

The contribution and benefit values of the System are calculated by applying actuarial assumptions to the benefit provisions and census information furnished, using the actuarial cost method described on the previous page.

The principal areas of financial risk which require assumptions about future experiences are:

- Long-term rates of investment return to be generated by the assets of the Plan;
- Patterns of pay increases to members;
- Rates of mortality among members, retirees and beneficiaries;
- Rates of withdrawal of active members;
- Rates of disability among members; and
- The age patterns of actual retirement.

In an actuarial valuation, the monetary effect of each actuarial assumption is calculated for as long as a present covered person survives; a period of time which can be as long as a century.

Actual experience of the Plan will not coincide exactly with assumed experience. Each actuarial valuation provides a complete recalculation of assumed future experience and takes into account all past differences between assumed and actual experience. The result is a continual series of adjustments (usually small) to the computed contribution rate.

The actuarial assumptions used in this actuarial valuation are based on the Phase 1 and Phase 2 experience study reports covering the period July 1, 2018 through July 1, 2023. The actuarial assumptions described in this section were adopted by the Chief Administrative Officer (CAO) for use beginning with the July 1, 2024 actuarial valuation. Additional information regarding the rationale for the actuarial assumptions may be found in the 2023 Phase 1 and Phase 2 experience review reports. All actuarial assumptions are expectations of future experience, not current market measures.

Actuarial Valuation Assumptions

The assumed rate of price inflation is 2.50 percent.

The assumed COLA is as follows:

	Assumed COLA
100% of CPI, benefit attributable to pre-7/1/2011 service	2.50%
60% of CPI, benefit attributable to pre-7/1/2011 service	1.50%
100% of CPI up to 3%, 60% of change in excess of 3%*, benefit attributable to pre-7/1/2011 service	2.45%
100% of CPI**, benefit attributable to service on or after 7/1/2011	2.20%

Assumed COLA for Group G members (for total benefit) is assumed to be 2.45%.

**Capped at 7.50%.*

***Capped at 2.50%.*

The following groups have a COLA equal to 60 percent of the increase in CPI:

- Unrepresented Non-Public Safety Enrolled 7/1/78 and after-retired before 11/1/01
- Certain Sheriffs and Inspectors Enrolled 7/1/78 and after-retired prior to 11/1/01
- Represented Non-Public Safety Enrolled 7/1/78 and after-retired prior to 11/1/01
- Sheriffs/Corrections Enrolled 7/1/78 and after-retired prior to 11/1/01
- Fire Enrolled 7/1/78 and after-retired prior to 3/1/00
- Police Enrolled 7/1/78 and after-retired prior to 3/1/00

The assumed rate of investment return used was 7.50%, net of expenses, annually.

Actuarial Valuation Assumptions (Continued)

The rates of annual salary increase used for individual members are in accordance with the following table (and include the wage inflation increase of 3.00%). This assumption is used to project a member's current salary to the salaries upon which benefit amounts will be based.

Service At Assumed Pay Increase	Group A, H and GRIP	Group E and J	Group F	Group G
1	6.75%	9.00%	6.00%	11.00%
2	6.50%	8.50%	7.00%	8.50%
3	6.00%	8.00%	8.50%	7.50%
4	6.00%	7.00%	7.00%	7.00%
5	5.75%	6.75%	8.50%	6.50%
6	5.75%	6.25%	6.00%	6.50%
7	5.75%	5.75%	6.00%	6.50%
8	5.25%	5.25%	6.00%	6.50%
9	5.00%	5.25%	6.00%	6.50%
10	5.00%	5.25%	6.00%	6.50%
11	4.25%	5.25%	6.00%	5.50%
12	4.25%	5.25%	6.00%	5.50%
13	4.00%	5.25%	6.00%	5.50%
14	4.00%	5.25%	6.00%	5.50%
15	4.00%	5.25%	6.00%	5.50%
16	3.50%	5.00%	6.00%	3.75%
17	3.50%	4.75%	4.50%	3.75%
18	3.50%	4.50%	4.25%	3.75%
19	3.50%	4.25%	4.25%	3.75%
20	3.50%	4.00%	4.25%	3.75%
21	3.25%	3.75%	3.50%	3.75%
22	3.25%	3.75%	3.50%	3.75%
23	3.25%	3.75%	3.50%	3.75%
24	3.25%	3.75%	3.50%	3.75%
25	3.25%	3.75%	3.50%	3.75%
26	3.00%	3.75%	3.00%	3.00%
27	3.00%	3.75%	3.00%	3.00%
28	3.00%	3.75%	3.00%	3.00%
29	3.00%	3.75%	3.00%	3.00%
30+	3.00%	3.00%	3.00%	3.00%

The assumed rate of total payroll growth used in amortizing the unfunded liability as a level percentage of pay is 3.00 percent.

The assumed increase in the Social Security Taxable Wage Base is 3.00 percent.



Actuarial Valuation Assumptions (Continued)

The mortality assumptions are as follows:

To provide a margin for future mortality improvements, generational mortality improvements from 2010 using projection scale MP-2021 was used.

Type	Assumption
Post-retirement non-disabled	Groups A, H, J and GRIP Pub-2010 Healthy Retiree Mortality Table (for General Employees), sex distinct Groups E, F and G Pub-2010 Healthy Retiree Mortality Table (for Safety Employees), sex distinct
Post-retirement disabled	Groups A, H, J and GRIP Pub-2010 Disabled Retiree Mortality Table (for General Employees), sex distinct Groups E, F and G Pub-2010 Disabled Retiree Mortality Table (for Safety Employees), sex distinct
Pre-retirement non-service connected	Groups A, H, J and GRIP Pub-2010 Employee Mortality Table (for General Employees) , sex distinct Groups E, F and G Pub-2010 Employee Mortality Table (for Safety Employees), sex distinct
Pre-retirement service connected	Groups F and G 15% of the rates from the Pub-2010 Employee Mortality Table (for Safety Employees), sex distinct

Age	Groups E, F and G					
	Healthy Mortality				Disabled Mortality	
	Pre-Retirement		Post-Retirement		Future Life	
	Future Life		Future Life		Future Life	
	Expectancy (years) in 2024		Expectancy (years) in 2024		Expectancy (years) in 2024	
	Male	Female	Male	Female	Male	Female
40	48.87	51.32	46.03	48.20	44.19	46.51
45	43.74	46.18	40.83	42.94	39.24	41.49
50	38.62	41.06	35.69	37.73	34.31	36.48
55	33.54	35.96	30.64	32.62	29.44	31.59
60	28.54	30.91	25.75	27.70	24.75	26.95
65	23.66	25.92	21.13	23.04	20.37	22.59
70	18.94	21.00	16.83	18.64	16.32	18.44
75	14.46	16.26	12.91	14.56	12.59	14.52
80	10.27	11.79	9.48	10.94	9.35	10.94
85	6.74	7.98	6.68	7.92	6.68	7.92

Life expectancy based on non-service connected mortality rates only.



Actuarial Valuation Assumptions (Continued)

Age	Groups A, H, J and GRIP					
	Healthy Mortality				Disabled Mortality	
	Pre-Retirement		Post-Retirement		Future Life	
	Future Life		Future Life		Future Life	
	Expectancy (years) in 2024		Expectancy (years) in 2024		Expectancy (years) in 2024	
	Male	Female	Male	Female	Male	Female
40	49.40	51.70	45.99	49.03	34.38	37.54
45	44.31	46.54	40.75	43.75	30.28	33.34
50	39.25	41.40	35.65	38.57	26.45	29.40
55	34.24	36.29	30.76	33.60	22.96	25.81
60	29.33	31.27	26.04	28.72	19.77	22.46
65	24.56	26.33	21.53	23.98	16.82	19.16
70	19.91	21.49	17.26	19.44	13.98	15.77
75	15.36	16.78	13.32	15.18	11.21	12.47
80	10.94	12.21	9.83	11.35	8.62	9.51
85	7.06	8.17	6.97	8.11	6.40	7.11

Life expectancy based on non-service connected mortality rates only.

Actuarial Valuation Assumptions (Continued)

Rates of separation from active membership are represented by the following table (rates do not apply to members eligible to retire and do not include separation on account of death or disability). This assumption measures the probabilities of members terminating employment.

Service Beginning of Year	Group A, H and GRIP		Group E and J		Group F		Group G	
	Male	Female	Male	Female	Male	Female	Male	Female
0	10.50%	12.50%	18.00%	20.00%	8.00%	12.00%	7.00%	10.50%
1	9.50%	10.50%	10.00%	18.00%	6.00%	6.00%	5.00%	5.00%
2	9.00%	9.50%	8.00%	16.00%	5.25%	4.00%	3.75%	4.50%
3	7.50%	9.00%	5.00%	10.00%	4.50%	3.50%	3.50%	4.00%
4	7.50%	8.50%	8.00%	10.00%	3.75%	3.00%	2.50%	3.50%
5	6.50%	8.00%	5.00%	8.00%	3.50%	2.50%	2.00%	3.00%
6	6.00%	7.00%	5.00%	6.00%	3.00%	2.00%	1.75%	2.75%
7	5.50%	5.00%	5.00%	5.00%	2.75%	2.00%	1.50%	2.50%
8	4.00%	4.50%	4.00%	4.00%	2.25%	2.00%	1.25%	2.00%
9	4.00%	4.00%	3.00%	3.00%	2.00%	2.00%	1.00%	1.75%
10	3.75%	3.75%	2.50%	2.50%	1.50%	1.50%	1.00%	1.00%
11	3.50%	3.50%	2.50%	2.50%	1.25%	1.50%	0.75%	0.75%
12	3.25%	3.25%	2.50%	2.50%	0.75%	1.50%	0.50%	0.50%
13	3.00%	3.00%	2.50%	2.50%	0.50%	1.50%	0.25%	0.25%
14	3.00%	2.75%	1.00%	1.00%	0.50%	0.50%	0.25%	0.25%
15	2.00%	2.50%	1.00%	1.00%	0.50%	0.50%	0.25%	0.25%
16	2.00%	2.50%	1.00%	1.00%	0.50%	0.50%	0.25%	0.25%
17	2.00%	2.50%	1.00%	1.00%	0.50%	0.50%	0.25%	0.25%
18	2.00%	2.50%	1.00%	1.00%	0.50%	0.50%	0.25%	0.25%
19	2.00%	2.50%	1.00%	1.00%	0.50%	0.50%	0.25%	0.25%
20+	2.00%	2.00%	1.00%	1.00%	0.50%	0.50%	0.25%	0.25%

Vested participants who terminate are assumed to elect the option with the greater present value:

- 1) *A refund of their accumulated contributions with interest or*
- 2) *A deferred benefit.*

Actuarial Valuation Assumptions (Continued)

Rates of disability were as follows:

Age	Non-Public Safety				Public Safety					
	Groups A and H		Group J		Group E		Group F		Group G	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
20	0.0158%	0.0080%	0.0144%	0.0132%	0.0259%	0.0132%	0.0259%	0.0292%	0.0720%	0.0731%
25	0.0325%	0.0215%	0.0295%	0.0351%	0.0531%	0.0351%	0.0531%	0.0780%	0.1475%	0.1950%
30	0.0664%	0.0572%	0.0604%	0.0936%	0.1086%	0.0936%	0.1086%	0.2080%	0.3018%	0.5200%
35	0.1281%	0.0840%	0.1164%	0.1375%	0.2096%	0.1375%	0.2096%	0.3055%	0.5821%	0.7638%
40	0.1619%	0.1621%	0.1471%	0.2653%	0.2649%	0.2653%	0.2649%	0.5895%	0.7357%	1.4738%
45	0.2932%	0.3135%	0.2666%	0.5131%	0.4798%	0.5131%	0.4798%	1.1401%	1.3328%	2.8503%
50	0.4873%	0.3891%	0.4430%	0.6367%	0.7973%	0.6367%	0.7973%	1.4148%	2.2148%	3.5370%
55	0.8926%	0.4089%	0.8114%	0.6691%	1.4606%	0.6691%	1.4606%	1.4868%	4.0572%	3.7170%
60	0.8926%	0.4089%	0.8114%	0.6691%	1.4606%	0.6691%	1.4606%	1.4868%	4.0572%	3.7170%

Following is a summary of the multipliers applied to the base disability rates for each group. The Group G rates are equal to 100% of the base disability rates.

Multiplier to Base Table		
Group	Male	Female
A and H	22%	11%
E	36%	18%
J	20%	18%
F	36%	40%
G	100%	100%

The assumed split of service-connected and non-service connected disabilities is as follows:

Group	Total	Total	Service Connected Disability	
	Non-Service	Service	Total Incapacity	Partial Incapacity
	Connected	Connected	70% Benefit	52.5% Benefit
A and H	70%	30%	15.0%	15.0%
E	50%	50%	10.0%	40.0%
J	33%	67%	20.0%	47.0%
F	33%	67%	20.0%	47.0%
G	5%	95%	30.0%	65.0%



Actuarial Valuation Assumptions (Continued)

Rates of retirement for non-Public Safety and Group J members eligible to retire during the next year were as follows:

Age	Groups A and H		Group J		GRIP	
	Under 30 Years of Service	30 Years of Service and Over	Under 25 Years of Service	25 Years of Service and Over	Under 15 Years of Service	15 Years of Service and Over
Under 42			3.00%	3.50%		
42			3.00%	3.50%		
43			3.00%	3.50%		
44			3.00%	3.50%		
45	2.00%	2.00%	3.00%	8.00%		
46	2.00%	2.00%	3.00%	8.00%		
47	2.00%	2.00%	3.00%	8.00%		
48	2.00%	2.00%	3.00%	8.00%		
49	2.00%	2.00%	3.00%	25.00%		
50	3.00%	12.50%	7.50%	25.00%		
51	3.00%	12.50%	7.50%	25.00%		
52	3.00%	12.50%	7.50%	25.00%		
53	3.00%	12.50%	7.50%	25.00%		
54	3.00%	12.50%	7.50%	25.00%		
55	6.00%	15.00%	10.00%	25.00%	5.00%	5.00%
56	6.00%	15.00%	10.00%	25.00%	5.00%	5.00%
57	6.00%	15.00%	10.00%	25.00%	5.00%	5.00%
58	6.00%	15.00%	10.00%	25.00%	5.00%	5.00%
59	6.00%	15.00%	10.00%	25.00%	5.00%	5.00%
60	15.00%	18.00%	10.00%	30.00%	5.00%	5.00%
61	13.00%	18.00%	10.00%	30.00%	5.00%	5.00%
62	14.00%	18.00%	10.00%	30.00%	6.00%	12.00%
63	11.00%	18.00%	10.00%	30.00%	6.00%	12.00%
64	11.00%	18.00%	10.00%	30.00%	8.00%	12.00%
65	15.00%	18.00%	30.00%	50.00%	13.00%	15.00%
66	15.00%	20.00%	30.00%	50.00%	13.00%	15.00%
67	20.00%	20.00%	30.00%	50.00%	13.00%	20.00%
68	20.00%	20.00%	30.00%	50.00%	13.00%	20.00%
69	20.00%	20.00%	30.00%	50.00%	13.00%	25.00%
70	25.00%	30.00%	100.00%	100.00%	20.00%	40.00%
71	25.00%	30.00%			20.00%	40.00%
72	25.00%	30.00%			20.00%	40.00%
73	25.00%	30.00%			20.00%	40.00%
74	25.00%	30.00%			20.00%	40.00%
75	100.00%	100.00%			100.00%	100.00%

Actuarial Valuation Assumptions (Continued)

Rates of retirement for Public Safety members in Groups E, F and G eligible to retire during the next year were as follows:

Age	Group E			Group F			Group G		
	Under 25 Years of Service	25 Years of Service and Over	First DROP Eligibility	Under 25 Years of Service	25 Years of Service	26 Years of Service and Over	Under 20 or 21 - 24 Years of Service	20 Years of Service	25 Years of Service and Over
Under 42	3.00%	3.50%		2.50%	12.00%	12.00%	3.00%	8.00%	8.00%
42	3.00%	3.50%		2.50%	12.00%	12.00%	3.00%	8.00%	8.00%
43	3.00%	3.50%		2.50%	12.00%	12.00%	3.00%	8.00%	8.00%
44	3.00%	3.50%		2.50%	12.00%	12.00%	3.00%	8.00%	8.00%
45	3.00%	8.00%		2.50%	12.00%	12.00%	3.00%	10.00%	14.00%
46	3.00%	8.00%	23.00%	3.00%	12.00%	12.00%	3.00%	10.00%	14.00%
47	3.00%	8.00%	23.00%	4.00%	12.00%	12.00%	3.00%	10.00%	14.00%
48	3.00%	8.00%	23.00%	4.00%	12.00%	12.00%	3.00%	10.00%	14.00%
49	3.00%	20.00%	35.00%	4.00%	12.00%	12.00%	7.00%	14.00%	14.00%
50	7.50%	30.00%	45.00%	6.00%	20.00%	20.00%	7.00%	14.00%	14.00%
51	7.50%	30.00%	45.00%	6.00%	20.00%	20.00%	7.00%	14.00%	14.00%
52	7.50%	30.00%	45.00%	6.00%	25.00%	25.00%	10.00%	17.00%	20.00%
53	7.50%	30.00%	45.00%	6.00%	25.00%	25.00%	10.00%	17.00%	20.00%
54	7.50%	30.00%	45.00%	6.00%	25.00%	25.00%	10.00%	17.00%	20.00%
55	20.00%	30.00%	25.00%	12.00%	40.00%	30.00%	10.00%	20.00%	20.00%
56	20.00%	30.00%	30.00%	12.00%	40.00%	30.00%	15.00%	30.00%	30.00%
57	20.00%	30.00%	30.00%	15.00%	40.00%	30.00%	15.00%	30.00%	30.00%
58	20.00%	30.00%	30.00%	15.00%	40.00%	35.00%	15.00%	40.00%	40.00%
59	20.00%	30.00%	30.00%	15.00%	40.00%	35.00%	15.00%	40.00%	40.00%
60	15.00%	40.00%	50.00%	20.00%	65.00%	35.00%	30.00%	40.00%	40.00%
61	15.00%	40.00%	50.00%	20.00%	65.00%	35.00%	30.00%	40.00%	40.00%
62	15.00%	40.00%	50.00%	20.00%	65.00%	40.00%	30.00%	40.00%	40.00%
63	15.00%	40.00%	50.00%	25.00%	65.00%	40.00%	30.00%	40.00%	40.00%
64	15.00%	40.00%	50.00%	25.00%	65.00%	40.00%	30.00%	40.00%	40.00%
65	50.00%	50.00%	85.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
66	50.00%	50.00%	85.00%						
67	50.00%	50.00%	85.00%						
68	50.00%	50.00%	85.00%						
69	50.00%	50.00%	85.00%						
70	100.00%	100.00%	100.00%						

Assumption for DRSP and DROP eligible members are as follows:

	Group E (DROP)	Group F (DRSP)	Group G (DROP)
Percent Assumed to Participate	75%	70%	85%
Average Years of Participation	3 years	3 years	3 years



Actuarial Valuation Assumptions (Continued)

Assumed Additional Sick Leave Credit:

Members are assumed to accumulate additional service credit at termination or retirement for unused sick leave credit up to a maximum of 2 years.

Years of Sick Leave Per	
Group	Year of Credited Service
A	0.027
E, J	0.019
F	0.042
G	0.025
H	0.015

Marital Status:

It is assumed that 80 percent of active participants have an eligible spouse. The male spouse is assumed to be three years older than the female spouse.

Form of Payment:

Plan	Normal Form	Assumed in Valuation
Mandatory Integrated	Life Annuity, guaranteed returned employee contributions with interest	3-Year Certain and Continuous Annuity
Optional Integrated	Life Annuity with 120 monthly payments guaranteed	10-Year Certain and Continuous Annuity
Optional Non-Integrated	Life Annuity with 120 monthly payments guaranteed	10-Year Certain and Continuous Annuity
GRIP	Lump Sum	Lump Sum at Termination or Retirement

Benefit Service:

Exact fractional years of service are used to determine the amount of benefit payable.

Decrement Timing:

All decrements are assumed to occur at the middle of the year.

Decrement Operation:

Turnover decrements do not operate after the member reaches retirement eligibility.

Eligibility Testing:

Eligibility for benefits is determined based upon the age nearest birthday and service on the date the decrement is assumed to occur.

Pay Increase Timing:

End of (fiscal) year.



Actuarial Valuation Assumptions (Concluded)

Expenses: Assumed administrative expenses were added to the Normal Cost and are based on 105 percent of the average of the administrative expenses over the past 3 years. The assumed amount added to the Normal Cost is:

Valuation Year	Actual Administrative Expenses				Assumed Expenses
	3 Years Prior	2 Years Prior	1 Year Prior	3 Year Average	Added to Normal Cost
2022	\$ 3,059,212	\$ 2,999,015	\$ 3,132,193	\$ 3,063,473	\$ 3,216,600
2023	2,999,015	3,132,193	3,243,582	3,124,930	3,281,200
2024	3,132,193	3,243,582	3,795,631	3,390,469	3,560,000

Assumptions for Missing or Incomplete Data:

Active members:

If payroll was not provided, the current year payroll was set equal to the prior year payroll. For new hires, the current year payroll was set equal to the average payroll for new hires in the same group (A, E, J, F, G, H and GRIP).

Vesting service and credited service were calculated for GRIP members based on date of hire and the valuation date.

Retired members:

If a beneficiary date of birth was not provided for members with a joint and survivor option, it was assumed that there was a beneficiary and males are three years older than their female spouses.

SECTION D

BENEFIT PROVISIONS

Brief Summary of Plan Provisions as of July 1, 2024

Following is a summary of the major plan provisions used in the valuation summarized in this report. Montgomery County is solely responsible for the validity, accuracy and comprehensiveness of this information. If any of the plan provisions shown below are not accurate and complete, the valuation results may differ significantly from those shown in this report and may require a revision of this report. Moreover, these plan provisions may be susceptible to different interpretations, each of which could be reasonable, and the different interpretations could lead to different valuation results.

1. Effective Date of the Plan

August 15, 1965. Latest changes to the plan were made in fiscal year 2024 and were reflected in the 2024 actuarial valuation. Some of the changes are effective after July 1, 2024.

2. Employee Eligibility Requirements

- A. Optional non-integrated retirement plan: Employees enrolled prior to July 1, 1978, who do not elect to join the integrated retirement plan.
- B. Optional integrated plan: Employees enrolled prior to July 1, 1978, who elect to join the integrated retirement plan.
- C. Mandatory integrated retirement plan: Employees enrolled on or after July 1, 1978. The Plan is closed to Non-Public Safety employees hired or rehired after September 30, 1994.

3. Membership Groups and Eligibility

- Group A: Any employee who is not eligible for coverage under another membership group.
- Group B: Any correctional officer, fire prevention officer or deputy sheriff appointed or promoted to the position on or before June 30, 1978, who has not elected to transfer to another membership group.
- Group D: Any full-time police officer appointed on or before August 15, 1965, who has been continuously employed as a police officer and has not elected to transfer to any other membership group.
- Group E: The chief administrative officer, the director of the council staff, the hearing examiners, the county attorney and each head of a principal department, office or agency of the county government, if appointed before July 30, 1978, or a member having held such position on or before October 1, 1972. Any sworn deputy sheriff and such correctional staff as designated by the chief administrative officer. Non-correctional officers were moved to Group J.
- Group F: Any sworn police officer who is not eligible for coverage under another membership group.



Brief Summary of Plan Provisions as of July 1, 2024 (Continued)

- Group G: Any paid firefighter, paid fire officer or paid rescue service personnel not eligible for coverage under another membership group.
- Group H: Any member, including any probationary employee, who holds a bargaining unit position, unless the member is eligible for membership in Groups B, D, E, F or G.
- Group J: Group J was established as of December 21, 2016. Non-correctional officer employees hired prior to December 21, 2016, who participated in Group E were transferred to Group J on May 28, 2017. Group J members are not eligible for Deferred Retirement Option Plan (DROP) coverage.

4. Member Contributions as a Percent of Regular Base Earnings

Effective July 1, 1989, member contributions are pre-tax and interest shall be credited annually on each member's accumulated contributions at a 4.0 percent annual rate.

A. Optional non-integrated plan:

	Prior to 7/1/2001	Effective 7/1/2001	Effective 7/1/2011	Effective 7/1/2012 and After
Group A	6%	6%	7%	8%
Group B ¹	7%	n/a	n/a	n/a
Group D ²	n/a	n/a	n/a	n/a
Group E, J	7½%	8½%	9½%	10½%
Group F	7½%	8½%	9½%	10½%
Group G	7½%	8½%	9½%	10½%
Group H	6%	6%	7%	8%

¹ The last Group B member retired August 1, 1998

² The last Group D member retired November 1, 1992

B. Optional integrated plan:

	Prior to 7/1/2001 ¹		Effective 7/1/2001 ¹		Effective 7/1/2011		Effective 7/1/2012 and After	
	Up to SSTWB	In excess of SSTWB	Up to SSTWB	In excess of SSTWB	Up to SSTWB	In excess of SSTWB	Up to SSTWB	In excess of SSTWB
Group A	3%	6%	4%	6%	5%	7%	6%	8%
Group B ²	3½%	7%	4½%	7%	n/a	n/a	n/a	n/a
Group D	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Group E, J	3¾%	7½%	4¾%	8½%	5¾%	9½%	6¾%	10½%
Group F	4%	8%	4¾%	8½%	5¾%	9½%	6¾%	10½%
Group G with less than 25 years of service								
	4¾%	8½%	5½%	9¼%	6½%	10¼%	7½%	11¼%
Group G with at least 25 years of service								
	4¾%	8½%	4¾%	8½%	5¾%	9½%	6¾%	10½%
Group H	3%	6%	4%	6%	5%	7%	6%	8%

¹ 7/1/2007 for Group G

² The last Group B member retired February 1, 2008

SSTWB means Social Security Taxable Wage Base.



Brief Summary of Plan Provisions as of July 1, 2024 (Continued)

C. Mandatory integrated plan:

	Prior to 7/1/2001 ¹		Effective 7/1/2001 ¹		Effective 7/1/2011		Effective 7/1/2012 and After	
	Up to SSTWB	In excess of SSTWB	Up to SSTWB	In excess of SSTWB	Up to SSTWB	In excess of SSTWB	Up to SSTWB	In excess of SSTWB
Group A	3%	6%	4%	6%	5%	7%	6%	8%
Group B	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Group D	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Group E, J	3¾%	7½%	4¾%	8½%	5¾%	9½%	6¾%	10½%
Group F	4%	8%	4¾%	8½%	5¾%	9½%	6¾%	10½%
Group G with less than 25 years of service								
	4¾%	8½%	5½%	9¼%	6½%	10¼%	7½%	11¼%
Group G with at least 25 years of service								
	4¾%	8½%	4¾%	8½%	5¾%	9½%	6¾%	10½%
Group H	3%	6%	4%	6%	5%	7%	6%	8%

¹ 7/1/2007 for Group G

5. Credited Service

A member's credited service is the total service rendered under the Employees' Retirement System of Montgomery County, plus credited service earned under State of Maryland and/or Montgomery County Police Relief and Retirement Fund Law or any other Maryland Public Plan, plus any purchased prior service or granted.

- A. Full-time: Full-time members receive one year of credited service for rendering the full normal working time in a 12-month period.
- B. Part-time: Part-time members working less than the normal scheduled workweek for full-time employees on a continuing basis shall receive one year of credited service for each 12-month period.
- C. Combined part-time and full-time: Combined part-time and full-time employees will receive one month of credited service for 176 hours worked each fiscal year. Accumulated hours of 88 to 176 or 15 days or more in any calendar month will equal one month of credited service.
- D. Sick Leave: Any employee whose retirement is effective on or after May 1, 1970, will have 176 hours of accumulated sick leave equivalent to one month of credited service up to a maximum of 4,224 hours. Accumulated sick leave of less than 11 days shall not be credited; 11 to 22 days shall be credited as one month for retirement purposes. Any member who vests on or after October 1, 1971, may have sick leave credited for vesting purposes on the same basis.
- E. Military Service: Up to 24 months of military time is granted to Group E members upon attainment of five years of County service, at no cost to the members. Up to 12 months of military time is granted to Group G members upon attainment of seven years of County service and up to an additional 12 months of military time is granted to Group G members upon attainment of 15 years of County service, up to a total of 24 months, at no cost to the members.



Brief Summary of Plan Provisions as of July 1, 2024 (Continued)

6. Average Final Earnings

For members enrolled on or before June 30, 1978, average final earnings are equal to the regular earnings for the 12-month period immediately preceding retirement, or any consecutive 12-month period, if greater.

For members enrolled on or after July 1, 1978, average final earnings are equal to the average of regular annual earnings for the 36-month period immediately preceding retirement, or any consecutive 36-month period, if greater.

7. Social Security Wage Base

For any particular year, the maximum amount of earnings creditable for benefit computation purposes under the Old Age, Survivors and Disabilities Insurance Program established by the Federal Social Security Act.

Year	Social Security Taxable Wage Base
2011	\$106,800
2012	\$110,100
2013	\$113,700
2014	\$117,000
2015	\$118,500
2016	\$118,500
2017	\$127,200
2018	\$128,400
2019	\$132,900
2020	\$137,700
2021	\$142,800
2022	\$147,000
2023	\$160,200
2024	\$168,600

8. Social Security Maximum Compensation Level

The maximum dollar amount of earnings upon which Social Security benefits are based, assuming: (1) an employee's annual compensation is at least as great as the taxable wage base each year, for a 35-year period through the year in which the employee attains Social Security Retirement Age, (2) the employee remained in covered employment during each calendar year, (3) the taxable wage base stays level from date of retirement to Social Security Retirement Age.

9. Social Security Retirement Age

- Age 65 for employees born prior to January 1, 1938.
- Age 66 for employees born on or after January 1, 1938, and prior to January 1, 1955.
- Age 67 for employees born on or after January 1, 1955.



Brief Summary of Plan Provisions as of July 1, 2024 (Continued)

10. Regular Earnings

Gross pay for actual hours worked, excluding overtime.

Imputed Compensation for FY2010 only (effective July 1, 2009):

- Regular earnings for a Group A, E, J or H member who is employed on July 1, 2009, includes amounts as if the member had received an increase of 4.5% in the member's gross pay as of July 1, 2009, except for the purpose of calculating a member's contribution.
- Regular earnings for a Group F member who is employed on July 1, 2009, includes amounts as if the member had received an increase of 4.25 percent in the member's gross pay as of July 1, 2009, except for the purpose of calculating a member's contribution.
- Regular earnings for a Group G member who is employed on July 1, 2009, includes amounts as if the member had received an increase of 4.00 percent in the member's gross pay as of July 1, 2009, except for the purpose of calculating a member's contribution.
- From March 2020 through February 2021, the County paid certain employees a pay differential for COVID-19. For members of Group F who were active at that time, the pay differential is included in the Average Final Earnings for retirement benefit calculations.

11. Benefits

A. Normal Retirement Date:

Age and Service Requirement:

- Group A: Age 60 and five years of credited service, or age 55 and 30 years of credited service (after June 30, 2002, age 60 and five years of credited service, or age 50 and 30 years of credited service for members who are Police Telecommunicators).
- Group B: Age 55 and 15 years of credited service, or age 51 and 30 years of credited service.
- Group D: The requirements contained in the police relief and retirement fund law of the county.
- Group E, J: Age 55 and 15 years of credited service, or age 46 and 25 years of credited service.
- Group F: Age 55 and 15 years of credited service, or 25 years of credited service (effective July 1, 2008; previously, age 55 and 15 years of credited service, or age 46 and 25 years of credited service).
- Group G: Age 55 and 15 years of credited service, or any age with 20 years of credited service (effective July 1, 2007; previously age 55 and 15 years of credited service, or any age with 25 years of credited service).



Brief Summary of Plan Provisions as of July 1, 2024 (Continued)

- Group H: Age 60 and five years of credited service, or age 55 and 30 years of credited service (after June 30, 2002, age 60 and five years of credited service, or age 50 and 30 years of credited service for members who are Police Telecommunicators or members of the Service, Labor and Trades (SLT) bargaining unit).

B. Benefit Amount:

1. Optional non-integrated plan: All groups other than Group E, J, F or G – 2 percent of average final earnings multiplied by years of credited service, up to a maximum of 36 years, plus sick leave credits.

- Group E, J: 2.4 percent of average final earnings for each of the first 25 years of credited service, plus 2 percent of average final earnings for each year of credited service after 25 years up to a maximum of 31 years, plus sick leave credits. Sick leave credit in excess of 25 years is credited at 2 percent of average final earnings.
- Group F: 2.4 percent of average final earnings for each year of credited service, up to a maximum of 36 years, plus sick leave credits.
- Group G: 2.5 percent of average final earnings for each of the first 20 years of credited service, plus 2 percent of average final earnings for each year of credited service after 20 years up to a maximum of 31 years, plus sick leave credits (effective July 1, 2007; previously 2 percent of average final earnings for each of the first 20 years of credited service, plus 3 percent of average final earnings for each year of credited service from 21st year through 24th year, plus 8 percent of average final earnings for the 25th year of credited service, plus 2 percent of average final earnings for each year of credited service after 25 years up to a maximum of 31 years, plus sick leave credits).

2. Integrated plans:

- a. From date of retirement to Social Security Retirement Age (age 70 for Group E, G, and J members beginning with retirements on or after July 1, 2024 and age 70 for Group F members beginning with retirements on or after August 7, 2023):
 - For groups other than Groups E, J, F or G: 2 percent of average final earnings multiplied by years of credited service, up to a maximum of 36 years, plus sick leave credits.
 - Group E: 2.6 percent of average final earnings for each of the first 25 years of credited service, plus 2.25 percent of average final earnings for each year of credited service more than 25 years up to a maximum of 30 years, plus sick leave credits. (Prior to August 8, 2023, 2.4 percent of average final earnings for each of the first 25 years of credited service, plus 2 percent of average final earnings for each year of credited service more than 25 years up to a maximum of 31 years, plus sick leave credits).

Brief Summary of Plan Provisions as of July 1, 2024 (Continued)

- Group J: 2.5 percent of average final earnings for each of the first 25 years of credited service, plus 2 percent of average final earnings for each year of credited service more than 25 years up to a maximum of 30 years, plus sick leave credits. (Prior to August 7, 2023: 2.4 percent of average final earnings for each of the first 25 years of credited service, plus 2 percent of average final earnings for each year of credited service more than 25 years up to a maximum of 31 years, plus sick leave credits.)
 - Group F: 2.6 percent of average final earnings for each of the first 25 years of credited service, plus 2.4 percent of average final earnings for each year of credited service more than 25 years up to a maximum of 34 years, including sick leave credits. (Prior to January 1, 2025 and after June 30, 2008: 2.4 percent of average final earnings multiplied by years of credited service, up to a maximum of 36 years of service including sick leave credits.)
 - Group G: 2.6 percent of average final earnings for each of the first 25 years of credited service, plus 1.25 percent of average final earnings for each year of credited service more than 25 years up to a maximum of 31 years, plus sick leave credits. Effective February 6, 2023, the benefit multiplier for sick leave credits is 5.0 percent. (Prior to August 7, 2023 and after June 30, 2007: 2.5 percent of average final earnings for each of the first 20 years of credited service, plus 2 percent of average final earnings for each year of credited service after 20 years up to a maximum of 31 years, plus sick leave credits.)
- b. From attainment of Social Security Retirement Age (age 70 for Group E, G, and J members beginning with retirements on or after July 1, 2024 and age 70 for Group F members beginning with retirements on or after August 7, 2023):
- For Groups A, B or H: 1.25 percent of average final earnings up to Social Security maximum covered compensation plus 2 percent of average final earnings above Social Security maximum covered compensation, multiplied by years of credited service up to 36 years, plus sick leave credits.
 - Group D: 1 percent of average final earnings up to Social Security maximum covered compensation plus 2 percent of average final earnings above Social Security maximum covered compensation, multiplied by years of credited service up to 36 years, plus sick leave credits.
 - Group E: 1.65 percent of average final earnings up to Social Security maximum covered compensation for each year of credited service up to a maximum of 30 years plus sick leave credits, plus 2.6 percent of average final earnings above Social Security maximum covered compensation for each of the first 25 years, and 2.25 percent of average final earnings above Social Security maximum covered compensation for each year of credited service after 25 years up to a maximum of 30 years, plus sick leave credits. Sick leave credits used for years in excess of 25 years is credited at 2.25 percent of average final earnings above Social Security maximum covered

Brief Summary of Plan Provisions as of July 1, 2024 (Continued)

compensation. (Prior to August 8, 2023, 1.65 percent of average final earnings up to Social Security maximum covered compensation for each year of credited service up to a maximum of 31 years plus sick leave credits, plus 2.4 percent of average final earnings above Social Security maximum covered compensation for each of the first 25 years, and 2 percent of average final earnings above Social Security maximum covered compensation for each year of credited service after 25 years up to a maximum of 31 years, plus sick leave credits. Sick leave credits used for years in excess of 25 years is credited at 2 percent of average final earnings above Social Security maximum covered compensation.

- Group J: 1.65 percent of average final earnings up to Social Security maximum covered compensation for each year of credited service up to a maximum of 30 years plus sick leave credits, plus 2.5 percent of average final earnings above Social Security maximum covered compensation for each of the first 25 years, and 2 percent of average final earnings above Social Security maximum covered compensation for each year of credited service after 25 years up to a maximum of 30 years, plus sick leave credits. Sick leave credits used for years in excess of 25 years is credited at 2 percent of average final earnings above Social Security maximum covered compensation. (Prior to August 7, 2023: 1.65 percent of average final earnings up to Social Security maximum covered compensation for each year of credited service up to a maximum of 31 years plus sick leave credits, plus 2.4 percent of average final earnings above Social Security maximum covered compensation for each of the first 25 years, and 2 percent of average final earnings above Social Security maximum covered compensation for each year of credited service after 25 years up to a maximum of 31 years, plus sick leave credits. Sick leave credits used for years in excess of 25 years is credited at 2 percent of average final earnings above Social Security maximum covered compensation.
- Group F: 1.80 percent of average final earnings up to Social Security maximum covered compensation and 2.6 percent of average final earnings above Social Security maximum covered compensation for each of the first 25 years of credited service, plus 1.65 percent of average final earnings up to Social Security maximum covered compensation and 2.4 percent of average final earnings above Social Security maximum covered compensation for each year of credited service more than 25 years up to a maximum of 34 years, including sick leave credits. (Prior to January 1, 2025 and after June 30, 2008: 1.65 percent of average final earnings up to Social Security maximum covered compensation for each year of credited service up to a maximum of 36 years including sick leave credits and 2.4 percent of average final earnings above Social Security maximum covered compensation for each year of credited service up to a maximum of 36 years including sick leave credits.)
- Group G: 1.7875 percent of average final earnings up to Social Security maximum covered compensation and 2.6 percent of average final earnings above Social Security maximum covered compensation for each of the first 25 years of credited service, plus 0.859375 percent of average final earnings up to Social Security maximum covered compensation and 1.25 percent of average final earnings above

Brief Summary of Plan Provisions as of July 1, 2024 (Continued)

Social Security maximum covered compensation more than 25 years up to a maximum of 31 years. Effective February 6, 2023, the benefit multiplier for sick leave credits is 3.4375 percent. (Prior to August 7, 2023: 1.71875 percent of average final earnings up to Social Security maximum covered compensation and 2.5 percent of average final earnings above Social Security maximum covered compensation for each of the first 20 years of credited service, plus 1.375 percent of average final earnings up to Social Security maximum covered compensation and 2 percent of average final earnings above Social Security maximum covered compensation for each year of credited service after 20 years up to a maximum of 31 years, plus sick leave credits.)

12. Early Pension

A. Age and service requirements:

- Group A: Age 50 and 15 years of credited service, or age 45 and 20 years of credited service.
- Group B: Age 45 and 15 years of credited service.
- Group D: Not applicable.
- Group E, J: Age 45 and 15 years of credited service, or age 41 and 20 years of credited service.
- Group F: Age 45 and 15 years of credited service, or age 41 and 20 years of credited service.
- Group G: Only normal retirement is allowed (effective 7/1/2007, previously age 45 and 15 years of credited service, or age 41 and 20 years of credited service).
- Group H: Age 50 with 15 years of credited service, or age 45 and 20 years of credited service.

B. Benefit amount: Regular pension accrued, reduced by the following schedule:

		YEARS EARLY										
		0	1	2	3	4	5	6	7	8	9	10
MONTHS EARLY	0	100.00%	98.00%	95.00%	91.00%	86.00%	80.00%	72.00%	64.00%	56.00%	48.00%	40.00%
	1	99.83%	97.75%	94.67%	90.58%	85.50%	79.33%	71.33%	63.33%	55.33%	47.33%	
	2	99.67%	97.50%	94.33%	90.17%	85.00%	78.67%	70.67%	62.67%	54.67%	46.67%	
	3	99.50%	97.25%	94.00%	89.75%	84.50%	78.00%	70.00%	62.00%	54.00%	46.00%	
	4	99.33%	97.00%	93.67%	89.33%	84.00%	77.33%	69.33%	61.33%	53.33%	45.33%	
	5	99.17%	96.75%	93.33%	88.92%	83.50%	76.67%	68.67%	60.67%	52.67%	44.67%	
	6	99.00%	96.50%	93.00%	88.50%	83.00%	76.00%	68.00%	60.00%	52.00%	44.00%	
	7	98.83%	96.25%	92.67%	88.08%	82.50%	75.33%	67.33%	59.33%	51.33%	43.33%	
	8	98.67%	96.00%	92.33%	87.67%	82.00%	74.67%	66.67%	58.67%	50.67%	42.67%	
	9	98.50%	95.75%	92.00%	87.25%	81.50%	74.00%	66.00%	58.00%	50.00%	42.00%	
	10	98.33%	95.50%	91.67%	86.83%	81.00%	73.33%	65.33%	57.33%	49.33%	41.33%	
	11	98.17%	95.25%	91.33%	86.42%	80.50%	72.67%	64.67%	56.67%	48.67%	40.67%	

Unreduced early retirement benefits are available if the member's age and service equals 85 with at least 35 years of credited service.



Brief Summary of Plan Provisions as of July 1, 2024 (Continued)

13. Disability Pension

A. Non-service-connected disability retirement:

Age and service requirement: Five years of credited service.

Amount: The greater of the accrued benefit under 11(B) or 33⅓ percent of final earnings.

B. Service-connected disability retirement:

Age and service requirement: None

Benefit amount:

1. For total incapacity: The greater of the accrued benefit under 11(B) or 66⅔ percent of final earnings.
2. For Group G members: Benefits described in (1.) above are modified as follows:
 - The minimum benefit is 70 percent of final earnings if the member meets the definition of Social Security disability.
 - The minimum benefit is 52½ percent of final earnings if the member is disabled but does not qualify for the 70 percent minimum benefit above. The Chief Administrative Officer of the County may offer a disabled member an alternative position with the County with a 5 percent pay increase in lieu of this disability benefit.
 - Certain causes of disability are automatically deemed to be service-connected.

Effective July 1, 2012, the service-connected benefit amount is modified as follows:

- Total incapacity: The minimum benefit is 70 percent of final earnings if the Disability Review Panel approves. If the member has been granted Social Security disability benefits, the Disability Review Panel must recommend total incapacity status if the Social Security award is based primarily on the impairment for which plan benefits are paid.
- Partial incapacity: The minimum benefit is 52½ percent of final earnings if the member is disabled but does not qualify for the 70 percent minimum benefit above.
- Group G: The Chief Administrative Officer of the County may offer a disabled member an alternative position with the County with a 5 percent pay increase in lieu of this disability benefit. This does not apply to Group F.



Brief Summary of Plan Provisions as of July 1, 2024 (Continued)

14. Termination of Employment

A. Vesting provision:

Service requirement: Effective July 1, 1989, all employees who render five or more years of credited service become fully vested. Previously, vesting was based on a five to 10-year graded vesting schedule. Elected officials become vested after five years of service with a minimum monthly benefit of \$150.

Benefit amount: The monthly vested pension payable at normal retirement date is the benefit determined according to the normal retirement pension provisions based on credited service to the date of termination.

Effective July 1, 2010, unreduced benefit commencement date provision clarification for future terminated vested members: The unreduced benefit commencement date for groups A and H is age 60. The comparable date for groups E, J, F and G members is age 72 for members who are not 55 years old with 15 years of service at their termination date.

B. Return of employee contributions:

A member's contributions plus interest will be refunded if:

- A member's service with the county terminates before the member becomes eligible to vest.
- A member eligible to vest terminates service and voluntarily elects to withdraw.

15. Discontinued Service Pension

Applies if employment ends because of an administrative action and participant has 10 or more years of continuous service. Discontinued service pension begins at early retirement date but no reductions are made for early retirement. A participant may not receive a discontinued service pension if the participant was terminated for cause or resigned.

A. Groups A, E, J, F, G and H

1. Optional Non-Integrated plan members and Optional Non-Integrated plan members who elected to transfer to the Optional Integrated plan on or before September 26, 1983.

Eligibility: 10 or more years of continuous or credited service, and not an elected or appointed member.

Benefit amount: The amount of pension that the participant would receive for a regular retirement modified as follows:

- Substitute final earnings for average final earnings
- Add 5 percent of final earnings



Brief Summary of Plan Provisions as of July 1, 2024 (Continued)

- No reduction at Social Security Normal Retirement Age
- 2. Optional Non-Integrated plan members who transferred to the Optional Integrated plan after September 26, 1983.

Eligibility: 10 or more years of credited or continuous service, and not an elected or appointed member.

Benefit amount: The amount of pension that the participant would receive for a regular retirement modified as follows:

- Substitute final earnings for average final earnings
- Add 5 percent of final earnings

- 3. Mandatory Integrated plan:

Eligibility: 10 or more years of continuous service and not an elected or appointed member.

Benefit amount: The amount of pension that the participant would receive for a regular retirement without any reduction for early retirement.

B. Elected and appointed members:

On or before September 26, 1983

Eligibility: 10 or more years of credited service and enrolled or re-enrolled *on or before* September 26, 1983, or submits an application to transfer from the optional plan to the integrated plan *before* September 26, 1983.

Benefit amount: Regular pension accrued under 11(B) except that “final earnings” replaces “average final earnings” in the calculation, minimum \$300.00 monthly.

After September 26, 1983

Eligibility: 10 or more years of credited service and enrolled or re-enrolled after September 26, 1983, or submits an application to transfer from the optional plan to the integrated plan after September 26, 1983.

Benefit amount: Regular pension accrued under 11(B) except that “final earnings” replaces “average final earnings” in the calculation, minimum \$300.00 monthly.

- C. Notwithstanding the above provisions, any member covered by this plan on April 1, 1970, who has reached early retirement date with 20 years of continuous or credited service, is eligible to receive a pension commencing immediately in an amount not less than 50 percent of final earnings.



Brief Summary of Plan Provisions as of July 1, 2024 (Continued)

16. Death Benefits

A. Non service-connected:

Eligibility: None.

Benefit amount:

1. Return of member contributions with interest;
plus
2. 50 percent of average final earnings if the member was a member of the Employees' Retirement System on or before December 31, 1966, and was a Maryland State plan member on August 15, 1965.
or
3. Alternate death benefits listed under (C.) below.

B. Service-connected:

Eligibility requirement: None

Benefit amount:

1. The spouse* will receive a benefit equal to 25 percent of the member's final earnings, with a minimum of \$250.00 per month. The child will receive a benefit equal to 5 percent of the member's final earnings with a minimum of \$50.00 per month to age 21 or life if disabled;
plus
2. 50 percent of average final earnings if the member was a member of the Employees' Retirement System on or before December 31, 1966, and was a Maryland State plan member on August 15, 1965;
or
3. Alternate death benefits listed under (C.) below.
4. For Group F and Group G members: If the member dies while performing duties for the County, the plan will pay death benefits to the spouse or domestic partner and child as if they were receiving a service-connected disability at the 70 percent minimum benefit level at the time of death and had elected the 100 percent joint and survivor option.

C. Alternative death benefits:

Eligibility: Member was eligible for vesting or retirement.



Brief Summary of Plan Provisions as of July 1, 2024 (Continued)

Benefit amount:

1. Spouse* or child may elect to receive the amount that would have been paid had the member elected to receive a 100 percent joint and survivor pension; plus
2. 50 percent of average final earnings if the member was a member of the Employees' Retirement System on or before December 31, 1966, and was a Maryland State plan member at August 15, 1965.

** Domestic partners who meet the requirements for domestic partnership are also eligible.*

17. Forms of Payment

A. Normal form:

1. Optional non-integrated plan: Lifetime benefit, with first 120 monthly payments guaranteed.
2. Optional integrated plan: Lifetime benefit, with first 120 monthly payments guaranteed.
3. Mandatory integrated plan: Lifetime benefit with refund of remaining contributions and interest.

B. Optional forms: A member may elect an optional form of pension actuarially equivalent to the normal form of retirement, otherwise payable, excluding members who qualified for a non-service-connected disability retirement before reaching early retirement date.

Available forms of payment are:

<i>Modified Cash Refund Annuity</i>	Lifetime benefit with return of employee contributions with interest guaranteed
<i>10-Year Certain and Continuous Annuity</i>	Lifetime benefit with 120 monthly payments guaranteed
<i>Social Security Adjustment Option Combined with either Modified Cash Refund Annuity or a 10-Year Certain and Continuous Annuity</i>	Provides a nearly level total income, from the Plan and Social Security, from date of retirement to date of death. At death, payment will continue to the beneficiary if the guarantee provided under the normal form of payment has not been exhausted.
<i>Joint and Survivor Annuity</i>	Provides a lifetime benefit and a continuation of a percentage of the retiree benefit upon death to the beneficiary. The minimum percentage is 10 percent. A guaranteed payment of employee contributions with interest is provided for the mandatory plan and 120 monthly payments from date of retirement for the optional plans.
<i>Joint and Survivor Annuity with Pop-Up</i>	Provides a lifetime benefit and a continuation of a percentage of the retiree benefit upon death to the beneficiary. The minimum percentage is 10 percent. If the beneficiary predeceases or divorces from the retiree, the monthly benefit pops up to the amount it would have been under the Modified Cash Refund option. A guaranteed payment of employee contributions with interest is provided.



Brief Summary of Plan Provisions as of July 1, 2024 (Continued)

<i>Social Security Adjustment Option Combined with Joint and Survivor Annuity Option</i>	Provides a nearly level total income, from the Plan and Social Security, from date of retirement to date of death and a continuation of a percentage of the retiree benefit upon death to the beneficiary. The minimum percentage is 10 percent.
<i>Social Security Adjustment Option Combined with Joint and Survivor Annuity Pop-Up Option</i>	Provides a nearly level total income, from the Plan and Social Security, from date of retirement to date of death and a continuation of a percentage of the retiree benefit upon death to the beneficiary. The minimum percentage is 10 percent. If the beneficiary predeceases or divorces from the retiree, the monthly benefit pops up to the amount it would have been under the Modified Cash Refund option. A guaranteed payment of employee contributions with interest is provided.

18. Post-Retirement Increases

Optional non-integrated plan: Annual adjustment to the benefit equal to 100 percent of the change in Consumer Price Index for the Washington Metro Area for years and months of credited service before July 1, 2011. For years and months of credited service after June 30, 2011, any adjustment will not exceed 2.5 percent.

Optional integrated plan: Annual adjustment to the benefit equal to 100 percent of the change in Consumer Price Index for the Washington Metro Area for years and months of credited service before July 1, 2011. For years and months of credited service after June 30, 2011, any adjustment will not exceed 2.5 percent.

Mandatory integrated plan:

- Participants who enrolled on or after July 1, 1978, and retired before November 1, 2001 – Annual adjustment to the benefit equal to 60 percent of CPI increase, limited to 5 percent. However, if over age 65 or disabled, then the maximum limit of 5 percent does not apply.
- Participants who enrolled on or after July 1, 1978, and retired on or after November 1, 2001 – Annual adjustment to the benefit equal to 100 percent of the change in Consumer Price Index for the Washington Metro Area up to 3 percent, plus 60 percent of any change in Consumer Price Index greater than 3 percent, not to exceed a total of 7.5 percent for years and months of credited service before July 1, 2011. The maximum 7.5 percent does not apply to disability retirees or retirees over age 65 for years of service before July 1, 2011. For years and months of credited service after June 30, 2011, any adjustment will not exceed 2.5 percent.

Effective for the COLA increases granted to Group G members after December 31, 2023: Annual adjustment to the benefit equal to 100 percent of the change in Consumer Price Index for the Washington Metro Area up to 3 percent, plus 60 percent of any change in Consumer Price Index greater than 3 percent, not to exceed a total of 5 percent for all years and months of credited service.

On the following page are the recent COLA increases granted July 1.



Brief Summary of Plan Provisions as of July 1, 2024 (Continued)

COLA Granted July 1	100% of CPI, Pre-7/1/2011 Service	100% of CPI up to 3%, 60% of Change in Excess of 3%, Pre-7/1/2011 Service	100% of CPI, Capped at 2.5%, Post- 7/1/2011 Service	60% of CPI
2020	-0.088%	-0.088%	-0.088%	-0.053%
2021	3.797%	3.478%	2.500%	2.278%
2022	7.518%	5.711%	2.500%	4.511%
2023	3.053%	3.032%	2.500%	1.832%
2024	3.289%	3.174%	2.500%	1.974%

Disability Benefits:

For a disability occurring after June 30, 2011, as determined by the Disability Review Panel, any post-retirement adjustment of the disability retirement benefit will not exceed 2.5 percent.

Sick Leave:

For purposes of applying any post-retirement adjustment, any sick leave will be credited as years and months of service as of the date of retirement. For participants who retire after July 1, 2011, any post-retirement adjustment will not exceed 2.5 percent on any sick leave credited as years and months of service.

DRSP Participants:

Effective July 1, 2011, any additional sick leave credited as years and months of service at DRSP exit is subject to the 2.5 percent post-retirement adjustment limit.

DROP Participants:

Effective July 1, 2011, any additional sick leave credited as years and months of service at DROP exit is subject to the 2.5 percent post-retirement adjustment limit.

Transferred Service:

For purposes of applying any post-retirement adjustment, any transferred service will be credited as years and months of service as of the date a properly completed application is filed with the Benefits Team. For applications to transfer service credit filed after June 30, 2011, any post-retirement adjustment will not exceed 2.5 percent on the transferred service.

Purchased Service:

For purposes of applying any post-retirement adjustment, any purchased service will be credited as years and months of service as of the date a properly completed application is filed with the Benefits Team. For applications to purchase service credit filed after June 30, 2011, any post-retirement adjustment will not exceed 2.5 percent on the purchased service.



Brief Summary of Plan Provisions as of July 1, 2024 (Continued)

19. Deferred Retirement Option Plan (DROP) for Group E (effective 7/1/2015)

A. Eligibility for DROP entry:

Any group E and J uniformed correctional officers or sworn deputy sheriffs who are at least 55 years old and have at least 15 years of credited service or have attained age 46 and 25 years of credited service may participate in the DROP plan.

B. Exit from DROP:

The first day of any month not to exceed 36 months.

C. The DROP account is:

- A member-directed account outside the System's usual investment.
- Credited with the investment gains and losses of the chosen investments.
- Credited with the monthly benefits that the member would have received if the member had retired at DROP entry.

Upon exit from DROP, the member can receive the DROP account as a lump sum payment or as actuarially equivalent monthly benefits.

D. Post-DROP monthly benefit:

The amount the participant would have received at DROP entry with post-retirement increases for the period in DROP.

E. Disability while in DROP:

Non-Service Connected: The member will receive a pension benefit calculated as if they retired with a non-service connected disability on the date they exited DROP and their DROP account.

Service Connected Disability: The member can elect (i) their DROP account and the post-DROP monthly benefit or (ii) a disability benefit calculated as if the member had never entered DROP.

F. Death while in DROP:

The beneficiary will receive the greater of (i) the death benefit that the beneficiary would have received if the member had died at DROP entry with post-retirement increases plus the DROP account or (ii) the death benefit calculated as if the member had never entered DROP.

G. Member Contributions:

Members do not contribute while in DROP.



Brief Summary of Plan Provisions as of July 1, 2024 (Continued)

20. Discontinued Retirement Service Program (DRSP) for Group F (effective 7/1/2008)

A. Eligibility for DRSP entry:

Effective August 7, 2023: Any group F member who has attained normal retirement age (Age 55 and 15 years of credited service, or 25 years of credited service) may participate in the DRSP plan. (Previously, any group F member who has attained age 46 and 25 years of credited service may participate in the DRSP plan.)

B. Exit from DRSP:

The first day of any month not to exceed 36 months.

C. The DRSP account is:

- A member-directed account outside the System's usual investment.
- Credited with the investment gains and losses of the chosen investments.
- Credited with the monthly benefits that the member would have received if the member had retired at DRSP entry.

Upon exit from DRSP, the member can receive the DRSP account as a lump sum payment or as actuarially equivalent monthly benefits.

D. Post-DRSP monthly benefit:

The amount the participant would have received at DRSP entry with post-retirement increases for the period in DRSP.

E. Disability while in DRSP:

Non-Service Connected: The member will receive a pension benefit calculated as if they retired with a non-service connected disability on the date they exited DRSP and their DRSP account.

Service Connected Disability: The member can elect (i) their DRSP account and the post-DRSP monthly benefit or (ii) a disability benefit calculated as if the member had never entered DRSP.

F. Death while in DRSP:

The beneficiary will receive the greater of (i) the death benefit that the beneficiary would have received if the member had died at DRSP entry with post-retirement increases plus the DRSP account or (ii) the death benefit calculated as if the member had never entered DRSP.

G. Member Contributions:

Members do not contribute while in DRSP.



Brief Summary of Plan Provisions as of July 1, 2024 (Continued)

21. Deferred Retirement Option Plan (DROP) for Group G

A. Eligibility for DROP entry:

Any Group G member who has met the age and service requirements for a normal retirement may participate in the DROP plan (*effective 7/1/2007; previously only Group G members with at least 25 years of credited service*).

B. Exit from DROP:

The first day of any month not to exceed 36 months.

C. The DROP account collects:

- The member's contributions while in DROP.
- The monthly benefits that the member would have received if the member had retired at DROP entry.
- 7.5 percent interest on the amount in the account at the beginning of each calendar quarter (8.25 percent interest for members enrolled in DROP before July 1, 2013).

Upon exit from DROP, the member can receive the DROP account as a lump sum payment or as actuarially equivalent monthly benefits.

D. Post-DROP monthly benefit:

The amount the participant would have received at DROP entry with post-retirement increases for the period in DROP.

E. Disability while in DROP:

Non-Service Connected: The member will receive a pension benefit calculated as if they retired with a non-service connected disability on the date they entered DROP and their DROP account.

Service Connected Disability: The member can elect (i) their DROP account and the post-DROP monthly benefit or (ii) a disability benefit calculated as if the member had never entered DROP.

F. Death while in DROP:

The beneficiary will receive the greater of (i) the death benefit that the beneficiary would have received if the member had died at DROP entry with post-retirement increases plus the DROP account or (ii) the death benefit calculated as if the member had never entered DROP.

Brief Summary of Plan Provisions as of July 1, 2024 (Continued)

22. Guaranteed Retirement Income Plan (effective 7/1/2009)

A. Eligibility for GRIP entry:

- Full-time Non-Public Safety employees hired on or after July 1, 2009, who do not participate in the retirement savings plan may make a one-time irrevocable election to participate in the GRIP within the first 150 days of full time employment. Participation in the plan begins 180 days after employment.
- Part-time or temporary Non-Public Safety employees hired on or after October 1, 1994, who do not participate in the retirement savings plan may make a one-time irrevocable election to participate in the GRIP after at least 150 days of employment. Participation in the plan begins 180 days after employment.

B. The GRIP account collects:

- Member contributions (pre-tax unless noted otherwise)
 - a. Non-public safety employees: 4 percent of regular base earnings up to the maximum Social Security wage base plus 8 percent of the excess.
 - b. Public safety employees: 3 percent of regular base earnings up to the maximum Social Security wage base plus 6 percent of the excess.
 - c. Effective July 1, 2011, members had the option to contribute an additional 2 percent of regular earnings for service between June 30, 2011 and July 1, 2012, on an after-tax basis by making an election in writing on or before September 1, 2011.
- Employer contributions
 - a. Non-public safety employees: 8 percent of regular base earnings. Effective July 1, 2011, the employer contribution was 6 percent of regular base earnings for service between June 30, 2011, and July 1, 2012.
 - b. Public safety employees: 10 percent of regular base earnings. Effective July 1, 2011, the employer contribution was 8 percent of regular base earnings for service between June 30, 2011, and July 1, 2012.
- 7.25 percent interest credited from the date of contribution.

C. Vesting Schedule:

- Employees are 100 percent vested in employee contributions at all times.
- County contributions are 0 percent vested from 0-3 years of credited service and 100 percent vested at 3 or more years of credited service.
- Participants become 100 percent vested at death or disability.



Brief Summary of Plan Provisions as of July 1, 2024 (Continued)

D. Normal Form of Payment – Lump sum

E. Optional Forms of Payment:

- Direct rollover
- Life annuity purchased from MCERP

F. Eligible Agencies:

- CC – credit union employees (outside agency)
- CM – union employees (represented)
- CN – non-bargaining employees (non-represented)
- CP – public safety employees
- CZ – elected officials who transferred from the EOP

23. Retirement Incentive Program *(effective 6/1/2010 for one-time election)*

The Retirement Incentive Program offered a one-time election in June 2010 and provided enhanced benefits to 64 group A, group H and group E participants. Each retiree received up to a \$35,000 lump sum payment. The early retirement reductions that would normally apply were reduced for some participants and eliminated for others.

24. Elected Officials' Plan (EOP)

The Elected Officials' Plan is a defined contribution plan within the Employees' Retirement System.

A. Participant and Eligibility:

- Elected officials are eligible to participate in the EOP. An elected official is the sheriff, the state's attorney, a County Council member, the County Executive and any County official elected for a fixed term as specifically provided in the Charter.

Unless an elected official was an active member of a County retirement plan before becoming an elected official, which includes being on leave without pay, an elected official must participate in the EOP upon becoming an elected official. An elected official who chooses to continue to participate in another County retirement plan may become a member of the EOP at any time while an elected official after terminating participation in the other plan.

B. Transfer to the Guaranteed Retirement Income Plan (GRIP):

- An individual who is an elected official after December 6, 2010, may make a one-time irrevocable decision to terminate participation in the EOP and participate in the GRIP. An elected official must elect to participate in the GRIP during the first 150 days after becoming an elected official. Participation will begin on the first pay period after the elected official has been in office for 180 days. The elected official will have his or her EOP account



Brief Summary of Plan Provisions as of July 1, 2024 (Continued)

transferred to the GRIP and the amount transferred into the GRIP will become the elected official's beginning GRIP account balance.

- An elected official who does not elect to participate in the GRIP must continue to participate in the EOP.

C. EOP Contributions:

- Employee contributions: 4 percent of pay (regular earnings) on a before-tax basis. Members may make an additional voluntary after tax contributions into the account of up to 7 percent of bi-weekly gross pay.
- Employer contributions: 8 percent of pay (regular earnings before taxes).

25. Changes in plan provisions

The following plan changes have been reflected in this actuarial valuation. All other plan provisions have remained unchanged since the last valuation, performed as of July 1, 2023.

- Group E, J, GRIP
 - Transfer of ECC employees from RSP/GRIP to Groups E and J.
- Groups E, F, G, J
 - A deferred vested benefit will be payable at age 72 (increased from age 70 ½) for participants who terminate and are not age 55 with 15 years of service upon vested termination.
- Group G
 - The Social Security integration age was increased to age 70.

SECTION E

GLOSSARY OF TERMS

Glossary of Terms

Actuarial Accrued Liability (AAL). The difference between (i) the actuarial present value of future plan benefits, and (ii) the actuarial present value of future normal cost. Sometimes referred to as “accrued liability” or “past service liability.”

Actuarial Assumptions. Estimates of future plan experience such as investment return, expected lifetimes and the likelihood of receiving a pension from the Pension Plan. Demographic, or “people” assumptions, include rates of mortality, retirement and separation. Economic, or “money” assumptions, include expected investment return, inflation and salary increases.

Actuarial Cost Method. A mathematical budgeting procedure for allocating the dollar amount of the “actuarial present value of future plan benefits” between the actuarial present value of future normal cost and the actuarial accrued liability. Sometimes referred to as the “actuarial funding method.”

Actuarial Present Value of Future Plan Benefits. The amount of funds presently required to provide a payment or series of payments in the future. It is determined by discounting the future payments at a predetermined rate of interest, taking into account the probability of payment.

Actuarial Value of Assets (AVA). Smoothed value of assets that recognizes the difference between the expected investment return using the valuation assumption of 7.50 percent and the actual investment return over a five-year period. Dampens volatility of asset value over time.

Amortization. Paying off an interest-bearing liability by means of periodic payments of interest and principal, as opposed to paying it off with a lump sum payment.

Annual Required Contribution. The sum of the normal cost and amortization of the unfunded actuarial accrued liability.

Asset Return. The net investment return for the asset divided by the mean asset value. Example: if \$1.00 is invested and yields \$1.075 after a year, the asset return is 7.50 percent.

Funded Ratio. The actuarial value of assets divided by the actuarial accrued liability. Measures the portion of the actuarial accrued liability that is currently funded.

Market Value of Assets (MVA). The value of assets currently held in the trust available to pay for benefits of the Pension Plan. Each of the investments in the trust is valued at market price which is the price at which buyers and sellers trade similar items in the open market

Normal Cost (NC). The annual cost assigned, under the actuarial funding method, to current and subsequent plan years. Sometimes referred to as “current service cost.” Any payment toward the unfunded actuarial accrued liability is not part of the normal cost.

Unfunded Actuarial Accrued Liability (UAAL). The difference between the actuarial accrued liability and valuation assets. Sometimes referred to as “unfunded accrued liability.”

