

Arkansas Public Employees Retirement System (Including District Judges)

GASB Statement Nos. 67 and 68 Accounting and Financial Reporting for Pensions
June 30, 2024





October 31, 2024

Board of Trustees
Arkansas Public Employees Retirement System
Little Rock, Arkansas

Ladies and Gentlemen:

This report provides information required by the Arkansas Public Employees Retirement System (APERS) in connection with the Governmental Accounting Standards Board (GASB) Statement No. 67 "Financial Reporting for Pension Plans" and Governmental Accounting Standards Board (GASB) Statement No. 68 "Accounting and Financial Reporting for Pensions."

Our actuarial calculations for this report were prepared for the purpose of complying with the requirements of GASB Statement Nos. 67 and 68. In accordance with the auditor's request, these calculations are made for all members of APERS (including all District Judges) as if APERS is one cost-sharing plan.

Our calculation of the liability associated with the benefits described in this report was performed for the purpose of satisfying the requirements of GASB Statement Nos. 67 and 68. The calculation of the plan's liability for this report may not be applicable for funding purposes of the plan. A calculation of the plan's liability for purposes other than satisfying the requirements of GASB Statement Nos. 67 and 68 may produce significantly different results. This report may be provided to parties other than the System only in its entirety and only with the permission of the Retirement Board. GRS is not responsible for unauthorized use of this report.

This report is based upon information, furnished to us by the Retirement System staff, concerning retirement and ancillary benefits, active members, deferred vested members, retirees and beneficiaries, and financial data. If your understanding of this information is different, please let us know. This information was checked for internal consistency, but it was not audited.

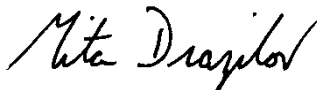
This information is presented in draft form for review by the plan's auditor. Please let us know if there are any items that the auditor changes so that we may maintain consistency with the plan's financial statements.

Please see the actuarial valuation report as of June 30, 2024 for additional discussions of the nature of actuarial calculations and more information related to participant data, economic and demographic assumptions, and benefit provisions.

This report was prepared using our proprietary valuation model and related software which, in our professional judgment, has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.

To the best of our knowledge, this report is complete, accurate, and in accordance with generally recognized actuarial methods. Mita D. Drazilov and Heidi G. Barry are Members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the Academy of Actuaries to render the actuarial opinions contained herein. The signing actuaries are independent of the plan sponsor.

Respectfully submitted,
Gabriel, Roeder, Smith & Company



Mita D. Drazilov, ASA, FCA, MAAA



Heidi G. Barry, ASA, FCA, MAAA

MDD/HGB:rmn

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Table of Contents

Page

Section A	Executive Summary	
	Executive Summary.....	1
	Discussion.....	2-4
Section B	Financial Statements	
	Statement of Pension Expense under GASB Statement No. 68	5
	Statement of Outflows and Inflows Arising from Current Reporting Period	6
	Statement of Outflows and Inflows Arising from Current and Prior Reporting Periods ...	7-8
	Statement of Fiduciary Net Position	9
	Statement of Changes in Fiduciary Net Position	10
Section C	Required Supplementary Information	
	Schedule of Changes in Net Pension Liability and Related Ratios Current Period	11
	Schedule of Changes in Net Pension Liability and Related Ratios (Multiyear)	12
	Schedule of the Net Pension Liability (Multiyear)	13
	Schedule of Contributions (Multiyear)	14
	Notes to Schedule of Contributions.....	15
	Schedule of Investment Returns (Multiyear).....	16
Section D	Notes to Financial Statements	
	Long-Term Expected Return on Plan Assets	17
	Single Discount Rate	18
	Sensitivity of Net Pension Liability to the Single Discount Rate Assumption	18
	Disclosure Regarding the Deferred Retirement Option Program.....	19
	Summary of Population Statistics	20
Section E	Summary of Benefits	21-26
Section F	Actuarial Cost Method and Actuarial Assumptions	
	Valuation Methods, Entry Age Normal	27-28
	Actuarial Assumptions, Input to Discount Rates, Mortality Assumptions and Experience Studies	29-34
	Miscellaneous and Technical Assumptions	35-36
Section G	Calculation of the Single Discount Rate	
	Calculation of the Single Discount Rate	37
	Projection of Contributions.....	38
	Projection of Plan Fiduciary Net Position	39
	Present Values of Projected Benefits.....	40-41
	Projection of Plan Net Position and Benefit Payments	42
Section H	Glossary of Terms	43-46



SECTION A

EXECUTIVE SUMMARY

Executive Summary as of June 30, 2024

Actuarial Valuation Date	June 30, 2024
Measurement Date of the Net Pension Liability and Pension Expense	June 30, 2024

Membership

Number of	
- Retirees and Beneficiaries	42,986
- Inactive, Nonretired Members	15,370
- Active Members	43,405
- Total	101,761
Covered Payroll	\$ 2,256,616,749

Net Pension Liability

Total Pension Liability	\$ 13,533,079,393
Plan Fiduciary Net Position	11,044,957,481
Net Pension Liability	\$ 2,488,121,912
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	81.61%
Net Pension Liability as a Percentage of Covered Payroll	110.26%

Development of the Single Discount Rate

Single Discount Rate	7.00%
Long-Term Expected Rate of Investment Return	7.00%
Long-Term Municipal Bond Rate*	3.97%
Last year ending June 30 in the 2024 to 2123 projection period for which projected benefit payments are fully funded	2123

Total Pension Expense	\$ 416,444,431
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Deferred Outflows and Deferred Inflows of Resources by Source to be Recognized in Future Pension Expenses

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 96,558,878	\$ 101,727,931
Changes in assumptions	86,709,936	-
Net difference between projected and actual earnings on pension plan investments	793,359,106	721,179,557
Total	\$ 976,627,920	\$ 822,907,488

* Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of June 28, 2024. In describing this index, Fidelity notes that the municipal curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.



Discussion

Accounting Standard

For pension plans that are administered through trusts or equivalent arrangements, Governmental Accounting Standards Board (GASB) Statement No. 67 establishes standards of financial reporting for separately issued financial reports and specifies the required approach for measuring the pension liability. Similarly, GASB Statement No. 68 establishes standards for state and local government employers (as well as non-employer contributing entities) to account for and disclose the net pension liability, pension expense, and other information associated with providing retirement benefits to their employees (and former employees) on their basic financial statements.

The following discussion provides a summary of the information that is required to be disclosed under these accounting standards. A number of these disclosure items are provided in this report. However, certain information, such as notes regarding accounting policies and investments, is not included in this report and the Retirement System and/or plan sponsor will be responsible for preparing and disclosing that information to comply with these accounting standards.

Financial Statements

GASB Statement No. 68 requires state or local governments to recognize the net pension liability and the pension expense on their financial statements. The net pension liability is the difference between the total pension liability and the plan's fiduciary net position. In traditional actuarial terms, this is analogous to the accrued liability less the market value of assets (not the smoothed actuarial value of assets that is often encountered in actuarial valuations performed to determine the employer's contribution requirement).

Paragraph 57 of GASB Statement No. 68 states, "Contributions to the pension plan from the employer subsequent to the measurement date of the collective net pension liability and before the end of the employer's reporting period should be reported as a deferred outflow of resources related to pensions." The information contained in this report does not incorporate any contributions made to the Arkansas Public Employees Retirement System subsequent to the measurement date of June 30, 2024.

The pension expense recognized each fiscal year is equal to the change in the net pension liability from the beginning of the year to the end of the year, adjusted for deferred recognition of the liability and investment experience.

Pension plans that prepare their own, stand-alone financial statements are required to present two financial statements – a statement of fiduciary net position and a statement of changes in fiduciary net position in accordance with GASB Statement No. 67. The *statement of fiduciary net position* presents the assets and liabilities of the pension plan at the end of the pension plan's reporting period. The *statement of changes in fiduciary net position* presents the additions, such as contributions and investment income, and deductions, such as benefit payments and expenses, and net increase or decrease in the fiduciary net position.

Notes to Financial Statements

GASB Statement No. 68 requires the notes of the employer's financial statements to disclose the total pension expense, the pension plan's liabilities and assets, and deferred outflows and inflows of resources related to pensions.

GASB Statement Nos. 67 and 68 require the notes of the financial statements for the employers and pension plans, to include certain additional information. The list of disclosure items should include:

- A description of benefits provided by the plan;
- The type of employees and number of members covered by the pension plan;
- A description of the plan's funding policy, which includes member and employer contribution requirements;
- The pension plan's investment policies;
- The pension plan's fiduciary net position, net pension liability, and the pension plan's fiduciary net position as a percentage of the total pension liability;
- The net pension liability using a discount rate that is 1% higher and 1% lower than used to calculate the total pension liability and net pension liability for financial reporting purposes;
- Significant assumptions and methods used to calculate the total pension liability;
- Inputs to the discount rates; and
- Certain information about mortality assumptions and the dates of experience studies.

Retirement systems that issue stand-alone financial statements are required to disclose additional information in accordance with GASB Statement No. 67. This information includes:

- The composition of the pension plan's board and the authority under which benefit terms may be amended;
- A description of how fair value is determined;
- Information regarding certain reserves and investments, which include concentrations of investments greater than or equal to 5%, receivables, and insurance contracts excluded from plan assets; and
- Annual money-weighted rate of return; and a description of the terms of the plan's Deferred Retirement Option Program (DROP) and the total DROP balance for those members currently participating in the DROP.

Required Supplementary Information

GASB Statement No. 67 requires a 10-year fiscal history of:

- Sources of changes in the net pension liability;
- Information about the components of the net pension liability and related ratios, including the pension plan's fiduciary net position as a percentage of the total pension liability, and the net pension liability as a percent of covered-employee payroll; and
- A comparison of the actual employer contributions to the actuarially determined contributions based on the plan's funding policy.

Timing of the Valuation

An actuarial valuation to determine the total pension liability is required to be performed at least every two years. The net pension liability and pension expense should be measured as of the pension plan's fiscal year end (measurement date) on a date that is within the employer's prior fiscal year. If the actuarial valuation used to determine the total pension liability is not calculated as of the measurement date, the total pension liability is required to be rolled forward from the actuarial valuation date to the measurement date.

The total pension liability shown in this report is based on an actuarial valuation performed as of June 30, 2024 and a measurement date of June 30, 2024.

Single Discount Rate

Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects: (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits); and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 3.97% (based on the weekly rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index"); and the resulting Single Discount Rate is 7.00%.

SECTION B

FINANCIAL STATEMENTS

Statement of Pension Expense under GASB Statement No. 68

Fiscal Year Ended June 30, 2024

1. Service Cost	\$ 256,766,391
2. Interest on the Total Pension Liability	909,087,161
3. Current-Period Benefit Changes	0
4. Employee Contributions (made negative for addition here)	(101,308,467)
5. Projected Earnings on Plan Investments (made negative for addition here)	(711,583,052)
6. Pension Plan Administrative Expense	12,163,206
7. Other Changes in Plan Fiduciary Net Position	(4,995,084)
8. Recognition of Outflow (Inflow) of Resources due to Liabilities	63,516,667
9. Recognition of Outflow (Inflow) of Resources due to Assets	<u>(7,202,391)</u>
10. Total Pension Expense	\$ 416,444,431

Statement of Outflows and Inflows Arising from Current Reporting Period Fiscal Year Ended June 30, 2024

A. Outflows (Inflows) of Resources Due to Liabilities

1. Difference between expected and actual experience of the Total Pension Liability (gains) or losses	\$ (140,435,716)
2. Assumption Changes (gains) or losses	\$ -
3. Recognition period for Liabilities: Average of the expected remaining service lives of all employees {in years}	3.6281
4. Outflow (Inflow) of Resources to be recognized in the current pension expense for the difference between expected and actual experience of the Total Pension Liability	\$ (38,707,785)
5. Outflow (Inflow) of Resources to be recognized in the current pension expense for Assumption Changes	\$ -
6. Outflow (Inflow) of Resources to be recognized in the current pension expense due to Liabilities: 4. + 5.	\$ (38,707,785)
7. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses for the difference between expected and actual experience of the Total Pension Liability: 1. - 4.	\$ (101,727,931)
8. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses for Assumption Changes: 2. - 5.	\$ -
9. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses due to Liabilities: 7. + 8.	\$ (101,727,931)

B. Outflows (Inflows) of Resources Due to Assets

1. Net difference between projected and actual earnings on pension plan investments (gains) or losses	\$ (297,734,485)
2. Recognition period for Assets {in years}	5.0000
3. Outflow (Inflow) of Resources to be recognized in the current pension expense due to Assets	\$ (59,546,897)
4. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses due to Assets: 1. - 3.	\$ (238,187,588)

Statement of Outflows and Inflows Arising from Current and Prior Reporting Periods Fiscal Year Ended June 30, 2024

A. Outflows and Inflows of Resources Due to Liabilities and Assets to be Recognized in Current Pension Expense

	Outflows of Resources	Inflows of Resources	Net Outflows of Resources
1. Due to Liabilities	\$ 118,233,760	\$ 54,717,093	\$ 63,516,667
2. Due to Assets	486,375,801	493,578,192	(7,202,391)
3. Total	\$ 604,609,561	\$ 548,295,285	\$ 56,314,276

B. Outflows and Inflows of Resources by Source to be Recognized in Current Pension Expense

	Outflows of Resources	Inflows of Resources	Net Outflows of Resources
1. Differences between expected and actual experience	\$ 67,940,890	\$ 54,717,093	\$ 13,223,797
2. Assumption Changes	50,292,870	-	50,292,870
3. Net Difference between projected and actual earnings on pension plan investments	486,375,801	493,578,192	(7,202,391)
4. Total	\$ 604,609,561	\$ 548,295,285	\$ 56,314,276

C. Deferred Outflows and Deferred Inflows of Resources by Source to be Recognized in Future Pension Expenses

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows of Resources
1. Differences between expected and actual experience	\$ 96,558,878	\$ 101,727,931	\$ (5,169,053)
2. Assumption Changes	86,709,936	-	86,709,936
3. Net Difference between projected and actual earnings on pension plan investments	793,359,106	721,179,557	72,179,549
4. Total	\$ 976,627,920	\$ 822,907,488	\$ 153,720,432

D. Deferred Outflows and Deferred Inflows of Resources by Year to be Recognized in Future Pension Expenses

Year Ending June 30	Net Deferred Outflows of Resources
2025	\$ (21,860,535)
2026	343,467,459
2027	(108,339,595)
2028	(59,546,897)
2029	-
Thereafter	-
Total	\$ 153,720,432



Statement of Outflows and Inflows Arising from Current and Prior Reporting Periods Fiscal Year Ended June 30, 2024

Year Established	Initial Amount	Initial Recognition Period	Current Year Recognition	Remaining Recognition	Remaining Recognition Period
Deferred Outflow (Inflow) Due to Differences between Expected and Actual Experience on Liabilities					
2020	\$ 2,007,866	4.0486	\$ 24,102	\$ -	0.0000
2021	(65,645,442)	3.9676	(16,009,308)	-	0.0000
2022	84,323,321	3.7989	22,196,773	17,733,002	0.7989
2023	170,265,906	3.7241	45,720,015	78,825,876	1.7241
2024	(140,435,716)	3.6281	(38,707,785)	(101,727,931)	2.6281
Total			\$ 13,223,797	\$ (5,169,053)	
Deferred Outflow (Inflow) Due to Assumption Changes					
2020	\$ -	4.0486	\$ -	\$ -	0.0000
2021	-	3.9676	-	-	0.0000
2022	-	3.7989	-	-	0.7989
2023	187,295,676	3.7241	50,292,870	86,709,936	1.7241
2024	-	3.6281	-	-	2.6281
Total			\$ 50,292,870	\$ 86,709,936	
Deferred Outflow (Inflow) Due to Differences between Projected and Actual Earnings on Plan Investments					
2020	\$ 448,481,240	5.0000	\$ 89,696,248	\$ -	0.0000
2021	(2,047,754,778)	5.0000	(409,550,956)	(409,550,954)	1.0000
2022	1,983,397,765	5.0000	396,679,553	793,359,106	2.0000
2023	(122,401,693)	5.0000	(24,480,339)	(73,441,015)	3.0000
2024	(297,734,485)	5.0000	(59,546,897)	(238,187,588)	4.0000
Total			\$ (7,202,391)	\$ 72,179,549	

Statement of Fiduciary Net Position as of June 30, 2024

To be provided by the System

Assets

Cash and Deposits	\$	-
Receivables		
Accounts Receivable - Sale of Investments	\$	-
Accrued Interest and Other Dividends		-
Contributions		-
Accounts Receivable - Other		-
Total Receivables	\$	-
Investments		
Fixed Income	\$	-
Domestic Equities		-
International Equities		-
Real Estate		-
Other		-
Total Investments	\$	-
Total Assets	\$	-

Liabilities

Payables		
Accounts Payable - Purchase of Investments	\$	-
Accrued Expenses		-
Accounts Payable - Other		-
Total Liabilities	\$	-

Net Position Restricted for Pensions \$ 11,044,957,481

Statement of Changes in Fiduciary Net Position for Year Ended June 30, 2024

Additions

Contributions		
Employer	\$	348,024,606
Employee		101,308,467
Other		4,995,084
Total Contributions	\$	<u>454,328,157</u>
Investment Income		
Net Appreciation in Fair Value of Investments	\$	1,088,435,325
Interest and Dividends		-
Less Investment Expense		<u>(79,117,788)</u>
Net Investment Income	\$	<u>1,009,317,537</u>
Other		-
Total Additions	\$	<u>1,463,645,694</u>

Deductions

Benefit Payments, Including Refunds of Employee Contributions	\$	701,829,398
Pension Plan Administrative Expense		12,163,206
Other		-
Total Deductions	\$	<u>713,992,604</u>
Net Increase in Net Position	\$	749,653,090

Net Position Restricted for Pensions

Beginning of Year	\$	<u>10,295,304,391</u>
End of Year	\$	<u>11,044,957,481</u>

SECTION C

REQUIRED SUPPLEMENTARY INFORMATION

Schedules of Required Supplementary Information

Schedule of Changes in Net Pension Liability and Related Ratios

Current Period

Fiscal Year Ended June 30, 2024

A. Total Pension Liability

1. Service cost	\$ 256,766,391
2. Interest on the Total Pension Liability	909,087,161
3. Changes of benefit terms	0
4. Difference between expected and actual experience of the Total Pension Liability	(140,435,716)
5. Changes of assumptions	0
6. Benefit payments, including refunds of employee contributions	(701,829,398)
7. Net change in Total Pension Liability	\$ 323,588,438
8. Total Pension Liability – Beginning	13,209,490,955
9. Total Pension Liability – Ending	<u><u>\$ 13,533,079,393</u></u>

B. Plan Fiduciary Net Position

1. Contributions – employer	\$ 348,024,606
2. Contributions – employee	101,308,467
3. Net investment income	1,009,317,537
4. Benefit payments, including refunds of employee contributions	(701,829,398)
5. Pension plan administrative expense	(12,163,206)
6. Other	4,995,084
7. Net change in Plan Fiduciary Net Position	\$ 749,653,090
8. Plan Fiduciary Net Position – Beginning	10,295,304,391
9. Plan Fiduciary Net Position – Ending	<u><u>\$ 11,044,957,481</u></u>

C. Net Pension Liability

\$ 2,488,121,912

D. Plan Fiduciary Net Position as a percentage of the Total Pension Liability

81.61%

E. Covered-employee payroll

\$ 2,256,616,749

F. Net Pension Liability as a percentage of covered-employee payroll

110.26%



Schedules of Required Supplementary Information

Schedule of Changes in Net Pension Liability and Related Ratios (Multiyear)

Fiscal year ending June 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service Cost	\$ 256,766,391	\$ 224,674,840	\$ 205,730,312	\$ 200,169,558	\$ 198,416,559	\$ 189,567,873	\$ 181,557,602	\$ 174,663,657	\$ 169,112,934	\$ 168,811,990
Interest on the Total Pension Liability	909,087,161	872,640,034	838,746,422	816,578,389	789,604,504	759,163,751	745,846,405	719,134,258	692,210,941	682,217,546
Benefit Changes	-	-	-	(5,405,298)	-	(62,984)	-	-	-	-
Difference between Expected and Actual Experience	(140,435,716)	170,265,906	84,323,321	(65,645,442)	2,007,866	60,093,169	(6,960,593)	62,849,281	2,912,566	(137,672,890)
Assumption Changes	-	187,295,676	-	-	-	-	(180,097,868)	416,146,405	-	192,273,597
Benefit Payments	(682,663,974)	(659,133,497)	(635,176,766)	(608,207,117)	(587,453,797)	(555,352,597)	(530,861,312)	(508,200,406)	(480,913,495)	(451,912,791)
Refunds	(19,165,424)	(16,474,103)	(17,687,189)	(15,799,268)	(15,836,412)	(16,239,928)	(13,734,331)	(13,762,147)	(13,192,436)	(12,198,396)
Net Change in Total Pension Liability	\$ 323,588,438	\$ 779,268,856	\$ 475,936,100	\$ 321,690,822	\$ 386,738,720	\$ 437,169,284	\$ 195,749,903	\$ 850,831,048	\$ 370,130,510	\$ 441,519,056
Total Pension Liability - Beginning	\$ 13,209,490,955	\$ 12,430,222,099	\$ 11,954,285,999	\$ 11,632,595,177	\$ 11,245,856,457	\$ 10,808,687,173	\$ 10,612,937,270	\$ 9,762,106,222	\$ 9,391,975,712	\$ 8,950,456,656
Total Pension Liability - Ending (a)	\$ 13,533,079,393	\$ 13,209,490,955	\$ 12,430,222,099	\$ 11,954,285,999	\$ 11,632,595,177	\$ 11,245,856,457	\$ 10,808,687,173	\$ 10,612,937,270	\$ 9,762,106,222	\$ 9,391,975,712
Plan Fiduciary Net Position										
Employer Contributions	\$ 348,024,606	\$ 339,554,854	\$ 320,231,614	\$ 305,922,769	\$ 298,919,954	\$ 292,951,695	\$ 276,282,425	\$ 261,334,560	\$ 264,216,252	\$ 263,332,831
Employee Contributions	101,308,467	92,360,864	80,317,012	74,358,836	70,923,737	67,221,706	63,430,545	57,711,427	55,000,117	50,750,458
Pension Plan Net Investment Income	1,009,317,537	809,503,795	(1,192,887,341)	2,665,823,683	174,561,773	450,493,099	782,326,766	862,824,701	(4,260,175)	168,929,698
Benefit Payments	(682,663,974)	(659,133,497)	(635,176,766)	(608,207,117)	(587,453,797)	(555,352,597)	(530,861,312)	(508,200,406)	(480,913,495)	(451,912,791)
Refunds	(19,165,424)	(16,474,103)	(17,687,189)	(15,799,268)	(15,836,412)	(16,239,928)	(13,734,331)	(13,762,147)	(13,192,436)	(12,198,396)
Pension Plan Administrative Expense	(12,163,206)	(10,465,349)	(11,794,785)	(11,644,328)	(11,681,604)	(14,739,700)	(11,497,216)	(9,495,869)	(6,929,103)	(6,949,282)
Other	4,995,084	6,119,195	5,382,381	5,988,441	6,249,379	6,241,253	8,008,465	7,626,374	6,594,649	6,745,403
Net Change in Plan Fiduciary Net Position	\$ 749,653,090	\$ 561,465,759	\$ (1,451,615,074)	\$ 2,416,443,016	\$ (64,316,970)	\$ 230,575,528	\$ 573,955,342	\$ 658,038,640	\$ (179,484,191)	\$ 18,697,921
Plan Fiduciary Net Position - Beginning	\$ 10,295,304,391	\$ 9,733,838,632	\$ 11,185,453,706	\$ 8,769,010,690	\$ 8,833,327,660	\$ 8,602,752,132	\$ 8,028,796,790	\$ 7,370,758,150	\$ 7,550,242,341	\$ 7,531,544,420
Plan Fiduciary Net Position - Ending (b)	\$ 11,044,957,481	\$ 10,295,304,391	\$ 9,733,838,632	\$ 11,185,453,706	\$ 8,769,010,690	\$ 8,833,327,660	\$ 8,602,752,132	\$ 8,028,796,790	\$ 7,370,758,150	\$ 7,550,242,341
Net Pension Liability - Ending (a) - (b)	\$ 2,488,121,912	\$ 2,914,186,564	\$ 2,696,383,467	\$ 768,832,293	\$ 2,863,584,487	\$ 2,412,528,797	\$ 2,205,935,041	\$ 2,584,140,480	\$ 2,391,348,072	\$ 1,841,733,371
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	81.61 %	77.94 %	78.31 %	93.57 %	75.38 %	78.55 %	79.59 %	75.65 %	75.50 %	80.39 %
Covered-Employee Payroll	\$ 2,256,616,749	\$ 2,252,048,646	\$ 2,054,188,304	\$ 1,907,642,349	\$ 1,929,343,374	\$ 1,936,042,263	\$ 1,849,202,619	\$ 1,788,074,570	\$ 1,795,174,463	\$ 1,757,056,813
Net Pension Liability as a Percentage of Covered-Employee Payroll	110.26 %	129.40 %	131.26 %	40.30 %	148.42 %	124.61 %	119.29 %	144.52 %	133.21 %	104.82 %
Notes to Schedule:	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A



Schedules of Required Supplementary Information Schedule of the Net Pension Liability (Multiyear)

FY Ending June 30,	Total Pension Liability	Plan Net Position	Net Pension Liability	Plan Net Position as a % of Total Pension Liability	Covered Payroll	Net Pension Liability as a % of Covered Payroll
2015	\$ 9,391,975,712	\$ 7,550,242,341	\$ 1,841,733,371	80.39%	\$1,757,056,813	104.82%
2016	9,762,106,222	7,370,758,150	2,391,348,072	75.50%	1,795,174,463	133.21%
2017	10,612,937,270	8,028,796,790	2,584,140,480	75.65%	1,788,074,570	144.52%
2018	10,808,687,173	8,602,752,132	2,205,935,041	79.59%	1,849,202,619	119.29%
2019	11,245,856,457	8,833,327,660	2,412,528,797	78.55%	1,936,042,263	124.61%
2020	11,632,595,177	8,769,010,690	2,863,584,487	75.38%	1,929,343,374	148.42%
2021	11,954,285,999	11,185,453,706	768,832,293	93.57%	1,907,642,349	40.30%
2022	12,430,222,099	9,733,838,632	2,696,383,467	78.31%	2,054,188,304	131.26%
2023	13,209,490,955	10,295,304,391	2,914,186,564	77.94%	2,252,048,646	129.40%
2024	13,533,079,393	11,044,957,481	2,488,121,912	81.61%	2,256,616,749	110.26%

Schedule of Contributions (Multiyear) (\$ in Millions)

FY Ending June 30,	Actuarially Determined Contribution	Actual Contribution*	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2015	\$ 263.3	\$ 263.3	-	\$ 1,757	14.98%
2016	264.2	264.2	-	1,795	14.72%
2017	261.3	261.3	-	1,788	14.61%
2018	276.3	276.3	-	1,849	14.94%
2019	293.0	293.0	-	1,936	15.13%
2020	298.9	298.9	-	1,929	15.49%
2021	305.9	305.9	-	1,908	16.04%
2022	320.2	320.2	-	2,054	15.59%
2023	339.6	339.6	-	2,252	15.08%
2024	348.0	348.0	-	2,257	15.42%

* Actual contributions are based on covered payroll at the time of the contribution. This payroll is not reported to the actuary. The covered payroll shown on this page is the valuation payroll. Based upon the limitations of this schedule, the final column cannot be compared to the contribution rates actually charged to APERS participating employers.

Notes to Schedule of Contributions

Valuation Date: June 30, 2021 (excluding District Judges Still Paying Old Plan)
June 30, 2023 (District Judges Still Paying Old Plan)

Methods and Assumptions used to Determine Fiscal Year 2024 Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed (Level Dollar, Closed for District Judges New Plan and Paid Off Old Plan and District Judges Still Paying Old Plan)
Remaining Amortization Period	16 years (5.6 years for District Judges New Plan/Paid Off Old Plan and 12 years for District Judges Still Paying Old Plan)
Asset Valuation Method	4-Year smoothed market; 25% corridor (Market Value for Still Paying Old Plan)
Inflation	3.25% wage inflation, 2.50% price inflation
Salary Increases	3.25% to 9.85% including inflation (3.25% to 6.96% including inflation for District Judges)
Investment Rate of Return	7.15% (7.00% for District Judges Still Paying Old Plan)
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	<p><u>APERS and District Judges New Plan/Paid-Off Old Plan:</u> Based on the RP-2006 Healthy Annuitant benefit weighted generational mortality tables for males and females. Mortality rates are multiplied by 135% for males and 125% for females and are adjusted for fully generational mortality improvements using Scale MP-2017.</p> <p><u>District Judges Still Paying Old Plan:</u> Based on the PubG-2010 Amount-Weighted Below-Median Income General Retiree mortality tables for males and females. Mortality rates are multiplied by 114% for males and 132% for females and are adjusted for fully generational mortality improvements using Scale MP-2021.</p>

Other Information:

Notes Assumptions for District Judges Still Paying Old Plan were updated in the June 30, 2023 valuation dated October 31, 2023.



Schedule of Investment Returns (Multiyear)

To be provided by the System

<u>FY Ending June 30,</u>	<u>Annual Return¹</u>
2015	
2016	
2017	
2018	
2019	
2020	
2021	
2022	
2023	
2024	

¹ Annual money-weighted rate of return, net of investment expenses.

SECTION D

NOTES TO FINANCIAL STATEMENTS

Long-Term Expected Return on Plan Assets

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected price inflation. Best estimates of arithmetic real rates of return for the 10-year period from 2024 to 2033 were based upon GRS' 2024 Capital Market Assumptions Modeler. For each major asset class that is included in the pension plan's target asset allocation as of June 30, 2024, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Broad Domestic Equity	39%	5.03%
International Equity	17%	6.34%
Real Estate	16%	4.51%
Private Equity	5%	9.00%
Hedge Funds	2%	3.63%
Domestic Fixed	21%	3.38%
Total	100%	
Total Real Rate of Return		5.00%
Plus: Price Inflation - Actuary's Assumption		2.50%
Less: Investment Expenses (Passive)		0.00%
Net Expected Return		7.50%

Single Discount Rate

A single discount rate of 7.00% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.00%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 7.00%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher:

Sensitivity of Net Pension Liability to the Single Discount Rate Assumption

	1% Decrease 6.00%	Current Single Discount Rate Assumption 7.00%	1% Increase 8.00%
Total Pension Liability	\$ 15,290,590,274	\$ 13,533,079,393	\$ 12,084,141,266
Plan Fiduciary Net Position	11,044,957,481	11,044,957,481	11,044,957,481
Net Pension Liability	\$ 4,245,632,793	\$ 2,488,121,912	\$ 1,039,183,785

Disclosure Regarding the Deferred Retirement Option Program

To be Provided by the System

Summary of Population Statistics

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	42,986
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	15,370
Active Plan Members	<u>43,405</u>
Total Plan Members	101,761

SECTION E

SUMMARY OF BENEFITS

Summary of Provisions Evaluated (Excludes Special Provisions for General Assembly)

The Old Contributory Plan is available to persons who became members of APERS before January 1, 1978. The Non-Contributory Plan applies to all persons first hired after January 1, 1978 and before July 1, 2005 in APERS-covered employment. The New Contributory Plan applies to all persons hired after July 1, 2005 in APERS-covered employment or Non-Contributory members who elected to participate in the New Contributory Plan.

New Contributory Plan

Non-Contributory Plan

Voluntary Retirement

With a full benefit, after either (a) age 65 with 5 years of service, or (b) 28 years of actual service, regardless of age. For sheriff and public safety members, the age 65 requirement is reduced 1 month for each 2 months of actual service, but not below age 55 (age 52 for sheriff members with a minimum of 10 years of actual service).

With a reduced benefit, after age 55 with 5 years of service or any age with 25 years of service. The reduction is equal to $\frac{1}{2}$ of 1% for each month retirement proceeds normal retirement age or 1% for each month below 28 years of actual service, whichever is less.

With a full benefit, after either (a) age 65 with 5 years of service, or (b) 28 years of actual service, regardless of age. For sheriff and public safety members, the age 65 requirement is reduced 1 month for each 2 months of actual service, but not below age 55 (age 52 for sheriff members with a minimum of 10 years of actual service).

With a reduced benefit, after age 55 with 5 years of service or any age with 25 years of service. The reduction is equal to $\frac{1}{2}$ of 1% for each month retirement proceeds normal retirement age or 1% for each month below 28 years of actual service, whichever is less.

Final Average Compensation (FAC)

Average of highest 36 calendar months of covered compensation (60 months for members hired on or after July 1, 2022).

Average of highest 36 calendar months of covered compensation.

Full Age & Service Retirement Benefit

2.00% of FAC times years of service (2.03% for service prior to July 1, 2007), plus .5% of FAC times years of service over 28 years for service after July 1, 2009. The minimum monthly benefit is \$150 minus any age and beneficiary option reductions.

1.72% of FAC times years and months of credited service (1.75% for service prior to July 1, 2007), plus .5% of FAC times years of service over 28 years for service after July 1, 2009. If retirement is prior to age 62, an additional .33% of FAC times years of service will be paid until age 62. The portion of the APERS benefit based on service before 1978 cannot be less than the amount provided by contributory provisions in effect at the time of retirement. The minimum monthly benefit is \$150 minus any age and beneficiary option reductions.



Summary of Provisions Evaluated

New Contributory Plan

Non-Contributory Plan

Benefit Increases after Retirement

Annually, there will be a cost-of-living adjustment equal to 3% of the current benefit.

Annually, there will be a cost-of-living adjustment equal to 3% of the current benefit.

For members first hired on or after July 1, 2022, the redetermined amount is the monthly benefit payable as of the preceding July 1 increased by the lesser of three percent (3%), or the percentage change in the Consumer Price Index for Urban Wage Earnings and Clerical Workers (CPI-W) over the one-year period ending in the December preceding the redetermination date.

Member Contribution Rates

5% of covered compensation (pre-tax). Beginning July 1, 2022, the member contribution rate will increase in increments of 0.25% per year until it reaches that maximum 7%. Member contributions are refundable if APERS-covered employment terminates before a monthly benefit is payable. Members will earn interest on the contributions at a rate of 4% annually.

No employee contributions for service after January 1, 1978. If there is service before January 1, 1978, contributions for that period are refundable later in the same manner as under the Contributory Plan.

Vested Retirement Benefits

5 years of service, and leaving APERS-covered employment before full retirement age. Deferred full retirement benefit, based on service and pay at termination, begins at age 65. A death benefit is payable to surviving spouse of member who dies before benefit commencement.

5 years of service and leaving APERS-covered employment before full retirement age. Deferred full retirement benefit, based on service and pay at termination, begins at age 65. A death benefit is payable to surviving spouse of member who dies before benefit commencement.

In place of deferred full benefit, at age 55 or older, a qualifying member can elect an immediate reduced benefit.

In place of deferred full benefit, at age 55 or older, a qualifying member can elect an immediate reduced benefit.

Total and Permanent Disability

Disabled after 5 years of service, including credit for 18 of the 24 months preceding disability.

Disabled after 5 years of service, including credit for 18 of the 24 months preceding disability.

Amount is computed as an age & service benefit, based on service and pay at disability.

Amount is computed as an age & service benefit, based on service and compensation at disability.



Summary of Provisions Evaluated

New Contributory Plan

Non-Contributory Plan

Death after Retirement

If death occurs before total monthly benefit payments equal member's accumulated contributions, the difference is refunded.

Member contributions before 1978 are protected in the same manner as under the Contributory Plan.

A retiring member can also elect an optional form of benefit, which provides beneficiary protection paid for by reducing the retired member's benefit amount. Should the member elect a straight life benefit and decease within 12 months of the date of retirement, a benefit may be payable to the surviving spouse under certain conditions.

A retiring member can also elect an optional form of benefit, which provides beneficiary protection paid for by reducing the retired member's benefit amount. Should the member elect a straight life benefit and decease within 12 months of the date of retirement, a benefit may be payable to the surviving spouse under certain conditions.

Death While in APERS-Covered Employment

Member's accumulated contributions are refundable.

Member's accumulated contributions before 1978 are refundable.

If the member had 5 years of service, monthly benefits are payable instead. Surviving spouse receives a benefit computed as if member had retired and elected the Joint & 75% Survivor Option. Payment begins immediately.

If the member had 5 years of service, monthly benefits are payable instead. Surviving spouse receives a benefit computed as if member had retired and elected the Joint & 75% Survivor Option. Payment begins immediately.

Each dependent child receives benefit of 10% of compensation (maximum of 25% for all children).

Each dependent child receives benefit of 10% of compensation (maximum of 25% for all children).

Dependent parents benefits are payable if neither spouse nor children's benefits are payable.

Dependent parents benefits are payable if neither spouse nor children's benefits are payable.

Summary of Provisions Evaluated Credited Service

Membership Group	Service Credits
Public Safety Members (including State Capitol Police and Wildlife Sub-Division members) hired before July 1, 1997	1-1/2 times regular rate with 5 years actual service required to meet benefit eligibility rules.
Governor (hired before July 1, 1999)	3 times regular rate with 5 years actual service required to meet death-in-service eligibility and 4 years actual service required for other benefit eligibility.
Elected State Constitutional Officers (hired before July 1, 1999)	2-1/2 times regular rate with 5 years actual service required to meet benefit eligibility.
General Assembly	Regular crediting rate with 5 years of actual service required to meet death-in-service eligibility and 10 years of actual service required for other benefit eligibility.
Other Elected Public Officials (municipal and county officials)	2 times regular rate with 5 years actual service required to meet benefit eligibility.
All Other Members	Regular rate.

Arkansas Public Employees Deferred Retirement Option Plan

Members with 28 years of actual service in APERS or in combination with a reciprocal system are eligible to participate.

Members, for a maximum of 10 years, may continue employment and have 75% of their accrued benefit (at date of participation with 30 or more years of service) paid into the Deferred Retirement Option Plan in lieu of any further benefit accruals.

The payments into the Deferred Retirement Option Plan accumulate with interest at a rate established by the Board. The interest is paid on the mean balance and is paid to the member at termination of active membership in either a lump sum or as an annuity.

Employer contributions continue for members participating in the DROP.



Summary of Provisions Evaluated of Provisions Evaluated General Assembly Division

Voluntary Retirement Eligibility

Age 65 with 10 or more years of credited service, 28 years of actual service regardless of age, or age 55 with 12 or more years of actual service, 10 of which must be as a member of the General Assembly. In addition, a member of the General Assembly who was a member of the General Assembly on July 1, 1979, or holding any other Arkansas elective office on July 1, 1979, is eligible to retire with 17.5 years of actual service regardless of age.

Vesting

Termination of employment prior to normal retirement age after completing 10 or more years of credited service.

Retirement Benefit

\$35.00 per month times years of General Assembly service. The amount is \$40.00 per month per year of service for any member who served as Speaker of the House of Representatives or President Pro Tempore of the Senate.

Disability

Eligibility: 10 years of credited service.

Amount: Accrued retirement benefit.

Death-in-Service

Eligibility: 5 years of service.

Amount - Less than 10 years in General Assembly: Same as for regular members.

Amount - 10 or more years in General Assembly: 100% of the benefit the member would have been entitled to had he or she been at retirement age payable to an eligible surviving spouse.

Death-after-Retirement

100% of the benefit the member was receiving payable to an eligible surviving spouse.

Participation

A member of the General Assembly may, at any time, elect either (i) to be covered by regular benefit provisions, or (ii) to discontinue an APERS membership.



District Judges

Summary of Provisions Evaluated

Voluntary Retirement	With a full benefit, after either (a) age 50 with 20 years of eligibility service, (b) age 60 with 16 years of eligibility service, or (c) age 65 with 8 years of eligibility service.
Final Average Compensation (FAC)	Average of the final three calendar years of employment.
Benefit Service	Service performed on or after January 1, 2005.
Eligibility Service	Benefit service plus service in Old Local District Judges Plan.
Full Age and Service Retirement Benefit	2.50% of FAC times actual service.
Benefit Increases after Retirement	Annually, there will be a cost-of-living adjustment equal to 3% of the current benefit.
Member Contribution Rates	Active members contribute 5% of their salaries. If a member leaves service before becoming eligible to retire, accumulated contributions may be refunded.
Vested Retirement Benefits	8 years of eligibility service. Deferred full retirement benefit, based on benefit service and pay at termination, begins when member would have been eligible for voluntary retirement.
Total and Permanent Disability	An active member with 3 or more consecutive years of eligibility service who becomes totally and permanently disabled may be retired and receive a disability annuity computed in the same manner as an age and service annuity.
Death after Retirement	If the member was eligible for normal retirement at the time of death, an eligible beneficiary will begin receiving a 50% joint and survivor pension computed in the same manner as a service retirement pension as if the member had retired the last day of his life.

SECTION F

ACTUARIAL COST METHOD AND ACTUARIAL ASSUMPTIONS

Summary of Assumptions Used for APERS Actuarial Valuations Assumptions Adopted by Board of Trustees after Consulting with Actuary

In accordance with Section 24-4-105 of the Arkansas Code, the Board of Trustees adopts the actuarial assumptions used for actuarial valuation purposes.

The actuarial assumptions used in the valuation are shown in this section. Assumptions were established based upon an Experience Study covering the period July 1, 2017 through June 30, 2022 (please see our report dated May 10, 2023). The actuarial assumptions represent estimates of future experience.

Economic Assumptions

The investment return rate used in making the valuation was 7.00% per year, compounded annually (net after investment expenses). This rate of return is not the assumed real rate of return. The real rate of return is the portion of investment return which is more than the wage inflation rate. Considering the assumed wage inflation rate of 3.25%, the 7.00% investment return rate translates to an assumed net real rate of return of 3.75%. The wage inflation assumption was first used for the June 30, 2015 valuation, including also the District Judges division. The investment return assumption was first used for the June 30, 2023 valuation, including also the District Judges division.

Pay increase assumptions for individual active members are shown on pages 33 and 34. Part of the assumption for each age is for a merit and/or seniority increase, and the other 3.25% recognizes wage inflation. The wage inflation assumption consists of 2.50% for price inflation and 0.75% for real wage growth. These assumptions were first used for the June 30, 2023 valuation and for the District Judges division for the June 30, 2015 valuation.

Total active member payroll is assumed to increase 3.25% a year, which is the portion of the individual pay increase assumptions attributable to wage inflation. This assumption was first used for the June 30, 2015 valuation and for the District Judges division for the June 30, 2015 valuation.

The number of active members is assumed to continue at the present number.

Non-Economic Assumptions

The **healthy retiree mortality tables**, for post-retirement mortality, used in evaluating allowances to be paid were 114% and 132% of the PubG-2010 Amount-Weighted Below-Median Income General Retiree Mortality tables males and females, respectively. The **disabled retiree mortality tables**, for post-retirement disabled mortality, used in evaluating allowances to be paid were 114% and 132% of the PubNS-2010 Amount-Weighted Disabled Retiree Mortality tables for males and females, respectively. The **pre-retirement mortality tables** used were 75% of the PubG-2010 Amount-Weighted Below-Median General Employee Mortality tables for active mortality experience. Mortality rates for a particular calendar year are determined by applying the MP-2021 mortality improvement scale to the above described tables. Related values are shown on pages 29 (post-retirement) and 33 (pre-retirement). These assumptions were first used for the June 30, 2023 valuation.



Non-Economic Assumptions (Concluded)

The probabilities of retirement for members eligible to retire are shown on pages 30 through 32. These probabilities were first used for the June 30, 2023 valuation and for the June 30, 2007 valuation for the District Judges division.

The probabilities of withdrawal from service, death-in-service and disability are shown for sample ages on pages 33 and 34. These probabilities were first used for the June 30, 2023 valuation and for the District Judges division for the June 30, 2018 valuation.

The individual entry-age normal actuarial cost method of the valuation was used in determining liabilities and normal cost.

Differences in the past between assumed experience and actual experience (actuarial gains and losses) become part of actuarial accrued liabilities.

For APERS, unfunded actuarial accrued liabilities are amortized to produce contribution amounts (principal and interest) which are level percent-of-payroll contributions. Beginning with the 2023 annual actuarial valuation, the amortization period will remain closed and the remaining UAAL will be amortized over a 17-year closed period. Changes in the UAAL due to the actuarial gains or losses for each annual actuarial valuation or from changes to the actuarial assumptions will be amortized over a new closed 20-year period on an annual basis. Changes in the UAAL due to changes in benefit provisions that would result in an increase in the employer contribution rate shall be amortized over a closed 15-year period for active members and a closed 5-year period for non-active members (i.e., retired members and deferred members). Changes in the UAAL due to changes in benefit provisions that would result in a decrease in the employer contribution rate shall be amortized over a closed 30-year period for active members and a closed 15-year period for non-active members (i.e., retired members and deferred members). The maximum amortization period to finance the total UAAL shall not exceed 30 years.

For the District Judges division, unfunded actuarial accrued liabilities are amortized as a level dollar contribution. Beginning with the 2023 annual actuarial valuation, the amortization period is a closed 4-year period for the New Plan and Paid-Off Old Plan and a closed 12-year period for the Still Paying Old Plan.

Recognizing the special circumstances of the General Assembly division, modifications of the above assumptions were made where appropriate.

Present assets (cash & investments) were valued on a market related basis in which differences between actual and assumed returns are phased-in over a four-year period (including District Judges New Plan and Paid Off Old Plan). The funding value of assets may not deviate from the market value of assets by more than 25%. District Judges Still Paying Old Plan present assets (cash & investments) were valued on a market value basis.

The data about persons now covered and about present assets were furnished by the System's administrative staff. Although examined for general reasonableness, the data was not audited by the Actuary.

The actuarial valuation computations were made by or under the supervision of a Member of the American Academy of Actuaries (MAAA).



**Single Life Retirement Values
Based on the PubG-2010
Amount-Weighted Below-Median Income
General Retiree Mortality Tables
and 7.00% Interest
June 30, 2024**

Sample Attained Ages	Present Value of \$1.00 Monthly for Life		Present Value of \$1.00 Monthly for Life Increasing 3% Annually		Future Life Expectancy (Years) 2024 *	
	Men	Women	Men	Women	Men	Women
40	\$ 159.19	\$ 163.98	\$ 235.24	\$ 246.82	41.24	45.07
45	152.55	158.74	219.62	233.07	36.00	39.77
50	144.88	152.43	202.95	217.86	31.13	34.73
55	137.67	146.15	187.24	202.74	26.86	30.16
60	128.78	137.88	169.55	185.02	22.74	25.65
65	117.60	126.85	149.47	164.14	18.74	21.20
70	103.42	112.60	126.70	140.19	14.87	16.88
75	87.20	95.69	102.94	114.52	11.35	12.89
80	69.86	76.99	79.60	88.65	8.28	9.37
85	53.37	58.27	58.93	64.75	5.84	6.47

Sample Attained Ages	Benefit Increasing 3.0% Yearly	Portion of Age 60 Lives Still Alive *	
		Men	Women
60	\$100	100 %	100 %
65	116	93	96
70	134	85	91
75	155	73	82
80	180	57	69

* Applicable to calendar year 2024. Life expectancies and rates in future years are determined by the fully generational MP-2021 projection scale.

State and Local Government Division Age-Based Retirement June 30, 2024

Retirement Ages (with less than 28 years of service)	Percent of Eligible Active Members Retiring Within Next Year	
	Unreduced	Reduced
55		2.5 %
56		2.5
57		3.0
58		3.0
59		4.0
60		4.0
61		5.5
62		18.0
63		17.0
64		14.0
65	22.0 %	
66	25.0	
67	23.0	
68	18.0	
69	18.0	
70	18.0	
71	18.0	
72	18.0	
73	18.0	
74-84	20.0	
85 & Over	100.0	

A member was assumed eligible for unreduced retirement after attaining age 65 with 5 years of service or 28 years regardless of age. A member was assumed eligible for reduced retirement after attaining age 55 with 10 or more years of service.

**State and Local Government Division
Service-Based Retirement
June 30, 2024**

Service	Percent of Eligible Active Members Retiring Within Next Year
28	15 %
29	17
30	15
31	15
32	15
33	15
34	15
35	20
36	22
37	22
38	22
39	25
40	25
41	25
42 & Over	100

District Judges Division Age-Based Retirement June 30, 2024

Retirement Ages	Percent of Eligible Active Members Retiring Within Next Year
50	10 %
51	10
52	10
53	10
54	10
55	12
56	12
57	14
58	14
59	14
60	18
61	18
62-73	30
74 & Over	100

Members may retire at age 50 with 20 or more years of service, age 60 with 16 or more years of service, or age 65 with 8 or more years of service.

State and Local Government Division Separations from Active Employment before Service Retirement June 30, 2024

Sample Ages	Years of Service	Percent of Active Members Separating within the Next Year						Pay Increase Assumptions for an Individual Employee		
		Withdrawal		Death *		Disability		Merit & Seniority	Base (Economy)	Increase Next Year
		Men	Women	Men	Women	Men	Women			
	0	40.0 %	40.0 %							
	1	25.0	25.0							
	2	20.0	20.0							
	3	15.0	15.0							
	4	12.0	12.0							
20	5+	12.5	12.5	0.03 %	0.01 %	0.01 %	0.01 %	7.75 %	3.25 %	11.00 %
25		12.5	12.5	0.04	0.01	0.04	0.04	6.10	3.25	9.35
30		11.0	11.0	0.06	0.02	0.07	0.07	3.98	3.25	7.23
35		7.8	7.8	0.08	0.03	0.09	0.09	2.82	3.25	6.07
40		5.5	5.5	0.10	0.04	0.13	0.13	2.20	3.25	5.45
45		4.3	4.3	0.12	0.05	0.17	0.17	1.70	3.25	4.95
50		3.4	3.4	0.15	0.07	0.34	0.34	1.29	3.25	4.54
55		2.4	2.4	0.23	0.11	0.60	0.60	1.06	3.25	4.31
60		1.5	1.5	0.35	0.18	0.85	0.85	0.70	3.25	3.95

* Applicable to calendar year 2024. Rates in future years are determined by the above rates and the MP-2021 projection scale.

Pay increase rates are age based only, and not service based.



District Judges

Separations from Active Employment before Service Retirement June 30, 2024

Sample Ages	Percent of Active Members Separating within the Next Year				Pay Increase Assumptions For An Individual Employee		
	Withdrawal		Disability		Merit & Seniority	Base (Economy)	Increase Next Year
	Men	Women	Men	Women			
20	2.0 %	2.0 %	0.08 %	0.08 %	2.70 %	3.25 %	5.95 %
25	2.0	2.0	0.08	0.08	2.60	3.25	5.85
30	2.0	2.0	0.08	0.08	2.20	3.25	5.45
35	2.0	2.0	0.08	0.08	1.90	3.25	5.15
40	2.0	2.0	0.20	0.20	1.40	3.25	4.65
45	2.0	2.0	0.27	0.27	1.20	3.25	4.45
50	2.0	2.0	0.49	0.49	0.70	3.25	3.95
55	2.0	2.0	0.89	0.89	0.70	3.25	3.95
60	2.0	2.0	1.41	1.41	0.00	3.25	3.25

Summary of Assumptions Used

June 30, 2024

Miscellaneous and Technical Assumptions

Marriage Assumption. 80% of males and 80% of females are assumed to be married for purposes of death-in-service benefits. District Judges division - 100% of males and 100% of females are assumed to be married for purposes of death-in-service benefits. 80% of males and 80% of females are assumed to be married for purposes of death-after-retirement benefits for active member valuation purposes.

Pay Increase Timing. Beginning of (Fiscal) year. This is equivalent to assuming that reported pays represent amounts paid to members during the year ended on the valuation date.

Decrement Timing. Decrements of all types are assumed to occur mid-year.

Other Liability Adjustments. Active member non-refund normal costs and actuarial accrued liabilities were increased by 1.5% to reflect non-reported reciprocal service. Also, a 0.2% load to the normal cost and actuarial accrued liabilities is being used to account for survivor benefits payable if a retiree dies within the first year of retirement. Actuarial accrued liabilities were also increased by \$130 million to account for revisions to the data submitted and by \$87.2 million for pending refunds.

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.

Benefit Service. Exact fractional service is used to determine the amount of benefit payable.

Decrement Relativity. Decrement rates are used directly from the experience study, without adjustment for multiple decrement table effects.

Normal Form of Benefit. The assumed normal form of benefit is the straight life form.

District Judges Division Old Plan Deferred Members. For members that are eligible for a deferred benefit in the Old Plan and are currently active in the New Plan, it is assumed that the deferred benefit will commence at the first age at which the member is eligible to receive the benefit.

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. New entrant normal cost contributions are applied to the funding of new entrant benefits.

DROP Duration. Members participating in the DROP are not allowed to participate in the DROP for more than 10 years.

DROP Participation. It was assumed that members will participate in the forward DROP to the extent that participating in the forward DROP would provide the highest value of benefits.

Summary of Assumptions Used

June 30, 2024

Miscellaneous and Technical Assumptions (Concluded)

DROP Interest Credit. The current interest rate credit for DROP accounts is assumed to be 3.0%.

Payroll for DROP Participants and Retired Members Returned to Work. Employers contribute on the pays of DROP participants and retired members returned to work. For the June 30, 2024 valuation the reported payroll for these members was approximately \$102 million.

Pre-Retirement Mortality. The weighting of duty and ordinary deaths-in-service is 0%/100%.

Administrative Expenses. The normal cost was increased by 0.40% of payroll to fund administrative expenses.

Data Adjustments. Payroll for active participants reported with \$0 payroll was assumed to be equal to the average payroll of post 2022 active participants which is \$38,000. Payroll for new hires with less than one year of service and reported payroll of \$0 was assumed to be \$24,000. We assumed a minimum payroll of \$12,000 for all active members.

SECTION G

CALCULATION OF THE SINGLE DISCOUNT RATE

Calculation of the Single Discount Rate

GASB Statement No. 67 includes a specific requirement for the discount rate that is used for the purpose of the measurement of the Total Pension Liability. This rate considers the ability of the fund to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses and investment returns are projected into the future. The Plan Net Position (assets) in future years can then be determined and compared to its obligation to make benefit payments in those years. As long as assets are projected to be on hand in a future year, the assumed valuation discount rate is used. In years where assets are not projected to be sufficient to meet benefit payments, the use of a “risk-free” rate is required, as described in the following paragraph.

The *Single Discount Rate* (SDR) is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods. The SDR reflects: (1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits); and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 3.97% and the resulting SDR is 7.00%.

The tables in this section provide background for the development of the SDR.

The **Projection of Contributions** table shows the development of expected contributions in future years. Normal Cost contributions for future hires are not included (nor are their liabilities).

The **Projection of Plan Fiduciary Net Position** table shows the development of expected asset levels in future years.

The **Present Values of Projected Benefit Payments** table shows the development of the SDR. It breaks down the benefit payments into present values for funded and unfunded portions and shows the equivalent total at the SDR.

Single Discount Rate Development Projection of Contributions

Year	Payroll for Current Employees	Contributions from Current Employees	Normal Cost Contributions	Expense Contributions	UAL Contributions	Total Contributions
1	\$ 2,181,078,417	\$ 104,404,716	\$ 158,347,722	\$ 8,724,314	\$ 178,211,335	\$ 449,688,087
2	2,006,002,356	100,512,008	141,631,804	8,024,009	191,204,181	441,372,003
3	1,885,723,636	99,121,894	128,838,093	7,542,895	175,342,879	410,845,761
4	1,789,577,683	98,778,305	117,881,233	7,158,311	215,325,512	439,143,360
5	1,705,872,808	98,905,999	107,925,788	6,823,491	212,581,285	426,236,564
6	1,628,202,801	99,118,019	98,563,601	6,512,811	211,331,583	415,526,015
7	1,553,903,300	95,774,556	93,092,088	6,215,613	218,447,009	413,529,266
8	1,481,298,358	92,454,174	87,727,482	5,925,193	225,529,599	411,636,448
9	1,409,506,865	89,121,802	82,434,926	5,638,027	232,842,373	410,037,128
10	1,338,492,307	85,696,284	77,267,243	5,353,969	240,392,813	408,710,309
11	1,269,919,294	82,190,973	72,400,165	5,079,677	248,188,641	407,859,455
12	1,204,458,740	78,670,662	67,868,676	4,817,835	255,716,666	407,073,840
13	1,140,988,049	75,149,202	63,556,254	4,563,952	264,027,458	407,296,866
14	1,079,276,752	71,665,225	59,427,177	4,317,107	272,608,351	408,017,859
15	1,019,048,517	68,213,276	55,452,592	4,076,194	281,468,122	409,210,184
16	959,961,714	64,773,622	51,610,130	3,839,847	290,615,836	410,839,435
17	902,360,087	61,331,963	47,948,874	3,609,440	300,060,851	412,951,128
18	845,718,187	57,847,426	44,434,743	3,382,873	309,812,828	415,477,869
19	789,620,050	54,312,741	41,039,733	3,158,480	20,615,662	119,126,615
20	734,376,948	50,756,625	37,760,783	2,937,508	21,285,671	112,740,587
21	679,894,178	47,180,542	34,598,622	2,719,577	21,977,455	106,476,197
22	626,150,237	43,602,913	31,529,581	2,504,601	(7,120,797)	70,516,298
23	573,340,631	40,047,200	28,566,635	2,293,363	33,626,323	104,533,521
24	521,710,378	36,495,913	25,735,297	2,086,842	34,719,178	99,037,231
25	471,058,930	32,955,594	23,019,967	1,884,236	(27,260,510)	30,599,286
26	420,444,095	29,414,827	20,334,039	1,681,776	(12,414,689)	39,015,952
27	369,562,824	25,854,644	17,692,539	1,478,251	-	45,025,434
28	319,067,501	22,321,582	15,174,022	1,276,270	-	38,771,874
29	271,838,424	19,017,380	12,878,388	1,087,354	-	32,983,122
30	230,614,671	16,133,387	10,873,889	922,459	-	27,929,736
31	194,548,404	13,610,084	9,115,831	778,194	-	23,504,109
32	162,401,239	11,360,966	7,550,806	649,605	-	19,561,377
33	133,704,665	9,353,279	6,154,510	534,819	-	16,042,609
34	107,945,476	7,551,114	4,911,270	431,782	-	12,894,166
35	84,787,708	5,931,037	3,813,286	339,151	-	10,083,474
36	64,815,432	4,534,005	2,879,976	259,262	-	7,673,242
37	48,440,821	3,388,564	2,119,136	193,763	-	5,701,463
38	35,230,811	2,464,402	1,509,994	140,923	-	4,115,320
39	24,464,991	1,711,242	1,018,265	97,860	-	2,827,367
40	15,324,396	1,071,804	604,626	61,298	-	1,737,729
41	7,863,837	549,909	283,196	31,455	-	864,560
42	2,330,085	162,869	80,864	9,320	-	253,053
43	-	-	-	-	-	-
44	-	-	-	-	-	-
45	-	-	-	-	-	-
46	-	-	-	-	-	-
47	-	-	-	-	-	-
48	-	-	-	-	-	-
49	-	-	-	-	-	-
50	-	-	-	-	-	-

Single Discount Rate Development

Projection of Plan Fiduciary Net Position

Year	Projected	Projected Total	Projected Benefit	Projected	Projected	Projected Ending
	Beginning Plan Net			Administrative	Investment	
	Position	Contributions	Payments	Expenses	Earnings at 7.00%	Plan Net Position
	(a)	(b)	(c)	(d)	(e)	(f)=(a)+(b)-(c)-(d)+(e)
1	\$ 11,044,957,481	\$ 449,688,087	\$ 986,128,976	\$ 8,724,314	\$ 754,388,956	\$ 11,254,181,234
2	11,254,181,234	441,372,003	783,453,606	8,024,009	775,746,237	11,679,821,859
3	11,679,821,859	410,845,761	809,683,785	7,542,895	803,604,758	12,077,045,698
4	12,077,045,698	439,143,360	835,583,264	7,158,311	831,506,174	12,504,953,657
5	12,504,953,657	426,236,564	867,742,666	6,823,491	859,920,612	12,916,544,675
6	12,916,544,675	415,526,015	895,480,920	6,512,811	887,419,725	13,317,496,685
7	13,317,496,685	413,529,266	925,420,117	6,215,613	914,397,738	13,713,787,958
8	13,713,787,958	411,636,448	956,998,808	5,925,193	940,996,431	14,103,496,837
9	14,103,496,837	410,037,128	988,218,645	5,638,027	967,156,690	14,486,833,983
10	14,486,833,983	408,710,309	1,018,021,936	5,353,969	992,928,938	14,865,097,325
11	14,865,097,325	407,859,455	1,043,454,597	5,079,677	1,018,512,446	15,242,953,952
12	15,242,934,952	407,073,840	1,071,670,173	4,817,835	1,043,972,215	15,617,492,999
13	15,617,492,999	407,296,866	1,103,450,620	4,563,952	1,069,114,185	15,985,889,477
14	15,985,889,477	408,017,859	1,134,142,753	4,317,107	1,093,879,183	16,349,326,659
15	16,349,326,659	409,210,184	1,164,551,537	4,076,194	1,118,322,794	16,708,231,907
16	16,708,231,907	410,839,435	1,191,860,896	3,839,847	1,142,570,692	17,065,941,291
17	17,065,941,291	412,951,128	1,216,116,159	3,609,440	1,166,856,359	17,426,023,179
18	17,426,023,179	415,477,869	1,241,067,753	3,382,873	1,191,298,292	17,788,348,715
19	17,788,348,715	119,126,615	1,264,977,374	3,158,480	1,205,649,250	17,844,988,726
20	17,844,988,726	112,740,587	1,286,832,448	2,937,508	1,208,649,933	17,876,609,291
21	17,876,609,291	106,476,197	1,309,055,740	2,719,577	1,209,890,666	17,881,200,838
22	17,881,200,838	70,516,298	1,330,930,136	2,504,601	1,208,229,506	17,826,511,905
23	17,826,511,905	104,533,521	1,352,083,133	2,293,363	1,204,851,182	17,781,520,112
24	17,781,520,112	99,037,231	1,373,276,771	2,086,842	1,200,790,514	17,705,984,244
25	17,705,984,244	30,599,286	1,392,135,441	1,884,236	1,192,506,269	17,535,070,122
26	17,535,070,122	39,015,952	1,410,727,624	1,681,776	1,180,199,127	17,341,875,802
27	17,341,875,802	45,025,434	1,427,768,399	1,478,251	1,166,302,963	17,123,957,549
28	17,123,957,549	38,771,874	1,444,794,266	1,276,270	1,150,254,635	16,866,913,522
29	16,866,913,522	32,983,122	1,461,100,672	1,087,354	1,131,507,802	16,569,216,420
30	16,569,216,420	27,929,736	1,471,311,188	922,459	1,110,149,478	16,235,061,986
31	16,235,061,986	23,504,109	1,478,880,000	778,194	1,086,350,926	15,865,258,828
32	15,865,258,828	19,561,377	1,480,946,560	649,605	1,060,262,362	15,463,486,401
33	15,463,486,401	16,042,609	1,478,768,391	534,819	1,032,096,114	15,032,321,914
34	15,032,321,914	12,894,166	1,472,206,227	431,782	1,002,035,605	14,574,613,675
35	14,574,613,675	10,083,474	1,461,564,401	339,151	970,268,669	14,093,062,265
36	14,093,062,265	7,673,242	1,443,646,633	259,262	937,096,403	13,593,926,017
37	13,593,926,017	5,701,463	1,424,367,071	193,763	902,754,647	13,077,821,293
38	13,077,821,293	4,115,320	1,398,763,666	140,923	867,455,521	12,550,487,544
39	12,550,487,544	2,827,367	1,374,109,119	97,860	831,347,639	12,010,455,572
40	12,010,455,572	1,737,729	1,346,394,290	61,298	794,462,780	11,460,200,493
41	11,460,200,493	864,560	1,311,637,710	31,455	757,111,813	10,906,507,702
42	10,906,507,702	253,053	1,273,441,560	9,320	719,647,293	10,352,957,168
43	10,352,957,168	-	1,224,155,785	-	682,586,197	9,811,387,580
44	9,811,387,580	-	1,187,061,410	-	645,952,670	9,270,278,839
45	9,270,278,839	-	1,148,126,769	-	609,414,723	8,731,566,794
46	8,731,566,794	-	1,107,239,894	-	573,111,717	8,197,438,617
47	8,197,438,617	-	1,064,303,706	-	537,200,095	7,670,335,007
48	7,670,335,007	-	1,019,688,445	-	501,837,966	7,152,484,528
49	7,152,484,528	-	973,901,183	-	467,163,883	6,645,747,229
50	6,645,747,229	-	927,284,289	-	433,296,268	6,151,759,207

First year's benefit payments include distribution of the DROP reserve.



Single Discount Rate Development

Present Values of Projected Benefits

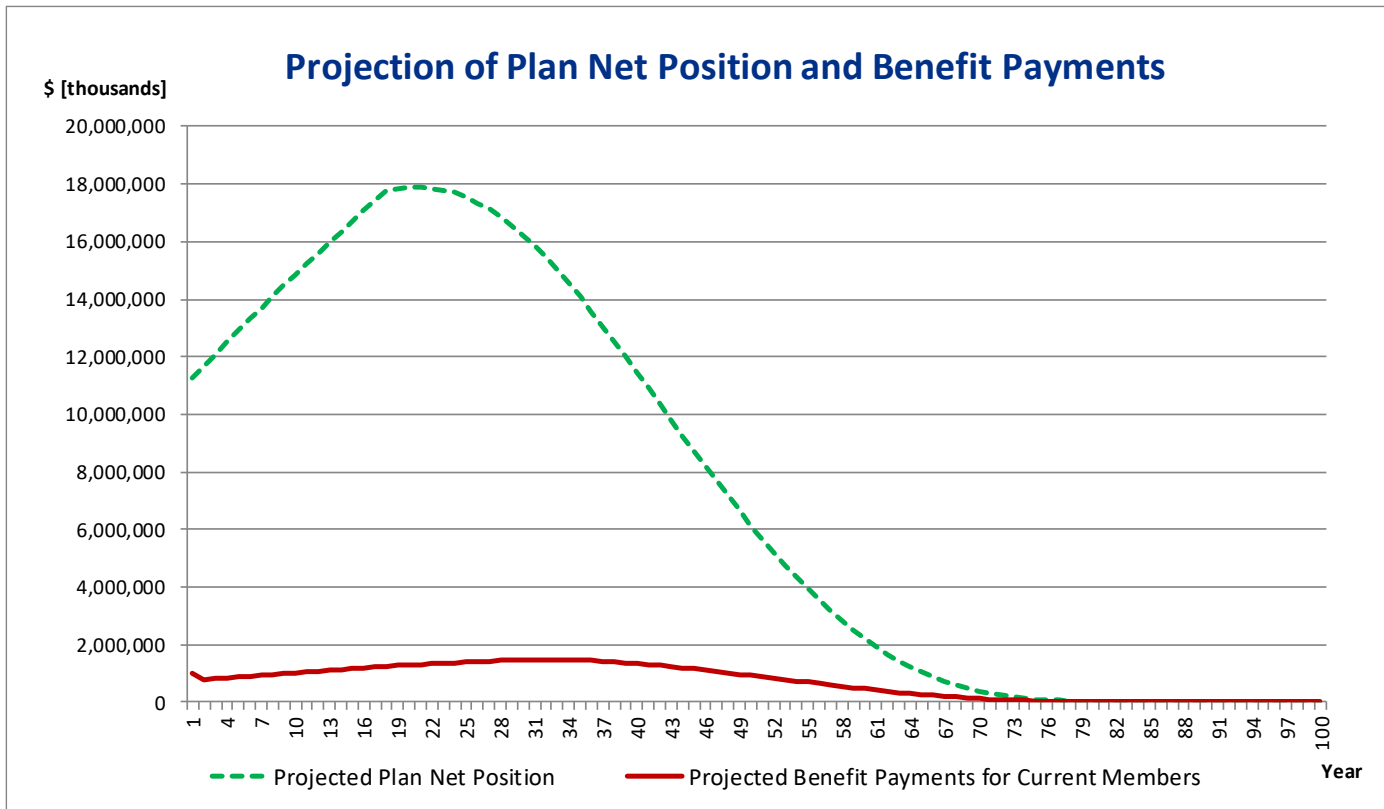
Year	Projected Beginning Plan Net Position	Projected Benefit Payments	Funded Portion of Benefit Payments	Unfunded Portion of Benefit Payments	Present Value of Funded Benefit Payments using Expected Return Rate (v)	Present Value of Unfunded Benefit Payments using Municipal Bond Rate (vf)	Present Value of Benefit Payments using Single Discount Rate (sdr)
(a)	(b)	(c)	(d)	(e)	(f)=(d)*v^(a)-.5	(g)=(e)*vf^(a)-.5	(h)=(c)/(1+sdr)^(a)-.5
1	\$ 11,044,957,481	\$ 986,128,976	\$ 986,128,976	\$ -	\$ 953,326,864	\$ -	\$ 953,326,864
2	11,254,181,234	783,453,606	783,453,606	-	707,844,101	-	707,844,101
3	11,679,821,859	809,683,785	809,683,785	-	683,684,915	-	683,684,915
4	12,077,045,698	835,583,264	835,583,264	-	659,396,308	-	659,396,308
5	12,504,953,657	867,742,666	867,742,666	-	639,976,390	-	639,976,390
6	12,916,544,675	895,480,920	895,480,920	-	617,227,915	-	617,227,915
7	13,317,496,685	925,420,117	925,420,117	-	596,134,671	-	596,134,671
8	13,713,787,958	956,998,808	956,998,808	-	576,146,680	-	576,146,680
9	14,103,496,837	988,218,645	988,218,645	-	556,020,666	-	556,020,666
10	14,486,833,983	1,018,021,936	1,018,021,936	-	535,317,262	-	535,317,262
11	14,865,097,325	1,043,454,597	1,043,454,597	-	512,795,129	-	512,795,129
12	15,242,934,952	1,071,670,173	1,071,670,173	-	492,206,903	-	492,206,903
13	15,617,492,999	1,103,450,620	1,103,450,620	-	473,647,972	-	473,647,972
14	15,985,889,477	1,134,142,753	1,134,142,753	-	454,974,151	-	454,974,151
15	16,349,326,659	1,164,551,537	1,164,551,537	-	436,610,259	-	436,610,259
16	16,708,231,907	1,191,860,896	1,191,860,896	-	417,615,892	-	417,615,892
17	17,065,941,291	1,216,116,159	1,216,116,159	-	398,238,027	-	398,238,027
18	17,426,023,179	1,241,067,753	1,241,067,753	-	379,821,358	-	379,821,358
19	17,788,348,715	1,264,977,374	1,264,977,374	-	361,811,920	-	361,811,920
20	17,844,988,726	1,286,832,448	1,286,832,448	-	343,984,076	-	343,984,076
21	17,876,609,291	1,309,055,740	1,309,055,740	-	327,032,336	-	327,032,336
22	17,881,200,838	1,330,930,136	1,330,930,136	-	310,744,921	-	310,744,921
23	17,826,511,905	1,352,083,133	1,352,083,133	-	295,031,507	-	295,031,507
24	17,781,520,112	1,373,276,771	1,373,276,771	-	280,052,400	-	280,052,400
25	17,705,984,244	1,392,135,441	1,392,135,441	-	265,325,467	-	265,325,467
26	17,535,070,122	1,410,727,624	1,410,727,624	-	251,279,373	-	251,279,373
27	17,341,875,802	1,427,768,399	1,427,768,399	-	237,677,273	-	237,677,273
28	17,123,957,549	1,444,794,266	1,444,794,266	-	224,777,131	-	224,777,131
29	16,866,913,522	1,461,100,672	1,461,100,672	-	212,443,025	-	212,443,025
30	16,569,216,420	1,471,311,188	1,471,311,188	-	199,932,362	-	199,932,362
31	16,235,061,986	1,478,880,000	1,478,880,000	-	187,813,894	-	187,813,894
32	15,865,258,828	1,480,946,560	1,480,946,560	-	175,772,282	-	175,772,282
33	15,463,486,401	1,478,768,391	1,478,768,391	-	164,031,548	-	164,031,548
34	15,032,321,914	1,472,206,227	1,472,206,227	-	152,620,228	-	152,620,228
35	14,574,613,675	1,461,564,401	1,461,564,401	-	141,604,686	-	141,604,686
36	14,093,062,265	1,443,646,633	1,443,646,633	-	130,718,421	-	130,718,421
37	13,593,926,017	1,424,367,071	1,424,367,071	-	120,535,241	-	120,535,241
38	13,077,821,293	1,398,763,666	1,398,763,666	-	110,624,846	-	110,624,846
39	12,550,487,544	1,374,109,119	1,374,109,119	-	101,565,399	-	101,565,399
40	12,010,455,572	1,346,394,290	1,346,394,290	-	93,006,445	-	93,006,445
41	11,460,200,493	1,311,637,710	1,311,637,710	-	84,678,060	-	84,678,060
42	10,906,507,702	1,273,441,560	1,273,441,560	-	76,833,788	-	76,833,788
43	10,352,957,168	1,224,155,785	1,224,155,785	-	69,028,135	-	69,028,135
44	9,811,387,580	1,187,061,410	1,187,061,410	-	62,557,424	-	62,557,424
45	9,270,278,839	1,148,126,769	1,148,126,769	-	56,547,282	-	56,547,282
46	8,731,566,794	1,107,239,894	1,107,239,894	-	50,965,917	-	50,965,917
47	8,197,438,617	1,064,303,706	1,064,303,706	-	45,784,651	-	45,784,651
48	7,670,335,007	1,019,688,445	1,019,688,445	-	40,995,677	-	40,995,677
49	7,152,484,528	973,901,183	973,901,183	-	36,593,308	-	36,593,308
50	6,645,747,229	927,284,289	927,284,289	-	32,562,362	-	32,562,362

Single Discount Rate Development

Present Values of Projected Benefits (Concluded)

Year	Projected Beginning Plan Net Position	Projected Benefit Payments	Funded Portion of Benefit Payments	Unfunded Portion of Benefit Payments	Present Value of Funded Benefit Payments using Expected Return Rate (v)	Present Value of Unfunded Benefit Payments using Municipal Bond Rate (vf)	Present Value of Benefit Payments using Single Discount Rate (sdr)
(a)	(b)	(c)	(d)	(e)	(f)=(d)*v ^{(a)-5}	(g)=(e)*vf ^{(a)-5}	(h)=(c)/(1+sdr) ^{(a)-5}
51	\$ 6,151,759,207	\$ 880,046,799	\$ 880,046,799	\$ -	\$ 28,881,849	\$ -	\$ 28,881,849
52	5,672,054,865	832,401,718	832,401,718	-	25,531,035	-	25,531,035
53	5,208,055,673	784,530,807	784,530,807	-	22,488,561	-	22,488,561
54	4,761,094,594	736,625,778	736,625,778	-	19,733,986	-	19,733,986
55	4,332,399,586	688,883,062	688,883,062	-	17,247,638	-	17,247,638
56	3,923,081,376	641,504,448	641,504,448	-	15,010,668	-	15,010,668
57	3,534,119,712	594,693,642	594,693,642	-	13,004,985	-	13,004,985
58	3,166,352,205	548,655,550	548,655,550	-	11,213,277	-	11,213,277
59	2,820,463,146	503,595,680	503,595,680	-	9,619,024	-	9,619,024
60	2,496,972,144	459,715,932	459,715,932	-	8,206,440	-	8,206,440
61	2,196,226,336	417,211,351	417,211,351	-	6,960,454	-	6,960,454
62	1,918,395,402	376,269,658	376,269,658	-	5,866,740	-	5,866,740
63	1,663,466,720	337,069,749	337,069,749	-	4,911,721	-	4,911,721
64	1,431,241,730	299,779,877	299,779,877	-	4,082,560	-	4,082,560
65	1,221,333,935	264,555,830	264,555,830	-	3,367,159	-	3,367,159
66	1,033,168,631	231,536,007	231,536,007	-	2,754,109	-	2,754,109
67	865,987,727	200,839,041	200,839,041	-	2,232,682	-	2,232,682
68	718,857,349	172,561,477	172,561,477	-	1,792,829	-	1,792,829
69	590,678,383	146,770,061	146,770,061	-	1,425,111	-	1,425,111
70	480,205,739	123,496,588	123,496,588	-	1,120,682	-	1,120,682
71	386,074,277	102,735,192	102,735,192	-	871,290	-	871,290
72	306,829,368	84,441,010	84,441,010	-	669,288	-	669,288
73	240,960,964	68,531,518	68,531,518	-	507,652	-	507,652
74	186,938,677	54,888,286	54,888,286	-	379,990	-	379,990
75	143,247,500	43,360,847	43,360,847	-	280,547	-	280,547
76	108,422,016	33,772,674	33,772,674	-	204,216	-	204,216
77	81,076,831	25,927,967	25,927,967	-	146,524	-	146,524
78	59,932,111	19,618,899	19,618,899	-	103,617	-	103,617
79	43,833,412	14,633,924	14,633,924	-	72,233	-	72,233
80	31,764,303	10,766,339	10,766,339	-	49,666	-	49,666
81	22,851,016	7,821,180	7,821,180	-	33,719	-	33,719
82	16,360,296	5,620,374	5,620,374	-	22,646	-	22,646
83	11,691,756	4,006,057	4,006,057	-	15,085	-	15,085
84	8,366,282	2,842,437	2,842,437	-	10,003	-	10,003
85	6,011,682	2,016,339	2,016,339	-	6,632	-	6,632
86	4,346,782	1,436,503	1,436,503	-	4,416	-	4,416
87	3,165,127	1,031,973	1,031,973	-	2,965	-	2,965
88	2,319,205	749,499	749,499	-	2,012	-	2,012
89	1,706,262	550,555	550,555	-	1,381	-	1,381
90	1,256,202	408,324	408,324	-	958	-	958
91	921,763	304,639	304,639	-	668	-	668
92	671,165	227,532	227,532	-	466	-	466
93	482,786	169,293	169,293	-	324	-	324
94	341,463	124,899	124,899	-	223	-	223
95	236,168	91,000	91,000	-	152	-	152
96	158,569	65,268	65,268	-	102	-	102
97	102,155	45,954	45,954	-	67	-	67
98	61,770	31,685	31,685	-	43	-	43
99	33,319	21,348	21,348	-	27	-	27
100	13,568	14,035	14,035	-	17	-	17
Totals					\$ 15,544,755,288	\$ -	\$ 15,544,755,288





SECTION H

GLOSSARY OF TERMS

Glossary of Terms

<i>Accrued Service</i>	Service credited under the system which was rendered before the date of the actuarial valuation.
<i>Actuarial Accrued Liability (AAL)</i>	The AAL is the difference between the actuarial present value of all benefits and the actuarial value of future normal costs. The definition comes from the fundamental equation of funding which states that the present value of all benefits is the sum of the Actuarial Accrued Liability and the present value of future normal costs. The AAL may also be referred to as "accrued liability" or "actuarial liability."
<i>Actuarial Assumptions</i>	These assumptions are estimates of future experience with respect to rates of mortality, disability, turnover, retirement, rate or rates of investment income and compensation increases. Actuarial assumptions are generally based on past experience, often modified for projected changes in conditions. Economic assumptions (compensation increases, payroll growth, inflation and investment return) consist of an underlying real rate of return plus an assumption for a long-term average rate of inflation.
<i>Actuarial Cost Method</i>	A mathematical budgeting procedure for allocating the dollar amount of the actuarial present value of the pension trust benefits between future normal cost and actuarial accrued liability. The actuarial cost method may also be referred to as the actuarial funding method.
<i>Actuarial Equivalent</i>	A single amount or series of amounts of equal actuarial value to another single amount or series of amounts, computed on the basis of appropriate actuarial assumptions.
<i>Actuarial Gain (Loss)</i>	The difference in liabilities between actual experience and expected experience during the period between two actuarial valuations is the gain (loss) on the accrued liabilities.
<i>Actuarial Present Value (APV)</i>	The amount of funds currently required to provide a payment or series of payments in the future. The present value is determined by discounting future payments at predetermined rates of interest and probabilities of payment.
<i>Actuarial Valuation</i>	The actuarial valuation report determines, as of the actuarial valuation date, the service cost, total pension liability, and related actuarial present value of projected benefit payments for pensions.
<i>Actuarial Valuation Date</i>	The date as of which an actuarial valuation is performed.
<i>Actuarially Determined Contribution (ADC) or Annual Required Contribution (ARC)</i>	A calculated contribution into a defined benefit pension plan for the reporting period, most often determined based on the funding policy of the plan. Typically, the Actuarially Determined Contribution has a normal cost payment and an amortization payment.

Glossary of Terms

<i>Amortization Method</i>	The method used to determine the periodic amortization payment may be a level dollar amount, or a level percent of pay amount. The period will typically be expressed in years, and the method will either be “open” (meaning, reset each year) or “closed” (the number of years remaining will decline each year).
<i>Amortization Payment</i>	The amortization payment is the periodic payment required to pay off an interest-discounted amount with payments of interest and principal.
<i>Cost-of-Living Adjustments</i>	Postemployment benefit changes intended to adjust benefit payments for the effects of inflation.
<i>Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (cost-sharing pension plan)</i>	A multiple-employer defined benefit pension plan in which the pension obligations to the employees of more than one employer are pooled and pension plan assets can be used to pay the benefits of the employees of any employer that provides pensions through the pension plan.
<i>Covered-Employee Payroll</i>	The payroll of covered employees, which is typically only the pensionable pay and does not include pay above any pay cap.
<i>Deferred Inflows and Outflows</i>	The deferred inflows and outflows of pension resources are amounts used under GASB Statement No. 68 in developing the annual pension expense. Deferred inflows and outflows arise with differences between expected and actual experiences; changes of assumptions. The portion of these amounts not included in pension expense should be included in the deferred inflows or outflows of resources.
<i>Deferred Retirement Option Program (DROP)</i>	A program that permits a plan member to elect a calculation of benefit payments based on service credits and salary, as applicable, as of the DROP entry date. The plan member continues to provide service to the employer and is paid for the service by the employer after the DROP entry date; however, the pensions that would have been paid to the plan member are credited to an individual member account within the defined benefit pension plan until the end of the DROP period. Other variations for DROP exist and will be more fully detailed in the plan provision section of the valuation report.
<i>Discount Rate</i>	For GASB purposes, the discount rate is the single rate of return that results in the present value of all projected benefit payments to be equal to the sum of the funded and unfunded projected benefit payments, specifically: <ol style="list-style-type: none">1. The benefit payments to be made while the pension plan’s fiduciary net position is projected to be greater than the benefit payments that are projected to be made in the period; and2. The present value of the benefit payments not in (1) above, discounted using the municipal bond rate.

Glossary of Terms

<i>Entry Age Actuarial Cost Method (EAN)</i>	The EAN is a funding method for allocating the costs of the plan between the normal cost and the accrued liability. The actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis (either level dollar or level percent of pay) over the earnings or service of the individual between entry age and assumed exit age(s). The portion of the actuarial present value allocated to a valuation year is the normal cost. The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future normal costs is the actuarial accrued liability. The sum of the accrued liability plus the present value of all future normal costs is the present value of all benefits.
<i>Fiduciary Net Position</i>	The fiduciary net position is the value of the assets of the trust.
<i>GASB</i>	The Governmental Accounting Standards Board is an organization that exists in order to promulgate accounting standards for governmental entities.
<i>Long-Term Expected Rate of Return</i>	The long-term rate of return is the expected return to be earned over the entire trust portfolio based on the asset allocation of the portfolio.
<i>Money-Weighted Rate of Return</i>	The money-weighted rate of return is a method of calculating the returns that adjusts for the changing amounts actually invested. For purposes of GASB Statement No. 67, money-weighted rate of return is calculated as the internal rate of return on pension plan investments, net of pension plan investment expense.
<i>Multiple-Employer Defined Benefit Pension Plan</i>	A multiple-employer plan is a defined benefit pension plan that is used to provide pensions to the employees of more than one employer.
<i>Municipal Bond Rate</i>	The Municipal Bond Rate is the discount rate to be used for those benefit payments that occur after the assets of the trust have been depleted.
<i>Net Pension Liability (NPL)</i>	The NPL is the liability of employers and non-employer contribution entities to plan members for benefits provided through a defined benefit pension plan.
<i>Non-Employer Contribution Entities</i>	Non-employer contribution entities are entities that make contributions to a pension plan that is used to provide pensions to the employees of other entities. For purposes of the GASB Accounting statement plan members are not considered non-employer contribution entities.
<i>Normal Cost</i>	The actuarial present value of the pension trust benefits allocated to the current year by the actuarial cost method.

Glossary of Terms

<i>Other Postemployment Benefits (OPEB)</i>	All postemployment benefits other than retirement income (such as death benefits, life insurance, disability, and long-term care) that are provided separately from a pension plan, as well as postemployment healthcare benefits regardless of the manner in which they are provided. Other postemployment benefits do not include termination benefits.
<i>Real Rate of Return</i>	The real rate of return is the rate of return on an investment after adjustment to eliminate inflation.
<i>Service Cost</i>	The service cost is the portion of the actuarial present value of projected benefit payments that is attributed to a valuation year.
<i>Total Pension Expense</i>	The total pension expense is the sum of the following items that are recognized at the end of the employer's fiscal year: <ol style="list-style-type: none">1. Service Cost2. Interest on the Total Pension Liability3. Current-Period Benefit Changes4. Employee Contributions (made negative for addition here)5. Projected Earnings on Plan Investments (made negative for addition here)6. Pension Plan Administrative Expense7. Other Changes in Plan Fiduciary Net Position8. Recognition of Outflow (Inflow) of Resources due to Liabilities9. Recognition of Outflow (Inflow) of Resources due to Assets
<i>Total Pension Liability (TPL)</i>	The TPL is the portion of the actuarial present value of projected benefit payments that is attributed to past periods of member service.
<i>Unfunded Actuarial Accrued Liability (UAAL)</i>	The UAAL is the difference between actuarial accrued liability and valuation assets.
<i>Valuation Assets</i>	The valuation assets are the assets used in determining the unfunded liability of the plan. For purposes of the GASB Statement No. 67, the valuation asset is equal to the market value of assets.



October 31, 2024

Ms. Amy Fecher, Executive Director
Arkansas Public Employees Retirement System
One Union National Plaza
124 West Capitol, Suite 400
Little Rock, Arkansas 72201

Dear Ms. Fecher:

Please find the enclosed 25 copies of the June 30, 2024 GASB Statement Nos. 67 and 68 Accounting and Financial Reporting for Pensions report of the Arkansas Public Employees Retirement System (Including District Judges).

Sincerely,
Gabriel, Roeder, Smith & Company

A handwritten signature in black ink that reads "Mita Drazilov". The signature is written in a cursive, flowing style.

Mita D. Drazilov, ASA, FCA, MAAA

MDD:rmn
Enclosures