



Lancaster County Employees' Retirement System

**Report on 2024 Actuarial Valuation Including
Determination of County Actuarially Determined
Contribution for 2024**





Prepared by:

**Korn Ferry
Suite 3840
2001 Market Street
Philadelphia, Pennsylvania 19103-2029**

for

Lancaster County Employees' Retirement Board

Raymond D'Agostino	Commissioner/Chairman
Joshua G. Parsons	Commissioner
John B. Trescot	Commissioner
Lisa K. Colon	Controller/Secretary
Amber L. Martin	Treasurer

May 2, 2024



Table of Contents

I. Introduction	1
II. Findings	2
III. Schedules	3
Schedule A – Changes in Plan Net Assets, Plan Assets, Plan Description and Contribution Information, and Historical Accounting Information	3
Schedule B – Allocation of Assets and Liabilities - January 1, 2024.....	8
Schedule C – Unfunded Actuarial Liability and Normal Cost	9
Schedule D – Actuarial Gain (Loss) for One Year Period Ending December 31, 2023.....	10
Schedule E – Amortization Schedule.....	11
Schedule F – Determination of Certified Actuarially Determined Contribution	12
Schedule G – Notes for Schedule B and I and the Actuarial Value of Assets	13
Schedule H – Approximate Rate of Return for 2023	15
Schedule I – Determination of Reserve Balances	17
Schedule J – Membership History	18
Schedule K – Changes in Plan Participation from January 1, 2023 to January 1, 2024	19
Schedule L – Age, Service and Average Salary Profile	20
Schedule M – Actuarial Assumptions and Actuarial Cost Method for Funding Purposes, January 1, 2024.....	21
Schedule N – Summary of Plan Provisions	24
Schedule O – Historical Trend Information.....	28
Schedule P – Plan Maturity and Risk Measures.....	29



I. Introduction

The primary purpose of this report is to investigate and fully and fairly disclose the actuarial position of the Lancaster County Employees' Retirement System as of January 1, 2024 and to establish the proper appropriation for the 2024 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)

David D. Reichert, EA
Member, American Academy of Actuaries
ERISA Enrolled Actuary No. 23-6461

Michael Spadaro, FSA, EA, MAAA, FCA
Member, American Academy of Actuaries
ERISA Enrolled Actuary No. 23-8969



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 2024 is \$5,412,015. 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	\$	8,207,045.03		
Retired Members Annuity Reserve Account			\$	8,207,045.03



III. Schedules

Schedule A

**LANCASTER COUNTY EMPLOYEES' RETIREMENT SYSTEM
CHANGES IN PLAN NET ASSETS
FOR THE CALENDAR YEAR 2023 AND 2022**

		Additions	
		<u>2023 Total</u>	<u>2022 Total</u>
Contributions			
County	\$	5,159,368.00	\$ 3,903,385.00
Plan Members	\$	7,703,396.94	\$ 6,924,353.82
Miscellaneous	\$	0.00	\$ 14,021.37
Total Contributions	\$	<u>12,862,764.94</u>	<u>\$ 10,841,760.19</u>
Investment Income			
Realized Gain	\$	<u>2,504,598.97</u>	
Unrealized Gain	\$	<u>30,975,021.24</u>	
Net Gain in Fair Value	\$	33,479,620.21	\$ (46,654,685.30)
Interest/Dividends	\$	9,285,575.40	\$ 5,900,690.60
Net Accrued Interest	\$	131,454.01	\$ 79,496.01
Investment Income	\$	<u>42,896,649.62</u>	<u>\$ (40,674,498.69)</u>
Less Investment Expense	\$	298,489.15	\$ 271,747.04
Net Investment Income	\$	<u>42,598,160.47</u>	<u>\$ (40,946,245.73)</u>
Total Additions	\$	<u>55,460,925.41</u>	<u>\$ (30,104,485.54)</u>
		Deductions	
Benefits	\$	21,449,177.15	\$ 20,662,700.12
Refunds of Member Contributions	\$	1,302,069.50	\$ 1,088,535.55
Administrative Expense	\$	80,519.92	\$ 57,475.00
Miscellaneous	\$	<u>31,067.46</u>	<u>\$ 32,201.60</u>
Total Deductions	\$	<u>22,862,834.03</u>	<u>\$ 21,840,912.27</u>
Net Increase/(Decrease)	\$	<u>32,598,091.38</u>	<u>\$ (51,945,397.81)</u>
		Net Assets Held In Trust For Pension Benefits	
Beginning of Year	\$	<u>338,023,274.58</u>	<u>\$ 389,968,672.39</u>
End of Year	\$	<u>370,621,365.96</u>	<u>\$ 338,023,274.58</u>



Schedule A – Continued

LANCASTER COUNTY EMPLOYEES' RETIREMENT SYSTEM PLAN ASSETS AS OF DECEMBER 31, 2023 AND 2022

Assets

	<u>2023 Total</u>	<u>2022 Total</u>
Cash and Short-Term Investments	\$ 1,935,592.14	\$ 946,020.90
Receivables	\$ 727,408.43	\$ 516,423.06
Investments, at fair market value		
Government obligations	\$ 21,294,462.14	\$ 15,658,611.18
Corporate bonds	\$ 13,211,355.03	\$ 9,585,985.82
Equity mutual funds	\$ 93,182,350.14	\$ 97,457,903.62
International stocks	\$ 31,825,124.57	\$ 35,850,369.15
Mortgage obligations	\$ 3,516,407.36	\$ 3,067,995.83
Infrastructure	\$ 27,902,912.00	\$ 25,447,532.00
Fixed income mutual funds	\$ 40,776,703.07	\$ 25,441,942.50
Certificates of deposit	\$ 236,884.52	\$ 2,053,515.11
Global mutual funds	\$ 54,121,776.51	\$ 50,004,765.41
Real estate	\$ 23,351,944.00	\$ 27,249,256.00
Other investments	\$ 58,538,446.05	\$ 44,742,954.00
Total Investments	\$ 367,958,365.39	\$ 336,560,830.62
 Total Assets	\$ 370,621,365.96	\$ 338,023,274.58

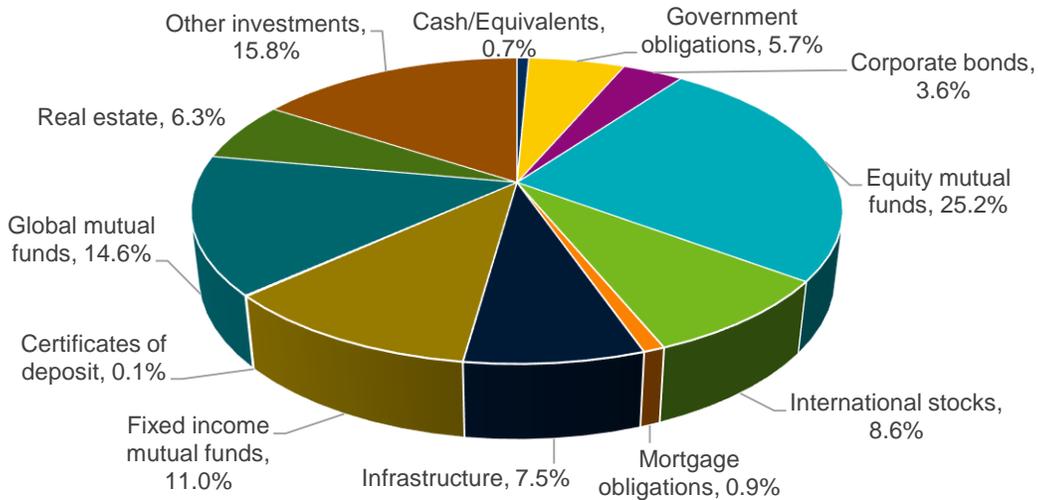
Liabilities

Refunds Payable and Other	\$ 0.00	\$ 0.00
---------------------------	---------	---------

Net Assets Held In Trust For Pension Benefits

	<u>\$ 370,621,365.96</u>	<u>\$ 338,023,274.58</u>
--	--------------------------	--------------------------

TOTAL ASSETS (MARKET VALUE 12-31-2023)





Schedule A – Continued

Lancaster County Employees' Retirement System

Plan Description and Contribution Information

Basis of Accounting: The Lancaster 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, 2024:

Retirees and Beneficiaries Receiving Benefits	1,498
Terminated Plan Members Entitled to but not yet Receiving Benefits	312
Active Plan Members	1,636
Total	<u>3,446</u>
Number of Participating Employers	<u>1</u>



Schedule A – Continued

Lancaster County Employees' Retirement System

Plan Description: The Lancaster 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 Lancaster 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 5% 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	
2014	\$ 5,962,997	\$ 5,962,997	
2015	\$ 5,228,813	\$ 5,228,813	
2016	\$ 4,580,199	\$ 4,580,199	
2017	\$ 4,424,334	\$ 4,424,334	
2018	\$ 4,399,055	\$ 4,399,055	
2019	\$ 5,048,537	\$ 5,048,537	
2020	\$ 4,918,872	\$ 4,918,872	
2021	\$ 5,142,723	\$ 5,142,723	
2022	\$ 3,903,385	\$ 3,903,385	
2023	\$ 5,159,368	\$ 5,159,368	

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
1/1/2015	236,547,831	265,716,928	29,169,097	89.0%	79,478,129	36.7%
1/1/2016	250,584,482	278,638,967	28,054,485	89.9%	81,355,686	34.5%
1/1/2017	264,742,289	292,274,553	27,532,264	90.6%	80,039,687	34.4%
1/1/2018	281,656,365	308,081,325	26,424,960	91.4%	82,059,110	32.2%
1/1/2019	287,876,891	320,067,540	32,190,649	89.9%	83,892,412	38.4%
1/1/2020	300,818,281	341,362,445	40,544,164	88.1%	83,386,323	48.6%
1/1/2021	323,666,104	355,614,396	31,948,292	91.0%	84,337,086	37.9%
1/1/2022	351,193,373	371,171,231	19,977,858	94.6%	81,800,905	24.4%
1/1/2023	362,242,486	389,702,640	27,460,154	93.0%	92,217,959	29.8%
1/1/2024	381,445,220	405,537,405	24,092,185	94.1%	99,808,810	24.1%



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, 2024. The liabilities were determined from the actuarial valuation of the System based upon the data submitted by the County.

ASSETS

Members' Annuity Reserve Account	\$	84,623,974.75
County Annuity Reserve Account	\$	65,357,749.58
Retired Members' Reserve Account	\$	195,633,526.00
Unrealized Appreciation of Assets	\$	25,006,115.63
<i>Total Assets, (Market Value) of the Lancaster County Employees' Retirement Fund</i>	\$	370,621,365.96

LIABILITIES

Actuarial Present Value of:

Accumulated Plan Benefits		
Vested participants (957)	\$	72,040,666
Nonvested participants (679)	\$	976,194
Future Benefit Accruals	\$	80,387,675
Terminated Vested Benefits	\$	16,330,883
Retired Benefits	\$	195,633,526
Members' Accumulated Deductions	\$	84,623,975
<i>Total Liabilities of the Lancaster County Employees' Retirement Fund</i>	\$	449,992,919



Schedule C

Unfunded Actuarial Liability and Normal Cost

Schedule C shows the development of the unfunded actuarial liability and the normal cost for 2024.

I. Unfunded Actuarial Liability January 1, 2024

1. Actuarial Liability:		
(a) Active Participants		
Retirement Benefits	\$	116,164,623
Termination Benefits		8,102,731
Death Benefits		2,512,028
Total	\$	<u>126,779,382</u>
(b) Terminated Vested Participants	\$	16,330,883
(c) Retired Members and Beneficiaries		
Retirement Benefits	\$	191,830,836
Cost-of-Living Benefits		3,802,690
Total	\$	<u>195,633,526</u>
(d) Actuarial Present Value of Members' Accumulated Deductions	\$	<u>66,793,614</u>
(e) Total (a) + (b) + (c) + (d)	\$	<u>405,537,405</u>
2. Actuarial Value of Plan Assets (see page 14)	\$	381,445,220
3. Unfunded Actuarial Liability as of January 1, 2024: (1e) – (2)	\$	<u><u>24,092,185</u></u>

II. Normal Cost for 2024

1. Normal Cost for:		
(a) Retirement Benefits	\$	3,320,415
(b) Termination Benefits		514,066
(c) Death Benefits		78,518
(d) Members' Accumulated Deductions		<u>3,668,934</u>
(e) Normal Cost as of January 1, 2024	\$	<u>7,581,933</u>
(f) Normal Cost with interest to end of year: (e) x 1.07	\$	8,112,668



Schedule D

Actuarial Gain (Loss) for One Year Period Ending December 31, 2023

Schedule D shows the development of the actuarial gain (loss) for the 2023 plan year.

1.	Unfunded Actuarial Liability as of January 1, 2023	\$	27,460,154
2.	Normal Cost as of January 1, 2023		6,717,419
3.	Interest at 7.00% Per Year to December 31, 2023 on (1) and (2)		2,392,430
4.	Expected Employer Contributions for the 2023 Plan Year		5,159,368
5.	Expected Employee Contributions for the 2023 Plan Year		4,772,279
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, 2024: (1) + (2) + (3) – (4) – (5) + (6) + (7)	\$	26,638,356
9.	Unfunded Actuarial Liability as of January 1, 2024		24,092,185
10.	Actuarial Gain (Loss) for 2023 Plan Year: (8) – (9)	\$	2,546,171

Actuarial Gain/(Loss) for 2023 Plan Year from Investments

11.	Gain/(Loss) from 2023 - \$19,595,469 x 0.2	\$	3,919,094
12.	Gain/(Loss) from 2022 - (67,577,824) x 0.2		(13,515,565)
13.	Gain/(Loss) from 2021 - 26,804,541 x 0.2		5,360,908
14.	Gain/(Loss) from 2020 - 16,623,247 x 0.2		3,324,649
15.	Gain/(Loss) from 2019 - 35,555,120 x 0.2		7,111,024
16.	Total Gain/(Loss) from Investments (11) + (12) + (13) + (14) + (15)	\$	6,200,110
17.	Total Gain/(Loss) from Other Sources (10) – (16)		(3,653,939)



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 1st 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 1st 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 1st 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 1st 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 2024

	As of January 1, 2024				
	<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 of UAL	\$ 31,948,292	1/1/2021	16 Years	\$ 29,200,473	\$ 3,091,094
(b) Experience gains	(11,115,721)	1/1/2022	13 Years	(10,200,065)	(1,220,446)
(c) Experience loss	7,954,494	1/1/2023	14 Years	7,637,948	873,361
(d) Experience G/L	(2,546,171)	1/1/2024	15 Years	<u>(2,546,171)</u>	<u>(279,556)</u>
(e) Total				\$ 24,092,185	\$ 2,464,453



Schedule F

Schedule F determines the certified actuarially determined contribution of \$5,412,015 for 2024 for the Lancaster County Employees' Retirement System.

1. Total Amortization Charge/(Credit) (page 11 (e))	\$ 2,464,453
2. Normal Cost with interest to end of year (page 9 II 1(f))	\$ 8,112,668
3. Expected Member Contributions with interest	\$ 5,165,106
4. Total Funding Requirement for 2024 (actuarially determined contribution for 2024): (1) + (2) - (3), but not less than 0	\$ 5,412,015

Notes:

The actuarially determined contribution for 2024 as a percentage of the estimated 2024 compensation (\$99,808,810) for active members is 5.42%.

The equivalent normal cost accrual rate to be applied to actual 2023 salaries to determine reimbursable expenses is 5.64%.



Schedule G

The following are notes to Schedules B and I:

Members' Annuity Reserve Account: The balance of \$84,623,974.75 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, 2024.

County Annuity Reserve Account: The balance of \$65,357,749.58 in this account as of January 1, 2024 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, 2024 amount to \$195,633,526.00. The corresponding liability for those annuitants on the roll is identical.

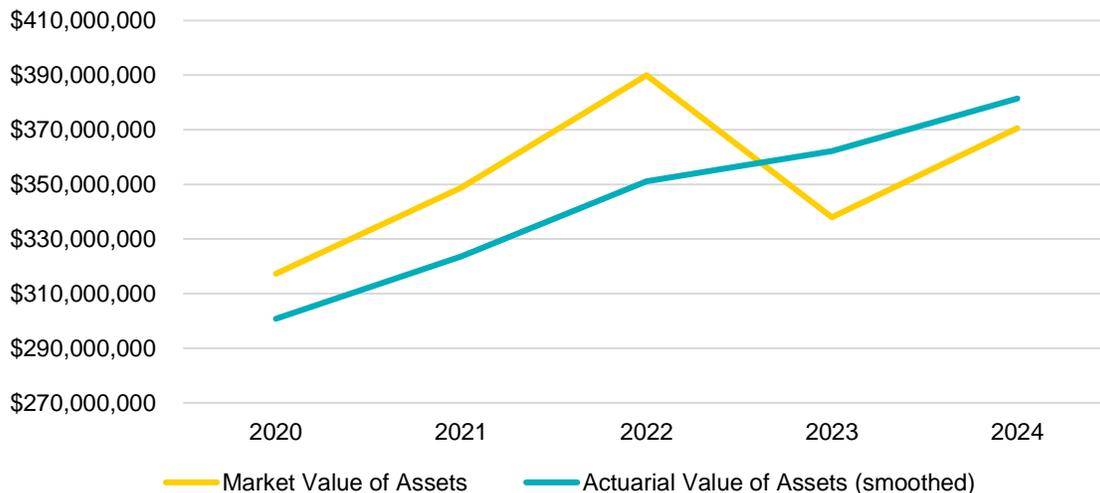


Schedule G – Continued

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 1/1/2023		\$	338,023,275.00
2. Contributions for 2023		\$	12,862,765.00
3. Disbursements during 2023		\$	23,161,323.00
4. Expected Return at 7.00% Interest		\$	23,301,180.00
5. Actual Return for 2023		\$	42,896,649.00
6. Gain/(Loss) for 2023		\$	19,595,469.00
7. Amount Unrecognized for 2023: 19,595,469.00 x .8		\$	15,676,375.00
8. Gain/(Loss) Unrecognized for Prior Years:			
(a) 2022 (67,577,824.00) x .6		\$	(40,546,694.00)
(b) 2021 26,804,541.00 x .4		\$	10,721,816.00
(c) 2020 16,623,247.00 x .2		\$	3,324,649.00
(d) Total of (a) + (b) + (c)		\$	(26,500,229.00)
9. Market Value of Assets as of January 1, 2024		\$	370,621,366.00
10. Actuarial Value of Assets as of January 1, 2024 equals (9) – (7) – (8d)		\$	381,445,220.00
11. Value must be not less than 80% and not greater than 120% of Market Value		\$	381,445,220.00

Historical Asset Values





Schedule H

APPROXIMATE RATE OF RETURN FOR 2023 PLAN YEAR

	<u>Actuarial Value</u>	<u>Market Value</u>
1. Value as of December 31, 2022	\$ 362,242,486.00	\$ 338,023,274.58
2. Contributions Received During Year	\$ 12,862,765.00	\$ 12,862,764.94
3. Benefits and Expenses Paid During Year	\$ 23,161,323.00	\$ 23,161,323.18
4. Value as of December 31, 2023	\$ 381,445,220.00	\$ 370,621,365.96
5. Non-Investment Increment: (2) - (3)	\$ (10,298,558.00)	\$ (10,298,558.24)
6. Investment Increment: (4) - (1) - (5)	\$ 29,501,292.00	\$ 42,896,649.62
7. Time Weighted Value of Assets: (1) + .5 x (5)	\$ 357,093,207.00	\$ 332,873,995.46
8. Approximate Rate of Return for 2023: (6) / (7)	8.26%	12.89%



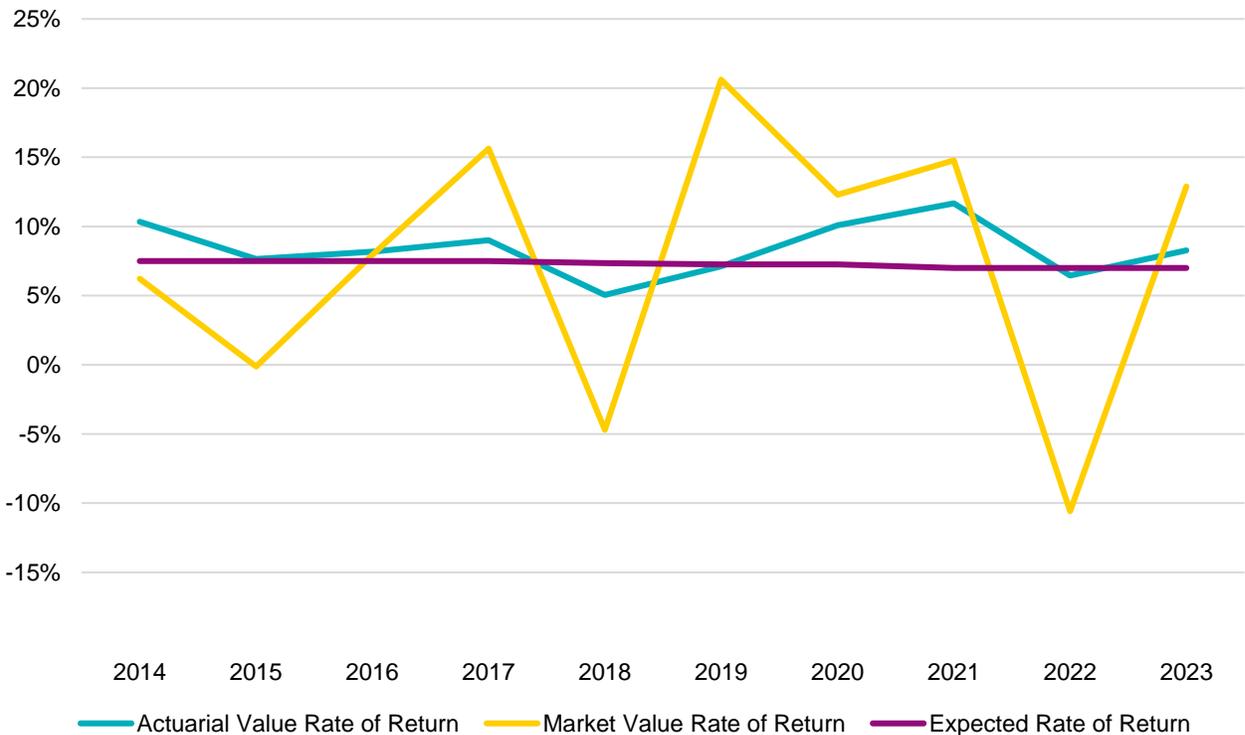
Schedule H – Continued

HISTORY OF INVESTMENT RETURN RATES

<u>Plan Year</u>	<u>Actuarial Value Rate of Return</u>	<u>Market Value Rate of Return</u>
2023	8.26%	12.89%
2022	6.46%	-10.58%
2021	11.67%	14.79%
2020	10.08%	12.30%
2019	7.11%	20.61%
2018	5.05%	-4.70%
2017	9.01%	15.62%
2016	8.18%	7.95%
2015	7.64%	-0.12%
2014	10.35%	6.22%

Five-Year Average (2019 - 2023):	8.70%	9.43%
Ten-Year Average (2014 - 2023):	8.36%	7.07%

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 1/1/2023	\$ 80,768,257.24	\$ 76,009,566.95	\$ 187,214,356.00	\$ 343,992,180.19
County Appropriations		5,159,368.00		5,159,368.00
Member Contributions	7,679,662.90	23,734.04		7,703,396.94
Member Purchases	0.00			0.00
Net Investment Income		11,921,628.38		11,921,628.38
Investment Expenses		(298,489.15)		(298,489.15)
Member Contributions Refunded	(1,302,069.50)			(1,302,069.50)
Pension Payments			(21,249,302.79)	(21,249,302.79)
Death Benefits			(199,874.36)	(199,874.36)
Retiree and Death Benefit Transfers	(5,769,413.04)	(9,981,098.80)	15,750,511.84	0.00
Cost of Living Funding Requirement		0.00	0.00	0.00
Administrative Expenses		(80,519.92)		(80,519.92)
Miscellaneous		(31,067.46)		(31,067.46)
Adjustment to res acct	35,078.52	1,400,029.96	(1,435,108.48)	0.00
Balance Before Interest	81,411,516.12	84,123,152.00	180,080,582.21	345,615,250.33
Interest Allocated in 2023	3,212,458.63	(10,558,357.39)	7,345,898.76	
Balance Before Actuarial Adjustments	84,623,974.75	73,564,794.61	187,426,480.97	345,615,250.33
Actuarial Adjustments		(8,207,045.03)	8,207,045.03	
Ending Balance 12/31/2023	84,623,974.75	65,357,749.58	195,633,526.00	345,615,250.33
Unrealized Appreciation				25,006,115.63
Total Assets (12/31/2023) (Market Value)				370,621,365.96



Schedule J

Membership History

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

1-Jan	ACTIVE MEMBERS AND VESTED TERMINATED MEMBERS			RETIRED MEMBERS AND BENEFICIARIES		
	Male	Female	Total	Male	Female	Total
2024	737	1,211	1,948	507	991	1,498
2023	721	1,189	1,910	493	974	1,467
2022	643	1,164	1,807	483	971	1,454
2021	717	1,200	1,917	458	933	1,391
2020	730	1,210	1,940	446	926	1,372
2019	741	1,243	1,984	432	901	1,333
2018	743	1,243	1,986	415	866	1,281
2017	748	1,224	1,972	403	854	1,257
2016	747	1,198	1,945	398	823	1,221
2015	750	1,214	1,964	373	809	1,182



Schedule K

Changes in Plan Participation From January 1, 2023 to January 1, 2024

ACTIVE PARTICIPANTS		
Number as of January 1, 2023		1,602
Changes During Plan Year:		
Retired	(-)	47
Terminated and Vested	(-)	26
Terminated	(-)	148
Died	(-)	2
New Participants	(+)	257
Number as of January 1, 2024		1,636
RETIRED PARTICIPANTS		
Number as of January 1, 2023		1,467
Changes During Plan Year:		
Returned to Active Service	(-)	0
Died	(-)	41
New Retirements from Active Service	(+)	47
New Surviving Annuitants	(+)	5
Vested Terminated Participants Whose Benefits Commenced	(+)	18
Additions	(+)	2
Number as of January 1, 2024		1,498
TERMINATED VESTED PARTICIPANTS		
Number as of January 1, 2023		308
Changes During Plan Year:		
Terminated	(-)	0
Returned to Active Service	(-)	4
Benefits Commenced	(-)	18
Died	(-)	1
New Termination's with Vesting	(+)	26
Additions	(+)	1
Number as of January 1, 2024		312



Schedule L

Age, Service and Average Salary Profile of the Active Members on January 1, 2024.

MALES -- FULL YEARS OF SERVICE TO JANUARY 1, 2024

<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	5	0	0	0	0	0	0	5	\$ 51,815
20-24	45	0	0	0	0	0	0	45	\$ 58,226
25-29	89	13	0	0	0	0	0	102	\$ 58,053
30-34	54	25	16	0	0	0	0	95	\$ 63,384
35-39	36	10	21	4	0	0	0	71	\$ 63,144
40-44	17	7	6	13	8	0	0	51	\$ 67,208
45-49	16	5	7	17	19	6	0	70	\$ 71,829
50-54	15	3	6	7	8	21	3	63	\$ 76,146
55-59	18	10	7	6	8	10	8	67	\$ 76,650
60-64	10	4	9	2	3	5	6	39	\$ 73,034
65 +	10	6	3	1	1	1	5	27	\$ 62,844
Total	315	83	75	50	47	43	22	635	\$ 66,518

Average Age: 42.01

Average Service: 9.42

FEMALES -- FULL YEARS OF SERVICE TO JANUARY 1, 2024

<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	2	0	0	0	0	0	0	2	\$ 49,105
20-24	62	1	0	0	0	0	0	63	\$ 43,017
25-29	97	27	0	0	0	0	0	124	\$ 47,563
30-34	79	57	4	0	0	0	0	140	\$ 51,225
35-39	43	30	12	17	0	0	0	102	\$ 52,309
40-44	33	19	10	34	19	0	0	115	\$ 56,503
45-49	25	14	6	21	26	14	2	108	\$ 59,803
50-54	23	17	13	11	19	41	17	141	\$ 60,344
55-59	20	11	7	12	8	10	17	85	\$ 57,109
60-64	12	17	6	9	8	8	17	77	\$ 55,108
65 +	12	11	3	7	4	2	5	44	\$ 48,958
Total	408	204	61	111	84	75	58	1,001	\$ 53,876

Average Age: 43.39

Average Service: 10.78



Schedule M

Actuarial Assumptions and Actuarial Cost Method for Funding Purposes, January 1, 2024.

Actuarial Assumptions

Mortality Rates: SOA Pub-2010 for general employees with generational projection using Scale MP-2019.

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

<u>Age at Hire</u>	<u>Years of Service</u>				
	<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: 7.0% per annum, compounded annually.

Salary Increases: 4.0% 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, 1961.
- 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%	01/01/1961
1/100	1.000%	01/01/1973
1/80	1.250%	01/01/1977

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:

- 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,

PLUS

- 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 5% and 15% of his salary.

15. Deposit Administrator

Investment Managers:

C.S. McKee

JP Morgan

Morgan Stanley

Custodian:

Fulton Financial Advisors

Investment Consultant:

Marquette Associates



Schedule N - Continued

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 twenty four times in the past from January, 1972 through January, 1999 and since then as follows:

PERCENTAGE/ANNUAL CHANGE IN C.P.I.	EFFECTIVE DATE OF INCREASE
100%	1/1/2000
100%	1/1/2001
100%	1/1/2002
100%	1/1/2003
100%	1/1/2004
100%	1/1/2005
100%	1/1/2006
100%	1/1/2007
100%	1/1/2008
95%	1/1/2009

18. Early Retirement Provision - The Retirement Board has authorized the following Early Retirement Provisions:

Percent of Additional Service	Early Retirement Period
15%	7/1/95-12/31/95
15%	7/1/00-12/31/00
15%	11/1/10-12/20/10



Schedule O

Historical Trend Information

REVENUES BY SOURCE

<u>Fiscal Year</u>	<u>Employee Contributions</u>	<u>Employer Contributions</u>	<u>Investment Income</u>	<u>Miscellaneous</u>	<u>Total</u>
2014	\$ 5,034,095	\$ 5,962,997	\$ 21,872,509	\$ 4,345	\$ 32,873,946
2015	4,973,865	5,228,813	25,324,460	3,098	35,530,236
2016	5,110,678	4,580,199	9,317,840	88,836	19,097,553
2017	5,401,676	4,424,334	18,603,873	64,871	28,494,754
2018	5,597,884	4,399,055	32,411,549	0	42,408,488
2019	5,762,873	5,048,537	7,937,061	0	18,748,471
2020	6,074,437	4,918,872	13,788,946	0	24,782,255
2021	6,270,764	5,142,723	69,550,126	0	80,963,613
2022	6,924,354	3,903,385	15,831,324	14,021	26,673,084
2023	7,703,397	5,159,368	11,921,628	0	24,784,393

EXPENSES BY TYPE

<u>Fiscal Year</u>	<u>Benefits</u>	<u>Refunds</u>	<u>Administrative/ Miscellaneous</u>	<u>Total</u>
2014	\$ 11,792,083	\$ 1,163,160	\$ 739,201	\$ 13,694,444
2015	12,168,438	1,187,981	730,425	14,086,844
2016	14,092,700	1,085,032	688,080	15,865,812
2017	14,872,093	1,086,291	560,234	16,518,618
2018	16,140,898	1,038,097	613,417	17,792,412
2019	16,356,060	1,179,411	541,351	18,076,822
2020	16,581,033	1,032,093	497,846	18,110,972
2021	19,170,152	1,470,929	464,353	21,105,434
2022	20,662,700	1,088,535	361,424	22,112,659
2023	21,449,177	1,302,069	410,077	23,161,323



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	1.3	3.2	\$ 300,000	3.8	\$ 360,000
2019	1.2	3.8	\$ 354,000	4.0	\$ 371,000
2020	1.2	4.1	\$ 383,000	4.2	\$ 390,000
2021	1.1	4.8	\$ 428,000	4.5	\$ 408,000
2022	1.1	3.7	\$ 371,000	4.2	\$ 428,000
2023	1.1	3.7	\$ 407,000	4.1	\$ 445,000

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 5.15%. 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, 2023. All other assumptions and methods remained the same to measure the LDROM.



Schedule P - Continued

	Funding Assumptions	LDRM Assumptions
Actuarial Accrued Liability	405,537,405	501,404,795
Actuarial Value of Assets	381,445,220	381,445,220
Unfunded Liability	24,092,185	119,959,575
Actuarially Determined Contribution	5,412,015	17,668,155
Funded Status	94.1%	76.1%
Investment Return Assumption	7.0%	5.15%

Drastically reducing investment risk would create an additional unfunded liability of \$95,867,390 and increase the actuarially determined contribution by \$12,256,140. This information is for illustrative purposes only to provide a relative impact caused by investment risk attributed to the Plan.