



PUBLIC EMPLOYEE RETIREMENT SYSTEM OF IDAHO

GASB 67 and 68 DISCLOSURE

Fiscal Year: July 1, 2023, to June 30, 2024

Prepared by

Robert L. Schmidt, FSA, EA, MAAA
Principal and Consulting Actuary

Ryan J. Cook, FSA, EA, CERA, MAAA
Consulting Actuary

950 W. Bannock St., Ste 430
Boise, ID 83702
Tel +1 208 342 3485
milliman.com

Table of Contents

Certification	1
Overview of GASB 67 and GASB 68	3
Executive Summary	4
Schedule of Employer Contributions	5
Contribution Summary	6
Statement of Fiduciary Net Position	7
Statement of Changes in Fiduciary Net Position	8
Long-Term Expected Rate of Return	9
Plan Membership Summary	10
Depletion Date Projection	11
Net Pension Liability	12
Changes in Net Pension Liability	13
Schedule of Changes in Net Pension Liability and Related Ratios	14
Schedule of Collective Pension Amounts	15
Pension Expense	16
Schedule of Deferred Inflows and Outflows of Resources	17
Pension Liability and Expense Summary	18
Glossary	19

Certification

Actuarial computations presented in this report under GASB Statements No. 67 and 68 are for purposes of assisting the System and participating employers in fulfilling their financial accounting requirements. The calculations in this report have been made on a basis consistent with our understanding of the plan provisions and of GASB Statements No. 67 and 68, as amended by GASB 82. 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 assumptions, including discount rates, mortality tables, and others identified in this report and actuarial cost methods are adopted by the Retirement Board. That entity is responsible for selecting the plan's funding policy, actuarial valuation methods, asset valuation methods, and assumptions. The policies, methods, and assumptions used in this valuation are those that have been so adopted and are described in this report. The System is solely responsible for communicating to Milliman any changes required thereto. All costs, liabilities, rates of interest, and other factors for the System have been determined on the basis of actuarial assumptions and methods which, in our professional opinion, are individually reasonable (taking into account the experience of the System and reasonable expectations); and which, in combination, offer a reasonable estimate of anticipated future experience affecting the System and are expected to have no significant bias.

This valuation report is only an estimate of the System's financial condition as of a single date. It can neither predict the System's future condition nor guarantee future financial soundness. Actuarial valuations do not affect the ultimate cost of System benefits, only the timing of System contributions. While the valuation is based on an array of individually reasonable assumptions, other assumption sets may also be reasonable and valuation results based on those assumptions would be different. No one set of assumptions is uniquely correct. Determining results using alternative assumptions is outside the scope of our engagement.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to factors such as, but not limited to, 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 modifications to contribution calculations based on the Plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of the actuarial assignment, we did not perform an analysis of the potential range of future measurements. The Retirement Board has the final decision regarding the selection of the assumptions and actuarial cost methods, and the Board has adopted them as indicated in Appendix A of our actuarial valuation reports.

In preparing this report, we relied, without audit, on information (some oral and some in writing) supplied by PERSI's staff. This information includes, but is not limited to, benefit provisions, member census data, and financial information. We found this information to be reasonably consistent and comparable with information used for other purposes. 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.

Certification

Milliman's work is prepared solely for the internal use and benefit of the Public Employee Retirement System of Idaho. To the extent that Milliman's work is not subject to disclosure under applicable public records laws, Milliman's work may not be provided to third parties without Milliman's prior written consent. Milliman does not intend to benefit or create a legal duty to any third party recipient of its work product. Milliman's consent to release its work product to any third party may be conditioned on the third party signing a Release, subject to the following exceptions: (a) the System may provide a copy of Milliman's work, in its entirety, to the System's professional service advisors who are subject to a duty of confidentiality and who agree to not use Milliman's work for any purpose other than to benefit the System; and (b) the System may provide a copy of Milliman's work, in its entirety, to other governmental entities, as required by law.

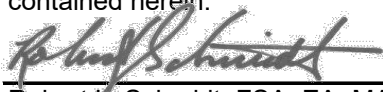
No third-party recipient of Milliman's work product should rely upon Milliman's work product. Such recipients should engage qualified professionals for advice appropriate to their own specific needs.

The valuation results were developed using models intended for valuations that use standard actuarial techniques. We have reviewed the models, including their inputs, calculations, and outputs for consistency, reasonableness, and appropriateness to the intended purpose and in compliance with generally accepted actuarial practice and relevant actuarial standards of practice.

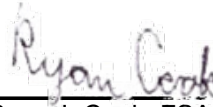
The consultants who worked on this assignment are actuaries. Milliman's advice is not intended to be a substitute for qualified legal, investment, or accounting counsel.

The signing actuaries are independent of the plan sponsor. We are not aware of any relationship that would impair the objectivity of our work.

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 which are consistent with the principles prescribed by the Actuarial Standards Board and the Code of Professional Conduct and Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States, published by the American Academy of Actuaries. We are members of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein.



Robert L. Schmidt, FSA, EA, MAAA
Principal and Consulting Actuary



Ryan J. Cook, FSA, EA, CERA, MAAA
Consulting Actuary

Overview of GASB 67 and GASB 68

GASB 67 applies to financial reporting for public pension plans and was required to be implemented for plan fiscal years beginning after June 15, 2013. Note that a plan's fiscal year might not be the same as the employer's fiscal year. Even if the plan does not issue standalone financial statements, but rather is considered a pension trust fund of a government, it is subject to GASB 67. Under GASB 67, enhancements to the financial statement disclosures are required, along with certain required supplementary information.

GASB 68 governs the specifics of accounting for public pension plan obligations for participating employers and was required to be implemented for employer fiscal years beginning after June 15, 2014. GASB 68 requires a liability for pension obligations, known as the Net Pension Liability, to be recognized on the balance sheets of participating employers. Changes in the Net Pension Liability will be immediately recognized as Pension Expense on the income statement or reported as deferred inflows/outflows of resources depending on the nature of the change.

Executive Summary

Relationship Between Valuation Date, Measurement Date, and Reporting Date

The Valuation Date is July 1, 2024; this is the date as of which the actuarial valuation is performed. The Measurement Date is June 30, 2024; this is the date as of which the net pension liability is determined. The Reporting Date is June 30, 2024; this is the plan's fiscal year ending date.

Significant Changes

There have been no significant changes between the valuation date and the fiscal year end.

Data, Assumptions, Methods, and Plan Provisions

The assumptions and methods used for the figures herein are for financial reporting purposes unless otherwise noted. We believe that these assumptions and methods meet the parameters set by Actuarial Standards of Practice (ASOPs).

The long-term expected rate of return on investments is 6.35%, including 0.05% for expected administrative expenses. For purposes of determining the contribution rate, we use an interest rate that is net of all expenses (6.30%). According to GASB Statements 67 and 68, the discount rate used to determine the Total Pension Liability is not allowed to be net of administrative expenses. Therefore the figures herein have been determined using a discount rate of 6.35%.

Except as noted otherwise, the attached exhibits present results that are based on the methods described in our July 1, 2024, funding valuation report (dated October 17, 2024).

These results are based on the plan provisions in effect at July 1, 2024. We have reflected census and asset data as of July 1, 2024, which are summarized in our July 1, 2024, funding valuation report.

In this report, we assume that future Postretirement Allowance Adjustments (PAA) will be 1.00% per year. PAAs above 1.00% per year are not guaranteed, but the Board has the authority to grant additional PAAs above 1.00% if the CPI-U increases by more than 1.00% in a year. The accounting methodology used in this report does not reflect additional PAAs in the Total Pension Liability (TPL) until they are granted by the Board (in-line with the discretionary nature of these additional PAAs). When the Board does grant a discretionary PAA, it is then recognized as a plan change. Paragraphs 39 of GASB 67 and 24 of GASB 68 state that the TPL should include such effects "to the extent that they are considered to be substantively automatic" and then provides footnoted guidance on considerations that might be relevant in determining whether or not the changes are "substantively automatic". See our Funding Valuation Reports for information on the PAA history of the plan. For illustrative purposes, if the PAA assumption was raised to 2.00% this would result in an increase in the Net Pension Liability of approximately \$2,572.6 million.

Schedule of Employer Contributions

Fiscal Year Ending June 30	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2015	\$327,101,958	\$321,240,628	\$5,861,330	\$2,791,109,393	11.51%
2016	\$298,662,279	\$335,610,100	(\$36,947,821)	\$2,909,277,267	11.54%
2017	\$337,212,145	\$356,367,389	(\$19,155,244)	\$3,089,555,264	11.53%
2018	\$388,341,490	\$369,139,113	\$19,202,377	\$3,200,396,203	11.53%
2019	\$382,640,388	\$390,080,902	(\$7,440,514)	\$3,382,051,785	11.53%
2020	\$392,340,997	\$430,638,154	(\$38,297,157)	\$3,546,033,069	12.14%
2021	\$394,829,024	\$450,951,588	(\$56,122,564)	\$3,716,726,113	12.13%
2022	\$463,064,998	\$476,416,795	(\$13,351,797)	\$3,926,999,249	12.13%
2023	\$436,766,149	\$513,828,265	(\$77,062,116)	\$4,234,182,185	12.14%
2024	\$650,450,333	\$554,409,453	\$96,040,880	\$4,573,375,234	12.12%

Contribution Summary

	<u>Fiscal Year Ending June 30, 2024</u>
Actuarially Determined Contribution	
Actuarially determined employer contribution	\$650,450,333
Contributions in relation to the actuarially determined employer contribution	<u>554,409,453</u>
Contribution deficiency (excess)	96,040,880
Covered payroll	4,573,375,234
Contributions as a percentage of covered payroll	12.12%
Actuarially Determined Contribution Components	
Normal cost (Employer only)	381,535,869
Normal cost as a % of covered payroll	8.34%
Unfunded liability amortization payment	268,914,464
Amortization payment as a % of covered payroll	5.88%
Total actuarially determined contribution	650,450,333
Actual Contributions Made	
Total member contributions made	359,388,202
Member contributions as a % of covered payroll	7.86%
Total employer contributions made	554,409,453
Employer contributions as a % of covered payroll	12.12%
Total contributions made	913,797,655
Total contributions as a % of covered payroll	19.98%

Statement of Fiduciary Net Position

	June 30, 2024	June 30, 2023
Assets		
Cash and cash equivalents	\$35,478,783	\$11,599,841
Receivables and prepaid expenses:		
Receivable contributions	27,095,679	8,236,415
Receivable investment income	166,435,558	114,902,978
Receivables from brokers for unsettled trades	0	0
Prepaid expenses	103,212,426	98,003,890
Total receivables	296,743,663	221,143,283
Investments:		
Fixed income	6,414,140,658	5,794,367,692
Stocks	12,619,392,888	11,751,667,259
Short-term investments	256,423,561	275,032,503
Real estate	998,181,965	1,177,782,346
Alternative investments	1,687,370,717	1,596,592,725
Total investments	21,975,509,789	20,595,442,525
Invested securities lending cash collateral	0	0
Capital assets net of accumulated depreciation	0	0
Total assets	22,307,732,235	20,828,185,649
Liabilities		
Investments Purchased	158,593,560	115,755,396
Monies Due To/(From) Other Funds	0	(35,000)
Accrued Liabilities	16,818,565	16,623,135
Benefits and Refunds Payable	557,479	0
Total liabilities	175,969,604	132,343,531
Net position restricted for pensions	\$22,131,762,631	\$20,695,842,118

Statement of Changes in Fiduciary Net Position

June 30, 2024

Additions

Member contributions	\$359,388,202
Employer contributions	554,409,453
Total contributions	913,797,655
Investment income (loss):	
Interest and dividends	436,597,794
Equity fund income, net	0
Net increase in fair value of investments	1,446,844,823
Securities lending income	0
Other income	1,312,299
Less investment & operating expenses:	
Direct investment expense	60,302,095
Securities lending management fees	0
Securities lending borrower rebate	0
Increase / (Decrease) in assets used in plan operations	403,452
Net investment income	1,824,049,369
Total additions	2,737,847,024

Deductions

Benefit payments	1,290,539,869
Administrative expenses	11,386,642
Total deductions	1,301,926,511
Net increase (decrease)	1,435,920,513

Net position restricted for pensions

Beginning of year (June 30, 2023)	20,695,842,118
End of year (June 30, 2024)	\$22,131,762,631

Long-Term Expected Rate of Return

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation.

Capital Market Assumptions from Callan Associates Investment Consulting as of 1/1/2021

Asset Class	Index	Target Allocation*	Long-Term Expected Real Rate of Return**
Cash	Citigroup 90-Day T-Bills	0.00%	
Large Cap	S&P 500	18.00%	4.50%
Small/Mid Cap	Russell 2500	11.00%	4.70%
International Equity	MSCI World ex USA	15.00%	4.50%
Emerging Markets Equity	MSCI Emerging Markets	10.00%	4.90%
Domestic Fixed	Bloomberg Barclays Aggregate	20.00%	-0.25%
TIPS	Bloomberg Barclays TIPS	10.00%	-0.30%
Real Estate	NCREIF ODCE	8.00%	3.75%
Private Equity	Cambridge Private Equity	8.00%	6.00%
Portfolio Long-Term Expected Real Rate of Return, Net of Investment Expenses			3.91%
Portfolio Standard Deviation			12.84%

Valuation Assumptions Chosen by PERSI Board

Long-Term Expected Real Rate of Return, Net of Investment Expenses	4.05%
Assumed Inflation	2.30%
Long-Term Expected Nominal Rate of Return, Net of Investment Expenses	6.35%

* As outlined in PERSI's investment policy.

** Net of investment expenses

Plan Membership Summary

	June 30, 2024	June 30, 2023
Plan Membership		
Active members - vested	45,229	44,627
Active members - non-vested	33,125	32,041
Retirees and beneficiaries	56,084	54,680
Terminated vested	16,546	16,106
Terminated non-vested	38,508	35,968
Total membership	189,492	183,422
	2023 - 2024	2022 - 2023
Changes in Retirees and Beneficiaries		
Beginning of fiscal year	54,680	53,190
New retirements	2,613	2,799
Death of retiree/beneficiary	(1,209)	(1,309)
End of fiscal year	56,084	54,680

Depletion Date Projection

GASB 67 and 68 generally require that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position (fair market value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 67 and 68 will often require that the actuary perform complex projections of future benefit payments and asset values.

- The Fiduciary net position as a percentage of total pension liabilities is 85.54% as of June 30, 2024.
- Employers participating in the System are required by statute to make contributions that are deemed to be sufficient to amortize any unfunded actuarial accrued liability over a period no greater than 25 years (Idaho Code 59-1322).
- Since the Fiduciary Net Position is growing to be equal to the actuarial accrued liability, there is no point in time at which it is projected to be insufficient to make projected benefit payments.
- GASB 67 and 68 specify that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan's funded position.

Based on these circumstances, the detailed depletion date projections outlined in GASB 67 and 68 show that the Fiduciary Net Position is always projected to be sufficient to cover benefit payments and administrative expenses.

Net Pension Liability

Net Pension Liability	June 30, 2024	June 30, 2023
Total pension liability	25,872,407,517	24,686,512,681
Fiduciary net position	22,131,762,631	20,695,842,118
Net pension liability / (asset)	3,740,644,886	3,990,670,563
Fiduciary net position as a % of total pension liability	85.54%	83.83%
Covered payroll	4,573,375,234	4,234,182,185
Net pension liability / (asset) as a % of covered payroll	81.79%	94.25%

The total pension liability was determined by an actuarial valuation as of the measurement date, calculated based on the discount rate and actuarial assumptions below.

Discount Rate

Discount rate	6.35%	6.35%
Long-term expected rate of return, net of investment expense	6.35%	6.35%
Municipal bond rate	N/A	N/A

The Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Other Key Actuarial Assumptions

The demographic assumptions that determined the total pension liability as of June 30, 2024, were based on the results of an actuarial experience study for the period July 1, 2015, to June 30, 2020.

Valuation date	July 1, 2024	July 1, 2023
Measurement date	June 30, 2024	June 30, 2023
Inflation	2.30%	2.30%
Salary increases including inflation	3.05%	3.05%
Actuarial cost method	Entry Age Normal	Entry Age Normal

Changes in Net Pension Liability

Changes in Net Pension Liability / (Asset)	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability / (Asset) (a) - (b)
Balances as of June 30, 2023	\$24,686,512,681	\$20,695,842,118	\$3,990,670,563
Changes for the year:			
Service cost ⁽¹⁾	701,894,003		701,894,003
Interest ⁽¹⁾⁽²⁾	1,571,819,788		1,571,819,788
Effect of plan changes	0		0
Effect of economic/demographic gains or losses	202,720,914		202,720,914
Effect of assumptions changes or inputs	0		0
Benefit payments	(1,290,539,869)	(1,290,539,869)	0
Employer contributions		554,409,453	(554,409,453)
Member contributions		359,388,202	(359,388,202)
Net investment income		1,824,049,369	(1,824,049,369)
Administrative expenses		(11,386,642)	11,386,642
Balances as of June 30, 2024	25,872,407,517	22,131,762,631	3,740,644,886

⁽¹⁾Service cost and interest are measured before reflecting the effect of plan changes or assumption changes.

⁽²⁾Includes interest on total pension liability, service cost, and benefit payments

Sensitivity Analysis

The following presents the net pension liability of PERSI, calculated using the discount rate of 6.35%, as well as what PERSI's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.35%) or 1 percentage point higher (7.35%) than the current rate.

	1% Decrease 5.35%	Current Discount Rate 6.35%	1% Increase 7.35%
Total pension liability	\$29,240,153,307	\$25,872,407,517	\$23,121,817,628
Fiduciary net position	\$22,131,762,631	\$22,131,762,631	\$22,131,762,631
Net pension liability / (asset)	\$7,108,390,676	\$3,740,644,886	\$990,054,997

Schedule of Changes in Net Pension Liability and Related Ratios

	Fiscal Year Ending June 30									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service cost	\$701,894,003	\$637,491,431	\$596,927,904	\$513,205,361	\$484,964,767	\$461,646,272	\$437,257,407	\$406,910,895	\$397,283,921	\$384,419,252
Interest on total pension liability	1,571,819,788	1,480,236,878	1,397,434,963	1,388,578,112	1,321,253,945	1,250,119,942	1,202,947,872	1,129,286,928	1,088,670,726	1,045,505,462
Effect of plan changes	0	22,917,868	274,272,094	5,638,304	372,935,449	0	84,200,000	12,200,000	67,800,000	150,400,000
Effect of economic/demographic (gains) or losses	202,720,914	506,681,792	457,371,784	26,369,372	166,634,457	(105,480,176)	(38,113,799)	273,580,592	(104,512,779)	(105,531,304)
Effect of assumption changes or inputs	0	0	0	1,136,086,143	0	0	104,724,103	0	13,100,000	0
Benefit payments	(1,290,539,869)	(1,249,058,510)	(1,129,444,374)	(1,092,389,237)	(1,012,529,440)	(975,200,330)	(909,678,264)	(864,785,159)	(824,524,533)	(770,593,410)
Net change in total pension liability	1,185,894,836	1,398,269,459	1,596,562,371	1,977,488,055	1,333,259,178	631,085,708	881,337,319	957,193,256	637,817,335	704,200,000
Total pension liability, beginning	24,686,512,681	23,288,243,222	21,691,680,851	19,714,192,796	18,380,933,618	17,749,847,910	16,868,510,591	15,911,317,335	15,273,500,000	14,569,300,000
Total pension liability, ending (a)	25,872,407,517	24,686,512,681	23,288,243,222	21,691,680,851	19,714,192,796	18,380,933,618	17,749,847,910	16,868,510,591	15,911,317,335	15,273,500,000
Fiduciary Net Position										
Employer contributions	\$554,409,453	\$513,828,265	\$476,416,795	\$450,951,588	\$430,638,154	\$390,080,902	\$369,139,113	\$356,367,389	\$335,610,100	\$321,240,628
Member contributions	359,388,202	335,646,335	315,161,350	294,084,814	280,790,591	257,060,511	243,950,654	237,032,668	220,866,936	211,468,780
Investment income net of investment expenses	1,824,049,369	1,755,938,036	(2,073,323,125)	4,734,923,136	463,879,610	1,301,966,592	1,283,658,926	1,692,713,855	202,355,225	367,837,643
Benefit payments	(1,290,539,869)	(1,249,058,510)	(1,129,444,374)	(1,092,389,237)	(1,012,529,440)	(975,200,330)	(909,678,264)	(864,785,159)	(824,524,533)	(770,593,410)
Administrative expenses	(11,386,642)	(9,997,170)	(9,984,308)	(8,972,053)	(10,179,831)	(9,276,642)	(8,922,335)	(8,810,136)	(6,806,655)	(6,434,462)
Net change in plan fiduciary net position	1,435,920,513	1,346,356,956	(2,421,173,662)	4,378,598,248	152,599,084	964,631,033	978,148,094	1,412,518,617	(72,498,927)	123,519,179
Fiduciary net position, beginning	20,695,842,118	19,349,485,162	21,770,658,824	17,392,060,576	17,239,461,492	16,274,830,459	15,296,682,365	13,884,163,748	13,956,662,675	13,833,143,496
Fiduciary net position, ending (b)	22,131,762,631	20,695,842,118	19,349,485,162	21,770,658,824	17,392,060,576	17,239,461,492	16,274,830,459	15,296,682,365	13,884,163,748	13,956,662,675
Net pension liability / (asset), ending = (a) - (b)	\$3,740,644,886	\$3,990,670,563	\$3,938,758,060	(\$78,977,973)	\$2,322,132,220	\$1,141,472,126	\$1,475,017,451	\$1,571,828,226	\$2,027,153,587	\$1,316,837,325
Fiduciary net position as a % of total pension liability	85.54%	83.83%	83.09%	100.36%	88.22%	93.79%	91.69%	90.68%	87.26%	91.38%
Covered payroll	\$4,573,375,234	\$4,234,182,185	\$3,926,999,249	\$3,716,726,113	\$3,546,033,069	\$3,382,051,785	\$3,200,396,203	\$3,089,555,264	\$2,909,277,267	\$2,791,109,393
Net pension liability / (asset) as a % of covered payroll	81.79%	94.25%	100.30%	-2.12%	65.49%	33.75%	46.09%	50.88%	69.68%	47.18%

Schedule of Collective Pension Amounts

Changes in Net Pension Liability and Other Pension-Related Items During Fiscal Year

Deferred Outflows of Resources					Deferred Inflows of Resources				Expense (Revenue) Changes to NPL		
Fiscal Year	Beginning of Year		Differences	Total Deferred	Net Difference		Differences	Total Deferred			End of Year Net
Ending	Net Pension	Changes of	Between	Outflows of	Between	Projected and	Between	Inflows of	Plan Pension	Employer	Pension
	Liability/(Asset)	Assumptions	Expected and	Resources	Projected and	Actual	Expected and	Resources	Expense (Revenue)	Contributions ⁽²⁾	Liability/(Asset)
			Actual	Excluding	Investment	Earnings on	Actual	Excluding			
			Experience	Employer Specific	Pension Plan	Changes of	Experience	Employer Specific			
				Amounts ⁽¹⁾	Investments	Assumptions		Amounts ⁽¹⁾			
6/30/2024	3,990,670,563	(246,975,248)	(88,485,992)	(335,461,240)	(442,482,090)	-	-	(442,482,090)	1,075,808,006	(547,890,353)	3,740,644,886

Total Deferred Outflows and Inflows as of June 30, 2024

Deferred Outflows of Resources			Deferred Inflows of Resources			
			Net Difference			
			Between	Projected and		Total Deferred
			Actual	Actual	Differences	Inflows of
			Expected and	Investment	Between	Resources
			Actual	Earnings on	Expected and	Excluding
	Changes of		Experience	Pension Plan	Actual	Employer Specific
	Assumptions			Investments	Experience	Amounts ⁽¹⁾
	148,185,151		595,545,186	(67,898,955)	-	(67,898,955)
			743,730,337			

(1) Employer specific amounts that are excluded from this schedule are the changes in proportion as defined in paragraphs 54 and 55 of GASB Statement 68.

(2) Represent contributions that have been reported on the employers' records

Pension Expense

Pension Expense	July 1, 2023 to June 30, 2024	July 1, 2022 to June 30, 2023
Service cost ⁽¹⁾	\$701,894,003	\$637,491,431
Interest on total pension liability ⁽¹⁾	1,571,819,788	1,480,236,878
Effect of plan changes	0	22,917,868
Administrative expenses	11,386,642	9,997,170
Member contributions	(359,388,202)	(335,646,335)
Other Income	(6,519,100)	(6,149,821)
Expected investment return net of investment expenses ⁽¹⁾	(1,302,052,537)	(1,215,888,245)
Recognition of Deferred Inflows/Outflows of Resources		
Recognition of economic/demographic gains or losses	291,206,906	238,190,186
Recognition of assumption changes or inputs	246,975,248	246,975,248
Recognition of investment gains or losses	(79,514,742)	(8,371,299)
Pension Expense	1,075,808,006	1,069,753,081

(1) Service cost, interest on total pension liability, and expected investment return for the period ending June 30, 2024, are measured before reflecting the effect of plan changes or assumption changes.

As of June 30, 2024, the deferred inflows and outflows of resources are as follows:

Deferred Inflows / Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$0	\$595,545,186
Changes of assumptions	0	148,185,151
Net difference between projected and actual earnings	(67,898,955)	0
Contributions made subsequent to measurement date	0	0
Total	(67,898,955)	743,730,337
Net deferred inflows and outflows	\$675,831,382	

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2025	\$184,623,100
2026	697,452,886
2027	(120,274,410)
2028	(85,970,194)
2029	0
Thereafter	0
Total	\$675,831,382

Note that additional future deferred inflows and outflows of resources will impact these numbers.

Schedule of Deferred Inflows and Outflows of Resources

	Original Amount	Date Established	Original Recognition Period*	Amount Recognized in 06/30/2024 Expense	Balance of Deferred Inflows 06/30/2024	Balance of Deferred Outflows 06/30/2024
Investment (gains) or losses	\$740,716,649	06/30/2020	5.0	\$148,143,329	\$0	\$0
	(3,521,129,416)	06/30/2021	5.0	(704,225,883)	(704,225,884)	0
	3,444,885,678	06/30/2022	5.0	688,977,136	0	1,377,954,270
	(540,049,791)	06/30/2023	5.0	(108,009,958)	(324,029,875)	0
	(521,996,832)	06/30/2024	5.0	<u>(104,399,366)</u>	<u>(417,597,466)</u>	<u>0</u>
		Total		(79,514,742)	(1,445,853,225)	1,377,954,270
Economic/demographic (gains) or losses	166,634,457	06/30/2020	4.7	24,817,897	0	0
	26,369,372	06/30/2021	4.6	5,732,472	0	3,439,484
	457,371,784	06/30/2022	4.6	99,428,649	0	159,085,837
	506,681,792	06/30/2023	4.4	115,154,953	0	276,371,886
	202,720,914	06/30/2024	4.4	<u>46,072,935</u>	<u>0</u>	<u>156,647,979</u>
		Total		291,206,906	0	595,545,186
Assumption changes or inputs	0	06/30/2020	0.0	0	0	0
	1,136,086,143	06/30/2021	4.6	246,975,248	0	148,185,151
	0	06/30/2022	0.0	0	0	0
	0	06/30/2023	0.0	0	0	0
	0	06/30/2024	0.0	<u>0</u>	<u>0</u>	<u>0</u>
		Total		246,975,248	0	148,185,151

* Investment (gains)/losses are recognized in pension expense over a period of five years; economic/demographic (gains)/losses and assumption changes or inputs are recognized over the average remaining service life for all active and inactive members.

Pension Liability and Expense Summary

	Total Pension (Liability)	Plan Fiduciary Net Position	Net Pension (Liability) / Asset	Deferred Inflows	Deferred Outflows	Net Deferrals	Net Pension Liability plus Net Deferrals	Annual Expense
Balances as of June 30, 2023	(\$24,686,512,681)	\$20,695,842,118	(\$3,990,670,563)	(\$1,840,491,600)	\$3,294,266,312	\$1,453,774,712	(\$2,536,895,851)	
Service cost	(701,894,003)		(701,894,003)					701,894,003
Interest on total pension liability	(1,571,819,788)		(1,571,819,788)					1,571,819,788
Effect of plan changes	0		0					0
Effect of liability gains or losses	(202,720,914)		(202,720,914)		202,720,914	202,720,914		
Effect of assumption changes or inputs	0		0			0		
Benefit payments	1,290,539,869	(1,290,539,869)	0					
Administrative expenses		(11,386,642)	(11,386,642)					11,386,642
Member contributions		359,388,202	359,388,202					(359,388,202)
Other Income		6,519,100	6,519,100					(6,519,100)
Expected investment income (net of inv expenses)		1,302,052,537	1,302,052,537					(1,302,052,537)
Investment gains or losses		521,996,832	521,996,832	(521,996,832)		(521,996,832)		
Employer contributions		547,890,353	547,890,353				547,890,353	
Recognition of liability gains or losses					(291,206,906)	(291,206,906)		291,206,906
Recognition of assumption changes or inputs					(246,975,248)	(246,975,248)		246,975,248
Recognition of investment gains or losses				916,635,207	(837,120,465)	79,514,742		(79,514,742)
Annual expense							(1,075,808,006)	1,075,808,006
Balances as of June 30, 2024	(25,872,407,517)	22,131,762,631	(3,740,644,886)	(1,445,853,225)	2,121,684,607	675,831,382	(3,064,813,504)	

Glossary

Actuarially Determined Contribution

A target or recommended contribution to a defined benefit pension plan for the reporting period, determined based on the funding policy and most recent measurement available when the contribution for the reporting period was adopted.

The system defines their Actuarially Determined Contribution as the contribution rate necessary to fully fund the system over a period of 25 years based on the valuation results two years prior to this measurement date. See our Actuarial Valuation reports for more details on this calculation. Starting with the July 1, 2023, valuation this has changed. Due to the two year lag, this change will first be shown in the fiscal year July 1, 2024, to June 30, 2025, GASB report.

Deferred Inflows/Outflows of Resources

Portion of changes in net pension liability that is not immediately recognized in Pension Expense. These changes include differences between expected and actual experience, changes in assumptions, and differences between expected and actual earnings on plan investments.

Discount Rate

Single rate of return that, when applied to all projected benefit payments, results in an actuarial present value of projected benefit payments equal to the

- 1) The actuarial present value of benefit payments projected to be made in future periods where the plan assets are projected to be sufficient to meet benefit payments, calculated using the Long-Term Expected Rate of
- 2) The actuarial present value of projected benefit payments not included in (1), calculated using the Municipal Bond Rate.

Fiduciary Net Position

Equal to market value of assets.

Long-Term Expected Rate of Return

Long-term expected rate of return on pension plan investments expected to be used to finance the payment of benefits, net of investment expenses.

Money-Weighted Rate of Return

The internal rate of return on pension plan investments, net of investment expenses.

Municipal Bond Rate

Yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Net Pension Liability / (Asset)

Total Pension Liability minus the Plan's Fiduciary Net Position (unfunded accrued liability).

Glossary

Projected Benefit Payments	All benefits estimated to be payable through the pension plan to current active and inactive employees as a result of their past service and expected future service.
Service Cost	The portion of the actuarial present value of projected benefit payments that is attributed to a valuation year.
Total Pension Liability	The portion of actuarial present value of projected benefit payments that is attributable to past periods of member service using the Entry Age Normal cost method based on the requirements of GASB 67.