

GWINNETT COUNTY BOARD OF EDUCATION RETIREMENT SYSTEM



Actuarial Valuation Report

Prepared as of January 1, 2025



October 16, 2025

Administrative Committee
Gwinnett County Board of Education Retirement System
437 Old Peachtree Road, NW
Suwanee, GA 30024-2978

Administrative Committee Members:

This report represents the results of the actuarial valuation of the Gwinnett County Board of Education Retirement System as of January 1, 2025. The purpose of this report is to provide a summary of the funded status of the Plan as of January 1, 2025 and to determine the minimum required contribution amount for the fiscal year ending June 30, 2027. Our calculations were prepared based on member data and financial information provided by the System. While not verifying data at the source, the actuary performed tests for consistency and reasonableness. The asset values used to determine unfunded actuarial accrued liabilities are not market values but less volatile market related values. A smoothing technique is applied to market values to determine the market related values. The unfunded liability amounts using the market value of assets would be different. The interest rate used for determining liabilities is based on the expected return on assets. Therefore, liability amounts in this report cannot be used to assess a settlement of the obligation.

The System receives contributions from the County and Members. Members are required to contribute 1.00% of compensation which funds the long term disability benefits which are provided through the System of which the member is immediately vested. The annual contribution rate required by the Board of Education is 6.46% of compensation for the fiscal year ending June 30, 2027. This rate is sufficient to support the benefits of the System.

Since the previous valuation, there were no changes to the actuarial assumptions or methods. In our opinion, the valuation is complete and accurate, and the methodology and assumptions are reasonable as a basis for the valuation.

The valuation is based on a series of actuarial assumptions, including an investment (actuarial asset return) rate of return of 7.15% per year. Actuarial gains and losses result when actual experience of the System (such as asset return, pay increases, turnover, deaths, etc.) is different from that expected by the actuarial assumptions.



A separate report will be required to disclose the financial reporting requirements under GASB statements 67 and 68. The valuation method used is the entry age normal cost method. The normal contribution rate to cover current cost has been determined as a level percent of payroll. New gains and losses are reflected in the unfunded actuarial accrued liability which is being amortized on a level dollar basis within a 30-year period.

The System is being funded in conformity with the minimum funding standard set forth in Code Section 47-20-10 of the Public Retirement Systems Standards Law. Assuming that contributions to the System are made by the employer from year to year in the future at the rates recommended on the basis of the successive actuarial valuations, and all actuarial assumptions are met, the continued sufficiency of the retirement fund to provide the benefits called for under the System may be safely anticipated.

Actuarial Standard of Practice Number 4 (ASOP 4) requires the disclosure of a reasonable Actuarial Determined Contribution (ADC). Based on the assumptions and methods used in this report, the ADC is reasonable with respect to ASOP 4.

This is to certify that the independent consulting actuaries are members of the American Academy of Actuaries and have experience in performing valuations for public retirement systems, that the valuation was prepared in accordance with principles of practice prescribed by the Actuarial Standards Board, and that the actuarial calculations were performed by qualified actuaries in accordance with accepted actuarial procedures based on the current provisions of the retirement system and on actuarial assumptions that are internally consistent and reasonably based on the actual experience of the System.

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; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. Since the potential impact of such factors is outside the scope of a normal annual actuarial valuation, an analysis of the range of results is not presented herein.

Sincerely yours,

Todd B. Green ASA, EA, FCA, MAAA
President

Beverly V. Bailey, ASA, EA, FCA, MAAA
Senior Actuary

TBG:dv



	Executive Summary	1
Section 1	Summary of Principal Results	7
Section 2	Membership	9
Section 3	Assets	10
Section 4	Comments on Valuation	11
Section 5	Contributions Payable to the System	12
Section 6	Additional Disclosures	14
Section 7	Experience	16
Section 8	Risk Considerations	18
Schedule A	Valuation Balance Sheet	23
Schedule B	Development of Actuarial Value of Assets	24
Schedule C	Total Fund Summary	25
Schedule D	Actuarial Assumptions and Methods	26
Schedule E	Actuarial Cost Method	31
Schedule F	Plan Provisions	32
Schedule G	Schedules of Active Participant Data	35
Schedule H	Reconciliation of Participant Data	38





REPORT ON THE ANNUAL VALUATION OF THE GWINNETT COUNTY BOARD OF EDUCATION RETIREMENT SYSTEM

PREPARED AS OF JANUARY 1, 2025

The Gwinnett County Board of Education Retirement System (System) is a defined benefit public pension fund established as a Social Security System replacement plan that provides pensions for covered employees upon retirement, disability or death. This report presents the results of the January 1, 2025, actuarial funding valuation of the System. The primary purposes of performing the actuarial funding valuation are to:

- determine the funded status and the minimum actuarial determined contribution of the System;
- determine the experience of the System since the last valuation date;
- disclose asset and liability measures as of the valuation date; and
- analyze and report on trends in System contributions, assets, and liabilities over the past several years.

The actuarial valuation results provide a “snapshot” view of the System’s financial condition on January 1, 2025. Actuarial gains and losses result when the actual experience of the plan (such as asset return, pay increases, turnover, deaths, etc.) is different from that expected by the actuarial assumptions. The System’s unfunded actuarial accrued liability (UAAL) was expected to be \$168,064,590 as of January 1, 2025, taking into account contributions from the employers and members of \$117,260,719. The actual UAAL is \$218,337,016. The net loss of \$60,152,634 is attributable to liability and investment losses which are detailed in Section 7. Each year, new sources of the UAAL are amortized using a 30-year closed period.

The valuation is based on a set of actuarial assumptions which are based on the last actuarial experience study, dated May 5, 2017. These assumptions are presented in Schedule D.

A summary of the key results from the January 1, 2025 actuarial valuation is shown below. Further detail on the valuation results can be found in the following sections of this Executive Summary.

	January 1, 2025 Valuation Results	January 1, 2024 Valuation Results
Actuarially Determined Contribution Rate	6.46%	6.33%
Remaining Amortization Period	2 - 30 years	3 - 30 years
Funded Ratio (Actuarial Assets)	93.27%	93.99%

EXPERIENCE FOR THE LAST PLAN YEAR

Numerous factors contributed to the change in the System’s assets, liabilities, and actuarial determined contribution rate between January 1, 2024 and January 1, 2025. The components are examined in the following discussion.

ASSETS

As of January 1, 2025, the System had net assets of \$3,040,960,088, when measured on a market value basis. This was an increase of \$307,702,129 from the previous year. The market value of assets is not used directly in the calculation of the unfunded actuarial accrued liability and the actuarial determined contribution. The asset valuation smoothing method, which recognizes the annual unexpected portion of market value investment returns over a five-year period, attempts to reduce the effect of market volatility. The resulting amount is called the “actuarial value of assets” and is utilized to determine the actuarial



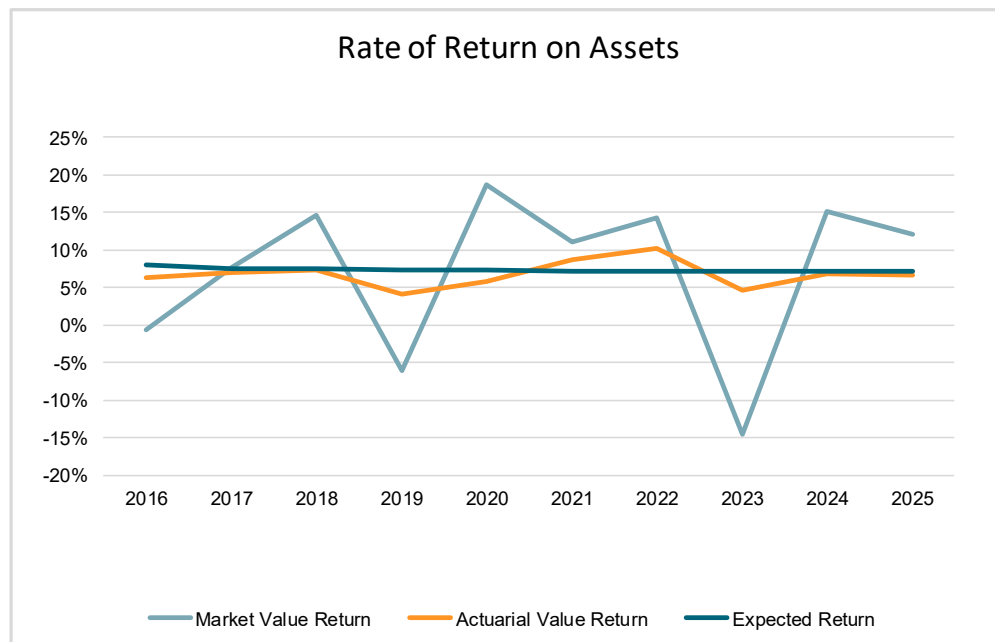
EXECUTIVE SUMMARY



valuation results. In this year's valuation, the actuarial value of assets as of January 1, 2025, was \$3,025,301,696, an increase of \$168,721,084 from the value in the prior year. The components of change in the asset values are shown in the following table on the following page.

	Actuarial Value	Market Value
Net Assets, January 1, 2024	\$ 2,856,580,612	\$ 2,733,257,959
- Employer and Member Contributions	+ 117,260,719	+ 117,260,719
- Benefit Payments and Expenses	- 139,233,450	- 139,233,450
- Investment Gains	+ 190,693,815	+ 329,674,860
Net Assets, January 1, 2025	3,025,301,696	3,040,960,088

The estimated investment return on the market value of assets for Plan Year 2025 was 12.11%. Due to the investment experience for Plan Year 2024, the resulting return on the smoothed actuarial value of assets was 6.70%. As this rate of return was less than the assumed rate of 7.15%, there was an actuarial investment experience loss of \$12,766,174. Please see Section 3, Section 7 and Schedule B of this report for more detailed information on the market and actuarial value of assets.



Market value returns have been very volatile. As can be seen in this graph, the return on actuarial assets is much smoother than the return on market value. The asset smoothing method impacts only the timing of when the actual market experience is recognized in the valuation process. The remaining deferred investment experience net gain of \$16 million will be absorbed in future years.





LIABILITIES

The actuarial accrued liability is the portion of the present value of future benefits allocated to service performed up to the valuation date. The difference between this liability and the actuarial value of assets is called the unfunded actuarial accrued liability (UAAL).

The unfunded actuarial accrued liability is shown as of January 1, 2025 in the following table:

	Actuarial Value of Assets	Market Value of Assets
Actuarial Accrued Liability	\$3,243,638,712	\$3,243,638,712
Value of Assets	3,025,301,696	3,040,960,088
Unfunded Actuarial Accrued Liability	\$218,337,016	\$202,678,624
Funded Ratio	93.27%	93.75%

Changes in the UAAL occur for various reasons. The net increase in the UAAL from January 1, 2024, to January 1, 2025, was \$35.5 million. The components of this net change are shown in the table below:

Unfunded Actuarial Accrued Liability, January 1, 2024		\$182,795,623
Normal cost as of January 1, 2024	\$87,471,015	
Contributions net of Administrative Expenses	(\$117,260,719)	
Interest	\$15,058,671	
Investment experience	\$12,766,174	
Liability experience	\$37,506,252	
Assumption Change	\$0	
Total		\$35,541,393
Unfunded Actuarial Accrued Liability, January 1, 2025		\$218,337,016

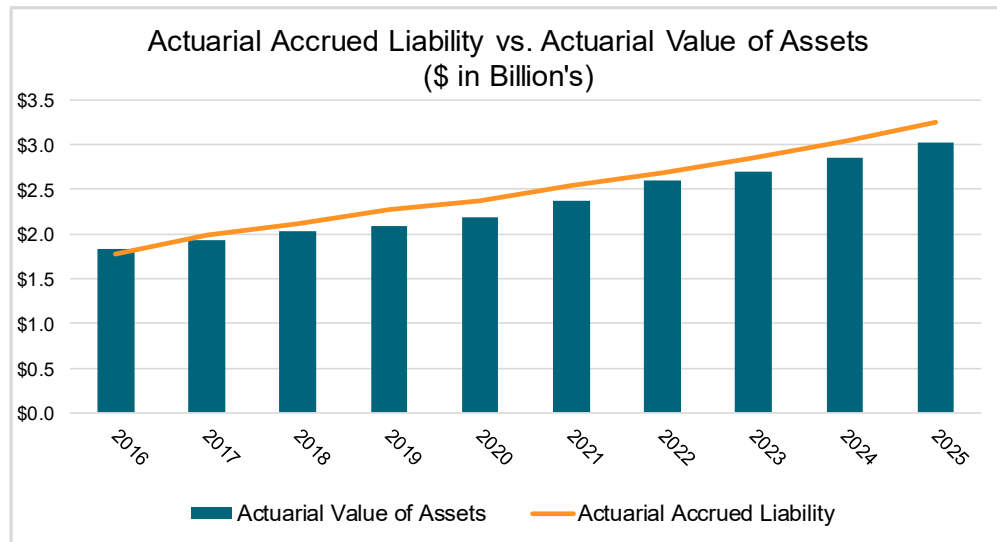
As shown above, various components impacted the UAAL. Actuarial (gains)/losses result from actual experience that is (more)/less favorable than anticipated based on the actuarial assumptions. The amounts are measured as the difference between the expected unfunded actuarial accrued liability and the actual unfunded actuarial accrued liability net of any impact due to changes in actuarial assumptions and methods or benefit provisions. Overall, the System experienced a net increase to the UAAL of \$35.5 million. The net increase in the UAAL is comprised primarily of experience and investment losses. The largest sources of experience losses were due to larger than expected Cost-of-Living increases, and larger than expected salary increases.



EXECUTIVE SUMMARY



As shown in the table below, since January 1, 2017, the actuarial accrued liability has been higher than the actuarial value of assets, resulting in an unfunded actuarial accrued liability.



Another way to evaluate the unfunded actuarial accrued liability 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. As shown in the table below, the funded ratio has been over 90% since January 1, 2021.

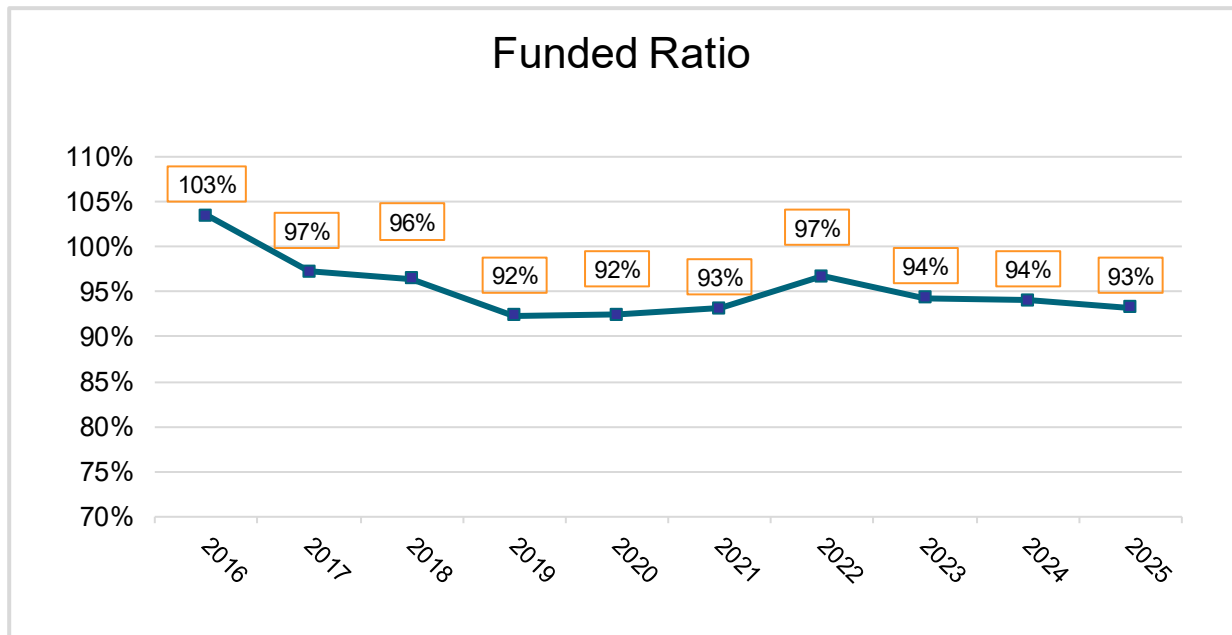
	1/1/21	1/1/22	1/1/23	1/1/24	1/1/25
Funded Ratio	93.15%	96.66%	94.27%	93.99%	93.27%
Unfunded Actuarial Accrued Liability (\$M)	\$ 174.3	\$ 89.6	\$ 163.6	\$ 182.8	\$218.3

The funded ratios would be different if the market value of assets was used. The funded ratio does not necessarily indicate whether or not additional funding is needed, nor does it indicate whether or not the System could settle all liabilities with current assets.





The longer-term historical funded ratio information is shown in the graph below. The reduction in the funded ratio as of January 1, 2017 and January 1, 2019 is due to the adoption of revised actuarial assumptions.



CONTRIBUTION RATE

Under the Entry Age Normal cost method, the actuarial determined contribution rate consists of three 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 which is funded by both member and employer contributions, and
- an "administrative expense rate" to load for expected future Plan Administration expenses.
- 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 unfunded actuarial accrued liability contribution is amortized using layered amortization bases. Under the layered amortization, gains or losses are amortized over 30 years. With each valuation, a new layer is added to the amortization schedule. The amortization of the original unfunded actuarial accrued liability and gains and losses from prior years remain unchanged, providing the expectation that the plan becomes fully funded over the amortization period if all assumptions are met. Contribution volatility is minimized by spreading new gains and losses over new amortization periods each year. Still, volatility can increase as layers drop off and the end of the initial amortization period approaches.



EXECUTIVE SUMMARY



See Section 5 of the report for the detailed development of these contribution rates which are summarized in the following table:

Actuarial Determined Contribution Rates	January 1, 2025	January 1, 2024
1. Total Normal Cost Contribution Rate	6.45%	6.46%
2. UAAL Contribution Rate	0.88%	0.74%
2. Administrative Expenses Contribution Rate	0.13%	0.13%
3. Total Actuarial Determined Contribution Rate (1) + (2) + (3)	7.46%	7.33%
4. Total Employer Contribution Rate	6.46%	6.33%
5. Total Employee Contribution Rate	1.00%	1.00%

The funding policy is expected to accumulate sufficient assets to make all future benefit payments as they become due, if all assumptions are met. Actuarial Standard of Practice Number 4 (ASOP 4) requires the disclosure of a reasonable actuarial determined contribution rate. The current actuarial determined contribution rate is expected to fully fund the plan and reduce the unfunded actuarial accrued liability each year. While there are potentially other reasonable actuarial determined contribution rates, in our professional judgement, the current funding policy meets the guidelines of ASOP 4.

As discussed earlier, the System's benefits include retirement, disability, and survivor benefits.





**THE GWINNETT COUNTY
BOARD OF EDUCATION RETIREMENT SYSTEM
REPORT OF THE ACTUARY
JANUARY 1, 2025**

1. For convenience of reference, the principal results of the valuation and a comparison with the preceding year's results are summarized below:

Valuation Date	January 1, 2025	January 1, 2024
Number of active members	24,151	24,008
Annual earnable compensation	\$ 1,531,682,313	\$ 1,442,064,783
Number of retirees, disabilities and beneficiaries	12,633	12,094
Annual allowances	\$ 141,538,570	\$ 131,148,608
Assets:		
Market Value	\$ 3,040,960,088	\$ 2,733,257,959
Actuarial Value	3,025,301,696	2,856,580,612
Unfunded actuarial accrued liability	\$ 218,337,016	\$ 182,795,623
Contributions for Fiscal Year Ending June 30,	2027	2026
Actuarial Determined Contribution:		
Total Normal Rate	6.45%	6.46%
Administrative Expense Rate	0.13	0.13
Unfunded actuarial accrued liability	<u>0.88</u>	<u>0.74</u>
Total	7.46%	7.33%
Required Employer Contribution	6.46%	6.33%
Required Member Contribution	<u>1.00</u>	<u>1.00</u>
Total	7.46%	7.33%

2. Comments on the valuation results as of January 1, 2025 are given in Section 4 and further discussion of the employer contribution levels is set out in Section 5.



SECTION 1 – SUMMARY OF PRINCIPAL RESULTS



3. Schedule D of this report outlines the full set of actuarial assumptions and methods used to prepare the current valuation. The basis for the assumptions was an experience study dated May 8, 2017.
4. The actuarial cost method is the entry age normal cost method. Schedule E contains a brief description of this method.
5. The major benefit and contribution provisions of the System as reflected in the current valuation are summarized in Schedule F. There have been no changes since the previous valuation.
6. The required member contribution of 1.00% funds the long-term disability benefit for which the member is immediately vested.



SECTION 2 – MEMBERSHIP



1. The following table shows the number of active members and their annual earnable and average compensation as of January 1, 2025 on whose account benefits may be payable under the Retirement System.

**THE NUMBER AND ANNUAL EARNABLE AND AVERAGE COMPENSATION
OF ACTIVE MEMBERS AS OF JANUARY 1, 2025**

TOTAL NUMBER	ANNUAL COMPENSATION	AVERAGE COMPENSATION
24,151	\$1,531,682,313	\$63,421

2. The following table shows the number of inactive members as of January 1, 2025, together with the amount of their annual retirement allowances payable under the System as of that date and reflects a 1.2% cost of living adjustment effective July 1, 2025.

**THE NUMBER AND ANNUAL RETIREMENT ALLOWANCE
OF INACTIVE MEMBERS ON THE ROLL AS OF JANUARY 1, 2025**

GROUP	NUMBER	ANNUAL RETIREMENT ALLOWANCES
Service Retirements	11,533	\$ 129,279,648
Beneficiaries of Deceased Active and Retired Members	752	4,450,663
Disability Retirements	348	7,808,259
Deferred Vested Retirements not yet in Receipt of Benefits	<u>5,125</u>	<u>46,943,506</u>
Total	17,758	\$ 188,482,076



SECTION 3 – ASSETS



1. As of January 1, 2025, the total market value of assets amounted to \$3,040,960,088 as reported by the System. The actuarial value of assets used for the current valuation was \$3,025,301,696. Schedule B shows the development of the actuarial value of assets as of January 1, 2025. The actuarial value of assets are \$15,658,392 less than the market value of assets which indicates that actuarial gains will be recognized over the coming four year period. Absent offsetting investment losses, this will decrease contributions in the future.
2. Schedule C shows receipts and disbursements of the System for the year preceding the valuation date and a reconciliation of the fund balances of the total market value.



SECTION 4 – COMMENTS ON VALUATION



1. Schedule A of this report contains the valuation balance sheet which shows the present and prospective assets and liabilities of the System as of January 1, 2025.
2. The valuation balance sheet shows that the System has total prospective liabilities of \$3,910,128,930, of which \$1,636,647,266 is for the prospective benefits payable on account of present retired members, disabled members and beneficiaries of deceased members, \$2,013,945,917 is for the prospective benefits payable on account of present active members, and \$259,535,747 is on account of inactive members entitled to deferred vested benefits. Against these liabilities, the System has total present assets for valuation purposes of \$3,025,301,696 as of January 1, 2025. The difference of \$884,827,234 between the total liabilities and the total present assets represents the present value of contributions to be made in the future.
3. The contribution to the System consists of a normal contribution, a load for administrative expenses and an accrued liability contribution. The valuation indicates a total normal cost of \$90,477,830. The normal cost rate as a percentage of valuation payroll of \$1,403,464,179 is 6.45%. Valuation payroll is the total compensation of \$1,531,682,313 as of the valuation date reduced for active members who are older than the fixed retirement ages of 70 for TRS Members and 75 for Non-TRS members, adjusted for decrement timing to the middle of the year. 6.45% of payroll is required to provide the benefits of the System.
4. The employer's required contribution is loaded for administrative expenses. The administrative expense load is 0.13%.
5. Prospective normal contributions at the rate of 6.45% have a present value of \$666,490,218. When this amount is subtracted from \$884,827,234, which is the present value of the total future contributions to be made by the employer, there remains \$218,337,016 as the amount of future unfunded actuarial accrued liability contributions.



SECTION 5 – CONTRIBUTIONS PAYABLE TO THE SYSTEM



1. The System's funding policy provides for periodic employer contributions at rates, as determined by the Actuary, when expressed as a percent of annual covered payroll are sufficient to provide resources to pay benefits when due.
2. Employer contributions shall be a percentage of the compensation of active members consisting of a normal contribution rate, a load for administrative expenses and an unfunded actuarial accrued liability contribution rate as determined by actuarial valuation.
3. Members are required to contribute 1.00% of compensation which funds the long term disability benefit which is provided through the Retirement System. The member is immediately vested in this portion of the benefit.
4. The following table summarizes the contribution rates, which were determined by the January 1, 2025 valuation and are recommended for use.

ACTUARIAL DETERMINED CONTRIBUTION RATES FOR FISCAL YEAR ENDING JUNE 30, 2027

CONTRIBUTION	PERCENTAGE OF ACTIVE MEMBERS' COMPENSATION
Normal Rate	
(1) Service Retirement Benefits	4.50%
(2) Disability Benefits	0.89
(3) Survivor Benefits	0.05
(4) Termination Benefits	<u>1.01</u>
Subtotal	6.45%
Administrative Expenses	0.13
Unfunded Actuarial Accrued Liability	<u>0.88</u>
Total	7.46%
Employer Portion	6.46%
Member Portion	<u>1.00</u>
Total	7.46%



SECTION 5 – CONTRIBUTIONS PAYABLE TO THE SYSTEM



UNFUNDED ACTUARIAL ACCRUED LIABILITY BASES

Year	Description	Original Amount	Outstanding Balance as of January 1, 2024	2024 Amortization Payment	Outstanding Balance as of January 1, 2025	2025 Amortization Payment	Years Remaining as of January 1, 2025
2017	Transition Base	(55,617,963)	(20,938,673)	(7,466,721)	(14,435,196)	(7,466,721)	2
2017	Liability Gain	(10,620,724)	(9,685,892)	(812,234)	(9,508,124)	(812,234)	22
2017	Investment Loss	19,211,779	17,520,766	1,469,247	17,199,203	1,469,247	22
2017	Assumption Change	102,493,475	93,472,038	7,838,330	91,756,519	7,838,330	22
2018	Liability Loss	14,419,282	13,366,252	1,101,985	13,141,162	1,101,985	23
2018	Investment Loss	2,499,720	2,317,167	191,040	2,278,146	191,040	23
2019	Liability Loss	8,247,141	7,759,931	629,871	7,639,860	629,871	24
2019	Investment Loss	68,523,523	64,475,412	5,233,444	63,477,769	5,233,444	24
2019	Assumption Change	18,784,950	17,675,206	1,434,690	17,401,713	1,434,690	24
2020	Liability Loss	15,214,025	14,519,148	1,161,737	14,312,465	1,161,737	25
2020	Investment Loss	30,835,116	29,426,770	2,354,558	29,007,875	2,354,558	25
2020	Assumption Change	(42,250,501)	(40,320,775)	(3,226,233)	(39,746,802)	(3,226,233)	25
2021	Liability Gain	(6,979,395)	(6,747,852)	(532,845)	(6,659,381)	(532,845)	26
2021	Investment Gain	(32,859,938)	(31,769,804)	(2,508,705)	(31,353,267)	(2,508,705)	26
2021	Assumption Change	32,203,727	31,135,362	2,458,606	30,727,144	2,458,606	26
2022	Liability Gain	(13,732,015)	(13,438,906)	(1,048,376)	(13,276,453)	(1,048,376)	27
2022	Investment Gain	(73,378,607)	(71,812,346)	(5,602,119)	(70,944,258)	(5,602,119)	27
2023	Liability Loss	4,302,136	4,257,806	328,448	4,210,307	328,448	28
2023	Investment Loss	66,153,415	65,471,764	5,050,509	64,741,375	5,050,509	28
2024	Liability Loss	6,929,501	6,929,501	529,036	6,858,099	529,036	29
2024	Investment Loss	9,182,748	9,182,748	701,061	9,088,128	701,061	29
2025	Liability Loss*	19,654,558			19,654,558	1,500,535	30
2025	Investment Loss	12,766,174			12,766,174	974,639	30
Total			182,795,623	9,285,329	218,337,016	11,760,503	

* Includes differences due to timing of contributions of \$(17,851,694)



SECTION 6 – ADDITIONAL DISCLOSURES



1. Distribution of the number of employees by type of membership as of January 1, 2025:

GROUP	NUMBER
Retirees, disabilities and beneficiaries currently receiving benefits	12,633
Terminated employees entitled to benefits but not yet receiving benefits	5,125
Active plan members	<u>24,151</u>
Total	<u>41,909</u>

2. Schedule of funding progress:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) – Entry Age (b)	Unfunded AAL (UAAL) (b – a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b – a) / c)
1/01/2019	\$2,093,186,076	\$2,266,892,080	\$173,706,004	92.3%	\$1,062,023,886	16.4%
1/01/2020	2,193,385,491	2,373,029,571	179,644,080	92.4	1,123,025,427	16.0
1/01/2021	2,368,393,528	2,542,658,107	174,264,579	93.1	1,117,073,924	15.6
1/01/2022	2,592,867,322	2,682,487,563	89,620,241	96.7	1,191,983,789	7.5
1/01/2023	2,693,760,341	2,857,376,355	163,616,014	94.3	1,310,795,912	12.5
1/01/2024	2,856,580,612	3,039,376,235	182,795,623	94.0	1,442,064,783	12.7
1/01/2025	3,025,301,696	3,243,638,712	218,337,016	93.3	1,531,682,313	14.3



SECTION 6 – ADDITIONAL DISCLOSURES



3. Summary of actuarial methods and assumptions:

Valuation date	January 1, 2025
Actuarial cost method	Entry age
Amortization method	Level dollar closed
Remaining amortization period	2 – 30 years
Asset valuation method	5-year smoothed market
Actuarial assumptions:	
Investment rate of return*	7.15%
Projected salary increase	
TRS members	3.25 – 6.86%
Non-TRS members	3.25%
Cost-of-living adjustments	2.40% annually
*Includes inflation at	2.40%





Analysis of Actuarial Gains or (Losses)

(1)	Unfunded Actuarial Accrued Liability (UAL) as of January 1, 2024	\$	182,795,623
(2)	Normal cost as of January 1, 2024 (Including Expenses)		87,471,015
(3)	Contributions		(117,260,719)
(4)	Interest		<u>15,058,671</u>
(5)	Expected UAL at January 1, 2025 (1) + (2) + (3) + (4)	\$	168,064,590
(6)	Actual UAL at January 1, 2025		<u>218,337,016</u>
(7)	Total Gain/(Loss) (5) – (6)	\$	(50,272,426)
(8)	Asset Gain/(Loss)		(12,766,174)
(9)	Plan Amendments		0
(10)	Assumption and Method Changes		0
(11)	Liability Gain/(Loss) (7) – (8) – (9) – (10)	\$	(37,506,252)
(a)	Retirements		(724,032)
(b)	Terminations		(1,554,390)
(c)	Mortality		(6,553,711)
(d)	Disability		1,706,449
(e)	Salary Increases		(14,676,431)
(f)	New Entrants		(4,480,341)
(g)	Retiree COLA		(8,058,061)
(h)	Other		(3,165,735)



SECTION 7 – EXPERIENCE



Investment (Gain) / Loss Analysis

(1) Actuarial Value of Assets as of January 1, 2024	\$ 2,856,580,612
(2) Interest on Item [(1) x 7.15%]	204,245,514
(3) Contributions for 2024 Plan Year	117,260,719
(4) Interest on [(3) x 7.15% x (1/2)]	4,192,071
(5) Benefit Payments for 2024 Plan Year (Including Administrative Expenses)	(139,233,450)
(6) Interest on Item [(5) x 7.15% x (1/2)]	(4,977,596)
(7) Expected Actuarial Value as of January 1, 2025	\$ 3,038,067,870
(8) Actuarial Value of Assets as of January 1, 2025	\$ 3,025,301,696
(9) Gain / (Loss) [(8) – (7)]	\$ (12,766,174)



SECTION 8 – RISK CONSIDERATIONS



A typical retirement plan faces many different risks, but the greatest risk is the inability to make benefit payments when due. If plan assets are depleted, benefits may not be paid which could create legal and litigation risk or the plan could become “pay as you go”. The term “risk” is most commonly associated with an outcome with undesirable results. However, in the actuarial world, risk can be translated as uncertainty. The actuarial valuation process uses many actuarial assumptions to project how future contributions and investment returns will meet the cash flow needs for future benefit payments. Of course, we know that actual experience will not unfold exactly as anticipated by the assumptions and that uncertainty, whether favorable or unfavorable, creates risk. ASOP 51 defines risk as the potential of actual future measurements to deviate from expected results due to actual experience that is different than the actuarial assumptions.

The various risk factors for a given plan can have a significant impact – positive or negative – on the actuarial projection of liability and contribution rates.

There are a number of risks inherent in the funding of a defined benefit plan. These include:

- economic risks, such as investment return and price inflation;
- demographic risks such as mortality, payroll growth, aging population including impact of baby boomers, and retirement ages;
- contribution risk, i.e., the potential for contribution rates to be too high for the plan sponsor/employer to pay and
- external risks such as the regulatory and political environment.

There is a direct correlation between healthy, well-funded retirement plans and consistent contributions equal to the full actuarial determined contribution rate each year. The Plan is primarily funded by member and employer contributions to the trust fund, together with the earnings on these accumulated contributions. These contributions fund benefit accruals for current active members and administrative expenses. The remainder of the contributions amortizes the unfunded actuarial accrued liability. The required contribution rate is the sum of the rates for the normal cost for the plan and the amortization of the unfunded actuarial accrued liability. The required contribution rate is sensitive to increases in the UAAL and periods of lower than expected returns would lead to much higher contribution rates as a percentage of payroll.

The other significant risk factor for the Plan is investment return because of the volatility of returns and the size of plan assets compared to payroll. A perusal of historical returns over 10-20 years reveals that the actual return each year is rarely close to the average return for the same period. This is to be expected, given the underlying capital market assumptions and the Plan's asset allocation. To the extent market rates of interest affect the expected return on assets, there is a risk of change to the discount rate which determines the present value of liabilities and actuarial valuation results.

A key demographic risk for the Plan is improvements in mortality (longevity) greater than anticipated. While the actuarial assumptions reflect a margin for improvement in mortality experience these assumptions are refined every experience study, the risk arises because there is a possibility of some sudden shift, perhaps from a significant medical breakthrough that could quickly increase liabilities. Likewise, there is some possibility of a significant public health crisis that could result in a significant number of additional deaths in a short time period, which would also be significant, although more easily absorbed. While either of these events could happen, it represents a small probability and thus represents much less risk than the volatility associated with investment returns.



SECTION 8 – RISK CONSIDERATIONS



The following exhibits summarize some historical information that helps indicate how certain key risk metrics have changed over time. Many are due to the maturing of the retirement system.

Historical Asset Volatility Ratios

As a retirement system matures, the size of the market value of assets increases relative to the covered payroll of active members, on which the Plan is funded. The size of the plan assets relative to covered payroll, sometimes referred to as the asset volatility ratio, is an important indicator of the contribution risk for the Plan. The higher this ratio, the more sensitive a plan's contribution rate is to investment return volatility. In other words, it will be harder to recover from investment losses with increased contributions.

Valuation Year	Market Value of Assets (\$ Millions)	Covered Payroll (\$ Millions)	Asset Volatility Ratio
2009	949	931	1.02
2010	1,164	899	1.29
2011	1,332	889	1.50
2012	1,346	866	1.55
2013	1,500	841	1.78
2014	1,696	854	1.99
2015	1,769	896	1.97
2016	1,737	945	1.84
2017	1,836	981	1.87
2018	2,068	1,023	2.02
2019	1,914	1,062	1.80
2020	2,249	1,123	2.00
2021	2,479	1,117	2.22
2022	2,816	1,192	2.36
2023	2,391	1,311	1.82
2024	2,733	1,442	1.90
2025	3,041	1,532	1.98

The assets at December 31, 2024 are 198% of payroll, so underperforming the investment return assumption by 1.00% (i.e., earning 6.15% for one year) is equivalent to 1.98% of payroll. While the actual impact in the first year is mitigated by the asset smoothing method and amortization of the UAL, this illustrates the risk associated with volatile investment returns.



SECTION 8 – RISK CONSIDERATIONS



Historical Cash Flows

Plans with negative cash flows will experience increased sensitivity to investment return volatility. Cash flows, for this purpose, are measured as contributions less benefit payments and administrative expenses. If the Plan has negative cash flows and then experiences returns below the assumed rate, there are fewer assets to be reinvested to earn the higher returns that typically follow. The Plan has negative cash flows of less than 1% for the prior six years, so there is no immediate concern.

Valuation Year	Market Value of Assets (\$ Millions)	Contributions (\$ Millions)	Benefit Payments & Expenses (\$ Millions)	Net Cash Flow (\$ Millions)	Net Cash Flow as % of Market Value
2009	949	63	30	33	3.48
2010	1,164	64	38	26	2.23
2011	1,332	49	41	8	0.60
2012	1,346	53	44	9	0.67
2013	1,500	42	50	(8)	(0.53)
2014	1,696	35	55	(20)	(1.18)
2015	1,769	45	61	(16)	(0.90)
2016	1,737	44	67	(23)	(1.32)
2017	1,836	41	73	(32)	(1.74)
2018	2,068	46	80	(34)	(1.64)
2019	1,914	60	87	(27)	(1.41)
2020	2,249	74	94	(20)	(0.89)
2021	2,479	85	102	(17)	(0.69)
2022	2,816	93	110	(17)	(0.60)
2023	2,391	101	119	(18)	(0.75)
2024	2,733	109	129	(20)	(0.73)
2025	3,041	117	139	(22)	(0.72)





Liability Maturity Measurement

Most public sector retirement systems have been in operation for many years. As a result, they have aging plan populations, and in some cases declining active populations, resulting in an increasing ratio of retirees to active members and a growing percentage of retiree liability. The retirement of the remaining baby boomers over the next decade is expected to further exacerbate the aging of the retirement system population. With more of the total liability residing with retirees, investment volatility has a greater impact on the funding of the system since it is more difficult to restore the system financially after losses occur when there is comparatively less payroll over which to spread costs. The following two tables demonstrate the ratio of the System's retiree liability compared to the total accrued liability and the ratio of the number of retirees and beneficiaries to the number of active members.

Valuation Year	Retiree & Deferred Vested Liability (\$ Millions)	Total Actuarial Liability (\$ Millions)	Retiree Percentage
2009	430	1,145	0.38
2010	483	1,240	0.39
2011	538	1,348	0.40
2012	598	1,337	0.45
2013	709	1,458	0.49
2014	779	1,540	0.51
2015	865	1,657	0.52
2016	953	1,776	0.54
2017	1,080	1,986	0.54
2018	1,173	2,112	0.56
2019	1,281	2,267	0.57
2020	1,342	2,373	0.57
2021	1,454	2,543	0.57
2022	1,543	2,682	0.58
2023	1,668	2,857	0.58
2024	1,779	3,039	0.59
2025	1,896	3,244	0.58





Historical Member Statistics

Valuation Year	Active Count	Retiree Count	Active to Retiree Ratio
2009	20,478	5,947	3.44
2010	20,551	6,435	3.19
2011	20,425	6,976	2.93
2012	19,991	7,593	2.63
2013	19,586	8,542	2.29
2014	19,906	9,329	2.13
2015	20,254	10,256	1.97
2016	20,596	11,187	1.84
2017	20,865	12,078	1.73
2018	20,953	12,992	1.61
2019	21,239	13,845	1.53
2020	21,508	14,624	1.47
2021	21,059	15,303	1.38
2022	21,668	15,898	1.36
2023	22,746	16,584	1.37
2024	24,008	17,214	1.39
2025	24,151	17,758	1.36

Liquidation Risk

Under the revised Actuarial Standards of Practice (ASOP) No. 4 effective for valuations after February 15, 2023, we must now 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 this plan.

This measure uses the unit credit cost method and reflects all the assumptions and provisions of the funding valuation except that the discount rate is derived from considering low-default-risk fixed income securities. We considered the FTSE Pension Discount Curve based on market bond rates published by the Society of Actuaries as of January 1, 2025 and with the 30-year spot rate used for all durations beyond 30. Using these assumptions, we calculate a liability of approximately \$3.3 billion.

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. This assurance of funded status and benefit security is typically more relevant for corporate plans than for governmental plans since governments rarely have the need or option to completely terminate a plan.



SCHEDULE A – VALUATION BALANCE SHEET



**VALUATION BALANCE SHEET
SHOWING THE PRESENT AND PROSPECTIVE ASSETS AND LIABILITIES OF
THE GWINNETT COUNTY BOARD OF EDUCATION RETIREMENT SYSTEM
AS OF JANUARY 1, 2025**

<u>ASSETS</u>	
Actuarial Value of Assets	\$ 3,025,301,696
Present value of future employer contributions	
Normal contributions	\$ 666,490,218
Unfunded actuarial accrued liability contributions	<u>218,337,016</u>
Total Prospective Contributions	<u>884,827,234</u>
Total Assets	<u>\$ 3,910,128,930</u>
<u>LIABILITIES</u>	
Present value of prospective benefits payable on account of present retired members, disabled members and beneficiaries of deceased members	\$ 1,636,647,266
Present value of prospective benefits payable on account of present active and inactive members and members entitled to deferred vested benefits	<u>\$ 2,273,481,664</u>
Total Liabilities	<u>\$ 3,910,128,930</u>



SCHEDULE B – DEVELOPMENT OF ACTUARIAL VALUE OF ASSETS



Valuation date January 1:	2024	2025	2026	2027	2028	2029
A. Actuarial Value Beginning of Year	\$2,693,760,341	\$2,856,580,612				
B. Market Value End of Year	2,733,257,959	3,040,960,088				
C. Market Value Beginning of Year	2,390,802,564	2,733,257,959				
D. Cash Flow						
D1. Contributions	\$ 108,768,631	\$ 117,260,719				
D2. Transfers	0	0				
D3. Benefit Payments	(126,773,704)	(137,182,467)				
D4. Administrative Expenses	(1,884,713)	(2,050,983)				
D5. Investment Expenses	(6,808,465)	(7,936,487)				
D6. Net	\$ (26,698,251)	(29,909,218)				
E. Investment Income						
E1. Market Total: B.-C.-D6.	\$ 369,153,646	\$ 337,611,347				
E2. Assumed Rate	7.15%	7.15%				
E3. Amount for Immediate Recognition	177,039,788	202,578,906				
E4. Amount for Phased-In Recognition	192,113,858	135,032,441				
F. Phased-In Recognition of Investment Income						
F1. Current Year: 0.20*E4.	\$ 38,422,772	\$ 27,006,488	\$ 0	\$ 0	\$ 0	\$ 0
F2. First Prior Year	(121,537,174)	38,422,772	27,006,488	0	0	0
F3. Second Prior Year	35,438,468	(121,537,174)	38,422,772	27,006,488	0	0
F4. Third Prior Year	16,720,842	35,438,468	(121,537,174)	38,422,772	27,006,488	0
F5. Fourth Prior Year	43,433,826	16,720,842	35,438,467	(121,537,172)	38,422,770	27,006,489
F6. Total Recognized Investment Gain	\$ 12,478,734	\$ (3,948,604)	\$ (20,669,447)	\$ (56,107,912)	\$ 65,429,258	\$ 27,006,489
G. Actuarial Value End of Year:						
A.+D6.+E3.+F6.	\$2,856,580,612	\$3,025,301,696				
H. Difference Between Market & Actuarial Values	\$ (123,322,653)	\$ 15,658,392	\$ 36,327,839	\$ 92,435,751	\$ 27,006,489	\$ 0
I. Market Value Rate of Return	15.22%	12.11%				
J. Actuarial Value Rate of Return	6.81%	6.70%				

The Actuarial Valuation of Assets recognizes assumed investment income (line E3) fully each year. Differences between actual and assumed investment income (line E4) are phased in over a closed 5 year period. During periods when investment performance exceeds the assumed rate, Actuarial Value of Assets will tend to be less than market value. During periods when investment performance is less than the assumed rate, Actuarial Value of Assets will tend to be greater than market value. If assumed rates are exactly realized for 4 consecutive years, actuarial value will become equal to market value.



SCHEDULE C – TOTAL FUND SUMMARY



<u>Receipts for the Year</u>	YEAR ENDING	
	<u>January 1, 2025</u>	<u>January 1, 2024</u>
Contributions:		
Employer	\$ 101,867,325	\$ 94,454,442
Members	<u>15,393,394</u>	<u>14,314,189</u>
Subtotal	\$ 117,260,719	\$ 108,768,631
Investment Income	<u>329,674,860</u>	<u>362,345,181</u>
 TOTAL	 \$ 446,935,579	 \$ 471,113,812
 <u>Disbursements for the Year</u>		
Benefit Payments	\$ 137,182,467	\$ 126,773,704
Expenses	<u>2,050,983</u>	<u>1,884,713</u>
TOTAL	\$ 139,233,450	\$ 128,658,417
 <u>Excess of Receipts over Disbursements</u>	 \$ 307,702,129	 \$ 342,455,395
 <u>Reconciliation of Asset Balances</u>		
Asset Balance as of the Beginning of Year (Market Value)	\$ 2,733,257,959	\$ 2,390,802,564
Adjustments	0	0
Excess of Receipts over Disbursements	<u>307,702,129</u>	<u>342,455,395</u>
Asset Balance as of the End of Year (Market Value)	<u>\$ 3,040,960,088</u>	<u>\$ 2,733,257,959</u>



SCHEDULE D – ACTUARIAL ASSUMPTIONS AND METHODS



INVESTMENT RATE OF RETURN: 7.15% per annum, compounded annually, net of investment expenses and including inflation at 2.40%.

SALARY INCREASES: Sample rates below, plus an annual wage inflation rate of 2.40% and wage growth rate of 0.85%.

Annual Merit Rates		
Service	TRS Members	Non-TRS Members
0	3.50%	0.00%
1	2.25	0.00
2	2.00	0.00
3	1.75	0.00
4	1.50	0.00
5	1.25	0.00
6	1.00	0.00
7	0.75	0.00
8	0.50	0.00
9 - 14	0.25	0.00
15+	0.00	0.00

SERVICE RETIREMENT:

Annual Rates			
Age	TRS Members		Non-TRS Members
	< 30 years of Service	30+ years of Service	
40	10.0%	20.0%	
45	10.0	20.0	
50	10.0	35.0	
55	10.0	35.0	
60	26.0	40.0	13.0%
65	36.0	40.0	18.0
70	100.0	100.0	18.0
75	100.0	100.0	100.0



SCHEDULE D – ACTUARIAL ASSUMPTIONS AND METHODS



DISABILITY RETIREMENT:

Annual Rates of Disability		
Age	TRS	PSERS
20	0.01%	0.10%
25	0.02	0.10
30	0.04	0.10
35	0.05	0.20
40	0.07	0.30
45	0.10	0.40
50	0.13	0.50
55	0.16	0.60
60	0.20	0.70
64	0.20	0.70
65	0.20	0.70

WITHDRAWAL:

Annual Rates of Withdrawal		
Service	TRS Members	Non-TRS Members
0	15.63%	20.00%
1	13.00	16.00
2	11.00	12.10
3	9.44	9.90
4	8.09	8.50
5	7.04	6.82
6	6.28	6.09
7	5.52	5.64
8	4.76	5.18
9	4.25	4.82
10	3.75	4.45
11	3.75	4.70
12	3.75	4.40
13	3.75	4.20
14	3.75	4.00
15+	3.75	3.80





MORTALITY RATES:

TRS Members: The Pub-2010 Teachers Headcount Weighted Below Median Healthy Retiree mortality table (ages set forward one year and adjusted 106%) with the MP-2019 Projection scale applied generationally is used for death after service retirement and beneficiaries. The rates of improvement have been reduced by 20% for all years prior to the ultimate rate. The Pub-2010 Teachers Mortality Table for Disabled Retirees (ages set forward one year and adjusted 106%) with the MP-2019 Projection scale applied generationally is used for death after disability retirement. The rates of improvement have been reduced by 20% for all years prior to the ultimate rate. The representative rates shown below are based on a projection to 2015. Actual mortality rates are projected generationally to the year of the measurement.

Age	Service Retirement *		Disability Retirement *	
	<u>Men</u>	<u>Women</u>	<u>Men</u>	<u>Women</u>
40	0.07%	0.05%	0.84%	0.74%
45	0.11	0.07	1.21	1.10
50	0.18	0.11	1.84	1.62
55	0.52	0.39	2.48	1.97
60	0.64	0.41	3.06	2.25
65	0.84	0.53	3.72	2.62
70	1.46	0.93	4.63	3.37
75	2.70	1.79	6.18	4.78
80	4.96	3.43	8.86	7.23
85	9.05	6.59	13.02	11.20
90	16.07	12.31	18.80	16.08
95	26.12	21.73	27.04	22.76

* Rates as of 2015



SCHEDULE D – ACTUARIAL ASSUMPTIONS AND METHODS



Non-TRS Members: The RP-2000 Blue Collar Mortality Table projected to 2025 using the BB projection is used for deaths. The RP-2000 Disability Mortality Table projected to 2025 using the BB projection is used for death after disability retirement. Representative values of the assumed annual rates of death after service retirement and after disability retirement are shown below:

Age	Service Retirement		Disability Retirement	
	<u>Men</u>	<u>Women</u>	<u>Men</u>	<u>Women</u>
40	0.13%	0.08%	2.09%	0.69%
45	0.17	0.13	2.09	0.69
50	0.22	0.18	2.69	1.07
55	0.39	0.25	3.29	1.46
60	0.69	0.38	3.53	1.70
65	1.15	0.77	3.71	2.07
70	1.83	1.38	4.29	2.78
75	2.96	2.28	5.62	3.86
80	4.83	3.62	7.50	5.35
85	7.89	6.15	9.70	7.41
90	13.78	10.37	13.91	10.62
95	22.32	16.57	23.01	16.73



SCHEDULE D – ACTUARIAL ASSUMPTIONS AND METHODS



POST RETIREMENT INCREASES (COLA): Increases of 2.40% annually after the current year were anticipated.

ASSETS: For funding purposes, the value of assets is equal to the actuarial value. The actuarial value of assets recognizes a portion of the difference between the market value of assets and the expected market value of assets, based on the assumed valuation rate of return. The amount recognized each year is 20% of the difference between actual market value return and expected market value return.

SPOUSES: 100% of active members were assumed to be married with the husband 3 years older than his wife.

ADMINISTRATIVE EXPENSES LOAD: The administrative expenses from the previous year are added to the normal cost.





1. The valuation is prepared on the projected benefit basis, under which the present value, at the investment rate of return assumed to be earned in the future (currently 7.15%), of each active member's expected benefit at retirement or death is determined, based on his age, service, sex and compensation. The calculations take into account the probability of a member's death or termination of employment prior to becoming eligible for a benefit, as well as the possibility of his terminating with a service, disability or survivor's benefit. Future salary increases and post-retirement cost-of-living adjustments are also anticipated. The present value of the expected benefits payable on account of the active members is added to the present value of the expected future payments to retired members and beneficiaries and inactive members to obtain the present value of all expected benefits payable from the System on account of the present group of members and beneficiaries.
2. The employer contributions required to support the benefits of the System are determined following a level funding approach and consist of a normal contribution and an accrued liability contribution.
3. The normal contribution is determined using the "entry age normal" method. Under this method, a calculation is made to determine the uniform and constant percentage rate of employer contribution which, if applied to the compensation of the average new member during the entire period of his anticipated covered service, would be required in addition to the contributions of the member to meet the cost of all benefits payable on his behalf.
4. The unfunded actuarial accrued liability is determined by subtracting the present value of prospective normal contributions, together with the current actuarial value of assets held, from the present value of expected benefits to be paid from the System.
5. The initial unfunded actuarial accrued liability as of January 1, 2017 is amortized using a 10-year closed period. New sources of unfunded actuarial accrued liability resulting from all benefit changes, assumption and method changes, and experience gains and/or loss that have occurred since the previous valuation are amortized using a 30-year closed period.



SCHEDULE F – PLAN PROVISIONS



Effective January 1, 1983, the Board of Education of Gwinnett County Public Schools withdrew from coverage under the Social Security System and the Gwinnett County Board of Education Retirement System was adopted to provide certain replacement benefits for those which would have been provided by Social Security.

The following summary describes the main benefit and contribution provisions of the System as interpreted for the valuation.

Years of Service	Aggregate period of employment consisting of years of service and parts thereof.
Earnings	Total compensation paid to an employee by employer during a calendar year, as reported on the Employee's Federal Withholding Tax Form W-2.
Accrued Retirement Benefit	2.2% of Earnings up to the Earnings Breakpoint for the year plus 1.6% of earnings in excess of such Earnings Break Point.
Earnings Break Point	\$9,000
Service Retirement Benefit	
Condition for Allowance	Any member may retire on a service retirement allowance upon the attainment of age 65.
Amount of Allowance	Accrued Retirement Benefit.
Early Retirement	
Condition for Allowance	A participant may retire early on the first day of any month on or after attaining eligibility for early retirement under the Teachers' Retirement System of Georgia or Public School Employees' Retirement System of Georgia, or any successors thereto.
Amount of Allowance	Accrued retirement benefit multiplied by the applicable early retirement commencement factor.





Death Benefit

Condition for Allowance	5 years of service if hired before July 1, 2012. 9 years and 9 months of service if hired after July 1, 2012 or if a non-vested former employee who is rehired after July 1, 2012.
Amount of Allowance	The spouse's monthly benefit shall be the actuarial equivalent of 50% of the participants accrued retirement benefits as of the time of death.

Vesting Benefit

Condition for Allowance	5 years of service if hired before July 1, 2012. 9 years and 9 months of service if hired after July 1, 2012 or if a non-vested former employee who is rehired after July 1, 2012.
Amount of Allowance	Accrued retirement benefit commencing as of the member's normal retirement date.

Disability Benefit

Condition for Allowance	None.
Amount of Allowance	60% of the participants earnings in the calendar year preceding disability. Benefits of this plan shall be the amounts necessary, when added to benefits available under other plans, to provide the 60% benefit level. Other plans shall include Teacher's Retirement System, Public Schools Employees Retirement Systems, Workers' Compensation, Social Security and any successor thereto. A person entitled to Disability Benefits shall continue to receive retirement benefit accruals. His earnings shall be considered equal to his earnings in the last complete calendar year preceding disability.





Normal Form of Retirement Income

The normal form of retirement income payable under this Plan is a single life annuity. Participants may elect to receive an actuarially equivalent joint and survivor optional form of payment.

Cost-of-Living Adjustment

The retirement allowances of members or of any beneficiary of a member shall be subject to an adjustment every July 1st. The committee shall determine a current average cost of living index calculated by averaging the 12 preceding monthly consumer price indices for all urban consumers for the previous calendar year. The maximum increase in retirement allowances shall not exceed 3%.

Contributions by Employer

The actuary shall calculate the amount of contributions which are sufficient to fund the benefits provided by the Retirement Fund. The employer may rely upon the amounts determined by the actuary of the amount of contributions needed to carry out the Plan.

Contributions by Employee

1.00% of compensation for the purpose of funding the long term disability benefit in which they are immediately vested.



SCHEDULE G – SCHEDULE OF ACTIVE PARTICIPANT DATA



TOTAL PARTICIPANTS AS OF JANUARY 1, 2025

Attained Age	Completed Years of Service										Total
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	≥ 40	
Under 25	394	387									781
Avg. Pay	49,386	52,117									50,739
25 to 29	381	1,447	286	1							2,115
Avg. Pay	51,024	58,681	66,307	31,063							58,320
30 to 34	282	958	833	183	1						2,257
Avg. Pay	49,978	56,254	67,653	72,546	72,439						61,005
35 to 39	237	949	669	459	123						2,437
Avg. Pay	51,460	53,378	68,104	74,986	81,493						62,723
40 to 44	274	1,095	721	356	531	177					3,154
Avg. Pay	45,041	53,741	67,981	75,251	84,339	87,661					65,723
45 to 49	276	996	807	368	484	486	102				3,519
Avg. Pay	50,314	53,917	66,122	71,154	83,840	94,033	100,013				69,228
50 to 54	197	864	801	483	601	489	297	37			3,769
Avg. Pay	54,842	54,559	62,247	69,588	80,483	88,971	98,527	98,237			70,626
55 to 59	144	612	625	383	637	452	205	39	12	1	3,110
Avg. Pay	50,097	52,279	59,802	61,064	70,745	78,738	85,994	85,551	55,822	59,672	65,055
60 to 64	103	387	379	290	416	309	108	34	8	4	2,038
Avg. Pay	45,063	48,242	52,453	53,959	59,265	62,898	68,202	69,716	53,707	82,411	55,655
65 to 69	33	158	144	104	102	75	32	14	4	2	668
Avg. Pay	34,161	43,034	47,039	47,001	55,745	54,940	67,265	48,421	43,630	55,933	48,670
70 & up	15	61	86	41	42	27	13	11	3	4	303
Avg. Pay	35,312	40,120	40,211	37,416	45,297	52,407	43,799	57,722	45,777	46,110	42,286
Total	2,336	7,914	5,351	2,668	2,937	2,015	757	135	27	11	24,151
Avg. Pay	49,543	54,236	63,652	67,379	75,293	82,027	88,745	78,922	52,273	62,329	63,421

Average Age: 46.10

Average Service: 8.88



SCHEDULE G – SCHEDULE OF ACTIVE PARTICIPANT DATA



PSERS MEMBERS AS OF JANUARY 1, 2025

Attained Age	Completed Years of Service										
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	≥ 40	Total
Under 25	30	13									43
Avg. Pay	24,378	21,791									23,596
25 to 29	24	45	6								75
Avg. Pay	24,023	25,582	25,346								25,064
30 to 34	40	91	23	7							161
Avg. Pay	26,210	27,630	30,640	30,180							27,818
35 to 39	49	147	33	11	10						250
Avg. Pay	25,976	26,684	27,714	27,730	24,439						26,638
40 to 44	75	210	64	20	10	9					388
Avg. Pay	25,348	26,997	31,354	33,927	30,462	33,250					27,988
45 to 49	81	205	101	46	28	11	1				473
Avg. Pay	27,408	29,000	33,442	35,624	33,680	40,099	40,904				30,881
50 to 54	46	210	142	70	59	27	8	2			564
Avg. Pay	25,972	29,673	33,496	36,097	36,452	38,263	41,795	37,308			32,451
55 to 59	45	172	142	94	99	62	18	6	5	1	644
Avg. Pay	30,522	31,714	35,386	37,762	34,880	35,092	36,361	38,157	36,603	59,672	34,406
60 to 64	43	163	139	102	114	74	19	12	6	1	673
Avg. Pay	28,874	30,744	32,980	37,585	34,568	35,587	35,394	37,893	43,291	44,321	33,694
65 to 69	22	74	61	51	36	25	8	8	4	1	290
Avg. Pay	25,272	27,889	29,944	36,057	35,779	34,965	41,912	43,290	43,630	40,904	32,222
70 & up	8	36	51	33	23	13	6	7		4	181
Avg. Pay	24,683	27,498	31,340	35,077	34,875	35,158	41,069	34,809		46,110	32,469
Total	463	1,366	762	434	379	221	60	35	15	7	3,742
Avg. Pay	26,595	28,724	32,737	36,267	34,635	35,809	38,066	38,522	41,152	47,048	31,495

Average Age: 52.97

Average Service: 7.90



SCHEDULE G – SCHEDULE OF ACTIVE PARTICIPANT DATA



TRS MEMBERS AS OF JANUARY 1, 2025

Attained Age	Completed Years of Service										
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	≥ 40	Total
Under 25	364	374									738
Avg. Pay	51,447	53,171									52,321
25 to 29	357	1,402	280	1							2,040
Avg. Pay	52,839	59,744	67,185	31,063							59,543
30 to 34	242	867	810	176	1						2,096
Avg. Pay	53,906	59,259	68,704	74,231	72,439						63,554
35 to 39	188	802	636	448	113						2,187
Avg. Pay	58,102	58,271	70,200	76,147	86,542						66,848
40 to 44	199	885	657	336	521	168					2,766
Avg. Pay	52,462	60,087	71,549	77,710	85,374	90,576					71,017
45 to 49	195	791	706	322	456	475	101				3,046
Avg. Pay	59,829	60,374	70,797	76,229	86,920	95,282	100,598				75,183
50 to 54	151	654	659	413	542	462	289	35			3,205
Avg. Pay	63,636	62,550	68,443	75,265	85,276	91,935	100,097	101,719			77,344
55 to 59	99	440	483	289	538	390	187	33	7		2,466
Avg. Pay	58,995	60,318	66,981	68,643	77,345	85,677	90,771	94,168	69,550		73,059
60 to 64	60	224	240	188	302	235	89	22	2	3	1,365
Avg. Pay	56,665	60,974	63,732	62,843	68,588	71,498	75,206	87,074	84,953	95,108	66,482
65 to 69	11	84	83	53	66	50	24	6		1	378
Avg. Pay	51,938	56,377	59,604	57,532	66,635	64,928	75,716	55,263		70,962	61,289
70 & up	7	25	35	8	19	14	7	4	3		122
Avg. Pay	47,459	58,295	53,138	47,064	57,912	68,425	46,140	97,819	45,777		56,851
Total	1,873	6,548	4,589	2,234	2,558	1,794	697	100	12	4	20,409
Avg. Pay	55,215	59,559	68,786	73,424	81,317	87,720	93,108	93,062	66,174	89,071	69,275

Average Age: 44.84

Average Service: 9.06



SCHEDULE H – RECONCILIATION OF PARTICIPANT DATA



	<u>Actives</u>	<u>Retired</u>	<u>Beneficiary</u>	<u>Term Vested</u>	<u>Disabled</u>	<u>Total</u>
Number of members as of January 1, 2024	24,008	11,041	704	5,120	349	41,222
Changes in status during the year:						
Service Retirement	(542)	674		(130)	(2)	
Disability Retirement	(25)				25	
Vested Termination	(246)			251	(5)	
Return to Work	284			(68)	(8)	208
Correction						
Terminated Non-Vested					(1)	(1)
No longer participating due to:						
Death	(19)	(182)	(20)	(8)	(10)	(239)
Data Correction						
Withdrawal	(1,771)					(1,771)
Lump Sum	(19)		(3)	(42)		(64)
New Member due to:						
Initial Participation	2,481			2		2,483
Death of Member			71			71
Data Correction		0				
Number of members as of January 1, 2025	24,151	11,533	752	5,125	348	41,909

