

Policemen's Annuity and Benefit Fund of Chicago

GASB Statement Nos. 67 and 68 Accounting and
Financial Reporting for Pensions

Measured as of December 31, 2025

Applicable to Plan's Fiscal Year End December 31, 2025

Applicable to Employer's Fiscal Year End December 31, 2025





May 22, 2026

The Retirement Board of the
Policemen's Annuity and Benefit Fund of Chicago
221 North LaSalle Street, Suite 1626
Chicago, Illinois 60601-1404

Members of the Board:

This report provides accounting and financial reporting information as of December 31, 2025, that is intended to comply with the Governmental Accounting Standards Board ("GASB") Statement Nos. 67 and 68 for the Policemen's Annuity and Benefit Fund of Chicago ("the PABF" or "the Fund"). These calculations have been made on a basis that is consistent with our understanding of these Statements.

GASB Statement No. 67 is the accounting standard that applies to the stand-alone financial reports issued by retirement systems. GASB Statement No. 68 establishes accounting and financial reporting for state and local government employers who provide their employees (including former employees) pension benefits through a trust.

Our calculation of the liability associated with the PABF benefits (described in Section E) was performed for the purpose of providing reporting and disclosure information that satisfies the requirements of GASB Statement Nos. 67 and 68. The Net Pension Liability is not an appropriate measure for measuring the sufficiency of plan assets to cover the estimated cost of settling the employer's benefit obligation. The Net Pension Liability is not an appropriate measure for assessing the need for or amount of future employer contributions. A calculation of the plan's liability for purposes other than satisfying the requirements of GASB Statement Nos. 67 and 68 may produce significantly different results. This report may be provided to parties other than the PABF only in its entirety and only with the permission of the PABF.

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

This report complements the funding actuarial valuation report that was provided to the PABF and should be considered in conjunction with that report. Please see the funding actuarial valuation report as of December 31, 2025, for additional discussion of the nature of actuarial calculations and more information related to participant data, economic and demographic assumptions, and benefit provisions.

This actuarial valuation assumes that the City will be able to make future contributions on a timely basis. We did not perform an analysis of the ability of the City to make future contributions. Such an analysis is

not within the scope of our assignment. Failure to receive City contributions on a timely basis could jeopardize the sustainability of the Fund.

The actuarial valuation results set forth in this report are based on the data and actuarial techniques described above, and upon the provisions of the Fund as of the actuarial valuation date. To the best of our knowledge, the information contained in this report is complete and accurate based on the statutes in effect as of December 31, 2025, and fairly presents the actuarial position of the Fund as of December 31, 2025, for purposes of complying with the financial reporting requirements under GASB Statement Nos. 67 and 68.

All calculations have been made in conformity with generally accepted actuarial principles and practices as well as with the Actuarial Standards of Practice issued by the Actuarial Standards Board.

The actuarial assumptions used in this actuarial valuation are reasonable and appropriate for purposes of measuring the GASB Statement Nos. 67 and 68 pension liability as of December 31, 2025, under the current provisions.

This report was prepared using our proprietary valuation model and related software which, in our professional judgment, has the capability to provide results that are consistent with the purposes of the valuation, and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled. We are relying on the GRS actuaries and Internal Software, Training, and Processes Team who developed and maintain the model.

This report should not be relied on for any purpose other than the purpose stated.

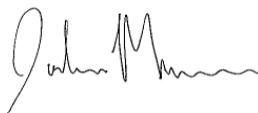
The signing actuaries are independent of the PABF and the plan sponsor.

Alex Rivera and Joshua Murner are Members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Respectfully submitted,
Gabriel, Roeder, Smith & Company



Alex Rivera, FSA, EA, MAAA, FCA
Senior Consultant



Joshua Murner, ASA, EA, MAAA, FCA
Consultant



Auditor's Note – This information is intended to assist in preparation of the financial statements of the Policemen's Annuity and Benefit Fund of Chicago. Financial statements are the responsibility of management, subject to the auditor's review. Please let us know if the auditor recommends any changes.



Table of Contents

	<u>Page</u>
Section A	Executive Summary
	Executive Summary..... 1
	Discussion..... 2
Section B	Financial Statements
	Statement of Pension Expense 1
	Statement of Outflows and Inflows Arising from Current and Prior Periods 2
	Statement of Fiduciary Net Position 3
	Statement of Changes in Fiduciary Net Position 4
Section C	Required Supplementary Information
	Schedule of Changes in Net Pension Liability and Related Ratios Current Period 1
	Schedule of Changes in Net Pension Liability and Related Ratios Multiyear 2
	Additional Notes to the Schedule of Changes in the Net Pension Liability and Related Ratios Multiyear 3
	Schedule of the Net Pension Liability Multiyear 4
	Schedule of Contributions Multiyear 5
	Notes to Schedule of Contributions 6
Section D	Notes to Financial Statements
	Sensitivity of Net Pension Liability to the Single Discount Rate Assumption 1
	Summary of Population Statistics 2
Section E	Summary of Benefits 1
Section F	Actuarial Cost Method and Actuarial Assumptions 1
Section G	Calculation of the Single Discount Rate
	Calculation of the Single Discount Rate 1
	Projection of Funded Status and Assignment of Assets 2
	Current Member Projection of Assets and Assignment of Employer Contributions.... 3
	Development of Single Discount Rate 4
Section H	Glossary of Terms 1

SECTION A

EXECUTIVE SUMMARY

Executive Summary as of December 31, 2025

Actuarial Valuation Date	December 31, 2025
Measurement Date of the Net Pension Liability	December 31, 2025
Plan's Fiscal Year Ending Date	December 31, 2025
Employer's Fiscal Year Ending Date (Reporting Date)	December 31, 2025

Membership

Number of	
- Retirees and Beneficiaries	14,895
- Inactive, Nonretired Members	1,214
- Active Members	11,639
- Total	27,748
Covered Payroll ¹	\$ 1,395,916,595

Net Pension Liability

Total Pension Liability	\$ 18,886,619,087
Plan Fiduciary Net Position	4,993,424,701
Net Pension Liability	\$ 13,893,194,386
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	26.44%
Net Pension Liability as a Percentage of Covered Payroll	995.27%

Development of the Single Discount Rate

Single Discount Rate Beginning of Year	6.66%
Single Discount Rate End of Year	6.65%
Long-Term Expected Rate of Investment Return	6.75%
Long-Term Municipal Bond Rate Beginning of Year*	4.08%
Long-Term Municipal Bond Rate End of Year*	4.83%
Last Year Trust Assets are Available to Pay Assets	2078

Total Pension Expense \$ 1,453,751,797

Deferred Outflows and Deferred Inflows of Resources by Source to be recognized in Future Pension Expenses

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Difference Between Expected and Actual Non-Investment Experience	\$ 312,742,842	\$ (83,897,960)
Changes in Assumptions	114,735,728	(232,942,366)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	(109,374,587)
Total	\$ 427,478,570	\$ (426,214,913)

¹ Payroll shown based on annualized pay rate at December 31, 2025 and does not include Tier 2 pensionable pay cap.

*Source: The discount rates at the beginning and the end of the year are based on 20 general obligation municipal bonds maturing in 20 years with mixed quality as reported in The Bond Buyer's "20-Bond GO Index" as of December 26, 2024 and as of December 31, 2025. In describing this index, The Bond Buyer website notes that the bonds' average credit quality is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corp.'s AA.



Discussion

Accounting Standard

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

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

Financial Statements

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

Paragraph 57 of GASB Statement No. 68 states, “Contributions to the pension plan from the employer subsequent to the measurement date of the collective net pension liability and before the end of the employer’s reporting period should be reported as a deferred outflow of resources related to pensions.”

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

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

Discussion

Notes to Financial Statements

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

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

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

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

- The composition of the pension plan's board and the authority under which benefit terms may be amended;
- A description of how fair value is determined;
- Information regarding certain reserves and investments, which include concentrations of investments greater than or equal to 5%, receivables, and insurance contracts excluded from plan assets; and
- Annual money-weighted rate of return.

Required Supplementary Information

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

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

The tables may be built prospectively as the information becomes available.



Discussion

Timing of the Valuation

An actuarial valuation to determine the total pension liability is required to be performed at least every two years. For employer reporting, the net pension liability and pension expense should be measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period. If the actuarial valuation used to determine the total pension liability is not calculated as of the measurement date, the total pension liability is required to be rolled forward from the actuarial valuation date to the measurement date.

The total pension liability shown in this report is based on an actuarial valuation performed as of December 31, 2025, and a measurement date of December 31, 2025.

Single Discount Rate

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

For the purpose of this actuarial valuation, the expected rate of return on pension plan investments is 6.75%; the municipal bond rate is 4.83% (based on the weekly rate closest to but not later than the measurement of The Bond Buyer's "20-Bond GO Index" for 2025); and the resulting Single Discount Rate is 6.65%.

Effective Date and Transition

GASB Statement Nos. 67 and 68 are effective for fiscal years beginning after June 15, 2013, and June 15, 2014, respectively; earlier application is encouraged by the GASB.

Recent Legislation

The following Public Acts passed in 2025 by the 104th General Assembly, included changes to the Fund Provisions.

P.A. 104-0065, Effective August 1, 2025

For participants who first became members on or after January 1, 2011:

- Changed the salary limit for all purposes under the Code to be increased each July 1, by the lesser of 3% or the annual unadjusted percentage increase in the Consumer Price Index-U (but not less than zero), including all previous adjustments.
- Changed the "final average salary" ("FAS") to the greater of the highest 8 consecutive years in 10 years or highest 4 consecutive years in 5 years preceding retirement.

Discussion

- Increased surviving spouse benefits for members with at least 1.5 but less than 10 years and for members with at least 10 years of service to be no less than 54% of the policeman's salary at time of death.
- Increased pre-retirement surviving child benefits for members with at least 1.5 years of service and post-retirement surviving child benefits from 10% to 12% of the policeman's earned annuity at date of death if a surviving spouse is alive; and from 15% to 20% if the surviving spouse subsequently dies or has died.

Assumption Changes

All actuarial assumptions remain unchanged from the prior actuarial valuation and reflect the results of the experience study performed for the five-year period of January 1, 2019 through December 31, 2023, approved by the Board on February 24, 2025, first effective with the December 31, 2024, actuarial valuation. The assumptions used are set forth in Section F: Actuarial Cost Method and Actuarial Assumptions.

SECTION B

FINANCIAL STATEMENTS

Auditor's Note: This information is intended to assist in preparation of the financial statements of the Policemen's Annuity and Benefit Fund of Chicago. Financial statements are the responsibility of management, subject to the auditor's review. Please let us know if the auditor recommends any changes.

Statement of Pension Expense under GASB Statement No. 68

Fiscal Year Ended December 31, 2025

A. Expense

1.	Service Cost Including Pension Plan Administrative Expense	\$ 314,750,903
2.	Interest on the Total Pension Liability	1,193,137,687
3.	Current-Period Benefit Changes	157,934,802
4.	Employee Contributions (made negative for addition here)	(127,555,767)
5.	Projected Earnings on Plan Investments (made negative for addition here)	(298,132,911)
6.	Other Changes in Plan Fiduciary Net Position	(145,661)
7.	Recognition of Outflow/(Inflow) of Resources due to Liabilities	123,323,145
8.	Recognition of Outflow/(Inflow) of Resources due to Assumption Changes	69,512,100
9.	Recognition of Outflow/(Inflow) of Resources due to Assets	20,927,499
10.	Total Pension Expense	\$ 1,453,751,797

B. Reconciliation of Net Pension Liability

1.	Net Pension Liability Beginning of Year	\$ 13,804,580,243
1. a.	Adjustment as of January 1, 2025	70
2.	Pension Expense	1,453,751,797
3.	Employer Contributions (made negative for addition here)	(1,112,515,437)
4.	Change in Liability Experience Outflows/(Inflows) Recognized in Current Liabilities	677,806
5.	Change in Assumption Changes Experience Outflows/(Inflows) Recognized in Current Liabilities	(48,224,277)
6.	Change in Investment Experience Outflows/(Inflows) Recognized in Current Assets	(205,075,816)
7.	Net Pension Liability End of Year	\$ 13,893,194,386

Recognition of Deferred Outflows and Inflows of Resources

Differences between expected and actual experience and changes in assumptions are recognized in pension expense using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan (active employees and inactive employees) determined as of the beginning of the measurement period.

At the beginning of the current measurement period, the expected remaining service lives of all active employees in the plan was approximately 154,834.35 years. Additionally, the total plan membership (active employees and inactive employees) was 27,767. As a result, the average of the expected remaining service lives for purposes of recognizing the applicable deferred outflows and inflows of resources established in the current measurement period is 5.5762 years.

Additionally, differences between projected and actual earnings on pension plan investments should be recognized in pension expense using a systematic and rational method over a closed five-year period. For this purpose, the deferred outflows and inflows of resources are recognized in the pension expense as a level dollar amount over the closed period identified above.

Statement of Outflows and Inflows Arising from Current and Prior Reporting Periods

Fiscal Year Ended December 31, 2025

A. Outflows and (Inflows) of Resources Recognized in Current and Future Pension Expenses as of Plan Year End December 31, 2025

Experience (Gain)/Loss			Original	Amount Recognized in	Amount Recognized in	Deferred (Inflows)	Deferred Outflows
	Original Balance	Date Established	Recognition Period/ Amortization Factor				
						Future Pension Expenses	Future Pension Expenses
1. Differences Between Expected and Actual Non-Investment Experience	\$ 124,000,951	December 31, 2025	5.5762	\$ -	\$ 22,237,536	\$ -	\$ 101,763,415
	(126,016,466)	December 31, 2024	5.9839	(21,059,253)	(21,059,253)	(83,897,960)	-
	107,954,996	December 31, 2023	5.9709	36,160,376	18,080,188	-	53,714,432
	179,968,529	December 31, 2022	5.9947	90,063,822	30,021,274	-	59,883,433
	450,528,053	December 31, 2021	6.2776	287,068,560	71,767,140	-	91,692,353
	61,913,883	December 31, 2020	6.6071	46,853,895	9,370,779	-	5,689,209
	(68,010,227)	December 31, 2019	6.6988	(60,915,708)	(7,094,519)	-	-
				\$ 378,171,692	\$ 123,323,145	\$ (83,897,960)	\$ 312,742,842
2. Assumption Changes	\$ 21,287,823	December 31, 2025	5.5762	\$ -	\$ 3,817,622	\$ -	\$ 17,470,201
	68,472,863	December 31, 2024	5.9839	11,442,849	11,442,849	-	45,587,165
	40,696,540	December 31, 2023	5.9709	13,631,626	6,815,813	-	20,249,101
	(700,064,974)	December 31, 2022	5.9947	(350,341,956)	(116,780,652)	(232,942,366)	-
	37,028,703	December 31, 2021	6.2776	23,594,040	5,898,510	-	7,536,153
	260,021,116	December 31, 2020	6.6071	196,773,340	39,354,668	-	23,893,108
	1,140,418,080	December 31, 2019	6.6988	1,021,454,790	118,963,290	-	-
				\$ 916,554,689	\$ 69,512,100	\$ (232,942,366)	\$ 114,735,728
3. Difference Between Expected and Actual Investment Earnings	\$ (184,148,317)	December 31, 2025	5.0000	\$ -	\$ (36,829,663)	\$ (147,318,654)	\$ -
	(78,456,966)	December 31, 2024	5.0000	(15,691,393)	(15,691,393)	(47,074,180)	-
	(78,815,331)	December 31, 2023	5.0000	(31,526,132)	(15,763,066)	(31,526,133)	-
	582,721,892	December 31, 2022	5.0000	349,633,134	116,544,378	-	116,544,380
	(136,663,781)	December 31, 2021	5.0000	(109,331,024)	(27,332,757)	-	-
	(58,173,726)	December 31, 2020	5.0000	(58,173,726)	-	-	-
	(163,277,704)	December 31, 2019	5.0000	(163,277,704)	-	-	-
				\$ (28,366,845)	\$ 20,927,499	\$ (225,918,967)	\$ 116,544,380
4. Total				\$ 1,266,359,536	\$ 213,762,744	\$ (542,759,293)	\$ 544,022,950

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

Year Ending December 31	Differences Between Expected and Actual		Differences Between Expected and Actual Investment Experience	Year Ending December 31	Deferred Outflows of Resources	Deferred (Inflows) of Resources	Net Deferred Outflows/ (Inflows) of Resources
	Non-Investment Experience	Assumption Changes					
2026	\$ 126,736,094	\$ (64,912,750)	\$ 48,260,258	2026	\$ 316,207,629	\$ (206,124,027)	\$ 110,083,602
2027	69,045,843	(92,447,787)	(68,284,123)	2027	113,819,023	(205,505,090)	(91,686,067)
2028	18,732,339	21,877,946	(52,521,057)	2028	61,669,538	(73,580,310)	(11,910,772)
2029	1,517,335	15,076,240	(36,829,665)	2029	37,313,776	(57,549,866)	(20,236,090)
2030	12,813,271	2,199,713	-	2030	15,012,984	-	15,012,984
2031	-	-	-	2031	-	-	-
Thereafter	-	-	-	Thereafter	-	-	-
Total	\$ 228,844,882	\$ (118,206,638)	\$ (109,374,587)	Total	\$ 544,022,950	\$ (542,759,293)	\$ 1,263,657

Numbers may not add due to rounding.



Statement of Fiduciary Net Position

Years Ended December 31, 2025, and 2024

	2025	2024
Assets		
Receivables		
Employer	\$ 1,042,582,135	\$ 930,344,933
Plan member	6,027,390	5,899,588
Due from Broker - net	146,795,147	85,114,812
Interest and dividends	9,004,246	7,126,211
Other receivables	-	-
Total receivables	1,204,408,918	1,028,485,544
Investments - at fair value		
Cash and short-term investments	349,093,672	291,470,984
Equities	2,111,436,468	1,753,387,456
Fixed income	596,098,759	574,661,052
Private equity	270,301,114	232,962,865
Real estate	169,344,813	181,129,192
Hedge funds	275,815,042	250,032,813
Infrastructure	136,718,834	128,013,642
Subtotal	3,908,808,702	3,411,658,004
Forward currency contracts	250,456	217,057
Securities lending cash collateral	132,516,640	120,596,385
Right-to-use lease asset	1,451,873	1,675,238
Total investments - fair value	4,043,027,671	3,534,146,684
Total assets	5,247,436,589	4,562,632,228
Deferred Outflow of Resources	446,301	266,499
Liabilities and net position		
Liabilities		
Due to brokers - net	112,663,422	107,648,835
Long-term lease	2,237,818	2,503,278
Refunds, professional fees payable and other liabilities	5,301,935	5,072,197
OPEB liability	960,534	735,037
Securities lending cash collateral	132,516,640	120,596,385
Total liabilities	253,680,349	236,555,732
Deferred Inflow of Resources	777,840	886,679
Net Position Restricted for Pension Benefits		
Beginning of year	4,325,456,316	3,869,934,220
Adjustment as of January 1	(70)	(1)
End of year	\$ 4,993,424,701	\$ 4,325,456,316

Adjustment for the difference between the end of year market value of assets from the prior year actuarial valuation and the final end of year market value of assets from the prior year. Assets as of December 31, 2023 and December 31, 2024, were updated subsequent to the delivery date of the actuarial valuation report and did not significantly impact the certified contribution rate determined in each actuarial valuation.



Statement of Changes in Fiduciary Net Position Years Ended December 31, 2025, and 2024

	<u>2025</u>	<u>2024</u>
Additions		
Contributions		
Employer	\$ 1,112,515,437	\$ 1,011,371,037
Plan Member	127,555,767	121,412,305
Other	<u>145,661</u>	<u>84,714</u>
Total Contributions	<u>1,240,216,865</u>	<u>1,132,868,056</u>
Investment Income		
Net appreciation in fair value of investments	418,178,070	277,995,322
Interest	20,769,347	22,681,410
Dividends	50,700,215	48,541,059
Real estate operating income - net	<u>1,483,391</u>	<u>2,443,782</u>
	491,131,023	351,661,573
Less investment expenses	<u>(9,503,449)</u>	<u>(8,679,370)</u>
Investment income - net	481,627,574	342,982,203
Securities lending		
Income	6,386,171	5,944,882
Lender (borrower) rebates	(5,643,382)	(5,460,617)
Management fees	<u>(89,135)</u>	<u>(66,606)</u>
Securities lending income - net	<u>653,654</u>	<u>417,659</u>
Total additions	<u>1,722,498,093</u>	<u>1,476,267,918</u>
Deductions		
Benefits	1,037,945,113	1,004,293,187
Refund Payments	11,718,221	11,826,763
Administrative and OPEB expenses	<u>4,866,304</u>	<u>4,625,871</u>
Total deductions	<u>1,054,529,638</u>	<u>1,020,745,821</u>
Net increase	667,968,455	455,522,097
Net Position Restricted for Pension Benefits		
Beginning of year	4,325,456,316	3,869,934,220
Adjustment as of January 1	<u>(70)</u>	<u>(1)</u>
End of year	<u>\$ 4,993,424,701</u>	<u>\$ 4,325,456,316</u>

Adjustment for the difference between the end of year market value of assets from the prior year actuarial valuation and the final end of year market value of assets from the prior year. Assets as of December 31, 2023 and December 31, 2024, were updated subsequent to the delivery date of the actuarial valuation report and did not significantly impact the certified contribution rate determined in each actuarial valuation.



SECTION C

REQUIRED SUPPLEMENTARY INFORMATION

Auditor's Note: This information is intended to assist in preparation of the financial statements of the Policemen's Annuity and Benefit Fund of Chicago. Financial statements are the responsibility of management, subject to the auditor's review. Please let us know if the auditor recommends any changes.

Schedule of Changes in Net Pension Liability and Related Ratios Current Period Fiscal Year Ended December 31, 2025

A. Total Pension Liability	
1. Service Cost Including Pension Plan Administrative Expense	\$ 314,750,903
2. Interest on the Total Pension Liability	1,193,137,687
3. Changes of benefit terms	157,934,802
4. Difference between expected and actual experience of the Total Pension Liability	124,000,951
5. Changes of assumptions	21,287,823
6. Benefit payments, including refunds of employee contributions	(1,049,663,334)
7. Pension Plan Administrative Expenses	(4,866,304)
8. Net change in total pension liability	<u>756,582,528</u>
9. Total pension liability – beginning	<u>18,130,036,559</u>
10. Total pension liability – ending	<u><u>\$ 18,886,619,087</u></u>
B. Plan Fiduciary Net Position	
1. Contributions – employer	1,112,515,437
2. Contributions – employee	127,555,767
3. Net investment income	482,281,228
4. Benefit payments, including refunds of employee contributions	(1,049,663,334)
5. Pension Plan Administrative Expense	(4,866,304)
6. Other	<u>145,661</u>
7. Net change in plan fiduciary net position	667,968,455
8. Plan fiduciary net position – beginning	4,325,456,316
8a. Adjustment as of January 1, 2025	(70)
9. Plan fiduciary net position – ending	<u><u>\$ 4,993,424,701</u></u>
C. Net Pension Liability	<u><u>\$ 13,893,194,386</u></u>
D. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	26.44%
E. Covered-Employee Payroll¹	\$ 1,395,916,595
F. Net Pension Liability as a Percentage of Covered Employee Payroll	995.27%

¹Payroll shown based on annualized pay rate at December 31, 2025, and does not include Tier 2 pensionable pay cap.



Schedules of Required Supplementary Information

Schedule of Changes in Net Pension Liability and Related Ratios Multiyear

Fiscal year ending December 31,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability										
Service Cost Including Pension Plan Administrative Expense	\$ 314,750,903	\$ 302,649,657	\$ 267,381,937	\$ 294,514,680	\$ 284,707,281	\$ 286,536,580	\$ 240,383,419	\$ 242,998,341	\$ 237,333,255	\$ 220,569,553
Interest on the Total Pension Liability	1,193,137,687	1,162,637,595	1,062,690,214	1,011,976,363	963,417,573	942,623,431	944,738,703	931,731,201	917,720,267	851,098,457
Benefit Changes	157,934,802	(19,007,819)	1,060,152,086	40,209,941	-	-	24,216,420	-	-	606,249,791
Difference between Expected and Actual Experience	124,000,951	(126,016,466)	107,954,996	179,968,529	450,528,053	61,913,883	(68,010,227)	(281,150,986)	(299,923,560)	1,801,353
Assumption Changes	21,287,823	68,472,863	40,696,540	(700,064,974)	37,028,703	260,021,116	1,140,418,080	(259,051,713)	238,975,508	112,585,241
Benefit Payments	(1,037,945,113)	(1,004,293,187)	(970,707,738)	(926,493,466)	(869,310,502)	(828,901,654)	(791,839,040)	(764,367,368)	(737,873,928)	(696,491,103)
Refunds	(11,718,221)	(11,826,763)	(16,490,937)	(21,096,110)	(17,766,049)	(12,696,058)	(8,828,904)	(6,737,073)	(10,017,655)	(10,704,842)
Pension Plan Administrative Expense	(4,866,304)	(4,625,871)	(4,260,337)	(4,394,051)	(3,384,892)	(4,310,938)	(4,734,467)	(4,626,599)	(4,843,012)	(4,749,762)
Net Change in Total Pension Liability	756,582,528	367,990,009	1,547,416,761	(125,379,088)	845,220,167	705,186,360	1,476,343,984	(141,204,197)	341,370,875	1,080,358,688
Total Pension Liability - Beginning	18,130,036,559	17,762,046,550	16,214,629,789	16,340,008,877	15,494,788,710	14,789,602,350	13,313,258,366	13,454,462,563	13,113,091,688	12,032,733,000
Total Pension Liability - Ending (a)	\$ 18,886,619,087	\$ 18,130,036,559	\$ 17,762,046,550	\$ 16,214,629,789	\$ 16,340,008,877	\$ 15,494,788,710	\$ 14,789,602,350	\$ 13,313,258,366	\$ 13,454,462,563	\$ 13,113,091,688
Plan Fiduciary Net Position										
Employer Contributions	\$ 1,112,515,437	\$ 1,011,371,037	\$ 942,952,523	\$ 801,706,005	\$ 788,769,979	\$ 739,440,979	\$ 581,936,012	\$ 588,034,930	\$ 494,483,191	\$ 272,427,716
Employee Contributions	127,555,767	121,412,305	115,161,795	114,403,212	136,225,041	113,621,747	110,791,663	107,186,492	103,011,250	101,475,864
Pension Plan Net Investment Income	482,281,228	343,399,862	316,389,490	(324,258,867)	370,141,406	271,890,867	369,982,655	(137,977,182)	412,190,404	142,699,124
Benefit Payments	(1,037,945,113)	(1,004,293,187)	(970,707,738)	(926,493,466)	(869,310,502)	(828,901,654)	(791,839,040)	(764,367,368)	(737,873,928)	(696,491,103)
Refunds	(11,718,221)	(11,826,763)	(16,490,937)	(21,096,110)	(17,766,049)	(12,696,058)	(8,828,904)	(6,737,073)	(10,017,655)	(10,704,842)
Pension Plan Administrative Expense	(4,866,304)	(4,625,871)	(4,260,337)	(4,394,051)	(3,384,892)	(4,310,938)	(4,734,467)	(4,626,599)	(4,843,012)	(4,749,762)
Other	145,661	84,714	109,639	367,777	91,594	472,449	32,359	1,600,348	97,239	1,412,770
Net Change in Plan Fiduciary Net Position	667,968,455	455,522,097	383,154,435	(359,765,500)	404,766,577	279,517,392	257,340,278	(216,886,452)	257,047,489	(193,930,233)
Plan Fiduciary Net Position - Beginning	4,325,456,316	3,869,934,220	3,486,779,785	3,846,664,456	3,441,946,255	3,162,428,863	2,905,179,841	3,122,066,293	2,865,018,804	3,058,949,037
Adjustment as of January 1,	(70)	(1)	-	(119,171)	(48,376)	-	(91,256)	-	-	-
Plan Fiduciary Net Position - Ending (b)	\$ 4,993,424,701	\$ 4,325,456,316	\$ 3,869,934,220	\$ 3,486,779,785	\$ 3,846,664,456	\$ 3,441,946,255	\$ 3,162,428,863	\$ 2,905,179,841	\$ 3,122,066,293	\$ 2,865,018,804
Net Pension Liability - Ending (a) - (b)	13,893,194,386	13,804,580,243	13,892,112,330	12,727,850,004	12,493,344,421	12,052,842,455	11,627,173,487	10,408,078,525	10,332,396,270	10,248,072,884
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	26.44%	23.86%	21.79%	21.50%	23.54%	22.21%	21.38%	21.82%	23.20%	21.85%
Covered Employee Payroll	\$ 1,395,916,595	\$ 1,337,506,724	\$ 1,339,703,857	\$ 1,274,049,642	\$ 1,258,338,033	\$ 1,195,980,486	\$ 1,228,986,864	\$ 1,205,324,445	\$ 1,150,406,094	\$ 1,119,526,987
Net Pension Liability as a Percentage of Covered Employee Payroll	995.27%	1032.11%	1036.95%	999.01%	992.84%	1007.78%	946.08%	863.51%	898.15%	915.39%

Please see the following page for additional notes relating to the Schedule of Changes in Net Pension Liability and Related Ratios.



Schedules of Required Supplementary Information

Additional Notes to the Schedule of Changes in Net Pension Liability and Related Ratios Multiyear

The beginning of year total pension liability for fiscal year 2025 used a Single Discount Rate of 6.66% and the benefit provisions, actuarial assumptions, and funding policy in effect as of the December 31, 2024, funding actuarial valuation. The Single Discount Rate of 6.66% was based on a long-term expected rate of return on pension plan investments of 6.75% used in the December 31, 2024, funding actuarial valuation for the years 2024 through 2080 and a long-term municipal bond rate as of December 31, 2024, of 4.08% for subsequent years.

The end of year total pension liability for fiscal year 2025 uses a Single Discount Rate of 6.65% and the benefit provisions, actuarial assumptions, and funding policy in effect as of the December 31, 2025, funding actuarial valuation. The Single Discount Rate of 6.65% was based on a long-term expected rate of return on pension plan investments of 6.75% used in the December 31, 2025, funding actuarial valuation for the years 2025 through 2078 and a long-term municipal bond rate as of December 31, 2025, of 4.83% for subsequent years.

The increase in the total pension liability for fiscal year 2025 due to assumption changes and methods includes the impact of the change in the municipal bond rate from December 31, 2024 to December 31, 2025. Changes in plan provisions and actuarial assumptions and methods led to the change in the Single Discount Rate from 6.66% to 6.65% (based on the long-term expected rate of return on pension plan investments of 6.75% used in the December 31, 2024, funding actuarial valuation and 6.75% used in the December 31, 2025, funding actuarial valuation and the long-term municipal bond rate of 4.08% as of December 31, 2024, and 4.83% as of December 31, 2025, respectively). This change was measured at the end of the year using the benefit provisions in effect as of December 31, 2025.

Schedules of Required Supplementary Information

Schedule of the Net Pension Liability Multiyear

FY Ending December 31,	Total Pension Liability	Plan Net Position	Net Pension Liability	Plan Net Position as a % of Total Pension Liability	Covered Payroll ¹	Net Pension Liability as a % of Covered Payroll
2016	\$ 13,113,091,688	\$ 2,865,018,804	\$ 10,248,072,884	21.85%	\$ 1,119,526,987	915.39%
2017	13,454,462,563	3,122,066,293	10,332,396,270	23.20%	1,150,406,094	898.15%
2018	13,313,258,366	2,905,179,841	10,408,078,525	21.82%	1,205,324,445	863.51%
2019	14,789,602,350	3,162,428,863	11,627,173,487	21.38%	1,228,986,864	946.08%
2020	15,494,788,710	3,441,946,255	12,052,842,455	22.21%	1,195,980,486	1007.78%
2021	16,340,008,877	3,846,664,456	12,493,344,421	23.54%	1,258,338,033	992.84%
2022	16,214,629,789	3,486,779,785	12,727,850,004	21.50%	1,274,049,642	999.01%
2023	17,762,046,550	3,869,934,220	13,892,112,330	21.79%	1,339,703,857	1036.95%
2024	18,130,036,559	4,325,456,316	13,804,580,243	23.86%	1,337,506,724	1032.11%
2025	18,886,619,087	4,993,424,701	13,893,194,386	26.44%	1,395,916,595	995.27%

¹ Covered payroll is the amount in force as of the actuarial valuation date and likely differs from actual payroll paid during the fiscal year.

Schedule of Contributions Multiyear Last 10 Fiscal Years

FY Ending December 31,	Actuarial Determined Contribution ¹	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll ²	Actual Contribution as a % of Covered Payroll	Statutory Contribution
2016	\$ 785,695,084	\$ 273,840,486	\$ 511,854,598	\$ 1,119,526,987	24.46%	\$454,844,486
2017	910,938,497	494,580,430	416,358,067	1,150,406,094	42.99%	500,000,000
2018	924,653,899	589,635,278	335,018,621	1,205,324,445	48.92%	557,000,000
2019	933,769,914	581,968,371	351,801,543	1,228,986,864	47.35%	579,000,000
2020	1,037,582,236	739,913,428	297,668,808	1,195,980,486	61.87%	737,527,285
2021	1,047,839,052	788,861,573	258,977,479	1,258,338,033	62.69%	786,792,834
2022	1,085,158,790	802,073,782	283,085,008	1,274,049,642	62.95%	799,446,710
2023	1,118,719,268	943,062,162	175,657,106	1,339,703,857	70.39%	851,100,156
2024	1,242,009,627	1,011,455,751	230,553,876	1,337,506,724	75.62%	928,841,536
2025	1,339,134,156	1,112,661,098	226,473,058	1,395,916,595	79.71%	1,042,582,135

¹ The PABF Statutory Funding Policy does not conform to Actuarial Standards of Practice; therefore, for fiscal years 2025 and after, the actuarially determined contribution is equal to the normal cost plus unfunded liability amortized over a 25-year closed level dollar period. 25 years were remaining in the amortization period for fiscal year 2025. Prior to 2025, the actuarially determined contribution is equal to the normal cost plus a 30-year level dollar amortization of the unfunded actuarial liability. Prior to 2015, the actuarially determined contribution was equal to the "ARC" which was equal to the normal cost plus a 30-year open level percent amortization of the unfunded actuarial liability.

² Covered payroll shown is the amount in force as of the actuarial valuation date and likely differs from actual payroll paid during the fiscal year.



Notes to Schedule of Contributions

Valuation Date: December 31, 2024
Notes Actuarially determined contributions are calculated as of December 31, which is at the beginning of the fiscal year to which they apply.

Methods and Assumptions Used for Actuarially Determined Contribution for Fiscal Year 2025:

Actuarial Cost Method Entry-Age Normal
Amortization Method Level dollar amount
Amortization Period 25-year closed period
Asset Valuation Method 5-year smoothed market
Inflation 2.25 percent
Salary Increases Salary increase rates based on wage inflation rate of 3.50 percent plus service based increases consistent with bargaining contracts.
Postretirement Benefit Increases A retiree with at least 20 years of service or receiving a mandatory retirement minimum annuity, receives an increase of 3 percent of the original annuity, starting on the first of the month following the first anniversary of his retirement or the first of the month following attainment of age 55, whichever is later, and shall not be subject to a maximum increase. For participants who first became members on or after January 1, 2011, increases are equal to the lesser of 3.00 percent and 50 percent of CPI-U of the original benefit, commencing at age 60.
Investment Rate of Return 6.75 percent
Retirement Age Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the December 31, 2024, actuarial valuation pursuant to an experience study of the period January 1, 2019 through December 31, 2023.
Mortality Post-Retirement Healthy mortality rates: Sex distinct Pub-2010 Amount-weighted Safety Healthy Retiree Mortality Tables weighted 119% for males and 102% for females, set forward one year for males. Pre-Retirement mortality rates: Sex distinct Pub-2010 Amount-weighted Safety Employee Mortality Tables weighted 100% for males and 100% for females. Disabled Mortality: Sex distinct Pub-2010 Amount-weighted Safety Healthy Retiree Mortality Tables weighted 129% for males and 112% for females, set forward one year for males. Future mortality improvements are reflected by projecting the base mortality tables forward using the MP-2021 projection scale.

Other Information:

Notes The actuarially determined contribution for fiscal year ending December 31, 2025 was determined in the funding actuarial valuation as of December 31, 2024 and the statutory contribution (upon which the actual contribution was based) for fiscal year ending December 31, 2025 was determined in the funding actuarial valuation as of December 31, 2023 using the actuarial assumptions and provisions in effect as of December 31, 2023.

Methods and Assumptions Used for Accounting Purposes as of the Valuation Date:

Actuarial Cost Method Entry-Age Normal
Asset Valuation Method Market value
Discount Rate 6.66 percent as of the December 31, 2024, actuarial valuation.
6.65 percent as of the December 31, 2025, actuarial valuation.

SECTION D

NOTES TO FINANCIAL STATEMENTS

Auditor's Note: This information is intended to assist in preparation of the financial statements of the Policemen's Annuity and Benefit Fund of Chicago. Financial statements are the responsibility of management, subject to the auditor's review. Please let us know if the auditor recommends any changes.

Sensitivity of Net Pension Liability to the Single Discount Rate Assumption

Single Discount Rate

A Single Discount Rate of 6.65% was used to measure the total pension liability as of December 31, 2025. This Single Discount Rate was based on an expected rate of return on pension plan investments of 6.75% and a municipal bond rate of 4.83%. The projection of cash flows used to determine this Single Discount Rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made under the statutory funding policy. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments only through the year 2078. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2078, and the municipal bond rate was applied to all benefit payments after that date.

Regarding the sensitivity of the net pension liability to changes in the Single Discount Rate, the following presents the plan's net pension liability, calculated using a Single Discount Rate of 6.65%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

Sensitivity of Net Pension Liability to the Single Discount Rate Assumption

1% Decrease	Current Single Discount Rate Assumption	1% Increase
5.65%	6.65%	7.65%
\$ 16,236,799,455	\$ 13,893,194,386	\$ 11,945,099,797

Summary of Population Statistics

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	14,895
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	1,214
Active Plan Members	<u>11,639</u>
Total Plan Members	27,748

Additional information about the member data used is included in the December 31, 2025 funding actuarial valuation report.

SECTION E

SUMMARY OF BENEFITS

Summary of Benefits

Plan Descriptions (as of December 31, 2025)

PARTICIPANTS

An employee in the police department of the City of Chicago appointed and sworn or designated by law as a peace officer with the title of policeman, policewoman, chief surgeon, police surgeon, police dog catcher, police kennelman, police matron, and members of the police force of the police department.

SERVICE

In computing service rendered by a police officer, the following periods shall be counted, in addition to all periods during which he performed the duties of his position, as periods of service for annuity purposes only: All periods of (a) vacation; (b) leave of absence with pay; (c) military service; (d) disability for which the police officer receives disability benefit. The calculation of service is based on a day-to-day basis for most purposes. For the purpose of calculating benefits under the Dominant Formula, one year of Service is credited for a year in any portion of which a police officer is compensated.

RETIREMENT

Eligibility

Attainment of age 50 with at least 10 years of service.

For participants who first became members on or after January 1, 2011, attainment of age 55 with at least 10 years of service. Participants may retire at attainment of age 50 with 10 years of service with a reduced benefit.

Mandatory

Effective in plan year 2003, retirement is mandatory for a participant who has attained age 65.

Accumulation Annuity

At age 50 or more, with 10 or more years of service, the employee is entitled to an annuity based on the sums accumulated for age and service annuity plus 1/10 of the sum accumulated from the contributions by the City for the age and service annuity for each completed year of service after the first 10 years. At age 50 or more with 20 or more years, the employee is entitled to an annuity based on all sums accumulated.



Summary of Benefits

Formula Minimum Annuity While there are several alternative formulas available with 20 or more years of service, the Dominant Formula is 50% of highest average salary (including duty availability pay) in 48 consecutive months within the last 10 years of service plus 2.5% for each year or fraction of service over 20 years, limited to 75% of average salary.

Mandatory Retirement Minimum Annuity A police officer who is required to withdraw from service due to attainment of mandatory retirement age who has less than 20 years of service credit may elect to receive an annuity equal to 30% of average salary for the first 10 years of service, plus 2% of average salary for each completed year of service in excess of 10, to a maximum of 48% of average salary. This benefit qualifies for post-retirement increases.

Post-Retirement Increase A retiree with at least 20 years of service or receiving a mandatory retirement minimum annuity receives an increase of 3% of the original annuity, starting on the first of the month following the first anniversary of his retirement or the first of the month following attainment of age 55, whichever is later, and shall not be subject to a maximum increase.

For participants who first became members on or after January 1, 2011, increases are equal to the lesser of 3.00% and 50% of CPI-U of the original benefit, commencing at age 60.

Summary of Benefits

Minimum Annuity

Beginning with the monthly annuity payment due on January 1, 2016, the fixed and granted monthly annuity payment for any policeman who retired from the service before January 1, 2016, at age 50 or over with 20 or more years of service, and for any policeman who retired from service due to termination of disability and who is entitled to an annuity on January 1, 2016, shall be no less than 125% of the Federal Poverty Level.

For participants who first became members on or after January 1, 2011, the member is entitled to an annuity based on an accrual rate of 2.5% of the final average salary for each fraction of service. Maximum is 75% of the final average salary. Final average salary is calculated using salary from the greater of (i) the eight highest consecutive years within the last 10 years of service prior to retirement; or (ii) the four highest consecutive years within the last five years of service prior to retirement. For 2026, pensionable salary is limited to \$141,407.74 through June 30th and \$145,649.97 from July 1st. The salary limit is increased each July 1, by the lesser of 3% and the annual unadjusted percentage increase in the Consumer Price Index-U (but not less than zero) as measured in the preceding 12-month period ending with the September preceding the November 1, which is the date that the new amount will be calculated and made available to the pension funds.

For participants who first became members on or after January 1, 2011, who retire after age 50 but before age 55 is attained, the member is entitled to an annuity based on an accrual rate of 2.5% of the final average salary for each fraction of service, reduced by one half of 1% per month for retirement prior to age 55, subject to a maximum benefit of 75%.

Reversionary Annuity

A member, prior to retirement, may elect to reduce his own annuity, and provide a reversionary annuity, to begin upon the officer's death, for the officer's spouse.

Summary of Benefits

SURVIVOR INCOME BENEFITS PAYABLE ON DEATH

Death in Service (Non-Duty) Generally, a money-purchase benefit is provided, based on total salary deductions and City contributions. However, if a policeman dies in service after December 31, 1985, with at least 1.5 years of service, the widow's annuity is the greater of (a) 30% of the annual maximum salary attached to the classified civil service position of a first class patrolman at the time of his death (without dollar limit) or (b) 50% of the benefit accrued by the policeman at date of death.

The lifetime benefit is payable until death.

Effective August 1, 2025, for participants who first became members on or after January 1, 2011, if a policeman dies in service, with at least 10 years of service, the widow's annuity is the greater of (a) 30% of the annual maximum salary attached to the classified civil service position of a first class patrolman at the time of his death (without dollar limit); or (b) 54% of the policeman's salary at time of death; or (c) 66% of the benefit accrued by the policeman at date of death.

If a policeman dies in service, with at least 1.5 but less than 10 years of service, the widow's annuity is the greater of (a) 30% of the annual maximum salary attached to the classified civil service position of a first class patrolman at the time of his death (without dollar limit); or (b) 54% of the policeman's salary at time of death.

Death in Service (Duty Related)

Compensation Annuity

75% of the member's salary attached to the civil service position that would ordinarily have been paid to such member as though in active discharge of his duties at the time of death payable until the date the policeman would have attained age 65.

Supplemental Annuity

Payable for life and is equal to the difference between the money purchase annuity for the spouse and an amount equal to 75% of the annual salary (including all salary increases and longevity raises) the police officer would have been receiving when he attained age 65 if the police officer had continued in service at the same rank last held in the department.

Summary of Benefits

Death after Retirement	If a police officer retires on or after January 1, 1986, and subsequently dies, the widow's annuity is 40% before 1988 and 50% on and after January 1, 1988, of the retired policeman's annuity at the time of death (without dollar limit).
Maximum Annuity	\$500 a month (after discount for age difference) under both the accumulation method and the old formula method. There is no dollar limit on the 30%, 40%, or 50% benefit.
Minimum Annuity	The minimum widow's annuity shall be no less than 150% of the Federal Poverty Level. <i>For participants who first became members on or after January 1, 2011, widow benefits are equal to 66-2/3% of the officer's earned annuity at the date of death. Automatic increases to the annuity are equal to the lesser of 3.00% and 50% of CPI-U, commencing when the survivor reaches age 60, and applied to the original granted retirement annuity.</i>

CHILDREN'S ANNUITIES

Eligibility	Payable at death of the policeman to all unmarried children less than 18 years of age.
Benefit	10% of the annual maximum salary of a first class patrolman during widow (widower) life, 15% otherwise. <i>Effective August 1, 2025, for participants who first became members on or after January 1, 2011, if surviving spouse is alive, each surviving child under age 18 receives 12% of the policemen's salary at date of death. If surviving spouse subsequently dies or has died, each surviving child under age 18 receives 20% of the policemen's salary at date of death.</i>
Payable Until	Age 18. If the child is disabled, benefit is payable for life or as long as such disablement exists.
Family Maximum	60% (non-duty death) or 100% (duty death) of the salary that would ordinarily been paid to the policeman, if he had been in the active discharge of his duties.

Summary of Benefits

Parent's Annuities Eligibility Payable to a dependent parent at the death of a policeman who is in either active service, or receiving a disability benefit, or on leave of absence, or in receipt of an annuity granted after 20 years of service, or waiting to start receiving an annuity granted for 20 years of service. The benefit is only payable if there are no surviving spouses or children eligible for benefits.

Benefit 18% of the current salary attached to the rank at separation from service.

Payable until Death of the dependent parent.

DUTY DISABILITY BENEFIT

Eligibility Disabling condition incurred in the performance of duty.

Benefit 75% of salary at the time the disability is allowed plus \$100.00 per month for each unmarried child less than age 18, (total amount of child's benefits shall not exceed 25% of salary). Beginning January 1, 2000, after seven years of payment, the benefit shall not be less than 60% of the current salary attached to the rank held by the policemen at the time of disability. Payable to employee's age 65 or by operation of law, whichever is later. Salary deductions are contributed by the City.

OCCUPATIONAL DISEASE DISABILITY BENEFIT

Eligibility Heart attack or any disability heart disease after 10 years of service.

Benefit 65% of salary attached to the rank held by the police officer at the time of his or her removal from the police department payroll with a minimum after 10 years of 50% of the current salary attached to the rank. Each natural or legally adopted unmarried child of the officer under the age of 18 is entitled to a benefit of \$100 per month. This benefit is not terminated at age 18 if the child is then dependent by reason of physical or mental disability. Salary deductions are contributed by the City.

ORDINARY DISABILITY BENEFIT

Eligibility Disabling condition other than duty- or occupational-related.



Summary of Benefits

Benefit 50% of salary at the time of injury, payable for a period not more than 25% of service (excluding any previous disability time) rendered prior to injury, nor more than five years. Disability shall cease at age 65. Salary deductions are contributed by the City.

DEATH BENEFIT

Eligibility Payable upon the death of a police officer whose death occurs while in active service; on authorized leave of absence; within 60 days of receipt of salary; while receiving duty or ordinary disability benefit; occurring within 60 days of termination of such benefit; or occurring on retirement while in receipt of annuity and separation was effective after 20 years of service. This benefit is payable to beneficiaries or, if none, to estate.

Benefit

Death in Service:

Age at Death	Benefit
49 and under	\$12,000
50-62	\$12,000 less \$400 for each year by which age at death exceeds 49

Death after Retirement:

Age at Death	Benefit
50 and over	\$6,000

If death results from injury incurred in performance of duty before retirement on annuity, the benefit payable is \$12,000 regardless of the attained age.

REFUNDS

Policemen

Without regard to service and under age 50, or with less than 10 years of service and under age 57 at withdrawal: a refund of all salary deductions together with 1.5% simple interest until the date of withdrawal.

For Spouse's Annuity

Upon retirement an unmarried policeman will receive a refund of contributions for spouse's annuity, accumulated at 3% compounded annually.

Of Remaining Amounts

If at death of a retired policeman the total member contributions paid while active exceed the total retirement benefits paid to date of death, the difference is payable.



Summary of Benefits

CONTRIBUTIONS

Salary Deductions	Employee	7 %	
	Spouse	1½%	
	Annuity Increase	½%	
		<hr/>	
		9 %	
City Contributions ¹	Employee	9-5/7%	
	Spouse	2%	
	Annuity Increase	½%	Unallocated
		<hr/>	
		12-3/14%	

¹ Credited to Participant's Accumulation Annuity and Widow's Annuity Account.

In addition to the above contributions, a contribution is made to support the Death Benefit. Policemen contribute \$2.50 per month. City contributes a total of \$224,000 for all policemen.

Prior to 2015, the total City contribution is generated by a tax equal to double the contributions by the policemen to the Fund two years prior to the year of the tax levy.

Under P.A. 99-0506, City contributions are equal to \$420 million in payment year 2016, \$464 million in payment year 2017, \$500 million in payment year 2018, \$557 million in payment year 2019, and \$579 million in payment year 2020. For payment years after 2020, the City is required to make level percent of pay contributions for plan years 2020 through 2055 that along with member contributions and investment earnings are expected to generate a projected funded ratio of 90% by plan year end 2055.

"PICK UP" OF EMPLOYEE SALARY DEDUCTIONS

Beginning January 1, 1982, the employee contributions were "picked up" by the employer. The W-2 salary is therefore reduced by the amount of contribution. For pension purposes the salary remains unchanged. Income tax will be paid when a refund or annuity is received. For the purpose of benefits, refunds, or contributions, these contributions will be treated as employee contributions.

Summary of Benefits

SALARY CAP AND COLA DEVELOPMENT FOR MEMBERS HIRED ON OR AFTER JANUARY 1, 2011

Year Ending		CPI-U	½ CPI-U	COLA	Maximum Annual Pensionable Earnings
2011				3.00%	\$106,800.00
2012		3.90%	1.95%	1.95%	\$108,882.60
2013		2.00%	1.00%	1.00%	\$109,971.43
2014		1.20%	0.60%	0.60%	\$110,631.26
2015		1.70%	0.85%	0.85%	\$111,571.63
2016		0.00%	0.00%	0.00%	\$111,571.63
2017		1.50%	0.75%	0.75%	\$112,408.42
2018		2.20%	1.10%	1.10%	\$113,644.91
2019		2.30%	1.15%	1.15%	\$114,951.83
2020		1.70%	0.85%	0.85%	\$115,928.92
2021		1.40%	0.70%	0.70%	\$116,740.42
2022		5.40%	2.70%	2.70%	\$119,892.41
2023		8.20%	4.10%	3.00%	\$123,489.18
2024		3.70%	1.85%	1.85%	\$125,773.73
2025		2.40%	1.20%	1.20%	\$127,283.01
2026	Through June 30th	3.00%	1.50%	1.50%	\$141,407.74
	From July 1st	3.00%	1.50%	1.50%	\$145,649.97

Summary of Benefits

Health Insurance Premium Subsidies

Pursuant to the court order *Underwood, et al., v. City of Chicago, et al.*, the PABF provides retiree health insurance premium subsidies to certain eligible annuitants.

To be eligible for the PABF paid subsidy, the annuitant must meet the following eligibility requirements to receive partial reimbursement for healthcare costs:

- 1) Annuitant must have retired on or after August 23, 1989;
- 2) Annuitant must have been hired prior to April 4, 2003; and
- 3) Annuitant must have either:
 - a) Participated in a group healthcare plan for which the Fund offers to deduct health insurance premiums from monthly annuities in accordance with the 1983 and 1985 amendments to the Illinois Pension Code Statutes (currently either the Blue Cross/Blue Shield plans sponsored by the City of Chicago; the Aetna plans sponsored by the Labor Benefits Association; or the United American Insurance Co. plans sponsored by the Chicago Police Sergeants' Association);
 - OR
 - b) For the period between January 1, 2017, and December 31, 2019, participated in any health insurance plan and paid their healthcare insurance premiums themselves, either through an account on which the annuitant is named or an account established for the benefit of the annuitant.

Eligible annuitants are entitled to receive a health insurance premium subsidy payable from the PABF for the lifetime of the employee annuitant in the amount of \$55 per month if the annuitant is not receiving Medicare benefits or \$21 per month if the annuitant is receiving Medicare benefits.

SECTION F

ACTUARIAL COST METHOD AND ACTUARIAL ASSUMPTIONS

Actuarial Cost Method and Actuarial Assumptions

I. ACTUARIAL COST METHOD

An Actuarial Cost Method is a set of techniques used by the actuary to develop contribution levels under a retirement plan. The Actuarial Cost Method used in this valuation for statutory funding and State reporting purposes and GASB accounting purposes is the Entry Age Normal cost method.

Under the Entry Age Normal Cost Method, each participant's projected benefit is allocated on a level percent of pay basis from entry age to assumed exit age. The Actuarial Accrued Liability is the portion of the present value associated with pay prior to the valuation date. The Normal Cost is the portion of the present value associated with pay during the current plan year.

To the extent that current assets and future Normal Costs do not support participants' expected future benefits, an Unfunded Actuarial Accrued Liability ("UAAL") develops. The UAAL is generally amortized over a fixed period of time (e.g., 30 years) from the date incurred. The total contribution developed under this method is the sum of the Normal Cost and the payment toward the UAAL.

II. CURRENT ACTUARIAL ASSUMPTIONS

The current actuarial assumptions are based on an experience study for the period January 1, 2019 to December 31, 2023, adopted by the Board on February 24, 2025, and became effective December 31, 2024.

Demographic Assumptions

Post-Retirement Mortality

Scaling factors of 119% for males, and 102% for females of the Pub-2010 Amount-weighted Safety Healthy Retiree Mortality Tables, sex distinct, set forward one-year for males, with generational mortality improvement using MP-2021 2-dimensional mortality improvement scales recently released by the SOA. This assumption provides a margin for mortality improvements.

Disabled Mortality

Scaling factors of 129% for males, and 112% for females of the Pub-2010 Amount-weighted Safety Healthy Retiree Mortality Tables, sex distinct, set forward one-year for males, with generational mortality improvement using MP-2021 2-dimensional mortality improvement scales recently released by the SOA. This assumption provides a margin for mortality improvements.

Pre-Retirement Mortality

Scaling factors of 100% for males, and 100% for females of the Pub-2010 Amount-weighted Safety Employee Mortality Tables, sex distinct, with generational mortality improvement using MP-2021 2-dimensional mortality improvement scales recently released by the SOA. This assumption provides a margin for mortality improvements.

Actuarial Cost Method and Actuarial Assumptions

We use what is termed “the limited fluctuation credibility procedure” to determine the appropriate scaling factor of the base mortality tables for each gender and each member classification. We used a liability weighted basis. In each case, the partial credibility factor (or “Z-factor”) is computed based on the experience of the specific group being studied. This Z-factor is a measure of the credibility of the pertinent group.

The Best Fit is the ratio of actual to expected deaths using the base table. The final scale is then determined as the weighted average of the Best Fit and 100% based on the Z-factor. For example, the Z-factor for male retirees is 97%, suggesting that the data for this group is 97% credible (there were not enough deaths among active members to be completely credible). The Best Fit for this group would be to scale the base tables by 119%. The final scale of 119% is the credibility-weighted average (119% = 97% x 119% + 3% x 100%). Factors for females are determined similarly.

Age	Future Life Expectancy (years) in 2025		Future Life Expectancy (years) in 2035	
	Post-Retirement		Post-Retirement	
	Male	Female	Male	Female
35	48.74	53.34	49.70	54.17
40	43.49	48.06	44.44	48.89
45	38.33	42.80	39.26	43.64
50	33.24	37.59	34.14	38.42
55	28.24	32.49	29.11	33.30
60	23.44	27.57	24.27	28.36
65	18.95	22.91	19.71	23.63
70	14.83	18.51	15.48	19.14
75	11.14	14.43	11.65	14.97

Actuarial Cost Method and Actuarial Assumptions

Rate of Retirement: The table below shows the assumed rates of retirement.

Attained Age	Under 29 Years of Service		29 or More Years of Service	
	Tier 1	Tier 2	Tier 1	Tier 2
50	0.0550	0.0200	0.0825	0.0200
51	0.0550	0.0200	0.0825	0.0200
52	0.0550	0.0200	0.0825	0.0200
53	0.0550	0.0200	0.0825	0.0200
54	0.0550	0.0300	0.0825	0.0300
55	0.2200	0.2400	0.3300	0.3600
56	0.2500	0.2700	0.3750	0.4050
57	0.2000	0.2200	0.3000	0.3300
58	0.2000	0.2200	0.2500	0.2750
59	0.1900	0.2100	0.2375	0.2625
60	0.2200	0.2400	0.2750	0.3000
61	0.2800	0.3000	0.3500	0.3750
62	0.2800	0.3000	0.3500	0.3750
63	0.7500	0.7500	0.7500	0.7500
64	0.7500	0.7500	0.7500	0.7500
65+	1.0000	1.0000	1.0000	1.0000

Rate of Termination: The table below shows the assumed rates of termination.

Years of Service	Rate
0	0.039
1	0.027
2	0.025
3	0.024
4	0.023
5	0.021
6	0.020
7	0.019
8	0.018
9	0.017
10	0.015
11	0.010
12	0.009
13	0.008
14 +	0.007

Actuarial Cost Method and Actuarial Assumptions

Rate of Disability: The rate at which members are assumed to become disabled under the provisions of the Fund. The rates assumed are as follows:

<u>Attained Age</u>	<u>Rates</u>
20-24	0.0002
25-29	0.0004
30-34	0.0006
35-39	0.0013
40-44	0.0021
45-49	0.0029
50-54	0.0030
55-59	0.0030
60-64	0.0030

Of the participants who become disabled in the future, the following distribution of disability types is assumed:

Duty Disability:	40%
Occupational Disease Disability:	10%
Ordinary Disability:	50%

Economic Assumptions

Investment Return: 6.75% per year, compounded annually, net of investment expenses. The 6.75% assumption is composed of a 2.25% inflation assumption and a 4.50% real rate of return assumption.

General Inflation: 2.25% per year, compounded annually.

This assumption serves as the basis for the determination of annual increases in pension and the pensionable salary cap for Tier Two members.

Wage Inflation and Payroll Growth: 3.50% per year, compounded annually.

Actuarial Cost Method and Actuarial Assumptions

Future Salary Increases: The assumed base rate of individual salary increase is 3.50% per year (underlying wage inflation assumption), plus an additional percentage based on the following service scale:

Years of Service*	Base Rates	Wage Inflation	Total Rates
0	0.00%	3.50%	3.50%
1	4.50%	3.50%	8.00%
2	5.00%	3.50%	8.50%
3	4.50%	3.50%	8.00%
4	4.50%	3.50%	8.00%
5	4.50%	3.50%	8.00%
6-9	1.00%	3.50%	4.50%
10	4.50%	3.50%	8.00%
11-14	1.00%	3.50%	4.50%
15	4.50%	3.50%	8.00%
16-19	1.00%	3.50%	4.50%
20	4.50%	3.50%	8.00%
21-24	1.50%	3.50%	5.00%
25	2.50%	3.50%	6.00%
26	1.00%	3.50%	4.50%
27-29	0.50%	3.50%	4.00%
30	2.50%	3.50%	6.00%
31-34	0.50%	3.50%	4.00%
35+	0.00%	3.50%	3.50%

** Includes increases at 12 and 18 months of service.*

Increases above are not applied to the Duty Availability Pay (DAP). DAP is assumed to increase annually using the general inflation assumption of 2.25%.

Asset Value: The Actuarial Value of Assets is smoothed by using a five-year phase-in of each year's unexpected investment gains and losses.

Expenses: Statutory funding projections include an explicit administrative expense assumption of \$4,866,304 for plan year end December 31, 2025, increased by 2.25% per year.

Projection Assumptions

Active Population: Active members who terminate, retire, become disabled, or die during the year are replaced by new entrants such that the number of active members remains level during the projection period based on the most

Actuarial Cost Method and Actuarial Assumptions

recent actuarial valuation. The number of active members as of the valuation at December 31, 2025 is 11,639.

New Entrant Profile:

The entry age of future new entrants, which is summarized below, is based on the profile of current active members hired over the last five years with one or more years of service as of December 31, 2025. These members were hired from January 1, 2021 through December 31, 2024.

Entry Age	Number
Under 20	0
20 to 25	676
25 to 30	771
30 to 35	473
35 to 40	246
40 to 55	2

Approximately 69% of the new entrants are assumed to be male.

New Entrant Pay:

Based on the most recent employment contract, new entrants were assumed to earn \$61,782 for the plan year ending December 31, 2025, and \$63,636 for the plan year ending December 31, 2026. This amount does not include duty availability pay. The new entrant pay for members hired after 2026 is assumed to increase by the wage inflation assumption of 3.50% plus duty availability pay after two years, increased by CPI compounded.

New Entrant Pay Increases:

Pay for a specific new entrant is assumed to increase in the future by the wage inflation and the service based increases disclosed in this actuarial valuation.

The projections assume a pay cap of \$141,407.74 for January 1, 2026 through June 30, 2026 and a pay cap of \$145,649.97 for July 1, 2026 through June 30, 2027, increasing by 2.25% per year each July 1. The annual increase of 2.25% per year is based on 100% of the CPI-U increase.

Other Assumptions

Marital Status:

It is assumed that 75% of active members have an eligible spouse. The male spouse is assumed to be three years older than the female spouse. No assumption is made about other dependents.

Reciprocal Service:

No assumption for reciprocal service.

Actuarial Cost Method and Actuarial Assumptions

Benefit Service:	Exact fractional years of service are used to determine the amount of benefit payable. If service is greater than 10 years, service is rounded up to the next integer to determine the amount of benefit payable.
Decrement Timing:	All decrements are assumed to occur mid-year.
Decrement Relativity:	Decrement rates are used directly from the experience study, without adjustment for multiple decrement table effects.
Decrement Operation:	Turnover decrements do not operate after member reaches retirement eligibility for a minimum annuity formula benefit.
Eligibility Testing:	Eligibility for benefits is determined based upon the age nearest birthday and service on the date the decrement is assumed to occur.
Pay Increase Timing:	Beginning of the (fiscal) year.
Tax Levy Loss:	No tax levy loss is assumed.
Health Insurance Premium Subsidies:	Current recipients of the \$55 per month for non-Medicare and \$21 per month for Medicare health insurance premium subsidy were identified in the data provided by the PABF staff. The subsidies for current recipients are assumed to continue during the recipient's lifetime. The valuation assumes 65% of future retirees (i.e., current actives) eligible for the subsidy will receive it in the future.

SECTION G

CALCULATION OF THE SINGLE DISCOUNT RATE

Calculation of the Single Discount Rate

GASB Statement Nos. 67 and 68 includes a specific requirement for the discount rate that is used for the purpose of the measurement of the Total Pension Liability. This rate considers the ability of the fund to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses, and investment returns are projected into the future. The Plan Net Position (assets) in future years can then be determined and compared to its obligation to make benefit payments in those years. As long as assets are projected to be on hand in a future year, the assumed valuation discount rate is used. In years where assets are not projected to be sufficient to meet benefit payments, the use of a municipal bond rate is required, as described in the following paragraph.

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 6.75%; the municipal bond rate is 4.83%; and the resulting Single Discount Rate is 6.65%.

The sponsor finances benefits using a funding policy defined in state statutes. Sponsor contributions are equal to a fixed payment schedule for payment years 2016 through 2020 and a level percentage of pay contribution determined so that the Fund attains a 90% funded ratio by the end of 2055 on an open group basis for payment years on and after 2021. The statutory contribution does not explicitly separate projected employer contributions between current plan members and future plan members.

For purposes of developing the Single Discount Rate, we have projected actuarial liabilities on an Entry Age Normal basis, and compared against projected market value of assets. We have assumed the actuarial liability for future members will be fully financed, to the extent that assets are available, and any remaining assets will be assigned to current plan members. Based on this assignment of assets and employer contributions, plan assets assigned to current members are projected to be depleted by 2078.

The tables in this section provide background for the development of the Single Discount Rate.

The following tables show the assignment of assets and employer contributions and the projection of assets for current members as of the actuarial valuation date. Our projections assume the sponsor will make the required statutory contributions. The projections are based on the statutory funding projections performed during the December 31, 2025, actuarial valuation.

Total administrative expenses are assumed to increase at the assumed rate of inflation, or 2.25%. Total administrative expenses are allocated between current and future hires by total payroll.

Projection of Funded Status and Assignment of Assets

PYE 12/31	Open Group Actuarial	Closed Group	Future Member		Future Member	Closed Group Assigned	Funded Ratio	Funded Ratio
	Liability	Actuarial Liability	Actuarial Liability	Open Group Assets	Assigned Assets	Assets	Current Members	Future Members
	(a)	(b)	(c)=(a)-(b)	(d)	(e)=min[(c),(d)]	(f)=(d)-(e)	(g)=(f)/(b)	(h)=(e)/(c)
2025	\$18,729,635,553	\$18,729,635,553	\$ -	\$ 4,993,424,701	\$ -	\$4,993,424,701	26.66%	0.00%
2026	19,218,560,156	19,218,560,156	-	5,342,427,917	-	5,342,427,917	27.80%	0.00%
2027	19,714,766,852	19,702,252,099	12,514,753	5,640,495,556	12,514,753	5,627,980,803	28.57%	100.00%
2028	20,206,215,401	20,166,782,981	39,432,419	5,953,269,137	39,432,419	5,913,836,717	29.32%	100.00%
2029	20,691,496,577	20,609,287,171	82,209,405	6,278,873,730	82,209,405	6,196,664,325	30.07%	100.00%
2030	21,171,290,731	21,029,135,674	142,155,057	6,619,528,183	142,155,057	6,477,373,126	30.80%	100.00%
2031	21,646,808,759	21,425,826,313	220,982,446	6,979,417,227	220,982,446	6,758,434,781	31.54%	100.00%
2032	22,119,372,320	21,799,307,353	320,064,967	7,362,487,812	320,064,967	7,042,422,845	32.31%	100.00%
2033	22,588,370,108	22,147,273,271	441,096,837	7,770,351,287	441,096,837	7,329,254,451	33.09%	100.00%
2034	23,052,130,693	22,466,228,747	585,901,946	8,200,051,416	585,901,946	7,614,149,470	33.89%	100.00%
2035	23,509,852,559	22,753,445,857	756,406,701	8,650,317,477	756,406,701	7,893,910,776	34.69%	100.00%
2036	23,963,561,376	23,007,289,275	956,272,101	9,127,192,750	956,272,101	8,170,920,648	35.51%	100.00%
2037	24,415,467,259	23,227,604,972	1,187,862,287	9,635,877,501	1,187,862,287	8,448,015,214	36.37%	100.00%
2038	24,868,340,731	23,414,638,396	1,453,702,335	10,183,198,641	1,453,702,335	8,729,496,306	37.28%	100.00%
2039	25,326,179,970	23,569,637,860	1,756,542,111	10,777,769,689	1,756,542,111	9,021,227,579	38.27%	100.00%
2040	25,792,620,766	23,693,782,585	2,098,838,181	11,427,195,003	2,098,838,181	9,328,356,821	39.37%	100.00%
2041	26,269,324,001	23,786,533,129	2,482,790,872	12,135,378,855	2,482,790,872	9,652,587,983	40.58%	100.00%
2042	26,756,481,533	23,845,384,848	2,911,096,686	12,905,134,038	2,911,096,686	9,994,037,352	41.91%	100.00%
2043	27,254,928,173	23,868,333,973	3,386,594,200	13,741,263,521	3,386,594,200	10,354,669,321	43.38%	100.00%
2044	27,765,664,215	23,853,843,290	3,911,820,925	14,648,645,579	3,911,820,925	10,736,824,653	45.01%	100.00%
2045	28,288,623,193	23,799,190,840	4,489,432,353	15,631,420,395	4,489,432,353	11,141,988,042	46.82%	100.00%
2046	28,821,288,257	23,699,155,300	5,122,132,956	16,690,935,441	5,122,132,956	11,568,802,485	48.82%	100.00%
2047	29,362,044,812	23,549,131,720	5,812,913,092	17,830,645,340	5,812,913,092	12,017,732,248	51.03%	100.00%
2048	29,910,307,164	23,346,039,560	6,564,267,604	19,055,244,740	6,564,267,604	12,490,977,136	53.50%	100.00%
2049	30,465,179,340	23,086,853,812	7,378,325,528	20,369,366,440	7,378,325,528	12,991,040,912	56.27%	100.00%
2050	31,027,301,764	22,770,404,872	8,256,896,892	21,780,351,579	8,256,896,892	13,523,454,688	59.39%	100.00%
2051	31,596,777,156	22,395,929,868	9,200,847,287	23,294,986,675	9,200,847,287	14,094,139,387	62.93%	100.00%
2052	32,175,018,338	21,964,314,220	10,210,704,118	24,922,638,654	10,210,704,118	14,711,934,537	66.98%	100.00%
2053	32,763,839,830	21,478,079,714	11,285,760,116	26,673,131,231	11,285,760,116	15,387,371,116	71.64%	100.00%
2054	33,364,384,409	20,939,871,546	12,424,512,864	28,555,861,849	12,424,512,864	16,131,348,985	77.04%	100.00%
2055	33,977,246,587	20,353,983,864	13,623,262,723	30,580,020,415	13,623,262,723	16,956,757,692	83.31%	100.00%
2056	34,603,516,388	19,726,538,908	14,876,977,479	31,143,168,901	14,876,977,479	16,266,191,422	82.46%	100.00%
2057	35,245,308,781	19,065,623,964	16,179,684,817	31,720,766,251	16,179,684,817	15,541,081,434	81.51%	100.00%
2058	35,904,598,144	18,380,125,697	17,524,472,447	32,314,130,497	17,524,472,447	14,789,658,050	80.47%	100.00%
2059	36,582,473,601	17,678,011,379	18,904,462,222	32,924,222,837	18,904,462,222	14,019,760,615	79.31%	100.00%
2060	37,279,574,327	16,965,540,789	20,314,033,537	33,551,633,603	20,314,033,537	13,237,600,066	78.03%	100.00%
2061	37,997,074,679	16,247,281,526	21,749,793,153	34,197,362,313	21,749,793,153	12,447,569,160	76.61%	100.00%
2062	38,736,897,135	15,526,820,037	23,210,077,097	34,863,219,335	23,210,077,097	11,653,142,237	75.05%	100.00%
2063	39,501,295,725	14,807,284,321	24,694,011,404	35,551,173,790	24,694,011,404	10,857,162,386	73.32%	100.00%
2064	40,292,445,607	14,091,389,158	26,201,056,449	36,263,204,796	26,201,056,449	10,062,148,347	71.41%	100.00%
2065	41,112,354,239	13,381,630,393	27,730,723,846	37,001,134,707	27,730,723,846	9,270,410,861	69.28%	100.00%
2066	41,963,041,947	12,680,187,444	29,282,854,504	37,766,748,450	29,282,854,504	8,483,893,947	66.91%	100.00%
2067	42,846,356,542	11,988,998,022	30,857,358,520	38,561,719,726	30,857,358,520	7,704,361,206	64.26%	100.00%
2068	43,764,070,247	11,309,733,818	32,454,336,429	39,387,657,388	32,454,336,429	6,933,320,959	61.30%	100.00%
2069	44,717,861,132	10,643,837,522	34,074,023,610	40,246,083,641	34,074,023,610	6,172,060,032	57.99%	100.00%
2070	45,709,151,647	9,992,555,598	35,716,596,049	41,138,249,182	35,716,596,049	5,421,653,133	54.26%	100.00%
2071	46,738,999,304	9,356,983,331	37,382,015,973	42,065,099,620	37,382,015,973	4,683,083,647	50.05%	100.00%
2072	47,808,095,277	8,738,138,020	39,069,957,257	43,027,282,746	39,069,957,257	3,957,325,489	45.29%	100.00%
2073	48,916,677,820	8,136,921,034	40,779,756,786	44,025,031,141	40,779,756,786	3,245,274,355	39.88%	100.00%
2074	50,064,475,547	7,554,120,800	42,510,354,747	45,058,037,775	42,510,354,747	2,547,683,028	33.73%	100.00%
2075	51,250,746,819	6,990,425,239	44,260,321,580	46,125,666,985	44,260,321,580	1,865,345,405	26.68%	100.00%
2076	52,474,404,491	6,446,471,271	46,027,933,219	47,226,975,400	46,027,933,219	1,199,042,181	18.60%	100.00%
2077	53,734,128,426	5,922,844,198	47,811,284,228	48,360,696,293	47,811,284,228	549,412,065	9.28%	100.00%
2078	55,028,381,099	5,420,091,806	49,608,289,292	49,525,535,198	49,525,535,198	-	0.00%	99.83%

The projections in this report are strictly for the purpose of determining the GASB Single Discount Rate and are different from a funding projection for the ongoing plan.



Current Member Projection of Assets and Assignment of Employer Contributions

PYE 12/31	Assets (boy)	Member Contributions	Administrative Expenses	Benefit Payments	Assigned Sponsor Contribution	Income on Assets and Cash Flow	Assets (eoy)
2026	\$ 4,993,424,701	\$ 125,981,664	\$ 4,975,796	\$ 1,098,841,979	\$ 1,040,273,100	\$ 286,566,227	\$ 5,342,427,917
2027	5,342,427,917	128,855,516	4,934,502	1,129,628,289	982,021,586	309,238,576	5,627,980,803
2028	5,627,980,803	127,249,869	4,839,084	1,171,850,188	1,007,226,578	328,068,739	5,913,836,717
2029	5,913,836,717	125,212,680	4,728,603	1,214,645,692	1,031,545,749	345,443,475	6,196,664,325
2030	6,196,664,325	123,032,580	4,615,526	1,256,393,481	1,056,025,986	362,659,242	6,477,373,126
2031	6,477,373,126	120,745,497	4,497,128	1,296,891,003	1,081,936,953	379,767,337	6,758,434,781
2032	6,758,434,781	118,457,592	4,373,538	1,335,832,233	1,108,809,919	396,926,324	7,042,422,845
2033	7,042,422,845	115,936,237	4,249,048	1,374,814,227	1,135,701,507	414,257,136	7,329,254,451
2034	7,329,254,451	112,577,630	4,121,653	1,413,500,482	1,158,177,840	431,761,684	7,614,149,470
2035	7,614,149,470	108,547,911	3,983,698	1,451,496,693	1,177,480,951	449,212,834	7,893,910,776
2036	7,893,910,776	104,359,250	3,834,887	1,488,796,862	1,198,891,856	466,390,516	8,170,920,648
2037	8,170,920,648	100,090,246	3,676,383	1,524,113,609	1,221,384,778	483,409,534	8,448,015,214
2038	8,448,015,214	95,850,912	3,514,770	1,557,347,916	1,246,007,082	500,485,783	8,729,496,306
2039	8,729,496,306	91,687,486	3,351,025	1,587,724,618	1,273,200,666	517,918,764	9,021,227,579
2040	9,021,227,579	87,645,810	3,188,653	1,615,606,051	1,302,192,127	536,086,010	9,328,356,821
2041	9,328,356,821	83,570,794	3,030,004	1,642,385,842	1,330,779,339	555,296,876	9,652,587,983
2042	9,652,587,983	79,298,274	2,869,317	1,669,493,167	1,358,861,831	575,651,748	9,994,037,352
2043	9,994,037,352	74,905,126	2,704,516	1,696,425,196	1,387,677,028	597,179,527	10,354,669,321
2044	10,354,669,321	70,459,434	2,540,812	1,722,731,787	1,416,960,052	620,008,446	10,736,824,653
2045	10,736,824,653	65,856,381	2,375,642	1,749,170,665	1,446,580,778	644,272,536	11,141,988,042
2046	11,141,988,042	60,913,685	2,204,911	1,777,574,329	1,475,672,487	670,007,511	11,568,802,485
2047	11,568,802,485	55,615,281	2,020,477	1,807,007,436	1,505,174,846	697,167,548	12,017,732,248
2048	12,017,732,248	50,141,597	1,829,040	1,836,124,093	1,535,238,235	725,818,188	12,490,977,136
2049	12,490,977,136	44,524,168	1,634,653	1,864,781,837	1,565,845,139	756,110,959	12,991,040,912
2050	12,991,040,912	38,865,908	1,435,247	1,891,167,097	1,597,871,349	788,278,863	13,523,454,688
2051	13,523,454,688	33,250,840	1,239,637	1,914,907,510	1,630,886,040	822,694,966	14,094,139,387
2052	14,094,139,387	27,789,073	1,044,146	1,934,528,278	1,665,759,384	859,819,117	14,711,934,537
2053	14,711,934,537	22,666,711	860,548	1,948,834,400	1,702,186,415	900,278,400	15,387,371,116
2054	15,387,371,116	17,874,993	689,382	1,957,829,721	1,739,833,486	944,788,493	16,131,348,985
2055	16,131,348,985	13,520,331	529,879	1,960,309,426	1,778,593,220	994,134,461	16,956,757,692
2056	16,956,757,692	9,756,525	390,273	1,955,064,307	205,898,601	1,049,233,184	16,266,191,422
2057	16,266,191,422	6,701,687	272,238	1,940,735,247	179,004,849	1,030,190,961	15,541,081,434
2058	15,541,081,434	4,438,688	181,879	1,917,152,303	179,050,266	982,421,844	14,789,658,050
2059	14,789,658,050	2,887,134	118,351	1,885,588,826	180,224,156	932,698,452	14,019,760,615
2060	14,019,760,615	1,866,793	76,673	1,847,865,451	181,984,819	881,929,963	13,237,600,066
2061	13,237,600,066	1,181,939	49,282	1,805,669,316	184,023,032	830,482,722	12,447,569,160
2062	12,447,569,160	709,206	30,349	1,760,019,440	186,292,806	778,620,855	11,653,142,237
2063	11,653,142,237	390,744	17,341	1,711,484,318	188,572,100	726,558,964	10,857,162,386
2064	10,857,162,386	189,624	8,871	1,660,596,968	190,928,252	674,473,923	10,062,148,347
2065	10,062,148,347	77,066	3,810	1,607,691,102	193,357,776	622,522,585	9,270,410,861
2066	9,270,410,861	24,466	1,327	1,553,182,339	195,796,020	570,846,265	8,483,893,947
2067	8,483,893,947	5,210	296	1,497,399,205	198,296,002	519,565,549	7,704,361,206
2068	7,704,361,206	764	49	1,440,693,455	200,866,200	468,786,293	6,933,320,959
2069	6,933,320,959	21	1	1,383,376,755	203,516,342	418,599,465	6,172,060,032
2070	6,172,060,032	-	-	1,325,728,217	206,238,921	369,082,398	5,421,653,133
2071	5,421,653,133	-	-	1,267,974,394	209,104,686	320,300,222	4,683,083,647
2072	4,683,083,647	-	-	1,210,262,291	212,190,924	272,313,210	3,957,325,489
2073	3,957,325,489	-	-	1,152,770,569	215,539,600	225,179,835	3,245,274,355
2074	3,245,274,355	-	-	1,095,667,433	219,121,861	178,954,245	2,547,683,028
2075	2,547,683,028	-	-	1,039,101,666	212,246,146	144,517,897	1,865,345,405
2076	1,865,345,405	-	-	983,167,573	216,409,085	100,455,264	1,199,042,181
2077	1,199,042,181	-	-	927,956,727	220,865,912	57,460,699	549,412,065
2078	549,412,065	-	-	873,543,672	305,891,722	18,239,885	-

The projections in this report are strictly for the purpose of determining the GASB Single Discount Rate and are different from a funding projection for the ongoing plan.



Development of Single Discount Rate

PYE 12/31	Benefit Payments	Discount Rate	Discounted Benefit Payment	Single Discount Rate	Discounted Benefit Payment
2026	\$ 1,098,841,979	6.75%	\$ 1,063,533,809	6.65%	\$ 1,064,038,318
2027	1,129,628,289	6.75%	1,024,197,554	6.65%	1,025,655,791
2028	1,171,850,188	6.75%	995,296,289	6.65%	997,659,223
2029	1,214,645,692	6.75%	966,411,349	6.65%	969,624,975
2030	1,256,393,481	6.75%	936,418,959	6.65%	940,424,434
2031	1,296,891,003	6.75%	905,482,617	6.65%	910,218,711
2032	1,335,832,233	6.75%	873,696,658	6.65%	879,099,941
2033	1,374,814,227	6.75%	842,335,084	6.65%	848,348,705
2034	1,413,500,482	6.75%	811,276,600	6.65%	817,843,856
2035	1,451,496,693	6.75%	780,406,999	6.65%	787,470,941
2036	1,488,796,862	6.75%	749,847,013	6.65%	757,352,358
2037	1,524,113,609	6.75%	719,095,678	6.65%	726,982,454
2038	1,557,347,916	6.75%	688,314,787	6.65%	696,524,321
2039	1,587,724,618	6.75%	657,368,287	6.65%	665,839,981
2040	1,615,606,051	6.75%	626,615,535	6.65%	635,293,209
2041	1,642,385,842	6.75%	596,723,299	6.65%	605,561,123
2042	1,669,493,167	6.75%	568,217,447	6.65%	577,180,287
2043	1,696,425,196	6.75%	540,874,802	6.65%	549,927,717
2044	1,722,731,787	6.75%	514,531,323	6.65%	523,639,758
2045	1,749,170,665	6.75%	489,393,789	6.65%	498,529,868
2046	1,777,574,329	6.75%	465,892,966	6.65%	475,040,698
2047	1,807,007,436	6.75%	443,660,169	6.65%	452,800,648
2048	1,836,124,093	6.75%	422,303,466	6.65%	431,412,952
2049	1,864,781,837	6.75%	401,774,865	6.65%	410,831,024
2050	1,891,167,097	6.75%	381,695,248	6.65%	390,669,185
2051	1,914,907,510	6.75%	362,048,513	6.65%	370,912,190
2052	1,934,528,278	6.75%	342,630,614	6.65%	351,352,006
2053	1,948,834,400	6.75%	323,339,033	6.65%	331,884,021
2054	1,957,829,721	6.75%	304,291,788	6.65%	312,629,801
2055	1,960,309,426	6.75%	285,411,888	6.65%	293,510,834
2056	1,955,064,307	6.75%	266,649,390	6.65%	274,476,146
2057	1,940,735,247	6.75%	247,957,904	6.65%	255,478,233
2058	1,917,152,303	6.75%	229,456,516	6.65%	236,640,066
2059	1,885,588,826	6.75%	211,408,718	6.65%	218,234,149
2060	1,847,865,451	6.75%	194,078,916	6.65%	200,534,967
2061	1,805,669,316	6.75%	177,655,373	6.65%	183,739,290
2062	1,760,019,440	6.75%	162,214,514	6.65%	167,928,857
2063	1,711,484,318	6.75%	147,766,942	6.65%	153,117,504
2064	1,660,596,968	6.75%	134,307,640	6.65%	139,302,917
2065	1,607,691,102	6.75%	121,806,707	6.65%	126,456,928
2066	1,553,182,339	6.75%	110,235,926	6.65%	114,553,013
2067	1,497,399,205	6.75%	99,556,684	6.65%	103,553,724
2068	1,440,693,455	6.75%	89,729,764	6.65%	93,420,838
2069	1,383,376,755	6.75%	80,711,893	6.65%	84,111,756
2070	1,325,728,217	6.75%	72,457,555	6.65%	75,581,373
2071	1,267,974,394	6.75%	64,918,993	6.65%	67,782,067
2072	1,210,262,291	6.75%	58,046,082	6.65%	60,663,558
2073	1,152,770,569	6.75%	51,792,682	6.65%	54,179,539
2074	1,095,667,433	6.75%	46,114,382	6.65%	48,285,333
2075	1,039,101,666	6.75%	40,968,286	6.65%	42,937,680
2076	983,167,573	6.75%	36,311,937	6.65%	38,093,610
2077	927,956,727	6.75%	32,105,668	6.65%	33,712,919
2078	873,543,672	6.75%	28,312,012	6.65%	29,757,559
2079	819,971,978	4.83%	65,738,558	6.65%	26,191,221
2080	767,291,011	4.83%	58,680,754	6.65%	22,980,575
2081	715,508,504	4.83%	52,199,313	6.65%	20,093,687
2082	664,702,858	4.83%	46,258,543	6.65%	17,503,159
2083	614,858,315	4.83%	40,818,202	6.65%	15,181,266
2084	566,074,717	4.83%	35,848,170	6.65%	13,105,414
2085	518,441,514	4.83%	31,318,966	6.65%	11,254,360
2086	472,101,589	4.83%	27,205,551	6.65%	9,609,495
2087	427,180,414	4.83%	23,482,688	6.65%	8,153,057
2088	383,869,716	4.83%	20,129,581	6.65%	6,869,689
2089	342,377,653	4.83%	17,126,583	6.65%	5,745,167
2097	97,035,112	4.83%	3,328,201	6.65%	972,923
2107	5,827,900	4.83%	124,720	6.65%	30,697
2117	62,084	4.83%	829	6.65%	172
2124	2,974	4.83%	29	6.65%	5
Total Present Value			\$ 22,280,516,614		\$ 22,280,516,614

The projections in this report are strictly for the purpose of determining the GASB Single Discount Rate and are different from a funding projection for the ongoing plan.



SECTION H

GLOSSARY OF TERMS

Glossary of Terms

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

Glossary of Terms

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

Glossary of Terms

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

Glossary of Terms

<i>Other Postemployment Benefits (“OPEB”)</i>	All postemployment benefits other than retirement income (such as death benefits, life insurance, disability, and long-term care) that are provided separately from a pension plan, as well as postemployment healthcare benefits regardless of the manner in which they are provided. Other postemployment benefits do not include termination benefits.
<i>Real Rate of Return</i>	The real rate of return is the rate of return on an investment after adjustment to eliminate inflation.
<i>Service Cost</i>	The service cost is the portion of the actuarial present value of projected benefit payments that is attributed to a valuation year.
<i>Total Pension Expense</i>	<p>The total pension expense is the sum of the following items that are recognized at the end of the employer’s fiscal year:</p> <ol style="list-style-type: none">1. Service Cost2. Interest on the Total Pension Liability3. Current-Period Benefit Changes4. Employee Contributions (made negative for addition here)5. Projected Earnings on Plan Investments (made negative for addition here)6. Pension Plan Administrative Expense7. Other Changes in Plan Fiduciary Net Position8. Recognition of Outflow (Inflow) of Resources due to Liabilities9. Recognition of Outflow (Inflow) of Resources due to Assets
<i>Total Pension Liability (“TPL”)</i>	The TPL is the portion of the actuarial present value of projected benefit payments that is attributed to past periods of member service.
<i>Unfunded Actuarial Accrued Liability (“UAAL”)</i>	The UAAL is the difference between actuarial accrued liability and valuation assets.
<i>Valuation Assets</i>	The valuation assets are the assets used in determining the unfunded liability of the plan. For purposes of GASB Statement Nos. 67 and 68, the valuation assets are equal to the market value of assets.