



# Beaver County Employees' Retirement System

**Report on 2025 Actuarial Valuation Including  
Determination of County Actuarially Determined  
Contribution for 2025**





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**for**

**Beaver County Employees' Retirement Board**

Daniel C. Camp III	Commissioner, Chairman
Jack Manning	Commissioner
Tony Amadio	Commissioner
Maria Longo	Controller/Secretary
Sandie Egley	Treasurer

**July 2, 2025**



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## I. Introduction

The primary purpose of this report is to investigate and fully and fairly disclose the actuarial position of the Beaver County Employees' Retirement System as of January 1, 2025 and to establish the proper appropriation for the 2025 plan year, in accordance with the funding standards of Section 6 of Act 96, 1971 of the Commonwealth of Pennsylvania as amended.

On the basis of the actuarial methods, assumptions and major plan provisions summarized in this report and in reliance on the member data and statement of the Fund's assets furnished by the County, to the best of our knowledge the information in this report is complete and accurate.

To the best of our knowledge, this report is complete and accurate, and all costs and liabilities have been determined in conformance with generally accepted actuarial principles and on the basis of actuarial assumptions and methods which are reasonable (taking into account past experience under the plan and reasonable expectations) and which represent our best estimate of anticipated experience under the plan.

The included measurements are based on a single set of assumptions regarding the future experience of the plan's investments and participants. Future measurements and funding needs of the plan could vary significantly based on the actual experience, including differences in investment performance, and any changes in the future expectations. Estimates of the potential impact of changes in the plan's assets and liabilities are included in Schedule P.

Respectfully submitted,

**Korn Ferry (US)**

A handwritten signature in cursive script, reading "Craig R. Graby".

Craig R. Graby, EA  
Member, American Academy of Actuaries  
ERISA Enrolled Actuary No. 23-7319



## II. Findings

### Certified Actuarially Determined Contribution

Please note that the certified actuarially determined contribution which is reported on page 12 of this report, and which must be funded in 2025 is \$2,501,034. We believe the assumptions and methods used to determine the actuarially determined contribution are reasonable both individually and in aggregate. Thus, the amount is enough to ensure that the fund accumulates sufficient assets to pay future benefits. The actuarially determined contribution should be paid by the County from the General Fund.

### Actuarial Adjustments

Also note that the balances in the Reserve Accounts on page 8 reflect the following transfers which are necessary to keep the balance in the Retired Member's Reserve Account equal to the liability for the retired lives and to reflect the difference between the amount of interest credited to the respective reserves and the interest rate assumed in the valuation of the liabilities. Please make these transfers in your records:

	DEBIT		CREDIT	
County Annuity Reserve Account	\$	4,647,945.26		
Retired Members Annuity Reserve Account			\$	4,647,945.26



### III. Schedules

#### Schedule A

**BEAVER COUNTY EMPLOYEES' RETIREMENT SYSTEM  
CHANGES IN PLAN NET ASSETS  
FOR THE CALENDAR YEAR 2024 AND 2023**

Additions		<u>2024 Total</u>	<u>2023 Total</u>
Contributions			
County	\$	2,416,341.00	\$ 1,846,265.02
Plan Members	\$	4,596,943.51	\$ 4,363,332.31
Miscellaneous	\$	12,335.89	\$ 324,197.38
Total Contributions	\$	<u>7,025,620.40</u>	<u>\$ 6,533,794.71</u>
Investment Income			
Realized Gain	\$ <u>4,537,955.62</u>		
Unrealized Gain	\$ <u>27,046,872.77</u>		
Net Gain in Fair Value		\$ 31,584,828.39	\$ 35,518,014.08
Interest		\$ 2,155,320.38	\$ 1,128,234.97
Dividends		\$ 5,232,121.09	\$ 5,945,315.57
Net Accrued Interest		\$ 110,626.37	\$ (1,007,839.67)
Investment Income		<u>\$ 39,082,896.23</u>	<u>\$ 41,583,724.95</u>
Less Investment Expense		\$ 818,861.09	\$ 840,633.37
Net Investment Income		<u>\$ 38,264,035.14</u>	<u>\$ 40,743,091.58</u>
Total Additions		<u>\$ 45,289,655.54</u>	<u>\$ 47,276,886.29</u>
Deductions			
Benefits		\$ 21,344,631.02	\$ 20,429,891.15
Refunds of Member Contributions		\$ 1,864,634.54	\$ 2,232,572.55
Administrative Expense		\$ 304,616.06	\$ 302,844.06
Miscellaneous		\$ 0.00	\$ 3,909.40
Total Deductions		<u>\$ 23,513,881.62</u>	<u>\$ 22,969,217.16</u>
Net Increase/(Decrease)		<u>\$ 21,775,773.92</u>	<u>\$ 24,307,669.13</u>
Net Assets Held In Trust For Pension Benefits			
Beginning of Year		\$ 336,552,779.26	\$ 312,245,110.13
End of Year		<u>\$ 358,328,553.18</u>	<u>\$ 336,552,779.26</u>



## Schedule A – Continued

### BEAVER COUNTY EMPLOYEES' RETIREMENT SYSTEM PLAN ASSETS AS OF DECEMBER 31, 2024 AND 2023

#### Assets

	<u>2024 Total</u>	<u>2023 Total</u>
Cash and Short-Term Investments	\$ 8,934,830.58	\$ 9,812,738.11
Receivables	\$ 0.00	\$ 314,556.03
Investments, at fair market value		
Government securities	\$ 2,564,991.71	\$ 12,569,523.98
Fixed income	\$ 60,852,127.64	\$ 47,071,058.38
Equities	\$ 234,595,967.60	\$ 214,099,743.11
Real Estate/Alternatives	\$ 51,450,675.61	\$ 52,757,188.18
Total Investments	\$ 349,463,762.56	\$ 326,497,513.65
 Total Assets	 \$ 358,398,593.14	 \$ 336,624,807.79

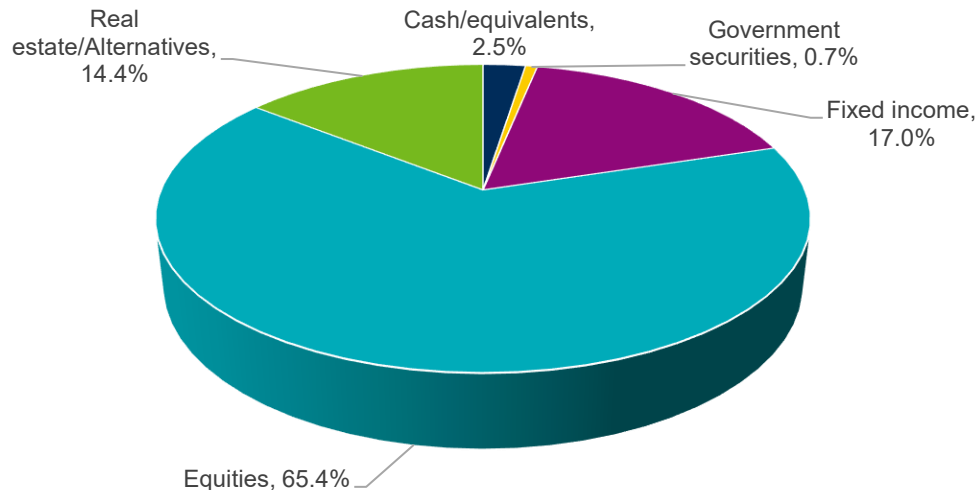
#### Liabilities

Refunds Payable and Other	\$ 70,039.96	\$ 72,028.53
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#### Net Assets Held In Trust For Pension Benefits

	\$ 358,328,553.18	\$ 336,552,779.26
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#### TOTAL ASSETS (MARKET VALUE 12-31-2024)





## Schedule A – Continued

### *Beaver County Employees' Retirement System*

#### Plan Description and Contribution Information

**Basis of Accounting:** The Beaver County Employees' Retirement System financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

**Method Used to Value Investments:** Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value.

Membership of the plan consisted of the following as of January 1, 2025:

Retirees and Beneficiaries Receiving Benefits	1,301
Terminated Plan Members Entitled to but not yet Receiving Benefits	131
Active Plan Members	765
Total	2,197
Number of Participating Employers	1





## Schedule A – Continued

### ***Beaver County Employees' Retirement System***

**Plan Description:** The Beaver County Employees' Retirement Plan is a single-employer defined benefit pension plan that covers all employees of the County. The plan provides retirement, disability, and death benefits to plan members and their beneficiaries. Cost-of-living adjustments (COLA) are provided at the discretion of the Beaver County Employees' Retirement Board. Act 96 of 1971, as amended cited as the County Pension Law provides for the creation, maintenance and operation of this plan.

**Contributions:** Plan members are required to contribute 9% of their annual covered salary. The County is required to contribute at an actuarially determined rate. Per Act 96 of 1971, as amended, contribution requirements of the plan members and the County are established and may be amended by the General Assembly of the Commonwealth of Pennsylvania. Administrative costs may be financed through investment earnings.

SCHEDULE OF EMPLOYER CONTRIBUTIONS			
Year	Contribution *	County Contribution	
2015	\$ 1,162,800	\$	1,162,800
2016	\$ 1,265,160	\$	1,265,160
2017	\$ 1,999,290	\$	1,999,290
2018	\$ 1,240,109	\$	1,240,109
2019	\$ 1,848,555	\$	1,848,555
2020	\$ 2,145,228	\$	2,145,228
2021	\$ 2,343,287	\$	2,343,531
2022	\$ 1,225,996	\$	1,225,996
2023	\$ 1,846,265	\$	1,846,265
2024	\$ 2,416,341	\$	2,416,341

**Note:** Effective in 2010 the Entry Age Funding Method was used to determine the annual required contribution. Prior to 2010 the Aggregate Method was used.

\*Prior to 2014, contribution was described as Annual Required Contribution (ARC). After 2013, contribution was described as actuarially determined contribution (ADC).



## Schedule A – Continued

### SCHEDULE OF FUNDING PROGRESS

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<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) - Entry Age (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll ((b-a)/c)</b>
1/1/2016	286,108,075	279,382,686	(6,725,389)	102.4%	38,321,452	(17.5%)
1/1/2017	287,748,024	287,941,738	193,714	99.9%	36,846,699	0.5%
1/1/2018	301,871,775	295,119,349	(6,752,426)	102.3%	37,421,428	(18.0%)
1/1/2019	307,748,835	305,802,590	(1,946,245)	100.6%	38,592,138	(5.0%)
1/1/2020	312,481,635	312,374,235	(107,400)	100.0%	40,122,884	(0.3%)
1/1/2021	325,848,287	333,596,116	7,747,829	97.7%	41,204,707	18.8%
1/1/2022	339,253,176	336,910,890	(2,342,286)	100.7%	41,605,493	(5.6%)
1/1/2023	341,132,174	343,268,940	2,136,766	99.4%	43,056,554	5.0%
1/1/2024	344,205,543	349,398,751	5,193,208	98.5%	44,628,018	11.6%
1/1/2025	352,071,067	357,228,110	5,157,043	98.6%	46,368,485	11.1%



## Schedule B

Schedule B shows the allocation of the assets among the Fund's reserve accounts (see Schedule I for Determination of Reserve Balances) and the Fund's liabilities as of January 1, 2025. The liabilities were determined from the actuarial valuation of the System based upon the data submitted by the County.

### ASSETS

Members' Annuity Reserve Account	\$	61,187,852.92
County Annuity Reserve Account	\$	87,811,274.26
Retired Members' Reserve Account	\$	209,329,426.00
<i>Total Assets, (Market Value) of the Beaver County Employees' Retirement Fund</i>	\$	358,328,553.18

### LIABILITIES

Actuarial Present Value of:

Accumulated Plan Benefits		
Vested participants (513)	\$	55,037,126
Nonvested participants (252)	\$	708,934
Future Benefit Accruals	\$	65,806,346
Terminated Vested Benefits	\$	8,794,923
Retired Benefits	\$	209,329,425
Members' Accumulated Deductions	\$	61,187,853
<i>Total Liabilities of the Beaver County Employees' Retirement Fund</i>	\$	400,864,607



## Schedule C

### Unfunded Actuarial Liability and Normal Cost

Schedule C shows the development of the unfunded actuarial liability and the normal cost for 2025.

#### I. Unfunded Actuarial Liability January 1, 2025

1. Actuarial Liability:

(a) Active Participants

Retirement Benefits	\$	78,944,117
Termination Benefits		3,942,690
Death Benefits		1,820,045
Total	\$	84,706,852

(b) Terminated Vested Participants \$ 8,794,923

(c) Retired Members and Beneficiaries

Retirement Benefits	\$	208,985,160
Cost-of-Living Benefits		344,266
Total	\$	209,329,426

(d) Actuarial Present Value of Members' Accumulated Deductions \$ 54,396,909

(e) Total (a) + (b) + (c) + (d) \$ 357,228,110

2. Actuarial Value of Plan Assets (see page 14) \$ 352,071,067

3. Unfunded Actuarial Liability as of January 1, 2025: (1e) – (2) \$ 5,157,043

#### II. Normal Cost for 2025

1. Normal Cost for:

(a) Retirement Benefits	\$	2,409,351
(b) Termination Benefits		291,857
(c) Death Benefits		60,277
(d) Members' Accumulated Deductions		3,035,566
(e) Normal Cost as of January 1, 2025	\$	5,797,051
(f) Normal Cost with interest to end of year: (e) x 1.0725	\$	6,217,337



## Schedule D

### Actuarial Gain (Loss) for One Year Period Ending December 31, 2024

Schedule D shows the development of the actuarial gain (loss) for the 2024 plan year.

1.	Unfunded Actuarial Liability as of January 1, 2024	\$	5,193,208
2.	Normal Cost as of January 1, 2024		5,585,023
3.	Interest at 7.25% Per Year to December 31, 2024 on (1) and (2)		781,422
4.	Expected Employer Contributions for the 2024 Plan Year		2,416,341
5.	Expected Employee Contributions for the 2024 Plan Year		4,162,121
6.	Change in Unfunded Actuarial Liability Due to Cost of Living Increase to Retirees		0
7.	Change in Unfunded Actuarial Liability Due to Change in Assumptions		0
8.	Expected Unfunded Actuarial Liability as of January 1, 2025: (1) + (2) + (3) – (4) – (5) + (6) + (7)	\$	4,981,191
9.	Unfunded Actuarial Liability as of January 1, 2025		5,157,043
10.	Actuarial Gain (Loss) for 2024 Plan Year: (8) – (9)	\$	(175,852)

#### Actuarial Gain/(Loss) for 2024 Plan Year from Investments

11.	Gain/(Loss) from 2024 - \$15,310,203 x 0.2	\$	3,062,041
12.	Gain/(Loss) from 2023 - 19,572,211 x 0.2		3,914,442
13.	Gain/(Loss) from 2022 - (60,787,364) x 0.2		(12,157,473)
14.	Gain/(Loss) from 2021 - 32,904,714 x 0.2		6,580,943
15.	Gain/(Loss) from 2020 - 0 x 0.2		0
16.	Total Gain/(Loss) from Investments (11) + (12) + (13) + (14) + (15)	\$	1,399,953
17.	Total Gain/(Loss) from Other Sources (10) – (16)		(1,575,805)



## Schedule E

### Amortization Schedule

Schedule E provides a record of the amortization amounts. Actuarial gains (losses) will be amortized over 15 years from the date determined; increases or decreases created by pension plan establishing an unfunded actuarial accrued liability will be amortized over 25 years from the effective establishment date; increases or decreases created by a modification in the benefit plan applicable to active members will be amortized over 15 years beginning with the January 1<sup>st</sup> coinciding with or next following the effective date of change; increases or decreases created by a modification in the benefit plan applicable to retired members will be amortized over 10 years beginning with the January 1<sup>st</sup> coinciding with or next following the effective date of change; increases in actuarial accrued liability attributable to the special early retirement provision will be amortized over 5 years beginning with the January 1<sup>st</sup> coinciding with or next following the end of the early retirement period; and increases or decreases created by changes in actuarial assumptions will be amortized over 15 years from the effective date of change; resetting the unfunded actuarial liability (UAL) due to outstanding balance becoming negative will be amortized over 15 years beginning with the January 1<sup>st</sup> coinciding with or next following when the outstanding balance becomes negative. When resetting, any previous charges or credits will be considered paid off and eliminated.

### Amortization Record for 2025

As of January 1, 2025					
	<u>Initial Amount</u>	<u>Effective Date</u>	<u>Remaining Period</u>	<u>Outstanding Balance</u>	<u>Amortization Charge or (Credit)</u>
Amortization of Liability for:					
(a) Resetting UAAL	\$ 2,136,766	1/1/2023	13 Years	\$ 1,963,904	\$ 238,323
(b) Experience loss	3,139,850	1/1/2024	14 Years	3,017,287	350,202
(c) Experience G/L	175,852	1/1/2025	15 Years	<u>175,852</u>	<u>19,613</u>
(d) Total				\$ 5,157,043	\$ 608,138



## Schedule F

Schedule F determines the certified actuarially determined contribution of \$2,501,034 for 2025 for the Beaver County Employees' Retirement System.

1. Total Amortization Charge/(Credit) (page 11 (d))	\$ 608,138
2. Normal Cost with interest to end of year (page 9 II 1(f))	\$ 6,217,337
3. Expected Member Contributions with interest	\$ 4,324,441
4. Total Funding Requirement for 2025 (actuarially determined contribution for 2025): (1) + (2) - (3), but not less than 0	\$ 2,501,034

**Notes:**

The actuarially determined contribution for 2025 as a percentage of the estimated 2025 compensation (\$46,368,485) for active members is 5.39%.

The equivalent normal cost accrual rate to be applied to actual 2024 salaries to determine reimbursable expenses is 5.58%.



## Schedule G

The following are notes to Schedules B and I:

**Members' Annuity Reserve Account:** The balance of \$61,187,852.92 in this account is the total of the contributions deducted from the salaries of the active and terminated vested members of the retirement system and the IRC 414(h)(2) pickup contributions together with the interest additions as of January 1, 2025.

**County Annuity Reserve Account:** The balance of \$87,811,274.26 in this account as of January 1, 2025 and the amounts expected to be credited in the future, plus investment earnings, represent the reserves set aside for the payment of the county's share of the retirement allowances.

This is the account out of which regular interest is credited to the member's annuity and retired members' reserve account, administrative expenses may be paid and the pension obligations of the County are funded.

When a County Annuity is scheduled to commence for a particular member, sufficient monies are transferred from the County Annuity Reserve Account to the Retired Members' Reserve Account to provide for such County Annuities actually entered upon.

**Retired Members' Reserve Account:** This is the account out of which monthly retirement allowances including cost-of-living increases and death benefits are paid.

The assets allocated to this reserve account as of January 1, 2025 amount to \$209,329,426.00. The corresponding liability for those annuitants on the roll is identical.



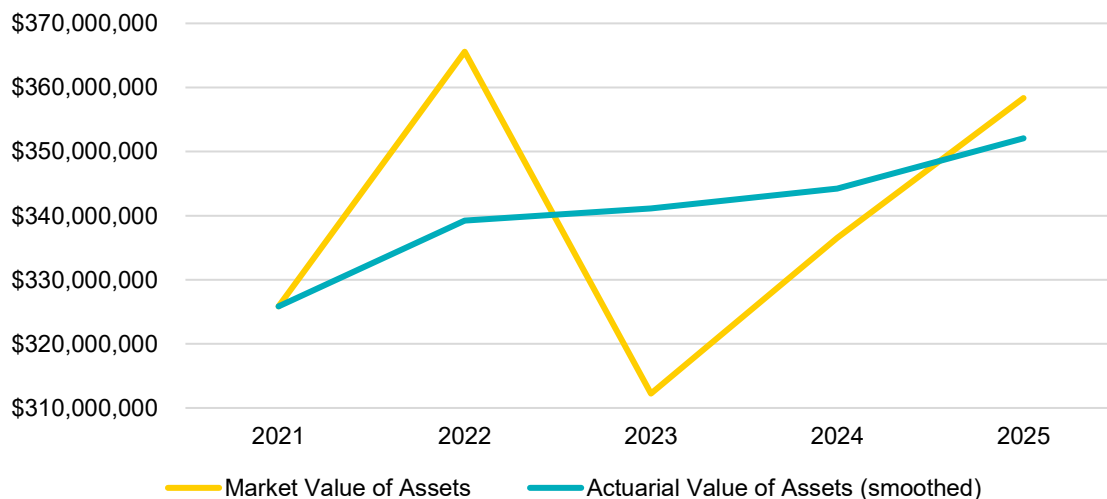


## Schedule G – Continued

**Actuarial Value of Assets:** The Actuarial Value of Assets equals the Market Value of Assets adjusted for unrecognized gains and losses from prior years. Gains and losses are determined by calculating the expected asset return based on Plan assumptions and subtracting the actual Plan return. Gains and losses are phased in 20% per year over a 5-year period. The Actuarial Value of Assets is adjusted, if necessary, to fall within a corridor of 80% to 120% of Market Value of Assets.

1. Market Value of Assets as of 1/1/2024	\$	336,552,779.26
2. Contributions for 2024	\$	7,025,620.40
3. Disbursements during 2024	\$	24,332,742.71
4. Expected Return at 7.25% Interest	\$	23,772,693.31
5. Actual Return for 2024	\$	39,082,896.23
6. Gain/(Loss) for 2024	\$	15,310,202.92
7. Amount Unrecognized for 2024: 15,310,202.92 x .8	\$	12,248,162.34
8. Gain/(Loss) Unrecognized for Prior Years:		
(a) 2023 19,572,211.49 x .6	\$	11,743,326.89
(b) 2022 (60,787,364.49) x .4	\$	(24,314,945.80)
(c) 2021 32,904,713.65 x .2	\$	6,580,942.73
(d) Total of (a) + (b) + (c)	\$	(5,990,676.18)
9. Market Value of Assets as of January 1, 2025	\$	358,328,553.18
10. Actuarial Value of Assets as of January 1, 2025 equals (9) – (7) – (8d)	\$	352,071,067.02
11. Value must be not less than 80% and not greater than 120% of Market Value	\$	352,071,067.02

### Historical Asset Values





## Schedule H

### APPROXIMATE RATE OF RETURN FOR 2024 PLAN YEAR

	<u>Actuarial Value</u>	<u>Market Value</u>
1. Value as of December 31, 2023	\$ 344,205,543.30	\$ 336,552,779.26
2. Contributions Received During Year	\$ 7,025,620.40	\$ 7,025,620.40
3. Benefits and Expenses Paid During Year	\$ 24,332,742.71	\$ 24,332,742.71
4. Value as of December 31, 2024	\$ 352,071,067.02	\$ 358,328,553.18
5. Non-Investment Increment: (2) - (3)	\$ (17,307,122.31)	\$ (17,307,122.31)
6. Investment Increment: (4) - (1) - (5)	\$ 25,172,646.03	\$ 39,082,896.23
7. Time Weighted Value of Assets: (1) + .5 x (5)	\$ 335,551,982.15	\$ 327,899,218.11
8. Approximate Rate of Return for 2024: (6) / (7)	7.50%	11.92%

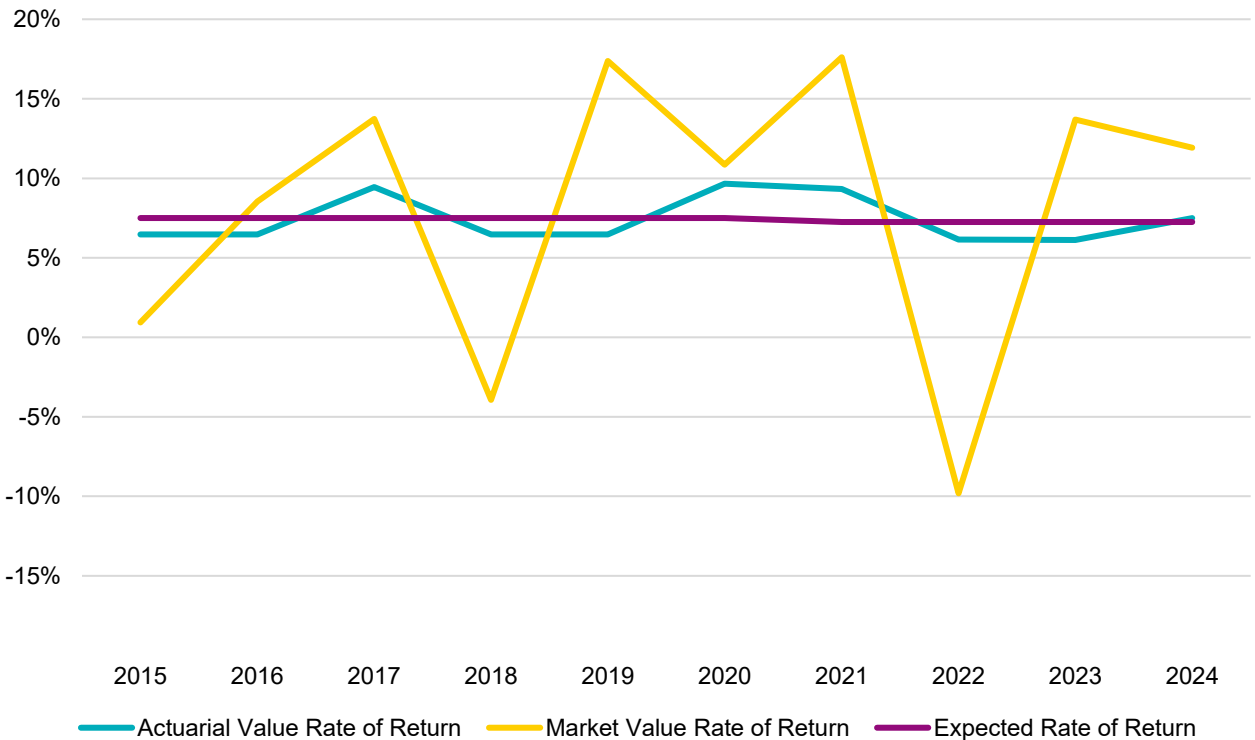


## Schedule H – Continued

### HISTORY OF INVESTMENT RETURN RATES

<u>Plan Year</u>	<u>Actuarial Value Rate of Return</u>	<u>Market Value Rate of Return</u>
2024	7.50%	11.92%
2023	6.12%	13.70%
2022	6.14%	-9.81%
2021	9.32%	17.61%
2020	9.66%	10.85%
2019	6.46%	17.37%
2018	6.46%	-3.94%
2017	9.44%	13.74%
2016	6.47%	8.55%
2015	6.46%	0.94%
Five-Year Average (2020 - 2024):	7.74%	8.39%
Ten-Year Average (2015 - 2024):	7.39%	7.71%

### History of Investment Return Rates





## Schedule I

### Determination of Reserve Balances

	<u>M.A.R.A.</u>	<u>C.A.R.A.</u>	<u>R.M.R.A.</u>	<u>TOTAL</u>
Balance 1/1/2024	\$ 61,581,942.72	\$ 72,234,740.54	\$ 202,736,096.00	\$ 336,552,779.26
County Appropriations		2,416,341.00		2,416,341.00
Member Contributions	4,596,943.51	0.00		4,596,943.51
Member Purchases	0.00			0.00
Net Investment Income		39,082,896.23		39,082,896.23
Investment Expenses		(818,861.09)		(818,861.09)
Member Contributions Refunded	(1,864,634.54)			(1,864,634.54)
Pension Payments			(21,078,103.33)	(21,078,103.33)
Death Benefits			(266,527.69)	(266,527.69)
Retiree and Death Benefit Transfers	(6,473,441.58)	(8,827,994.24)	15,301,435.82	0.00
Cost of Living Funding Requirement		0.00	0.00	0.00
Administrative Expenses		(304,616.06)		(304,616.06)
Miscellaneous		12,335.89		12,335.89
Balance Before Interest	57,840,810.11	103,794,842.27	196,692,900.80	358,328,553.18
Interest Allocated in 2024	3,347,042.81	(11,335,622.75)	7,988,579.94	
Balance Before Actuarial Adjustments	61,187,852.92	92,459,219.52	204,681,480.74	358,328,553.18
Actuarial Adjustments		(4,647,945.26)	4,647,945.26	
Ending Balance 12/31/2024	61,187,852.92	87,811,274.26	209,329,426.00	358,328,553.18
Total Assets (12/31/2024) (Market Value)				358,328,553.18



## Schedule J

### Membership History

Below is a ten-year history of the Retirement System's membership.

ACTIVE MEMBERS AND VESTED TERMINATED MEMBERS				RETIRED MEMBERS AND BENEFICIARIES		
1-Jan	Male	Female	Total	Male	Female	Total
2025	353	543	896	386	915	1,301
2024	356	540	896	380	913	1,293
2023	352	538	890	372	911	1,283
2022	352	528	880	367	904	1,271
2021	359	520	879	360	874	1,234
2020	362	520	882	358	855	1,213
2019	363	513	876	345	849	1,194
2018	369	512	881	344	836	1,180
2017	368	524	892	336	829	1,165
2016	386	557	943	285	771	1,056



## Schedule K

### Changes in Plan Participation From January 1, 2024 to January 1, 2025

#### ACTIVE PARTICIPANTS

Number as of January 1, 2024		757
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#### Changes During Plan Year:

Retired	( - )	26
Terminated and Vested	( - )	8
Terminated	( - )	37
Died	( - )	2
New Participants	( + )	81

Number as of January 1, 2025		765
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#### RETIRED PARTICIPANTS

Number as of January 1, 2024		1,293
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#### Changes During Plan Year:

Returned to Active Service	( - )	0
Died	( - )	34
New Retirements from Active Service	( + )	26
New Surviving Annuitants	( + )	10
Vested Terminated Participants Whose Benefits Commenced	( + )	6
Additions	( + )	0

Number as of January 1, 2025		1,301
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#### TERMINATED VESTED PARTICIPANTS

Number as of January 1, 2024		139
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#### Changes During Plan Year:

Terminated	( - )	6
Returned to Active Service	( - )	2
Benefits Commenced	( - )	6
Died	( - )	2
New Termination's with Vesting	( + )	8
Additions	( + )	0

Number as of January 1, 2025		131
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## Schedule L

### Age, Service and Average Salary Profile of the Active Members on January 1, 2025.

#### MALES -- FULL YEARS OF SERVICE TO JANUARY 1, 2025

<u>Age</u>	<u>0-4</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-24</u>	<u>25-29</u>	<u>30+</u>	<u>Total</u>	<u>Average Salary</u>
0-19	0	0	0	0	0	0	0	0	\$ 0
20-24	9	0	0	0	0	0	0	9	\$ 51,729
25-29	15	3	0	0	0	0	0	18	\$ 43,498
30-34	14	11	1	0	0	0	0	26	\$ 56,335
35-39	9	9	6	1	0	0	0	25	\$ 68,344
40-44	12	11	6	13	4	0	0	46	\$ 70,116
45-49	6	5	6	8	9	5	0	39	\$ 71,749
50-54	12	6	5	7	6	8	5	49	\$ 71,269
55-59	8	7	6	3	4	4	8	40	\$ 71,056
60-64	0	7	9	3	0	3	2	24	\$ 70,444
65 +	6	7	5	8	4	3	0	33	\$ 63,465
Total	91	66	44	43	27	23	15	309	\$ 66,553

Average Age: 48.56

Average Service: 11.89

#### FEMALES -- FULL YEARS OF SERVICE TO JANUARY 1, 2025

<u>Age</u>	<u>0-4</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-24</u>	<u>25-29</u>	<u>30+</u>	<u>Total</u>	<u>Average Salary</u>
0-19	0	0	0	0	0	0	0	0	\$ 0
20-24	24	0	0	0	0	0	0	24	\$ 36,403
25-29	20	5	1	0	0	0	0	26	\$ 46,000
30-34	22	16	1	0	0	0	0	39	\$ 50,628
35-39	26	8	5	0	0	0	0	39	\$ 49,123
40-44	21	11	7	6	0	0	0	45	\$ 53,173
45-49	20	10	7	10	11	4	0	62	\$ 58,739
50-54	15	8	5	7	10	13	4	62	\$ 60,207
55-59	19	12	9	7	10	6	6	69	\$ 55,523
60-64	17	8	7	8	5	5	9	59	\$ 51,468
65 +	4	6	2	4	6	3	6	31	\$ 56,362
Total	188	84	44	42	42	31	25	456	\$ 53,382

Average Age: 48.03

Average Service: 11.00



## Schedule M

### Actuarial Assumptions and Actuarial Cost Method for Funding Purposes, January 1, 2025.

#### Actuarial Assumptions

**Mortality Rates:** SOA Pub-2010 for general employees with female ages set forward one year with generational projection using Scale MP-2020.

**Withdrawal Rates:** Members not eligible to retire are assumed to terminate employment in accordance with a percentage of the withdrawal rates set forth in Table T-7 of the Actuary's Handbook. The applicable percentage depends on the member's years of service as follows:

YEARS OF SERVICE	PERCENTAGE
Less than 1	300%
1 but less than 2	275%
2 but less than 3	250%
3 but less than 4	225%
4 but less than 5	200%

It is further assumed that a percentage of members who terminate after having met the Plan's five year vesting requirement will elect an immediate refund of their own contributions with interest thus forfeiting the County -- provided pension. The applicable percentage is 100% for termination ages up to age 30. After age 30 the applicable percentage is determined as 100% less (age - 30) x 3 1/3%. Illustrative percentages are as follows:

AGE	PERCENTAGE
30 or less	100.0%
35	83.3%
40	66.7%
45	50.0%
50	33.3%
55	16.7%

Once member reaches retirement eligibility, a withdrawal rate of zero is assumed.





## Schedule M - Continued

The following tables set forth illustrative withdrawal rates as determined in accordance with the methodology described on the previous page.

### Probability of Withdrawing During the Year:

#### LESS THAN FIVE YEARS OF SERVICE

Age at Hire	Years of Service				
	<u>0</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
20	.2982	.2720	.2460	.2202	.1947
30	.2791	.2532	.2275	.2021	.1770
40	.2326	.2067	.1814	.1570	.1335
50	.1267	.1013	.0781	.0577	.0407
59	.0086	-	-	-	-

#### FIVE OR MORE YEARS OF SERVICE

<u>Age at Beginning of Year</u>	<u>Probability of Withdrawing and Forfeiting County Pension</u>	<u>Probability of Withdrawing and Retaining County Pension</u>
30	.0930	.0000
40	.0517	.0258
50	.0141	.0281
59	.0001	.0028

**Disability Rates:** Disability rates are not used.

**Investment Return:** 7.25% per annum, compounded annually.

**Salary Increases:** 3.5% per annum.

**Valuation Assets:** Market value adjusted for unrecognized gains and losses from prior years.



## Schedule M - Continued

**Retirement Rates:** Members eligible to retire are assumed to retire in accordance with the following rates:

<u>AGE AT BEGINNING OF YEAR</u>	<u>PROBABILITY OF RETIRING DURING YEAR</u>
55-59	.07
60-61	.08
62-64	.15
65	.34
66-70	.23
71-79	.21
80	1.00

**Administrative Expenses:** Assumed to be paid from the County's general fund and not from plan assets. However, administrative expenses may from year to year be paid from the fund unless it is determined by the actuary that such payment will impair the actuarial soundness of the fund.

**Actuarial Cost Method:** The actuarial cost method used to determine the plan's funding requirements is the entry age normal method. Under this method, an actuarial accrued liability is determined as the actuarial present value of projected benefits for all participants minus the actuarial present value of future normal costs. The normal cost is determined as the annual amount required to fund between entry age and assumed exit age the actuarial present value of projected benefits for each active participant under the assumed retirement age.

**Actuarial Software:** The valuation results were produced using an actuarial valuation system, ProVal, that is widely used within the industry. ProVal is actively used by a large number of retirement systems to perform annual funding/accounting valuations, gain and loss analyses, and cost studies. ProVal was created specifically to value pension plan liabilities and uses the applicable assumptions and methods along with the pension plan census data to produce appropriate results. Test lives are generated to review the accuracy of both the input and output, allowing the users to confirm with a high degree of accuracy how the programmed benefit is applied to an individual along with the applicable decrements and other assumptions. The actuarial team loads the participant data, programs the benefit provisions, enters the applicable assumptions into the model, and reviews sample life output and results under the supervision of a credentialed actuary or actuaries who are proficient users of the software. We are not aware of any material limitations in the model nor any material inconsistencies in the assumptions used within the model.

**Changes Since Prior Valuation:** None.



## Schedule N

### Summary of Plan Provisions

1. **Effective Date** - The effective date of this plan is January 1, 1942.
2. **Eligibility for Plan Membership** - An employee shall be eligible to become a participant immediately upon becoming an employee.
3. **Accrued Benefit** - The Retirement Board has authorized benefits equal to a percentage of the members Final Average Salary for each year of service the member has participated in the following Classes:

Class	Percentage	Effective
1/120	0.833%	01/01/1942
1/100	1.000%	01/01/1950
1/80	1.250%	01/01/1965
1/60	1.667%	01/01/1972

#### 4. Normal Retirement (Superannuation)

**Eligibility:** Retirement occurs at age 60 or at age 55 if the participant has completed 20 years of service.

**Pension:** A monthly pension equal to (a) and (b), as follows:

- (a) 0.833% of 1/12th of Final Average Salary multiplied by years of credited service on the 1/120 Class,  
1.000% of 1/12th of Final Average Salary multiplied by years of credited service on the 1/100 Class,  
1.250% of 1/12th of Final Average Salary multiplied by years of credited service on the 1/80 Class,  
1.667% of 1/12th of Final Average Salary multiplied by years of credited service on the 1/60 Class,

PLUS

- (b) a monthly annuity based on the actuarial equivalent of the member's accumulated contributions with credited interest.



## Schedule N - Continued

5. **Final Average Salary** - The average of the member's annual compensation received for the three years which produce the highest such average.
6. **Compensation** - Pick-up contributions plus remuneration received as a county employee excluding refunds for expenses, contingency and accountable expense allowances and excluding severance payments or payments for unused vacation or sick leave.

### 7. Early Retirement

**Eligibility:**

**Voluntary:** Upon completion of 20 years of service.

**Involuntary:** Upon completion of 8 years of service.

**Pension:** (a) a monthly pension equal to the actuarial equivalent of the benefits calculated in 4(a),

PLUS

(b) a monthly annuity based on the actuarial equivalent of the member's accumulated contributions with credited interest.

8. **Vesting** - One Hundred Percent (100%) upon completion of five years of credited service. A member who terminates employment after five years of credited service will receive a deferred annuity commencing at age 60 (or at age 55 if the member has at least 20 years of service at termination). The deferred benefit shall be calculated using the normal retirement pension formula but based on credited service, final average salary and accumulated contributions at termination.

If a member terminates employment prior to entitlement to Plan benefits, he will receive his accumulated contributions with interest.

9. **Postponed Retirement** - A member may work past normal retirement age and continue to accrue pension credits.

### 10. Disability Retirement

**Eligibility:** Total and permanent disability prior to Superannuation (Normal Retirement) age and after completion of five years of credited service.

**Pension:** A total monthly pension commencing on the last day of the month following disability retirement equal to 25% of the 1/12th of Final Average Salary at time of retirement. Such total monthly pension shall include the monthly disability that is actuarially equivalent to the member's accumulated contributions at retirement.



## Schedule N - Continued

**11. Normal Form of Pension** - Benefits are payable in the form of a modified cash refund life annuity, that is for the member's lifetime only, except that disability benefits shall cease upon cessation of disability.

**12. Optional Retirement Benefits** - A member may elect to receive the actuarial equivalent of his retirement benefit as a full cash refund annuity (Option One) or a reduced joint and survivor pension payable for the remainder of his life, with either 100% or 50% of the member's pension continuing after death to the designated beneficiary. A member may also elect to receive, in one payment, the full amount of his accumulated deductions and continue to receive the annuity provided by the county.

### **13. Death Benefits**

(a) **Pre-Retirement.** If a member dies after having attained age 60 or having completed ten years of credited service, his beneficiary will receive a lump sum equal to the actuarially determined present value of the benefits calculated in (7a) based on the member's Final Average Salary and credited service at time of death plus the member's accumulated contributions with interest at time of death.

(b) **Post-Retirement.** Upon the death of a terminated or retired member, his beneficiary will receive survivor benefits, if any, in accordance with the form under which benefits were being paid to the member. In any event, the total amount of benefits paid to the deceased member and beneficiary must, at least, equal the member's accumulated contributions with interest.

### **14. Employee Contributions**

The Retirement Board has authorized each member of the retirement system to individually elect to contribute between 9% and 19% of his salary.

### **15. Deposit Administrator**

Investment Managers:  
CIM Investment Managers  
C.S. McKee  
Anchor Capital Advisors  
Emerald Advisors  
Columbus Macro  
Bentall Kennedy/MEPT  
Henry James Intl  
Draper Triangle  
Washington Alliance  
Gridiron Partners  
iNetworks  
Ameriserve



## Schedule N - Continued

Custodian:  
PNC Bank

Investment Consultant:  
Mariner

**16. Administration** - Retirement Board as designated in Act 96 of 1971, the County Pension Law.

**17. Cost-of-Living** - The cost-of-living increase shall be reviewed at least once in every three years by the Retirement Board. Prior to 2017, a percentage of the CPI could be granted. After 2016, the annual CPI could be granted. The Board has granted cost-of-living increases in the past as follows:

PERCENTAGE/ANNUAL CHANGE IN C.P.I.	EFFECTIVE DATE OF INCREASE
25%	1/1/1987
25%	1/1/1989
25%	1/1/1990
25%	1/1/1993
25%	1/1/1997
100%	1/1/2000



## Schedule O

### Historical Trend Information

#### REVENUES BY SOURCE

<b>Fiscal Year</b>	<b><u>Employee Contributions</u></b>	<b><u>Employer Contributions</u></b>	<b><u>Investment Income</u></b>	<b><u>Miscellaneous</u></b>	<b><u>Total</u></b>
2015	\$ 3,345,109	\$ 1,162,800	\$ 20,453,863	\$ 59,264	\$ 25,021,036
2016	3,278,822	1,265,160	14,499,389	47,251	19,090,622
2017	3,608,538	1,999,290	16,773,898	843,973	23,225,699
2018	3,868,686	1,240,109	27,130,386	51,768	32,290,949
2019	3,729,473	1,848,555	12,317,243	631,868	18,527,139
2020	3,868,705	2,145,228	96,708,677	343,445	103,066,055
2021	3,968,366	2,343,287	55,941,017	360,160	62,612,830
2022	4,236,799	1,225,996	(34,949,399)	731,446	(28,755,158)
2023	4,363,332	1,846,265	41,583,725	324,197	48,117,519
2024	4,596,944	2,416,341	39,082,896	12,336	46,108,517

#### EXPENSES BY TYPE

<b>Fiscal Year</b>	<b><u>Benefits</u></b>	<b><u>Refunds</u></b>	<b><u>Administrative/ Miscellaneous</u></b>	<b><u>Total</u></b>
2015	\$ 15,013,622	\$ 505,191	\$ 1,140,716	\$ 16,659,529
2016	19,385,810	390,939	1,148,172	20,924,921
2017	17,380,674	394,555	1,116,886	18,892,115
2018	16,860,973	333,881	1,163,391	18,358,245
2019	17,237,725	1,721,525	1,286,498	20,245,748
2020	19,180,833	1,473,111	1,404,529	22,058,473
2021	19,161,065	2,372,174	1,350,932	22,884,171
2022	21,284,972	2,308,348	983,358	24,576,678
2023	20,429,891	2,232,573	1,147,387	23,809,851
2024	21,344,631	1,864,635	1,123,477	24,332,743



## Schedule P

### Plan Maturity Measures and Additional Risks

Assets are accumulated over participants' careers to pay future benefits. The natural growth of liabilities and assets is referred to as plan maturity. As the plan matures, the size of the plan grows relative to the active members' payroll and will cause changes in the assets or liabilities to have a larger effect on the Actuarially Determined Contribution (ADC). The following table shows a history of the plan's maturity and the effect of a 1% change in plan assets or liabilities on the ADC.

<u>Fiscal Year</u>	<u>Actives Per Retirees</u>	<u>Ratio of Assets to Payroll</u>	<u>Effect on ADC of a 1% Change in Assets</u>	<u>Ratio of Actuarial Accrued Liability to Payroll</u>	<u>Effect on ADC of a 1% Change in Liability</u>
2018	0.6	7.2	\$ 315,000	7.9	\$ 350,000
2019	0.6	7.7	\$ 350,000	7.8	\$ 354,000
2020	0.6	7.9	\$ 363,000	7.7	\$ 372,000
2021	0.6	8.8	\$ 408,000	8.1	\$ 376,000
2022	0.6	7.3	\$ 348,000	8.0	\$ 383,000
2023	0.6	7.5	\$ 375,000	7.8	\$ 390,000
2024	0.6	7.7	\$ 400,000	7.7	\$ 398,000

The primary risks associated with plan maturity are listed below:

Investment Risk – Risk that the assumed rate of return is not achieved, and the plan funding level deteriorates

Contribution Risk – Risk that the County does not pay the full ADC

Liquidity Risk – Risk that investments cannot be liquidated timely to pay benefit payments due to plan participants

Longevity Risk – Risk that plan participants live longer than expected causing annuities to cost the Plan more

The low-default-risk obligation measure (LDROM) can be used to quantify investment risk by utilizing an investment return assumption that corresponds to an asset allocation invested in low default asset classes. For purposes of the LDROM, the discount rate as of the measurement date was set to 5.41%. This discount rate is based on the projected benefit payments for the Plan and the HQM Corporate Bond Yield Curve Spot Rates published as of December 31, 2024. All other assumptions and methods remained the same to measure the LDROM.





## Schedule P - Continued

	Funding Assumptions	LDROM Assumptions
Actuarial Accrued Liability	357,228,109	428,808,896
Actuarial Value of Assets	352,071,067	352,071,067
Unfunded Liability	5,157,042	76,737,829
Actuarially Determined Contribution	2,501,034	11,145,980
Funded Status	98.6%	82.1%
Investment Return Assumption	7.25%	5.41%

Drastically reducing investment risk would create an additional unfunded liability of \$71,580,787 and increase the actuarially determined contribution by \$8,644,946. This information is for illustrative purposes only to provide a relative impact caused by investment risk attributed to the Plan.