

**DISTRICT ATTORNEYS'
RETIREMENT SYSTEM**

ACTUARIAL VALUATION AS OF
JUNE 30, 2021

G. S. CURRAN & COMPANY, LTD.

Actuarial Services

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November 3, 2021

Board of Trustees
District Attorneys' Retirement System
2525 Quail Drive
Baton Rouge, Louisiana 70808

Gentlemen:

We are pleased to present our report on the actuarial valuation of the District Attorneys' Retirement System for the fiscal year ending June 30, 2021. Our report is based on the actuarial assumptions specified and relies on the data supplied by the system's administrator and accountants. This report was prepared at the request of the Board of Trustees of the District Attorneys' Retirement System. The primary purpose of this report is to determine the actuarially required contribution for the retirement system for the fiscal year ending 2022, and to recommend the net direct employer contribution rate for Fiscal 2023. This report does not contain the information necessary for accounting disclosures as required by Governmental Accounting Standards Board (GASB) Statements 67 and 68; that information is included in a separate report. This report was prepared exclusively for the District Attorneys' Retirement System for a specific limited purpose. It is not for the use or benefit of any third party for any purpose.

In our opinion, all of the assumptions on which this valuation is based are reasonable individually and in the aggregate. Both economic and demographic assumptions are based on our expectations for future experience for the fund. This report has been prepared in accordance with generally accepted actuarial principles and practices, and to the best of our knowledge and belief, fairly reflects the actuarial present values and costs stated herein. The undersigned actuary is a member of the American Academy of Actuaries, has met the qualification standards for the American Academy of Actuaries to render the actuarial opinions incorporated in this report, and is available to provide further information or answer any questions with respect to this valuation.

Sincerely,

G. S. CURRAN & COMPANY, LTD.

By: 
Gregory Curran, F.C.A., M.A.A.A., A.S.A.

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**SUMMARY OF VALUATION RESULTS
DISTRICT ATTORNEYS' RETIREMENT SYSTEM**

Valuation Date:	June 30, 2021	June 30, 2020
Census Summary:		
Active Members	726	731
Retired Members and Survivors	424	386
Terminated Due a Deferred Benefit	122	108
Terminated Due a Refund	276	309
Payroll:	\$ 61,661,164	\$ 61,509,353
Benefits in Payment:	\$ 23,178,155	\$ 20,476,692
Present Value of Future Benefits:	\$ 682,460,531	\$ 642,749,958
Actuarial Accrued Liability (EAN):	\$ 555,070,371	\$ 523,180,498
Funding Deposit Account Credit Balance:	\$ 0	\$ 0
Actuarial Value of Assets (AVA):	\$ 488,846,632	\$ 456,797,449
Market Value of Assets (MVA):	\$ 537,267,140	\$ 443,953,251
Ratio of AVA to Actuarial Accrued Liability (EAN):	88.07%	87.31%
	Fiscal 2021	Fiscal 2020
Market Rate of Return:	23.0%	3.1%
Actuarial Rate of Return:	8.8%	5.0%
	Fiscal 2022	Fiscal 2021
Employers' Normal Cost (Mid-year):	\$ 15,578,829	\$ 15,290,351
Estimated Administrative Cost:	\$ 597,914	\$ 597,914
Projected Ad Valorem Tax Contributions:	\$ (10,555,148)	\$ (10,054,322)
Projected Revenue Sharing Funds:	<u>\$ (213,347)</u>	<u>\$ (213,335)</u>
Net Direct Employer Actuarially Required Contributions:	\$ 5,408,248	\$ 5,620,608
Projected Payroll:	\$ 63,408,277	\$ 62,509,156
Statutory Employee Contribution Rate:	8.00%	8.00%
Board Adopted Net Direct Employer Contribution Rate:	9.50%	4.00%
Actuarially Required Net Direct Employer Contribution Rate:	8.53%	8.99%
	Fiscal 2023	Fiscal 2022
Minimum Recommended Net Direct Employer Cont. Rate:	8.50%	9.50%
Ad Valorem Tax Rate †	0.20%	0.20%

† Percent of the aggregate amount of the ad valorem tax shown to be collected by the tax roll of each respective parish. State Revenue Sharing Funds are allocated based on the ad valorem tax rate.

GENERAL COMMENTS

The values and calculations in this report were determined by applying statistical analysis and projections to system data and the assumptions listed. There is sometimes a tendency for readers to either dismiss results as mere “guesses” or alternatively to ascribe a greater degree of accuracy to the results than is warranted. In fact, neither of these assessments is valid. Actuarial calculations by their very nature involve estimations. As such, it is likely that eventual results will differ from those presented. The degree to which such differences evolve will depend on several factors including the completeness and accuracy of the data utilized, the degree to which assumptions approximate future experience, and the extent to which the mathematical model accurately describes the plan’s design and future outcomes.

Data quality varies from system to system and year to year. The data inputs involve both asset information and census information of plan participants. In both cases, the actuary must rely on third parties; nevertheless, steps are taken to reduce the probability and degree of errors. The development of assumptions is primarily the task of the actuary; however, information and advice from plan administrators, staff, and other professionals may be factored into the formation of assumptions. The process of setting assumptions is based primarily on analysis of past trends, but modification of historical experience is often required when the actuary has reason to believe that future circumstances may vary significantly from the past. Setting assumptions includes but is not limited to collecting past plan experience and studying general population demographics and economic factors from the past. The actuary will also consider current and future macro-economic and financial expectations as well as factors that are likely to impact the particular group under consideration. Hence, assumptions will also reflect the actuary’s judgment with regard to future changes in plan population and decrements in view of the particular factors which impact participants. Thus, the process of setting assumptions is not mere “guess work” but rather a process of mathematical analysis of past experience and of those factors likely to impact the future.

One area where the actuary is limited in his ability to develop accurate estimates is the projection of future investment earnings. The difficulties here are significant. First, the future is rarely like the past, and the data points available to develop stochastic trials are far fewer than the number required for statistical significance. In this area, some guess work is inevitable. However, there are tools available to lay a foundation for making estimates with an expectation of reliability. Although past data is limited, that which is available is likely to provide some insight into the future. This data consists of general economic and financial values such as past rates of inflation, rates of return variance, and correlations of returns among various asset classes along with the actual asset experience of the plan. In addition, the actuary can review the current asset market environment as well as economic forecasts from governmental and investment research groups to form a reasonable opinion with regard to probable future investment experience for the plan.

All of the above efforts would be in vain if the assumption process was static, and the plan would have to deal with the consequences of actual experience differing from assumptions after forty or fifty years of compounded errors. However, actuarial funding methods for pension plans all allow for periodic corrections of assumptions to conform with reality as it unfolds. This process of repeated correction of estimates produces results which although imperfect is nevertheless a reasonable approach to determine the contribution levels which will provide for the future benefits of plan participants.

COMMENTS ON DATA

For the valuation, the administrative staff of the system furnished a census derived from the system's master data processing file indicating each active covered employee's sex, date of birth, service credit, annual salary, and accumulated contributions. Information on retirees detailing dates of birth of retirees and beneficiaries, as well as option categories and benefit amounts, was provided in like manner. In addition, data was supplied on former employees who are vested or who have contributions remaining on deposit. As illustrated in Exhibit IX, there are 726 active members in the system of whom 327 members have vested retirement benefits; 424 former members or their beneficiaries are receiving retirement benefits. An additional 398 former members have contributions remaining on deposit with the system; of this number, 122 former members have vested rights for future retirement benefits.

Census data submitted to our office is tested for errors. Several types of census data errors are possible; to ensure that the valuation results are as accurate as possible, a significant effort is made to identify and correct these errors. In order to minimize coverage errors (i.e., missing or duplicated individual records) the records are checked for duplicates, and a comparison of the current year's records to those submitted in prior years is made. Changes in status, new records, and previous records, which have no corresponding current record, are identified. This portion of the review indicates the annual flow of members from one status to another and is used to check some of the actuarial assumptions, such as retirement rates, rates of withdrawal, and mortality. In addition, the census is checked for reasonableness in several areas, such as age, service, salary, and current benefits. The records identified by this review as questionable are checked against data from prior valuations; those not recently verified are included in a detailed list of items sent to the system's administrator for verification and/or correction. Once the identified data has been researched and verified or corrected, it is returned to us for use in the valuation. Occasionally some requested information is either unavailable or impractical to obtain. In such cases, values may be assigned to missing data. For this valuation, the number of such records with imputed data is de minimis. The assigned values are based on information from similar records or based on information implied from other data in the record.

In addition to the statistical information provided on the system's participants, the system's administrator furnished general information related to other aspects of the system's expenses, benefits and funding. Valuation asset values as well as income and expenses for the fiscal year were based on information furnished by the system's auditor, the firm of Duplantier, Hrapmann, Hogan & Maher, Certified Public Accountants. As indicated in the system's audit report, the net market value of the system's assets was \$537,267,140 as of June 30, 2021. Net investment income for Fiscal 2021 measured on a market value basis amounted to \$101,070,291. Contributions to the system for the fiscal year totaled \$18,980,285; benefits and expenses amounted to \$26,736,687.

Notwithstanding our efforts to review both census and financial data for apparent errors, we must rely upon the system's administrative staff and accountants to provide accurate information. Our review of submitted information is limited to validation of reasonableness and consistency. Verification of submitted data to source information is beyond the scope of our efforts.

COMMENTS ON ACTUARIAL METHODS AND ASSUMPTIONS

This valuation is based on the Aggregate Actuarial Cost Method. This cost method generally produces normal costs which are level as a percentage of pay if assumptions are met and the composition of the active group with regard to age and service is stable. Overall costs may increase or decrease depending on payroll growth. Under the Aggregate Actuarial Cost Method, actuarial gains and losses are spread over future normal costs. Thus, favorable plan experience will lower future normal costs; unfavorable experience will cause future normal costs to increase. In addition, changes in benefits and assumptions are also spread over future normal costs.

The current year actuarial assumptions utilized for this report are based on the results of an actuarial experience study for the period July 1, 2014 – June 30, 2019, unless otherwise specified in this report. This study included a review of all plan decrements in addition to salary scale experience and other demographic factors which impact plan costs. Details related to the study are contained within the 2020 District Attorneys' Retirement System Experience Study Report.

In reviewing the valuation interest rate, consideration was given to several factors. The Fund's target asset allocation was reviewed based upon the G. S. Curran & Company consultant average return study for 2021. The study found that although the 6.25% assumed rate of return used in the 2020 valuation remains within the reasonable range, the significant market returns of Fiscal 2021 presented a unique opportunity. The system's actuary recommended that the Board of Trustees consider opportunistically reducing the valuation interest rate further in order to reduce the risk inherent in this assumption and to improve the probability of achieving the long-term assumption. The reasonable range was set by developing 10,000 stochastic trials based on the expected long-term arithmetic return for the Fund's target allocation and the consultant average portfolio standard deviation. The Board of Trustees authorized a further reduction in order to reduce risk. Within this report, the valuation interest rate was reduced from 6.25% to 6.10%. This valuation interest rate approximates the 50th percentile value within the system's 2021 reasonable range, 6.11%. Therefore, with this reduction, we believe that the system has a 50% chance of achieving a long-term rate of return equal to the assumed rate of return.

Although the board of trustees has authority to grant ad hoc Cost of Living Increases (COLAs) under limited circumstances, these COLAs have not been shown to have a historical pattern, the amounts of the COLAs have not been relative to a defined cost-of-living or inflation index, and there is no evidence to conclude that COLAs will be granted on a predictable basis in the future. Therefore, for purposes of determining the present value of benefits, these COLAs were deemed not to be substantively automatic, and the present value of benefits excludes COLAs not previously granted by the board of trustees.

The current year actuarial assumptions utilized for the report are outlined at the end of this report. All assumptions used are based on estimates of future long-term experience for the system as described in the system's 2020 Experience Study report unless otherwise specified. All calculations, recommendations, and conclusions are based on the assumptions specified. To the extent that prospective experience differs from that assumed, adjustments to contribution levels will be required. Such differences will be revealed in future actuarial valuations. The net effect of the changes in the valuation interest rate on the normal cost accrual rate was an increase of 2.0084%.

RISK FACTORS

Defined benefit pension plans are subject to a number of risks. These can be related either to plan assets or liabilities. In order to pay benefits, the plan must have sufficient assets. Several factors can lead to asset levels which are below those required to pay promised benefits. The first risk in this regard is the failure to contribute adequate funds to the plan. In some ways, this is the greatest risk, since other risks can usually be addressed by adequate actuarial funding. Louisiana constitutional and statutory provisions greatly limit this risk by requiring that state and statewide plans maintain funding on an actuarial basis. The State Constitution sets forth general requirements with specific funding parameters specified in the state statutes.

All pension plans are subject to the uncertainty of asset performance. The total nominal rate of return on assets is comprised of the real rates of return earned on the portfolio of investments plus the underlying inflation rate. High levels of inflation are a risk to plan members in that they reduce purchasing power of plan benefits. As the plan attempts to offset inflation by providing permanent benefit increases, costs will inevitably increase unless provisions are made to prefund such adjustments. Very low inflation will generally reduce the nominal rate of return on assets; deflation can potentially reduce the capital value of trust assets. During the decade preceding 2020, inflation levels remained in a fairly narrow range, yet inflation has significantly increased since the beginning of the Covid-19 pandemic. Forecasts from investment professionals prior to the pandemic generally called for a continuation of a low inflation environment. Although many forecasters believe that recent inflation spikes will be transitory, at this time there is significant uncertainty related to future inflation. There is always the possibility that high inflation will become a problem in the future or that the country will experience a deflationary period; however, most expert opinion currently assesses these alternatives as unlikely in the near term.

Asset performance over the long run depends not only on average returns but also on the volatility of returns. Two portfolios of identical size with identical average rates of return will accumulate different levels of assets if the volatility of returns differs since increased volatility reduces the accumulation of assets. Volatility of returns will be determined by both market conditions and the asset allocation of the investment portfolio. If the system's investment portfolio has a substantial allocation to assets that have low price stability, the risk of portfolio volatility will increase, although low correlations among asset classes can mitigate this risk. Another element of asset risk is reinvestment risk. Interest rate declines can subject pension plans to an increase in this risk. As fixed income securities mature, investment managers may be forced to reinvest funds at decreasing rates of return. For the foreseeable future it is unlikely, though not impossible, that interest rates will steeply decline mitigating the reinvestment risk the plan currently faces.

The system is also exposed to risk related to cash flow. Where benefit payments exceed contributions to a plan, the plan will be required to use investment income or potentially investment capital to pay benefits. In cases where it is necessary to use investment income to pay retirement benefits, investment market downturns will place additional stress on the portfolio and make the recovery from such downturns more difficult since funds available for reinvestment are reduced by benefit payments. The historical cash flow graph and demonstration given in this report illustrates the noninvestment cash flow and benefit payments of the system over the last 10 years. Currently, annual benefit payments slightly exceed contributions to the plan. Future net noninvestment cash flows for the system will be determined based upon both the system maturity and future contribution levels. Hence, increases in future contributions due to adverse actuarial experience will tend to mitigate the potential of negative

cash flows arising from the natural maturation of the system whereas reduced contribution levels resulting from positive experience will tend to increase the extent of negative cash flows. Absent significant increases in either the active membership of the system or the employer contribution rate, the system could continue to experience negative noninvestment cash flows as the proportion of retired membership trends higher.

In addition to asset risk, the plan is also subject to risks related to liabilities. These risks include longevity risk (the risk that retirees will live longer than expected), termination risk (the risk that fewer than the anticipated number of members will terminate service prior to retirement), and other factors that may have an impact on the liability structure of the plan. In a general sense, the short-term effects of these risks on the cost structure of the plan are somewhat limited since changes in these factors tend to be gradual and follow long-term secular trends. Final average compensation plans are also vulnerable to unexpectedly large increases in salary for individual members near retirement. The effect of such events frequently relates to pay plan revisions where salaries “catch-up” after a number of years of slow growth. Revisions of this type usually depend on general economic conditions and can result in liability losses. However, they generally are infrequent and are more of a short-term issue.

Liability risk also includes items such as data errors. Significant errors in plan data can distort or disguise plan liabilities. When data corrections are made, the plan may experience unexpected increases or decreases in liabilities. Even natural disasters and dislocations in the economy or other unforeseen events (such as pandemics like COVID-19) can present risks to the plan. These events can affect member payroll and plan demographics, both of which impact costs. The risk associated with either of these factors can vary depending upon the severity of the event and cannot be easily forecast.

Beyond identifying risk categories, it is possible to quantify some risk factors. One fairly well-known risk metric is the funded ratio of the plan. The rate is given as plan assets divided by plan liabilities. However, the definition of each of these terms may vary. The two typical alternatives used for assets are the market and actuarial value of assets. There are a number of alternative measures of liability depending on the funding method employed. The Governmental Accounting Standards Board (GASB) specifies that for financial reporting purposes, the funded ratio is determined by using the market value of assets divided by the entry age normal accrued liability. This value is given in the system’s financial report. Alternatively, we have calculated the ratio of the actuarial value of assets to the entry age normal accrued liability. The ratio is 88.07% for the plan as of June 30, 2021. This value gives some indication of the financial strength of the plan; however, it does not guarantee the ability of the fund to pay benefits in the future or indicate that in the future, contributions are likely to be less than or greater than current contributions. In addition, the ratio cannot be used in isolation to compare the relative strength of different retirement systems. However, the trend of this ratio over time can give some insight into the financial health of the plan. Even in this regard, caution is warranted since market fluctuations in asset values and changes in plan assumptions can distort underlying trends in this value. Exhibit X gives a history of this value for the last ten years. Note that the underlying trend is somewhat disguised since the system has significantly reduced the valuation interest rate over this period. Absent the reduction in this rate, the current ratio would be significantly higher. One additional risk measure is the sensitivity of the plan’s cost structure to asset gains and losses. We have determined that based on current assets and demographics, for each percentage under (over) the assumed rate of return on the actuarial value of assets, there will be a corresponding increase (decrease) in the actuarially required contribution as a percentage of projected payroll of 0.85% for the fund.

Each pension plan has its own unique benefit structure and demographic profile. As a result each plan will respond to changes in interest rates in a unique way. As the expected rate of return on investments changes and the interest rate used to discount plan liabilities is adjusted, the shift in plan liabilities will depend upon the duration of the liabilities (which can be understood as the plan's sensitivity to the change in the interest rate). A slightly different measure of the duration for the plan can also be understood as an indicator of the plan's maturity. When a pension plan is first established, all of the participants are active members; as members retire and the plan matures, the duration of the plan decreases. A determination of the liability duration gives some insight into the investment time horizon of the plan. Thus, the liability duration of a closed plan can be thought of as the weighted "center of gravity" of plan benefit cash flows with expected cash flows occurring both before and after the duration value. For open plans with a continuous flow of new entrants this measure is somewhat less informative since the duration horizon keeps changing as new members enter the plan. For this plan we have estimated the effective liability duration as 11.50.

The ability of a system to recover from adverse asset or liability performance is related to the maturity of the plan population. In general, plans with increasing active membership are less vulnerable to asset and liability gains and losses than mature plans since changes in plan costs can be partially allocated to new members. If the plan has a large number of active members compared to retirees, asset or liability losses can be more easily addressed. As more members retire, contributions can only be collected from a smaller segment of the overall plan population. Often, population ratios of actives to annuitants are used to measure the plan's ability to adjust or recover from adverse events since contributions are made by or on behalf of active members but not for retirees. Thus, if the plan suffers a mortality loss through increased longevity, this will affect both actives and retirees, but the system can only fund this loss by contributions related to active members. A measure of risk related to plan maturity is the ratio of total benefit payments to active payroll. For Fiscal 2021, this ratio is 38%; ten years ago this ratio was 16%.

One other area of exposure the plan faces is the possibility that plan assumptions will need to be revised to conform to changing actual or expected plan experience. Such assumption revisions may relate to economic or demographic factors. With regard to the economic assumptions, there is always the possibility that market expectations will require an adjustment to the assumed rate of return. Current market expectations related to the assumed rate of return suggest that a decrease in the assumption is more probable than an increase. The magnitude of any potential such change will be related to future capital market expectations. With regard to the economic assumptions, we have determined that a reduction in the valuation interest rate by 1% (without any change to other collateral factors) would increase the actuarially required employer contribution rate for Fiscal 2022 by 15.47% of payroll. Future adjustments to the future assumed rates of return may be required; however, the likelihood of such an event is difficult to gauge since it requires assigning probabilities to future capital market scenarios.

Noneconomic assumptions such as mortality or other rates of decrement such as withdrawal, retirement, or disability are also subject to change. In general, such changes tend to affect plan costs less than adjustments to the assumed rates of return. Quantifying the probability or magnitude of such changes is beyond the scope of this report.

In summary, there is a risk that future actuarial measurements may differ significantly from current measurements presented in this report due to factors such as the following: plan experience differing from that anticipated by the economic or demographic assumptions, changes in economic or

demographic assumptions, and changes in plan provisions or applicable law. Ordinarily, variations in these factors will offset to some extent. However, even with the expectation that not all variations in costs will likely travel in the same direction, factors such as those outlined above have the potential on their own accord to pose a significant risk to future cost levels and solvency of the system.

CHANGES IN PLAN PROVISIONS

The following changes to the system were enacted during the 2021 Regular Session of the Louisiana Legislature:

Act 139 adds the District Attorneys’ Retirement System (DARS) to the list of retirement systems covered by R.S. 11:233 which relates to Earnable Compensation. This subsection states that earnings or earnable compensation shall not include items like overtime, operating expenses, use of automobile or motor vehicles, the cost of any insurance paid by the employer, expense allowances, payments made in lieu of unused annual or sick leave, and bonuses, terminal pay, severance pay, deferred salary, or any other type of nonrecurring payment. Act 139 also changes the capping rule for members who have not achieved sufficient age and service to be eligible to receive unreduced retirement benefits as provided in R.S. 11:1632(B)(1) or R.S. 11:1633(B)(1) before July 1, 2021 to require the capping rules to apply to total state and non-state pay. Act 139 also adds specific language related to the overpayment of benefits and corrections of payment errors. Where administrative errors occur, the language empowers the system’s Director to collect overpayments and to fix underpayments both adjusted with interest.

ASSET EXPERIENCE

The actuarial and market rates of return for the past ten years are given below. These rates of return on assets were determined by assuming a uniform distribution of income and expense throughout the fiscal year.

	<u>Market Value</u>	<u>Actuarial Value</u>
2012	1.6%	3.1%
2013	13.0%	6.0%
2014	16.2%	11.6%
2015	2.5%	9.8%
2016	1.8%	6.5%
2017	7.7%	7.2%
2018	8.9%	6.7%
2019	4.5%	4.9%
2020	3.1%	5.0%
2021	23.0%	8.8%

Geometric Average Market Rates of Return

5-year average (Fiscal 2017 – 2021)	9.2%
10-year average (Fiscal 2012 – 2021)	8.0%
15-year average (Fiscal 2007 – 2021)	6.8%
20-year average (Fiscal 2002 – 2021)	6.0%
25-year average (Fiscal 1997 – 2021)	6.8%
30-year average (Fiscal 1992 – 2021)	7.5%

The market rate of return gives a measure of investment return on a total return basis and includes realized and unrealized capital gains and losses as well as interest income and dividends. This rate of return gives an indication of performance for an actively managed portfolio where securities are bought and sold with the objective of producing the highest total rate of return. During 2021, the fund earned \$13,388,782 of dividends, interest and other recurring income. In addition, the Fund had net realized and unrealized capital gains on investments of \$88,432,319. The Fund also had investment expenses of \$750,810.

The actuarial rate of return is presented for comparison to the assumed long-term rate of return of 6.25% used for the prior valuation for Fiscal 2021 (6.10% beginning July 1, 2021). This rate is calculated based on the actuarial value of assets and all interest, dividends, and recognized capital gains as given in Exhibit VI. Investment income used to calculate this yield is based upon smoothing earnings above or below the assumed rate of return over a five-year period, subject to constraints as outlined in the section in the report describing actuarial assumptions. Since the valuation interest rate has been lowered several times since Fiscal 2016, smoothing was determined based on a comparison of actual returns to the appropriate valuation interest rate for each year in the smoothing period. The difference between rates of return on an actuarial and market value basis results from the smoothing of gains or losses on investments relative to the valuation interest rate over the five-year period. In the future, yields in excess of the 6.10% assumption will reduce future costs; yields below 6.10% will increase future costs. For Fiscal 2021, the system experienced net actuarial investment earnings of \$11,494,459 more than the actuarial assumed earnings rate of 6.25% in effect for Fiscal 2021 (Beginning with Fiscal 2022, actuarial investment gains and losses will be measured against the 6.10% valuation interest rate). This surplus in earnings produced an actuarial gain, which decreased the normal cost accrual rate by 2.0019%.

DEMOGRAPHICS AND LIABILITY EXPERIENCE

A reconciliation of the census for the system is given in Exhibit IX. The average active member is 47 years old with 10.8 years of service and an annual salary of \$84,933. The system's active contributing membership decreased by 5 members over the prior fiscal year. The plan has experienced a decrease in the active plan population of 58 members over the last five years. A review of the active census by age indicates that over the last ten years the active population between age 41 and 50 has declined with an increase in members between age 31 and 40. Over the same ten-year period the plan showed a decline in the percentage of members with less than five years of service.

The average service retiree is 71 years old with an annual benefit of \$57,990. The average age at retirement for service retirees is 63. The number of retirees and beneficiaries receiving benefits from the system increased by 38 during the last fiscal year. Over the last five years the number of retirees has increased by 113. During this same period, annual benefits in payment increased by \$7,716,492.

Plan liability experience for Fiscal 2021 was unfavorable. Salary increases were slightly above projected levels and retirements were significantly above projected levels; both of which tend to increase plan costs. Offsetting these costs were withdrawals above projected levels. Other experience was near projected levels. In aggregate, plan liability losses increased the normal cost accrual rate by 0.8005%.

FUNDING ANALYSIS AND RECOMMENDATIONS

Actuarial funding of a retirement system is a process whereby funds are accumulated over the working lifetimes of employees in such a manner as to have sufficient assets available at retirement to pay for the lifetime benefits accrued by each member of the system. The required contributions are determined by an actuarial valuation based on rates of mortality, termination, disability, and retirement, as well as investment return and other statistical measures specific to the particular group. Each year a determination is made of the normal cost, and the actuarially required contributions are based on the sum of this value and administrative expenses. Under the funding method used for the plan, changes in plan experience, benefits, or assumptions increase or decrease future normal costs. In addition, excess or deficient contributions can decrease or increase future costs.

In order to establish the actuarially required contribution in any given year, it is necessary to define the assumptions and funding method. Thus, the determination of what contribution is actuarially required depends upon the funding method employed. Regardless of the method selected, the ultimate cost of providing benefits is dependent upon the benefits, expenses, and investment earnings. Only to the extent that some methods accumulate assets more rapidly and thus produce greater investment earnings does the funding method affect the ultimate cost.

The derivation of the actuarially required contribution for the current fiscal year is given in Exhibit I. The normal cost for Fiscal 2022 adjusted with interest for mid-year payment is \$15,578,829. The total actuarially required contribution is determined by adjusting the value for interest (since payments are made throughout the fiscal year) and adding estimated administrative expenses. As given on line 12 of Exhibit I the total actuarially required contribution for Fiscal 2022 is \$16,176,743. Required net direct employer contributions are also affected by the available ad valorem taxes and revenue sharing funds which the system receives each year. When these funds change as a percentage of payroll, net direct employer contributions are adjusted accordingly. We estimate that these funds will increase by 0.55% of payroll in Fiscal 2022. When the gross employer required contribution is reduced by projected tax contributions and revenue sharing funds, the resulting employers' net direct actuarially required contribution for Fiscal 2022 is \$5,408,248. This is 8.53% of the projected payroll for Fiscal 2022.

Although the actuarially required net direct employer contribution rate for Fiscal 2022 is 8.53%, the Board adopted employer contribution rate for Fiscal 2022 is 9.50%. Since the contribution rate for Fiscal 2022 is 9.50%, the surplus in employer contributions collected in the fiscal year will decrease the Fund's normal cost accrual rate in the following year. We estimate this surplus will result in a decrease of 0.10% to the normal cost accrual rate in Fiscal 2023. R.S. 11:103 requires that the net direct employer contributions be rounded to the nearest 0.25%, hence we are recommending a minimum net direct employer contribution rate of 8.50% for Fiscal 2023.

Liability and asset experience as well as changes in assumptions and benefits can increase or lower plan costs. In addition to these factors, any COLA granted in the prior fiscal year will increase required contributions. New entrants to the system can also increase or lower costs as a percent of payroll depending upon their demographic distribution and other factors related to prior plan experience. Finally, contributions above or below requirements may reduce or increase future costs.

The effects of various factors on the fund's cost structure are outlined below:

Employer's Normal Cost Accrual Rate – Fiscal 2021	25.3344%
---	----------

Factors Increasing the Normal Cost Accrual Rate:

Liability Assumption Changes	2.0084%
Plan Liability Experience Loss	0.8005%
Contribution Loss	0.5407%

Factors Decreasing the Normal Cost Accrual Rate:

Asset Experience Gain	2.0019%
New Members	0.9614%

Employer's Normal Cost Accrual Rate – Fiscal 2022	25.7207%
---	----------

The balance in the Funding Deposit Account was zero as of June 30, 2020. Pursuant to R.S. 11:1659, in any year in which the Board of Trustees sets the net direct employer contribution rate higher than the minimum recommended rate any surplus funds collected by the system shall be credited to the system's Funding Deposit Account. For Fiscal 2021, the Board of Trustees did set the net direct employer contribution rate at 4.00% which exceeded the minimum recommended employer contribution rate of 3.25%. Despite this, the minimum actuarially required net direct employer contribution rate for Fiscal 2021 exceeded the 4.00% level. Since the system did not experience surplus contributions, no funds were added to the funding deposit account as of June 30, 2021.

R.S. 11:1658 provides that in years where the net direct employer contribution rate is set to decrease, the Board of Trustees may maintain the rate at the previous level or set the rate at any level between the prior rate and the net direct employer contribution rate. In addition, the statute provides that the Board of Trustees may set a net direct employer contribution rate up to three percentage points more than the rate determined under R. S. 11:103. Under the provisions of R.S. 11:1658, the Board of Trustees may set the net direct employer contribution at any level between the minimum recommended employer contribution rate of 8.50% and 11.50%. Any excess funds resulting from the application of R.S. 11:1658 will be combined with any contribution surplus or offset by any contribution shortfall, and the resulting balance, if greater than zero, will be deposited into the system's Funding Deposit Account. Funds in this account can be used to reduce either future required contributions in a particular year or the normal cost accrual rate. In addition, if the system may grant a cost-of-living increase to retirees, such increase may be paid from funds in the Funding Deposit Account.

COST OF LIVING INCREASES

During Fiscal 2021 the actual cost of living (as measured by the US Department of Labor CPI-U) increased by 5.4%. Cost of living provisions for the system are detailed in R.S. 11:1638, R.S. 11:246, and R.S. 11:241. R.S. 11:1638 allows the board to grant annual cost of living increases of 3% of each retiree's original benefit subject to a limit of \$60 per month. R.S. 11:246 provides cost of living increases of retirees and beneficiaries over the age of 65 equal to 2% of the benefit in payment on October 1, 1977, or the date the benefit was originally received if retirement commenced after that date (Both of these provisions only permit payment of such an increase if earnings exceed the system's

valuation rate). R. S. 11:241 provides for cost-of-living benefits payable based on a formula equal to up to \$1 times the total of the number of years of credited service accrued at retirement or at death of the member or retiree plus the number of years since retirement or since death of the member or retiree to the system's fiscal year end preceding the payment of the benefit increase.

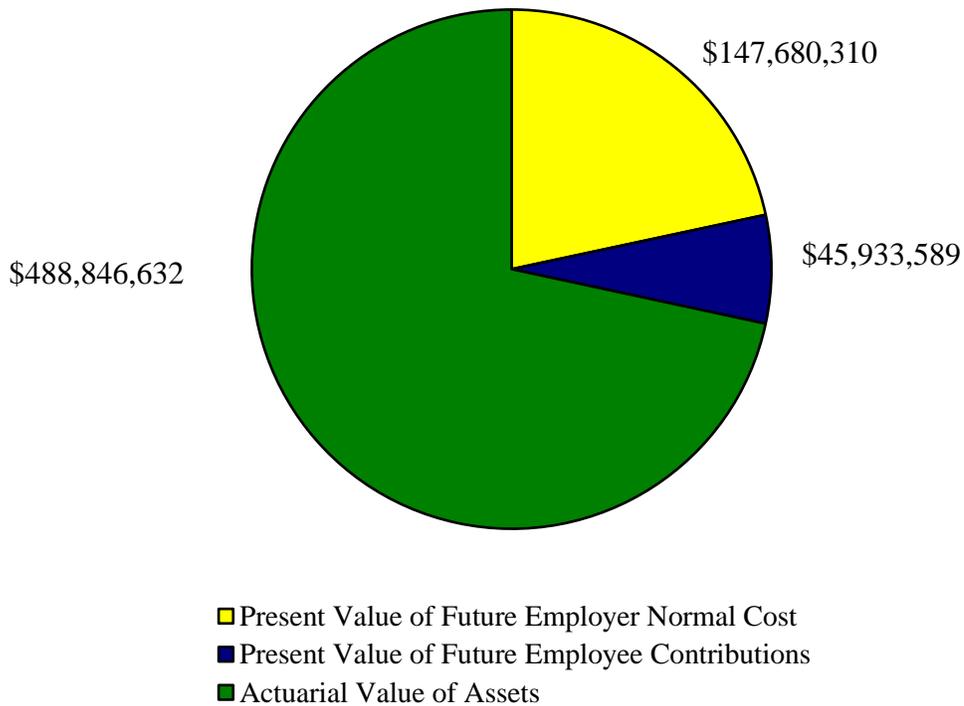
R.S. 11:243 sets forth the funding criteria necessary in order to grant cost of living adjustments to regular retirees and beneficiaries (who are neither the surviving spouse nor children of the retiree). The criteria for the fund to qualify as eligible to grant any such increase is as follows: a funded ratio of at least 70% if the system has not granted a benefit increase to retirees, survivors, or beneficiaries in any of the three most recent fiscal years; a funded ratio of at least 80% if the system has not granted such an increase in any of the two most recent fiscal years; or a funded ratio of at least 90% if the system has not granted such an increase in the most recent fiscal year. The funded ratio at any fiscal year end is the ratio of the actuarial value of assets to the actuarial accrued liability under the funding method prescribed by the legislative auditor (currently the Projected Unit Credit Method for this system). For Fiscal 2021, this funded ratio is 92.65%.

In addition to the requirements stated in the preceding paragraph, statutory provisions require that in order to grant an increase authorized by these sections the system's earnings must exceed those which would be realized based on the valuation interest rate as applied to the actuarial value of assets in sufficient amount to offset the present value of the increase or alternatively to withdraw such funds from the system's Funding Deposit Account. For Fiscal 2021, the system earned \$11,494,459 in excess interest earnings. Therefore, despite the fact that there are no available funds in the Funding Deposit Account, the system may grant either or both of the cost-of-living increases authorized by R.S.11:1638 and R.S. 11:246. Any COLA granted without funding from the Funding Deposit Account will increase the present value of future benefits without a commensurate increase in the actuarial value of assets. Therefore, the normal cost accrual rate will increase as shown below.

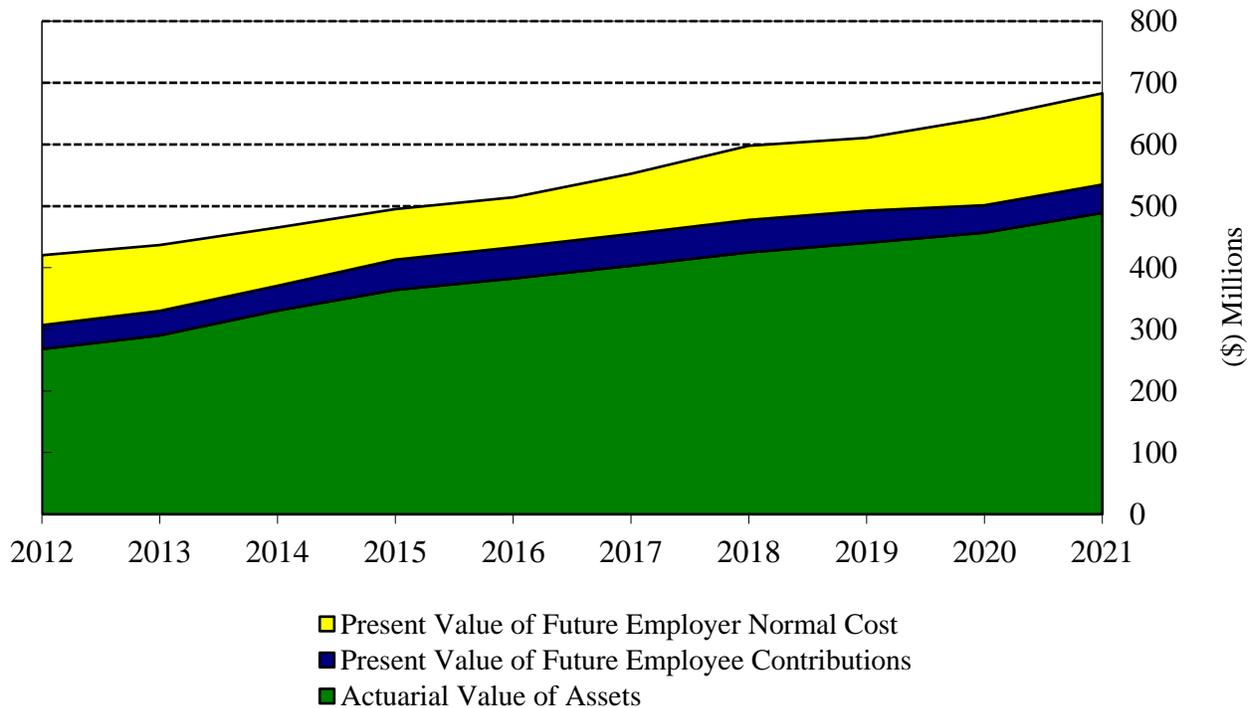
<u>COLA Description</u>	<u>Annual Increase in Benefits</u>	<u>Present Value of Increase</u>	<u>Contribution Cost as a % of Payroll</u>
3% of the base benefit to all allowable pensioners (with a maximum of \$60 per month)	\$ 255,231	\$2,652,431	0.46%
2% to pensioners over age 65	\$ 348,000	\$3,512,643	0.61%

In lieu of awarding the cost-of-living increases described above, R.S. 11:241(B) allows the board to grant a cost-of-living increase of an amount not to exceed \$1 for every year of service plus the number of years since retirement. There is insufficient information available on the system's database to provide meaningful estimates of the costs associated with awarding this type of cost-of-living increase.

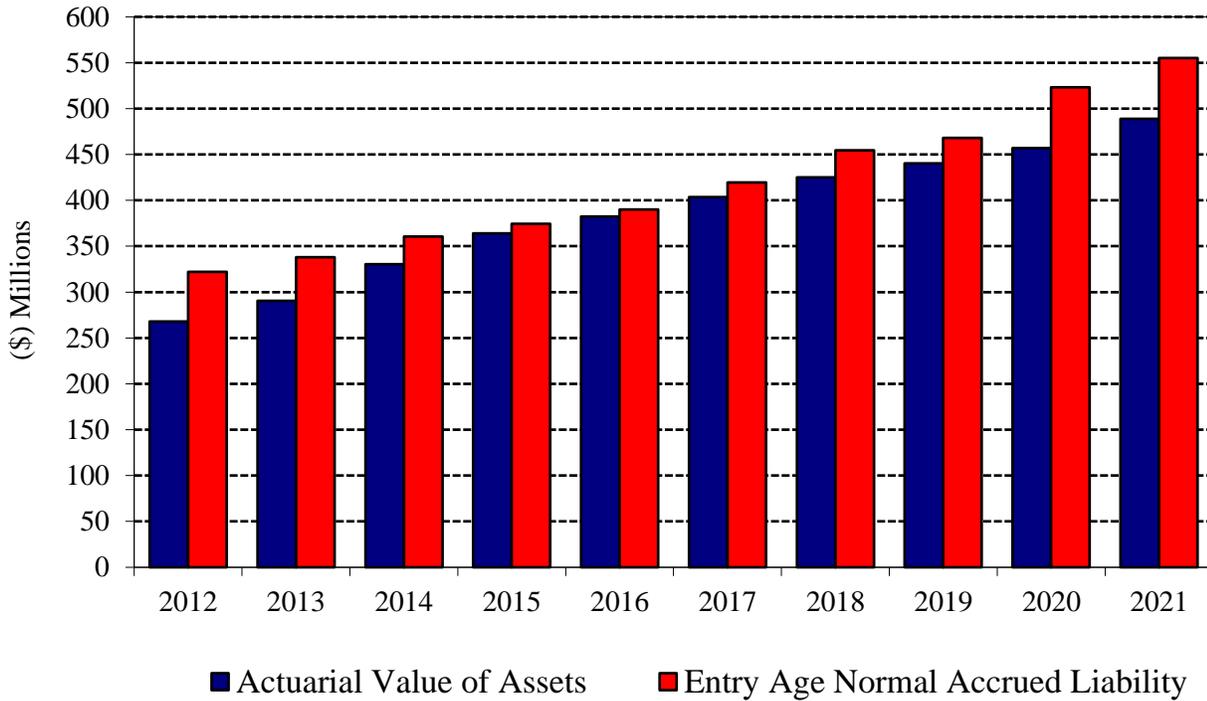
Components of Present Value of Future Benefits June 30, 2021



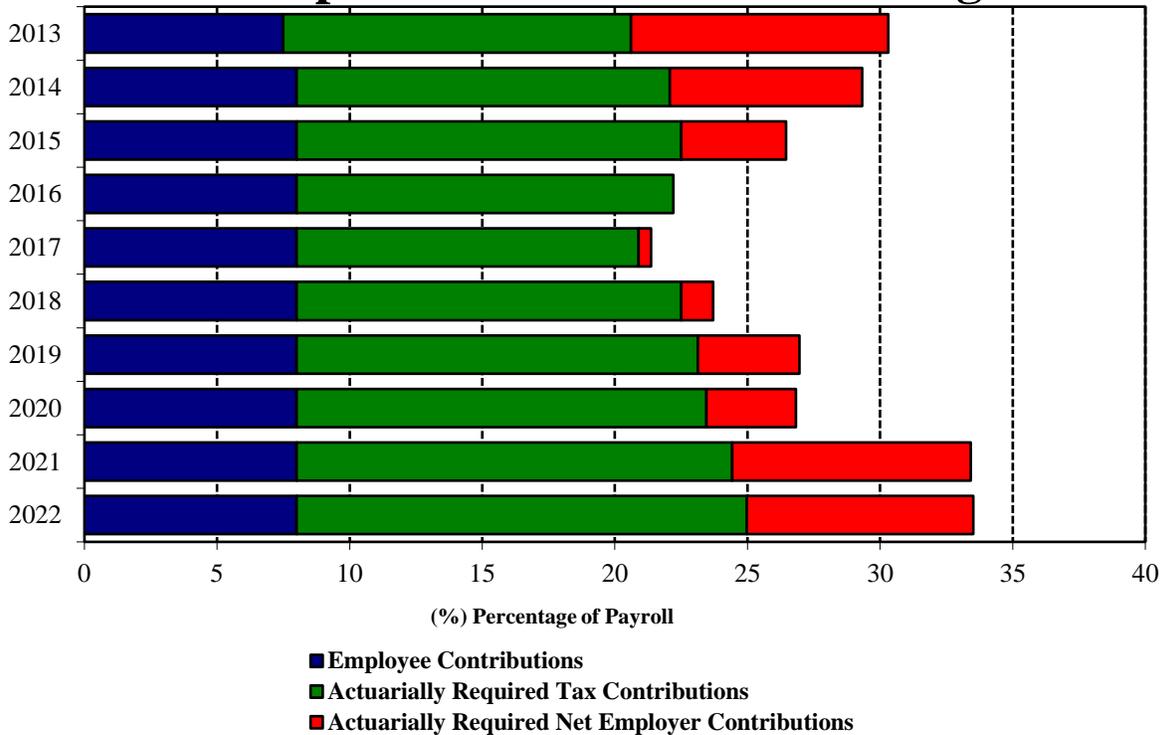
Components of Present Value of Future Benefits



Actuarial Value of Assets vs. EAN Accrued Liability

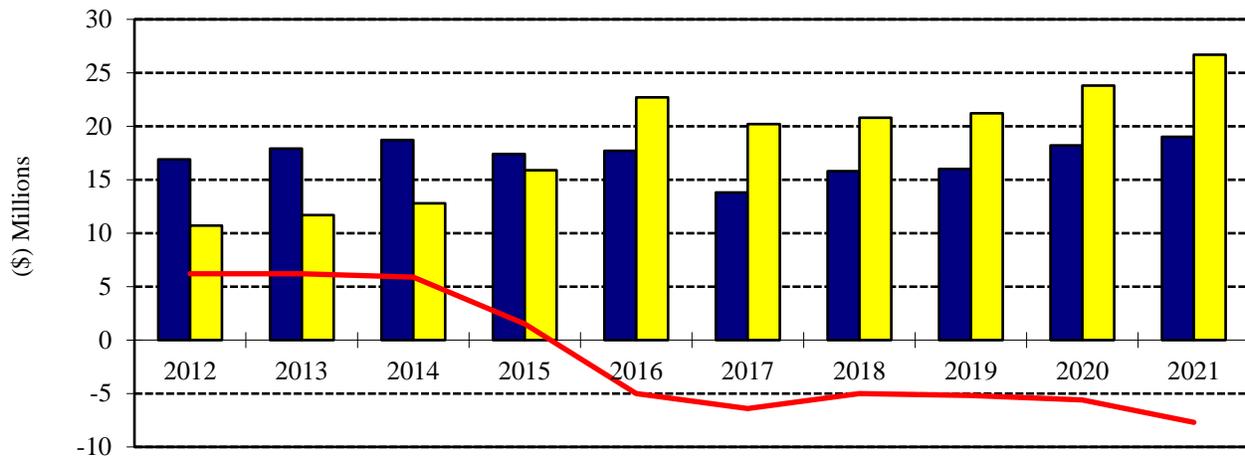


Components of Actuarial Funding



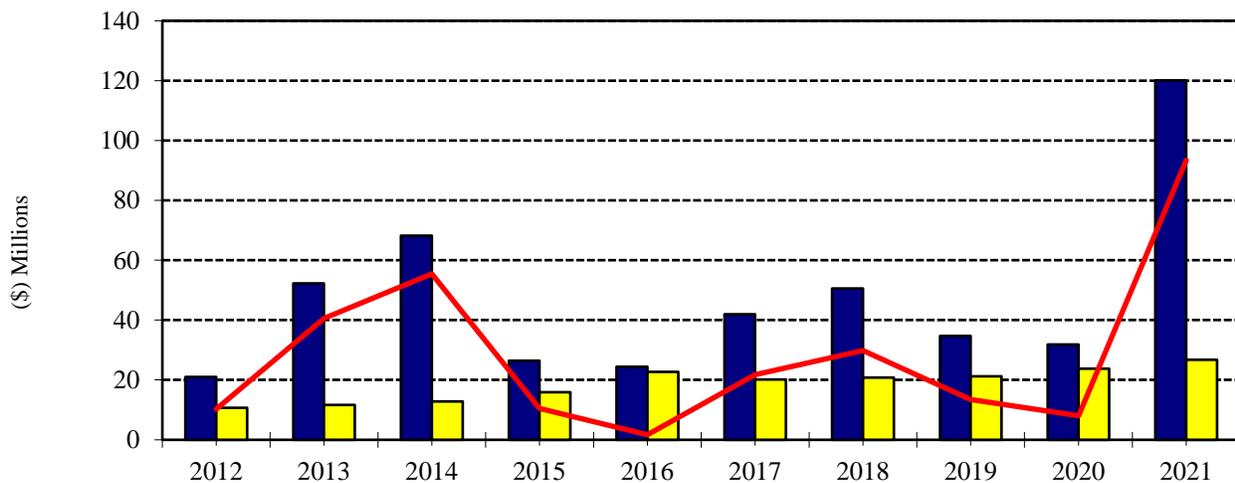
Actuarially Required Tax Contributions consist of the lesser of Actuarially Required Contributions and amount of taxes divided by the projected valuation payroll.

Net Non-Investment Income



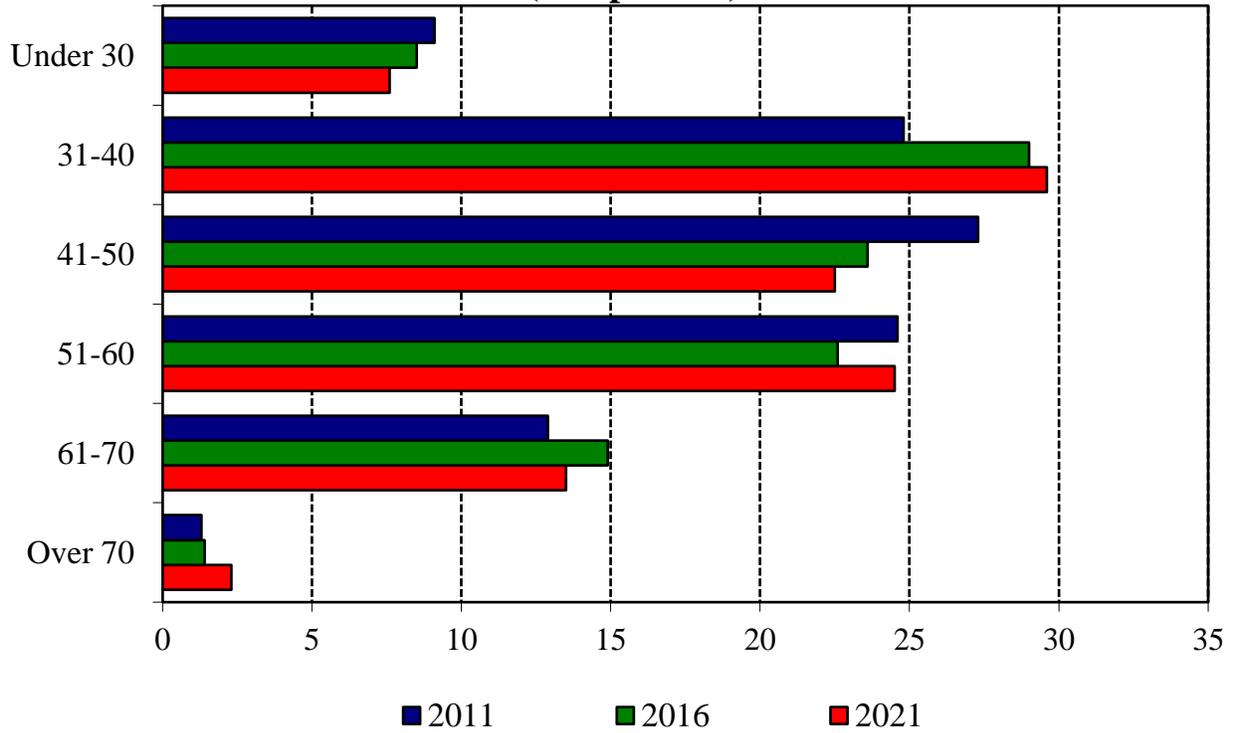
		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Non-Investment Income (\$Mil)	■	16.9	17.9	18.7	17.4	17.7	13.8	15.8	16.0	18.2	19.0
Benefits and Expenses (\$Mil)	■	10.7	11.7	12.8	15.9	22.7	20.2	20.8	21.2	23.8	26.7
Net Non-Investment Income (\$Mil)	—	6.2	6.2	5.9	1.5	-5.0	-6.4	-5.0	-5.2	-5.6	-7.7

Total Income vs. Expenses (Based on Market Value of Assets)

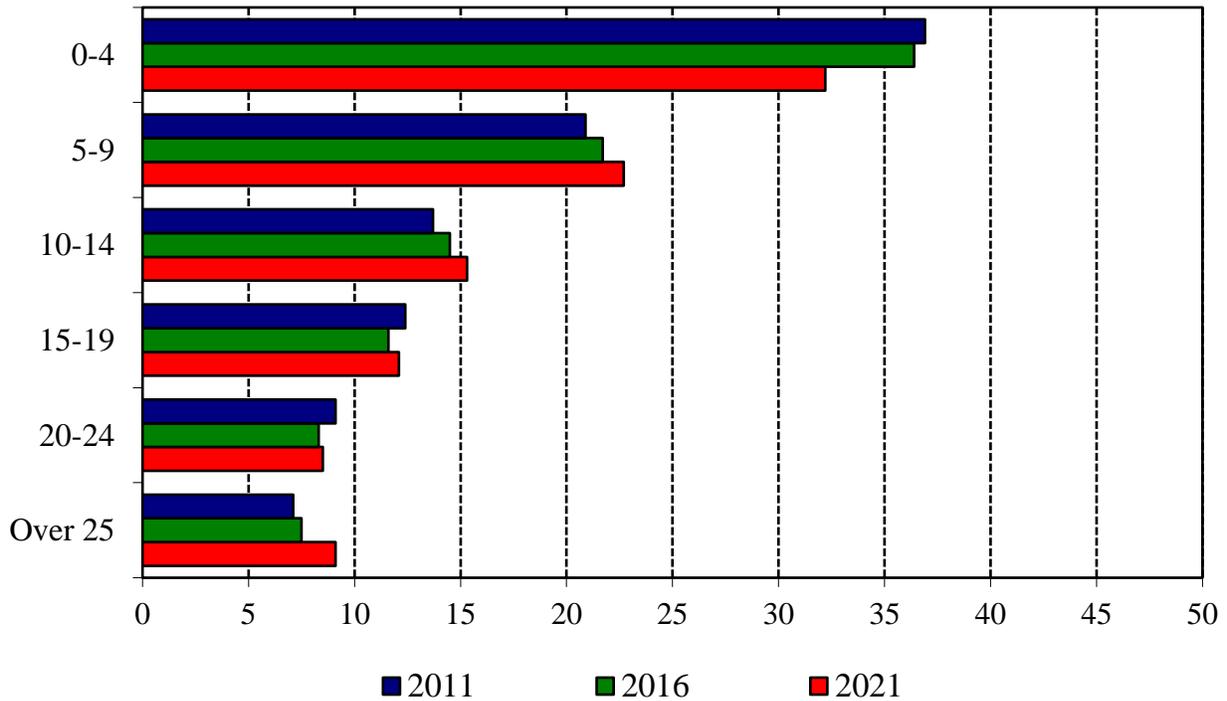


		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Total Income (\$Mil)	■	21.0	52.3	68.2	26.4	24.4	42.0	50.6	34.7	31.8	120.1
Benefits and Expenses (\$Mil)	■	10.7	11.7	12.8	15.9	22.7	20.2	20.8	21.2	23.8	26.7
Net Change in MVA (\$Mil)	—	10.3	40.6	55.4	10.5	1.7	21.8	29.8	13.5	8.0	93.4

Active – Census By Age (as a percent)



Active – Census By Service (as a percent)



Historical Asset Yield

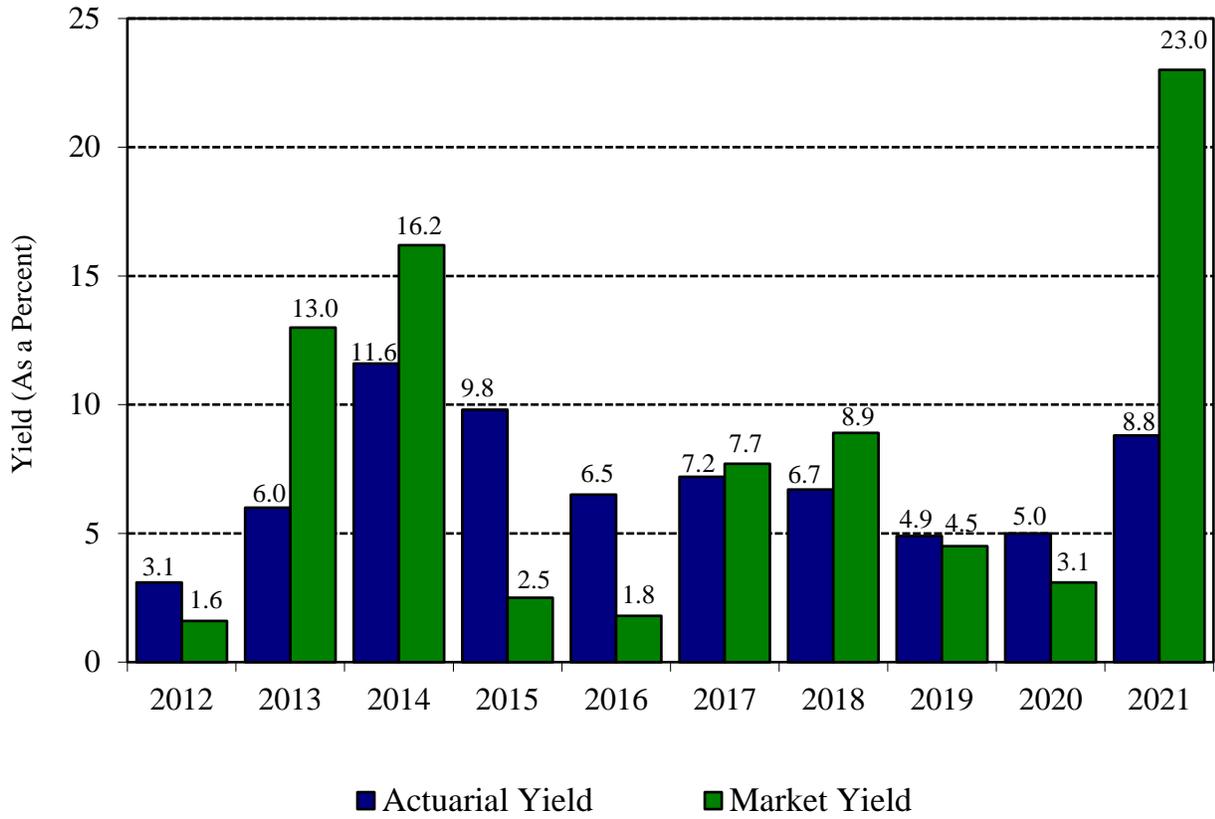


EXHIBIT I
ANALYSIS OF ACTUARIALLY REQUIRED CONTRIBUTIONS

1.	Present Value of Future Benefits	\$	682,460,531
2.	Funding Deposit Account Credit Balance	\$	0
3.	Actuarial Value of Assets	\$	488,846,632
4.	Present Value of Future Employee Contributions	\$	45,933,589
5.	Present Value of Future Employer Normal Costs (1 + 2 – 3 – 4)	\$	147,680,310
6.	Present Value of Future Salaries.....	\$	574,169,942
7.	Employer Normal Cost Accrual Rate (5 ÷ 6)		25.720662%
8.	Projected Fiscal 2022 Salary for Current Membership	\$	58,802,389
9.	Employer Normal Cost as of July 1, 2021 (7 × 8).....	\$	15,124,364
10.	Employer Normal Cost Interest Adjusted for Mid-year Payment	\$	15,578,829
11.	Estimated Administrative Cost for Fiscal 2022.....	\$	597,914
12.	GROSS Employer Actuarially Required Contribution for Fiscal 2022 (10 + 11)	\$	16,176,743
13.	Projected Ad Valorem Tax Contributions for Fiscal 2022.....	\$	10,555,148
14.	Projected Revenue Sharing Funds for Fiscal 2022.....	\$	213,347
15.	Net Direct Employer Actuarially Required Contribution For Fiscal 2022 (12 – 13 – 14).....	\$	5,408,248
16.	Projected Payroll for Fiscal 2022	\$	63,408,277
17.	Employers' Minimum Net Direct Actuarially Required Contribution as a % of Projected Payroll for Fiscal 2022 (15 ÷ 16).....		8.53%
18.	Board Adopted Employer Contribution Rate for Fiscal 2022		9.50%
19.	Contribution Shortfall (Excess) as a Percentage of Payroll (17 – 18).....		(0.97%)
20.	Increase (Reduction) to Following Year Payment for Contribution Shortfall (Excess).....		(0.10%)
21.	Minimum Recommended Net Direct Employer Contribution Rate for Fiscal 2023 (17 + 20; rounded to the nearest 0.25%).....		8.50%

EXHIBIT II
PRESENT VALUE OF FUTURE BENEFITS

PRESENT VALUE OF FUTURE BENEFITS FOR ACTIVE MEMBERS:

Retirement Benefits	\$ 329,140,432
Survivor Benefits.....	8,725,743
Disability Benefits	688,697
Vested Termination Benefits.....	36,578,118
Refunds of Contributions	5,530,909

TOTAL Present Value of Future Benefits for Active Members..... \$ 380,663,899

PRESENT VALUE OF FUTURE BENEFITS FOR TERMINATED MEMBERS:

Terminated Vested Members	
Due Benefits at Retirement.....	\$ 33,858,434
Terminated Members with Reciprocal	
Due Benefits at Retirement.....	970,701
Terminated Members Due a Refund	3,350,354

TOTAL Present Value of Future Benefits for Terminated Members \$ 38,179,489

PRESENT VALUE OF FUTURE BENEFITS FOR RETIREES:

Regular Retirees	
Maximum.....	\$ 71,716,988
Option 1	2,231,258
Option 2	126,594,254
Option 3	35,110,887
Option 4	2,772,631

TOTAL Regular Retirees \$ 238,426,018

Disability Retirees 440,058

Survivors & Widows 17,869,293

DROP/Back-DROP Deposits 6,881,774

TOTAL Present Value of Future Benefits for Retirees & Survivors..... \$ 263,617,143

TOTAL Present Value of Future Benefits..... \$ 682,460,531

**EXHIBIT III – SCHEDULE A
MARKET VALUE OF ASSETS**

CURRENT ASSETS:

Cash in Banks.....	\$	2,442,966	
Contributions and Taxes Receivable.....		723,137	
Accrued Interest and Dividends.....		4,337,974	
Prepaid Expenses		21,000	
 TOTAL CURRENT ASSETS.....	 \$		 7,525,077

INVESTMENTS:

Cash Equivalents.....	\$	18,295,938	
Equities		291,075,627	
Fixed Income		148,695,489	
Real Estate		45,495,951	
Alternative Investments		16,240,307	
DROP Balances Held Outside System Assets		6,995,364	
Other Investments		2,943,818	
 TOTAL INVESTMENTS.....	 \$		 529,742,494
 TOTAL ASSETS	 \$		 537,267,571

CURRENT LIABILITIES:

Other Current Liabilities	\$	431	
 TOTAL CURRENT LIABILITIES	 \$		 431
 MARKET VALUE OF ASSETS.....	 \$		 537,267,140

**EXHIBIT III – SCHEDULE B
ACTUARIAL VALUE OF ASSETS**

Excess (Shortfall) of Invested Income
For Current and Previous 4 Years:

Fiscal year 2021	\$ 73,561,927
Fiscal year 2020	(14,532,817)
Fiscal year 2019	(8,507,803)
Fiscal year 2018	8,468,886
Fiscal year 2017	2,495,921
Total for Five Years	\$ 61,486,114

Deferral of Excess (Shortfall) of Invested Income:

Fiscal year 2021 (80%)	\$ 58,849,542
Fiscal year 2020 (60%)	(8,719,690)
Fiscal year 2019 (40%)	(3,403,121)
Fiscal year 2018 (20%)	1,693,777
Fiscal year 2017 (0%)	0
Total Deferred for Year.....	\$ 48,420,508

Market Value of Plan Net Assets, End of Year \$ 537,267,140

Preliminary Actuarial Value of Plan Assets, End of Year..... \$ 488,846,632

Actuarial Value of Assets Corridor

85% of Market Value, End of Year \$ 456,677,069

115% of Market Value, End of Year \$ 617,857,211

Final Actuarial Value of Plan Net Assets, End of Year \$ 488,846,632

EXHIBIT IV
PRESENT VALUE OF FUTURE CONTRIBUTIONS

Employee Contributions to the Annuity Savings Fund	\$	45,933,589
Employer Normal Contributions to the Pension Accumulation Fund		147,680,310
Funding Deposit Account Credit Balance		0
TOTAL PRESENT VALUE OF FUTURE CONTRIBUTIONS	\$	193,613,899

EXHIBIT V
RECONCILIATION OF CONTRIBUTIONS

Employer Normal Cost for Prior Year.....	\$	14,833,819
Interest on the Normal Cost.....		927,114
Administrative Expenses		550,758
Interest on Expenses		16,950
TOTAL Interest Adjusted Actuarially Required Contributions	\$	16,328,641
Direct Employer Contributions.....	\$	2,511,625
Interest on Employer Contributions.....		77,299
Ad Valorem Taxes and Revenue Sharing.....		10,317,515
Interest on Ad Valorem Taxes and Revenue Sharing Funds		317,536
TOTAL Interest Adjusted Employer Contributions	\$	13,223,975
CONTRIBUTION SHORTFALL	\$	(3,104,666)

EXHIBIT VI
ANALYSIS OF CHANGE IN ASSETS

Actuarial Value of Assets (June 30, 2020)	\$	456,797,449
INCOME:		
Member Contributions	\$	5,024,906
Employer Contributions		2,511,625
Irregular Contributions		167,935
Tax Revenue		10,317,515
Transfers From Other Systems		958,304
Total Contributions	\$	18,980,285
Net Appreciation of Investments	\$	88,432,319
Interest & Dividends		13,388,782
Investment Expense		(750,810)
Net Investment Income	\$	101,070,291
TOTAL Income	\$	120,050,576
EXPENSES:		
Retirement Benefits	\$	21,552,166
DROP Disbursements		3,379,787
Refunds of Contributions		448,108
Transfers to Other Systems		805,868
Administrative Expenses		550,758
TOTAL Expenses	\$	26,736,687
Net Market Value Income for Fiscal 2021 (Income – Expenses)	\$	93,313,889
Unadjusted Fund Balance as of June 30, 2021 (Fund Balance Previous Year + Net Income)	\$	550,111,338
Adjustment for Actuarial Smoothing	\$	(61,264,706)
Actuarial Value of Assets: (June 30, 2021)	\$	488,846,632

**EXHIBIT VII
FUNDING DEPOSIT ACCOUNT**

Funding Deposit Account Balance as of June 30, 2020	\$	0
Interest on Opening Balance at 6.25%		0
Contributions to the Funding Deposit Account		0
Withdrawals from the Funding Deposit Account		0
Funding Deposit Account Balance as of June 30, 2021	\$	0

**EXHIBIT VIII – Schedule A
PENSION BENEFIT OBLIGATION**

Present Value of Credited Projected Benefits Payable to Current Employees	\$	225,855,845
Present Value of Benefits Payable to Terminated Employees		38,179,489
Present Value of Benefits Payable to Current Retirees and Beneficiaries		263,617,143
TOTAL PENSION BENEFIT OBLIGATION	\$	527,652,477
NET ACTUARIAL VALUE OF ASSETS	\$	488,846,632
Ratio of Net Actuarial Value of Assets to Pension Benefit Obligation.....		92.65%

**EXHIBIT VIII – Schedule B
ENTRY AGE NORMAL ACCRUED LIABILITIES**

Accrued Liability for Active Employees	\$	253,273,739
Accrued Liability for Terminated Employees		38,179,489
Accrued Liability for Current Retirees and Beneficiaries		263,617,143
TOTAL ENTRY AGE NORMAL ACCRUED LIABILITY	\$	555,070,371
NET ACTUARIAL VALUE OF ASSETS	\$	488,846,632
Ratio of Net Actuarial Value of Assets to Entry Age Normal Accrued Liability		88.07%

**EXHIBIT IX
CENSUS DATA**

	Active	Terminated with Funds on Deposit	Retired	Total
Number of members as of June 30, 2020	731	417	386	1,534
Additions to Census				
Initial membership	90	3		93
Omitted in error last year				
Death of another member			4	4
Adjustment for multiple records				
Change in Status during Year				
Actives terminating service	(54)	54		
Actives who retired	(41)		41	
Actives entering DROP				
Term. members rehired	12	(12)		
Term. members who retire		(3)	3	
Retirees who are rehired	1		(1)	
Refunded who are rehired	1			1
Eliminated from Census				
Refund of contributions	(13)	(16)		(29)
Deaths	(1)	(1)	(8)	(10)
Included in error last year		(44)		(44)
Adjustment for multiple records			(1)	(1)
Number of members as of June 30, 2021	726	398	424	1548

ACTIVES CENSUS BY AGE:

Age	Number Male	Number Female	Total Number	Average Salary	Total Salary
21 - 25	0	1	1	50,527	50,527
26 - 30	27	27	54	57,154	3,086,336
31 - 35	43	53	96	66,955	6,427,649
36 - 40	61	58	119	72,367	8,611,699
41 - 45	38	50	88	83,500	7,348,007
46 - 50	42	33	75	95,018	7,126,332
51 - 55	52	37	89	93,755	8,344,152
56 - 60	65	24	89	106,445	9,473,562
61 - 65	42	12	54	97,582	5,269,438
66 - 70	36	8	44	102,474	4,508,854
71 - 75	11	1	12	89,392	1,072,701
76 - 80	4	0	4	71,647	286,587
81 - 85	1	0	1	55,320	55,320
TOTAL	422	304	726	84,933	61,661,164

THE ACTIVE CENSUS INCLUDES 327 ACTIVES WITH VESTED BENEFITS, INCLUDING 0 DROP PARTICIPANTS AND 1 ACTIVE FORMER DROP PARTICIPANTS.

TERMINATED MEMBERS DUE A DEFERRED RETIREMENT BENEFIT:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
36 - 40	5	3	8	30,896	247,168
41 - 45	10	10	20	32,236	644,710
46 - 50	16	10	26	35,830	931,592
51 - 55	22	8	30	39,701	1,191,037
56 - 60	17	10	27	37,988	1,025,679
61 - 65	6	2	8	26,948	215,581
66 - 70	2	1	3	28,310	84,930
TOTAL	78	44	122	35,579	4,340,697

TERMINATED MEMBERS DUE A REFUND OF CONTRIBUTIONS:

Contributions Ranging From To	Number	Total Contributions
0 - 99	16	561
100 - 499	24	6,243
500 - 999	25	18,478
1,000 - 1,999	18	24,617
2,000 - 4,999	42	145,449
5,000 - 9,999	37	279,845
10,000 - 19,999	51	725,043
20,000 - 99,999	63	2,118,838
TOTAL	276	3,319,074

Excludes refundable contributions owed to the heirs of 1 deceased member Who was due a refund of \$31,280 in employee contributions.

REGULAR RETIREES:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
56 - 60	15	7	22	63,082	1,387,800
61 - 65	36	19	55	56,569	3,111,296
66 - 70	91	17	108	56,188	6,068,326
71 - 75	85	15	100	62,118	6,211,838
76 - 80	50	3	53	63,165	3,347,731
81 - 85	18	2	20	41,444	828,875
86 - 90	7	0	7	39,642	277,495
91 - 99	3	0	3	35,694	107,081
TOTAL	305	63	368	57,990	21,340,442

DISABILITY RETIREES:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
61 - 65	0	1	1	44,228	44,228
TOTAL	0	1	1	44,228	44,228

SURVIVORS:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
46 - 50	0	1	1	21,789	21,789
51 - 55	0	2	2	34,743	69,485
56 - 60	1	3	4	37,000	147,998
61 - 65	0	6	6	44,581	267,487
66 - 70	0	10	10	41,808	418,082
71 - 75	0	15	15	28,600	429,001
76 - 80	0	6	6	18,951	113,703
81 - 85	0	4	4	14,950	59,800
86 - 90	0	7	7	38,020	266,140
TOTAL	1	54	55	32,609	1,793,485

ACTIVE MEMBERS:

Attained Ages	Completed Years of Service											Total	
	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30&Over		
0 - 20													0
21 - 25	1												1
26 - 30	24	16	4	7	3								54
31 - 35	17	6	14	10	7	42							96
36 - 40	11	15	7	4	7	47	28						119
41 - 45	11	1	4	4	7	16	28	15	2				88
46 - 50	4	1	4	1	1	16	13	25	10				75
51 - 55	7	4	3	1	1	11	11	22	17	12			89
56 - 60	7	1		2		10	10	12	19	18	10		89
61 - 65	5	1		1		15	7	3	7	7	8		54
66 - 70	1	1			1	8	11	8	5	6	3		44
71 & Over	2		1	3	1		3	3	2	1	1		17
Totals	90	46	37	33	28	165	111	88	62	44	22		726

AVERAGE ANNUAL SALARY OF ACTIVE MEMBERS:

Attained Ages	Completed Years of Service											Average Salary	
	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30&Over		
0 - 20													0
21 - 25	50,527												50,527
26 - 30	52,942	56,189	60,982	64,443	73,890	74,491							57,154
31 - 35	54,975	56,771	63,394	67,410	66,030	71,549							66,955
36 - 40	60,957	57,377	60,995	51,549	71,637	73,587							72,367
41 - 45	84,336	50,316	67,440	75,831	74,426	89,405	88,834	93,438	95,497				83,500
46 - 50	97,054	77,519	94,006	82,385	49,210	85,576	79,725	106,073	109,552				95,018
51 - 55	59,768	59,948	72,971	75,446	81,718	76,115	88,560	102,863	116,696	104,305			93,755
56 - 60	76,326	35,000		121,979		72,774	93,006	101,085	107,992	135,878	129,186		106,445
61 - 65	72,721	166,077		92,802		98,799	71,502	62,709	97,269	104,869	132,670		97,582
66 - 70	62,033	18,157			55,693	134,974	103,228	88,502	86,333	100,649	138,032		102,474
71 & Over	128,962		54,338	79,892	69,905		66,720	65,228	101,573	125,307	68,469		83,212
Average	65,315	58,417	66,958	71,788	70,102	81,901	85,739	97,969	107,063	117,290	128,899		84,933

TERMINATED MEMBERS DUE A DEFERRED RETIREMENT BENEFIT:

Attained Ages	Years Until Retirement Eligibility											Total	
	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30&Over		
0 - 35													0
36 - 40									8				8
41 - 45								20					20
46 - 50							26						26
51 - 55	1					29							30
56 - 60	4	7	4	7									27
61 - 65													8
66 - 70													3
71 & Over													0
Totals	16	5	7	7	4	29	26	20	8	0	0	0	122

AVERAGE ANNUAL BENEFITS OF TERMINATED MEMBERS DUE A DEFERRED RETIREMENT BENEFIT:

Attained Ages	Years Until Retirement Eligibility											Average Benefit	
	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30&Over		
0 - 35													0
36 - 40									30,896				30,896
41 - 45								32,236					32,236
46 - 50							35,830						35,830
51 - 55	72,390					38,574							39,701
56 - 60	40,540	48,340	40,347	32,596	29,756								37,988
61 - 65	26,948												26,948
66 - 70	28,310												28,310
71 & Over													0
Average	31,451	53,150	40,347	32,596	29,756	38,574	35,830	32,236	30,896	0	0	0	35,579

DISABILITY RETIREES:

Attained Ages	Completed Years Since Retirement										Total		
	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29		30&Over	
0 - 60													0
61 - 65								1					1
66 & Over													0
Totals	0	0	0	0	0	0	0	1	0	0	0	0	1

AVERAGE ANNUAL BENEFITS PAYABLE TO DISABILITY RETIREES:

Attained Ages	Completed Years Since Retirement										Average Benefit		
	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29		30&Over	
0 - 60													0
61 - 65								44,228					44,228
66 & Over													0
Average	0	0	0	0	0	0	0	44,228	0	0	0	0	44,228

SURVIVING BENEFICIARIES OF FORMER MEMBERS:

ATTAINED AGES	COMPLETED YEARS SINCE RETIREMENT										TOTAL	
	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29		30&OVER
0 - 45												0
46 - 50											1	1
51 - 55						2						2
56 - 60	1				1		2					4
61 - 65		1				1	2	1				6
66 - 70			1			5	2	1	2			10
71 - 75						2	5	2	2	4		15
76 - 80								2			4	6
81 - 85								1		2		4
86 - 90						1			2		4	7
91 & OVER												0
TOTALS	1	1	1	1	1	11	11	5	6	6	11	55

AVERAGE ANNUAL BENEFITS PAYABLE TO SURVIVORS OF FORMER MEMBERS:

ATTAINED AGES	COMPLETED YEARS SINCE RETIREMENT										AVERAGE BENEFIT	
	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29		30&OVER
0 - 45												0
46 - 50											21,789	21,789
51 - 55						34,743						34,743
56 - 60	23,708				50,993		36,649					37,000
61 - 65						84,203	45,635	15,136				44,581
66 - 70				33,784		47,577	42,149		31,057			41,808
71 - 75			26,517			28,698	41,775	28,225	34,212	16,256	1,055	28,600
76 - 80								17,317			19,768	18,951
81 - 85								33,346		10,237	5,981	14,950
86 - 90						121,238			18,185		27,133	38,020
91 & OVER												0
AVERAGE	23,708	50,361	26,517	33,784	50,993	51,837	41,613	22,268	27,818	14,250	19,675	32,609

EXHIBIT X
YEAR-TO-YEAR COMPARISON

	Fiscal 2021	Fiscal 2020	Fiscal 2019	Fiscal 2018
Number of Active Members	726	731	734	744
Number of Retirees & Survivors	424	386	357	349
Number of Terminated Due Deferred Benefits	122	108	104	94
Number Terminated Due Refunds	276	309	292	270
Active Lives Payroll	\$ 61,661,164	\$ 61,509,353	\$ 60,738,553	\$ 60,501,312
Retiree Benefits in Payment	\$ 23,178,155	\$ 20,476,692	\$ 18,448,464	\$ 17,914,111
Market Value of Assets	\$ 537,267,140	\$ 443,953,251	\$ 435,940,046	\$ 422,384,994
Entry Age Normal Accrued Liability				
Active Lives	\$ 253,273,739	\$ 261,356,775	\$ 234,026,312	\$ 226,631,689
Retired Lives	\$ 263,617,143	\$ 229,903,850	\$ 204,630,972	\$ 201,812,879
Terminated Members	<u>\$ 38,179,489</u>	<u>\$ 31,919,873</u>	<u>\$ 29,453,077</u>	<u>\$ 26,119,629</u>
Total EAN Accrued Liability	\$ 555,070,371	\$ 523,180,498	\$ 468,110,361	\$ 454,564,197
Ratio of AVA to EAN Accrued Liability	88.07%	87.31%	94.09%	93.51%
Actuarial Value of Assets	\$ 488,846,632	\$ 456,797,449	\$ 440,451,633	\$ 425,079,441
Present Value of Future Employer Normal Cost	\$ 147,680,310	\$ 141,325,384	\$ 118,446,881	\$ 120,523,030
Present Value of Future Employee Contrib.	\$ 45,933,589	\$ 44,627,125	\$ 52,045,598	\$ 52,395,819
Present Value of Future Benefits	\$ 682,460,531	\$ 642,749,958	\$ 610,944,112	\$ 597,998,290

	Fiscal 2022	Fiscal 2021	Fiscal 2020	Fiscal 2019
Employee Contribution Rate	8.00%	8.00%	8.00%	8.00%
Estimated Tax Contribution as a % of Payroll	16.98%	16.43%	15.45%	15.13%
Actuarially Required Net Direct Employer Contribution Rate	8.53%	8.99%	3.38%	3.83%
Actual Employer Contribution Rate	9.50%	4.00%	4.00%	1.25%

Fiscal 2017	Fiscal 2016	Fiscal 2015	Fiscal 2014	Fiscal 2013	Fiscal 2012
755	784	785	773	756	759
329	311	292	250	237	219
96	93	86	89	92	89
266	223	198	178	179	177
\$ 60,086,832	\$ 60,325,526	\$ 58,474,383	\$ 58,331,096	\$ 56,707,928	\$ 55,977,999
\$ 16,725,377	\$ 15,461,663	\$ 14,442,365	\$ 11,477,547	\$ 10,723,143	\$ 9,778,123
\$ 392,603,825	\$ 370,742,452	\$ 369,054,289	\$ 358,527,405	\$ 303,073,552	\$ 262,386,314
\$ 208,049,012	\$ 194,383,880	\$ 186,222,204	\$ 216,200,259	\$ 203,424,092	\$ 199,854,225
\$ 185,685,403	\$ 171,716,093	\$ 165,495,344	\$ 124,365,651	\$ 115,730,395	\$ 104,607,659
<u>\$ 25,841,592</u>	<u>\$ 23,783,204</u>	<u>\$ 22,723,280</u>	<u>\$ 19,955,780</u>	<u>\$ 18,805,149</u>	<u>\$ 17,580,426</u>
\$ 419,576,007	\$ 389,883,177	\$ 374,440,828	\$ 360,521,690	\$ 337,959,636	\$ 322,042,310
96.15%	98.11%	97.24%	91.61%	85.93%	83.20%
\$ 403,428,322	\$ 382,512,520	\$ 364,107,538	\$ 330,282,320	\$ 290,413,251	\$ 267,941,755
\$ 97,589,720	\$ 81,119,123	\$ 82,050,485	\$ 94,513,585	\$ 106,937,635	\$ 113,325,975
\$ 51,278,304	\$ 50,725,195	\$ 49,134,254	\$ 40,605,011	\$ 39,604,622	\$ 38,884,396
\$ 552,296,346	\$ 514,356,838	\$ 495,292,277	\$ 465,400,916	\$ 436,955,508	\$ 420,152,126

Fiscal 2018	Fiscal 2017	Fiscal 2016	Fiscal 2015	Fiscal 2014	Fiscal 2013
8.00%	8.00%	8.00%	8.00%	8.00%	8.00% *
14.51%	12.90%	14.20%	14.51%	14.07%	13.11%
1.20%	0.46%	0.00%	3.95%	7.25%	9.70%
0.00%	0.00%	3.50%	7.00%	9.75%	10.25%

* Employee Rate changed effective January 1, 2013

SUMMARY OF PRINCIPAL PLAN PROVISIONS

The District Attorneys' Retirement System is a defined benefit pension plan that provides retirement allowances and other benefits. The following summary of plan provisions is for general informational purposes only and does not constitute a guarantee of benefits.

MEMBERSHIP – All District Attorneys, Assistant District Attorneys, (who earn more than the minimum salary specified by the board), and persons employed by this retirement system and the Louisiana District Attorneys' Association, are required to be members of the system as a condition of their employment.

CONTRIBUTION RATES – The fund is financed by employee contributions of 8.0% of salary for active members. In addition, the fund receives revenue sharing funds as appropriated by the legislature and ad valorem taxes as determined by the Public Retirement Systems' Actuarial Committee up to a maximum of 0.2% of the ad valorem taxes shown to be collected. In the event that the contributions from ad valorem taxes and revenue sharing funds are insufficient to provide for the gross employer actuarially required contribution, the employer is required to make direct contributions as determined by the Public Retirement Systems' Actuarial Committee.

CONTRIBUTION REFUNDS – Upon withdrawal from service, members not entitled to a retirement allowance are paid a refund of accumulated contributions upon request. Receipt of such a refund cancels all accrued rights in the system.

RETIREMENT BENEFITS – For members who joined the system before July 1, 1990, and who have elected not to be covered by the new provisions – Members are eligible to receive a normal retirement benefit if they have ten or more years of creditable service and are at least age sixty-two, or if they have eighteen or more years of service and are at least age sixty, or if they have twenty-three or more years of service and are at least age fifty-five, or if they have thirty years of service regardless of age. The normal retirement benefit is equal to 3% of the member's average final compensation for each year of creditable service. Members are eligible for early retirement at age sixty if they have at least ten years of creditable service or at age fifty-five with at least eighteen years of creditable service. Members who retire prior to age sixty with less than twenty-three years of service credit receives a retirement benefit reduced 3% for each year of age below sixty. Members who retire prior to age sixty-two who have less than eighteen years of service receive a retirement benefit reduced 3% for each year of age below sixty-two. Retirement benefits may not exceed 100% of final average compensation.

For members who joined the system after July 1, 1990, or who elected to be covered by the new provisions – Members are eligible to receive normal retirement benefits if they are age sixty and have ten years of service credit, are age fifty-five and have twenty-four years of service credit or have thirty years of service credit regardless of age. The normal retirement benefit is equal to 3.5% of the member's final average compensation multiplied by years of membership service. A member is eligible for an early retirement benefit if he is age fifty-five and has at least eighteen years of service credit. The early retirement benefit is equal to the normal retirement benefit reduced 3% for each year the member retires in advance of normal retirement age. Benefits may not exceed 100% of average final compensation.

FINAL AVERAGE COMPENSATION – The period of final average compensation is thirty-six months plus the number of whole months elapsed since January 1, 2013, not to exceed sixty months, subject to

the limitation that the final average compensation shall not be less than the highest thirty-six month final average compensation as of January 1, 2013.

OPTIONAL ALLOWANCES – Members may receive their benefits as a life annuity, or in lieu of such receive a reduced benefit according to the option selected which is the actuarial equivalent of the maximum benefit.

Option 1 – If the member dies before he has received in annuity payments the present value of his member's annuity as it was at the time of retirement the balance is paid to his beneficiary.

Option 2 – Upon retirement, the member receives a reduced benefit. Upon the member's death, the designated beneficiary will continue to receive the same reduced benefit.

Option 3 – Upon retirement, the member receives a reduced benefit. Upon the member's death, the designated beneficiary will receive one-half of the members reduced benefit.

Option 4 – Upon retirement, the member elects to receive a board-approved benefit which is actuarially equivalent to the maximum benefit.

A member may also elect to receive an actuarially reduced benefit which provides for an automatic 2½% annual compound increase in monthly retirement benefits based on the reduced benefit and commencing on the later of age fifty-five or retirement anniversary; this COLA is in addition to any ad hoc COLAs which are payable. This is not available to members who select a Back-DROP benefit.

DISABILITY BENEFITS – Disability benefits are awarded to active contributing members with at least ten years of service who are found to be totally disabled as a result of injuries incurred while in active service. The member receives a benefit equal to 3.5% (3% for members covered under the old retirement benefit provisions) of his average final compensation multiplied by the lesser of his actual service (not to be less than fifteen years) or projected continued service to age sixty.

SURVIVOR BENEFITS – Upon the death of a member with less than five years of creditable service, his accumulated contributions and interest thereon are paid to his spouse, if he is married, or to his designated beneficiary, if he is not married. Upon the death of any active, contributing member with five or more years of service or any member with twenty-three years of service who has not retired, automatic option 2 benefits are payable to the surviving spouse. These benefits are based on the retirement benefits accrued at the member's date of death with option factors used as if the member had continued in service to earliest normal retirement age. If a member has no surviving spouse, the surviving minor children under eighteen or disabled children are paid 80% of the member's accrued retirement benefit divided into equal shares. If a member has no surviving spouse or children, his accumulated contributions and interest are paid to his designated beneficiary. In lieu of periodic payments, the surviving spouse or children may receive a refund of the member's accumulated contributions with interest.

DEFERRED RETIREMENT OPTION PLAN – **The following provisions only apply to those members of the retirement system who elected to participate in the Deferred Retirement Option Plan prior to January 1, 2009.** In lieu of terminating employment and accepting a service retirement allowance, any member in the New Plan who is eligible for normal retirement or any member of the Old Plan who is eligible for unreduced benefits may elect to participate in the Deferred Retirement Option Plan (DROP) for up to three years and defer the receipt of benefits. Upon commencement of participation in the plan, membership in the system continues and the member's status changes to inactive. During

participation in the plan, employer contributions are payable, but employee contributions are reduced to one-half of one percent. The monthly retirement benefits that would have been payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP account. This fund does not earn interest while a person is participating in the DROP. In addition, no cost-of-living increases are payable to participants until employment which made them eligible to become members of the system has been terminated for at least one full year.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the plan may receive, at his option, a lump sum from the account equal to the payments into the account or systematic disbursements from his account in any manner approved by the board of trustees. The monthly benefits that were being paid into the deferred retirement option plan fund will begin to be paid to the retiree. If a participant dies during the participation in the plan, a lump sum equal to his account balance in the plan fund is paid to his named beneficiary or, if none, to his estate. If employment is not terminated at the end of the three years, payments into the plan fund cease and the person resumes active contributing membership in the system. All amounts which remain credited to the individual's sub-account after termination of participation in the plan are invested in liquid money market funds. Interest is credited thereon as actually earned.

Back-DROP – In lieu of receiving a service retirement allowance any member of the fund who has more than sufficient service for a regular service retirement may elect to receive a “Back-DROP” benefit. The Back-DROP benefit is based upon the Back-DROP period selected and the final average compensation prior to the period selected. The Back-DROP period is the lesser of three years or the service accrued between the time a member first becomes eligible for retirement and his actual date of retirement. At retirement the member's maximum monthly retirement benefit is based upon his service, final average compensation, and plan provisions in effect on the last day of creditable service immediately prior to the commencement of the Back-DROP period. In addition to the monthly benefit at retirement, the member receives a lump-sum payment equal to the maximum monthly benefit as calculated above multiplied by the number of months in the Back-DROP period. In lieu of receiving the lump-sum payment, the member may leave the funds on deposit with the system in an interest-bearing account. The surviving spouse of members eligible to retire may elect to receive benefits as though the member had elected the Back-DROP option as of the day following the date of death.

COST OF LIVING INCREASES – The board of trustees is authorized to grant retired members and widows of members who have retired an annual cost of living increase of 3% of their original benefit, (not to exceed sixty dollars per month) and all retired members and widows who are sixty-five years of age and older a 2% increase in their original benefit. In lieu of the prior provisions, R.S. 11:241 provides for cost-of-living benefits payable based on a formula equal to up to \$1 times the total of the number of years of credited service accrued at retirement or at death of the member or retiree plus the number of years since retirement or since death of the member or retiree to the system's fiscal year end preceding the payment of the benefit increase. In order for the board to grant any of these increases, the system must meet certain criteria detailed in the statute related to funding status and interest earnings.

ACTUARIAL ASSUMPTIONS

In determining actuarial costs, certain assumptions must be made regarding future experience under the plan. These assumptions include the rate of investment return, mortality of plan members, rates of salary increase, rates of retirement, rates of termination, rates of disability, and various other factors which have an impact on the cost of the plan. To the extent that future experience varies from the assumptions selected for valuation, future costs will be either higher or lower than anticipated. The following chart illustrates the effect of emerging experience on the plan.

Factor	Increase in Factor Results in
Investment Earnings Rate	Decrease in Cost
Annual Rate of Salary Increase	Increase in Cost
Rates of Retirement	Increase in Cost
Rates of Termination	Decrease in Cost
Rates of Disability	Increase in Cost
Rates of Mortality	Decrease in Cost

ACTUARIAL COST METHOD:	The Aggregate Actuarial Cost Method with allocation based on earnings.
VALUATION INTEREST RATE:	6.10% (Net of Investment Expense)
ACTUARIAL ASSET VALUES:	Assets are valued at market value adjusted to defer four-fifths of all earnings above or below the valuation interest rate in the valuation year, three-fifths of all earnings above or below the valuation interest rate in the prior year, two-fifths of all earnings above or below the valuation interest rate from two years prior, and one-fifth of all earnings above or below the valuation interest rate from three years prior. The resulting smoothed values are subject to a corridor of 85% to 115% of the market value of assets. If the smoothed value falls outside the corridor, the actuarial value is set equal to the average of the corridor limit and the smoothed value.
ANNUAL SALARY INCREASE RATE:	5.00% (2.20% inflation / 2.80% merit)
ACTIVE MEMBER MORTALITY:	Pub-2010 Public Retirement Plans Mortality Table for General Above-Median Employees multiplied by 115% for males and 115% for females, each with full generational projection using the MP2019 scale.

ANNUITANT AND
BENEFICIARY MORTALITY:

Pub-2010 Public Retirement Plans Mortality Table for General Above-Median Healthy Retirees multiplied by 115% for males and 115% for females, each with full generational projection using the MP2019 scale.

RETIREE COST OF LIVING INCREASE:

The present value of future retirement benefits is based on benefits currently being paid by the system and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

INTEREST RATE ON
CONTRIBUTION REFUNDS:

2%

RATES OF WITHDRAWAL:

The rates of withdrawal are applied based upon completed years of service according to the following table:

<u>Service Duration ≤</u>	<u>Factor</u>	<u>Service Duration ≤</u>	<u>Factor</u>
1	0.12	16	0.04
2	0.12	17	0.04
3	0.11	18	0.05
4	0.11	19	0.05
5	0.10	20	0.05
6	0.10	21	0.05
7	0.09	22	0.05
8	0.08	23	0.05
9	0.07	24	0.04
10	0.07	25	0.04
11	0.06	26	0.03
12	0.05	27	0.02
13	0.05	28	0.02
14	0.04	29	0.02
15	0.04	30 & Over	0.01

Note: Withdrawal rates for members eligible to retire are assumed to be zero.

RATES OF RETIREMENT:

The table of these rates is included later in the report. These rates apply only to those individuals eligible to retire. Retirement rates for members who have completed DROP participation and are currently active are 0.33.

RETIREMENT LIMITATIONS: Projected retirement benefits are not subjected to IRS Section 415 limits.

MARRIAGE STATISTICS: 70% of the members are assumed to be married; husbands are assumed to be three years older than wives.

FAMILY STATISTICS: Assumptions utilized in determining the costs of various survivor benefits as listed below, are derived from the information provided in the 2019 Table F1: Family Households, by Type, Age of Own Children, Age of Family Members, and Age of Householder provided by the U.S. Census Bureau:

<u>Member's Age</u>	<u>% With Children</u>	<u>Number of Children</u>	<u>Average Age</u>
25	60%	1.77	4
35	82%	2.11	8
45	63%	1.75	11
55	11%	1.42	14
65	2%	1.50	14

DISABILITY RATES: The table of these rates is included later in the report. These rates are based on 10% of the disability rates used for the 27th valuation of the Railroad Retirement System for individuals with 10-19 years of service.

DISABLED LIVES MORTALITY: Pub-2010 Public Retirement Plans Mortality Table for Non-Safety Disabled Retirees multiplied by 115% for males and 115% for females, each with full generational projection using the MP2019 scale.

VESTING ELECTING PERCENTAGE: 90% of those vested elect deferred benefits in lieu of contribution refunds.

ACTUARIAL TABLES AND RATES

Age	Retirement Rates	Disability Rates
18	0.00000	0.00012
19	0.00000	0.00012
20	0.00000	0.00012
21	0.00000	0.00012
22	0.00000	0.00012
23	0.00000	0.00012
24	0.00000	0.00012
25	0.00000	0.00012
26	0.00000	0.00012
27	0.00000	0.00012
28	0.00000	0.00012
29	0.00000	0.00012
30	0.00000	0.00012
31	0.00000	0.00012
32	0.00000	0.00012
33	0.00000	0.00012
34	0.00000	0.00012
35	0.00000	0.00013
36	0.00000	0.00013
37	0.00000	0.00013
38	0.00000	0.00014
39	0.00000	0.00015
40	0.00000	0.00016
41	0.00000	0.00017
42	0.00000	0.00018
43	0.00000	0.00020
44	0.00000	0.00021
45	0.00000	0.00024
46	0.15000	0.00026
47	0.15000	0.00029
48	0.15000	0.00033
49	0.15000	0.00038
50	0.15000	0.00043
51	0.15000	0.00049
52	0.15000	0.00057
53	0.15000	0.00066
54	0.15000	0.00077
55	0.08000	0.00090
56	0.08000	0.00106
57	0.08000	0.00125
58	0.08000	0.00148
59	0.08000	0.00175
60	0.08000	0.00239
61	0.08000	0.00291
62	0.08000	0.00322
63	0.16000	0.00338
64	0.16000	0.00257
65	0.16000	0.00207
66	0.16000	0.00052
67	0.16000	0.00052
68	0.16000	0.00052
69	0.16000	0.00052
70	0.16000	0.00052
71	0.18000	0.00052
72	0.18000	0.00052
73	0.18000	0.00052
74	0.18000	0.00052
75	0.18000	0.00052

PRIOR YEAR ASSUMPTIONS

VALUATION INTEREST RATE: 6.25% (Net of Investment Expense)
ANNUAL SALARY INCREASE RATE: 5.00% (2.30% inflation / 2.70% merit)

GLOSSARY

Accrued Benefit – The pension benefit that an individual has earned as of a specific date based on the provisions of the plan and the individual's age, service, and salary as of that date.

Actuarial Accrued Liability – The actuarial present value of benefits payable to members of the fund less the present value of future normal costs attributable to the members.

Actuarial Assumptions – Assumptions as to the occurrence of future events affecting pension costs. These assumptions include rates of mortality, withdrawal, disablement, and retirement. Also included are rates of investment earnings, changes in compensation, as well as statistics related to marriage and family composition.

Actuarial Cost Method – A procedure for determining the portion of the cost of a pension plan to be allocated to each year. Each cost method allocates a certain portion of the actuarial present value of benefits between the actuarial accrued liability and future normal costs. Once this allocation is made, a determination of the normal cost attributable to a specific year can be made along with the payment to amortize any unfunded actuarial accrued liability. To the extent that a particular funding method allocates a greater (lesser) portion of the actual present value of benefits to the actuarial accrued liability it will allocate less (more) to future normal costs.

Actuarial Equivalence – Payments or receipts with equal actuarial value on a given date when valued using the same set of actuarial assumptions.

Actuarial Gain (Loss) – The financial effect on the fund of the difference between the expected and actual experience of the fund. The experience may be related to investment earnings above (or below) those expected or changes in the liability structure due to fewer (or greater) than the expected numbers of retirements, deaths, disabilities, or withdrawals. In addition, other factors such as pay increases above (or below) those forecast can result in actuarial gains or losses. The effect of such gains (or losses) is to decrease (or increase) future costs.

Actuarial Present Value – The value, as of a specified date, of an amount or series of amounts payable or receivable thereafter, with each amount adjusted to reflect the time value of money (through accrual of interest) and the probability of payments. For example: if \$600 invested today will be worth \$1,000 in 10 years and there is a 50% probability that a person will live 10 years, then the actuarial present value of \$1,000 payable to that person if he should survive 10 years is \$300.

Actuarial Value of Assets – The value of cash, investments, and other property belonging to the pension plan as used by the actuary for the purpose of the actuarial valuation. This may correspond to the book value, market value, or some modification involving either or both book and market value. Adjustments to market values are often made to reduce the volatility of asset values.

Asset Gain (Loss) – That portion of the actuarial gain attributable to investment performance above (below) the expected rate of return in the actuarial assumptions.

Amortization Payment – That portion of the pension plan contribution designated to pay interest and reduce the outstanding principal balance of unfunded actuarial accrued liability. If the amortization payment is less than the accrued interest on the unfunded actuarial accrued liability the outstanding principal balance will increase.

Contribution Shortfall (Excess) – The difference between contributions recommended in the prior valuation and the actual amount received.

Decrements – Events which result in the termination of membership in the system such as retirement, disability, withdrawal, or death.

Employer Normal Cost – That portion of the normal cost not attributable to employee contributions. It includes both direct contributions made by the employer and contributions from other non-employee sources such as revenue sharing and revenues related to taxes.

Funded Ratio – A measure of the ratio of assets to liabilities of the system according to a specific definition of those two values. Typically, the assets used in the measure are the actuarial value of assets; the liabilities are defined by reference to some recognized actuarial funding method. Thus, the funded ratio of a plan depends not only on the financial strength of the plan but also on the funding method used to determine the liabilities and the asset valuation method used to determine the assets in the ratio.

Normal Cost – That portion of the actuarial present value of pension plan benefits and expenses allocated to a valuation year by the actuarial cost method. This is analogous to one year's insurance premium.

Pension Benefit Obligation – The actuarial present value of benefits earned or credited to date based on the members expected final average compensation at retirement. For current retirees or terminated members this is equivalent to the actuarial present value of their accrued benefit.

Projected Benefits – The benefits expected to be paid in the future based on the provisions of the plan and the actuarial assumptions. The projected values are based on anticipated future advancement in age and accrual of service as well as increases in salary paid to the participant.

Unfunded Actuarial Accrued Liability – The excess of the actuarial accrued liability over the actuarial value of assets.

Vested Benefits – Benefits that the members are entitled to even if they withdraw from service.