

Educational Employees' Supplementary Retirement System of Fairfax County

Actuarial Valuation Report as of December 31, 2025

September 2026



Gallagher

Insurance | Risk Management | Consulting

September 26, 2026

Board of Trustees
Educational Employees' Supplementary Retirement System of Fairfax County
(ERFC)

This report documents the results of the annual actuarial valuation as of December 31, 2025 for the Educational Employees' Supplementary Retirement System of Fairfax County ("ERFC"). The report was prepared at the request of the Executive Director and is intended for use by ERFC and those designated or approved by the Board. Historical information contained in our report for valuation years through December 31, 2022 is based upon the information contained in the December 31, 2022 valuation report performed by the prior actuarial firm.

The valuation assumptions for mortality, disability rates, retirement rates, salary scales, and non-contributory service loads were changed to reflect the most recent experience study covering the period December 31, 2019 to December 31, 2024. The study was presented to and approved by the Board on December 12, 2025.

This valuation has been conducted in accordance with generally accepted actuarial principles and practices, including the Applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board.

The purpose of the valuation is to measure the funding progress of the ERFC plan. Determinations for purposes other than the funding valuation may be significantly different from the results in this report. Thus, the use of this report for purposes other than those expressed here may not be appropriate.

It should be noted that future actuarial measurements may differ significantly from the current measurements presented in the report due to various factors, including but not limited to the following:

- Plan experience differing from that anticipated by the economic or demographic assumptions;
- Changes in actuarial methods or 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 our assignment, we did not perform an analysis of the potential range of such future measurements.

In conducting the valuation, we have relied on personnel, plan design, and asset information supplied by the ERFC staff as of the valuation date. Although we reviewed for reasonableness and consistency with the prior valuation, these elements have not been audited by Gallagher, and we cannot certify as to the accuracy and completeness of the data supplied. The valuation is also based on benefit and contribution provisions as presented in this report. If you have reason to believe that the plan provisions are incorrectly described, that important plan provisions relevant to this valuation are not described, or that conditions have changed since the calculations were made, you should contact the authors of this actuarial report prior to relying on this information.

The actuarial assumptions and methods used in the valuation are described in the Actuarial Assumptions and Methods section of this report. The Board selected the economic and demographic assumptions and prescribed them for use for purposes of these calculations. We believe that these assumptions are reasonable and comply with the Actuarial Standard of Practice (“ASOP”) 27. We prepared this valuation in accordance with the requirements of this standard and in accordance with all applicable ASOPs.

ASOP 27 asks the actuary to disclose the information and analysis used to support the actuary’s determination that the assumptions selected by the plan sponsor do not significantly conflict with what, in the actuary’s professional judgment, are reasonable for the purpose of the measurement. In the case of the Board’s selection of the investment return assumption, we used GEMS® Economic Scenario Generator from Conning & Company to assess reasonableness of the investment return rate. GEMS® uses a multifactor model to create internally consistent, realistic economic scenarios (paths) that reflect the current economic environment as a starting point. Asset class correlations may vary from year to year (just as in the real world), as well as from path to path. The model generates results that are not normally distributed, with fatter tails, and should therefore estimate the probabilities of rare events more realistically than a pure mean-variance model. Based on the actuaries’ analysis, including consistency with other assumptions used in the valuation, the percentiles generated by the GEMS® Economic Scenario Generator and review of actuarial gain/loss experience, the actuaries believe the assumptions, in the actuaries’ professional judgment, are reasonable for the purpose of the measurement. In addition, in our professional judgment, the combined effect of the assumptions is expected to have no significant bias.

ASOP 56 provides guidance to actuaries performing actuarial services with respect to designing, developing, selecting, modifying, using, reviewing, or evaluating models. Gallagher uses third-party software to perform annual actuarial valuations and projections. The model is intended to calculate the liabilities associated with the System’s provisions using data and assumptions as of the measurement date under the funding methods specified in this report. The output from the third-party vendor software is used as input to an internally developed model that applies applicable funding methods and policies to the derived liabilities and other inputs, such as plan assets and contributions, to generate many of the exhibits found in this report.

Gallagher maintains an extensive review process in which the results of the liability calculations are checked using detailed sample life output, changes from year to year are summarized by source, and significant deviations from expectations are investigated. Other funding outputs and the internal model are similarly reviewed in detail and at a higher level for accuracy, reasonability, and consistency with prior results. Gallagher also reviews the third-party model when significant changes are made to the software. This review is performed by experts within Gallagher who are familiar with applicable funding methods, as well as the manner in which the model generates its output. If significant changes are made to the internal model, extra checking and review are completed.



Insurance | Risk Management | Consulting

Kevin Spanier is an Associate of the Society of Actuaries and Elizabeth Hoalt is a Fellow of the Society of Actuaries, and both are Members of the American Academy of Actuaries. We meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. This report has been prepared in accordance with all applicable Actuarial Standards of Practice, and we are available to answer questions concerning it.

The information provided in this report is dependent upon various factors as documented throughout this report, which may be subject to change. Each section of this report is considered to be an integral part of the actuarial opinions.

Gallagher Benefit Services, Inc. (hereinafter "Gallagher")

Kevin S. Spanier, ASA, EA, MAAA, FCA
Senior Vice President, Public Sector Retirement Operations Leader

Elizabeth A. Wiley Hoalt, FSA, EA, MAAA, FCA
Vice President, Retirement Actuary

Contents

Summary of Results

Summary.....	1
Funding Policy	1
Contribution Rate.....	2
Contribution Rate Percentage for Unfunded Accrued Liabilities	3

Actuarial Exhibits – Funding

Asset Information.....	6
Assets and Liabilities	9

Appendices

Appendix A: Actuarial Assumptions and Methods	13
Appendix B: Summary of Plan Provisions.....	24
Appendix C: Projections	34
Appendix D: Tables of Participant Data	37
Appendix E: Risk Information	61
Appendix F: Key Terms.....	66
Appendix G: ERFC Regulations	68

Funding Requirements

Summary

The following table illustrates the unfunded pension liability under the plan's current funding policy, which is restated below.

Table 1: Funded Status Summary

	Valuation Date December 31, 2024	Valuation Date December 31, 2025
Actuarial (Pension) Liability		
Retired Members and Beneficiaries Receiving Payment	\$ 2,232,321,629	\$ 2,286,562,573
Terminated Vested Members	221,035,814	229,854,128
DROP Members	96,053,674	188,149,541
Active Members	<u>1,989,047,718</u>	<u>2,109,717,351</u>
Total	\$ 4,538,458,835	\$ 4,814,283,593
Actuarial Value of Assets	<u>(3,516,359,329)</u>	<u>(3,664,448,201)</u>
Unfunded Actuarial Accrued Liability	\$ 1,022,099,506	\$ 1,149,835,392
Funded Ratio		
Actuarial Value of Assets	77.5%	76.1%
Market Value of Assets	72.3%	75.2%
Discount Rate	7.00%	7.00%

Funding Policy

The ERFC Funding Policy, as stated in the ERFC Regulations is "to establish and receive contributions which will remain approximately level from generation to generation of Citizens and which, when combined with other assets and investment return thereon, will be sufficient to pay benefits when due, while providing a reasonable margin for adverse experience."

The employer contribution rate will be set at a level that is expected to (1) pay all normal costs accruing under the Plan during the Fiscal Years which the rate is effective and (ii) amortize any unfunded liabilities over a reasonable period.

Beginning with the December 31, 2025 valuation, the unfunded liability as of December 31, 2025 is rolled forward 1.5 years and the amortization schedule is reset over a closed period of 18 years. For actuarial valuations conducted after December 31, 2025, the Trustees may choose to establish new amortization schedules of up to 18 years for liability changes identified in each corresponding actuarial valuation, while continuing to amortize any existing unfunded liabilities through their originally scheduled end dates.

Additionally, in order to stabilize contributions, the Trustees may from time to time elect to combine separate amortization schedules into a single schedule over the average remaining amortization period.

We believe the contributions developed using this funding policy comply with the requirements of a Reasonable Actuarially Determined Contribution as required under ASOP 4.

Based on current projections assuming no actuarial gains or losses and a stable workforce, the contributions based on this funding policy are expected to remain fairly stable until the December 31, 2025 amortization base is fully amortized and then decline thereafter. The plan would be projected to reach 100% funding in 2045. See Appendix C for a more detailed analysis.

Contribution Rate

Previously, actuarial funding valuations as of odd-numbered years (2021, 2023, etc.) were used to develop the appropriate employer contribution rate for the two-year period beginning 18 months after the valuation date. As such, the results from the December 31, 2023 valuation were used to set the employer contribution rate of 6.61% for the period July 1, 2025 to June 30, 2027. In even-numbered years (2022, 2024, etc.), actuarial funding valuations were used to develop an interim employer contribution rate that was compared to the employer contribution rate that would be effective beginning 18 months after the interim valuation date to ensure that the rate previously determined and adopted by ERFC remains appropriate for the plan based on the most recent plan experience.

This year a new funding policy and amortization method were established. This year, the annual funding valuation will be used to develop the appropriate employer contribution rate for the 1-year period beginning 18 months after the December 31, 2025 valuation date. As such, the results from the December 31, 2025 valuation are used to set the employer contribution rate of 6.77% for the period July 1, 2027 through June 30, 2028. Note that the next valuation will be performed as of June 30, 2026, with annual valuations performed as of each June 30th thereafter. Beginning with the June 30, 2026 valuation, the annual funding valuation will be used to develop the appropriate employer contribution rate for the 1-year period beginning 24 months after the valuation date.

The results from each annual actuarial valuation are also used to develop the financial reporting results required under the Governmental Accounting Standards Board (GASB) Statements, in accordance with parameters specified by the GASB for the fiscal year ending June 30 following the valuation date.

The following table illustrates the development of the employer contribution rate.

Table 2: Actuarially Determined Employer Contribution¹

Valuation Date	December 31, 2023	December 31, 2024	December 31, 2025
Contribution Rate as a Percent of Member Payroll for period ending June 30	2026 & 2027	N/A	2028
Normal Cost (Current Cost) split by:			
Service Retirement	3.85%	3.76%	3.74%
Disability Retirement	0.02%	0.02%	0.02%
Casualty Benefits	0.07%	0.06%	0.05%
Separation Benefits	1.60%	1.57%	1.55%
Administrative Expenses	<u>0.27%</u>	<u>0.29%</u>	<u>0.33%</u>
Total	5.81%	5.70%	5.69%
Less Member Contribution Rate	(3.00)%	(2.96)%	(2.93)%
Employer Normal Cost	2.81%	2.74%	2.76%
Add Contribution Rate for Unfunded Actuarial Accrued Liability	<u>3.96%</u>	<u>4.20%</u>	<u>4.01%</u>
Net Employer Contribution	6.77%	6.94%	6.77%
Adjustment For ERFC 2001 Tier 2	<u>(0.16)%</u>	<u>(0.08)%</u>	<u>N/A</u>
Actuarially Determined Employer Contribution	<u>6.61%</u>	<u>6.86%</u>	<u>6.77%</u>

The Funding Policy contribution for the two-year period beginning July 1, 2025 was determined by the December 31, 2023 valuation. The Board adopted a contribution rate of 6.61% of payroll. The Funding Policy contribution for the one-year period beginning July 1, 2027 is determined by the December 31, 2025 valuation. The Board adopted a contribution rate of 6.77% of payroll.

¹ Contribution rates shown are based on total payroll for the active population, including members participating in the DROP program beginning with the December 31, 2024 valuation.

Contribution Rate Percentage for Unfunded Accrued Liabilities

The employer contribution rate includes a charge intended to pay for the unfunded accrued liabilities. This charge is developed by projecting the unfunded liabilities from the valuation date to the beginning of the fiscal year in which the contributions will begin and then amortizing this result over a set period as a level percent of the projected payroll for all active employees (including those that are currently in the DROP and not accruing additional benefits).

The following table illustrates the development of the charge for the current unfunded accrued actuarial liabilities.

Table 3: Projected UAAL

Liability Roll-forward		
1. Actuarial Accrued Liability (AAL) as of December 31, 2025	\$	4,814,283,593
2. Normal Cost as of January 1, 2026		111,749,580
3. Projected Benefit Payments during 2026		(263,126,898)
4. Interest to December 31, 2026 at 7.00%		<u>335,768,640</u>
5. Projected AAL as of December 31, 2026 = (1) + (2) + (3) + (4)	\$	4,998,674,915
6. Projected half-year Normal Cost as of January 1, 2027		57,551,034
7. Projected Benefit Payments from January 1, 2027 to June 30, 2027		(126,119,822)
8. Half-year Interest to June 30, 2027 at 7.00%		<u>171,823,423</u>
9. Projected AAL as of June 30, 2027 = (5) + (6) + (7) + (8)	\$	5,101,929,550
Actuarial Value of Assets Roll-forward		
1. Actuarial Value of Assets (AVA) as of December 31, 2025	\$	3,664,448,201
2. Projected Benefit Payments during 2026		(263,126,898)
3. Total Projected Contributions during 2026		209,256,663
4. Administrative Expenses during 2026		(6,997,088)
5. Interest to December 31, 2026 at 7.00%		<u>254,417,049</u>
6. Projected AVA as of December 31, 2026 = (1) + (2) + (3) + (4) + (5)	\$	3,857,997,927
7. Projected Benefit Payments from January 1, 2027 to June 30, 2027		(126,119,822)
8. Total Projected Contributions from January 1, 2027 to June 30, 2027		106,047,458
9. Projected Administrative Expenses from January 1, 2027 to June 30, 2027		(3,545,997)
10. Half-year Interest to June 30, 2027 at 7.00%		<u>132,343,265</u>
11. Projected AVA as of June 30, 2027 = (6) + (7) + (8) + (9) + (10)	\$	3,966,722,831
Projected Unfunded Actuarial Accrued Liability (UAAL) at June 30, 2027:	\$	1,135,206,719

Table 4 on the following page illustrates the development of the charge for the current unfunded accrued actuarial liability.

Table 4: Amortization of Unfunded Actuarial Accrued Liability

Date Established	Description	Outstanding Bases	Remaining Amortization Period	Amortization Factor	Amortization Base
12/31/2025	Combined UAL	<u>\$1,135,206,719</u>	18	13.03812	<u>\$87,068,306</u>
Total		\$1,135,206,719			\$87,068,306
Total Amortization					\$87,068,306
<u>Half-Year Interest</u>					<u>\$2,995,850</u>
Adjusted Total					\$90,064,156
Projected FYE 2028 Payroll					\$2,246,514,549
UAAL Contribution Rate					4.01%

Table 5: Employer Contribution Rate History

Fiscal Year	Valuation Date	Employee Rate	Adopted Employer Rate		ADEC
			Support	Educational	
1991	1989	2.00%	5.08%	5.53%	
1992	1990	2.00%	5.08%	5.53%	
1993	1991	2.00%	5.08%	5.53%	
1994	1992	2.00%	5.08%	5.53%	
1995	1993	2.00%	5.08%	5.53%	
1996	1994	2.00%	5.08%	5.53%	
1997	1995	2.00%	5.58%	6.03%	
1998	1996	2.00%	5.58%	6.03%	
1999	1997	2.00%	5.58%	6.03%	
Combined July 1, 1999					
2000	1998	2.00%	4.99%		
2001	1999	2.00%	3.69%		
2002	2000	2.00%	3.69%		
2003	2001	2.00%	4.00%		
2004	2002	2.00% / 4.00%	4.29% / 2.53%		
2005	2003	4.00%	3.37%		
2006	2004	4.00%	3.37%		
2007	2004	4.00%	3.37%		
2008	2005	4.00%	3.37%		3.37%
2009	2005	4.00%	3.37%		3.14%
2010	2007	4.00%	3.20%		2.97%
2011	2007	4.00%	4.04%		4.04%
2012	2009	4.00%	4.34%		4.16%
2013	2009	3.00%	5.34%		5.38%
2014	2011	3.00%	5.60%		5.51%
2015	2011	3.00%	5.60%		5.58%
2016	2013	3.00%	5.60%		5.54%
2017	2013	3.00%	5.60%		5.59%
2018	2015	3.00%	6.24%		6.34%
2019	2016	3.00%	6.26%		6.26%
2020	2017	3.00%	6.44%		6.44%
2021	2018	3.00%	6.44%		6.58%
2022	2019	3.00%	6.70%		6.70%
2023	2020	3.00%	6.70%		6.34%
2024	2021	3.00%	6.48%		6.48%
2025	2022	3.00%	6.48%		6.62%
2026	2023	3.00%	6.61%		6.61%
2027	2024	2.96%	6.61%		6.86%
2028	2025	2.93%	6.77%		6.77%

Asset Information

Market Value of Assets

Table 6: Asset Breakdown and Portfolio Composition at Market Value

Portfolio Composition at Market Value	Year Ending December			
	2024		2025	
	Value	% of Total	Value	% of Total
Bonds	\$ 871,996,175	26.6%	\$ 991,028,935	27.4%
Stocks	257,212,120	7.8%	213,045,158	5.9%
Real Estate	287,431,900	8.8%	293,132,541	8.1%
Commingled Funds	915,796,662	27.9%	1,125,002,097	31.0%
Hedge Funds – Opportunistic	269,348,063	8.2%	283,049,481	7.8%
MACS	69,766,253	2.1%	0	0.0%
Private Equity	345,040,595	10.5%	351,410,590	9.7%
Private Debt	93,669,782	2.9%	127,088,916	3.5%
Infrastructure	70,235,065	2.1%	85,173,784	2.4%
Natural Resources	46,319,958	1.4%	84,024,416	2.3%
Net Short-Term Investments and Cash	42,901,373	1.3%	55,163,056	1.5%
Receivables, Pre-Paid Expenses and Other	<u>13,609,450</u>	0.4%	<u>12,814,998</u>	0.4%
Total Assets	\$ 3,283,327,396	100.0%	\$ 3,620,933,972	100.0%

Table 7: Actuarial Value of Assets

Year Ended December 31	2025	2026	2027	2028	2029
A. Actuarial Value Beginning of Year	\$ 3,516,359,329				
B. Market Value Beginning of Year	3,283,327,396				
C. Market Value End of Year	3,620,933,972				
D. Non-Investment Net Cash Flow	(42,649,701)				
E. Investment Return Assumed Rate	7.00%				
E1. Market Total: C. – B. – D.	380,256,277				
E2. Amount for Immediate Recognition	245,281,287				
E3. Amount for Phased-In Recognition: E1. – E2.	134,974,990				
F. Phased-In Recognition of Investment Return					
F1. Current year: 0.20 x E3.	26,994,998				
F2. First Prior Year	(7,323,791)	26,994,998			
F3. Second Prior Year	(662,843)	(7,323,791)	26,994,998		
F4. Third Prior Year	(128,197,165)	(662,843)	(7,323,791)	26,994,998	
F5. Fourth Prior Year	<u>54,646,087</u>	<u>(128,197,163)</u>	<u>(662,843)</u>	<u>(7,323,792)</u>	<u>26,994,998</u>
F6. Total Phased-In	(54,542,714)	(109,188,799)	19,008,364	19,671,206	26,994,998
G. Actuarial Value End of Year:					
G1. Preliminary Actuarial Value End of Year: A. + D. + E2. + F6	3,664,448,201				
G2. Upper Corridor Limit: 125% x C.	4,526,167,465				
G3. Lower Corridor Limit: 75% x C.	2,715,700,479				
G4. Actuarial Value End of Year	3,664,448,201				
H. Actual/Projected Difference Between Market Value and Actuarial Value	(43,514,229)				
I. Market Rate of Return: E1. / (B. + D/2)	11.66%				
J. Recognized Rate of Return: (E2. + F6.) / (A. + D/2)	5.46%				
K. Ratio of Actuarial Value to Market Value	101.20%				

The Actuarial Value of Assets recognizes assumed investment return (line E2.) fully each year.
Differences between actual and assumed investment returns (line E3.) are phased-in over a closed 5-year period.

Table 8: History of Actuarial Value of Assets

Year Ended December 31	2020	2021	2022	2023	2024
A. Actuarial Value Beginning of Year	\$ 2,582,582,541	\$ 2,786,297,490	\$ 3,058,883,149	\$ 3,180,603,841	\$ 3,364,375,033
B. Market Value Beginning of Year	2,628,073,659	2,984,109,514	3,419,373,454	2,954,160,238	3,127,209,486
C. Market Value End of Year	2,984,109,514	3,419,373,454	2,954,160,238	3,127,209,486	3,283,327,396
D. Non-Investment Net Cash Flow	(33,898,263)	(38,574,737)	(37,052,380)	(45,258,596)	(41,899,768)
E. Investment Return Assumed Rate	7.25%	7.25%	7.00%	7.00%	7.00%
E1. Market Total: C. – B. – D.	389,934,118	473,838,677	(428,160,836)	218,307,844	198,017,678
E2. Amount for Immediate Recognition	186,008,422	200,608,234	212,824,987	221,622,059	234,636,634
E3. Amount for Phased-In Recognition: E1. – E2.	203,925,696	273,230,443	(640,985,823)	(3,314,215)	(36,618,956)
F. Phased-In Recognition of Investment Return					
F1. Current year: 0.20 x E3.	40,785,139	54,646,089	(128,197,165)	(662,843)	(7,323,791)
F2. First Prior Year	40,836,508	40,785,139	54,646,089	(128,197,165)	(662,843)
F3. Second Prior Year	(62,122,484)	40,836,508	40,785,139	54,646,089	(128,197,165)
F4. Third Prior Year	36,406,910	(62,122,484)	40,836,508	40,785,139	54,646,089
F5. Fourth Prior Year	<u>(4,301,283)</u>	<u>36,406,910</u>	<u>(62,122,486)</u>	<u>40,836,509</u>	<u>40,785,139</u>
F6. Total Phased-In	51,604,790	110,552,162	(54,051,915)	7,407,729	(40,752,570)
G. Actuarial Value End of Year:					
G1. Preliminary Actuarial Value End of Year: A. + D. + E2. + F6	2,786,297,490	3,058,883,149	3,180,603,841	3,364,375,033	3,516,359,329
G2. Upper Corridor Limit: 125% x C.	3,730,136,893	4,274,216,818	3,692,700,298	3,909,011,858	4,104,159,245
G3. Lower Corridor Limit: 75% x C.	2,238,082,136	2,564,530,091	2,215,620,179	2,345,407,115	2,462,495,547
G4. Actuarial Value End of Year	2,786,297,490	3,058,883,149	3,180,603,841	3,364,375,033	3,516,359,329
H. Actual/Projected Difference Between Market Value and Actuarial Value	197,812,024	360,490,305	(226,443,603)	(237,165,547)	(233,031,933)
I. Market Rate of Return: E1. / (B. + D/2)	14.93%	15.98%	-12.59%	7.45%	6.37%
J. Recognized Rate of Return: (E2. + F6.) / (A. + D/2)	9.26%	11.25%	5.22%	7.25%	5.80%
K. Ratio of Actuarial Value to Market Value	93.37%	89.46%	107.67%	107.58%	107.10%

Assets and Liabilities

Table 9a: Comparative Statement History

Valuation Date	Total Member Payroll ¹	Computed Liabilities			Actuarial Value of Assets	Unfunded Accrued Liabilities	Funded %
		Retired	Other Members	Total			
		(\$ in thousands)					
12/31/2015 ²	1,373,096	1,590,489	1,290,214	2,880,703	2,188,037	692,666	76.0%
12/31/2016 ²	1,436,588	1,668,485	1,364,018	3,032,503	2,279,741	752,792	75.2%
12/31/2017	1,475,449	1,733,431	1,434,510	3,167,941	2,398,668	769,273	75.7%
12/31/2018	1,554,614	1,791,189	1,542,925	3,334,114	2,466,004	868,110	74.0%
12/31/2019	1,632,427	1,841,322	1,626,828	3,468,150	2,582,582	885,568	74.5%
12/31/2020	1,633,458	1,903,321	1,731,923	3,635,244	2,786,297	848,947	76.6%
12/31/2021	1,662,801	2,013,044	1,908,009	3,921,052	3,058,883	862,169	78.0%
12/31/2022	1,790,601	2,082,086	2,036,945	4,119,031	3,180,604	938,427	77.2%
12/31/2023	1,881,144	2,148,638	2,139,141	4,287,779	3,364,375	923,404	78.5%
12/31/2024	2,011,508	2,232,322	2,306,137	4,538,459	3,516,359	1,022,100	77.5%
12/31/2025 ²	2,113,649	2,286,563	2,527,721	4,814,284	3,664,448	1,149,836	76.1%

Table 9b: Comparative Statement History - Expressed as Percent of Active Member Payroll

Valuation Date	Total Member Payroll ¹ (\$ thousands)	As Percent of Active Member Payroll		
		Computed Liabilities	Actuarial Value of Assets	Unfunded Liabilities
12/31/2015 ²	1,373,096	210%	159%	50%
12/31/2016 ²	1,436,588	211%	159%	52%
12/31/2017	1,475,449	215%	163%	52%
12/31/2018	1,554,614	214%	159%	56%
12/31/2019	1,632,427	212%	158%	54%
12/31/2020	1,633,458	223%	171%	52%
12/31/2021	1,662,801	236%	184%	52%
12/31/2022	1,790,601	230%	178%	52%
12/31/2023	1,881,144	228%	179%	49%
12/31/2024	2,011,508	226%	175%	51%
12/31/2025 ²	2,113,649	228%	173%	54%

¹ Includes payroll for DROP members (where applicable)

² After change in benefits or contribution rates and actuarial assumptions or methods.

Table 10: Aggregate Accrued Liabilities (000's omitted)

Valuation Date	Member Contributions	Retirees & Beneficiaries	Members (Employer Financed Portion)	Valuation Assets	Portion of Accrued Liabilities Covered by Assets		
	(A)	(B)	(C)		(A')	(B')	(C')
12/31/2005	257,142	1,130,378	635,442	1,718,399	100%	100%	52 %
12/31/2006	239,780	1,176,979	688,793	1,818,930	100%	100%	58 %
12/31/2007	269,404	1,221,969	695,428	1,924,886	100%	100%	62 %
12/31/2008 (3)	302,910	1,237,613	714,775	1,733,946	100%	100%	27 %
12/31/2009	342,663	1,264,675	706,944	1,769,540	100%	100%	23 %
12/31/2009 (2)	342,663	1,314,885	682,321	1,769,540	100%	100%	16 %
12/31/2010 (3)	374,086	1,355,093	654,882	1,822,603	100%	100%	14 %
12/31/2011 (1)	402,847	1,401,877	666,240	1,866,952	100%	100%	9 %
12/31/2012	426,609	1,448,291	691,228	1,935,292	100%	100%	9 %
12/31/2013	439,310	1,482,770	723,420	2,029,005	100%	100%	15 %
12/31/2014	457,591	1,510,717	765,537	2,123,910	100%	100%	20 %
12/31/2015 (2)	472,933	1,590,489	817,281	2,188,037	100%	100%	15 %
12/31/2016 (1)(2)	491,333	1,668,485	872,685	2,279,741	100%	100%	14 %
12/31/2017	510,583	1,733,431	923,927	2,398,668	100%	100%	17 %
12/31/2018	528,500	1,791,189	1,014,425	2,466,004	100%	100%	14 %
12/31/2019	550,487	1,841,322	1,076,341	2,582,582	100%	100%	18 %
12/31/2020	574,541	1,903,321	1,157,382	2,786,297	100%	100%	27 %
12/31/2021	589,959	2,013,044	1,318,050	3,058,883	100%	100%	35 %
12/31/2022	609,654	2,082,086	1,427,291	3,180,604	100%	100%	34 %
12/31/2023	628,800	2,148,638	1,510,341	3,364,375	100%	100%	39 %
12/31/2024	632,777	2,232,322	1,673,360	3,516,359	100%	100%	39 %
12/31/2025 (2)	654,525	2,286,563	1,873,196	3,664,448	100%	100%	39%

(1) After change in benefits or contribution rates.

(2) After changes in actuarial assumptions.

(3) After change in asset valuation method.

Table 11: Changes in Unfunded Accrued Liabilities During the Year

The following table illustrates the change in unfunded accrued liabilities during the year.

	Year Ending 12/31/2024 (\$ millions)	Year Ending 12/31/2025 (\$ millions)
1. Unfunded Actuarial Accrued Liability (UAAL) at Start of Year	\$ 923.4	\$ 1,022.1
2. Normal Cost	106.4	111.1
3. Member and Employer Contributions	(183.5)	(193.7)
4. Administrative Expenses ¹	-	6.8
5. Interest Accrual	<u>65.8</u>	<u>72.4</u>
6. Expected UAL before changes: (1. + 2. + - 3. + 4. + 5.)	912.0	1,018.7
7. Change from Benefit Changes	0.0	0.0
8. Change from Assumptions	<u>0.0</u>	<u>(2.2)</u>
9. Expected UAL after changes: (6. + 7. + 8.)	912.0	1,016.5
10. Actual UAL at end of year	<u>1,022.1</u>	<u>1,149.8</u>
11. Gain/(Loss) (9. – 10.)	\$ (110.1)	\$ (133.3)
Gain (loss) as percent of actuarial accrued liabilities at start of year	(2.4)%	(2.8)%

Table 12: Breakdown of Unfunded Liability Gain/Loss

The following table illustrates the breakdown of the unfunded gain/(loss) by source.

(\$ in Millions)	12/31/2024	12/31/2025
Economic Risks		
Pay Increases	\$ (37.0)	\$ (34.7)
Investment Return	(40.8)	(54.5)
Demographic Risk		
Retirement	(6.1)	(9.6)
Mortality	(1.8)	(2.7)
Disability	(0.8)	(1.2)
Termination	(6.6)	(13.2)
Data Adjustments and Miscellaneous ²	<u>(17.0)</u>	<u>(17.4)</u>
Unfunded Actuarial Accrued Liability Gain/(Loss)	\$ (110.1)	\$ (133.3)

¹ Beginning with the December 31, 2025 valuation, the administrative expenses are presented separately.

² Includes loss from rehires, new entrants, data adjustments, and programming refinements.

Table 13: Experience Gains and Losses by Risk Area Comparative Statement (\$ in Millions)

Experience Period	Pay Increase	Investment Return	Retirement	Disability & Death	Other Separations	Other ¹	Total Gain (Loss)	
							\$	Percent of Liabilities
1997 – 1998 ²	\$ (2.6)	\$ 81.1	\$ 5.9	\$ (0.5)	\$ 6.4	\$ (13.9)	\$ 76.4	\$ 6.3%
1998 - 1999 ³	(8.4)	95.4	0.3	(1.0)	6.5	(3.8)	89.0	7.0%
1999 – 2000	(17.6)	62.3	3.8	(1.2)	12.9	38.9	99.1	7.4%
2000 – 2001	(9.1)	17.6	(0.3)	(1.0)	13.0	(19.5)	0.7	0.0%
2001 – 2002	3.0	(50.4)	3.5	(1.1)	2.6	(29.9)	(72.3)	(4.7)%
2002 – 2003	18.5	(92.5)	11.0	(0.3)	4.0	(23.3)	(82.6)	(4.9)%
2003 – 2004 ^{2,4}								
2005	(7.1)	1.9	1.0	0.1	0.0	(3.2)	(7.3)	(0.4)%
2006	(4.7)	23.6	2.0	0.0	(0.8)	2.6	22.7	1.1%
2007	10.0	25.1	1.9	(0.2)	(2.2)	(7.2)	27.4	1.4%
2008	4.1	(277.5)	5.2	(0.4)	(4.0)	13.5	(259.1)	(11.8)%
2009	45.0	(34.6)	8.8	(0.8)	(10.0)	(11.6)	(3.2)	(0.1)%
2010 ²	53.1	(16.9)	5.2	0.2	(5.3)	(4.2)	32.1	1.4%
2011	18.8	(30.6)	5.3	(0.2)	(4.2)	(4.8)	(15.7)	(0.7)%
2012	12.3	(10.8)	4.6	(0.3)	(3.4)	(10.2)	(7.8)	(0.3)%
2013	16.6	7.6	5.7	0.0	2.9	(5.1)	27.7	1.1%
2014	8.5	(2.8)	5.8	(0.1)	0.6	2.8	14.8	0.6%
2015 ²	17.7	(40.2)	5.9	(0.4)	1.0	(12.4)	(28.4)	(1.0)%
2016	(14.2)	(13.9)	5.1	0.2	6.6	(5.6)	(21.8)	(0.8)%
2017	8.8	2.7	3.3	0.0	2.6	(19.6)	(2.2)	(0.1)%
2018	(16.1)	(77.7)	(6.0)	(1.8)	4.3	(6.0)	(103.3)	(3.3)%
2019	(12.0)	(26.5)	(4.1)	(2.7)	6.3	(1.7)	(40.7)	(1.2)%
2020 ²	(10.5)	51.6	1.9	(4.7)	1.9	(7.6)	32.6	0.9%
2021	14.9	110.6	(14.6)	3.0	4.2	(1.8)	116.3	3.2%
2022	(23.0)	(67.5)	(3.5)	3.3	1.6	(1.6)	(90.7)	(2.3)%
2023	(21.2)	7.4	(10.6)	(0.9)	(4.2)	22.8	(6.7)	(0.2)%
2024	(37.0)	(40.8)	(6.1)	(2.7)	(6.6)	(17.0)	(110.1)	(2.4)%
2025 ²	(34.7)	(54.5)	(9.6)	(3.9)	(13.2)	(17.4)	(133.3)	(2.8)%

¹ Includes post-retirement mortality

² Experience study

³ Updated gain formulas

⁴ Gain (Loss) analysis not performed

Appendix A: Actuarial Assumptions and Methods

Basis for assumptions

Experience studies are performed at least once every 5-year period. The valuation was prepared using demographic and economic assumptions recommended based on the December 31, 2019 – December 31, 2024 Experience Study, which were adopted by the Board. These assumptions will remain in effect for valuation purposes until the Board adopts revised assumptions.

Discussion of Actuarial Assumptions and Methods

For the funding valuation, ERFC selected the economic and demographic assumptions and prescribed them for use for purposes of compliance with the state's funding regulations. Gallagher provided guidance with respect to these assumptions, and it is our belief that the assumptions represent reasonable expectations on anticipated plan experience. The actuarial cost and amortization methods are not prescribed by state or local statute.

While the method used to value assets is prescribed by ERFC, Gallagher provided guidance with respect to the use of this method, and it is our belief that the method is appropriate for funding purposes.

Calculation of Normal Costs and Liabilities

The method used to calculate the normal cost and projected benefit obligation for determining the employer contribution rate is the entry age normal cost method. Under this cost method, the actuarial accrued liability is based on a prorated portion of the present value of all benefits earned to date over the expected future working lifetime of plan members. The proration is determined so that the cost with respect to service accrued from date of hire is recognized as a level percentage of pay each year. The Normal Cost is equal to the prorated cost for the year of the valuation.

Normal cost and projected benefit obligations are determined separately for ERFC Legacy, ERFC Tier 1 and ERFC Tier 2 members and added together to produce the results shown in this report. It is expected that over time, the plan's Normal Cost will become the Normal Cost for the Tier 2 members. Unfunded actuarial accrued liabilities are amortized to produce contribution amounts (principal and interest) which are level percent-of-payroll contributions, assuming payroll grows at the rate indicated elsewhere in this report.

Valuation date

December 31, 2025

Mortality

Non-disabled (Healthy)

The mortality table used to measure retired life mortality was 104.48% of the male rates and 97.19% of the female rates of the PUB-2016 Teachers' Amount-Weighted Above Median mortality table projected generationally using Scale MP-2021.

Disabled

The mortality table used to measure disability mortality was the PUB-2016 Teachers' Disabled Amount-Weighted mortality table projected generationally using Scale MP-2021.

Survivors

The mortality table used to measure survivor mortality was the PUB-2016 Teachers' Contingent Survivors Amount-Weighted Above Median mortality table projected generationally using Scale MP-2021.

Investment return rate

7.00% per annum, net of investment expenses

Appendix A: Actuarial Assumptions and Methods (continued)

Non-Prescribed Funding Assumptions and Methods

Salary increases

Pay Increase Assumption

Service Index	Merit & Seniority	Base (Economy)	Increase Next Year
0-1	5.00%	2.50%	7.50%
1-2	4.75%	2.50%	7.25%
2-3	4.50%	2.50%	7.00%
3-4	4.25%	2.50%	6.75%
4-5	4.10%	2.50%	6.60%
5-6	3.85%	2.50%	6.35%
6-7	3.50%	2.50%	6.00%
7-8	3.25%	2.50%	5.75%
8-9	3.00%	2.50%	5.50%
9-10	3.00%	2.50%	5.50%
10-11	2.75%	2.50%	5.25%
11-12	2.75%	2.50%	5.25%
12-13	2.50%	2.50%	5.00%
13-14	2.50%	2.50%	5.00%
14-15	2.25%	2.50%	4.75%
15-16	2.25%	2.50%	4.75%
16-17	2.00%	2.50%	4.50%
17-18	2.00%	2.50%	4.50%
18-19	2.00%	2.50%	4.50%
19-20	1.75%	2.50%	4.25%
20-21	1.75%	2.50%	4.25%
21-22	1.50%	2.50%	4.00%
22-23	1.25%	2.50%	3.75%
23-24	1.00%	2.50%	3.50%
24-25	0.75%	2.50%	3.25%
25+	0.25%	2.50%	2.75%

General inflation

2.50%

Marital percentage

It is assumed that 75% of males and 75% of females have an eligible spouse for purposes of death-in-service benefits, and that males are 2 years older than their spouse.

Appendix A: Actuarial Assumptions and Methods (continued)

Non-Prescribed Funding Assumptions and Methods (continued)

Retirement age (Active members)

Legacy

Ages	ERFC (Hired Before 7/1/2001) Type of Retirement	
	Age Based	25+ years of service
45		2.0%
46		2.0%
47		2.0%
48		2.0%
49		2.0%
50		2.0%
51		2.0%
52		7.0%
53		7.0%
54		15.0%
55	14.0%	50.0%*
56	14.0%	50.0%*
57	14.0%	50.0%*
58	16.0%	50.0%*
59	14.5%	50.0%*
60	16.0%	50.0%*
61	20.0%	50.0%*
62	22.0%	50.0%*
63	21.0%	50.0%*
64	24.0%	50.0%*
65	40.0%	35.0%
66	40.0%	45.0%
67	35.0%	35.0%
68	30.0%	35.0%
69	30.0%	35.0%
70 & Over	100.0%	100.0%

* 80% are assumed to elect to enter the DROP, 20% are assumed to retire immediately.

Appendix A: Actuarial Assumptions and Methods (continued)

Non-Prescribed Funding Assumptions and Methods (continued)

Retirement age (Active members) (continued)

ERFC 2001 Tier 1 Plan 1

Ages	Years of Service				
	0-4	5	6-29	30	31+
45				15.0%	15.0%
46				15.0%	15.0%
47				15.0%	15.0%
48				15.0%	15.0%
49				15.0%	15.0%
50				15.0%	15.0%
51				15.0%	10.0%
52				15.0%	10.0%
53				15.0%	10.0%
54				15.0%	11.6%
55				22.5%	15.8%
56				22.5%	15.8%
57				22.5%	15.8%
58				22.5%	15.8%
59				22.5%	16.6%
60	13.0%	13.0%	13.0%	28.5%	19.4%
61	13.0%	22.2%	13.0%	31.0%	24.6%
62	13.0%	23.4%	15.0%	35.0%	30.0%
63	13.0%	22.8%	15.0%	35.0%	27.4%
64	13.0%	23.6%	19.0%	35.0%	27.4%
65	27.0%	34.0%	34.0%	34.0%	38.8%
66	27.0%	29.5%	38.8%	38.8%	38.8%
67	27.0%	30.0%	32.4%	32.4%	32.4%
68	27.0%	30.0%	31.6%	31.6%	31.6%
69	27.0%	30.0%	31.6%	31.6%	31.6%
70+	100.0%	100.0%	100.0%	100.0%	100.0%

Appendix A: Actuarial Assumptions and Methods (continued)

Non-Prescribed Funding Assumptions and Methods (continued)

Retirement age (Active members) (continued)

ERFC 2001 Tier 1 Plan 2

Ages	Years of Service																		
	0-4	5	6-24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40+
50																			9%
51																		9%	9%
52																	9%	9%	9%
53																9%	9%	9%	9%
54															9%	9%	9%	9%	9%
55														9%	9%	9%	9%	9%	9%
56													9%	9%	9%	9%	9%	9%	9%
57												9%	9%	9%	9%	9%	9%	9%	9%
58											9%	9%	9%	9%	9%	9%	9%	9%	9%
59										9%	9%	9%	9%	9%	9%	9%	9%	9%	9%
60	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%
61	13%	14%	13%	13%	13%	13%	14%	14%	14%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%
62	13%	15%	13%	13%	13%	15%	15%	15%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%
63	13%	15%	13%	13%	15%	15%	15%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%
64	13%	15%	14%	15%	15%	15%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%
65	27%	30%	30%	30%	30%	27%	27%	27%	27%	27%	27%	27%	27%	27%	27%	27%	27%	27%	27%
66	27%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%
67	27%	30%	27%	27%	27%	27%	27%	27%	27%	27%	27%	27%	27%	27%	27%	27%	27%	27%	27%
68	27%	30%	27%	27%	27%	27%	27%	27%	27%	27%	27%	27%	27%	27%	27%	27%	27%	27%	27%
69	27%	30%	27%	27%	27%	27%	27%	27%	27%	27%	27%	27%	27%	27%	27%	27%	27%	27%	27%
70+	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Appendix A: Actuarial Assumptions and Methods (continued)

Non-Prescribed Funding Assumptions and Methods (continued)

Retirement age (Active members) (continued)

ERFC 2001 Tier 2

Ages	Years of Service																		
	0-4	5	6-24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40+
50																			9%
51																		9%	9%
52																	9%	9%	9%
53																9%	9%	9%	9%
54															9%	9%	9%	9%	9%
55														9%	9%	9%	9%	9%	9%
56													9%	9%	9%	9%	9%	9%	9%
57												9%	9%	9%	9%	9%	9%	9%	9%
58											9%	9%	9%	9%	9%	9%	9%	9%	9%
59										9%	9%	9%	9%	9%	9%	9%	9%	9%	9%
60		9%	9%	9%	9%	9%	9%	9%	9%	9%	9%	9%	9%	9%	9%	9%	9%	9%	9%
61		14%	10%	10%	10%	10%	14%	14%	14%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
62		15%	13%	13%	13%	15%	15%	15%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%
63		15%	13%	13%	15%	15%	15%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%
64		15%	14%	15%	15%	15%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%
65		30%	30%	30%	30%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
66		30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%
67		30%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
68		30%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
69		30%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
70+		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Appendix A: Actuarial Assumptions and Methods (continued)

Non-Prescribed Funding Assumptions and Methods (continued)

Retirement age (Terminated vested members)

Members hired after July 1, 1988 but before July 1, 2001

<u>Age</u>	<u>Assumption</u>
55	25%
56	10%
57	5%
58	5%
59	10%
60	20%
61	10%
62	15%
63	5%
64	15%
65	35%
66	30%
67+	100%

Members hired after July 1, 2001 but before July 1, 2017

Age 60

Members hired after July 1, 2017

Age 67

Disability rates

Sample Rates	Disability			
	Ordinary		Duty	
	Men	Women	Men	Women
Ages				
20	0.0117%	0.0048%	0.0029%	0.0012%
25	0.0146%	0.0082%	0.0036%	0.0020%
30	0.0158%	0.0122%	0.0040%	0.0031%
35	0.0234%	0.0214%	0.0059%	0.0054%
40	0.0339%	0.0308%	0.0085%	0.0077%
45	0.0520%	0.0456%	0.0130%	0.0114%
50	0.0842%	0.0726%	0.0210%	0.0181%
55	0.1469%	0.1228%	0.0367%	0.0307%
60	0.2447%	0.1770%	0.0621%	0.0443%

Appendix A: Actuarial Assumptions and Methods (continued)

Non-Prescribed Funding Assumptions and Methods (continued)

Withdrawal Rates

Service	% of Active members withdrawing	
	Males	Females
0-1	17%	16%
1-2	12%	14%
2-3	12%	13%
3-4	11%	12%
4-5	11%	12%
5-6	9%	11%
6-7	7%	10%
7-8	7%	10%
8-9	7%	8%
9-10	6%	8%
10-11	5%	7%
11-12	4%	7%
12-13	4%	6%
13-14	3%	5%
14-15	3%	5%
15-16	3%	4%
16-17	2%	3%
17-18	2%	2%
18-19	2%	2%
19-20	2%	2%
20-21	2%	2%
21-22	2%	2%
22-23	2%	2%
23-24	2%	2%
24-25	2%	2%

In addition, forfeiture occurs when a vested person separates from service and withdraws contributions thereby forfeiting future rights to an employer financed benefit. The total probability of forfeiture is obtained by multiplying the probability of withdrawal above by 10%. Forfeiture rates do not apply to individuals who are eligible for retirement at time of termination.

Pay increase timing

Nine months after the valuation date (October 1st)

Decrement timing

Middle of year decrements, with 100% retirement occurring at beginning of year.

Appendix A: Actuarial Assumptions and Methods (continued)

Non-Prescribed Funding Assumptions and Methods (continued)

Surviving spouse benefit/marriage assumption

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

Eligibility testing

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

Administrative expenses

Future administrative expenses are assumed to remain the same percentage of payroll as actual current year administrative expenses.

COLA Adjustment

Members hired prior to July 1, 2017: 3.00% (actual COLA)

Members hired on/after July 1, 2017: 1.75% (long-term estimate of provision of 100% of CPI-U capped at 4.00%)

Actuarial Value of Assets

The actuarial value of assets is determined by adjusting the fair value of plan assets as of December 31 each year to reflect investment gains and losses during each of the last 5 years at 20% per year. The resulting value is required to be within 75% and 125% of the market value of assets as of the same date.

Incidence of Contributions

Contributions are assumed to be received continuously throughout the year based upon the computed percent of payroll shown in this report, and the actual payroll payable at the time contributions are made.

Actuarial Equivalence Factors (as of the date of this report)

The interest rate is 7.00% for the Option D form of payment. For Small Pension payouts the interest rate is the lesser of 7.00% or the rate for 20-year Treasury Notes raised to the next highest integer, as of the December 1st preceding the Calendar year of retirement. Mortality is based upon a 20% unisex blend of 104.48% load of the male rates and 97.19% reduction of the female rates of the PUB-2016 Teachers table projected generationally with Scale MP-2021.

Appendix A: Actuarial Assumptions and Methods (continued)

Non-Prescribed Funding Assumptions and Methods (continued)

Form of Benefit

Single Life Annuity	80%
Joint & 50% Survivor Annuity	5%
Joint & 100% Survivor Annuity	15%

DROP Election

40% of those eligible for the DROP who are less than age 65 are assumed to elect to enter the DROP, 50% are assumed to elect to continue working, and the remaining 10% choose to retire immediately with one of the other forms of benefit. Elections for these other forms of benefit are consistent with those described under the Form of Benefit.

Unused Sick Leave

An additional 0.025 years of service for unused sick leave is assumed to accrue for each year of future credited service beginning for all members. Unused sick leave for past service is reflected in the data. Unused sick leave is not counted toward retirement eligibility service.

Adjustments

To account for administrative expenses, 0.33% of pay was added to the otherwise computed normal cost. This amount will be adjusted each year based on actual administrative expenses during the year and pay as of the valuation date.

For terminated vested records past social security age with no commencement age provided, immediate commencement is assumed. No other adjustments for missing or incomplete data are made; all data issues are fully resolved before commencing the valuation.

The current year's salary is adjusted to have the pay increase. Nine months after the valuation date (October 1st).

Actuarial cost method

Entry age normal cost method

Discount rate method

Equal to the expected return on assets

Appendix A: Actuarial Assumptions and Methods (continued)

Non-Prescribed Funding Assumptions and Methods (continued)

Changes in funding methods/assumptions since the prior year:

Method changes

Beginning with the December 31, 2025 valuation the method used for amortizing unfunded liability has changed. The unfunded liability as of December 31, 2025 is rolled forward 1.5 years and the amortization schedule has been reset over a closed period of 18 years. For actuarial valuations conducted after December 31, 2025, the Trustees may choose to establish new amortization schedules of up to 18 years for liability changes identified in each corresponding actuarial valuation, while continuing to amortize any existing unfunded liabilities through their originally scheduled end dates.

Additionally, in order to stabilize contributions, the Trustees may from time to time elect to combine separate amortization schedules into a single schedule over the average remaining amortization period.

Assumption changes

The valuation assumptions for mortality, disability rates, retirement rates, salary scales, and non-contributory service loads were changed to reflect the most recent experience study covering the period December 31, 2019 to December 31, 2024. The study was presented to and approved by the Board on December 12, 2025.

Appendix B: Summary of Plan Provisions

ERFC Legacy

Eligibility to Participate

ERFC members hired after July 1, 1988 but before July 1, 2001

Vesting Service

Vesting Service credit for all periods of service during which an employee is a contributing member of ERFC. To the extent required by federal law, they may also receive Vesting Service for periods of active-duty military service. Unused Sick Leave may not be applied to fulfill the minimum service period required for vesting. Vesting Service may not be purchased. If a member terminates employment with FCPS and elects to receive a refund or rollover of their ERFC Legacy Accumulated Contributions, they will automatically forfeit their Vesting Service.

Credited Service

Credited Service refers to the period of time in which an employee contributes to ERFC as an active FCPS employee. Credited Service may also include Military Service Credit, Unused Sick Leave, pre-1973 service and Purchased Service Credit.

Contributions

Effective July 1, 2012, members contribute 3% of their salaries. Interest credits are 5% annually through June 30, 2017 and 4% annually thereafter. If a member leaves covered employment before becoming eligible to retire, accumulated contributions are returned upon request. Members who receive a refund of contributions and are later rehired become members of ERFC 2001 Tier 2.

Eligibility for Retirement

Normal retirement

A member may retire any time after reaching the service retirement date, which is either (i) age 65 with 5 years of service or (ii) age 55 with 25 years of service.

Early retirement

A member with 25 years of service but younger than age 55 may retire after age 45. A member with less than 25 years of service and younger than age 65 may retire after age 55.

Disability retirement

An active member with 5 or more years of service who becomes totally and permanently disabled may be retired and receive a disability pension. The 5-year service requirement is waived if the disability is service-connected.

Appendix B: Summary of Plan Provisions (continued)

ERFC Legacy (continued)

Retirement benefits

Normal retirement benefit

For payment periods during the retired member's lifetime 103% times (i) minus (ii) where:

- (i) means 1.85 percent of the FAC multiplied by years of credited service, and
- (ii) means 1.65 percent of the portion of VRS FAC in excess of \$1,200, multiplied by applicable years of creditable Virginia service; provided if the member is younger than age 65 and if creditable Virginia service is less than 30 years, the result of such multiplication shall be reduced for each month before the earlier of:
 - (1) attainment of age 65; and
 - (2) the date when 30 years of service would have been completed.

The reduction shall be one-half of 1% for each of the first 60 months and four-tenths of one percent for each month beyond 60 months, if any.

For payment periods, if any, before the age the member becomes eligible for full Social Security benefits, an additional temporary benefit equal to 103% times 1.00 percent of the FAC multiplied by years of credited service.

Early retirement benefit

Accrued benefit to early retirement date payable at normal retirement date reduced according to the following schedule:

After 25 years of service:

Service Retirement amount reduced to reflect retirement age younger than age 55.

After 5 years of service, but before 25 years of service:

For payment periods during the retired member's lifetime, the Service Retirement amount payable at age 65 reduced to reflect retirement age younger than age 65. For payment periods before the age the member becomes eligible for full Social Security benefits, an additional temporary benefit equal to the Service Retirement temporary benefit reduced to reflect retirement age younger than age 65.

Disability benefit

The amount is 103% times a lifetime pension equal to 0.25 percent of the FAC multiplied by years of credited service. Credited service shall be increased by the time-period from disability retirement to the date when the member would have reached the service retirement date. The minimum pension payable is 2.5 percent of FAC.

Vested Deferred Benefit

An inactive member with 5 or more years of service will be entitled to a pension with payments beginning at age 55, provided she/he does not withdraw accumulated member contributions. Benefits are calculated in the same manner as early retirement benefits.

Final average compensation (FAC)

A member's final average compensation is the average of the 3 highest consecutive years of salary during eligible employment.

Appendix B: Summary of Plan Provisions (continued)

ERFC Legacy (continued)

Deferred Retirement Option Provisions (DROP)

ERFC members hired after July 1, 1988 but before July 1, 2001, who attain at least 25 years of service or age 65 with 5 years of service are eligible to enter the DROP program. The DROP program permits the member to continue to work for FCPS while their monthly benefits determined at entry to the DROP program accumulate in a hypothetical DROP account until they terminate employment. Upon exit, the member receives a distribution of their accumulated DROP account balance along with their continued monthly benefit. Monthly benefits are determined based on credited service and compensation as of the DROP entry date, and the member does not earn additional credited service nor vesting service while in the DROP program. Monthly benefits are accumulated in the DROP account with interest at a rate of 4.0% per annum. A member may participate in the DROP program for up to 5 years.

Forms of Payment Normal Form

Normal form

The assumed normal form of benefit is the straight life form.

Optional forms

Option A

100% Joint and Survivor benefit. Benefit is 85% of the straight life amount adjusted for the difference in age between the retiree and beneficiary. The maximum benefit is 94% of the straight life amount.

Option B

50% Joint and Survivor benefit. Benefit is 91% of the straight life amount adjusted for the difference in age between the retiree and beneficiary. The maximum benefit is 97% of the straight life amount.

Option C

10 years Certain and Life. Benefit is 96% of the straight life amount.

Option D

Single sum payment not exceeding member's accumulated contribution balance, plus a single life annuity actuarially reduced from the pension amount otherwise payable.

Post-Retirement Increases

The amount of the monthly benefit is adjusted each March 31st, by 3% compounded annually, beginning with the March 31st which is more than three full months after the member's effective retirement date. Pensions of members that retire in the immediately preceding calendar year are increased by 1.489% (one-half a year's increase).

Appendix B: Summary of Plan Provisions (continued)

ERFC Legacy (continued)

Spouse's preretirement death benefit statutory benefits

Eligibility

An active member with 5 or more years of service who dies will have benefits payable to the surviving spouse or other eligible beneficiary. The 5-year service requirement is waived if the death is service-connected.

Amount

If the member is eligible for a service or reduced service retirement, then an eligible named beneficiary will receive such benefits reduced based upon an Option A (in the case of a spouse or an ex-spouse subject to a DRO) or Option B (in case of another eligible beneficiary) election. If not, the eligible named beneficiary will receive an amount equal to 103% times a lifetime pension equal of 0.25% of the FAC multiplied by years of credited service, and also reduced in connection with an Option A or Option B election. Credited service shall be increased by the time period from the date of death to the date when the member would have reached service retirement with a minimum of 10 years of service used, provided the death was service connected. If a named beneficiary is not eligible for either of these types of benefits, the named beneficiary will receive a refund of the member's accumulated contributions.

Alternative benefits available to members with some service before July 1, 1988

Service retirement: Alternate amount after full social security age

A member with service before 7/1/1988 may elect, at time of retirement, to receive an alternate benefit amount for payment periods after full Social Security age. The Alternative Guarantee amount is the amount that would have been received after the individual reached eligibility for full Social Security benefits under the Old Plan (pre-July 1, 1988) formulas. The amount is 103% of the total of:

- (i) the amount payable under June 30, 1987 benefit provisions,
- (ii) plus, if the retiring member is younger than full Social Security age and if creditable Virginia service is less than 30 years, 1.65 percent of VRS average final compensation in excess of \$1,200 multiplied by years of creditable Virginia service, and further multiplied by a certain percent based upon the number of months that retirement occurs before reaching the earlier of the above two conditions; such percent is one half of one percent for each of the first 60 such months and for-tenths of one percent for each of the next 50 such months, if any.

Reduced service retirement: Alternate amount with 25 years of more years of service

By election at time of retirement, such a member may elect to receive 103% of the following combination of benefits:

- (i) to age 55, 2.85 percent of the 3-year average annual salary multiplied by years of credited service, then actuarially reduced to reflect retirement age younger than age 55.
- (ii) From age 55 to 65, the amount to age 55 reduced by: 1.65 percent of the portion of VRS average final compensation in excess of \$1,200, multiplied by applicable years of creditable Virginia service; provided if creditable Virginia service is less than 30 years, the result of such multiplication shall be actuarially reduced for each month before the earlier of (1) attainment of age 65; and (2) the date when 30 years' service would have been completed; and
- (iii) From age 65 for life, the amount payable at age 65 according to June 30, 1987 provisions or the amount payable at age 65 according the July 1, 1988 provisions.

Plan changes since the prior year

There have been no changes in plan provisions since the prior valuation.

Appendix B: Summary of Plan Provisions (continued)

ERFC 2001 Tier 1

Eligibility to participate

Members hired on/after July 1, 2001 but before July 1, 2017 (ERFC 2001 Tier 1)

Vesting Service

Vesting Service credit for all periods of service during which an employee is a contributing member of ERFC. To the extent required by federal law, a member may also receive Vesting Service for periods of active-duty military service. Unused Sick Leave may not be applied to fulfill the minimum service period required for vesting.

Credited Service

Credited Service refers to the period of time in which an employee contributes to ERFC as an active FCPS employee. Credited Service may also include Military Service Credit and Unused Sick Leave

Contributions

Effective July 1, 2012, members contribute 3% of their salaries. Interest credits are 5% annually through June 30, 2017, and 4% annually thereafter. If a member leaves covered employment before becoming eligible to retire, accumulated contributions are returned upon request. Members who receive a refund of contributions and are later rehired become members of ERFC 2001 Tier 2.

Retirement eligibility

Normal retirement

A member may retire at age 60 with 5 or more years of credited service, or after 30 years of credited service regardless of age.

Vested deferred retirement

Any member with 5 or more years of credited service who terminates employment prior to the service retirement date, will be eligible to receive a deferred vested pension commencing at age 50, provided accumulated contributions are left on deposit with the Plan.

Retirement benefits

Normal retirement benefits

The amount is a lifetime pension equal to 0.8% (eight-tenths of one percent) of FAC at retirement multiplied by years of credited service. If necessary, the pension will be increased to make the reserve value of the pension equal to the member's accumulated contributions as of the effective retirement date.

Vested deferred retirement benefits

The amount is a lifetime pension equal to 0.8% (eight tenths of one percent) of FAC at termination multiplied by years of credited service. If necessary, the pension will be increased to make the reserve value of the pension equal to the member's accumulated contributions as of the effective retirement date

Appendix B: Summary of Plan Provisions (continued)

ERFC 2001 Tier 1 (continued)

Final Average Compensation (FAC)

A member's Final Average Compensation is the average of the 3 highest consecutive years of salary during eligible employment.

Forms of Payment

Normal Form

The assumed normal form of benefit is the straight life form.

Optional Forms

Option A:

100% Joint and Survivor benefit. Benefit is 85% of the straight life amount adjusted for the difference in age between the retiree and beneficiary. The maximum benefit is 94% of the straight life amount.

Option B:

50% Joint and Survivor benefit. Benefit is 91% of the straight life amount adjusted for the difference in age between the retiree and beneficiary. The maximum benefit is 97% of the straight life amount.

Option C:

10 years Certain and Life. Benefit is 96% of the straight life amount.

Post-Retirement Increases

The amount of the monthly benefit is adjusted each March 31st, by 3% compounded annually, beginning with the March 31st which is more than three full months after the member's effective retirement date. Pensions of members that retire in the immediately preceding calendar year are increased by 1.489% (one-half a year's increase).

Spouse's Preretirement Death Benefit

Statutory Death Benefits

Eligibility

Any member with 5 or more years of credited service who dies before beginning to receive a pension will have benefits payable to the named beneficiary.

Amount

The amount is a lifetime pension equal to 0.8% (eight tenths of one percent) of FAC multiplied by years of credited service at the date of death. If necessary, the pension will be increased to make the reserve value of the pension equal to the member's accumulated contributions as of the date of death. The pension will be adjusted in accordance with an Option A (in the case of a spouse or an ex-spouse subject to a DRO) or Option B (in case of another eligible beneficiary) election payable immediately unless the member did not reach the service retirement eligibility prior to death, in which case the pension is reduced for each month that the member was younger than age 60 on the date of death in the following manner:

- a. One-half of 1% for each of the first 60 months and four-tenths of one percent for each month beyond 60 months (the number of months used for reduction is not to exceed the difference between the member's credited service at death and 30 years).

Appendix B: Summary of Plan Provisions (continued)

ERFC 2001 Tier 1 (continued)

Plan Changes Since the Prior Year

There have been no plan changes since the prior year's valuation.

Appendix B: Summary of Plan Provisions (continued)

ERFC 2001 Tier 2

Eligibility to Participate

Members hired on/after July 1, 2017 (ERFC 2001 Tier 2)

Vesting Service

Vesting Service credit for all periods of service during which an employee is a contributing member of ERFC. To the extent required by federal law, you may also receive Vesting Service for periods of active-duty military service. Unused Sick Leave may not be applied to fulfill the minimum service period required for vesting.

Credited Service

Credited Service refers to the period of time in which an employee contributes to ERFC as an active FCPS employee. Credited Service may also include Military Service Credit and Unused Sick Leave.

Contributions

Members contribute 3% of their salaries. Interest credits are 4% annually. If a member leaves covered employment before becoming eligible to retire, accumulated contributions are returned upon request.

Retirement eligibility

Normal retirement

A member may retire at Full Social Security age FSSA with 5 or more years of credited service, or when the sum of age plus service is greater than or equal to 90 (i.e., "Rule of 90").

Vested deferred retirement

Any member with 5 or more years of credited service who terminates employment prior to the service retirement date, will be eligible to receive a deferred vested pension commencing at FSSA, provided accumulated contributions are left on deposit with the Plan.

Retirement benefits

Normal retirement benefits

The amount is a lifetime pension equal to 0.8% (eight-tenths of one percent) of FAC at retirement multiplied by years of credited service. If necessary, the pension will be increased to make the reserve value of the pension equal to the member's accumulated contributions as of the effective retirement date.

Vested deferred retirement benefits

The amount is a lifetime pension equal to 0.8% (eight tenths of one percent) of FAC at termination multiplied by years of credited service. If necessary, the pension will be increased to make the reserve value of the pension equal to the member's accumulated contributions as of the effective retirement date.

Appendix B: Summary of Plan Provisions (continued)

ERFC 2001 Tier 2 (continued)

Final Average Compensation (FAC)

A member's Final Average Compensation is the average of the 5 highest consecutive years of salary during eligible employment.

Forms of Payment

Normal Form

The assumed normal form of benefit is the straight life form.

Optional Forms

Before the effective retirement date, a retiring member may elect one of the following options:

Option A:

100% Joint and Survivor benefit. Benefit is 85% of the straight life amount adjusted for the difference in age between the retiree and beneficiary. The maximum benefit is 94% of the straight life amount.

Option B:

50% Joint and Survivor benefit. Benefit is 91% of the straight life amount adjusted for the difference in age between the retiree and beneficiary. The maximum benefit is 97% of the straight life amount.

Option C:

10 years Certain and Life. Benefit is 96% of the straight life amount.

Post-Retirement Increases

The amount of the monthly benefit is adjusted each March 31st, by 100% of the Consumer Price Index for all Urban Consumers (CPI-U) for the appropriate Standard Metropolitan Statistical Area (SMSA) that includes Fairfax County (with a cap 4%), compounded annually, beginning with the March 31st which is more than three full months after the member's effective retirement date. Pensions of members that retire in the immediately preceding calendar year are increased by one-half a year's increase.

Spouse's Preretirement Death Benefit

Statutory Death Benefits

Eligibility

Any member with 5 or more years of credited service who dies before beginning to receive a pension will have benefits payable to the named beneficiary.

Amount

The amount is a lifetime pension equal to 0.8% (eight tenths of one percent) of FAC multiplied by years of credited service at the date of death. If necessary, the pension will be increased to make the reserve value of the pension equal to the member's accumulated contributions as of the date of death. The pension will be adjusted in accordance with an Option A (in the case of a spouse or an ex-spouse subject to a DRO) or Option B (in case of another eligible beneficiary) election payable immediately unless the member did not reach the service retirement eligibility prior to death, in which case the pension is reduced for each month that the member was younger than age 60 on the date of death in the following manner:

One-half of 1% for each of the first 60 months and four tenths of one percent for each month beyond 60 months (the number of months used for reduction is based on the lesser of FSSA or the age the member would have attained "Rule of 90").

Appendix B: Summary of Plan Provisions (continued)

ERFC 2001 Tier 2 (continued)

Plan Changes Since the Prior Year

There have been no plan changes since the prior year's valuation.

Appendix C: Projections

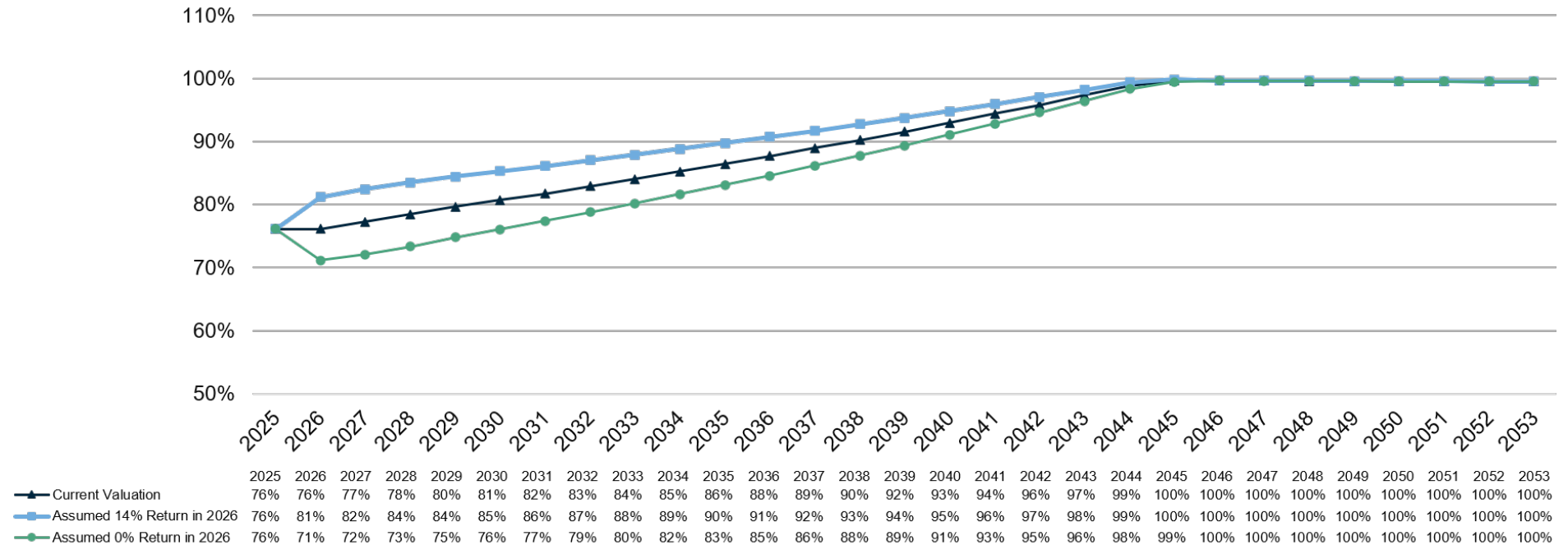
Deterministic projections simulate one scenario in the future. In the following section, we are simulating specific deterministic scenarios of a 30-year stream of funded ratios and employer contributions, adhering to the current funding policy. The projections which follow in this section are based on the data, actuarial assumptions, and actuarial methods described in this report, along with the following key projection assumptions:

- Valuation interest rate of 7.00%
- 7.00% investment return on market value of assets, unless otherwise stated
- All future demographic experience is assumed to be exactly realized, consistently with the actuarial assumptions and methods described in this report.
- The contribution rates follow the Funding Policy in effect and last amended July 30, 2026 throughout the projection period.
- 0% increase in the total active member population (including DROP members)
 - New entrant demographic information is based on the age, gender and salary of new ERFC hires over the year preceding the valuation.
- Future pay increases based on long-term salary increase assumptions
- We have shown two alternate deterministic projections.
 - The first alternate deterministic projection is based on the same assumptions as the baseline deterministic projection, except it assumed a 0.0% asset return for calendar year 2026.
 - The second alternate deterministic projection is based on the same assumptions as the baseline deterministic projection, except it assumed a 14.0% asset return for calendar year 2026.

There are a multitude of assumptions which all must be met in order for projected results to come to fruition – investment returns, employee behavior, future employee demographics, other demographic experience, etc. External factors, such as regulatory changes, would alter results as well. The purpose of these projections is to understand the sensitivities and stressors to the system under the current plan design and the modeled plan design changing only one assumption – the investment return.

Appendix C: Projections (continued)

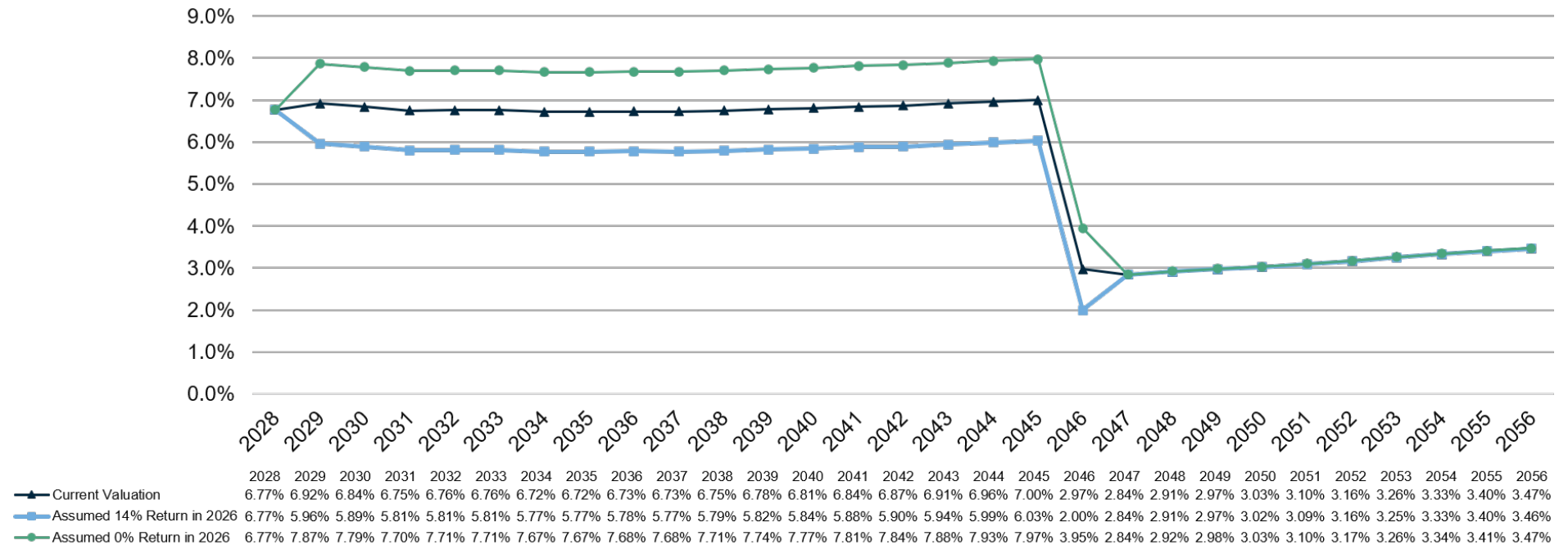
Projected Funded Status



All scenarios assume a 7.0% return from 2027 onward. Asset return sensitivity scenarios are modeled on varying only the 2026 return.

Appendix C: Projections (continued)

FYE Projected Employer Contribution Rates



All scenarios assume a 7.0% return from 2027 onward. Asset return sensitivity scenarios are modeled on varying only the 2026 return.

Appendix D: Tables of Participant Data

The actuarial valuation was based on personnel information from Plan Sponsor records as of December 31, 2025. The following are some of the pertinent characteristics from the personnel data as of that date. Prior year characteristics are also provided for comparison purposes. Both age and service have been determined using years and months as of the valuation date.

	December 31, 2024	December 31, 2025
Active Members		
Number	23,381	23,180
Average age	44.9 years	45.2 years
Average service	9.6 years	9.7 years
Average Reported Salary Rate	\$ 84,816	\$ 89,138
DROP Members		
Number	235	401
Average age	60.0 years	60.0 years
Average Annual Benefit	\$ 31,311	\$ 40,785
Average Current Drop Balance	\$ 39,626	\$ 58,154
Average Reported Salary Rate	\$ 121,000	\$ 118,304
Inactive Members Owed Deferred Payments		
Number	6,388	6,368
Average age	46.9 years	47.5 years
Average monthly retirement benefits ¹	\$ 4,415	\$ 4,313
Inactive Members Receiving Payments²		
Number	14,427	14,711
Average age	73.5 years	73.9 years
Average annual retirement benefits	\$ 15,051	\$ 15,042
Inactive Members Owed a Refund		
Number	2,431	3,467
Average age	38.3 years	39.1 years
Average accumulated contributions	\$ 5,204	\$ 5,318
Total Number of Members	46,862	48,127

¹ Before adjustment for assumed retirement age and payment form.

² Excludes 108 and 106 alternate payees in the 2024 and 2025 plan year, respectively.

Appendix D: Tables of Participant Data (continued)

Population Statistics – Exhibit 1: ERFC Legacy Members - WOMEN Active Members in December 31, 2025 Valuation by Attained Age and Years of Service, excluding DROP members

Age Group	Years of Completed Service at Valuation Date							Annual Pay		
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Up	Total	Total Salary	Average Salary
35-39	0	0	0	0	0	0	0	0	\$ -	\$ -
40-44	0	0	0	0	0	0	0	0	-	-
45-49	1	2	14	26	44	104	0	191	23,845,519	124,846
50-54	2	10	21	54	98	301	29	515	65,681,564	127,537
55-59	0	10	31	44	85	82	31	283	33,938,890	119,925
60	0	1	8	5	9	12	4	39	4,462,275	114,417
61	1	1	1	8	15	7	7	40	4,365,615	109,140
62	0	1	1	5	12	14	1	34	3,846,790	113,141
63	1	1	2	2	7	7	2	22	2,207,740	100,352
64	0	0	0	3	7	16	7	33	3,279,679	99,384
65	0	1	0	2	2	8	3	16	1,699,462	106,216
66	0	0	0	2	4	9	0	15	1,419,182	94,612
67	0	0	2	1	0	6	4	13	1,360,149	104,627
68	0	0	1	0	0	8	1	10	966,274	96,627
69	0	0	1	0	0	5	2	8	687,916	85,990
70	0	0	0	0	2	4	4	10	943,727	94,373
71	0	0	0	0	0	4	0	4	446,552	111,638
72	0	0	0	0	1	5	1	7	617,499	88,214
73	0	0	0	0	2	1	0	3	201,605	67,202
74	0	0	0	0	0	1	3	4	327,322	81,831
75 & Over	0	0	0	1	2	8	2	13	1,416,836	108,987
Totals	5	27	82	153	290	602	101	1,260	\$ 151,714,595	\$ 120,408

Age (Years): 55.7
 Service (Years): 23.9
 Annual Pay \$120,408

Appendix D: Tables of Participant Data (continued)

Population Statistics – Exhibit 2: ERFC Legacy Members - MEN Active Members in December 31, 2025 Valuation by Attained Age and Years of Service, excluding DROP members

Age Group	Years of Completed Service at Valuation Date							Annual Pay		
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Up	Total	Total Salary	Average Salary
35-39	0	0	0	0	0	0	0	0	\$ -	\$ -
40-44	0	0	0	0	0	1	0	1	127,028	127,028
45-49	1	0	0	0	8	34	0	43	5,643,215	131,238
50-54	0	2	3	2	11	122	14	154	21,269,499	138,114
55-59	0	0	2	0	12	30	10	54	6,974,240	129,153
60	0	0	0	0	1	1	1	3	390,557	130,186
61	0	0	0	0	1	4	1	6	648,975	108,163
62	0	0	0	0	1	3	0	4	438,323	109,581
63	0	0	0	1	1	4	1	7	799,938	114,277
64	0	0	0	0	0	3	1	4	438,956	109,739
65	0	0	0	0	0	2	4	6	691,587	115,264
66	1	0	0	0	0	4	1	6	660,065	110,011
67	0	0	0	0	1	1	1	3	323,607	107,869
68	0	0	0	0	0	0	0	0	-	-
69	0	0	0	0	0	0	2	2	277,888	138,944
70	0	0	0	0	0	1	0	1	158,767	158,767
71	0	0	0	0	0	0	0	0	-	-
72	0	0	1	0	0	0	0	1	103,504	103,504
73	0	0	0	0	0	0	0	0	-	-
74	0	0	0	0	0	0	0	0	-	-
75 & Over	0	2	0	0	0	1	5	8	1,045,359	130,670
Totals	2	4	6	3	36	211	41	303	\$ 39,991,509	\$ 131,985

Age (Years): 55.3
 Service (Years): 26.5
 Annual Pay \$131,985

Appendix D: Tables of Participant Data (continued)

Population Statistics – Exhibit 3: ERFC 2001 Tier 1 Members - WOMEN Active Members in December 31, 2025 Valuation by Attained Age and Years of Service, excluding DROP members

Age Group	Years of Completed Service at Valuation Date							Annual Pay		
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Up	Total	Total Salary	Average Salary
20-24	0	0	0	0	0	0	0	0	\$ -	\$ -
25-29	0	1	0	0	0	0	0	1	73,464	73,464
30-34	3	197	174	0	0	0	0	374	32,340,112	86,471
35-39	12	196	831	114	0	0	0	1,153	110,341,602	95,700
40-44	16	150	489	582	157	0	0	1,394	149,460,172	107,217
45-49	19	168	402	354	441	0	0	1,384	153,791,638	111,121
50-54	10	150	395	243	287	0	0	1,085	114,333,278	105,376
55-59	9	127	387	303	248	0	0	1,074	105,894,960	98,599
60	1	21	72	52	43	0	0	189	17,201,422	91,013
61	2	22	66	61	44	0	0	195	17,803,581	91,300
62	2	18	67	55	44	0	0	186	16,403,723	88,192
63	1	14	43	48	41	0	0	147	12,934,775	87,992
64	2	8	36	43	30	0	0	119	10,483,672	88,098
65	1	8	23	32	21	0	0	85	7,146,304	84,074
66	1	3	24	20	26	0	0	74	7,148,635	96,603
67	0	6	13	15	19	0	0	53	4,522,066	85,322
68	0	4	5	15	14	0	0	38	3,672,525	96,645
69	0	2	3	8	7	0	0	20	1,874,802	93,740
70	0	2	0	6	8	0	0	16	1,243,082	77,693
71	0	0	2	6	6	0	0	14	1,125,404	80,386
72	0	1	1	3	6	0	0	11	836,677	76,062
73	0	1	1	1	2	0	0	5	505,481	101,096
74	0	1	1	0	0	0	0	2	85,256	42,628
75 & Over	0	2	4	4	7	0	0	17	1,242,051	73,062
Totals	79	1,102	3,039	1,965	1,451	0	0	7,636	\$ 770,464,682	\$ 100,899

Age (Years): 49.0
Service (Years): 14.9
Annual Pay \$100,899

Appendix D: Tables of Participant Data (continued)

Population Statistics – Exhibit 4: ERFC 2001 Tier 1 Members - MEN Active Members in December 31, 2025 Valuation by Attained Age and Years of Service, excluding DROP members

Age Group	Years of Completed Service at Valuation Date							Annual Pay		
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Up	Total	Total Salary	Average Salary
20-24	0	0	0	0	0	0	0	0	\$ -	\$ -
25-29	0	1	0	0	0	0	0	1	40,278	40,278
30-34	0	38	15	0	0	0	0	53	4,621,578	87,200
35-39	2	62	193	29	0	0	0	286	27,659,160	96,710
40-44	1	43	186	172	41	0	0	443	47,063,742	106,239
45-49	1	29	84	120	192	0	0	426	50,414,203	118,343
50-54	2	27	69	75	139	0	0	312	37,126,034	118,994
55-59	3	19	65	57	111	0	0	255	29,582,843	116,011
60	0	4	8	10	8	0	0	30	3,197,760	106,592
61	1	6	11	8	11	0	0	37	4,125,291	111,494
62	0	5	11	7	8	0	0	31	3,321,344	107,140
63	0	1	11	7	4	0	0	23	2,502,073	108,786
64	0	2	4	5	12	0	0	23	2,779,161	120,833
65	0	3	5	7	5	0	0	20	2,286,879	114,344
66	0	1	7	4	3	0	0	15	1,470,568	98,038
67	0	0	6	4	1	0	0	11	1,311,632	119,239
68	0	1	2	2	0	0	0	5	562,393	112,479
69	0	1	0	1	3	0	0	5	566,945	113,389
70	0	1	2	0	0	0	0	3	235,898	78,633
71	0	0	1	1	2	0	0	4	423,607	105,902
72	0	1	2	1	3	0	0	7	724,496	103,500
73	0	1	3	1	2	0	0	7	581,480	83,069
74	0	0	1	0	1	0	0	2	252,675	126,337
75 & Over	0	0	2	1	2	0	0	5	423,040	84,608
Totals	10	246	688	512	548	0	0	2,004	\$ 221,273,080	\$ 110,416

Age (Years): 48.6
 Service (Years): 15.9
 Annual Pay \$110,416

Appendix D: Tables of Participant Data (continued)

Population Statistics – Exhibit 5: ERFC 2001 Tier 2 Members - WOMEN Active Members in December 31, 2025 Valuation by Attained Age and Years of Service, excluding DROP members

Age Group	Years of Completed Service at Valuation Date							Annual Pay		
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Up	Total	Total Salary	Average Salary
15-19	7	0	0	0	0	0	0	0	\$ 220,664	\$ 31,523
20-24	578	0	0	0	0	0	0	578	33,408,118	57,800
25-29	1,489	236	0	0	0	0	0	1,725	113,535,631	65,818
30-34	825	585	0	0	0	0	0	1,410	102,902,850	72,981
35-39	737	313	0	0	0	0	0	1,050	76,911,645	73,249
40-44	868	313	0	0	0	0	0	1,181	87,651,586	74,218
45-49	873	355	0	0	0	0	0	1,228	91,884,640	74,825
50-54	716	347	0	0	0	0	0	1,063	79,069,675	74,384
55-59	456	282	0	0	0	0	0	738	55,103,831	74,666
60	52	43	0	0	0	0	0	95	7,267,899	76,504
61	57	24	0	0	0	0	0	81	6,464,780	79,812
62	51	33	0	0	0	0	0	84	6,463,811	76,950
63	52	33	0	0	0	0	0	85	6,554,108	77,107
64	30	20	0	0	0	0	0	50	3,833,851	76,677
65	19	12	0	0	0	0	0	31	2,117,654	68,311
66	16	13	0	0	0	0	0	29	2,407,608	83,021
67	15	13	0	0	0	0	0	28	1,969,208	70,329
68	10	7	0	0	0	0	0	17	1,295,740	76,220
69	5	8	0	0	0	0	0	13	989,275	76,098
70	1	1	0	0	0	0	0	2	201,043	100,521
71	2	3	0	0	0	0	0	5	417,402	83,480
72	3	0	0	0	0	0	0	3	132,459	44,153
73	6	2	0	0	0	0	0	8	603,814	75,477
74	2	3	0	0	0	0	0	5	385,448	77,090
75 & Over	3	0	0	0	0	0	0	3	202,756	67,585
Totals	6,873	2,646	0	0	0	0	0	9,519	\$ 681,995,495	\$ 71,646

Age (Years): 40.7
Service (Years): 3.5
Annual Pay \$71,646

Appendix D: Tables of Participant Data (continued)

Population Statistics – Exhibit 6: ERFC 2001 Tier 2 Members - MEN Active Members in December 31, 2025 Valuation by Attained Age and Years of Service, excluding DROP members

Age Group	Years of Completed Service at Valuation Date							Annual Pay		
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Up	Total	Total Salary	Average Salary
15-19	2	0	0	0	0	0	0	0	\$ 61,754	\$ 30,877
20-24	125	0	0	0	0	0	0	125	6,682,657	53,461
25-29	399	36	0	0	0	0	0	435	27,371,674	62,923
30-34	280	145	0	0	0	0	0	425	30,982,038	72,899
35-39	193	124	0	0	0	0	0	317	26,444,680	83,422
40-44	165	87	0	0	0	0	0	252	23,299,257	92,457
45-49	164	82	0	0	0	0	0	246	23,501,725	95,535
50-54	161	66	0	0	0	0	0	227	23,089,990	101,718
55-59	153	56	0	0	0	0	0	209	20,185,396	96,581
60	25	10	0	0	0	0	0	35	2,932,859	83,796
61	26	8	0	0	0	0	0	34	3,019,072	88,796
62	19	9	0	0	0	0	0	28	2,519,260	89,974
63	17	10	0	0	0	0	0	27	2,139,815	79,252
64	12	9	0	0	0	0	0	21	1,938,506	92,310
65	9	4	0	0	0	0	0	13	1,447,296	111,331
66	11	6	0	0	0	0	0	17	1,428,054	84,003
67	8	2	0	0	0	0	0	10	1,112,977	111,298
68	4	2	0	0	0	0	0	6	634,160	105,693
69	2	0	0	0	0	0	0	2	107,033	53,517
70	2	2	0	0	0	0	0	4	238,793	59,698
71	8	0	0	0	0	0	0	8	510,084	63,760
72	2	1	0	0	0	0	0	3	266,163	88,721
73	2	2	0	0	0	0	0	4	287,687	71,922
74	1	0	0	0	0	0	0	1	30,877	30,877
75 & Over	6	1	0	0	0	0	0	7	537,999	76,857
Totals	1,796	662	0	0	0	0	0	2,458	\$ 200,769,806	\$ 81,680

Age (Years): 41.2
Service (Years): 3.5
Annual Pay \$81,680

Appendix D: Tables of Participant Data (continued)

Population Statistics – Exhibit 7: All Active Members by Attained Age & Years of Service, excluding DROP members

Age Group	Years of Completed Service at Valuation Date							Annual Pay		
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Up	Total	Total Salary	Average Salary
15-19	9	0	0	0	0	0	0	9	\$ 282,418	\$ 31,380
20-24	703	0	0	0	0	0	0	703	40,090,776	57,028
25-29	1,888	274	0	0	0	0	0	2,162	141,021,047	65,227
30-34	1,108	965	189	0	0	0	0	2,262	170,846,578	75,529
35-39	944	695	1,024	143	0	0	0	2,806	241,357,087	86,015
40-44	1,050	593	675	754	198	1	0	3,271	307,601,785	94,039
45-49	1,059	636	500	500	685	138	0	3,518	349,080,940	99,227
50-54	891	602	488	374	535	423	43	3,356	340,570,039	101,481
55-59	621	494	485	404	456	112	41	2,613	251,680,160	96,318
60	78	79	88	67	61	13	5	391	35,452,772	90,672
61	87	61	78	77	71	11	8	393	36,427,313	92,690
62	72	66	79	67	65	17	1	367	32,993,251	89,900
63	71	59	56	58	53	11	3	311	27,138,450	87,262
64	44	39	40	51	49	19	8	250	22,753,825	91,015
65	29	28	28	41	28	10	7	171	15,389,182	89,995
66	29	23	31	26	33	13	1	156	14,534,112	93,167
67	23	21	21	20	21	7	5	118	10,599,638	89,827
68	14	14	8	17	14	8	1	76	7,131,093	93,830
69	7	11	4	9	10	5	4	50	4,503,859	90,077
70	3	6	2	6	10	5	4	36	3,021,309	83,925
71	10	3	3	7	8	4	0	35	2,923,047	83,516
72	5	3	4	4	10	5	1	32	2,680,797	83,775
73	8	6	4	2	6	1	0	27	2,180,068	80,743
74	3	4	2	0	1	1	3	14	1,081,577	77,256
75 & Over	9	5	6	6	11	9	7	53	4,868,041	91,850
Totals	8,765	4,687	3,815	2,633	2,325	813	142	23,180	\$ 2,066,209,167	\$ 89,138

	Legacy	Tier 1	Tier 2	Total
Age (Years):	55.6	48.9	40.8	45.2
Service (Years):	24.4	15.1	3.5	9.7
Annual Pay	\$122,653	\$102,877	\$73,705	\$89,138

Appendix D: Tables of Participant Data (continued)

Population Statistics – Exhibit 8: Active Members by Years of Service as of December 31, 2025, excluding DROP members

Service Years	Number of Members			Annual Pay	
	Males	Females	Total	Total Salary	Average Salary
0	355	1,299	1,654	\$108,584,519	\$65,650
1	448	1,721	2,169	148,679,870	68,548
2	396	1,512	1,908	133,825,700	70,139
3	347	1,384	1,731	124,113,773	71,701
4	262	1,041	1,303	99,624,035	76,457
5	175	736	911	74,074,547	81,311
6	190	822	1,012	82,272,248	81,297
7	189	759	948	81,458,287	85,926
8	172	735	907	79,412,165	87,555
9	186	723	909	81,067,245	89,183
10	163	745	908	82,499,495	90,858
11	131	551	682	64,398,770	94,426
12	118	627	745	72,393,158	97,172
13	139	616	755	75,248,255	99,667
14	143	582	725	74,713,592	103,053
15	113	422	535	55,596,236	103,918
16	75	377	452	47,315,503	104,680
17	99	422	521	57,188,300	109,766
18	116	457	573	61,984,007	108,175
19	112	440	552	61,506,809	111,425
20	147	427	574	65,840,377	114,704
21	135	384	519	61,244,144	118,004
22	101	322	423	52,046,987	123,043
23	92	276	368	44,612,506	121,230
24	109	332	441	54,863,694	124,407
25	68	209	277	34,802,104	125,639
26	59	145	204	25,168,682	123,376
27	39	114	153	19,514,752	127,547
28	23	77	100	12,729,819	127,298
29	22	57	79	10,621,432	134,449
30 & Over	41	101	142	18,808,157	132,452
Totals	4,765	18,415	23,180	\$2,066,209,167	\$ 89,138

Appendix D: Tables of Participant Data (continued)

Population Statistics – Exhibit 9: Persons in Valuation - Comparative Statement - Active Members, excluding DROP members

Valuation Date	ERFC Legacy	<u>Number</u>		Total	Average Pay	<u>Annual Increase in Average Pay</u>		Price Inflation (CPI-U)* ¹ Last Year
		ERFC 2001 Tier 1	ERFC 2001 Tier 2			Last Year	Last 5 Years	
2/28/1974	7,429			7,429	\$13,087			
2/28/1975	8,075			8,075	13,693			
2/28/1976	8,609			8,609	15,929			
2/29/1980	8,990			8,990	18,901			
6/30/1983	9,359			9,359	24,104			
6/30/1985	9,596			9,596	26,229			
6/30/1986	10,084			10,084	27,523	4.90%		1.80%
6/30/1987	10,560			10,560	28,887	5.00%		3.70%
6/30/1988	10,727			10,727	31,784	10.00%		4.00%
6/30/1989	11,019			11,019	33,540	5.50%		5.20%
6/30/1990	11,539			11,539	35,702	6.40%	6.40%	4.70%
6/30/1991	12,313			12,313	36,699	2.80%	5.90%	4.70%
6/30/1992	12,308			12,308	36,356	(0.90%)	4.70%	3.10%
6/30/1993	12,330			12,330	36,539	0.50%	2.80%	3.00%
6/30/1994	12,873			12,873	37,365	2.30%	2.20%	2.50%
6/30/1995	13,287			13,287	39,215	5.00%	1.90%	3.00%
6/30/1996	13,110			13,110	40,508	3.30%	2.00%	2.80%
6/30/1997	13,473			13,473	41,098	1.50%	2.50%	2.30%
6/30/1998	13,806			13,806	42,210	2.70%	2.90%	1.70%
6/30/1999	14,449			14,449	43,326	2.60%	3.00%	2.00%
6/30/2000	15,050			15,050	45,112	4.10%	2.80%	3.70%
6/30/2001	15,955			15,955	47,628	5.60%	3.30%	3.20%
6/30/2002	15,363	711		16,074	48,635	2.10%	3.40%	1.10%
6/30/2003	13,934	3,804		17,738	48,850	0.40%	3.00%	2.10%
12/31/2004	11,856	6,864		18,720	52,234	6.90%	3.80%	3.30%
12/31/2005	10,895	8,186		19,081	55,040	5.40%	4.10%	3.40%
12/31/2006	10,065	9,306		19,371	57,396	4.30%	3.80%	2.50%
12/31/2007	9,350	10,249		19,599	59,260	3.20%	4.00%	4.10%
12/31/2008	8,791	10,940		19,731	61,383	3.60%	4.70%	0.10%
12/31/2009	8,417	11,474		19,891	60,736	(1.10%)	3.10%	2.70%
12/31/2010	7,900	12,241		20,141	59,148	(2.60%)	1.40%	1.50%
12/31/2011	7,353	13,623		20,976	59,448	0.50%	0.70%	3.00%
12/31/2012	6,801	14,718		21,519	60,297	1.40%	0.30%	1.70%
12/31/2013	6,221	15,422		21,643	61,004	1.20%	(0.10%)	1.50%
12/31/2014	5,754	15,598		21,352	62,774	2.90%	0.70%	0.80%
12/31/2015	5,292	16,293		21,585	63,613	1.30%	1.50%	0.70%
12/31/2016	4,892	16,856		21,748	66,056	3.80%	2.10%	2.10%
12/31/2017	4,488	15,629	1,724	21,841	67,554	2.30%	2.30%	2.10%
12/31/2018	4,115	14,451	3,482	22,048	70,510	4.37%	2.93%	1.90%
12/31/2019	3,761	13,533	4,882	22,176	73,612	4.40%	3.23%	2.30%
12/31/2020	3,408	12,920	6,032	22,360	73,053	(0.76%)	2.82%	1.40%
12/31/2021	3,019	12,035	7,275	22,329	74,468	1.94%	2.45%	7.00%
12/31/2022	2,752	11,331	8,833	22,916	78,138	4.93%	2.98%	6.50%
12/31/2023	2,457	10,614	10,022	23,093	81,460	4.25%	2.95%	3.40%
12/31/2024	1,950	10,048	11,383	23,381	84,816	4.12%	2.90%	2.90%
12/31/2025	1,563	9,640	11,977	23,180	89,138	5.10%	4.07%	2.70%

¹ For this purpose, we are displaying the CPI-U for All Urban Consumers (U.S. City Average). This is a different table than that used to determine Tier 2 COLA amounts.

Appendix D: Tables of Participant Data (continued)

Population Statistics – Exhibit 10: Persons in Valuation - Comparative Statement - Retirees and Beneficiaries, excluding DROP members

Valuation Date	Number	Average Annual Benefit	Total Benefits	Active Member Payroll	Total Benefits as % of Payroll
2/28/1974	0	\$ -	\$ -	\$ 97,221,025	
2/28/1975	195	3,463	675,344	110,571,258	0.61%
2/28/1976	456	3,270	1,491,310	137,131,905	1.09%
2/29/1980	1,012	4,238	4,288,395	169,924,320	2.52%
6/30/1983	1,448	5,136	7,437,571	225,592,433	3.30%
6/30/1985	1,823	6,220	11,339,462	251,691,261	4.51%
6/30/1986	2,047	6,614	13,539,032	277,545,288	4.88%
6/30/1987	2,232	7,007	15,639,820	305,050,734	5.13%
6/30/1988	2,425	7,629	18,502,289	340,945,603	5.43%
6/30/1989	2,679	8,671	23,230,719	369,574,756	6.29%
6/30/1990	2,932	9,354	27,428,027	411,970,032	6.66%
6/30/1991	3,209	10,146	32,559,349	451,872,668	7.21%
6/30/1992	3,311	10,960	36,289,308	447,473,936	8.11%
6/30/1993	3,486	11,307	39,417,339	450,530,273	8.75%
6/30/1994	3,775	11,285	42,600,996	480,995,439	8.86%
6/30/1995	3,927	11,529	45,274,131	521,044,021	8.69%
6/30/1996	4,225	11,843	50,036,473	531,060,397	9.42%
6/30/1997	4,478	11,908	53,322,514	553,709,472	9.63%
6/30/1998	4,773	12,156	58,018,744	582,754,912	9.96%
6/30/1999	5,113	12,383	63,312,850	626,015,364	10.11%
6/30/2000	5,344	13,201	70,548,074	678,937,233	10.39%
6/30/2001	5,766	13,167	75,922,636	759,905,510	9.99%
6/30/2002	6,375	13,645	86,985,606	781,756,005	11.13%
6/30/2003	6,729	14,493	97,522,562	866,501,799	11.25%
12/31/2004	7,430	14,767	110,029,000	977,817,281	11.25%
12/31/2005	7,710	15,077	116,242,812	1,050,216,544	11.07%
12/31/2006	8,029	15,370	123,402,840	1,111,827,576	11.10%
12/31/2007	8,354	15,598	130,307,079	1,161,431,668	11.22%
12/31/2008	8,595	15,631	134,346,260	1,211,140,009	11.09%
12/31/2009	8,772	15,697	137,692,304	1,208,092,606	11.40%
12/31/2010	9,081	15,677	142,366,660	1,191,290,190	11.95%
12/31/2011	9,467	15,707	148,697,364	1,246,973,240	11.92%
12/31/2012	9,788	15,594	152,634,070	1,297,536,507	11.76%
12/31/2013	10,156	15,193	154,304,935	1,320,308,508	11.69%
12/31/2014	10,524	14,893	156,735,926	1,340,343,666	11.69%
12/31/2015	10,937	14,649	160,215,262	1,373,095,719	11.67%
12/31/2016	11,367	14,356	163,189,230	1,436,587,994	11.36%
12/31/2017	11,729	14,308	167,821,309	1,475,449,186	11.37%
12/31/2018	12,101	14,201	171,843,676	1,554,614,462	11.05%
12/31/2019	12,482	14,158	176,679,304	1,632,427,309	10.82%
12/31/2020	12,842	14,191	182,235,043	1,633,457,804	11.16%
12/31/2021	13,338	14,318	190,958,236	1,662,801,220	11.48%
12/31/2022	13,747	14,304	196,634,792	1,790,601,219	10.98%
12/31/2023	14,098	14,471	204,005,902	1,881,144,203	10.84%
12/31/2024	14,427	15,051	217,145,123	1,983,072,478	10.95%
12/31/2025	14,711	15,042	221,288,573	2,066,209,167	10.71%

	Average					
	All Retirees			2025 Retirees		
	At Retirement Age	Service	Current Monthly Benefit	At Retirement Age	Service	Current Monthly Benefit
ERFC Legacy	59.5	23.9	\$ 1,442	59.9	25.7	\$ 2,476
ERFC 2001 Tier 1	63.7	12.3	\$ 633	64.3	15.9	\$ 881
ERFC Tier 2	68.6	6.3	\$ 238	68.5	6.5	\$ 212

Appendix D: Tables of Participant Data (continued)

Population Statistics – Exhibit 11: Persons in Valuation - Comparative Statement – DROP Members

Attained Ages	Number	Current Total Drop Balance	Member Payroll	Total Benefits
Under 55	0	\$ -	\$ -	\$ -
55	63	2,435,768	8,115,834	250,566
56	61	4,135,248	7,432,528	241,842
57	54	3,481,414	6,395,888	195,415
58	32	2,205,605	3,824,464	123,821
59	29	2,305,513	3,570,058	118,572
60	22	1,506,108	2,884,148	82,099
61	26	1,485,885	2,892,055	91,616
62	24	1,503,204	2,994,629	81,132
63	18	991,487	2,094,780	56,398
64	14	472,753	1,320,985	29,848
65	19	1,250,457	2,133,844	54,221
66	10	481,482	1,086,101	17,378
67	3	136,771	366,453	1,682
68	6	197,410	544,466	3,704
69	7	375,760	857,698	3,980
70-74	12	343,441	1,321,907	9,335
75-79	1	11,415	119,316	1,281
Total	401	\$ 23,319,719	\$ 47,955,152	\$ 1,362,890

Appendix D: Tables of Participant Data (continued)

Population Statistics – Exhibit 12: ERFC Legacy - Original Benefit Formulas (Before July 1, 1988) Retirees and Beneficiaries as of December 31, 2025 by Type of Benefit Being Paid, excluding DROP members

Type of Pension Being Paid	Number	Annual Payable for Life	Annual Temporary Supplement	Annual Current Benefits
Age and Service - Normal Straight Life	48	1,534,044	0	1,534,044
Optional Form	3	74,816	0	74,816
Age and Service - Early Straight Life	118	2,802,636	0	2,802,636
Optional Form	9	236,932	0	236,932
Age and Service Totals	178	4,648,427	0	4,648,427
Duty Disability Straight Life	2	80,948	0	80,948
Non-Duty Disability Straight Life	7	131,669	0	131,669
Age and Service Survivor Beneficiary, Duty Death, and Non-Duty Death	20	282,049	0	282,049
Other Totals	29	494,665	0	494,665
Total Benefits	207	5,143,092	0	5,143,092

Appendix D: Tables of Participant Data (continued)

Population Statistics – Exhibit 13: ERFC Legacy - Benefit Formulas Effective July 1, 1998 Retirees and Beneficiaries as of December 31, 2025 by Type of Benefit Being Paid, excluding DROP members

Type of Pension Being Paid	Number	Annual Payable for Life	Annual Temporary Supplement	Annual Current Benefits
Age and Service - Normal				
Straight Life	5,531	95,980,887	23,095,816	119,076,703
Optional Form	1,099	17,990,244	4,464,787	22,455,030
Age and Service - Early				
Straight Life	3,665	31,654,721	9,343,814	40,998,535
Optional Form	433	3,907,059	1,106,317	5,013,376
Age and Service Totals	10,728	149,532,911	38,010,733	187,543,644
Duty Disability				
Straight Life	8	33,318	0	33,318
Optional Form	2	12,155	0	12,155
Non-Duty Disability				
Straight Life	86	518,555	0	518,555
Optional Form	11	62,261	0	62,261
Age and Service Survivor Beneficiary, Duty Death, and Non-Duty Death	248	2,092,919	134,464	2,227,382
Other Totals	355	2,719,208	134,464	2,853,671
Total Benefits	11,083	152,252,118	38,145,197	190,397,316

Appendix D: Tables of Participant Data (continued)

Population Statistics – Exhibit 14: ERFC 2001 Tier 1 - Retirees and Beneficiaries as of December 31, 2025 by Type of Benefit Being Paid, excluding DROP members

Type of Pension Being Paid	Number	Annual Payable for Life	Annual Temporary Supplement	Annual Current Benefits
Age and Service - Normal	2,544	19,474,969	0	19,474,969
Straight Life	822	6,153,006	0	6,153,006
Optional Form				
Age and Service - Early	0	0	0	0
Straight Life	0	0	0	0
Optional Form				
Age and Service Totals	3,366	25,627,974	0	25,627,974
Disability				
Straight Life	7	34,725	0	34,725
Optional Form	1	6,110	0	6,110
Age and Service Survivor				
Beneficiary, Duty Death, and	22	142,548	0	142,548
Non-Duty Death				
Other Totals	30	183,383	0	183,383
Total Benefits	3,396	25,811,357	0	25,811,357

Appendix D: Tables of Participant Data (continued)

Population Statistics – Exhibit 15: ERFC 2001 Tier 2 - Retirees and Beneficiaries as of December 31, 2025 by Type of Benefit Being Paid, excluding DROP members

Type of Pension Being Paid	Number	Annual Payable for Life	Annual Temporary Supplement	Annual Current Benefits
Age and Service - Normal				
Straight Life	20	56,861	0	56,861
Optional Form	5	14,410	0	14,410
Age and Service - Early				
Straight Life	0	0	0	0
Optional Form	0	0	0	0
Age and Service Totals	25	71,271	0	71,271
Disability				
Straight Life	0	0	0	0
Age and Service Survivor				
Beneficiary, Duty Death, and Non-Duty Death	0	0	0	0
Other Totals	0	0	0	0
Total Benefits	25	71,271	0	71,271

Appendix D: Tables of Participant Data (continued)

Population Statistics – Exhibit 16: ERFC Legacy - Original Benefit Formulas (Before July 1, 1988) Retirees and Beneficiaries as of December 31, 2025 by Current Annual Benefits - Tabulated by Attained Ages

Attained Ages	Number	Annual Amount
70	0	\$ 0
71	0	0
72	1	20,207
73	0	0
74	1	13,569
75	1	22,730
76	0	0
77	1	25,737
78	0	0
79	1	43,902
80-84	8	125,628
85-89	59	1,466,748
90 & Up	135	3,424,571
Total	207	\$ 5,143,092

Appendix D: Tables of Participant Data (continued)

Population Statistics – Exhibit 17: ERFC Legacy - Benefit Formulas Effective July 1, 1998 Retirees and Beneficiaries as of December 31, 2025 by Current Annual Benefits - Tabulated by Attained Ages

Attained Ages	Number	Annual Amount
Under 40	1	\$ 3,922
40-44	1	4,493
45	1	10,465
46	0	0
47	1	3,588
48	3	63,214
49	7	114,669
50	5	163,237
51	11	299,998
52	10	357,848
53	20	730,353
54	31	1,115,030
55	81	2,958,681
56	111	3,821,640
57	117	4,131,761
58	117	3,614,226
59	144	4,739,585
60	132	4,596,956
61	174	5,790,159
62	178	5,585,401
63	211	6,796,047
64	205	6,179,277
65	234	6,645,045
66	238	6,780,262
67	286	3,647,012
68	331	3,967,078
69	341	4,212,312
70-74	2,212	27,035,175
75-79	2,847	39,978,342
80 & Up	3,033	46,917,073
Total	11,083	\$ 190,262,852

Appendix D: Tables of Participant Data (continued)

Population Statistics – Exhibit 18: ERFC 2001 Tier 1 - Retirees and Beneficiaries as of December 31, 2025 by Current Annual Benefits - Tabulated by Attained Ages

Attained Ages	Number	Annual Amount
Under 40	0	\$ -
40-44	1	1,355
45	0	0
46	0	0
47	0	0
48	0	0
49	0	0
50	0	0
51	0	0
52	1	7,285
53	0	0
54	0	0
55	2	6,770
56	1	11,469
57	1	7,167
58	5	18,464
59	2	4,463
60	72	647,380
61	120	1,002,839
62	136	1,015,238
63	173	1,382,422
64	197	1,545,390
65	217	1,836,462
66	233	2,036,843
67	207	1,732,241
68	235	1,995,823
69	236	1,743,381
70-74	941	6,878,905
75-79	502	3,252,044
80 & Up	114	685,415
Total	3,396	\$ 25,811,357

Appendix D: Tables of Participant Data (continued)

Population Statistics – Exhibit 19: ERFC 2001 Tier 2 - Retirees and Beneficiaries as of December 31, 2025 by Current Annual Benefits - Tabulated by Attained Ages

Attained Ages	Number	Annual Amount
Under 65		\$ 0
66	1	1,270
67	7	19,541
68	6	19,778
69	4	7,525
70 & Up	7	23,157
Total	25	\$ 71,271

Appendix D: Tables of Participant Data (continued)

Population Statistics – Exhibit 20: ERFC Legacy - Benefit Formulas Inactive Vested Members as of December 31, 2025 by Annual Deferred Benefits - Tabulated by Attained Ages

Attained Ages	Number	Annual Amount
Under 45	0	\$ 0
45	0	0
46	2	10,207
47	35	127,000
48	47	148,156
49	63	224,766
50	64	204,773
51	92	226,121
52	89	340,945
53	98	348,059
54	105	377,999
55	95	275,595
56	69	203,573
57	68	225,786
58	61	217,547
59	53	220,791
60	47	206,520
61	35	121,567
62	29	159,968
63	23	108,258
64	19	115,445
65 & Up	83	213,605
Totals	1,177	\$ 4,076,682

Appendix D: Tables of Participant Data (continued)

Population Statistics – Exhibit 21: ERFC 2001 Tier 1 - Inactive Vested Members as of December 31, 2025 by Annual Deferred Benefits - Tabulated by Attained Ages

Attained Ages	Number	Annual Amount
Under 27	0	\$ 0
27	0	0
28	0	0
29	0	0
30	1	2,491
31	20	66,950
32	77	261,786
33	98	332,398
34	133	482,612
35	188	727,132
36	204	769,839
37	233	967,089
38	245	1,063,175
39	250	1,037,099
40	228	1,002,266
41	236	1,018,894
42	289	1,398,051
43	270	1,300,037
44	260	1,183,594
45	255	1,228,173
46	262	1,257,758
47	216	1,097,583
48	162	774,936
49	124	634,974
50	137	782,347
51	118	640,644
52	109	594,424
53	97	565,896
54	133	770,271
55	109	578,625
56	114	743,408
57	105	659,346
58	119	755,385
59	98	651,576
60	53	269,079
61	43	194,850
62	42	181,497
63	33	138,160
64	24	89,587
65 & Up	62	230,724
Totals	5,147	\$ 24,452,656

Appendix D: Tables of Participant Data (continued)

Population Statistics – Exhibit 22: ERFC 2001 Tier 2 - Inactive Vested Members as of December 31, 2025 by Annual Deferred Benefits - Tabulated by Attained Ages

Attained Ages	Number	Annual Amount
65 & Up	2	6,535
Totals	2	\$ 6,535

Appendix D: Tables of Participant Data (continued)

Population Statistics – Exhibit 23: Life Expectancy

Sample Future Life Expectancy in Years		
AGES in 2025	MALE	FEMALE
55	32.60	35.30
60	27.62	30.28
65	22.83	25.36
70	18.29	20.58
75	14.05	16.07
80	10.25	11.97

Appendix E: Risk Information

Funding future retirement benefits prior to when those benefits become due involves assumptions regarding future economic and demographic experience. These assumptions are applied to calculate actuarial liabilities, current contribution requirements and the funded status of the plan. However, to the extent future experience deviates from the assumptions used, variations will occur in these calculated values. These variations create risk to the plan. Understanding the risks to the funding of the plan is important.

Actuarial Standard of Practice No. 51 (“ASOP 51”) requires certain disclosures of potential risks to the plan and provides useful information for intended users of actuarial reports that determine plan contributions or evaluate the adequacy of specified contribution levels to support benefit provisions. Under ASOP 51, risk is defined as the potential of actual future measurements deviating from expected future measurements resulting from actual future experience deviating from actuarially assumed experience. It is important to note that not all risk is negative, but all risk should be understood and accepted based on knowledge, judgement and educated decisions. Future measurements may deviate in ways that produce positive or negative financial impacts to the plan.

In the actuaries’ professional judgment, the following risks may reasonably be anticipated to significantly affect the System’s future financial condition and contribution requirements.

- **Investment Risk** – The potential that the investment return will differ from the rate assumed in the actuarial valuation.
- **Long-term return on investment risk** – potential that changes in long-term capital market assumptions or the System’s asset allocation will create the need to update the long-term return on investment assumption
- **Longevity Risk** – The potential that members’ lifespans will differ from those projected under valuation mortality assumptions.
- **Salary Increase Risk** – The potential that future salaries will differ from the pattern assumed in the actuarial valuation.

The following information is provided to comply with ASOP 51 and furnish beneficial information on potential risks to the System. This list is not all-inclusive. It is an attempt to identify the more significant risks and how those risks might affect the results shown in this report.

Note that ASOP 51 does not require the actuary to evaluate the ability or willingness of the plan sponsor to make contributions to the System when due, or to assess the likelihood or consequences of potential future changes in law. In addition, this valuation report is not intended to provide investment advice or to provide guidance on the management or reduction of risk.

Investment Risk

System costs are sensitive to the market return on assets. Returns below those assumed will increase costs. The System uses an actuarial value of assets that smooths gains and losses on market returns over a 5-year period to help control some of the volatility in costs due to investment risk.

The System invests in a diversified portfolio of assets with the objective of maximizing investment returns at a reasonable level of risk. Actuarial Standard of Practice No. 4 (ASOP 4) requires the actuary to disclose a Low-Default-Risk Obligation Measure (LDROM) of the plan’s liability and provide commentary to help the intended users of this report understand the significance of the LDROM with respect to funded status, contributions, and participant benefit security.

The LDROM is based on discount rates derived from low-default-risk fixed income securities whose cash flows are reasonably consistent with the pattern of benefits expected to be paid in the future. The LDROM shown here represents what the System’s liability would be if it invested its assets solely in a portfolio of high-quality bonds whose cash flows approximately match future benefit payments. Consequently, the difference between the LDROM and the actuarial accrued liability represents the taxpayer savings from investing in a diversified portfolio of assets versus only investing in high-quality bonds. Furthermore, this difference also represents the cost of reducing investment risk.

Appendix E: Risk Information (continued)

As of December 31, 2025, the LDROM is \$6,869,363,000 based on an interest rate of 5.98%. The interest rate used for the LDROM was determined by calculating a single equivalent discount rate using projected benefit payments and the Gallagher Above Median Yield Curve as of December 31, 2025. Please note that the interest rate used for the LDROM is based on bond yields as of the measurement date and will therefore vary for different measurement dates. All other assumptions are the same as those used for funding purposes as shown in this report.

Actuaries play a role in helping to determine funding methods and policies that can achieve affordable and appropriate contributions and risk management. The funded status based on the actuarial accrued liability, as well as the actuarially determined contributions, are calculated using the expected return on assets, which reflects the actual investment portfolio. Since the assets are not invested solely in an all-bond portfolio, the LDROM does not indicate the System's funded status or progress, nor does it provide information on necessary plan contributions.

Regarding participant benefit security, if the System were to be funded on an LDROM basis, participant benefits currently accrued as of the measurement date might be considered more secure, since the investment risk would be significantly reduced. However, the fact that assets are invested in a diversified portfolio does not mean that the members' benefits are not secure. The security of participant benefits relies on a combination of the assets in the plan, the investment returns generated from those assets, and the promise of future contributions from the plan sponsor. Reducing investment risk by investing solely in bonds may significantly increase the actuarially determined contributions, and thereby increase contribution risk by decreasing the ability of the plan sponsor to make necessary contributions to fund the benefits. Unnecessarily high contribution requirements in the near term may not be affordable and could imperil plan sustainability and benefit security. Participant benefits will remain secure if reasonable and appropriate contributions with managed risk are calculated and paid.

Market shocks or regime changes

Invested assets are subject to significant disruptions from market shocks, such as the financial crisis of 2008/2009, or as a result of systemic regime changes that persist for years, such as historically low interest rates over the recent decade. These shocks or changes will increase the risk that investments will underperform the expected return. They may also lead to a need to lower the long-term return on assets assumption.

Long-term return on investment risk

Inherent in the long-term return on investment assumption is the expectation that the current rate will be used until the last benefit payment of the System is made. There is a risk that sustained changes in economic conditions, changes in long-term future capital market assumptions or changes to the System's asset allocations will necessitate an update to the long-term return on investment assumption used.

- Under a lower long-term return on investment assumption, less investment return is available to pay System benefits. This may lead to an increased need for employer contributions.
- The liabilities will be higher at a lower rate of return because future benefits will have a lower discount rate applied when calculating the present value.

Salary Increase Risk

Plan costs will be increased if actual salary increases are larger than expected.

- Higher than expected salary increases will produce higher benefits.
- The higher benefits may be partially offset by increased member contributions, as well as increased employer contributions, due to higher salaries.

Longevity Risk

Retirement System costs will be increased as members are expected to live longer. This is because:

- Benefits are paid over a longer lifetime when life expectancy is expected to increase. The longer duration of payments leads to higher liabilities.
- Health care has been improving, which increases the life expectancy of members. As health care improves, Retirement System costs will increase.

Appendix E: Risk Information (continued)

- The mortality assumption for the Retirement System does assume future improvement in mortality. Any improvement in future mortality greater than that reflected in the current mortality assumption would lead to increased Retirement System costs.
- Cost of living adjustments increase longevity risk as higher benefits are paid for a longer period than expected.

System Maturity Measures

There are certain measures that may aid in understanding the significant risks to the System.

Appendix E: Risk Information (continued)

Ratio of Retired Liability to Total Liability (000's omitted)

As of December 31	2025	2024	2023	2022	2021
1. Retiree and Beneficiary Accrued Liability	\$2,286,563	\$2,232,322	\$2,148,638	\$2,082,086	\$2,013,044
2. Total Accrued Liability	\$4,814,284	\$4,538,459	\$4,287,779	\$4,119,031	\$3,921,053
3. Ratio, (1) / (2)	47.50%	49.19%	50.11%	50.55%	51.34%

For a mature plan, this ratio is often above 60% - 65%. An increasing ratio may indicate a need for a less risky asset allocation, which may lead to a lower assumed rate of return on assets and increased costs.

Ratio of Cash Flow to Assets (000's omitted)

During Calendar Year	2025	2024	2023	2022	2021
1. Contributions	\$193,674	\$183,549	\$172,313	\$164,727	\$156,974
2. Benefit Payments	<u>229,488</u>	<u>219,570</u>	<u>206,966</u>	<u>197,857</u>	<u>190,909</u>
3. Cash Flow, (1) - (2)	(\$35,814)	(\$31,280)	(\$34,654)	(\$33,130)	(\$33,935)
4. Market Value of Assets	\$3,283,327	\$3,127,209	\$2,954,160	\$3,419,373	\$2,984,110
5. Ratio, (3) / (4)	(1.1)%	(1.0)%	(1.2)%	(1.0)%	(1.1)%

When this cash flow ratio is negative, more cash is being paid out than deposited in the fund. Negative cash flow indicates the fund needs to rely on investment returns to cover benefit payments and at the same time may need to invest in more liquid assets to cover benefit payments. More liquid assets may earn lower returns than less liquid assets and thereby increase investment risk. Currently, the low magnitude of the ratio implies there may already be enough liquid assets to cover the benefit payments, less investment return is needed to cover the shortfall, or only a small portion of assets will need to be converted to cash. Therefore, the investment risk is likely not amplified at this time. However, this maturity measure should be monitored in the future.

Contribution Volatility (000's omitted)

As of December 31	2025	2024	2023	2022	2021
1. Market Value of Assets	\$3,283,327	\$3,127,209	\$2,954,160	\$3,419,373	\$2,984,110
2. Total Payroll ¹	\$2,113,649	\$2,011,508	\$1,881,144	\$1,790,601	\$1,662,801
3. Asset to Payroll Ratio, (1) / (2)	1.6	1.6	1.6	1.9	1.8
4. Accrued Liability	\$4,814,284	\$4,538,459	\$4,287,779	\$4,119,031	\$3,921,053
5. Liability to Payroll Ratio, (4) / (2)	2.3	2.3	2.3	2.3	2.4

Plans that have higher asset-to-payroll ratios experience more volatile employer contributions (as a percentage of payroll) due to investment returns. For example, a plan with an asset-to-payroll ratio of 10 may experience twice the contribution volatility due to investment return volatility than a plan with an asset-to-payroll ratio of 5.

¹ Includes payroll for DROP members (where applicable)

Appendix E: Risk Information (continued)

Plans that have higher liability-to-payroll ratios experience more volatile employer contributions (as a percentage of payroll) due to changes in liability. For example, if an assumption change increases the liability of two plans by the same percent, the plan with a liability-to-payroll ratio of 10 may experience twice the contribution volatility than a plan with a liability-to-payroll ratio of 5.

Appendix F: Key Terms

Funding

Accrued Service

Service credited under the system which was rendered before the date of the actuarial valuation.

Actuarial Accrued Liability

The difference between the actuarial present value of system benefits and the actuarial present value of future normal costs. Also referred to as “past service liability.”

Actuarial Assumptions

Estimates of future experience with respect to rates of mortality, disability, turnover, retirement, rate or rates of investment return and pay increases. Decrement assumptions (rates of mortality, disability, turnover and retirement) are generally based on past experience, often modified for projected changes in conditions. Economic assumptions (pay increases and investment return) consist of an underlying rate in an inflation-free environment plus a provision for a long-term average rate of inflation.

Actuarial Cost Method

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

Actuarial Equivalent

One series of payments is said to be actuarially equivalent to another series of payments if the two series have the same actuarial present value.

Actuarial Gain (Loss)

The difference between actual unfunded actuarial accrued liabilities and anticipated unfunded actuarial accrued liabilities -- during the period between two valuation dates. It is a measurement of the difference between actual and expected experience.

Actuarial Present Value

The single sum now which is equal to a payment or series of payments in the future. It is determined by discounting future payments at predetermined rates of interest, and by probabilities of payment.

Actuary

A person who is trained in the application of probability and compound interest to problems in business and finance that involve payment of money in the future, contingent upon the occurrence of future events. Most actuaries in the United States are Members of the American Academy of Actuaries. The Society of Actuaries is an international research, education and membership organization for actuaries in life and health insurance, employee benefits, and pension fields. It administers a series of examinations leading initially to Associateship and the designation ASA, and ultimately to Fellowship with the designation FSA.

Appendix F: Key Terms (continued)

Funding (continued)

Amortization

Paying off an interest-bearing liability with periodic payments as opposed to paying it off with a single sum payment.

Normal Cost

The portion of the actuarial present value of future benefits that is assigned to the current year by the actuarial cost method. Sometimes referred to as “current cost.”

Unfunded Actuarial Accrued Liabilities

The difference between actuarial accrued liabilities and valuation assets (actuarial value of assets). Sometimes referred to as “unfunded past service liability” or simply as “unfunded liability.”

Valuation Assets (Actuarial Value of Assets)

The value of plan assets is recognized for valuation purposes. This may not be the same value that is used by the plan for financial reporting.

Appendix G: ERFC Regulations

Adopted: March 21, 2006
Amended: May 28, 2009
Amended: May 17, 2012
Amended: June 27, 2013
Amended: May 29, 2014
Amended: October 19, 2017
Amended: June 24, 2022
Amended: July 25, 2025
Amended: July 30, 2026

ERFC Regulations – Funding Policy and Employer Contribution Rate (Applicable to ERFC and ERFC 2001)

Pursuant to their authority under §15.03 of the ERFC Legacy Plan Document and §10.03 of the ERFC 2001 Plan Document, the Trustees have adopted the following regulations governing determination of the Employer contribution rate and implementation of the funding policy pursuant to §§3.05 and 16.03 of the ERFC Legacy Plan Document and §§3.05 and 11.03 of the ERFC 2001 Plan Document.

16.03A Purpose of Regulations.

The funding policy of the Plan is stated in §16.03 of the ERFC Legacy Plan Document and §11.03 of the ERFC 2001 Plan Document. That policy is “to establish and receive contributions which will remain approximately level from generation to generation of citizens and which, when combined with other assets and investment return thereon, will be sufficient to pay benefits when due, while providing a reasonable margin for adverse experience.” Section 3.05 in each Plan Document provides that the employer “shall contribute a percentage of each Member’s Salary, at a rate to be determined by the actuary in accordance with the funding policy set forth in [this Plan Document].” Within the broader context of the stated funding policy, the objectives of the Trustees are:

- (1) To make consistent progress toward 100% funding of the Plan and to maintain 100% funding once it has been attained,
- (2) to stabilize the Employer contribution rate and avoid sharp increases or decreases due to specific events or short-term conditions; and
- (3) to maintain the Plan’s funding in accordance with actuarial standards of practice that apply to public sector plans and with applicable federal, state, and local laws and regulations.

16.03B Frequency of Actuarial Valuations

The actuary will prepare annual actuarial valuations based on Fiscal Year data, starting with the actuarial valuation dated June 30, 2026. Whenever possible, the valuation for a particular year should be presented to the Trustees within the first 270 days of the following Fiscal Year.

16.03C Schedule for Setting the Employer Contribution Rate

As a general rule, starting from the actuarial valuation dated June 30, 2026, the Trustees will determine the Employer contribution rate annually, in consultation with the actuary, based upon the actuarial valuation for the most recently completed Fiscal Year, and the rate as so determined will remain in effect for one Fiscal Year. The rate will be set and communicated to the Employer at least 9 months in advance of the effective date so that it will be available for use in the Employer’s budgetary process. For example, a rate set in accordance with this annual schedule based on the actuarial valuation as of June 30, 2026, will become effective July 1, 2028, and will remain in effect through June 30, 2029.

Appendix G: ERFC Regulations (continued)

ERFC Regulations – Funding Policy and Employer Contribution Rate (Applicable to ERFC and ERFC 2001) (continued)

16.03D The Employer Contribution Rate

The Employer contribution rate will be set at a level that is expected to:

- (1) pay all normal costs accruing under the Plan during the Fiscal Years for which the rate is effective; and
- (2) amortize any unfunded liabilities over a reasonable period.

16.03E The Amortization Period for Unfunded Liabilities

In the annual determination of the Employer contribution rate, the amortization period for unfunded liabilities will be set within the parameters permitted by actuarial standards of practice that apply to public sector plans and by applicable federal, state, or local laws and regulations, and will, if permitted, be based upon level percent of pay. If those standards, laws, and regulations and the other principles stated in Paragraphs 16.03A and 16.03D permit, the amortization period for unfunded liabilities will be set with the objective that the Plan's primary unfunded liability established as of December 31, 2025, be fully amortized by June 30, 2045. Effective with the actuarial valuation dated December 31, 2025, all preexisting amortization bases are consolidated and amortized over an 18-year period. For any actuarial valuation dated after December 31, 2025, the Trustees may elect to establish new amortization bases for liability changes (including, but not limited to, benefits changes and assumption changes) arising in that or subsequent valuations, with amortization periods not to exceed 18 years. Amortization periods will be established beginning with the Fiscal Year in which the contribution rate, determined based on the applicable actuarial valuation, becomes effective. In order to stabilize contributions, the Trustees may from time to time elect to combine separate amortization schedules into a single schedule.

16.03F The Valuation of Plan Assets

The actuarial value of Plan assets will be determined as a 5-year smoothed market value of assets. The smoothing technique will fully recognize the assumed return each year. It will further spread the difference between the actual return and the assumed return in equal installments over the current year and a period of four future years. In the event that the method would result in an actuarial value of assets that is less than 75% of market value or more than 125% of market value, the actuarial value of assets will be reset to 75% of market value or 125% of market value, as the case may be, and the total difference between market and actuarial value will be spread over four future years. Based upon consultation with the actuary, the Trustees may combine bases to reset the actuarial value to be equal to the market value when the difference between market value and actuarial value is 5% or less of market value.

16.03G The Valuation of Plan Liabilities

The actuarial liabilities of the Plan will be determined using the entry age actuarial cost method, and an investment return assumption chosen by the Trustees in conjunction with the Plan actuary and investment consultant. The investment return assumptions will be based upon the long term expected return on assets, although the Trustees may take other factors into account when determining this assumption. The Trustees will also adopt other assumptions necessary for the valuation based upon the advice of the actuary and the judgment of the Trustees. The Trustees will cause a study of actuarial experience under the Plan to be performed at least once in each five-year period and will adjust all assumptions accordingly as deemed necessary for prudent operation of the Plan.

16.03H Overfunding

In the event that the Plan's funding percentage reaches or approaches 90%, the Trustees may revise this funding policy to address potential overfunding.

© 2026 Arthur J. Gallagher & Co.

Consulting and insurance brokerage services to be provided by Gallagher Benefit Services, Inc. and/or its affiliate Gallagher Benefit Services (Canada) Group Inc. Gallagher Benefit Services, Inc. is a licensed insurance agency that does business in California as "Gallagher Benefit Services of California Insurance Services" and in Massachusetts as "Gallagher Benefit Insurance Services." Neither Arthur J. Gallagher & Co., nor its affiliates provide accounting, legal or tax advice



Gallagher

Insurance | Risk Management | Consulting