Educational Employees' Supplementary Retirement System of Fairfax County

Actuarial Valuation Report as of December 31, 2024

May 2025

Gallagher

Insurance | Risk Management | Consulting

Gallagher
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110 West Berry Street
Suite 1300
Fort Wayne IN 46835 USA

www.ajg.com

May 6, 2025

Pension Committee
Educational Employees' Supplementary Retirement System of Fairfax County
(ERFC)

This report documents the results of the annual actuarial valuation as of December 31, 2024 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 including and prior to valuation year December 31, 2022 is based upon the information contained in the December 31, 2022 valuation report performed by the prior actuarial firm.

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 Standards of Practice ("ASOPs") 27 and 35[1]. We prepared this valuation in accordance with the requirements of this standard and in accordance with all applicable ASOPs.

ASOPs 27 and 35 ask 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.

Actuarial Standard of Practice No. 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.

[1] On May 20, 2024, the Actuarial Standards Board (ASB) approved a revised version of ASOP No. 27, now titled "Selection of Assumptions for Measuring Pension Obligations." The revised standard intends to combine and simplify ASOP No. 27 and ASOP No. 35 into one standard. The revised standard is effective for any actuarial report issued on or after January 1, 2025, with measurement dates on or after January 1, 2025. In future valuations, ASOP No. 35 will be superseded but the guidance regarding the selection of assumptions is unaffected.

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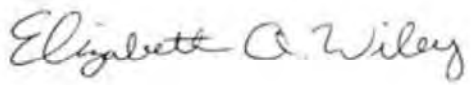
Kevin Spanier is an Associate of the Society of Actuaries and Elizabeth Wiley is a Fellow of the Society of Actuaries, and both are Members of the American Academy of Actuaries. We meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. 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 Spanier, ASA, EA, MAAA, FCA
Principal, Public Sector Retirement Operations Leader



Elizabeth A. Wiley, FSA, EA, MAAA, FCA
Director, Retirement Consulting

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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, 2023	Valuation Date December 31, 2024
Actuarial (Pension) Liability		
Retired Members and Beneficiaries Receiving Payment	$ 2,148,638,375	$ 2,232,321,629
Terminated Vested Members	198,092,822	221,035,814
DROP Members	0	96,053,674
Active Members	1,941,047,565	1,989,047,718
Total	$ 4,287,778,762	$ 4,538,458,835
Actuarial Value of Assets	(3,364,375,033)	(3,516,359,329)
Unfunded Actuarial Accrued Liability	$ 923,403,729	$ 1,022,099,506
Funded Ratio		
Actuarial Value of Assets	78.5%	77.5%
Market Value of Assets	72.9%	72.3%
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.

For actuarial valuations prior to December 31, 2019, unfunded accrued liabilities were being amortized over a closed 30-year period ending on June 30, 2040. The remaining amortization period for these unfunded liabilities in the December 31, 2024 valuation is 14 years. Effective with actuarial valuations on/after December 31, 2019, the Trustees may elect to create new, 20-year amortization schedules for changes in liabilities arising during that actuarial valuation or subsequent actuarial valuations, and continue the amortization of pre-existing unfunded liabilities to their scheduled end date.

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 increase until the December 31, 2019 amortization base is fully amortized and then decline thereafter. The plan would be projected to reach 100% funding in 2047. See Appendix C for a more detailed analysis.

Contribution Rate

Actuarial funding valuations as of odd-numbered years (2023, 2025, 2027, etc.) are 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, 2021 valuation were used to set the employer contribution rate of 6.48% for the period July 1, 2024 to June 30, 2026. Similarly, the results from the December 31, 2023 valuation wereused to set the employer contribution rate of 6.61% for the period July 1, 2026, through June 30, 2028.

Actuarial funding valuations as of even-numbered years (2022, 2024, 2026 etc.) are used to develop an interim employer contribution rate that is then compared with the employer contribution rate that will be effective in July of the year following the valuation (2023, 2025, 2027, etc.) to ensure that the rate previously determined and adopted by ERFC remains appropriate for the plan based on the most recent plan experience.

The results from each annual actuarial valuation are also used to develop the financial reporting results required under the Governmental Accounting Standard 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 Contribution[1]

Valuation Date	December 31, 2022	December 31, 2023	December 31, 2024
Contribution Rate as a Percent of Member Payroll for period ending June 30	N/A	2026 & 2027	N/A
Normal Cost (Current Cost) split by:			
Service Retirement	3.64%	3.85%	3.76%
Disability Retirement	0.09%	0.02%	0.02%
Casualty Benefits	0.05%	0.07%	0.06%
Separation Benefits	1.57%	1.60%	1.57%
Administrative Expenses	0.23%	0.27%	0.29%
Total	5.58%	5.81%	5.70%
Less Member Contribution Rate	(3.00)%	(3.00)%	(2.96)%
Employer Normal Cost	2.58%	2.81%	2.74%
Add Contribution Rate for Unfunded Actuarial Accrued Liability	4.05%	3.96%	4.20%
Net Employer Contribution	6.63%	6.77%	6.94%
Adjustment For ERFC 2001 Tier 2	(0.01)%	(0.16)%	(0.08)%
Actuarially Determined Employer Contribution	6.62%	6.61%	6.86%

The Funding Policy contribution for the two-year period beginning July 1, 2023 was determined by the December 31, 2021 valuation. The Board adopted a contribution rate of 6.48% of payroll. The Funding Policy contribution for the two-year period beginning July 1, 2025 is determined by the December 31, 2023 valuation. The Board adopted a contribution rate of 6.61% 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

		Valuation Date December 31, 2024
1.	Unfunded Actuarial Accrued Liability (UAAL)	$ 1,022,099,506
2.	Expected Contribution	
	a. January 1 – June 30, 2025	(35,261,049)
	b. July 1, 2025 – June 30, 2026	(79,504,635)
3.	Interest	102,971,813
4.	UAAL at June 30, 2026 (1 + 2a +2b+3)[2]	$ 1,010,305,635
5.	Projected Payroll for FY2027	2,148,789,105
6.	Amortization Factor	N/A
7.	Contribution rate for UAAL[1]	4.20%

Effective December 31, 2024, the Trustees elected to create a new, 20-year closed amortization base for actuarial losses arising in 2024.

Unfunded liabilities associated with assumption changes will be amortized as a level percent of pay over a closed 20-year period. The unfunded liability prior to 2024 continues to be amortized over their preexisting schedules.

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

[2] See page 4 for details

Table 4: Amortization of Unfunded Actuarial Accrued Liability

The table below lists the amortization amount and balance for each UAAL base as of July 1, 2025.

Date Established	Description	Prior Year Balance	Annual Amortization Schedule FYE2024*	FYE2025*	Interest	Balance as of 12/31/2024
N/A	UAAL Prior to 2021	$822,584,081	$69,759,980	$70,446,816	$54,956,299	$807,436,982
12/31/2020	Assumption Change	(13,176,311)	(2,112,527)	(1,752,277)	(846,668)	(12,090,577)
12/31/2021	Actuarial (Gain)/Loss	(110,903,766)	(8,572,570)	(8,173,651)	(7,445,565)	(109,976,220)
12/31/2021	Assumption Change	136,415,657	9,087,889	10,001,212	9,198,953	136,070,059
12/31/2022	Actuarial (Gain)/Loss	97,136,827	0	0	6,799,578	103,936,405
12/31/2023	Actuarial (Gain)/Loss	(163,808,229)	0	0	(11,466,576)	(175,274,805)
12/31/2023	Sick Leave[1]	28,717,550	0	0	2,010,229	30,727,779
12/31/2023	DROP Program[2]	126,437,920	0	0	8,850,654	135,288,574
12/31/2024	Actuarial (Gain)/Loss	0	0	0	0	105,981,309
Total		$923,403,729	$68,162,772	$70,522,100	$62,056,904	$1,022,099,506

*Note that the annual amortization for the corresponding fiscal year ending June 30th is shown in the columns, but the final balance as of the end of the year accounts for half of the annual amortization for each of the corresponding fiscal years.

Date Established	Description	Current Year Balance	Annual Amortization Schedule 1/1/2025 – 6/30/2025	7/1/2025 – 6/30/2026	Interest	Balance as of 6/30/2026
N/A	UAAL Prior to 2021	$807,436,982	$35,223,408	$71,874,597	$80,332,046	$780,671,023
12/31/2020	Assumption Change	(12,090,577)	(876,139)	(1,925,795)	(1,139,152)	(10,427,795)
12/31/2021	Actuarial (Gain)/Loss	(109,976,220)	(4,086,826)	(8,668,593)	(11,048,564)	(108,269,365)
12/31/2021	Assumption Change	136,070,059	5,000,606	10,729,882	13,674,973	134,014,544
12/31/2022	Actuarial (Gain)/Loss	103,936,405	0	8,200,875	10,794,398	106,529,928
12/31/2023	Actuarial (Gain)/Loss	(175,274,805)	0	(13,371,778)	(18,220,487)	(180,123,514)
12/31/2023	Sick Leave[1]	30,727,779	0	2,344,233	3,194,270	31,577,816
12/31/2023	DROP Program[2]	135,288,574	0	10,321,214	14,063,765	139,031,125
12/31/2024	Actuarial (Gain)/Loss	105,981,309	0	0	11,320,564	117,301,873
Total		$1,022,099,506	$35,261,49	$79,504,635	$102,971,813	$1,010,305,635

[1] "Sick leave" refers to the amendment effective July 1, 2024 to permit Tier 1 and Tier 2 employees to convert unused sick leave into additional credited service.

[2] "DROP Program" refers to the amendment effective July 1, 2024 to permit Legacy employees to enter into a DROP program.

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Table 4: Amortization of Unfunded Actuarial Accrued Liability (continued)

Date Established	Description	Projected Balance as of 06/30/2025	Remaining Amortization Period	Amortization Factor	Amortization Base	Amortization Payment for Percent of Salary
N/A	Original UAL	$780,671,023	14	10.57088	$73,851,091	3.44%
12/31/2020	Assumption Change	(10,427,795)	6	5.26988	(1,978,754)	(0.09)%
12/31/2021	Actuarial (Gain)/Loss	(108,269,365)	17	12.15557	(8,906,976)	(0.41)%
12/31/2021	Assumption Change	134,014,544	17	12.15557	11,024,949	0.51%
12/31/2022	Actuarial (Gain)/Loss	106,529,928	18	12.64240	8,426,401	0.39%
12/31/2023	Actuarial (Gain)/Loss	(180,123,514)	19	13.10990	(13,739,503)	(0.64)%
12/31/2023	Sick Leave	31,577,816	19	13.10990	2,408,700	0.11%
12/31/2023	Drop Program	139,031,125	19	13.10990	10,605,048	0.49%
12/31/2024	Actuarial (Gain)/Loss	117,301,873	20	13.55883	8,651,327	0.40%
Total		$1,010,305,635			$90,342,283	4.20%

Projected Fiscal Year Ending 2026 Salary Payroll	$2,084,405,783
Projected Fiscal Year Ending 2027 Salary Payroll	$2,148,789,105
Contribution Rate for Unfunded Actuarial Liability	4.20%

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Table 5: Employer Contribution Rate History

			Adopted Employer Rate		
Fiscal Year	Valuation Date	Employee Rate	Support	Educational	ADEC
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%	TBD		6.86%

Asset Information

Market Value of Assets

Table 6: Asset Breakdown and Portfolio Composition at Market Value

Portfolio Composition at Market Value	Year Ending December 2023		2024	
	Value	% of Total	Value	% of Total
Bonds	$ 717,886,435	23.00%	$ 871,996,175	26.6%
Stocks	236,995,777	7.60%	257,212,120	7.8%
Real Estate	282,633,412	9.00%	287,431,900	8.8%
Commingled Funds	978,267,085	31.20%	915,796,662	27.9%
Hedge Funds – Opportunistic	240,744,139	7.70%	269,348,063	8.2%
MACS	125,180,142	4.00%	69,766,253	2.1%
Private Equity	324,291,740	10.40%	345,040,595	10.5%
Private Debt	73,680,807	2.40%	93,669,782	2.9%
Infrastructure	58,242,890	1.90%	70,235,065	2.1%
Natural Resource	18,546,277	0.60%	46,319,958	1.4%
Net Short-Term Investments and Cash	60,378,623	1.90%	42,901,373	1.3%
Receivables, Pre-Paid Expenses and Other	10,362,159	0.30%	13,609,450	0.4%
Total Assets	$ 3,127,209,486	100.0%	$ 3,283,327,396	100.0%

Table 7: Actuarial Value of Assets

Year Ended December 31:		2024	2025	2026	2027	2028
A. Actuarial Value Beginning of Year	$	3,364,375,033				
B. Market Value Beginning of Year		3,127,209,486				
C. Market Value End of Year		3,283,327,396				
D. Non-Investment Net Cash Flow		(41,899,768)				
E. Investment Return Assumed Rate		7.00%	7.00%			
E1. Market Total: C. – B. – D.		198,017,678				
E2. Amount for Immediate Recognition		234,636,634				
E3. Amount for Phased-In Recognition: E1. – E2.		(36,618,956)				
F. Phased-In Recognition of Investment Return						
F1. Current year: 0.20 x E3.		(7,323,791)				
F2. First Prior Year		(662,843)	(7,323,791)			
F3. Second Prior Year		(128,197,165)	(662,843)	(7,323,791)		
F4. Third Prior Year		54,646,089	(128,197,165)	(662,843)	(7,323,791)	
F5. Fourth Prior Year		40,785,140	54,646,087	(128,197,163)	(662,843)	(7,323,792)
F6. Total Phased-In		(40,752,570)	(81,537,712)	(136,183,797)	(7,986,634)	(7,323,792)
G. Actuarial Value End of Year:						
G1. Preliminary Actuarial Value End of Year: A. + D. + E2. + F6		3,516,359,329				
G2. Upper Corridor Limit: 125% x B.		4,104,159,245				
G3. Lower Corridor Limit: 75% x B.		2,462,495,547				
G4. Actuarial Value End of Year		**3,516,359,329**				
H, Actual/Projected Difference Between Market Value and Actuarial Value		(233,031,933)				
I. Market Rate of Return: E1. / (C. + D/2)		6.37%				
J. Recognized Rate of Return: (E2. + F6.) / (A. + D/2)		5.80%				
K. Ratio of Actuarial Value to Market Value		107.10%				

The Actuarial Value of Assets recognizes assumed investment return (lineE2.) fully each year.
Differences between actual and assumed investment returns (line E3.) are phased-in over a closed 5-year period.

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Table 8: History of Actuarial Value of Assets

Year Ended December 31	2019	2020	2021	2022	2023
A. Actuarial Value Beginning of Year	$2,466,004,272	$2,582,582,541	$2,786,297,490	$3,058,883,149	$3,180,603,841
B. Market Value Beginning of Year	2,280,734,191	2,628,073,659	2,984,109,514	3,419,373,454	2,954,160,238
C. Market Value End of Year	2,628,073,659	2,984,109,514	3,419,373,454	2,954,160,238	3,127,209,486
D. Non-Investment Net Cash Flow	(34,382,034)	(33,898,263)	(38,574,737)	(37,052,380)	(45,258,596)
E. Investment Return Assumed Rate	7.25%	7.25%	7.25%	7.00%	7.00%
E1. Market Total: C. – B. – D.	381,721,502	389,934,118	473,838,677	(428,160,836)	218,307,844
E2. Amount for Immediate Recognition	177,538,961	186,008,422	200,608,234	212,824,987	221,622,059
E3. Amount for Phased-In Recognition: E1. – E2.	204,182,541	203,925,696	273,230,443	(640,985,823)	(3,314,215)
F. Phased-In Recognition of Investment Return					
F1. Current year: 0.20 x E3.	40,836,508	40,785,139	54,646,089	(128,197,165)	(662,843)
F2. First Prior Year	(62,122,484)	40,836,508	40,785,139	54,646,089	(128,197,165)
F3. Second Prior Year	36,406,910	(62,122,484)	40,836,508	40,785,139	54,646,089
F4. Third Prior Year	(4,301,284)	36,406,910	(62,122,484)	40,836,508	40,785,139
F5. Fourth Prior Year	(37,398,308)	(4,301,283)	36,406,910	(62,122,486)	40,836,509
F6. Total Phased-In	(26,578,658)	51,604,790	110,552,162	(54,051,915)	7,407,729
G. Actuarial Value End of Year:					
G1. Preliminary Actuarial Value End of Year: A. + D. + E2. + F6	2,582,582,541	2,786,297,490	3,058,883,149	3,180,603,841	3,364,375,033
G2. Upper Corridor Limit: 125% x B.	3,285,092,074	3,730,136,893	4,274,216,818	3,692,700,298	3,909,011,858
G3. Lower Corridor Limit: 75% x B.	1,971,055,244	2,238,082,136	2,564,530,091	2,215,620,179	2,345,407,115
G4. Actuarial Value End of Year	**2,582,582,541**	**2,786,297,490**	**3,058,883,149**	**3,180,603,841**	**3,364,375,033**
H, Actual/Projected Difference Between Market Value and Actuarial Value	45,491,118	197,812,024	360,490,305	(226,443,603)	(237,165,547)
I, Market Rate of Return: E1. / (C. + D/2)	16.86%	14.93%	15.98%	-12.59%	7.45%
J. Recognized Rate of Return: (E2. + F6.) / (A. + D/2)	6.16%	9.26%	11.25%	5.22%	7.25%
K. Ratio of Actuarial Value to Market Value	98.27%	93.37%	89.46%	107.67%	107.58%

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)						
12/31/2014	1,340,344	1,510,717	1,223,128	2,733,845	2,123,910	609,935	77.7%
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[1]	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%

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
12/31/2014	1,340,344	204%	158%	46%
12/31/2015	1,373,096	210%	159%	50%
12/31/2015[2]	1,436,588	211%	159%	52%
12/31/2016[2]	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%

[1] Includes payroll for DROP members (where applicable)

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

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

Valuation Date		Member Contributions (A)	Retirees & Beneficiaries (B)	Members (Employer Financed Portion) (C)	Valuation Assets	Portion of Accrued Liabilities Covered by Assets (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 %

(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 12/31/2023 ($ millions)	Year Ending 12/31/2024 ($ millions)
1. Unfunded Actuarial Accrued Liability (UAAL) at Start of Year	$ 938.4	$ 923.4
2. Normal Cost	100.9	106.40
3. Member and Employer contributions	(172.3)	(183.5)
4. Interest Accrual	66.8	65.8
5. Expected UAL before changes: (1. + 2. + - 3. + 4.)	933.8	912.0
6. Transition of actuarial services	(172.3)	0.0
7. Change from Benefit Changes	155.2	0.0
8. Change from Assumptions	-	-
9. Expected UAL after changes: (5. + 6. + 7. + 8.)	916.7	912.0
10. Actual UAL at end of year	923.4	1,022.1
11. Gain/(Loss) (7. – 8.)	$ (6.7)	$ (110.1)
Gain (loss) as percent of actuarial accrued liabilities at start of year	(0.2)%	(2.4)%

Table 12: Breakdown of Unfunded Liability Gain/Loss

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

($ in Millions)	12/31/2023	12/31/2024
Economic Risks		
Pay Increases	$ (21.2)	$ (37.0)
Investment Return	7.4	(40.8)
Demographic Risk		
Retirement	(10.6)	(6.1)
Mortality	4.2	(1.8)
Disability	(0.9)	(0.8)
Termination	(4.2)	(6.6)
Date Adjustment and Miscellaneous	18.5	(17.0)
Unfunded Actuarial Accrued Liability Gain/(Loss)	$ (6.7)	$ (110.1)

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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) $	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)%

[1] Includes post-retirement mortality
[2] Experience study
[3] Updated gain formulas
[4] Gain (Loss) analysis not performed

Appendix A: Actuarial Assumptions and Methods

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, 2024

Mortality

Non-disabled (Healthy)

The mortality table used to measure retired life mortality was 102% of the male rates and 99% of the female rates of the PUB-2010 Teachers mortality table projected generationally using Scale MP-2020.

Disabled

The corresponding Disabled and Teacher Employee tables were used for disability and pre-retirement mortality, respectively.

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	4.50%	2.75%	7.25%
1-2	4.00%	2.75%	6.75%
2-3	4.00%	2.75%	6.75%
3-4	4.00%	2.75%	6.75%
4-5	4.00%	2.75%	6.75%
5-6	4.00%	2.75%	6.75%
6-7	4.00%	2.75%	6.75%
7-8	3.50%	2.75%	6.25%
8-9	3.50%	2.75%	6.25%
9-10	3.50%	2.75%	6.25%
10-11	3.00%	2.75%	5.75%
11-12	3.00%	2.75%	5.75%
12-13	2.50%	2.75%	5.25%
13-14	2.50%	2.75%	5.25%
14-15	2.00%	2.75%	4.75%
15-16	2.00%	2.75%	4.75%
16-17	1.50%	2.75%	4.25%
17-18	1.50%	2.75%	4.25%
18-19	1.50%	2.75%	4.25%
19-20	1.00%	2.75%	3.75%
20-21	1.00%	2.75%	3.75%
21-22	0.50%	2.75%	3.25%
22-23	0.50%	2.75%	3.25%
23-24	0.50%	2.75%	3.25%
24-25	0.50%	2.75%	3.25%
25+	0.00%	2.75%	2.75%

General inflation

2.75%

Marital percentage

It is assumed that 80% of males and 80% of females have an eligible spouse for purposes of death-in-service benefits, and that males are 3 years older than their spouse.

Appendix A: Actuarial Assumptions and Methods (continued)

Non-Prescribed Funding Assumptions and Methods (continued)

Current Year:
Retirement Age (Active members)

	ERFC (Hired Before 7/1/2001) Type of Retirement		ERFC 2001 Tier 1 (Hired 7/1/2001 - 6/30/2017)			ERFC 2001 Tier 2 (Hired 7/1/2001 - 6/30/2017) Age Based	
	Age Based	25+ years of service	Age Based	Service	Service Based	Rule of 90 Met? Yes	No
Ages							
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	12.5%	80.0%*		30	17.5%		
56	12.5%	80.0%*		31	17.5%	35.0%	0.0%
57	12.5%	80.0%*		32	12.5%	35.0%	0.0%
58	12.5%	80.0%*		33	12.5%	35.0%	0.0%
59	12.5%	80.0%*		34	12.5%	35.0%	0.0%
60	12.5%	80.0%*	10.0%	35	10.0%	35.0%**	0.0%
61	17.5%	80.0%*	10.0%	36	10.0%	35.0%	0.0%
62	20.0%	80.0%*	10.0%	37	10.0%	35.0%	0.0%
63	20.0%	80.0%*	15.0%	38	25.0%	35.0%	0.0%
64	25.0%	80.0%*	15.0%	39	40.0%	35.0%	0.0%
65	40.0%	35.0%	25.0%	40 & Up	100.0%	35.0%	0.0%
66	40.0%	45.0%	30.0%			35.0%	0.0%
67	35.0%	35.0%	25.0%			35.0%	30.0%
68	30.0%	35.0%	20.0%			35.0%	15.0%
69	30.0%	35.0%	20.0%			35.0%	15.0%
70	40.0%	35.0%	45.0%			35.0%	15.0%
71	25.0%	35.0%	30.0%			35.0%	15.0%
72	35.0%	35.0%	30.0%			35.0%	15.0%
73	35.0%	35.0%	30.0%			35.0%	15.0%
74	35.0%	35.0%	30.0%			35.0%	15.0%
75& Over	100.0%	100.0%	100.0%			100.0%	100.0%

** 87.50% are assumed to elect to enter the DROP, 12.50% are assumed to retire immediately.*

*** The probability is 60% at age 60 for people who first meet the Rule of 90 at age 60*

The age column index does not apply to service-based retirements. In ERFC 2001 Tier 1, an individual can retire at 30 years of service regardless of age. In ERFC 2001 Tier 2, and individual would be able to retire at FSSA with 5 years of service or when the sum of age and service is greater than or equal to 90. FSSA is assumed to be age 67 for members hired on/after July 1, 2017.

Appendix A: Actuarial Assumptions and Methods (continued)

Non-Prescribed Funding Assumptions and Methods (continued)

Prior Year:
Retirement Age (Active members)

	ERFC (Hired Before 7/1/2001) Type of Retirement	
Ages	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	12.5%	40.0%
56	12.5%	25.0%
57	12.5%	25.0%
58	12.5%	15.0%
59	12.5%	25.0%
60	12.5%	25.0%
61	17.5%	20.0%
62	20.0%	30.0%
63	20.0%	25.0%
64	25.0%	25.0%
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	40.0%	35.0%
71	25.0%	35.0%
72	35.0%	35.0%
73	35.0%	35.0%
74	35.0%	35.0%
75& Over	100.0%	100.0%

The age column index does not apply to service-based retirements. In ERFC 2001 Tier 1, an individual can retire at 30 years of service regardless of age. In ERFC 2001 Tier 2, and individual would be able to retire at FSSA with 5 years of service or when the sum of age and service is greater than or equal to 90. FSSA is assumed to be age 67 for members hired on/after July 1, 2017.

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

50% at age 55, 25% at age 60, and 25% at age 65

Members hired after July 1, 2001

Age 60

Appendix A: Actuarial Assumptions and Methods (continued)

Non-Prescribed Funding Assumptions and Methods (continued)

Disability rates

	Death		Disability			
Sample Rates	Ordinary and Duty		Ordinary		Duty	
Ages	Men	Women	Men	Women	Men	Women
20	0.4336%	0.2602%	0.0117%	0.0048%	0.0029%	0.0012%
25	0.3379%	0.2069%	0.0146%	0.0082%	0.0036%	0.0020%
30	0.5119%	0.3665%	0.0158%	0.0122%	0.0040%	0.0031%
35	0.7090%	0.5759%	0.0234%	0.0214%	0.0059%	0.0054%
40	0.8813%	0.7657%	0.0339%	0.0308%	0.0085%	0.0077%
45	1.0918%	0.9760%	0.0520%	0.0456%	0.0130%	0.0114%
50	1.5127%	1.3744%	0.0842%	0.0726%	0.0210%	0.0181%
55	2.0102%	1.7431%	0.1469%	0.1228%	0.0367%	0.0307%
60	2.5487%	2.0309%	0.2447%	0.1770%	0.0621%	0.0443%

Appendix A: Actuarial Assumptions and Methods (continued)

Non-Prescribed Funding Assumptions and Methods (continued)

Withdrawal Rates

	% of Active members withdrawing	
Service	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	7%	8%
10-11	6%	7%
11-12	5%	7%
12-13	4%	6%
13-14	4%	5%
14-15	3%	5%
15-16	3%	4%
16-17	3%	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.

Appendix A: Actuarial Assumptions and Methods (continued)

Non-Prescribed Funding Assumptions and Methods (continued)

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.

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: 2.25% (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 102% of the male rates and 99% of the female rates of the PUB-2010 Teachers table projected generationally with Scale MP-2020.

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

70% of those eligible for the DROP who are less than age 65 are assumed to elect to enter the DROP, 20% 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

For members hired prior to July 1, 2001, computed liabilities and normal costs are increased by 3.25% to reflect service credit for unused sick leave that may be granted at retirement. For members hired after July 1, 2001, an additional 0.025 years of service is assumed to accrue for each year of future credited service beginning in 2024. Unused leave balances as of July 1, 2023, were treated as the December 31, 2023, balance of unused sick leave for these members. Unused sick leave is not counted toward retirement eligibility service.

Adjustments

Computed liabilities and normal costs for Normal and Early retirement are reduced by 0.5% to reflect a "negative subsidy" in the Plan Document option factors.

Computed liabilities for retirees that elected optional forms of benefit (with beneficiaries) are increased by 1.81% to reflect the pop-up provision.

To account for administrative expenses, 0.29% 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 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

There have been no method changes in the funding valuation since the prior year.

Assumption changes

There have been no assumption changes in the funding valuation since the prior year.

Appendix B: Summary of Plan Provisions

ERFC Legacy

Eligibility to Participate

ERFC members hired after July 1, 1988 but before July, 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, and additional temporary benefit equals 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, 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 Virgina 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 Tier1)

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 retirement effective 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 retirement effective 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").

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

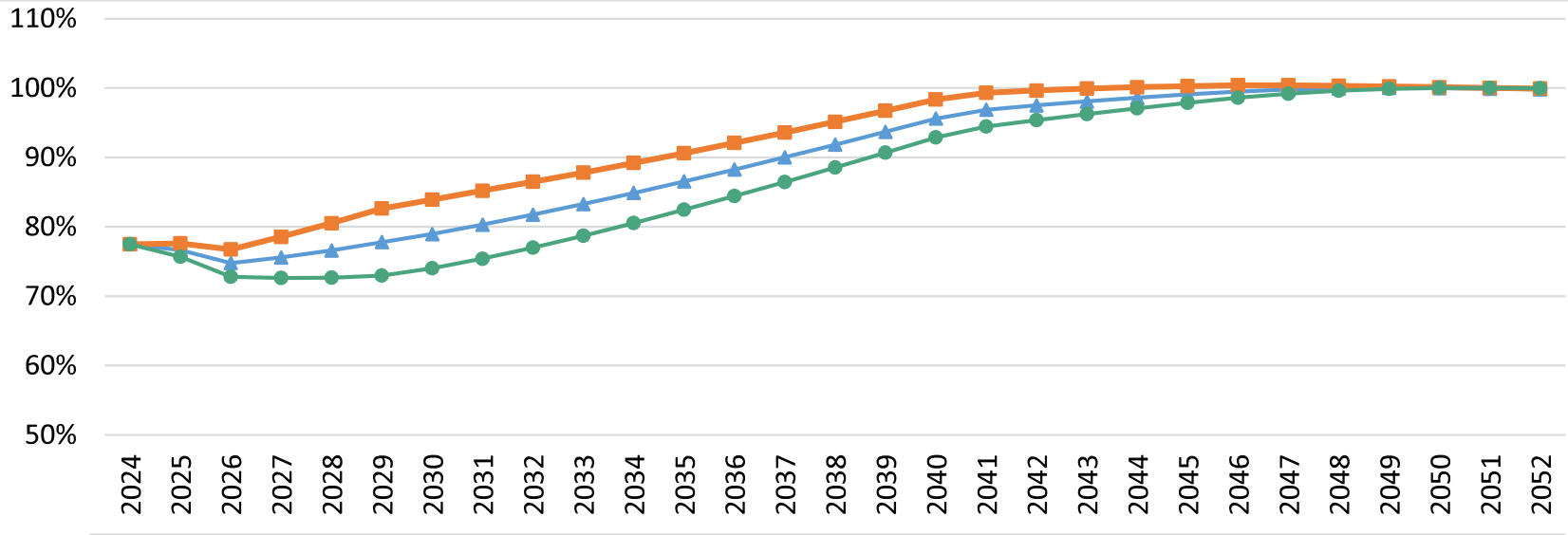
Deterministic projections simulate one scenario in the future. In the following section, we are simulating specific deterministic scenarios of a 30-year stream of funded ratios and employer contributions, adhering to the current funding policy. The projections which follow in this section are based on 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 June 24, 2022 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 2025.
    - 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 2025.

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 projection 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

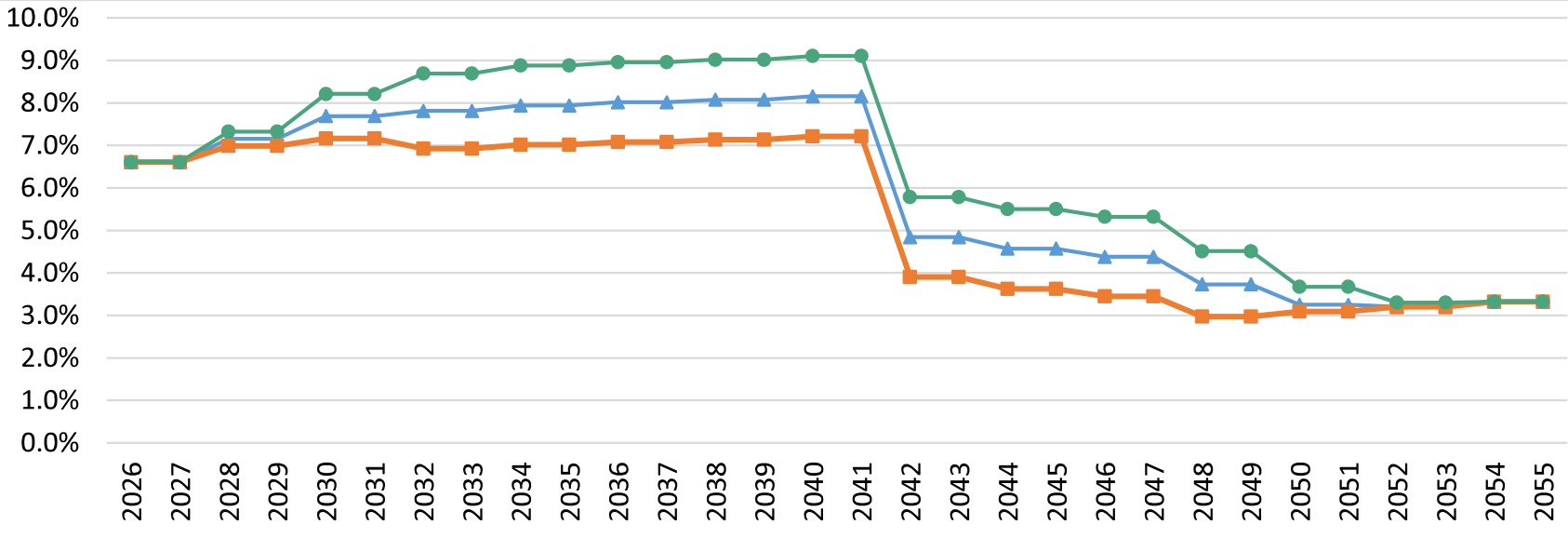


	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052
Current Valuation	77%	77%	75%	76%	77%	78%	79%	80%	82%	83%	85%	87%	88%	90%	92%	94%	96%	97%	98%	98%	99%	99%	99%	100%	100%	100%	100%	100%	100%
Assumed 14% Return in 2024	77%	78%	77%	79%	81%	83%	84%	85%	86%	88%	89%	91%	92%	94%	95%	97%	98%	99%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Assumed 0% Return in 2024	77%	76%	73%	73%	73%	73%	74%	75%	77%	79%	81%	82%	84%	86%	89%	91%	93%	94%	95%	96%	97%	98%	99%	99%	100%	100%	100%	100%	100%

All scenarios assume a 7.0% return from 2026 onward. Asset return sensitivity scenarios are modeled on varying only the 2025 return.

Appendix C: Projections (continued)

Projected Employer Contribution Rates



	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055
Current Valuation	6.61%	6.61%	7.16%	7.16%	7.69%	7.69%	7.81%	7.81%	7.94%	7.94%	8.02%	8.02%	8.08%	8.08%	8.16%	8.16%	4.84%	4.84%	4.57%	4.57%	4.38%	4.38%	3.73%	3.73%	3.25%	3.25%	3.20%	3.20%	3.32%	3.32%
Assumed 14% Return in 2025	6.61%	6.61%	6.99%	6.99%	7.16%	7.16%	6.92%	6.92%	7.02%	7.02%	7.08%	7.08%	7.14%	7.14%	7.22%	7.22%	3.90%	3.90%	3.62%	3.62%	3.45%	3.45%	2.97%	2.97%	3.09%	3.09%	3.20%	3.20%	3.32%	3.32%
Assumed 0% Return in 2025	6.61%	6.61%	7.33%	7.33%	8.21%	8.21%	8.69%	8.69%	8.88%	8.88%	8.96%	8.96%	9.02%	9.02%	9.11%	9.11%	5.78%	5.78%	5.50%	5.50%	5.32%	5.32%	4.51%	4.51%	3.67%	3.67%	3.30%	3.30%	3.32%	3.32%

All scenarios assume a 7.0% return from 2026 onward. Asset return sensitivity scenarios are modeled on varying only the 2025 return.

Appendix D: Tables of Participant Data

The actuarial valuation was based on personnel information from Plan Sponsor records as of December 31, 2024. 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, 2023	December 31, 2024
Active Members		
Number	23,093	23,381
Average age	45.0 years	44.9 years
Average service	9.8 years	9.6 years
Average Reported Salary Rate	$ 81,460	$ 81,816
DROP Members		
Number	N/A	235
Average age	N/A	60.0 years
Average Annual Benefit	N/A	$ 31,311
Average Current Drop Balance	N/A	$ 39,626
Average Reported Salary Rate	N/A	$ 121,000
Inactive Members Owed Deferred Payments		
Number	6,243	6,360
Average age	46.2 years	46.9 years
Average monthly retirement benefits[1]	$ 4,270	$ 4,415
Inactive Members Receiving Payments[2]		
Number	14,098	14,427
Average age	73.2 years	73.5 years
Average annual retirement benefits	$ 14,471	$ 15,051
Inactive Members Owed a Refund		
Number	1,345	2,459
Average age	37.1 years	38.3 years
Average accumulated contributions	$ 4,820	$ 5,204
Total Number of Members	44,779	46,862

[1] Before adjustment for assumed retirement age and payment form.
[2] Excludes 110 and 108 alternate payees in the 2023 and 2024 plan year respectively.

Gallagher

Appendix D: Tables of Participant Data (continued)

Population Statistics – Exhibit 1: ERFC Legacy Members - WOMEN Active Members in December 31, 2024 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	1	1	0	0	2	229,626	114,813
45-49	2	3	21	37	142	75	0	280	32,989,941	117,821
50-54	3	15	27	62	166	274	46	593	72,180,082	121,720
55-59	0	11	45	40	122	79	30	327	35,846,838	109,623
60	1	1	3	7	24	14	5	55	5,612,572	102,047
61	0	0	2	4	32	12	0	50	5,178,848	103,577
62	0	0	3	2	21	5	3	34	3,300,707	97,080
63	0	0	0	3	14	24	7	48	4,492,539	93,595
64	0	1	0	3	7	12	7	30	3,031,016	101,034
65	0	0	2	4	11	9	0	26	2,497,645	96,063
66	0	0	2	1	0	8	3	14	1,415,153	101,082
67	0	0	1	0	1	12	1	15	1,342,757	89,517
68	0	0	1	0	4	4	3	12	1,128,997	94,083
69	0	0	0	0	3	4	4	11	1,009,693	91,790
70	0	0	0	0	3	4	1	8	743,532	92,942
71	0	0	0	0	2	4	1	7	582,546	83,221
72	0	0	0	0	2	3	0	5	360,121	72,024
73	0	0	0	0	0	1	4	5	417,792	83,558
74	0	0	0	0	1	3	2	6	600,051	100,009
75 & Over	0	0	0	1	3	4	2	10	1,033,584	103,358
Totals	6	31	107	165	559	551	119	1,538	$ 173,994,042	$ 113,130

Age (Years):	55.5
Service (Years):	23.7
Annual Pay	$ 113,130

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Appendix D: Tables of Participant Data (continued)

Population Statistics – Exhibit 2: ERFC Legacy Members - MEN Active Members in December 31, 2024 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	2	0	0	2	163,899	81,950
45-49	0	1	0	4	37	20	0	62	8,048,030	129,807
50-54	0	2	3	3	45	128	16	197	25,926,067	131,604
55-59	0	0	1	1	28	28	12	70	8,410,594	120,151
60	0	0	0	0	7	4	2	13	1,294,414	99,570
61	0	0	0	2	0	8	0	10	1,178,154	117,815
62	1	0	1	0	6	3	1	12	1,350,443	112,537
63	0	0	0	0	3	3	1	7	767,514	109,645
64	0	0	0	0	3	3	4	10	1,105,230	110,523
65	1	0	0	0	1	3	1	6	622,703	103,784
66	0	0	0	0	2	0	2	4	405,411	101,353
67	0	0	1	0	1	1	0	3	396,151	132,050
68	0	0	0	0	0	0	2	2	263,649	131,824
69	0	0	0	0	0	2	0	2	206,665	103,333
70	0	0	0	0	0	0	0	0	-	-
71	0	0	1	0	0	0	0	1	97,645	97,645
72	0	0	0	0	0	1	0	1	89,634	89,634
73	0	0	0	0	0	0	0	0	-	-
74	0	0	0	0	0	0	2	2	251,625	125,813
75 & Over	0	2	0	0	1	2	3	8	920,702	115,088
Totals	2	5	7	10	136	206	46	412	$ 51,498,529	$ 124,996

Age (Years):	55.3
Service (Years):	25.9
Annual Pay	$ 124,996

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Appendix D: Tables of Participant Data (continued)

Population Statistics – Exhibit 3: ERFC 2001 Tier 1 Members - WOMEN Active Members in December 31, 2024 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	2	0	0	0	0	0	2	141,382	70,691
30-34	10	398	198	1	0	0	0	607	50,266,641	82,812
35-39	13	320	766	134	1	0	0	1,234	113,086,004	91,642
40-44	23	245	477	595	152	0	0	1,492	152,197,894	102,009
45-49	14	262	350	320	327	0	0	1,273	132,271,107	103,905
50-54	12	251	368	284	222	0	0	1,137	111,458,195	98,028
55-59	9	219	344	316	175	0	0	1,063	96,348,376	90,638
60	1	34	70	79	34	0	0	218	18,869,155	86,556
61	2	31	75	56	36	0	0	200	16,636,683	83,183
62	1	31	43	53	35	0	0	163	13,704,215	84,075
63	2	18	40	45	31	0	0	136	11,267,556	82,850
64	2	13	27	44	24	0	0	110	8,999,210	81,811
65	1	8	27	25	31	0	0	92	8,265,806	89,846
66	0	12	21	20	21	0	0	74	6,156,484	83,196
67	0	8	7	20	14	0	0	49	4,470,335	91,231
68	0	5	5	12	4	0	0	26	2,265,355	87,129
69	0	2	1	8	8	0	0	19	1,396,517	73,501
70	0	0	2	10	3	0	0	15	1,121,268	74,751
71	0	2	2	5	6	0	0	15	1,122,999	74,867
72	0	1	1	3	2	0	0	7	664,598	94,943
73	1	1	1	1	0	0	0	4	238,714	59,679
74	0	2	3	3	3	0	0	11	916,592	83,327
75 & Over	0	1	3	3	5	0	0	12	783,917	65,326
Totals	91	1,866	2,831	2,037	1,134	0	0	7,959	$ 752,649,004	$ 94,566

Age (Years):	48.3
Service (Years):	14.0
Annual Pay	$ 94,566

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Appendix D: Tables of Participant Data (continued)

Population Statistics – Exhibit 4: ERFC 2001 Tier 1 Members - MEN Active Members in December 31, 2024 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	2	37,999	37,999
30-34	0	71	22	0	0	0	0	176	7,834,975	84,247
35-39	3	112	203	21	0	0	0	359	30,720,010	90,620
40-44	3	66	174	183	33	0	0	485	47,266,274	102,977
45-49	0	51	79	133	150	0	0	382	45,938,410	111,231
50-54	3	44	73	83	120	0	0	303	36,521,849	113,071
55-59	2	42	46	69	68	0	0	231	24,272,122	106,926
60	0	8	10	10	11	0	0	39	4,134,063	106,002
61	0	8	10	9	9	0	0	25	3,682,587	102,294
62	0	4	11	7	3	0	0	28	2,550,687	102,027
63	0	3	3	11	8	0	0	31	2,815,296	112,612
64	0	6	4	13	5	0	0	29	2,977,285	106,332
65	0	4	6	5	4	0	0	27	1,903,922	100,206
66	0	1	8	7	1	0	0	13	1,944,722	114,395
67	0	1	4	0	0	0	0	9	530,560	106,112
68	0	1	1	1	3	0	0	7	636,194	106,032
69	0	2	3	0	0	0	0	9	362,541	72,508
70	0	0	1	2	1	0	0	9	401,015	100,254
71	0	3	1	2	2	0	0	7	734,315	91,789
72	0	1	4	1	1	0	0	3	538,244	76,892
73	0	1	1	0	1	0	0	2	330,925	110,308
74	0	0	1	0	1	0	0	1	163,346	81,673
75 & Over	0	0	1	3	1	0	0	5	463,408	92,682
Totals	11	430	666	560	422	0	0	2,089	$ 216,760,749	$ 103,763

Age (Years):	47.9
Service (Years):	14.9
Annual Pay	$ 103,763

Appendix D: Tables of Participant Data (continued)

Population Statistics – Exhibit 5: ERFC 2001 Tier 2 Members - WOMEN Active Members in December 31, 2024 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	8	0	0	0	0	0	0	8	$ 299,540	$ 28,693
20-24	651	1	0	0	0	0	0	652	35,121,922	53,868
25-29	1,509	229	0	0	0	0	0	1,738	109,722,546	63,132
30-34	833	464	0	0	0	0	0	1,297	89,465,089	68,978
35-39	767	245	0	0	0	0	0	1,012	70,080,351	69,249
40-44	899	263	0	0	0	0	0	1,162	81,184,181	69,866
45-49	849	259	0	0	0	0	0	1,108	77,487,498	69,935
50-54	718	268	0	0	0	0	0	986	68,322,507	69,293
55-59	413	234	0	0	0	0	0	647	45,556,633	70,412
60	62	22	0	0	0	0	0	84	6,339,781	75,474
61	60	33	0	0	0	0	0	93	6,801,035	73,129
62	54	28	0	0	0	0	0	82	5,941,731	72,460
63	32	19	0	0	0	0	0	51	3,533,679	69,288
64	17	12	0	0	0	0	0	29	1,841,962	63,516
65	19	12	0	0	0	0	0	31	2,459,986	79,354
66	17	13	0	0	0	0	0	30	1,899,285	63,310
67	11	8	0	0	0	0	0	19	1,342,213	70,643
68	7	7	0	0	0	0	0	14	866,184	61,870
69	3	2	0	0	0	0	0	5	376,792	75,358
70	3	2	0	0	0	0	0	5	305,952	61,190
71	3	0	0	0	0	0	0	3	124,961	41,654
72	5	2	0	0	0	0	0	7	471,031	67,290
73	2	3	0	0	0	0	0	5	363,630	72,726
74	4	0	0	0	0	0	0	4	272,243	68,061
75 & Over	3	1	0	0	0	0	0	4	306,296	76,574
Totals	6,949	2,127	0	0	0	0	0	9,076	$ 610,417,029	$ 67,256

Age (Years):	40.1
Service (Years):	3.0
Annual Pay	$ 67,256

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Appendix D: Tables of Participant Data (continued)

Population Statistics – Exhibit 6: ERFC 2001 Tier 2 Members - MEN Active Members in December 31, 2024 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	1	0	0	0	0	0	0	1	$ 29,129	$ 29,129
20-24	136	0	0	0	0	0	0	136	6,734,426	49,518
25-29	385	30	0	0	0	0	0	415	24,701,964	59,523
30-34	271	115	0	0	0	0	0	386	27,227,400	70,537
35-39	208	95	0	0	0	0	0	303	23,907,227	78,902
40-44	173	68	0	0	0	0	0	241	20,911,493	86,770
45-49	169	63	0	0	0	0	0	232	21,406,891	92,271
50-54	159	48	0	0	0	0	0	207	19,618,678	94,776
55-59	140	48	0	0	0	0	0	188	16,601,982	88,308
60	24	7	0	0	0	0	0	31	2,705,953	87,289
61	22	8	0	0	0	0	0	30	2,743,554	91,452
62	19	7	0	0	0	0	0	26	1,926,720	74,105
63	19	8	0	0	0	0	0	27	2,255,605	83,541
64	13	3	0	0	0	0	0	16	1,703,466	106,467
65	13	6	0	0	0	0	0	19	1,528,088	80,426
66	9	4	0	0	0	0	0	13	1,135,309	87,331
67	5	3	0	0	0	0	0	8	732,740	91,593
68	3	0	0	0	0	0	0	3	153,799	51,266
69	3	2	0	0	0	0	0	5	327,804	65,561
70	7	0	0	0	0	0	0	7	405,952	57,993
71	2	0	0	0	0	0	0	2	215,997	107,998
72	2	2	0	0	0	0	0	4	271,402	67,851
73	0	0	0	0	0	0	0	0	-	-
74	3	0	0	0	0	0	0	3	203,906	67,969
75 & Over	3	1	0	0	0	0	0	4	303,641	75,910
Totals	1,789	518	0	0	0	0	0	2,307	$ 177,753,126	$ 77,049

Age (Years):	40.8
Service (Years):	2.9
Annual Pay	$ 77,049

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	$ 258,669	$ 28,741
20-24	787	1	0	0	0	0	0	788	41.856.348	53.117
25-29	1,894	262	0	0	0	0	0	2,156	134,603,891	62,432
30-34	1,114	1,048	220	1	0	0	0	2,383	174,794,105	73,350
35-39	991	772	969	155	1	0	0	2,888	237,793,592	82,339
40-44	1,098	642	651	779	188	0	0	3,358	301,953,367	89,921
45-49	1,034	639	450	494	656	95	0	3,368	318,141,876	94,460
50-54	895	628	471	432	553	402	62	3,443	334,027,377	97,016
55-59	564	554	436	426	393	107	42	2,522	227,036,546	90,022
60	88	72	83	96	76	18	7	440	38,955,940	88,536
61	84	80	87	71	77	20	0	419	36,220,861	86,446
62	75	70	58	62	65	8	4	342	28,774,502	84,136
63	53	48	43	59	56	27	8	294	25,132,189	85,484
64	32	35	31	60	39	15	11	223	19,658,169	88,153
65	34	30	35	34	47	12	1	193	17,278,150	89,524
66	26	30	31	28	24	8	5	152	12,956,364	85,239
67	16	20	13	20	16	13	1	99	8,814,755	89,038
68	10	13	7	13	11	4	5	63	5,314,178	84,352
69	6	8	4	8	11	6	4	47	3,680,012	78,298
70	10	2	3	12	7	4	1	39	2,977,719	76,352
71	5	5	4	7	10	4	1	36	2,878,462	79,957
72	7	6	5	4	5	4	0	31	2,395,031	77,259
73	3	5	2	1	1	1	4	17	1,351,061	79,474
74	7	2	4	3	5	3	4	28	2,407,764	85,992
75 & Over	6	5	4	7	10	6	5	43	3,811,548	88,641
Totals	8,848	4,977	3,611	2,772	2,251	757	165	23,381	$ 1,983,072,478	$ 84,816

	Legacy	Tier 1	Tier 2	Total
Age (Years):	55.4	48.2	40.2	44.9
Service (Years):	24.1	14.2	3.0	9.6
Annual Pay	$ 115,637	$ 96,478	$ 69,241	$ 84,816

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Appendix D: Tables of Participant Data (continued)

Population Statistics – Exhibit 8: Active Members by Years of Service as of December 31, 2024, excluding DROP members

Service Years	Number of Members			Annual Pay	
	Males	Females	Total	Total Salary	Average Salary
0	509	1,922	2,431	$150,903,079	$ 62,074
1	437	1,690	2,127	137,911,119	64,838
2	380	1,532	1,912	126,262,357	66,037
3	290	1,098	1,388	98,964,203	71,300
4	186	804	990	74,793,480	75,549
5	203	877	1,080	82,012,360	75,937
6	199	821	1,020	81,972,300	80,365
7	181	784	965	78,262,876	81,101
8	196	758	954	79,758,151	83,604
9	174	784	958	81,776,489	85,362
10	139	577	716	63,358,745	88,490
11	126	667	793	72,347,124	91,232
12	143	646	789	73,677,912	93,381
13	147	609	756	72,729,954	96,204
14	118	439	557	54,427,962	97,716
15	76	393	469	46,019,484	98,123
16	102	443	545	56,158,886	103,044
17	118	470	588	59,601,184	101,363
18	120	450	570	59,841,229	104,985
19	154	446	600	64,585,090	107,642
20	141	410	551	61,019,815	110,744
21	103	338	441	50,775,846	115,138
22	98	289	387	43,669,941	112,842
23	111	353	464	54,100,204	116,595
24	105	303	408	47,087,815	115,411
25	71	186	257	29,615,090	115,234
26	50	141	191	22,710,954	118,906
27	31	100	131	15,596,751	119,059
28	34	75	109	13,975,834	128,219
29	20	49	69	9,107,729	131,996
30 & Over	46	119	165	20,048,516	121,506
Totals	4,808	18,573	23,381	$1,983,072,478	$ 84,816

Appendix D: Tables of Participant Data (continued)

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

Valuation Date	Number				Average Pay	Annual Increase in Average Pay		Price Inflation (CPI-U)*[1]
	ERFC Legacy	ERFC 2001 Tier 1	ERFC 2001 Tier 2	Total		Last Year	Last 5 Years	Last Year
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%

[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.

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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%

	Average					
	All Retirees			2024 Retirees		
	At Retirement		Current Monthly Benefit	At Retirement		Current Monthly Benefit
	Age	Service		Age	Service	
ERFC Legacy	59.5	23.8	$ 1,438	59.3	25.5	$ 2,423
ERFC 2001 Tier 1	63.6	11.9	$ 593	64.1	15.0	$ 776
ERFC Tier 2	68.8	5.9	$ 266	69.1	6.0	$ 274

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	$ -	$ -	$ -
56	36	1,741,714	4,519,579	106,913
57	37	1,237,180	4,547,971	108,339
58	23	1,153,930	2,851,461	70,511
59	24	1,128,534	2,967,972	69,433
60	16	771,574	2,140,433	53,208
61	16	530,747	1,924,136	44,774
62	15	468,980	1,923,456	39,458
63	12	350,389	1,348,061	31,526
64	6	135,458	645,454	13,674
65	19	834,807	2,169,755	43,658
66	10	273,895	1,004,406	15,881
67	2	54,604	245,847	1,332
68	4	111,909	407,603	3,168
69	5	327,577	573,373	2,448
70-74	6	50,285	727,664	6,303
75-79	4	140,516	437,924	2,550
80 & Up	0	0	0	0
Total	235	$ 9,312,100	$ 28,435,094	$ 613,176

Population Statistics – Exhibit 12: ERFC Legacy - Original Benefit Formulas (Before July 1, 1988) Retirees and Beneficiaries as of December 31, 2024 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	53	1,604,056	0	1,604,056
Optional Form	4	106,965	0	106,965
Age and Service - Early				
Straight Life	142	3,176,608	0	3,176,608
Optional Form	9	230,031	0	230,031
Age and Service Totals	208	5,117,661	0	5,117,661
Duty Disability				
Straight Life	2	78,590	0	78,590
Non-Duty Disability				
Straight Life	8	149,312		149,312
Age and Service Survivor				
Beneficiary, Duty Death, and Non-Duty Death	21	290,450	0	290,450
Other Totals	31	518,352	0	518,352
Total Benefits	239	5,636,013	0	5,636,013

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, 2024 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	5,509	93,469,002	24,956,092	118,425,095
Optional Form	1,089	17,302,632	4,838,355	22,140,987
Age and Service - Early				
Straight Life	3,681	30,608,959	10,585,220	41,194,179
Optional Form	432	3,778,466	1,116,487	4,894,953
Age and Service Totals	10,711	145,159,059	41,496,155	186,655,214
Duty Disability				
Straight Life	8	32,347	0	32,347
Optional Form	2	11,801	0	11,801
Non-Duty Disability				
Straight Life	89	521,856	0	521,856
Optional Form	12	64,185	0	64,185
Age and Service Survivor Beneficiary, Duty Death, and Non-Duty Death	233	1,869,249	120,999	1,990,248
Other Totals	344	2,499,438	120999.24	2,620,437
Total Benefits	11,055	147,658,497	41,617,154	189,275,651

Appendix D: Tables of Participant Data (continued)

Population Statistics – Exhibit 14: ERFC 2001 Tier 1 - Retirees and Beneficiaries as of December 31, 2024 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	2,349	16,853,238	0	16,853,238
Optional Form	749	5,203,804	0	5,203,804
Age and Service - Early				
Straight Life	0	0	0	0
Optional Form	0	0	0	0
Age and Service Totals	3,098	22,057,042	0	22,057,042
Disability				
Straight Life	8	39,646	0	39,646
Age and Service Survivor Beneficiary, Duty Death, and Non-Duty Death	16	101,659	0	101,659
Other Totals	24	141,304	0	141,304
Total Benefits	3,122	22,198,347	0	22,198,347

Appendix D: Tables of Participant Data (continued)

Population Statistics – Exhibit 15: ERFC 2001 Tier 2 - Retirees and Beneficiaries as of December 31, 2024 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	9	27,908	0	27,908
Optional Form	2	7,205	0	7,205
Age and Service - Early				
Straight Life				
Optional Form				
Age and Service Totals	11	35,113	0	35,113
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	11	35,113	0	35,113

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, 2024 by Current Annual Benefits - Tabulated by Attained Ages

Attained Ages	Number	Annual Amount
70	0	$ -
71	1	19,619
72	0	0
73	1	13,174
74	1	22,068
75	0	0
76	1	24,987
77	0	0
78	1	42,623
79	3	65,986
80-84	9	127,942
85-89	91	2,318,675
90 & Up	131	3,000,939
Total	239	$ 5,636,013

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, 2024 by Current Annual Benefits - Tabulated by Attained Ages

Attained Ages	Number	Annual Amount
Under 40	1	$ 3,808
40-44	0	0
45	0	0
46	1	3,483
47	1	4,743
48	6	84,544
49	3	92,199
50	10	260,518
51	7	266,545
52	11	312,798
53	23	764,372
54	33	1,237,024
55	93	3,177,191
56	105	3,601,035
57	107	3,160,364
58	130	4,205,405
59	116	3,955,993
60	160	5,251,903
61	164	5,016,178
62	200	6,214,982
63	194	5,681,006
64	211	5,951,470
65	231	6,983,736
66	299	8,636,988
67	325	7,055,569
68	340	4,091,932
69	365	4,395,399
70-74	2,395	28,772,413
75-79	2,768	38,230,418
80 & Up	2,756	41,771,296
Total	11,055	$ 189,183,311

Appendix D: Tables of Participant Data (continued)

Population Statistics – Exhibit 18: ERFC 2001 Tier 1 - Retirees and Beneficiaries as of December 31, 2024 by Current Annual Benefits - Tabulated by Attained Ages

Attained Ages	Number	Annual Amount
Under 40	0	$ -
40-44	1	1,316
45	0	0
46	0	0
47	0	0
48	0	0
49	0	0
50	0	0
51	1	7,073
52	0	0
53	0	0
54	1	4,433
55	1	11,135
56	1	6,958
57	5	17,926
58	2	4,333
59	6	24,693
60	87	638,970
61	118	822,264
62	153	1,170,382
63	173	1,281,426
64	181	1,369,466
65	207	1,694,843
66	183	1,355,335
67	225	1,816,447
68	228	1,626,822
69	211	1,557,729
70-74	856	5,972,186
75-79	406	2,385,783
80 & Up	76	428,827
Total	3,122	$ 22,198,347

Appendix D: Tables of Participant Data (continued)

Population Statistics – Exhibit 19: ERFC 2001 Tier 2 - Retirees and Beneficiaries as of December 31, 2024 by Current Annual Benefits - Tabulated by Attained Ages

Attained Ages	Number	Annual Amount
Under 65		$ -
66	1	1,870
67	4	15,720
68	1	1,410
69	3	8,816
70 & Up	2	7,296
Totals	11	$ 35,113

Appendix D: Tables of Participant Data (continued)

Population Statistics – Exhibit 20: ERFC Legacy - Benefit Formulas Inactive Vested Members as of December 31, 2024 by Annual Deferred Benefits - Tabulated by Attained Ages

Attained Ages	Number	Annual Amount
Under 45	0	$ -
45	2	10,207
46	36	128,528
47	50	159,401
48	64	230,037
49	66	277,720
50	92	226,121
51	90	343,654
52	98	348,059
53	109	411,337
54	109	380,957
55	74	229,763
56	71	258,588
57	63	235,998
58	57	240,622
59	51	295,397
60	37	125,703
61	32	172,614
62	25	114,661
63	24	136,090
64	26	126,679
65 & Up	80	178,858
Totals	1,256	$ 4,630,993

Appendix D: Tables of Participant Data (continued)

Population Statistics – Exhibit 21: ERFC 2001 Tier 1 - Inactive Vested Members as of December 31, 2024 by Annual Deferred Benefits - Tabulated by Attained Ages

Attained Ages	Number	Annual Amount
Under 27	0	$ -
27	0	0
28	0	0
29	1	2,491
30	18	56,802
31	77	250,985
32	88	277,990
33	128	454,713
34	178	648,177
35	193	679,054
36	226	892,515
37	243	980,831
38	238	921,783
39	227	976,032
40	239	1,028,963
41	280	1,279,395
42	259	1,181,665
43	262	1,171,300
44	264	1,309,472
45	267	1,261,357
46	212	1,049,596
47	162	757,024
48	122	586,003
49	138	774,502
50	115	629,976
51	109	578,695
52	91	508,742
53	125	674,694
54	98	492,924
55	107	677,490
56	99	584,653
57	113	692,804
58	91	510,410
59	102	628,646
60	50	235,772
61	43	168,292
62	36	137,779
63	31	127,656
64	30	109,455
65 & Up	42	149,248
Totals	5,104	$ 23,447,887

Appendix D: Tables of Participant Data (continued)

Population Statistics – Life Expectancy

Sample Future Life Expectancy in Years		
AGES in 2024	**MALE**	**FEMALE**
55	32.70	35.10
60	27.74	30.14
65	22.97	25.29
70	18.42	20.57
75	14.21	16.11
80	10.47	12.08

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, 2024, the LDROM is $5,276,999,880 based on an interest rate of 5.89%. 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, 2024. 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 July 1	2024	2023	2022	2021	2020
1. Retiree and Beneficiary Accrued Liability	$2,232,322	$2,148,638	$2,082,086	$2,013,044	$1,903,321
2. Total Accrued Liability	$4,538,459	$4,287,779	$4,119,031	$3,921,053	$3,635,244
3. Ratio, (1) / (2)	49.19%	50.11%	50.55%	51.34%	52.36%

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 FYE June 30	2024	2023	2022	2021	2020
1. Contributions	$183,549	$172,313	$164,727	$156,974	$154,079
2. Benefit Payments	219,570	206,966	197,857	190,909	184,864
3. Cash Flow, (1) - (2)	($36,021)	($34,654)	($33,130)	($33,935)	($30,785)
4. Market Value of Assets	$3,127,209	$2,954,160	$3,419,373	$2,984,110	$2,628,074
5. Ratio, (3) / (4)	(1.2)%	(1.2)%	(1.0)%	(1.1)%	(1.2)%

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 July 1	2024	2023	2022	2021	2020
1. Market Value of Assets	$3,127,209	$2,954,160	$3,419,373	$2,984,110	$2,628,074
2. Total Payroll[1]	$2,011,508	$1,881,144	$1,790,601	$1,662,801	$1,633,458
3. Asset to Payroll Ratio, (1) / (2)	1.6	1.6	1.9	1.8	1.6
4. Accrued Liability	$4,538,459	$4,287,779	$4,119,031	$3,921,053	$3,635,244
5. Liability to Payroll Ratio, (4) / (2)	2.3	2.3	2.3	2.4	2.2

Plans that have higher asset-to-payroll ratios experience more volatile employer contributions (as a percentage of payroll) due to investment return. 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 the 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 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

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

Pursuant to their authority under §15.03 of the *ERFC* 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* 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* 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 shall prepare annual actuarial valuations based upon calendar-year data. Whenever possible, the valuation for a particular year should be presented to the Trustees within the first 120 days of the following calendar year.

16.03C Schedule for Setting the Employer Contribution Rate.

As a general rule, the Trustees will determine the Employer contribution rate biennially, in consultation with the actuary, based upon the actuarial valuation for the most recently completed calendar year, and the rate as so determined will remain in effect for two consecutive Fiscal Years. The rate shall 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 biennial schedule based on the actuarial valuation as of December 31, 2015 will become effective July 1, 2017 and will remain in effect through June 30, 2019. Notwithstanding the foregoing, the Trustees may determine the Employer contribution rate annually, in consultation with the actuary, based upon the actuarial valuation for the most recently completed calendar year, if the Trustees determine that the Employer contribution rate should be changed because of changes to the Plan or because of adverse market conditions occurring since the last actuarial valuation. In the event that the rate is determined annually based on this exception, the new rate will be communicated to the Employer at least 9 months in advance of the effective date.

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 biennial 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 shall, 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 shall be set with the objective that the Plan will be 100% funded by June 30, 2040. In conjunction with actuarial valuations dated December 31, 2019 and later, the Trustees may elect to create a new 20-year amortization schedule for changes in liabilities arising during that valuation or subsequent valuations, and to continue the amortization of preexisting unfunded liabilities to their scheduled end date. 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 then being used. Changes in liabilities associated with benefit changes or assumption changes occurring on or after December 31, 2021 shall be funded over a 20-year period. However, unfunded liabilities arising in conjunction with early retirement incentive programs offered by the Employer after 2013 shall be separately funded over a period not exceeding five future years and shall not be subject to the combining of amortization schedules mentioned elsewhere in this Paragraph 16.03E.

16.03F The Valuation of Plan Assets

The actuarial value of Plan assets shall be determined as a 5-year smoothed market value of assets. The smoothing technique shall fully recognize the assumed return each year. It shall 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 shall 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 shall 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 shall 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 shall 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 shall also adopt other assumptions necessary for the valuation based upon the advice of the actuary and the judgment of the Trustees. The Trustees shall cause a study of actuarial experience under the Plan to be performed at least once in each five-year period and shall adjust all assumptions accordingly as deemed necessary for prudent operation of the Plan.

Appendix G: ERFC Regulations (continued)

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

16.03H Overfunding

In the event that the Plan's assets exceed the Plan's liabilities, all amortization schedules other than those related to any post-2013 early retirement incentive programs offered by the Employer shall be considered completed, and the Employer contribution rate will be set based upon the normal cost and the completion of any remaining amortizations due to post-2013 early retirement incentive programs offered by the Employer, without regard to such overfunding. In such event, the Trustees shall review the Plan's asset allocation with a view toward de-risking the portfolio and potentially lowering the investment return assumption. Should such de-risking of the portfolio or future unfavorable experiences cause unfunded liabilities to arise again, such liabilities shall be funded over a closed period of 20 future years and shall otherwise be subject to the regulations set forth in Paragraph 16.03E.

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