November 26, 2025

Ms. Bethany Rhodes
Executive Director
Ohio Retirement Study Council

Subject: Review of Ohio Police and Fire Funding Period and Actuarial Status as of January 2025

Dear Bethany:

As required by Section 742.311 of the Ohio Revised Code (ORC), we have reviewed the adequacy of the current statutory contribution rates relative to the benefits provided under the Ohio Police and Fire Pension Fund (OP&F).

Our primary findings are:

I. The current statutory contribution rates are adequate to fund the statutory benefits over a period of 29.88 years.
II. Based on 2025 investment returns of 7.50% and scheduled recognition of deferred investment gains under the asset smoothing methodology, the unfunded liability is projected to increase to about $9.7 billion, with a funding period of 34 years (from January 1, 2026).

Section 742.311 of the ORC requires an annual review of the adequacy of the contribution rates provided under sections 742.31, 742.33, and 742.34 and the contribution rates recommended in a report by the actuary of OP&F for the forthcoming year relative to the benefits provided. Section 742.31 governs the contributions made by the employees, 742.33 governs the contributions made by police officers' employers and 742.34 governs the contributions made by the firefighter employers.

Cavanaugh MacDonald Consulting, LLC (CMC), actuary for OP&F, made a calculation that the unfunded liability for the statutory pension benefits would be fully amortized over a period of 29.88 years, based on the current level of contributions. The UAAL of $8.94 billion as of January 1, 2025 would decline to zero by December 31, 2054. We were able to replicate the CMC calculations of the projection of the unfunded actuarial accrued liability funding period based on their actuarial methods, assumptions and level of contributions.

Section 742.14 of the ORC, as amended by Senate Bill No. 340, sets forth that the 30-year funding analysis be performed every three using the results of the Triennial Actuarial Valuation. This January 1, 2025 Triennial Actuarial Valuation shows the funding period is 29.88 years, so no 30-year funding plan is required. The next analysis will be performed based on the January 1, 2028 actuarial valuation.

Based on 2025 expected return of 7.50% and the scheduled recognition of the next set of deferred investment gains and losses under the asset smoothing methodology used in the funding policy, we

calculated that the thirty-year maximum period would not be met as of January 1, 2026. We estimate an amortization period of 34 years.

Conclusion

The conclusion of our annual review of the adequacy of the contribution rates provided under sections 742.31, 742.33, and 742.34 and the contribution rates recommended in a report by the actuary of OP&F for 2025 and beyond is that the calculation of a 29.88-year OP&F funding period is reasonable.

We are happy to discuss this further with ORSC staff, the Council, and OP&F.

Sincerely,

William B. Fornia, FSA
Pension Trustee Advisors

Linda L. Bournival, FSA
KMS Actuaries, LLC

Cc: Tom Vicente, Bolton Partners

This report demonstrates the findings discussed in our summary and other issues related to the Ohio Police & Fire Pension Fund's (OP&F) progress in meeting the funding objectives.

Topics to be addressed in this report include:

- Adequacy of current statutory contributions rates to fund current statutory benefits
- Requirements of ORC
- Projection methodology
- Impact of Medicare Part B benefits
- Allocation between Police and Fire
- Potential future changes to actuarial assumptions
- Likelihood of necessity for future changes in benefits or contributions
- Health care benefits
- Potential ORSC recommendations

BACKGROUND

Cavanaugh MacDonald Consulting, LLC (CMC), actuary for OP&F, issued the report on Triennial Actuarial Valuation of Pension Benefits as of January 1, 2025 in October 2025. The actuarial report is an essential measure of the funded position of OP&F. While the Actuarial Valuation focuses on pension benefits only, the report also includes the valuation of Medicare Part B premium reimbursements as requested by the Ohio Retirement Study Council (ORSC) so that further analysis of the impact of Part B reimbursements can be conducted.

An actuarial valuation is built upon five pillars:

- All individual demographic data of OP&F members (active, terminated, and retired)
- OP&F benefit provisions
- Actuarial assumptions as to future contingent events
- Pension fund asset information
- Funding policy and actuarial funding methods

The actuary uses these parameters to determine various actuarial measures, including:

- Actuarial Accrued Liabilities (AAL) for benefits as of the valuation date (January 1, 2025)
- Unfunded Actuarial Accrued Liabilities (UAAL)
- Normal Cost Rate: The contribution requirement to systematically fund the future service liabilities
- Funding Period necessary to completely amortize the UAAL

ADEQUACY

Cavanaugh MacDonald Consulting, LLC (CMC), actuary for OP&F, made a calculation that the unfunded liability for the statutory pension benefits would be fully amortized over a period of 29.88 years, based on the current level of contributions. The UAAL of $8.94 billion as of January 1, 2025 would decline to zero by December 31, 2054, one year later than projected in the January 1, 2024 valuation. We were able to

replicate the CMC calculations of the projection of the UAAL funding period based on their actuarial methods, assumptions and level of contributions.

These calculations were based on a smoothed Actuarial Value of Assets (AVA) of $18.288 billion. The true Market Value of Assets (MVA) is $17.933 billion. It is a common actuarial technique to use a smoothed Actuarial Value of Assets. This is done to prevent overcompensating for heavy swings in asset values. We calculate that if the calculation had been based on the MVA, the funding period would have been 32 years. Recall that this calculation as of the beginning of 2024 produced a funding period of 38 years. This demonstrates the higher volatility of this measure.

The UAAL is $9.29 billion, based on the unsmoothed MVA. The AVA is $355 million more than the current (unsmoothed) MVA. Because the smoothing impact of this $355 million will be completely recognized within four years – long before the thirty-year funding period, an argument could be made that the true expected funding period calculation should be based on the MVA instead of the AVA. This means that if experience after January 1, 2025 is exactly as expected, the unfunded liability will be completely amortized in 2057, a period of 32 years.

When including the liabilities for statutory Medicare Part B reimbursement, the AAL grows by $245 million. The CMC methodology assumes that $245 million of the $787 million in assets in the separate Health Care Stabilization Fund (HCSF) are considered to be allocated toward this Medicare Part B AAL. Consequently, there is no impact on Unfunded AAL by including Medicare Part B. We find that this approach is reasonable, although the solvency of the HCSF is weakened. This allocation of $245 million of the $787 million total represents 31% of the HCSF.

When this approach was utilized as of January 1, 2015, 48% of the HCSF was needed to be allocated to the Medicare Part B liability. This grew to 61% as of January 1, 2017. This was because the Medicare Part B AAL was increasing while the total HCSF was decreasing. But the actuarial liability for Medicare Part B benefits decreased from $551 million as of January 1, 2017 to $245 million as of January 1, 2025. This decrease was substantial and primarily due to an OP&F Board Policy to not increase the Medicare Part B reimbursement rate from $107 per month. In addition, the actuarial assumption is now that there will be no further increase in this reimbursement rate. This improves funding available for pensions significantly, but, of course, is a consequence of the reduced Medicare Part B reimbursement. Furthermore, OP&F moved to an exchange-based retiree health program with a fixed dollar subsidy level, which reduces the outflows from the HCSF.

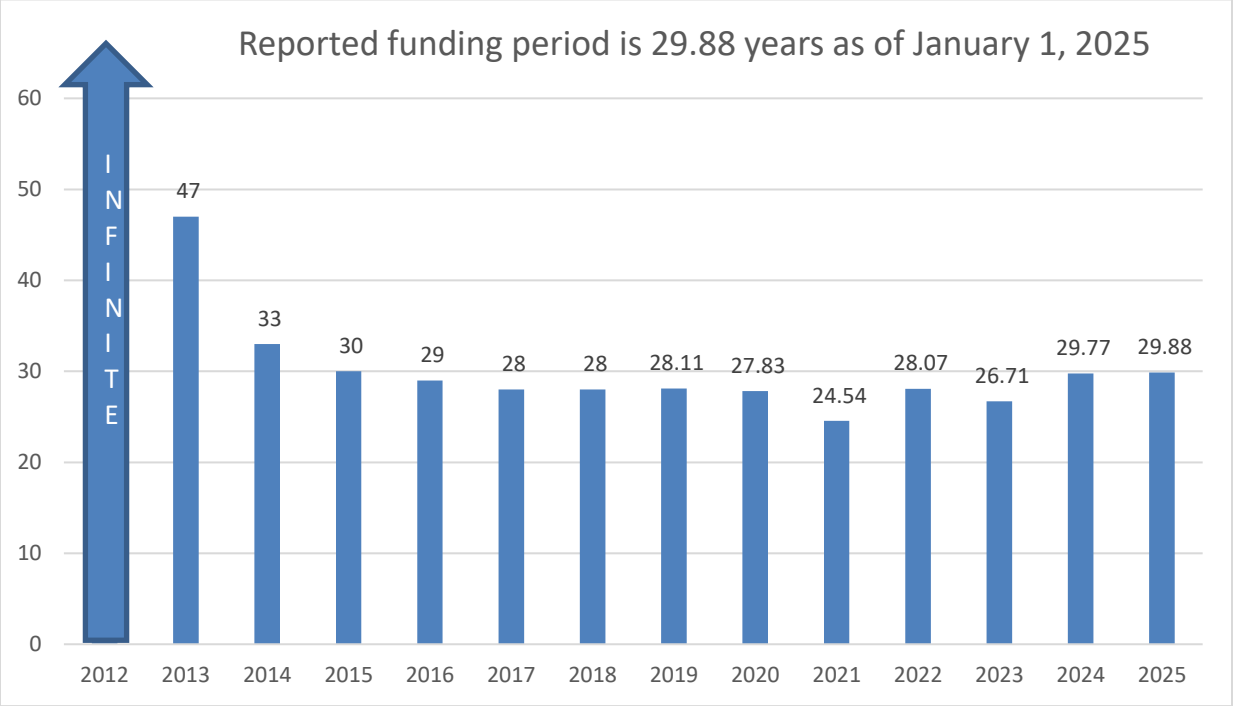
Our calculations are summarized in the table below and Appendix I. All dollar figures are in $billions as of January 1, 2025.

Funding Period on Various Bases (values in $billions)

Statutory Benefits Considered	Asset Basis	Actuarial Liability	Assets	UAAL	Funding Period
Pension Only	AVA	$27.223	$18.288	$8.935	29.88 years
Pension Only	MVA	27.223	17.933	9.290	32.35 years
Pension and Medicare Part B*	AVA	27.467	18.288	9.180	31.80 years
Pension and Medicare Part B*	MVA	27.467	17.933	9.534	34.48 years

* Unfunded Liability for scenarios with Medicare B reimbursement assumes that the reimbursement will be paid from the Health Care Stabilization Fund.

Note that the amortization period has fallen since it was 47 years in 2013. Prior to 2013 and Senate Bill 340, the OP&F amortization period was infinite, meaning that the contributions were projected to never pay off the unfunded liability. There was strong improvement from 2013 to 2015, but no sustained improvement since then. Under the adopted methodology, the funding period is expected to reduce by one each year as the date of anticipated full funding approaches. However, with the exception of 2021, the amortization period has hovered around 29 years since 2016. The historical funded periods are illustrated in the following graph:



REQUIREMENTS OF ORC 742.311

The Ohio Revised Code 742.311, for which this report is written, requires that the ORSC shall annually review the *adequacy* of the OP&F contribution rates. An additional requirement is that the calculations be based on the "entry age normal actuarial cost method" (EAN). We confirm that CMC is using EAN as the basis for its calculations.

ORC 742.311 also states that the ORSC "shall make recommendations to the general assembly that it finds necessary for the proper financing of the benefits of [OP&F]."

CMC reports that:

The actuary determines the funding period, or how many years are required by OP&F to completely amortize the UAAL, using the member and employer contributions reduced by the amount allocated to health care and the amount of normal cost for the year. Section 742.16 of the ORC, as adopted by Senate Bill No. 82, sets forth an objective that the funding period is no more than 30 years.

Section 742.14 of the ORC, as amended by Senate Bill No. 340, sets forth that the 30-year funding analysis be performed every three years. We refer to this analysis as the Triennial Actuarial Valuation. A 30-year funding plan, if the funding period is over 30 years based on the results of the Triennial Actuarial Valuation, must be developed and presented not later than 90 days after the Board of Trustees' receipt of the actuarial valuation and 30-year funding analysis. This January 1, 2025 Triennial Actuarial Valuation shows the funding period is 29.88 years, so no 30-year funding plan is required. The January 1, 2028 Triennial Actuarial Valuation will be the basis for the next 30-year funding analysis.

The funding period reported by CMC is now 29.88 years. The funding period is expected to increase next year as the remaining poor 2022 return is smoothed in. If future returns were to outperform the actuarial assumption, that could eventually decrease the period over time.

PROJECTION METHODOLOGY

While CMC is using the EAN method, they are reflecting certain future anticipated changes in its projections which determine the funding period. We believe that this approach is reasonable, although the methods do not follow the specific traditional use of the EAN method and its corresponding amortization period. Because the nature of the traditional EAN method does not incorporate important characteristics of the OP&F (and other Ohio plans) funding structure, CMC has modified this method in a manner which we find is reasonable and appropriate.

CMC calculates an employer amortization contribution rate toward the unfunded liability of 16.83% in its Table 1 Summary of Actuarial Valuation Results. CMC then goes on to demonstrate that the 16.83% amortization rate with anticipated future adjustments is sufficient to amortize the unfunded liability over 29.88 years. This is demonstrated in CMC's Table 7 and verified by PTA/KMS in Appendix 1 of this report. Note that the 16.83% rate is projected to decrease to 16.30% by 2054. This decrease is expected to occur because the normal cost rate for future members is projected to increase primarily due to the impact of generational mortality improvement which OP&F implemented in 2012. This cost increase is 0.53% of pay.

Note that traditional actuarial methods and their amortization calculations would not reflect this future expectation. Under the traditional calculation method, an actuarial contribution requirement is determined based only on the current normal cost rate plus an amortization of unfunded liability over a fixed period based on AVA. We believe that it is reasonable and appropriate to include this anticipation of the changes to the normal cost of future members in the funding period calculation as does CMC.

In our table on page 4, we calculated the funding period using both AVA and MVA. At this point in the investment cycle, the AVA exceeds the MVA. This is because the 2022 significant investment loss, offset by the smaller 2023 and 2024 investment gains, have not been fully recognized in AVA. CMC's projection calculations used the (higher) AVA. Using this approach creates an implicit assumption that average investment returns in the future will exceed the 7.50% stated actuarial assumption. In general, we believe it also important to consider the true MVA. Using the true MVA at January 1, 2025 as the starting point would result in a projection that the funding period for statutory benefits as 32.35 years. The use of the lower MVA lengthens the period by almost 2.5 years.

In a potential future year when decisions may be necessary in order to stay within the 30-year period, there could be a larger disparity between MVA and AVA. The purpose of AVA is to smooth out investment

return fluctuations and not make panic decisions based on short term results. But 742.14 only requires a triennial report for a funding plan. This also has an effect of smoothing out fluctuations. We recommend that all decisions pertaining to plan changes be based on considering both MVA and AVA to avoid the implicit assumption of a higher average investment return. ORSC requires reporting on an AVA basis only.

MEDICARE PART B IMPACT

As stated previously, the CMC 30-year funding period calculation did not explicitly reflect the non-pension statutory benefit of the reimbursement of Medicare Part B premiums. The inclusion of this benefit increases both the liabilities and assets and has no impact on the UAAL and therefore no impact on the funding period at this time.

There may be some ambiguity in this requirement, because 742.16 of the ORC, which discusses the thirty-year funding plan specifies "unfunded actuarial accrued pension liabilities." While CMC's funding period calculation did not explicitly address the Medicare Part B issue, because there are sufficient assets in the Health Care Stabilization Fund ($787 million) to cover these liabilities ($245 million) at this time, the issue is moot. If experience deteriorates, there might not be sufficient assets in the future and the distinction might be relevant.

The $245 million is not explicitly segregated for Medicare Part B payments and would decline in the future years if other health benefits (beyond Medicare Part B reimbursement payments) are provided. In particular, 0.50% of pay is allocated to the HCSF, but 0.06% has been calculated as the normal cost for the Medicare Part B reimbursements. This means that 0.44% can be explicitly attributed to health care benefits other than Medicare Part B. This substantial increase from 2017 is due to the reduction in anticipated future Medicare Part B premium reimbursement. The 0.06% contribution and the $245 million AAL attributed to Medicare Part B reimbursements are not dedicated or segregated but comingled with other HCSF assets and liabilities.

During 2024 and 2023, the HCSF had the following cash flow, as shown in Table 4 of the CMC Health Care Actuarial Reports (all values in thousands):

Summary of HCSF Market Value of Plan Assets (values in $thousands)

Item	2024	2023
Market Value of HCSF as of January 1	$787,407	$789,641
Contributions		
Employer	15,316	14,118
Member Premiums	0	0
Total	15,316	14,118
Benefits and Administrative Expenses	-92,803	-86,124
Investment Income	77,492	69,710
Other Income	71	61
Market Value of HCSF as of December 31	787,482	787,407

In very approximate terms, CMC is projecting that the HCSF is decreasing each year by $93 million due to benefits and increasing by $15 million due to contributions plus other income. If investment return on the $787 million fund is 7.5% as assumed, that would generate roughly $59 million. So the HCSF would be

expected to drop by about $19 million per year. In particular, CMC projects insolvency in 2042 if returns are 7.5% and in 2038 if returns are 5.5%.

OP&F moved to an Exchange solution effective January 1, 2019. This approach provides eligible retirees and survivors with a fixed monthly stipend earmarked to pay for health care, and OP&F's reimbursement of Medicare Part B premiums. This has reduced net outflows substantially, as they dropped from $219 million in 2018 to $77 million in 2019. This has grown to $93 million in 2024.

Prior to the 2018 investment losses and the move to an Exchange solution, the HCSF was projected to be depleted by 2034. Depletion is now projected in 2042. Note that this is twelve years prior to the full funding of pension benefits. This means that even if all actuarial assumptions are met, the HCSF would be depleted prior to the payoff of the unfunded pension liability.

ALLOCATION BETWEEN POLICE AND FIRE

Contributions to OP&F come from three sources:

- 12.25% Employee Contributions
- 19.50% Police Employer Contributions
- 24.00% Firefighter Employer Contributions

Because of the disparity between Police and Firefighters employer contributions, it could be argued that Firefighters employers are paying a larger share of the unfunded liability than are Police employers. While this is accurate, the Police and Firefighters components of OP&F are completely merged and the assets are not explicitly separated between Police and Firefighters. CMC does do an allocation of assets between Police and Firefighters based on the AAL for purposes of their Table 1 and Table 1A. But during the year, contributions are pooled and not separated into different Police and Firefighters asset accounts. Consequently, each year the assets would be allocated between the Police and Firefighters in accordance with AAL and the two components would be amortized in the same year.

If, however, the plans were separated and contributions allocated based on employer, the results would be quite different. We estimate that rather than both being fully funded in 29.88 years (based on AVA), Firefighters would be fully funded in 20 years while Police would be fully funded only after 55 years. This also assumes that Firefighters UAAL amortization contributions (currently 18.99% of pay) would not be required after 20 years, but would either cease, or be directed toward retiree healthcare benefits. Under the current CMC projection approach, both Police and Firefighters employer contributions would continue toward the UAAL until OP&F is fully funded.

CHANGES TO ACTUARIAL ASSUMPTIONS

Although the assumed rate of investment return was reduced to 7.50% in 2022, when assumptions are next reviewed and adopted with the January 1, 2027 valuation, there will likely be another consideration in a reduction in the 7.50% assumed rate of investment return. This is for two related reasons.

First is that although the low interest-rate environment which began with the 2008 financial crisis has abated somewhat as a result of post-pandemic inflation increases, long term treasury rates are still historically low, and long-term inflation expectations remain lower than in prior decades. For example,

CMC's 7.50% rate was built upon a pillar of 2.75% inflation. Long-term inflation predictions still tend to call for an inflation rate somewhat less than this, notwithstanding the higher inflation following the pandemic.

Second is that public plans around the country, based on their own analysis and advice from service providers such as actuaries and investment advisors, have reduced their assumed rates of investment return. According to data in June 2025 from NASRA (National Association of State Retirement Administrators), only three plans of 131 surveyed, have an investment return as high as 7.5%. And we understand that at least one of the other two plans has decreased their rate. According to the June, 2025 Issue Brief, the average plan is using 6.91% for their nominal investment return assumption and 2.53% for their inflation assumption.

LIKELIHOOD OF NECESSITY FOR FUTURE CHANGES

Based on the actuarial valuation as of January 1, 2025, CMC has projected that a statutorily required 30-year maximum funding period for statutory benefits will continue to be met.

We expect that if 2025 returns are considered, the funding period will exceed 30 years in 2026.

We expanded our estimate to recognize estimated investment returns in 2025 and the asset smoothing method, but our estimates do not reflect any unanticipated experience during 2025 or further changes in actuarial assumptions. Other unexpected occurrences such as the unusually strong payroll growth during 2025 would impact the funding period favorably or unfavorably.

While the asset smoothing method utilized reduces the funding period as of January 1, 2025 from more than 32 years to just below 30 years, as of the next report (January 1, 2026), the opposite will be the result. Although current market conditions (November, 2025) might result in a funding period under 30 years on an MVA basis, under the smoothing method, the funding period will almost certainly exceed 30 years. Keep in mind that this analysis only considers investment returns.

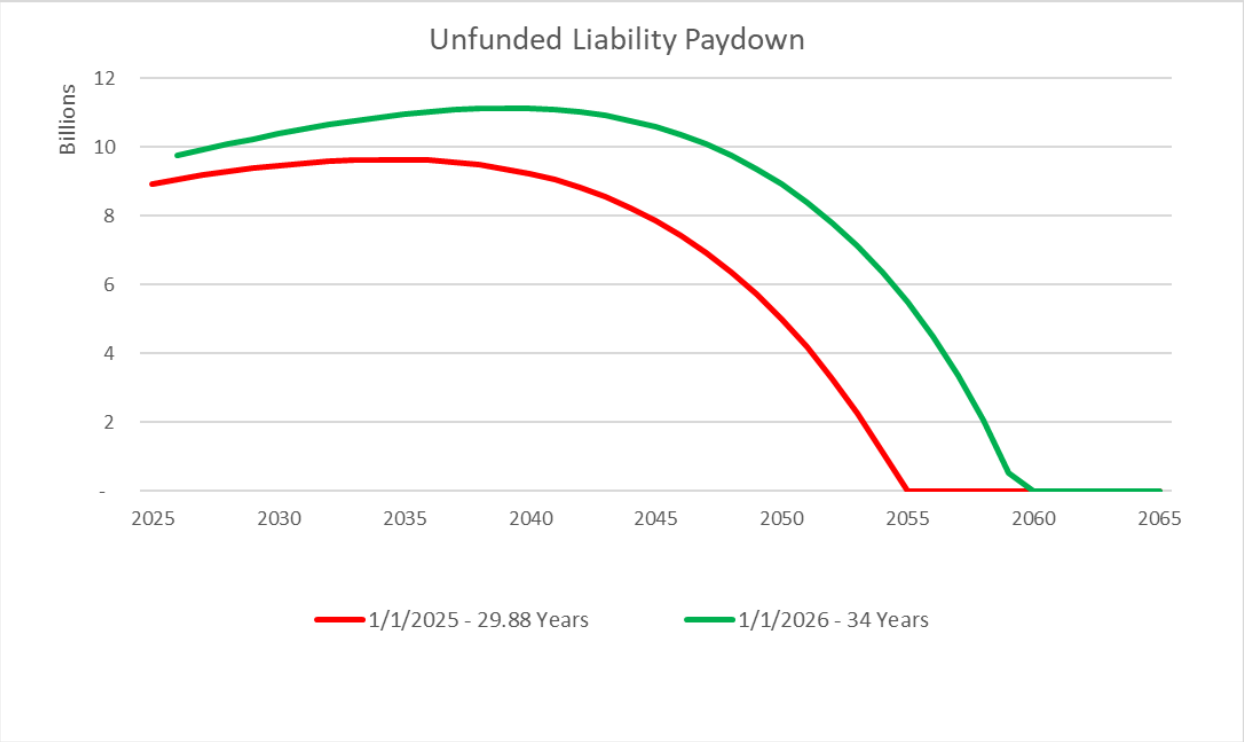
Based on data from OP&F through October 2025 and general market data, we believe that the assumed rate of 7.50% is a reasonably safe assumption for actual returns during 2025. Hopefully OP&F 2025 return will exceed 7.50%, possibly by as much as 10% or more. OP&F exceeded the 7.5% target by 2.89% in 2024 and by 1.78% in 2023 and missed the 7.5% target by 18.5% in 2022; but beat the 8% target by 11% in 2021 and by 1% in 2020. The asset smoothing method has not yet completely reflected the two good years (2023 and 2024). Based on 2025 expected return of 7.50%, we calculated that the thirty-year maximum period would not be met as of January 1, 2026, increasing to 34 years.

As of January 1, 2026, based on 7.5% return during 2025, we estimate that the asset smoothing method will result in approximately $309 million of investment return gains which are not reflected in the actuarial value of assets. Consequently, the "return" on the AVA would only be about 3.6%, creating a loss for the UAAL. This loss is not accounted for in the CMC analysis.

The following table summarizes our estimates:

Actuarial Valuation Date as of January 1	Expected Return on Plan Assets	Estimated Investment Return in 2025	Assets Recognized	Unfunded Liability	Funding Period
2025	7.50%	N/A	AVA	$8.9 billion	29.88 years
2025	7.50%	N/A	MVA	$9.3 billion	32.35 years
2026	7.50%	7.50%	AVA	$9.7 billion	34 years
2026	7.50%	7.50%	MVA	$9.4 billion	32 years

The graph below shows that the funding period is 29.88 years as of January 1, 2025 based on a 7.5% return and the actuarial value of assets (AVA) and is estimated to grow to 34 years as of January 1, 2026, based on AVA, once another year of returns for 2025 is included in the smoothed assets.



As mentioned above, the January 1, 2026, actuarial valuation will lead to results which will be more or less favorable than our estimates above. But all things being equal, we believe that it is likely that the funding period as of January 1, 2026, would be more than 30 years, and possible that the funding period in 2027and 2028 will be longer than 30 years. Note that in these lines, the unfunded liability increases for a few years before eventually decreasing to zero. This is what is known as “negative amortization” where the contributions are not enough to cover the ongoing costs plus interest on the unfunded liability. Although permitted by Ohio Statute, this is a practice that is to be noted in future financial statements.

HEALTH CARE BENEFITS

The actuarial analysis discussed above and presented in the CMC report are based on statutory pension benefits, the statutory Medicare Part B reimbursement benefit, and a contribution to retiree health care benefits of only 0.50%.

This level of 0.50% is not sufficient to provide meaningful retiree health benefits. CMC has not conducted a complete Actuarial Valuation of Retiree Health Care Benefits as of January 1, 2025, but has only prepared an Actuarial Solvency Projection of the HCSF. However, Buck reported key facts in its October, 2016 Actuarial Valuation of Retiree Health Care Benefits as of January 1, 2016. These include:

- The Normal Cost rate for the current level of benefits was 9.66% of pay
- The annual rate for amortizing the unfunded liability was 7.53% of pay
- The employer contribution toward the health care stabilization fund is 0.50% of pay
- The funded ratio (Assets divided by AAL) was 18%

From the January 1, 2025 Pension Actuarial Valuation, CMC reports that the normal cost for the Medicare Part B Premium Reimbursement benefit remained at 0.06%.

From the January 1, 2025 Solvency Projection, as shown in our table on page 7, CMC reports that:

- Employer contributions plus member contributions to HCSF were $15 million during 2024
- HCSF benefits and administrative expenses were $93 million during 2024

This all means that the current contribution rate is nowhere near adequate to fund the current level of healthcare benefits in the long term. The move to a stipend-based approach effective 2019 has helped extend the solvency.

POTENTIAL ORSC RECOMMENDATIONS

It is encouraging that OP&F is meeting the target funding period of 30 years for statutory benefits. However, the 30-year funding period required by 742.16 will likely not be satisfied in 2026 once the 2026 actuarial valuation and reflection of 2025 investment returns at or near expectations are incorporated. ORSC and OP&F may wish to begin to encourage review of potential changes which may be necessary.

The improved funding period in recent years was partly due to the increase in allocation of employer contributions toward statutory pension benefits, leaving reduced contributions toward health care. This has the impact of further jeopardizing the solvency of the retiree health trust. ORSC may wish to encourage further analysis of potential changes to rectify this long-term problem.

RECAP OF FINDINGS

- The reported funding period is 29.88 years and we agree.
- We have replicated the calculations in OP&F's funding period determination.
- Although this is a substantial improvement over the 2012 and 2013 situation, it is no improvement since 2015, when the plan was projected to be fully funded by 2044.

- Even though investment returns were strong for the years 2023 through 2024 and these have not yet been fully phased-in to the AVA, the thirty-year period may not be met as of January 1, 2026, even though returns for 2023 and 2024 were slightly higher than the assumed rate.
- We expect that further modifications would be necessary to maintain 30-year funding in 2026.
- The current level of contributions is insufficient to cover interest on the unfunded liability in the short term, thus creating negative amortization.

Actuarial calculations were performed under the direction of William Fornia, FSA and Linda Bournival, FSA. We are Members of the American Academy of Actuaries and qualified to render this actuarial opinion. We are available to discuss these findings and recommendations in more detail.

APPENDIX I – Funding Period Calculations

Replication of CMC Calculation – Based on January 1, 2025 Valuation

Year	Plan Year	Outstanding Balance at Beginning of Year (UAAL)	Assumed Amortization Contribution Rate	Assumed Payroll @ 3.25% Growth Rate	Mid-Year Amortization Contribution Amount	Outstanding Balance at End of Year (UAAL)
1	2025	$ 8,935,164	16.82%	$ 3,138,390	$ 528,024	$ 9,057,834
2	2026	9,057,834	16.82%	3,240,388	545,182	9,171,914
3	2027	9,171,914	16.81%	3,345,700	562,451	9,276,646
4	2028	9,276,646	16.79%	3,454,436	579,866	9,371,177
5	2029	9,371,177	16.78%	3,566,705	598,464	9,453,515
6	2030	9,453,515	16.73%	3,682,623	616,284	9,523,552
7	2031	9,523,552	16.76%	3,802,308	637,365	9,576,984
8	2032	9,576,984	16.73%	3,925,883	656,750	9,614,325
9	2033	9,614,325	16.71%	4,053,474	677,479	9,632,974
10	2034	9,632,974	16.72%	4,185,212	699,597	9,630,089
11	2035	9,630,089	16.69%	4,321,232	721,149	9,604,642
12	2036	9,604,642	16.68%	4,461,672	744,182	9,553,406
13	2037	9,553,406	16.67%	4,606,676	767,742	9,473,899
14	2038	9,473,899	16.63%	4,756,393	790,882	9,364,438
15	2039	9,364,438	16.63%	4,910,976	816,650	9,220,050
16	2040	9,220,050	16.63%	5,070,582	843,101	9,037,408
17	2041	9,037,408	16.60%	5,235,376	869,290	8,813,915
18	2042	8,813,915	16.58%	5,405,526	896,272	8,545,684
19	2043	8,545,684	16.56%	5,581,206	924,105	8,228,477
20	2044	8,228,477	16.55%	5,762,595	953,851	7,856,639
21	2045	7,856,639	16.55%	5,949,879	984,572	7,425,061
22	2046	7,425,061	16.54%	6,143,250	1,016,330	6,928,187
23	2047	6,928,187	16.53%	6,342,906	1,048,193	6,361,011
24	2048	6,361,011	16.49%	6,549,050	1,080,230	5,718,081
25	2049	5,718,081	16.47%	6,761,894	1,113,510	4,992,426
26	2050	4,992,426	16.43%	6,981,656	1,147,106	4,177,513
27	2051	4,177,513	16.41%	7,208,560	1,183,095	3,264,168
28	2052	3,264,168	16.39%	7,442,838	1,219,553	2,244,522
29	2053	2,244,522	16.34%	7,684,730	1,255,561	1,111,068
30	2054	1,111,068	16.30%	7,934,484	1,293,201	-

Note: Results differ slightly from those shown in CMC Table 7 due to rounding.

APPENDIX I – Funding Period Calculations (continued)

Projection – Based on January 1, 2026

Year	Plan Year	Outstanding Balance at Beginning of Year (UAAL)	Assumed Amortization Contribution Rate	Assumed Payroll @ 3.25% Growth Rate	Mid-Year Amortization Contribution Amount	Outstanding Balance at End of Year (UAAL)
1	2026	$ 9,747,831	16.82%	$ 3,240,388	$ 545,182	$ 9,913,661
2	2027	9,913,661	16.81%	3,345,700	562,451	10,074,024
3	2028	10,074,024	16.79%	3,454,436	579,866	10,228,358
4	2029	10,228,358	16.78%	3,566,705	598,464	10,374,984
5	2030	10,374,984	16.73%	3,682,623	616,284	10,514,131
6	2031	10,514,131	16.76%	3,802,308	637,365	10,641,856
7	2032	10,641,856	16.73%	3,925,883	656,750	10,759,062
8	2033	10,759,062	16.71%	4,053,474	677,479	10,863,566
9	2034	10,863,566	16.72%	4,185,212	699,597	10,952,976
10	2035	10,952,976	16.69%	4,321,232	721,149	11,026,746
11	2036	11,026,746	16.68%	4,461,672	744,182	11,082,168
12	2037	11,082,168	16.67%	4,606,676	767,742	11,117,318
13	2038	11,117,318	16.63%	4,756,393	790,882	11,131,113
14	2039	11,131,113	16.63%	4,910,976	816,650	11,119,225
15	2040	11,119,225	16.63%	5,070,582	843,101	11,079,021
16	2041	11,079,021	16.60%	5,235,376	869,290	11,008,649
17	2042	11,008,649	16.58%	5,405,526	896,272	10,905,024
18	2043	10,905,024	16.56%	5,581,206	924,105	10,764,768
19	2044	10,764,768	16.55%	5,762,595	953,851	10,583,151
20	2045	10,583,151	16.55%	5,949,879	984,572	10,356,062
21	2046	10,356,062	16.54%	6,143,250	1,016,330	10,079,013
22	2047	10,079,013	16.53%	6,342,906	1,048,193	9,748,149
23	2048	9,748,149	16.49%	6,549,050	1,080,230	9,359,254
24	2049	9,359,254	16.47%	6,761,894	1,113,510	8,906,687
25	2050	8,906,687	16.43%	6,981,656	1,147,106	8,385,344
26	2051	8,385,344	16.41%	7,208,560	1,183,095	7,787,586
27	2052	7,787,586	16.39%	7,442,838	1,219,553	7,107,196
28	2053	7,107,196	16.34%	7,684,730	1,255,561	6,338,443
29	2054	6,338,443	16.30%	7,934,484	1,293,201	5,473,007
30	2055	5,473,007	16.28%	8,192,355	1,333,560	4,500,818
31	2056	4,500,818	16.30%	8,458,606	1,378,526	3,409,093
32	2057	3,409,093	16.32%	8,733,511	1,424,953	2,187,352
33	2058	2,187,352	16.33%	9,017,350	1,472,889	824,279
34	2059	824,279	16.35%	9,310,414	1,522,383	-