



STATE OF OKLAHOMA LAW ENFORCEMENT RETIREMENT SYSTEM



ACTUARIAL VALUATION AS OF JULY 1, 2026

SUBMITTED: OCTOBER 9, 2026



October 9, 2026

Board of Trustees
Oklahoma Law Enforcement Retirement System
421 NW 13th Street, Suite 100
Oklahoma City, OK 73103

Members of the Board:

In this report are submitted the results of the annual valuation of the assets and liabilities of the Oklahoma Law Enforcement Retirement System (OLERS), prepared as of July 1, 2026. The purpose of this report is to provide a summary of the funded status of the System as of July 1, 2026 and to calculate the Required State Contribution Rate. There have been no changes in the actuarial assumptions or methods since the last valuation. However, there have been several changes to the plan provisions since the prior valuation due to the passing of House Bill 1739 (HB1739). These changes and their impact on the current valuation results are discussed in further detail in the Executive Summary of this report.

In preparing this report, we relied, without audit, on information (some oral and some in writing) supplied by the System's staff. This information includes, but is not limited to, statutory provisions, member data and financial information. While not verifying the data at its source, the actuary has performed tests for consistency and reasonability. We found this information to be reasonably consistent and comparable with information provided in prior years. The valuation results depend on the integrity of this information. If any of this information is inaccurate or incomplete, our results may be different, and our calculations may need to be revised.

We further certify that all costs, liabilities, rates of interest and other factors for the System have been determined on the basis of actuarial assumptions and methods which are individually reasonable (taking into account the experience of the System and reasonable expectations); and which, in combination, offer our best estimate of anticipated experience affecting the System. Nevertheless, the emerging costs will vary from those presented in this report to the extent actual experience differs from that anticipated by the actuarial assumptions.

In order to prepare the results in this report, we have utilized actuarial models that were developed to measure liabilities and develop actuarial costs. These models include tools that we have produced and tested, along with commercially available valuation software that we have reviewed to confirm the appropriateness and accuracy of the output. In utilizing these models, we develop and use input parameters and assumptions about future contingent events along with recognized actuarial approaches to develop the needed results. Future actuarial results may differ



significantly from the current results presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. Because the potential impact of such factors is outside the scope of a normal annual actuarial valuation, an analysis of the range of results is not presented herein.

Actuarial computations presented in this report are for the purpose of calculating the required State contribution rates for funding the System. The calculations in the enclosed report have been made on a basis consistent with our understanding of the System's funding requirements and goals. Determinations for purposes other than meeting these requirements may be significantly different from the results contained in this report. Accordingly, additional determinations may be needed for other purposes. Actuarial computations for the purposes of fulfilling financial accounting requirements for the System under Governmental Accounting Standards No. 67, No. 68, No. 74 and No. 75 are provided in separate reports.

On the basis of the foregoing, we hereby certify that, to the best of our knowledge and belief, this report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices. We are members of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein.

Respectfully submitted,

Alisa Bennett, FSA, EA, FCA, MAAA
President

Brent Banister, PhD, FSA, EA, FCA, MAAA
Chief Actuary



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SECTION I – EXECUTIVE SUMMARY

OVERVIEW

The Oklahoma Law Enforcement Retirement System (OLERS) provides retirement benefits for several law enforcement agencies of the State of Oklahoma. OLERS is administered by its own Board of Trustees.

This report presents the results of the July 1, 2026 actuarial valuation for the System. The primary purposes of performing an actuarial valuation are to:

- Determine the employer contribution rate required to fund the System on an actuarial basis;
- Evaluate the sufficiency of the statutory contribution rate;
- Disclose asset and liability measures as of the valuation date;
- Assess and disclose the key risks associated with funding the System;
- Determine the experience of the System since the last valuation date; and
- Analyze and report on trends in System contributions, assets, and liabilities.

During the 2026 Oklahoma Legislative Session, state lawmakers passed House Bill No. 1739 which included several changes to the System's plan provisions. Eligibility for benefit increases based on the top base pay for active members was expanded to include members hired after November 1, 2012. The member contribution rate was increased from 8.0% to 9.0%. The employer contribution rate was increased from 11.0% to 12.5% for FY 2027, 13.5% for FY 2028, 14.5% for FY 2029, 15.5% for FY 2030, and 16.5% thereafter. The net impact of the changes due to HB 1739 was an increase in the actuarial accrued liability of \$33.0 million and an increase in the required state contribution rate of 3.42%.

The valuation results provide a snapshot view of the System's financial condition on July 1, 2026. The unfunded actuarial accrued liability for the System increased by \$39.1 million due to various factors. A detailed analysis of the change in the unfunded actuarial accrued liability from July 1, 2025 to July 1, 2026 is shown on page 5.

The highlights of the valuation are shown below:

Funded Status \$(millions)	Actuarial Valuation Date	
	July 1, 2026	July 1, 2025
Actuarial Accrued Liability	\$ 1,594.3	\$ 1,531.9
Actuarial Value of Assets	\$ 1,271.0	\$ 1,247.7
Unfunded Actuarial Accrued Liability	\$ 323.3	\$ 284.2
Funded Ratio (Actuarial Value)	79.7%	81.4%
Market Value of Assets	\$ 1,340.5	\$ 1,229.0
Funded Ratio (Market Value)	84.1%	80.2%

Note that the funded ratios and funded status numbers shown in this report do not indicate whether or not the System has sufficient assets to settle all obligations earned to date, nor do they provide sufficient information to determine what future contribution requirements might be.





SECTION I – EXECUTIVE SUMMARY

There was a liability gain of \$18.5 million from demographic experience, which resulted in an actuarial accrued liability that was lower than expected (1.1% of expected liability). This gain does not reflect the gain from salary experience, if any, since the salary experience reserve defers the recognition of that gain.

The estimated net return on the market value of assets was 12.6% for the year ended June 30, 2026. The actuarial value of assets is determined using a method to smooth investment gains and losses in order to develop more stable contribution rates. The return on the actuarial value of assets was approximately 5.3%, which resulted in an actuarial loss of \$27.6 million since it was less than the assumed rate of 7.50%.

The employer actuarial contribution rate increased from the 2025 valuation to the 2026 valuation:

Contribution Rate	Actuarial Valuation Date	
	July 1, 2026	July 1, 2025
Normal Cost	27.41%	24.11%
Amortization of UAAL	26.10%	22.91%
Budgeted Expenses	<u>1.63%</u>	<u>1.55%</u>
Actuarial Contribution Rate	55.14%	48.57%
Less Member Contribution Rate	<u>9.00%</u>	<u>8.00%</u>
Employer Actuarial Contribution Rate	46.14%	40.57%
Less Estimated Employer Contribution Rate	12.56%	11.07%
Required State Rate	33.58%	29.50%

The required State contribution rate determined in the 2026 valuation is 33.58%, which is up from last year's required State contribution rate of 29.50%. The State contributions come from various sources not related to payroll. For the last several years, the actual contributions were in the range of the actuarial rates (see Table 16 for additional detail). However, the state contributions from fees and taxes were lower than anticipated for the year ending June 30, 2026. If this trend continues, the current contribution structure may not be sufficient to fully fund the plan. Actual contributions are anticipated to be inadequate to fund the full actuarial contribution amount for the next several years, but should be approximately sufficient once the employer contribution rate increases to the ultimate rate of 16.5% of pay in 2031. We anticipate that the System will continue to progress toward 100% funded if all assumptions are met and the State contributions remain around the levels of recent years.

EXPERIENCE: July 1, 2025 to July 1, 2026

In many respects, an actuarial valuation can be thought of as an inventory process. The inventory is taken as of the actuarial valuation date, which for this valuation is July 1, 2026. On that date, the assets available for the payment of benefits are appraised. The assets are compared with the liabilities of the System, which are generally in excess of the assets. The actuarial process leads to a method of determining the contributions needed by members and employers in the future to balance the System assets and liabilities.





SECTION I – EXECUTIVE SUMMARY

Changes in the System's assets and liabilities impacted the change in the actuarial contribution rates between July 1, 2025 and July 1, 2026. Each component is examined in the following discussion.

ASSETS

As of July 1, 2026, the System had total funds when measured on a market value basis of \$1.34 billion. This was an increase of around \$110 million from the July 1, 2025 figure of \$1.23 billion. The market value of assets is not used directly in the calculation of the actuarial contribution rate. An asset valuation method, which smooths the effect of market fluctuations, is used to determine the value of assets used in the valuation, called the "actuarial value of assets". Differences between the actual return on the market value of assets and the assumed return on the actuarial value of assets are recognized over a five-year period. The resulting value must be no less than 80% of the market value and no more than 120% of market value, referred to as "the corridor". See Table 3 for the detailed development of the actuarial value of assets as of July 1, 2026.

The actuarial value of assets as of July 1, 2026 was \$1.27 billion. The annualized dollar-weighted rate of return for FY2026, measured on the actuarial value of assets, was approximately 5.3%, which is less than the assumed rate of 7.50%. This resulted in an actuarial loss of \$27.6 million. Measured on the market value basis, the estimated rate of return was 12.6%.

The components of the change in the market and actuarial value of assets for the System are set forth below:

	Market Value \$(millions)	Actuarial Value \$(millions)
Net Assets, July 1, 2025	\$1,229	\$1,248
• Employer and Member Contributions	54	54
• Benefit Payments and Expenses	(95)	(95)
• Investment Income/(Loss)	<u>153</u>	<u>65</u>
Preliminary Value July 1, 2026	\$1,341	\$1,271
Application of Corridor	N/A	N/A
Final Net Assets, July 1, 2026	\$1,341	\$1,271
Estimated Rate of Return	12.6%	5.3%

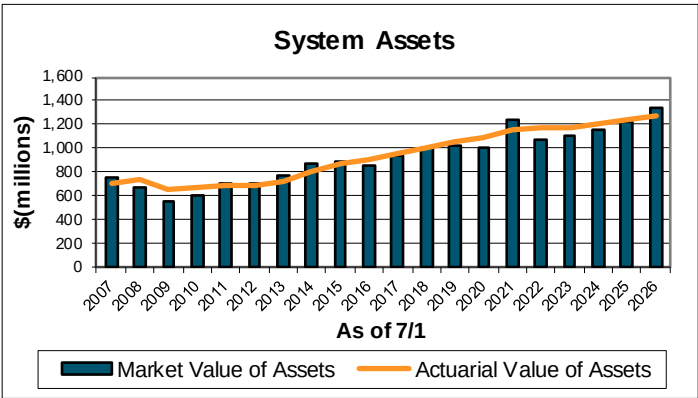
Note: Numbers may not add due to rounding.

Due to the use of an asset smoothing method, there is about \$70 million of deferred investment gain that has not yet been recognized. This deferred investment experience will be reflected in the actuarial value of assets over the next few years.

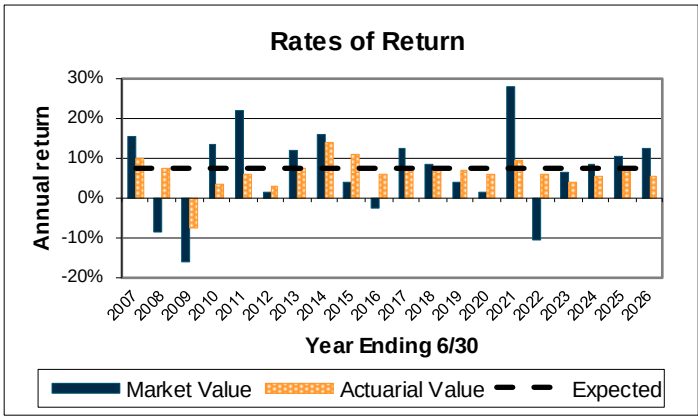




SECTION I – EXECUTIVE SUMMARY



While the market value of assets declined following the market downturn of 2008 and 2009, a combination of strong returns and continued funding has increased the assets over time. The actuarial value remains close to the market value at this time.



Rates of return on the market value of assets are very volatile. The more stable return on the actuarial value of assets illustrates the advantage of using an asset smoothing method.

SYSTEM LIABILITIES

The actuarial accrued liability is that portion of the present value of future benefits that will not be paid by future normal costs. The difference between this liability and the asset value at the same date is referred to as the unfunded actuarial accrued liability (UAAL). The UAAL will be reduced if employer contributions exceed the employer normal cost for the year, after allowing for interest on the previous year's unfunded actuarial accrued liability. Benefit improvements, experience gains/losses, and changes in the actuarial assumptions and methods will also impact the total actuarial accrued liability and the unfunded portion thereof.

The unfunded actuarial accrued liability as of July 1, 2026 is:

Actuarial Accrued Liability	\$1,594,319,969
Actuarial Value of Assets	<u>1,270,992,000</u>
Unfunded Actuarial Accrued Liability	\$ 323,327,969

See Table 5 for the detailed development of the Actuarial Accrued Liability and the calculation of the Unfunded Actuarial Accrued Liability.





SECTION I – EXECUTIVE SUMMARY

Other factors influencing the UAAL from year to year include actual experience versus that expected based on the actuarial assumptions (both asset and liability), changes in the actuarial assumptions, procedures or methods and changes in benefit provisions. The actual experience measured in this valuation is that which occurred during the plan year ending June 30, 2026. There was an experience loss on the actuarial value of assets and an experience gain on the actuarial liabilities. The combined result was an increase in the UAAL of \$9.0 million. Absent the salary experience gain transferred to the salary experience reserve, there would have been a \$50.1 million gain on liabilities for a total net actuarial gain of \$22.5 million.

Between July 1, 2025 and July 1, 2026 the change in the unfunded actuarial accrued liability for the System was as follows:

	\$(millions)
Unfunded Actuarial Accrued Liability, July 1, 2025	\$284.2
· contributions below the actuarial rate	5.6
· expected decrease due to amortization method	(7.7)
· investment experience	27.6
· liability experience ¹	(18.5)
· plan provision changes	33.0
· other experience	<u>(0.9)</u>
Unfunded Actuarial Accrued Liability, July 1, 2026	\$323.3

¹ Liability gain is about 1.1% of total expected actuarial accrued liability

A detailed summary of the change in the UAAL is shown in Table 6.

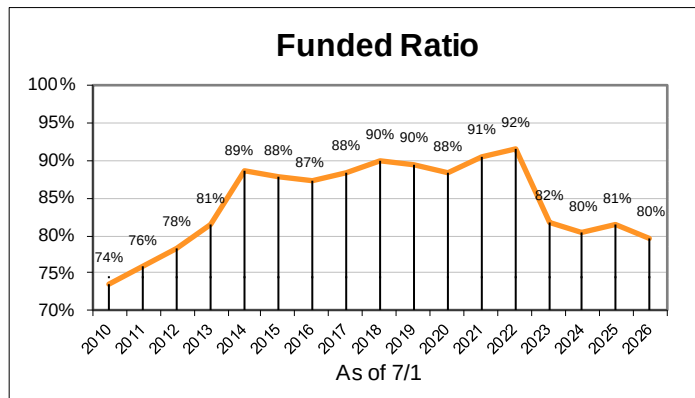
An evaluation of the unfunded actuarial accrued liability on a pure dollar basis may not provide a complete analysis because only the difference between the assets and liabilities (which are both very large numbers) is reflected. Another way to evaluate the unfunded actuarial accrued liability and the progress made in its funding is to track the funded status, which is the ratio of the actuarial value of assets to the actuarial accrued liability. The funded status information, on both an actuarial and market value basis, is shown in the following table in \$(millions).

	7/1/2021	7/1/2022	7/1/2023	7/1/2024	7/1/2025	7/1/2026
Using Actuarial Value of Assets:						
Funded Ratio	90.6%	91.5%	81.8%	80.4%	81.4%	79.7%
Unfunded Actuarial Accrued Liability (UAAL)	\$120	\$108	\$262	\$293	\$284	\$323
Using Market Value of Assets:						
Funded Ratio	98.1%	84.0%	76.5%	77.2%	80.2%	84.1%
Unfunded Actuarial Accrued Liability (UAAL)	\$24	\$206	\$338	\$341	\$303	\$254





SECTION I – EXECUTIVE SUMMARY



Beginning in 2010, the funded ratio improved through 2014 before leveling off. The large salary increase granted to active members and the accompanying COLA for retirees that was recognized in the 2023 valuation resulted in a sharp drop in the funded ratio.

CONTRIBUTION RATES

The funding objective of the System is to pay the normal cost rate plus an amount that will pay off the unfunded actuarial accrued liability over a 15-year period.

Under the Entry Age Normal cost method, the actuarial contribution rate consists of:

- A “normal cost” for the portion of projected liabilities allocated by the actuarial cost method to service of members during the year following the valuation date;
- A “budgeted expense” component for the expenses expected to be paid from the trust for the year;
- An “unfunded actuarial accrued liability contribution” for the excess of the portion of projected liabilities allocated to service to date over the actuarial value of assets.

Effective with the July 1, 2023 valuation, the UAAL is amortized using the “layered” approach. To initialize the new amortization method, the unfunded actuarial accrued liability as of July 1, 2023 is being amortized over a closed 15-year period. All subsequent changes in the UAAL will also be amortized over separate 15-year amortization bases, each with their own individual payment schedules, starting on the valuation date that they were calculated. The UAAL amortization payment schedules are determined using the level percent of payroll methodology, where payments escalate annually with the assumed increase in payroll growth. Under this funding policy, the System’s funded ratio is expected to slowly improve from its current level and ultimately reach full funding at the end of the amortization period.

Contributions to the System are made by both the members and their employers. Members pay 9.00% of compensation and employers currently pay 12.50% of compensation for actives members and for members in the Deferred Option Plan (DOP). For the DOP members, 6.25% is credited to the member accounts and 6.25% is allocated for general funding. The remainder of the total actuarial required contribution rate is the required State contribution rate. State contributions, which consist of a portion of revenues from driver’s license fees and insurance





SECTION I – EXECUTIVE SUMMARY

premium tax, have been in the range needed to fund the plan in prior years but the contribution shortfall in 2026 increased the UAL by \$5.6 million. Contributions are anticipated to remain inadequate for the next several years until the employer contribution rate increases to 16.5% in 2031.

MEMBER INFORMATION

The number of active members increased from 1,356 in the 2025 valuation to 1,387 in the 2026 valuation. There were 1,636 retirees and beneficiaries in the 2026 valuation, including DOP members. These individuals have an average benefit of \$4,046 (not including the medical supplement) per month, compared to \$4,055 the previous year.

COMMENTS

As a result of the asset smoothing method, the prior deferred asset loss was replaced with a deferred asset gain that will be recognized in the coming years. Volatility in investment returns is a major source of variability for the System, but the use of asset smoothing helps with stability.

The required State contribution rate (above the member and employer contributions) in the 2026 valuation is 33.58%, up from the 2025 valuation contribution rate of 29.50%. This contribution requirement is not anticipated to be met by the various dedicated revenue sources that are directed into OLERS for the next several years, but the funding sources should be approximately sufficient in 2031 once the employer contribution rate increases to the ultimate rate of 16.5% of pay. Should these sources decline, however, there could be challenges in moving towards the System being fully funded.

The funded ratio of the System decreased from 81.4% to 79.7% when using the actuarial value of assets. This decrease was primarily due to the impact of the changes in plan provisions provided by HB 1739 and the unfavorable investment experience on the actuarial value of assets. The funded ratio on a market value basis is 84.1%, reflecting deferred gains which will be recognized as long as there are not any poor investment returns in the next few years. Over time, in the absence of any significant changes or adverse experience, the funded ratio is expected to increase, although external factors such as asset returns and the sources of State funding will have a significant effect on how steadily and quickly the funding improves.





SECTION II – SUMMARY OF RESULTS

For convenience of reference, the principal results of the valuation and a comparison with the preceding year's results are summarized below.

COMPARISON OF PRINCIPAL VALUATION RESULTS

	7/1/2026 Valuation	7/1/2025 Valuation	% Change
1. PARTICIPANT DATA			
Number of:			
Active Members - Not vested	712	663	7.4
Active Members - Vested	675	693	(2.6)
Active Members Total	1,387	1,356	2.3
Retired and Disabled Members and Beneficiaries	1,624	1,609	0.9
Deferred Option Plan (DOP) Members	12	15	(20.0)
Inactive Members	63	60	5.0
Total members	3,086	3,040	1.5
Projected Annual Salaries of Active Members	\$ 127,026,276	\$ 122,222,746	3.9
Annual Retirement Payments for Retired Members, Disabled Members, and Beneficiaries	\$ 78,639,290	\$ 78,138,834	0.6
2. ASSETS AND LIABILITIES			
Total Actuarial Accrued Liability	\$ 1,594,319,969	\$ 1,531,943,140	4.1
Market Value of Assets	\$ 1,340,525,409	\$ 1,228,986,597	9.1
Actuarial Value of Assets	\$ 1,270,992,000	\$ 1,247,726,000	1.9
Unfunded Actuarial Accrued Liability	\$ 323,327,969	\$ 284,217,140	13.8
Funded Ratio	79.7%	81.4%	(2.1)
3. EMPLOYER CONTRIBUTION RATES AS A PERCENT OF PAYROLL			
Normal Cost Rate	27.41%	24.11%	13.7
Amortization of Unfunded Actuarial Accrued Liability	26.10%	22.91%	13.9
Budgeted Expenses	1.63%	1.55%	5.2
Total Actuarial Required Contribution Rate	55.14%	48.57%	13.5
Less Member Contribution Rate	9.00%	8.00%	12.5
Less Estimated Employer Contribution Rate	12.56%	11.07%	13.5
Required State Contribution Rate	33.58%	29.50%	13.8
Required State Contribution Amount	\$ 42,655,423	\$ 36,055,710	18.3





SECTION III – ASSETS

Market Value of Assets

The current market value represents the "snapshot" or "cash-out" value of System assets as of the valuation date. In addition, market values of assets provide a basis for measuring investment performance from time to time. At July 1, 2026, the market value of assets for the System was \$1.34 billion. Table 1 is a comparison, at market values, of System assets as of June 30, 2026 and June 30, 2025 in total and by investment category. Table 2 summarizes the change in the market value of assets from July 1, 2025 to June 30, 2026.

Actuarial Value of Assets

Neither the market value of assets, representing a "cash-out" value of System assets, nor the book value of assets, representing the cost of investments, may be the best measure of the System's ongoing ability to meet its obligations.

To arrive at a suitable value for the actuarial valuation, a technique for determining the actuarial value of assets is used, which dampens swings in the market value while still indirectly recognizing market values.

The actuarial value of assets is based on a five-year moving average of expected and actual market values determined as follows:

- at the beginning of each fiscal year, a preliminary expected actuarial asset value is calculated as the sum of the previous year's actuarial value increased with a year's interest at the System's valuation rate plus net cash flow adjusted for interest (at the same rate) to the end of the previous fiscal year;
- the expected actuarial asset value is set equal to the preliminary expected actuarial value plus the unrecognized investment gains and losses as of the beginning of the previous fiscal year;
- the difference between the expected actuarial asset value and the market value is the investment gain or loss for the previous fiscal year;
- the (final) actuarial asset value is the preliminary value plus 20% of the investment gains and losses for each of the five previous fiscal years, but in no case more than 120% of the market value or less than 80% of the market value.

Table 3 shows the development of the actuarial value of assets (AVA) as of the valuation date.





SECTION III – ASSETS

Table 1

Analysis of Net Assets at Market Value

	June 30, 2026		June 30, 2025	
	Amount \$(millions)	% of Total	Amount \$(millions)	% of Total
Cash & Short-term Investments	\$ 18.0	1.3%	\$ 24.2	1.9%
Domestic Corporate Bonds	124.6	9.1%	119.6	9.6%
U.S. Government Bonds	101.3	7.5%	82.2	6.7%
Domestic Stock	418.3	30.7%	355.7	28.6%
International Stock	271.1	19.9%	261.9	21.1%
International Fixed-Income Funds	101.6	7.4%	96.6	7.8%
Real Estate	160.9	11.8%	145.9	11.7%
Other	168.0	12.3%	156.3	12.6%
Subtotal	\$ 1,363.8	100.0%	\$ 1,242.4	100.0%
Net Receivables/(Payables)	(23.3)		(13.4)	
Net Assets (including DOP)	\$ 1,340.5		\$ 1,229.0	
DOP Assets	\$ 2.8		\$ 6.6	



SECTION III – ASSETS



Table 2

Statement of Changes in Net Assets

	Fiscal Year Ended June 30	
	2026	2025
1. Market Value of Net Assets at Beginning of Year	\$ 1,228,986,597	\$ 1,153,288,592
2. Contributions		
a. Members	\$ 9,492,812	\$ 8,851,152
b. Participating agencies	14,255,976	13,038,473
c. Other State Sources	29,971,319	31,032,906
d. Total contributions	\$ 53,720,107	\$ 52,922,531
3. Net Investment Income	\$ 152,782,324	\$ 116,924,501
4. Total additions/(subtractions) (2d) + (3)	\$ 206,502,431	\$ 169,847,032
5. Deductions		
a. Retirement and health benefits	\$ 91,291,432	\$ 91,399,736
b. Refunds of contributions	1,660,380	905,100
c. Administrative expenses	2,011,807	1,844,191
d. Total deductions	\$ 94,963,619	\$ 94,149,027
6. Net Change in Assets (4) - (5d)	111,538,812	75,698,005
7. Market Value of Net Assets at End of Year (1) + (6)	\$ 1,340,525,409	\$ 1,228,986,597
8. DOP Assets (included in above numbers)		
a. Beginning of Year	\$ 6,568,193	\$ 7,447,492
b. End of Year	2,767,748	6,568,193





SECTION III – ASSETS

Table 3

Determination of Actuarial Value of Assets

1. Market Value as of July 1, 2025	\$	1,228,986,597
2. Contributions	\$	53,720,107
3. Decreases during year		
a. Retirement and health benefits	\$	(91,291,432)
b. Refunds of contributions		(1,660,380)
c. Administrative expenses		(2,011,807)
d. Total deductions	\$	<u>(94,963,619)</u>
4. Expected return on assets at 7.5%	\$	90,655,323
5. Expected Market Value as of June 30, 2026 (1) + (2) + (3d) + (4)	\$	1,278,398,408
6. Actual Market Value as of June 30, 2026	\$	1,340,525,409
7. Year-end 2026 asset gain/(loss) (6) - (5)	\$	62,127,001

Schedule of Asset Gains/(Losses)

Year Ending June 30,	Original Amount	Recognized in Prior Years	Recognized in This Year	Recognized in Future Years
2022	\$ (220,616,886)	\$ (176,493,508)	\$ (44,123,378)	\$ 0
2023	(11,689,179)	(7,013,508)	(2,337,836)	(2,337,835)
2024	7,504,879	3,001,952	1,500,976	3,001,951
2025	31,945,901	6,389,180	6,389,180	19,167,541
2026	62,127,001	0	12,425,400	49,701,601
Total			\$ <u>(26,145,658)</u>	\$ <u>69,533,258</u>
8. Asset gain/(loss) to be recognized in the future			\$	69,533,258
9. Initial Actuarial Value as of June 30, 2026 (6) - (8)			\$	1,270,992,151
10. Constraining values:				
a. 80% of market value (6) x 0.8			\$	1,072,420,327
b. 120% of market value (6) x 1.2			\$	1,608,630,491
11. Actuarial Value as of June 30, 2026 (9), but not less than (10a), nor greater than (10b), rounded			\$	1,270,992,000





SECTION IV – SYSTEM LIABILITIES

In the previous section, an actuarial valuation was compared with an inventory process, and an analysis was given of the inventory of assets of the System as of the valuation date, July 1, 2026. In this section, the discussion will focus on the commitments of the System, which are referred to as its liabilities.

Table 4 contains the actuarial present value of all future benefits (PVFB) for contributing members, inactive members, retirees and their beneficiaries.

The liabilities summarized in Table 4 include the actuarial present value of all future benefits expected to be paid with respect to each member. For an active member, this value includes measures of both benefits already earned and future benefits expected to be earned. For all members, active and retired, the value includes benefits earnable and payable for the rest of their lives and, if an optional benefit is chosen, for the lives of the surviving beneficiaries.

The actuarial assumptions used to determine liabilities are shown in Appendix B. The liabilities reflect the benefit structure in place as of July 1, 2026.

Actuarial Liabilities

A fundamental principle in financing the liabilities of a retirement program is that the cost of its benefits should be related to the period in which benefits are earned, rather than to the period of benefit distribution. An actuarial cost method is a mathematical technique that allocates the present value of future benefits into annual costs. In order to do this allocation, it is necessary for the funding method to “break down” the present value of future benefits into two components:

- (1) that which is attributable to the past; and
- (2) that which is attributable to the future.

Actuarial terminology calls the part attributable to the past the “past service liability” or the “actuarial accrued liability”. The portion allocated to the future is known as the “present value of future normal costs”, with the specific piece of it allocated to the current year being called the “normal cost”. Table 5 contains the calculation of actuarial liabilities for all groups.





SECTION IV – SYSTEM LIABILITIES

Table 4

**Present Value of Future Benefits
As of July 1, 2026**

	Total
1. Active Employees	
a. Retirement Benefit	\$ 808,191,860
b. Withdrawal Benefit	27,166,367
c. Pre-Retirement Death Benefit	15,481,285
d. Disability Benefit	22,689,275
e. Supplemental Medical Benefit	6,263,422
f. Subtotal	\$ 879,792,209
2. Inactive Nonvested Members	\$ 232,668
3. Inactive Vested Members	7,976,689
4. Disabled Members	64,088,662
5. Retirees	730,757,886
6. Beneficiaries	144,263,090
7. DOP Members, Including DOP Balances	14,684,644
8. Supplemental Medical Benefit for Retirees and Inactive Vested Members	6,732,565
9. Salary Experience Reserve Balance	77,684,931
10. Total Present Value of Future Benefits	\$ 1,926,213,344





SECTION IV – SYSTEM LIABILITIES

Table 5

**Actuarial Accrued Liability
As of July 1, 2026**

	Total
1. Present Value of Future Benefits for Active Members	
a. Retirement Benefit	\$ 808,191,860
b. Withdrawal Benefit	27,166,367
c. Pre-Retirement Death Benefit	15,481,285
d. Disability Benefit	22,689,275
e. Supplemental Medical Benefit	6,263,422
f. Subtotal	\$ 879,792,209
2. Present Value of Future Normal Costs for Active Members	
a. Retirement Benefit	\$ 272,924,475
b. Withdrawal Benefit	25,747,387
c. Pre-Retirement Death Benefit	11,144,132
d. Disability Benefit	19,699,291
e. Supplemental Medical Benefit	2,378,090
f. Subtotal	\$ 331,893,375
3. Present Value of Future Benefits for Inactive Members	968,736,204
4. Salary Experience Reserve Balance	77,684,931
5. Total Actuarial Accrued Liability (1f) - (2f) + (3) + (4)	\$ 1,594,319,969
6. Actuarial Value of Assets	\$ 1,270,992,000
7. Unfunded Actuarial Accrued Liability (5) - (6)	\$ 323,327,969
8. Funded Ratio (6) ÷ (5)	79.7%





SECTION IV – SYSTEM LIABILITIES

Table 6

Calculation of Actuarial Gain/(Loss)

1. Expected actuarial accrued liability	
a. Actuarial accrued liability at July 1, 2025	\$ 1,531,943,140
b. Normal cost for 2025	27,353,742
c. Benefit payments for fiscal year ending June 30, 2026	(92,951,812)
d. Interest on (a), (b), and (c)	113,524,588
e. Plan provision changes	<u>32,975,512</u>
f. Expected actuarial accrued liability as of July 1, 2026 (a) + (b) + (c) + (d) + (e)	\$ 1,612,845,170
2. Actuarial accrued liability at July 1, 2026	\$ 1,594,319,969
3. Actuarial accrued liability gain/(loss) (1f) - (2)	\$ 18,525,201
4. Expected actuarial value of assets	
a. Actuarial value of assets at July 1, 2025	\$ 1,247,726,000
b. Contributions for fiscal year ending June 30, 2026	53,720,107
c. Benefit payments and expenses for fiscal year ending June 30, 2026	(94,963,619)
d. Interest on (a), (b), and (c)	<u>92,060,779</u>
e. Expected actuarial value of assets as of July 1, 2026 (a) + (b) + (c) + (d)	\$ 1,298,543,267
5. Actuarial value of assets at July 1, 2026	\$ 1,270,992,000
6. Actuarial value of assets gain/(loss) (5) - (4e)	\$ (27,551,267)
7. Net actuarial gain/(loss) (3) + (6)	\$ (9,026,066)

Salary Experience Reserve Calculation

1. Reserve balance at July 1, 2025	\$ 42,930,012
2. Increase/(decrease) in reserve from gains/(losses)	
a. Active salary experience	\$ 12,149,808
b. Retiree pay-based COLA experience	<u>19,385,360</u>
c. Total	\$ 31,535,168
3. Interest on beginning balance	\$ 3,219,751
4. Reserve balance at July 1, 2026	\$ 77,684,931





SECTION V – EMPLOYER CONTRIBUTIONS

In the previous two sections, attention has been focused on the assets and the liabilities (present value of future benefits) of the System. A comparison of Tables 3 and 4 indicates that there is a shortfall in current actuarial assets needed to meet the present value of all future benefits for current members and beneficiaries.

In an active system, there will almost always be a difference between the assets and the present value of all future benefits. This deficiency has to be made up by future contributions and investment returns. An actuarial valuation determines a schedule of future contributions that will provide for funding this deficiency in an orderly fashion.

The method used to determine the incidence of the contributions in various years is called the actuarial cost method. Under an actuarial cost method, the contributions required to meet the difference between current assets and current liabilities are allocated each year between two elements: (1) the normal cost and (2) the payment on the unfunded actuarial accrued liability.

The term “fully funded” is often applied to a system in which contributions at the normal cost rate are sufficient to pay for the benefits of existing employees as well as for those of new employees. More often than not, systems are not fully funded, either because of past benefit improvements that have not been completely funded and/or because of actuarial deficiencies that have occurred because experience has not been as favorable as anticipated under the actuarial assumptions. Under these circumstances, an unfunded actuarial accrued liability (UAAL) exists.

Description of Rate Components

The actuarial cost method used by the System is the traditional Entry Age Normal (EAN) – level percent of pay cost method. Under the EAN cost method, the actuarial present value of each member’s projected benefit is allocated on a level basis over the member’s compensation between the entry age of the member and the assumed exit ages. The portion of the actuarial present value allocated to the valuation year is called the normal cost. The actuarial present value of benefits allocated to prior years of service is called the actuarial accrued liability. The unfunded actuarial accrued liability represents the difference between the actuarial accrued liability and the actuarial value of assets as of the valuation date. The unfunded actuarial accrued liability is calculated each year and reflects experience gains/losses.

Effective with the July 1, 2023 valuation, the UAAL is amortized using the “layered” approach. To initialize the new amortization method, the unfunded actuarial accrued liability as of July 1, 2023 is being amortized over a closed 15-year period. All subsequent changes in the UAAL will also be amortized over separate 15-year amortization bases, each with their own individual payment schedules, starting on the valuation date that they were calculated. The UAAL amortization payment schedules are determined using the level percent of payroll methodology, where payments escalate annually with the assumed increase in payroll growth. Please note that contributions from members, employers and the State are expected to be approximately sufficient to fund the UAAL over the 15-year layered schedule once the employer contribution rate





SECTION V – EMPLOYER CONTRIBUTIONS

increases to the ultimate rate of 16.5% of pay in 2031, if all actuarial assumptions are met. In our opinion, the amortization policy meets the requirements of Actuarial Standard of Practice Number 4.

We expect contributions to first exceed the normal cost plus interest on the UAAL during FYE 2028. In our professional judgement, the actuarial methods adopted by the Board of Trustees produce a reasonable actuarial required contribution as defined in Actuarial Standard of Practice Number 4. Contributions are developed with the intent of being level as a percentage of covered payroll, assuming the number of active members remains stable. Furthermore, the funding policy is expected to accumulate sufficient assets to make all future benefit payments as they become due if all assumptions are met.

Contribution Rate Summary

The normal cost rate is developed in Table 7. Table 8 develops the contribution rate for amortization of the unfunded actuarial accrued liability. Table 9 develops the total actuarial contribution rate.





SECTION V – EMPLOYER CONTRIBUTIONS

Table 7

**Normal Cost Rates
As Percentages of Salary**

	Total	% of Pay
1. Normal Cost		
a. Retirement Benefit	\$ 26,669,825	22.61%
b. Withdrawal Benefit	2,482,261	2.10%
c. Pre-Retirement Death Benefit	1,068,990	0.91%
d. Disability Benefit	1,854,827	1.57%
e. Supplemental Medical Benefit	259,761	0.22%
f. Total	\$ 32,335,664	27.41%
2. Estimated Payroll for Current Actives	\$ 117,983,976	
3. Normal Cost Rate (1f)/(2)	27.41%	





SECTION V – EMPLOYER CONTRIBUTIONS

Table 8

Unfunded Actuarial Accrued Liability Contribution Rate

We believe the use of the layered amortization policy, with all bases amortized over 15 years, complies with Actuarial Standard of Practice Number 4. This policy will fully amortize the individual, as well as the total, unfunded actuarial accrued liability within a reasonable timeframe and/or reduce the amount of the UAAL by a reasonable amount within a sufficiently short period.

Amortization Bases	Original Amount	July 1, 2026 Remaining Payments	Outstanding Balance as of July 1, 2026	Annual Contribution*
2023 Legacy UAAL	\$ 261,548,783	12	\$ 244,381,106	\$ 25,789,977
2024 Experience	35,853,816	13	34,457,682	3,415,807
2025 Experience	(2,383,778)	14	(2,342,752)	(219,424)
2026 Plan Changes	32,975,512	15	32,975,512	2,932,707
2026 Experience	13,856,421	15	13,856,421	1,232,334
Total			\$ 323,327,969	\$ 33,151,401

* Contribution amount reflects mid-year timing.

1. Total UAAL Amortization Payments	\$ 33,151,401
2. Total Estimated Payroll for Year Ending June 30, 2027	\$ 127,026,276
3. UAAL Amortization Payment Rate	26.10%





SECTION V – EMPLOYER CONTRIBUTIONS

Table 9

Actuarial Contribution Rate

	July 1	
	2026	2025
1. Total Normal Cost Rate	27.41%	24.11%
2. Amortization of UAAL	26.10%	22.91%
3. Budgeted Expenses	1.63%	1.55%
4. Total Required Contribution Rate (1) + (2) + (3)	55.14%	48.57%
5. Member Contribution Rate	9.00%	8.00%
6. Estimated Employer Contribution Rate (see below)	12.56%	11.07%
7. Required State Contribution Rate (4) - (5) - (6)	33.58%	29.50%
8. Previous year's actual State rate	24.52%	27.11%

Determination of Employer Contribution Rate

Active member payroll	127,026,276	122,222,746
Employer contribution rate for active members	12.50%	11.00%
Estimated employer contributions for actives	15,878,285	13,444,502
DOP member payroll	1,212,854	1,527,328
Employer contribution rate into fund	6.25%	5.50%
Estimated employer contributions for DOP members	75,803	84,003
Total contributions	15,954,088	13,528,505
As a percentage of active pay	12.56%	11.07%





SECTION VI – RISK CONSIDERATIONS

Actuarial Standards of Practice are issued by the Actuarial Standards Board and are binding on credentialed actuaries practicing in the United States. These standards generally identify what the actuary should consider, document and disclose when performing an actuarial assignment. In September 2017, Actuarial Standard of Practice Number 51, *Assessment and Disclosure of Risk in Measuring Pension Obligations*, (ASOP 51) was issued as final with application to measurement dates on or after November 1, 2018. This ASOP, which applies to funding valuations, actuarial projections, and actuarial cost studies of proposed plan changes, was first applicable for the July 1, 2019 actuarial valuation for the State of Oklahoma Law Enforcement Retirement System (System).

A typical retirement plan faces many different risks, but the greatest risk is the inability to make benefit payments when due. If plan assets are depleted, benefits may not be paid which could create legal and litigation risk or the plan could become “pay as you go”. The term “risk” is most commonly associated with an outcome with undesirable results. However, in the actuarial world, risk can be translated as uncertainty. The actuarial valuation process uses many actuarial assumptions to project how future contributions and investment returns will meet the cash flow needs for future benefit payments. Of course, we know that actual experience will not unfold exactly as anticipated by the assumptions and that uncertainty, whether favorable or unfavorable, creates risk. ASOP 51 defines risk as the potential of actual future measurements to deviate from expected results due to actual experience that is different than the actuarial assumptions.

The various risk factors for a given plan can have a significant impact – positive or negative – on the actuarial projection of liability and contribution rates.

There are a number of risks inherent in the funding of a defined benefit plan. These include:

- economic risks, such as investment return and price inflation;
- demographic risks such as mortality, payroll growth, aging population including impact of baby boomers, and retirement ages;
- contribution risk, i.e., the potential for contribution rates to be too high for the plan sponsor/employer to pay and
- external risks such as the regulatory and political environment (which are not included in the risks to be assessed under ASOP 51).

There is a direct correlation between healthy, well-funded retirement plans and consistent contributions equal to the full actuarial contribution rate each year. The sources of funding for OLEERS do not guarantee that the full actuarial contribution will be made each year, but historically have been approximately sufficient. The full actuarial contribution is not anticipated to be met for the next several years until the employer contribution rate increases to the ultimate rate of 16.5% of pay in 2031.

State contributions come from various sources not related to payroll, so absent increases in the fees and taxes collected, this source of funding will decrease as a percent of pay over time as payroll increases. The state contributions for the year ending June 30, 2026 were actually lower





SECTION VI – RISK CONSIDERATIONS

than the fees and taxes collected for the prior year, further reducing the sufficiency of the contributions to fund the full actuarial contribution rate. If this trend continues, the current contribution structure may not be sufficient to fully fund the plan. There is also a risk if the funded status declines somewhat that the contribution structure would not be able to return the System to being well-funded.

Another significant risk factor for OLERS is investment returns because of the volatility of returns and the size of plan assets compared to payroll (see Table 10). A perusal of historical returns over 10-20 years reveals that the actual return each year is rarely close to the average return for the same period. This is to be expected, given the underlying capital market assumptions and the System's asset allocation.

Under the revised Actuarial Standards of Practice (ASOP) No. 4 effective for valuations after February 15, 2023, we are required to include a low-default-risk obligation measure of the System's liability in our funding valuation report. This is an informational disclosure as described below and would not be appropriate for assessing the funding progress or health of the plan. This measure uses the unit credit cost method and reflects all the assumptions and provisions of the funding valuation except that the discount rate is derived from considering low-default-risk fixed income securities. We considered the FTSE Pension Discount Curve based on market bond rates published by the Society of Actuaries as of June 30, 2026 and with the 30-year spot rate used for all durations beyond 30. Using these assumptions, we calculate a liability of approximately \$1,726,000,000. This amount approximates the termination liability if the plan (or all covered employment) ended on the valuation date and all the accrued benefits had to be paid with cash-flow matched bonds. This assurance of funded status and benefit security is typically more relevant for corporate plans than for governmental plans, since governments rarely have the need or option to completely terminate a plan. However, this informational disclosure is required for all plans whether corporate or governmental and care should be taken to ensure the one size fits all metric is not misconstrued.

A key demographic risk for all retirement systems, including OLERS, is improvements in mortality (longevity) greater than anticipated. While the actuarial assumptions reflect small, continuous improvements in mortality experience over time and these assumptions are refined every experience study, the risk arises because there is a possibility of some sudden shift, perhaps from a significant medical breakthrough, that could quickly increase liabilities. Likewise, there is some possibility of a public health crisis that could result in a significant number of additional deaths in a short time period, as experienced with the COVID-19 pandemic. This type of event is also significant, although more easily absorbed. While either of these events could happen, it represents a small probability and thus represents much less risk than the volatility associated with investment returns.

The employers in OLERS have tended to grant periodic, large pay increases rather than increases each year. Historically, this led to several years of actuarial gains followed by a year with a large actuarial loss when an increase was granted. Beginning with the 2017 valuation, the Board





SECTION VI – RISK CONSIDERATIONS

adopted a reserving method designed to partially mitigate this risk. The reserve was depleted in the 2023 valuation to partially offset the impact of a large pay raise. In the 2024 valuation, the reserving method was resumed, and the liability gain from smaller salary increases than assumed was credited to the reserve in the last three valuations.

The following exhibits summarize some historical information that helps indicate how certain key risk metrics have changed over time. Many are due to the maturing of the retirement system.





SECTION VI – RISK CONSIDERATIONS

Table 10

Historical Asset Volatility Ratios

As a retirement system matures, the size of the market value of assets increases relative to the covered payroll of active members, on which the System is funded. The size of the plan assets relative to covered payroll, sometimes referred to as the asset volatility ratio, is an important indicator of the contribution risk for the System. The higher this ratio, the more sensitive a plan's contribution rate is to investment return volatility. In other words, it will be harder to recover from investment losses with increased contributions.

Actuarial Valuation Date	Market Value of Assets	Estimated Plan Year Payroll	Asset Volatility Ratio	Increase in ACR with a Return 10% Lower than Assumed*
7/1/2007	\$753,665,555	\$63,764,374	11.82	10.51%
7/1/2008	673,700,891	73,507,820	9.17	8.16%
7/1/2009	549,923,481	75,320,336	7.30	6.49%
7/1/2010	603,468,287	73,399,682	8.22	7.31%
7/1/2011	713,175,855	70,967,284	10.05	8.94%
7/1/2012	705,548,054	71,598,192	9.85	8.76%
7/1/2013	773,985,846	73,423,036	10.54	9.37%
7/1/2014	879,906,496	76,838,068	11.45	10.18%
7/1/2015	895,140,717	84,879,915	10.55	9.38%
7/1/2016	853,583,637	88,682,733	9.63	8.56%
7/1/2017	939,344,616	86,495,680	10.86	9.66%
7/1/2018	999,062,622	86,121,195	11.60	10.32%
7/1/2019	1,017,522,520	85,407,024	11.91	10.59%
7/1/2020	1,004,978,482	87,673,889	11.46	10.19%
7/1/2021	1,247,349,863	85,003,741	14.67	13.05%
7/1/2022	1,076,933,615	86,747,818	12.41	11.04%
7/1/2023	1,101,953,044	113,563,431	9.70	8.63%
7/1/2024	1,153,288,592	114,484,204	10.07	8.96%
7/1/2025	1,228,986,597	122,222,746	10.06	8.95%
7/1/2026	1,340,525,409	127,026,276	10.55	9.38%

Note: Years prior to 7/1/2013 were provided by the prior actuary.

*The impact of asset smoothing is not reflected in the impact on the Actuarial Contribution Rate (ACR). Current year assumptions are used for all years shown.

The assets at June 30, 2026 are 1,055% of payroll, so underperforming the investment return assumption by 1.00% (i.e., earn 6.50% for one year) is equivalent to 10.55% of payroll. While the actual impact in the first year is mitigated by the asset smoothing method and amortization of the UAAL, this illustrates the risk associated with volatile investment returns.





SECTION VI – RISK CONSIDERATIONS

Table 11

Historical Cash Flows

Plans with negative cash flows will experience increased sensitivity to investment return volatility. Cash flows, for this purpose, are measured as contributions less benefit payments. If the System has negative cash flows and then experiences returns below the assumed rate, there are fewer assets to be reinvested to earn the higher returns that typically follow. While any negative cash flow will produce such a result, typically a negative cash flow of more than 5% of MVA may cause significant concerns. OLERS has had negative cash flows of around 3% in recent years, so there is no concern for the foreseeable future.

Year End	Market Value of Assets (MVA)	Contributions	Benefit Payments and Expenses	Net Cash Flow	Net Cash Flow as a Percent of MVA
6/30/2007	\$753,665,555	\$29,478,235	\$47,863,044	(\$18,384,809)	(2.44%)
6/30/2008	673,700,891	30,632,436	47,148,666	(16,516,230)	(2.45%)
6/30/2009	549,923,481	30,634,850	46,008,667	(15,373,817)	(2.80%)
6/30/2010	603,468,287	28,873,374	46,844,930	(17,971,556)	(2.98%)
6/30/2011	713,175,855	30,151,286	49,743,425	(19,592,139)	(2.75%)
6/30/2012	705,548,054	31,657,914	47,941,767	(16,283,853)	(2.31%)
6/30/2013	773,985,846	33,686,724	48,285,387	(14,598,663)	(1.89%)
6/30/2014	879,906,496	35,518,734	50,703,253	(15,184,519)	(1.73%)
6/30/2015	895,140,717	38,689,409	58,257,550	(19,568,141)	(2.19%)
6/30/2016	853,583,637	40,066,279	59,379,218	(19,312,939)	(2.26%)
6/30/2017	939,344,616	38,785,814	59,543,677	(20,757,863)	(2.21%)
6/30/2018	999,062,622	40,708,287	60,995,361	(20,287,074)	(2.03%)
6/30/2019	1,017,522,520	40,938,622	62,633,719	(21,695,097)	(2.13%)
6/30/2020	1,004,978,482	41,935,590	66,970,774	(25,035,184)	(2.49%)
6/30/2021	1,247,349,863	38,600,756	74,126,989	(35,526,233)	(2.85%)
6/30/2022	1,076,933,615	42,870,072	84,681,105	(41,811,033)	(3.88%)
6/30/2023	1,101,953,044	49,009,649	91,506,249	(42,496,600)	(3.86%)
6/30/2024	1,153,288,592	53,184,737	90,622,028	(37,437,291)	(3.25%)
6/30/2025	1,228,986,597	52,922,531	94,149,027	(41,226,496)	(3.35%)
6/30/2026	1,340,525,409	53,720,107	94,963,619	(41,243,512)	(3.08%)

Note: Years prior to 6/30/2013 were provided by the prior actuary.

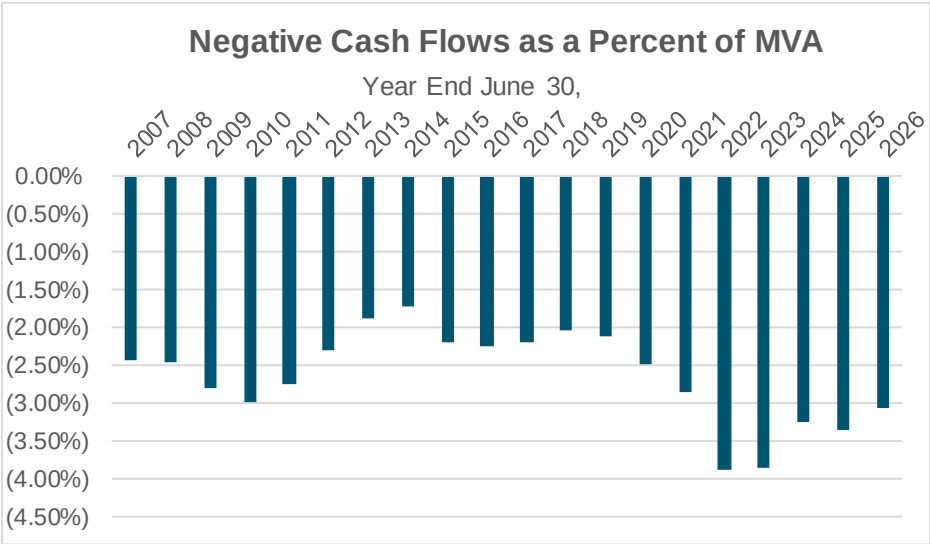




SECTION VI – RISK CONSIDERATIONS

Table 11 (continued)

Historical Cash Flows





SECTION VI – RISK CONSIDERATIONS

Table 12

Liability Maturity Measurement

Most public sector retirement systems have been in operation for many years. As a result, they have aging plan populations, and in some cases declining active populations, resulting in an increasing ratio of retirees to active members and a growing percentage of retiree liability. The retirement of the remaining baby boomers over the next decade is expected to further exacerbate the aging of the retirement system population. With more of the total liability residing with retirees, investment volatility has a greater impact on the funding of the system since it is more difficult to restore the system financially after losses occur when there is comparatively less payroll over which to spread costs.

Projections provide the most effective way of analyzing the impact of these changes on future funding measures, but studying several key metrics from the valuation can also provide some valuable insight.

Year End	Retiree Liability (a)	Total Actuarial Liability (b)	Retiree Percentage (a / b)	Covered Payroll (c)	Ratio (b) / (c)
6/30/2007	\$554,870,237	\$840,556,507	66.0%	\$63,764,374	13.18
6/30/2008	545,182,163	881,317,682	61.9%	73,507,820	11.99
6/30/2009	538,698,033	892,016,574	60.4%	75,320,336	11.84
6/30/2010	542,612,602	903,567,429	60.1%	73,399,682	12.31
6/30/2011	542,277,121	900,879,451	60.2%	70,967,284	12.69
6/30/2012	534,280,729	878,536,505	60.8%	71,598,192	12.27
6/30/2013	541,588,962	890,554,959	60.8%	73,423,036	12.13
6/30/2014	545,551,240	916,259,864	59.5%	76,838,068	11.92
6/30/2015	594,313,392	998,862,371	59.5%	84,879,915	11.77
6/30/2016	598,959,687	1,042,544,322	57.5%	88,682,733	11.76
6/30/2017	614,165,099	1,082,142,809	56.8%	86,495,680	12.51
6/30/2018	632,419,124	1,118,692,200	56.5%	86,121,195	12.99
6/30/2019	670,643,128	1,174,656,889	57.1%	85,407,024	13.75
6/30/2020	730,516,206	1,232,365,354	59.3%	87,673,889	14.06
6/30/2021	773,934,756	1,271,696,428	60.9%	85,003,741	14.96
6/30/2022	775,236,512	1,282,480,342	60.4%	86,747,818	14.78
6/30/2023	961,201,743	1,440,090,783	66.7%	113,563,431	12.68
6/30/2024	976,517,803	1,494,679,156	65.3%	114,484,204	13.06
6/30/2025	973,077,829	1,531,943,140	63.5%	122,222,746	12.53
6/30/2026	968,736,204	1,594,319,969	60.8%	127,026,276	12.55

Note: Years prior to 6/30/2013 were provided by the prior actuary.

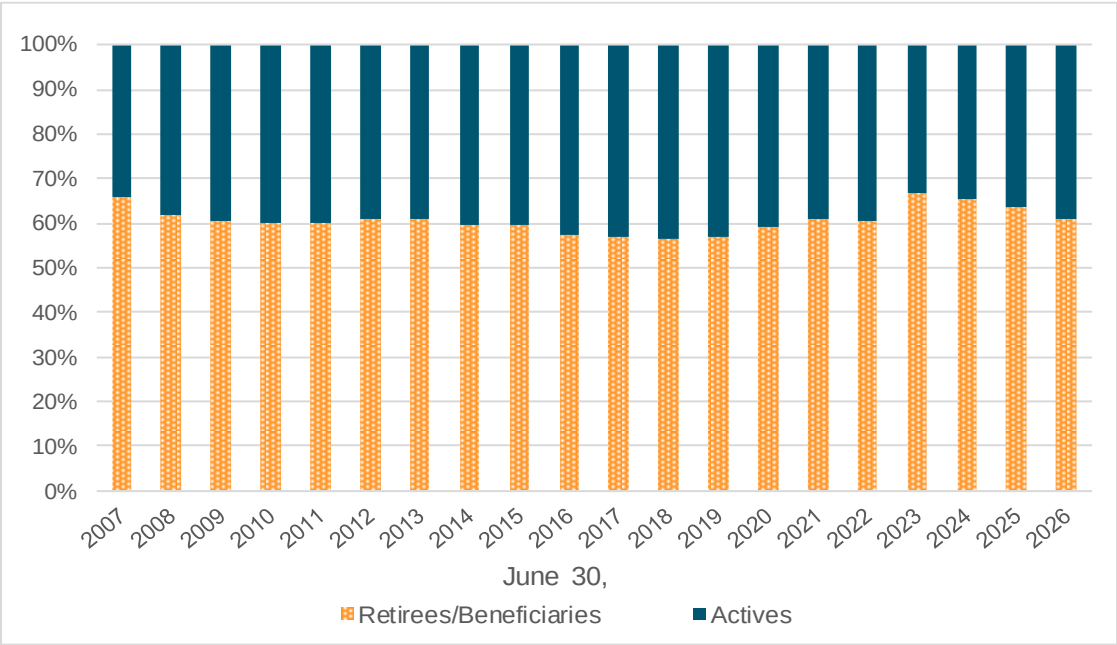




SECTION VI – RISK CONSIDERATIONS

Table 12 (continued)

Liability Maturity Measurement





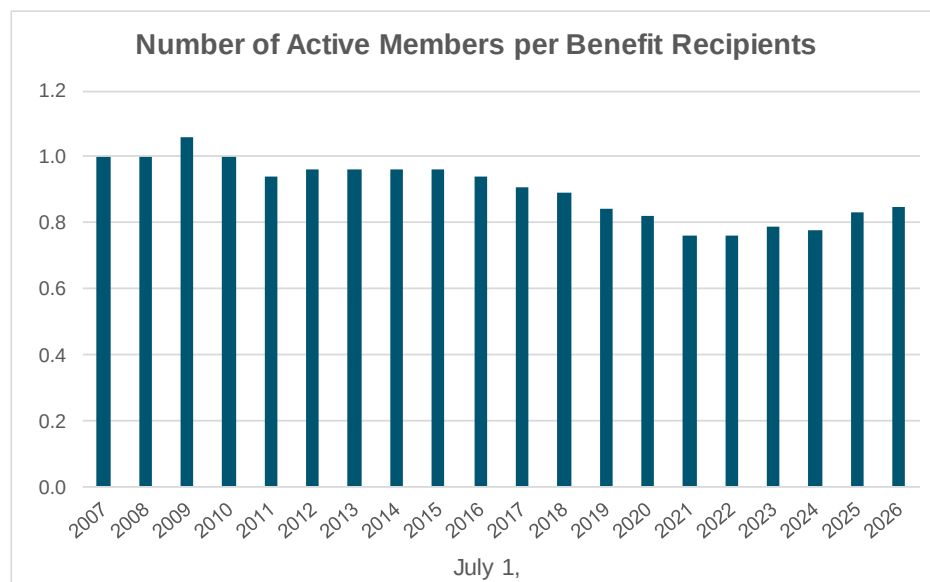
SECTION VI – RISK CONSIDERATIONS

Table 13

Historical Member Statistics

Valuation Date July 1,	Active	Retired	Active/ Retired
2007	1,223	1,229	1.00
2008	1,278	1,280	1.00
2009	1,304	1,231	1.06
2010	1,258	1,264	1.00
2011	1,209	1,283	0.94
2012	1,241	1,294	0.96
2013	1,260	1,313	0.96
2014	1,270	1,325	0.96
2015	1,310	1,359	0.96
2016	1,300	1,382	0.94
2017	1,277	1,397	0.91
2018	1,267	1,424	0.89
2019	1,234	1,474	0.84
2020	1,250	1,525	0.82
2021	1,190	1,562	0.76
2022	1,208	1,589	0.76
2023	1,272	1,610	0.79
2024	1,260	1,621	0.78
2025	1,356	1,624	0.83
2026	1,387	1,636	0.85

Note: Years prior to 7/1/2013 were provided by the prior actuary.





SECTION VI – RISK CONSIDERATIONS

Table 14

**Comparison of Valuation Results under Alternate
Investment Return Assumptions
(\$ in Thousands)**

This exhibit compares the key July 1, 2026 valuation results under five different investment return assumptions to illustrate the impact of different assumptions on the funding of the System. Note that only the investment return assumption is changed, as identified in the heading below. All other assumptions are unchanged for purposes of this analysis.

Investment Return Assumption	7.00%	7.25%	7.50%	7.75%	8.00%
Contributions					
Normal Cost Rate	30.88%	29.08%	27.41%	25.85%	24.39%
Amortization of Unfunded Actuarial Accrued Liability	31.66%	28.85%	26.10%	23.40%	20.76%
Budgeted Expenses	1.63%	1.63%	1.63%	1.63%	1.63%
Total Actuarial Required Contribution Rate	64.17%	59.56%	55.14%	50.88%	46.78%
Less Member Contribution Rate	(9.00%)	(9.00%)	(9.00%)	(9.00%)	(9.00%)
Less Estimated Employer contribution Rate	(12.56%)	(12.56%)	(12.56%)	(12.56%)	(12.56%)
Required State Contribution Rate	42.61%	38.00%	33.58%	29.32%	25.22%
Required State Contribution Amount	\$54,126	\$48,270	\$42,655	\$37,244	\$32,036
Actuarial Value of Assets	\$1,270,992	\$1,270,992	\$1,270,992	\$1,270,992	\$1,270,992
Actuarial Liability	\$1,686,547	\$1,639,285	\$1,594,320	\$1,551,508	\$1,510,718
Funded Ratio	75.4%	77.5%	79.7%	81.9%	84.1%





SECTION VII – OTHER INFORMATION

In this section we provide some historical information regarding the funding progress of the System. These exhibits retain some of the information that used to be required for accounting purposes and are included because they help explain the System's history. Also included is an exhibit showing the expected benefit payments for the System.





SECTION VII – OTHER INFORMATION

Table 15

**Historical Information
Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as a Percent of Covered Payroll ((b) - (a))/(c)
7/1/2017	\$957,335,000	\$1,082,142,809	\$124,807,809	88.5%	\$86,495,680	144.3%
7/1/2018	1,006,424,000	1,118,692,200	112,268,200	90.0%	86,121,195	130.4%
7/1/2019	1,052,192,000	1,174,656,889	122,464,889	89.6%	85,407,024	143.4%
7/1/2020	1,088,124,000	1,232,365,354	144,241,354	88.3%	87,673,889	164.5%
7/1/2021	1,151,636,000	1,271,696,428	120,060,428	90.6%	85,003,741	141.2%
7/1/2022	1,174,034,000	1,282,480,342	108,446,342	91.5%	86,747,818	125.0%
7/1/2023	1,178,542,000	1,440,090,783	261,548,783	81.8%	113,563,431	230.3%
7/1/2024	1,201,778,000	1,494,679,156	292,901,156	80.4%	114,484,204	255.8%
7/1/2025	1,247,726,000	1,531,943,140	284,217,140	81.4%	122,222,746	232.5%
7/1/2026	1,270,992,000	1,594,319,969	323,327,969	79.7%	127,026,276	254.5%





SECTION VII – OTHER INFORMATION

Table 16

**Historical Information
Schedule of Employer Contributions
For Fiscal Year Ended June 30**

<u>Year End</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2009	\$36,615,719	68.0%
2010	48,102,643	48.1%
2011	50,094,360	49.0%
2012	48,634,104	53.8%
2013	44,734,129	62.8%
2014	43,774,814	67.9%
2015	31,838,456	101.4%
2016	33,291,498	99.7%
2017	33,508,426	95.4%
2018	32,846,624	103.6%
2019	31,609,140	108.3%
2020	34,885,440	100.8%
2021	37,673,658	84.8%
2022	35,939,582	100.6%
2023	36,217,214	111.0%
2024	42,802,057	103.6%
2025	48,094,814	91.6%
2026	49,585,768	89.2%

Note: Results before 2013 provided by prior actuary





SECTION VII – OTHER INFORMATION

Table 17

Projected Benefit Payments

The table below shows estimated benefits expected to be paid over the next ten years, based on the assumptions used in this valuation. The “Actives” column shows benefits expected to be paid to members currently active on July 1, 2026. The “Retirees” column shows benefits as of July 1, 2026 expected to be paid to all members receiving benefit payments or to members who have terminated employment and are entitled to a deferred vested benefit.

Retirement, Survivor and Withdrawal Benefits

Year Ending June 30		Actives		Retirees		Total
2027	\$	12,198,000	\$	79,101,000	\$	91,299,000
2028		13,236,000		79,620,000		92,856,000
2029		16,094,000		80,019,000		96,113,000
2030		19,900,000		80,407,000		100,307,000
2031		24,028,000		80,679,000		104,707,000
2032		27,724,000		80,840,000		108,564,000
2033		31,227,000		80,854,000		112,081,000
2034		34,537,000		80,741,000		115,278,000
2035		38,009,000		80,441,000		118,450,000
2036		42,236,000		80,004,000		122,240,000

Supplemental Medical Premium Benefits

Year Ending June 30		Actives		Retirees		Total
2027	\$	27,000	\$	702,000	\$	729,000
2028		70,000		691,000		761,000
2029		112,000		677,000		789,000
2030		155,000		666,000		821,000
2031		197,000		649,000		846,000
2032		237,000		633,000		870,000
2033		278,000		615,000		893,000
2034		320,000		599,000		919,000
2035		361,000		580,000		941,000
2036		402,000		561,000		963,000





APPENDIX A – SUMMARY OF SYSTEM PROVISIONS

Effective Date and Plan Year:	The System became effective July 1, 1947. The System was originally known as the Oklahoma Public Safety Retirement System. The plan year is July 1 to June 30.
Administration:	The System is administered by the Oklahoma Law Enforcement Retirement Board consisting of thirteen Members. The Board acts as the fiduciary for investment and administration of the System.
Plan Type:	Defined benefit plan.
Eligibility:	All law enforcement officers of the Oklahoma Highway Patrol (OHP) and Capitol Patrol of Department of Public Safety, Oklahoma State Bureau of Investigation (OSBI), Oklahoma State Bureau of Narcotics and Dangerous Drugs Control (OBNDD), Alcoholic Beverage Laws Enforcement Commission (ABLE), members of the DPS Communications Division (Communications), DPS Waterways Lake Patrol Tourism and Recreation Department (Rangers), Inspectors of the Oklahoma State Board of Pharmacy (Pharmacy Inspectors), and Gun Smiths of DPS are eligible upon employment.
Credited Service:	Credited Service shall consist of the period during which the Member participated in the System or the predecessor Plan as an active employee in an eligible membership classification, plus any service prior to the establishment of the predecessor Plan which was credited under the predecessor Plan for officers of the OSBI and the OBNDD who became Members of the System on July 1, 1980, any service credited under the Oklahoma Public Employees Retirement System (OPERS) as of June 30, 1980, and for Members of Communications and Lake Patrol who became Members of the System on July 1, 1981, any service credited under the predecessor Plan or OPERS as of June 30, 1981, and for law enforcement officers of ABLE who became Members of the System on July 1, 1982 any service credited under OPERS as of June 30, 1982, and for Rangers who became Members of the System on July 1, 1985, any service credited under OPERS as of June 30, 1985, and for Pharmacy Inspectors who became Members of the System on July 1, 1986, any service credited under OPERS as of June 30, 1986 and for Capitol Patrol who became Members of the System on





APPENDIX A – SUMMARY OF SYSTEM PROVISIONS

July 1, 1993, any service credited under OPERS as of June 30, 1993 and for Gun Smiths who became Members of the System on July 1, 1994, any service credited under OPERS as of July 1, 1994.

Members can accumulate up to one year of sick leave which counts for pension accrual and benefits eligibility purposes. Members may also buy back service with other Oklahoma State Retirement Systems.

Salary:

The actual paid base salary received by a Member, excluding payment for any accumulated leave or uniform allowance. Lump sum bonuses based on longevity date go into considered compensation. The lump sum bonus is \$250 after 2 or 3 years, \$426 after 4 or 5 years, \$626 after 6 or 7 years, and so on. If an employee incurs a break in service in excess of 30 days, his longevity date is changed to his date of rehire and the longevity bonus amount becomes \$0. If an employee incurs a break in service of less than 30 days or is on a leave of absence without pay for more than 30 days, his length of absence is deducted from his longevity date and the longevity bonus amount remains the same.

Final average salary is the average of the highest 30 consecutive complete months of considered salary.

Effective July 1, 2002:

Members whose salary is set by statute and retire after 20 years of service receive a benefit based on the greater of the member's highest 30 consecutive months or the top base pay paid to active members at time of payment.

Members whose salary is not set by statute and who retire after 20 years of service receive a benefit based on the greater of the member's highest 30 consecutive months or the salary paid to the highest non-supervisory position in the participating agency at the time payment is made.

State Contributions:

License Agency Fees equal to 1.2% of Driver's License Taxes, plus 5% of Insurance Premium Tax (5.25% for 2023 through 2027).





APPENDIX A – SUMMARY OF SYSTEM PROVISIONS

Agency Contributions: 10% of actual base salary until October 31, 2012, 11% from November 1, 2012 through June 30, 2026, 12.5% from July 1, 2026 through June 30, 2027, 13.5% from July 1, 2027 through June 30, 2028, 14.5% from July 1, 2028 through June 30, 2029, 15.5% from July 1, 2029 through June 30, 2030, and 16.5% thereafter.

Member Contributions: 8% percent of paid salary prior to July 1, 2026 and 9% thereafter. Accumulated contributions are after-tax up to December 31, 1989 and before-tax after December 31, 1989.

Normal Retirement Benefit:

Normal Retirement Eligibility: 20 years of service or age 62 with 10 years of service. Maximum of age 60 with 20 years of service, unless considered physically able to continue.

Benefit Amount: 2 1/2% of the greater of final average salary or the salary paid to active employees as described under “salary considered” multiplied by the years and completed months of credited service. There is no maximum on service.

Normal Form of Benefit: 100% joint and survivor.

The benefit is paid as a Joint and 100% Survivor Annuity if the Member was married 30 months prior to death. The Joint and Survivor portion will continue to the member’s children until reaching age 22 if there is no eligible spouse or after the spouse has died.

Termination Benefit:

Less than 10 Years of Service: Refund of contributions without interest.

More than 10 Years of Service: If greater than 10 years of service, but not eligible for the normal retirement benefit, the benefit is payable at the date the Member would have had 20 years of service in an amount equal to 2 1/2% of the greater of final average salary or the salary paid to active employees as described under “salary considered” multiplied by the years and completed months of credited service.





APPENDIX A – SUMMARY OF SYSTEM PROVISIONS

Form of Benefit:	Lifetime annuity.
Disability Benefit (Duty):	<p>Upon determination of disability incurred in the line of duty, the normal disability benefit is the greater of:</p> <ol style="list-style-type: none">1) 2 1/2% of the greater of final average salary or the salary paid to active employees as described under “salary considered” times years and completed months of credited service, or2) 50% of final average salary. <p>For members with less than 20 years of service that incur a line of duty disability due to personal injury of a catastrophic nature, final average salary is based on the salary which the member would have received pursuant to statutory salary schedules in effect upon the date of death for a twenty (20) years of service member.</p>
Disability Benefit (Non-Duty):	<p>Upon determination of disability not in the line of duty, and after three years of service, the accrued benefit equals 2 1/2% of the greater of final average salary or the salary paid to active employees as described under “salary considered” times years and completed months of credited service.</p>
Death Benefits Payable to Beneficiaries:	<p>If the beneficiary is a child, the benefits are payable to age 18, or to age 22 if a full-time student. If the beneficiary is a spouse to whom the Member was married for at least 30 months prior to death, the benefits are payable for life. If the death was duty-related, there is no 30-month requirement for a surviving spouse.</p>
Prior to Retirement (Duty):	<p>The greater of:</p> <ol style="list-style-type: none">1) 2 1/2% of the greater of final average salary or the salary paid to active employees as described under “salary considered” times years and completed months or credited service, or2) 50% of final average salary. <p>For members with less than 20 years of service that die in the line of duty, final average salary is based on the salary which</p>





APPENDIX A – SUMMARY OF SYSTEM PROVISIONS

the member would have received pursuant to statutory salary schedules in effect upon the date of death for a twenty (20) years of service member.

Prior to Retirement
(Non-Duty):

After three years of service, the greater of:

- 1) 2 1/2% of the greater of final salary or the salary paid to active employees as described under “salary considered” times years and completed months of credited service, or
- 2) 50% of final average salary.

After Retirement:

In addition to the benefits provided under the 100% Joint and Survivor Annuity, \$400 per month is paid for each surviving child to age 18, or to age 22 if a full-time student.

Lump Sum:

The beneficiary shall receive a lump-sum amount of \$5,000. Effective July 1, 2002, this lump sum is considered to be life insurance proceeds for tax purposes.

If an active Member dies prior to retirement without leaving a beneficiary, a refund of the accumulated contributions will be paid to the estate.

**Postretirement
Adjustments:**

Occasional ad hoc increases for retirees are provided. COLAs apply to the whole benefit, not the original benefit. The most recent COLA was 4% for Members retired as of June 30, 2007, effective July 1, 2008.

Effective July 1, 2002, retirement benefits for members who retired after the completion of 20 years of service or due to a service connected death or disability will be recalculated to increase in conjunction with increases to the top base pay for active members.

**Postretirement Health
Insurance Benefits:**

The System will contribute \$105 per month or the Medicare Supplement Premium, if less, toward the cost of health insurance for annuitants receiving retirement benefits. These benefits commence upon retirement. Spouses are eligible to continue this benefit after the member's death.





APPENDIX A – SUMMARY OF SYSTEM PROVISIONS

Deferred Option Plan:

A Member with 20 or more years of service may elect to participate in the Deferred Option Plan (DOP). Participation in the DOP shall not exceed five years. The members' contributions cease upon entering the Plan, but the agency contributions are divided equally between the Retirement System and Deferred Option Plan. The monthly retirement benefits that the member is eligible to receive are paid into the Deferred Option Plan account.

Members can elect to retroactively join the DOP as of a back-drop-date which is no earlier than the member's normal retirement date or five years before his termination date. The monthly retirement benefits and employee contributions that would have been payable had the member elected to join the DOP are credited to the member's DOP account with interest.

The retirement benefits are not recalculated for service and salary past the election date to join the Deferred Option Plan. However, the benefits are increased by cost-of-living increases applicable to retired members during the DOP period.

When the Member actually terminates employment, the Deferred Option Plan account balance may be paid in a lump sum or to an annuity provider. Monthly retirement benefits are then paid directly to the retired Member.

This Plan became effective during the July 1, 1991 to June 30, 1992 Plan Year. The Deferred Option Plan account is guaranteed a minimum of the valuation interest rate for investment return, or 2% less than the fund rate of return, if greater.





APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS

Actuarial Cost Method

Liabilities and contributions are computed using the Individual Entry Age method of funding. Under the Entry Age Actuarial Cost Method, the Normal Cost is computed as the level percentage of pay which, if paid from the earliest time each member would have been eligible to join the System if it then existed (thus entry age) until his retirement or termination, would accumulate with interest at the rate assumed in the valuation to a fund sufficient to pay all benefits under the System.

The Actuarial Accrued Liability under this method, at any point in time, is the theoretical amount of the fund that would have accumulated had annual contributions equal to the normal cost been made in prior years (it does not represent the liability for benefits accrued to the valuation date). The Unfunded Actuarial Accrued Liability is the excess of the actuarial accrued liability over the actuarial value of System assets on the valuation date.

Under this method, experience gains or losses, i.e. decreases or increases in actuarial accrued liabilities attributable to deviations in experience from the actuarial assumptions, adjust the unfunded actuarial accrued liability.

Actuarial Asset Valuation Method

An expected actuarial value is determined equal to the prior year's Actuarial Value of Assets plus cash flow (excluding investment returns) for the year ended on the valuation date and assuming 7.5% interest return. The (gain)/loss is measured by the difference between the expected actuarial value and the market value at the valuation date. The (gain)/loss is amortized over five years by 20% per year. The result is constrained to a value of 80% to 120% of the market value at the valuation date.

Amortization Method

Effective with the July 1, 2023 valuation, the UAAL is amortized using the “layered” approach. To initialize the new amortization method, the unfunded actuarial accrued liability as of July 1, 2023 is being amortized over a closed 15-year period. All subsequent changes in the UAAL will also be amortized over separate 15-year amortization bases, each with their own individual payment schedules, starting on the valuation date that they were calculated. The UAAL amortization payment schedules are determined using the level percent of payroll methodology, where payments escalate annually with the assumed increase in payroll growth.

Salary Experience Reserve Method

Beginning with the July 1, 2017 valuation, there will be a salary experience reserve. When base pay raises are small or non-existent, the reserve will be credited with the liability gain resulting from this experience. When pay raises are granted, the reserve will be released to offset any loss





APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS

(or completely released, if less than the loss). Note that because the “half pay” benefits are linked to pay, this experience is also reflected in the gain or loss. This method will be reviewed each experience study to determine if the growth of the reserve should be slowed or capped.

Valuation Procedures

The wages used in the projection of benefits and liabilities are pay for the year ending June 30, 2026 (including longevity bonuses). These amounts were projected into the valuation year using the valuation salary scale.

Retired Members were assumed to be married with a beneficiary if a spouse date of birth was provided on the data. Members whose data did not have a spouse’s date of birth were assumed to be single.

The impact from the dollar limitation required by the Internal Revenue Code Section 415 for governmental plans was considered in this valuation and was determined to be *de minimis*.

The compensation limit under IRC Section 401(a)(17) was considered in this valuation.

No additional liability is being carried for the guaranteed minimum interest rate for the Deferred Option Plan account balances.

The calculations for the required State contribution are determined as of mid-year. Since the agency contributions, member contributions and State insurance premium tax allocations are made on a monthly basis throughout the year, a mid-year determination date represents an average weighting of the contributions.





APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS

The assumptions and methods used in the valuation are based on the results of the experience study for the five-year period ending June 30, 2021, dated June 3, 2022, and adopted by the Board. The combined effect of the assumptions is expected to have no significant bias. There were no changes to the assumptions or methods in this valuation.

Economic Assumptions

- | | |
|-----------------------------------|--|
| 1. Price Inflation | 2.75% |
| 2. Investment Return | 7.50%, net of investment expenses, per annum, compound annually. |
| 3. Wage Inflation | 3.50% |
| 4. Payroll Growth | 3.50% |
| 5. Cost-of-Living Assumption | 3.00% |
| 6. Interest Credit on DOP Balance | 11.00% |
| 7. Salary Scale | Sample rates are shown below: |

Attained Service	Wage Inflation%	Merit %	Increase %
0	3.50	6.50	10.00
5	3.50	3.75	7.25
10	3.50	0.75	4.25
15	3.50	0.25	3.75
20	3.50	0.20	3.70
25 or more	3.50	0.00	3.50





APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS

Demographic Assumptions

1. Retirement Rates

Sample rates are shown below:

Attained Service	Annual Rates of Retirement
20	0.10
21	0.10
22	0.10
23	0.10
24	0.10
25	0.15
26	0.15
27	0.15
28	0.15
29	0.20
30	0.25
31	0.30
32	0.35
33	0.45
34	0.60
Over 34	1.00

or 100% at age 75 without regard to years of service.

2. Mortality Rates

Pub-2010 Public Mortality Tables (Amount-Weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2021. Male and female rates are set forward two years.

(a) Active participants

Safety Employee Table

All pre-retirement deaths are assumed to occur in the line of duty.

(b) Active participants (post-retirement) and nondisabled pensioners

Safety Healthy Retiree Table

(c) Disabled pensioners

Safety Disabled Retiree Table

(d) Beneficiaries

Contingent Survivor Table





APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS

3. Disability Rates

Sample rates are shown below:

Age	Rate
20	0.0002
30	0.0007
40	0.0022
50	0.0065
60	0.0220

50% of disabilities are assumed to be Non-Duty related and 50% are assumed to be Duty related.

4. Withdrawal Rates

Sample rates are shown below:

Service Range	Rate
0	0.1200
2	0.0600
4	0.0400
6	0.0200
8	0.0200
10	0.0175
15	0.0150
20 and over	0.0000

5. Marital Status

(a) Percentage married:

Males: 85%; Females: 85%

(b) Age difference:

Males are assumed to be three (3) years older than females.

Other Assumptions:

1. Deferred Benefits Begin at

Age 50.

2. Provision for Expenses

Administrative Expenses, as budgeted by the Oklahoma Law Enforcement Retirement System.

3. Retiree Medical

75% active and terminated vested members are assumed to elect the \$105 per month retiree medical benefit upon retirement, and their surviving spouses are assumed to continue the benefit.





APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS

4. Deferred Option Plan

The retirement rates reflect both regular retirement and entry into the Deferred Option Plan (DOP). We assume that 80% of active members who retire elect to retroactively enter into the DOP for four years prior to electing a lump sum and 20% elect to begin an immediate annuity.

A member is allowed to retroactively elect to join the DOP as of a back-drop-date which is no earlier than the member's normal retirement date or five years before his termination date. The monthly retirement benefits and employee contributions that would have been payable had the member elected to join the DOP are credited to the member's DOP account with interest. The retirement benefits are not recalculated for service and salary past the election date to join the DOP. However, the benefits may be increased by any applicable cost-of-living increases.

5. Cost-of-Living Allowance

Members eligible for the automatic cost-of-living increase are assumed to have their benefits increase by 3.00% per year.

Members not eligible for the automatic cost-of-living increase are assumed to receive the greater of:

- (i) their benefit calculated using their actual final average earnings.
- (ii) their benefit calculated using the top base pay for active members, assuming 3.00% annual increases in the top base pay, if eligible.





APPENDIX C – MEMBERSHIP DATA

Valuation Data Distribution – Actives

Age	Years of Service									Total
	0 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & Up	
Under 25 Avg. Pay	42 \$57,281									42 \$57,281
25 to 29 Avg. Pay	153 \$67,821	20 \$82,700								173 \$69,541
30 to 34 Avg. Pay	134 \$71,480	57 \$85,495	13 \$92,282							204 \$76,722
35 to 39 Avg. Pay	67 \$75,768	53 \$90,656	78 \$94,981	6 \$87,770						204 \$87,335
40 to 44 Avg. Pay	53 \$72,692	28 \$87,241	79 \$97,393	57 \$100,677	17 \$101,121					234 \$91,654
45 to 49 Avg. Pay	25 \$70,305	22 \$87,036	39 \$96,020	57 \$96,352	69 \$101,355	13 \$102,488				225 \$94,378
50 to 54 Avg. Pay	10 \$81,462	14 \$84,711	11 \$92,059	31 \$91,438	38 \$95,308	44 \$105,036				148 \$95,210
55 to 59 Avg. Pay	19 \$88,250	7 \$67,670	4 \$129,759	17 \$106,370	21 \$102,517	29 \$102,224	13 \$118,888	1 \$104,548		111 \$101,308
60 & up Avg. Pay	4 \$74,049	4 \$75,554	6 \$79,796	8 \$84,805	6 \$83,242	7 \$93,643	5 \$101,148	5 \$105,222	1 \$97,595	46 \$87,827
Total Avg. Pay	507 \$70,681	205 \$86,104	230 \$95,902	176 \$97,037	151 \$99,249	93 \$102,946	18 \$113,961	6 \$105,109	1 \$97,595	1,387 \$86,491

Note: Reported pay shown.





APPENDIX C – MEMBERSHIP DATA

Retirees, Beneficiaries, & Disableds

Age	Number			Annual Benefits		
	Male	Female	Total	Male	Female	Total
Under 50	46	20	66	\$ 1,908,887	\$ 681,551	\$ 2,590,438
50-55	90	24	114	4,060,470	702,930	4,763,400
55-60	132	31	163	6,265,221	1,105,423	7,370,644
60-65	145	30	175	7,950,101	1,014,426	8,964,527
65-70	163	59	222	8,780,237	1,903,230	10,683,467
70-75	186	90	276	9,641,700	4,188,773	13,830,473
75-80	176	85	261	9,256,404	3,804,925	13,061,329
80-85	117	71	188	6,170,269	3,202,640	9,372,909
85-90	66	51	117	3,271,132	2,679,927	5,951,059
90-95	12	23	35	592,703	1,125,261	1,717,964
95-100	1	4	5	53,247	139,959	193,206
Over 100	0	2	2	0	139,874	139,874
Total	1,134	490	1,624	\$ 57,950,371	\$ 20,688,919	\$ 78,639,290

Deferred Vesteds

Age	Number			Annual Benefits		
	Male	Female	Total	Male	Female	Total
Under 35	0	0	0	\$ 0	\$ 0	\$ 0
35-40	4	1	5	79,611	12,722	92,333
40-45	6	4	10	113,417	69,567	182,984
45-50	8	4	12	186,496	110,728	297,224
50-55	5	1	6	140,894	18,958	159,852
Over 55	3	2	5	60,067	39,686	99,753
Total	26	12	38	\$ 580,485	\$ 251,661	\$ 832,146

DOP Participants

Age	Number			Annual Benefits		
	Male	Female	Total	Male	Female	Total
Under 50	0	0	0	\$ 0	\$ 0	\$ 0
50-55	2	0	2	118,612	0	118,612
55-60	5	0	5	329,645	0	329,645
Over 60	5	0	5	335,245	0	335,245
Total	12	0	12	\$ 783,502	\$ 0	\$ 783,502





APPENDIX C – MEMBERSHIP DATA

Summary of Membership Data

	Actuarial Valuation as of		% Change
	7/1/2026	7/1/2025	
1. Active members			
a. Number	1,387	1,356	2.3%
b. Projected annual compensation	\$ 127,026,276	\$ 122,222,746	3.9%
c. Average annual compensation	\$ 91,583	\$ 90,135	1.6%
d. Average age	41.1	41.1	0.0%
e. Average service	11.0	11.2	(1.8%)
2. Vested terminated members			
a. Number	38	42	(9.5%)
b. Annual deferred benefits	\$ 832,146	\$ 984,395	(15.5%)
c. Average annual deferred benefit	\$ 21,899	\$ 23,438	(6.6%)
d. Annual supplemental medical insurance premiums	\$ 47,880	\$ 52,920	(9.5%)
3. Retired members			
a. Number	1,141	1,129	1.1%
b. Annual retirement benefits	\$ 57,391,866	\$ 57,038,017	0.6%
c. Average annual retirement benefit	\$ 50,300	\$ 50,521	(0.4%)
d. Annual supplemental medical insurance premiums	\$ 541,800	\$ 535,815	1.1%
4. Beneficiaries			
a. Number	384	383	0.3%
b. Annual retirement benefits	\$ 16,759,682	\$ 16,712,284	0.3%
c. Average annual retirement benefit	\$ 43,645	\$ 43,635	0.0%
d. Annual supplemental medical insurance premiums	\$ 104,580	\$ 126,000	(17.0%)
5. Disabled members			
a. Number	99	97	2.1%
b. Annual retirement benefits	\$ 4,487,744	\$ 4,388,535	2.3%
c. Average annual retirement benefit	\$ 45,331	\$ 45,243	0.2%
d. Annual supplemental medical insurance premiums	\$ 41,580	\$ 45,360	(8.3%)
6. DOP Participants			
a. Number	12	15	(20.0%)
b. Annual retirement benefits	\$ 783,502	\$ 887,453	(11.7%)
c. Average annual retirement benefit	\$ 65,292	\$ 59,164	10.4%
d. Annual supplemental medical insurance premiums	\$ 15,120	\$ 18,900	(20.0%)
7. Nonvested terminated members	25	18	38.9%
8. Total members included in valuation	3,086	3,040	1.5%





APPENDIX D – GLOSSARY OF TERMS

Accrued Benefit

The amount of an individual's benefit (whether or not vested) as of a specific date, determined in accordance with the terms of a pension plan and based on compensation and service to that date.

Actuarial Accrued Liability

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

Actuarial Assumptions

Assumptions as to the occurrence of future events affecting pension costs, such as: mortality, withdrawal, disablement, and retirement; changes in compensation, rates of investment earnings, and asset appreciation or depreciation; procedures used to determine the Actuarial Value of Assets; and other relevant items.

Actuarial Cost Method

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

Actuarial Gain (Loss)

A measure of the difference between actual experience and that expected based upon a set of Actuarial Assumptions during the period between two (2) Actuarial Valuation dates, as determined in accordance with a particular Actuarial Cost Method.

Actuarial Present Value

The value of an amount or series of amounts payable or receivable at various times, determined as of a given date by the application of a particular set of Actuarial Assumptions.

Actuarial Valuation

The determination, as of a valuation date, of the Normal Cost, Actuarial Accrued Liability, Actuarial Value of Assets, and related Actuarial Present Values for a pension plan.

Actuarial Value of Assets

The value of cash, investments and other property belonging to a pension plan, as used by the actuary for the purpose of an Actuarial Valuation.

Actuarially Equivalent

Of equal Actuarial Present Value, determined as of a given date with each value based on the same set of Actuarial Assumptions.

Amortization Payment

That portion of the pension plan contribution which is designed to pay interest on and to amortize the Unfunded Actuarial Accrued Liability.





APPENDIX D – GLOSSARY OF TERMS

Deferred Vested Participant

A vested member who has terminated employment prior to early or normal retirement age who does not withdraw his or her contributions and is, therefore, due a retirement benefit at a later date.

Entry Age Actuarial Cost Method

A method under which the Actuarial Present Value of the Projected Benefits of each individual included in an Actuarial Valuation is allocated on a level basis over the earnings of the individual between entry age and assumed exit ages. The portion of this Actuarial Present Value allocated to a valuation year is called 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 called the Actuarial Accrued Liability.

Market Value of Assets

The fair value of cash, investments and other property belonging to a pension plan that could be acquired by exchanging them on the open market.

Normal Cost

That portion of the Actuarial Present Value of pension plan benefits and expenses which is allocated to a valuation year by the Actuarial Cost Method Projected Benefits

Projected Benefits

Those pension plan benefit amounts which are expected to be paid at various future times under a particular set of Actuarial Assumptions, taking into account such items as the effect of advancement in age and past and anticipated future compensation and service credits.

Unaccrued Benefit

The excess of an individual's Projected Benefits over the Accrued Benefits as of a specified date.

Unfunded Actuarial Accrued Liability

The excess of the Actuarial Accrued Liability over the Actuarial Value of Assets.

Withdrawal Liability

The liability due to an active member terminating employment with a deferred vested benefit.

