Monroe County Employees' Retirement System

Actuarial Valuation

As of January 1, 2026
Contributions Applicable to the Plan/
Fiscal Year Ending December 31, 2026

FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

June 24, 2026

Board of Trustees
Monroe County Employees' Retirement System

Re: Actuarial Valuation Report - Monroe County Employees' Retirement System

Dear Board,

This report details the annual actuarial valuation of the Employees' Retirement System as of January 1, 2026.

The valuation was performed to measure the plan's liability and funding levels and to determine the actuarially appropriate funding requirements for the plan year ending December 31, 2026. This report was prepared for use by the Board. Use of the results for other purposes may not be applicable and could produce significantly different results.

DATA AND ASSUMPTIONS

In preparing this report, we have relied on personnel, plan design and asset information supplied by the Board. In our opinion, the assumptions used in the valuation, as adopted by the Board of Trustees, represent reasonable expectations of anticipated fund experience. Other sets of assumptions and methods could also be reasonable and could produce materially different results. While we cannot verify the accuracy of all this information, the supplied information was reviewed for consistency and reasonableness. As a result of this review, we have no reason to doubt the substantial accuracy of the information and believe that it has produced appropriate results. This information, along with any adjustments or modifications, is summarized in various sections of this report.

DISCLOSURES AND LIMITATIONS

Future actuarial measurements may differ significantly from the current measurements presented in this report due to factors such as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; 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); and changes in plan provisions or applicable law. Due to the limited scope of this report, we did not provide an analysis of these potential differences.

The funding percentages and unfunded accrued liability as measured based on the actuarial value of assets will differ from similar measures based on the market value of assets. These measures, as provided, are appropriate for determining the adequacy of future contributions, but may not be appropriate for the purpose of settling a portion or all of its liabilities.

In performing the analysis, we used third-party software to model (calculate) the underlying liabilities and costs. These results are reviewed in the aggregate and for individual sample lives. The output from the software is either used directly or input into internally developed models to generate the costs. All internally developed models are reviewed as part of the process. As a result of this review, we believe that the models have produced reasonable results. We do not believe there are any material inconsistencies among assumptions or unreasonable output produced due to the aggregation of assumptions.

ACTUARIAL CERTIFICATION

The valuation has been conducted in accordance with all applicable laws and regulations, as well as generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board; specifically No. 4 for Measuring Pension Obligations and Determining Pension Plan Costs or Contributions, No. 23 for Data Quality, No. 27 for Selection of Economic Assumptions for Measuring Pension Obligations, No. 35 for Selection of Demographic and Other Noneconomic Assumptions for Measuring Pension Obligations, No. 44, Selection and Use of Asset Valuation Methods for Pension Valuations, and No. 51, Assessment and Disclosure of Risk Associated with Measuring Pension Obligations.

In our opinion, the Minimum Required Contribution set forth in this report constitutes a reasonable actuarially determined contribution under Actuarial Standard of Practice No. 4.

The undersigned are familiar with the immediate and long-term aspects of pension valuations and meet the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. All of the sections of this report are considered an integral part of the actuarial opinions.

To our knowledge, no associate of Foster & Foster, Inc. working on this report has any direct financial interest or indirect material interest in the Monroe County, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the Employees' Retirement System. Thus, there is no relationship existing that might affect our capacity to prepare and certify this actuarial report.

Respectfully submitted,

Foster & Foster, Inc.

Paul M. Baugher

Paul M. Baugher, FSA, EA, MAAA

David D. Reichert

David D. Reichert, EA

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SUMMARY

The regular annual actuarial valuation of the Monroe County Employees' Retirement System, performed as of January 1, 2026, has been completed and the results are presented in this Report. The contribution amounts set forth herein are applicable to the plan/fiscal year beginning December 31, 2026.

The contribution requirements, compared with those set forth in the January 1, 2025 actuarial report, are as follows:

Valuation Date	1/1/2026	1/1/2025
Applicable to Fiscal Year Beginning	12/31/2026	12/31/2025
Total Recommended Contribution	$7,411,641	$6,430,142
Member Contributions (Est.)	(2,147,512)	(1,928,819)
County Recommended Contribution	5,264,129	4,501,323

As you can see, the Total Recommended Contribution shows an increase from the January 1, 2025 actuarial valuation report. The increase is attributable to the change in actuarial service provider and unfavorable plan experience, as noted below.

Plan experience was unfavorable overall on the basis of the plan's actuarial assumptions. Sources of unfavorable experience included more retirements than expected, an average salary increase of 6.51% which exceeded the 4.50% assumption, and less turnover than expected. These losses were offset in part by gains associated with an investment return of 7.70% (Actuarial Asset Basis) which exceeded the 6.75% assumption and higher than expected inactive mortality.

CHANGES SINCE PRIOR VALUATION

The valuation reflects no plan changes.

The valuation reflects no assumption or method changes

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

Valuation Date	1/1/2026	1/1/2025 [1]
A. Participant Data		
Number Included		
Actives	677	637
Service Retirees	446	422
Beneficiaries	17	21
Disability Retirees	5	5
Terminated	109	115
Total	1,254	1,200
Total Annual Payroll	$41,599,645	$37,316,930
Payroll Under Assumed Ret. Age	41,548,000	37,316,930
Annual Rate of Payments to:		
Service Retirees	7,769,440	N/A
Beneficiaries	142,309	N/A
Disability Retirees	43,214	N/A
Terminated	838,469	N/A
B. Assets		
Actuarial Value	154,239,372	144,814,118
Market Value	164,744,944	144,718,302
C. Liabilities		
Present Value of Benefits		
Actives		
Retirement Benefits	98,053,022	N/A
Disability Benefits	0	N/A
Death Benefits	1,246,824	N/A
Vested Benefits	12,100,890	N/A
Service Retirees	79,395,098	N/A
Beneficiaries	1,063,380	N/A
Disability Retirees	461,041	N/A
Terminated	9,240,800	N/A
Total	201,561,055	185,156,187

[1] Values reported for 1/1/2025 are consistent with the report issued by Korn Ferry.

Valuation Date	1/1/2026	1/1/2025 [1]
C. Liabilities - (Continued)		
Present Value of Future Salaries	336,669,591	N/A
Present Value of Future Member Contributions	16,833,480	N/A
Normal Cost (Retirement)	3,099,996	N/A
Normal Cost (Disability)	0	N/A
Normal Cost (Death)	58,221	N/A
Normal Cost (Vesting)	959,780	N/A
Total Normal Cost	4,117,997	3,707,377
Present Value of Future Normal Costs	29,547,293	N/A
Accrued Liability (Retirement)	74,369,453	N/A
Accrued Liability (Disability)	0	N/A
Accrued Liability (Death)	825,469	N/A
Accrued Liability (Vesting)	6,658,521	N/A
Accrued Liability (Inactives)	90,160,319	N/A
Total Actuarial Accrued Liability	172,013,762	159,068,854
Unfunded Actuarial Accrued Liability (UAAL)	17,774,390	14,254,736
Funded Ratio (AVA / AL)	89.7%	91.0%

[1] Values reported for 1/1/2025 are consistent with the report issued by Korn Ferry.

Valuation Date	1/1/2026	1/1/2025 [1]
D. Actuarial Present Value of Accrued Benefits		
Vested Accrued Benefits		
Inactives	90,160,319	N/A
Actives	31,385,350	N/A
Member Contributions	25,228,638	N/A
Total	146,774,307	N/A
Non-vested Accrued Benefits	1,022,170	N/A
Total Present Value Accrued Benefits	147,796,477	N/A
Funded Ratio (MVA / PVAB)	111.5%	N/A
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:		
Plan Amendments	N/A	
Assumption Changes	N/A	
Plan Experience	N/A	
Benefits Paid	N/A	
Interest	N/A	
Other	N/A	
Total	N/A	

[1] Values reported for 1/1/2025 are consistent with the report issued by Korn Ferry.

Valuation Date	1/1/2026	1/1/2025
Applicable to Fiscal Year Ending	12/31/2026	12/31/2025 [1]
E. Pension Cost		
Normal Cost [1]	$4,395,962	$3,957,625
Administrative Expenses	0	0
Payment Required to Amortize Unfunded Actuarial Accrued Liability / (Funding Adjustment) (as of 1/1/2026)	3,015,679	2,472,517
Total Recommended Contribution	7,411,641	6,430,142
Expected Member Contributions	(2,147,512)	(1,928,819)
Expected County Contribution	5,264,129	4,501,323
% of Total Annual Payroll	12.65	12.06
F. Past Contributions		
Plan Years Ending:	12/31/2025	
Total Recommended Contribution	7,476,387	
County	4,501,323	
Actual Contributions Made:		
Members (excluding buyback)	2,975,064	
County	4,506,159	
Total	7,481,223	
G. Net Actuarial (Gain)/Loss	5,034,813	

[1] Values reported for 1/1/2025 are consistent with the report issued by Korn Ferry.

[1] The equivalent normal cost accrual rate to be applied to actual 2025 salaries to determine reimbursable expenses is 13.22%.

H. Schedule Illustrating the Amortization of the Total Unfunded Actuarial Accrued Liability as of:

Year	Projected Unfunded Accrued Liability
2026	17,774,390
2027	15,958,483
2028	14,020,002
2031	7,859,830
2035	2,519,374
2038	1,342,915
2041	0

I. (i) Comparison of Actual and Assumed Salary Increases

		Actual	Assumed
Year Ended	12/31/2025	6.51%	4.50%

(ii) Comparison of Investment Return on Actuarial Value

		Actual MVA	Actual AVA	Assumed
Year Ended	12/31/2025	15.07%	7.70%	6.75%
Year Ended	12/31/2024	10.24%	6.95%	6.75%
Year Ended	12/31/2023	12.94%	7.69%	6.75%
Year Ended	12/31/2022	-10.95%	5.78%	6.75%
Year Ended	12/31/2021	12.33%	11.05%	6.75%

DEVELOPMENT OF AMORTIZATION PAYMENT

(1)	Unfunded Actuarial Accrued Liability as of January 1, 2025	$14,254,736
(2)	Sponsor Normal Cost developed as of January 1, 2025	1,900,520
(3)	Expected administrative expenses for the year ended December 31, 2025	0
(4)	Expected interest on (1), (2) and (3)	1,090,480
(5)	Sponsor contributions to the System during the year ended December 31, 2025	4,506,159
(6)	Expected interest on (5)	0
(7)	Expected Unfunded Actuarial Accrued Liability as of December 31, 2025 (1)+(2)+(3)+(4)-(5)-(6)	12,739,577
(8)	Change to UAAL due to Benefit Change	0
(9)	Change to UAAL due to Actuarial (Gain)/Loss	5,034,813
(10)	Unfunded Actuarial Accrued Liability as of January 1, 2026	17,774,390

Type of Base	Date Established	Years Remaining	1/1/2026 Amount	Payment
Reset UAAL	1/1/2018	7	8,609,274	1,483,449
Actuarial Loss	1/1/2019	8	1,638,481	254,558
Actuarial Loss	1/1/2020	9	1,172,633	166,814
Actuarial Gain	1/1/2021	10	(2,257,986)	(297,687)
Assumption Change	1/1/2021	10	4,935,122	650,635
Method Change	1/1/2021	10	(1,486,469)	(195,972)
Actuarial Gain	1/1/2022	11	(3,383,005)	(417,373)
Actuarial Loss	1/1/2023	12	2,000,802	232,842
Actuarial Loss	1/1/2024	13	731,951	80,882
Actuarial Gain	1/1/2025	14	(843,640)	(89,016)
COLA	1/1/2025	4	1,622,414	446,166
Actuarial Loss	1/1/2026	15	5,034,813	509,694
			17,774,390	2,824,992

DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS

(1)	Unfunded Actuarial Accrued Liability (UAAL) as of January 1, 2025	$14,254,736
(2)	Expected UAAL as of January 1, 2026	12,739,577
(3)	Summary of Actuarial (Gain)/Loss, by component:	
	Investment Return (Actuarial Asset Basis)	(1,361,062)
	Salary Increases	1,117,966
	Active Decrements	2,211,757
	Inactive Mortality	(499,378)
	New Entrants	453,640
	Other [1]	3,111,890
	Change in UAAL due to (Gain)/Loss	5,034,813
	Change to UAAL due to Benefits Change	0
(4)	Actual UAAL as of January 1, 2026	$17,774,390

[1] Includes actuarial gains related to the transition of actuarial services.

RECONCILIATION OF CHANGES IN CONTRIBUTION REQUIREMENT

(1)	Contribution Determined as of January 1, 2025	$ 4,501,323
(2)	Summary of Contribution Impact by component:	
	Change in Normal Cost	438,337
	Change in Assumed Administrative Expense	-
	Investment Return (Actuarial Asset Basis)	(121,262)
	Salary Increases	99,603
	New Entrants	40,416
	Active Decrements	197,053
	Inactive Mortality	(44,491)
	Full Recognition of Past Amortization Liability	(271,844)
	Change in Expected Member Contributions	(218,693)
	Benefits Change	-
	Other	643,687
	Total Change in Contribution	762,806
(3)	Contribution Determined as of January 1, 2026	$5,264,129

FUNDING HISTORY

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Funded Ratio	Recommended County Contribution
1/1/2016	$79,310,717	$89,476,165	88.6%	$2,885,599
1/1/2017	$83,078,302	$94,139,494	88.3%	$3,020,499
1/1/2018	$92,719,919	$107,379,149	86.3%	$3,154,788
1/1/2019	$96,590,229	$113,170,279	85.3%	$3,468,706
1/1/2020	$102,172,949	$119,664,554	85.4%	$3,734,394
1/1/2021	$111,759,886	$129,949,206	86.0%	$3,731,483
1/1/2022	$123,214,693	$136,305,569	90.4%	$3,339,112
1/1/2023	$128,573,791	$143,093,130	89.9%	$3,693,050
1/1/2024	$136,990,595	$151,284,513	90.6%	$4,093,685
1/1/2025	$144,814,118	$159,068,854	91.0%	$4,501,323
1/1/2026	$154,239,372	$172,013,762	89.7%	$5,264,129

PROJECTION OF BENEFIT PAYMENTS

Year	Payments for Current Actives	Payments for Current Inactives	Total Payments
2026	2,829,912	8,748,998	11,578,910
2027	3,357,033	8,409,669	11,766,702
2028	3,792,554	8,216,179	12,008,733
2029	4,008,172	8,082,181	12,090,353
2030	4,299,074	7,710,037	12,009,111
2031	4,803,275	7,686,256	12,489,531
2032	5,289,679	7,773,005	13,062,684
2033	5,584,060	7,409,085	12,993,145
2034	6,237,317	7,307,139	13,544,456
2035	6,693,235	7,095,069	13,788,304
2036	7,141,271	6,790,201	13,931,472
2037	7,659,691	6,751,455	14,411,146
2038	8,006,661	6,351,985	14,358,646
2039	8,536,522	6,441,621	14,978,143
2040	8,920,965	5,948,998	14,869,963
2041	9,668,290	5,916,166	15,584,456
2042	9,911,216	5,446,969	15,358,185
2043	10,254,382	5,220,478	15,474,860
2044	10,717,550	4,912,168	15,629,718
2045	10,996,303	4,873,521	15,869,824
2046	11,548,305	4,560,730	16,109,035
2047	11,811,333	4,257,187	16,068,520
2048	12,012,327	4,102,807	16,115,134
2049	12,391,006	3,788,915	16,179,921
2050	12,545,932	3,378,658	15,924,590
2051	12,787,382	3,176,248	15,963,630
2052	12,887,966	2,903,507	15,791,473
2053	13,024,857	2,688,466	15,713,323
2054	13,122,728	2,446,756	15,569,484
2055	13,220,590	2,252,048	15,472,638
2056	13,234,631	2,040,302	15,274,933
2057	12,997,923	1,797,088	14,795,011
2058	12,797,538	1,617,925	14,415,463
2059	12,586,813	1,451,826	14,038,639
2060	12,271,741	1,298,773	13,570,514
2061	11,990,135	1,158,605	13,148,740
2062	11,635,306	1,031,028	12,666,334
2063	11,281,590	915,651	12,197,241
2064	10,889,749	811,928	11,701,677
2065	10,465,292	719,184	11,184,476

ACTUARIAL ASSUMPTIONS AND METHODS

Interest Rate

6.75% per year compounded annually, net of investment related expenses.

Inflation

2.50%.

Salary Increases

4.5% per year.

Mortality Rate

PubG-2010 with female ages set forward one year with generational improvements using projection scale MP-2020.

The mortality assumptions sufficiently accommodate anticipated future mortality improvements.

Retirement Age

Age (BOY)	Rate
55-59	7%
60-61	8%
62-64	15%
65	34%
66-70	23%
71-79	21%
80	100%

Disability Rate

None.

Termination Rate

Table T-7 of the Actuary’s Handbook multiplied by the percentages below.

Service	Percentage
0	300%
1	275%
2	250%
3	225%
4	200%
5+	100%

For those terminating with 5 or more years of service, it is assumed that a percentage will elect for a full refund of contributions based on the table below. The remainder will continue for a deferred annuity.

Age	Rate
30	100.0%
35	83.3%
40	66.7%
45	50.0%
50	33.3%
55	16.7%

Funding Method

Entry Age Normal.

Under this method, the normal cost is the sum of the individual normal costs for all active participants. For an active participant, the normal cost is the participant's normal cost accrual rate, multiplied by the participant's current compensation.
The normal cost accrual rate equals:

(i) the present value of future benefits for the participant, determined as of the participant's entry age, divided by

(ii) the present value of the compensation expected to be paid to the participant for each year of the participant's anticipated future service, determined as of the participant's entry age.

In calculating the present value of future compensation, the salary scale is applied both retrospectively and prospectively to estimate compensation in years prior to and subsequent to the valuation year based on the compensation used for the valuation.

The accrued liability is the sum of the individual accrued liabilities for all participants and beneficiaries. A participant's accrued liability equals the present value, at the participant's attained age, of future benefits less the present value at the participant's attained age of the individual normal costs payable in the future.

Under this method, the entry age used for each active participant is the participant's age at the time he or she would have commenced participation if the plan had always been in existence under current

	terms, or the age as of which he or she first earns service credits for purposes of benefit accrual under the current terms of the plan.
Actuarial Asset Method	Investment gains and losses are smoothed over a 5-year period. In the first year, 20% of the gain or loss is recognized. In the second year 40%, in the third year 60%, in the fourth year 80%, and in the fifth year 100% of the gain or loss is recognized. The actuarial investment gain or loss is defined as the actual return on investments minus the actuarial assumed investment return. Actuarial Assets shall not be less than 80% nor greater than 120% of the Market Value of Assets.
Funding Policy Amortization Method	The UAAL is amortized on a Level Dollar basis over the following periods: • Experience: 15 years. • Assumption / Method Changes: 15 years. • Active Benefit Changes: 15 years. • Retired Benefit Changes: lesser of 5 years and the average length of time since the previous 3 COLA's. • Special Early Retirement Changes: 5 years. • Reset with Negative UAAL: 15 years.
Payroll Growth	None.
Administrative Expenses	None.

GLOSSARY

Accrued Benefit	The benefit earned as of a specific date based on the provisions of the plan and the member's age, service, and salary as of that date.
Actuarial Accrued Liability	The portion of the anticipated future benefits allocated to years prior to the valuation date determined according to the plan's Actuarial Cost Method.
Actuarial Value of Assets	The asset value used in the valuation to determine contribution requirements. It represents the plan's Market Value of Assets (see below), with adjustments according to the plan's Actuarial Asset Method. These adjustments produce a "smoothed" value that is likely to be less volatile from year to year than the Market Value of Assets.
Actuarial Assumptions	Assumptions regarding the occurrence of future events affecting plan costs. These assumptions include rates of investment earnings, changes in compensation, rates of mortality, withdrawal, disablement, and retirement as well as statistics related to marriage and family composition.
Actuarial Cost Method	A method of determining the portion of the cost of a plan to be allocated to each year; sometimes referred to as the "actuarial funding method." Each cost method allocates a certain portion of the actuarial present value of benefits between the Actuarial Accrued Liability and future normal costs to ensure the plan is adequately and systematically funded.
Actuarial Gain or Loss	The change in Unfunded Actuarial Accrued Liability resulting from experience different from Actuarial Assumptions. Gains decrease the Unfunded Actuarial Accrued Liability and losses increase the Unfunded Actuarial Accrued Liability.

Actuarial Present Value	The estimated amount of funds required as of a specified date 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 payments between the specified date and the expected date of payment.
Amortization Payment	The portion of the plan contribution designated to pay interest and reduce the outstanding principal balance of Unfunded Actuarial Accrued Liability. If the amortization payment is less than the accrued interest on the Unfunded Actuarial Accrued Liability the outstanding principal balance will increase.
Decrements	Events which result in the termination of membership in the system such as retirement, disability, withdrawal, or death.
Funded Ratio	A measure of the ratio of the plan assets to liabilities of the system. Typically, the assets used in the measure are the Actuarial Value of Assets as determined by the asset valuation method. The Funded Ratio depends not only on the financial strength of the plan but also on the asset valuation method used to determine the assets and on the Actuarial Cost Method used to determine the liabilities.
Interest Rate	The assumed long-term rate of return on plan assets.
Market Value of Assets	The fair market value of plan assets as of the valuation date.
Normal Cost	The portion of the Actuarial Present Value of Benefits allocated to the current year determined according to the plan's Actuarial Cost Method.
Present Value of Benefits	The single sum value on the valuation date of all future benefits to be paid to current plan participants.
Projected Annual Payroll	The salary expected for the year after the valuation date, excluding members over the 100% assumed retirement age.

Projected Benefits	The benefits expected to be paid in the future based on the provisions of the plan and the Actuarial Assumptions. The projected values are based on anticipated future advancement in age and accrual of service as well as increases in salary paid to the participant.
Total Annual Payroll	The salary expected for the year after the valuation date.
Ultimate Cost	The total cost to the plan once the last benefit has been paid. The Ultimate Cost equals Benefit Payments Plus: Expenses Less: Investment Income The Ultimate Cost is independent of the Actuarial Cost Method selected.
Unfunded Actuarial Accrued Liability	The excess of the Actuarial Accrued Liability over the Actuarial Value of Assets.
Vested Benefit	Benefits members are entitled to regardless of employment status.

DISCUSSION OF RISK

ASOP No. 51, Assessment and Disclosure of Risk Associated with Measuring Pension Obligations and Determining Pension Plan Contributions, states that the actuary should identify risks that, in the actuary's professional judgment, may reasonably be anticipated to significantly affect the plan's future financial condition.

Throughout this report, actuarial results are determined under various assumption scenarios. These results are based on the premise that all future plan experience will align with the plan's actuarial assumptions; however, there is no guarantee that actual plan experience will align with the plan's assumptions. It is possible that actual plan experience will differ from anticipated experience in an unfavorable manner that will negatively impact the plan's funded position.

Below are examples of ways in which plan experience can deviate from assumptions and the potential impact of that deviation. Typically, this results in an actuarial gain or loss representing the current-year financial impact on the plan's unfunded liability of the experience differing from assumptions; this gain or loss is amortized over a period of time determined by the plan's amortization method. When assumptions are selected that adequately reflect plan experience, gains and losses typically offset one another in the long term, resulting in a relatively low impact on the plan's contribution requirements associated with plan experience. When assumptions are too optimistic, losses can accumulate over time and the plan's amortization payment could potentially grow to an unmanageable level.

- Investment Return: When the rate of return on the Actuarial Value of Assets falls short of the assumption, this produces a loss representing assumed investment earnings that were not realized. Further, it is unlikely that the plan will experience a scenario that matches the assumed return in each year as capital markets can be volatile from year to year. Therefore, contribution amounts can vary in the future.

- Salary Increases: When a plan participant experiences a salary increase that was greater than assumed, this produces a loss representing the cost of an increase in anticipated plan benefits for the participant as compared to the previous year. The total gain or loss associated with salary increases for the plan is the sum of salary gains and losses for all active participants.

- Demographic Assumptions: Actuarial results take into account various potential events that could happen to a plan participant, such as retirement, termination, disability, and death. Each of these potential events is assigned a liability based on the likelihood of the event and the financial consequence of the event for the plan. Accordingly, actuarial liabilities reflect a blend of financial consequences associated with various possible outcomes (such as retirement at one of various possible ages). Once the outcome is known (e.g. the participant retires) the liability is adjusted to reflect the known outcome. This adjustment produces a gain or loss depending on whether the outcome was more or less favorable than other outcomes that could have occurred.

- Contribution Risk: This risk results from the potential that actual employer contributions may deviate from actuarially determined contributions, which are determined in accordance with the Board's funding policy. The funding policy is intended to result in contribution requirements that if paid when due, will result in a reasonable expectation that assets will accumulate to be sufficient to pay plan benefits when due. Contribution deficits, particularly large deficits and those that occur repeatedly, increase future contribution requirements and put the plan at risk for not being able to pay plan benefits when due.

IMPACT OF PLAN MATURITY ON RISK

For newer pension plans, most of the participants and associated liabilities are related to active members who have not yet reached retirement age. As pension plans continue in operation and active members reach retirement ages, liabilities begin to shift from being primarily related to active members to being shared amongst active and retired members. Plan maturity is a measure of the extent to which this shift has occurred. It is important to understand that plan maturity can have an impact on risk tolerance and the overall risk characteristics of the plan. For example, plans with a large amount of retired liability do not have as long of a time horizon to recover from losses (such as losses on investments due to lower than expected investment returns) as plans where the majority of the liability is attributable to active members. For this reason, less tolerance for investment risk may be warranted for highly mature plans with a substantial inactive liability. Similarly, mature plans paying substantial retirement benefits resulting in a small positive or net negative cash flow can be more sensitive to near term investment volatility, particularly if the size of the fund is shrinking, which can result in less assets being available for investment in the market.

To assist with determining the maturity of the plan, we have provided some relevant metrics in the table following titled “Plan Maturity Measures and Other Risk Metrics”. Highlights of this information are discussed below:

- The Support Ratio, determined as the ratio of active to inactive members, has stayed about the same from January 1, 2024 to January 1, 2026, indicating that the plan's maturity level has not significantly changed during the period.

- The Accrued Liability Ratio, determined as the ratio of the Inactive Accrued Liability, which is the liability associated with members who are no longer employed but are due a benefit from the plan, to the Total Accrued Liability, is 52.4%. With a plan of this maturity, losses due to lower than expected investment returns or demographic factors can be made up over a longer time horizon than would be needed for a more mature plan.

- The Funded Ratio, determined as the ratio of the Actuarial Value of Assets to the Total Accrued Liability, has stayed approximately the same from January 1, 2023 to January 1, 2026.

- The Net Cash Flow Ratio, determined as the ratio of the Net Cash Flow (contributions minus benefit payments and administrative expenses) to the Market Value of Assets, stayed approximately the same from January 1, 2024 to January 1, 2026. The current Net Cash Flow Ratio of -1.0% indicates that contributions are not currently covering the plan's benefit payments and administrative expenses.

LOW DEFAULT-RISK OBLIGATION MEASURE

ASOP No. 4, Measuring Pension Obligations and Determining Pension Plan Costs or Contributions, was revised as of December 2021 to include a “low-default-risk obligation measure” (LDROM). This liability measure is consistent with the determination of the actuarial accrued liability shown on page 8 in terms of member data, plan provisions, and assumptions/methods, including the use of the Entry Age Normal Cost Method, except that the interest rate is tied to low-default-risk fixed income securities. The S&P Municipal Bond 20 Year High Grade Rate Index (daily rate closest to, but not later than, the measurement date) was selected to represent a current market rate of low risk but longer-term investments that could be included in a low-risk asset portfolio. The interest rate used in this valuation was 4.43% resulting in an LDROM of $225,161,215. The LDROM should not be considered the “correct” liability measurement; it simply shows a possible outcome if the Board elected to hold a very low risk asset portfolio. Given that plan benefits are paid over time through the combination of contributions and investment returns, prudent investments selected by the Board help to balance asset accumulation through these two sources.

It is important to note that the actuary has identified the risks above as the most significant risks based on the characteristics of the plan and the nature of the project, however, it is not an exhaustive list of potential risks that could be considered. Additional advanced modeling, as well as the identification of additional risks, can be provided at the request of the audience addressed on page 2 of this report.

PLAN MATURITY MEASURES AND OTHER RISK METRICS

	1/1/2026	1/1/2025	1/1/2024	1/1/2023
SUPPORT RATIO				
Total Actives	677	637	623	
Total Inactives	576	563	529	
Actives / Inactives	117.5%	113.1%	117.8%	
ASSET VOLATILITY RATIO				
Market Value of Assets (MVA)	164,744,944	144,718,302	132,837,257	
Total Annual Payroll	41,599,645	37,316,930	36,149,693	
MVA / Total Annual Payroll	396.0%	387.8%	367.5%	
ACCRUED LIABILITY (AL) RATIO				
Inactive Accrued Liability	90,160,319	N/A	N/A	
Total Accrued Liability	172,013,762	N/A	N/A	
Inactive AL / Total AL	52.4%	N/A	N/A	
FUNDED RATIO				
Actuarial Value of Assets (AVA)	154,239,372	144,814,118	136,990,595	128,573,791
Total Accrued Liability	172,013,762	159,068,854	151,284,513	143,093,130
AVA / Total Accrued Liability	89.7%	91.0%	90.6%	89.9%
NET CASH FLOW RATIO				
Net Cash Flow [1]	(1,654,908)	(912,593)	(724,133)	
Market Value of Assets (MVA)	164,744,944	144,718,302	132,837,257	
Ratio	-1.0%	-0.6%	-0.5%	

[1] Determined as total contributions minus benefit payments and administrative expenses.

ASSET INFORMATION

STATEMENT OF FIDUCIARY NET POSITION

	Market Value January 1, 2026
ASSETS	
Cash and Cash Equivalents	0
Total Cash and Equivalents	0
Receivables:	
Accrued Income	194,370
Total Receivable	194,370
Investments:	
Fixed income securities	55,788,425
Domestic equities	55,054,971
International Equities	36,526,121
Real Estate / Alternative	17,181,057
Total Investments	164,550,574
Other Assets	0
Total Assets	164,744,944
LIABILITIES	
Total Liabilities	0
NET POSITION RESTRICTED FOR PENSIONS	164,744,944

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

		Year Ended 1/1/2026
ADDITIONS		
Contributions:		
Member	2,975,064	
County	4,506,159	
Total Contributions		7,481,223
Investment Income:		
Miscellaneous Income	28,735	
Net Realized Gain (Loss)	9,957,429	
Unrealized Gain (Loss)	7,975,674	
Net Increase in Fair Value of Investments		17,961,838
Interest & Dividends		4,464,962
Less Expenses [1]		(745,250)
Net Investment Income		21,681,550
Other		0
Total Additions		29,162,773
DEDUCTIONS		
Distributions to Members:		
Benefit Payments	8,631,513	
Refunds	318,527	
Death Benefits	156,816	
Total Distributions		9,106,856
Administrative Expenses		29,275
Total Deductions		9,136,131
Net Increase in Net Position		20,026,642
NET POSITION RESTRICTED FOR PENSIONS		
Beginning of the Year		144,718,302
End of the Year		164,744,944

[1] Expenses include investment advisory, custodial and performance monitoring fees

DEVELOPMENT OF ACTUARIAL ASSET VALUATION

	Actuarial Value of Assets
Actuarial Value of Assets	
Market Value of Assets, 1/1/2026	164,744,944
Total Deferred Investment Gains/(Losses)	10,505,572
Preliminary Actuarial Value of Assets, 1/1/2026	154,239,372
1/1/2026 Limited Actuarial Assets, Total	154,239,372
Development of Investment Gain/(Loss)	
Market Value of Assets, 12/31/2024	144,718,302
Contributions	7,481,223
Benefit Payments	(9,106,856)
Administrative Expenses	(29,275)
Expected Investment Earnings	9,712,632
Actual Net Investment Earnings	21,681,550
2025 Actuarial Investment Gain/(Loss)	11,968,918

Deferred Investment Gains/(Losses)

Year Ended:	Gain/(Loss)	Percentage Deferred	Deferred Gain/(Loss)
1/1/2026	11,968,918	80%	9,575,134
1/1/2025	4,606,489	60%	2,763,893
1/1/2024	7,322,061	40%	2,928,824
1/1/2023	(23,811,395)	20%	(4,762,279)
1/1/2022	6,751,572	0%	0
Total Deferred Investment Gains/(Losses)			10,505,572

Approximate Rates of Return

Basis	Rate of Return
Actuarial Asset Rate of Return:	7.70%
Market Value of Assets Rate of Return:	15.07%

CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS - ACTUARIAL ASSET BASIS

		YEAR ENDED 1/1/2026
ADDITIONS		
Contributions:		
Member	2,975,064	
County	4,506,159	
Total Contributions		7,481,223
Earnings from Investments		
Interest & Dividends	4,464,962	
Miscellaneous Income	28,735	
Net Realized Gain (Loss)	9,957,429	
Change in Actuarial Value	(2,625,714)	
Total Earnings and Investment Gains		11,825,412
DEDUCTIONS		
Administrative Expenses:		
Investment Related[1]	745,250	
Other	29,275	
Total Administrative Expenses		774,525
Distributions to Members:		
Benefit Payments	8,631,513	
Refunds	318,527	
Death Benefits	156,816	
Total Distributions		9,106,856
Change in Net Assets for the Year		9,425,254
Net Assets Beginning of the Year		144,814,118
Net Assets End of the Year		154,239,372
Excess Earnings Reserve		

[1] Investment Related expenses include investment advisory, custodial and performance monitoring fees.

STATISTICAL DATA

	1/1/2026	1/1/2025	1/1/2024	1/1/2023
ACTIVE EMPLOYEES				
Number	677	637	623	
Average Current Age	45.1	45.7	N/A	
Average Age at Employment	36.5	36.8	N/A	
Average Past Service	8.6	8.9	N/A	
Average Annual Salary	$61,371	N/A	N/A	
SERVICE RETIREES				
Number	446	422	423	
Average Current Age	71.0	N/A	N/A	
Average Annual Benefit	$17,420	N/A	N/A	
BENEFICIARIES				
Number	17	21	N/A	
Average Current Age	78.4	N/A	N/A	
Average Annual Benefit	$8,371	N/A	N/A	
DISABILITY RETIREES				
Number	5	5	N/A	
Average Current Age	55.9	N/A	N/A	
Average Annual Benefit	$8,643	N/A	N/A	
TERMINATED VESTED				
Number Due Refund Only	1	0	0	
Number Due Benefit (Vested)	108	115	106	
Average Current Age	49.0	N/A	N/A	
Average Annual Benefit [1]	$7,764	N/A	N/A	

[1] Average Annual Benefit for Terminated Vested members reflects the benefit for members entitled to a future annual benefit from the plan.

AGE AND SERVICE DISTRIBUTION

ACTIVE EMPLOYEES

	PAST SERVICE											
AGE	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30+	Total
15 - 19	0	0	0	0	0	0	0	0	0	0	0	0
20 - 24	2	1	2	1	0	3	0	2	0	0	14	25
25 - 29	10	8	1	1	2	3	4	8	3	4	36	80
30 - 34	2	2	2	3	2	7	7	3	5	3	42	78
35 - 39	6	5	6	2	5	8	6	3	4	3	35	83
40 - 44	5	9	2	1	2	5	9	4	0	0	28	65
45 - 49	7	3	3	3	1	6	4	3	2	2	41	75
50 - 54	3	5	6	2	4	6	3	7	4	2	27	69
55 - 59	2	7	6	0	2	9	4	1	7	3	44	85
60 - 64	4	4	3	2	1	9	4	1	5	2	36	71
65+	4	2	3	3	2	6	5	2	4	2	13	46
Total	45	46	34	18	21	62	46	34	34	21	316	677

PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 1/1/2025	637
b. Terminations	
i. Vested (partial or full) with deferred benefits	(12)
ii. Non-vested due refund of contributions	(1)
iii. Non-vested or paid refund of contributions	(44)
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	0
e. Retired	(22)
f. Continuing participants	558
g. New entrants	119
h. Total active life participants in valuation	677

2. Non-Active lives (including beneficiaries receiving benefits)

	Service Retirees, Vested Receiving Benefits	Receiving Death Benefits	Receiving Disability Benefits	Non-Vested Due Refund	Vested Deferred	Total
a. Number prior valuation	422	21	5	0	115	563
Retired	36	0	0	0	(14)	22
Vested Deferred	0	0	0	0	12	12
Non-Vested Due Refund	0	0	0	1	0	1
Death, With Survivor	0	0	0	0	0	0
Death, No Survivor	(14)	(4)	0	0	0	(18)
Disabled	0	0	0	0	0	0
Refund of Contributions	0	0	0	0	(3)	(3)
Rehires	0	0	0	0	(2)	(2)
Expired Annuities	0	0	0	0	0	0
Data Corrections	2	0	0	0	0	2
Hired/Termed in Same Year	0	0	0	0	0	0
b. Number current valuation	446	17	5	1	108	577

PLAN PROVISIONS

Effective Date	January 1, 1961.
Membership	An employee enters the plan on the day he becomes a full-time employee of the County.
Credited Service	Years, months, and days of full-time service.
Final Average Salary	Average compensation received for the highest 3 years in the employment of the County.

Normal Retirement

Date: Earlier of age 55 and 20 years of Credited Service, and age 60 regardless of Credited Service.

Benefit: Sum of the County Annuity and Member Annuity.

County Annuity: Percentage of Final Average Salary times Credited Service. The percentage is outlined below.

Class	Percentage	Effective Date
1/120	0.833%	1/1/1961
1/100	1.000%	1/1/1974
1/80	1.250%	5/1/1977
1/70	1.429%	1/1/1998
1/60	1.667%	1/1/1999
1/80	1.250%	1/1/2011*

***** Effective for new county employees hired on or after this date.

Member Annuity: Annuitized member contribution with interest.

Form of Benefit: **No Option**: Member receives their County Annuity plus Member Annuity for life. Upon death, if the total payments received (not considering COLAs) are less than accumulated member contributions, the balance of accumulated member contributions shall be paid to a beneficiary.

Option One: Member receives their County Annuity plus Member Annuity for life. Upon death, if the total payments received (not considering COLAs) are less than accumulated member contributions plus present value of County Annuity, the balance of accumulated member contributions plus present value of County Annuity shall be paid to a beneficiary.

Option Two: Member receives their County Annuity plus Member Annuity for life with 100% of the amount at retirement continued to a beneficiary. Upon death, if the total payments received (not considering COLAs) are less than accumulated member contributions, the balance of accumulated member contributions shall be paid to a beneficiary.

Option Three: Member receives their County Annuity plus Member Annuity for life with 50% of the amount at retirement continued to a beneficiary. Upon death, if the total payments received (not considering COLAs) are less than accumulated member contributions, the balance of accumulated member contributions shall be paid to a beneficiary.

Option Four: Member receives a refund of their accumulated member contributions. The County Annuity is then paid in accordance with any of the previous options.

Early Retirement

Date

Voluntary: 20 years of Credited Service regardless of age.

Involuntary: 8 years of Credited Service regardless of age.

Benefit

Same as Normal Retirement, with an actuarial reduction applied to the County Annuity.

Form of Benefit

Same as Normal Retirement.

Disability Benefit

Eligibility

Total and permanent disability with 5 years of Credited Service.

Benefit Amount

25% of Final Average Salary, which includes the Member Annuity.

Pre-Retirement Death Benefit

If a member dies after the earlier of age 60 or completion of 10 years of service, the beneficiary will receive a lump sum payment equal to the accumulated member contributions, plus the present value of the County Annuity at the time of death. Members may elect instead to have any death benefits paid to a designated beneficiary as a lifetime annuity.

If a member dies and is not eligible for a monthly death benefit described above, the beneficiary will receive a refund of their accumulated member contributions.

Vesting (Termination)

Vesting Service Requirement — 5 years of Credited Service.

Non-Vested Benefit — Refund of Member Contributions.

Vested Benefit — Either the termination benefit, payable upon reaching age 60 (55 if more than 20 years of Credited Service), provided contributions are not withdrawn, or a refund of member contributions. The termination benefit is calculated as for Normal Retirement.

Cost-of-Living Adjustment — Cost-of-living adjustments (COLAs) shall be reviewed at least once in every three years by the Retirement Board. Prior to 2017, a percentage of the CPI could be granted. After 2016, the annual CPI could be granted. The Board has granted cost-of-living seventeen times in the past from January, 1972 through January, 2000. Recent history of COLAs are as follows:

Effective Date	Increase
1/1/2001	100% annual CPI change
1/1/2002	100% annual CPI change
1/1/2003	100% annual CPI change
1/1/2004	100% annual CPI change
1/1/2005	100% annual CPI change
1/1/2006	100% annual CPI change
1/1/2007	100% annual CPI change
1/1/2008	100% annual CPI change
1/1/2009	95% annual CPI change
1/1/2025	3.4%

Contributions

Member — **Pick-up Contributions**: Mandatory 5% of pre-tax compensation.

Voluntary Contributions: Up to 10% of after-tax compensation.

Both Pick-up and Voluntary contributions receive annual interest at a rate specified by the Retirement Board. The rate is limited to between 4.0% and 5.5% per year.

Early Retirement Provision — The Retirement Board has authorized the following Early Retirement Provisions:

Percent of Additional Service	Early Retirement Period
20%	3/1/1995 – 8/31/1995