CURRAN ACTUARIAL
CONSULTING, LTD.

Actuarial Valuation
June 30, 2025

Firefighters' Retirement System

CURRAN ACTUARIAL CONSULTING, LTD.

December 7, 2025

Board of Trustees
Firefighters' Retirement System
3100 Brentwood Drive
Baton Rouge, Louisiana 70809

Gentlemen:

We are pleased to present our report on the actuarial valuation of the Firefighters' Retirement System for the fiscal year ending June 30, 2025. Our report is based on the actuarial assumptions specified and relies on the data supplied by the system's administrators and accountants. This report was prepared at the request of the Board of Trustees of Firefighters' Retirement System of the State of Louisiana. The primary purpose of this report is to determine the actuarially required contribution for the retirement system for the fiscal year ending June 30, 2026 and to recommend the net direct employer contribution rate for Fiscal 2027.

This report does not contain the information necessary for accounting disclosures as required by Governmental Accounting Standards Board (GASB) Statement 68; that information is provided separately to system auditors. This report was prepared exclusively for the Firefighters' Retirement System for a specific limited purpose. It is not for the use or benefit of any third party for any purpose.

In our opinion, all assumptions on which this valuation is based are reasonable individually and in the aggregate. Both economic and demographic assumptions are based on our expectations for future experience for the fund. These assumptions are based upon the June 30, 2025 Experience Study, are summarized in the back of this report, and are described in detail within that separate report unless stated otherwise.

This report has been prepared in accordance with generally accepted actuarial principles and practices, and to the best of our knowledge and belief, fairly reflects the actuarial present values and costs stated herein. The undersigned actuary is a member of the American Academy of Actuaries, has met the qualification standards for the American Academy of Actuaries to render the actuarial opinions incorporated in this report, and is available to provide further information or answer any questions with respect to this valuation.

Sincerely,

CURRAN ACTUARIAL CONSULTING, LTD.

By: Gregory M. Curran

Gregory Curran, F.C.A., M.A.A.A., A.S.A.
Senior Consulting Actuary

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SUMMARY OF VALUATION RESULTS
FIREFIGHTERS' RETIREMENT SYSTEM

		June 30, 2025	June 30, 2024
Census Summary:	Active Members	4,697	4,590
	Retired Members and Survivors	2,939	2,857
	DROP Participants	184	194
	Terminated Due a Deferred Benefit	148	130
	Terminated Due a Refund	1,304	1,140
Payroll (excluding DROP participants):		$ 305,973,696	$ 287,677,761
Benefits in Payment (excluding DROP accruals):		$ 135,940,918	$ 129,756,141
Present Value of Future Benefits		$ 4,042,929,754	$ 3,915,021,441
Actuarial Accrued Liability (EAN):		$ 3,146,188,223	$ 3,073,207,753
Frozen Unfunded Actuarial Accrued Liability:		$ 386,003,378	$ 422,057,401
Funding Deposit Account Credit Balance:		$ 11,506,751	$ 6,033,757
Actuarial Value of Assets (AVA):		$ 2,729,389,553	$ 2,515,845,951
Market Value of Assets (MVA):		$ 2,808,100,816	$ 2,510,150,455
Ratio of AVA to Actuarial Accrued Liability:		86.75%	81.86%

	Fiscal 2025	Fiscal 2024
Market Rate of Return:	11.7%	10.4%
Actuarial Rate of Return:	8.3%	6.5%
Assumed Rate of Return/Valuation Interest Rate:	6.90%	6.90%

	Fiscal 2026	Fiscal 2025
Employers' Normal Cost (Mid-year):	$ 51,618,794	$ 60,657,604
Amortization Cost (Mid-year):	$ 59,948,073	$ 63,669,160
Estimated Administrative Cost:	$ 3,419,190	$ 3,363,795
Projected Insurance Premium Taxes Due:	$ (34,730,542)	$ (34,828,941)
Net Direct Employer Actuarially Required Contributions:	$ 80,255,515	$ 92,861,618
Projected Payroll:	$ 314,382,637	$ 297,218,825
Statutory Employee Contribution Rate: *	10.00%	10.00%
Board Approved Net Direct Employer Contribution Rate: *	33.25%	33.25%
Actuarially Required Net Direct Employer Contribution Rate: *	25.53%	31.24%

	Fiscal 2027	Fiscal 2026
Minimum Recommended Net Direct Employer Cont. Rate: *	25.50%	31.25%

* The above rates are for members with earnings greater than the Department of HHS poverty guidelines. For members with earnings below the poverty guidelines, employer rates will be 2.0% higher and employee rates will be 2.0% lower.

GENERAL COMMENTS

The values and calculations in this report were determined by applying statistical analysis and projections to system data and the assumptions listed. There is sometimes a tendency for readers to either dismiss results as mere "guesses" or alternatively to ascribe a greater degree of accuracy to the results than is warranted. In fact, neither of these assessments is valid. Actuarial calculations by their very nature involve estimations. As such, it is likely that eventual results will differ from those presented. The degree to which such differences evolve will depend on several factors including the completeness and accuracy of the data utilized, the degree to which assumptions approximate future experience, and the extent to which the mathematical model accurately describes the plan's design and future outcomes.

Data quality varies from system to system and year to year. The data inputs involve both asset information and census information of plan participants. In both cases, the actuary must rely on third parties; nevertheless, steps are taken to reduce the probability and degree of errors. The development of assumptions is primarily the task of the actuary; however, information and advice from plan administrators, staff, and other professionals may be factored into the formation of assumptions. The process of setting assumptions is based primarily on analysis of past trends, but modification of historical experience is often required when the actuary has reason to believe that future circumstances may vary significantly from the past. Setting assumptions includes but is not limited to collecting past plan experience and studying general population demographics and economic factors from the past. The actuary will also consider current and future macro-economic and financial expectations as well as factors that are likely to impact the particular group under consideration. Hence, assumptions will also reflect the actuary's judgment regarding future changes in plan population and decrements in view of the particular factors which impact participants. Thus, the process of setting assumptions is not mere "guess work" but rather a process of mathematical analysis of past experience and of those factors likely to impact the future.

One area where an actuary has limited ability to develop accurate estimates is the projection of future investment earnings. The difficulties here are significant. First, the future is rarely like the past, and the data points available to develop stochastic trials are far fewer than the number required for statistical significance. In this area, some guess work is inevitable. However, there are tools available to lay a foundation for making estimates with an expectation of reliability. Although past data is limited, the available data is likely to provide some insight into the future. This data consists of general economic and financial values such as past rates of inflation, rates of return variance, and correlations of returns among various asset classes along with the actual asset experience of the plan. In addition, the actuary can review the current asset market environment as well as economic forecasts from governmental and investment research groups to form a reasonable opinion regarding probable future investment experience for the plan.

All the above efforts would be in vain if the assumption process was static, and the plan would have to deal with the consequences of actual experience differing from assumptions after forty or fifty years of compounded errors. However, actuarial funding methods for pension plans all allow for periodic corrections of assumptions to conform with reality as it unfolds. This process of repeated correction of estimates produces imperfect results but is nevertheless a reasonable approach to determine the contribution levels that will provide for the future benefits of plan participants.

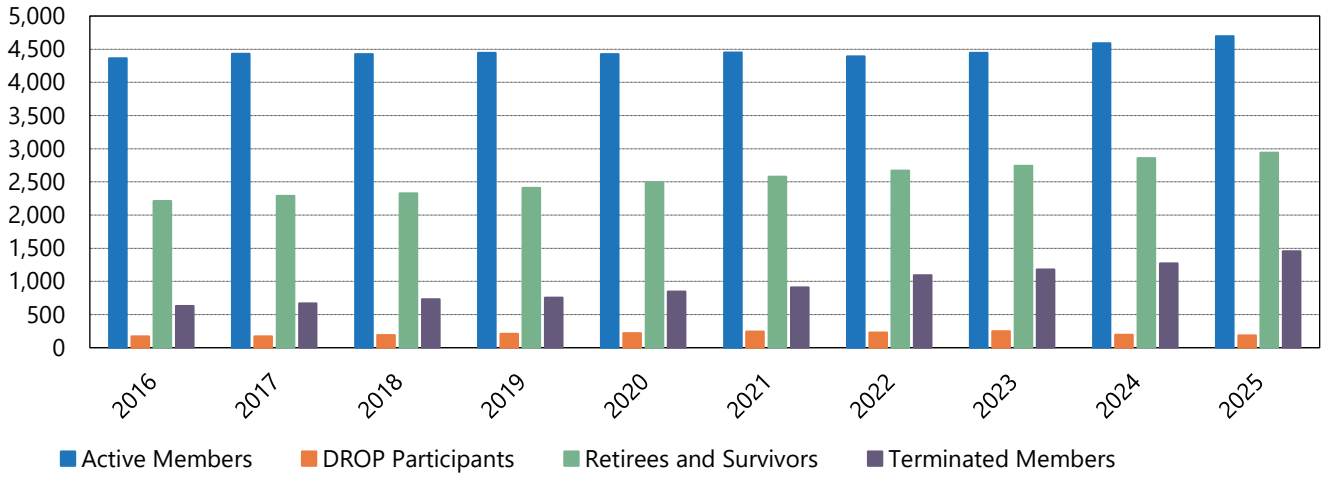
Despite this, future results may materially differ with this actuarial valuation. Employer contribution rates and other funding measures presented in this report will differ as the system is impacted by the following: changes in plan membership, plan liability or investment experience inconsistent with plan assumptions, future changes in plan assumptions or future changes in plan provisions. An analysis of the range of such deviations is outside the scope of this report.

COMMENTS ON DATA

For the valuation, the system's administrative staff furnished census data derived from the system's master data processing file indicating each active covered employee's sex, date of birth, service credit, annual salary, and accumulated contributions. Currently, the system's computer database does not contain DROP member salaries. Since this information is required to value the payment of benefits based on current actuarial assumptions related to potential post-DROP service, estimates of these salaries were made based on each DROP participant's historical average salaries. For Fiscal 2025, data was submitted from the system's previous database software as well as the database software recently purchased from Pension Technology Group. The database submitted from the newest database was used as a starting point for the Fiscal 2025 valuation but required significant manual update. Ongoing issues with the data within the PTG software and within the data download have been noted and will be communicated with system staff and programmers subsequent to the valuation. Additional changes to the PTG software will be required prior to the Fiscal 2026 valuation.

Information on retirees detailing retiree dates of birth, beneficiary dates of birth, retiree and beneficiary sex, optional form of benefit chosen, along with original and current benefit amounts, was provided. In addition, data was supplied on former employees who are vested or who have contributions remaining on deposit. As illustrated in Appendix B, there are 4,697 active contributing members in the system of whom 2,198 have vested retirement benefits; in addition, there are 184 participants in the Deferred Retirement Option Plan (DROP); 2,939 former members or their beneficiaries are receiving retirement benefits. An additional 1,452 terminated members have contributions remaining on deposit with the system; of this number 148 have vested rights for future retirement benefits. According to **Figure 1**, active membership has increased slightly over the past few years. Retiree and survivor levels have also increased.

Figure 1. Membership Counts



Census data submitted to our office is tested for errors and changes are made when errors are identified. Several types of census data errors are possible. To ensure that the valuation results are as accurate as possible, a significant effort is made to identify and correct these errors. To minimize coverage errors (i.e., missing or duplicated individual records) the records are checked for duplicates, and a comparison of the current year's records to those submitted in prior years is made. Changes in status, new records, and previous records, that have no corresponding current record, are identified. This portion of the review indicates the annual flow of members from one status to another and is used to check some of the actuarial assumptions, such as rates of retirement, withdrawal, and mortality. In addition, the census is checked for reasonableness in several areas such as age, service, salary, and current benefits. Records identified by this review as questionable are checked against data from prior valuations, are reviewed against information on the system's membership database, and may be included in a detailed list of items sent to the system's administrative staff for verification and/or correction. Once the identified data has been researched and either verified or corrected, the final data is used in the valuation. Occasionally some requested information is either unavailable or impractical to obtain. In such cases, values may be assigned to missing data. The assigned values are based on information from similar records or based on information implied from other data in the record.

A member's salary is an important component of projecting future cash flows and computing normal costs and accrued liabilities. Our modeling requires the entry of annual salary for this purpose. For individuals who have not completed a full year of service during the measurement period, we use an estimate of their service during the fiscal year to annualize salaries. (New hire salaries are subject to a minimum level equal to the 20th percentile of salaries for members in the second duration.)

In addition to the statistical information provided on the system's participants, the system's administrator furnished general information related to other aspects of the system's expenses, benefits and funding. Valuation asset values as well as income and expenses for the fiscal year were based on information furnished by EisnerAmper, LLP. As indicated in the system's financial statements, the net market value of the system's assets was $2,808,100,816 as of June 30, 2025. Net investment income for Fiscal 2025 measured on a market value basis was $293,816,510. Contributions to the system for the fiscal year totaled $169,949,829; benefits and expenses amounted to $165,815,978.

Notwithstanding our efforts to review both census and financial data for apparent errors, we must rely upon the system's administrative staff and accountants to provide accurate information. Our review of submitted information is limited to validation of reasonableness and consistency. Verification of submitted data to source information is beyond the scope of our efforts.

COMMENTS ON ACTUARIAL METHODS AND ASSUMPTIONS

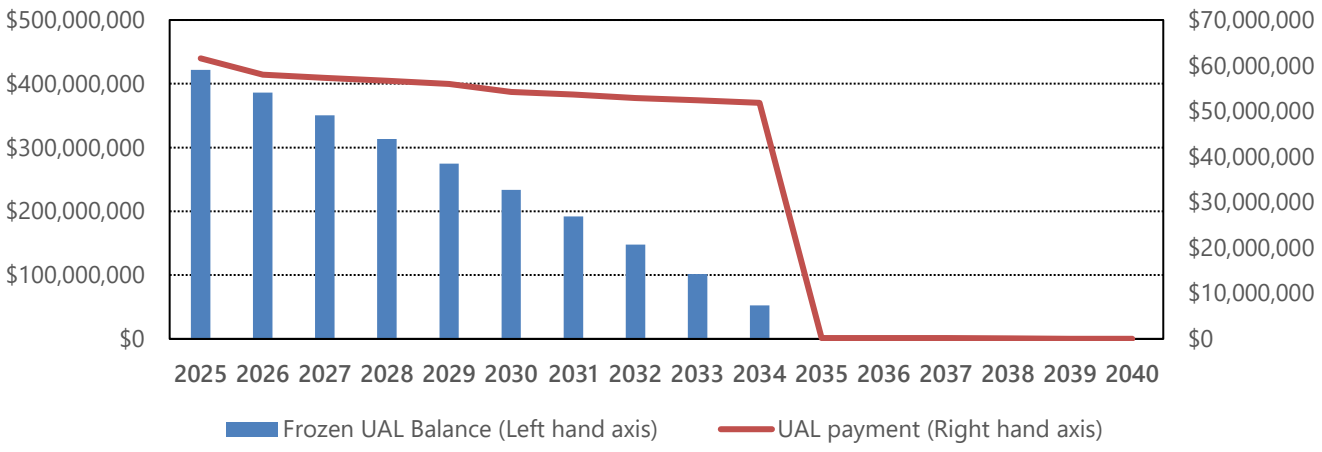
The system's actuarial funding method is set by R.S. 11:22. Prior to the 2019 actuarial valuation, all valuations of the Firefighters' Retirement System were based on the Entry Age Normal actuarial cost method. As of June 30, 1989, under the provisions of Louisiana R.S. 11:103, the funding excess for the plan which was determined to be $239,425 was amortized over thirty years. Subsequent experience gains and losses were amortized over fifteen years. Contribution gains or losses arising from contributions in excess of or less than the required contributions were amortized over the same period as experience gains and losses. Further changes in the unfunded accrued liability generated by mergers of groups of firefighters into the system were amortized over thirty years. Act 620 of the 2003 Regular Session of the

Louisiana Legislature changed the amortization of unfunded accrued liability. All non-merger amortization bases in existence on June 30, 2002, were combined, offset, and re-amortized through June 30, 2029, in accordance with R.S. 11:103(D). The aggregate value of the bases as of that date was $175,578,584. Act 422 of the 2009 Regular Session of the Louisiana Legislature further changed the amortization of unfunded accrued liability. Beginning with Fiscal 2010, actuarial gains and losses, as well as contribution gains and losses, were amortized over a 20-year period. Each year thereafter, the amortization period was set to decrease by one year until attaining a 15-year amortization period. All changes in assumptions or the method of valuing assets were then amortized over 15 years. All amortization payments were set on a level-dollar basis.

Act 91 of the 2019 Regular Session of the Louisiana Legislature changed the funding method for use in actuarial valuations of the Firefighters' Retirement System from the Entry Age Normal actuarial cost method to the Frozen Initial Liability actuarial cost method. This change was effective with the 2019 valuation. Based upon this change, all non-merger outstanding balances on the system's entry age normal unfunded actuarial accrued liability as of June 30, 2019 were frozen, combined, and re-amortized over a fifteen year period with payments set to decrease by one percent each year. The remaining merger bases were not changed and will be paid off according to their original schedule. With this change, all actuarial experience gains and losses, contribution gains and losses, gains and losses arising from changes in benefits, and gains and losses arising from changes in assumptions which occur in fiscal years after 2019 are included in the calculation of the plan's normal cost according to the Frozen Initial Liability funding method.

Since the Frozen Initial Liability funding method spreads actuarial gains and losses over future normal costs, favorable plan experience will lower future normal costs while unfavorable plan experience will increase future normal costs. Overall costs may also increase or decrease depending on payroll growth. Since non-merger amortization payments on the frozen unfunded accrued liability are set to decrease by one percent per year over the next nine years and merger amortizations are level dollar amounts, future amortization payments as a percentage of payroll decrease if payroll is level or increases. Projected payroll for Fiscal 2026 exceeds the Fiscal 2025 projected payroll. Therefore, the payment required on the Frozen Unfunded Accrued Liability decreased the employer contribution rate by 2.35% based on projected UAL payments. **Figure 2** shows the future of the Frozen UAL and the required payments on that UAL.

Figure 2. Frozen Unfunded Actuarial Accrued Liability



The current year actuarial assumptions utilized for this report are based on the results of an actuarial experience study for the period July 1, 2019 – June 30, 2024, unless otherwise specified in this report. This study included a review of all plan decrements in addition to salary scale experience and other demographic factors which impact plan costs. The 2025 Experience Study report contains details related to each assumption including the actuary's recommended changes. The results of the actuarial valuation rely on the assumptions set by this experience study. To the extent that prospective experience differs from that assumed, adjustments will be required to contribution levels. Such differences will be revealed in future actuarial valuations.

The system's valuation interest rate represents the actuary's best estimate of the system's expected long-term rate of return. This important financial assumption has a meaningful impact on the calculation of system liabilities. In the first actuarial valuation following the creation of the system by the Louisiana Legislature, the valuation interest rate was set at 7%. At that point in time, many of Louisiana's statewide retirement systems used a valuation interest rate of 8%. The Firefighters' Retirement System was created by the legislature in part to provide a centralized retirement system for a significant portion of the state's local fire departments and districts. Many of the fire departments and fire districts had previous retirement systems that were merged into the Firefighters' Retirement System. In such cases, the sponsors of those legacy, local retirement systems were allowed to pay for a portion of the merger liability with a promissory note with FRS. These notes were created with payments determined based on a 6% interest rate. With FRS receiving a significant amount of funding from merger notes based on a 6% interest rate, it was necessary to set the valuation interest rate below the rate that could be earned on the system's portfolio.

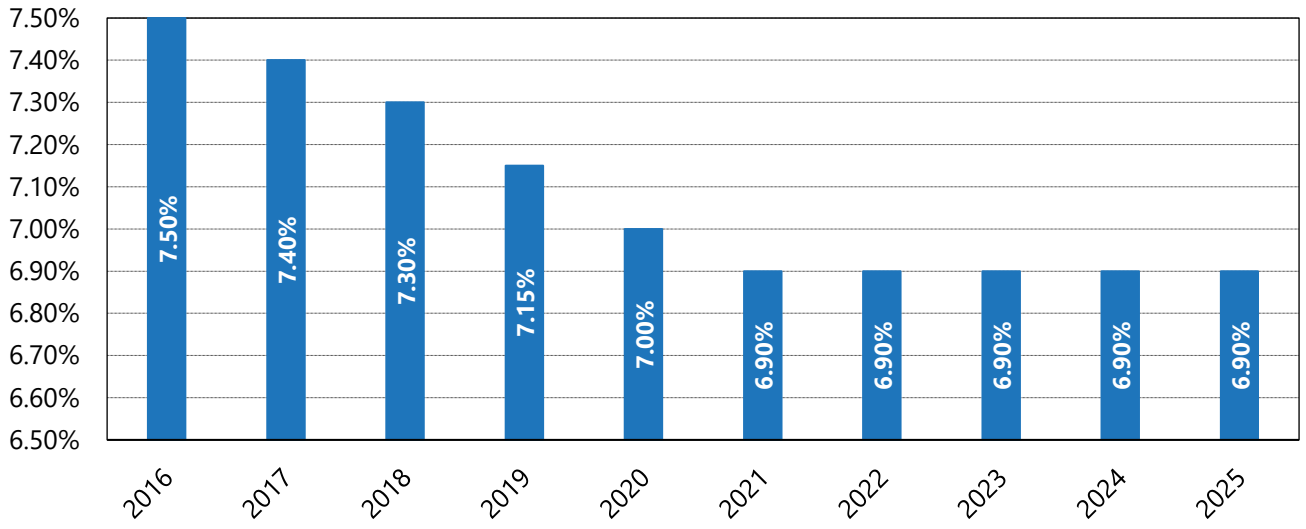
The 7% valuation interest rate was utilized through the fiscal 2003 actuarial valuation. A review of the valuation interest rate prior to the 2004 actuarial valuation found that most of the initial merger notes had been fully paid off by the responsible municipalities. Given this, the valuation interest rate was set based on best estimates of the system's expected long-term rate of return on the system portfolio. It was determined that a 7.5% valuation interest rate was reasonable, and the Board of Trustees elected to change this assumption to 7.5% within the Fiscal 2004 actuarial valuation. This assumption was maintained through fiscal 2016.

In February of 2017, a recommendation was made to the Board of Trustees to reduce the long-term rate of return assumption. The recommendation was formed after an analysis of the system's portfolio along with updated expected long-term rates of return, standard deviations of return, and correlations between asset classes collected from several investment consulting firms including the system's investment consultant, NEPC. Based on this analysis and after discussions with the Board, a plan was approved to reduce the 7.5% valuation interest rate in effect for the Fiscal 2016 actuarial valuation to 7.0% over the subsequent five actuarial valuations with reductions of 0.10% each year, beginning with the June 30, 2017 valuation. Annual testing with updated capital market assumptions was performed in the following years, and the review for Fiscal 2019 found that the 7.20% valuation interest rate scheduled for use in the 2019 actuarial valuation was no longer inside the reasonable range determined by the actuary. Therefore, the assumed rate of return for the Fiscal 2019 valuation was set at 7.15%. Based upon the Fiscal 2020 review, the Board elected to further reduce the valuation interest rate for use in the Fiscal 2020 valuation to 7.00%, which was found to be within the reasonable range. Prior to the completion of the Fiscal 2021 valuation, the system's actuary notified the Board of Trustees that the 7% valuation interest rate used in the Fiscal 2020 valuation remained within the actuary's reasonable range. However, given the sizable market rate of return for Fiscal 2021 and the Board's stated desire to reduce the risk inherent in the

assumed rate of return, the actuary recommended that the Board consider opportunistically lowering the valuation interest rate. The Board of Trustees authorized the actuary to lower the return assumption to a level that would not cause an increase in the minimum recommended employer contribution rate for Fiscal 2023 when compared to Fiscal 2022. Based upon this decision, the valuation interest rate was lowered to 6.9%.

Figure 3 shows the changes in valuation interest rate over the past 10 years.

Figure 3. Assumed Rate of Return



The actuary's review of the valuation interest rate prior to the 2022, 2023, and 2024 valuations found that the 6.9% return assumption remained within the reasonable range. For 2025, we did not elect to update the consultant average capital market assumptions. The 2024 capital market assumptions were applied to the 2025 target asset allocation to determine an updated reasonable range. The review of the valuation interest rate was performed based on the development of 10,000 stochastic trials spanning 30 years. These trials were performed based on the assumption that portfolio returns are normally distributed based on the expected rate of return and standard deviation of returns inherent in modeling based on the firm's consultant average capital market assumptions and the system's target asset allocation. These stochastic trials were then used to determine return levels for each percentile. The reasonable range boundaries were set based on the 40th and 60th percentile expected return levels. Based upon these assumptions and the stochastic simulations, the 2025 review set a reasonable range of 6.64% to 7.76%. The resulting percentiles suggest that there is approximately a 54.9% probability that the system will have long-term earnings at or above 6.90% and a 50% probability that the system will have long-term investment earnings at or above 7.20%.

Although the Board of Trustees has authority to grant ad hoc Cost-of-living Adjustments (COLAs) under limited circumstances, these COLAs have not been shown to have a historical pattern, the amounts of the COLAs have not been paid relative to a defined cost-of-living or inflation index, and there is no evidence to conclude that COLAs will be granted on a predictable basis in the future. In addition, the Board of Trustees elected not to provide a COLA following the Fiscal 2021 actuarial valuation based on the cost of providing the statutorily permitted COLAs and the Board's concern about the potential impact on future

costs. This decision demonstrates that although statutes provide a set of rules which require certain benchmarks to be met before offering a COLA, they do not guarantee future COLAs. Therefore, for purposes of determining the present value of benefits, future COLAs were not deemed to be substantively automatic, and the present value of benefits excludes COLAs not previously granted by the Board of Trustees.

The current year actuarial assumptions utilized for the report are outlined at the end of this report. All assumptions used are based on estimates of future long-term experience for the system as described in the system's 2025 Experience Study report. All calculations, recommendations, and conclusions are based on the assumptions specified. To the extent that prospective experience differs from that assumed, adjustments to contribution levels will be required. Such differences will be revealed in future actuarial valuations.

For Fiscal 2025, plan assumptions were changed. A list of updated assumptions is found in Appendix D. The net effect of the changes in assumptions on the normal cost accrual rate was an increase of 0.0837% of the Fiscal 2025 projected payroll.

RISK FACTORS

Defined benefit pension plans are subject to several risks. These can be related either to plan assets or liabilities. To pay benefits, the plan must have sufficient assets when benefits become due. Several factors can lead to asset levels which are below those required to pay promised benefits. The following categories describe several key risks and provide measurements related to a few.

Contribution Policy Risk

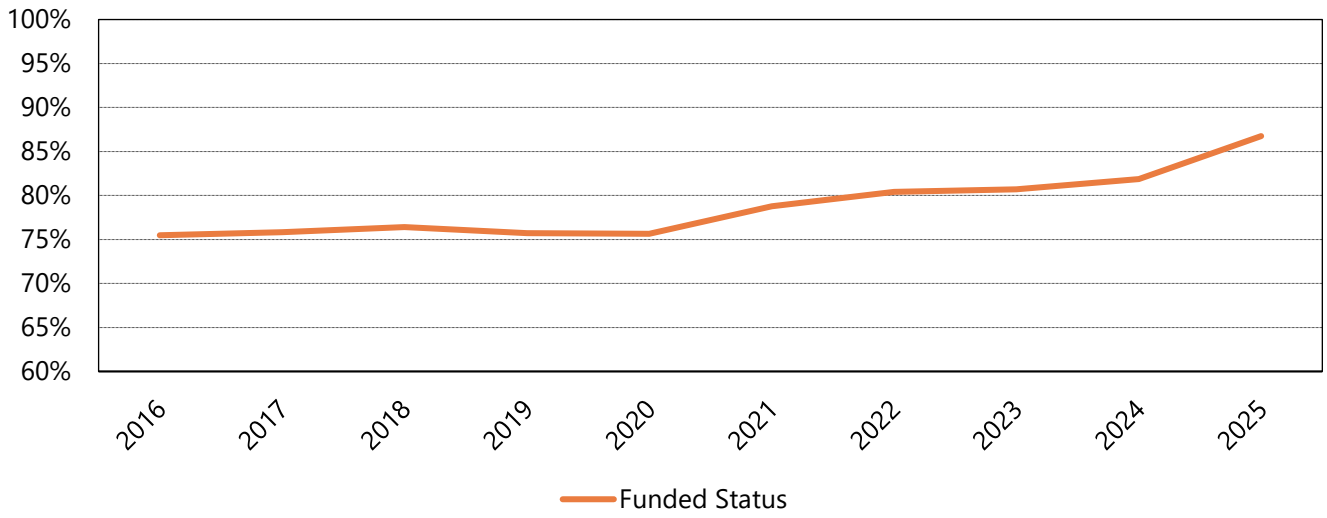
The first risk in this regard is the failure to contribute adequate funds to the plan. In some ways, this is the greatest risk, since other risks can usually be addressed by adequate actuarial funding. Louisiana constitutional and statutory provisions greatly limit this risk by requiring that state and statewide plans maintain funding on an actuarial basis. The State Constitution sets forth general requirements with specific funding parameters specified in the state statutes. This results in a funding policy that is expected to achieve a 100% funded status in time.

Funded Status

Beyond identifying risk categories, it is possible to quantify some risk factors. One fairly well-known risk metric is the funded ratio of the plan. The rate is given as a ratio of plan assets divided by plan liabilities. However, the definition of each of these terms may vary. The two typical alternatives used for assets are the market and actuarial value of assets. There are several alternative measures of liability depending on the funding method employed. The Governmental Accounting Standards Board (GASB) specifies that, for financial reporting purposes, the funded ratio is determined by using the market value of assets divided by the entry age normal accrued liability. This value is given in the system's financial report. Alternatively, we have calculated the ratio of the actuarial value of assets to the entry age normal accrued liability based on the funding methodology used to fund the plan. The ratio is 86.75% for the plan as of June 30, 2025.

This value gives some indication of the financial strength of the plan; however, it does not guarantee the ability of the system to pay benefits in the future or indicate that in the future, contributions are likely to be less than or greater than current contributions. In addition, the ratio cannot be used in isolation to compare the relative strength of different retirement systems. However, the trend of this ratio over time can give some insight into the financial health of the plan. In this regard, caution is warranted since market fluctuations in asset values and changes in plan assumptions can distort underlying trends in this value. **Figure 4** gives a history of this value for the last ten years. Note that the underlying trend is somewhat disguised since the system has significantly reduced the valuation interest rate over this period. Absent the reduction in the valuation interest rate, the current ratio would be higher.

Figure 4. Historical Funded Status



Following are several risks and risk measures related to system assets:

Inflation Risk

All pension plans are subject to the uncertainty of asset performance, and inflation is a major component of asset performance. The total nominal rate of return on assets is comprised of the real rates of return earned on the portfolio of investments plus the underlying inflation rate. High levels of inflation pose a risk to plan members in that they reduce the purchasing power of plan benefits. Were the plan to attempt to offset inflation by providing COLAs (often in the form of permanent benefit increases), minimum contribution rates would typically increase unless provisions are made to prefund such adjustments. Very low inflation typically reduces the nominal rate of return on assets; deflation can potentially reduce the capital value of trust assets. During the decade preceding 2020, inflation levels remained in a fairly narrow range. Since 2020, inflation has significantly increased. So far, Federal Reserve efforts to fight inflation have not had the desired effect of returning inflation measures to their 2% target level. Forecasters seem to believe that long-term average rates of future inflation may remain higher than the target level. There is always the possibility that high inflation will remain a problem in the future or that the country will experience a deflationary period; however, most expert opinion currently assesses these alternatives as unlikely in the near term.

Reinvestment Risk

Another element of asset risk is reinvestment risk. Interest rate declines can subject pension plans to an increase in this risk. As fixed income securities mature, investment managers may be forced to reinvest funds at decreasing rates of return. Reinvestment risk was significantly mitigated in recent years as the Federal Reserve increased the Federal Funds Rate. In September 2024, the Federal Reserve changed that policy by reducing that rate for the first time since March 2020. Should Federal Reserve policy continue to reverse the recent cycle of increased interest rates by bringing down the Federal Funds Rate, reinvestment risk will increase.

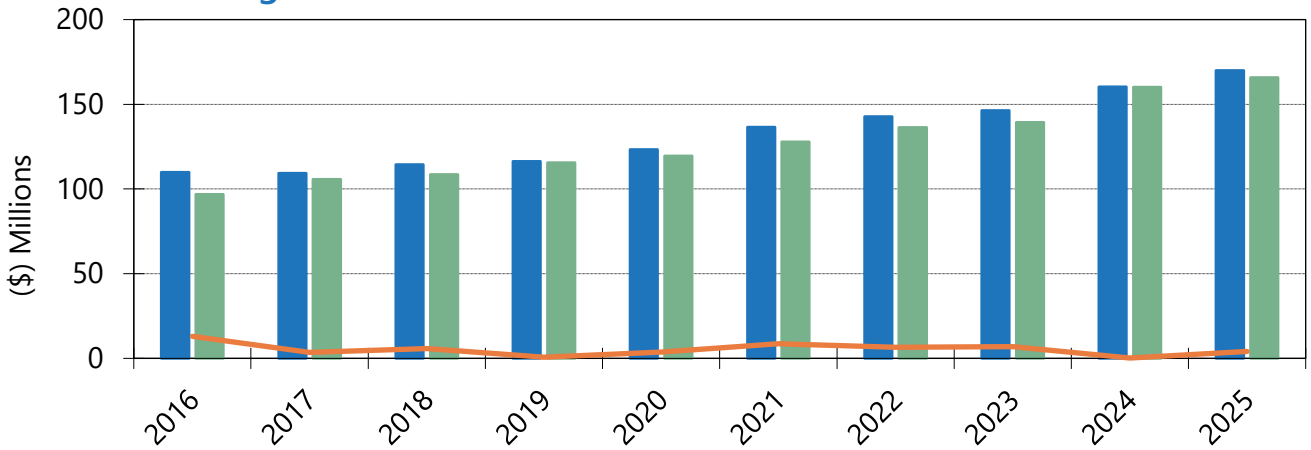
Asset Return Volatility Risk

Long-term asset performance depends not only on average returns but also on the volatility of returns. Two portfolios of identical size with identical average rates of return will accumulate different levels of assets if the volatility of returns differs, since increased volatility reduces the accumulation of assets. Volatility of returns will be determined by both market conditions and the asset allocation of the investment portfolio. If the system's investment portfolio has a substantial allocation to assets that have low price stability, the risk of portfolio volatility will increase, although low correlations among asset classes can mitigate this risk.

Cash Flow Risk

The system is also exposed to risk related to cash flow. Where benefit payments exceed contributions to a plan, the plan will be required to use investment income or potentially investment capital to pay benefits. In cases where it is necessary to use investment income to pay retirement benefits, investment market downturns place additional stress on the portfolio and make the recovery from such downturns more difficult since funds available for reinvestment are reduced by benefit payments. The historical cash flow graph and demonstration given below in **Figure 5** compares the total contribution income to benefits and expenses to determine the noninvestment cash flow of the system over the last ten years. Currently, annual contributions slightly exceed annual benefit payments to the plan.

Figure 5. Annual Net Non-Investment Cash Flows



	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Contribution Income ($Mil)	109.9	109.3	114.4	116.3	123.3	136.6	142.8	146.4	160.4	169.9
Benefits and Expenses ($Mil)	96.9	105.7	108.6	115.6	119.6	127.9	136.3	139.4	160.2	165.8
Net Non-Inv. Cash Flow ($Mil)	13.0	3.6	5.8	0.7	3.7	8.7	6.5	7.0	0.2	4.1

Future net noninvestment cash flows for the system will be determined based upon both the system maturity and future contribution levels. Hence, increases in future contributions due to adverse actuarial experience will tend to mitigate the potential of negative cash flows arising from the natural maturation of the system, whereas reduced contribution levels resulting from positive experience will tend to increase the scale of negative cash flows. Absent a significant increase in the active membership of the system, the trend of higher proportions of retired membership may continue, and the current trend toward higher levels of negative non-investment cash flows could continue in the near future.

Sensitivity to Investment Gains/Losses

Every retirement system is subject to investment return risk. When the rate of return on the actuarial value of assets does not equal the assumed rate of return, the system experiences investment gains or losses. These can cause contribution rate requirements to be more volatile. We have determined that based on current assets and demographics, for each percentage under (over) the assumed rate of return on the actuarial value of assets, there will be a corresponding increase (decrease) in the actuarially required contribution as a percentage of projected payroll of 0.73% for the system.

Sensitivity to Changes in Valuation Interest Rate

Regarding the economic assumptions, we have determined that a reduction in the valuation interest rate by 1% (without any change to other collateral factors) would increase the actuarially required employer contribution rate for 2026 by 14.41% of payroll. In the future, adjustments to the future assumed rate of return may be required; however, the likelihood of such an event is difficult to gauge since it requires assigning probabilities to future capital market scenarios.

Following are several risks and risk measures related to system liabilities:

Maturity Risk

The ability of a system to recover from adverse asset or liability performance is partly related to the maturity of the plan population. In general, plans with increasing active membership are less vulnerable to asset and liability gains and losses than mature plans since changes in plan costs can be partially allocated to new members. If the plan has a large number of active members compared to retirees, asset or liability losses can be more easily addressed. As more members retire, contributions can only be collected from a smaller segment of the overall plan population. Often, population ratios of actives to annuitants are used to measure the plan's ability to adjust or recover from adverse events since contributions are made by or on behalf of active members but not for retirees. Thus, if the plan suffers a mortality loss through increased longevity, this will affect both actives and retirees, but the system can only fund this loss by contributions related to active members. A measure of risk related to plan maturity

is the ratio of total benefit payments to active payroll. For Fiscal 2025, this ratio is 44%; ten years ago, this ratio was 38%.

Assumption Risk

One other area of exposure the plan faces is the possibility that plan assumptions will need to be revised to conform to changing actual or expected plan experience. Such assumption revisions may relate to economic or demographic factors. Regarding the economic assumptions, there is always the possibility that market expectations will require an adjustment to the assumed rate of return. Market expectations related to the assumed rate of return do not currently suggest that a further decrease in the assumption is warranted. We will continue to monitor capital market assumptions and advise the Board regarding potential future changes in the assumed rate of return.

Non-economic assumptions, such as mortality or other rates of decrement such as withdrawal, retirement, or disability, are also subject to change. In general, such changes tend to affect plan costs less than adjustments to the assumed rates of return. Quantifying the probability or magnitude of such changes is beyond the scope of this report.

In summary, there is a risk that future actuarial measurements may differ significantly from current measurements presented in this report due to factors such as the following: plan experience differing from that anticipated by the economic or demographic assumptions, changes in economic or demographic assumptions, and changes in plan provisions or applicable law. Ordinarily, variations in these factors will offset to some extent. However, even with the expectation that not all variations in costs will likely travel in the same direction, factors such as those outlined above have the potential on their own accord to pose a significant risk to future cost levels and solvency of the system.

Data Error Risk

Liability risk also includes items such as data errors. No actuarial valuation can provide accurate figures without accurate data on plan members, former members, retirees, and survivors. Significant errors in plan data can distort or disguise plan liabilities. When data corrections are made, the plan may experience unexpected increases or decreases in liabilities.

Liability Duration Risk

Each pension plan has its own unique benefit structure and demographic profile. As a result, each plan will respond to changes in interest rates in a unique way. As the expected rate of return on investments changes and the interest rate used to discount plan liabilities is adjusted, the shift in plan liabilities will depend upon the duration of the liabilities (which can be understood as the plan's sensitivity to the change in the interest rate). A slightly different measure of the duration for the plan can also be understood as an indicator of the plan's maturity. When a pension plan is first established, all the participants are active members; as members retire and the plan matures, the duration of the plan decreases. A determination of the liability duration gives some insight into the investment time horizon of the plan. Thus, the liability duration of a closed plan can be thought of as the weighted "center of gravity" of plan benefit cash flows with expected cash flows occurring both before and after the duration value. For open plans with a continuous flow of new entrants, this measure is somewhat less informative

since the duration horizon keeps changing as new members enter the plan. For this plan we have estimated the effective liability duration as 11.12 years when measured based on the interest sensitivity of the fund's entry-age normal accrued liability.

Other Liability Risks

Other liability risks include such things as longevity risk (the risk that retirees will live longer than expected), termination risk (the risk that fewer than the anticipated number of members will terminate service prior to retirement), and other factors that may have an impact on the liability structure of the plan. In a general sense, the short-term effects of these risks on the cost structure of the plan are somewhat limited since changes in these factors tend to be gradual and follow long-term secular trends. Final average compensation plans are also vulnerable to unexpectedly large increases in salary for individual members near retirement. The effect of such events frequently relates to pay plan revisions where salaries catch up after several years of slow growth. Revisions of this type usually depend on general economic conditions and can result in liability losses. However, they are generally infrequent and are more of a short-term issue.

Even natural disasters and dislocations in the economy or other unforeseen events can present risks to the plan. These events can affect member payroll and plan demographics, both of which impact costs. The risk associated with either of these factors can vary depending upon the severity of the event and cannot be easily forecasted.

CHANGES IN PLAN PROVISIONS

The following changes to the system were enacted during the 2025 Regular Session of the Louisiana Legislature:

Act 122 authorized a nonrecurring lump sum supplement payment of $2,000 to any retiree who has received a benefit for at least one year as of June 30, 2025 or any nonretiree beneficiary if the retiree or beneficiary or both combined have received a benefit for at least one year as of June 30, 2025. In addition, the act repealed the provision of R.S. 11:107.1(D)(4)(c) which previously restricted the Firefighters' Retirement System from using the Funding Deposit Account to prefund COLAs.

Act 235 made changes to R.S. 11:2256(H)(1)(a) to clarify that a surviving eligible spouse who is receiving a survivor benefit pursuant to R.S. 11:2256(B) has thirty days from the member's death to designate a qualified disabled or minor child to receive a specified amount of benefits payable to the surviving spouse. Additionally, the act clarified that if a surviving eligible spouse irrevocably designates a child with a disability to receive a benefit as set forth in R.S. 11:2256(H)(1), that benefit shall continue through the life of the child.

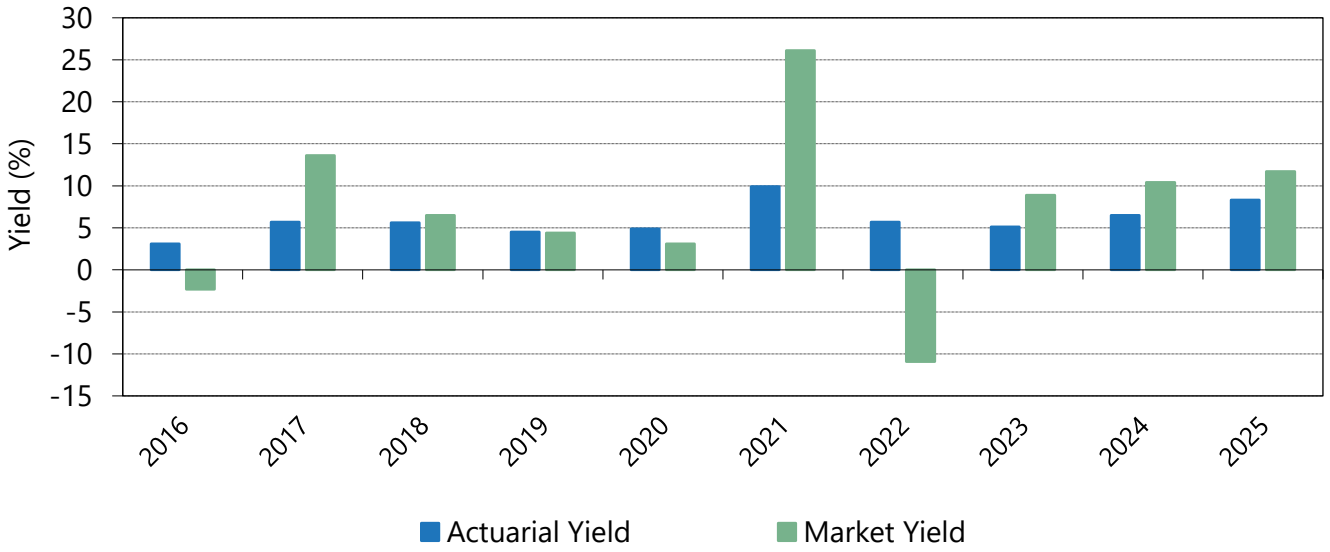
Act 344 made a few changes. First, it added the Firefighters' Retirement System to R.S. 11:221, stating that once a disability retiree attains age 62, he shall not have his benefit reduced as a result of earned income attributable to gainful employment. Second, the act added a provision that no refund shall be issued sooner than 30 days after a member's termination or resignation. Third, the act requires that beginning April 1, 2026, employer contributions must be made on the salaries of DROP participants.

Fourth, the act extended the maximum DROP participation period from three years to five years for members who begin participation in the plan on or after April 1, 2026 and have earned at least 28 years of service credit. Fifth, the act allows any person participating in DROP on April 1, 2026 to make an election to extend his participation period (no later than 30 days before the termination of his participation in the plan or April 1, 2026, whichever is earlier) for a total participation period of up to five years. Sixth, the act created a Self-Directed DROP investment account option. Finally, the act provides that if an employer fails to properly report employee compensation or pay the correct retirement contribution on an employee's pay, the retirement system shall be entitled to recover all actuarial costs association with the transaction.

ASSET EXPERIENCE

The actuarial and market rates of return for the past ten years are given below (**Figure 6**). These investment rates of return were determined by assuming a uniform distribution of income and expense throughout the fiscal year.

Figure 6. Historical Asset Yields



	Market Yield	Actuarial Yield
2016	-2.3%	3.1%
2017	13.6%	5.7%
2018	6.5%	5.6%
2019	4.4%	4.5%
2020	3.1%	4.9%
2021	26.1%	9.9%
2022	-10.9%	5.7%
2023	8.9%	5.1%
2024	10.4%	6.5%
2025	11.7%	8.3%

Geometric Average Market Rates of Return		
5-year average	(Fiscal 2021 – 2025)	8.6%
10-year average	(Fiscal 2016 – 2025)	6.7%
15-year average	(Fiscal 2011 – 2025)	6.7%
20-year average	(Fiscal 2006 – 2025)	5.6%
25-year average	(Fiscal 2001 – 2025)	5.2%
30-year average	(Fiscal 1996 – 2025)	5.9%

The market rate of return gives a measure of investment return on a total return basis and includes realized and unrealized capital gains and losses as well as interest income. Asset and income values for merger notes were excluded from calculations to provide a measurement of the return on the portion of the portfolio under management. This rate of return gives an indication of performance for an actively managed portfolio where securities are bought and sold with the objective of producing the highest total rate of return. During 2025 the system earned $34,279,671 of dividends, interest and other recurring income. During the same period, the system had net realized and unrealized capital gains on investments and non-recurring income of $267,833,589. This income was offset by investment expenses of $8,296,750.

The actuarial rate of return is presented for comparison to the assumed long-term rate of return of 6.90% used for the prior valuation. This rate is calculated based on the actuarial value of assets and the market value income adjusted for actuarial smoothing. Investment income used to calculate this yield is based upon a smoothing of investment income above or below the valuation interest rate over a five-year period subject to constraints. The difference between rates of return on an actuarial and market value basis results from the smoothing utilized. Yields in excess of the applicable interest assumption will reduce future costs; yields below the applicable assumption will increase future costs. For Fiscal 2025, the system experienced net actuarial investment earnings of $35,676,141 above the actuarial assumed earnings rate in effect for Fiscal 2025 of 6.90%. This excess in earnings produced an actuarial gain, which decreased the normal cost accrual rate by 0.9555%.

DEMOGRAPHICS AND LIABILITY EXPERIENCE

A reconciliation of the census for the system is given in Appendix B. The average active contributing member is 38 years old with 11.35 years of service credit and an annual salary of $65,142. The system's active contributing membership experienced an increase of 107 members during Fiscal 2025. The number of DROP participants decreased by 10 during Fiscal 2025. Over the last five years active membership has increased by 271 members.

The average service retiree is 66 years old with an annual benefit of $51,481. The average age of members at retirement is 54. The number of retirees and beneficiaries receiving benefits from the system increased by 82 during the fiscal year. Over the last five years, the number has increased by 442; during the same period, the annual benefits in payment increased by $33,634,998.

Plan liability experience for Fiscal 2025 was slightly unfavorable. Withdrawals were significantly above projected levels and DROP entries were below projected levels. These items tend to reduce costs. Active retirements above projected levels increased costs. Salary increases exceeded projected levels at most durations, which tends to increase costs. Despite these increases in salaries, given the impact on the

present value of future salaries and the change to require employer contributions on DROP salaries in the future, costs declined by 0.0463% based on salary increases. The posting of interest on DROP accounts based on the market rate of return likely had the largest negative impact on the annual liability experience within this valuation. The posting of interest on certain DROP accounts based on the system's market rate of return of 11.7%, while the system's employer contribution rate is determined based on the 8.3% actuarial rate of return, produced a loss in Fiscal 2025. In aggregate, plan liability losses increased the normal cost accrual rate by 0.4570%.

FUNDING ANALYSIS AND RECOMMENDATIONS

Actuarial funding of a retirement system is a process whereby funds are accumulated over the working lifetimes of employees in such a manner as to have sufficient assets available at retirement to pay for the lifetime benefits accrued by each member of the system. The required contributions are determined by an actuarial valuation based on rates of mortality, termination, disability, and retirement, as well as investment return and other statistical measures specific to the particular group. The required contributions are determined by applying a cost allocation procedure to the results of an actuarial valuation of liabilities based on rates of mortality, termination, disability, and retirement, as well as investment return and other statistical measures specific to the particular group. The allocation of costs also depends on an asset smoothing method described in the assumptions section at the end of this report.

Prior to Act 91 of the 2019 regular session, the Firefighters' Retirement System was valued based upon the Individual Entry Age Normal Actuarial Cost Method. Act 91 changed the funding method to the Frozen Initial Liability Actuarial Cost Method with a frozen UAL determined as the remaining entry age normal unfunded actuarial accrued liability as of June 30, 2019. Under the Frozen Initial Liability Actuarial Cost Method, the system's normal cost incorporates the cost of additional annual accruals, changes in salary, changes in assumptions, and gains and losses. This funding method does not produce new unfunded accrued liability each year. Instead, the unfunded accrued liability represents a measure of the system's level of funding at the time the funding method changed. Each year, a determination is made of two cost components (the normal cost and the amortization payments on the frozen unfunded actuarial accrued liability), and the actuarially required contributions are based on the sum of these two components plus administrative expenses. The normal cost refers to the portion of annual cost based on the salary of active participants. Each year the frozen UAL grows with interest and is reduced by payments. Under the Frozen Initial Liability Actuarial Cost Method, changes in plan experience, benefits, or assumptions do not affect the frozen unfunded actuarial accrued liability. These items increase or decrease future normal costs. Payroll growth affects plan costs. Payments on the system's non-merger portion of the frozen unfunded accrued liability are set to decrease by 1% per year and payments on the system's merger portion of the frozen unfunded accrued liability are set based upon a level schedule. Therefore, if payroll increases, these costs are reduced as a percentage of payroll.

To establish the actuarially required contribution in any given year, it is necessary to define the assumptions, funding method, and method of amortizing the UAL. Thus, the determination of the actuarially required contribution depends upon the funding method and amortization schedules employed. Regardless of the method selected, the ultimate cost of providing benefits is dependent upon the benefits, expenses, and investment earnings. Only to the extent that some methods accumulate assets

more rapidly and thus produce greater investment earnings does the funding method affect the ultimate cost.

R.S. 11:103 governs the calculation of the annual actuarially determined employer contribution rate for statewide retirement systems. This statute describes the components of the employer contribution rate found in Exhibit I. We believe that the minimum recommended net direct employer contribution rate developed within this report represents a Reasonable Actuarially Determined Contribution (or RADC) under the terms set forth in the actuarial standards of practice. We believe that the cost allocation procedure set forth in the statutes reasonably balances benefit security and intergenerational equity. The consistent payment of actuarially determined contributions based on Louisiana's constitutional requirements significantly improves the benefit security of plan members and retirees. The system's funding methodology seeks intergenerational equity by spreading actuarial costs over the future working lifetime of members. With the use of reasonable actuarial assumptions, the system's contribution allocation procedure should produce reasonably stable and predictable results. The system's annual valuation directly calculates the present value of future benefits for each member and former member. This measure accounts for expected future benefit payments and the expected duration of those payments. The valuation results are based on plan provisions in effect as of the valuation date. Therefore, results will be affected if plan provisions are changed in the future.

Liability and asset experience as well as changes in assumptions and benefits can increase or decrease plan costs. In addition to these factors, any COLA granted in the prior fiscal year will increase required future contributions. New entrants to the system can also increase or decrease costs as a percentage of payroll depending upon their demographic distribution and other factors related to prior plan experience. Finally, contributions above or below requirements may reduce or increase future costs.

The impact of various factors on the system's cost structure are outlined below:

RECONCILIATION OF THE NORMAL COST ACCRUAL RATE	
Employer's Normal Cost Accrual Rate – Fiscal 2025	20.4308%
Factors Increasing the Normal Cost Accrual Rate:	
Assumption Changes	0.0837%
Plan Liability Experience Loss	0.4570%
Factors Decreasing the Normal Cost Accrual Rate:	
New Members	0.4380%
Asset Experience Gain	0.9555%
Benefit Changes	3.0657%
Employer's Normal Cost Accrual Rate – Fiscal 2026	16.5123%

Figure 7A graphically shows the impact of gains and losses on the system's employer normal cost accrual rate over the most recent ten year period. Losses cause an increase in the employer's normal cost percentage while gains cause decreases.

Figure 7A. Historical Gains and Losses

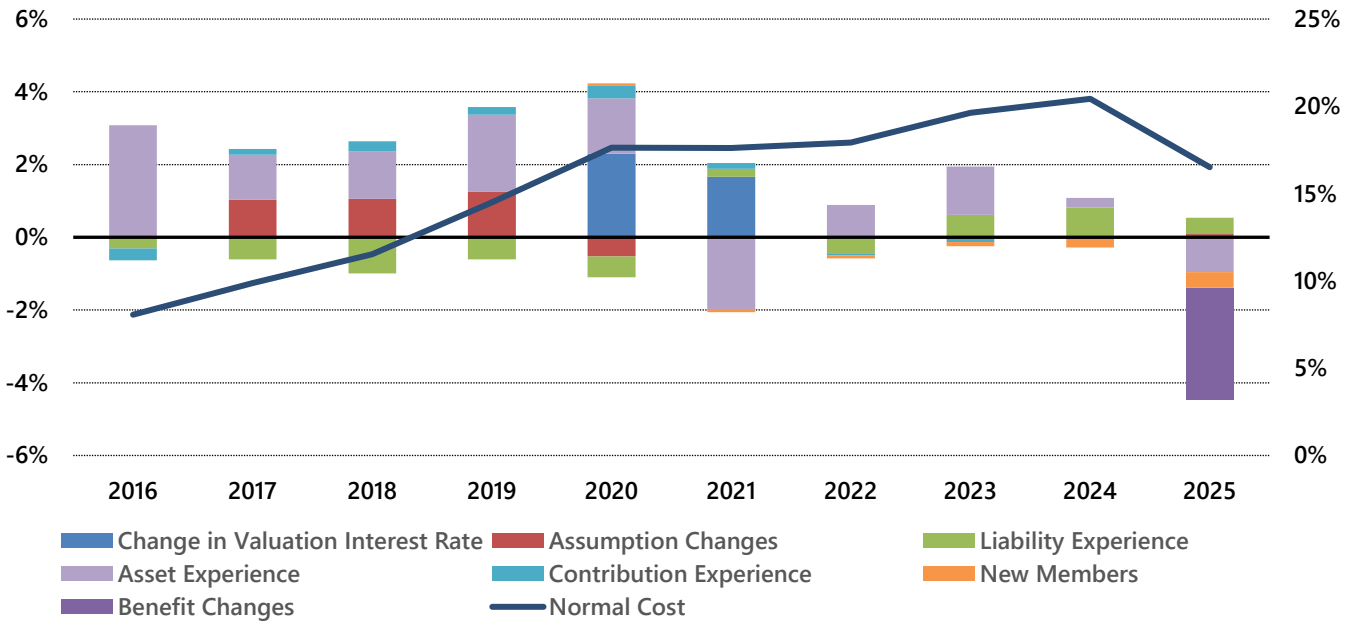
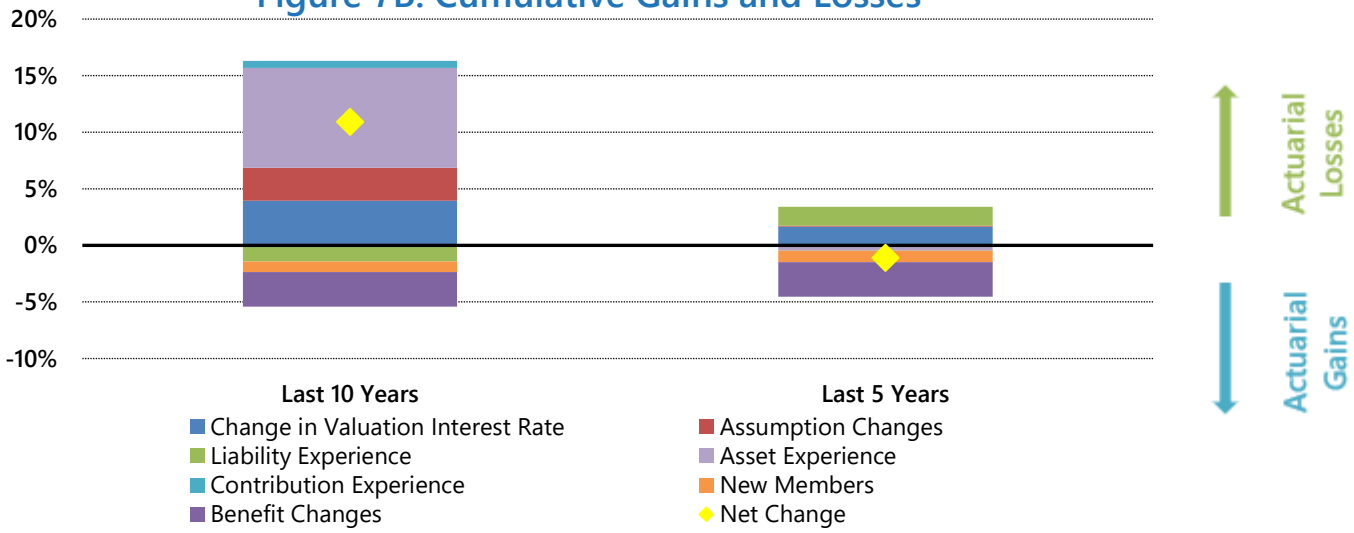


Figure 7B accumulates these gains and losses over the last 5 years and 10 years and shows whether the fund experienced more gains or losses during that period. As seen in this figure, over the last ten years, the fund experienced slightly more gains than losses which caused normal cost accrual rates to decrease. During the last five years, the system has also experienced greater levels of gains than losses. The largest source of losses during this period has been asset experience. New members have provided significant savings during this period.

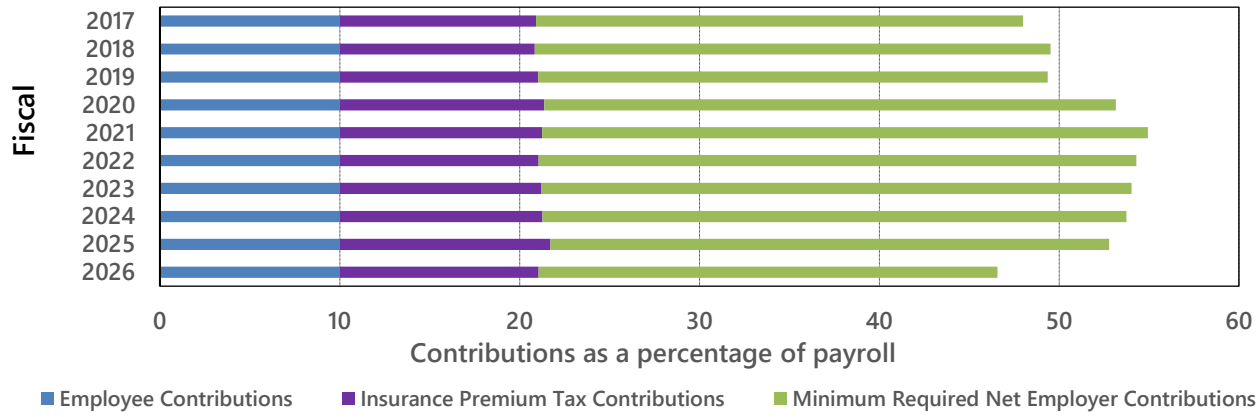
Figure 7B. Cumulative Gains and Losses



The derivation of the actuarially required contribution for the current fiscal year is given in Exhibit I. The employer normal cost for Fiscal 2026, interest adjusted for mid-year payment is $51,618,794. The interest adjusted amortization payments on the system's frozen unfunded actuarial accrued liability totaled $59,948,073. The total actuarially required contribution is determined by summing these two values together with estimated administrative expenses. As given in line 16 of Exhibit I the total actuarially required contribution for Fiscal 2026 is $114,986,057. We estimate insurance premium taxes of $34,730,542, or 11.05% of payroll, will be paid to the system in Fiscal 2026. This level of Insurance Premium Taxes represents a 0.67% decrease from the prior year as a percentage of payroll. Hence, the total actuarially required net direct employer contribution for Fiscal 2026 amounts to $80,255,515 or 25.53% of payroll. R.S. 11:103 requires that the net direct employer contributions be rounded to the nearest 0.25%. The resulting Minimum Recommended Net Direct Employer Contribution Rate for Fiscal 2027 is 25.50%.

The cost of providing benefits to current and former members is borne by employees and employers and relies in part on dedicated insurance premium tax funds. **Figure 8** shows the breakdown of annual costs as a percentage of payroll over the past ten years.

Figure 8. Components of Actuarial Funding



During Fiscal 2025, the Board of Trustees set the employer contribution rate at 33.25% which exceeded the Minimum Recommended Net Direct Employer Contribution Rate of 32.50% set by the Fiscal 2023 actuarial valuation. When the Board acts to hold the employer contribution rate above the minimum rate, any excess funds resulting from maintaining the rate are combined with any contribution surplus or offset by any contribution shortfall to determine if any funds are to be added to the system's Funding Deposit Account. For Fiscal 2025, the net contribution gain was $10,614,665. This amount was deposited into the system's Funding Deposit Account.

Since the Board of Trustees elected to hold the employer contribution rate for Fiscal 2026 at 33.25% of payroll (above the Minimum Recommended Net Direct Employer Contribution Rate of 31.25%) the excess employer contributions resulting from this action will be combined with the system's contribution surplus or shortfall to determine whether additional funds will be added to the system's Funding Deposit Account in the next valuation.

Under the provisions of R.S. 11:105 and R.S. 11:107, the Board of Trustees may set the net direct employer contribution at any level between the minimum recommended employer contribution rate of 25.50% and

the current employer contribution rate of 33.25%. If the Board sets the net direct employer contribution rate above the minimum rate, any excess funds collected will be deposited in the Funding Deposit Account. Funds in this account can be used to reduce either future required contributions in a particular year, the normal cost accrual rate of the fund, or to reduce the fund's frozen unfunded accrued liability. In addition, the Board of Trustees may grant a cost of living increase to retirees using funds in the Funding Deposit Account, subject to certain limits.

LOW-DEFAULT RISK OBLIGATION MEASURE (LDROM)

The retirement system's annual actuarial funding valuation determines the employer's minimum contribution rate based upon a set of actuarial assumptions found to be reasonable individually and in the aggregate for the purpose of the measurement. For a system like the Firefighters' Retirement System that is open to new members and expected to exist in perpetuity, boards of trustees generally elect to invest system assets in a basket of asset classes that subject the system to a number of investment risks, including the risk of default. Such risks are generally mitigated through diversification among the asset classes and through portfolio construction within each asset class. When considering expert opinions about expectations of future returns, generally called capital market assumptions, and when considering historical evidence, it is found that a portfolio composed of a combination of asset classes (including risky assets such as equities, fixed income assets, real estate investments, and other alternative investments) earns a larger return than risk-free or low-default-risk fixed income assets provide. The larger expected return is often referred to as a risk premium as investors generally require a larger return to accept the added risk. It is precisely this exchange of return for added risk that is at the heart of the low-default-risk obligation measure (LDROM) defined within Actuarial Standard of Practice #4. Were the system to simply invest in low-default-risk fixed income securities, the system would be expected to earn less from investment markets but would also expect less portfolio return volatility and less chance of investment default. Since investment income directly offsets the contributions owed by the system's employers, building a portfolio that includes risky assets can be a strategy to lower the long-term requirement for employer contributions, but in doing so, employers accept certain investment risks.

The LDROM can help to quantify both the impact of investing in a portfolio that includes risky assets and using a long-term expected rate of return from such a portfolio to discount liabilities. In addition, the LDROM can help stakeholders understand how much liabilities would increase if the system was measured using a discount rate that did not include the risk premium for assets with higher default risk.

The standard of practice requires the following when determining the LDROM:

- The actuary should use an immediate gain actuarial cost method.
- The actuary should select a discount rate or 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.
- Other than the discount rate or rates, the actuary may use the same assumptions used in the funding valuation for this measure.

The biggest decision in making LDROM calculations is the discount rate or rates to use. The standard discusses several possibilities. We have elected to base our LDROM calculations on discount rates derived from high-quality corporate bonds, which we believe best represent low-default-risk fixed income

investments. For the purpose of these calculations, we intend to use the U.S. Department of the Treasury's High-Quality Market (HQM) Corporate Bond Yield Curve weighted according to the closed fund cash flows developed for the most recently completed system specific GASB 67 analyses. The LDROM calculations have been performed based on the Entry Age Normal funding method.

The U.S. Treasury HQM Corporate Bond Yield Curve is developed using regression variables, projects yield curves beyond the longest maturity date and makes use of bond market characteristics to help generate a stable curve. It represents spot yields of corporate bonds rated AAA, AA, or A and is available monthly on the IRS website. When the June 2025 HQM Corporate Bond Yield Curve is weighted based on the GASB 67 cash flows, the effective single discount rate derived from the analysis is 5.90%.

In the following section, we disclose an LDROM-based actuarial accrued liability, which can be compared to the entry age normal actuarial accrued liability, and an LDROM-based funded ratio, which can be compared to the system's funded ratio determined based on the entry age normal actuarial accrued liability. Our calculations are based on the effective single discount rate derived from the U.S. Treasury HQM Corporate Bond Yield Curve of 5.90%. All other assumptions match those used to determine funding liabilities.

LDROM Comparison	Funding Valuation	LDROM Valuation
Discount Rate	6.90%	5.90%
Accrued Liability for Active Members	$ 1,470,910,611	$ 1,689,483,911
Accrued Liability for Terminated Members	$ 42,677,766	$ 48,665,759
Accrued Liability for Retired Members	$ 1,632,599,846	$ 1,770,513,963
Total Actuarial Accrued Liability (AAL)	$ 3,146,188,223	$ 3,508,663,633
Funded Ratio (AVA/AAL)	86.75%	77.79%

The differences in the measures shown above can be viewed within the risk/return framework. By accepting added investment risk, the system is expected to significantly reduce the employer's responsibility to fund system liabilities over the long run, but that decision will likely result in greater variability in employer contributions over time as risky assets typically experience greater return volatility.

COST-OF-LIVING ADJUSTMENTS

During Fiscal 2025, the actual cost-of-living (as measured by the US Department of Labor CPI-U) increased by 2.7%.

RELEVANT COLA STATUTES	
Statute	**Description**
R.S. 11:2260(A)(7)	Cost-of-living adjustment of up to 3% of each retiree's current benefit. Applies to those retired for at least one year.
R.S. 11:246	Supplemental cost-of-living increase to retirees and beneficiaries over the age of 65 equal to 2% of the benefit in payment on October 1, 1977, or the date the benefit was originally received if after that date. Applies to those retired for at least one year.
R.S. 11:241	Cost-of-living benefit based on a formula equal to up to $1 times the total of the number of years of credited service accrued at retirement or at death of the member or retiree plus the number of years since retirement or since death of the member or retiree to the system's fiscal year end preceding the payment of the benefit increase.

R.S. 11:243 sets forth the funding criteria necessary to grant cost-of-living adjustments to regular retirees and beneficiaries (who are neither the surviving spouse nor children of the retiree.) The criteria for the system to qualify as eligible to grant any such increase is as follows: a funded ratio of at least 70% if the system has not granted a benefit increase to retirees, survivors, or beneficiaries in any of the three most recent fiscal years; a funded ratio of at least 80% if the system has not granted such an increase in any of the two most recent fiscal years; or a funded ratio of at least 90% if the system has not granted such an increase in the most recent fiscal year. The funded ratio at any fiscal year end is the ratio of the actuarial value of assets to the actuarial accrued liability under the funding method prescribed by the legislative auditor (currently the Projected Unit Credit Method for this system).

With a funded ratio (as measured by the Actuarial Value of Assets divided by the Pension Benefit Obligation) of 87.26% and since the system last granted a cost-of-living increase on January 1, 2015 which is not within the three most recent fiscal years, we have determined that for Fiscal 2025 the plan meets the criteria set forth in R. S. 11:243 for granting a cost-of-living increase.

The system experienced an investment gain during Fiscal 2025. The actuarial rate of return of 8.3% exceeded the assumed rate of return of 6.90%. This generated $35,676,141 in investment earnings above the actuarial assumed earnings rate for Fiscal 2025.

Below is a summary of available cost-of-living adjustments and their respective costs:

COLA Description	Annual Increase in Benefits	Present Value of Increase	Expected Impact on Normal Cost %
3% to all allowable pensioners	$ 3,987,604	$ 41,049,784	1.10%
2% to pensioners over age 65	$ 1,276,762	$ 11,452,801	0.31%

EXHIBIT I
ANALYSIS OF ACTUARIALLY REQUIRED CONTRIBUTIONS

1.	Present Value of Future Benefits	$	4,042,929,754
2.	Frozen Unfunded Actuarial Accrued Liability	$	386,003,378
3.	Actuarial Value of Assets	$	2,729,389,553
4.	Funding Deposit Account Credit Balance	$	11,506,751
5.	Present Value of Future Employee Contributions	$	322,541,376
6.	Present Value of Future Employer Normal Costs (1 - 2 – (3 – 4) – 5)	$	616,502,198
7.	Present Value of Future Salaries	$	3,733,599,276
8.	Employer Normal Cost Accrual Rate (6 ÷ 7)		16.512275%
9.	Projected Fiscal 2026 Salary for Current Membership	$	302,351,475
10.	Employer Normal Cost as of July 1, 2025 (8 × 9)	$	49,925,107
11.	Employer Normal Cost Interest Adjusted for Mid-year Payment	$	51,618,794
12.	Amortization Payment on Remaining Frozen Unfunded Accrued Liability	$	57,981,090
13.	Amortization Payment Interest Adjusted for Mid-year Payment	$	59,948,073
14.	TOTAL Employer Normal Cost and Amortization Payment (11 + 13)	$	111,566,867
15.	Estimated Administrative Cost for Fiscal 2026	$	3,419,190
16.	GROSS Employer Actuarially Required Contribution for Fiscal 2026 (14 + 15)	$	114,986,057
17.	Projected Insurance Premium Taxes for Fiscal 2026	$	(34,730,542)
18.	Net Direct Employer Actuarially Required Contribution for Fiscal 2026 (16 + 17)	$	80,255,515
19.	Projected Payroll for Fiscal 2026	$	314,382,637
20.	Employers' Minimum Net Direct Actuarially Required Contribution as a % of Projected Payroll for Fiscal 2026 (18 ÷ 19)		25.53%
21.	Board Adopted Employer Contribution Rate for Fiscal 2026		33.25%
22.	Minimum Recommended Net Direct Employer Contribution Rate for Fiscal 2027 (20, Rounded to nearest 0.25%)		25.50%

* The above rates are for members with earnings greater than the Department of HHS poverty guidelines. For members with earnings below the poverty guidelines, employer rates will be 2.0% higher and employee rates will be 2.0% lower.

EXHIBIT II
PRESENT VALUE OF FUTURE BENEFITS

PRESENT VALUE OF FUTURE BENEFITS FOR ACTIVE MEMBERS:

Retirement Benefits	$ 2,225,464,815	
Survivor Benefits	36,935,787	
Disability Benefits	29,782,318	
Vested Termination Benefits	55,144,725	
Refunds of Contributions	20,324,497	
TOTAL Present Value of Future Benefits for Active Members		$ 2,367,652,142

PRESENT VALUE OF FUTURE BENEFITS FOR TERMINATED MEMBERS:

Terminated Vested Members Due Benefits at Retirement	$ 34,766,415	
Terminated Members with Reciprocals Due Benefits at Retirement	0	
Terminated Members Due a Refund	7,911,351	
TOTAL Present Value of Future Benefits for Terminated Members		$ 42,677,766

PRESENT VALUE OF FUTURE BENEFITS FOR RETIREES:

Regular Retirees			
Maximum	$ 262,459,111		
Option 1	141,877,442		
Option 2	725,649,746		
Option 3	200,477,437		
Option 4	9,889,721		
Option 5	0		
TOTAL Regular Retirees		$ 1,340,353,457	
Disability Retirees		39,093,749	
Survivors & Widows		100,707,447	
DROP Lifetime Annuities		2,001,436	
DROP Account Balances Payable to Retirees*		143,923,274	
IBO Balances Payable to Retirees*		6,520,483	
TOTAL Present Value of Future Benefits for Retirees & Survivors			$ 1,632,599,846

TOTAL PRESENT VALUE OF FUTURE BENEFITS $ 4,042,929,754

*DROP/IBO Balances include estimated interest for Fiscal 2025

EXHIBIT III
ACTUARIAL VALUE OF ASSETS

Excess (Shortfall) of invested income
for current and previous 4 years:

Fiscal year 2025	$	120,475,890
Fiscal year 2024		80,291,537
Fiscal year 2023		42,701,843
Fiscal year 2022		(414,625,538)
Fiscal year 2021		351,501,915
Total for five years	$	180,345,647

Deferral of excess (shortfall) of invested income:

Fiscal year 2025 (80%)	$	96,380,712
Fiscal year 2024 (60%)		48,174,922
Fiscal year 2023 (40%)		17,080,737
Fiscal year 2022 (20%)		(82,925,108)
Fiscal year 2021 (0%)		0
Total deferred for year	$	78,711,263

Market value of plan net assets, end of year	$	2,808,100,816
Preliminary actuarial value of plan assets, end of year	$	2,729,389,553

Actuarial value of assets corridor

85% of market value, end of year	$	2,386,885,694
115% of market value, end of year	$	3,229,315,938
Final actuarial value of plan net assets, end of year	$	2,729,389,553

EXHIBIT IV
PRESENT VALUE OF FUTURE CONTRIBUTIONS

Employee Contributions to the Annuity Savings Fund		$ 322,541,376
Employer Normal Contributions to the Pension Accumulation Fund		616,502,198
Employer Amortization Payments to the Pension Accumulation Fund		386,003,378
Funding Deposit Account Credit Balance		(11,506,751)
TOTAL PRESENT VALUE OF FUTURE CONTRIBUTIONS		$ 1,313,540,201

EXHIBIT V - SCHEDULE A
CHANGE IN FROZEN UNFUNDED ACTUARIAL ACCRUED LIABILITY

Prior Year Frozen Unfunded Accrued Liability		$ 422,057,401
Interest on Frozen Unfunded Accrued Liability	$ 29,121,961	
Additional UAL for Kenner Merger Amendment	$ 653,125	
TOTAL Increase in Frozen Unfunded Accrued Liability		$ 29,775,086
Amortization Payment on Frozen Unfunded Accrued Liability	$ 61,580,083	
Interest on Amortization Payment	$ 4,249,026	
TOTAL Decrease in Frozen Unfunded Accrued Liability		$ 65,829,109
NET Change in Frozen Unfunded Accrued Liability		$ (36,054,023)
CURRENT YEAR FROZEN UNFUNDED ACCRUED LIABILITY		$ 386,003,378

EXHIBIT V – SCHEDULE B
RECONCILIATION OF CONTRIBUTIONS

Interest Adjusted Prior Year Employer Normal Cost		$ 62,715,388
Interest Adjusted Amortization Payment on Remaining UAL		65,829,108
Interest Adjusted Administrative Expenses		3,203,769
TOTAL Interest Adjusted Actuarially Required Contributions		$ 131,748,265
Interest Adjusted Direct Employer Contributions		$ 106,352,432
Interest Adjusted Insurance Premium Taxes		36,010,498
TOTAL Interest Adjusted Employer Contributions		$ 142,362,930
CONTRIBUTION SHORTFALL (SURPLUS)		$ (10,614,665)

EXHIBIT V - SCHEDULE C
AMORTIZATION OF FROZEN UNFUNDED ACTUARIAL ACCRUED LIABILITY

June 30, 2025

FISCAL YEAR		AMORT. PERIOD	INITIAL BALANCE	YEARS REMAINING	REMAINING BALANCE	AMORT. PAYMENTS (BOY)
1995	Merger Loss	30	41,779,611	0	0	0
1996	Merger Loss	30	1,772,399	1	136,197	136,197
1997	Merger Loss	30	890,324	2	132,272	68,342
1998	Merger Loss	30	1,602,435	3	345,338	122,874
1999	Merger Loss	30	14,104,876	4	3,921,012	1,080,432
2001	Merger Loss	30	3,117,590	6	1,218,134	238,327
2007	Merger Loss	30	1,065,812	12	690,460	80,887
2008	Merger Loss	30	1,556,324	13	1,059,499	117,916
2011	Merger Loss	30	329,132	16	252,320	24,821
2025	Kenner Amendment	4	653,125	4	653,125	179,968
2019	Cumulative Non-Merger Bases	15	549,175,053	9	377,595,021	55,931,326

TOTAL Frozen Unfunded Actuarial Accrued Liability as of July 1, 2025	$ 386,003,378	
TOTAL Fiscal 2026 Amortization Payments on July 1, 2025		$ 57,981,090
TOTAL Fiscal 2026 Amortization Payments Adjusted to Mid-Year		$ 59,948,073

Sum of Remaining Balances and Amortization Payments may not equal total UAL or payments due to rounding

EXHIBIT VI
FUNDING DEPOSIT ACCOUNT

Funding Deposit Account Balance as of June 30, 2024	$	6,033,757
Interest on Opening Balance at 6.90%		416,329
Contributions to the Funding Deposit Account		10,614,665
Withdrawals from the Funding Deposit Account		(5,558,000)
Funding Deposit Account Balance as of June 30, 2025	$	11,506,751

EXHIBIT VII – SCHEDULE A
PENSION BENEFIT OBLIGATION

Present Value of Credited Projected Benefits Payable to Current Employees	$	1,452,679,785
Present Value of Benefits Payable to Terminated Employees		42,677,766
Present Value of Benefits Payable to Current Retirees and Beneficiaries		1,632,599,846
TOTAL PENSION BENEFIT OBLIGATION	$	3,127,957,397
NET ACTUARIAL VALUE OF ASSETS	$	2,729,389,553
Ratio of Net Actuarial Value of Assets to Pension Benefit Obligation		87.26%

EXHIBIT VII - SCHEDULE B
ENTRY AGE NORMAL ACTUARIAL ACCRUED LIABILITIES

Accrued Liability for Active Employees	$	1,470,910,611
Accrued Liability for Terminated Employees	$	42,677,766
Accrued Liability for Current Retirees and Beneficiaries	$	1,632,599,846
TOTAL ENTRY AGE NORMAL ACCRUED LIABILITY	$	3,146,188,223
ACTUARIAL VALUE OF ASSETS	$	2,729,389,553
Ratio of Net Actuarial Value of Assets to Entry Age Normal Accrued Liability		86.75%

EXHIBIT VIII
YEAR-TO-YEAR COMPARISON

	Fiscal 2025	Fiscal 2024	Fiscal 2023	Fiscal 2022
Number of Active Members	4,697	4,590	4,443	4,394
Number of Retirees & Survivors	2,939	2,857	2,744	2,669
DROP Participants	184	194	248	229
Number of Terminated Due Deferred	148	130	130	123
Number Terminated Due Refunds	1,304	1,140	1,048	969
Active Lives Payroll (excludes DROP participants)	$ 305,973,696	$ 287,677,761	$ 266,532,270	$ 253,487,351
Retiree Benefits in Payment	$ 135,940,918	$ 129,756,141	$ 120,336,832	$ 114,949,681
Market Value of Assets	$ 2,808,100,816	$ 2,510,150,455	$ 2,272,795,475	$ 2,079,446,096
Ratio of Actuarial Value of Assets to Actuarial Accrued Liability	86.75%	81.86%	80.71%	80.41%
Actuarial Accrued Liability (EAN)	$ 3,146,188,223	$ 3,073,207,753	$ 2,925,476,136	$ 2,784,575,320
Actuarial Value of Assets	$ 2,729,389,553	$ 2,515,845,951	$ 2,361,258,223	$ 2,239,176,342
UAL (Funding Excess)	$ 386,003,378	$ 422,057,401	$ 456,965,908	$ 491,237,338
P.V. of Future Employer Normal Cost	$ 616,502,198	$ 660,074,231	$ 584,026,545	$ 504,572,690
Present Value of Future Employee Contrib.	$ 322,541,376	$ 323,077,615	$ 297,535,262	$ 281,367,086
Present Value of Future Benefits	$ 4,042,929,754	$ 3,915,021,441	$ 3,699,785,938	$ 3,516,353,456

	Fiscal 2026	Fiscal 2025	Fiscal 2024	Fiscal 2023
Employee Contribution Rate Above Poverty Level	10.00%	10.00%	10.00%	10.00%
Required Tax Contributions as a Percentage of Projected Payroll	11.05%	11.72%	11.27%	11.54%
Minimum Recommended Net Direct Employer Contribution Rate	31.25%	32.50%	32.50%	33.25%
Actual Employer Contribution as a Percentage of Projected Payroll	33.25%	33.25%	33.25%	33.25%

The above employee and employer contribution rates are for members with earnings greater than the Department of HHS poverty guidelines. For members with earnings below the poverty guidelines, employer rates will be 2.0% higher and employee rates will be 2.0% lower.

Fiscal 2021	Fiscal 2020	Fiscal 2019	Fiscal 2018	Fiscal 2017	Fiscal 2016
4,450	4,426	4,446	4,424	4,429	4,362
2,578	2,497	2,407	2,327	2,289	2,213
241	220	208	192	173	173
99	85	84	76	72	72
811	763	671	656	597	558
$ 249,159,310	$ 245,786,834	$ 240,413,972	$ 236,005,445	$ 232,500,397	$ 225,301,112
$ 108,262,093	$ 102,305,920	$ 97,547,088	$ 91,808,883	$ 88,444,685	$ 83,899,034
$ 2,326,798,869	$ 1,837,689,661	$ 1,778,931,314	$ 1,704,049,168	$ 1,593,696,648	$ 1,399,892,212
78.76%	75.63%	75.72%	76.40%	75.82%	75.48%
$ 2,681,184,069	$ 2,530,844,605	$ 2,405,122,324	$ 2,279,256,967	$ 2,166,881,556	$ 2,053,982,618
$ 2,111,737,202	$ 1,914,024,117	$ 1,821,040,904	$ 1,741,451,961	$ 1,643,007,075	$ 1,550,261,745
$ 523,878,929	$ 554,826,689	$ 584,081,420	$ 537,805,006	$ 523,874,481	$ 503,720,873
$ 490,121,628	$ 475,561,988	$ 352,991,474	$ 346,076,765	$ 328,942,059	$ 305,570,473
$ 278,140,120	$ 269,628,321	$ 243,350,511	$ 240,713,969	$ 238,106,260	$ 230,423,085
$ 3,403,877,879	$ 3,214,041,115	$ 3,001,464,309	$ 2,866,047,701	$ 2,733,929,875	$ 2,589,976,176

Fiscal 2022	Fiscal 2021	Fiscal 2020	Fiscal 2019	Fiscal 2018	Fiscal 2017
10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
11.06%	11.25%	11.38%	11.04%	10.85%	10.91%
33.75%	32.25%	27.75%	26.25%	26.50%	25.25%
33.75%	32.25%	27.75%	26.50%	26.50%	25.25%

APPENDIX A
GASB 67 AND 82 INFORMATION

GASB INTRODUCTION

Appendix A provides information necessary to prepare financial statements which comply with Governmental Accounting Standards Board (GASB) Statement 67 and 82. This appendix has been prepared in accordance with generally accepted actuarial principles and practices to the extent that there is no conflict with GASB statement 67 and 82, and to the best of our knowledge and belief, fairly reflects the actuarial present values and liabilities stated herein. The findings in this report are based on data and other information through June 30, 2025.

As of June 30, 2025, pension plan membership consisted of the following:

Active plan members (including DROP participants)	4,881
Inactive plan members or beneficiaries currently receiving benefits	2,939
Inactive plan members entitled to but not yet receiving benefits	1,452
	9,272

Because the Firefighters' Retirement System is funded using the Frozen Attained Age Normal actuarial cost method and GASB prescribed the use of the Entry Age Normal Funding Method for financial disclosures, the funding methods used are different for the funding and GASB valuations. In addition to the prescribed funding method, differences between the presentation of funding valuation results provided earlier in this report and the GASB valuation values shown within Appendix A arise from the terminology used by GASB for financial statements. These differences include GASB's use of the system's market value of assets (termed Fiduciary Net Position) without the application of actuarial smoothing methods used to determine funding values.

For funding purposes, the system's Funding Deposit Account is excluded from the system's assets in determining the actuarially required contributions. However, GASB calculations are made on the audited financial statements and all assets, including those contained in the Funding Deposit Account, are included in the system's total assets (Fiduciary Net Position). Because funds within the Funding Deposit Account may be used for funding, we do not include an offsetting liability for the Funding Deposit Account balance in the system's total liabilities (Total Pension Liability). Thus, for financial reporting purposes these funds help to lower the system's Net Pension Liability.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such facts as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; changes in the demographic composition of the group; completion of amortization payments or credit schedules; and changes in plan provisions or applicable law.

Fiduciary Net Position

The total market value of assets (or Fiduciary Net Position) can be broken down into several separate accounts. As of June 30, 2025 these subaccounts are valued as follows:

Annuity Savings Fund	$ 271,071,062
Annuity Reserve Fund	1,482,156,089
Pension Accumulation Fund	862,594,190
DROP Accounts	174,252,240
Initial Benefit Option Plan Account	6,520,483
Funding Deposit Account	11,506,752
Total Fiduciary Net Position	**$ 2,808,100,816**

Annuity Savings Fund - The Annuity Savings Fund represents employee contributions held on behalf of members and former members who have not yet begun receiving benefits.

Annuity Reserve Fund - The Annuity Reserve Fund represents the present value of future annuity benefits owed to retirees and survivors based on current plan assumptions.

Pension Accumulation Fund - The Pension Accumulation Fund represents the remaining amount of plan assets that have been accumulated to fund benefits (in excess of a return of employee contributions, DROP/IBO Accounts, and Funding Deposit Accounts) for active members and vested former members. The Pension Accumulation Fund can be positive or negative. A negative figure would indicate a lack of funding for such future benefits. A positive figure represents an amount set aside for such future benefits.

DROP/IBO Account - The DROP/IBO Account contains funds left on deposit by former members who completed DROP or elected the IBO at retirement and chose to leave their lump sum balance in the care of the retirement system following their retirement. In addition, this account contains investment earnings allocated to those accounts.

Funding Deposit Account – The Funding Deposit Account is a side fund that contains surplus contributions made by employers pursuant to R.S. 11:107.1. When the Board of Trustees elects to set the net direct employer contribution rate higher than the minimum recommended actuarially determined employer contribution rate pursuant to R.S. 11:105 or R.S. 11:107, all surplus funds collected by the system (when combined with the system's contribution gain or loss) are credited to the system's Funding Deposit Account. The account earns interest annually at the Board-approved actuarial valuation interest rate. The funds in the account may be used for the following purposes: (1) to reduce the present value of future normal costs, (2) to pay all or a portion of any future net direct employer contributions, (3) to provide for a cost-of-living adjustment, pursuant to applicable law.

Total Pension Liability

The Total Pension Liability (called the actuarial accrued liability in the funding valuation) as stated in this appendix is based on the Individual Entry Age Normal actuarial cost method as described in Statement 67 of the Government Accounting Standards Board (GASB 67). Calculations were made as of June 30, 2025 and were based on June 30, 2025 data.

The measurement of total pension liability as of June 30, 2025 has been completed using the same actuarial assumptions as those used in determining funding valuation figures. These assumptions are enumerated in the Actuarial Assumptions section of this report.

Pension Liability for Active Members	$	1,554,031,716
Pension Liability for Terminated Members		42,677,766
Pension Liability for Retirees & Survivors		1,632,599,846
Total Pension Liability	**$**	**3,229,309,328**

Net Pension Liability

The components of the net pension liability (or Unfunded Actuarial Accrued Liability) as of June 30, 2025 determined using the market value of assets (Plan Fiduciary Net Position) instead of the smoothed Actuarial Value of Assets used in the funding valuation, are as follows:

Total Pension Liability	$	3,229,309,328
Less: Plan Fiduciary Net Position		2,808,100,816
Net Pension Liability (Asset)	**$**	**421,208,512**

Sensitivity of Net Pension Liability to Differences in Discount Rate

The following presents the net pension liability of the system calculated using the discount rate of 6.90%, as well as what the system's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.90%) or one percentage point higher (7.90%) than the current rate (assuming all other assumptions remain unchanged):

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Net Pension Liability	$812,729,306	$421,208,512	$94,837,887

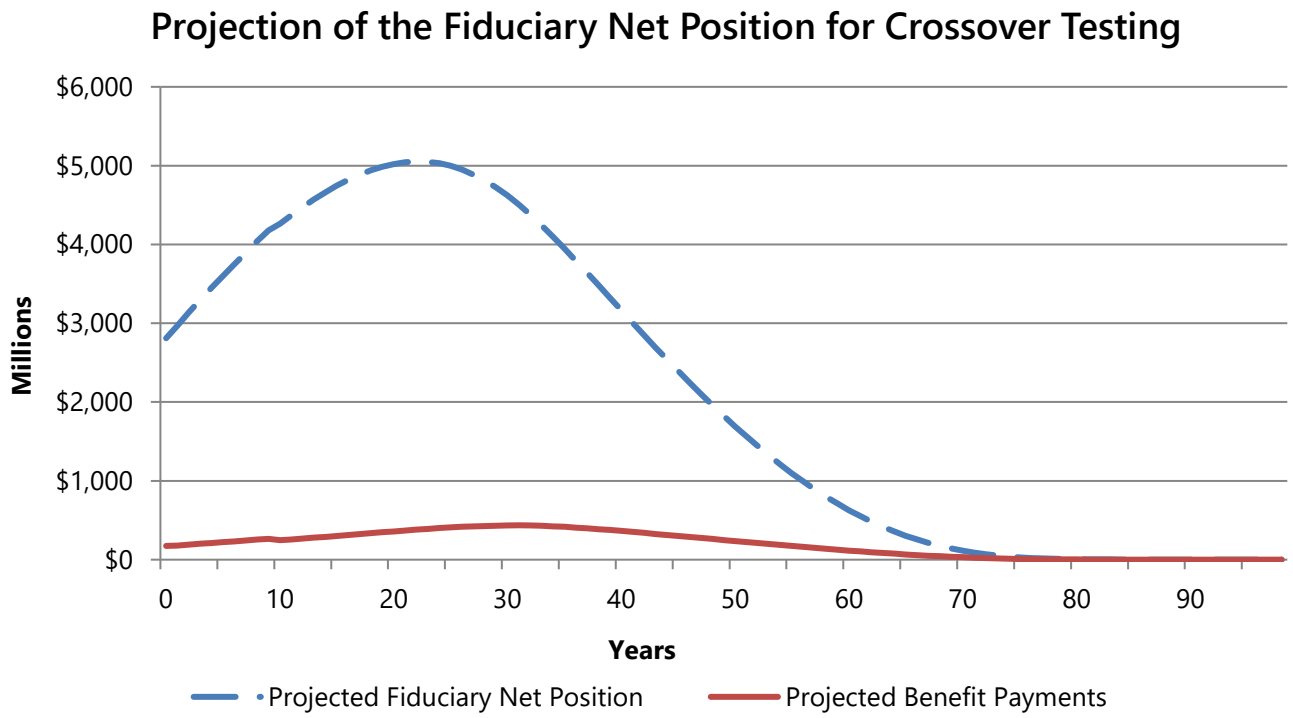
Collective Pension Expense

The collective pension expense is the total pension expense recognized by a cost-sharing plan under GASB 67, reflecting all changes in liabilities, assets, and deferrals before allocation to employers. For the year ended June 30, 2025, the Collective Pension Expense (Income) for the system is $ 67,675,447.

Crossover Testing

GASB 67 requires the system's actuary to perform a crossover test to determine whether a public pension plan should discount its liabilities using the long-term expected rate of return on plan investments or, in part, based on a tax-exempt, high-quality municipal bond index rate. The purpose of this test is to assess whether the system's projected plan assets, together with future contributions, will be sufficient to cover all projected benefit payments.

Within this crossover test, projected assets were found to meet or exceed projected benefit payments. Therefore, all liabilities have been discounted using the long-term expected rate of return.



Amortization of Deferred Inflows and Outflows

GASB 67 requires the amortization of deferred inflows and outflows. This amortization is not an amortization that recognizes the time value of money, but instead simply recognizes the impact of inflows and outflows for certain gains and losses equally over a specified amortization period by dividing the gain/loss over the amortization period. The following table describes the changes that are amortized and the amortization period to be used.

Source of Change	Basis of Amortization Period	Current Amortization Period
Differences between expected and actual experience (demographic/economic factors such as turnover, salary, mortality)	Expected remaining service life of active and inactive members	7
Changes in actuarial assumptions (e.g., discount rate, retirement age, inflation)	Expected remaining service life of active and inactive members	7
Differences between projected and actual investment earnings on plan assets	5 years (fixed, closed)	5

STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2025 AND 2024

	2025	2024
Current Assets:		
Cash & Cash Equivalents in Banks	$ 15,677,494	$ 15,805,048
Contributions Receivable	10,976,370	12,147,408
Accrued Interest and Dividends	8,424,893	5,919,283
Investments Receivable	609,023	0
Prepaid Expenses	17,117	20,977
Other Current Assets	3,860,554	4,480,764
TOTAL CURRENT ASSETS	$ 39,565,451	$ 38,373,480
Property, Plant & Equipment	$ 1,993,828	$ 2,014,247
Investments:		
Cash & Cash Equivalents	$ 78,083,644	$ 92,280,226
Equities	1,551,261,677	1,340,226,308
Fixed Income	821,446,856	715,281,511
Real Estate	130,237,362	139,085,904
Alternative Investments	189,673,496	150,770,375
Other Investments	89	38,058,425
TOTAL INVESTMENTS	$ 2,770,703,124	$ 2,475,702,749
DEFERRED OUTFLOWS OF RESOURCES RELATED TO	$ 109,943	$ 99,723
Current Liabilities:		
Accounts Payable	$ 2,767,474	$ 2,634,133
Investments Payable	829,736	2,724,410
Other Postemployment Benefits	488,045	388,800
TOTAL CURRENT LIABILITIES	$ 4,085,255	$ 5,747,343
DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB	$ 186,275	$ 292,401
FIDUCIARY NET POSITION	$ 2,808,100,816	$ 2,510,150,455

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025 AND 2024

	2025	2024
Beginning of Year Fiduciary Net Position:	$ 2,510,150,455	$ 2,272,795,475
Income:		
Regular Member Contributions	$ 30,936,332	$ 28,797,803
Regular Employer Contributions	102,862,855	95,745,830
Irregular Contributions & Non Recurring Income	(416,855)	4,199,414
Insurance Premium Taxes	34,828,941	31,181,383
Transfers from Other Systems	1,311,776	212,404
Other Income	426,780	265,677
TOTAL CONTRIBUTIONS	$ 169,949,829	$ 160,402,511
Net Appreciation of Fair Value of Investments	$ 267,832,976	$ 213,356,856
Dividends, Interest and Recurring Income	34,279,671	32,201,848
Class Action Settlements	613	6,077
Investment Expense	(8,296,750)	(8,442,463)
TOTAL MARKET INVESTMENT INCOME	$ 293,816,510	$ 237,122,318
TOTAL INCOME	$ 463,766,339	$ 397,524,829
Expenses:		
Retirement Annuity Benefits	$ 159,123,145	$ 153,734,248
Refund of Contributions	2,478,390	3,053,111
Funds Transferred to other Systems	1,115,794	757,710
Administrative Expenses	3,098,649	2,624,780
TOTAL EXPENSES	$ 165,815,978	$ 160,169,849
NET MARKET INCOME (INCOME – EXPENSES)	$ 297,950,361	$ 237,354,980
END OF YEAR FIDUCIARY NET POSITION	**$ 2,808,100,816**	**$ 2,510,150,455**

SCHEDULE OF PENSION EXPENSE

FOR THE YEAR ENDED JUNE 30, 2025

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (c) = (a) – (b)	Collective Deferred Inflows (d)	Collective Deferred Outflows (e)	Collective Pension Expense (f)=(c)+(d)-(e)+(g)	Revenue Excluded from Pension Expense* (g)
Beginning Balance:	$ 3,073,207,753	$ 2,510,150,455	$ 563,057,298	$ 173,545,519	$ 232,210,671	N/A	N/A
Service Cost	74,614,529		74,614,529			$ 74,614,529	
Interest on Total Pension Liability	211,724,461		211,724,461			211,724,461	
Changes in Benefit Terms	0		0			0	
Differences Between Expected and Actual Experience with Regard to Economic or Demographic Assumptions	22,873,390		22,873,390	0	22,873,390		
Current Year Amortization				(5,791,543)	(11,206,919)	5,415,376	
Changes in Assumptions About Future Economic or Demographic Factors or Other Inputs	8,284,823		8,284,823	0	8,284,823		
Current Year Amortization				0	(13,168,513)	13,168,513	
Benefit Payments	(159,123,145)		(159,123,145)			(159,123,145)	
Refunds of Contributions	(2,478,390)		(2,478,390)			(2,478,390)	
Other	205,907		205,907			205,907	
Contributions – Member		30,936,332	(30,936,332)			(30,936,332)	
Contributions – Employer*		102,862,855	(102,862,855)				$ 102,862,855
Contributions – Nonemployer Contributing Entities*		34,828,941	(34,828,941)				34,828,941
Projected Earnings on Pension Plan Investments		173,340,620	(173,340,620)			(173,340,620)	
Difference Between Projected and Actual Earnings on Pension Plan Investments		120,475,890	(120,475,890)	120,475,890	0		
Current Year Amortization				(118,994,237)	(82,925,108)	(36,069,129)	
Benefit Payments		(159,123,145)	159,123,145			159,123,145	
Refunds of Contributions		(2,478,390)	2,478,390			2,478,390	
Administrative Expenses		(3,098,649)	3,098,649			3,098,649	
Other		205,907	(205,907)			(205,907)	
Net Increase (Decrease)	$ 156,101,575	$ 297,950,361	$ (141,848,786)	$ (4,309,890)	$ (76,142,327)	$ 67,675,447	$ 137,691,796
Ending Balance	$ 3,229,309,328	$ 2,808,100,816	$ 421,208,512	$ 169,235,629	$ 156,068,344	N/A	N/A

For the year ended June 30, 2025, the Collective Pension Expense for the system is $67,675,447.

* Contributions from employers and non-employer contributing entities are excluded from Pension Expense and are reported as revenue as per paragraphs 58 and 71(c) of GASB 68.

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

FOR THE YEARS 2016 – 2025

	2025	2024	2023	2022
Total Pension Liability:				
Service Cost	$ 74,614,529	$ 69,310,173	$ 65,661,189	$ 64,623,257
Interest	211,724,461	201,454,290	192,031,151	184,950,222
Changes of Benefit Terms	0	0	0	0
Differences Between Expected and Actual Experience	22,873,390	29,834,728	19,840,093	(13,225,961)
Changes of Assumptions	8,284,823	0	0	0
Benefit Payments	(159,123,145)	(153,734,248)	(133,432,447)	(132,107,687)
Refunds of Member Contributions	(2,478,390)	(3,053,111)	(3,362,761)	(2,056,377)
Other	205,907	3,919,785	163,593	1,207,795
Net Change in Total Pension Liability	$ 156,101,575	$ 147,731,617	$ 140,900,818	$ 103,391,249
Total Pension Liability – Beginning	$ 3,073,207,753	$ 2,925,476,136	$ 2,784,575,318	$ 2,681,184,069
Total Pension Liability – Ending (a)	$ 3,229,309,328	$ 3,073,207,753	$ 2,925,476,136	$ 2,784,575,318
Plan Fiduciary Net Position:				
Contributions – Member	$ 30,936,332	$ 28,797,803	$ 26,944,318	$ 25,824,943
Contributions – Employer	102,862,855	95,745,830	89,493,139	87,158,108
Contributions – Nonemployer Contributing Entities	34,828,941	31,181,383	29,283,671	28,465,639
Net Investment Income	293,816,510	237,122,318	186,418,742	(253,855,804)
Benefit Payments	(159,123,145)	(153,734,248)	(133,432,447)	(132,107,687)
Refunds of Member Contributions	(2,478,390)	(3,053,111)	(3,362,761)	(2,056,377)
Administrative Expenses*	(3,098,649)	(2,624,780)	(2,158,876)	(1,989,390)
Other	205,907	3,919,785	163,593	1,207,795
Net Change in Plan Fiduciary Net Position	$ 297,950,361	$ 237,354,980	$ 193,349,379	$ (247,352,773)
Plan Fiduciary Net Position – Beginning	$ 2,510,150,455	$ 2,272,795,475	$ 2,079,446,096	$ 2,326,798,869
Plan Fiduciary Net Position – Ending (b)	$ 2,808,100,816	$ 2,510,150,455	$ 2,272,795,475	$ 2,079,446,096
Net Pension Liability (Asset) – Ending (a) – (b)	$ 421,208,512	$ 563,057,298	$ 652,680,661	$ 705,129,222
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.96%	81.68%	77.69%	74.68%
Covered Payroll	$ 309,361,970	$ 287,957,383	$ 269,152,298	$ 258,246,246
Net Pension Liability (Asset) as a Percentage of Covered Payroll	136.15%	195.53%	242.49%	273.05%

* Includes Deferred Inflows, Deferred Outflows, and the allocated share of Collective Pension Expense due to participation in LASERS. In addition, fiscal 2018 includes $118,371 in prior period adjustment for the cumulative effect of a change in accounting principle under GASB 75.

2021	2020	2019	2018	2017	2016
$ 62,047,712	$ 58,319,570	$ 57,145,057	$ 55,066,112	$ 52,076,589	$ 49,088,056
177,222,297	172,035,812	166,514,953	160,608,723	154,171,843	147,115,926
0	0	0	0	0	0
5,900,222	(13,516,923)	(13,797,929)	(22,251,660)	(13,331,207)	(6,578,348)
29,563,548	25,591,821	28,739,403	23,944,920	22,708,091	0
(124,061,952)	(115,059,424)	(111,352,185)	(104,277,290)	(102,768,682)	(94,078,659)
(1,658,028)	(2,384,014)	(2,216,744)	(1,781,606)	(1,467,175)	(1,358,460)
1,325,665	735,439	832,802	1,066,212	1,509,479	944,097
$ 150,339,464	$ 125,722,281	$ 125,865,357	$ 112,375,411	$ 112,898,938	$ 95,132,612
$ 2,530,844,605	$ 2,405,122,324	$ 2,279,256,967	$ 2,166,881,556	$ 2,053,982,618	$ 1,958,850,006
$ 2,681,184,069	$ 2,530,844,605	$ 2,405,122,324	$ 2,279,256,967	$ 2,166,881,556	$ 2,053,982,618
$ 25,141,642	$ 24,962,007	$ 24,230,606	$ 23,860,402	$ 23,404,268	$ 22,579,714
81,083,367	69,270,625	64,205,763	63,243,874	59,091,498	61,537,449
28,567,787	28,017,672	26,807,631	25,953,989	25,310,647	24,825,521
480,438,532	55,074,681	74,259,733	104,507,945	190,196,312	(32,230,824)
(124,061,952)	(115,059,424)	(111,352,185)	(104,277,290)	(102,768,682)	(94,078,659)
(1,658,028)	(2,384,014)	(2,216,744)	(1,781,606)	(1,467,175)	(1,358,460)
(1,727,805)	(1,858,639)	(1,885,460)	(2,221,006)	(1,471,911)	(1,465,395)
1,325,665	735,439	832,802	1,066,212	1,509,479	944,097
$ 489,109,208	$ 58,758,347	$ 74,882,146	$ 110,352,520	$ 193,804,436	$ (19,246,557)
$ 1,837,689,661	$ 1,778,931,314	$ 1,704,049,168	$ 1,593,696,648	$ 1,399,892,212	$ 1,419,138,769
$ 2,326,798,869	$ 1,837,689,661	$ 1,778,931,314	$ 1,704,049,168	$ 1,593,696,648	$ 1,399,892,212
$ 354,385,200	$ 693,154,944	$ 626,191,010	$ 575,207,799	$ 573,184,908	$ 654,090,406
86.78%	72.61%	73.96%	74.76%	73.55%	68.16%
$ 251,421,293	$ 249,623,874	$ 242,285,898	$ 238,656,128	$ 234,025,735	$ 225,825,501
140.95%	277.68%	258.45%	241.02%	244.92%	289.64%

SCHEDULE OF NET PENSION LIABILITY
FOR THE YEARS 2016 – 2025

	2025	2024	2023	2022
Total Pension Liability	$ 3,229,309,328	$ 3,073,207,753	$ 2,925,476,136	$ 2,784,575,318
Plan Fiduciary Net Position	2,808,100,816	2,510,150,455	2,272,795,475	2,079,446,096
Net Pension Liability (Asset)	$ 421,208,512	$ 563,057,298	$ 652,680,661	$ 705,129,222
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.96%	81.68%	77.69%	74.68%
Covered Payroll	$ 309,361,970	$ 287,957,383	$ 269,152,298	$ 258,246,246
Net Pension Liability (Asset) as a Percentage of Covered Payroll	136.15%	195.53%	242.49%	273.05%

SCHEDULE OF CONTRIBUTIONS
FOR THE YEARS 2016 – 2025

	2025	2024	2023	2022
Actuarially Determined Contribution (Determined as of the Prior Fiscal Year) *	$ 135,371,581	$ 124,767,532	$ 119,632,694	$ 115,630,159
Contributions in Relation to the Actuarially Determined Contribution *	137,691,796	126,927,213	118,776,810	115,623,747
Contribution Deficiency (Excess)	$ (2,320,215)	$ (2,159,681)	$ 855,884	$ 6,412
Covered Payroll	$ 309,361,970	$ 287,957,383	$ 269,152,298	$ 258,246,246
Contributions as a Percentage of Covered Payroll	44.51%	44.08%	44.13%	44.77%

* Includes contributions from employers and non-employer contributing entities.

2021	2020	2019	2018	2017	2016
$ 2,681,184,069	$ 2,530,844,605	$ 2,405,122,324	$ 2,279,256,967	$ 2,166,881,556	$ 2,053,982,618
2,326,798,869	1,837,689,661	1,778,931,314	1,704,049,168	1,593,696,648	1,399,892,212
$ 354,385,200	$ 693,154,944	$ 626,191,010	$ 575,207,799	$ 573,184,908	$ 654,090,406
86.78%	72.61%	73.96%	74.76%	73.55%	68.16%
$ 251,421,293	$ 249,623,874	$ 242,285,898	$ 238,656,128	$ 234,025,735	$ 225,825,501
140.95%	277.68%	258.45%	241.02%	244.92%	289.64%

2021	2020	2019	2018	2017	2016
$ 109,651,155	$ 97,288,297	$ 90,407,679	$ 89,197,863	$ 84,402,145	$ 86,362,970
109,651,154	97,288,297	91,013,394	89,197,863	84,402,145	86,362,970
$ 1	$ 0	$ (605,715)	$ 0	$ 0	$ 0
$ 251,421,293	$ 249,623,874	$ 242,285,898	$ 238,656,128	$ 234,025,735	$ 225,825,501
43.61%	38.97%	37.56%	37.38%	36.07%	38.24%

APPENDIX B
CENSUS DATA

	Active	Terminated with Funds on Deposit	DROP	Retired	Total
Number of members as of June 30, 2024	4,590	1,270	194	2,857	8,911
Additions to Census					
Initial membership	428	89			517
Omitted in error last year		1		5	6
Death of another member				35	35
Adjustment for multiple records				3	3
Change in Status during Year					
Actives terminating service	(190)	190			
Actives who retired	(51)			51	
Actives entering DROP	(62)		62		
Term. members rehired	38	(38)			
Term. members who retire		(6)		6	
Retirees who are rehired		2			2
Refunded who are rehired	5	2			7
DROP participants retiring			(59)	59	
DROP returned to work	12		(12)		
Omitted in error last year					
Eliminated from Census					
Refund of contributions	(70)	(57)			(127)
Deaths	(3)			(74)	(77)
Included in error last year		(1)	(1)		(2)
Adjustment for multiple records				(3)	(3)
Number of members as of June 30, 2025	4,697	1,452	184	2,939	9,272

Actives Census by Age:

Age	Number Male	Number Female	Total Number	Average Salary	Total Salary
16 - 20	107	8	**115**	40,472	**4,654,332**
21 - 25	576	39	**615**	45,671	**28,087,969**
26 - 30	640	47	**687**	51,760	**35,558,911**
31 - 35	670	55	**725**	58,329	**42,288,432**
36 - 40	725	45	**770**	66,240	**51,004,895**
41 - 45	639	57	**696**	74,058	**51,544,591**
46 - 50	486	34	**520**	79,760	**41,475,353**
51 - 55	335	29	**364**	89,235	**32,481,660**
56 - 60	127	19	**146**	92,710	**13,535,619**
61 - 65	30	11	**41**	83,632	**3,428,915**
66 - 70	9	4	**13**	93,214	**1,211,782**
71 - 75	4	0	**4**	147,769	**591,076**
76 - 80	1	0	**1**	110,161	**110,161**
Total	**4,349**	**348**	**4,697**	**65,142**	**305,973,696**

* The active census includes 2,198 actives with vested benefits, including 52 active former DROP participants. The 184 current DROP participants are excluded.

DROP Participants by Age:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
46 - 50	16	1	**17**	73,264	**1,245,491**
51 - 55	73	1	**74**	72,909	**5,395,280**
56 - 60	70	3	**73**	77,984	**5,692,824**
61 - 65	13	1	**14**	66,829	**935,609**
66 - 70	5	0	**5**	50,770	**253,848**
71 - 75	0	1	**1**	35,443	**35,443**
Total	**177**	**7**	**184**	**73,687**	**13,558,495**

Terminated Members Due a Deferred Retirement Benefit:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
31 - 35	8	0	8	22,450	179,597
36 - 40	25	1	26	25,098	652,560
41 - 45	34	1	35	32,384	1,133,455
46 - 50	48	5	53	34,601	1,833,843
51 - 55	23	0	23	24,498	563,465
56 - 60	1	0	1	15,176	15,176
61 - 65	2	0	2	91,426	182,852
Total	141	7	148	30,817	4,560,948

Terminated Members Due a Refund of Contributions:

Contributions Ranging From		To	Number	Total Contributions
0	-	99	89	4,645
100	-	499	288	77,376
500	-	999	152	107,325
1,000	-	1,999	155	217,606
2,000	-	4,999	222	720,468
5,000	-	9,999	157	1,158,783
10,000	-	19,999	134	1,905,300
20,000	-	99,999	107	3,654,679
Total			1,304	7,846,182

Excludes $ 65,169 due to survivors of several deceased members

Regular Retirees:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
41 - 45	2	0	2	69,291	138,581
46 - 50	49	1	50	56,113	2,805,668
51 - 55	173	17	190	58,770	11,166,380
56 - 60	360	20	380	55,737	21,180,165
61 - 65	522	31	553	55,665	30,782,868
66 - 70	440	26	466	52,313	24,377,984
71 - 75	316	11	327	47,657	15,583,827
76 - 80	225	5	230	40,233	9,253,560
81 - 85	97	2	99	40,131	3,972,962
86 - 90	46	0	46	35,704	1,642,393
91 - 95	7	0	7	25,901	181,309
96 - 100	4	0	4	24,917	99,666
Total	2,241	113	2,354	51,481	121,185,363

Disability Retirees:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
31 - 35	2	1	3	21,146	63,437
36 - 40	2	0	2	33,737	67,473
41 - 45	11	0	11	30,684	337,522
46 - 50	14	1	15	32,519	487,788
51 - 55	22	2	24	28,150	675,591
56 - 60	11	3	14	24,586	344,207
61 - 65	18	1	19	24,653	468,406
66 - 70	15	1	16	21,102	337,627
71 - 75	17	2	19	20,942	397,903
76 - 80	6	0	6	19,751	118,505
81 - 85	3	0	3	12,550	37,651
86 - 90	3	0	3	12,542	37,625
91 - 95	3	0	3	13,312	39,935
Total	127	11	138	24,737	3,413,670

Survivors:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
0 - 20	13	10	**23**	5,963	**137,148**
21 - 25	3	5	**8**	5,793	**46,347**
26 - 30	2	1	**3**	19,092	**57,275**
31 - 35	0	2	**2**	3,266	**6,532**
36 - 40	1	4	**5**	34,380	**171,898**
41 - 45	0	10	**10**	29,006	**290,056**
46 - 50	4	10	**14**	29,082	**407,153**
51 - 55	0	21	**21**	35,461	**744,677**
56 - 60	0	26	**26**	28,398	**738,357**
61 - 65	1	43	**44**	35,785	**1,574,523**
66 - 70	2	48	**50**	31,827	**1,591,330**
71 - 75	1	52	**53**	26,627	**1,411,239**
76 - 80	3	62	**65**	23,308	**1,515,006**
81 - 85	0	51	**51**	25,436	**1,297,217**
86 - 90	0	37	**37**	19,462	**720,104**
91 - 95	0	30	**30**	19,044	**571,315**
96 - 100	0	5	**5**	12,342	**61,708**
Total	**30**	**417**	**447**	**25,373**	**11,341,885**

Active Members:

Attained Ages	Completed Years of Service								
	0 - 1	1 - 5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	Over 30	Total
0 - 20	90	25	-	-	-	-	-	-	115
21 - 25	171	417	27	-	-	-	-	-	615
26 - 30	76	349	247	15	-	-	-	-	687
31 - 35	50	136	290	219	30	-	-	-	725
36 - 40	19	95	168	214	262	12	-	-	770
41 - 45	16	43	83	136	234	172	12	-	696
46 - 50	10	20	30	49	121	172	114	4	520
51 - 55	1	8	22	34	38	91	130	40	364
56 - 60	-	-	6	17	22	28	39	34	146
61 - 65	-	-	-	5	7	11	5	13	41
66 - 70	-	-	-	1	2	2	1	7	13
71 & Over	-	-	-	-	-	1	-	4	5
Total	433	1,093	873	690	716	489	301	102	4,697

Average Annual Salary of Active Members:

Attained Ages	Completed Years of Service								
	0 - 1	1 - 5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	Over 30	Average
0 - 20	40,051	41,991	-	-	-	-	-	-	40,472
21 - 25	39,828	47,500	54,445	-	-	-	-	-	45,671
26 - 30	41,460	50,166	56,611	61,137	-	-	-	-	51,760
31 - 35	41,573	50,243	59,155	64,458	70,189	-	-	-	58,329
36 - 40	46,626	52,782	60,674	67,380	74,727	76,147	-	-	66,240
41 - 45	42,434	55,335	59,225	68,924	77,918	85,899	99,127	-	74,058
46 - 50	51,863	48,973	58,779	67,595	80,027	83,062	92,230	104,417	79,760
51 - 55	38,116	67,206	68,167	73,026	79,423	87,021	98,644	104,067	89,235
56 - 60	-	-	64,323	69,573	79,016	86,878	102,720	111,468	92,710
61 - 65	-	-	-	70,175	74,399	71,950	99,126	97,706	83,632
66 - 70	-	-	-	52,826	70,774	44,784	81,355	120,927	93,214
71 & Over	-	-	-	-	-	158,333	-	135,726	140,247
Average	41,031	49,505	58,838	66,968	76,842	84,593	96,713	108,135	65,142

Terminated Members Due a Deferred Retirement Benefit:

Attained Ages	Years until Retirement Eligibility								
	0 - 1	1 - 2	2 - 3	3 - 5	5 - 10	10 - 15	15 - 20	Over 20	Total
0 - 30	-	-	-	-	-	-	-	-	-
31 - 35	-	-	-	-	-	-	3	5	8
36 - 40	-	-	-	-	-	2	24	-	26
41 - 45	-	-	-	-	13	22	-	-	35
46 - 50	4	3	2	8	36	-	-	-	53
51 - 55	5	4	7	7	-	-	-	-	23
56 - 60	1	-	-	-	-	-	-	-	1
61 - 65	2	-	-	-	-	-	-	-	2
66 - 70	-	-	-	-	-	-	-	-	-
71 & Over	-	-	-	-	-	-	-	-	-
Total	12	7	9	15	49	24	27	5	148

Average Annual Benefits of Terminated Members Due a Deferred Retirement Benefit:

Attained Ages	Years until Retirement Eligibility								
	0 - 1	1 - 2	2 - 3	3 - 5	5 - 10	10 - 15	15 - 20	Over 20	Average
0 - 30	-	-	-	-	-	-	-	-	-
31 - 35	-	-	-	-	-	-	21,780	22,851	22,450
36 - 40	-	-	-	-	-	16,888	25,783	-	25,098
41 - 45	-	-	-	-	39,928	27,927	-	-	32,384
46 - 50	50,877	45,431	40,145	48,610	28,469	-	-	-	34,601
51 - 55	31,821	18,737	25,141	21,918	-	-	-	-	24,498
56 - 60	15,176	-	-	-	-	-	-	-	15,176
61 - 65	91,426	-	-	-	-	-	-	-	91,426
66 - 70	-	-	-	-	-	-	-	-	-
71 & Over	-	-	-	-	-	-	-	-	-
Average	46,720	30,177	28,475	36,154	31,509	27,007	25,338	22,851	30,817

Service Retirees:

Attained Ages	Completed Years Since Retirement								
	0 - 1	1 - 2	2 - 3	3 - 5	5 - 10	10 - 15	15 - 20	Over 20	Total
0 - 50	15	16	8	12	1	-	-	-	**52**
51 - 55	35	46	26	45	37	1	-	-	**190**
56 - 60	31	63	41	87	127	27	3	1	**380**
61 - 65	25	33	21	79	169	154	63	9	**553**
66 - 70	2	11	9	26	101	171	114	32	**466**
71 - 75	-	2	-	5	26	62	97	135	**327**
76 - 80	-	-	-	1	3	13	31	182	**230**
81 - 85	-	-	-	-	-	3	8	88	**99**
86 - 90	-	-	-	-	-	1	-	45	**46**
91 & Over	-	-	-	-	-	-	-	11	**11**
Total	**108**	**171**	**105**	**255**	**464**	**432**	**316**	**503**	**2,354**

Average Annual Benefits Payable to Service Retirees:

Attained Ages	Completed Years Since Retirement								
	0 - 1	1 - 2	2 - 3	3 - 5	5 - 10	10 - 15	15 - 20	Over 20	Average
0 - 50	56,406	59,087	56,542	54,445	47,082	-	-	-	**56,620**
51 - 55	61,057	64,162	58,086	57,565	51,133	85,370	-	-	**58,770**
56 - 60	64,564	65,972	57,206	56,636	50,556	44,594	37,141	13,640	**55,737**
61 - 65	62,877	61,899	65,618	61,607	57,134	52,874	45,051	31,876	**55,665**
66 - 70	83,918	76,996	59,469	58,782	60,561	52,022	43,070	43,041	**52,313**
71 - 75	-	58,586	-	74,654	59,624	57,526	45,119	41,482	**47,657**
76 - 80	-	-	-	121,532	54,972	42,713	44,832	38,583	**40,233**
81 - 85	-	-	-	-	-	48,760	40,051	39,844	**40,131**
86 - 90	-	-	-	-	-	55,370	-	35,267	**35,704**
91 & Over	-	-	-	-	-	-	-	25,543	**25,543**
Average	**62,262**	**64,677**	**59,250**	**59,064**	**55,705**	**52,434**	**44,134**	**39,114**	**51,481**

Disability Retirees:

Attained Ages	Completed Years Since Retirement								
	0 - 1	1 - 5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	Over 30	Total
0 - 30	-	-	-	-	-	-	-	-	-
31 - 35	-	2	1	-	-	-	-	-	3
36 - 40	1	1	-	-	-	-	-	-	2
41 - 45	2	9	-	-	-	-	-	-	11
46 - 50	2	7	4	1	-	1	-	-	15
51 - 55	-	8	6	4	4	2	-	-	24
56 - 60	-	1	1	3	5	3	-	1	14
61 - 65	-	1	1	2	4	6	2	3	19
66 - 70	-	-	1	2	1	6	3	3	16
71 - 75	-	-	-	1	1	2	4	11	19
76 - 80	-	-	-	-	-	1	1	4	6
81 & Over	-	-	-	-	-	2	-	7	9
Total	5	29	14	13	15	23	10	29	138

Average Annual Benefits Payable to Disability Retirees:

Attained Ages	Completed Years Since Retirement								
	0 - 1	1 - 5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	Over 30	Average
0 - 30	-	-	-	-	-	-	-	-	-
31 - 35	-	25,872	11,694	-	-	-	-	-	21,146
36 - 40	38,410	29,063	-	-	-	-	-	-	33,737
41 - 45	29,989	30,838	-	-	-	-	-	-	30,684
46 - 50	33,987	35,886	31,529	27,451	-	15,044	-	-	32,519
51 - 55	-	30,742	32,229	31,517	22,348	10,414	-	-	28,150
56 - 60	-	33,730	24,479	29,116	24,628	19,443	-	17,180	24,586
61 - 65	-	41,128	60,242	16,411	25,826	26,810	16,514	12,342	24,653
66 - 70	-	-	25,265	23,088	34,667	21,686	15,794	18,008	21,102
71 - 75	-	-	-	42,439	22,691	30,361	19,554	17,621	20,942
76 - 80	-	-	-	-	-	28,054	13,384	19,267	19,751
81 & Over	-	-	-	-	-	10,207	-	13,543	12,801
Average	33,272	32,081	31,512	27,869	24,880	21,494	17,201	16,342	24,737

Surviving Beneficiaries of Former Members:

Attained Ages	Completed Years Since Retirement								
	0 - 1	1 - 5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	Over 30	Total
0 - 30	1	6	16	5	3	2	1	-	34
31 - 35	-	-	-	-	1	-	-	1	2
36 - 40	-	1	2	2	-	-	-	-	5
41 - 45	1	1	4	2	1	1	-	-	10
46 - 50	1	1	3	2	3	1	2	1	14
51 - 55	-	3	4	2	6	3	1	2	21
56 - 60	-	2	1	9	6	4	3	1	26
61 - 65	-	1	9	11	9	6	4	4	44
66 - 70	-	1	2	10	14	12	7	4	50
71 - 75	-	-	1	7	7	11	13	14	53
76 - 80	-	-	3	3	5	10	25	19	65
81 & Over	-	-	-	1	1	7	14	100	123
Total	3	16	45	54	56	57	70	146	447

Average Annual Benefits Payable to Survivors of Former Members:

Attained Ages	Completed Years Since Retirement								
	0 - 1	1 - 5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	Over 30	Average
0 - 30	6,544	8,090	7,640	6,384	5,968	3,894	5,836	-	7,081
31 - 35	-	-	-	-	1,638	-	-	4,894	3,266
36 - 40	-	50,278	20,011	40,799	-	-	-	-	34,380
41 - 45	43,625	41,278	31,738	14,776	13,820	34,830	-	-	29,006
46 - 50	79,460	15,544	32,052	32,864	24,382	24,679	25,325	1,791	29,082
51 - 55	-	73,241	53,121	28,476	29,927	14,562	9,175	11,547	35,461
56 - 60	-	35,723	29,841	41,505	26,264	14,714	11,503	12,585	28,398
61 - 65	-	57,893	49,395	51,590	24,077	26,493	17,579	14,656	35,785
66 - 70	-	36,175	52,745	38,403	34,153	30,391	23,578	14,440	31,827
71 - 75	-	-	55,571	36,636	28,278	29,703	22,379	20,257	26,627
76 - 80	-	-	28,634	40,895	24,903	19,749	24,300	19,837	23,308
81 & Over	-	-	-	28,500	46,572	32,176	31,596	19,077	21,548
Average	43,210	33,805	29,316	37,008	26,920	25,315	23,947	18,678	25,373

APPENDIX C
SUMMARY OF PRINCIPAL PLAN PROVISIONS

The Firefighters' Retirement System was established as of January 1, 1980, for the purpose of providing retirement allowances and other benefits as described under R.S. 11:2256 - 11:2259. The following summary of plan provisions is for general informational purposes only and does not constitute a guarantee of benefits.

MEMBERSHIP

All full-time firefighters or any person in a position as defined in the municipal fire and police civil service system who is employed by a fire department of any municipality, parish, or fire protection district of the State of Louisiana, except Orleans, and East Baton Rouge Parishes, who earns at least three hundred seventy-five dollars per month excluding state supplemental pay are required to be members of this retirement system. Employees of the system are eligible, at their option to become members of the system. Persons must be under the age of fifty to be eligible for system membership unless they become members through merger.

CONTRIBUTION RATES

Under the provisions of R.S. 11:62, 11:103, and 22:1476A(3), the system is financed by a combination of employee contributions, employer contributions, and insurance premium taxes. The employee contribution rate is set by R.S. 11:62 but cannot be less than 8% or more than 10% of earnable compensation. The employee contribution rate is fixed at 8% for members whose earnable compensation is less than or equal to the poverty guidelines issued by the U. S. Department of Health and Human Services. Gross employer contributions are determined by actuarial valuation and are subject to change each year in accordance with R.S. 11:103, 11:105, 11:107 and 11:107.1. The employee contribution rate is set at 8% when gross employer contributions total 25% or less of earnable compensation. The employee rate then increases 0.25% for each 0.75% increase in the total rate, subject to a maximum rate of 10%. Insurance premium taxes are allocated to the system based on available funds and the statutory provisions described in R.S. 22:1476A(3). Prior to April 1, 2026, neither employee nor employer contributions were payable during participation in DROP. Beginning April 1, 2026, employee contributions are not payable during participation in DROP.

CONTRIBUTION REFUNDS

Upon withdrawal from service, members not entitled to a retirement allowance may receive a refund of accumulated contributions. Refunds are payable ninety days after the effective date of withdrawal from service.

AVERAGE FINAL COMPENSATION

The average annual earned compensation of an employee for any period of thirty-six successive or joined months of service as an employee during which the said earned compensation was the highest. In case of interruption of employment, the thirty-six-month period shall be computed by joining employment periods immediately preceding and succeeding the interruption. The earnings to be considered for the

thirteenth through the twenty-fourth months shall not exceed one hundred fifteen percent of the earnings for the first through the twelfth months. The earnings to be considered for the final twelve months shall not exceed one hundred fifteen percent of the earnings of the thirteenth through the twenty-fourth months.

RETIREMENT BENEFITS

Members with twelve years of creditable service may retire at age fifty-five; members with twenty years of service may retire at age fifty; members with twenty-five years of service may retire regardless of age, provided that they have been a member of this system for at least one year. The retirement allowance is equal to three and one-third percent of the member's average final compensation multiplied by his years of creditable service, not to exceed one hundred percent of his average final compensation.

OPTIONAL ALLOWANCES

Members may receive their benefits as a life annuity, or in lieu of such receive a reduced benefit according to the option selected which is the actuarial equivalent of the maximum benefit.

Option 1 - If the member dies before he has received in annuity payments the present value of his member's annuity as it was at the time of retirement the balance is paid to his beneficiary.

Option 2 - Upon retirement, the member receives a reduced benefit. Upon the member's death, the designated beneficiary will continue to receive the same reduced benefit.

Option 3 - Upon retirement, the member receives a reduced benefit. Upon the member's death, the designated beneficiary will receive one-half of the member's reduced benefit.

Option 4 - Upon retirement, the member elects to receive a board approved benefit payable to the member, the member's spouse, or the member's dependent child, which is actuarially equivalent to the maximum benefit.

A member may also elect to receive an actuarially reduced benefit which provides for an automatic 2 ½% annual compound increase in monthly retirement benefits based on the reduced benefit and commencing on the later of age fifty-five or retirement anniversary; this COLA is in addition to any ad hoc COLAs which are payable.

Initial Benefit Option – This option is available only to regular retirees who have not participated in the Deferred Retirement Option Plan. Under this option members may receive an initial benefit plus a reduced monthly retirement allowance which, when combined, equal the actuarially equivalent amount of the maximum retirement allowance. The initial benefit may not exceed an amount equal to thirty-six payments of the member's maximum retirement allowance. The initial benefit can be paid either as a lump-sum payment or placed in an account called an "initial benefit account" with interest credited thereto and monthly payments made from the account.

DISABILITY BENEFITS

Any member who has been officially certified as totally disabled solely as the result of injuries sustained in the performance of his official duties, or for any cause, provided the member has a least five years of creditable service and provided that the disability was incurred while the member was an active contributing member, is entitled to disability benefits. Any member under the age of fifty who becomes totally disabled will receive a disability benefit equal to 60% of final compensation for an injury received in the line of duty; or 75% of his accrued retirement benefit with a minimum of 25% of average salary for any injury received, even though not in the line of duty. Any member age fifty or older who becomes totally disabled from an injury sustained in the line of duty is entitled to a disability benefit equal to the greater of 60% of final compensation or his accrued retirement benefit. Any member age fifty or older who becomes totally disabled as a result of any injury, even though not in the line of duty, is entitled to a disability benefit equal to his accrued retirement benefit with a minimum of 25% of average salary. The surviving spouse of a member who was on disability retirement at the time of death receives a benefit of $200 per month. When the member takes disability retirement, he may in addition take an actuarially reduced benefit in which case the member's surviving spouse receives 50% of the disability benefit being paid immediately prior to the death of the disability retiree. The retirement system may reduce benefits paid to a disability retiree who is also receiving workers compensation payments.

SURVIVOR BENEFITS

Benefits are payable to survivors of a deceased member who dies and is not eligible for retirement as follows. If any member is killed in the line of duty and leaves a surviving eligible spouse, the spouse is entitled to an annual benefit equal to two-thirds of the deceased member's final compensation. If any member dies from a cause not in the line of duty, the surviving spouse is entitled to an annual benefit equal to 3% of the deceased member's average final compensation multiplied by his total years of creditable service; however, in no event is the annual benefit less than 40% nor more than 60% of the deceased member's average final compensation. Children of the deceased member who are under the age of eighteen years are entitled to the greater of $200 per month or 10% of average final compensation (not to exceed 100% of average final compensation) until reaching the age of eighteen or until the age of twenty-two if enrolled full-time in an institution of higher learning, unless the surviving child is physically handicapped or mentally retarded in which case the benefit is payable regardless of age. If a deceased member dies leaving no surviving spouse, but at least one minor child, each child is entitled to receive forty percent of the deceased's average final compensation, not to exceed an aggregate of sixty percent of average final compensation.

DEFERRED RETIREMENT OPTION PLAN

In lieu of terminating employment and accepting a service retirement allowance, any member of the system who has at least twenty years of creditable service and who is eligible to receive a service retirement allowance may elect to participate in the Deferred Retirement Option Plan for up to thirty-six months and defer the receipt of benefits. Beginning April 1, 2026, any member who has earned at least twenty-eight years of service credit may elect to participate in the Deferred Retirement Option Plan for up to sixty months and defer the receipt of benefits. Upon commencement of participation in the plan, membership in the system terminates and neither the employee nor employer contributions are payable. Compensation and creditable service will remain as they existed on the effective date of commencement

of participation in the plan. The monthly retirement benefits that would have been payable, had the member elected to cease employment and receive a service retirement allowance, are paid into the deferred retirement option plan account. Upon termination of employment at the end of the specified period of participation, a participant in the program may receive, at his option, a lump sum payment from the account equal to the payments to the account, or a true annuity based upon his account, or he may elect any other method of payment if approved by the Board of Trustees. The monthly benefits that were being paid into the system during the period of participation will begin to be paid to the retiree. If employment is not terminated at the end of the thirty-six months, payments into the account cease and the member resumes active contributing membership in the system. If the participant dies during the period of participation in the program, a lump sum payment equal to his account balance is paid to his named beneficiary or, if none, to his estate; in addition, normal survivor benefits are payable to survivors of retirees.

Any person who earned at least twenty-eight years of service credit prior to participating in the Deferred Retirement Option Plan and was participating in the Deferred Retirement Option Plan on April 1, 2026 was allowed to extend his participation period for a total participation of up to sixty months.

COST-OF-LIVING ADJUSTMENTS

The Board of Trustees is authorized to grant retired members and widows of members who have retired an annual cost-of-living increase of up to 3% of their current benefit, and all retired members and widows who are sixty-five years of age and older a 2% increase in their original benefit. In order for the Board to grant either of these increases the system must meet certain criteria detailed in the statute related to funding status and interest earnings. In lieu of these cost-of-living adjustments the Board may also grant an increase in the form based on a formula equal to up to $1 times the total of the number of years of credited service accrued at retirement or at death of the member or retiree plus the number of years since retirement or since death of the member or retiree to the system's fiscal year end preceding the payment of the benefit increase.

APPENDIX D
ACTUARIAL ASSUMPTIONS

In determining actuarial costs, certain assumptions must be made regarding future experience under the plan. These assumptions include the rate of investment return, mortality of plan members, rates of salary increase, rates of retirement, rates of termination, rates of disability, and various other factors that have an impact on the cost of the plan. To the extent that future experience varies from the assumptions selected for valuation, future costs will be either higher or lower than anticipated. The following chart illustrates the effect of emerging experience on the plan.

Factor	Increase in Factor Results in
Investment Earnings Rate	Decrease in Cost
Annual Rate of Salary Increase	Increase in Cost
Rates of Retirement	Increase in Cost
Rates of Termination	Decrease in Cost
Rates of Disability	Increase in Cost
Rates of Mortality	Decrease in Cost

ACTUARIAL COST METHOD

Frozen Initial Liability Actuarial Cost Method with allocation of cost based on earnings. The frozen unfunded accrued liability was calculated using the Individual Entry Age Normal Method.

VALUATION INTEREST RATE

6.90% (Net of investment expense)

ACTUARIAL ASSET VALUES

All assets are valued at market value adjusted to defer four-fifths of all earnings above or below the valuation interest rate in the valuation year, three-fifths of all earnings above or below the valuation interest rate in the prior year, two-fifths of all earnings above or below the valuation interest rate from two years prior, and one-fifth of all earnings above or below the valuation interest rate from three years prior. The resulting smoothed values are subject to a corridor of 85% to 115% of the market value of assets. If the smoothed value falls outside the corridor, the actuarial value is set equal to the average of the corridor limit and the smoothed value.

ACTIVE MEMBER MORTALITY

Pub-2016 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 110% for males and 110% for females, each with full generational projection using the MP2021 scale.

ANNUITANT AND BENEFICIARY MORTALITY

Pub-2016 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees multiplied by 110% for males and 110% for females, each with full generational projection using the MP2021 scale.

DISABLED LIVES MORTALITY

Pub-2016 Public Retirement Plans Mortality Table for Safety Disabled Retirees multiplied by 110% for males and 110% for females, each with full generational projection using the MP2021 scale.

RETIREE COST-OF-LIVING ADJUSTMENTS

The present value of future retirement benefits is based on benefits currently being paid by the system and includes previously granted cost-of-living adjustments. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

ANNUAL SALARY INCREASE RATE

Salary increases include 2.5% inflation and merit increases. The gross rates including inflation and merit increases are as follows:

Years of Service	Salary Growth Rate
1 – 2	14.50%
3 & over	5.00%

RETIREMENT RATES

The table of these rates is included later in the report. These rates apply only to those individuals eligible to retire.

RETIREMENT LIMITATIONS

Projected retirement benefits are not subject to IRS Section 415 limits.

DROP ENTRY RATES

The table of these rates is included later in the report. These rates apply only to those individuals eligible to participate.

DROP PARTICIPATION PERIOD

Active members who elect DROP benefits in the future and have at least 28 years of service are assumed to participate in DROP for five years and then retire. Both active members who elect DROP benefits in the future and enter DROP without 28 years of service and current DROP participants are assumed to participate for 3 years and 80% are assumed to retire at the end of this participation period with 20% assumed to work 2 years post-DROP and then retire.

RETIREMENT RATES FOR ACTIVE FORMER DROP PARTICIPANTS

The rates of retirement for active former DROP participants are included later in this report.

DISABILITY RATES

145% of the disability rates in the 2025 Louisiana Local Government Public Safety Disability Table. The table of these rates is included later in the report.

WITHDRAWAL RATES

The rates of withdrawal are applied based upon completed years of service according to the following table:

Service Duration (≤)	Factor	Service Duration (≤)	Factor
1	0.100	9	0.030
2	0.080	10	0.030
3	0.060	11	0.020
4	0.060	12	0.020
5	0.050	13	0.020
6	0.050	14	0.020
7	0.040	15	0.020
8	0.030	>15	0.010

Note: The withdrawal rate for individuals eligible to retire is assumed to be zero.

MARRIAGE STATISTICS

70% of the members are assumed to be married; husbands are assumed to be three years older than wives.

SERVICE-RELATED DEATH

20% of Total Deaths

IN THE LINE OF DUTY DISABILITY

20% of Total Disabilities

VESTING ELECTING PERCENTAGE

65% of vested members who withdraw from service with less than 20 years of service credit and 90% of those with at least 20 years of service credit elect deferred benefits in lieu of contribution refunds.

FAMILY STATISTICS

Assumptions utilized in determining the costs of various survivor benefits as listed below, are derived from the information provided in the 2023 Table F1: Family Households, by Type, Age of Own Children, Age of Family Members, and Age of Householder provided by the U.S. Census Bureau:

Member's Age	% With Children	Number of Children	Average Age
25	56%	1.89	3
35	80%	2.11	6
45	63%	1.76	12
55	11%	1.55	16
65	2%	1.60	16

ACTUARIAL TABLES AND RATES

Age	Retirement Rates	DROP Entry Rates	Post-DROP Retirement Rates	Disability Rates
18	0.00000	0.00000	0.00000	0.00039
19	0.00000	0.00000	0.00000	0.00039
20	0.00000	0.00000	0.00000	0.00039
21	0.00000	0.00000	0.00000	0.00039
22	0.00000	0.00000	0.00000	0.00039
23	0.00000	0.00000	0.00000	0.00039
24	0.00000	0.00000	0.00000	0.00039
25	0.00000	0.00000	0.00000	0.00039
26	0.00000	0.00000	0.00000	0.00039
27	0.00000	0.00000	0.00000	0.00039
28	0.00000	0.00000	0.00000	0.00039
29	0.00000	0.00000	0.00000	0.00039
30	0.00000	0.00000	0.00000	0.00039
31	0.00000	0.00000	0.00000	0.00039
32	0.00000	0.00000	0.00000	0.00039
33	0.00000	0.00000	0.00000	0.00039
34	0.00000	0.00000	0.00000	0.00099
35	0.00000	0.00000	0.00000	0.00128
36	0.00000	0.00000	0.00000	0.00157
37	0.00000	0.00000	0.00000	0.00191
38	0.00000	0.00000	0.00000	0.00222
39	0.00000	0.00000	0.00000	0.00242
40	0.00000	0.00000	0.00000	0.00242
41	0.10000	0.00000	0.00000	0.00233
42	0.10000	0.00000	0.00000	0.00239
43	0.10000	0.00000	0.00000	0.00268
44	0.10000	0.01000	0.18000	0.00303
45	0.10000	0.04000	0.18000	0.00336
46	0.10000	0.06000	0.18000	0.00328
47	0.10000	0.08000	0.18000	0.00297
48	0.10000	0.09000	0.18000	0.00297
49	0.10000	0.11000	0.18000	0.00355
50	0.05000	0.12000	0.18000	0.00428
51	0.04000	0.13000	0.18000	0.00435
52	0.03000	0.14000	0.18000	0.00413
53	0.03000	0.16000	0.18000	0.00409
54	0.03000	0.17000	0.18000	0.00476
55	0.04000	0.19000	0.29000	0.00634
56	0.05000	0.20000	0.29000	0.00813
57	0.06000	0.22000	0.29000	0.00942
58	0.07000	0.23000	0.29000	0.00977
59	0.08000	0.23000	0.29000	0.00924
60	0.08000	0.24000	0.29000	0.00829
61	0.09000	0.25000	0.29000	0.00763
62	0.11000	0.25000	0.29000	0.00763
63	0.12000	0.25000	0.22000	0.00844
64	0.13000	0.25000	0.22000	0.01011
65	0.14000	0.24000	0.22000	0.01256
66	0.14000	0.22000	0.22000	0.01256
67	0.14000	0.22000	0.22000	0.01256
68	0.14000	0.22000	0.22000	0.01256
69	0.14000	0.22000	0.22000	0.01256
70	0.14000	0.22000	0.22000	0.01256
71	0.50000	0.00000	0.22000	0.01256
72	0.50000	0.00000	0.22000	0.01256
73	0.50000	0.00000	0.22000	0.01256
74	0.50000	0.00000	0.22000	0.01256
75	0.50000	0.00000	0.22000	0.01256

PRIOR YEAR ASSUMPTIONS

ACTIVE MEMBER MORTALITY

Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale.

ANNUITANT AND BENEFICIARY MORTALITY

Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale.

DISABLED LIVES MORTALITY

Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale.

ANNUAL SALARY INCREASE RATE

Salary increases include 2.5% inflation and merit increases. The gross rates including inflation and merit increases are as follows:

Years of Service	Salary Growth Rate
1 – 2	14.10%
3 & over	5.20%

DROP PARTICIPATION PERIOD

All DROP participants are assumed to participate for 3 years and 75% are assumed to retire at the end of this participation period with 25% assumed to work 2 years post-DROP and then retire.

RETIREMENT RATES FOR ACTIVE FORMER DROP PARTICIPANTS

The rates of retirement for active former DROP participants are included later in this report.

DISABILITY RATES

75% of the disability rates used for the 27th valuation of the Railroad Retirement System for individuals with 10-19 years of service. The table of these rates is included later in the report.

WITHDRAWAL RATES

The rates of withdrawal are applied based upon completed years of service according to the following table:

Service Duration (≤)	Factor	Service Duration (≤)	Factor
1	0.095	9	0.029
2	0.079	10	0.025
3	0.066	11	0.022
4	0.055	12	0.018
5	0.047	13	0.015
6	0.040	14	0.013
7	0.036	15	0.010
8	0.032	>16	0.005

Note: The withdrawal rate for individuals eligible to retire is assumed to be zero.

MARRIAGE STATISTICS

70% of the members are assumed to be married; husbands are assumed to be three years older than wives.

SERVICE-RELATED DEATH

20% of Total Deaths

FAMILY STATISTICS

Assumptions utilized in determining the costs of various survivor benefits as listed below, are derived from the information provided in the 2019 Table F1: Family Households, by Type, Age of Own Children, Age of Family Members, and Age of Householder provided by the U.S. Census Bureau:

Member's Age	% With Children	Number of Children	Average Age
25	60%	1.77	4
35	82%	2.11	8
45	63%	1.75	11
55	11%	1.42	14
65	2%	1.50	14

IN THE LINE OF DUTY DISABILITY

20% of Total Disabilities

VESTING ELECTING PERCENTAGE

70% of those vested elect deferred benefits in lieu of contribution refunds.

GLOSSARY

ACCRUED BENEFIT

The pension benefit that an individual has earned as of a specific date based on the provisions of the plan and the individual's age, service, and salary as of that date.

ACTUARIAL ACCRUED LIABILITY

The actuarial present value of benefits payable to members of the system less the present value of future normal costs attributable to the members.

ACTUARIAL ASSUMPTION

Assumptions as to the occurrence of future events affecting pension costs. These assumptions include rates of mortality, withdrawal, disablement, and retirement. Also included are rates of investment earnings, changes in compensation, as well as statistics related to marriage and family composition.

ACTUARIAL COST METHOD

A procedure for determining the portion of the cost of a pension plan to be allocated to each year. Each cost method allocates a certain portion of the actuarial present value of benefits between the actuarial accrued liability and future normal costs. Once this allocation is made, a determination of the normal cost attributable to a specific year can be made along with the payment to amortize any unfunded actuarial accrued liability. To the extent that a particular funding method allocates a greater (lesser) portion of the actual present value of benefits to the actuarial accrued liability it will allocate less (more) to future normal costs.

ACTUARIAL EQUIVALENCE

Payments or receipts with equal actuarial value on a given date when valued using the same set of actuarial assumptions.

ACTUARIAL GAIN (LOSS)

The financial effect on the system of the difference between the expected and actual experience of the system. The experience may be related to investment earnings above (or below) those expected or changes in the liability structure due to fewer (or greater) than the expected numbers of retirements, deaths, disabilities, or withdrawals. In addition, other factors such as pay increases above (or below) those forecast can result in actuarial gains or losses. The effect of such gains (or losses) is to decrease (or increase) future costs.

ACTUARIAL PRESENT VALUE

The value, as of a specified date, of an amount or series of amounts payable or receivable thereafter, with each amount adjusted to reflect the time value of money (through accrual of interest) and the probability of payments. For example: if $600 invested today will be worth $1,000 in 10 years and there is a 50%

probability that a person will live 10 years, then the actuarial present value of $1,000 payable to that person if he should survive 10 years is $300.

ACTUARIAL VALUE OF ASSETS

The value of assets, computed in accordance with the plan's asset smoothing method, used to determine required employer contributions and the plan's funded status. The smoothed value of assets is expected to provide a more stable basis for determining contribution rates and funded status than the use of a market value of assets.

ASSET GAIN (LOSS)

That portion of the actuarial gain attributable to investment performance above (below) the expected rate of return in the actuarial assumptions.

AMORTIZATION PAYMENT

That portion of the pension plan contribution designated to pay interest and reduce the outstanding principal balance of unfunded actuarial accrued liability. If the amortization payment is less than the accrued interest on the unfunded actuarial accrued liability the outstanding principal balance will increase.

CONTRIBUTION SHORTFALL (EXCESS)

The difference between contributions recommended in the prior valuation and the actual amount received.

DECREMENTS

Events which result in the termination of membership in the system such as retirement, disability, withdrawal, or death.

EMPLOYER NORMAL COST

That portion of the normal cost not attributable to employee contributions. It includes both direct contributions made by the employer and contributions from other non-employee sources such as revenue sharing, and revenues related to taxes.

FUNDED RATIO

A measure of the ratio of assets to liabilities of the system according to a specific definition of those two values. Typically, the assets used in the measure are the actuarial value of assets; the liabilities are defined by reference to some recognized actuarial funding method. Thus, the funded ratio of a plan depends not only on the financial strength of the plan but also on the funding method used to determine the liabilities and the asset valuation method used to determine the assets in the ratio.

NORMAL COST

That portion of the actuarial present value of pension plan benefits and expenses allocated to a valuation year by the actuarial cost method. This is analogous to one year's insurance premium.

PENSION BENEFIT OBLIGATION

The actuarial present value of benefits earned or credited to date based on the members expected final average compensation at retirement. For current retirees or terminated members this is equivalent to the actuarial present value of their accrued benefit.

PROJECTED BENEFITS

The benefits expected to be paid in the future based on the provisions of the plan and the actuarial assumptions. The projected values are based on anticipated future advancement in age and accrual of service as well as increases in salary paid to the participant.

FROZEN UNFUNDED ACTUARIAL ACCRUED LIABILITY

The excess of the entry age normal actuarial accrued liability over the actuarial value of assets as of the date the Unfunded Actuarial Accrued Liability was frozen (June 30, 2019). The amortizations included in the Frozen UAL each have a specified period for payments to be made. Each year's required payment pays interest and a portion of principal.

VESTED BENEFITS

Benefits that the members are entitled to even if they withdraw from service.