



August 26, 2025

Ms. Bethany Rhodes, Director
Ohio Retirement Study Council
Rhodes State Office Tower
30 East Broad Street, 2nd Floor
Columbus, OH 43215

Dear Ms. Rhodes:

In accordance with Ohio Revised Code Section 5505.12(A), I am attaching the actuarial valuation of the Highway Patrol Retirement System as of December 31, 2024.

If you have any questions, please contact me.

Sincerely,

A handwritten signature in blue ink that reads "Carl Roark". The signature is fluid and cursive.

Carl Roark, Ph.D.
Executive Director
direct dial 614.430.3557
c.roark@ohprs.org

cc: The Honorable Mike DeWine, Governor
The Ohio Retirement Study Council
Director Kimberly Murnieks, Office of Budget and Management
The Honorable Matt Huffman, Speaker of the House
The Honorable Rob McColley, Senate President
The Honorable Adam Bird, Chair, Ohio Retirement Study Council
The Honorable Bill Roemer, Chair, House Ways & Means
The Honorable Terry Johnson, Chair, Senate Armed Services, Veterans Affairs & Public Safety

OHIO STATE HIGHWAY PATROL RETIREMENT SYSTEM

ACTUARIAL VALUATION
AS OF DECEMBER 31, 2024



FOSTER & FOSTER
ACTUARIES AND CONSULTANTS



July 25, 2025

Board of Trustees
Ohio State Highway Patrol Retirement System
Columbus, Ohio

Dear Board:

We are pleased to present to the Board this report of the December 31, 2024 actuarial valuation of the Ohio State Highway Patrol Retirement System (OHPRS or the System).

The valuation was performed as of December 31, 2024 to determine the current funding status, funding period, the experience of the System over the past year, and provide information and trend data schedules for use in the Annual Financial Report. Use of the results for other purposes may not be applicable and produce significantly different results. Successive valuations will be performed every year.

This report does not include the related results for GASB Statements No. 67 and No. 68. Foster & Foster provided the disclosure information under Statements No. 67 and No. 68 in a separate report dated May 20, 2025. Foster & Foster prepares a separate valuation of OHPRS retiree health care benefits.

Data Sources

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

Experience

The experience of the System over the last year is outlined in this report. The System experienced an actuarial loss of \$25.6 million, which consists of a \$8.3 million loss on the Fund's actuarial value of assets and a \$17.3 million loss on the System's actuarial accrued liability. Based on the actuarial value of assets, the Fund earned 6.40% compared to the assumed 7.25% return. The primary source of the liability loss was due to an average salary increase of 11.7% which exceeded the 5.6% assumption. The loss was offset in part by the effect of favorable retirement experience.

Changes Since Prior Report

The valuation reflects no actuarial assumption or method changes since the prior report. At the December 2024 Board meeting, the Funding Policy was adopted to provide the Board with authority to consider granting an exceptional basis COLA. At the June 2025 Board meeting, the Board of Trustees approved a one-time COLA in calendar year 2026 of 2.7% and none in future years.

The impact of the above change increased the actuarial accrued liability by \$9.9 million as of December 31, 2024.

Contribution Amounts

As established by Ohio Revised Code Section 5505.15, the Statutory Employer and Employee contribution rates are set as follows:

| Annual Contributions to the Fund (as a % of Active Payroll) | | |
|---|------------------|------------------|
| Employer | Employee | Totals |
| 26.50% | 10.00% to 14.00% | 36.50% to 40.50% |

The funding objective of the Fund is to comply with the amortization requirement of Section 5505.121 of the Revised Code, which requires the retirement board to set a policy with a period of not more than thirty years to amortize the system's unfunded actuarial accrued pension liabilities. If the funding period exceeds 30 years, a plan shall be prepared and submitted by the Board of Trustees to the Ohio retirement study commission (ORSC) to reduce the funding period to not more than 30 years. With the enactment of Senate Bill 345, the Board has the discretion to set the member contribution rate and the Cost of Living Allowance (COLA) percentage to comply with the amortization requirement of Section 5505.121 of the Revised Code.

The results presented in this report are based upon the Board decision on its June 2025 board meeting. There will be no allocation to the Health Care Fund in 2025. The member contribution rate and the COLA increases schedule were assumed to be as follows:

| Calendar Year | COLA | Member Contribution Rate |
|---------------|-------|--------------------------|
| 2025 | 0.00% | 14.00% |
| 2026 | 2.70% | 14.00% |
| 2027+ | 0.00% | 14.00% |

The purpose of this report is to provide information on the results of the December 31, 2024 actuarial valuation based upon these decisions.

Based on the results of this valuation, the unfunded actuarial accrued liabilities of the pension program are expected to be amortized over a 19-year period, so no 30-year funding plan is required.

Schedules for Annual Financial Report

The report includes information and trend data schedules for use in the Annual Financial Report. The following information and exhibits are included in the body of the report and Supplementary Tables section:

- Present Value of Future Benefits
- Membership Note Data
- Participant Statistics
- History of Change in Unfunded Accrued Liability
- History of Annuitants and Survivors Added/Dropped from Rolls
- Summary of Annuitants and Survivors by Age
- Breakdown of Aggregate Accrued Liabilities
- Expected Development of Members contributing to the System

Actuarial Certification

The valuations have been conducted in accordance with generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board, and reflects laws and regulations issued to date pursuant to the provisions of Chapter 5505 of the Ohio Revised Code, as amended by Senate Bill No. 345, as well as applicable federal laws and regulations. The funding percentages and unfunded accrued liability as measured based on the actuarial value of assets will differ from similar measures based on the market value of assets. These measures, as provided, are appropriate for determining the adequacy of future contributions, but may not be appropriate for the purpose of settling a portion or all of its liabilities. Future actuarial measurements may differ significantly from the current measurements presented in this report for a variety of reasons including changes in applicable laws, changes in plan provisions, changes in assumptions, or plan experience differing from expectations. Due to the limited scope of the valuation, we did not perform an analysis of the potential range of such future measurements. Additionally, we used third-party software to model (calculate) the underlying liabilities and costs. These results are reviewed in the aggregate and for individual sample lives. The output from the software is either used directly or input into internally developed models that apply the funding and accounting rules to generate the results. All internally developed models are reviewed as part of the valuation process. As a result of this review, we believe that the models have produced reasonable results. We do not believe there are any material inconsistencies among assumptions or unreasonable output produced due to the aggregation of assumptions.

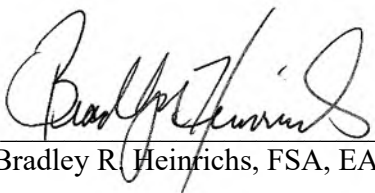
In our opinion, the following valuation results fairly present the financial condition of the Ohio State Highway Patrol Retirement System as of December 31, 2024.

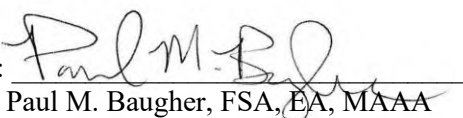
The undersigned is familiar with the immediate and long-term aspects of pension valuations and meets the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. All the sections of this report are considered an integral part of the actuarial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

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

We look forward to discussing the results with you.

Regards,

By: 
Bradley R. Heinrichs, FSA, EA, MAAA

By: 
Paul M. Baugher, FSA, EA, MAAA

Foster & Foster, Inc.

TABLE OF CONTENTS

| | |
|--|-----------|
| SUMMARY OF RESULTS | 1 |
| ACTUARIAL LIABILITY AND FUNDED RATIO | 2 |
| EMPLOYER’S NORMAL COST | 3 |
| UNFUNDED ACTUARIAL LIABILITY..... | 4 |
| ANALYSIS OF PLAN EXPERIENCE | 5 |
| CHANGE IN FUNDED RATIO | 6 |
| UNFUNDED ACTUARIAL ACCRUED LIABILITY FUNDING PERIOD | 7 |
| DEVELOPMENT OF ASSETS..... | 8 |
| PARTICIPANT DATA..... | 11 |
| ACTUARIAL ASSUMPTIONS AND METHODS | 19 |
| GLOSSARY | 23 |
| DISCUSSION OF RISK..... | 25 |
| PLAN PROVISIONS..... | 29 |
| SUPPLEMENTARY TABLES..... | 34 |

SUMMARY OF RESULTS

The table below contains a summary of key valuation results compared to the prior year values.

| | December 31, 2024 | December 31, 2023 |
|--|--------------------|--------------------|
| Membership Data | | |
| Active Members (Includes DROP members) | | |
| Number | 1,436 | 1,399 |
| Covered Payroll | \$ 132,922,513 | \$ 122,123,467 |
| Valuation Payroll | \$ 135,332,692 | \$ 126,389,220 |
| Retirees and Beneficiaries | | |
| Number | 1,910 | 1,887 |
| Annual Allowances | \$ 82,737,210 | \$ 81,370,307 |
| Vested Former Members | | |
| Number | 44 | 45 |
| Deferred Annual Allowances | \$ 1,768,416 | \$ 1,733,996 |
| Inactive Members eligible for Refunds only | | |
| Number | 769 | 592 |
| Contributions Refund Due | \$ 5,808,988 | \$ 3,209,210 |
| Funded Status | | |
| Total Actuarial Liability | \$ 1,355,840,930 | \$ 1,301,525,066 |
| Actuarial Value of Assets | <u>994,445,085</u> | <u>969,142,895</u> |
| Unfunded Actuarial Liability | \$ 361,395,845 | \$ 332,382,171 |
| Funded Ratio | 73.3% | 74.5% |
| Market Value of Assets | \$ 1,006,984,841 | \$ 952,865,676 |
| Unfunded Liability (MVA basis) | \$ 348,856,089 | \$ 348,659,390 |
| Funded Ratio (MVA basis) | 74.3% | 73.2% |
| Funding Period on AVA basis | 19 Years | 19 Years |
| Contribution Rates (as a Percentage of Payroll) | | |
| Applicable Fiscal Year | 2025 | 2024 |
| Statutory Contribution Rates: | | |
| Employer | 26.50% | 26.50% |
| Member | <u>14.00%</u> | <u>14.00%</u> |
| Totals | 40.50% | 40.50% |
| Allocation of Employer Contribution Rate: | | |
| Pension Contribution Rate: | | |
| Employer Normal Cost | 5.36% | 5.59% |
| Unfunded Actuarial Accrued Liabilities | <u>21.14%</u> | <u>20.91%</u> |
| Total Employer Pension Rate | 26.50% | 26.50% |
| Health Care Contribution Rate | <u>0.00%</u> | <u>0.00%</u> |
| Total Employer Contribution Rate | 26.50% | 26.50% |

ACTUARIAL LIABILITY AND FUNDED RATIO

Below are details regarding the actuarial liability and funded ratio as of December 31, 2024.

| | | | |
|----|------------------------------------|----|-------------------|
| 1. | Present Value of Future Benefits | | 1,544,250,917 |
| 2. | Active Members Actuarial Liability | | |
| | Retirement | \$ | 464,503,042 |
| | Termination | | 14,593,441 |
| | Death & Disability | | <u>7,650,648</u> |
| | Total | \$ | 486,747,131 |
| 3. | Members Receiving Benefits | | |
| | Retirement Annuities | \$ | 726,033,277 |
| | Disability Annuities | | 70,102,283 |
| | Survivor Annuities/Children | | <u>49,478,269</u> |
| | Total | \$ | 845,613,829 |
| 4. | Vested Former Members | \$ | 17,670,982 |
| 5. | Contributions Refund Due | \$ | 5,808,988 |
| 6. | Total Actuarial Liability | \$ | 1,355,840,930 |
| 7. | Actuarial Value of Assets | \$ | 994,445,085 |
| 8. | Unfunded Actuarial Liability | \$ | 361,395,845 |
| 9. | Funded Ratio | | 73.3% |

EMPLOYER'S NORMAL COST

Below is a summary of the employer's share of the normal cost for the year beginning January 1, 2025.

| Normal Cost | Normal Cost | Percent of Total Payroll |
|--|-----------------------|---|
| Retirement | \$ 17,666,133 | 13.05% |
| Termination | 2,806,663 | 2.07% |
| Death & Disability | 2,026,858 | 1.50% |
| Total Normal Cost as of beginning of year | <u>\$ 22,499,654</u> | <u>16.62%</u> |
| Total Normal Cost (with interest) | \$ 23,315,266 | 17.23% |
| Expected Member Contributions | \$ 18,946,577 | 14.00% |
| Employer's share of Normal Cost | \$ 4,368,689 | 3.23% |
| Expected Administrative Expenses (with interest) | \$ 1,867,949 | 1.38% |
| Purchase of Military Service | \$ 1,014,995 | 0.75% |
| Employer's share of Normal Cost, adjusted for expected administrative expenses and purchase of military service | \$ 7,251,633 | 5.36% |
| Unfunded Actuarial Accrued Liabilities Amortization Rate | | 21.14% |
| Pension Employer Contribution Rate | | 26.50% |
| Post-Retirement Health Care | \$ - | 0.00% |
| Total Employer Contribution Rate | | 26.50% |
| Valuation Payroll | <u>\$ 135,332,692</u> | |

UNFUNDED ACTUARIAL LIABILITY

| | | |
|--|----|-------------|
| 1. Unfunded Actuarial Accrued Liability (UAAL) as of December 31, 2023 | \$ | 332,382,171 |
| 2. Total Normal Cost, Developed as of December 31, 2023 | | 22,980,460 |
| 3. Expected Interest (7.25%) on 1. and 2. | | 25,763,791 |
| 4. Contributions | | 53,410,745 |
| 5. Expected Interest (7.25%, mid-year) on 4. | | 1,902,264 |
| 6. Expected UAAL as of December 31, 2024 (1)+(2)+(3)-(4)-(5) | | 325,813,413 |
| 7. Change in UAAL due to actuarial (gain)/loss, by component | | |
| Increase in UAAL due to investment return lower than assumed | | 8,284,341 |
| Increase in UAAL due to salary increases higher than assumed | | 15,547,684 |
| Increase in UAAL due to decrement experience | | 1,383,462 |
| Increase in UAAL due to inactive mortality experience | | 218,901 |
| Increase in UAAL due to other changes | | 213,028 |
| Net increase in UAAL due to actuarial experience | | 25,647,416 |
| 8. Change in UAAL due to assumption changes | | - |
| 9. Change in UAAL due to benefit changes | | 9,935,016 |
| 10. Unfunded Actuarial Accrued Liability as of December 31, 2024 | \$ | 361,395,845 |

ANALYSIS OF PLAN EXPERIENCE

Below is the detail analysis of Gains and Losses due to plan experience resulting in differences between Assumed and Actual Experience.

| Type of Activity | (Gain) or Loss for Year Ended 12/31 | |
|---|-------------------------------------|----------------|
| | 2024 | 2023 |
| Age & Service Retirements. If members retire at older ages or with lower final average pay than assumed, there is a gain. If younger ages or higher average pays, a loss. | (\$ 1,518,364) | (\$ 2,691,271) |
| Disability Retirements. If disability claims are less than assumed, there is a gain. If more claims, a loss. | 107,907 | 519,215 |
| Death-in-Service Benefits. If more liabilities are released by death-in-service claims than assumed, there is a gain. If smaller releases, a loss. | 449,273 | 306,107 |
| Withdrawal From Employment. If more liabilities are released by withdrawals than assumed, there is a gain. If smaller releases, a loss. | 2,344,646 | 949,084 |
| Salary Increases. If there are smaller pay increases than assumed, there is a gain. If greater increases, a loss. | 15,547,684 | 13,745,478 |
| Investment Return. If there is greater investment return on pension assets than assumed, there is a gain. If less return, a loss. | 8,284,341 | (3,542,558) |
| Inactive Mortality Experience. If more deaths occur than assumed, there is a gain. If fewer deaths than assumed, there is a loss. | 218,901 | 2,383,873 |
| Other Changes. Miscellaneous gains and losses resulting from data adjustments, timing of financial transactions, valuation methods, DROP account interest crediting, etc. | 213,028 | (251,430) |
| (Gain) or Loss During Year from Experience | \$ 25,647,416 | \$ 11,418,498 |
| Non-Recurring Items Effect of Assumption Changes/Method Changes/Benefit Changes | 9,935,016 | (1,753,022) |
| Composite (Gain) or Loss During Year | \$ 35,582,432 | \$ 9,665,476 |

CHANGE IN FUNDED RATIO

| | |
|--|-------------|
| 1. Funded ratio as of December 31, 2023 | 74.5% |
| 2. Expected funded ratio as of December 31, 2024 | 75.5% |
| 3. Change in funded ratio due to actuarial (gain)/loss, by component | |
| Decrease in funded ratio due to investment return lower than assumed | -0.6% |
| Decrease in funded ratio due to salary increases higher than assumed | -0.9% |
| Decrease in funded ratio due to decrement experience | -0.1% |
| Decrease in funded ratio due to inactive mortality experience | 0.0% |
| Decrease in funded ratio due to other changes | <u>0.0%</u> |
| Net decrease in funded ratio due to actuarial experience | -1.6% |
| 4. Change in UAAL due to assumption changes | 0.0% |
| 5. Change in UAAL due to the benefit changes | -0.6% |
| 6. Funded Ratio as of December 31, 2024 | 73.3% |

UNFUNDED ACTUARIAL ACCRUED LIABILITY

FUNDING PERIOD

Below is the schedule illustrating the Amortization of the Total Unfunded Actuarial Accrued Liability as of December 31, 2024.

| Year | Projected Unfunded Actuarial Accrued Liability at Beginning of the Year | Assumed Amortization Contribution Rate ¹ | Assumed Payroll 2.75% Growth Rate | Mid-Year Amortization Contribution Amount | Projected Unfunded Actuarial Accrued Liability at End of the Year |
|------|---|---|-----------------------------------|---|---|
| 1 | \$ 361,395,845 | 21.14% | \$ 135,332,692 | \$ 28,609,331 | \$ 357,968,770 |
| 2 | 357,968,770 | 21.16% | 139,054,341 | 29,423,899 | 353,449,652 |
| 3 | 353,449,652 | 21.15% | 142,878,335 | 30,218,768 | 347,779,719 |
| 4 | 347,779,719 | 21.13% | 146,807,489 | 31,020,422 | 340,868,511 |
| 5 | 340,868,511 | 21.12% | 150,844,695 | 31,858,400 | 332,588,417 |
| 6 | 332,588,417 | 21.15% | 154,992,924 | 32,781,003 | 322,752,554 |
| 7 | 322,752,554 | 21.20% | 159,255,229 | 33,762,109 | 311,187,542 |
| 8 | 311,187,542 | 21.23% | 163,634,748 | 34,739,657 | 297,771,703 |
| 9 | 297,771,703 | 21.26% | 168,134,704 | 35,745,438 | 282,341,613 |
| 10 | 282,341,613 | 21.30% | 172,758,408 | 36,797,541 | 264,703,267 |
| 11 | 264,703,267 | 21.35% | 177,509,264 | 37,898,228 | 244,646,252 |
| 12 | 244,646,252 | 21.39% | 182,390,769 | 39,013,385 | 221,980,229 |
| 13 | 221,980,229 | 21.43% | 187,406,515 | 40,161,216 | 196,482,207 |
| 14 | 196,482,207 | 21.46% | 192,560,194 | 41,323,418 | 167,931,984 |
| 15 | 167,931,984 | 21.50% | 197,855,599 | 42,538,954 | 136,053,042 |
| 16 | 136,053,042 | 21.53% | 203,296,628 | 43,769,764 | 100,588,230 |
| 17 | 100,588,230 | 21.56% | 208,887,285 | 45,036,099 | 61,240,783 |
| 18 | 61,240,783 | 21.58% | 214,631,685 | 46,317,518 | 17,713,588 |
| 19 | 17,713,588 | 21.59% | 220,534,056 | 18,344,471 | 0 |

Funding Period = 19 Years

1. The amortization contribution rate is the total statutory contribution rate, minus the total normal cost rate, minus the health care contribution rate. The statutory contribution rate is assumed to remain unchanged except for any legislated increases. The administrative expense is projected to increase at the assumed inflation rate of 2.50% per year. The impact of House Bill 362 and Funding Policy adopted by the Board of Trustees is reflected in the above.

DEVELOPMENT OF ASSETS

Development of Investment Gain/(Loss)

| | |
|--|-------------------|
| Market Value of Assets, 12/31/2023 | \$ 1,069,260,074 |
| Contributions Less Benefit Payments & Admin Expenses | (42,898,908) |
| Expected Investment Earnings for 2024 | <u>75,966,270</u> |
| Expected Market Value of Assets, 12/31/2024 | \$ 1,102,327,436 |
| Actual Net Investment Income/(Loss) for 2024 | \$ 108,329,654 |
| 2024 Investment Gain/(Loss), (Actual less Expected) | \$ 32,363,384 |

Development of Actuarial Value of Assets

| Plan Year Ending | Gain/(Loss) | Gains/(Losses) Not Yet Recognized by Valuation Year | | |
|---------------------|---------------|---|-------------------|------------------|
| | | 2024 | 2025 | 2026 |
| 12/31/2021 | 81,945,517 | 0 | 0 | 0 |
| 12/31/2022 | (189,330,890) | (47,332,722) | 0 | 0 |
| 12/31/2023 | 74,380,468 | 37,190,234 | 18,595,117 | 0 |
| 12/31/2024 | 32,363,384 | <u>24,272,538</u> | <u>16,181,692</u> | <u>8,090,846</u> |
| Total | | 14,130,050 | 34,776,809 | 8,090,846 |

| | |
|---|-------------------------|
| Market Value of Assets, 12/31/2024 | \$ 1,134,690,820 |
| Less: Unrecognized Amounts as of 12/31/2024 | <u>14,130,050</u> |
| Preliminary Actuarial Value of Assets, 12/31/2024 | \$ 1,120,560,770 |
| Corridor Percent | 20% |
| Upper Corridor Limit | 1,361,628,984 |
| Lower Corridor Limit | 907,752,656 |
| Actuarial Value of Assets, 12/31/2024 | \$ 1,120,560,770 |

Calculation of Rates of Return

Rates of return calculated below are based on a formula defined by the IRS. Therefore, the returns may differ from investment returns calculated for other purposes. The formula is defined as $(2 * I)$ divided by $(A + B - I)$ where A, B and I are as follows:

| | |
|--|---------------------|
| (A) 12/31/2023 Actuarial Assets: | \$ 1,095,158,673 |
| (I) Net Investment Income: | |
| 1. Interest, Dividends, & Realized/Unrealized Gain/Loss (net of investment expenses) | 108,329,654 |
| 2. Change in Actuarial Value | <u>(40,028,649)</u> |
| Total | \$ 68,301,005 |
| (B) 12/31/2024 Actuarial Assets: | \$ 1,120,560,770 |
| Actuarial Asset Rate of Return = $2I/(A+B-I)$: | 6.4% |
| Market Value of Assets Rate of Return: | 10.3% |
| 12/31/2024 Limited Actuarial Assets: | 1,120,560,770 |

STATEMENT OF FIDUCIARY NET POSITION
 December 31, 2024

| | MARKET VALUE | | TOTAL |
|------------------------------------|----------------------|--------------------|----------------------|
| | PENSION | HEALTH | |
| <u>ASSETS</u> | | | |
| Cash and Cash Equivalents: | | | |
| Cash and Short Term Investments | 47,645,896 | 6,039,621 | 53,685,517 |
| Total Cash and Equivalents | 47,645,896 | 6,039,621 | 53,685,517 |
| Receivables: | | | |
| Employer Contributions Receivable | 1,639,305 | 0 | 1,639,305 |
| Member Contributions Receivable | 1,319,218 | 0 | 1,319,218 |
| Accrued Investment Income | 2,476,567 | 313,931 | 2,790,498 |
| Health Care Receivable | 0 | 0 | 0 |
| Miscellaneous Receivable | 22,936 | 0 | 22,936 |
| Total Receivables | 5,458,026 | 313,931 | 5,771,957 |
| Investments: | | | |
| Domestic Equity | 224,884,802 | 29,181,062 | 254,065,864 |
| International Equity | 22,675,916 | 2,937,905 | 25,613,821 |
| Fixed Income | 140,866,349 | 18,250,729 | 159,117,078 |
| Real Estate | 64,658,587 | 8,377,205 | 73,035,792 |
| Private Equity | 219,393,578 | 28,424,764 | 247,818,342 |
| Hedge Funds | 49,886,433 | 6,463,316 | 56,349,749 |
| Direct Infrastructure | 22,069,108 | 2,859,287 | 24,928,395 |
| Global Equity | 221,135,744 | 28,650,480 | 249,786,224 |
| Total Investments | 965,570,517 | 125,144,748 | 1,090,715,265 |
| Other | 129,867 | 76,709 | 206,576 |
| Total Assets | <u>1,018,804,306</u> | <u>131,575,009</u> | <u>1,150,379,315</u> |
| Deferred Outflows of Resources | 391,773 | 48,828 | 440,601 |
| <u>LIABILITIES</u> | | | |
| Payables: | | | |
| Accounts Payable | 189,702 | 24,047 | 213,749 |
| Accrued Payroll Liabilities | 303,398 | 38,459 | 341,857 |
| Accrued Pension Liabilities | 10,688,004 | 0 | 10,688,004 |
| Accrued Health Care Liabilities | 0 | 3,792,750 | 3,792,750 |
| Net Pension Liability | 969,199 | 0 | 969,199 |
| Net OPEB Liability | 0 | 32,594 | 32,594 |
| Total Liabilities | <u>12,150,303</u> | <u>3,887,850</u> | <u>16,038,153</u> |
| Deferred Inflows of Resources | 60,935 | 30,008 | 90,943 |
| Net Assets: | | | |
| Active and Retired Members' Equity | 1,006,984,841 | 127,705,979 | 1,134,690,820 |
| Employees' Savings Fund | | | 132,986,980 |
| Employer Accumulation Fund | | | 127,705,979 |
| Pension Reserve Fund | | | 873,997,861 |
| Survivors Benefit Fund | | | 0 |
| Health Care Fund | | | 127,705,979 |
| Income Fund | | | (127,705,979) |
| Total Fund Balance | | | 1,134,690,820 |
| NET POSITION | | | 1,134,690,820 |

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FOR THE YEAR ENDED December 31, 2024
 Market Value Basis

| | PENSION | HEALTH | TOTAL |
|--|---------------|-------------|---------------|
| <u>ADDITIONS</u> | | | |
| Contributions: | | | |
| Member Contribution | 18,345,128 | 655,953 | 19,001,081 |
| Employer Contributions | 34,725,774 | 0 | 34,725,774 |
| Medicare Reimbursement | | 405,031 | 405,031 |
| Transfers | 339,843 | | 339,843 |
| Total Contributions | 53,410,745 | 1,060,984 | 54,471,729 |
| | | | |
| Net Investment Income ¹ | 96,154,119 | 12,175,535 | 108,329,654 |
| | | | |
| Total Additions | 149,564,864 | 13,236,519 | 162,801,383 |
| <u>DEDUCTIONS</u> | | | |
| Distributions to Members: | | | |
| Benefit Payments | 86,498,212 | 8,358,839 | 94,857,051 |
| Refund of Member Contributions | 502,078 | | 502,078 |
| Death Benefit | 165,000 | | 165,000 |
| Total Distributions | 87,165,290 | 8,358,839 | 95,524,129 |
| Administrative Expenses | 1,638,775 | 207,733 | 1,846,508 |
| | | | |
| Total Deductions | 88,804,065 | 8,566,572 | 97,370,637 |
| | | | |
| Net Increase in Net Position | 60,760,799 | 4,669,947 | 65,430,746 |
| <u>NET POSITION</u> | | | |
| Beginning of the Year | 952,865,676 | 123,899,283 | 1,076,764,958 |
| Adjustment to beginning of year | (6,641,634) | (863,251) | (7,504,884) |
| | | | |
| End of the Year | 1,006,984,841 | 127,705,979 | 1,134,690,820 |
| | | | |
| Actuarial Value End of Year ² | 994,445,085 | 126,115,685 | 1,120,560,770 |

¹ Investment related expenses include investment management, investment consulting, custodial and securities lending bank fees.

² Actuarial Value is allocated in proportion to the Market Value

PARTICIPANT DATA

| Participant Information | December 31, 2024 | December 31, 2023 | Change |
|--|--------------------------|--------------------------|---------------|
| Number Total Active Members | 1,436 | 1,399 | 2.6% |
| Number Active DROP Members | 179 | 164 | 9.1% |
| Number Receiving Benefits | | | |
| Retirement Annuities | 1,423 | 1,409 | 1.0% |
| Surviving Annuities | 325 | 317 | 2.5% |
| Disability Annuities | 162 | 161 | 0.6% |
| Number Inactive Members - Vested | 44 | 45 | -2.2% |
| Total Members | 3,390 | 3,331 | 1.8% |
| Active Statistics – Total | | | |
| Number | 1,436 | 1,399 | 2.6% |
| Average Age | 38.5 | 38.8 | -0.8% |
| Average Service | 13.3 | 13.6 | -2.5% |
| Covered Payroll | \$ 132,922,513 | \$ 122,123,467 | 8.8% |
| Average Payroll | \$ 92,564 | \$ 87,293 | 6.0% |
| Active Statistics – DROP Members | | | |
| Number | 179 | 164 | 9.1% |
| Average Age | 52.9 | 52.7 | 0.3% |
| Average Service | 26.6 | 26.5 | 0.4% |
| Average Age at DROP | 50.4 | 50.3 | 0.2% |
| Average Service at DROP | 24.1 | 24.1 | 0.1% |
| Covered Payroll | \$ 20,460,416 | \$ 17,242,912 | 18.7% |
| Average Payroll | \$ 114,304 | \$ 105,140 | 8.7% |
| Annual Benefit Payments for Members | | | |
| Receiving Benefits | | | |
| Retirement Annuities | \$ 70,039,693 | \$ 69,100,895 | 1.4% |
| Surviving Annuities | \$ 6,460,038 | \$ 6,073,212 | 6.4% |
| Disability Annuities | \$ 6,237,479 | \$ 6,196,200 | 0.7% |

Participant Reconciliation

| | Active | Active DROP | Inactive Vested | Retiree | Survivors | Disabled | Total Count |
|-------------------------|--------------|-------------|-----------------|--------------|------------|------------|--------------|
| <i>As of 12/31/2023</i> | <i>1,235</i> | <i>164</i> | <i>45</i> | <i>1,409</i> | <i>317</i> | <i>161</i> | <i>3,331</i> |
| DROPs In | (42) | 42 | | | | | 0 |
| Terminations | | | | | | | |
| Vested | (6) | | 6 | | | | 0 |
| Not Vested | (13) | | | | | | (13) |
| Refund of Contribution | (5) | | (1) | | | | (6) |
| Retirements | (17) | (27) | (5) | 49 | | | 0 |
| Disabled | (3) | | | | | 3 | 0 |
| Deaths | | | | | | | |
| w/o Beneficiary | | | | (11) | (16) | 0 | (27) |
| w/ Beneficiary | | | | (24) | 27 | (2) | 1 |
| New Member | 102 | | | | | | 102 |
| Return to Work | 6 | | (1) | | | | 5 |
| Benefit Expired | | | | | (3) | | (3) |
| Adjustments | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Net Change | 22 | 15 | (1) | 14 | 8 | 1 | 59 |
| <i>As of 12/31/2024</i> | <i>1,257</i> | <i>179</i> | <i>44</i> | <i>1,423</i> | <i>325</i> | <i>162</i> | <i>3,390</i> |

Active Member Statistics

| DROP Status | Sex | Count | Avg Age | Avg Svc | Covered Payroll | |
|-----------------|-------|------------|------------|------------|-------------------|---------|
| | | | | | Total | Average |
| Not Yet in DROP | M | 1,152 | 36.5 | 11.5 | 103,301,344 | 89,671 |
| | F | <u>105</u> | 35.0 | 10.0 | <u>9,160,753</u> | 87,245 |
| | Total | 1,257 | 36.4 | 11.4 | 112,462,097 | 89,469 |
| In DROP | M | 167 | 52.9 | 26.7 | 19,147,821 | 114,658 |
| | F | <u>12</u> | 52.6 | 25.2 | <u>1,312,595</u> | 109,383 |
| | Total | 179 | 52.9 | 26.6 | 20,460,416 | 114,304 |
| Total | M | 1,319 | 38.6 | 13.5 | 122,449,165 | 92,835 |
| | F | <u>117</u> | 36.8 | 11.5 | <u>10,473,348</u> | 89,516 |
| | Total | 1,436 | 38.5 | 13.3 | 132,922,513 | 92,564 |

Active Age Service Grid - Total
 Total Active Member Count and Covered Payroll by Age and Service

| Age | Years of Service | | | | | | | | | Total |
|--------------|------------------|-----------------|-----------------|-----------------|------------------|------------------|------------------|-----------------|----------------|-------------------|
| | <1 | 1-4 | 5-9 | 10-14 | 15-19 | 20-24 | 25-29 | 30-34 | 35+ | |
| <25 | 66 \$38,456 | 66 \$65,969 | | | | | | | | 132 \$52,213 |
| 25-29 | 24 \$38,053 | 102 \$71,004 | 78 \$87,704 | | | | | | | 204 \$73,513 |
| 30-34 | 6 \$34,546 | 36 \$68,087 | 153 \$91,788 | 61 \$95,724 | | | | | | 256 \$88,051 |
| 35-39 | 9 \$34,674 | 12 \$70,454 | 40 \$90,600 | 118 \$99,091 | 22 \$105,529 | | | | | 201 \$93,512 |
| 40-44 | | 1 \$65,388 | 13 \$90,439 | 46 \$96,955 | 81 \$104,841 | 55 \$111,539 | 2 \$109,103 | | | 198 \$103,768 |
| 45-49 | | | | 11 \$96,537 | 41 \$104,602 | 126 \$110,124 | 65 \$115,022 | | | 243 \$109,888 |
| 50-54 | | | | 1 \$95,982 | 14 \$101,956 | 47 \$102,043 | 67 \$114,109 | 28 \$126,321 | | 157 \$111,476 |
| 55-59 | | | | | 1 \$108,163 | 13 \$95,715 | 13 \$105,092 | 17 \$122,646 | 1 \$142,906 | 45 \$109,923 |
| 60-64 | | | | | | | | | | |
| 65-69 | | | | | | | | | | |
| 70+ | | | | | | | | | | |
| Total | 105 \$37,816 | 217 \$68,932 | 284 \$90,437 | 237 \$97,678 | 159 \$104,641 | 241 \$108,094 | 147 \$113,647 | 45 \$124,933 | 1 \$142,906 | 1,436 \$92,564 |

Active Age Service Grid – DROP Members
 Active DROP Member Count and Covered Payroll by Age and Service

| Age | Years of Service | | | | | | | | Total | |
|--------------|------------------|-----|-----|-------|-------|-----------|-----------|-----------|-----------|-----------|
| | <1 | 1-4 | 5-9 | 10-14 | 15-19 | 20-24 | 25-29 | 30-34 | | 35+ |
| <25 | | | | | | | | | | |
| 25-29 | | | | | | | | | | |
| 30-34 | | | | | | | | | | |
| 35-39 | | | | | | | | | | |
| 40-44 | | | | | | | | | | |
| 45-49 | | | | | | | 26 | | | 26 |
| | | | | | | | \$115,021 | | | \$115,021 |
| 50-54 | | | | | | 20 | 64 | 28 | | 112 |
| | | | | | | \$103,225 | \$114,274 | \$126,321 | | \$115,313 |
| 55-59 | | | | | | 11 | 12 | 17 | 1 | 41 |
| | | | | | | \$95,954 | \$105,954 | \$122,646 | \$142,906 | \$111,093 |
| 60-64 | | | | | | | | | | |
| 65-69 | | | | | | | | | | |
| 70+ | | | | | | | | | | |
| Total | | | | | | 31 | 102 | 45 | 1 | 179 |
| | | | | | | \$100,645 | \$113,486 | \$124,933 | \$142,906 | \$114,304 |

Annuitant Statistics

Retirement Annuities

| Sex | Count | Avg Age | Total Annuity | Average Annuity |
|-------|-----------|---------|------------------|-----------------|
| M | 1,342 | 68.3 | 66,365,506 | 49,453 |
| F | <u>81</u> | 59.2 | <u>3,674,187</u> | 45,360 |
| Total | 1,423 | 67.8 | 70,039,693 | 49,220 |

Survivor Annuities

| Sex | Count | Avg Age | Total Annuity | Average |
|-------|------------|---------|------------------|---------|
| M | 11 | 34.2 | 61,612 | 5,601 |
| F | <u>314</u> | 73.5 | <u>6,398,426</u> | 20,377 |
| Total | 325 | 72.2 | 6,460,038 | 19,877 |

Disability Retirement Annuities

| Sex | Count | Avg Age | Total Annuity | Average |
|-------|-----------|---------|----------------|---------|
| M | 139 | 57.4 | 5,361,047 | 38,569 |
| F | <u>23</u> | 56.2 | <u>876,432</u> | 38,106 |
| Total | 162 | 57.2 | 6,237,479 | 38,503 |

Deferred Annuities

| Sex | Count | Avg Age | Total Annuity | Average |
|-------|----------|---------|---------------|---------|
| M | 43 | 48.7 | 1,730,630 | 40,247 |
| F | <u>1</u> | 48.6 | <u>37,786</u> | 37,786 |
| Total | 44 | 48.7 | 1,768,416 | 40,191 |

Distribution of Retirement Annuities by Age

| | Male | | | Female | | | Total | | |
|--------------|-------|-----------------|-------------------|--------|-----------------|-------------------|-------|-----------------|-------------------|
| | Count | Total Annuities | Average Annuities | Count | Total Annuities | Average Annuities | Count | Total Annuities | Average Annuities |
| x < 45 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 45 <= x < 50 | 17 | 916,746 | 53,926 | 3 | 159,392 | 53,131 | 20 | 1,076,138 | 53,807 |
| 50 <= x < 55 | 138 | 6,883,631 | 49,881 | 19 | 873,906 | 45,995 | 157 | 7,757,537 | 49,411 |
| 55 <= x < 60 | 202 | 9,242,174 | 45,753 | 23 | 973,810 | 42,340 | 225 | 10,215,984 | 45,404 |
| 60 <= x < 65 | 193 | 9,218,512 | 47,764 | 24 | 1,115,471 | 46,478 | 217 | 10,333,983 | 47,622 |
| 65 <= x < 70 | 208 | 10,956,093 | 52,674 | 7 | 311,182 | 44,455 | 215 | 11,267,275 | 52,406 |
| 70 <= x < 75 | 167 | 9,027,044 | 54,054 | 4 | 204,073 | 51,018 | 171 | 9,231,117 | 53,983 |
| 75 <= x < 80 | 218 | 11,099,902 | 50,917 | 0 | 0 | 0 | 218 | 11,099,902 | 50,917 |
| 80 <= x < 85 | 138 | 6,481,127 | 46,965 | 1 | 36,353 | 36,353 | 139 | 6,517,480 | 46,888 |
| 85 <= x < 90 | 44 | 1,973,491 | 44,852 | 0 | 0 | 0 | 44 | 1,973,491 | 44,852 |
| 90 <= x | 17 | 566,786 | 33,340 | 0 | 0 | 0 | 17 | 566,786 | 33,340 |
| Total | 1,342 | 66,365,506 | 49,453 | 81 | 3,674,187 | 45,360 | 1,423 | 70,039,693 | 49,220 |

Distribution of Survivor Annuities by Age

| | Male | | | Female | | | Total | | |
|--------------|-------|-----------------|-------------------|--------|-----------------|-------------------|-------|-----------------|-------------------|
| | Count | Total Annuities | Average Annuities | Count | Total Annuities | Average Annuities | Count | Total Annuities | Average Annuities |
| x < 20 | 4 | 7,200 | 1,800 | 12 | 21,600 | 1,800 | 16 | 28,800 | 1,800 |
| 20 <= x < 25 | 2 | 3,600 | 1,800 | 5 | 9,000 | 1,800 | 7 | 12,600 | 1,800 |
| 25 <= x < 30 | 0 | 0 | 0 | 1 | 11,583 | 11,583 | 1 | 11,583 | 11,583 |
| 30 <= x < 35 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 35 <= x < 40 | 0 | 0 | 0 | 2 | 38,301 | 19,151 | 2 | 38,301 | 19,151 |
| 40 <= x < 45 | 1 | 10,935 | 10,935 | 2 | 13,383 | 6,692 | 3 | 24,318 | 8,106 |
| 45 <= x < 50 | 1 | 1,800 | 1,800 | 4 | 52,326 | 13,082 | 5 | 54,126 | 10,825 |
| 50 <= x < 55 | 0 | 0 | 0 | 7 | 105,045 | 15,006 | 7 | 105,045 | 15,006 |
| 55 <= x < 60 | 1 | 14,247 | 14,247 | 13 | 248,122 | 19,086 | 14 | 262,369 | 18,741 |
| 60 <= x < 65 | 1 | 20,756 | 20,756 | 18 | 396,404 | 22,022 | 19 | 417,160 | 21,956 |
| 65 <= x < 70 | 1 | 3,074 | 3,074 | 21 | 480,867 | 22,898 | 22 | 483,941 | 21,997 |
| 70 <= x < 75 | 0 | 0 | 0 | 35 | 839,998 | 24,000 | 35 | 839,998 | 24,000 |
| 75 <= x < 80 | 0 | 0 | 0 | 64 | 1,475,471 | 23,054 | 64 | 1,475,471 | 23,054 |
| 80 <= x < 85 | 0 | 0 | 0 | 60 | 1,289,382 | 21,490 | 60 | 1,289,382 | 21,490 |
| 85 <= x < 90 | 0 | 0 | 0 | 37 | 811,609 | 21,935 | 37 | 811,609 | 21,935 |
| 90 <= x | 0 | 0 | 0 | 33 | 605,335 | 18,343 | 33 | 605,335 | 18,343 |
| Total | 11 | 61,612 | 5,601 | 314 | 6,398,426 | 20,377 | 325 | 6,460,038 | 19,877 |

Distribution of Disability Annuities by Age

| | Male | | | Female | | | Total | | |
|--------------|------------|------------------|-------------------|-----------|-----------------|-------------------|------------|------------------|-------------------|
| | Count | Total Annuities | Average Annuities | Count | Total Annuities | Average Annuities | Count | Total Annuities | Average Annuities |
| x < 20 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 20 <= x < 25 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 25 <= x < 30 | 3 | 101,956 | 33,985 | 0 | 0 | 0 | 3 | 101,956 | 33,985 |
| 30 <= x < 35 | 1 | 30,735 | 30,735 | 0 | 0 | 0 | 1 | 30,735 | 30,735 |
| 35 <= x < 40 | 6 | 196,210 | 32,702 | 0 | 0 | 0 | 6 | 196,210 | 32,702 |
| 40 <= x < 45 | 11 | 423,219 | 38,474 | 1 | 40,950 | 40,950 | 12 | 464,169 | 38,681 |
| 45 <= x < 50 | 12 | 457,319 | 38,110 | 4 | 145,197 | 36,299 | 16 | 602,516 | 37,657 |
| 50 <= x < 55 | 31 | 1,203,336 | 38,817 | 4 | 154,088 | 38,522 | 35 | 1,357,424 | 38,784 |
| 55 <= x < 60 | 20 | 732,784 | 36,639 | 6 | 229,754 | 38,292 | 26 | 962,538 | 37,021 |
| 60 <= x < 65 | 16 | 707,175 | 44,198 | 6 | 245,405 | 40,901 | 22 | 952,580 | 43,299 |
| 65 <= x < 70 | 18 | 751,272 | 41,737 | 2 | 61,038 | 30,519 | 20 | 812,310 | 40,616 |
| 70 <= x < 75 | 9 | 338,926 | 37,658 | 0 | 0 | 0 | 9 | 338,926 | 37,658 |
| 75 <= x < 80 | 9 | 315,518 | 35,058 | 0 | 0 | 0 | 9 | 315,518 | 35,058 |
| 80 <= x < 85 | 3 | 102,597 | 34,199 | 0 | 0 | 0 | 3 | 102,597 | 34,199 |
| 85 <= x < 90 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 90 <= x | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 139 | 5,361,047 | 38,569 | 23 | 876,432 | 38,106 | 162 | 6,237,479 | 38,503 |

Distribution of Deferred Annuities by Age

| | Male | | | Female | | | Total | | |
|--------------|-----------|------------------|-------------------|----------|-----------------|-------------------|-----------|------------------|-------------------|
| | Count | Total Annuities | Average Annuities | Count | Total Annuities | Average Annuities | Count | Total Annuities | Average Annuities |
| x < 40 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | 0 |
| 40 <= x < 45 | 7 | 229,068 | 32,724 | 0 | 0 | 0 | 7 | 229,068 | 32,724 |
| 45 <= x < 50 | 20 | 924,491 | 46,225 | 1 | 37,786 | 37,786 | 21 | 962,277 | 45,823 |
| 50 <= x < 55 | 15 | 548,514 | 36,568 | 0 | 0 | 0 | 15 | 548,514 | 36,568 |
| 55 <= x < 60 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 60 <= x < 65 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | 0 |
| 65 <= x < 70 | 1 | 28,557 | 28,557 | 0 | 0 | 0 | 1 | 28,557 | 28,557 |
| 70 <= x | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 43 | 1,730,630 | 40,247 | 1 | 37,786 | 37,786 | 44 | 1,768,416 | 40,191 |

ACTUARIAL ASSUMPTIONS AND METHODS

Below is a summary of the actuarial assumptions for the December 31, 2024 valuation. An experience study was performed in February of 2024 based on data for the period December 31, 2017 through December 31, 2022. The assumptions below are based on the experience study and were adopted effective December 31, 2023.

| | |
|---------------------------|--|
| Interest Rate | 7.25% (net of investment-related expenses) |
| Mortality Rates | <p><i>Healthy Active Lives:</i> PubS-2010 (amount-weighted, below-median) employee tables adjusted by 100.4%.</p> <p><i>Retiree and Vested Terminated Lives:</i> PubS-2010 (amount-weighted) healthy retiree tables adjusted by 94.5%.</p> <p><i>Contingent Survivor Lives:</i> PubS-2010 (amount-weighted, above-median) contingent survivor tables adjusted by 109.7%.</p> <p><i>Disabled Lives:</i> PubS-2010 (amount-weighted) disabled retiree tables adjusted by 101.6%.</p> <p>The mortality assumptions for all participants are sex distinct with generational mortality improvement using 75% of most recent projection scale (currently scale MP-2021) and a base year of 2010. We feel these assumptions sufficiently accommodate anticipated future mortality improvements.</p> |
| Cost-of-Living Adjustment | 0.00% for calendar year 2024 & 2025; 2.70% for calendar year 2026 and then 0.00% thereafter. (Previously 0.00% in calendar year 2026) |
| Inflation | 2.50% |
| Salary Increases | See Table 1 later in this section. |
| Retirement Rates | See Table 2 later in this section. |
| Termination Rates | See Table 3 later in this section. |
| Disability Rates | See Table 4 later in this section. |
| Percent Married | 75% |

| | |
|-------------------------------------|---|
| Spousal Age Difference | Spouse of male member assumed to be 3 years younger than member; Spouse of female member assumed to be 3 years older than member. |
| Purchasing Military Service Load | 0.75% of payroll is included in pension normal cost calculations. |
| Dependent Children | Members who receive a death-in-service benefit are assumed to have two children for whom benefits are paid for 10 years. |
| Contribution Rates | Members – 14.0% in 2024 and later. State – 26.50% |
| Actuarial Cost Method | Entry Age Normal, with costs allocated on basis of earnings. Actuarial gains and losses are reflected in the unfunded actuarial liability. |
| Actuarial Asset Method | Market value of assets adjusted by the unrecognized investment gains and losses for each of the four years prior to the valuation date. Gains and losses are recognized at a rate of 25% per year. Actuarial Assets shall not be less than 80% nor greater than 120% of Market Value of Assets. |
| Low-Default-Risk Obligation Measure | Based on the Entry Age Normal Actuarial Cost Method and an interest rate of 4.28% per year compounded annually, net of investment related expenses. This rate is consistent with the Yield to Maturity of the S&P Municipal Bond 20-Year High Grade Rate Index as of December 31, 2024. All other assumptions for the Low-Default-Risk Obligation Measure are consistent with the assumptions shown in this section unless otherwise noted. |
| Payroll Growth | 2.75% for purposes of amortizing the Unfunded Actuarial Accrued Liability. |
| Administrative Expenses | \$1,802,605 annually, based on the average of actual expenses incurred in the prior two fiscal years and then increases based on 2.5% inflation rate annually. |
| DROP Duration | 5 years. |
| DROP Election | 20% of active members eligible for unreduced retirement/DROP do not enter the DROP or retire in any given year prior to age 60. |
| Source of Data | Data and audited financial information is provided by the Fund. |
| Valuation Date | December 31, 2024. |

Assumption Table

Table 1 – Salary Increase Rates

| Service | Salary Increase Rate |
|---------|----------------------|
| 0 | 20.50% |
| 1 | 10.50% |
| 2-3 | 9.50% |
| 4 | 8.50% |
| 5 | 7.00% |
| 6-11 | 5.00% |
| 12+ | 3.90% |

Table 2 – Retirement Rates

| Age | Normal Retirement Rate | Early Retirement Rate |
|-------|------------------------|-----------------------|
| 48 | 22% | 7.5% |
| 49 | 15% | 7.5% |
| 50 | 16% | 7.5% |
| 51 | 22% | 13.5% |
| 52 | 20% | |
| 53 | 15% | |
| 54 | 20% | |
| 55 | 30% | |
| 56 | 40% | |
| 57-58 | 35% | |
| 59 | 60% | |
| 60+ | 100% | |

Table 3 – Termination Rates

| Service | Termination Rate |
|---------|------------------|
| 0 | 12.50% |
| 1-4 | 6.50% |
| 5 | 5.00% |
| 6-8 | 3.50% |
| 9-10 | 2.50% |
| 11-17 | 1.00% |
| 18 | 1.25% |
| 19-20 | 1.75% |
| 21+ | 4.00% |

Table 4 – Disability Rates (Sample Rates)

| Age | Disability Rate |
|-----|-----------------|
| 20 | 0.06% |
| 25 | 0.06% |
| 30 | 0.16% |
| 35 | 0.29% |
| 40 | 0.49% |
| 45 | 0.59% |
| 50 | 0.78% |
| 55 | 0.85% |
| 60 | 0.00% |

60% of disabilities assumed to be service-incurred.

Changes in Funding Assumptions/Methods Since the Prior Valuation

There have been no changes of methods since the prior valuation.

The valuation reflects the following assumption change based on the Board’s decision on June 2025 meeting:

- A one-time COLA of 2.70% in the year 2026.

GLOSSARY

Actuarial Value of Assets is the asset value used in the valuation to determine contribution requirements. It represents the plan's Market Value of Assets (see below), with adjustments according to the plan's Actuarial Asset Method. These adjustments produce a "smoothed" value that is likely to be less volatile from year to year than the Market Value of Assets.

Covered Payroll is the annualized pensionable salary earned during the year ended on the valuation date.

Entry Age Normal Cost Method - Under this method, the normal cost is the sum of the individual normal costs for all active participants. For an active participant, the normal cost is the participant's normal cost accrual rate, multiplied by the participant's current compensation.

- (a) The normal cost accrual rate equals:
 - (i) the present value of future benefits for the participant, determined as of the participant's entry age, divided by
 - (ii) the present value of the compensation expected to be paid to the participant for each year of the participant's anticipated future service, determined as of the participant's entry age.
- (b) In calculating the present value of future compensation, the salary scale is applied both retrospectively and prospectively to estimate compensation in years prior to and subsequent to the valuation year based on the compensation used for the valuation.
- (c) The accrued liability is the sum of the individual accrued liabilities for all participants and beneficiaries. A participant's accrued liability equals the present value, at the participant's attained age, of future benefits less the present value at the participant's attained age of the individual normal costs payable in the future. A beneficiary's accrued liability equals the present value, at the beneficiary's attained age, of future benefits. The unfunded accrued liability equals the total accrued liability less the actuarial value of assets.
- (d) Under this method, the entry age used for each active participant is the participant's age at the time he or she would have commenced participation if the plan had always been in existence under current terms, or the age as of which he or she first earns service credits for purposes of benefit accrual under the current terms of the plan.

Market Value of Assets is the fair market value of plan assets as of the valuation date. This amount may be adjusted to produce an Actuarial Value of Assets for plan funding purposes.

Normal (Current Year's) Cost is the current year's cost for benefits yet to be funded. Under the Entry Age Normal cost method, it is determined for each participant as the present value of future benefits, determined as of the Member's entry age, amortized as a level percentage of compensation over the anticipated number of years of participation, determined as of the entry age.

Present Value of Benefits is the single sum value on the valuation date of all future benefits to be paid to current plan participants.

Unfunded Actuarial Accrued Liability (UAAL) is the difference between the actuarial accrued liability (described above) and the Actuarial Value of Assets. Under the Entry Age Normal Actuarial Cost Method, an actuarial gain or loss, based on actual versus expected UAAL, is determined in conjunction with each valuation of the plan.

Valuation Payroll is the projected annual pensionable salary starting on the valuation date of all active participants who are not subject to a 100% probability of retirement on the valuation date.

Actuarial Determined Contribution (ADC) is the level of employer contribution effort that would be required on a sustained, ongoing basis to:

- (a) fund the normal cost (cost associated with new service received) each year and
- (b) amortize the total unfunded actuarial accrued liability (or funding excess) attributed to past services over a funding period, which is no more than thirty years.

DISCUSSION OF RISK

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

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

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

- **Investment Return:** When the rate of return on the Actuarial Value of Assets falls short of the assumption, this produces a loss representing assumed investment earnings that were not realized. Further, it is unlikely that the plan will experience a scenario that matches the assumed return in each year as capital markets can be volatile from year to year. Therefore, amortization periods can vary in the future.
- **Salary Increases:** When a plan participant experiences a salary increase that was greater than assumed, this produces a loss representing the cost of an increase in anticipated plan benefits for the participant as compared to the previous year. The total gain or loss associated with salary increases for the plan is the sum of salary gains and losses for all active participants.
- **Payroll Growth:** The plan's payroll growth assumption, if one is used, causes a predictable annual increase in the plan's amortization payment in order to produce an amortization payment that remains constant as a percentage of payroll if all assumptions are realized. If payroll does not increase according to the plan's payroll growth assumption, the plan's amortization period can increase significantly even if all assumptions other than the payroll growth assumption are realized since anticipated contribution rely upon membership payroll.
- **Demographic Assumptions:** Actuarial results take into account various potential events that could happen to a plan participant, such as retirement, termination, disability, and death. Each of these potential events is assigned a liability based on the likelihood of the event and the financial consequence of the event for the plan. Accordingly, actuarial liabilities reflect a blend of financial consequences associated with various possible outcomes (such as retirement at one of various possible ages). Once the outcome is known (e.g. the participant retires) the liability is adjusted to reflect the known outcome. This adjustment produces a gain or loss depending on whether the outcome was more or less favorable than other outcomes that could have occurred.

- **Amortization Period**: Risks associated with the items outlined above will inherently create varying liabilities and assets resulting in volatility in the amortization period. Actuarial losses on assets and liabilities will lead to longer amortization periods, while actuarial gains on assets and liabilities will lead to shorter amortization periods.
- **Contribution Risk**: This risk results from the potential that the total annual contributions, based on fixed-rates for the State and membership, may deviate from actuarially determined contributions. The actuarially determined contributions are adjusted in conjunction with each actuarial valuation to take into account the deviation in actual versus expected experience between valuation dates. Fixed-rate contribution structures include the risk that scheduled contributions do not reflect the actual cost of plan benefits, meaning that in order to maintain actuarially sound funding levels, contribution rate increases, or benefit reductions may be required.

Impact of Plan Maturity on Risk

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

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

- The Support Ratio, determined as the ratio of active to inactive members, has decreased from 103.4% on December 31, 2014 to 73.5% as of December 31, 2024, indicating that the plan has been maturing during the period.
- The Accrued Liability Ratio, determined as the ratio of the Inactive Accrued Liability, which is the liability associated with members who are no longer employed but are due a benefit from the Fund, to the Total Accrued Liability, is 63.7%. With a plan of this maturity, losses due to lower than expected investment returns or demographic factors must be made up over a shorter time horizon than would be needed for a less mature plan.
- The Funded Ratio, determined as the ratio of the Actuarial Value of Assets to the Total Accrued Liability, has increased from 70.3% on December 31, 2014 to 73.3% on December 31, 2024.

- The Net Cash Flow Ratio, determined as the ratio of the Net Cash Flow (contributions minus benefit payments and administrative expenses) to the Market Value of Assets, is around -4.6% to -3.4%. A Net Cash Flow Ratio in this range indicates that contributions are not sufficient to cover the Fund's benefit payments and administrative expenses.

Low Default-Risk Obligation Measure

ASOP No. 4, Measuring Pension Obligations and Determining Pension Plan Costs or Contributions, was revised as of December 2021 to include a “low-default-risk obligation measure” (LDROM). This liability measure is consistent with the determination of the actuarial accrued liability shown on page 2 in terms of member data, plan provisions, and assumptions/methods, including the use of the Entry Age Normal Cost Method, except that the interest rate is tied to low-default-risk fixed income securities. The S&P Municipal Bond 20 Year High Grade Rate Index (daily rate closest to, but not later than, the measurement date) was selected to represent a current market rate of low risk but longer-term investments that could be included in a low-risk asset portfolio. The interest rate used in this valuation was 4.28%, resulting in an LDROM of \$1,880,619,350. The LDROM should not be considered the “correct” liability measurement; it simply shows a possible outcome if the Board elected to hold a very low risk asset portfolio. Given that plan benefits are paid over time through the combination of contributions and investment returns, prudent investments selected by the Board help to balance asset accumulation through these two sources.

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

Fund Maturity Measures and Other Risk Metrics

| | 12/31/2024 | 12/31/2023 | 12/31/2019 | 12/30/2014 |
|-------------------------------------|---------------|---------------|---------------|---------------|
| <u>Support Ratio</u> | | | | |
| Total Actives | 1,436 | 1,399 | 1,614 | 1,622 |
| Total Inactives | 1,954 | 1,932 | 1,717 | 1,568 |
| Actives / Inactives | 73.5% | 72.4% | 94.0% | 103.4% |
| <u>Asset Volatility Ratio</u> | | | | |
| Market Value of Assets (MVA) | 1,006,984,841 | 952,865,676 | 817,859,488 | 740,661,880 |
| Total Covered Payroll | 132,922,513 | 122,123,467 | 118,370,595 | 99,211,756 |
| MVA / Total Covered Payroll | 757.6% | 780.2% | 690.9% | 746.5% |
| <u>Accrued Liability (AL) Ratio</u> | | | | |
| Inactive Accrued Liability | 863,284,811 | 842,330,905 | 719,452,018 | 622,719,141 |
| Total Accrued Liability | 1,355,840,930 | 1,301,525,066 | 1,173,155,313 | 1,012,752,337 |
| Inactive AL / Total AL | 63.7% | 64.7% | 61.3% | 61.5% |
| <u>Funded Ratio</u> | | | | |
| Actuarial Value of Assets (AVA) | 994,445,085 | 969,142,895 | 796,284,462 | 712,285,604 |
| Total Accrued Liability | 1,355,840,930 | 1,301,525,066 | 1,173,155,313 | 1,012,752,337 |
| AVA / Total Accrued Liability | 73.3% | 74.5% | 67.9% | 70.3% |
| <u>Net Cash Flow Ratio</u> | | | | |
| Net Cash Flow ¹ | (35,733,163) | (37,809,749) | (28,058,421) | (33,832,238) |
| Market Value of Assets (MVA) | 1,006,984,841 | 952,865,676 | 817,859,488 | 740,661,880 |
| Ratio | -3.5% | -4.0% | -3.4% | -4.6% |

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

PLAN PROVISIONS

The following describe and reflect provisions in effect as described in Chapter 5505 of the Ohio Revised Code.

Membership Eligibility

All sworn officers and cadets in training at the academy are required to become members of the retirement system. The beginning date of membership in the system for sworn officers hired prior to June 30, 1991, is the commission date. All cadets entering the academy after that date become members of OHPRS upon entering the academy. Any persons hired prior to November 2, 1989, in the radio division are HPRS members. The beginning date of membership of the radio division member is the date of hire.

Highway Patrol Retirement System

The Plan is established and administered as prescribed by “Chapter 5505-Highway Patrol Retirement System” of the Ohio Revised Code.

Plan Administration

The Plan is administered by a Board of Trustees comprised of:

- a) The superintendent of the state highway patrol,
- b) Two retired Members who reside in Ohio,
- c) Five active Members,
- d) One member appointed by the treasurer of state, and
- e) Two investment expert members. One is appointed by the governor, and the other is jointly appointed by the speaker of the house of representatives and the president of the senate.

Credited Service

Total service credit is the total years of contributing service, or part thereof, purchased service credit and any additional service credit approved by the Board.

Normal Retirement

Eligibility

Age 52 and 20 years of Credited Service. or
Age 48 with 25 years of Credited Service if hired prior to January 1, 2020.

Benefit

Sum of:

- a) 2.5% of final average salary [average of salaries during highest 5 years (3 years prior to January 1, 2015)] times years of service not in excess of 20,
- b) 2.25% of final average salary times years of service in excess of 20 but not in excess of 25 and,
- c) 2% of final average salary times years of service in excess of 25. The maximum pension payable is 79.25% of the member’s final average salary.

A member must retire upon attainment of age 60 or completion of 20 years of service, whichever occurs later.

Form of Benefit

A member can elect one of the following options:

- a) A Single Life Annuity or,
- b) Actuarial equivalent Joint and Survivor Annuity with designating any percentage over 10% to the beneficiary or,
- c) Life Annuity Certain and Continuous between 5 to 20 years or,
- d) Partial Lump Sum if a member who is at least 52 with 20 years of total service; the partial lump sum benefit is not less than 6 times the monthly amount payable to the member as a single lifetime pension and not more than 60 times that amount

Early Retirement

Eligibility

Age 48 through 51 and has accumulated at least 20 years but less than 25 years of Credited Service. Or
 Age 48 through 51 and has accumulated at least 20 years of Credited Service if hired on or after January 1, 2020.

Benefit

Normal Retirement benefit, reduced as followed

| Attained Age | Percent of normal retirement benefit |
|--------------|--------------------------------------|
| 48 | 75% |
| 49 | 80% |
| 50 | 86% |
| 51 | 93% |

Form of Benefit

Same as Normal Retirement.

Disability Benefit

Eligibility

Total and permanent as determined by the Board of Trustees incapacitated for in the line of duty or five or more years of service for disability incurred off-duty.

Benefit Amount

- A maximum of:
- a) 61.25% of final average salary, and;
 - b) The normal retirement pension that the Member is entitled to receive if he or she retired immediately.

For off-duty disabilities, a benefit is the larger of:

- a) 30% of final average salary or
- b) normal retirement pension.

Cost-of-Living Adjustment

Retirees: A cost of living allowance (COLA) will be received after age 60 (age 53 for members retired or entered the DROP prior to 1/7/2013) or twelve months after they retire, whichever is later.

Disability members retired prior to 1/7/2013 are eligible for the increase after receiving benefits for sixty months or age 53 whichever occurs first.

The board establishes an annual COLA between 0% and 3% and must be based on compliance with the amortization period requirement of section 5505.121 of the Ohio Revised Code. The board's determination shall be based on the annual actuarial valuation required by section 5505.12 of the Ohio Revised Code. If the board determines that an increase may be made, the increase shall not exceed three percent (3%) of the eligible person's pension. The base pension used in the first calculation for the additional COLA amount shall remain as the COLA base for all future increases. The current COLA is as follows:

| Calendar Year | COLA |
|---------------|-------|
| 2024-2025 | 0.00% |
| 2026 | 2.70% |
| 2027+ | 0.00% |

Survivor Benefit

Eligibility

A surviving spouse is considered to be the wife or husband as set forth in a statutory valid certificate of marriage or as recognized by judgment of a court. A surviving child is considered to be the child by birth or the legally adopted child of the member or retiree.

Benefit Amount

Surviving spouse and dependent children pension amounts are established by statute as follows:

- a) A surviving spouse is eligible to receive pension benefits for the remainder of his/her life.
 - 1. A surviving spouse of a member who retired or entered DROP before May 11, 2018, will receive an amount equal to 50% of the retiree's pension benefit or \$900.00/month, whichever is greater.
 - 2. A surviving spouse of a member who retired or entered DROP on or after May 11, 2018, will receive a set amount (\$900.00/month in 2018), but this amount increases annually by a COLA amount set by the board. The survivor benefit is in addition to any amount selected through a Joint and Survivor Annuity (JSA).
 - 3. A surviving spouse of an active member who is not eligible for retirement will receive a set amount (\$900.00/month in 2018), but this amount increases annually by a COLA amount set by the board.

4. A surviving spouse of an active member who is eligible for retirement but has not elected to enter DROP or retire will receive a 50% JSA calculated on what the member's pension would have been had he/she retired the day after death. In addition, the surviving spouse will receive the established survivor benefit set for that year.

- b) A surviving child is considered to be the child by birth or the legally adopted child of the member or retiree.
1. A surviving child is eligible for benefits until attainment of age 18 or marriage; however, survivor benefits will continue until age 23 if such dependent child is a full-time student. Benefits are \$150 per month.
 2. A surviving child who is physically or mentally incompetent and who was totally dependent on the deceased member or retiree at the time of death is eligible for benefits until recovery or death. Benefits are \$150 per month.

Additionally, a \$5,000 lump sum benefit is payable upon the death of the retiree.

Vesting (Termination) Benefit:

| | |
|-----------------------------|---|
| Vesting Service Requirement | 15 or more years of credit service. |
| Non-Vested Benefit | Refund of Member Contributions. |
| Vested Benefit | Payable upon reaching age 55 (or 48 with reduced benefit or 52 with unreduced benefit, if a member who has accumulated at least 20 years), provided contributions are not withdrawn, or a refund of member contributions. The termination benefit is 1.50% of average final salary times creditable service. If a member has completed 20 years of service and retires, they are eligible to receive a pension computed in the same manner as a retirement benefit. |

Minimum Benefit:

All members who retired with a Retirement or Disability Benefit are eligible to receive a minimum benefit of \$1,050 per month.

Contributions

| | |
|----------|--|
| Member | Set by the retirement board annually. The percentage shall be not less than 10.0% and no more than 14.0% of a member's Salary. |
| Employer | The employer contribution rate is set by statute, currently set at 26.5%. |

SUPPLEMENTARY TABLES

Table 1 – History of the Development of Unfunded Actuarial Accrued Liability

| | Year Ending December 31 | | | | |
|--|-------------------------|-------------|--------------|--------------|--------------|
| | 2024 | 2023 | 2022 | 2021 | 2020 |
| 1. Unfunded Actuarial Accrued Liability (UAAL), as of beginning of year | 332,382,171 | 329,312,962 | 339,064,208 | 359,142,477 | 376,870,851 |
| 2. Total Normal Cost, as of beginning of year | 22,980,460 | 21,509,696 | 21,642,376 | 23,185,205 | 23,052,454 |
| 3. Expected Interest on 1. and 2. | 25,763,791 | 25,434,643 | 26,151,227 | 27,718,757 | 28,994,440 |
| 4. Contributions, with interest | 55,313,009 | 53,540,606 | 48,649,726 | 48,238,010 | 52,776,845 |
| 5. Expected UAAL as of end of year (1)+(2)+(3)-(4) | 325,813,413 | 322,716,695 | 338,208,085 | 361,808,429 | 376,140,900 |
| 6. Change in UAAL Due to Actuarial (Gain)/Loss, by component: | | | | | |
| Investment Return | 8,284,341 | (3,542,558) | (19,794,133) | (33,827,426) | (23,558,102) |
| Salary Increases | 15,547,684 | 13,745,478 | 7,815,539 | (4,141,467) | (504,174) |
| Decrement Experience | 1,383,462 | (916,865) | 4,183,856 | 1,297,889 | (4,186,700) |
| Inactive Mortality Experience | 218,901 | 2,383,873 | (876,461) | 1,112,614 | (670,280) |
| Other Changes | 213,028 | (251,430) | (256,441) | 2,070,445 | 1,016,334 |
| Total change due to (Gain)/Loss | 25,647,416 | 11,418,498 | (8,927,640) | (33,487,944) | (27,902,922) |
| 7. Change in UAAL Due to Assumption Changes/ Method Changes/Benefit Changes | 9,935,016 | (1,753,022) | 32,517 | 10,743,723 | 10,904,499 |
| 8. Unfunded Actuarial Accrued Liability, as of end of year | 361,395,845 | 332,382,171 | 329,312,962 | 339,064,208 | 359,142,477 |

Table 2 – History of Active Member Data

| Actuarial Valuation Date | Active Members | Percent Increase | Annual Covered Payroll | Percent Increase | Average Covered Payroll | Percent Increase |
|--|----------------|------------------|------------------------|------------------|-------------------------|------------------|
| 12/31/2015 | 1,621 | | 99,983,224 | | 61,680 | |
| 12/31/2016 | 1,670 | 3.0% | 108,788,871 | 8.8% | 65,143 | 5.6% |
| 12/31/2017 | 1,650 | -1.2% | 112,705,188 | 3.6% | 68,306 | 4.9% |
| 12/31/2018 | 1,668 | 1.1% | 116,009,622 | 2.9% | 69,550 | 1.8% |
| 12/31/2019 | 1,614 | -3.2% | 118,370,595 | 2.0% | 73,340 | 5.4% |
| 12/31/2020 | 1,542 | -4.5% | 117,996,230 | -0.3% | 76,522 | 4.3% |
| 12/31/2021 | 1,454 | -5.7% | 111,621,001 | -5.4% | 76,768 | 0.3% |
| 12/31/2022 | 1,380 | -5.1% | 112,476,672 | 0.8% | 81,505 | 6.2% |
| 12/31/2023 | 1,399 | 1.4% | 122,123,467 | 8.6% | 87,293 | 7.1% |
| 12/31/2024 | 1,436 | 2.6% | 132,922,513 | 8.8% | 92,564 | 6.0% |
| 5-year Average Increase/ (Decrease) | | -2.2% | | 2.5% | | 4.8% |

Table 3 – History of Retiree and Survivor Annuitant Data

| Actuarial Valuation Date | Number of Annuitant | Total Annuities (Annual) | Average Annuities (Annual) | Increase in Average Benefit |
|--------------------------|---------------------|--------------------------|----------------------------|-----------------------------|
| 12/31/2015 | 1,548 | 59,723,304 | 38,581 | |
| 12/31/2016 | 1,580 | 62,458,476 | 39,531 | 2.46% |
| 12/31/2017 | 1,637 | 65,661,636 | 40,111 | 1.47% |
| 12/31/2018 | 1,671 | 67,722,984 | 40,528 | 1.04% |
| 12/31/2019 | 1,699 | 69,831,187 | 41,101 | 1.41% |
| 12/31/2020 | 1,730 | 71,554,792 | 41,361 | 0.63% |
| 12/31/2021 | 1,807 | 74,823,557 | 41,408 | 0.11% |
| 12/31/2022 | 1,852 | 78,364,733 | 42,314 | 2.19% |
| 12/31/2023 | 1,887 | 81,370,307 | 43,122 | 1.91% |
| 12/31/2024 | 1,910 | 82,737,210 | 43,318 | 0.45% |

Table 4 – History of Employee Annuitants and Survivors Added to Payroll

| Year of Retirement | Added | | Removed | | Total | |
|--------------------|--------|------------------------------|-----------------|-----------------|--------|-----------------|
| | Number | Annual Benefits ¹ | Number | Annual Benefits | Number | Annual Benefits |
| 2015 | 73 | 3,102,744 | 83 ² | 1,671,876 | 1,548 | 59,723,304 |
| 2016 | 69 | 3,576,372 | 37 | 841,200 | 1,580 | 62,458,476 |
| 2017 | 83 | 3,878,244 | 26 | 675,084 | 1,637 | 65,661,636 |
| 2018 | 72 | 3,127,464 | 38 | 1,066,116 | 1,671 | 67,722,984 |
| 2019 | 63 | 2,881,148 | 35 | 772,944 | 1,699 | 69,831,187 |
| 2020 | 83 | 3,372,681 | 52 | 1,649,076 | 1,730 | 71,554,792 |
| 2021 | 120 | 4,613,439 | 43 | 1,344,674 | 1,807 | 74,823,557 |
| 2022 | 99 | 5,358,174 | 54 | 1,816,998 | 1,852 | 78,364,733 |
| 2023 | 82 | 4,392,480 | 47 | 1,386,906 | 1,887 | 81,370,307 |
| 2024 | 79 | 3,309,545 | 56 | 1,942,642 | 1,910 | 82,737,210 |

1. Includes added benefits due to COLA increases for continuing retirees and survivors.
2. Includes Alternate Payee records, which were combined with Participant records beginning with the December 31, 2015 valuation.

Table 5 – History of Annual Financial Report Asset Information

| Year Ended | Pension Fund | | | | | | | | Health Care Fund | | | |
|------------|------------------------|------------------------|-----------------------|------------------------------|-------------------------|------------------|-----------|----------------------------|---|-----------------------|--------------------|-------------------------|
| | Addition By Source | | | | Deductions By Type | | | | Addition By Source | | Deductions By Type | |
| | Employer Contributions | Employee Contributions | Net Investment Income | Transfers from Other Systems | Administrative Expenses | Benefit Payments | Refunds | Transfers to Other Systems | Employer Contributions & Retiree Drug Subsidy and Prescription Drug Rebates | Net Investment Income | Benefits | Administrative Expenses |
| 12/31/2015 | 22,895,242 | 13,686,292 | (5,649,718) | 947,265 | 1,084,161 | 66,213,253 | 857,626 | 160,888 | 5,637,420 | (647,032) | 11,362,048 | 157,150 |
| 12/31/2016 | 25,383,684 | 14,101,171 | 46,423,126 | 773,206 | 1,352,722 | 65,720,438 | 1,730,725 | 416,679 | 5,944,616 | 6,834,760 | 11,676,450 | 193,246 |
| 12/31/2017 | 26,109,836 | 14,504,919 | 101,482,224 | 619,110 | 1,437,267 | 75,392,803 | 1,074,973 | 140,562 | 6,777,825 | 14,467,179 | 11,571,393 | 204,198 |
| 12/31/2018 | 26,014,314 | 14,451,649 | (37,810,306) | 410,250 | 1,435,864 | 71,577,589 | 716,739 | 210,895 | 7,784,260 | (5,852,119) | 11,699,575 | 203,812 |
| 12/31/2019 | 33,107,047 | 15,618,020 | 129,802,232 | 781,873 | 1,649,904 | 73,577,433 | 1,556,151 | 147,156 | 2,983,659 | 18,006,553 | 11,602,364 | 229,044 |
| 12/31/2020 | 32,855,342 | 17,334,068 | 121,212,655 | 826,595 | 1,509,348 | 78,580,417 | 2,552,672 | 54,203 | 3,321,187 | 16,140,521 | 11,624,232 | 200,961 |
| 12/31/2021 | 30,089,578 | 15,896,368 | 136,722,435 | 638,854 | 970,978 | 85,808,565 | 3,597,674 | 45,739 | 5,816,018 | 17,793,515 | 11,977,400 | 126,296 |
| 12/31/2022 | 28,972,464 | 17,361,370 | (96,156,340) | 804,605 | 1,331,254 | 84,877,194 | 3,785,126 | 161,821 | 5,523,742 | (12,854,216) | 7,484,527 | 177,933 |
| 12/31/2023 | 33,039,696 | 16,212,050 | 127,085,384 | 2,719,652 | 1,966,434 | 84,551,578 | 543,483 | 272,102 | 495,588 | 16,512,479 | 7,988,803 | 255,777 |
| 12/31/2024 | 34,725,774 | 18,345,128 | 96,154,119 | 473,390 | 1,638,775 | 86,663,212 | 502,078 | 133,547 | 405,031 | 12,175,535 | 7,702,886 | 207,733 |

Table 6 – Funding Progress

| Fiscal Year | Actuarial Accrued Liability | Actuarial Value of Assets | Fair Value of Net Assets | AVA / FVA | UAAL (AVA) | UAAL (FVA) | Funded Ratio (AVA) | Funded Ratio (FVA) | Interest Rate | Covered Payroll | Funding Years |
|-------------|-----------------------------|---------------------------|--------------------------|-----------|-------------|-------------|--------------------|--------------------|---------------|-----------------|---------------|
| 2015 | 1,078,984,597 | 739,848,920 | 704,225,033 | 105.06% | 339,135,677 | 374,759,564 | 68.6% | 65.3% | 7.75% | 99,983,224 | 30 |
| 2016 | 1,127,927,927 | 763,667,712 | 721,685,656 | 105.82% | 364,260,215 | 406,242,271 | 67.7% | 64.0% | 7.75% | 108,788,871 | 29 |
| 2017 | 1,153,619,256 | 774,670,663 | 786,356,140 | 98.51% | 378,948,593 | 367,263,116 | 67.2% | 68.2% | 7.75% | 112,705,188 | 27 |
| 2018 | 1,158,179,566 | 769,097,204 | 715,480,960 | 107.49% | 389,082,362 | 442,698,606 | 66.4% | 61.8% | 7.75% | 116,009,622 | 23 |
| 2019 | 1,173,155,313 | 796,284,462 | 817,859,488 | 97.36% | 376,870,851 | 355,295,825 | 67.9% | 69.7% | 7.25% | 118,370,595 | 23 |
| 2020 | 1,203,886,606 | 844,744,129 | 907,391,508 | 93.10% | 359,142,477 | 296,495,098 | 70.2% | 75.4% | 7.25% | 117,996,230 | 22 |
| 2021 | 1,233,493,873 | 894,429,665 | 1,000,315,787 | 89.41% | 339,064,208 | 233,178,086 | 72.5% | 81.1% | 7.25% | 111,621,001 | 24 |
| 2022 | 1,263,806,590 | 934,493,628 | 861,142,491 | 108.52% | 329,312,962 | 402,664,099 | 73.9% | 68.1% | 7.25% | 112,476,672 | 21 |
| 2023 | 1,301,525,066 | 969,142,895 | 952,865,676 | 101.71% | 332,382,171 | 348,659,390 | 74.5% | 73.2% | 7.25% | 122,123,467 | 19 |
| 2024 | 1,355,840,930 | 994,445,085 | 1,006,984,841 | 98.75% | 361,395,845 | 348,856,089 | 73.3% | 74.3% | 7.25% | 132,922,513 | 19 |

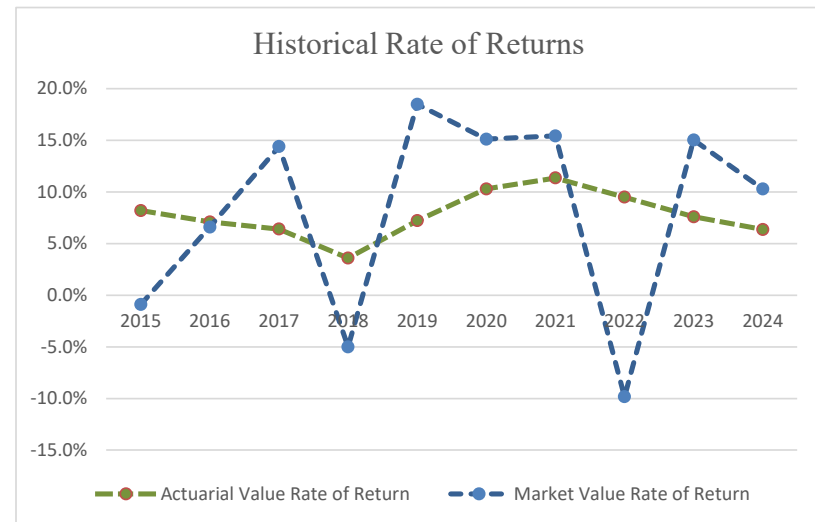
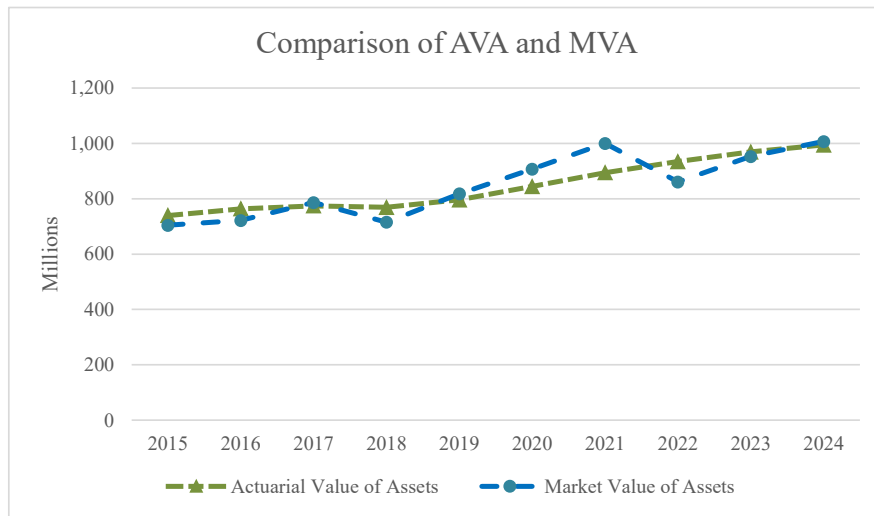


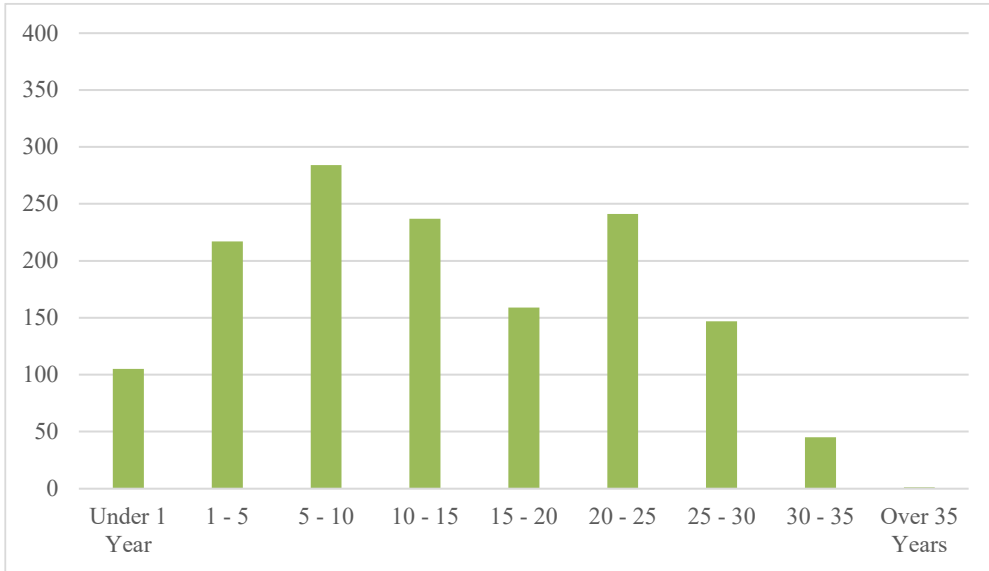
Table 7 – Solvency Test

| | Actuarial Accrued Liabilities | | | Actuarial Value of Assets | Portion of Liabilities Covered by Assets | | |
|------------|-------------------------------|--|------------------------------|---------------------------|--|--|------------------------------|
| | (1) | (2) | (3) | | (1) | (2) | (3) |
| Year Ended | Active Member Contributions | Retirees, Survivors and Vested Deferreds | Active Members (ER Financed) | | Active Member Contributions | Retirees, Survivors and Vested Deferreds | Active Members (ER Financed) |
| 12/31/2015 | 122,286,821 | 662,562,480 | 294,135,296 | 739,848,920 | 100% | 93% | 0% |
| 12/31/2016 | 127,311,764 | 688,936,795 | 311,679,368 | 763,667,712 | 100% | 92% | 0% |
| 12/31/2017 | 130,494,700 | 717,621,283 | 305,503,273 | 774,670,663 | 100% | 90% | 0% |
| 12/31/2018 | 138,101,643 | 706,952,911 | 313,125,012 | 769,097,204 | 100% | 89% | 0% |
| 12/31/2019 | 143,160,097 | 719,452,018 | 310,543,198 | 796,284,462 | 100% | 91% | 0% |
| 12/31/2020 | 147,608,705 | 748,539,825 | 307,738,076 | 844,744,129 | 100% | 93% | 0% |
| 12/31/2021 | 144,993,174 | 797,843,018 | 290,657,681 | 894,429,665 | 100% | 94% | 0% |
| 12/31/2022 | 144,460,309 | 830,076,790 | 289,269,491 | 934,493,628 | 100% | 95% | 0% |
| 12/31/2023 | 150,265,962 | 842,330,905 | 308,928,199 | 969,142,895 | 100% | 97% | 0% |
| 12/31/2024 | 158,064,702 | 863,284,811 | 334,491,417 | 994,445,085 | 100% | 97% | 0% |

Table 8 – Contribution History

| Year Ended | Actuarially Determined Contribution for Fiscal Year End | Actual Contribution | Deficiency (Excess) in Annual Contribution | % of Actuarially Determined Contribution Contributed |
|------------|--|---------------------|---|--|
| 12/31/2015 | 22,446,316 | 22,895,242 | (448,926) | 102% |
| 12/31/2016 | 24,407,389 | 25,383,684 | (976,295) | 104% |
| 12/31/2017 | 25,349,355 | 26,109,836 | (760,481) | 103% |
| 12/31/2018 | 26,014,314 | 26,014,314 | 0 | 100% |
| 12/31/2019 | 31,269,882 | 33,107,047 | (1,837,165) | 106% |
| 12/31/2020 | 32,265,286 | 32,855,342 | (590,056) | 102% |
| 12/31/2021 | 31,938,478 | 30,089,578 | 1,848,900 | 94% |
| 12/31/2022 | 28,708,522 | 28,972,464 | (263,942) | 101% |
| 12/31/2023 | 30,818,072 | 33,039,696 | (2,221,624) | 107% |
| 12/31/2024 | 32,100,344 | 34,725,774 | (2,625,430) | 108% |

Graph 9 – Distribution of Active Members by Service



Graph 10 – Distribution of Active Members by Age

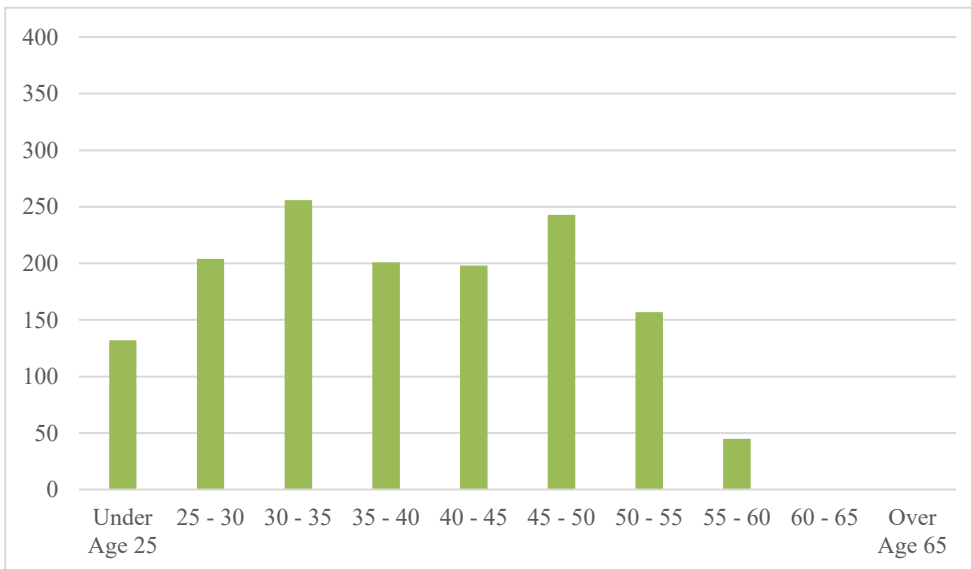
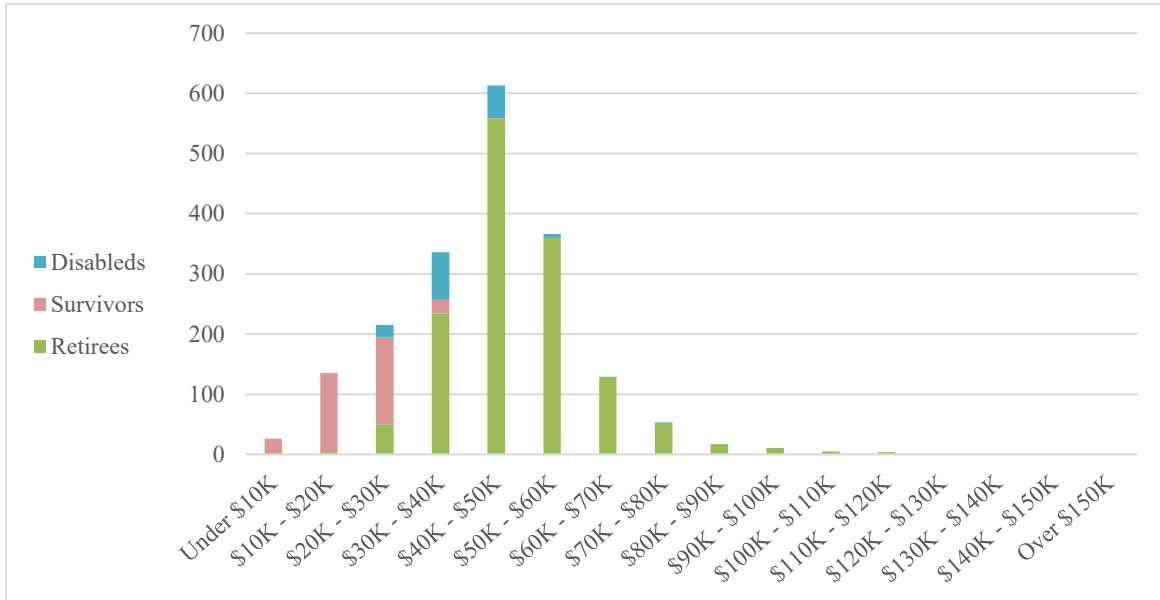
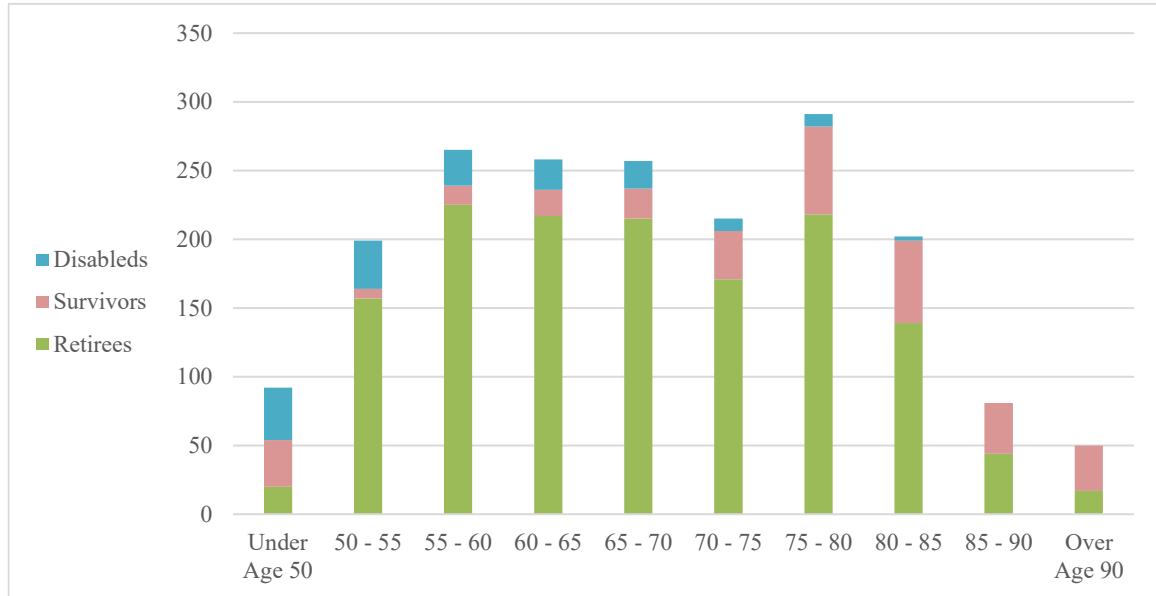


Table 11 – Distribution of Annuitants by Annual Benefit



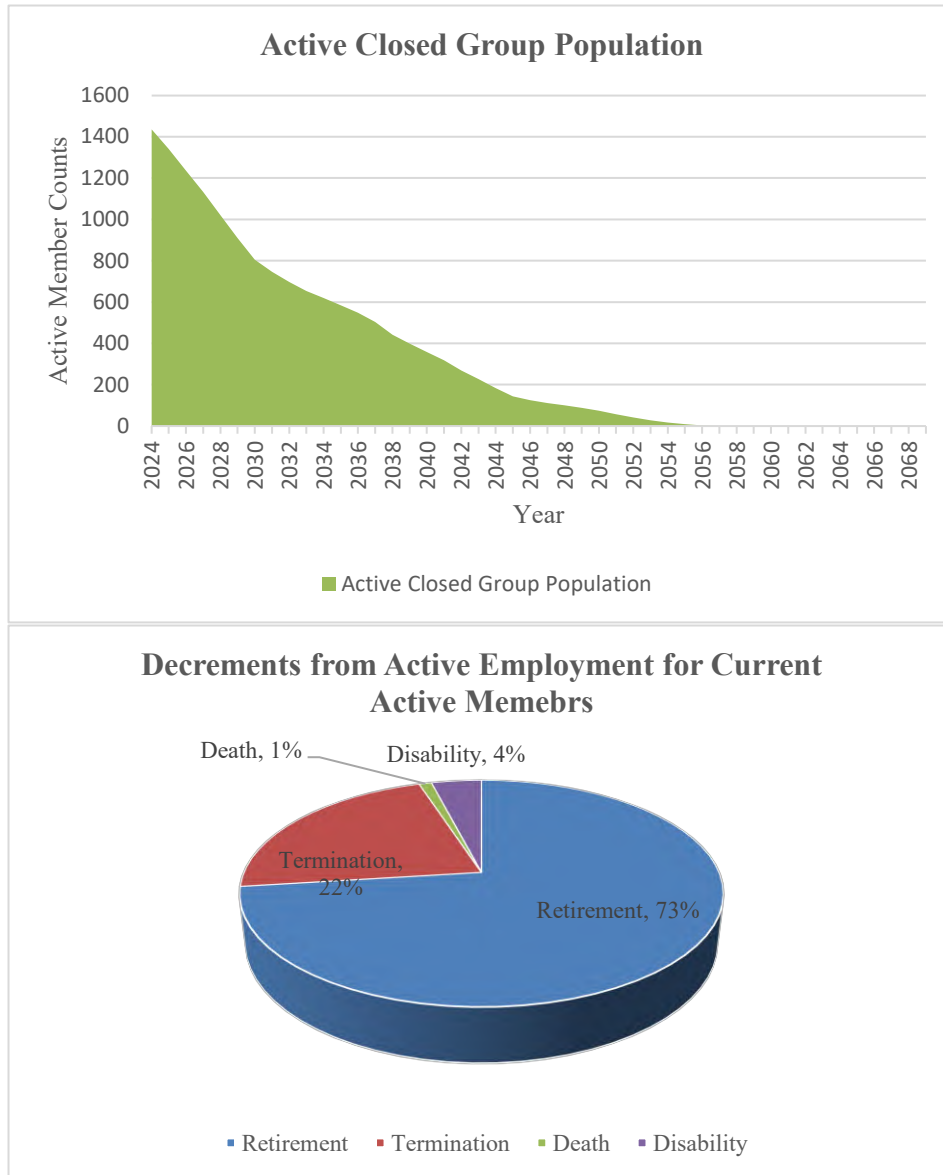
| Annual Benefit | Retirees | Survivors | Disableds | Total |
|-----------------|-------------|------------|------------|-------------|
| Under \$10K | 0 | 26 | 0 | 26 |
| \$10K - \$20K | 4 | 130 | 1 | 135 |
| \$20K - \$30K | 50 | 145 | 20 | 215 |
| \$30K - \$40K | 234 | 23 | 79 | 336 |
| \$40K - \$50K | 558 | 1 | 54 | 613 |
| \$50K - \$60K | 360 | 0 | 6 | 366 |
| \$60K - \$70K | 129 | 0 | 0 | 129 |
| \$70K - \$80K | 51 | 0 | 2 | 53 |
| \$80K - \$90K | 17 | 0 | 0 | 17 |
| \$90K - \$100K | 11 | 0 | 0 | 11 |
| \$100K - \$110K | 5 | 0 | 0 | 5 |
| \$110K - \$120K | 4 | 0 | 0 | 4 |
| \$120K - \$130K | 0 | 0 | 0 | 0 |
| \$130K - \$140K | 0 | 0 | 0 | 0 |
| \$140K - \$150K | 0 | 0 | 0 | 0 |
| Over \$150K | 0 | 0 | 0 | 0 |
| Total | 1423 | 325 | 162 | 1910 |

Table 12 – Distribution of Annuitants by Age



| Age | Retirees | Survivors | Disableds | Total |
|--------------|-------------|------------|------------|-------------|
| Under Age 50 | 20 | 34 | 38 | 92 |
| 50 - 55 | 157 | 7 | 35 | 199 |
| 55 - 60 | 225 | 14 | 26 | 265 |
| 60 - 65 | 217 | 19 | 22 | 258 |
| 65 - 70 | 215 | 22 | 20 | 257 |
| 70 - 75 | 171 | 35 | 9 | 215 |
| 75 - 80 | 218 | 64 | 9 | 291 |
| 80 - 85 | 139 | 60 | 3 | 202 |
| 85 - 90 | 44 | 37 | 0 | 81 |
| Over Age 90 | 17 | 33 | 0 | 50 |
| Total | 1423 | 325 | 162 | 1910 |

Graph 13-Projected Headcount of Present Population



The charts above show the expected future development of the present population in simplified terms. The Retirement System presently covers 1,436 active members. Eventually, 22% of the population is expected to terminate covered employment prior to retirement and forfeit eligibility for an employer provided benefit or separating from service without withdrawing contributions. 73% of the present population is expected to receive monthly retirement benefits by retiring directly from active service. 5% of the present population is expected to become eligible for death-in-service or disability benefits. Within 9 years, over half of the covered membership is expected to consist of new hires.

Table 14 – Active DROP Members as of December 31, 2024

| Attained Ages | No. | Annual Benefit | DROP Account Balance |
|------------------|------------|---------------------|-------------------------|
| 48 | 13 | \$ 757,847 | \$ 381,036 |
| 49 | 13 | 738,318 | 1,090,056 |
| 50 | 21 | 1,218,223 | 2,639,268 |
| 51 | 17 | 959,337 | 3,165,884 |
| 52 | 28 | 1,523,636 | 3,418,715 |
| 53 | 31 | 1,561,766 | 4,574,104 |
| 54 | 15 | 731,612 | 2,739,295 |
| 55 | 20 | 889,570 | 4,095,383 |
| 56 | 8 | 396,869 | 2,797,593 |
| 57 | 7 | 302,027 | 2,103,165 |
| 58 | 4 | 180,201 | 1,606,580 |
| 59 | 2 | 78,958 | 652,757 |
| Total | 179 | \$ 9,338,364 | \$ 29,263,836 |

OHIO STATE HIGHWAY PATROL RETIREMENT SYSTEM
OTHER POSTEMPLOYMENT BENEFITS PROGRAM

ACTUARIAL VALUATION
AS OF DECEMBER 31, 2024



FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

August 18, 2025

Board of Trustees
Ohio State Highway Patrol Retirement System
1900 Polaris Parkway
Suite 201
Columbus, Ohio 43240-4037

Dear Board:

We are pleased to present to the Board this annual actuarial valuation of Ohio State Highway Patrol Retirement System's Other Postemployment Benefits (OPEB) Program. This valuation was performed to determine the current funded status of the Plan.

The valuation has been conducted in accordance with generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board, and reflects all applicable federal laws and regulations. In our opinion, the assumptions used in this valuation, as adopted by OHPRS, represent reasonable expectations of anticipated plan experience.

In conducting the valuation, we have relied on personnel and plan design information supplied by OHPRS personnel, and the actuarial assumptions and methods described in the Actuarial Assumptions section of this report. While we cannot verify the accuracy of all this information, the supplied information was reviewed for consistency and reasonableness. Because of this review, we have no reason to doubt the substantial accuracy of the information and believe that it has produced appropriate results. This information, along with any adjustments or modifications, is summarized in various sections of this report.

The measurements shown in this actuarial valuation may not be applicable for other purposes. Future actuarial measurements may differ significantly from the current measurements presented in this report due to factors such as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period); and changes in plan provisions or applicable law. Due to the limited scope of this report, we did not provide an analysis of these potential differences.

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

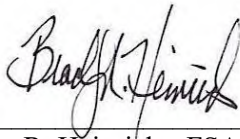
The undersigned are familiar with the immediate and long-term aspects of OPEB valuations and meet the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. All sections of this report are considered an integral part of the actuarial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

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

If there are any questions, concerns, or comments about any of the items contained in this report, please contact us at 239-433-5500.

Respectfully submitted,

Foster & Foster, Inc.

By: 
Bradley R. Heinrichs, FSA, EA, MAAA

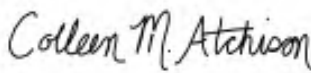
By: 
Colleen M. Atchison, FSA, MAAA

TABLE OF CONTENTS

| | |
|--|-----------|
| SUMMARY OF RESULTS | 1 |
| UNFUNDED ACTUARIAL ACCRUED LIABILITY | 3 |
| ANALYSIS OF PLAN EXPERIENCE..... | 4 |
| DEVELOPMENT OF ACTUARIALLY DETERMINED CONTRIBUTION..... | 5 |
| DEVELOPMENT OF ACTUARIALLY DETERMINED CONTRIBUTION..... | 6 |
| DEVELOPMENT OF ASSETS..... | 7 |
| CASH FLOW PROJECTION..... | 9 |
| SHORT-TERM HEALTHCARE SOLVENCY TEST | 10 |
| APPROXIMATE IRC SECTION 401(H) COMPUTATION | 11 |
| PER CAPITA CLAIMS COSTS AND CONTRIBUTION AMOUNTS | 12 |
| PARTICIPANT DATA | 13 |
| ACTUARIAL ASSUMPTIONS AND FUNDING METHODS..... | 17 |
| SUMMARY OF PLAN PROVISIONS..... | 23 |
| GLOSSARY OF ACTUARIAL TERMS..... | 26 |

SUMMARY OF RESULTS

The annual actuarial valuation of OHPRS’s Other Postemployment Benefits Program as of December 31, 2024, has been performed and the results are presented in this Report. For purposes of this valuation health reimbursement, dental, and vision benefits were taken into consideration. The results described herein are applicable to the plan year ending December 31, 2024.

The following table shows the results of the December 31, 2024 valuation of the Plan:

| Valuation Date | 12/31/2024 |
|--|----------------|
| Actuarially Determined Contribution As a Percent of Covered Payroll | 4.03% |
| Actuarial Accrued Liability (AAL) | |
| Actives | \$ 62,265,621 |
| Retirees | 109,371,155 |
| Total | \$ 171,636,776 |
| Normal Cost | \$ 2,536,417 |
| Funded Status as of the Valuation Date | |
| Actuarial Accrued Liability (AAL) | \$ 171,636,776 |
| Actuarial Value of Assets (AVA) | 126,115,685 |
| Unfunded Actuarial Accrued Liability (UAAL) | \$ 45,521,091 |
| Funded Ratio | 73.5% |
| Covered Payroll | \$ 132,922,513 |
| Ratio of UAAL to Covered Payroll | 34.2% |

Changes since the Prior Valuation

The following changes have been made since the prior valuation:

- The census data reflects changes in status for the twelve (12) month period since December 31, 2023.
- The Health Reimbursement Arrangement contributions and Dental and Vision premiums for 2025 were used in developing the actuarial accrued liability.
- The per capita claims costs have been updated to reflect the most recent plan data for both Dental and Vision benefits.
- The actuarial value of assets was updated and is based on the market value of assets as of December 31, 2024.

This actuarial valuation involves estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to constant revision as actual experience is compared with past expectations and new estimates are made about the future.

Calculations are based upon the types of benefits provided under the terms of the substantive plan at the time of the valuation and on the pattern of sharing of costs between the employer and plan members to that point. Calculations reflect a long-term perspective, so methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

UNFUNDED ACTUARIAL ACCRUED LIABILITY

| | | |
|--|----|--------------|
| 1. Unfunded Actuarial Accrued Liability (UAAL) as of December 31, 2023 | \$ | 49,060,408 |
| 2. Employer Normal Cost, Developed as of December 31, 2023 | | 2,709,034 |
| 3. Expected Interest on 1 and 2 (at 7.25%) | | 3,753,285 |
| 4. Contributions | | 1,060,984 |
| 5. Expected Interest on 4, mid-year | | 37,788 |
| 6. Expected UAAL as of December 31, 2024 (1)+(2)+(3)-(4)-(5) | \$ | 54,423,955 |
| 7. Change in UAAL by component | | |
| Increase in UAAL due to investment experience | \$ | 1,263,332 |
| Increase in UAAL due to demographic experience | | 1,501,879 |
| Decrease in UAAL due to favorable claims experience | | (10,280,672) |
| Increase in UAAL due to updated assumptions | | - |
| Increase in UAAL due to all other changes | | - |
| Net decrease in UAAL | | (7,515,461) |
| 8. Unfunded Actuarial Accrued Liability as of December 31, 2024 | \$ | 45,521,091 |

ANALYSIS OF PLAN EXPERIENCE

Below is the analysis of Gains and Losses due to plan experience resulting in differences between Assumed and Actual Experience.

| Type of Activity | (Gain)/Loss |
|--|-----------------|
| 1. HRA Contributions and Premiums. Rather than increasing with trend rates, there was no change to the HRA contribution amounts or Dental and Vision retiree premiums in 2025. Lower retiree health costs compared to expected result in a liability gain. | \$ (10,280,672) |
| 2. Assumptions. There were no demographic or economic assumption updates since the previous valuation. | - |
| 3. Investment Return. If the investment return is greater than the assumed return on investments, there is a gain. If the return is less than the assumed rate, there is a loss. On a market value basis, the return during 2024 was greater than expected. However, there is still a loss from 2022 that is being recognized for purposes of the development of the Actuarial Value of Assets. | 1,263,332 |
| 4. All Other Sources. Gains and losses resulting from demographic experience, timing of financial transactions, etc. | 1,501,879 |
| 5. Composite (Gain)/Loss During the Year | \$ (7,515,461) |

DEVELOPMENT OF ACTUARIALLY DETERMINED CONTRIBUTION

| | 12/31/2024 |
|--|----------------|
| <i>Unfunded Actuarial Accrued Liability</i> | |
| Actuarial Accrued Liability | \$ 171,636,776 |
| Actuarial Value of Assets | 126,115,685 |
| Unfunded Actuarial Accrued Liability | \$ 45,521,091 |
| <i>Amortization Amount Component</i> | |
| Amortization Period | 30 |
| Amortization Method | Open |
| Discount Rate | 7.25% |
| Payroll Growth Rate | 2.75% |
| Total Amortization Amount | \$ 2,639,542 |
| As of Percent of Covered Payroll | 1.99% |
| <i>Normal Cost Component</i> | |
| Normal Cost | \$ 2,536,417 |
| Interest on Normal Cost | 183,890 |
| Normal Cost Component | \$ 2,720,307 |
| As of Percent of Covered Payroll | 2.05% |
| <i>Development of Actuarially Determined Contribution</i> | |
| Normal Cost Component | \$ 2,720,307 |
| As of Percent of Covered Payroll | 2.05% |
| Amortization Component | \$ 2,639,542 |
| As of Percent of Covered Payroll | 1.99% |
| Actuarially Determined Contribution | \$ 5,359,849 |
| As of Percent of Covered Payroll | 4.03% |
| Covered Payroll | \$ 132,922,513 |

DEVELOPMENT OF ACTUARIALLY DETERMINED CONTRIBUTION

| Determination of the Actuarially Determined Contribution for the Period July 1, 2025 to June 30, 2026 | Contributions Expressed as a Percent of Payroll |
|---|---|
| Normal Cost | 2.05% |
| UAAL Amortization | 1.99% |
| Total Actuarially Determined Contribution | 4.03% |

The calculations above show the Employer’s Actuarially Determined Contribution for the year ended June 30, 2026. The Actuarially Determined Contribution for the year ended December 31, 2025 will be ½ of 4.71% of covered payroll and ½ of the 4.03% of covered payroll shown above.

DEVELOPMENT OF ASSETS

STATEMENT OF FIDUCIARY NET POSITION December 31, 2024

| | MARKET VALUE | | TOTAL |
|------------------------------------|----------------------|--------------------|----------------------|
| | PENSION | HEALTH | |
| ASSETS | | | |
| Cash and Cash Equivalents: | | | |
| Cash and Short Term Investments | 47,645,896 | 6,039,621 | 53,685,517 |
| Total Cash and Equivalents | 47,645,896 | 6,039,621 | 53,685,517 |
| Receivables: | | | |
| Employer Contributions Receivable | 1,639,305 | 0 | 1,639,305 |
| Member Contributions Receivable | 1,319,218 | 0 | 1,319,218 |
| Accrued Investment Income | 2,476,567 | 313,931 | 2,790,498 |
| Health Care Receivable | 0 | 0 | 0 |
| Miscellaneous Receivable | 22,936 | 0 | 22,936 |
| Total Receivables | 5,458,026 | 313,931 | 5,771,957 |
| Investments: | | | |
| Domestic Equity | 224,884,802 | 29,181,062 | 254,065,864 |
| International Equity | 22,675,916 | 2,937,905 | 25,613,821 |
| Fixed Income | 140,866,349 | 18,250,729 | 159,117,078 |
| Real Estate | 64,658,587 | 8,377,205 | 73,035,792 |
| Private Equity | 219,393,578 | 28,424,764 | 247,818,342 |
| Hedge Funds | 49,886,433 | 6,463,316 | 56,349,749 |
| Direct Infrastructure | 22,069,108 | 2,859,287 | 24,928,395 |
| Global Equity | 221,135,744 | 28,650,480 | 249,786,224 |
| Total Investments | 965,570,517 | 125,144,748 | 1,090,715,265 |
| Other | 129,867 | 76,709 | 206,576 |
| Total Assets | <u>1,018,804,306</u> | <u>131,575,009</u> | <u>1,150,379,315</u> |
| Deferred Outflows of Resources | 391,773 | 48,828 | 440,601 |
| LIABILITIES | | | |
| Payables: | | | |
| Accounts Payable | 189,702 | 24,047 | 213,749 |
| Accrued Payroll Liabilities | 303,398 | 38,459 | 341,857 |
| Accrued Pension Liabilities | 10,688,004 | 0 | 10,688,004 |
| Accrued Health Care Liabilities | 0 | 3,792,750 | 3,792,750 |
| Net Pension Liability | 969,199 | 0 | 969,199 |
| Net OPEB Liability | 0 | 32,594 | 32,594 |
| Total Liabilities | <u>12,150,303</u> | <u>3,887,850</u> | <u>16,038,153</u> |
| Deferred Inflows of Resources | 60,935 | 30,008 | 90,943 |
| Net Assets: | | | |
| Active and Retired Members' Equity | 1,006,984,841 | 127,705,979 | 1,134,690,820 |
| Employees' Savings Fund | | | 132,986,980 |
| Employer Accumulation Fund | | | 127,705,979 |
| Pension Reserve Fund | | | 873,997,861 |
| Survivors Benefit Fund | | | 0 |
| Health Care Fund | | | 127,705,979 |
| Income Fund | | | (127,705,979) |
| Total Fund Balance | | | 1,134,690,820 |
| NET POSITION | | | 1,134,690,820 |

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FOR THE YEAR ENDED December 31, 2024
 Market Value Basis

| | PENSION | HEALTH | TOTAL |
|--|---------------|-------------|---------------|
| <u>ADDITIONS</u> | | | |
| Contributions: | | | |
| Member Contribution | 18,345,128 | 655,953 | 19,001,081 |
| Employer Contributions | 34,725,774 | 0 | 34,725,774 |
| Medicare Reimbursement | | 405,031 | 405,031 |
| Transfers | 339,843 | | 339,843 |
| Total Contributions | 53,410,745 | 1,060,984 | 54,471,729 |
| | | | |
| Net Investment Income ¹ | 96,154,119 | 12,175,535 | 108,329,654 |
| | | | |
| Total Additions | 149,564,864 | 13,236,519 | 162,801,383 |
| <u>DEDUCTIONS</u> | | | |
| Distributions to Members: | | | |
| Benefit Payments | 86,498,212 | 8,358,839 | 94,857,051 |
| Refund of Member Contributions | 502,078 | | 502,078 |
| Death Benefit | 165,000 | | 165,000 |
| Total Distributions | 87,165,290 | 8,358,839 | 95,524,129 |
| | | | |
| Administrative Expenses | 1,638,775 | 207,733 | 1,846,508 |
| | | | |
| Total Deductions | 88,804,065 | 8,566,572 | 97,370,637 |
| | | | |
| Net Increase in Net Position | 60,760,799 | 4,669,947 | 65,430,746 |
| <u>NET POSITION</u> | | | |
| Beginning of the Year | 952,865,676 | 123,899,283 | 1,076,764,958 |
| Adjustment to beginning of year | (6,641,634) | (863,251) | (7,504,884) |
| | | | |
| End of the Year | 1,006,984,841 | 127,705,979 | 1,134,690,820 |
| | | | |
| Actuarial Value End of Year ² | 994,445,085 | 126,115,685 | 1,120,560,770 |

¹ Investment related expenses include investment management, investment consulting, custodial and securities lending bank fees.

² Actuarial Value is allocated in proportion to the Market Value.

CASH FLOW PROJECTION

| Cash Flow Projection Based on the December 31, 2024 Actuarial Valuation at 7.25% | | | | | | | | | | |
|--|---------------------|---------------------------|--------------|----------------|---------------------|----------------------|------------------|----------------|--------------|----------|
| Calendar Year | Fund Balance BOY \$ | Employer Contributions \$ | Benefits \$ | Net \$ | Investment Return % | Investment Return \$ | Fund Balance EOY | | % of Payroll | |
| | | | | | | | Nominal \$ | Real \$ | Contrib. | Benefits |
| 2025 | \$ 126,115,685 | \$ 0 | \$ 9,739,919 | \$ (9,739,919) | 7.25% | \$ 8,796,493 | \$ 125,172,259 | \$ 125,172,259 | 0.00% | 7.33% |
| 2026 | 125,172,259 | 0 | 9,916,572 | (9,916,572) | 7.25% | 8,721,803 | 123,977,490 | 120,953,649 | 0.00% | 7.42% |
| 2027 | 123,977,490 | 0 | 10,087,130 | (10,087,130) | 7.25% | 8,629,107 | 122,519,467 | 116,615,793 | 0.00% | 7.54% |
| 2028 | 122,519,467 | 0 | 10,433,853 | (10,433,853) | 7.25% | 8,511,052 | 120,596,666 | 111,985,993 | 0.00% | 7.80% |
| 2029 | 120,596,666 | 0 | 10,817,357 | (10,817,357) | 7.25% | 8,357,990 | 118,137,299 | 107,026,562 | 0.00% | 8.33% |
| 2030 | 118,137,299 | 0 | 11,244,594 | (11,244,594) | 7.25% | 8,164,469 | 115,057,174 | 101,693,777 | 0.00% | 8.37% |
| 2031 | 115,057,174 | 0 | 11,587,022 | (11,587,022) | 7.25% | 7,928,965 | 111,399,117 | 96,059,109 | 0.00% | 8.62% |
| 2032 | 111,399,117 | 0 | 11,883,453 | (11,883,453) | 7.25% | 7,653,198 | 107,168,862 | 90,157,438 | 0.00% | 8.78% |
| 2033 | 107,168,862 | 0 | 12,016,311 | (12,016,311) | 7.25% | 7,341,772 | 102,494,323 | 84,121,864 | 0.00% | 8.91% |
| 2034 | 102,494,323 | 0 | 12,099,508 | (12,099,508) | 7.25% | 6,999,905 | 97,394,720 | 77,986,715 | 0.00% | 8.94% |
| 2035 | 97,394,720 | 0 | 12,190,184 | (12,190,184) | 7.25% | 6,626,955 | 91,831,491 | 71,738,614 | 0.00% | 8.91% |
| 2036 | 91,831,491 | 0 | 12,279,846 | (12,279,846) | 7.25% | 6,220,427 | 85,772,072 | 65,370,737 | 0.00% | 7.70% |
| 2037 | 85,772,072 | 0 | 12,373,549 | (12,373,549) | 7.25% | 5,777,782 | 79,176,305 | 58,872,008 | 0.00% | 7.62% |
| 2038 | 79,176,305 | 0 | 12,520,406 | (12,520,406) | 7.25% | 5,294,358 | 71,950,257 | 52,194,182 | 0.00% | 7.55% |
| 2039 | 71,950,257 | 0 | 12,562,978 | (12,562,978) | 7.25% | 4,768,954 | 64,156,233 | 45,405,111 | 0.00% | 7.43% |
| 2040 | 64,156,233 | 0 | 12,654,507 | (12,654,507) | 7.25% | 4,200,627 | 55,702,353 | 38,460,556 | 0.00% | 7.34% |
| 2041 | 55,702,353 | 0 | 12,798,399 | (12,798,399) | 7.25% | 3,582,596 | 46,486,550 | 31,314,499 | 0.00% | 7.22% |
| 2042 | 46,486,550 | 0 | 13,074,066 | (13,074,066) | 7.25% | 2,904,632 | 36,317,116 | 23,867,429 | 0.00% | 7.21% |
| 2043 | 36,317,116 | 0 | 13,418,899 | (13,418,899) | 7.25% | 2,155,067 | 25,053,284 | 16,063,312 | 0.00% | 7.24% |
| 2044 | 25,053,284 | 0 | 13,702,404 | (13,702,404) | 7.25% | 1,328,342 | 12,679,222 | 7,931,205 | 0.00% | 7.29% |
| 2045 | 12,679,222 | 0 | 13,963,879 | (13,963,879) | 7.25% | 421,909 | (862,748) | (526,510) | 0.00% | 7.41% |
| 2046 | (862,748) | 0 | 14,229,506 | (14,229,506) | 7.25% | (569,344) | (15,661,598) | (9,324,701) | 0.00% | 7.42% |

The above projection of the health care fund shows the fund will remain solvent until 2045. This is based on the following projection assumptions:

1. Actuarial assumptions and methods are as described in the Actuarial Assumptions and Funding Methods section of this report. All future demographic experience is assumed to be exactly realized.
2. Assume a 0% increase in the total active member population. All new future members are expected to enter the plan upon their date of hire, under applicable plan provisions.
3. Employer contribution rates and benefit provisions continue at their present levels.
4. All cash flows are assumed to occur mid-year.
5. Inflation rate is 2.50% annually.

SHORT-TERM HEALTHCARE SOLVENCY TEST

The funding progress exhibit below demonstrates the Trust’s solvency over time. In a short-term solvency test, assets available for benefits are compared to the actuarial accrued liability for future benefits payable to persons who have retired or terminated, and the actuarial accrued liability for future projected benefits payable to current active members.

Generally, if a system has been using level contribution rate financing, the portion fully funded in each category will increase over time.

| Valuation Year | (1) Retirees, Beneficiaries & Deferreds | (2) Active Members (Employer Financed Portion) | Healthcare Valuation Assets | Portion of Accrued Liabilities Covered by Reported Assets | |
|----------------|---|--|-----------------------------------|--|-----|
| | | | | (1) | (2) |
| 2019 | \$ 168,752,009 | \$ 134,575,043 | \$ 108,058,572 | 64% | 0% |
| 2020 | \$ 162,432,699 | \$ 122,895,230 | \$ 110,433,029 | 68% | 0% |
| 2021 | \$ 130,826,489 | \$ 98,410,633 | \$ 116,354,253 | 89% | 0% |
| 2022 | \$ 132,026,693 | \$ 85,678,413 | \$ 124,942,932 | 95% | 0% |
| 2023 | \$ 112,155,993 | \$ 62,920,193 | \$ 126,015,778 | 100% | 22% |
| 2024 | \$ 109,371,155 | \$ 62,265,621 | \$ 126,115,685 | 100% | 27% |

APPROXIMATE IRC SECTION 401(H) COMPUTATION

| Year | (1) | (2) | | | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
|-------------|----------------|---------------|---------------|-----------------|---------------------|-----------------|------------------|------------------|--------------|---------------------|-----|
| | Covered Pay | Pension | | | Health Contribution | (4) + (5) | Sum of (5) | Sum of (6) | Sum of (6) | IRC Ratio (7) / (8) | |
| | | EAN NC % | PUC NC % | PUC NC \$ | | | | | | | |
| 1999 | \$ 69,030 | 24.96% | 26.08% | \$ 18,003.0 | \$ 3,278.9 | \$ 21,281.9 | \$ 33,616.4 | \$ 216,929.5 | 15.5% | | |
| 2000 | 68,505 | 24.96% | 26.08% | 17,866.1 | 3,254.0 | 21,120.1 | 36,870.4 | 238,049.6 | 15.5% | | |
| 2001 | 74,140 | 23.10% | 23.63% | 17,519.3 | 3,521.7 | 21,041.0 | 40,392.1 | 259,090.6 | 15.6% | | |
| 2002 | 79,594 | 23.14% | 23.71% | 18,871.7 | 3,780.7 | 22,652.4 | 44,172.8 | 281,743.0 | 15.7% | | |
| 2003 | 80,641 | 21.88% | 22.72% | 18,321.6 | 3,395.7 | 21,717.3 | 47,568.5 | 303,460.3 | 15.7% | | |
| 2004 | 81,931 | 21.91% | 22.83% | 18,704.8 | 2,867.6 | 21,572.4 | 50,436.1 | 325,032.7 | 15.5% | | |
| 2005 | 85,828 | 21.68% | 22.59% | 19,388.5 | 3,006.4 | 22,394.9 | 53,442.5 | 347,427.6 | 15.4% | | |
| 2006 | 87,563 | 20.99% | 21.83% | 19,115.0 | 3,384.8 | 22,499.8 | 56,827.3 | 369,927.4 | 15.4% | | |
| 2007 | 95,032 | 20.78% | 21.92% | 20,831.0 | 4,575.1 | 25,406.1 | 61,402.4 | 395,333.5 | 15.5% | | |
| 2008 | 93,029 | 20.81% | 21.89% | 20,364.0 | 4,668.0 | 25,032.0 | 66,070.4 | 420,365.5 | 15.7% | | |
| 2009 | 93,339 | 21.21% | 22.92% | 21,393.3 | 4,794.7 | 26,188.0 | 70,865.1 | 446,553.5 | 15.9% | | |
| 2010 | 92,226 | 21.23% | 23.25% | 21,445.7 | 3,699.8 | 25,145.5 | 74,564.9 | 471,699.0 | 15.8% | | |
| 2011 | 92,790 | 21.72% | 24.03% | 22,297.8 | 2,418.4 | 24,716.2 | 76,983.3 | 496,415.2 | 15.5% | | |
| 2012 | 96,022 | 21.80% | 24.19% | 23,227.8 | 2,553.0 | 25,780.8 | 79,536.3 | 522,196.0 | 15.2% | | |
| 2013 | 100,250 | 18.23% | 20.37% | 20,418.9 | 4,718.7 | 25,137.6 | 84,255.0 | 547,333.6 | 15.4% | | |
| 2014 | 100,569 | 18.13% | 21.00% | 21,117.3 | 5,859.3 | 26,976.6 | 90,114.3 | 574,310.2 | 15.7% | | |
| 2015 | 101,751 | 18.13% | 21.01% | 21,375.1 | 5,637.4 | 27,012.5 | 95,751.7 | 601,322.7 | 15.9% | | |
| 2016 | 112,811 | 19.70% | 21.55% | 24,305.2 | 5,944.6 | 30,249.8 | 101,696.3 | 631,572.5 | 16.1% | | |
| 2017 | 116,038 | 19.73% | 21.18% | 24,574.0 | 6,777.8 | 31,351.8 | 108,474.1 | 662,924.3 | 16.4% | | |
| 2018 | 115,613 | 19.10% | 20.50% | 23,700.0 | 7,784.3 | 31,484.3 | 116,258.4 | 694,408.6 | 16.7% | | |
| 2019 | 118,371 | 20.04% | 22.86% | 27,062.1 | 2,983.7 | 30,045.8 | 119,242.1 | 724,454.4 | 16.5% | | |
| 2020 | 117,996 | 20.18% | 22.66% | 26,734.9 | 3,321.2 | 30,056.1 | 122,563.2 | 754,510.4 | 16.2% | | |
| 2021 | 111,621 | 20.35% | 24.03% | 26,820.6 | 5,816.0 | 32,636.6 | 128,379.2 | 787,147.0 | 16.3% | | |
| 2022 | 112,477 | 20.11% | 21.76% | 24,479.7 | 5,523.7 | 30,003.4 | 133,903.0 | 817,150.4 | 16.4% | | |
| 2023 | 122,123 | 19.87% | 21.71% | 26,508.2 | 495.6 | 27,003.8 | 134,398.5 | 844,154.2 | 15.9% | | |
| 2024 | 132,923 | 19.59% | 21.62% | 28,740.1 | 405.0 | 29,145.1 | 134,803.6 | 873,299.3 | 15.4% | | |

As shown in the above table, the retiree health plan is subordinate to the pension plan in the trust based on the 25% threshold requirement for Column 9. Therefore, the calculations shown above indicate compliance with IRC Section 401(h).

PER CAPITA CLAIMS COSTS AND CONTRIBUTION AMOUNTS

HRA Base Rates:

Base HRA monthly contributions for those who have not yet attained Medicare eligibility are \$800 per month and \$350 per month for eligible dependents and surviving spouses.

HRA contributions for post-65 retirees are \$225 per month and \$112.50 per month for eligible dependents and surviving spouses.

Dental Benefits:

Dental coverage under the Delta Dental PPO (Point-of-Service) plan is available to eligible retirees and their dependents. The premium rates shown below are effective January 1, 2025 through December 31, 2025. The rates represent the full cost of coverage as of the valuation date.

| Delta Dental Monthly Premium Rates Calendar Year 2025 | |
|--|----------|
| Member Only | \$ 27.78 |
| Member and Spouse | \$ 53.86 |
| Member, Spouse, and Child | \$ 91.99 |
| Member and Child | \$ 56.92 |

Vision Benefits:

Vision coverage under the Aetna Vision Preferred Plan is available to eligible retirees and their dependents. The premium rates shown below are effective January 1, 2025 through December 31, 2025. The rates represent the full cost of coverage as of the valuation date.

| Aetna Vision Preferred Plan Premium Rates Calendar Year 2025 | |
|---|----------|
| Member Only | \$ 9.84 |
| Member and Spouse | \$ 19.63 |
| Member, Spouse, and Child | \$ 27.31 |
| Member and Child | \$ 17.18 |

PARTICIPANT DATA

Summary of All Participants

| Participant Group | Number |
|---|--------------|
| Retirees and surviving spouses who are currently receiving benefits | 1,910 |
| Inactive plan members who are entitled to, but not currently receiving benefits | 44 |
| Active members (including DROP participants) | <u>1,436</u> |
| Total | 3,390 |

Summary of Current Inactive Participants

| Summary of Current Inactives Health Plan Enrollment Election | | | | | | | |
|--|---|--------|--------|-------|-----------------------|---|---------------------|
| As of December 31 st | Inactives Currently Enrolled ³ | | | | | Inactives That May Enroll in the Future | |
| | Medical | Vision | Dental | HRA | Total Number Enrolled | Vested Term | All Other Inactives |
| 2019 | 1,329 | 1,455 | 1,449 | N/A | 1,479 | 11 | 219 |
| 2020 | 1,313 | 1,463 | 1,452 | N/A | 1,486 | 9 | 244 |
| 2021 | 465 | 1,477 | 1,468 | 1,015 | 1,529 | 9 | 276 |
| 2022 | 391 | 1,472 | 1,460 | 1,091 | 1,564 | 39 | 287 |
| 2023 | N/A | 1,453 | 1,455 | 1,887 | 1,887 | 45 | 0 |
| 2024 | N/A | 1,425 | 1,432 | 1,910 | 1,910 | 44 | 0 |

³ The number based on the type of coverage elected, as shown in the two exhibits that follow. They are compiled from data files provided by HPRS Staff. This is the number of retired members covered and will differ from the number of actual lives covered.

| Number of Retired Lives Covered by Medical Mutual, AETNA, Medicare Advantage or HRA | | | | | | | | | | | |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | Census Date | | | | | | | | | | |
| | 12/24 | 12/23 | 12/22 | 12/21 | 12/20 | 12/19 | 12/18 | 12/17 | 12/16 | 12/15 | 12/14 |
| Recipients: | | | | | | | | | | | |
| w/o Medicare A | N/A | N/A | 391 | 465 | 470 | 499 | 546 | 606 | 654 | 685 | 645 |
| Medicare A | N/A | N/A | 0 | 0 | 919 | 894 | 874 | 841 | 821 | 780 | 753 |
| HRA | 1,910 | 1,887 | 1,091 | 1,015 | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Spouses: | | | | | | | | | | | |
| w/o Medicare A | N/A | N/A | 123 | 202 | 196 | 207 | 217 | 253 | 287 | 302 | 325 |
| Medicare A | N/A | N/A | N/A | N/A | 452 | 451 | 434 | 402 | 386 | 372 | 360 |
| Dependent Children | N/A | N/A | 69 | 85 | 94 | 98 | 104 | 208 | 251 | 261 | 273 |
| Totals | 1,910 | 1,887 | 1,674 | 1,767 | 2,131 | 2,149 | 2,175 | 2,310 | 2,399 | 2,400 | 2,356 |

| Summary of Recipients and Dependents Covered by Medical Mutual, AETNA, Medicare Advantage or HRA | | | | | |
|--|----------|-----------|----------|--------------|--------------|
| December 31 st | AETNA | Advantage | Mutual | HRA | Totals |
| 2009 | 1,260 | | 835 | 0 | 2,095 |
| 2010 | 190 | 819 | 1,157 | 0 | 2,166 |
| 2011 | 197 | 891 | 1,181 | 0 | 2,269 |
| 2012 | 183 | 975 | 1,152 | 0 | 2,310 |
| 2013 | 162 | 1,056 | 1,141 | 0 | 2,359 |
| 2014 | 0 | 1,114 | 1,242 | 0 | 2,356 |
| 2015 | 0 | 1,152 | 1,248 | 0 | 2,400 |
| 2016 | 0 | 1,207 | 1,192 | 0 | 2,399 |
| 2017 | 0 | 1,244 | 1,066 | 0 | 2,310 |
| 2018 | 0 | 1,259 | 866 | 0 | 2,125 |
| 2019 | 0 | 1,290 | 803 | 0 | 2,093 |
| 2020 | 0 | 1,304 | 758 | 0 | 2,062 |
| 2021 | 0 | 0 | 752 | 1,015 | 1,767 |
| 2022 | 0 | 0 | 583 | 1,091 | 1,674 |
| 2023 | 0 | 0 | 0 | 1,887 | 1,887 |
| 2024 | 0 | 0 | 0 | 1,910 | 1,910 |

Summary of Current Active and DROP Participants

| Actives & DROPs Combined Service | | | | | | | | | | |
|----------------------------------|--------------------|-------|-------|---------|---------|---------|---------|--------|------|-------|
| Age | Total Past Service | | | | | | | | | Total |
| | < 1 | 1 - 4 | 5 - 9 | 10 - 14 | 15 - 19 | 20 - 24 | 25 - 29 | 30 -34 | 35 + | |
| <25 | 66 | 66 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 132 |
| 25 - 29 | 24 | 102 | 78 | 0 | 0 | 0 | 0 | 0 | 0 | 204 |
| 30 - 34 | 6 | 36 | 153 | 61 | 0 | 0 | 0 | 0 | 0 | 256 |
| 35 - 39 | 9 | 12 | 40 | 118 | 22 | 0 | 0 | 0 | 0 | 201 |
| 40 - 44 | 0 | 1 | 13 | 46 | 81 | 55 | 2 | 0 | 0 | 198 |
| 45 - 49 | 0 | 0 | 0 | 11 | 41 | 126 | 65 | 0 | 0 | 243 |
| 50 - 54 | 0 | 0 | 0 | 1 | 14 | 47 | 67 | 28 | 0 | 157 |
| 55 - 59 | 0 | 0 | 0 | 0 | 1 | 13 | 13 | 17 | 1 | 45 |
| 60 - 64 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 105 | 217 | 284 | 237 | 159 | 241 | 147 | 45 | 1 | 1,436 |

| DROPs Service | | | | | | | | | | |
|---------------|--------------------|-------|-------|---------|---------|---------|---------|--------|------|-------|
| Age | Total Past Service | | | | | | | | | Total |
| | < 1 | 1 - 4 | 5 - 9 | 10 - 14 | 15 - 19 | 20 - 24 | 25 - 29 | 30 -34 | 35 + | |
| <25 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 25 - 29 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 30 - 34 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 35 - 39 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 40 - 44 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 45 - 49 | 0 | 0 | 0 | 0 | 0 | 0 | 26 | 0 | 0 | 26 |
| 50 - 54 | 0 | 0 | 0 | 0 | 0 | 20 | 64 | 28 | 0 | 112 |
| 55 - 59 | 0 | 0 | 0 | 0 | 0 | 11 | 12 | 17 | 1 | 41 |
| 60 - 64 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 | 31 | 102 | 45 | 1 | 179 |

| Actives Service | | | | | | | | | | |
|-----------------|--------------------|-------|-------|---------|---------|---------|---------|--------|------|-------|
| Age | Total Past Service | | | | | | | | | Total |
| | < 1 | 1 - 4 | 5 - 9 | 10 - 14 | 15 - 19 | 20 - 24 | 25 - 29 | 30 -34 | 35 + | |
| <25 | 66 | 66 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 132 |
| 25 - 29 | 24 | 102 | 78 | 0 | 0 | 0 | 0 | 0 | 0 | 204 |
| 30 - 34 | 6 | 36 | 153 | 61 | 0 | 0 | 0 | 0 | 0 | 256 |
| 35 - 39 | 9 | 12 | 40 | 118 | 22 | 0 | 0 | 0 | 0 | 201 |
| 40 - 44 | 0 | 1 | 13 | 46 | 81 | 55 | 2 | 0 | 0 | 198 |
| 45 - 49 | 0 | 0 | 0 | 11 | 41 | 126 | 39 | 0 | 0 | 217 |
| 50 - 54 | 0 | 0 | 0 | 1 | 14 | 27 | 3 | 0 | 0 | 45 |
| 55 - 59 | 0 | 0 | 0 | 0 | 1 | 2 | 1 | 0 | 0 | 4 |
| 60 - 64 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 105 | 217 | 284 | 237 | 159 | 210 | 45 | 0 | 0 | 1,257 |

ACTUARIAL ASSUMPTIONS AND FUNDING METHODS

| | |
|------------------------|--|
| <u>Valuation Date</u> | December 31, 2024. |
| <u>Fiscal Year End</u> | December 31, 2024. |
| <u>Interest Rate</u> | 7.25% |
| <u>Mortality Rates</u> | <p><i>Healthy Active Lives:</i> PubS-2010 (amount-weighted, below-median) employee tables adjusted by 100.4%</p> <p><i>Retiree and Vested Terminated Lives:</i> PubS-2010 (amount-weighted) healthy retiree tables adjusted by 94.5%.</p> <p><i>Contingent Survivor Lives:</i> PubS-2010 (amount-weighted, above-median) contingent survivor tables adjusted by 109.7%.</p> <p><i>Disabled Lives:</i> PubS-2010 (amount-weighted) disabled retiree tables adjusted by 101.6%</p> <p>The mortality assumptions for all participants are sex distinct with generational mortality improvement using 75% of most recent projection scale (currently scale MP-2021) and a base year of 2010. We feel these assumptions sufficiently accommodate anticipated future mortality improvements.</p> |
| <u>Inflation</u> | 2.50% |

Salary Increase Rates

| Years of Service | Total Increase (Next Year) |
|------------------|----------------------------|
| 0 | 20.50% |
| 1 | 10.50% |
| 2–3 | 9.50% |
| 4 | 8.50% |
| 5 | 7.00% |
| 6–11 | 5.00% |
| 12+ | 3.90% |

Retirement Rates

| Annual Rates of Retirement | | | |
|----------------------------|--------------------------------------|------------------------------|-----------------|
| Age | Unreduced Benefit Retire Immediately | Unreduced Benefit Enter DROP | Reduced Benefit |
| 48 | 22.00% | 58.00% | 7.50% |
| 49 | 15.00% | 65.00% | 7.50% |
| 50 | 16.00% | 64.00% | 7.50% |
| 51 | 22.00% | 58.00% | 13.50% |
| 52 | 20.00% | 60.00% | |
| 53 | 15.00% | 65.00% | |
| 54 | 20.00% | 60.00% | |
| 55 | 30.00% | 50.00% | |
| 56 | 40.00% | 40.00% | |
| 57 | 35.00% | 45.00% | |
| 58 | 35.00% | 45.00% | |
| 59 | 60.00% | 20.00% | |
| 60+ | 100.00% | | |

Termination Rates

| Years of Service | Annual Rate of Withdrawal |
|------------------|---------------------------|
| 0 | 12.50% |
| 1–4 | 6.50% |
| 5 | 5.00% |
| 6–8 | 3.50% |
| 9–10 | 2.50% |
| 11–17 | 1.00% |
| 18 | 1.25% |
| 19–20 | 1.75% |
| 21+ | 4.00% |

Disability Rates

The table below provides a sample of the age-based annual rates of disability at various ages (adopted December 31, 2023). 60% of disability cases are assumed to service-related.

| Age | Annual Rate of Disability |
|-----|---------------------------|
| 20 | 0.06% |
| 25 | 0.06% |
| 30 | 0.16% |
| 35 | 0.29% |
| 40 | 0.49% |
| 45 | 0.59% |
| 50 | 0.78% |
| 55 | 0.85% |
| 60+ | 0.00% |

Health Care Inflation

The assumed annual rates of increase in retiree expected health care costs and contributions during each period subsequent to the valuation date are shown below.

Medical

| Fiscal Year Beginning January 1 | Pre-Medicare HRA | Medicare HRA |
|---------------------------------|------------------|--------------|
| 2024 | 2.50% | 5.45% |
| 2025 | 2.50% | 5.25% |
| 2026 | 2.50% | 5.05% |
| 2027 | 2.50% | 4.90% |
| 2028 | 2.50% | 4.85% |
| 2029 | 2.50% | 4.80% |
| 2030 | 2.50% | 4.75% |
| 2031 | 2.50% | 4.75% |
| 2032 | 2.50% | 4.75% |
| 2033+ | 2.50% | 4.75% |

Dental

4.00% for every year

Vision

3.25% for every year

| | |
|-------------------------------------|---|
| <u>HRA Participation Rates</u> | All eligible retirees are assumed to participate in the pre-Medicare and Medicare HRA plans. None are assumed to have eligible dependents. |
| <u>Medicare Eligible Enrollment</u> | 100% of current and future retirees and their dependents are assumed to be eligible for, and enroll in, Medicare when they reach age 65. |
| <u>Actuarial Cost Method</u> | Entry Age Normal (Level Percentage of Pay), with costs allocated on basis of earnings. Actuarial gains and losses are reflected in the unfunded actuarial liability. |
| <u>Actuarial Asset Method</u> | Market value of assets adjusted by the unrecognized investment gains and losses for each of the four years prior to the valuation date. Gains and losses are recognized at a rate of 25% per year. Actuarial Assets shall not be less than 80% nor greater than 120% of Market Value of Assets. |
| <u>Payroll Growth</u> | 2.75% for purposes of amortizing the Unfunded Actuarial Accrued Liability. |
| <u>Administrative Expenses</u> | Based on the average of actual expenses incurred in the prior two fiscal years. |
| <u>DROP Duration</u> | 5 years |
| <u>DROP Election</u> | 20% of active member eligible for unreduced retirement/DROP do not enter DROP or retire in any given year prior to age 60. |
| <u>Source of Data</u> | Data and audited financial information is provided by the Fund. |

Spousal Age Difference

Actual spouse age and gender is used where available, otherwise, spouse of male member is assumed to be 3 years younger than member; Spouse of female member assumed to be 3 years older than member. Members are assumed to be married to the opposite gender.

Dental and Vision Benefit Election Percentages

| Member Attained Age | Dental / Vision Annual Member Election Rate | Dental / Vision Annual Spouse Coverage Rate |
|---------------------|---|---|
| Under 48 | 0.600 | 0.000 |
| 48 | 0.700 | 0.450 |
| 49 | 0.650 | 0.500 |
| 50 | 0.600 | 0.550 |
| 51 | 0.600 | 0.550 |
| 52 | 0.700 | 0.550 |
| 53 | 0.725 | 0.500 |
| 54 | 0.750 | 0.400 |
| 55 | 0.775 | 0.475 |
| 56 | 0.825 | 0.525 |
| 57 | 0.850 | 0.550 |
| 58 | 0.875 | 0.575 |
| 59 | 0.900 | 0.600 |
| 60 | 0.900 | 0.600 |
| 61 | 0.900 | 0.625 |
| 62 | 0.925 | 0.650 |
| 63–64 | 0.950 | 0.650 |
| 65–66 | 0.975 | 0.650 |
| 67 | 0.975 | 0.650 |
| 68–69 | 0.975 | 0.675 |
| 70 | 0.975 | 0.700 |
| 71 | 0.975 | 0.725 |
| 72 | 0.975 | 0.750 |
| 73 | 0.975 | 0.775 |
| 74 | 0.975 | 0.750 |
| 75 | 0.975 | 0.700 |
| 76 | 0.950 | 0.650 |
| 77–79 | 0.925 | 0.650 |
| 80–81 | 0.925 | 0.700 |
| 82 | 0.900 | 0.650 |
| 83 | 0.900 | 0.600 |
| 84 | 0.875 | 0.550 |
| 85 + | 0.850 | 0.450 |
| Disabled Pre-65 | 0.750 | 0.400 |
| Disabled Post-64 | 0.950 | 0.550 |

Changes in Funding Assumptions/Methods Since the Prior Valuation

Method Changes

- None

Assumption Changes

The valuation reflects the following assumption changes to better reflect anticipated experience.

- Dental and Vision claims costs have been updated to reflect the most recent Plan experience.
- Contribution rates paid by retirees and covered dependents have been updated to reflect the Plan's rates effective January 1, 2025.

SUMMARY OF PLAN PROVISIONS

The following describe and reflect provisions in effect as described in Chapter 5505 of the Ohio Revised Code.

Membership Eligibility

All sworn officers and cadets in training at the academy are required to become members of the retirement system. The beginning date of membership in the system for sworn officers hired prior to June 30, 1991, is the commission date. All cadets entering the academy after that date become members of OHPRS upon entering the academy. Any person hired prior to November 2, 1989, in the radio division are HPRS members. The beginning date of membership of the radio division member is the date of hire.

Credited Service

Total years, or part thereof, employed with OHPRS, purchased service credit, and any additional service credit approved by the Board.

Eligibility for Pension

Normal Retirement

Age 52 and 20 years of Credited Service, or Age 48 with 25 years of Credited Service if hired prior to January 1, 2020.

Early Retirement

Age 48 through 51 and has accumulated at least 20 years but less than 25 years of Credited Service.

Disability Benefit

Total and permanent as determined by the Board of Trustees incapacitated for in the line of duty, or 5 or more years of service for disability incurred off-duty.

Survivor Benefit

A surviving spouse is considered to be the wife or husband as set forth in a statutory valid certificate of marriage or as recognized by judgment of a court. A surviving child is considered to be the child by birth or the legally adopted child of the member or retiree.

DROP

The DROP program was established in 2006 and affords eligible members a one-time election to “DROP in” upon attainment of unreduced retirement eligibility.

Vesting (Termination)

15 or more years of credit service.

Eligibility for OPEB

Eligibility is the same as the conditions set forth to be eligible for Pension benefits, but for Vesting (Terminated) employees, he/she must have 20 years of Credited Service.

Eligible retirees who elect to enroll in a dental or vision coverage option under the Plan contribute a monthly amount based on the selected coverage tier during the enrollment process.

Health Reimbursement Arrangement

Pre-65

Base Reimbursement Amount: \$800 per month

| Total Health Care Service | % of Base |
|---------------------------|-----------|
| 20 | 61% |
| 21 | 64% |
| 22 | 67% |
| 23 | 70% |
| 24 | 73% |
| 25 | 76% |
| 26 | 79% |
| 27 | 82% |
| 28 | 85% |
| 29 | 88% |
| 30 | 91% |
| 31 | 94% |
| 32 | 97% |
| 33+ | 100% |

Line-of-Duty Disabled: Receive 25 year service credit toward benefit.

Non-Line-of-Duty Disabled: Receive at least 61% of base amount.

Surviving Spouses/Eligible Dependents: \$350 per month

Post-65

Retirees: \$225 per month

Surviving Spouses/Eligible Dependents: \$112.50 per month

Monthly Contributions

The following tables provide the monthly dental and vision care contributions for retiree and dependent coverage options during the period January 1, 2025 through December 31, 2025:

| Monthly Contribution Amounts for Dental and Vision Coverage | | | | |
|---|---------|--------|------------------|----------------------|
| | Retiree | Spouse | Surviving Spouse | Dependent Child(ren) |
| Dental | \$ 10 | \$ 25 | \$ 10 | \$ 25 |
| Vision | \$ 8 | \$ 10 | \$ 8 | \$ 10 |

Changes in Fund Provisions Since the Prior Valuation

None.

GLOSSARY OF ACTUARIAL TERMS

Actuarial Present Value is the amount or series of amounts payable or receivable at various times, determined as of a given date by the application of a particular set of Actuarial Assumptions. For purposes of this standard, each such amount or series of amounts is:

1. adjusted for the probable financial effect of certain intervening events
2. multiplied by the probability of the occurrence of an event (such as survival, death, disability, termination of employment, etc.) on which the payment is conditioned, and
3. discounted according to an assumed rate (or rates) of return to reflect the time value of money.

Actuarial Cost Method is a procedure for determining the Present Value of plan benefits and expenses and for developing an actuarially equivalent allocation of such value to time periods, usually in the form of a Normal Cost and an Actuarial Liability.

Total Annual Payroll is the annual rate of pay for the fiscal year prior to the valuation date of all covered members.

Present Value of Benefits is the single sum value on the valuation date of all future benefits to be paid to current Members, Retirees, Beneficiaries, Disability Retirees and Vested Terminations.

Normal (Current Year's) Cost is the portion of the Actuarial Present Value of plan benefits and expenses which is allocated to a valuation year by the Actuarial Cost Method.

Actuarial Accrued Liability is the portion, as determined by a particular Actuarial Cost Method, of the Actuarial Present Value of plan benefits and expenses which is not provided for by future Normal Costs.

Unfunded Actuarial Accrued Liability (UAAL) is a liability which arises when a plan is initially established or improved and such establishment or improvement is applicable to all years of past service. Under the Entry Age Normal Actuarial Cost Method, there is also a new UAAL created each year equal to the actuarial gain or loss for that year.

Actuarially Determined Contribution (ADC) represents the level of employer contribution effort that would be required on a sustained, ongoing basis to:

1. fund the Normal Cost (cost associated with new services received) each year and
2. amortize the total unfunded actuarial liabilities (or funding excess) attributed to past services over a period of time (as determined by the plan sponsor, but typically no more than thirty years).

The ADC is a basis for the allocation of the employer's projected cost of providing Other Post-Employment Benefits (OPEB) over periods that approximate the periods in which the employer receives services from the covered employees. Accordingly, the ADC may be used as the foundation on which the measurement of the employer's annual funding can be based.