

INDIANA PUBLIC RETIREMENT SYSTEM

PUBLIC EMPLOYEES' RETIREMENT FUND



ACTUARIAL VALUATION

PREPARED AS OF JUNE 30, 2025



November 17, 2025

Board of Trustees
Indiana Public Retirement System
1 North Capitol, Suite 001
Indianapolis, IN 46204

Dear Members of the Board:

At your request, we performed an actuarial valuation of the Public Employees' Retirement Fund (PERF) as of June 30, 2025, for the purpose of estimating the actuarially determined contribution for the contribution year ending in 2027. Actuarial valuations are performed annually. The major findings of the valuation are contained in this report, which reflects the benefit and funding provisions in place on June 30, 2025. HEA 1221-2025 was passed, specifying funding the Supplemental Retirement Account at a level that could provide for a combination of inflation-indexed, annual 13th checks for retirements before July 1, 2029 and an annual 1% COLA for retirements thereafter, although such benefits have not been provided. These provisions are reflected in this valuation, along with needed assumptions and funding methods that are consistent with the requirements. Additionally, this report reflects the updated economic and demographic assumptions and actuarial funding methods that were proposed in the 2020-2024 Experience Study and adopted by the Board in June 2025. Please refer to that Study for complete details (available on the INPRS website).

In preparing our report, we relied, without audit, on information (some oral and some in writing) supplied by Indiana Public Retirement System (INPRS) staff. This information includes, but is not limited to, statutory provisions, member data and financial information. We did review the data to ensure that it was reasonably consistent and comparable with data from prior years. The valuation results depend on the integrity of this information. If any of this information is inaccurate or incomplete, our results may be different, and our calculations may need to be revised.

We certify that all costs and liabilities for PERF have been determined on the basis of actuarial assumptions and methods which are individually reasonable (taking into account the experience of the plan and reasonable expectations); and which, in combination, offer the best estimate of anticipated experience affecting the plan. Nevertheless, the emerging costs will vary from those presented in this report to the extent actual experience differs from that projected by the actuarial assumptions.

We believe the actuarial assumptions used herein are reasonable. The Board has the final decision regarding the appropriateness of the assumptions and adopted them as indicated in Appendix C. Specifically, we presented the proposed assumptions for the 2025 valuations to the Board on February 28, 2025, and the Board subsequently adopted their use. These assumptions are applicable to both the funding and Governmental Accounting Standards Board (GASB) Statement Number 67 valuation calculations, unless otherwise noted.

In order to prepare the results in this report, we have utilized actuarial models that were developed to measure liabilities and develop actuarial costs. These models include tools that we have produced and tested, along with commercially available valuation software that we have reviewed



to confirm the appropriateness and accuracy of the output. In utilizing these models, we develop and use input parameters and assumptions about future contingent events along with recognized actuarial approaches to develop the needed results. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of our assignment, we did not perform an analysis of the potential range of future measurements.

We prepared a Risk Report for the INPRS Board in June 2024 that contains information which is relevant to PERF and should be considered part of this valuation report. Although the report was prepared using the data, methods, and assumptions of the June 30, 2023 valuation report, it is our professional opinion that the general results of the risk report are applicable to the June 30, 2025 valuation report as well.

Actuarial computations presented in this report are for purposes of determining the funding rates for the Plan. The calculations in the enclosed report have been made on a basis consistent with our understanding of the Plan's funding requirements and goals as adopted by the Board. Additionally, we have included actuarial computations for use in preparing certain reporting and disclosure requirements under Governmental Accounting Standards Board Statements Number 67 and Number 68. Determinations for purposes other than meeting these funding and disclosure requirements may be significantly different from the results contained in this report and require additional analysis.

The Annual Comprehensive Financial Report (ACFR) for INPRS contains several exhibits that disclose the actuarial position of the System. This annual report, prepared as of June 30, 2025, provides data and tables that we prepared for use in the following sections of the ACFR:

Financial Section:

- Note 1 – Tables of Plan Membership
- Note 8 – Net Pension Liability and Actuarial Information – Defined Benefit Plans
- Schedule of Changes in Net Pension Liability and Plan Fiduciary Net Position
- Schedule of Contributions
- Schedule of Notes to Required Supplementary Information

Actuarial Section:

- Summary of INPRS Funded Status (Included in the Board Summary)
- Historical Summary of Actuarial Valuation Results by Retirement Plan
- Summary of Actuarial Assumptions, Methods and Plan Provisions
- Analysis of Financial Experience (Included in the Unfunded Actuarial Accrued Liability Reconciliation)
- Solvency Test
- Schedule of Active Member Valuation Data
- Schedule of Retirants and Beneficiaries

Statistical Section:

- Membership Data Summary
- Ratio of Active Members to Annuitants
- Schedule of Benefit Recipients by Type of Benefit Option
- Schedule of Average Benefit Payments



The consultants who worked on this assignment are pension actuaries. Cavanaugh Macdonald's advice is not intended to be a substitute for qualified legal or accounting counsel.

On the basis of the foregoing, we hereby certify that, to the best of our knowledge and belief, this report is complete and accurate, and the assumptions and methods used for funding purposes meet the guidance provided in the applicable Actuarial Standards of Practice. We are members of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein.

The calculations were completed in compliance with applicable law and the calculations for GASB disclosure, in our opinion, meet the requirements of GASB 67 and GASB 68. We are available to answer any questions on the material contained in the report, or to provide explanations or further details as may be appropriate.

We respectfully submit the following report and look forward to discussing it with you.

Sincerely,

Brent. A. Banister, PhD, FSA, EA, FCA, MAAA
Chief Actuary

Edward Koebel, FCA, EA, MAAA
Chief Executive Officer

Virginia Fritz, FSA, EA, FCA, MAAA
Senior Actuary



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SECTION I – BOARD SUMMARY

This report presents the results of the June 30, 2025 actuarial valuation of the Public Employees' Retirement Fund (PERF). The primary purposes of performing this actuarial valuation are to:

- Determine the level of contributions for the plan year ending June 30, 2027 (December 31, 2027 for political subdivisions), along with the actuarial surcharge rate for the 2027 calendar year, that will be sufficient to meet the funding policy set out by the Board to comply with Indiana statutes.
- Disclose asset and liability measurements as well as the plan's funded status on the valuation date.
- Compare actual and expected experience of the Fund during the plan year ending June 30, 2025.
- Analyze and report on trends in plan contributions, assets and liabilities over the past several years.

VALUATION RESULTS

The 2020-2024 Experience Study was presented to the Board in February 2025 and the recommended assumptions and methods were adopted by the Board at their June meeting. This study made various changes to the economic and demographic assumptions as well as some actuarial methods. In May, the Society of Actuaries issued a new public plan mortality table, Pub-2016, which will be reviewed for possible adoption for the 2026 valuation. The INPRS investment staff is working on an Asset-Liability study, that once completed may lead to proposed revised economic assumptions, particularly if there are significant changes to the investment portfolio.

HEA 1221-2025 was passed, specifying funding the Supplemental Retirement Account at a level that could provide for a combination of annual inflation-indexed 13th checks for retirements before July 1, 2029 and an annual 1% COLA for retirements thereafter, although such benefits have not been provided. Previously the date for switching from 13th checks to the COLA was July 1, 2025. The 0.1% capped increase on the surcharge rate, along with not allowing the surcharge rate to decrease, was extended through December 31, 2031 (previously December 31, 2029).

The actuarial valuation results provide a "snapshot" view of the plan's financial condition on June 30, 2025. The plan's UAAL decreased from \$3.454 billion last year to \$3.304 billion this year and the funded ratio increased from 82.4% to 83.7%. The primary factors behind the increase in the funded ratio were decreases in future Supplemental Retirement Account Liabilities due to changes legislated in HEA 1221, the actuarial gain on the smoothed assets, and contributions greater than the actuarial determined rate, which more than offset the loss due to salaries increasing more than expected and assumption changes made as a result of the experience study.





SECTION I – BOARD SUMMARY

A summary of the key results from the June 30, 2025 actuarial valuation compared to the June 30, 2024 valuation is shown in the following table.

Valuation Results	June 30, 2024	June 30, 2025
Unfunded Actuarial Accrued Liability	\$ 3,454,447,170	\$ 3,304,419,204
Funded Ratio (Actuarial Assets)	82.44%	83.70%
Normal Cost	4.04%	4.57%
UAAL Amortization	3.19%	3.20%
Actuarially Determined Contribution Rate	7.23%	7.77%
Actuarially Determined Surcharge Rate	1.63%	1.80%
Surcharge Rate subject to Legal Constraints	0.86%	0.96%

Further detail on the valuation results can be found in the following sections of this Board Summary, including discussion regarding the change in the plan's assets, liabilities, and actuarial determined contribution rate between June 30, 2024 and June 30, 2025.

ASSETS

As of June 30, 2025, the plan had net assets of \$16.970 billion when measured on a market value basis. This was an increase of \$1,328 million from the prior year.

The market value of assets is not used directly in the calculation of the unfunded actuarial accrued liability and the actuarially determined contribution rate. An asset valuation method, which smoothes the effect of market fluctuations, is applied to determine the value of assets used in the valuation. The resulting amount is called the actuarial value of assets. In this year's valuation, the actuarial value of assets is \$16.970 billion, an increase of \$751 million from the prior year.

The components of change in the asset values are shown in the following table:

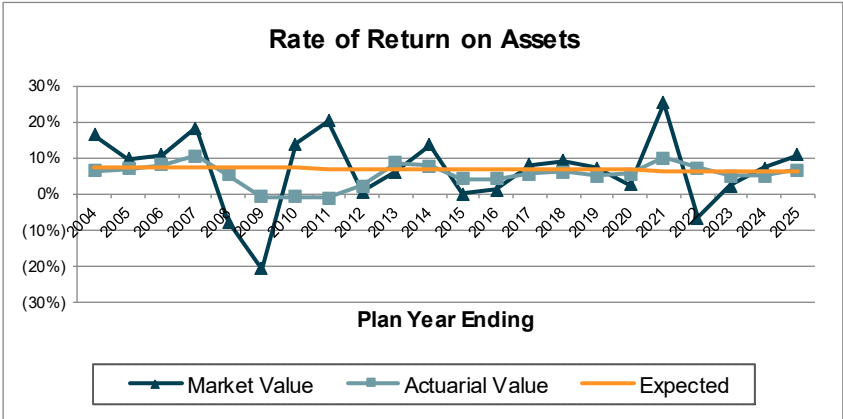
	Market Value	Actuarial Value
Net Assets, June 30, 2024	\$ 15,642,162,196	\$ 16,218,699,854
- Receipts	+ 766,714,702	+ 766,714,702
- Expenditures, Net of Administrative Expenses	- 1,105,578,604	- 1,105,578,604
- Net Investment Income	+ 1,666,353,230	+ 1,089,810,674
Net Assets, June 30, 2025	\$ 16,969,651,524	\$ 16,969,646,626
Estimated Rate of Return, Net of Expenses	10.8%	6.8%





SECTION I – BOARD SUMMARY

The estimated rate of return on the actuarial value of assets was 6.8%, which was higher than the 6.25% investment return assumption applicable for the year ended June 30, 2025. As a result, there was an experience gain on assets of approximately \$87 million. Since the FY 2025 return on the market value of assets exceeded the 6.25% assumption, the net deferred investment loss of \$577 million in last year's valuation changed to a \$5 thousand gain in the current valuation. See Tables 1 through 4 of this report for detailed information on the market and actuarial value of assets.



The rate of return of the actuarial value of assets has been less volatile than the market value return, illustrating the benefits of using an asset smoothing method. The smoothed actuarial value of plan assets has led to relatively steady actuarial valuation results over time, even with large market gains and losses.

LIABILITIES

The actuarial accrued liability is that portion of the present value of future benefits that is allocated to past service. The remaining portion will be paid by future normal costs. The difference between this liability and the actuarial value of assets as of the valuation date is called the unfunded actuarial accrued liability (UAAL). The dollar amount of unfunded actuarial accrued liability is reduced if the contributions to the plan exceed the normal cost for the year plus interest on the prior year's UAAL.

The unfunded actuarial accrued liability, including expected future COLAs, on both a market value and actuarial value of assets basis is shown as of June 30, 2025 in the following table:

	Market Value	Actuarial Value
Actuarial Accrued Liability	\$ 20,274,065,830	\$ 20,274,065,830
Value of Assets	16,969,651,524	16,969,646,626
Unfunded Actuarial Accrued Liability	\$ 3,304,414,306	\$ 3,304,419,204
Funded Ratio	83.70%	83.70%

See Table 5 of this report for the development of the unfunded actuarial accrued liability.

The total plan UAAL (on an actuarial basis) as of June 30, 2025 was \$3.304 billion, a \$150 million decrease from the \$3.454 billion total UAAL last year. Factors in this decrease included the





SECTION I – BOARD SUMMARY

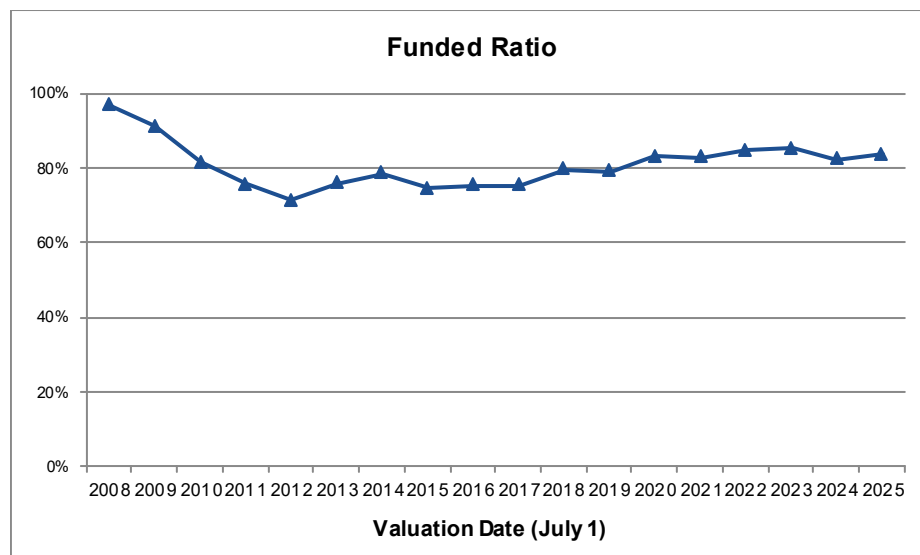
decrease in future Supplemental Retirement Account Liabilities via HEA 1221 (\$187 million), the actuarial gain on the smoothed assets (\$87 million), and generally contributing more than the actuarially determined rate. These decreases offset an actuarial loss on liabilities (\$286 million), primarily due to salaries increasing more than expected, and a loss due to assumption changes approved by the Board as a result of the experience study (\$90 million). The components of the change in the UAAL are quantified in Table 7 of this report. See Table 8 and Table 9 of this report for a breakdown of the components of experience gains/losses for greater detail on the base plan benefits.

An evaluation of the UAAL on a pure dollar basis may not provide a complete analysis since only the difference between the assets and liabilities (which are both large numbers) is reflected. Another way to evaluate the UAAL and the progress made in its funding is to track the funded ratio, the ratio of the actuarial value of assets to the actuarial accrued liability. The funded status information, which is based on the actuarial value of assets, is shown below (in millions).

	6/30/2021	6/30/2022	6/30/2023	6/30/2024	6/30/2025
Funded Ratio	83.0%	84.9%	85.4%	82.4%	83.7%
UAAL (in millions)	\$2,985.8	\$2,726.4	\$2,679.6	\$3,454.4	\$3,304.4

Note that the funded ratio does not indicate whether or not the plan assets are sufficient to settle benefits earned to date. The funded ratio, by itself, also may not be indicative of future funding requirements. In addition, if the funded ratios were shown using the market value of assets, the results would differ.

The funded ratio over a long period of time is shown in the following graph. The Plan's funded status has been gradually trending upward over the past number of years.



Note: Funded ratios exclude DC account balances.





SECTION I – BOARD SUMMARY

ACTUARIALLY DETERMINED CONTRIBUTION RATE

The Plan's actuarially determined contribution rate (ADC) consists of two components:

- A “normal cost” for the portion of projected liabilities allocated by the actuarial cost method to service of members during the year following the valuation date.
- An “unfunded actuarial accrued liability contribution” for the excess of the portion of projected liabilities allocated to service to date over the actuarial value of assets.

The UAAL contribution rate is determined by calculating the amortization payment on the UAAL as a level dollar amount over 20 years for each new amortization base. If the Fund's funded ratio exceeds 100% on a combined basis (base benefits plus SRA benefits), all prior amortization bases are eliminated and the negative UAAL (or “surplus”) is amortized over an open 30-year period, as an offset to other Fund costs.

As a result of HEA 1004-2024, the SRA benefits outlined in the legislation must now be funded. Specifically, an update to the law provided in HEA 1221-2025 now calls for funding an indexed 13th check for those retiring before July 1, 2029 and a 1% COLA for those retiring after June 30, 2029. Since the method for funding is not prescribed, the Board has decided to use a funding method that parallels the base benefit funding method.

The total employer rate is the sum of the contributions to fund the base benefits plus the surcharge. The rate set for funding the benefits is equal to the greater of the current employer contribution rate or the ADC calculated as described above. Once the plan reaches 95% funded, the employer contribution rate will be decreased by 25% of the difference between the existing rate and the ADC until the plan reaches 110% funded status. When the plan reaches 110% funded status, the employer contribution rate will be decreased to equal the ADC. The Board could decide, however, to set the rate higher in order to provide a sufficient surcharge for the COLA funding while preserving the base funding, subject to constraints in HEA 1221-2025.

See Table 13 of this report for the detailed development of the contribution rates which are summarized in the following table:

	June 30, 2024	June 30, 2025
Normal Cost	4.04%	4.57%
UAAL Amortization	3.19%	3.20%
Actuarially Determined Contribution Rate	7.23%	7.77%
Actuarially Determined Surcharge Rate	1.63%	1.80%
Surcharge Rate subject to Legal Constraints	0.86%	0.96%
Approved Employer Funding Rate	11.20%	11.20%





SECTION I – BOARD SUMMARY

The actuarial required contribution, determined this year based on the snapshot of the plan taken on the valuation date of June 30, 2025, will change each year as the current deferred investment experience is recognized and other experience (both investment and demographic) unfolds to impact the plan. The actuarially determined rates increased this year, though remaining well below the Board-approved employer funding rate.

The actuarially determined contribution rate, as determined by the June 30, 2025 actuarial valuation, increased to 7.77% for the base benefits and 0.96% for the supplemental benefits when considering the legal constraints for the 2027 calendar year. As noted above, the Board will allocate 0.86% for the surcharge rate for supplemental benefits for the 2026 calendar year and 0.96% for the 2027 calendar year. Because this is lower than the current employer funding rate of 11.20%, no change in the current employer funding rate is needed.





SECTION I – BOARD SUMMARY

SUMMARY OF PRINCIPAL RESULTS

	June 30, 2023	June 30, 2024	June 30, 2025
MEMBERSHIP			
Active Members	119,398	121,200	122,322
Inactive Vested Members	35,174	35,805	36,776
Retired Members and Beneficiaries	96,922	99,151	100,530
Disabled Members	2,713	2,702	2,662
Total Members	254,207	258,858	262,290
Covered Payroll for Fiscal Year Ending	\$ 6,149,915,494	\$ 6,593,262,118	\$ 6,916,710,485
Defined Benefit Payroll	5,882,590,430	6,284,992,667	6,587,625,042
My Choice Payroll	267,325,064	308,269,451	329,085,443
Annual Retirement Payments for Retired Members, Disabled Members and Beneficiaries	\$ 967,807,406	\$ 1,004,501,855	\$ 1,034,490,646
ASSETS AND LIABILITIES			
Net Assets			
Market Value of Assets (MVA)	\$ 14,885,914,366	\$ 15,642,162,196	\$ 16,969,651,524
Actuarial Value of Assets (AVA)	15,735,668,575	16,218,699,854	16,969,646,626
Actuarial Accrued Liability (AAL)	18,415,248,366	19,673,147,024	20,274,065,830
Unfunded Actuarial Accrued Liability (UAAL):			
AAL - AVA	\$ 2,679,579,791	\$ 3,454,447,170	\$ 3,304,419,204
Funded Ratios			
AVA / AAL	85.45%	82.44%	83.70%
MVA / AAL	80.83%	79.51%	83.70%
CONTRIBUTIONS			
Normal Cost	4.01%	4.04%	4.57%
Amortization of UAAL	2.91%	3.19%	3.20%
Actuarially Determined Contribution Rate	6.92%	7.23%	7.77%
Actuarially Determined Surcharge Rate ¹	0.00%	0.86%	0.96%

¹ Rate for 2023 valuation is applicable to next calendar year. Rate for 2025 calendar year is 0.76%, rate shown for the 2024 valuation is applicable to the 2026 calendar year, and rate shown for the 2025 valuation is applicable to the 2027 calendar year.

Note: Liability and funded ratio results include both the base benefits and the supplemental benefits.





SECTION II – SCOPE OF THE REPORT

This report presents the actuarial valuation results of the Public Employees' Retirement Fund as of June 30, 2025. This valuation was prepared at the request of the Indiana Public Retirement System.

Please pay particular attention to our actuarial certification letter, where the guidelines employed in the preparation of this report are outlined. We also comment on the sources and reliability of both the data and the actuarial assumptions upon which our findings are based. Those comments are the basis for our certification that this report is complete and accurate to the best of our knowledge and belief.

A summary of the findings which result from this valuation is presented in the previous section. Section 3 describes the assets and investment experience of the plan. Sections 4 and 5 describe how the obligations of the plan are to be met under the actuarial cost method in use. Section 6 provides information required by the Governmental Accounting Standards Board (GASB) for reporting and disclosure under GASB 67 and GASB 68.

This report includes several appendices:

- Appendix A Schedules of valuation data classified by various categories of members.
- Appendix B A summary of the current benefit structure, as determined by the provisions of governing law on June 30, 2025.
- Appendix C A summary of the actuarial methods and assumptions used to estimate liabilities and determine contribution rates.
- Appendix D A glossary of actuarial terms.





SECTION III - ASSETS

In many respects, an actuarial valuation can be thought of as an inventory process. The inventory is taken as of the actuarial valuation date, which for this valuation is June 30, 2025. On that date, the assets available for the payment of benefits are appraised. The assets are compared with the liabilities of the plan, which are generally in excess of assets. The actuarial process then leads to a method of determining the contributions needed by members and the employer in the future to balance the plan assets and liabilities.

Market Value of Assets

The current market value represents the "snapshot" or "cash-out" value of plan assets as of the valuation date. In addition, the market value of assets provides a basis for measuring investment performance from time to time.

Table 1 summarizes the changes in the market value of assets for the last two years for the base benefits, whereas Table 2 shows the changes for the supplemental reserve account. Table 15 (in the GASB section) provides detail regarding the allocation of investments in the trust.

Actuarial Value of Assets

The market value of assets, representing a "cash-out" value of plan assets, may not be the best measure of the plan's ongoing ability to meet its obligations. To arrive at a suitable value of assets for the actuarial valuation, a technique for determining the actuarial value of assets is used which dampens swings in the market value while still indirectly recognizing market values. Under the asset smoothing methodology, the difference between the actual and assumed investment return on the market value of assets is recognized evenly over a five-year period.

Table 3 shows the development of the actuarial value of assets (AVA) as of the valuation date for the base benefits and Table 4 shows the information for the supplemental benefits.





SECTION III - ASSETS

TABLE 1
DEVELOPMENT OF MARKET VALUE OF ASSETS
(Base Benefits)

	June 30, 2024	June 30, 2025
1. Market Value of Assets, Beginning of Year	\$ 14,736,690,044	\$ 15,446,583,717
2. Receipts		
a. Member (Includes Purchased Service) ¹	\$ 212,579	\$ 277,163
b. Employer (Includes Purchased Service) ²	680,462,785	719,010,547
c. Miscellaneous	69,894	566,502
d. Total	\$ 680,745,258	\$ 719,854,212
3. Expenditures		
a. Benefit Payments	\$ 1,017,121,591	\$ 1,053,496,097
b. Refund of Contributions	0	0
c. Member Reassignment Transfers	3,939,862	10,073,947
d. Administrative Expense	21,769,213	25,670,088
e. Miscellaneous Expenditures	0	0
f. Total	\$ 1,042,830,666	\$ 1,089,240,132
4. Investment Return		
a. Investment Income	\$ 1,071,198,646	\$ 1,669,329,530
b. Securities Lending Income	780,435	1,434,026
c. Total Investment Return	\$ 1,071,979,081	\$ 1,670,763,556
5. Market Value of Assets, End of Year: (1) + (2d) - (3f) + (4c)	\$ 15,446,583,717	\$ 16,747,961,353
6. Rate of Return on Market Value of Assets, Net of Expenses ³	7.21%	10.77%

¹ Includes \$212,579 of member service purchases during fiscal year 2024 and \$277,163 of member service purchases during fiscal year 2025.

² Includes \$369,275 of employer service purchases during fiscal year 2024 and \$5,259,594 of employer service purchases during fiscal year 2025.

³ Based on individual fund experience. Assumes cash flows occur at mid-year.





SECTION III - ASSETS

TABLE 2

DEVELOPMENT OF MARKET VALUE OF ASSETS
(Supplemental Benefits)

	June 30, 2024	June 30, 2025
1. Market Value of Assets, Beginning of Year	\$ 149,224,322	\$ 195,578,479
2. Receipts		
a. Employer Surcharge	\$ 41,191,969	\$ 46,860,490
b. Lottery Allocation	0	0
c. Non-Employer Entity Contributions	0	0
d. Miscellaneous	0	0
e. Total	\$ 41,191,969	\$ 46,860,490
3. Expenditures		
a. Benefit Payments	\$ 7,817,601	\$ 42,008,560
b. Administrative Expense	0	0
c. Miscellaneous Expenditures	0	0
d. Total	\$ 7,817,601	\$ 42,008,560
4. Investment Return		
a. Investment Income	\$ 12,970,938	\$ 21,241,187
b. Securities Lending Income	8,851	18,575
c. Total Investment Return	\$ 12,979,789	\$ 21,259,762
5. Market Value of Assets, End of Year: (1) + (2e) - (3d) + (4c)	\$ 195,578,479	\$ 221,690,171
6. Rate of Return on Market Value of Assets, Net of Expenses ¹	7.82%	10.74%

¹Based on individual fund experience. Assumes cash flows occur at mid-year.





SECTION III - ASSETS

TABLE 3

DEVELOPMENT OF ACTUARIAL VALUE OF ASSETS (Base Benefits)

For Plan Year Ending June 30, 2025				
1. Market Value, as of June 30, 2024			\$	15,446,583,717
2. Receipts ¹			\$	719,854,212
3. Expenditures, Net of Administrative Expenses ²			\$	(1,063,570,044)
4. Expected Return on Assets ³			\$	954,670,363
5. Expected Market Value as of June 30, 2025: (1) + (2) + (3) + (4)			\$	16,057,538,248
6. Actual Market Value as of June 30, 2025			\$	16,747,961,353
7. Year end 2025 asset gain/(loss): (6) - (5)			\$	690,423,105
8. Deferred Investment Gains and Losses				
	Year Ended June 30:	Gain/(Loss)	Factor	Deferred Amount
a. 2022	\$	(2,062,978,404)	20%	\$ (412,595,681)
b. 2023		(568,969,880)	40%	(227,587,952)
c. 2024		139,801,621	60%	83,880,973
d. 2025		690,423,105	80%	552,338,484
e. Total				\$ (3,964,176)
9. Initial Actuarial Value as of June 30, 2025: (6) - (8e)			\$	16,751,925,529
10. Constraining Values				
a. 80% of Market Value: (6) x 0.8			\$	13,398,369,082
b. 120% of Market Value: (6) x 1.2			\$	20,097,553,624
11. Actuarial Value as of June 30, 2025			\$	16,751,925,529
12. Actuarial Rate of Return, Net of Expenses ⁴				6.80%
13. Actuarial Value of Assets as a Percent of Market Value: (11) / (6)				100.0%
14. Actuarial Value of Assets				
a. Base Benefits			\$	16,751,925,529
b. Supplemental Benefits			\$	217,721,097
c. Total			\$	16,969,646,626

¹ Includes Employer Contributions, Service Purchases, and Miscellaneous Receipts.

² Includes DB Benefit Payments and Member Reassignment Transfers.

³ Assumes cash flows occur at mid-year and a return assumption of 6.25%.

⁴ Assumes cash flows occur at mid-year.





SECTION III - ASSETS

TABLE 4

DEVELOPMENT OF ACTUARIAL VALUE OF ASSETS (Supplemental Benefits)

For Plan Year Ending June 30, 2025				
1. Market Value, as of June 30, 2024		\$		195,578,479
2. Receipts		\$		46,860,490
3. Expenditures, Net of Administrative Expenses		\$		(42,008,560)
4. Expected Return on Assets ¹		\$		12,375,278
5. Expected Market Value as of June 30, 2025: (1) + (2) + (3) + (4)		\$		212,805,687
6. Actual Market Value as of June 30, 2025		\$		221,690,171
7. Year end 2025 asset gain/(loss): (6) - (5)		\$		8,884,484
8. Deferred Investment Gains and Losses				
	Year Ended June 30:	Gain/(Loss)	Factor	Deferred Amount
a.	2022	\$ (14,886,020)	20%	\$ (2,977,204)
b.	2023	(4,318,753)	40%	(1,727,501)
c.	2024	2,610,320	60%	1,566,192
d.	2025	8,884,484	80%	7,107,587
e.	Total			\$ 3,969,074
9. Initial Actuarial Value as of June 30, 2025: (6) - (8e)		\$		217,721,097
10. Constraining Values				
a.	80% of Market Value: (6) x 0.8		\$	177,352,137
b.	120% of Market Value: (6) x 1.2		\$	266,028,205
11. Actuarial Value as of June 30, 2025		\$		217,721,097
12. Actuarial Rate of Return, Net of Expenses ²				6.22%
13. Actuarial Value of Assets as a Percent of Market Value: (11) / (6)				98.2%

¹ Assumes cash flows occur at mid-year and a return assumption of 6.25%.

² Assumes cash flows occur at mid-year.





SECTION IV – PLAN LIABILITIES

In the previous section, an actuarial valuation was compared with an inventory process, and an analysis was given of the inventory of assets of the Public Employees' Retirement Fund as of the valuation date, June 30, 2025. In this section, the discussion will focus on the commitments (future benefit payments) of the plan, which are referred to as its liabilities.

The liability calculations for the June 30, 2025 Public Employees' Retirement Fund valuation are based on census data collected as of June 30, 2024. Standard actuarial techniques are used to adjust these results from June 30, 2024 to June 30, 2025. While these roll-forward techniques are based on all actuarial assumptions being met during the intervening year, there will, of course, be many of the assumptions that will not be met exactly. In general, this does not materially affect the resulting calculations or conclusions in this report. Should there be a year in which events, such as plan changes, occur that would affect the results, adjustments in the roll-forward methods would be made to appropriately reflect the events.

All liabilities reflect the benefit provisions and actuarial assumptions in place as of June 30, 2025.

Actuarial Accrued Liability

A fundamental principle in financing the liabilities of a retirement program is that the cost of its benefits should be related to the period in which benefits are earned, rather than to the period of benefit distribution. An actuarial cost method is a mathematical technique that allocates the present value of future benefits into annual costs. In order to do this allocation, it is necessary for the funding method to "breakdown" the present value of future benefits into two components:

- (1) that which is attributable to the past and
- (2) that which is attributable to the future.

Actuarial terminology calls the part attributable to the past the "past service liability" or the "actuarial accrued liability." The portion allocated to the future is known as the present value of future normal costs, with the specific piece of it allocated to the current year being called the "normal cost."

Table 5 contains the calculation of actuarial accrued liability for the Plan under the Entry Age Normal actuarial cost. This amount is split between the base benefit and the supplemental benefit. Granted supplemental benefits are the present value of legislated benefits, whereas future supplemental benefits represent those assumed to occur based on the Plan's COLA assumption.

Low-Default-Risk Obligation Measure

Under the revised Actuarial Standards of Practice (ASOP) No. 4 effective for valuations after February 15, 2023, we are required to include a low-default-risk obligation measure of the System's liability in our funding valuation report. This is an informational disclosure as described below and would not be appropriate for assessing the funding progress or health of the plan. This measure uses the unit credit cost method and reflects all the assumptions and provisions of the funding valuation (including the assumed COLA paid from the SRA), except that the discount rate is derived from considering low-default-risk fixed income securities. We considered the FTSE





SECTION IV – PLAN LIABILITIES

Pension Discount Curve based on market bond rates published by the Society of Actuaries as of June 30, 2025 and with the 30-year spot rate used for all durations beyond 30 because this provides an appropriate set of discount rates for this intended purpose. Using these assumptions, we calculate a liability of approximately \$21,128,954,000. This amount approximates the termination liability if the plan (or all covered employment) ended on the valuation date and all of the accrued benefits had to be paid with cash-flow matched bonds. If the plan were funded with the intent of being able to be terminated at any valuation date, contribution requirements may need to increase and would also be more volatile. This assurance of funded status and benefit security is typically more relevant for corporate plans than for governmental plans since governments rarely have the need or option to completely terminate a plan. However, this informational disclosure is required for all plans whether corporate or governmental and care should be taken to ensure the one size fits all metric is not misconstrued.





SECTION IV – PLAN LIABILITIES

TABLE 5

ACTUARIAL ACCRUED LIABILITY
(Base and Supplemental Benefits)

<u>As of June 30, 2025</u>	<u>Base Benefits</u>	<u>Supplemental Benefits</u>		<u>Total</u>
		<u>Granted</u>	<u>Future</u>	
1. Actuarial Accrued Liability				
a. Active & Inactive Members	\$ 9,548,877,371	\$ 0	\$ 798,076,408	\$ 10,346,953,779
b. In-pay Members	9,511,393,987	101,415,995	314,302,069	9,927,112,051
c. Total	\$ 19,060,271,358	\$ 101,415,995	\$ 1,112,378,477	\$ 20,274,065,830
2. Actuarial Value of Assets	\$ 16,751,925,529	\$ 101,415,995	\$ 116,305,102	\$ 16,969,646,626
3. Unfunded Actuarial Accrued Liability: (1c) - (2)	\$ 2,308,345,829	\$ 0	\$ 996,073,375	\$ 3,304,419,204
4. Funded Ratio: (2) / (1c)	87.9%	100.0%	10.5%	83.7%





SECTION IV – PLAN LIABILITIES

TABLE 6
SOLVENCY TEST
(Base and Supplemental Benefits)

Actuarial Valuation as of June 30	Actuarial Accrued Liabilities (AAL)				Portion of AAL Covered by Assets				
	Active Member Contributions	Retirees and Beneficiaries	Active Member (Employer Financed Portion)	Total Actuarial Accrued Liabilities	Actuarial Value of Assets	Active Member Contributions	Retirees and Beneficiaries	Active Member (Employer Financed Portion)	Total Actuarial Accrued Liabilities
2025	\$0	\$9,927,112	\$10,346,954	\$20,274,066	\$16,969,647	N/A	100.0%	68.1%	83.7%
2024	0	9,707,083	9,966,064	19,673,147	16,218,700	N/A	100.0	65.3	82.4
2023	0	9,287,725	9,127,523	18,415,248	15,735,669	N/A	100.0	70.6	85.4
2022	0	8,955,627	9,046,567	18,002,194	15,275,804	N/A	100.0	69.9	84.9
2021	0	8,655,768	8,907,389	17,563,157	14,577,352	N/A	100.0	66.5	83.0
2020	0	8,050,791	8,230,963	16,281,754	13,560,460	N/A	100.0	66.9	83.3
2019	0	8,068,490	8,507,570	16,576,060	13,157,802	N/A	100.0	59.8	79.4
2018	0	7,768,231	8,323,142	16,091,373	12,823,930	N/A	100.0	60.7	79.7
2017	2,770,962	7,834,962	8,500,291	19,106,215	15,098,920	100.0	100.0	52.9	79.0
2016	2,656,892	7,595,088	8,156,966	18,408,946	14,553,059	100.0	100.0	52.7	79.1

Note: Dollar amounts are in thousands of dollars. Amounts before 2018 reflect the inclusion of DC balances in both the active member contributions and the assets.





SECTION IV – PLAN LIABILITIES

TABLE 7

RECONCILIATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITY (Base and Supplemental Benefits)

For Year Ending June 30, 2025

	Base	Base and Supplemental
1. Unfunded Actuarial Accrued Liability as of June 30, 2024	\$ 2,431,817,469	\$ 3,454,447,170
2. Normal Cost	273,426,536	297,791,277
3. Actuarially Determined Contribution	(489,070,218)	(547,274,877)
4. Interest	138,510,862	200,310,223
5. Expected Unfunded Actuarial Accrued Liability as of June 30, 2025	\$ 2,354,684,649	\$ 3,405,273,793
6. Actuarial Value of Asset Changes		
a. Investment Experience (Gain)/Loss	\$ (86,801,340)	\$ (86,731,430)
b. Contributions (Above)/Below the Actuarially Determined Contribution and Other (Gain)/Loss	\$ (216,659,752)	\$ (203,142,181)
7. Actuarial Accrued Liability Changes		
a. Actuarial Accrued Liability Experience (Gain)/Loss	\$ 246,959,195	\$ 286,338,581
b. Additional Liability Due to Benefit Changes	0	(187,263,868)
c. Additional Liability Due to Assumption Changes	10,163,077	89,944,309
8. Total Experience (Gain)/Loss	\$ (46,338,820)	\$ (100,854,589)
9. Unfunded Actuarial Accrued Liability as of June 30, 2025: (5) + (8)	\$ 2,308,345,829	\$ 3,304,419,204





SECTION IV – PLAN LIABILITIES

TABLE 8
ACTUARIAL GAIN/(LOSS)
(Base and Supplemental Benefits)

Liabilities	Base	Base and Supplemental
1. Actuarial Accrued Liability as of June 30, 2024	\$ 18,450,246,778	\$ 19,673,147,024
2. Normal Cost for Plan Year Ending June 30, 2025	273,426,536	297,791,277
3. Benefit Payments During Plan Year ¹	(1,053,163,474)	(1,095,172,034)
4. Service Purchases (employee and employer)	5,536,757	5,536,757
5. Member Reassignment Transfers	(10,073,947)	(10,073,947)
6. Interest at 6.25%	1,137,176,436	1,213,817,731
7. Change Due to Benefit Changes	0	(187,263,868)
8. Change Due to Assumption Changes	10,163,077	89,944,309
9. Expected Actuarial Accrued Liability as of June 30, 2025	\$ 18,813,312,163	\$ 19,987,727,249
10. Actuarial Accrued Liability as of June 30, 2025	\$ 19,060,271,358	\$ 20,274,065,830
Assets		
11. Actuarial Value of Assets as of June 30, 2024	\$ 16,018,429,309	\$ 16,218,699,854
12. Receipts During Plan Year	719,854,212	766,714,702
13. Expenditures, Excluding Expenses, During Plan Year	(1,063,570,044)	(1,105,578,604)
14. Interest at 6.25%	990,410,712	1,003,079,244
15. Expected Actuarial Value of Assets as of June 30, 2025	\$ 16,665,124,189	\$ 16,882,915,196
16. Actuarial Value of Assets as of June 30, 2025	\$ 16,751,925,529	\$ 16,969,646,626
Experience Gain / (Loss)		
17. Liability Actuarial Experience Gain/(Loss): (9) - (10)	\$ (246,959,195)	\$ (286,338,581)
18. Asset Actuarial Experience Gain/(Loss): (16) - (15)	86,801,340	86,731,430
19. Total Actuarial Experience Gain/(Loss): (17) + (18)	\$ (160,157,855)	\$ (199,607,151)

¹ Does not include miscellaneous expenses or benefit overpayments.





SECTION IV – PLAN LIABILITIES

TABLE 9

EXPERIENCE GAIN/(LOSS) ANALYSIS BY SOURCE
(Base Benefits)

Liability Sources (in thousands)		Gain/(Loss)*
Retirement	\$	(1,283)
Termination		17,679
Disability		(2,381)
Mortality		33,566
Salary		(241,754)
New Entrants/Rehires		(59,063)
Miscellaneous		6,277
Total Liability Experience Gain/(Loss)	\$	(246,959)
as a % of AAL		(1.3%)
Asset Experience Gain/(Loss)	\$	86,801
Net Actuarial Experience Gain/(Loss)	\$	(160,158)

*Numbers may not add due to rounding.





SECTION IV – PLAN LIABILITIES

TABLE 10

PROJECTED BENEFIT PAYMENTS
(Base and Supplemental Benefits)

Plan Year Ending June 30	Benefit Amount
2026	\$ 1,200,356,184
2027	1,245,336,903
2028	1,285,487,991
2029	1,323,684,005
2030	1,356,029,250
2031	1,387,633,339
2032	1,418,931,101
2033	1,448,140,741
2034	1,475,255,606
2035	1,500,504,180
2036	1,522,364,452
2037	1,541,305,429
2038	1,556,939,165
2039	1,569,593,387
2040	1,579,691,116
2041	1,587,328,487
2042	1,592,383,544
2043	1,594,956,850
2044	1,595,288,309
2045	1,593,450,603
2046	1,589,864,733
2047	1,583,973,798
2048	1,575,484,348
2049	1,565,177,926
2050	1,553,426,061
2051	1,539,923,607
2052	1,524,862,608
2053	1,507,855,377
2054	1,488,927,799
2055	1,467,984,162

Note: Payouts reflect nominal payouts for current members, assuming that all future assumptions are met.





SECTION V – EMPLOYER CONTRIBUTIONS

The previous two sections were devoted to a discussion of the assets and liabilities of the plan. We now turn to considering how the benefits will be funded. The method used to determine the incidence of the contributions in various years is called the actuarial cost method. Under an actuarial cost method, the contributions required to meet the difference between current assets and current liabilities are allocated each year between two elements: (1) the normal cost rate and (2) the unfunded actuarial accrued liability contribution rate.

The term “fully funded” is often applied to a plan in which contributions at the normal cost rate are sufficient to pay for the benefits of existing employees as well as for those of new employees. More often than not, plans are not fully funded, either because of past benefit improvements that have not been completely funded, contribution levels, or because of actuarial deficiencies that have occurred because experience has not been as favorable as anticipated by the actuarial assumptions. Under these circumstances, an unfunded actuarial accrued liability (UAAL) exists. Likewise, when the actuarial value of assets is greater than the actuarial accrued liability, a surplus exists.

Description of Contribution Rate Components

The Entry Age Normal (EAN) actuarial cost method is used for the valuation. Under that method, the normal cost for each year from entry age to assumed exit age is a constant percentage of the member's year by year projected compensation. The portion of the present value of future benefits not provided by the present value of future normal costs is the actuarial accrued liability. The unfunded actuarial accrued liability/(surplus) represents the difference between the actuarial accrued liability and the actuarial value of assets as of the valuation date. For PERF purposes, this calculation excludes consideration of future COLAs. The unfunded actuarial accrued liability is calculated each year and reflects experience gains and losses. New amortization bases are funded over 20 years using a level dollar payment approach.

Funding for future COLAs is provided by using a surcharge. This rate is calculated using the same methodology as the base benefits, except that the rate must adhere to HEA 1221-2025, which limits the rate to a 0.1% increase over the prior year's surcharge rate and does not allow a decrease through December 31, 2031.

The contribution rate based on the June 30, 2025 actuarial valuation will be used to calculate the actuarially determined employer contribution rate to the Public Employees' Retirement Fund for the plan year beginning July 1, 2026 for state employers and for the calendar year beginning January 1, 2027 for the political subdivisions. The supplemental benefit surcharge rate will be used to calculate the actuarially determined employer contribution rate for the 2027 calendar year. In general, contributions are computed in accordance with a stable percent-of-payroll funding objective.

The methodology of developing the contribution rate is designed to fund the benefits over a reasonable period with a stable contribution pattern. The current UAAL for the base benefits will be funded over the next 20 years, although the funding policy is likely to result in this being accomplished sooner. The COLA benefits are funded in a similar manner, beginning with the June 30, 2024 valuation in accordance with HEA 1004-2024 and updated this year for HEA 1221-2025. The contribution rate shown in Table 14 under the current assumptions reflects a rate that could fund both the base benefits and COLAs in a reasonable manner.





SECTION V – EMPLOYER CONTRIBUTIONS

Contribution Rate Summary

In Table 11 the amortization payment related to the unfunded actuarial accrued liability/(surplus), as of June 30, 2025, is developed. The surcharge needed to fund the assumed COLAs is developed in Table 12. Table 13 develops the actuarially determined contribution rate for the Plan. The contribution rates shown in this report are based on the actuarial assumptions and cost methods described in Appendix C. Additionally, in Table 14 the contribution amounts under alternative discount rates are provided to illustrate the sensitivity of the contribution requirements relative to the selection of the investment return assumption.





SECTION V – EMPLOYER CONTRIBUTIONS

TABLE 11

SCHEDULE OF AMORTIZATION BASES (Base Benefits)

Amortization Bases ¹	Original Amount ²	June 30, 2025 Remaining Payments	Date of Last Payment	Outstanding Balance as of June 30, 2025	Annual Contribution
2006 Fresh Start - Political Only	233,415,887	11	7/1/2036	138,299,143	16,715,532
2007 UAAL Base - Political Only	4,630,369	12	7/1/2037	2,892,064	329,130
2008 State Fresh Start and PSD Experience	91,514,739	13	7/1/2038	60,560,520	6,532,873
2009 UAAL Base	618,751,215	14	7/1/2039	428,895,247	44,103,158
2010 UAAL Base	1,223,323,148	15	7/1/2040	883,972,441	87,067,109
2011 UAAL Base	788,425,716	16	7/1/2041	591,469,616	56,033,997
2012 UAAL Base	817,830,775	17	7/1/2042	634,679,857	58,043,078
2013 UAAL Base	(450,263,746)	18	7/1/2043	(360,343,560)	(31,913,039)
2014 UAAL Base	(211,870,908)	19	7/1/2044	(174,373,431)	(14,997,002)
2015 UAAL Base	954,017,677	20	7/1/2045	805,493,314	67,443,306
2016 UAAL Base	67,185,548	11	7/1/2036	46,897,646	5,668,286
2017 UAAL Base	217,123,363	12	7/1/2037	160,703,466	18,288,768
2018 UAAL Base	(1,186,925,679)	13	7/1/2038	(925,354,569)	(99,821,201)
2019 UAAL Base	196,792,517	14	7/1/2039	160,705,172	16,525,260
2020 UAAL Base	(624,471,324)	15	7/1/2040	(531,613,656)	(52,361,434)
2021 UAAL Base	235,638,581	16	7/1/2041	208,259,179	19,729,829
2022 UAAL Base	(226,715,387)	17	7/1/2042	(207,568,851)	(18,982,696)
2023 UAAL Base	66,574,499	18	7/1/2043	62,940,968	5,574,229
2024 UAAL Base	378,177,518	19	7/1/2044	368,170,083	31,664,499
2025 UAAL Base	(46,338,820)	20	7/1/2045	(46,338,820)	(3,879,912)
Total				\$ 2,308,345,829	\$ 211,763,770
1. Total UAAL Amortization Payments					\$ 211,763,770
Projected to middle of contribution year ending in 2027					236,682,184
2. Projected Payroll for contribution year ending in 2027					\$ 7,393,986,422
3. UAAL Amortization Payment Rate for contribution year ending in 2027					3.20%

PERF's contributions are approximately 1/3rd from the State of Indiana and 2/3rds from political subdivisions. The PERF contribution rate for the state government uses July 1 – June 30 fiscal years while political subdivisions use calendar years. Therefore, the contribution year pay is developed using 1/3rd fiscal year and 2/3rds calendar year.





SECTION V – EMPLOYER CONTRIBUTIONS

TABLE 12

SCHEDULE OF AMORTIZATION BASES (Supplemental Benefits)

Amortization Bases	Original Amount	June 30, 2025 Remaining Payments	Date of Last Payment	Outstanding Balance as of June 30, 2025	Annual Contribution
2024 UAAL Base	1,022,629,701	19	7/1/2044	995,568,599	85,623,961
2025 UAAL Base	504,776	20	7/1/2045	504,776	42,264
Total				\$ 996,073,375	\$ 85,666,225
1. Total UAAL Amortization Payments					\$ 85,666,225
Projected to Middle of Calendar Year 2027					\$ 96,709,137
2. Projected Defined Benefit Payroll for Calendar Year 2027					7,075,665,746
3. UAAL Amortization Payment Rate					1.37%

Payroll excludes the My Choice plan, which does not contribute towards the supplemental reserve account.





SECTION V – EMPLOYER CONTRIBUTIONS

TABLE 13

ACTUARIALLY DETERMINED CONTRIBUTION RATE
(Base and Supplemental Benefits)

	Base Benefits	Supplemental Benefits	Total
1. Projected Payroll for Contribution Year Ending in 2027	\$ 7,393,986,422	\$ 7,075,665,746	
2. Normal Cost Rate	4.57%	0.43%	5.00%
3. Amortization of UAAL			
a. Dollar Amount	\$ 236,682,184	\$ 96,709,137	
b. Percent of Projected Pay	3.20%	1.37%	4.57%
4. Preliminary Actuarially Determined Contribution Rate: (2) + (3b)	7.77%	1.80%	9.57%
5. Supplemental Benefit Surcharge Cap for Calendar Year 2027 (Not to exceed 0.1% over prior year through December 31, 2029)		0.96%	
6. Actuarially Determined Contribution Rate for Contribution Year Ending in 2027, Subject to Legal Constraints	7.77%	0.96%	8.73%
7. Board Policy Surcharge Rate for Calendar Year 2027		0.96%	
8. Board Policy Contribution Rate			11.20%

Payroll for the Supplemental Benefits excludes the My Choice plan, which does not contribute towards the supplemental reserve account.





SECTION V – EMPLOYER CONTRIBUTIONS

TABLE 14
INVESTMENT RETURN SENSITIVITY
(Base and Supplemental Benefits)

	1.00% Decrease: (5.25%)	0.75% Decrease: (5.50%)	0.50% Decrease: (5.75%)	0.25% Decrease: (6.00%)	Current Assumption: (6.25%)
Funded Status					
Actuarial Accrued Liability	\$22,809,225,804	\$22,129,050,929	\$21,481,022,675	\$20,863,275,447	\$20,274,065,830
Actuarial Value of Assets	16,969,646,626	16,969,646,626	16,969,646,626	16,969,646,626	16,969,646,626
Unfunded Actuarial Accrued Liability	\$5,839,579,178	\$5,159,404,303	\$4,511,376,049	\$3,893,628,821	\$3,304,419,204
Funded Ratio	74.4%	76.7%	79.0%	81.3%	83.7%
Actuarially Determined Contribution Amount					
Normal Cost	\$484,306,111	\$452,511,969	\$422,196,625	\$394,838,875	\$369,699,321
UAAL Amortization	522,976,040	474,922,272	427,164,214	379,674,942	332,428,824
Actuarially Determined Contribution Amount	\$1,007,282,151	\$927,434,241	\$849,360,839	\$774,513,817	\$702,128,145
Actuarially Determined Contribution Rate	13.62%	12.54%	11.49%	10.47%	9.50%
	0.25% Increase: (6.50%)	0.50% Increase: (6.75%)	0.75% Increase: (7.00%)	1.00% Increase: (7.25%)	1.25% Increase: (7.50%)
Funded Status					
Actuarial Accrued Liability	\$19,711,763,927	\$19,174,845,353	\$18,661,883,826	\$18,171,544,310	\$17,702,576,662
Actuarial Value of Assets	16,969,646,626	16,969,646,626	16,969,646,626	16,969,646,626	16,969,646,626
Unfunded Actuarial Accrued Liability	\$2,742,117,301	\$2,205,198,727	\$1,692,237,200	\$1,201,897,684	\$732,930,036
Funded Ratio	86.1%	88.5%	90.9%	93.4%	95.9%
Actuarially Determined Contribution Amount					
Normal Cost	\$345,299,166	\$323,856,605	\$303,153,443	\$284,668,477	\$266,922,910
UAAL Amortization	285,401,451	238,569,592	191,911,151	145,405,122	99,031,539
Actuarially Determined Contribution Amount	\$630,700,617	\$562,426,197	\$495,064,594	\$430,073,599	\$365,954,449
Actuarially Determined Contribution Rate	8.53%	7.61%	6.70%	5.82%	4.95%

Note that beginning of year normal cost for FY 2026 is \$316,007,902 (Base Benefits) and \$345,188,812 (Base and Supplemental Benefits).

Note: Comparisons are based on funding the COLA in the same method as the base benefit, rather than with a surcharge. Consequently, these results are for comparative purposes only and will not match the actual results under the funding policy.





SECTION VI – GASB INFORMATION

GASB NO. 67 AND GASB NO. 68

The Governmental Accounting Standards Board issued Statement No. 67 (GASB 67), “Financial Reporting for Pension Plans” and Statement No. 68 (GASB 68), “Accounting and Financial Reporting for Pensions” in June 2012. The effective date for reporting under GASB 67 for the INPRS Plans was the fiscal year ending June 30, 2014. GASB 68’s effective date for employers is the first fiscal year beginning after June 15, 2014.

The sections that follow provide the results of all the required calculations, presented in the order set out in GASB 68 for note disclosure and Required Supplementary Information (RSI). Some of this information was provided by the INPRS for use in this report.

The discount rate used for these disclosures is the assumed return on assets of 6.25%. We have verified that the current assets in conjunction with future contributions made on behalf of current members (including all contributions to fund any past service liability) will be sufficient to make the anticipated benefit payments to be provided to the current members.

To the best of our knowledge, the information contained in this report is complete and accurate. The calculations were performed by qualified actuaries according to generally accepted actuarial principles and practices, as well as in conformity with Actuarial Standards of Practice issued by the Actuarial Standards Board. The calculations are based on the current provisions of the plan, and on actuarial assumptions that are internally consistent and individually reasonable based on the actual experience of the plan. In addition, the calculations were completed in compliance with applicable law and, in our opinion, meet the requirements of GASB 67 and GASB 68.





SECTION VI – GASB INFORMATION

TABLE 15

STATEMENT OF FIDUCIARY NET POSITION

		June 30, 2025
1. Assets		
a. Cash	\$	5,595,198
b. Receivables		
i. Contributions and Miscellaneous Receivables	\$	10,390,240
ii. Investments Receivable		341,847,975
iii. Foreign Exchange Contracts Receivable		4,157,657,361
iv. Interest and Dividends		49,325,972
v. Receivables Due From Other Funds		4,196,576
vi. Total Receivables	\$	4,563,418,124
c. Investments		
i. Short-Term Investments	\$	0
ii. Pooled Repurchase Agreements		1,856,852
iii. Pooled Short-Term Investments		1,322,126,819
iv. Pooled Fixed Income		4,720,103,082
v. Pooled Equity		2,176,387,324
vi. Pooled Alternative Investments		9,173,437,296
vii. Pooled Derivatives		69,512,604
viii. Pooled Investments		0
ix. Securities Lending Collateral		174,315,792
x. Total Investments	\$	17,637,739,769
d. Net Capital Assets		14,069,970
e. Other Assets		435,430
f. Total Assets: a + b(vi) + c(x) + d + e	\$	22,221,258,491
2. Liabilities		
a. Administrative Payable	\$	12,074,756
b. Retirement Benefits Payable		833,919
c. Investments Payable		745,609,363
d. Foreign Exchange Contracts Payable		4,185,778,093
e. Securities Lending Obligations		174,315,792
f. Securities Sold Under Agreement to Repurchase		132,995,044
g. Due To Other Funds		0
h. Due to Other Governments		0
i. Total Liabilities: a + b + c + d + e + f + g + h	\$	5,251,606,967
3. Fiduciary Net Position Restricted for Pensions: (1)(f) - (2)(i)	\$	16,969,651,524





SECTION VI – GASB INFORMATION

TABLE 16
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

For Fiscal Year Ending June 30, 2025	
1. Fiduciary Net Position as of June 30, 2024	\$ 15,642,162,196
2. Additions	
a. Contributions	
i. Member Contributions	\$ 0
ii. Employer Contributions	760,611,443
iii. Service Purchases (Employer and Member) ¹	5,536,757
iv. Non-Employer Contributing Entity Contributions	0
v. Total Contributions	<u>\$ 766,148,200</u>
b. Investment Income/(Loss)	
i. Net Appreciation/(Depreciation)	\$ 1,566,143,172
ii. Net Interest and Dividend Income	236,648,944
iii. Securities Lending Income	1,783,986
iv. Other Net Investment Income	601,000
v. Investment Management Expenses	(104,768,791)
vi. Direct Investment Expenses	(8,053,608)
vii. Securities Lending Expenses	(331,385)
viii. Total Investment Income/(Loss)	<u>\$ 1,692,023,318</u>
c. Other Additions	
i. Member Reassignments	5,333,157
ii. Miscellaneous Receipts	566,502
iii. Total Other Additions	<u>\$ 5,899,659</u>
d. Total Revenue (Additions): a(v) + b(viii) + c(iii)	<u>\$ 2,464,071,177</u>
3. Deductions	
a. Pension, Survivor and Disability Benefits	\$ 1,095,504,657
b. Death and Funeral Benefits	0
c. Distributions of Contributions and Interest	0
d. Administrative Expenses ²	25,670,088
e. Member Reassignments	15,407,104
f. Miscellaneous Expenses	0
g. Total Expenses (Deductions)	<u>\$ 1,136,581,849</u>
4. Net Increase (Decrease) in Fiduciary Net Position: (2)(d) - (3)(g)	\$ 1,327,489,328
5. Fiduciary Net Position as of June 30, 2025: (1) + (4)	\$ 16,969,651,524

¹ Service purchases paid by employer of \$5,259,594 and employee of \$277,163.

² Includes \$1,900,334 of hybrid plan contributions and \$314,813 of My Choice plan contributions made by INPRS.





SECTION VI – GASB INFORMATION

TABLE 17

SCHEDULE OF CHANGES IN NET PENSION LIABILITY

For Fiscal Year Ending June 30, 2025			
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
1. Balance at June 30, 2024	\$ 19,673,147,024	\$ 15,642,162,196	\$ 4,030,984,828
2. Changes for the Year:			
Service Cost (SC) ¹	297,791,277		297,791,277
Interest Cost	1,213,807,336		1,213,807,336
Experience (Gains)/Losses	286,681,599		286,681,599
Assumption Changes	89,944,309		89,944,309
Plan Amendments	(187,263,868)		(187,263,868)
Benefit Payments	(1,095,504,657)	(1,095,504,657)	0
Service Purchases			
Employer Contributions	5,259,594	5,259,594	0
Employee Contributions	277,163	277,163	0
Member Reassignments ²	(10,073,947)	(10,073,947)	0
Employer Contributions		760,611,443	(760,611,443)
Non-employer Contributions		0	0
Employee Contributions		0	0
Net Investment Income		1,692,023,318	(1,692,023,318)
Administrative Expenses ³		(25,670,088)	25,670,088
Other		566,502	(566,502)
Net Changes	\$ 600,918,806	\$ 1,327,489,328	\$ (726,570,522)
3. Balance at June 30, 2025	\$ 20,274,065,830	\$ 16,969,651,524	\$ 3,304,414,306

¹ Service cost provided as of beginning of year. Interest to end of year is included in the interest cost.

² Includes net interfund transfers of employer contributed amounts.

³ Includes contributions made by INPRS for its employees of \$1,900,334 in the hybrid plan and \$314,813 in the My Choice plan.





SECTION VI – GASB INFORMATION

TABLE 18
DEFERRED OUTFLOWS OF RESOURCES

	June 30, 2024	Remaining Period	Recognition	June 30, 2025
1. Liability Experience				
June 30, 2025 Loss	\$ 286,681,599	4.00	\$ 71,670,400	\$ 215,011,199
June 30, 2024 Loss	379,038,346	2.71	139,866,549	239,171,797
June 30, 2023 Loss	19,779,806	1.65	11,987,763	7,792,043
June 30, 2022 Loss	14,308,706	0.73	14,308,706	0
June 30, 2021 Loss	0	0.00	0	0
2. Assumption Changes				
June 30, 2025 Loss	\$ 89,944,309	4.00	\$ 22,486,078	\$ 67,458,231
June 30, 2024 Loss	0	2.71	0	0
June 30, 2023 Loss	0	1.65	0	0
June 30, 2022 Loss	0	0.73	0	0
June 30, 2021 Loss	0	0.00	0	0
3. Investment Experience				
June 30, 2025 Loss	\$ 0	5.00	\$ 0	\$ 0
June 30, 2024 Loss	0	4.00	0	0
June 30, 2023 Loss	330,548,749	3.00	110,182,917	220,365,832
June 30, 2022 Loss	823,430,506	2.00	411,715,255	411,715,251
June 30, 2021 Loss	0	1.00	0	0
Total Outflows: (1)+(2)+(3)	\$ 1,943,732,021		\$ 782,217,668	\$ 1,161,514,353

In accordance with GASB, the original amortization period for liability experience and assumption changes are amortized over the expected future working lifetime of all members, whereas the investment experience is amortized over five years.





SECTION VI – GASB INFORMATION

TABLE 19
DEFERRED INFLOWS OF RESOURCES

	June 30, 2024	Remaining Period	Recognition	June 30, 2025
1. Liability Experience				
June 30, 2025 Gain	\$ 0	4.00	\$ 0	\$ 0
June 30, 2024 Gain	0	2.71	0	0
June 30, 2023 Gain	0	1.65	0	0
June 30, 2022 Gain	0	0.73	0	0
June 30, 2021 Gain	0	0.00	0	0
2. Assumption Changes				
June 30, 2025 Gain	\$ 0	4.00	\$ 0	\$ 0
June 30, 2024 Gain	0	2.71	0	0
June 30, 2023 Gain	0	1.65	0	0
June 30, 2022 Gain	0	0.73	0	0
June 30, 2021 Gain	0	0.00	0	0
3. Investment Experience				
June 30, 2025 Gain	\$ 725,779,868	5.00	\$ 145,155,974	\$ 580,623,894
June 30, 2024 Gain	131,889,153	4.00	32,972,289	98,916,864
June 30, 2023 Gain	0	3.00	0	0
June 30, 2022 Gain	0	2.00	0	0
June 30, 2021 Gain	488,373,932	1.00	488,373,932	0
Total Inflows: (1)+(2)+(3)	\$ 1,346,042,953		\$ 666,502,195	\$ 679,540,758

In accordance with GASB, the original amortization period for liability experience and assumption changes are amortized over the expected future working lifetime of all members, whereas the investment experience is amortized over five years.





SECTION VI – GASB INFORMATION

TABLE 20

DEFERRED INFLOWS / OUTFLOWS TO BE RECOGNIZED IN PENSION EXPENSE

Fiscal Year Ending June 30	Deferred Outflows	Deferred Inflows	Net Deferred Outflows/(Inflows)
Current Year:			
2025	\$ 782,217,668	\$ 666,502,195	\$ 115,715,473
Future Years:			
2026	\$ 763,713,238	\$ 178,128,263	\$ 585,584,975
2027	303,644,641	178,128,263	125,516,378
2028	94,156,474	178,128,260	(83,971,786)
2029	0	145,155,972	(145,155,972)
2030	0	0	0
Thereafter	0	0	0





SECTION VI – GASB INFORMATION

TABLE 21

PENSION EXPENSE UNDER GASB NO. 68

		For Fiscal Year Ending June 30, 2025
1. Service Cost, beginning of year	\$	297,791,277
2. Interest Cost, including interest on service cost		1,213,807,336
3. Member Contributions ¹		0
4. Administrative Expenses ²		23,454,941
5. Expected Return on Assets ³		(966,243,450)
6. Plan Amendments		(187,263,868)
7. Recognition of Deferred Inflows / Outflows of Resources Related to:		
a. Liability Experience (Gains) / Losses	237,833,418	
b. Assumption Change (Gains) / Losses	22,486,078	
c. Investment Experience (Gains) / Losses	(144,604,023)	
d. Total: (7a)+(7b)+(7c)		115,715,473
8. Miscellaneous (Income) / Expense		(566,502)
9. Total Collective Pension Expense: (1)+(2)+(3)+(4)+(5)+(6)+(7d)+(8)		496,695,207
10. Employer Service Purchases ⁴		5,259,594
Pension Expense / (Income): (9) + (10)	\$	501,954,801

¹ Excludes member paid service purchases of \$277,163.

² Excludes contributions made by INPRS for its employees of \$1,900,334 in the hybrid plan and \$314,813 in the My Choice plan.

³ Cash flows assumed to occur mid-year.

⁴ To be expensed by the employers who purchased the service.





SECTION VI – GASB INFORMATION

GASB NO. 67 and GASB NO. 68

NOTES TO THE FINANCIAL STATEMENTS

The material presented herein is a subset of the information requested as Notes to the Financial Statements. Required information not provided herein is to be supplied by the plan.

Actuarial Assumptions and Inputs

Significant actuarial assumptions and other inputs used to measure the total pension liability:

Type of Plan	The Public Employees' Retirement Fund is a cost-sharing multiple-employer plan for GASB accounting purposes.
Measurement Date	June 30, 2025
Valuation Date	
Assets:	June 30, 2025
Liabilities:	June 30, 2024 – The TPL as of June 30, 2025 was determined based on an actuarial valuation prepared as of June 30, 2024 rolled forward one year to June 30, 2025, using the following key actuarial assumptions and other inputs, such as benefit accruals and actual benefit payments during that time period.
Inflation	2.00%
Future Salary Increases	2.90% to 8.90%, based on service, for the five-year period ending June 30, 2030, 2.65% - 8.65%, based on service, thereafter.
Cost-of-Living Increases	As of June 30, 2025: A one-time 13 th check was granted and payable by October 1 in both 2024 and 2025. Thereafter, it is assumed participants who have commenced benefits prior to July 1, 2029 will receive an annual 13 th check indexed with inflation. Participants commencing on or after July 1, 2029 are assumed to receive an annual 1% COLA. As of June 30, 2024: A one-time 13 th check was granted and payable by October 1, 2024. Thereafter, it is assumed participants who have commenced benefits prior to July 1, 2025 will receive an annual 13 th check indexed with inflation. Participants commencing on or after July 1, 2025 are assumed to receive a 1% COLA.





SECTION VI – GASB INFORMATION

Mortality Assumption	<p>Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2019.</p> <p><i>Healthy Employees</i> – General Employee table with a 3 year set forward for males and a 1 year set forward for females.</p> <p><i>Retirees</i> – General Retiree table with a 3 year set forward for males and a 1 year set forward for females.</p> <p><i>Beneficiaries</i> – Contingent Survivor table with no set forward for males and a 2 year set forward for females.</p> <p><i>Disableds</i> – General Disabled table with a 140% load.</p>
Experience Study	<p>The most recent comprehensive experience study, based on member experience between June 30, 2020 and June 30, 2024, was completed in February 2025. The demographic and economic assumptions were approved by the Board in June 2025 and are used beginning with the June 30, 2025 actuarial valuation.</p>
Discount Rate	<p>6.25%, net of investment expenses</p> <p>The discount rate is equal to the expected long-term rate of return on plan investments, net of investment expense and including price inflation. There was no change in the discount rate from the prior measurement date.</p> <p>The INPRS Board of Trustees has established a funding policy of setting the employer contribution rate equal to the greater of 11.2% (the current contribution rate) or a rate equal to the actuarially determined contribution rate, which is based on the assumptions and methods selected by the Board for the annual actuarial valuations and projected covered member payroll. The June 30, 2025 actuarial valuation assumes a long-term rate of return on assets of 6.25%, a 20-year level dollar closed method for amortizing the future layers of unfunded actuarial accrued liability (30 years for amortization layers established prior to June 30, 2016), and a 5-year smoothing method for recognizing investment gains and losses in the actuarial value of assets.</p> <p>The Board has historically followed its funding policy and employers have made their contributions to the plan. Therefore, if past practice is continued, the contributions will be sufficient to make the Fund fully funded. As a result, it is presumed that the projected plan assets will be sufficient to cover the future benefit payments for current members and a detailed projection of plan assets and cash flows has not been prepared.</p>





SECTION VI – GASB INFORMATION

Discount Rate Sensitivity

	1% Decrease	Current Rate	1% Increase
	5.25%	6.25%	7.25%
Net Pension Liability	\$5,839,574,280	\$3,304,414,306	\$1,201,892,786

Classes of Plan Members Covered

The June 30, 2025 valuation was performed using census data provided by INPRS as of June 30, 2024. Standard actuarial techniques were used to roll forward the total pension liability computed as of June 30, 2024 to the June 30, 2025 measurement date using actual benefit payments during that period of time.

Number as of June 30, 2024	
1. Currently Receiving Benefits:	
Retired Members, Disabled Members, and Beneficiaries	103,192
2. Inactive Members Entitled To But Not Yet Receiving Benefits	36,776
3. Inactive Non-vested Members Entitled to a Refund of Member Contributions	0
4. Active Members	122,322
Total Covered Plan Members: (1)+(2)+(3)+(4)	262,290

Money-Weighted Rate of Return

The money-weighted rate of return equals investment performance, net of pension plan investment expense, adjusted for the changing amounts actually invested. For the fiscal year ending June 30, 2025, the money-weighted return on the plan assets is 11.0%.

Components of Net Pension Liability

As of June 30, 2025	
Total Pension Liability	\$ 20,274,065,830
Fiduciary Net Position	16,969,651,524
Net Pension Liability	\$ 3,304,414,306
Ratio of Fiduciary Net Position to Total Pension Liability	83.70%





SECTION VI – GASB INFORMATION

GASB NO. 67 AND GASB NO. 68: REQUIRED SUPPLEMENTAL INFORMATION SCHEDULE OF CHANGES IN THE TOTAL PENSION LIABILITY AND PLAN FIDUCIARY NET POSITION

Fiscal Year Ending June 30

	2021	2022	2023	2024	2025
Total Pension Liability					
Total Pension Liability - beginning	\$16,281,754,235	\$17,563,157,462	\$18,002,194,131	\$18,415,248,366	\$19,673,147,024
DC Account Balances - beginning ¹	0	0	0	0	0
DB Pension Liability - beginning	\$16,281,754,235	\$17,563,157,462	\$18,002,194,131	\$18,415,248,366	\$19,673,147,024
Service Cost (SC), beginning-of-year	206,224,841	237,481,419	246,229,109	266,403,884	297,791,277
Interest Cost, including interest on SC	1,080,919,775	1,082,718,830	1,109,694,433	1,135,468,978	1,213,807,336
Experience (Gains)/Losses	30,428,538	73,111,616	43,755,332	518,904,895	286,681,599
Assumption Changes	896,589,242	0	0	0	89,944,309
Plan Amendments	15,946,383	0	0	365,418,101	(187,263,868)
DC Annuitizations	0	0	0	0	0
Actual Benefit Payments	(946,107,172)	(949,954,676)	(984,758,539)	(1,024,939,192)	(1,095,504,657)
Member Reassignments	(3,056,997)	(5,714,455)	(5,876,185)	(3,939,862)	(10,073,947)
Service Purchases	458,617	1,393,935	4,010,085	581,854	5,536,757
Net Change in Total Pension Liability	1,281,403,227	439,036,669	413,054,235	1,257,898,658	600,918,806
DB Pension Liability - ending	\$17,563,157,462	\$18,002,194,131	\$18,415,248,366	\$19,673,147,024	\$20,274,065,830
DC Account Balances - ending ¹	0	0	0	0	0
(a) Total Pension Liability - ending	\$17,563,157,462	\$18,002,194,131	\$18,415,248,366	\$19,673,147,024	\$20,274,065,830
Plan Fiduciary Net Position					
Plan Fiduciary Net Position – beginning	\$13,261,359,961	\$16,247,309,759	\$14,848,362,129	\$14,885,914,366	\$15,642,162,196
DC Account Balances - beginning ¹	0	0	0	0	0
DB Plan Fiduciary Net Position – beginning	\$13,261,359,961	\$16,247,309,759	\$14,848,362,129	\$14,885,914,366	\$15,642,162,196
Contributions – employer	627,316,041	629,000,411	682,853,672	721,654,754	765,871,037
Contributions – non-employer	0	0	0	0	0
Contributions – member	129,035	307,370	208,051	212,579	277,163
Net investment income	3,325,549,967	(1,053,902,084)	366,818,480	1,084,958,870	1,692,023,318
Actual benefit payments	(946,107,172)	(949,954,676)	(984,758,539)	(1,024,939,192)	(1,095,504,657)
Net member reassignments	(3,056,997)	(5,714,455)	(5,876,185)	(3,939,862)	(10,073,947)
DC Annuitizations	0	0	0	0	0
Administrative expense	(18,003,369)	(18,703,663)	(21,696,048)	(21,769,213)	(25,670,088)
Other	122,293	19,467	2,806	69,894	566,502
Net change in Plan Fiduciary Net Position	2,985,949,798	(1,398,947,630)	37,552,237	756,247,830	1,327,489,328
DB Plan Fiduciary Net Position – ending	\$16,247,309,759	\$14,848,362,129	\$14,885,914,366	\$15,642,162,196	\$16,969,651,524
DC Account Balances - ending ¹	0	0	0	0	0
(b) Plan Fiduciary Net Position - ending	\$16,247,309,759	\$14,848,362,129	\$14,885,914,366	\$15,642,162,196	\$16,969,651,524
Net Pension Liability - ending, (a) - (b)	\$1,315,847,703	\$3,153,832,002	\$3,529,334,000	\$4,030,984,828	\$3,304,414,306

¹ Effective January 1, 2018, DC account balances are handled by a third party annuity provider and are treated as a separate defined contribution plan.

Results prior to 2018 were produced by the prior actuary.





SECTION VI – GASB INFORMATION

GASB NO. 67 AND GASB NO. 68: REQUIRED SUPPLEMENTAL INFORMATION SCHEDULE OF CHANGES IN THE TOTAL PENSION LIABILITY AND PLAN FIDUCIARY NET POSITION (continued)

Fiscal Year Ending June 30	2016	2017	2018	2019	2020
Total Pension Liability					
Total Pension Liability - beginning	\$17,980,568,263	\$18,408,946,980	\$19,106,214,994	\$16,091,372,940	\$16,576,060,167
DC Account Balances - beginning ¹	2,717,173,311	2,656,892,220	2,770,961,812	0	0
DB Pension Liability - beginning	\$15,263,394,952	\$15,752,054,760	\$16,335,253,182	\$16,091,372,940	\$16,576,060,167
Service Cost (SC), beginning-of-year	191,055,506	194,101,310	202,323,634	195,382,841	201,143,591
Interest Cost, including interest on SC	1,018,992,903	1,051,217,483	1,088,503,109	1,069,184,188	1,101,241,510
Experience (Gains)/Losses	(4,869,991)	82,963,628	20,103,378	101,180,620	(54,831,797)
Assumption Changes	0	22,809,173	(731,600,714)	0	(616,829,795)
Plan Amendments	0	(22,765,723)	0	12,919,637	0
DC Annuities	75,035,755	78,792,615	43,873,966	0	0
Actual Benefit Payments	(786,606,562)	(820,721,414)	(860,613,831)	(888,510,777)	(922,190,241)
Member Reassignments	(5,441,493)	(3,617,572)	(7,030,159)	(5,787,037)	(3,163,150)
Service Purchases	493,690	418,922	560,375	317,755	323,950
Net Change in Total Pension Liability	488,659,808	583,198,422	(243,880,242)	484,687,227	(294,305,932)
DB Pension Liability - ending	\$15,752,054,760	\$16,335,253,182	\$16,091,372,940	\$16,576,060,167	\$16,281,754,235
DC Account Balances - ending ¹	2,656,892,220	2,770,961,812	0	0	0
(a) Total Pension Liability - ending	\$18,408,946,980	\$19,106,214,994	\$16,091,372,940	\$16,576,060,167	\$16,281,754,235
Plan Fiduciary Net Position					
Plan Fiduciary Net Position - beginning	\$13,907,666,213	\$13,870,502,444	\$14,644,671,525	\$12,694,327,690	\$13,270,996,471
DC Account Balances - beginning ¹	2,717,173,311	2,656,892,220	2,770,961,812	0	0
DB Plan Fiduciary Net Position - beginning	\$11,190,492,902	\$11,213,610,224	\$11,873,709,713	\$12,694,327,690	\$13,270,996,471
Contributions – employer	615,773,383	558,892,767	571,373,825	581,873,684	599,100,479
Contributions – non-employer	0	0	0	0	0
Contributions – member	442,809	589,663	708,034	294,752	126,815
Net investment income	147,106,621	870,591,483	1,093,094,099	906,388,001	335,138,985
Actual benefit payments	(786,606,562)	(820,721,414)	(860,613,831)	(888,510,777)	(922,190,241)
Net member reassignments	(5,441,493)	(3,617,572)	(7,030,159)	(5,787,037)	(3,163,150)
DC Annuities	75,035,755	78,792,615	43,873,966	0	0
Administrative expense	(24,098,191)	(24,483,053)	(20,844,003)	(18,471,916)	(18,886,120)
Other	905,000	55,000	56,046	882,074	236,722
Net change in Plan Fiduciary Net Position	23,117,322	660,099,489	820,617,977	576,668,781	(9,636,510)
DB Plan Fiduciary Net Position - ending	\$11,213,610,224	\$11,873,709,713	\$12,694,327,690	\$13,270,996,471	\$13,261,359,961
DC Account Balances - ending ¹	2,656,892,220	2,770,961,812	0	0	0
(b) Plan Fiduciary Net Position - ending	\$13,870,502,444	\$14,644,671,525	\$12,694,327,690	\$13,270,996,471	\$13,261,359,961
Net Pension Liability - ending, (a) - (b)	\$4,538,444,536	\$4,461,543,469	\$3,397,045,250	\$3,305,063,696	\$3,020,394,274

¹ Effective January 1, 2018, DC account balances are handled by a third party annuity provider and are treated as a separate defined contribution plan. Results prior to 2018 were produced by the prior actuary.





SECTION VI – GASB INFORMATION

GASB NO. 67 AND GASB NO. 68: REQUIRED SUPPLEMENTAL INFORMATION

SCHEDULE OF THE NET PENSION LIABILITY

Fiscal Year Ending June 30	2021	2022	2023	2024	2025
Total Pension Liability	\$17,563,157,462	\$18,002,194,131	\$18,415,248,366	\$19,673,147,024	\$20,274,065,830
Plan Fiduciary Net Position	16,247,309,759	14,848,362,129	14,885,914,366	15,642,162,196	16,969,651,524
Net Pension Liability	\$1,315,847,703	\$3,153,832,002	\$3,529,334,000	\$4,030,984,828	\$3,304,414,306
Ratio of Plan Fiduciary Net Position to Total Pension Liability	92.51%	82.48%	80.83%	79.51%	83.70%
Covered payroll ¹	\$5,482,242,349	\$5,670,744,395	\$6,149,915,494	\$6,593,262,118	\$6,916,710,485
Net Pension Liability as a percentage of covered payroll	24.00%	55.62%	57.39%	61.14%	47.77%
Fiscal Year Ending June 30	2016	2017	2018	2019	2020
Total Pension Liability	\$18,408,946,980	\$19,106,214,994	\$16,091,372,940	\$16,576,060,167	\$16,281,754,235
Plan Fiduciary Net Position	13,870,502,444	14,644,671,525	12,694,327,690	13,270,996,471	13,261,359,961
Net Pension Liability	\$4,538,444,536	\$4,461,543,469	\$3,397,045,250	\$3,305,063,696	\$3,020,394,274
Ratio of Plan Fiduciary Net Position to Total Pension Liability	75.35%	76.65%	78.89%	80.06%	81.45%
Covered payroll ¹	\$4,868,709,366	\$4,997,555,495	\$5,083,130,815	\$5,205,242,704	\$5,380,842,933
Net Pension Liability as a percentage of covered payroll	93.22%	89.27%	66.83%	63.49%	56.13%

¹ As provided by INPRS.

Results prior to 2018 were produced by the prior actuary.





SECTION VI – GASB INFORMATION

GASB NO. 67 AND GASB NO. 68: REQUIRED SUPPLEMENTAL INFORMATION

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ending June 30	2021	2022	2023	2024	2025
Actuarially Determined Contribution ¹	\$452,332,617	\$433,048,227	\$467,206,774	\$475,272,724	\$522,932,556
Actual employer contributions ²	<u>\$626,986,459</u>	<u>\$627,913,846</u>	<u>\$679,051,638</u>	<u>\$721,285,479</u>	<u>\$760,611,443</u>
Annual contribution (deficiency) / excess	\$174,653,842	\$194,865,619	\$211,844,864	\$246,012,755	\$237,678,887
Covered payroll ³	\$5,482,242,349	\$5,670,744,395	\$6,149,915,494	\$6,593,262,118	\$6,916,710,485
Actual contributions as a percentage of covered payroll	11.44%	11.07%	11.04%	10.94%	11.00%

Fiscal Year Ending June 30	2016	2017	2018	2019	2020
Actuarially Determined Contribution ¹	\$491,999,602	\$496,867,070	\$502,205,573	\$527,836,147	\$482,316,183
Actual employer contributions ²	<u>\$547,684,477</u>	<u>\$558,660,887</u>	<u>\$571,098,939</u>	<u>\$581,850,681</u>	<u>\$598,903,344</u>
Annual contribution (deficiency) / excess	\$55,684,875	\$61,793,817	\$68,893,366	\$54,014,534	\$116,587,161
Covered payroll ³	\$4,868,709,366	\$4,997,555,495	\$5,083,130,815	\$5,205,242,704	\$5,380,842,933
Actual contributions as a percentage of covered payroll	11.25%	11.18%	11.24%	11.18%	11.13%

¹ The State and Political Subdivision employer rates were applied to the actual covered employee payroll for the fiscal year to determine the contribution amount.
The surcharge rate used for both State and Political Subdivision uses the valuation completed two years ago for July-December and one year ago for January-June.
State - The actuarially determined amortization and normal cost rates were developed in the actuarial report completed one year prior to the fiscal year.
Political Subdivisions - The rate is determined as the average of these two rates:

- Actuarially determined amortization and normal cost rates for January-June were developed in the actuarial report completed one year prior to the fiscal year.
- Actuarially determined amortization and normal cost rates for July-December were developed in the actuarial report completed two years prior to the fiscal year.

² Excludes service purchases paid for by the employer of \$5,259,594.

³ As provided by INPRS.

Results prior to 2018 were produced by the prior actuary.





SECTION VI – GASB INFORMATION

GASB NO. 67 AND GASB NO. 68: REQUIRED SUPPLEMENTAL INFORMATION

SCHEDULE OF MONEY-WEIGHTED RETURNS

<u>For Fiscal Year Ending June 30</u>	<u>Money-Weighted Return</u>
2025	11.0%
2024	7.4%
2023	2.5%
2022	(6.6%)
2021	25.5%
2020	2.6%
2019	7.3%
2018	9.3%
2017	7.6%
2016	1.1%

Returns provided by INPRS.





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APPENDIX A – MEMBERSHIP DATA

MEMBER DATA RECONCILIATION For June 30, 2024 Data used in the June 30, 2025 Valuation

	Active Members	Inactive Vested	Inactive Deceased	Disabled	Retired	Beneficiary	Total
1. As of June 30, 2023	121,200	35,257	548	2,702	87,632	11,519	258,858
2. Data Adjustments							
New Participants	18,577	0	0	0	0	0	18,577
Rehires	459	(459)	0	0	0	0	0
Terminations:							
Not Vested	(11,705)	0	0	0	0	0	(11,705)
Deferred Vested	(2,617)	2,617	0	0	0	0	0
Disability	(52)	0	0	52	0	0	0
Retirements	(3,294)	(1,299)	(6)	0	4,593	6	0
Refund / Benefits Ended	0	(4)	0	0	0	(33)	(37)
Transfer	(7)	(222)	0	0	0	0	(229)
Deaths:							
With Beneficiary	(63)	(25)	0	(52)	(828)	968	0
Without Beneficiary	(204)	(170)	0	(61)	(2,509)	(889)	(3,833)
Entitled to Future Benefit	(7)	(9)	16	0	0	0	0
Data Corrections ¹	35	532	0	21	45	26	659
Net Change	1,122	961	10	(40)	1,301	78	3,432
3. As of June 30, 2024 ²	122,322	36,218	558	2,662	88,933	11,597	262,290

¹ Data corrections reflect the movement between Disabled and Retired status, along with other movements in the INPRS data.

² Valuation results as of June 30, 2025 were calculated using June 30, 2024 census data, adjusted for certain activity before the valuation date. Headcounts may include multiple records for individuals, such as members with multiple periods of service.





APPENDIX A – MEMBERSHIP DATA

SUMMARY OF MEMBERSHIP DATA

Valuation Date	June 30, 2024	June 30, 2025	% Change
Date of Membership Data ¹	July 1, 2023	July 1, 2024	
ACTIVE MEMBERS			
Number of Active Members ²	121,200	122,322	0.9%
Annual Membership Data Salary ³	\$ 5,774,659,017	\$ 6,218,752,438	7.7%
Covered Payroll for Fiscal Year Ending	\$ 6,593,262,118	\$ 6,916,710,485	4.9%
Active Member Averages			
Age	47.0	46.6	(0.9%)
Service	10.5	10.1	(3.8%)
Annual Membership Data Salary	\$ 47,646	\$ 50,839	6.7%
INACTIVE MEMBERS			
Number of Inactive Members	35,805	36,776	2.7%
Inactive Member Averages			
Age	54.0	54.3	0.6%
Service	11.4	11.4	0.0%
RETIREES, DISABLEDS, AND BENEFICIARIES			
Number of Members			
Retired	87,632	88,933	1.5%
Disabled	2,702	2,662	(1.5%)
Beneficiaries	11,519	11,597	0.7%
Total	101,853	103,192	1.3%
Annual Benefits			
Retired	905,058,629	933,026,162	3.1%
Disabled	15,216,246	15,209,814	(0.0%)
Beneficiaries	84,226,980	86,254,670	2.4%
Total	\$ 1,004,501,855	\$ 1,034,490,646	3.0%
Annual Benefits			
Pension	888,866,678	922,539,351	3.8%
DC Plan Annuities	115,635,177	111,951,295	(3.2%)
Total	\$ 1,004,501,855	\$ 1,034,490,646	3.0%

¹ The valuation results were calculated using the prior year's census data and were adjusted for certain activity during fiscal year, such as new units, enlargements, or withdrawals.

² Salary provided without data adjustments for activity that occurred during the year.

³ Annualized for actives with less than a year of service. Actives with no salary provided are defaulted to the average salary.

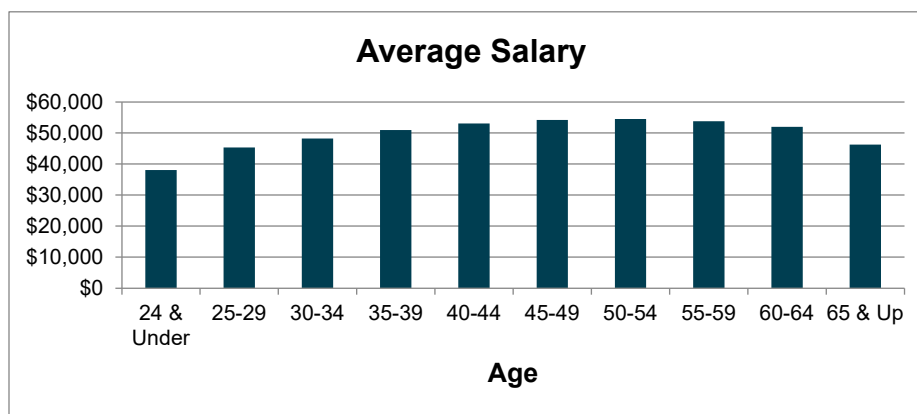
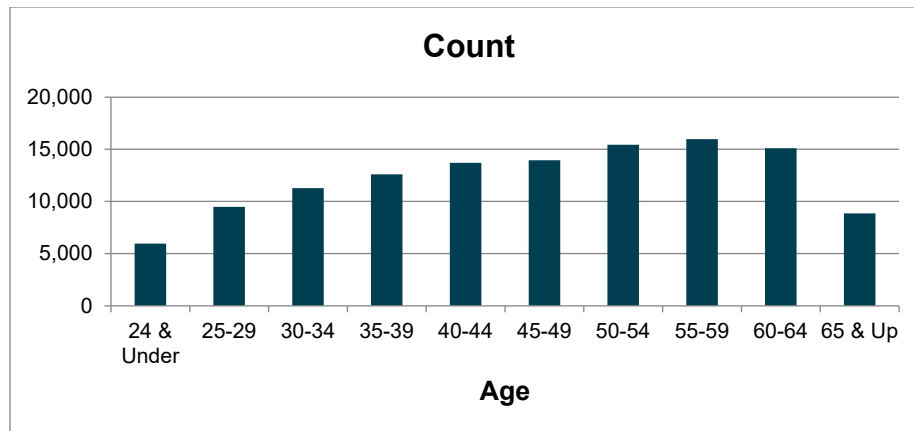




APPENDIX A – MEMBERSHIP DATA

ACTIVE MEMBERS ¹ As of June 30, 2024 for the June 30, 2025 Valuation

	Count of Members			FY 2024 Annual Membership Data Salary		
Age	Male	Female	Total	Male	Female	Total
24 & Under	2,907	3,047	5,954	\$ 123,054,911	\$ 103,655,943	\$ 226,710,854
25-29	4,211	5,278	9,489	208,966,150	221,317,947	430,284,097
30-34	4,646	6,635	11,281	253,267,967	290,798,616	544,066,583
35-39	4,973	7,627	12,600	295,256,425	346,610,927	641,867,352
40-44	5,211	8,493	13,704	324,294,665	402,771,296	727,065,961
45-49	5,198	8,745	13,943	329,712,208	425,764,728	755,476,936
50-54	6,036	9,393	15,429	382,700,150	457,863,403	840,563,553
55-59	6,187	9,789	15,976	382,583,868	476,469,017	859,052,885
60-64	5,922	9,176	15,098	357,877,665	426,552,709	784,430,374
65 & Up	<u>3,970</u>	<u>4,878</u>	<u>8,848</u>	<u>206,364,844</u>	<u>202,868,999</u>	<u>409,233,843</u>
Total	49,261	73,061	122,322	\$ 2,864,078,853	\$ 3,354,673,585	\$ 6,218,752,438



¹ Includes 501 actives where the missing salary was defaulted to the average salary of \$50,839.





APPENDIX A – MEMBERSHIP DATA

AGE AND SERVICE DISTRIBUTION ¹ As of June 30, 2024 for the June 30, 2025 Valuation

Age		0-4	5-9	10-14	15-19	20-24	25-29	30-34	Over 34	Total
24 & Under	Number	5,923	31	0	0	0	0	0	0	5,954
	Total Salary	\$ 225,297,184	\$ 1,413,670	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 226,710,854
	Average Sal.	\$ 38,038	\$ 45,602	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 38,077
25-29	Number	8,273	1,206	10	0	0	0	0	0	9,489
	Total Salary	\$ 364,728,661	\$ 65,018,650	\$ 536,786	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 430,284,097
	Average Sal.	\$ 44,087	\$ 53,913	\$ 53,679	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 45,346
30-34	Number	7,112	3,565	602	2	0	0	0	0	11,281
	Total Salary	\$ 305,636,813	\$ 201,873,814	\$ 36,405,448	\$ 150,508	\$ 0	\$ 0	\$ 0	\$ 0	\$ 544,066,583
	Average Sal.	\$ 42,975	\$ 56,627	\$ 60,474	\$ 75,254	\$ 0	\$ 0	\$ 0	\$ 0	\$ 48,229
35-39	Number	6,351	3,550	2,144	544	11	0	0	0	12,600
	Total Salary	\$ 266,962,151	\$ 194,411,610	\$ 142,526,393	\$ 37,369,630	\$ 597,568	\$ 0	\$ 0	\$ 0	\$ 641,867,352
	Average Sal.	\$ 42,035	\$ 54,764	\$ 66,477	\$ 68,694	\$ 54,324	\$ 0	\$ 0	\$ 0	\$ 50,942
40-44	Number	5,603	3,423	2,171	1,952	536	19	0	0	13,704
	Total Salary	\$ 235,082,848	\$ 176,954,404	\$ 138,517,907	\$ 137,569,572	\$ 37,771,199	\$ 1,170,031	\$ 0	\$ 0	\$ 727,065,961
	Average Sal.	\$ 41,957	\$ 51,696	\$ 63,804	\$ 70,476	\$ 70,469	\$ 61,581	\$ 0	\$ 0	\$ 53,055
45-49	Number	4,646	3,233	2,064	1,805	1,581	600	14	0	13,943
	Total Salary	\$ 202,187,417	\$ 160,022,298	\$ 118,471,175	\$ 118,106,425	\$ 112,381,806	\$ 43,311,831	\$ 995,984	\$ 0	\$ 755,476,936
	Average Sal.	\$ 43,519	\$ 49,497	\$ 57,399	\$ 65,433	\$ 71,083	\$ 72,186	\$ 71,142	\$ 0	\$ 54,183
50-54	Number	4,080	3,142	2,334	2,020	1,745	1,566	519	23	15,429
	Total Salary	\$ 178,825,516	\$ 151,305,402	\$ 126,638,868	\$ 119,715,448	\$ 113,631,771	\$ 112,007,361	\$ 37,039,556	\$ 1,399,631	\$ 840,563,553
	Average Sal.	\$ 43,830	\$ 48,156	\$ 54,258	\$ 59,265	\$ 65,118	\$ 71,524	\$ 71,367	\$ 60,854	\$ 54,479
55-59	Number	3,465	2,856	2,315	2,197	1,830	1,597	1,177	539	15,976
	Total Salary	\$ 148,475,701	\$ 137,006,551	\$ 118,345,339	\$ 123,209,969	\$ 107,074,653	\$ 103,134,719	\$ 84,452,610	\$ 37,353,343	\$ 859,052,885
	Average Sal.	\$ 42,850	\$ 47,971	\$ 51,121	\$ 56,081	\$ 58,511	\$ 64,580	\$ 71,752	\$ 69,301	\$ 53,771
60-64	Number	2,422	2,398	2,102	2,094	1,955	1,647	1,037	1,443	15,098
	Total Salary	\$ 94,645,266	\$ 111,888,729	\$ 104,607,868	\$ 107,417,394	\$ 105,141,485	\$ 93,583,255	\$ 65,135,477	\$ 102,010,900	\$ 784,430,374
	Average Sal.	\$ 39,077	\$ 46,659	\$ 49,766	\$ 51,298	\$ 53,781	\$ 56,820	\$ 62,811	\$ 70,694	\$ 51,956
65 & Up	Number	1,725	1,802	1,478	1,326	771	623	404	719	8,848
	Total Salary	\$ 56,607,728	\$ 73,119,739	\$ 68,882,827	\$ 66,088,896	\$ 38,859,677	\$ 31,878,547	\$ 23,962,478	\$ 49,833,951	\$ 409,233,843
	Average Sal.	\$ 32,816	\$ 40,577	\$ 46,605	\$ 49,841	\$ 50,402	\$ 51,169	\$ 59,313	\$ 69,310	\$ 46,252
Total	Number	49,600	25,206	15,220	11,940	8,429	6,052	3,151	2,724	122,322
	Total Salary	\$ 2,078,449,285	\$ 1,273,014,867	\$ 854,932,611	\$ 709,627,842	\$ 515,458,159	\$ 385,085,744	\$ 211,586,105	\$ 190,597,825	\$ 6,218,752,438
	Average Sal.	\$ 41,904	\$ 50,504	\$ 56,172	\$ 59,433	\$ 61,153	\$ 63,630	\$ 67,149	\$ 69,970	\$ 50,839

¹ Includes 501 actives who were missing a salary. Their salaries are defaulted to the average salary of \$50,839.

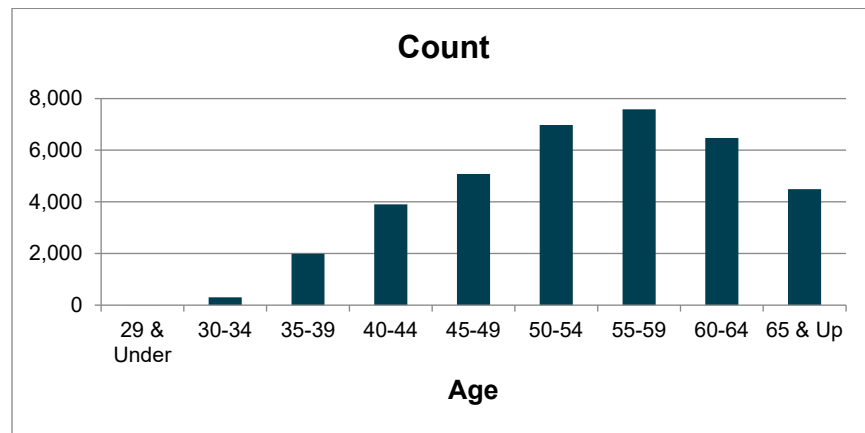




APPENDIX A – MEMBERSHIP DATA

INACTIVE VESTED MEMBERS As of June 30, 2024 for the June 30, 2025 Valuation

<u>Age</u>	<u>Count of Members</u>		
	<u>Male</u>	<u>Female</u>	<u>Total</u>
29 & Under	1	2	3
30-34	98	200	298
35-39	649	1,336	1,985
40-44	1,405	2,495	3,900
45-49	1,685	3,390	5,075
50-54	2,205	4,767	6,972
55-59	2,274	5,308	7,582
60-64	1,885	4,587	6,472
65 & Up	<u>1,487</u>	<u>3,002</u>	<u>4,489</u>
Total	11,689	25,087	36,776

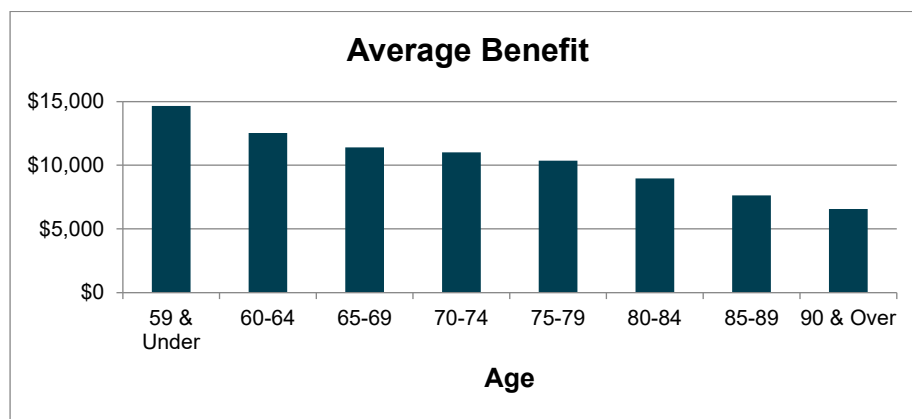
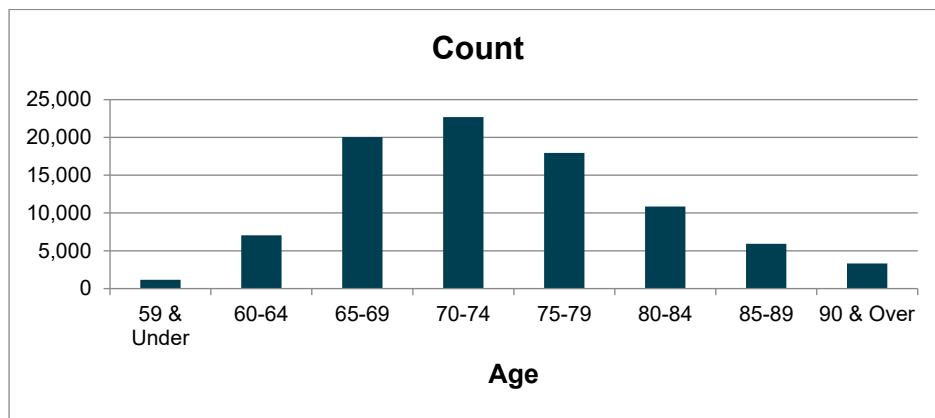




APPENDIX A – MEMBERSHIP DATA

RETIRED MEMBERS As of June 30, 2024 for the June 30, 2025 Valuation

Age	Count of Members			Annual Benefits		
	Male	Female	Total	Male	Female	Total
59 & Under	512	647	1,159	\$ 8,452,596	\$ 8,535,631	\$ 16,988,227
60-64	2,729	4,309	7,038	41,305,534	46,849,982	88,155,516
65-69	7,181	12,861	20,042	101,193,569	127,150,550	228,344,119
70-74	8,046	14,628	22,674	109,171,837	140,368,240	249,540,077
75-79	6,103	11,828	17,931	77,014,296	108,748,630	185,762,926
80-84	3,142	7,707	10,849	34,259,236	62,999,331	97,258,567
85-89	1,555	4,369	5,924	15,260,968	29,951,654	45,212,622
90 & Over	<u>706</u>	<u>2,610</u>	<u>3,316</u>	<u>6,090,208</u>	<u>15,673,900</u>	<u>21,764,108</u>
Total	29,974	58,959	88,933	\$ 392,748,244	\$ 540,277,918	\$ 933,026,162

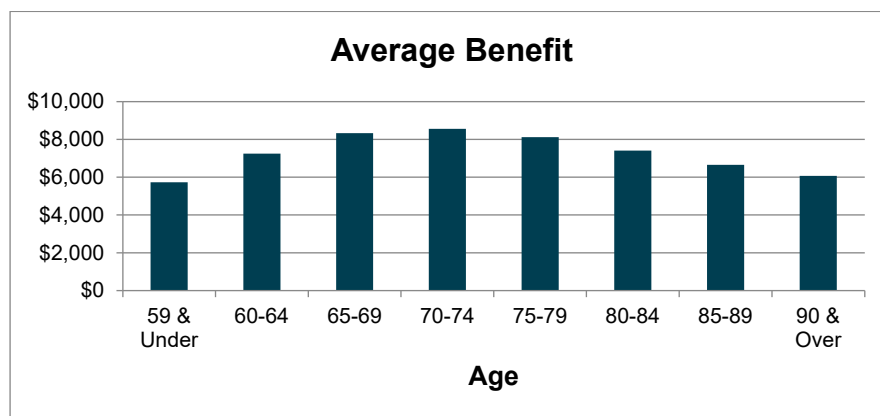
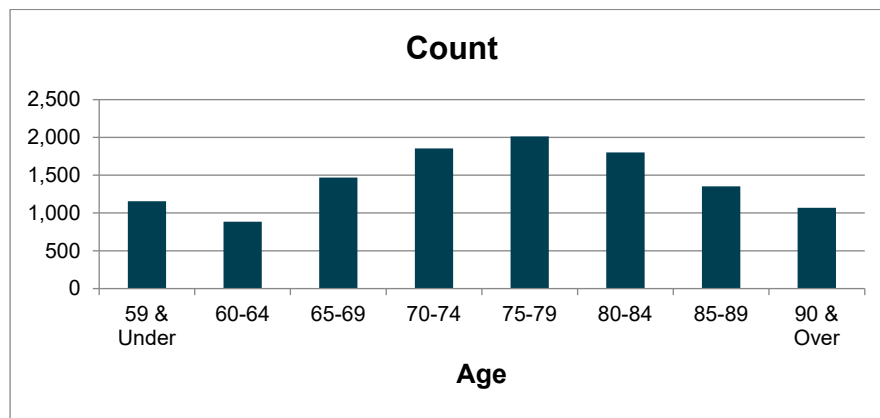




APPENDIX A – MEMBERSHIP DATA

BENEFICIARIES RECEIVING BENEFITS As of June 30, 2024 for the June 30, 2025 Valuation

Age	Count of Members			Annual Benefits		
	Male	Female	Total	Male	Female	Total
59 & Under	350	805	1,155	\$ 1,651,643	\$ 4,965,951	\$ 6,617,594
60-64	222	662	884	1,273,904	5,126,844	6,400,748
65-69	356	1,113	1,469	2,392,723	9,845,112	12,237,835
70-74	435	1,419	1,854	3,173,252	12,684,570	15,857,822
75-79	494	1,519	2,013	3,216,394	13,116,770	16,333,164
80-84	402	1,399	1,801	2,325,047	11,008,296	13,333,343
85-89	280	1,072	1,352	1,465,374	7,523,318	8,988,692
90 & Over	<u>199</u>	<u>870</u>	<u>1,069</u>	<u>947,420</u>	<u>5,538,052</u>	<u>6,485,472</u>
Total	2,738	8,859	11,597	\$ 16,445,757	\$ 69,808,913	\$ 86,254,670

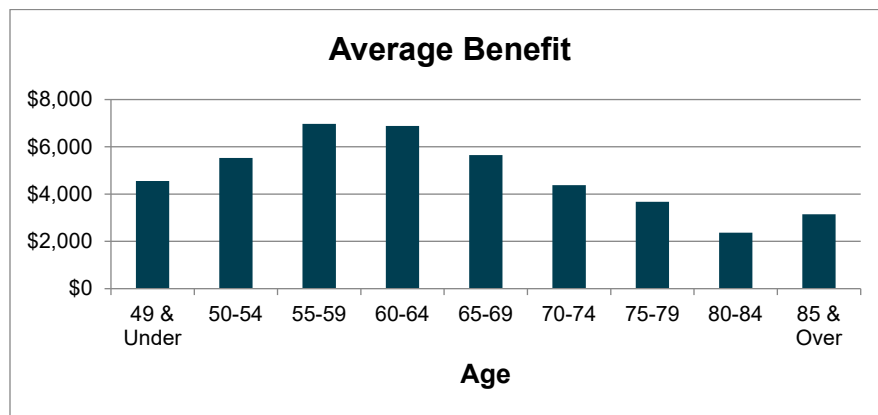
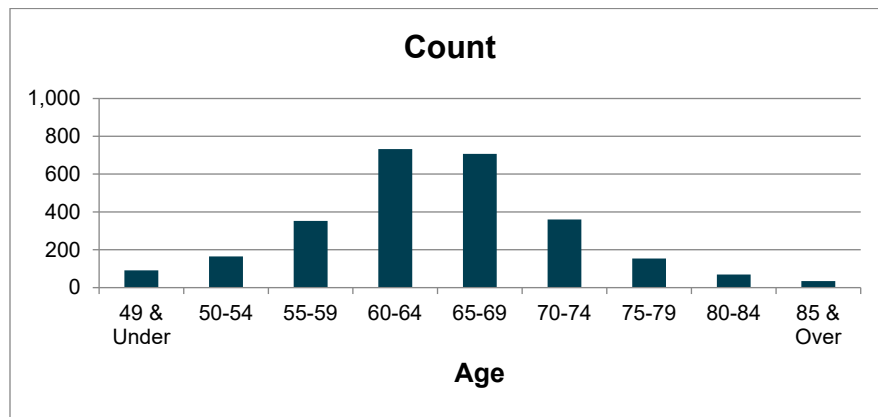




APPENDIX A – MEMBERSHIP DATA

DISABLED MEMBERS As of June 30, 2024 for the June 30, 2025 Valuation

Age	Count of Members			Annual Benefits		
	Male	Female	Total	Male	Female	Total
49 & Under	37	54	91	\$ 196,384	\$ 217,767	\$ 414,151
50-54	67	97	164	435,271	471,183	906,454
55-59	154	198	352	1,281,725	1,171,488	2,453,213
60-64	311	421	732	2,520,244	2,515,448	5,035,692
65-69	274	433	707	1,732,549	2,260,932	3,993,481
70-74	122	238	360	567,527	1,007,279	1,574,806
75-79	57	96	153	240,875	320,887	561,762
80-84	20	49	69	46,912	116,372	163,284
85 & Over	<u>12</u>	<u>22</u>	<u>34</u>	<u>36,163</u>	<u>70,808</u>	<u>106,971</u>
Total	1,054	1,608	2,662	\$ 7,057,650	\$ 8,152,164	\$ 15,209,814





APPENDIX A – MEMBERSHIP DATA

ADDITIONAL IN PAY INFORMATION As of June 30, 2024 for the June 30, 2025 Valuation

Schedule of Average Benefit Payments ¹

For the Year Ended June 30, 2025	Years of Credited Service						Total
	< 10 ²	10 - 14	15 - 19	20 - 24	25 - 29	30 +	
Average Monthly Defined Benefit	\$175	\$327	\$463	\$652	\$904	\$1,447	\$745
Average Monthly DC Annuity ³	\$49	\$116	\$161	\$219	\$291	\$499	\$256
Average Final Average Salary ⁴	\$27,365	\$29,675	\$31,820	\$34,691	\$38,395	\$46,479	\$36,028
Number of Benefit Recipients	3,111	18,606	23,823	19,844	15,513	22,295	103,192

¹Calculated using the prior year census data, adjusted for certain activity during the fiscal year.

²Members with less than 10 years of service are: (1) a member receiving a disability benefit from INPRS; (2) a member who has at least eight years of creditable service as a county clerk, county auditor, county recorder, county treasurer, county sheriff or county coroner eligible for a normal retirement after reaching age 65 (applies to only members retiring after June 30, 2002); (3) a member who has at least eight years of creditable service as a state auditor, state treasurer, or secretary of state (whose term commences after the November 5, 2002 election).

³This represents those retirees who elected to receive their DC account as a supplemental monthly payment in addition to the monthly Defined Benefit payment.

⁴Excludes the 858 in-pay members who are missing a final average salary in the data.





APPENDIX A – MEMBERSHIP DATA

ADDITIONAL IN PAY INFORMATION As of June 30, 2024 for the June 30, 2025 Valuation

Schedule of Benefit Recipients by Type of Benefit Option ¹

Number of Recipients by Benefit Option ²

Amount of Monthly Benefit (in dollars)	5-Year Certain & Life ³	Straight Life	Joint with 100% Survivor Benefits	Joint with Two-Thirds Survivor Benefits	Joint with One-Half Survivor Benefits	Survivors	Disability	Total Benefit Recipients
1-500	10,016	10,558	8,235	1,020	2,126	6,308	1,777	40,040
501-1,000	7,614	11,193	6,261	1,281	2,644	3,308	619	32,920
1,001-1,500	3,071	5,485	3,799	826	1,470	1,250	190	16,091
1,501-2,000	1,316	2,676	1,782	554	734	426	62	7,550
2,001-2,500	593	1,260	915	233	412	185	10	3,608
2,501-3,000	258	541	391	115	182	71	2	1,560
Over 3,000	196	560	304	146	166	49	2	1,423
Total	23,064	32,273	21,687	4,175	7,734	11,597	2,662	103,192

¹ Calculated using the prior year census data, adjusted for certain activity during the fiscal year.

² Beginning October 2014, social security integration can apply to any optional form.

³ Includes members who elected a modified cash refund plus 5-year certain & life.





APPENDIX A – MEMBERSHIP DATA

ADDITIONAL IN PAY INFORMATION As of June 30, 2024 for the June 30, 2025 Valuation

Schedule of Retirees and Beneficiaries ¹

	<u>Added to Rolls</u>		<u>Removed from Rolls</u>		<u>Rolls - End of Year</u>				
	Number	Annual Benefits ²	Number	Annual Benefits ²	Number	Total Annual Benefits ²	Percent Change In Total Annual Benefits	Average Annual Benefit	Percent Change In Average Annual Benefit
2025 ³	4,839	\$59,007	3,500	\$26,831	103,192	\$1,034,491	3.0%	\$10,025	1.7%
2024 ³	5,294	61,355	3,076	22,695	101,853	1,004,502	3.8	9,862	1.5
2023 ³	6,075	66,246	3,523	26,018	99,635	967,807	5.0	9,714	2.3
2022 ³	5,658	56,959	3,426	24,240	97,083	922,040	3.5	9,497	1.1
2021 ³	5,502	55,399	3,087	21,538	94,851	891,168	3.7	9,395	1.0
2020 ³	5,194	50,481	2,690	18,520	92,436	859,427	3.7	9,298	0.9
2019 ³	5,077	50,319	3,135	21,565	89,932	829,035	3.4	9,218	1.2
2018 ³	5,249	55,236	2,389	15,609	87,990	801,551	5.8	9,110	2.3
2017 ³	4,855	49,980	2,913	18,808	85,130	757,851	3.9	8,902	1.5
2016 ³	6,478	78,487	2,488	15,597	83,188	729,366	9.9	8,768	4.6

¹Dollar amounts are in thousands except for the average annual benefit.

² Annual benefits includes members selecting an annuity for their DC account. End of year annual benefits are not equal to prior end of year annual benefits plus additions less removals due to beneficiary benefit changes, data changes, and COLA increases.

³The valuation results were calculated using the prior year census data, adjusted for certain activity during the fiscal year.





APPENDIX B – SUMMARY OF PLAN PROVISIONS

Definitions

Fiscal year	Twelve-month period ending June 30.
Participation	All full-time employees of the State of Indiana and all full-time employees of Political Subdivisions which have adopted the plan become members of PERF upon date of hire.
Average monthly earnings	The monthly average of earnings during 20 quarters (in groups of 4 consecutive contribution quarters) preceding retirement that produce the highest such average. Earnings include basic salary, the member's 3% mandatory contribution paid by the employer, the member's salary reduction agreement under Section 125, 430(b), or 457 of the Internal Revenue Code, and up to \$2,000 of additional compensation received from the employer in anticipation of the member's termination or retirement.
Member contributions	<p>Each member is required to contribute to a Defined Contribution Account at the rate of 3% of pay (unless the employer has opted to make the contribution for the employee). These contributions are kept on deposit and credited with interest based on the investment elections of each member until such time as they are withdrawn or annuitized by the member.</p> <p>The Defined Contribution Account benefit is in addition to the annuity benefits provided by employer contributions. During FYE 2018, the Defined Contribution Accounts were completely separated from the defined benefit plan, and so are no longer relevant to the valuation process.</p>
Minimum pension benefit	The minimum pension benefit paid to a member with 10 or more years of creditable service receiving any pension benefit is \$180 per month.

Eligibility for Benefits

Deferred vested	10 or more years of vesting service and no longer active.
Disability retirement	5 or more years of vesting service and qualified for Social Security disability benefits or federal Civil Service disability benefits.





APPENDIX B – SUMMARY OF PLAN PROVISIONS

Early retirement	Age 50 with 15 or more years of vesting service.
Normal retirement	<p>Earliest of:</p> <ul style="list-style-type: none">- Age 65 with 10 or more years of vesting service- Age 60 with 15 or more years of vesting service- Age 55 with sum of age and vesting service equal to 85 or more. <p>Upon age 65 with 20 or more years of service, members become eligible for a Millie Morgan Retirement and can receive their pension benefit while still working. Election is irrevocable.</p>
Pre-retirement death	10 or more years of vesting service.

Monthly Benefits Payable

Normal retirement	The normal retirement benefit is a pension payable for life with 60 months guaranteed and is equal to 1.1% of average monthly earnings multiplied by years of creditable service earned. The minimum monthly benefit is \$180 if the member has at least 10 years of creditable service.
Early retirement	The early retirement benefit is the accrued retirement benefit determined as of the early retirement date and payable commencing at the normal retirement date. A member may elect to have the benefit commence prior to normal retirement provided the benefit is reduced by 1/10% for each of the first 60 months and by 5/12% for each of the next 120 months that the benefit commencement date precedes the normal retirement date. The minimum monthly benefit is \$180 if the member has at least 10 years of creditable service.
Deferred retirement	The termination benefit is the accrued retirement benefit determined as of the termination date and payable commencing at age 65. If the member has 15 or more years of creditable service, then the member may elect to receive a reduced early retirement benefit prior to age 65. The minimum monthly benefit is \$180 if the member has at least 10 years of creditable service.





APPENDIX B – SUMMARY OF PLAN PROVISIONS

Disability	The disability retirement benefit is the accrued retirement benefit determined as of the disability date and payable commencing the month following disability date without reduction for early commencement. The minimum monthly benefit is \$180.
Pre-retirement death	The spouse or dependent beneficiary is entitled to receive the monthly life benefit payable immediately under the assumption that the member retired on the later of age 50 or the date before the date of death and elected the joint and full survivor option. The minimum monthly benefit is \$180 if the member has at least 10 years of creditable service.
Cost-of-Living-Adjustments	<p>The employer-funded monthly pension benefits for members in pay status are increased periodically to preserve purchasing power that is diminished due to inflation. Such increases are not guaranteed by Statute and will only be provided by legislative action.</p> <p>A "13th check" was paid to each member in pay status during fiscal year 2018, 2019, 2020, 2021, 2025 and 2026. The amount of the 13th check varied based on the years of creditable service the member had earned prior to retirement.</p> <p>Legislation passed in the 2018 legislative session and updated in the 2024 and 2025 sessions creates a funding mechanism to provide for future benefit increases or 13th checks. Prior to the 2024 session, the INPRS Board had the authority to have employers contribute up to 1% of member pay into the fund. Beginning with the 2024 valuation, they may not decrease this rate, but may increase it by up to 0.1% each year (through December 31, 2031 based on HEA 1221-2025). The Board is charged with funding an inflation-indexed 13th Check for those commencing benefits before July 1, 2029 and a 1% COLA for those commencing benefits after June 30, 2029, although these benefits have not been granted or promised.</p> <p>Increases or payments are made upon passed legislation subject to the availability of funds to provide the benefit.</p>





APPENDIX B – SUMMARY OF PLAN PROVISIONS

Forms of payment

- | | |
|--|--|
| a. 5-Year Guaranteed Beneficiary Benefit (Option 10) | Member will receive a monthly benefit for the rest of their life. If the member dies before receiving benefits for 5 years, the beneficiary will receive that monthly benefit for the remainder of those 5 years or a lump sum distribution equal to the present value of those payments. After 5 years, there are no payments available to the beneficiary. |
| b. Benefit with No Guarantee (Option 20) | Member will receive a monthly benefit for life, but there are no monthly payments to anyone after death. However, the balance of the Defined Contribution Account will be distributed to the beneficiary or estate if it is larger than the payments previously made to the member. |
| c. Joint with Full Survivor Benefits (Option 30) | Member will be paid a monthly benefit for life. After death, the same monthly benefit will be paid to the beneficiary for their lifetime. |
| d. Joint with Two-Thirds Survivor Benefits (Option 40) | Member will be paid a monthly benefit for life. After death, two-thirds (2/3) of the benefit will be paid to the beneficiary for their lifetime. |
| e. Joint with One-Half Survivor Benefits (Option 50) | Member will be paid a monthly benefit for life. After death, one-half (1/2) of the benefit will be paid to the beneficiary for their lifetime. |
| f. Integration with Social Security (Option 61) | A member who retires between ages 50 and 62 may integrate the PERF monthly pension benefit with the member's estimated Social Security benefits. This does not affect the amount of the benefit received from the Social Security Administration. |

Before age 62, the member's benefits will equal the sum of the member's Social Security estimate, multiplied by actuarial factors, and the member's early retirement benefit. This will result in the member receiving a larger monthly benefit payment before age 62. After age 62, the member's benefit will equal the difference between the member's Social Security estimate, multiplied by actuarial factors, and the member's pre-62 monthly pension benefit. Depending upon the member's estimated Social Security disbursement, benefit





APPENDIX B – SUMMARY OF PLAN PROVISIONS

payments may be greatly reduced or terminated at age 62.

g. 5-Year Guaranteed
Beneficiary Benefit with Cash
Refund (Option 71)

In order to select this option, the member must choose to combine at least a portion of their Defined Contribution Account with their lifetime monthly pension benefit. If selected, the member will receive a monthly benefit for the rest of their life. If the member dies before receiving payments for 5 years, the beneficiary will receive the pension portion of their monthly benefit for the remainder of those 5 years or a lump sum equal to the present value of those remaining payments. Also, upon death (whether death occurs before or after receiving 5 years of benefits), the beneficiary may receive any remaining balance of the Defined Contribution Account.

Changes in Plan Provisions since the Prior Year

A 13th Check to be paid in Fiscal Year 2026 from the SRA was granted. The Supplemental Benefit funding for an inflation-indexed 13th Check for participants who have commenced prior to July 1, 2029 (previously July 1, 2025) and a 1% COLA for commencements thereafter is now required by legislation, although no additional benefits have yet been granted beyond this FY 2026 13th Check. Additionally, the surcharge rate cannot decrease and any increase in the surcharge rate is capped at 0.1% through December 31, 2031 (previously December 31, 2029).





APPENDIX C – SUMMARY OF ACTUARIAL METHODS/ASSUMPTIONS

ACTUARIAL METHODS

1. Actuarial Cost Method

The actuarial cost method is Entry Age Normal - Level Percent of Payroll.

The normal cost is calculated separately for each active member and is equal to the level percentage of payroll needed as an annual contribution from entry age to retirement age to fund projected benefits. The actuarial accrued liability on any valuation date is the accumulated value of such normal costs from entry age to the valuation date.

For funding, gains and losses occurring from census experience different than assumed, assumption changes, and benefit changes are amortized over a 20-year period with level payments each year. A new gain or loss base is established each year based on the additional gain or loss during that year and that base is amortized over a new 20-year period (gain or loss bases established prior to June 30, 2016 were amortized over 30 years and will continue to be amortized over 30 -year period). However, when the plan is at or above 100% funded (based on Actuarial Value of Assets), the past amortization bases are considered fully amortized and a single amortization base equal to the surplus is amortized over a 30-year period with level payments each year. Effective June 30, 2018, the bases are calculated without regards to the COLA provisions. The purpose of the method is to give a smooth progression of the costs from year to year and, at the same time, provide for an orderly funding of the unfunded liabilities. The amortization payment is projected to the middle of the contribution year, weighted one-third state and two-thirds political subdivision. The contribution year for base benefits ends June 30, 2027 for state employees and December 31, 2027 for political subdivision employees.

For accounting, gains and losses occurring from census experience different than assumed and assumption changes are amortized into expense over the average expected future service of all plan participants. Gains and losses occurring from investment experience different than assumed are amortized into expense over a 5-year period. The effect of plan changes on the plan liability are fully recognized in expense in the year in which they occur.

Member census data as of June 30, 2024 was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2024 and June 30, 2025. The valuation results from June 30, 2024 were rolled-forward to June 30, 2025 to reflect benefit accruals during the year less benefits paid.

2. Surcharge Rate

The Surcharge Rate is based on the same normal cost and amortization method as is being used for the base benefits, effective with the 2024 valuation which is required by HEA 1004-2024 to begin funding for an inflation-indexed 13th Check and 1% COLA. These benefits have not been granted or promised beyond a 13th Check payable in Fiscal Year 2025 and Fiscal Year 2026. The surcharge rate is for the 2027 calendar year for both state and political subdivisions.





APPENDIX C – SUMMARY OF ACTUARIAL METHODS/ASSUMPTIONS

3. Asset Valuation Method

Actuarial Value of Assets is equal to a five-year smoothing of gains and losses on the Market Value of Assets subject to a 20% corridor.

4. Anticipated Payroll

The Anticipated Payroll for the contribution year ending in 2027 is equal to the actual payroll during the year ending June 30, 2025, increased at the salary scale assumption to the contribution year, weighted one-third state and two-thirds political subdivision.

Base benefit amortization rates use defined benefit and My Choice payroll, whereas the surcharge amortization rates exclude My Choice payroll because no contributions are made towards the supplemental reserve account for the supplemental benefits.

5. Employer Contribution Rates

Based on the assumptions and methods previously described, an actuarially determined contribution rate is computed. The Board considers this information and has ultimate authority in setting the employer contribution rates.

Changes in Methods since the Prior Year

As a result of the 2020-2024 Experience Study, the methodology used for the following technical calculations were updated:

- The amortization payment and anticipated payroll were updated to reflect the timing of the contribution payment for both the base benefits and the supplemental benefits.
- The normal cost rate calculation reflects the new middle of year decrement timing and that the payment of the normal cost is throughout the year.





APPENDIX C – SUMMARY OF ACTUARIAL METHODS/ASSUMPTIONS

ACTUARIAL ASSUMPTIONS

Valuation Date

June 30, 2025

Economic Assumptions

1. Investment return 6.25% per year, compounded annually (net of administrative and investment expenses)

2. Inflation 2.00% per year

3. Salary increase

Service	Wage Inflation*	Merit	Salary Increase
0	2.90%/2.65%	6.00%	8.90%/8.65%
1	2.90%/2.65%	5.00%	7.90%/7.65%
2	2.90%/2.65%	4.00%	6.90%/6.65%
3	2.90%/2.65%	3.00%	5.90%/5.65%
4	2.90%/2.65%	2.50%	5.40%/5.15%
5	2.90%/2.65%	2.00%	4.90%/4.65%
6	2.90%/2.65%	1.75%	4.65%/4.40%
7	2.90%/2.65%	1.50%	4.40%/4.15%
8	2.90%/2.65%	1.25%	4.15%/3.90%
9	2.90%/2.65%	1.00%	3.90%/3.65%
10	2.90%/2.65%	0.75%	3.65%/3.40%
11	2.90%/2.65%	0.50%	3.40%/3.15%
12	2.90%/2.65%	0.25%	3.15%/2.90%
13+	2.90%/2.65%	0.00%	2.90%/2.65%

*2.90% for the five-year period ending June 30, 2030 with an ultimate rate of 2.65% thereafter.

4. Cost-of-Living Adjustment (COLA)

A one-time 13th check was granted and payable by October 1 in both 2024 and 2025. Thereafter, it is assumed participants who have commenced benefits prior to July 1, 2029 will receive an annual 13th check indexed with inflation. Participants commencing on or after July 1, 2029 are assumed to receive a 1% COLA.





APPENDIX C – SUMMARY OF ACTUARIAL METHODS/ASSUMPTIONS

Demographic Assumptions

1. Mortality

Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2019.

Healthy Employees – General Employee table with a 3 year set forward for males and a 1 year set forward for females.

Retirees – General Retiree table with a 3 year set forward for males and a 1 year set forward for females.

Beneficiaries – Contingent Survivor table with no set forward for males and a 2 year set forward for females.

Disableds – General Disabled table with a 140% load.

2. Disability

Sample Rates		
Age	Male	Female
20	0.0033%	0.0031%
25	0.0058%	0.0043%
30	0.0101%	0.0077%
35	0.0179%	0.0137%
40	0.0315%	0.0242%
45	0.0598%	0.0461%
50	0.1203%	0.0934%
55+	0.2250%	0.1500%

3. Retirement

Age	Eligible for Reduced Benefit	Eligible for Unreduced Benefit
50-54	4%	N/A
55	5%	14%
56-59	5%	10%
60	N/A	12%
61	N/A	16%
62	N/A	22%
63	N/A	19%
64	N/A	24%
65-74	N/A	30%
75+	N/A	100%

Active members: 30% commence benefit immediately (reduced for early retirement, if applicable). 70% defer to earliest unreduced retirement date.





APPENDIX C – SUMMARY OF ACTUARIAL METHODS/ASSUMPTIONS

Inactive vested members are assumed to commence their retirement benefit at their earliest normal retirement date.

4. Termination

PSD, Salary >\$20K			PSD, Salary <\$20k		
Service	State Unisex	Unisex	Age	Male	Female
0	24.00%	18.00%	15-22	34.00%	40.00%
1	20.00%	16.00%	23	34.00%	38.00%
2	18.00%	14.00%	24	34.00%	36.00%
3	16.00%	12.00%	25	34.00%	34.00%
4	14.00%	10.00%	26	34.00%	32.00%
5	12.00%	8.00%	27	34.00%	30.00%
6	11.00%	7.50%	28	34.00%	29.00%
7	10.00%	7.00%	29	34.00%	28.00%
8	9.00%	6.50%	30	29.00%	27.00%
9	8.00%	6.50%	31	29.00%	26.00%
10	7.00%	6.50%	32	29.00%	25.00%
11	6.50%	6.25%	33	29.00%	24.00%
12	6.00%	6.00%	34	29.00%	23.00%
13	5.75%	5.75%	35	25.00%	22.00%
14	5.50%	5.50%	36	25.00%	21.00%
15	5.25%	5.25%	37	25.00%	20.00%
16	5.00%	5.00%	38	25.00%	19.00%
17	4.75%	4.75%	39	25.00%	18.00%
18	4.50%	4.50%	40	24.00%	17.00%
19	4.25%	4.25%	41	24.00%	16.00%
20	4.00%	4.00%	42	24.00%	15.00%
21	4.00%	3.75%	43	24.00%	14.00%
22	4.00%	3.50%	44	24.00%	13.00%
23	4.00%	3.25%	45-49	21.00%	12.00%
24	4.00%	3.00%	50-60	17.00%	12.00%
25	4.00%	3.00%	61+	14.00%	12.00%
26	4.00%	3.00%			
27+	1.00%	3.00%			





APPENDIX C – SUMMARY OF ACTUARIAL METHODS/ASSUMPTIONS

Other Assumptions

- | | |
|--------------------------------|--|
| 1. Form of payment | 100% of members are assumed to elect the normal form of benefit payment, a single life annuity with a five-year certain period. |
| 2. Marital status | |
| a. Percent married | 80% of male members and 65% of female members are assumed to be married and or to have a dependent beneficiary. |
| b. Spouse's age | Male members are assumed to be three (3) years older than their spouses and female members are assumed to be two (2) years younger than their spouses. |
| 3. Decrement timing | Decrements are assumed to occur at the middle of the year. |
| 4. Miscellaneous adjustments | For active members, the Average Annual Compensation was increased by \$200 for additional wages received upon termination, such as severance or unused sick leave. |
| 5. Benefit commencement timing | |
| Active members | If eligible for a reduced early retirement benefit upon termination from employment, 33% commence immediately and 67% defer to earliest unreduced retirement age. |
| | If eligible for an unreduced retirement benefit upon termination from employment, 100% commence immediately. |
| Terminated vested members | 100% defer to earliest unreduced retirement age. If currently eligible for an unreduced retirement benefit, 100% commence immediately. |

Changes in Assumptions since the Prior Year

As a result of the 2020-2024 Experience Study, there were changes to many assumptions. Please see that Study for complete details (available on the INPRS website). Assumption changes included:

- The COLA assumption was updated to align with HEA 1221-2005.
- Disability rates were updated.
- Decrement timing changed from beginning of year to middle of year.
- Wage inflation was changed from 2.65% to 2.90% for the next five years.





APPENDIX C – SUMMARY OF ACTUARIAL METHODS/ASSUMPTIONS

Data Adjustments

Active and retired member data is reported as of June 30. Member census data as of June 30, 2024 was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2024 and June 30, 2025. Standard actuarial roll-forward techniques were then used to project the liability computed as of June 30, 2024 to the June 30, 2025 measurement date. The normal cost rate is assumed to remain unchanged between June 30, 2024 and June 30, 2025.

The member payroll and asset information for this valuation were furnished as of June 30, 2025. Projected FYE 2025 payroll is assumed to increase by the salary growth assumption over the total payroll observed for FYE 2024. We did not audit the information provided, but we did review it thoroughly for reasonableness and compared it with the prior year's submission for consistency.

Actives and inactives with no date of birth are assumed to be the average age of the member population with their respective status. Additionally, payroll for new hires is annualized, and actives missing a salary are assumed to earn the average active salary amount.

Other Technical Valuation Procedures

Salary increases are assumed to apply to annual amounts.

Decrements are assumed to occur at the middle of the year. Standard adjustments are made for multiple decrements.

No actuarial liability is included for participants who terminated without being vested prior to the valuation date, except those due a refund of contributions.





APPENDIX D – GLOSSARY OF ACTUARIAL TERMS

Accrued Service	Service credited under the plan that was rendered before the date of the actuarial valuation.
Actuarial Assumptions	Estimates of future experience with respect to demographic or economic events. Demographic assumptions (rates of mortality, disability, turnover and retirement) are generally based on past experience, often modified for projected changes in conditions. Economic assumptions (salary increases and investment income) consist of an underlying rate in an inflation-free environment plus a provision for a long-term average rate of inflation.
Actuarial Cost Method	A mathematical budgeting procedure for allocating the dollar amount of the actuarial present value of retirement plan benefits between future normal cost and actuarial accrued liability. Sometimes referred to as the “actuarial funding method.”
Actuarial Equivalent	A single amount or series of amounts of equal value to another single amount or series of amounts computed on the basis of a given set of actuarial assumptions.
Actuarial Accrued Liability	The difference between the actuarial present value of plan benefits and the actuarial value of future normal costs. Also referred to as “accrued liability” or “actuarial liability.”
Actuarial Present Value	The amount of funds currently required to provide a payment or series of payments in the future. It is determined by discounting future payments at predetermined rates of interest and by probabilities of payment.
Amortization	Paying off an interest-discounted amount with periodic payments of interest and principal, as opposed to paying off with lump sum payment.
Experience Gain (Loss)	The difference between actual experience and actuarial assumptions anticipated experience during the period between two actuarial valuation dates.
Normal Cost	The actuarial present value of retirement plan benefits allocated to the current year by the actuarial cost method.





APPENDIX D – GLOSSARY OF ACTUARIAL TERMS

Unfunded Actuarial Accrued Liability The difference between actuarial liability and the actuarial value of assets. Sometimes referred to as “unfunded accrued liability” or “unfunded liability”.

Most retirement plans have unfunded actuarial liability. They arise anytime new benefits are added and anytime an actuarial loss is realized.

