



State Universities Retirement System of Illinois

Actuarial Valuation Report as of
June 30, 2025





October 24, 2025

Board of Trustees
State Universities Retirement System of Illinois
1901 Fox Drive
Champaign, Illinois 61820

Dear Members of the Board:

At your request, we present the report of the actuarial valuation of the State Universities Retirement System of Illinois ("SURS") as of June 30, 2025. GRS has prepared this report exclusively for the Trustees of the State Universities Retirement System of Illinois; GRS is not responsible for reliance upon this report by any other party. This report may be provided to parties other than SURS only in its entirety and only with the permission of the Trustees.

This actuarial valuation provides information on the funding status and the contribution requirements of SURS. This actuarial valuation includes a determination of the statutory State contribution requirement (the "Statutory Contribution") for the fiscal year ending June 30, 2027, and provides estimates of Statutory contributions for subsequent years under Section 15-155 of the SURS Article of the Illinois Pension Code as amended by the provisions of Public Act ("PA") 100-0023, 100-0587 and PA 101-0010. Information required by Governmental Accounting Standards Board ("GASB") Statement Nos. 67 and 68 is provided in a separate report. This report should not be relied on for any purpose other than the purpose described herein.

This actuarial valuation is based on the provisions of SURS in effect as of June 30, 2025, data on the SURS membership and information on the asset value of the trust fund as of that date. The actuarial valuation was based upon the information furnished by SURS staff, concerning SURS benefits, financial transactions, plan provisions and active members, terminated members, retirees and beneficiaries. We checked for internal and year-to-year consistency, but did not audit the data. We are not responsible for the accuracy or completeness of the information provided by SURS.

The actuarial cost method (Projected Unit Credit, as required by statute) and the asset smoothing method (also as required by statute) and all other assumptions and methods used in this actuarial valuation are unchanged from the prior June 30, 2024 actuarial valuation of SURS. Economic and demographic actuarial assumptions are based on recommendations from the experience study report covering the period June 30, 2020 through June 30, 2023.

The actuarial assumptions were adopted by the Board pursuant to Section 15-155 of 40 ILCS 5 of the Illinois Pension Code. In our opinion, the actuarial assumptions are reasonable for the purpose of the measurement. The combined effect of the assumptions is expected to have no significant bias (i.e., not significantly optimistic or pessimistic). All actuarial assumptions and methods used in the valuation follow the guidance in the applicable Actuarial Standards of Practice. Additional information about the actuarial assumptions is included in Appendix G of this report entitled Actuarial Methods and Assumptions.

To the best of our knowledge, this actuarial statement is complete and accurate, fairly presents the actuarial position of SURS as of June 30, 2025, and has been prepared in accordance with generally accepted actuarial principles and practices, with the Actuarial Standards of Practice issued by the Actuarial Standards Board and with applicable statutes.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions, contribution amounts or applicable law. Due to the limited scope of the actuary's assignment, the actuary did not perform an analysis of the potential range of such future measurements in this report.

Actuarial valuations do not affect the ultimate cost of the Plan, only the timing of contributions into the Plan. Plan funding occurs over time. If the contribution levels over a period of years are lower or higher than necessary, it is normal and expected practice for adjustments to be made to future contribution levels to take account of this variance, with a view to funding the plan over time.

Although prior year statutory contribution requirements were met, the statutory funding method generates a contribution requirement that is less than a reasonable actuarially determined contribution.

Meeting the statutory requirement does not mean that the undersigned agree that adequate actuarial funding has been achieved; we recommend the development of and adherence to a funding policy that funds the normal cost of the plan, as well as an amortization payment based on the unfunded liability as of the valuation date that would seek to pay off the total unfunded accrued liability by 2045, or sooner if possible.

We have illustrated an alternate policy contribution in this report based on a 19-year closed amortization period as of June 30, 2025 (with payments that increase annually at the rate of assumed inflation of 2.40%), which pays off the unfunded liability by 2045. This contribution is a reasonable actuarially determined contribution.

This report was prepared using our proprietary valuation model and related software and spreadsheet models used to calculate the statutory contributions in each future year through 2045 under the SURS statutory funding policy. In our professional judgment, the models used have the capability to provide results that are consistent with the purposes of the valuation and have no material limitations or known



weaknesses. We performed tests to ensure that the models reasonably represent that which is intended to be modeled.

The signing actuaries are independent of the plan sponsor.

Amy Williams, Mark Buis and Kevin Noelke are Members of the American Academy of Actuaries (“MAAA”) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

Respectfully submitted,

Gabriel, Roeder, Smith & Company



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Table of Contents

Pages

Summary of the Actuarial Valuation

1-2	Executive Summary
3-9	Summary of the Actuarial Valuation
9-12	Recommendations
12	GASB Disclosure
12-13	Future Considerations
13	Actuarial Standards of Practice (ASOP) 4 Disclosures
14-18	Risk Associated with Measuring the Accrued Liability and Contributions
19-20	Low-Default-Risk Obligation Measure

Appendix A: Asset Information

21	Table 1 – Statement of Plan Net Position
22	Table 2 – Statement of Changes in Plan Net Position
23	Table 3 – Defined Benefit Plan Development of the Actuarial Value of Assets
24	Table 4 – Development of Market and Actuarial Value of Assets as of June 30, 2025, after Bonds (Valuation Basis) and before Bonds (Hypothetical Basis)

Appendix B: Actuarial Determinations

25	Table 5 – Summary of Actuarial Values
26	Table 6 – Analysis of Change in Actuarial Accrued Liability and Actuarial Value of Assets
27	Table 7 – Analysis of Change in Unfunded Actuarial Accrued Liability
28	Table 8 – Analysis of Actuarial (Gains) and Losses
29	Table 9 – Funded Ratio and Illustrative Contributions under Funding Policy of Net Normal Cost Plus Amortization of Unfunded Liability

Appendix C: Actuarial Projections

30	Table 10 – Baseline Projections
31	Graph 1 – Projected Funded Ratio Based on Statutory Contributions
32	Graph 2 – Projected Actuarial Accrued Liabilities
33	Graph 3 – Projected Benefit Payments
34	Graph 4 – Projected Cash Flows
35	Graph 5 – Projected Non-Investment Cash Flows as a Percent of Assets
36	Table 11 – Projected Statutory Contributions Before Impact of Bonds Issued in 2004
37	Table 12 – Projected Statutory Contributions Including Impact of Bonds Issued in 2004
38	Graph 6 – Projected Statutory Contributions vs. Contributions under Alternate Policy
39	Table 13 – Projected Net Normal Cost Contributions, Unfunded Liability Contributions and Single Equivalent Amortization Period Under the Statutory and Alternate Funding Policies
40	Graph 7 – Projected Unfunded Liability Contribution Rates Under the Statutory and Alternate Funding Policies

Table of Contents

Appendix D: Additional Projection Details

41	Table 14 – Projections Including Impact of Bonds Issued in 2004 (Does Not Reflect Recognition of Deferred Asset Gains and Losses in Projected Actuarial Value of Assets)
42	Table 15 – Projections Before Impact of Bonds Issued in 2004 (Reflects Recognition of Deferred Asset Gains and Losses in Projected Actuarial Value of Assets)
43	Table 16 – Projections Before Impact of Bonds Issued in 2004 (Does Not Reflect Recognition of Deferred Asset Gains and Losses in Projected Actuarial Value of Assets)
44	Table 17 – Additional Details – Total Normal Cost Dollars
45	Table 18 – Additional Details – Normal Cost Rates
46	Table 19 – Additional Details – Number of Members, Contributions and Payroll
47	Table 20 – Additional Details – Present Value of Future Benefits and Benefit Payments
48	Table 21 – Additional Details – Actuarial Accrued Liability and Employer Normal Cost Dollars
49	Table 22 – Additional Details – Payroll and Payroll in Excess of Governor’s Pay
50	Table 23 – Additional Details – Statutorily Required Employer Contributions

Appendix E: Historical Schedules

51	Table 24 – Historical Schedule of Funding Status
52	Table 25 – Historical Comparison of ARC and State Contributions
53	Table 26 – Historical Schedule of Contributions

Appendix F: Membership Data

54	Table 27 – Summary of Data Characteristics – Active, Inactive, Retired
55	Table 28 – Summary of Data Characteristics – Active
56	Table 29 – Summary of Data Characteristics – Inactive
57	Table 30 – Summary of Data Characteristics – Academic/Non-Academic
58	Table 31 – Summary of Data Characteristics – Actives by Tier and Academic/Non-Academic
59	Table 32 – Distribution of Active Members by Age and Years of Service
60	Table 33 – Distribution of Benefit Recipients by Age
61	Table 34 – Summary of Fund Membership
62	Table 35 – Schedule of Active Defined Benefit Member Payroll
63	Table 36 – Member Population and Ratio of Actives to Non-Actives
64	Table 37 – Reconciliation of Defined Benefit Membership
65	Table 38 – Participating Employers
66	Table 39 – Active Members by Employer Category and Tier
66	Table 40 – Participating Employers for Police Active Members

Table of Contents

Appendix G: Actuarial Methods and Assumptions

67	Projected Unit Credit Method
67-68	Funding Policy to Calculate Statutory Contributions
68	Statutory Contributions Related to the Optional Hybrid Plan
68-69	Phase In of the Financial Impact of Assumption Changes
69	Contribution Related to Pay in Excess of Governor's Pay
70	Asset Valuation Method
71-81	Actuarial Assumptions

82-97	<i>Appendix H: Summary of Benefit Provisions of SURS</i>
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98-99	<i>Appendix I: Glossary of Terms</i>
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Appendix J: Stress Testing Scenarios

SUMMARY OF THE ACTUARIAL VALUATION

Executive Summary

(\$ in Millions)

Actuarial Valuation Date:	June 30, 2024		June 30, 2025	
Fiscal Year Ending:	June 30, 2026		June 30, 2027	
Estimated Statutory Contribution:		% of Payroll ⁸		% of Payroll ⁸
· Defined Benefit Plan Contribution Amount ¹	\$ 2,263.181	37.90%	\$ 2,301.522	36.48%
· Retirement Savings Plan Contribution Amount ¹	114.183	1.91%	121.382	1.92%
· Total Qualified Plan Contribution Amount	\$ 2,377.364	39.81%	\$ 2,422.904	38.40%
· Excess Benefit Arrangement (EBA) Contribution Amount ²	21.000	0.35%	23.000	0.36%
· Deferred Compensation Plan (DCP) Administrative Expense	0.468	0.01%	0.478	0.01%
· Combined State and Employer Contribution Amount	\$ 2,398.832	40.17%	\$ 2,446.382	38.78%
Estimated Statutory Contribution from Other Sources:				
· Federal/Trust Contribution Amount ³	\$ 76.000		\$ 77.000	
· Employer Contribution Amount Related to - Compensation in Excess of Governor's	\$ 3.386		\$ 3.238	
Net State Contribution:				
· Net Dollar Amount (Including EBA Contribution)	\$ 2,319.446	38.84%	\$ 2,366.144	37.50%
Actuarially Determined Contribution (ADC): ^{4,5}				
· Defined Benefit Plan Contribution Amount	\$ 2,567.226	42.99%	\$ 2,639.741	41.84%
· Defined Benefit Plan Contribution Amount as % of ADC	88.16%		87.19%	
Membership				
· Number of				
- Active Members ⁶	76,637		77,951	
- Members Receiving Payments ⁴	73,303		73,937	
- Inactive Members ⁶	103,041		104,222	
- Total	252,981		256,110	
· Covered Capped Payroll Provided as of Valuation Date (Total)	\$ 5,427.428		\$ 5,738.609	
· Covered Capped Payroll Provided as of Valuation Date (DB)	4,086.649		4,289.867	
· Projected Capped Payroll for Fiscal Year (Total)	5,971.082		6,309.132	
· Defined Benefit Plan Capped Payroll ⁷	4,192.734		4,356.539	
· Annualized Benefit Payments for Year Ended on the Valuation Date ⁴	3,070.776		3,161.339	

¹ RSP contributions are net of RSP forfeitures of \$7,904,000 for fiscal year 2026 and of \$7,883,000 for fiscal year 2027. Projected Retirement Savings Plan (RSP) contribution is updated based on the most recent actuarial valuation. Contribution amount for SURS defined benefit plans is the total qualified plan statutory contribution minus the RSP contribution.

² Amounts provided by SURS.

³ Pay increases in excess of 6% during FAS period for fiscal year 2026 and 2027 are included in the Federal/Trust Contribution Amount.

⁴ Excludes RSP.

⁵ GRS recommends the development of and adherence to a funding policy that funds the normal cost of the plan as well as an amortization payment that would seek to pay off the total unfunded accrued liability by 2045 or sooner if possible, which is a 19-year closed amortization period for fiscal year 2026. Because there is a contribution lag, the statutory contribution would apply to fiscal year 2027.

⁶ Includes defined benefit plan and RSP members.

⁷ Payroll for the year ending on the valuation date. Defined benefit payroll is based on the employee contributions in the financial statements for the fiscal year and an employee contribution rate of 8.00%.

⁸ Percent of payroll for fiscal year 2026 is based on projected fiscal year 2026 payroll from the June 30, 2024 valuation. Based on projected total capped payroll for the applicable fiscal year.



Executive Summary

(\$ in Millions)

Actuarial Valuation Date:	June 30, 2024	June 30, 2025
Assets ¹		
· Market Value of Assets (MVA)	\$ 24,340.174	\$ 25,182.593
· Actuarial Value of Assets (AVA)	24,312.597	25,413.629
· SURS Reported Market Value Rate of Return	8.30%	6.44%
· Estimated Return on MVA	8.08%	6.71%
· Estimated Return on AVA	7.08%	7.80%
· Ratio – AVA to MVA	100%	101%
Actuarial Information ²		
· Actuarial Accrued Liability (AAL)	\$ 52,825.365	\$ 53,931.923
· Unfunded Actuarial Accrued Liability (UAAL)	28,512.768	28,518.294
· Funded Ratio based on AVA	46.02%	47.12%
· UAAL as % of Defined Benefit Plan Capped Payroll	680.05%	654.61%
· Funded Ratio based on MVA	46.08%	46.69%
· Defined Benefit Plan Capped Payroll ³	\$ 4,192.734	\$ 4,356.539
Fiscal Year Ending:	June 30, 2025	June 30, 2026
· Total Normal Cost Rate	19.89%	19.59%
· Employer Normal Cost Rate ³	11.88%	11.58%
· Employer Normal Cost Amount	\$ 503.343	\$ 510.187

¹ Amounts provided by SURS.

² Excludes RSP.

³ Payroll for the year ending on the valuation date. Defined benefit payroll is based on the employee contributions in the financial statements for the fiscal year and an employee contribution rate of 8.00%.



Summary of the Actuarial Valuation

At your request, we have performed an actuarial valuation of the State Universities Retirement System of Illinois (“SURS”) as of June 30, 2025.

The purposes of this actuarial valuation are as follows:

- To determine the funding status of SURS as of the valuation date based on the market value of assets and the actuarial value of assets; and
- To develop the level of contributions required under Section 15-155 of the SURS Article of the Illinois Pension Code as amended by the provisions of PA 100-0023, PA 100-0587 and PA 101-0010, (1) for the fiscal year ending June 30, 2027, and (2) to estimate contributions required under that Section for subsequent years of the funding period ending in the year 2045.

Accounting information required under Governmental Accounting Standards Board (“GASB”) Statement Nos. 67 and 68 is presented in a separate report.

Report Highlights

The Statutory contribution (including the employer contribution and federal and trust fund contributions) for FY 2027 is \$2.446 billion and includes the State’s projected FY 2027 normal cost of \$501.2 million, an unfunded liability contribution of \$1.800 billion, a contribution to fund benefits from the Excess Benefit Arrangement (“EBA”) of \$23.0 million, a contribution to fund the administrative expenses of the DCP of \$0.5 million and the Retirement Savings Plan (“RSP”) contribution of \$121.4 million. The Statutory contribution for FY 2027 is \$2.423 billion excluding the EBA contribution and the Deferred Compensation Plan (“DCP”) projected administrative expense. The 2024 actuarial valuation had projected the Statutory contribution would increase, from \$2.377 billion for FY 2026 to \$2.422 billion for FY 2027 (excluding EBA and DCP administrative expense contributions). The primary reason for the increase in the Statutory contribution of about \$ 1.2 million over the projected amount from the prior actuarial valuation is due to an increase in the number of active members, unexpected changes in service and higher projected payroll than expected from the 2024 actuarial valuation.

Over the past 10 years, SURS experienced investment gains on a market value basis (compared to the actuarial assumption) in fiscal years 2017, 2018, 2021, 2024 and 2025. However, SURS incurred investment losses (or shortfalls in return compared to the actuarial assumption) in fiscal years 2016, 2019, 2020, 2022, and 2023. The reported market return for the year ending June 30, 2025, was approximately 6.44% and was 8.30% in FY 2024 (compared to rates of return of 6.71% for FY 2025 and 8.08% for FY 2024 as estimated by GRS). The reported average market value investment return over the most recent 10 years has been approximately 7.00%.

The funded ratio increased from 46.1% as of June 30, 2024, to 46.7% as of June 30, 2025, based on the market value of assets, and increased from 46.0% as of June 30, 2024, to 47.1% as of June 30, 2025, based on the actuarial value of assets. The approximately \$231.0 million in net deferred asset losses will be recognized in the actuarial value of assets over the next four years.

The ratio of the market value of assets of the SURS defined benefit plan to the annual deductions (consisting of benefit payments, refunds of contributions and administrative expenses) and sometimes referred to as the liquidation ratio is about 7.6.



Summary of the Actuarial Valuation

This means that less than eight years of retiree benefit payments can be paid from current assets. The ability to make such payments beyond that period is heavily dependent upon future State and employer contributions and future investment return.

Actuarial Assumptions

The asset valuation method was changed from market value of assets to actuarial value of assets effective with the actuarial valuation as of June 30, 2009, as required by statute.

All other assumptions were first adopted by the Board for use with the actuarial valuation as of June 30, 2024 and were based on the recommendations from the experience study review performed for the period from June 30, 2020 through June 30, 2023.

The assumption for members electing the accelerated pension benefit payment options is 0%. The rationale for this assumption can be found in a separate letter issued to the Board. Buyout election statistics can be found on page 80.

A complete description of the assumptions can be found in Appendix G of the report.

In addition, we have assumed that the Statutory contribution will be calculated as a level percentage of pensionable payroll. Pensionable payroll for members hired on or after January 1, 2011 is limited by the pay cap for Tier 2 members. The basis for this assumption comes from 40 ILCS 5/1-160 (b-5) for Tier 2.

SURS Benefits

All benefit provisions valued in this June 30, 2025 actuarial valuation are identical to those valued in the prior actuarial valuation as of June 30, 2024.

Projected administrative expenses for the Deferred Compensation Plan (“DCP”), an optional defined contribution plan, are included in the Statutory contribution. Other costs are not reflected in this valuation.

Experience During 2025

The SURS reported rate of return was 6.44% on a market value basis during FY 2025. GRS estimates the System assets earned approximately 6.71% on a market value basis during FY 2025, which was more than the investment return assumption of 6.50% for FY 2025. The System assets earned 7.80% on an actuarial value of assets basis during FY 2025, due to recognition of a portion of current year asset losses and net deferred investment gains from prior years under the asset smoothing method. Because 7.80% is more than the assumed rate of investment return of 6.50% for FY 2025, there was an asset gain of \$310.7 million on the actuarial value of assets.

The experience of the population determines the liability gain or loss for the year. There was a net loss of \$197.3 million from actuarial liabilities, which is comprised of a loss of approximately \$124.1 million from demographic experience, and a loss of \$73.2 million from higher than expected pay increases.

From last year to this year, there were demographic losses from termination, disabilities and active and retiree mortality experience and a gain from retirements. Other assumptions not easily attributable to



Summary of the Actuarial Valuation

one of the other categories generated an actuarial loss.

The SURS defined benefit programs experienced an overall actuarial gain of \$113.4 million.

See Table 8 (page 28), Appendix B, for detail of the gains and losses by source.

The estimated reduction in the actuarial liabilities due to the buyouts during fiscal year 2025 is \$10.7 million.

Statutory Appropriations for the 2027 Fiscal Year and Beyond

Section 15-155, which governs the development of Employer/State contributions to SURS, provides that:

1. Employer/State contributions are determined under the following process:
 - a) The overall objective of the statute is to achieve a funded ratio of 90% by the end of fiscal year (“FY”) 2045.
 - b) The Employer/State contribution for FY 2012 and each year thereafter to and including FY 2045 is to be based on a (theoretically) constant percentage of the payroll¹ of active members of SURS based on the actuarial value of assets at the actuarial valuation date and assuming the actuarial value of assets earns the assumed investment return in the future.

¹ We have assumed the contribution would be based on pensionable payroll. Pensionable payroll for members hired on or after January 1, 2011, is limited by the pay cap.

- i. Requires any change in an actuarial assumption that increases or decreases the required State contribution to be implemented in equal annual amounts over a five-year period beginning in the State fiscal year in which the change first applies to the required State contribution.
 - o For changes that first applied in FY 2014, FY 2015, FY 2016 or FY 2017, the impact is calculated based on a five-year period and the applicable portion is recognized during the remaining fiscal years in that five-year period.
- ii. Requires employers to make contributions as follows:
 - o Requires employers to contribute the employer normal cost of the portion of an employee’s earnings that exceeds the amount of salary set for the governor, for academic years beginning on or after July 1, 2017. (Applicable to Tier 1 and Tier 2 employees.)
- c) After 2045, the Employer/State contribution rate is to be sufficient to maintain the funding level at 90%.
 - o Employers continue to make the required normal cost and unfunded liability contributions.
 - o The financial impact of changes in actuarial assumptions continue to be phased in over a five-year period.

Summary of the Actuarial Valuation

2. During the period of amortization of the 2003 bond issue, the Employer/State contribution in any fiscal year may not exceed the difference between:
 - a) The contribution, as developed in the preceding number 1., assuming that the special contribution (from the bond proceeds) has not been made; and
 - b) The debt service on the bond issue for the fiscal year.
3. Pursuant to Public Act 97-0694, Section 15-165, the dollar amount of the proposed Employer/State contribution required for a fiscal year shall be certified to the Governor no later than November 1 for the fiscal year commencing on the following July 1. The required amounts are budgeted pursuant to the continuing appropriations process. The State Actuary is required to review the actuarial assumptions and actuarial valuation and issue a preliminary report. After the Board considers the State Actuary's report, the certification is finalized no later than January 15.

SURS is currently not moving forward with the implementation of the Optional Hybrid Plan (OHP) created under PA 100-0023. Additional clarifying legislation is needed for SURS to be able to do so. Therefore, contributions related to the OHP are not included in the actuarial valuation, including contributions for employer normal cost, additional 2% of payroll contributions and unfunded liability contributions. Estimates of Statutory contributions through 2045, assuming that 55% of academic and 75% of non-academic future new members elect the Tier 2 Plan, 45% of academic and 25% of non-academic future new members elect RSP and all other actuarial assumptions are realized, are set out in Table 12 (page 37).

The Statutory contributions set out in this report represent the contribution amount determined consistent with the State Statute. The net State appropriation certified to the Governor is the total calculated in this report for the qualified plan, plus an estimated amount to fund the annual benefit payments payable from the Excess Benefit Arrangement (EBA), adjusted by contributions from federal and trust funds and employers. The estimated contributions from the federal and trust funds for FY 2027 is \$77,000,000, as estimated by SURS.

Asset Information

Prior to the actuarial valuation as of June 30, 2009, the market value, without adjustment, was used for all actuarial purposes. Legislation in 2009 required that first effective for the actuarial valuation as of June 30, 2009, contribution projections would be calculated based on the actuarial value of assets. Funding status determinations and the contribution requirements were calculated based on the actuarial value of assets.

The market value of the assets of the System that is available for benefits increased from \$24,340.2 million as of June 30, 2024, to \$25,182.6 million as of June 30, 2025. The actuarial value of assets as of June 30, 2025, is \$25,413.6 million, which is \$231.0 million more than the market value of assets. This difference is due to the continuing recognition of deferred investment gains and losses. Twenty percent of each of these gains and losses are recognized each year. The \$231.0 million, which is the value of net deferred losses, will be smoothed into the actuarial value of assets over the next four years.



Summary of the Actuarial Valuation

The remaining unrecognized net asset gains from FY 2024 and FY 2025 will be smoothed in over the next three and four years, respectively, and the remaining unrecognized net asset losses from FY 2022 and FY 2023 will be smoothed in over the next one and two years, respectively.

The detailed determinations of asset values utilized in this valuation and asset growth in the last year are set out in Appendix A.

Funding Status

The funding status of SURS is measured by the Funded Ratio. The Funded Ratio is the ratio of the assets available for benefits compared to the actuarial accrued liability of the System for the defined benefit plans. Thus, it reflects the portion of benefits earned to date by SURS members, which are covered by current System assets.

A funded ratio of 100% would mean that all of the benefits earned to date by SURS members are covered by assets and assumed future investment returns. By monitoring changes in the funded ratio each year, we can determine whether or not funding progress is being made.

As shown below, the SURS funded ratio increased slightly from 46.1% as of June 30, 2024, to 46.7% as of June 30, 2025, based on the market value of assets, and increased from 46.0% as of June 30, 2024, to 47.1% as of June 30, 2025, based on the actuarial value of assets. There are net deferred losses that will be smoothed into the actuarial value of assets over the next four years. As a result of the approximately \$231.0 million in net deferred losses and the funding policy the funded ratio is projected to decrease slightly from fiscal year 2025 to fiscal year 2026, and then increase thereafter, if all assumptions are realized and all Statutory contributions are made on a timely basis.

Fiscal Year	Funded Ratio	
	AVA	MVA
2021	43.9 %	48.6 %
2022	45.2	45.2
2023	45.8	45.4
2024	46.0	46.1
2025	47.1	46.7

Short Condition Test

The following table shows a comparison, for fiscal years 2016 through 2025, of the percentage of actuarial accrued liabilities that are covered by the actuarial value of assets. The employer financed liabilities for current active and inactive members are 0% funded by the assets. Only a portion of the retiree liabilities are funded by current assets and the percentage covered increased from 47.5% as of June 30, 2024, to 48.9% as of June 30, 2025.

Summary of the Actuarial Valuation

Percentage of Actuarial Accrued Liabilities Covered by Net Assets (in Millions)							
Fiscal Year	Actuarial Accrued Liabilities for				% of Liabilities Covered by		
	Member Acc Contrib. (1)	Members Receiving Benefits (2)	Act/Inact Employer Portion (3)	Net Actuarial Value of Assets	(1)	(2)	(3)
2016	\$ 6,145.8	\$ 27,342.2	\$ 7,435.3	\$ 17,701.6	100.0%	42.3%	0.0%
2017	6,348.8	28,226.0	7,278.6	18,594.3	100.0%	43.4%	0.0%
2018	6,516.3	30,710.7	8,031.7	19,347.9	100.0%	41.8%	0.0%
2019	6,594.1	31,856.5	7,993.4	19,661.9	100.0%	41.0%	0.0%
2020	6,651.0	32,862.0	8,067.5	20,091.7	100.0%	40.9%	0.0%
2021	6,843.1	33,661.7	8,393.6	21,484.8	100.0%	43.5%	0.0%
2022	6,800.0	34,632.8	8,437.2	22,554.8	100.0%	45.5%	0.0%
2023	6,844.1	35,360.2	8,846.4	23,381.2	100.0%	46.8%	0.0%
2024	7,109.5	36,230.4	9,485.5	24,312.6	100.0%	47.5%	0.0%
2025	7,436.6	36,780.5	9,714.8	25,413.6	100.0%	48.9%	0.0%

Actuarial Funding and Statutory Funding

Measuring the Statutory Contribution against a funding policy under which the sum of the normal cost and amortization of the unfunded accrued liability is contributed helps evaluate the funding adequacy of the current Statutory funding method. The rationale for contributions based on an accrual pattern of normal cost plus amortization of the unfunded liability is to have benefits accrued within the same generation that has earned them as well as to ensure that all benefit obligations will be met. Table 12 and Table 13 illustrate an “alternative policy contribution” which is the sum of the employer normal cost and 19-year closed period amortization of the unfunded liability as of the actuarial valuation date of June 30, 2025 with assumed annual increases in the amortization payment of 2.40% (assumed increases in inflation) that is applicable to the fiscal year 2027 contribution. The alternative funding policy would require higher contributions in the near term compared to the Statutory funding policy. However, as shown in Graph 1 (page 31) and Graph 6 (page 38), the funded ratio would increase more quickly and require lower contributions than under the Statutory policy starting in fiscal year 2041. The Statutory contributions are projected to continue to increase at a faster rate than under the alternative funding policy in order to meet the ultimate Statutory funding objective of a 90% funded ratio in 2045.

Based on projections assuming that the Statutory contributions are made every year (as shown in Table 10, page 30) and an investment return of 6.50% each year, the funded ratio is projected to begin to increase from about 47% funded to 90% funded at 2045. The funded ratio is not projected to exceed 50% until 2030, 60% until 2037, 70% until 2041 and is projected to increase to 90% during the four-year period from 2041 until 2045. If the Statutory contributions are not made or investment return is less than the assumption of 6.50%, the funded ratio will be lower and the cash flow strain will be higher. If another significant market downturn occurred while the System’s funded ratio is low, the System could be required to liquidate assets in order to pay benefits which could have a further adverse effect on the funded status of the System.



Summary of the Actuarial Valuation

The projected actuarial accrued liability of current retirees, current active and inactive members and future members is expected to increase from \$53.932 billion as of the end of FY 2025 to \$59.260 billion as of the end of FY 2045 (as shown in Graph 2, page 32, and Table 21, page 48). Total benefit payments are projected to increase from \$3.271 billion in fiscal year 2025 to \$4.577 billion in fiscal year 2045. Graph 3 (page 33, and Table 20, page 47) shows projected benefit payments separately for retirees as of June 30, 2025, active and inactive members as of June 30, 2025, and future members.

Graph 4 (page 34) shows there is significant net cash outflow required from the System. A significant portion of the annual projected total investment return is needed to pay annual benefit payments during the next five to 10 years. Graph 5 (page 35) shows projected non-investment cash flows as a percent of assets. Non-investment cash outflows are projected to be more than 3.0% of assets through 2034 and more than 2.0% of assets through 2039.

Additional Projection Details

At the request of the State Actuary, we have included exhibits with additional projection details that can be found in Appendix D. The additional projections illustrate the impact on contributions and funded status if deferred asset gains and losses are not recognized.

Recommendations

The calculations in this report were prepared based on the methods required by the Statutory funding policy including the asset smoothing method that was adopted for the first time in the June 30, 2009 actuarial valuation. GRS does not endorse this funding policy because the Statutory funding policy defers funding for these benefits into the future and places a higher burden on future generations of taxpayers.

We recommend the following changes:

1. Implementing a funding policy that contributes normal cost plus closed period amortization of the unfunded liability as of the valuation date, with payments that increase annually at the rate of assumed inflation of 2.40%. (A policy which recognizes unfunded liability at the valuation date and not projected liability in the year 2045.)
2. If the current Statutory funding policy is retained, we recommend:
 - a. Eliminating the maximum contribution cap;
 - b. Calculating contributions as a level percentage of defined benefit plan pensionable payroll only instead of total payroll (including RSP payroll); and
 - c. Eliminating smoothing of the change in the contribution requirement due to assumption changes.
3. Implementing an asset corridor to constrain the actuarial value of assets within a certain percentage of the market value of assets (for example, 20%).
4. Changing the actuarial cost method for calculating liabilities from the Projected Unit Credit method to the Entry Age Normal method.
5. Considering whether a decrease in total active membership is expected to occur in the future, and if so, incorporating this into the projections used to calculate the Statutory contribution requirements.

Summary of the Actuarial Valuation

Change Funding Policy to a More Standard Actuarial Method

We recommend a funding policy that contributes normal cost plus closed period amortization of the unfunded liability as of the valuation date, with payments that increase annually at the rate of assumed inflation of 2.40%. (i.e., the amortization period declines by one year with each actuarial valuation) such that the funded ratio is projected to be 100% funded at the end of the amortization period. We recommend a funding policy that pays off the total current unfunded liability by 2045 or earlier, and have illustrated an alternate policy contribution in this report based on a 19-year closed amortization period as of June 30, 2025 (with payments that increase annually at the rate of assumed inflation of 2.40%), which pays off the unfunded liability by 2045. It would be reasonable to adopt layered amortization in the next few years as the remaining single closed amortization period decreases.

A single closed amortization period methodology (with 19 years remaining as of the June 30, 2025 actuarial valuation) pays off the unfunded accrued liability in full by the end of the period in 2045 (if all assumptions are met in fiscal year 2044). The Fiscal Year 2027 contribution would be \$2,761.123 (\$2,639.741 million for the SURS contribution and \$121.382 million for RSP) under this alternate funding policy. The current Statutory contribution does not comply with this recommendation. Underfunding the System creates the risk that ultimately benefit obligations cannot be met from the trust, and will require a greater amount of funding from other State resources. In addition, continually underfunding the System also creates more of a funding need from contributions since less is available from investment return – thereby creating a more expensive plan. Projected contributions under the current Statutory policy and the recommended policy are shown in Graph 6 on page 38 and projected funded ratios are shown in Graph 1 on page 31.

Eliminate Maximum Contribution Cap

If the current statutory funding policy is not changed, we recommend that the provision that establishes a maximum contribution cap be eliminated. The contribution cap is based on the projected hypothetical contributions if the proceeds from the 2003 bond issue had not been received. The cap is projected to lower contributions during certain fiscal years 2026 through 2033 compared to if no maximum contribution methodology were in place.

Calculate Defined Benefit Plan Contributions Based on Defined Benefit Payroll Only

Currently, the Statutory contributions to the SURS defined benefit plan are calculated based on a level percentage of total pensionable payroll, including RSP payroll. If the current statutory funding policy is not changed, we recommend that the contributions be calculated as a level percentage of defined benefit plan pensionable payroll only.

Implement an Asset Corridor

In addition, we recommend that an asset corridor on the actuarial value of assets be implemented, in case there is another significant market downturn similar to Fiscal Year 2009. The following table compares the ratio of the actuarial value of assets to the market value of assets since Fiscal Year 2009. Using an actuarial value of assets that is significantly higher than the market value of assets delays funding to the System by further deferring contributions into the future. An asset valuation method that does not include a corridor could add additional risk to the funding of the benefit obligations if another downturn occurred.



Summary of the Actuarial Valuation

(\$ in Millions)			
Year	Actuarial Value of Assets	Market Value of Assets	Ratio of Actuarial Value to Market Value
2009	\$ 14,281.998	\$ 11,032.973	129 %
2010	13,966.643	12,121.542	115
2011	13,945.680	14,274.003	98
2012	13,949.905	13,705.143	102
2013	14,262.621	15,037.102	95
2014	15,844.714	17,391.323	91
2015	17,104.607	17,462.968	98
2016	17,701.646	17,005.630	104
2017	18,594.326	18,484.820	101
2018	19,347.886	19,321.076	100
2019	19,661.891	19,717.348	100
2020	20,091.675	19,617.016	102
2021	21,484.799	23,768.313	90
2022	22,554.752	22,523.123	100
2023	23,381.241	23,193.248	101
2024	24,312.597	24,340.174	100
2025	25,413.629	25,182.593	101

Change the Actuarial Cost Method to the Entry Age Normal Method

The current actuarial cost method is the Projected Unit Credit method, which is required by statute. The Projected Unit Credit method recognizes costs such that the normal cost for an individual member increases as a percentage of payroll throughout his/her career. The Entry Age Normal cost method is the most commonly used method in the public sector. It is also the method required to be used for financial reporting under GASB Statement Nos. 67 and 68. The Entry Age Normal method recognizes costs as a level percentage of payroll over a member's career. We recommend a change to the Entry Age Normal method. The actuarial accrued liability under the Entry Age Normal method is about \$1.3 billion higher as of the current actuarial valuation date than under the Projected Unit Credit method.

Number of Projected Future Active Members

The statutory contribution is based on performing an open group projection through the year 2045. The projection is based on assuming that new active members are hired to replace the current members who leave active membership (through termination, retirement, death or disability). The number of active members has decreased by about 4% between 2015 and 2025.

Currently, the actuarial valuation assumes that the total number of active members in the future will be equal to the number of active members in the current actuarial valuation. The total number of active members has increased the past three years. We will continue to monitor the total number of active members and may recommend an update to the population projection assumption if there is another trend of a decreasing number of active members.



Summary of the Actuarial Valuation

Total Active Members						
June 30	Traditional & Portable	RSP	Total	Annual Change in Membership	% Annual Change in Membership	Earnings (\$ in Millions)
2015	69,381	11,928	81,309			\$4,280.5
2016	66,245	11,880	78,125	(3,184)	-3.9%	4,218.4
2017	64,117	11,852	75,969	(2,156)	-2.8%	4,184.5
2018	62,844	12,106	74,950	(1,019)	-1.3%	4,264.3
2019	62,589	12,531	75,120	170	0.2%	4,356.6
2020	63,206	13,129	76,335	1,215	1.6%	4,583.9
2021	60,397	13,046	73,443	(2,892)	-3.8%	4,639.1
2022	60,281	13,026	73,307	(136)	-0.2%	4,714.7
2023	61,509	13,136	74,645	1,338	1.8%	5,013.1
2024	63,063	13,574	76,637	1,992	2.7%	5,427.4
2025	63,788	14,163	77,951	1,314	1.7%	5,738.6
Total Change (10 years)				(3,358)	-0.4%	
Total Change (5 years)				1,616	0.4%	
Total Change (3 years)				4,644	2.1%	

We recognize that the State Statute governs the funding policy of the System. The purpose of these comments is to highlight the difference between the Statutory appropriation methodology and the recommended actuarial funding policy and to highlight the risks and additional costs of continuing to underfund the System. We believe that the State Statute would allow the Board to change the assumption regarding the projected number of future active members in the future, if needed.

GASB Disclosure

A separate actuarial valuation report with calculations completed in accordance with the provisions of GASB Statement Nos. 67 and 68 has been issued.

Future Considerations

Changes (such as the phase-in of assumption changes, five-year asset smoothing and the addition of the new benefit tiers) have had the effect of reducing the Statutory contribution amounts that would have otherwise been made. However, the change in the investment return assumption and other changes to more closely align the actuarial assumptions with current market expectations have increased the contribution amounts that would otherwise have been made. Assuming the statutory contributions are received (and the actuarial assumptions are met including a 6.50% investment rate of return, each year through 2045), SURS is currently projected to have contributions sufficient to increase the funded ratio from the current level of 47.1% to 90.0% by 2045. While capital market assumptions have improved over the past couple years, policy makers should be aware that if return expectations decrease (similar to expectations in 2021 and 2022), average future returns may be lower than 6.50%.



Summary of the Actuarial Valuation

This is a severely underfunded plan and the ability of the plan to reach 90% funding by 2045 is heavily dependent on the plan sponsor contributing the statutory contributions each and every year until 2045. We are not able to assess the plan sponsor's ability to make contributions when due.

Actuarial Standards of Practice (ASOP) 4 Disclosures

General Implications of Contribution Allocation Procedure or Funding Policy on Future Expected Plan Contributions and Funded Status

Given the plan's contribution allocation procedure, if all actuarial assumptions are met (including the assumption of the plan earning 6.50% on the actuarial value of assets and the active member group size remaining unchanged), it is expected that:

1. The combined State and employer contribution rate will be level as a percentage of total capped payroll through 2045 (after all assumption changes and deferred asset gains and losses are fully recognized);
2. The unfunded liability will increase for the next year and then decrease in dollar amount;
3. The unfunded actuarial accrued liabilities will never be fully amortized; and
4. The funded status of the plan will increase gradually towards a 90% funded ratio in 2045.

Limitations of Funded Status Measurements

Unless otherwise indicated, a funded status measurement presented in this report is based upon the actuarial accrued liability and the actuarial value of assets. Unless otherwise indicated, with regard to any funded status measurements presented in this report:

1. The measurement is inappropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the plan's benefit obligations; in other words, of transferring the obligations to an unrelated third party in an arm's length market value type transaction.
2. The measurement is dependent upon the actuarial cost method which, in combination with the plan's amortization policy, affects the timing and amounts of future contributions. The amounts of future contributions will most certainly differ from those assumed in this report due to future actual experience differing from assumed experience based upon the actuarial assumptions. A funded status measurement in this report of 100% is not synonymous with no required future contributions. If the funded status were 100%, the plan would still require future normal cost contributions (i.e., contributions to cover the cost of the active membership accruing an additional year of service credit).
3. The measurement would produce a different result if the market value of assets were used instead of the actuarial value of assets.

Limitation of Project Scope: Actuarial standards do not require the actuary to evaluate the ability of the plan sponsor or other contributing entity to make required contributions to the plan when due. Such an evaluation was not within the scope of this project and is not within the actuary's domain of expertise. Consequently, the actuary performed no such evaluation.



Summary of the Actuarial Valuation

Risks Associated with Measuring the Accrued Liability and Contributions

The determination of the accrued liability and the statutory and actuarially determined contribution requires the use of assumptions regarding future economic and demographic experience. Risk measures, as illustrated in this report, are intended to aid in the understanding of the effects of future experience differing from the assumptions used in the course of the actuarial valuation. Risk measures may also help with illustrating the potential volatility in the accrued liability and the statutory and actuarially determined contribution that result from the differences between actual experience and the actuarial assumptions.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions due to changing conditions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period, or additional cost or contribution requirements based on the Plan's funded status); and changes in plan provisions or applicable law. The scope of an actuarial valuation does not include an analysis of the potential range of such future measurements.

The three areas of risk that may reasonably be anticipated to significantly affect the SURS' future financial condition include:

1. **Investment Risk** – actual investment returns may differ from the expected returns;
2. **Contribution Risk** – actual contributions may differ from expected future contributions. For example, actual contributions may not be made in accordance with the plan's funding policy or material changes may occur in the anticipated number of covered employees, covered payroll or other relevant contribution factor; and
3. **Salary and Payroll Risk** – actual salaries and total payroll may differ from expected, resulting in actual future accrued liability and contributions differing from expected.

The effects of certain trends in experience can generally be anticipated. For example, if the investment return since the most recent actuarial valuation is less (or more) than the assumed rate, the cost of the plan can be expected to increase (or decrease).

As shown on Table 8, investment risk is a main driver in the change in the unfunded actuarial accrued liability from year to year for SURS, which also impacts the annual statutory contribution requirement. The use of asset smoothing helps dampen the annual volatility due to this risk. Because the funded ratio is less than 50%, SURS is currently less impacted by investment risk than it will be when the assets and funded ratio are projected to be higher (closer to 2045).

Due to the current funded status and statutory contribution policy, SURS is subject to higher contribution risk than many plans. Under the statutory contribution policy, contributions are calculated as a level percentage of payroll such that the funded ratio is projected to be 90% in 2045. As shown on Graph 6, annual statutory contributions are projected to increase from over \$2 billion to over \$4 billion by 2045.



Summary of the Actuarial Valuation

Adverse experience (especially closer to 2045), could increase the contributions to even higher levels.

There is also contribution risk for SURS associated with the assumptions related to projecting the actuarial accrued liability, benefits and payroll to 2045 (as required under the statutory funding policy). To the extent that certain assumptions differ from actual experience, significant changes in contributions could occur. Examples of such assumptions include: the number of total active members remains the same as the number as of the date of the most recent actuarial valuation, the percentage of new hires that elect the RSP or the SURS defined benefit plans and the assumed new hire demographics.

The statutory contribution may be considered as a minimum contribution that complies with State statute. Contributions above this minimum level would improve the plan's funding level and would be expected to enhance benefit security. The timely receipt of contributions is critical to support the financial health of the plan. Users of this report should be aware that contributions made in accordance with the funding policy do not necessarily guarantee benefit security.

As shown on Table 8 and in the stress testing, salary and payroll risk is another main driver in the change in the unfunded actuarial accrued liability from year to year for SURS, which also impacts the annual statutory contribution requirement.

Although there are other areas of risk, such as demographic experience (including mortality, retirement, termination and disability) differing from the assumptions used in the actuarial valuation, as shown in Table 8, demographic gains and losses have been mostly offsetting and not a significant driver in the change in unfunded liability for SURS. In addition, there is asset/liability mismatch risk; however, we believe for SURS that it is a component of investment risk.

Plan Maturity Measures

Risks facing a pension plan evolve over time. A young plan with virtually no investments and paying few benefits may experience little investment risk. An older plan with a large number of members in pay status and a significant trust may be much more exposed to investment risk. Generally accepted plan maturity measures include the following:

	2020	2021	2022	2023	2024	2025
Ratio of the market value of assets to total payroll	4.28	5.12	4.78	4.63	4.48	4.39
Ratio of actuarial accrued liability to payroll	10.38	10.54	10.58	10.18	9.73	9.40
Ratio of actives to retirees and beneficiaries	1.10	1.05	1.03	1.03	1.05	1.05
Ratio of net non-investment cash flow to market value of assets	-3.3%	-2.6%	-2.5%	-2.8%	-2.9%	-3.0%
Approximate modified duration of the present value of future benefits	13.33	13.29	13.16	13.10	13.40	13.35

Payroll and number of actives in the above table includes RSP.

Ratio of Market Value of Assets to Payroll

The relationship between assets and payroll is a useful indicator of the potential volatility of contributions. For example, if the market value of assets is 2.0 times the payroll, a return on assets 5% different than assumed would equal 10% of payroll. A higher (lower) or increasing (decreasing) level of this maturity measure generally indicates a higher (lower) or increasing (decreasing) volatility in plan sponsor contributions as a percentage of payroll.



Summary of the Actuarial Valuation

Ratio of Actuarial Accrued Liability to Payroll

The relationship between actuarial accrued liability and payroll is a useful indicator of the potential volatility of contributions for a fully funded plan. A funding policy that targets a funded ratio of 100% is expected to result in the ratio of assets to payroll and the ratio of liability to payroll converging over time.

The ratio of liability to payroll may also be used as a measure of sensitivity of the liability itself to changes in assumptions or to actuarial gains and losses. For example, if the actuarial accrued liability is 2.5 times the payroll, a change in liability 2% other than assumed would equal 5% of payroll. A higher (lower) or increasing (decreasing) level of this maturity measure generally indicates a higher (lower) or increasing (decreasing) volatility in liability (and also plan sponsor contributions) as a percentage of payroll.

Ratio of Actives to Retirees and Beneficiaries

A young plan with many active members and few retirees will have a high ratio of active to retirees. A mature open plan may have close to the same number of actives to retirees resulting in a ratio near 1.0. A super-mature or closed plan may have significantly more retirees than actives resulting in a ratio below 1.0.

Ratio of Net Cash Flow to Market Value of Assets

A positive net cash flow means contributions exceed benefits and expenses. A negative cash flow means existing funds or current year investment income is being used to make payments. A certain amount of negative net cash flow is generally expected to occur when benefits are prefunded through a qualified trust. Large negative net cash flows as a percent of assets may indicate a super-mature plan or a need for additional contributions.

Duration of the Present Value of Future Benefits

The duration of the present value of future benefits may be used to approximate the sensitivity to a 1% change in the assumed rate of return. For example, a duration of 10 indicates that the liability would increase approximately 10% if the assumed rate of return were lowered 1% from its current level.

Additional Risk Assessment

We are providing an estimate to the change in the statutory contribution of potential reductions in the discount rate. Public Act 100-0023 requires any change in an actuarial assumption that increases or decreases the required State contribution to be implemented in equal annual amounts over a five-year period beginning in the State fiscal year in which the change first applies to the required State contribution. A 50 basis point decrease in the investment return assumption/discount rate from 6.50% to 6.00% is estimated to increase the statutory contribution by about 2% for the first year of the five-year phase in. The statutory contribution will continue to increase as the full impact of the assumption change is phased in.

Additional risk assessment is outside the scope of the annual actuarial valuation. Additional assessment may include scenario tests, sensitivity tests, stochastic modeling, stress tests and a comparison of the present value of accrued benefits at low-risk discount rates with the actuarial accrued liability.



Summary of the Actuarial Valuation

Risk Measures Summary (\$ in Millions)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Accrued	Market	Market		Market	Retiree	RetLiab /	AAL /	Assets /
Valuation	Liabilities	Value of	Value	Valuation	Value	Liabilities	AAL	Payroll	Payroll
Date (6/30)	(AAL)	Assets	Unfunded	Payroll	Funded	(RetLiab)	(6)/(1)	(1)/(4)	(2)/(4)
			AAL		Ratio				
					(2)/(1)				
2016	\$ 40,923	\$ 17,006	\$ 23,918	\$ 4,218	41.6%	\$ 27,342	66.8%	970.1%	403.1%
2017	41,853	18,485	23,369	4,184	44.2%	28,226	67.4%	1,000.2%	441.7%
2018	45,259	19,321	25,938	4,264	42.7%	30,711	67.9%	1,061.3%	453.1%
2019	46,444	19,717	26,727	4,357	42.5%	31,857	68.6%	1,066.1%	452.6%
2020	47,580	19,617	27,963	4,584	41.2%	32,862	69.1%	1,038.0%	428.0%
2021	48,898	23,768	25,130	4,639	48.6%	33,662	68.8%	1,054.1%	512.4%
2022	49,870	22,523	27,347	4,715	45.2%	34,633	69.4%	1,057.8%	477.7%
2023	51,051	23,193	27,858	5,013	45.4%	35,360	69.3%	1,018.3%	462.6%
2024	52,825	24,340	28,485	5,427	46.1%	36,230	68.6%	973.3%	448.5%
2025	53,932	25,183	28,749	5,739	46.7%	36,781	68.2%	939.8%	438.8%

	(10)	(11)	(12)	(13)	(14)	(15)	(16)
	Portfolio	Std Dev %	Unfunded	Investment	NICF /	Market	5-Year
Valuation	StdDev	of Pay	/ Payroll	Cash Flow	Assets	Rate of	Trailing
Date (6/30)				(NICF)	(13)/(2)	Return	Average
2016			567.0%	\$ (474)	-2.8%	0.1%	13.6%
2017			558.5%	(515)	-2.8%	11.9%	11.1%
2018			608.3%	(664)	-3.4%	8.3%	6.5%
2019			613.5%	(734)	-3.7%	6.0%	8.9%
2020	10.9%	46.6%	610.0%	(643)	-3.3%	2.8%	5.8%
2021	11.9%	61.0%	541.7%	(612)	-2.6%	24.7%	10.5%
2022	11.5%	54.9%	580.0%	(560)	-2.5%	-2.9%	7.4%
2023	10.9%	50.4%	555.7%	(660)	-2.8%	6.0%	6.9%
2024	10.5%	47.1%	524.8%	(699)	-2.9%	8.1%	7.3%
2025	10.7%	47.0%	501.0%	(765)	-3.0%	6.7%	8.1%

- (5). The Funded ratio is the most widely known measure of a plan's financial strength, but the trend in the funded ratio is much more important than the absolute ratio. The funded ratio should trend to 100%. As it approaches 100%, it is important to re-evaluate the level of investment risk in the portfolio and potentially to re-evaluate the assumed rate of return.
- (6) and (7). The ratio of Retiree liabilities to total accrued liabilities gives an indication of the maturity of the system. As the ratio increases, cash flow needs increase, and the liquidity needs of the portfolio change. A ratio on the order of 50% indicates a maturing system.
- (8) and (9). The ratios of liabilities and assets to payroll gives an indication of both maturity and volatility.



Summary of the Actuarial Valuation

Many systems have ratios between 500% and 700%. Ratios significantly above that range may indicate difficulty in supporting the benefit level as a level % of payroll.

- (10) and (11). The portfolio standard deviation measures the volatility of investment return. When multiplied by the ratio of assets to payroll it gives the effect of a one standard deviation asset move as a percent of payroll. This figure helps users understand the difficulty of dealing with investment volatility and the challenges volatility brings to sustainability. This ratio is likely to increase as the plan approaches full funding which is expected to lead to increasing volatility of contribution rates unless portfolio volatility is decreased or liability immunization takes place.
- (12). The ratio of unfunded liability to payroll gives an indication of the plan sponsor's ability to actually pay off the unfunded liability. A ratio above approximately 300% or 400% may indicate difficulty in discharging the unfunded liability within a reasonable time frame.
- (13) and (14). The ratio of Non-Investment Cash Flow to assets is an important measure of sustainability. A positive net cash flow means contributions exceed benefits and expenses. A negative cash flow means existing funds are being used to make payments. A certain amount of negative net cash flow is generally expected to occur when benefits are prefunded through a qualified trust. Large negative net cash flows as a percent of assets may indicate a super-mature plan or a need for additional contributions.
- (15) and (16). Investment return is probably the largest single risk that most systems face. The year-by-year return and the 5-year geometric average both give an indication of the reasonableness of the system's assumed return. Of course, past performance is not a guarantee of future results and actuarial assumptions are forward looking. Market rate shown is based on actuarial estimation methods and differs modestly from figures reported by SURS.

Summary of the Actuarial Valuation

Low-Default-Risk Obligation Measure

INTRODUCTION

In December 2021, the Actuarial Standards Board (ASB) adopted a revision to Actuarial Standard of Practice (ASOP) No. 4, Measuring Pension Obligations and Determining Pension Plan Costs or Contributions. The revised ASOP No. 4 requires the calculation and disclosure of a liability referred to by the ASOP as the “Low-Default-Risk Obligation Measure” (LDROM).

What is the LDROM?

The LDROM is a particular measure of the benefits earned (or costs accrued if appropriate under the actuarial cost method used for this purpose) as of the measurement date.

How is the LDROM Calculated?

The LDROM is calculated using an immediate gain actuarial cost method, one in which gains and losses become part of the unfunded actuarial accrued liabilities. Examples would be Entry Age Normal Cost, Projected Unit Credit and Traditional Unit Credit. It is based upon a discount rate or discount rates derived from low-default-risk fixed income securities whose cash flows are reasonably consistent with the pattern of benefits expected to be paid in the future.

What Does the LDROM Tell Me?

The LDROM gives an approximate measure of the cost as of the measurement date of securing benefits by constructing a Low-Default-Risk Bond portfolio whose cash flows match the pattern of benefits expected to be paid in the future. The LDROM is very dependent upon market interest rates at the time of the LDROM measurement. The lower the market interest rates, the higher the LDROM, and vice versa.

Is the LDROM the “Right” Liability that Should Be Reported?

No single number, including the LDROM, can provide all of the information necessary to understand the financial condition of a pension plan. The rationale that the ASB cited for the calculation and disclosure of the LDROM was included in the Transmittal Memorandum of ASOP No. 4 and is presented below:

The ASB believes that the calculation and disclosure of this measure provides appropriate, useful information for the intended user regarding the funded status of a pension plan. The calculation and disclosure of this additional measure is not intended to suggest that this is the “right” liability measure for a pension plan. However, the ASB does believe that this additional disclosure provides a more complete assessment of a plan’s funded status and provides additional information regarding the security of benefits that members have earned as of the measurement date.

COMPARING THE ACCRUED LIABILITIES AND THE LDROM

The LDROM results presented in this report are based on the Projected Unit Credit (PUC) actuarial cost method and discount rates based upon the June 2025 (end of month) FTSE Pension Discount Curve (PDC). The PDC is calculated based on a universe of AA rated corporate bonds from the FTSE US Broad Investment-Grade Bond Index (USBIG®) of varying maturities and the yields of the Treasury model curve.

The 1-, 5-, 10-, 20- and 30-year rates follow: 4.32%, 4.28%, 4.98%, 5.79% and 5.74%.



Summary of the Actuarial Valuation

The funding actuarial accrued liability is based on the PUC actuarial cost method and discount rate (the expected long-term rate of return on assets) of 6.50%.

Presented below is a comparison of the funding actuarial accrued liability and the LDROM as of June 30, 2025 for SURS:

\$ in millions	
Funding Valuation Actuarial Accrued Liability (PUC)	\$ 53,932
LDROM (PUC)	60,975
Difference	(7,043)

The difference between the funding actuarial accrued liability and the LDROM (\$7.0 billion) is one illustration of the potential savings in contributions (on a present value basis) due to the additional investment earnings that SURS anticipates from taking on the risk in its portfolio (which would not be earned by investing in low-default-risk fixed income securities).

The funded status based on the LDROM is lower than the funded status based on the funding actuarial accrued liability. Since plan assets are not invested in a portfolio of low-default-risk fixed income securities, LDROM does not provide relevant information on the statutory contribution requirements. (The funded status and statutory contributions are based on the funding valuation actuarial accrued liability using a discount rate of 6.50%.) Benefit security for members of the plan relies on a combination of the current assets in the plan, the future investment returns generated on those assets, and the promise of future contributions from the plan sponsor.

The LDROM liability contained in this report was provided solely to comply with the requirements of ASOP No. 4 Section 3.11 and should not be used for any other purpose. This measure may not be appropriate for assessing the need for or amount of future contributions. This measure may not be appropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the plan's benefit obligation if the portfolio market interest rates used to settle the benefit obligations are significantly different from those used in the LDROM liability measurement.

APPENDICES

APPENDIX A

ASSET INFORMATION

Table 1

Statement of Plan Net Position

as of June 30, 2024 and June 30, 2025

	Defined Benefit Plan	
	2024	2025
Assets		
Cash and short-term investments	\$ 222,101,688	\$ 145,114,251
Receivables		
Members	13,613,380	13,345,845
Non-employer contributing entity	164,327	-
Federal, trust funds, and other	5,793,003	5,698,790
Pending investment sales	149,376,543	314,805,352
Interest and dividends	69,734,718	74,604,834
Total receivables	238,681,971	408,454,821
Prepaid expenses	1,197,286	1,212,736
Investments, at fair value		
Equity investments	8,290,427,778	8,364,559,252
Fixed income investments	5,997,537,452	6,045,646,174
Real estate investments	2,688,812,726	2,830,656,526
Alternative investments	7,054,985,282	7,582,023,838
Total investments	24,031,763,238	24,822,885,790
Securities lending collateral	3,401,560,164	2,311,402,323
Capital assets, at cost, net of accum deprec	31,513,528	39,539,482
Total assets	27,926,817,875	27,728,609,403
Liabilities		
Benefits payable	16,522,947	19,542,389
Refunds payable	4,806,416	4,366,200
Securities lending collateral	3,401,560,164	2,311,402,323
Payable to brokers for unsettled trades	141,334,651	190,341,892
Reverse repurchase agreements	1,943,648	5,013,460
Investment expenses payable	11,669,246	6,732,682
Administrative expenses payable	8,806,624	8,617,610
Total liabilities	3,586,643,696	2,546,016,556
Plan Net Position	\$ 24,340,174,179	\$ 25,182,592,847

Table 2

Statement of Changes in Plan Net Position for Years Ended June 30, 2024 and June 30, 2025

	Defined Benefit Plan	
	2024	2025
Additions		
Contributions		
Employer	\$ 66,619,594	\$ 66,461,785
Non-employer contributing entity ¹	2,082,878,551	2,116,868,847
Member	335,418,684	348,523,083
Total Contributions	<u>2,484,916,829</u>	<u>2,531,853,715</u>
Investment Income		
Net appreciation in fair value of investments	1,470,365,768	1,181,089,384
Interest	212,484,023	225,455,007
Dividends	286,707,571	324,086,773
Securities lending	8,009,917	8,322,782
Gross Investment Income	<u>1,977,567,279</u>	<u>1,738,953,946</u>
Less investment expense		
Asset management expense	130,891,999	130,492,949
Securities lending expense	556,398	558,219
Net investment income	<u>1,846,118,882</u>	<u>1,607,902,778</u>
Total additions	<u>4,331,035,711</u>	<u>4,139,756,493</u>
Deductions		
Benefits	3,081,323,542	3,185,255,569
Refunds of contributions	78,824,843	85,374,295
Administrative expense	23,961,048	26,707,961
Total deductions	<u>3,184,109,433</u>	<u>3,297,337,825</u>
Net increase (decrease)	1,146,926,278	842,418,668
Plan Net Position		
Beginning of year	<u>23,193,247,901</u>	<u>24,340,174,179</u>
Plan Net Position		
End of year	<u>\$ 24,340,174,179</u>	<u>\$ 25,182,592,847</u>

¹ Includes a contribution from the Pension Stabilization Fund of \$38,759,300 for 2024.

Table 3
Defined Benefit Plan Development of the Actuarial Value of Assets
for the Year Ending June 30, 2025

	2024	2025	2026	2027	2028	2029
Beginning of Year:						
(1) Market Value of Assets	\$ 23,193,247,901	\$ 24,340,174,179				
(2) Actuarial Value of Assets	23,381,240,592	24,312,596,855				
End of Year:						
(3) Market Value of Assets	24,340,174,179	25,182,592,847				
(4) Net of Contributions and Disbursements	(699,192,604)	(765,484,110)				
(5) Total Investment Return						
= (3)-(1)-(4)	1,846,118,882	1,607,902,778				
(6) Assumed Rate of Return	6.50%	6.50%				
(7) Assumed Investment Return						
= (1)x(6)+[(1+(6))^5-1]x(4)	\$ 1,485,195,080	\$ 1,557,624,731				
(8) Investment Return in						
Excess of Assumed Return	360,923,802	50,278,047				
(9) Excess Investment Return Recognized						
This Year (5 year recognition)						
(9a) From This Year	72,184,760	10,055,609				
(9b) From One Year Ago	(22,639,229)	72,184,760	\$ 10,055,609			
(9c) From Two Years Ago	(442,534,802)	(22,639,229)	72,184,760	\$ 10,055,609		
(9d) From Three Years Ago	691,825,575	(442,534,802)	(22,639,229)	72,184,760	\$ 10,055,609	
(9e) From Four Years Ago	(153,482,517)	691,825,577	(442,534,804)	(22,639,231)	72,184,762	\$ 10,055,611
(9f) Total Phased-In Return	145,353,787	308,891,915	(382,933,664)	59,601,138	82,240,371	10,055,611
(10) Change in Actuarial Value of Assets						
= (4)+(7)+(9f)	931,356,263	1,101,032,536				
End of Year:						
(3) Market Value of Assets	24,340,174,179	25,182,592,847				
(11) Final Actuarial Value of Assets	24,312,596,855	25,413,629,391				
(12) Difference Between Market & Actuarial Values	27,577,324	(231,036,544)				
(13) Actuarial Value Rate of Return	7.08 %	7.80 %				
(14) Estimated Market Value Rate of Return	8.08 %	6.71 %				
(15) Ratio of Actuarial Value to Market Value	100 %	101 %				
(16) SURS Reported Market Value Rate of Return	8.30 %	6.44 %				

Excludes RSP.



Table 4
Development of Market and Actuarial Value of Assets as of June 30, 2025
after Bonds (Valuation Basis) and before Bonds (Hypothetical Basis)

		After Bonds (Valuation Basis)	Before Bonds (Hypothetical)
1	Market Value at 6/30/2024	\$24,340,174,179	\$21,752,712,134
2a	Employer and Non-Employer Contributing Entity Contributions ¹	2,183,330,632	2,335,740,973
2b	Member Contributions	348,523,083	348,523,083
2c	Benefits and Expenses	3,297,337,825	3,297,337,825
2d	Net Non-Investment Cash Flow	(765,484,110)	(613,073,769)
3	Investment Return (Based on Estimated Rate of 6.71%)	1,607,902,778	1,439,320,495
4	Expected Return (Based on Estimated Rate of 6.50%)	1,557,624,731	1,394,315,057
5	Market Value at 6/30/2025 (1+2d+3)	25,182,592,847	22,578,958,860
6	Expected Market Value at 6/30/2025 (1+2d+4)	25,132,314,800	22,533,953,422
7a	Actuarial Gain/(Loss) Current Year	50,278,047	45,005,438
7b	Actuarial Gain/(Loss) 1 Year Prior	360,923,802	322,036,926
7c	Actuarial Gain/(Loss) 2 Years Prior	(113,196,147)	(100,433,469)
7d	Actuarial Gain/(Loss) 3 Years Prior	(2,212,674,012)	(1,962,348,325)
7e	Actuarial Gain/(Loss) 4 Years Prior	3,459,127,877	3,062,643,460
8	Actuarial Value at 6/30/2024	24,312,596,855	21,727,753,290
9	Actuarial Value at 6/30/2025 (8+2d+4+.2*(7a+7b+7c+7d+7e))	25,413,629,391	22,782,375,386

¹ Hypothetical contributions (before bonds) are equal to the total contributions of \$2,445,955,000 minus actual fiscal year 2025 RSP contributions of \$110,214,027.

APPENDIX B

ACTUARIAL DETERMINATIONS

Table 5
Summary of Actuarial Values
as of June 30, 2025
(\$ in Millions)

	Actuarial Present Value of Projected Benefits (APV)	Projected Unit Credit Values		Gross NC % of Pay ¹
		Actuarial Accrued Liability (AAL)	Gross Normal Cost (NC) ¹	
1. Active Members				
a. Retirement	\$18,627.3	\$12,166.7	\$659.8	14.79%
b. Death	296.6	176.6	12.4	0.28%
c. Disability	327.5	177.9	20.9	0.47%
d. Termination	2,006.1	1,137.1	148.9	3.34%
Total - Active Members	\$21,257.5	\$13,658.3	\$842.0	18.87%
2. Benefit Recipients				
a. Retirement	\$34,212.9	\$34,212.9	\$ 0.0	
b. Survivor	2,290.4	2,290.4	0.0	
c. Disability	277.2	277.2	0.0	
Total - Benefit Recipients	\$36,780.5	\$36,780.5	\$ 0.0	
3. Other Inactive²	\$ 3,493.1	\$ 3,493.1		
4. Grand Total	\$61,531.1	\$53,931.9	\$842.0	18.87%
5. Operating Expense			\$ 31.8	0.71%
6. Fiscal Year 2026 Total Normal Cost³			\$873.8	19.59%
7. Expected Pay During Fiscal Year 2026 for Defined Benefit Plans¹				\$ 4,461.4
8. Present Value of Future Salaries (PVFS)¹				\$39,113.3

¹ For members currently active as of June 30, 2025, in the Traditional and Portable defined benefit plans and includes the use of capped payroll for members hired on or after January 1, 2011.

² Includes \$539.1 million for 70,272 non-vested inactive members and \$2,954.0 million for 22,466 vested inactive members.

³ The normal cost as a percent of capped pay is 12.31% for Tier 2 members and 27.62% of payroll for Tier 1 members.

Excludes RSP.

Values may not add due to rounding.



Table 6
Analysis of Change in
Actuarial Accrued Liability and Actuarial Value of Assets
for the Year Ending June 30, 2025
(\$ in Millions)

1. Actuarial (Gain)/Loss on Actuarial Accrued Liability ("AAL")		
(a) AAL 6/30/2024		\$ 52,825.4
(b) Normal Cost FY 2025	\$ 851.2	
(c) Benefits and Admin Expenses Paid FY 2025	(3,297.3)	
(d) Interest on (a), (b), and (c) at 6.50%	3,355.4	
(e) Expected AAL 6/30/2025 (a+b+c+d)		53,734.7
(f) Actual AAL 6/30/2025 Before Assumption and Method Changes		53,931.9
(g) Actuarial (Gain)/Loss on AAL (f-e)		<u>\$ 197.3</u>
(h) Impact of Benefit Changes		0.0
(i) Impact of Change in Actuarial Assumptions and Methods		0.0
(j) Actual AAL After Changes (f+h+i)		<u>\$ 53,931.9</u>
2. Actuarial (Gain)/Loss on Assets		
(a) Actuarial Value of Assets 6/30/2024		\$ 24,312.6
(b) Contributions FY 2025	2,531.9	
(c) Benefits and Administrative Expenses	(3,297.3)	
(d) Interest on (a), (b), and (c) at 6.50%	1,555.8	
(e) Expected Assets 6/30/2025 (a+b+c+d)		\$ 25,102.9
(f) Actual Actuarial Value of Assets 6/30/2025		25,413.6
(g) Actuarial (Gain)/Loss on Assets (e-f)		<u>\$ (310.7)</u>
3. Total Actuarial (Gain)/Loss		
(a) (Gain)/Loss on AAL		\$ 197.3
(b) (Gain)/Loss on Assets		(310.7)
(c) Net (Gain)/Loss (a+b)		<u>\$ (113.4)</u>

Excludes RSP.

Values may not add due to rounding.



Table 7
Analysis of Change in
Unfunded Actuarial Accrued Liability
for the Year Ending June 30, 2025
(\$ in Millions)

1. Unfunded Actuarial Accrued Liability (UAAL) at 06/30/2024	\$	28,512.8
2. Contributions		
a. Contributions equal to normal cost plus interest on UAAL		
i Interest on 1)	\$	1,853.3
ii Member contributions		348.5
iii Employer/State normal cost		502.7
iv Interest on ii and iii		27.2
v Total due	\$	2,731.8
b. Contributions paid based on funding policy		
i Member contributions	\$	348.5
ii Employer/State contributions		2,183.3
iii Interest on i and ii		81.0
iv Total paid	\$	2,612.8
c. Expected increase in UAAL (2a.v-2b.iv)		
		119.0
3. Expected UAAL at 06/30/2025 (1+2c)		28,631.7
4. (Gains)/Losses		
a. Investment income	\$	(310.7)
b. Salary increases		73.2
c. Demographic and other		124.1
d. Total	\$	(113.4)
5. Plan Provision Changes		-
6. Assumption Changes		-
7. Total Change in UAAL (2c + 4d + 5 + 6)		5.5
8. UAAL at 06/30/2025 (1 + 7)	\$	28,518.3

Excludes RSP.

Values may not add due to rounding.



Table 8

Analysis of Actuarial (Gains) and Losses

(\$ in Millions)

	Amount of (Gain) or Loss			
	FY 2022	FY 2023	FY 2024	FY 2025
Investment Return ¹	\$ (250.9)	\$ (41.5)	\$ (133.1)	\$ (310.7)
Salary Increase	22.9	293.9	291.2	73.2
Age and Service Retirement	15.2	(62.9)	(56.1)	(64.2)
General Employment Termination	0.1	0.4	10.6	12.5
Disability Incidence	3.4	2.9	(2.9)	0.1
In Service Mortality	1.5	0.5	7.1	9.1
Benefit Recipient ²	(7.4)	108.2	77.6	36.9
Other ³	47.7	1.5	56.5	129.7
Total Actuarial (Gain)/Loss	\$ (167.5)	\$ 303.0	\$ 250.9	\$ (113.4)
BOY Actuarial Accrued Liability (AAL)	\$ 48,898.5	\$ 49,869.9	\$ 51,050.8	\$ 52,825.4
(Gain)/Loss as a % of BOY AAL	(0.3)%	0.6%	0.5%	(0.2)%
Total Non-Investment (Gain)/Loss	\$ 83.4	\$ 344.5	\$ 384.0	\$ 197.3
(Gain)/Loss as a % of BOY AAL	0.2%	0.7%	0.8%	0.4%

¹ Gain/Loss is based on actuarial value of assets.

² Benefit recipient (gain)/loss includes gains and losses due to mortality and unexpected changes in benefit amounts from year to year. Unexpected changes may occur when benefits that are initially paid as preliminary estimates are finalized. Mortality gains and losses include deviations in the assumed demographics of future beneficiaries compared to the actual demographics of new beneficiaries.

There is an additional load of 5% on the liabilities of retirees who are currently receiving benefits as a preliminary estimate for whom Staff provided a best formula benefit and a 10% load on the liabilities of retirees who are currently receiving benefits as a preliminary estimate for whom Staff has not provided a best formula benefit.

³ Includes other experience such as unexpected changes in service, deviations between actual and expected benefit payments and refunds that were not easily attributable to one of the categories above.

Excludes RSP.



Table 9
Funded Ratio and Illustrative Contributions under Funding Policy of
Net Normal Cost Plus Amortization of Unfunded Liability
(\$ in Millions)

Fiscal Year	DB Payroll ¹	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Total Normal Cost	Member Contributions ²	Amortization of UAAL (30-year open) ³	Net State Contribution (30-year open) ³	Amortization of UAAL (30-year closed) ⁴	Net State Contribution (30-year closed) ⁴	Net State 30-year closed with 1 year Interest Adjustment ⁴
2015	\$3,606.537	\$17,104.607	\$39,520.687	\$22,416.080	43.28 %	\$730.020	\$267.682	\$1,160.318	\$1,622.656			
2016	3,513.108	17,701.646	40,923.301	23,221.655	43.26	739.549	278.884	1,205.004	1,665.669	\$1,350.394	\$1,811.060	\$1,942.361
2017	3,458.320	18,594.326	41,853.348	23,259.022	44.43	719.225	278.643	1,248.309	1,688.891	1,424.261	1,864.843	2,000.044
2018	3,470.226	19,347.886	45,258.751	25,910.865	42.75	701.871	282.726	1,250.317	1,669.462	1,442.888	1,862.033	1,997.030
2019	3,506.650	19,661.891	46,443.937	26,782.046	42.33	730.265	280.018	1,392.034	1,842.281	1,789.119	2,239.366	2,390.524
2020	3,642.617	20,091.675	47,580.470	27,488.795	42.23	729.332	282.367	1,414.304	1,861.269	1,852.066	2,299.031	2,454.215
2021	3,638.244	21,484.799	48,898.480	27,413.681	43.94	739.676	288.476	1,451.626	1,902.826	1,852.066	2,303.266	2,458.736
2022	3,613.383	22,554.752	49,869.932	27,315.180	45.23	765.300	289.071	1,449.109	1,925.338	1,901.545	2,377.774	2,532.330
2023	3,744.813	23,381.241	51,050.783	27,669.542	45.80	767.538	299.585	1,443.902	1,911.855	1,905.047	2,373.000	2,527.245
2024	4,192.734	24,312.597	52,825.365	28,512.768	46.02	795.584	335.419	1,462.634	1,922.799	1,986.020	2,446.185	2,605.187
2025	4,356.539	25,413.629	53,931.923	28,518.294	47.12	851.239	348.523	1,479.762	1,982.478	2,064.510	2,567.226	2,567.226
2026						873.799	363.612	1,480.049	1,990.236	2,129.554	2,639.741	2,639.741

- ¹ Defined benefit payroll for fiscal year 2022 and after is based on the employee contributions in the financial statements for the fiscal year and an employee contribution rate of 8.00%. Defined Benefit Plan payroll prior to fiscal year 2022 is rolled forward with one year of salary scale at 3.00% (3.25% from 2018 through 2020, 3.75% prior to fiscal year 2018) and uses capped payroll for members hired on and after January 1, 2011.
- ² Projected for fiscal year 2026 and actual for years prior to fiscal year 2026.
- ³ A 30-year open period amortization policy is not a funding policy recommended by GRS. This illustrative contribution was included at the request of the Governor's Office. The amortization payment was calculated as a level percentage of total uncapped payroll (assumed to increase by 3.15% each year, 3.00% for fiscal years 2022 through 2024, 3.25% for fiscal years 2018 through 2021 and 3.75% for years prior to fiscal year 2019).
- ⁴ GRS recommends the development of and adherence to a funding policy that funds the normal cost of the plan as well as an amortization payment that would seek to pay off the total unfunded accrued liability by 2045 or sooner if possible, which is a 19-year closed amortization period for fiscal year 2026. Because there is a contribution lag, the statutory contribution would apply to fiscal year 2027. For fiscal years 2024 and prior, a one-year interest adjustment was applied to address the contribution lag. Beginning for fiscal year 2025, the contribution lag is addressed in the calculation of the amortization payment, and therefore, a one-year interest adjustment is no longer applied.

APPENDIX C

ACTUARIAL PROJECTIONS

Table 10

Baseline Projections – Actuarial Valuation June 30, 2025

Assumes Contributions Based on Table 12 & Investment Return of 6.50% Each Year

(\$ in Millions)

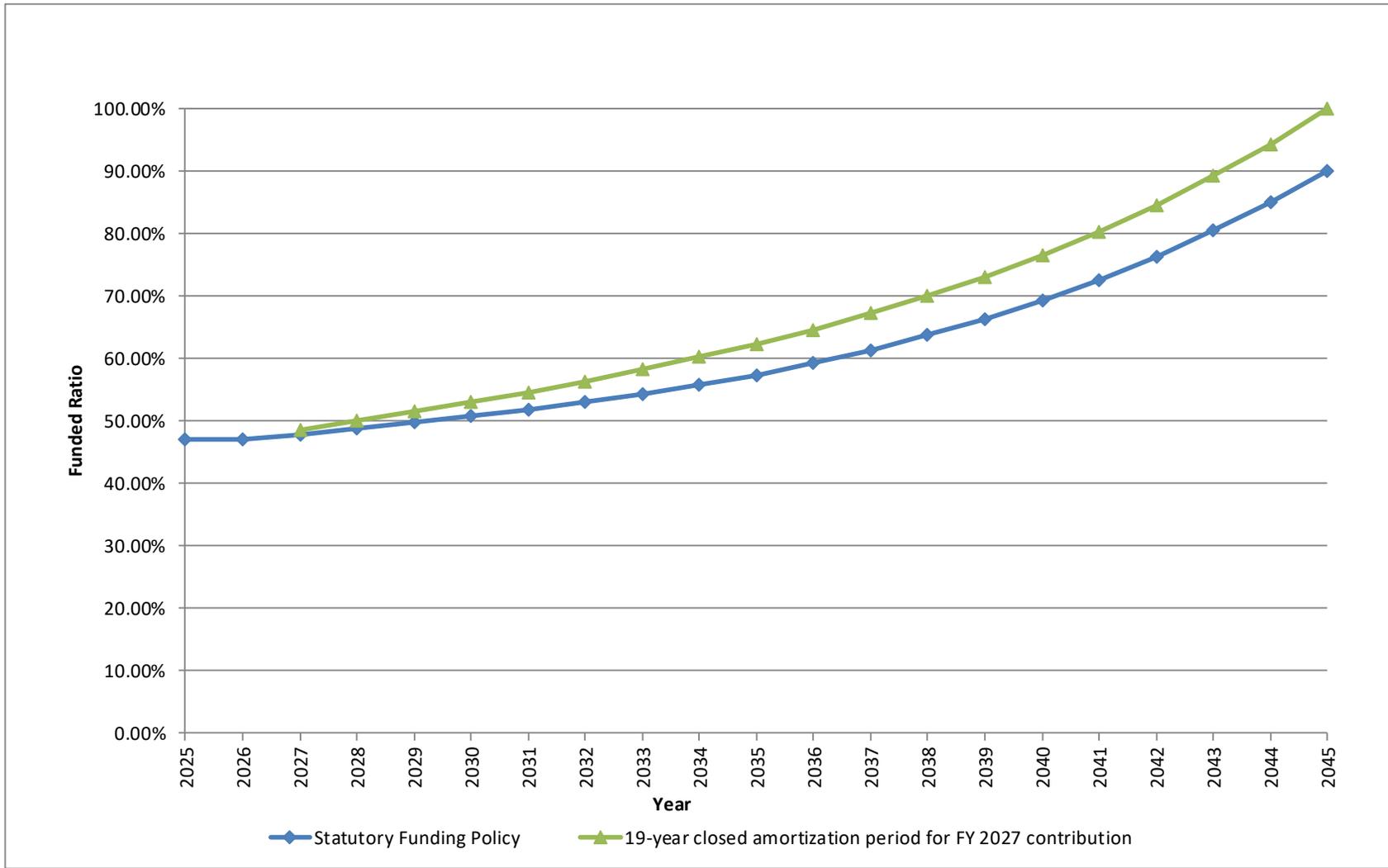
Fiscal Year Ending	Total Payroll ¹	RSP Payroll	DB Payroll ¹	SURS Contributions ²	Member Contributions	Benefits	Expenses	Assets EOY	AAL	Funding Ratio	UAAAL	Debt Service	Maximum Contribution ³	SURS Contrib. Before Maximum Contrib.	SURS Contrib. % of Total Payroll
2025	\$ 5,738.609	\$ 1,448.742	\$ 4,289.867	\$ 2,183.331	\$ 348.523	\$ 3,270.630	\$ 26.708	\$ 25,413.629	\$ 53,931.923	47.12 %	\$ 28,518.294	\$ 174.604			38.05 %
2026	6,127.530	1,588.059	4,539.471	2,263.181	363.612	3,470.792	31.782	25,763.768	54,724.633	47.08	28,960.865	179.149	\$ 2,268.966	\$ 2,263.181	36.93
2027	6,309.132	1,681.927	4,627.205	2,301.522	370.639	3,561.103	32.783	26,556.679	55,472.573	47.87	28,915.894	183.195	2,308.483	2,301.522	36.48
2028	6,503.578	1,779.757	4,723.821	2,407.185	378.378	3,670.569	33.816	27,422.889	56,154.020	48.84	28,731.131	191.634	2,407.185	2,409.899	37.01
2029	6,701.449	1,879.297	4,822.152	2,475.344	386.254	3,776.038	34.881	28,236.398	56,768.303	49.74	28,531.905	199.325	2,475.344	2,480.381	36.94
2030	6,902.602	1,980.015	4,922.587	2,539.613	394.299	3,883.166	35.980	29,055.014	57,308.936	50.70	28,253.922	211.160	2,539.613	2,548.761	36.79
2031	7,105.429	2,082.325	5,023.104	2,608.717	402.351	3,982.474	37.113	29,902.810	57,779.663	51.75	27,876.853	221.997	2,608.717	2,622.629	36.71
2032	7,311.914	2,187.027	5,124.887	2,686.032	410.503	4,083.531	38.282	30,788.418	58,174.751	52.92	27,386.333	226.944	2,686.032	2,698.843	36.74
2033	7,524.071	2,294.591	5,229.480	2,771.248	418.881	4,170.490	39.488	31,737.193	58,504.861	54.25	26,767.668	226.249	2,771.248	2,777.151	36.83
2034	7,741.881	2,405.580	5,336.302	2,857.545	427.438	4,252.893	40.732	32,759.204	58,771.734	55.74	26,012.530	NA	3,084.269	2,857.545	36.91
2035	7,963.620	2,518.932	5,444.688	2,939.389	436.120	4,333.677	42.015	33,856.375	58,973.825	57.41	25,117.450	NA	3,172.607	2,939.389	36.91
2036	8,187.118	2,634.484	5,552.634	3,021.883	444.766	4,407.069	43.338	35,041.811	59,114.779	59.28	24,072.968	NA	3,261.646	3,021.883	36.91
2037	8,414.711	2,753.068	5,661.643	3,105.888	453.498	4,471.673	44.704	36,331.926	59,199.712	61.37	22,867.786	NA	3,352.316	3,105.888	36.91
2038	8,646.226	2,874.991	5,771.235	3,191.340	462.276	4,535.160	46.112	37,736.171	59,226.586	63.71	21,490.415	NA	3,444.549	3,191.340	36.91
2039	8,883.523	2,999.644	5,883.879	3,278.927	471.299	4,588.207	47.564	39,275.149	59,203.611	66.34	19,928.462	NA	3,539.085	3,278.927	36.91
2040	9,127.017	3,127.774	5,999.243	3,368.802	480.539	4,634.906	49.063	40,966.708	59,135.920	69.28	18,169.212	NA	3,636.090	3,368.802	36.91
2041	9,378.427	3,258.230	6,120.196	3,461.597	490.228	4,558.101	50.608	42,951.647	59,150.705	72.61	16,199.058	NA	3,736.249	3,461.597	36.91
2042	9,636.298	3,391.571	6,244.727	3,556.778	500.203	4,575.908	52.202	45,154.105	59,158.758	76.33	14,004.653	NA	3,838.981	3,556.778	36.91
2043	9,900.462	3,527.270	6,373.192	3,654.282	510.493	4,583.816	53.847	47,601.107	59,172.562	80.44	11,571.455	NA	3,944.221	3,654.282	36.91
2044	10,169.691	3,665.747	6,503.944	3,753.655	520.966	4,583.407	55.543	50,319.195	59,203.308	84.99	8,884.113	NA	4,051.478	3,753.655	36.91
2045	10,443.333	3,806.998	6,636.335	3,854.657	531.570	4,576.651	57.292	53,334.303	59,260.336	90.00	5,926.033	NA	4,160.494	3,854.657	36.91

Projections are based on 55% of academic and 75% of non-academic new hires electing Tier 2 and 45% of academic and 25% of non-academic new hires electing RSP and 77,951 total active members in each future year.

- ¹ Payroll shown is pensionable pay. It does not include amounts in excess of the pay caps applicable to members in Tier 2 participating in the Traditional and Portable plans.
- ² Excludes RSP contributions. Includes employer contributions.
- ³ Maximum contribution after the impact of debt service. Maximum contribution is equal to the SURS contribution shown on Table 16 (before the impact of the bonds issued in 2004) minus the debt service.

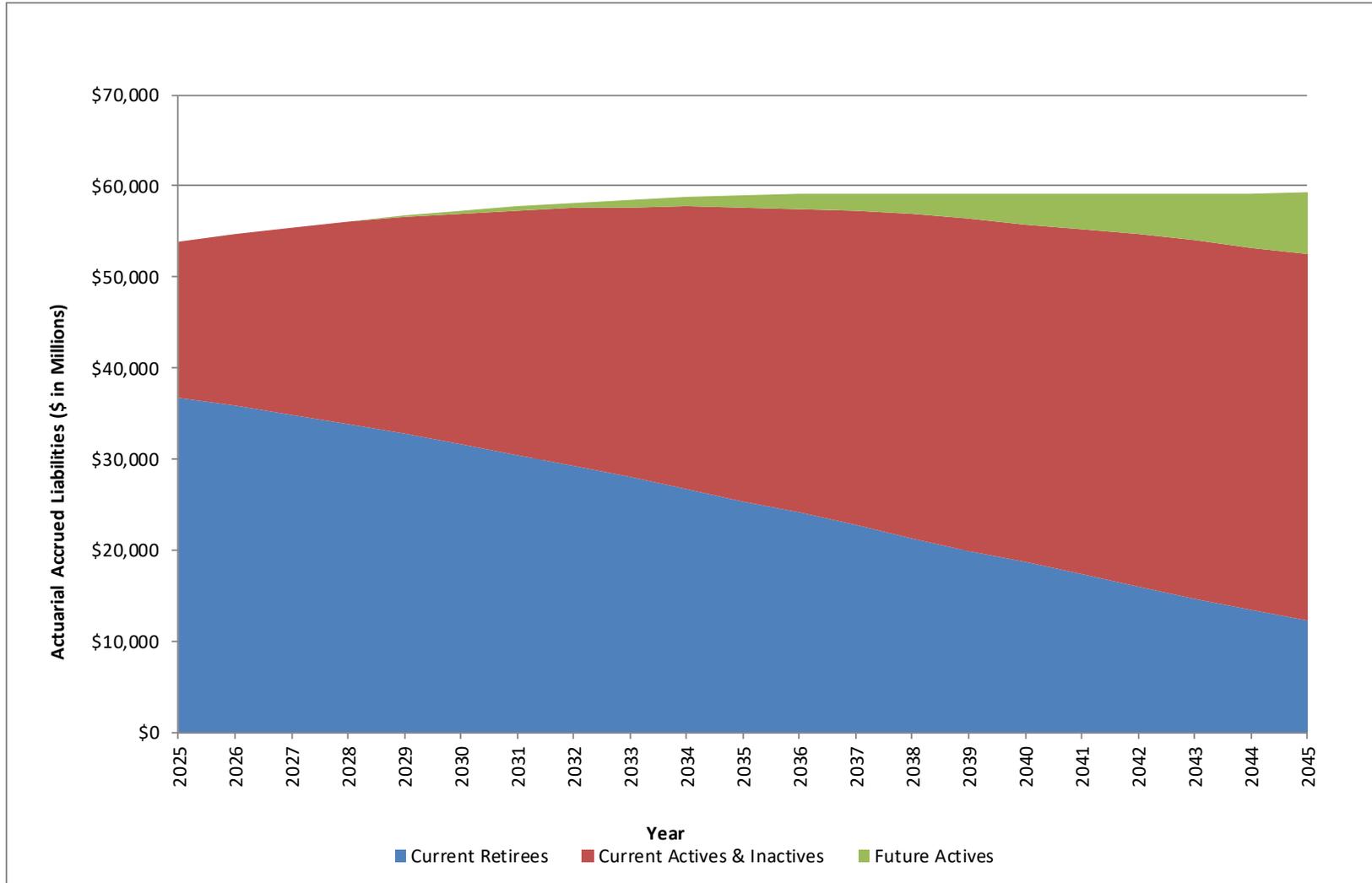


Graph 1
Projected Funded Ratio Based on Statutory Contributions
and Alternate Policy Contributions
Actuarial Valuation as of June 30, 2025
 (\$ in Millions)

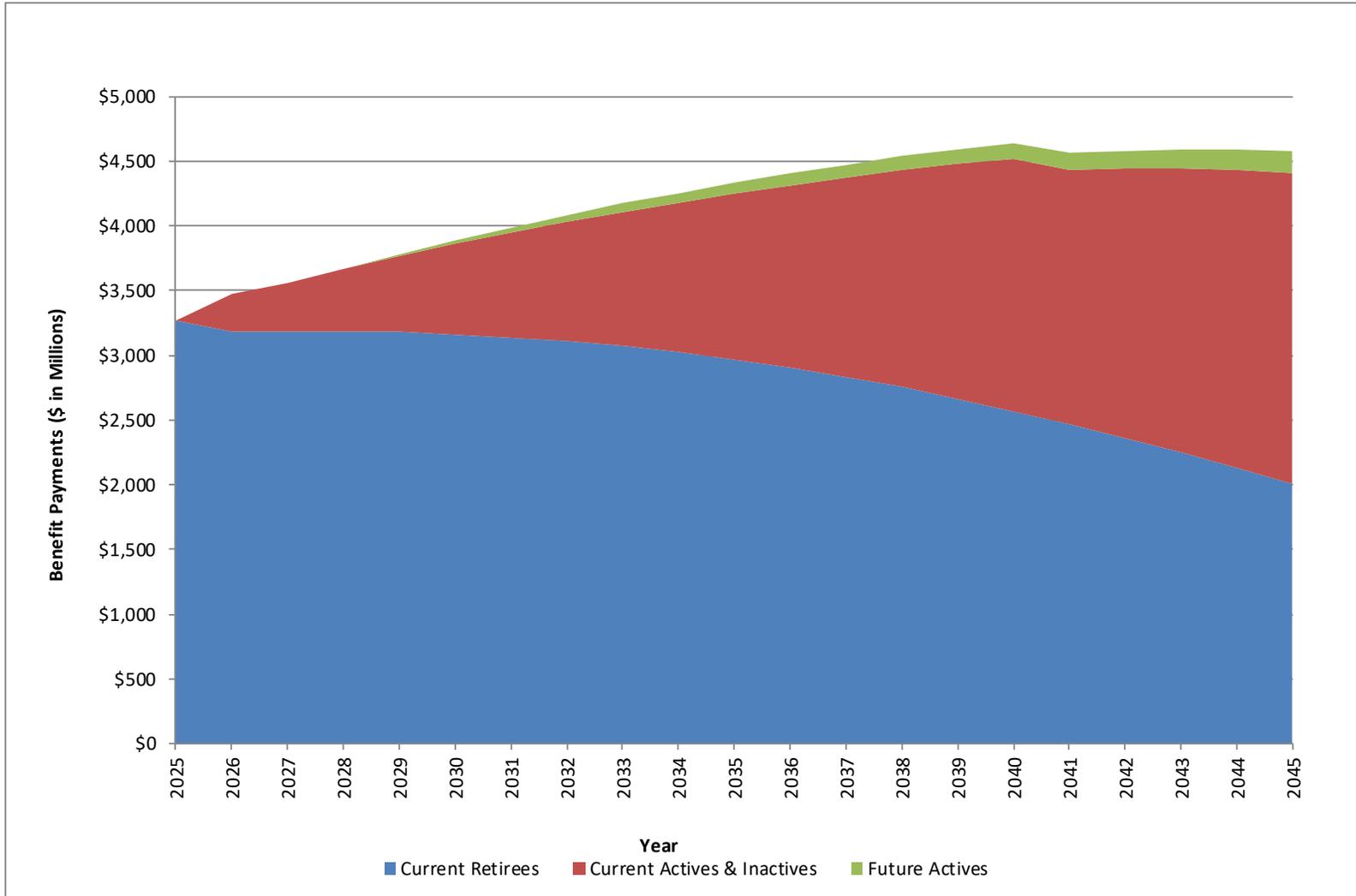


Graph 2

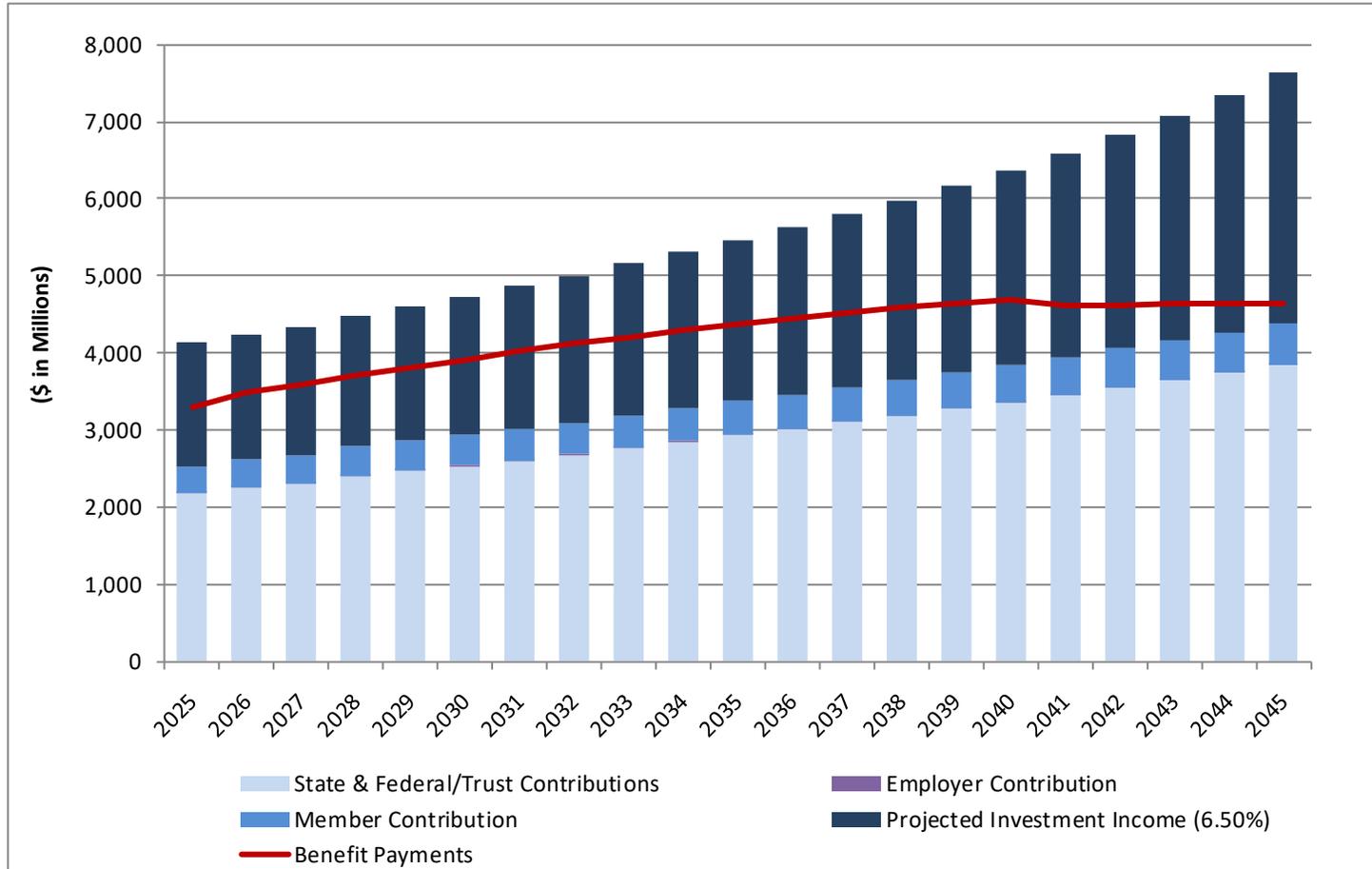
Projected Actuarial Accrued Liabilities Actuarial Valuation as of June 30, 2025 (\$ in Millions)



Graph 3 Projected Benefit Payments Actuarial Valuation as of June 30, 2025 (\$ in Millions)



Graph 4 Projected Cash Flows Actuarial Valuation as of June 30, 2025 (\$ in Millions)



Graph 5
Projected Non-Investment Cash Flows as a Percent of Assets
Actuarial Valuation as of June 30, 2025
 (\$ in Millions)

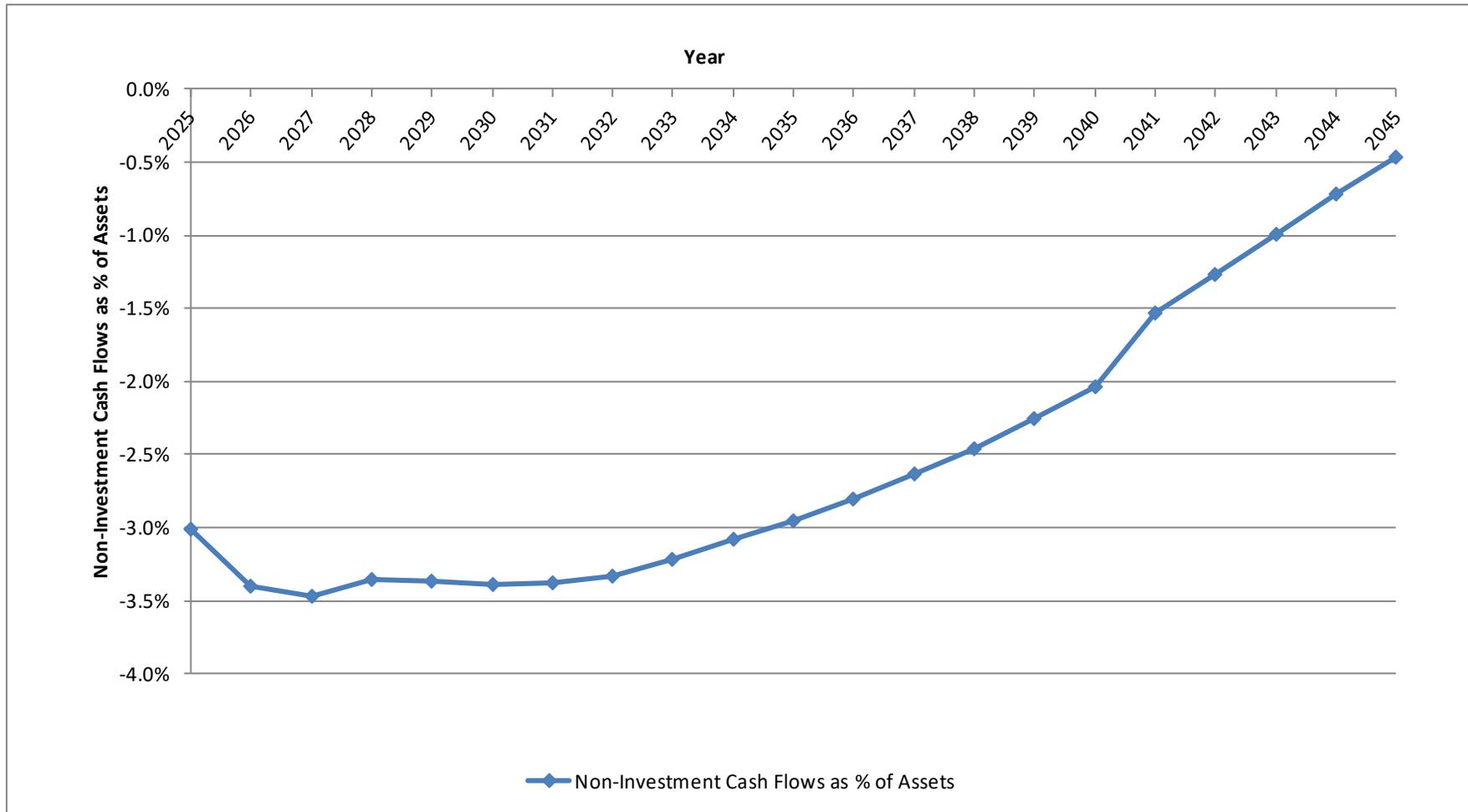


Table 11
Projected Statutory Contributions for the Actuarial Valuation as of June 30, 2025
Before Impact of Bonds Issued in 2004
(\$ in Millions)

FYE	SURS Cont. ¹	RSP Cont. ¹	Combined State and Employer Contribution	
			\$	% of Pay ²
2026	\$ 2,448.115	\$ 114.183	\$ 2,562.298	41.82 %
2027	2,491.678	121.382	2,613.060	41.42
2028	2,598.819	126.489	2,725.308	41.90
2029	2,674.670	133.530	2,808.200	41.90
2030	2,750.773	140.655	2,891.428	41.89
2031	2,830.715	147.894	2,978.609	41.92
2032	2,912.976	155.302	3,068.278	41.96
2033	2,997.496	162.913	3,160.409	42.00
2034	3,084.269	170.766	3,255.035	42.04
2035	3,172.607	178.786	3,351.393	42.08
2036	3,261.646	186.963	3,448.609	42.12
2037	3,352.316	195.355	3,547.671	42.16
2038	3,444.549	203.983	3,648.532	42.20
2039	3,539.085	212.806	3,751.891	42.23
2040	3,636.090	221.874	3,857.964	42.27
2041	3,736.249	231.108	3,967.357	42.30
2042	3,838.981	240.546	4,079.527	42.34
2043	3,944.221	250.153	4,194.374	42.37
2044	4,051.478	259.956	4,311.434	42.39
2045	4,160.494	269.957	4,430.451	42.42
Total	\$64,927.227	\$3,724.601	\$68,651.828	

¹ Assumes 75% of new hires elect Tier 2 and 25% elect to participate in the Retirement Savings Plan (RSP) for the Non-Academic members and 55% of new hires elect Tier 2 and 45% elect to participate in the Retirement Savings Plan (RSP) for the Academic members.

² Percent of pay amounts are calculated based on pensionable pay. Pensionable pay does not include amounts in excess of the pay caps applicable to members in Tier 2 participating in the Traditional and Portable plans.

Table 12
Projected Statutory Contributions for the Actuarial Valuation as of June 30, 2025
Including Impact of Bonds Issued in 2004
(\$ in Millions)

FYE	SURS Cont. ¹	RSP Cont. ¹	Combined State and Employer Contribution		Debt Service		SURS Alternate Policy Contribution ³		Projected % of Alternate Policy Contributed ⁴	Employer Contributions	Federal/Trust Fund Contributions ⁵	Qualified Plan State Contribution
			\$	% of Pay ²	\$	% of Pay ²	SURS Cont.	Total (w/RSP)				
2026	\$ 2,263.181	\$ 114.183	\$ 2,377.364	38.80 %	\$ 179.149	2.92 %	\$ 2,263.181	\$ 2,377.364		\$ 3.386	\$ 76.000	\$ 2,297.978
2027	2,301.522	121.382	2,422.904	38.40	183.195	2.90	2,639.741	2,761.123	87.75 %	3.238	77.000	2,342.666
2028	2,407.185	126.489	2,533.674	38.96	191.634	2.95	2,716.206	2,842.695	89.13	3.823	77.000	2,452.851
2029	2,475.344	133.530	2,608.874	38.93	199.325	2.97	2,756.414	2,889.944	90.27	3.475	77.000	2,528.399
2030	2,539.613	140.655	2,680.268	38.83	211.160	3.06	2,795.377	2,936.032	91.29	3.251	77.000	2,600.017
2031	2,608.717	147.894	2,756.611	38.80	221.997	3.12	2,841.965	2,989.859	92.20	3.023	77.000	2,676.588
2032	2,686.032	155.302	2,841.334	38.86	226.944	3.10	2,891.608	3,046.910	93.25	2.802	77.000	2,761.532
2033	2,771.248	162.913	2,934.161	39.00	226.249	3.01	2,943.464	3,106.377	94.46	2.576	77.000	2,854.585
2034	2,857.545	170.766	3,028.311	39.12			2,997.916	3,168.682	95.57	2.379	77.000	2,948.932
2035	2,939.389	178.786	3,118.175	39.16			3,055.375	3,234.161	96.41	2.187	77.000	3,038.988
2036	3,021.883	186.963	3,208.846	39.19			3,115.626	3,302.589	97.16	2.008	77.000	3,129.838
2037	3,105.888	195.355	3,301.243	39.23			3,178.265	3,373.620	97.85	1.841	77.000	3,222.402
2038	3,191.340	203.983	3,395.323	39.27			3,243.097	3,447.080	98.50	1.669	77.000	3,316.654
2039	3,278.927	212.806	3,491.733	39.31			3,310.875	3,523.681	99.09	1.505	77.000	3,413.228
2040	3,368.802	221.874	3,590.676	39.34			3,382.567	3,604.441	99.62	1.343	77.000	3,512.333
2041	3,461.597	231.108	3,692.705	39.37			3,459.479	3,690.587	100.06	1.198	77.000	3,614.507
2042	3,556.778	240.546	3,797.324	39.41			3,543.305	3,783.851	100.36	1.061	77.000	3,719.263
2043	3,654.282	250.153	3,904.435	39.44			3,636.818	3,886.971	100.45	0.939	77.000	3,826.496
2044	3,753.655	259.956	4,013.611	39.47			3,744.498	4,004.454	100.23	0.829	77.000	3,935.782
2045	3,854.657	269.957	4,124.614	39.50			3,885.224	4,155.181	99.26	0.734	77.000	4,046.880
Total	\$ 60,097.585	\$ 3,724.601	\$ 63,822.186		\$ 1,639.653		\$ 62,401.002	\$ 66,125.603		\$ 43.268	\$ 1,539.000	\$ 62,239.918

¹ Assumes 75% of new hires elect Tier 2 and 25% elect to participate in the Retirement Savings Plan (RSP) for the Non-Academic members and 55% of new hires elect Tier 2 and 45% elect to participate in the Retirement Savings Plan (RSP) for the Academic members.

² Percent of pay amounts are calculated based on pensionable pay. Pensionable pay does not include amounts in excess of the pay caps applicable to members in Tier 2 participating in the Traditional and Portable plans.

³ Alternate funding policy of normal cost plus 19-year closed period amortization for FY 2027 with assumed annual increases in the amortization payment of 2.40% (assumed increases in inflation).

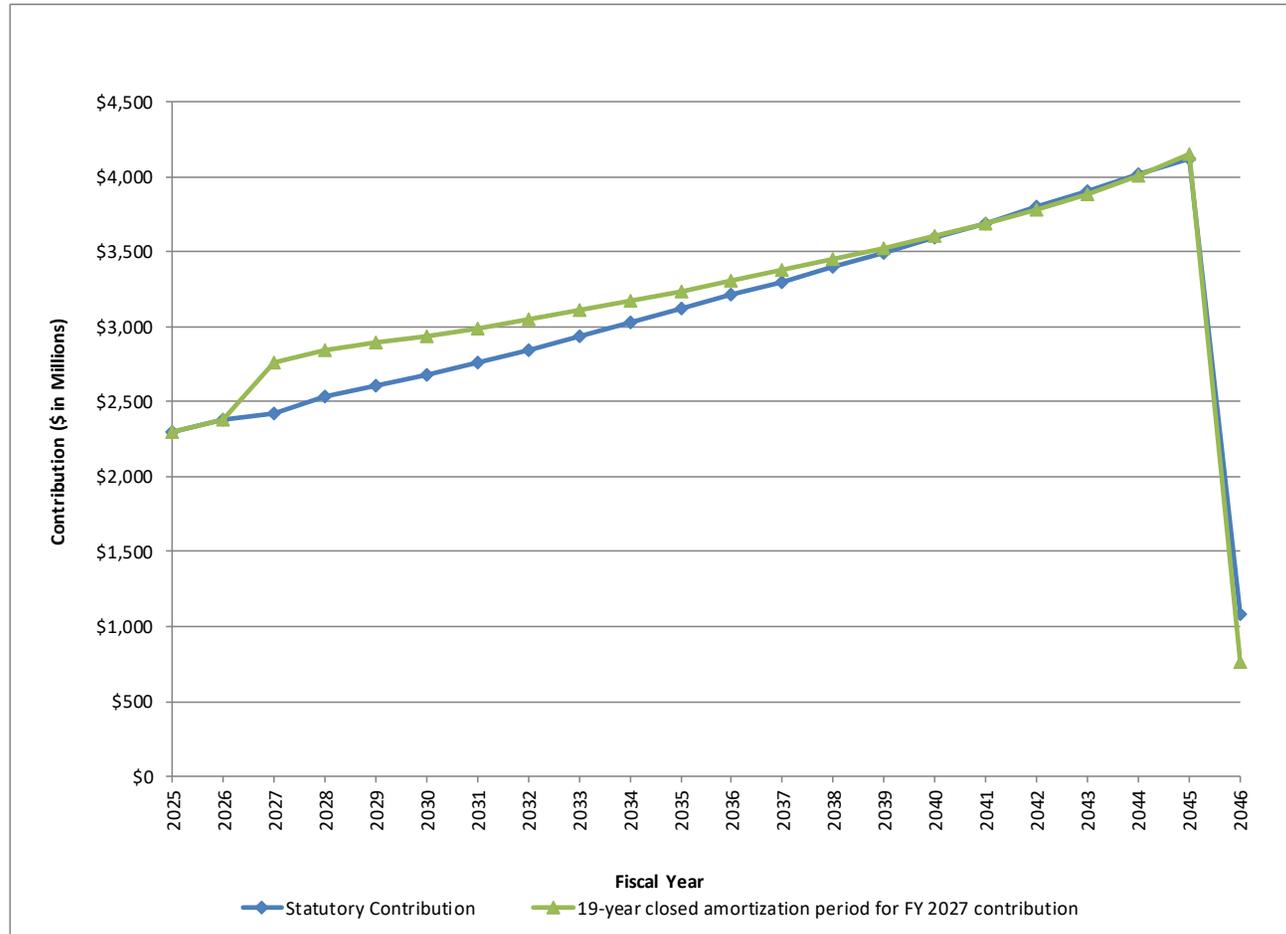
⁴ Compares the SURS Statutory contribution (targets a funded ratio of 90% in 2045) against a reasonable Actuarially Determined Contribution that fully amortizes the current unfunded liability by fiscal year 2045.

⁵ Federal/Trust fund contributions for fiscal years 2025 and 2026 were provided by SURS staff. Projected amounts for fiscal years 2027 and after are assumed to remain the same as the fiscal year 2026 amount.



Graph 6

Projected Statutory Contributions vs. Contributions under Alternate Policy (Net Normal Cost Plus Closed Period Amortization) (19 Years Remaining in Amortization Period for FY 2027 Contribution) (\$ in Millions)



Alternate funding policy of net normal cost plus closed period amortization of the unfunded liability based on amortization payments that increase at the assumed rate of increase in inflation that would seek to pay off the total unfunded accrued liability by 2045 (19-year closed amortization for the FY 2027 contribution). Alternate funding policy contributions are based on actual assets as of the current valuation date and the alternate policy contribution being made beginning in FY 2027.

Table 13
Projected Net Normal Cost Contributions, Unfunded Liability Contributions and
Single Equivalent Amortization Period Under the
Statutory and Alternate Funding Policies
(\$ in Millions)

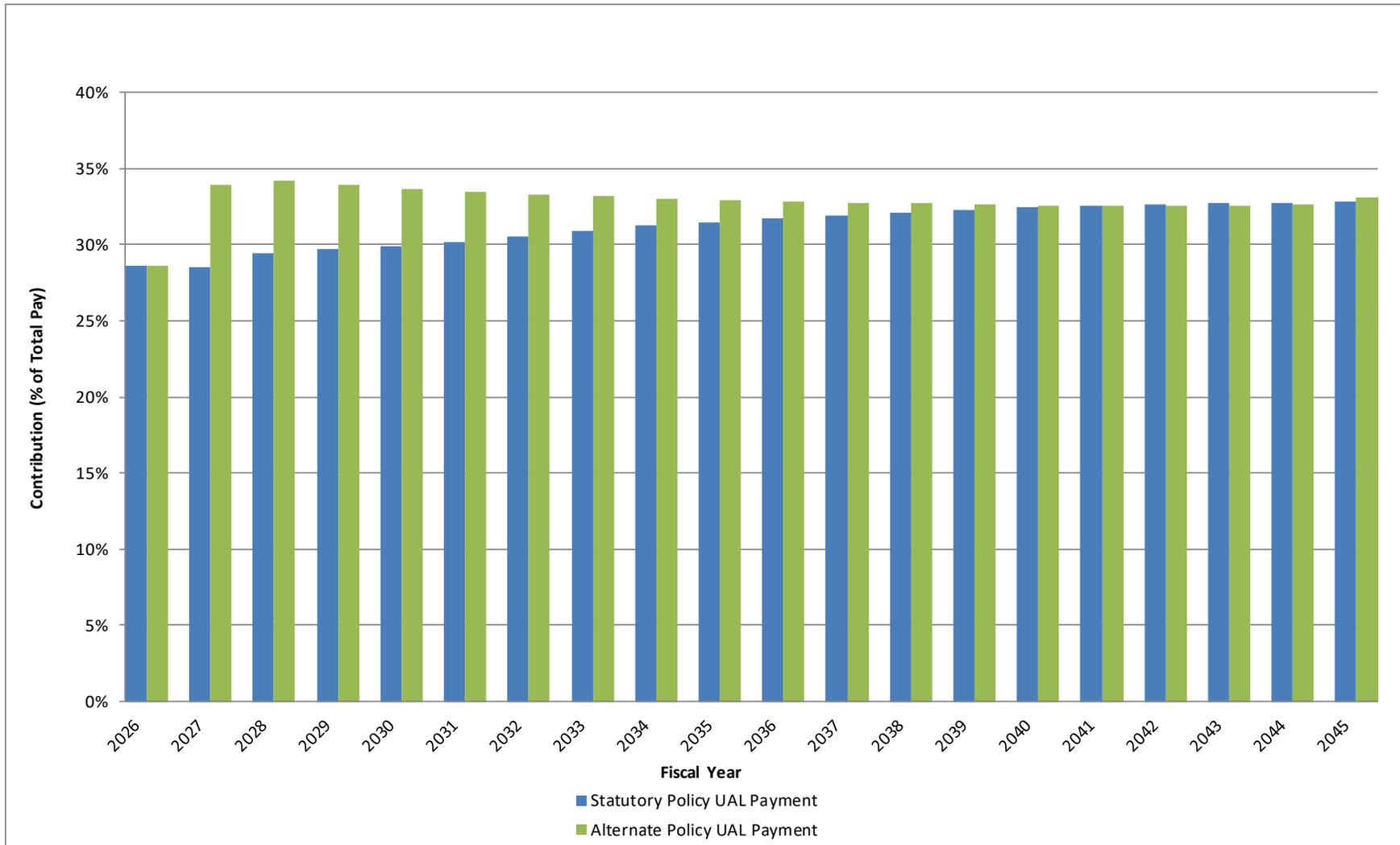
Fiscal Year Ending	Alternate Policy		SURS Contributions (Excludes RSP)					Alternate Policy Contributions					
	UAL	UAL	DB Payroll ¹	RSP Payroll	Total Payroll	Net Normal Cost	UAL Payment	Total	Equivalent Amort. Period (Yrs)	Net Normal Cost	UAL Payment	Total	Amortization Period (Yrs)
2026	\$ 28,960.865	\$ 28,960.865	\$ 4,539.471	\$ 1,588.059	\$ 6,127.530	\$ 510.187	\$ 1,752.993	\$ 2,263.181		\$ 510.187	\$ 1,752.993	\$ 2,263.181	
2027	28,915.894	28,566.856	4,627.205	1,681.927	6,309.132	501.160	1,800.362	2,301.522	25.0	501.160	2,138.582	2,639.741	19
2028	28,731.131	28,040.499	4,723.821	1,779.757	6,503.578	492.380	1,914.805	2,407.185	23.1	492.380	2,223.826	2,716.206	18
2029	28,531.905	27,506.320	4,822.152	1,879.297	6,701.449	483.034	1,992.310	2,475.344	21.5	483.034	2,273.380	2,756.414	17
2030	28,253.922	26,897.729	4,922.587	1,980.015	6,902.602	473.159	2,066.454	2,539.613	20.0	473.159	2,322.218	2,795.377	16
2031	27,876.853	26,191.799	5,023.104	2,082.325	7,105.429	463.756	2,144.961	2,608.717	18.6	463.756	2,378.209	2,841.965	15
2032	27,386.333	25,379.599	5,124.887	2,187.027	7,311.914	454.889	2,231.143	2,686.032	17.2	454.889	2,436.720	2,891.608	14
2033	26,767.668	24,452.771	5,229.480	2,294.591	7,524.071	446.825	2,324.423	2,771.248	15.9	446.825	2,496.640	2,943.464	13
2034	26,012.530	23,402.304	5,336.302	2,405.580	7,741.881	439.846	2,417.699	2,857.545	14.6	439.846	2,558.069	2,997.916	12
2035	25,117.450	22,217.863	5,444.688	2,518.932	7,963.620	433.648	2,505.741	2,939.389	13.3	433.648	2,621.727	3,055.375	11
2036	24,072.968	20,888.165	5,552.634	2,634.484	8,187.118	427.748	2,594.135	3,021.883	12.2	427.748	2,687.878	3,115.626	10
2037	22,867.786	19,401.279	5,661.643	2,753.068	8,414.711	421.821	2,684.067	3,105.888	11.1	421.821	2,756.444	3,178.265	9
2038	21,490.415	17,745.174	5,771.235	2,874.991	8,646.226	416.332	2,775.008	3,191.340	10.0	416.332	2,826.764	3,243.097	8
2039	19,928.462	15,906.810	5,883.879	2,999.644	8,883.523	411.810	2,867.117	3,278.927	8.9	411.810	2,899.065	3,310.875	7
2040	18,169.212	13,871.946	5,999.243	3,127.774	9,127.017	408.885	2,959.917	3,368.802	7.8	408.885	2,973.683	3,382.567	6
2041	16,199.058	11,624.657	6,120.196	3,258.230	9,378.427	408.120	3,053.477	3,461.597	6.8	408.120	3,051.359	3,459.479	5
2042	14,004.653	9,146.820	6,244.727	3,391.571	9,636.298	410.091	3,146.687	3,556.778	5.7	410.091	3,133.213	3,543.305	4
2043	11,571.455	6,415.885	6,373.192	3,527.270	9,900.462	414.420	3,239.862	3,654.282	4.7	414.420	3,222.398	3,636.818	3
2044	8,884.113	3,402.881	6,503.944	3,665.747	10,169.691	420.781	3,332.874	3,753.655	3.7	420.781	3,323.717	3,744.498	2
2045	5,926.033	56.976	6,636.335	3,806.998	10,443.333	428.701	3,425.956	3,854.657	2.7	428.701	3,456.524	3,885.224	1
Total						8,867.594	51,229.991	60,097.585		8,867.594	53,533.408	62,401.002	

The alternate funding policy contributions are based on actual assets as of the current valuation date and the alternate policy contribution of net normal cost plus 19-year closed period amortization of the unfunded liability based on amortization payments that increase at the assumed rate of increase in inflation being made beginning in FY 2027. The alternative funding policy would require higher contributions in the near term compared to the Statutory funding policy. However, the funded ratio would increase more quickly and require lower contributions than under the Statutory policy starting in fiscal year 2041. The Statutory contributions are projected to continue to increase at a faster rate than under the alternative funding policy in order to meet the ultimate funding objective of a 90% funded ratio in 2045.



Graph 7

Projected Unfunded Liability Contribution Rates Under the Statutory and Alternate Funding Policies (\$ in Millions)



Contribution rates are calculated based on total projected payroll (including RSP payroll).



APPENDIX D

ADDITIONAL PROJECTION DETAILS

Table 14

**Projections – Does Not Reflect Recognition of Deferred Asset Gains and Losses in Projected Actuarial Value of Assets (Impact of Bonds Issued in 2004 Included)
Assumes Investment Return of 6.50% Each Year on Actuarial Value of Assets
(\$ in Millions)**

Fiscal Year Ending	Total Payroll ¹	RSP Payroll	DB Payroll ¹	SURS Contributions ²	Member Contributions	Benefits	Expenses	Assets EOY	AAL	Funding Ratio	UAAL	Debt Service	Maximum Contribution ³	SURS Contrib. Before Maximum Contrib.	SURS Contrib. % of Total Payroll
2025	\$ 5,738.609	\$ 1,448.742	\$ 4,289.867	\$ 2,183.331	\$ 348.523	\$ 3,270.630	\$ 26.708	\$ 25,413.629	\$ 53,931.923	47.12 %	\$ 28,518.294	\$ 174.604		\$ 2,263.181	38.05 %
2026	6,127.530	1,588.059	4,539.471	2,263.181	363.612	3,470.792	31.782	26,161.719	54,724.633	47.81	28,562.914	179.149	\$ 2,268.966	2,301.522	36.93
2027	6,309.132	1,681.927	4,627.205	2,301.522	370.639	3,561.103	32.783	26,911.022	55,472.573	48.51	28,561.551	183.195	2,308.483	2,301.522	36.48
2028	6,503.578	1,779.757	4,723.821	2,375.706	378.378	3,670.569	33.816	27,679.540	56,154.020	49.29	28,474.480	191.634	2,378.788	2,375.706	36.53
2029	6,701.449	1,879.297	4,822.152	2,451.312	386.254	3,776.038	34.881	28,474.221	56,768.303	50.16	28,294.082	199.325	2,451.312	2,451.338	36.58
2030	6,902.602	1,980.015	4,922.587	2,521.801	394.299	3,883.166	35.980	29,289.914	57,308.936	51.11	28,019.022	211.160	2,521.801	2,526.989	36.53
2031	7,105.429	2,082.325	5,023.104	2,591.270	402.351	3,982.474	37.113	30,134.973	57,779.663	52.15	27,644.690	221.997	2,591.270	2,601.242	36.47
2032	7,311.914	2,187.027	5,124.887	2,668.077	410.503	4,083.531	38.282	31,017.142	58,174.751	53.32	27,157.609	226.944	2,668.077	2,676.835	36.49
2033	7,524.071	2,294.591	5,229.480	2,752.772	418.881	4,170.490	39.488	31,961.716	58,504.861	54.63	26,543.145	226.249	2,752.772	2,754.504	36.59
2034	7,741.881	2,405.580	5,336.302	2,834.242	427.438	4,252.893	40.732	32,974.273	58,771.734	56.11	25,797.461	NA	3,065.259	2,834.242	36.61
2035	7,963.620	2,518.932	5,444.688	2,915.419	436.120	4,333.677	42.015	34,060.687	58,973.825	57.76	24,913.138	NA	3,153.052	2,915.419	36.61
2036	8,187.118	2,634.484	5,552.634	2,997.240	444.766	4,407.069	43.338	35,233.973	59,114.779	59.60	23,880.806	NA	3,241.542	2,997.240	36.61
2037	8,414.711	2,753.068	5,661.643	3,080.560	453.498	4,471.673	44.704	36,510.440	59,199.712	61.67	22,689.272	NA	3,331.653	3,080.560	36.61
2038	8,646.226	2,874.991	5,771.235	3,165.316	462.276	4,535.160	46.112	37,899.431	59,226.586	63.99	21,327.155	NA	3,423.317	3,165.316	36.61
2039	8,883.523	2,999.644	5,883.879	3,252.188	471.299	4,588.207	47.564	39,421.427	59,203.611	66.59	19,782.184	NA	3,517.271	3,252.188	36.61
2040	9,127.017	3,127.774	5,999.243	3,341.330	480.539	4,634.906	49.063	41,094.143	59,135.920	69.49	18,041.777	NA	3,613.678	3,341.330	36.61
2041	9,378.427	3,258.230	6,120.196	3,433.369	490.228	4,558.101	50.608	43,058.234	59,150.705	72.79	16,092.471	NA	3,713.219	3,433.369	36.61
2042	9,636.298	3,391.571	6,244.727	3,527.774	500.203	4,575.908	52.202	45,237.687	59,158.758	76.47	13,921.071	NA	3,815.319	3,527.774	36.61
2043	9,900.462	3,527.270	6,373.192	3,624.482	510.493	4,583.816	53.847	47,659.368	59,172.562	80.54	11,513.194	NA	3,919.910	3,624.482	36.61
2044	10,169.691	3,665.747	6,503.944	3,723.044	520.966	4,583.407	55.543	50,349.654	59,203.308	85.05	8,853.654	NA	4,026.506	3,723.044	36.61
2045	10,443.333	3,806.998	6,636.335	3,823.223	531.570	4,576.651	57.292	53,334.302	59,260.336	90.00	5,926.034	NA	4,134.850	3,823.223	36.61

¹ Payroll shown is pensionable pay. It does not include amounts in excess of the pay caps applicable to members in Tier 2 participating in the Traditional and Portable plans.

² Excludes RSP contributions. Includes employer contributions.

³ Maximum contribution after impact of debt service.



Table 15
Hypothetical Assets to Determine Maximum Contribution
Projections – Reflects Recognition of Deferred Asset Gains and Losses in Projected Actuarial Value of
Assets (Before Impact of Bonds Issued in 2004)
(\$ in Millions)

Fiscal Year Ending	Total Payroll ¹	RSP Payroll	DB Payroll ¹	SURS Contributions ²	Member Contributions	Benefits	Expenses	Assets EOY	AAL	Funding Ratio	UAAL	Debt Service	SURS Contribution % of Total Payroll
2025	\$ 5,738.609	\$ 1,448.742	\$ 4,289.867	\$ 2,335.741	\$ 348.523	\$ 3,270.630	\$ 26.708	\$ 22,782.375	\$ 53,931.923	42.24 %	\$ 31,149.548	NA	40.70 %
2026	6,127.530	1,588.059	4,539.471	2,448.115	363.612	3,470.792	31.782	23,197.914	54,724.633	42.39	31,526.719	NA	39.95
2027	6,309.132	1,681.927	4,627.205	2,491.678	370.639	3,561.103	32.783	24,012.952	55,472.573	43.29	31,459.621	NA	39.49
2028	6,503.578	1,779.757	4,723.821	2,598.819	378.378	3,670.569	33.816	24,902.110	56,154.020	44.35	31,251.910	NA	39.96
2029	6,701.449	1,879.297	4,822.152	2,674.670	386.254	3,776.038	34.881	25,756.347	56,768.303	45.37	31,011.956	NA	39.91
2030	6,902.602	1,980.015	4,922.587	2,750.773	394.299	3,883.166	35.980	26,631.675	57,308.936	46.47	30,677.261	NA	39.85
2031	7,105.429	2,082.325	5,023.104	2,830.715	402.351	3,982.474	37.113	27,551.052	57,779.663	47.68	30,228.611	NA	39.84
2032	7,311.914	2,187.027	5,124.887	2,912.976	410.503	4,083.531	38.282	28,517.999	58,174.751	49.02	29,656.752	NA	39.84
2033	7,524.071	2,294.591	5,229.480	2,997.496	418.881	4,170.490	39.488	29,552.682	58,504.861	50.51	28,952.179	NA	39.84
2034	7,741.881	2,405.580	5,336.302	3,084.269	427.438	4,252.893	40.732	30,666.677	58,771.734	52.18	28,105.057	NA	39.84
2035	7,963.620	2,518.932	5,444.688	3,172.607	436.120	4,333.677	42.015	31,868.512	58,973.825	54.04	27,105.313	NA	39.84
2036	8,187.118	2,634.484	5,552.634	3,261.646	444.766	4,407.069	43.338	33,172.170	59,114.779	56.11	25,942.609	NA	39.84
2037	8,414.711	2,753.068	5,661.643	3,352.316	453.498	4,471.673	44.704	34,595.069	59,199.712	58.44	24,604.643	NA	39.84
2038	8,646.226	2,874.991	5,771.235	3,444.549	462.276	4,535.160	46.112	36,147.727	59,226.586	61.03	23,078.859	NA	39.84
2039	8,883.523	2,999.644	5,883.879	3,539.085	471.299	4,588.207	47.564	37,851.936	59,203.611	63.94	21,351.675	NA	39.84
2040	9,127.017	3,127.774	5,999.243	3,636.090	480.539	4,634.906	49.063	39,726.824	59,135.920	67.18	19,409.096	NA	39.84
2041	9,378.427	3,258.230	6,120.196	3,736.249	490.228	4,558.101	50.608	41,914.608	59,150.705	70.86	17,236.097	NA	39.84
2042	9,636.298	3,391.571	6,244.727	3,838.981	500.203	4,575.908	52.202	44,340.889	59,158.758	74.95	14,817.869	NA	39.84
2043	9,900.462	3,527.270	6,373.192	3,944.221	510.493	4,583.816	53.847	47,034.245	59,172.562	79.49	12,138.317	NA	39.84
2044	10,169.691	3,665.747	6,503.944	4,051.478	520.966	4,583.407	55.543	50,022.837	59,203.308	84.49	9,180.471	NA	39.84
2045	10,443.333	3,806.998	6,636.335	4,160.494	531.570	4,576.651	57.292	53,334.303	59,260.336	90.00	5,926.033	NA	39.84

¹ Payroll shown is pensionable pay. It does not include amounts in excess of the pay caps applicable to members in Tier 2 participating in the Traditional and Portable plans.

² Excludes RSP contributions. Includes employer contributions.



Table 16
Hypothetical Assets to Determine Maximum Contribution

**Projections – Does Not Reflect Recognition of Deferred Asset Gains and Losses in Projected Actuarial Value of Assets
(Before Impact of Bonds Issued in 2004)**
Assumes Investment Return of 6.50% Each Year on Actuarial Value of Assets
(\$ in Millions)

Fiscal Year Ending	Total Payroll ¹	RSP Payroll	DB Payroll ¹	SURS Contributions ²	Member Contributions	Benefits	Expenses	Assets EOY	AAL	Funding Ratio	UAAL	Debt Service	SURS Contribution % of Total Payroll
2025	\$ 5,738.609	\$ 1,448.742	\$ 4,289.867	\$ 2,335.741	\$ 348.523	\$ 3,270.630	\$ 26.708	\$ 22,782.375	\$ 53,931.923	42.24 %	\$ 31,149.548	NA	40.70 %
2026	6,127.530	1,588.059	4,539.471	2,448.115	363.612	3,470.792	31.782	23,550.284	54,724.633	43.03	31,174.349	NA	39.95
2027	6,309.132	1,681.927	4,627.205	2,491.678	370.639	3,561.103	32.783	24,326.082	55,472.573	43.85	31,146.491	NA	39.49
2028	6,503.578	1,779.757	4,723.821	2,570.422	378.378	3,670.569	33.816	25,127.523	56,154.020	44.75	31,026.497	NA	39.52
2029	6,701.449	1,879.297	4,822.152	2,650.638	386.254	3,776.038	34.881	25,962.025	56,768.303	45.73	30,806.278	NA	39.55
2030	6,902.602	1,980.015	4,922.587	2,732.961	394.299	3,883.166	35.980	26,832.340	57,308.936	46.82	30,476.596	NA	39.59
2031	7,105.429	2,082.325	5,023.104	2,813.267	402.351	3,982.474	37.113	27,746.754	57,779.663	48.02	30,032.909	NA	39.59
2032	7,311.914	2,187.027	5,124.887	2,895.021	410.503	4,083.531	38.282	28,707.893	58,174.751	49.35	29,466.858	NA	39.59
2033	7,524.071	2,294.591	5,229.480	2,979.021	418.881	4,170.490	39.488	29,735.852	58,504.861	50.83	28,769.009	NA	39.59
2034	7,741.881	2,405.580	5,336.302	3,065.259	427.438	4,252.893	40.732	30,842.134	58,771.734	52.48	27,929.600	NA	39.59
2035	7,963.620	2,518.932	5,444.688	3,153.052	436.120	4,333.677	42.015	32,035.193	58,973.825	54.32	26,938.632	NA	39.59
2036	8,187.118	2,634.484	5,552.634	3,241.542	444.766	4,407.069	43.338	33,328.938	59,114.779	56.38	25,785.841	NA	39.59
2037	8,414.711	2,753.068	5,661.643	3,331.653	453.498	4,471.673	44.704	34,740.703	59,199.712	58.68	24,459.009	NA	39.59
2038	8,646.226	2,874.991	5,771.235	3,423.317	462.276	4,535.160	46.112	36,280.917	59,226.586	61.26	22,945.669	NA	39.59
2039	8,883.523	2,999.644	5,883.879	3,517.271	471.299	4,588.207	47.564	37,971.271	59,203.611	64.14	21,232.340	NA	39.59
2040	9,127.017	3,127.774	5,999.243	3,613.678	480.539	4,634.906	49.063	39,830.787	59,135.920	67.35	19,305.133	NA	39.59
2041	9,378.427	3,258.230	6,120.196	3,713.219	490.228	4,558.101	50.608	42,001.562	59,150.705	71.01	17,149.143	NA	39.59
2042	9,636.298	3,391.571	6,244.727	3,815.319	500.203	4,575.908	52.202	44,409.076	59,158.758	75.07	14,749.682	NA	39.59
2043	9,900.462	3,527.270	6,373.192	3,919.910	510.493	4,583.816	53.847	47,081.775	59,172.562	79.57	12,090.787	NA	39.59
2044	10,169.691	3,665.747	6,503.944	4,026.506	520.966	4,583.407	55.543	50,047.686	59,203.308	84.54	9,155.622	NA	39.59
2045	10,443.333	3,806.998	6,636.335	4,134.850	531.570	4,576.651	57.292	53,334.302	59,260.336	90.00	5,926.034	NA	39.59

¹ Payroll shown is pensionable pay. It does not include amounts in excess of the pay caps applicable to members in Tier 2 participating in the Traditional and Portable plans.

² Excludes RSP contributions. Includes employer contributions.



Table 17
Additional Details – Total Normal Cost Dollars
(\$ in Millions)

Fiscal Year Ending	Total Normal Cost ¹				Admin Expense				Normal Cost with Admin Expense			
	Tier 2				Tier 2				Tier 2			
	Tier 1	Current	Future	Total	Tier 1	Current	Future	Total	Tier 1	Current	Future	Total
2026	\$ 570.410	\$ 271.607	\$ 0.000	\$ 842.017	\$ 15.101	\$ 16.681	\$ 0.000	\$ 31.782	\$ 585.511	\$ 288.288	\$ 0.000	\$ 873.799
2027	538.095	266.565	34.356	839.016	14.265	16.136	2.382	32.783	552.360	282.701	36.738	871.799
2028	507.762	262.638	66.542	836.942	13.465	15.651	4.700	33.816	521.227	278.289	71.242	870.758
2029	477.411	259.684	97.311	834.406	12.673	15.259	6.949	34.881	490.084	274.944	104.260	869.288
2030	446.554	257.494	127.431	831.479	11.878	14.955	9.147	35.980	458.431	272.449	136.578	867.458
2031	415.505	256.205	157.284	828.994	11.084	14.725	11.304	37.113	426.589	270.929	168.589	866.107
2032	384.523	255.647	186.940	827.110	10.298	14.547	13.437	38.282	394.821	270.193	200.378	865.392
2033	354.287	255.373	216.559	826.219	9.527	14.393	15.568	39.488	363.814	269.766	232.126	865.706
2034	324.957	255.261	246.335	826.553	8.774	14.257	17.701	40.732	333.731	269.517	264.036	867.284
2035	295.874	255.384	276.496	827.754	8.030	14.137	19.847	42.015	303.904	269.521	296.343	869.768
2036	266.559	255.890	306.726	829.175	7.289	14.039	22.011	43.338	273.848	269.929	328.737	872.514
2037	237.081	256.714	336.821	830.616	6.550	13.954	24.199	44.704	243.631	270.668	361.020	875.319
2038	207.839	257.739	366.917	832.495	5.821	13.875	26.416	46.112	213.660	271.614	393.334	878.608
2039	179.542	258.929	397.075	835.546	5.113	13.791	28.660	47.564	184.655	272.720	425.734	883.109
2040	152.986	259.998	427.378	840.362	4.446	13.689	30.928	49.063	157.432	273.687	458.306	889.425
2041	129.149	260.769	457.821	847.739	3.837	13.562	33.209	50.608	132.986	274.331	491.031	898.348
2042	108.639	261.092	488.361	858.092	3.299	13.404	35.499	52.202	111.939	274.495	523.860	910.294
2043	91.045	260.882	519.139	871.066	2.827	13.213	37.807	53.847	93.872	274.095	556.946	924.913
2044	75.965	260.044	550.195	886.204	2.413	12.991	40.139	55.543	78.378	273.035	590.334	941.747
2045	63.059	258.316	581.604	902.979	2.051	12.733	42.508	57.292	65.110	271.049	624.112	960.271

¹ Normal Cost excludes expense portion.

Values may not add due to rounding.



Table 18
Additional Details – Normal Cost Rates
(\$ in Millions)

Fiscal Year Ending	Expected Defined Benefit Plan Pay ¹				Total Normal Cost Rate ¹				Employer Normal Cost Rate			
	Tier 2				Tier 2				Combined			
	Tier 1	Current	Future	Total	Tier 1	Current	Future	Total	Tier 2	Tier 1	Tier 2	Total
2026	\$ 2,119.762	\$ 2,341.627	\$ 0.000	\$ 4,461.389	27.62%	12.31%		19.59%	12.31%	19.61%	4.30%	11.58%
2027	1,978.286	2,237.744	330.331	4,546.361	27.92%	12.63%	11.12%	19.18%	12.44%	19.91%	4.43%	11.17%
2028	1,847.428	2,147.306	644.874	4,639.608	28.21%	12.96%	11.05%	18.77%	12.52%	20.20%	4.51%	10.76%
2029	1,720.389	2,071.530	943.357	4,735.276	28.49%	13.27%	11.05%	18.36%	12.58%	20.48%	4.57%	10.35%
2030	1,595.391	2,008.696	1,228.617	4,832.704	28.73%	13.56%	11.12%	17.95%	12.63%	20.72%	4.62%	9.94%
2031	1,472.759	1,956.488	1,501.983	4,931.230	28.97%	13.85%	11.22%	17.56%	12.71%	20.96%	4.70%	9.55%
2032	1,353.189	1,911.470	1,765.697	5,030.356	29.18%	14.14%	11.35%	17.20%	12.80%	21.17%	4.79%	9.19%
2033	1,238.336	1,870.767	2,023.447	5,132.550	29.38%	14.42%	11.47%	16.87%	12.89%	21.37%	4.88%	8.86%
2034	1,128.198	1,833.123	2,275.989	5,237.310	29.58%	14.70%	11.60%	16.56%	12.98%	21.57%	4.97%	8.55%
2035	1,021.370	1,798.101	2,524.375	5,343.846	29.75%	14.99%	11.74%	16.28%	13.09%	21.74%	5.08%	8.27%
2036	916.656	1,765.591	2,768.253	5,450.500	29.87%	15.29%	11.88%	16.01%	13.20%	21.86%	5.19%	8.00%
2037	814.302	1,734.781	3,008.451	5,557.534	29.92%	15.60%	12.00%	15.75%	13.32%	21.91%	5.31%	7.74%
2038	715.158	1,704.694	3,245.595	5,665.447	29.88%	15.93%	12.12%	15.51%	13.43%	21.87%	5.42%	7.50%
2039	620.891	1,674.610	3,480.054	5,775.555	29.74%	16.29%	12.23%	15.29%	13.55%	21.73%	5.54%	7.28%
2040	533.616	1,643.195	3,712.342	5,889.153	29.50%	16.66%	12.35%	15.10%	13.67%	21.49%	5.66%	7.09%
2041	455.410	1,609.830	3,942.015	6,007.255	29.20%	17.04%	12.46%	14.95%	13.79%	21.19%	5.78%	6.94%
2042	387.397	1,573.823	4,168.216	6,129.436	28.89%	17.44%	12.57%	14.85%	13.90%	20.89%	5.89%	6.84%
2043	328.420	1,534.960	4,392.072	6,255.452	28.58%	17.86%	12.68%	14.79%	14.02%	20.57%	6.01%	6.78%
2044	277.377	1,493.197	4,613.747	6,384.321	28.26%	18.29%	12.80%	14.75%	14.14%	20.25%	6.13%	6.74%
2045	233.238	1,447.971	4,833.836	6,515.045	27.92%	18.72%	12.91%	14.74%	14.25%	19.91%	6.24%	6.73%
2046	195.232	1,399.166	5,052.453	6,646.851	27.57%	19.16%	13.03%	14.75%	14.36%	19.56%	6.35%	6.74%

¹ Expected pay for members in the defined benefit plans at June 30. Used to develop normal cost as a percent of pay.

Values may not add due to rounding.



Table 19
Additional Details – Number of Members, Contributions and Payroll
(\$ in Millions)

Fiscal Year Ending	RSP Total Active Members	Number of Defined Benefit Plan Active				Defined Benefit Plan Payroll ¹				Member Contributions			
		Tier 2				Tier 2				Tier 2			
		Tier 1	Current	Future	Total	Tier 1	Current	Future	Total	Tier 1	Current	Future	Total
2025	14,163	25,019	38,769	0	63,788	\$ 2,109.050	\$ 2,180.816	\$ 0.000	\$ 4,289.867				\$ 348.523
2026	15,313	22,290	34,708	5,640	62,638	2,001.646	2,218.686	319.139	4,539.471	\$ 160.332	\$ 177.717	\$ 25.563	363.612
2027	16,250	19,962	31,412	10,327	61,701	1,871.900	2,130.971	624.334	4,627.205	149.939	170.691	50.009	370.639
2028	17,047	17,878	28,721	14,305	60,904	1,747.393	2,055.158	921.270	4,723.821	139.966	164.618	73.794	378.378
2029	17,740	15,969	26,503	17,739	60,211	1,624.272	1,991.532	1,206.348	4,822.152	130.104	159.522	96.628	386.254
2030	18,343	14,220	24,655	20,733	59,608	1,503.449	1,938.854	1,480.284	4,922.587	120.426	155.302	118.571	394.299
2031	18,881	12,614	23,094	23,362	59,070	1,384.555	1,894.540	1,744.009	5,023.104	110.903	151.753	139.695	402.351
2032	19,366	11,157	21,720	25,708	58,585	1,269.513	1,854.868	2,000.506	5,124.887	101.687	148.575	160.241	410.503
2033	19,809	9,841	20,484	27,817	58,142	1,159.715	1,817.987	2,251.778	5,229.480	92.893	145.621	180.367	418.881
2034	20,212	8,644	19,364	29,731	57,739	1,053.755	1,783.621	2,498.926	5,336.302	84.406	142.868	200.164	427.438
2035	20,586	7,541	18,346	31,478	57,365	950.292	1,751.646	2,742.750	5,444.688	76.119	140.307	219.694	436.120
2036	20,926	6,523	17,435	33,067	57,025	848.289	1,722.123	2,982.222	5,552.634	67.948	137.942	238.876	444.766
2037	21,242	5,588	16,597	34,524	56,709	749.419	1,693.153	3,219.071	5,661.643	60.028	135.622	257.848	453.498
2038	21,535	4,732	15,823	35,861	56,416	653.634	1,664.844	3,452.757	5,771.235	52.356	133.354	276.566	462.276
2039	21,806	3,969	15,089	37,087	56,145	564.418	1,635.686	3,683.775	5,883.879	45.211	131.018	295.070	471.299
2040	22,059	3,299	14,383	38,210	55,892	482.354	1,604.473	3,912.416	5,999.243	38.637	128.518	313.385	480.540
2041	22,283	2,735	13,701	39,232	55,668	411.064	1,571.215	4,137.917	6,120.196	32.927	125.854	331.447	490.228
2042	22,489	2,260	13,033	40,169	55,462	348.976	1,534.797	4,360.954	6,244.727	27.954	122.937	349.312	500.203
2043	22,675	1,862	12,380	41,034	55,276	295.404	1,495.832	4,581.956	6,373.192	23.662	119.816	367.015	510.493
2044	22,848	1,526	11,738	41,839	55,103	248.840	1,453.539	4,801.565	6,503.944	19.933	116.428	384.605	520.966
2045	23,006	1,246	11,104	42,595	54,945	208.813	1,407.530	5,019.992	6,636.335	16.726	112.743	402.101	531.570

¹ Payroll shown is pensionable pay. It does not include amounts in excess of the pay caps applicable to members in the Tier 2 participating in the Traditional and Portable plans.

Values may not add due to rounding.



Table 20
Additional Details – Present Value of Future Benefits and Benefit Payments
(\$ in Millions)

Fiscal Year Ending	Present Value of Future Benefits						Benefit Payments					
	Current Retirees	Current Inactives	Tier 1 Actives	Tier 2 Actives		Total	Current Retirees	Current Inactives	Tier 1 Actives	Tier 2 Actives		Total
				Current	Future					Current	Future	
2025	\$ 36,780.529	\$ 3,493.110	\$ 15,957.120	\$ 5,300.372	\$ 0.000	\$ 61,531.131						\$ 3,270.630
2026	35,893.298	3,620.907	16,856.133	5,578.499	376.444	62,325.281	\$ 3,176.359	\$ 96.179	\$ 133.915	\$ 64.339	\$ 0.000	3,470.792
2027	34,940.698	3,737.061	17,756.352	5,868.506	776.223	63,078.840	3,183.821	115.510	189.372	70.345	2.055	3,561.103
2028	33,925.955	3,846.124	18,625.624	6,174.393	1,204.852	63,776.948	3,184.036	129.696	276.060	73.223	7.554	3,670.569
2029	32,852.716	3,946.067	19,459.886	6,499.703	1,663.040	64,421.412	3,176.806	145.404	364.737	73.669	15.422	3,776.038
2030	31,725.070	4,035.664	20,250.666	6,844.662	2,150.535	65,006.597	3,161.928	161.724	459.416	75.118	24.980	3,883.166
2031	30,547.559	4,111.370	20,994.981	7,214.748	2,667.394	65,536.052	3,139.222	180.828	554.248	72.498	35.678	3,982.474
2032	29,325.127	4,172.472	21,681.474	7,613.073	3,212.270	66,004.416	3,108.586	199.747	657.160	68.444	49.594	4,083.531
2033	28,063.316	4,218.875	22,311.894	8,040.576	3,785.624	66,420.285	3,069.748	217.839	754.733	65.259	62.911	4,170.490
2034	26,768.157	4,249.136	22,884.412	8,494.083	4,388.768	66,784.556	3,022.588	236.404	850.547	66.987	76.367	4,252.893
2035	25,446.045	4,262.215	23,394.097	8,969.615	5,023.185	67,095.157	2,967.129	254.959	947.493	74.209	89.887	4,333.677
2036	24,103.652	4,256.202	23,833.105	9,461.818	5,702.553	67,357.330	2,903.508	274.283	1,048.081	88.007	93.190	4,407.069
2037	22,748.047	4,230.522	24,199.487	9,970.242	6,428.643	67,576.941	2,831.759	292.962	1,146.108	103.290	97.554	4,471.673
2038	21,386.721	4,182.576	24,485.230	10,494.335	7,203.097	67,751.959	2,751.920	312.920	1,247.324	120.130	102.866	4,535.160
2039	20,027.085	4,111.894	24,689.625	11,033.567	8,027.185	67,889.356	2,664.538	331.931	1,344.147	138.470	109.121	4,588.207
2040	18,676.732	4,015.739	24,810.785	11,586.903	8,901.872	67,992.031	2,569.907	352.163	1,437.677	158.768	116.391	4,634.906
2041	17,343.158	4,007.482	24,852.395	12,152.869	9,828.489	68,184.393	2,468.594	260.933	1,522.392	181.381	124.801	4,558.101
2042	16,033.652	3,987.892	24,814.480	12,729.483	10,809.972	68,375.479	2,361.278	271.395	1,602.073	206.710	134.452	4,575.908
2043	14,755.212	3,956.742	24,700.413	13,314.604	11,848.355	68,575.326	2,248.696	281.362	1,673.476	234.785	145.497	4,583.816
2044	13,514.474	3,914.925	24,512.288	13,905.652	12,946.563	68,793.902	2,131.638	289.737	1,738.054	265.896	158.082	4,583.407
2045	12,317.567	3,862.530	24,253.561	14,498.569	14,107.263	69,039.490	2,011.019	297.354	1,794.618	301.312	172.348	4,576.651

Values may not add due to rounding.



Table 21
Additional Details – Actuarial Accrued Liability and Employer Normal Cost Dollars
(\$ in Millions)

Fiscal Year Ending	Actuarial Accrued Liability						Fiscal Year Ending	Employer Normal Cost Dollar		
	Current Retirees	Current Inactives	Tier 1 Actives	Tier 2 Actives		Total		Tier 1	Tier 2	Total
				Current	Future					
2025	\$ 36,780.529	\$ 3,493.110	\$ 11,935.006	\$ 1,723.278	\$ 0.000	\$ 53,931.923	2026	\$ 425.179	\$ 85.008	\$ 510.187
2026	35,893.298	3,620.907	13,161.239	2,049.189	0.000	54,724.633	2027	402.421	98.739	501.160
2027	34,940.698	3,737.061	14,376.596	2,384.884	33.334	55,472.573	2028	381.261	111.119	492.380
2028	33,925.955	3,846.124	15,550.190	2,735.375	96.376	56,154.020	2029	359.980	123.054	483.034
2029	32,852.716	3,946.067	16,677.231	3,105.140	187.149	56,768.303	2030	338.005	135.154	473.159
2030	31,725.070	4,035.664	17,747.977	3,495.184	305.041	57,308.936	2031	315.686	148.070	463.756
2031	30,547.559	4,111.370	18,758.414	3,911.954	450.366	57,779.663	2032	293.134	161.755	454.889
2032	29,325.127	4,172.472	19,696.352	4,359.421	621.379	58,174.751	2033	270.921	175.904	446.825
2033	28,063.316	4,218.875	20,563.361	4,838.978	820.331	58,504.861	2034	249.325	190.521	439.846
2034	26,768.157	4,249.136	21,357.575	5,347.808	1,049.058	58,771.734	2035	227.785	205.863	433.648
2035	25,446.045	4,262.215	22,073.354	5,882.386	1,309.825	58,973.825	2036	205.900	221.848	427.748
2036	24,103.652	4,256.202	22,701.601	6,437.994	1,615.330	59,114.779	2037	183.603	238.218	421.821
2037	22,748.047	4,230.522	23,239.099	7,014.797	1,967.247	59,199.712	2038	161.304	255.028	416.332
2038	21,386.721	4,182.576	23,676.903	7,612.770	2,367.616	59,226.586	2039	139.444	272.366	411.810
2039	20,027.085	4,111.894	24,014.044	8,231.912	2,818.676	59,203.611	2040	118.795	290.090	408.885
2040	18,676.732	4,015.739	24,249.170	8,871.454	3,322.825	59,135.920	2041	100.059	308.061	408.120
2041	17,343.158	4,007.482	24,387.556	9,530.026	3,882.483	59,150.705	2042	83.985	326.106	410.091
2042	16,033.652	3,987.892	24,431.540	10,205.600	4,500.074	59,158.758	2043	70.210	344.210	414.420
2043	14,755.212	3,956.742	24,386.540	10,895.895	5,178.173	59,172.562	2044	58.445	362.336	420.781
2044	13,514.474	3,914.925	24,256.408	11,598.090	5,919.411	59,203.308	2045	48.384	380.317	428.701
2045	12,317.567	3,862.530	24,046.125	12,307.594	6,726.520	59,260.336	2046	39.861	398.034	437.895

Values may not add due to rounding.



Table 22
Additional Details – Payroll and Payroll in Excess of Governor’s Pay
(\$ in Millions)

Fiscal Year Ending	Defined Benefit Plan Payroll ¹				Defined Benefit Plan Payroll in Excess of Governor's Pay ²		
	Tier 1	Tier 2		Total	Tier 1	Tier 2	
		Current	Future			Current	Total
2025	\$ 2,109.050	\$ 2,180.816	\$ 0.000	\$ 4,289.867	\$ 39.972	\$ 0.000	\$ 39.972
2026	2,001.646	2,218.686	319.139	4,539.471	48.917	0.000	48.917
2027	1,871.900	2,130.971	624.334	4,627.205	46.140	0.000	46.140
2028	1,747.393	2,055.158	921.270	4,723.821	44.884	0.000	44.884
2029	1,624.272	1,991.532	1,206.348	4,822.152	43.452	0.000	43.452
2030	1,503.449	1,938.854	1,480.284	4,922.587	41.899	0.000	41.899
2031	1,384.555	1,894.540	1,744.009	5,023.104	40.032	0.000	40.032
2032	1,269.513	1,854.868	2,000.506	5,124.887	38.369	0.000	38.369
2033	1,159.715	1,817.987	2,251.778	5,229.480	36.547	0.000	36.547
2034	1,053.755	1,783.621	2,498.926	5,336.302	34.695	0.000	34.695
2035	950.292	1,751.646	2,742.750	5,444.688	32.879	0.000	32.879
2036	848.289	1,722.123	2,982.222	5,552.634	30.809	0.000	30.809
2037	749.419	1,693.153	3,219.071	5,661.643	28.669	0.000	28.669
2038	653.634	1,664.844	3,452.757	5,771.235	26.356	0.000	26.356
2039	564.418	1,635.686	3,683.775	5,883.879	24.122	0.000	24.122
2040	482.354	1,604.473	3,912.416	5,999.243	21.835	0.000	21.835
2041	411.064	1,571.215	4,137.917	6,120.196	19.618	0.000	19.618
2042	348.976	1,534.797	4,360.954	6,244.727	17.478	0.000	17.478
2043	295.404	1,495.832	4,581.956	6,373.192	15.552	0.000	15.552
2044	248.840	1,453.539	4,801.565	6,503.944	13.809	0.000	13.809
2045	208.813	1,407.530	5,019.992	6,636.335	12.177	0.000	12.177

¹ Payroll shown is pensionable pay. It does not include amounts in excess of the pay caps applicable to members in Tier 2 participating in the Traditional and Portable plans.

² Governor’s pay is \$237,900 in 2026 and is projected to increase annually by 1.20%.

Values may not add due to rounding.

Table 23
Additional Details – Statutorily Required Employer Contributions
(\$ in Millions)

Fiscal Year Ending	Applicable Employer Normal Cost Rates		Employer Normal Cost Contributions for Pay in Excess of the Governor's Pay ¹			Total Employer Contributions Required by Statute ²		
	Tier 1	Total	Tier 1	Tier 2	Total	Tier 1	Tier 2	Total
	2027	19.61%	11.58%			\$ 3.238	\$ 0.000	\$ 0.000
2028	19.91%	11.17%	\$ 3.823	\$ 0.000	3.823	3.823	0.000	3.823
2029	20.20%	10.76%	3.475	0.000	3.475	3.475	0.000	3.475
2030	20.48%	10.35%	3.251	0.000	3.251	3.251	0.000	3.251
2031	20.72%	9.94%	3.023	0.000	3.023	3.023	0.000	3.023
2032	20.96%	9.55%	2.802	0.000	2.802	2.802	0.000	2.802
2033	21.17%	9.19%	2.576	0.000	2.576	2.576	0.000	2.576
2034	21.37%	8.86%	2.379	0.000	2.379	2.379	0.000	2.379
2035	21.57%	8.55%	2.187	0.000	2.187	2.187	0.000	2.187
2036	21.74%	8.27%	2.008	0.000	2.008	2.008	0.000	2.008
2037	21.86%	8.00%	1.841	0.000	1.841	1.841	0.000	1.841
2038	21.91%	7.74%	1.669	0.000	1.669	1.669	0.000	1.669
2039	21.87%	7.50%	1.505	0.000	1.505	1.505	0.000	1.505
2040	21.73%	7.28%	1.343	0.000	1.343	1.343	0.000	1.343
2041	21.49%	7.09%	1.198	0.000	1.198	1.198	0.000	1.198
2042	21.19%	6.94%	1.061	0.000	1.061	1.061	0.000	1.061
2043	20.89%	6.84%	0.939	0.000	0.939	0.939	0.000	0.939
2044	20.57%	6.78%	0.829	0.000	0.829	0.829	0.000	0.829
2045	20.25%	6.74%	0.734	0.000	0.734	0.734	0.000	0.734
2046	19.91%	6.73%	0.650	0.000	0.650	0.650	0.000	0.650

¹ FY 2027 amount based on excess pay amount as provided by SURS and the total employer normal cost rate. Amounts in FY 2028 and thereafter based on excess pay amount projected by GRS and the total employer normal cost rate. SURS may want to consider having employer normal cost contributions be based on the normal cost rate by tier. 30% of future Tier 1 excess pay employer contributions that would have been calculated are not included because they are already assumed to be part of the federal and trust funds contributions.

² Projected employer contributions do not include 6% employer billing contributions. No additional assumption is made for earnings greater than 6% during the final average salary (FAS) period. The participant's employer is required to make contributions equal to the present value of the increase in benefits attributable to member pay increases in excess of 6% during the FAS period. These contributions are collected when the participant retires.

Values may not add due to rounding.



APPENDIX E

HISTORICAL SCHEDULES

Table 24
Historical Schedule of Funding Status
(\$ in Thousands)

As of June 30	Actuarial Value of Assets	AAL	UAAL	Funded Ratio	Payroll/DB*	UAAL as % of Payroll
2011	\$ 13,945,680	\$ 31,514,336	\$17,568,656	44.25 %	\$3,460,838	507.64 %
2012	13,949,905	33,170,216	19,220,311	42.06	3,477,166	552.76
2013	14,262,621	34,373,104	20,110,483	41.49	3,533,858	569.08
2014 **	15,844,714	37,429,515	21,584,801	42.33	3,522,246	612.81
2015	17,104,607	39,520,687	22,416,080	43.28	3,606,537	621.54
2016	17,701,646	40,923,301	23,221,655	43.26	3,513,108	661.00
2017	18,594,326	41,853,348	23,259,022	44.43	3,458,320	672.55
2018 **	19,347,886	45,258,751	25,910,865	42.75	3,470,226	746.66
2019	19,661,891	46,443,937	26,782,046	42.33	3,506,650	763.75
2020	20,091,675	47,580,470	27,488,795	42.23	3,642,617	754.64
2021 **	21,484,799	48,898,480	27,413,681	43.94	3,638,244	753.49
2022	22,554,752	49,869,932	27,315,180	45.23	3,613,383	755.94
2023	23,381,241	51,050,783	27,669,542	45.80	3,744,813	738.88
2024	24,312,597	52,825,365	28,512,768	46.02	4,192,734	680.05
2025	25,413,629	53,931,923	28,518,294	47.12	4,356,539	654.61

AAL – Actuarial Accrued Liability.

UAAL – Unfunded Actuarial Accrued Liability.

* Defined benefit payroll as of June 30, 2022 and later is based on the employee contributions in the financial statements for the fiscal year and an employee contribution rate of 8.00%. Payroll prior to June 30, 2022 is rolled forward with salary scale for one year and uses capped payroll for members hired on and after January 1, 2011.

** Investment rate of return assumption decreased from 7.75% to 7.25% in plan year 2014, decreased from 7.25% to 6.75% in plan year 2018, and decreased from 6.75% to 6.50% in plan year 2021.



Table 25
Historical Comparison of ARC and State Contributions
(\$ in Millions)

Fiscal Year	(1) Total Normal Cost	(2) Amortization of UAAL	(3) (1) + (2) Total ADC	(4) Member Contribution	(5) (3) - (4) Net State ARC*	(6) Actual State Contribution	(7) (6) / (5) State Cont. as Percent of Net ARC
2003			\$ 843.8	\$ 246.3	\$ 597.5	\$ 285.3	47.74 %
2004			934.8	243.8	691.0	1,757.5	254.36
2005			859.7	251.9	607.8	285.4	46.96
2006			914.9	252.9	662.0	180.0	27.19
2007			968.3	262.4	705.9	261.1	36.99
2008			971.6	264.1	707.5	344.9	48.75
2009			1,147.3	273.3	874.0	451.6	51.67
2010 **			1,278.3	275.0	1,003.3	696.6	69.43
2011 ***	\$ 723.798	\$ 795.427	1,519.2	260.2	1,259.0	773.6	61.44
2012	700.972	1,000.612	1,701.584	258.236	1,443.348	985.815	68.30
2013	699.747	1,094.681	1,794.428	245.141	1,549.287	1,401.481	90.46
2014	698.225	1,145.380	1,843.605	283.081	1,560.524	1,502.864	96.31

* ARC - Annual Required Contribution as defined in GASB Statements No. 25 and 27. The ARC is the Actuarially Determined Contribution ("ADC") net of member contributions.

** Assets at Actuarial Value (Market Value through 2009, then Actuarial Value beginning with Fiscal Year 2010).

*** Investment rate of return assumption decreased from 8.50% to 7.75% in Fiscal Year 2011.

Beginning in Fiscal Year 2011, dollars are shown rounded to three decimal places.

Information beginning with Fiscal Year 2015 can be found in Table 9 of the report.



Table 26
Historical Schedule of Contributions
(\$ in Thousands)

FY Ending June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Estimated Covered Payroll	Actual Contribution as a % of Covered Payroll
2016	\$ 1,811,060	\$ 1,582,295	\$ 228,765	\$ 3,513,108	45.04 %
2017	1,864,843	1,650,551	214,292	3,458,320	47.73
2018	1,862,033	1,607,880	254,153	3,470,226	46.33
2019	2,239,366	1,642,054	597,312	3,506,650	46.83
2020	2,299,031	1,838,786	460,245	3,642,617	50.48
2021	2,303,266	1,978,743	324,523	3,638,244	54.39
2022	2,377,774	2,136,059	241,715	3,613,383	59.12
2023	2,373,000	2,138,712	234,288	3,744,813	57.11
2024	2,446,185	2,149,498	296,687	4,192,734	51.27
2025	2,567,226	2,183,331	383,895	4,356,539	50.12

For fiscal years 2016 and after, the Actuarially Determined Contribution is equal to normal cost plus 29-year closed period amortization of the unfunded actuarial accrued liability (from June 30, 2016) as a level percentage of pensionable (capped) payroll.

The Actuarially Determined Contribution is calculated based on the funding valuation results with a valuation date one year prior to the fiscal year end to which it applies and reflects actual employee contributions during the fiscal year.

Contributions include combined amounts from both the employers and the State.

Defined benefit payroll for fiscal years ending June 30, 2022 and later is based on the employee contributions in the financial statements for the fiscal year and an employee contribution rate of 8.00%. Estimated covered employee payroll prior to June 30, 2022 is equal to defined benefit payroll from the actuarial valuation as of the same date and rolled forward with one year of wage inflation (3.00% beginning in 2021, 3.25% for 2018 to 2020 and 3.75% prior to 2018).



APPENDIX F

MEMBERSHIP DATA

Table 27

Summary of Data Characteristics – Active, Inactive, Retired (\$ in Millions)

	June 30, 2024		June 30, 2025	
	Number	Earnings	Number	Earnings
Active Members				
Traditional SURS	44,240	\$2,663.3	44,345	\$2,787.7
Portable SURS	18,823	1,423.4	19,443	1,502.2
RSP	13,574	1,340.8	14,163	1,448.7
Total ¹	76,637	\$5,427.4	77,951	\$5,738.6
Inactive Members				
Traditional SURS	76,624		77,209	
Portable SURS	15,115		15,529	
RSP	11,302		11,484	
Total ²	103,041		104,222	
	Number	Annual Benefits	Number	Annual Benefits
Benefit Recipients				
Retirement				
Traditional SURS	53,018	\$ 2,406.4	53,073	\$ 2,453.7
Portable SURS	9,467	396.9	9,827	425.9
Total Retirement	62,485	\$ 2,803.3	62,900	\$ 2,879.6
Survivor				
Traditional SURS	9,534	\$ 235.2	9,748	\$ 248.9
Portable SURS	425	9.4	493	11.1
Total Survivor	9,959	\$ 244.6	10,241	\$ 260.0
Disability				
Traditional SURS	672	\$ 16.9	622	\$ 16.1
Portable SURS	187	6.0	174	5.7
Total Disability	859	\$ 22.9	796	\$ 21.8
Total	73,303	\$ 3,070.8	73,937	\$ 3,161.3
Total Participants				
Total Traditional SURS	184,088		184,997	
Total Portable SURS	44,017		45,466	
Total RSP	24,876		25,647	
Total	252,981		256,110	

¹ Includes 653 police officers (including RSP) as of June 30, 2024, and 683 as of June 30, 2025.

² Based on SURS service plus reciprocal service, 22,278 defined benefit members are vested as of June 30, 2024, and 22,466 as of June 30, 2025.

Values may not add due to rounding.



Table 28

Summary of Data Characteristics – Active

(\$ in Millions)

	June 30, 2024		June 30, 2025	
	Number	Earnings	Number	Earnings
Active Members				
Continuing Actives and Actives from Inactive or Benefit Recipient status - Tier 1				
Traditional SURS	18,572	\$ 1,435.9	17,607	\$ 1,411.2
Portable SURS	7,274	699.3	6,879	686.8
RSP	4,125	447.0	3,913	443.6
Total	<u>29,971</u>	<u>\$ 2,582.2</u>	<u>28,399</u>	<u>\$ 2,541.6</u>
Continuing Actives and Actives from Inactive or Benefit Recipient status - Tier 2				
Traditional SURS	19,934	\$ 1,096.7	21,889	\$ 1,265.0
Portable SURS	9,645	655.6	10,715	751.8
RSP	8,076	817.4	8,826	928.0
Total	<u>37,655</u>	<u>\$ 2,569.7</u>	<u>41,430</u>	<u>\$ 2,944.9</u>
New Actives - Tier 1				
Traditional SURS	578	\$ 12.4	431	\$ 8.7
Portable SURS	125	3.3	102	2.3
RSP	54	1.6	67	2.2
Total	<u>757</u>	<u>\$ 17.3</u>	<u>600</u>	<u>\$ 13.3</u>
New Actives - Tier 2				
Traditional SURS	5,156	\$ 118.2	4,418	\$ 102.7
Portable SURS	1,779	65.2	1,747	61.2
RSP	1,319	74.8	1,357	74.9
Total	<u>8,254</u>	<u>\$ 258.3</u>	<u>7,522</u>	<u>\$ 238.8</u>
Total Actives - Tier 1				
Traditional SURS	19,150	\$ 1,448.3	18,038	\$ 1,419.9
Portable SURS	7,399	702.6	6,981	689.1
RSP	4,179	448.6	3,980	445.8
Total	<u>30,728</u>	<u>\$ 2,599.5</u>	<u>28,999</u>	<u>\$ 2,554.9</u>
Total Actives - Tier 2				
Traditional SURS	25,090	\$ 1,215.0	26,307	\$ 1,367.8
Portable SURS	11,424	720.8	12,462	813.0
RSP	9,395	892.2	10,183	1,002.9
Total	<u>45,909</u>	<u>\$ 2,828.0</u>	<u>48,952</u>	<u>\$ 3,183.7</u>
Total Actives - Tier 1 and Tier 2				
Traditional SURS	44,240	\$ 2,663.2	44,345	\$ 2,787.7
Portable SURS	18,823	1,423.4	19,443	1,502.2
RSP	13,574	1,340.8	14,163	1,448.7
Total	<u>76,637</u>	<u>\$ 5,427.4</u>	<u>77,951</u>	<u>\$ 5,738.6</u>

Values may not add due to rounding.



Table 29

Summary of Data Characteristics – Inactive

(\$ in Millions)

	<u>June 30, 2024</u>	<u>June 30, 2025</u>
	<u>Number</u>	<u>Number</u>
Inactive Members		
Total Inactives - Tier 1		
Traditional SURS	51,315	49,578
Portable SURS	8,390	8,187
RSP	6,121	5,911
Total	<u>65,826</u>	<u>63,676</u>
Total Inactives - Tier 2		
Traditional SURS	25,309	27,631
Portable SURS	6,725	7,342
RSP	5,181	5,573
Total	<u>37,215</u>	<u>40,546</u>
Total Inactives - Tier 1 and Tier 2		
Traditional SURS	76,624	77,209
Portable SURS	15,115	15,529
RSP	11,302	11,484
Total	<u>103,041</u>	<u>104,222</u>

	<u>June 30, 2024</u>		<u>June 30, 2025</u>	
	<u>Number</u>	<u>Annual Benefits</u>	<u>Number</u>	<u>Annual Benefits</u>
Benefit Recipients				
Tier 1				
Traditional SURS	62,939	\$ 2,654.1	63,063	\$ 2,713.1
Portable SURS	9,975	410.5	10,360	440.5
Total	<u>72,914</u>	<u>\$ 3,064.6</u>	<u>73,423</u>	<u>\$ 3,153.6</u>
Tier 2				
Traditional SURS	285	\$ 4.4	380	\$ 5.6
Portable SURS	104	1.7	134	2.2
Total	<u>389</u>	<u>\$ 6.1</u>	<u>514</u>	<u>\$ 7.8</u>
Total Benefit Recipients				
Traditional SURS	63,224	\$ 2,658.5	63,443	\$ 2,718.7
Portable SURS	10,079	412.3	10,494	442.7
Total	<u>73,303</u>	<u>\$ 3,070.8</u>	<u>73,937</u>	<u>\$ 3,161.3</u>

Values may not add due to rounding.



Table 30

Summary of Data Characteristics – Academic/Non-Academic

(\$ in Millions)

	June 30, 2024				June 30, 2025			
	Academic		Non-Academic ¹		Academic		Non-Academic ¹	
	Number	Earnings	Number	Earnings	Number	Earnings	Number	Earnings
Active Members								
Traditional SURS	15,151	\$ 948.2	29,089	\$ 1,715.0	15,092	\$ 968.4	29,253	\$ 1,819.3
Portable SURS	6,386	565.4	12,437	858.0	6,454	575.9	12,989	926.3
RSP	5,806	674.2	7,768	666.5	5,957	724.6	8,206	724.1
Total	27,343	\$ 2,187.9	49,294	\$ 3,239.5	27,503	\$ 2,268.9	50,448	\$ 3,469.7
Inactive Members								
Traditional SURS	38,581		38,043		38,192		39,017	
Portable SURS	6,458		8,657		6,475		9,054	
RSP	5,738		5,564		5,761		5,723	
Total	50,777		52,264		50,428		53,794	
Benefit Recipients								
	Number	Annual Benefits	Number	Annual Benefits	Number	Annual Benefits	Number	Annual Benefits
Traditional SURS	28,237	\$ 1,410.4	34,987	\$ 1,248.1	28,414	\$ 1,436.3	35,029	\$ 1,282.4
Portable SURS	4,322	204.2	5,757	208.0	4,521	220.4	5,973	222.3
Total	32,559	\$ 1,614.7	40,744	\$ 1,456.1	32,935	\$ 1,656.6	41,002	\$ 1,504.7
Total Participants								
Total Traditional SURS	81,969		102,119		81,698		103,299	
Total Portable SURS	17,166		26,851		17,450		28,016	
Total RSP	11,544		13,332		11,718		13,929	
Total	110,679		142,302		110,866		145,244	

¹ Police officers included in Non-Academic in this exhibit.

Values may not add due to rounding.



Table 31
Summary of Data Characteristics –
Actives by Tier and Academic/Non-Academic
(\$ in Millions)

	June 30, 2024				June 30, 2025			
	Academic		Non-Academic		Academic		Non-Academic	
	Number	Earnings	Number	Earnings	Number	Earnings	Number	Earnings
Active - Tier 1								
Traditional SURS	7,986	\$ 635.8	11,164	\$ 812.5	7,535	\$ 619.9	10,503	\$ 800.0
Portable SURS	3,316	363.1	4,083	339.5	3,122	352.3	3,859	336.8
RSP	2,356	283.7	1,823	164.9	2,230	281.9	1,750	164.0
Total	13,658	\$ 1,282.6	17,070	\$ 1,316.9	12,887	\$ 1,254.1	16,112	\$ 1,300.8
Active - Tier 2								
Traditional SURS	7,165	\$ 312.4	17,925	\$ 902.5	7,557	\$ 348.5	18,750	\$ 1,019.3
Portable SURS	3,070	202.3	8,354	518.5	3,332	223.6	9,130	589.4
RSP	3,450	390.5	5,945	501.6	3,727	442.7	6,456	560.2
Total	13,685	\$ 905.3	32,224	\$ 1,922.7	14,616	\$ 1,014.8	34,336	\$ 2,168.9
Active - Total								
Traditional SURS	15,151	\$ 948.2	29,089	\$ 1,715.0	15,092	\$ 968.4	29,253	\$ 1,819.3
Portable SURS	6,386	565.4	12,437	858.0	6,454	575.9	12,989	926.3
RSP	5,806	674.2	7,768	666.5	5,957	724.6	8,206	724.1
Total	27,343	\$ 2,187.9	49,294	\$ 3,239.5	27,503	\$ 2,268.9	50,448	\$ 3,469.7
Inactive- Tier 1								
Traditional SURS	28,733		22,582		27,634		21,944	
Portable SURS	4,475		3,915		4,348		3,839	
RSP	3,884		2,237		3,762		2,149	
Total	37,092		28,734		35,744		27,932	
Inactive- Tier 2								
Traditional SURS	9,848		15,461		10,558		17,073	
Portable SURS	1,983		4,742		2,127		5,215	
RSP	1,854		3,327		1,999		3,574	
Total	13,685		23,530		14,684		25,862	
Inactive- Total								
Traditional SURS	38,581		38,043		38,192		39,017	
Portable SURS	6,458		8,657		6,475		9,054	
RSP	5,738		5,564		5,761		5,723	
Total	50,777		52,264		50,428		53,794	

Values may not add due to rounding.



Table 32
Distribution of Active Members by Age and Years of Service
as of June 30, 2025

Age	Years of Service									Totals
	Under 1	1-4	5-9	10-14	15-19	20-24	25-29	30 & Over		
Under 20	37	28	-	-	-	-	-	-	-	65
	\$ 229,345	\$ 523,736	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 753,081
20-24	489	1,283	12	-	-	-	-	-	-	1,784
	\$ 5,527,094	\$ 47,441,707	\$ 494,393	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 53,463,194
25-29	764	4,637	551	14	-	-	-	-	-	5,966
	\$ 11,229,393	\$ 236,169,612	\$ 31,937,740	\$ 849,455	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 280,186,199
30-34	809	4,813	2,052	328	4	-	-	-	-	8,006
	\$ 13,618,346	\$ 295,388,803	\$ 139,741,896	\$ 21,819,294	\$ 277,387	\$ -	\$ -	\$ -	\$ -	\$ 470,845,725
35-39	654	3,994	2,908	1,520	272	6	-	-	-	9,354
	\$ 10,849,262	\$ 266,201,287	\$ 234,254,432	\$ 119,489,299	\$ 22,752,096	\$ 451,604	\$ -	\$ -	\$ -	\$ 653,997,981
40-44	531	3,262	2,653	2,227	1,319	364	19	-	-	10,375
	\$ 8,283,823	\$ 210,470,463	\$ 219,008,436	\$ 193,247,916	\$ 118,202,333	\$ 32,525,952	\$ 1,410,291	\$ -	\$ -	\$ 783,149,214
45-49	418	2,468	2,202	1,958	1,687	1,197	388	9	-	10,327
	\$ 7,194,123	\$ 150,095,503	\$ 176,824,407	\$ 180,629,247	\$ 167,624,833	\$ 118,450,783	\$ 34,998,318	\$ 663,804	\$ -	\$ 836,481,018
50-54	318	2,104	1,757	1,578	1,565	1,513	1,058	194	-	10,087
	\$ 5,692,175	\$ 125,619,919	\$ 130,500,973	\$ 132,651,718	\$ 162,684,263	\$ 165,438,569	\$ 109,117,734	\$ 19,414,755	\$ -	\$ 851,120,106
55-59	259	1,707	1,524	1,362	1,307	1,377	1,122	479	-	9,137
	\$ 4,313,305	\$ 102,262,930	\$ 108,526,590	\$ 107,822,727	\$ 122,802,166	\$ 144,481,948	\$ 126,064,419	\$ 51,143,487	\$ -	\$ 767,417,570
60-64	139	1,129	1,129	1,128	966	1,035	879	558	-	6,963
	\$ 1,899,223	\$ 62,608,559	\$ 78,554,901	\$ 80,604,672	\$ 81,458,595	\$ 101,901,174	\$ 101,582,369	\$ 71,914,444	\$ -	\$ 580,523,936
65 & Over	115	812	920	964	831	832	666	747	-	5,887
	\$ 1,134,359	\$ 35,231,214	\$ 53,810,777	\$ 63,658,604	\$ 60,682,248	\$ 75,623,127	\$ 66,859,010	\$ 103,671,424	\$ -	\$ 460,670,763
Total Count	4,533	26,237	15,708	11,079	7,951	6,324	4,132	1,987	-	77,951
Total Payroll	\$ 69,970,449	\$ 1,532,013,733	\$ 1,173,654,543	\$ 900,772,932	\$ 736,483,921	\$ 638,873,156	\$ 440,032,140	\$ 246,807,914	\$ -	\$ 5,738,608,788

Includes the use of capped payroll for defined benefit plan members hired on or after January 1, 2011. Includes RSP.



Table 33
Distribution of Benefit Recipients by Age
as of June 30, 2025

<u>Age</u>	<u>Number</u>	<u>Annual Benefit</u>
Retirees and Survivors		
Under 50	399	\$ 3,437,681
50-54	311	12,848,790
55-59	2,360	88,755,606
60-64	6,777	257,631,304
65-69	12,181	485,009,074
70-74	15,785	658,862,859
75-79	15,186	665,228,853
80-84	10,418	516,274,900
85-89	5,937	287,244,853
90 & Over	<u>3,787</u>	<u>164,263,394</u>
Total	73,141	\$ 3,139,557,314
Disabilitants		
Under 50	99	\$ 2,800,481
50-54	111	3,327,558
55-59	116	3,758,923
60-64	167	4,750,984
65-69	146	3,792,589
70-74	79	1,845,290
75-79	49	1,009,953
80-84	19	333,096
85-89	6	86,541
90 & Over	<u>4</u>	<u>76,010</u>
Total	796	\$ 21,781,425

Excludes RSP.



Table 34

Summary of Fund Membership as of June 30, 2025

	Year Ended		Change from Prior Year	
	June 30, 2024	June 30, 2025	Amount	%
Active Members (RSP)				
Number	13,574	14,163	589	4.3%
Average Age	47.7	47.4	-0.3	
Average Service	9.4	9.4	0.0	
Total Fiscal Year Pay	\$1,340,779,284	\$1,448,742,172	\$107,962,888	8.1%
Average Pay	\$98,776	\$102,291	\$3,515	3.6%
Academic Members	5,806	5,957	151	2.6%
Non-Academic Members	7,712	8,153	441	5.7%
Police Officers	56	53	-3	-5.4%
Tier 1 Members	4,179	3,980	-199	-4.8%
Tier 2 Members	9,395	10,183	788	8.4%
Active Members (SURS DB, Excluding RSP)				
Number	63,063	63,788	725	1.1%
Average Age	46.7	46.7	0.0	
Average Service	10.0	10.0	0.0	
Total Fiscal Year Pay	\$4,086,648,591	\$4,289,866,616	\$203,218,025	5.0%
Average Pay	\$64,803	\$67,252	\$2,449	3.8%
Total Active Vested Participants	28,744	28,487	-257	-0.9%
Academic Members	21,537	21,546	9	0.0%
Non-Academic Members	40,908	41,612	704	1.7%
Police Officers	618	630	12	1.9%
Tier 1 Members	26,549	25,019	-1,530	-5.8%
Tier 2 Members	36,514	38,769	2,255	6.2%
Active Members (Total SURS DB and RSP)				
Number	76,637	77,951	1,314	1.7%
Average Age	46.9	46.8	-0.1	-0.2%
Average Service	9.9	9.9	0.0	0.0%
Total Fiscal Year Pay	\$5,427,427,875	\$5,738,608,788	\$311,180,913	5.7%
Average Pay	\$70,820	\$73,618	\$2,798	4.0%
Academic Members	27,343	27,503	160	0.6%
Non-Academic Members	48,620	49,765	1,145	2.4%
Police Officers	674	683	9	1.3%
Tier 1 Members	30,728	28,999	-1,729	-5.6%
Tier 2 Members	45,909	48,952	3,043	6.6%
Inactive Vested Members (SURS DB)				
Number	22,278	22,466	188	0.8%
Average Age	53.0	53.4	0.4	
Average Service (Including Reciprocal Service)	14.4	14.6	0.2	
Average Service (Excluding Reciprocal Service)	6.4	6.5	0.1	
Inactive Non-Vested Members (SURS DB)				
Number	69,461	70,272	811	1.2%
Total Inactive Members (SURS DB)				
Number	91,739	92,738	999	1.1%
Inactive (RSP)				
Number	11,302	11,484	182	1.6%
Retirees				
Number	62,485	62,900	415	0.7%
Average Age	73.8	74.2	0.4	
Total Annual Benefit	\$2,803,291,996	\$2,879,567,229	\$76,275,233	2.7%
Average Annual Benefit	\$44,863	\$45,780	\$917	2.0%
Disabled Retirees				
Number	859	796	-63	-7.3%
Average Age	61.5	61.8	0.3	
Total Annual Benefit	\$22,918,429	\$21,781,425	-\$1,137,004	-5.0%
Average Annual Benefit	\$26,680	\$27,364	\$684	2.6%
Beneficiaries and Survivors				
Number	9,959	10,241	282	2.8%
Average Age	77.7	78.0	0.3	
Total Annual Benefit	\$244,565,764	\$259,990,085	\$15,424,321	6.3%
Average Annual Benefit	\$24,557	\$25,387	\$830	3.4%
Total Benefit Recipients	73,303	73,937	634	0.9%
Total Members (SURS DB)	228,105	230,463	2,358	1.0%
Total Members (SURS DB and RSP)	252,981	256,110	3,129	1.2%



Table 35
Schedule of Active Defined Benefit Member Payroll
as of June 30, 2025

Valuation Date June 30,	Number	Covered Payroll	Average Annual Payroll	% Increase in Avg. Payroll
2016	66,245	\$3,386,128,143	\$ 51,115	
2017	64,117	3,333,320,083	51,988	1.71%
2018	62,844	3,360,993,750	53,482	2.87%
2019	62,589	3,396,270,719	54,263	1.46%
2020	63,206	3,527,958,368	55,817	2.86%
2021	60,397	3,532,275,680	58,484	4.78%
2022	60,281	3,567,480,023	59,181	1.19%
2023	61,509	3,791,363,453	61,639	4.15%
2024	63,063	4,086,648,591	64,803	5.13%
2025	63,788	4,289,866,616	67,252	3.78%

Table 36
Member Population and Ratio of Actives to Non-Actives
as of June 30, 2025

Year Ended June 30,	Active Participants			SURS DB				
	Total	RSP	SURS DB	Inactive Participants	Benefit Recipients	Total Non-Actives	Ratio of SURS DB Actives to	
							Benefit Recipients	Total Non-Actives
2011	81,611	9,723	71,888	72,903	51,370	124,273	1.40	0.58
2012	81,156	10,100	71,056	74,034	54,532	128,566	1.30	0.55
2013	81,302	10,746	70,556	74,569	57,229	131,798	1.23	0.54
2014	80,845	11,409	69,436	75,492	59,406	134,898	1.17	0.51
2015	81,309	11,928	69,381	76,984	61,020	138,004	1.14	0.50
2016	78,125	11,880	66,245	79,495	63,146	142,641	1.05	0.46
2017	75,969	11,852	64,117	81,316	64,545	145,861	0.99	0.44
2018	74,950	12,106	62,844	82,115	66,169	148,284	0.95	0.42
2019	75,120	12,531	62,589	83,044	67,842	150,886	0.92	0.41
2020	76,335	13,129	63,206	83,744	69,172	152,916	0.91	0.41
2021	73,443	13,046	60,397	86,135	70,111	156,246	0.86	0.39
2022	73,307	13,026	60,281	87,829	71,458	159,287	0.84	0.38
2023	74,645	13,136	61,509	89,724	72,580	162,304	0.85	0.38
2024	76,637	13,574	63,063	91,739	73,303	165,042	0.86	0.38
2025	77,951	14,163	63,788	92,738	73,937	166,675	0.86	0.38

Table 37
Reconciliation of Defined Benefit Membership
as of June 30, 2025

SURS Defined Benefit Plan Participants	Actives	Inactive	Retirees	Disabilities	Beneficiaries/ Survivors	Total
Totals as of the June 30, 2024 Actuarial Valuation	63,063	91,739	62,485	859	9,959	228,105
New Entrants	6,698	894	12	1		7,605
Rehires — Members with Service	1,598	(1,058)	(1)	(26)	-	513
Change to Inactive Status	(5,100)	5,138	-	(38)	-	-
Service Retirements	(1,274)	(886)	2,212	(52)	-	-
Disabilities	(66)	(36)	-	102	-	-
Deaths	(103)	(235)	(1,808)	(39)	(627)	(2,812)
New Beneficiaries	-	-	-	-	909	909
Refunds and Benefit Terminations	(852)	(2,789)	-	(11)	-	(3,652)
Data Adjustments/Change of Plan Choice to RSP	(173)	(9)	-	-	-	(182)
Vested Inactive Buyout	(3)	(20)	-	-	-	(23)
Net Change	725	999	415	(63)	282	2,358
Totals as of the June 30, 2025 Actuarial Valuation	63,788	92,738	62,900	796	10,241	230,463

Tier 1	25,019	57,765	62,615	644	10,163	156,206
Tier 2	38,769	34,973	285	152	78	74,257



Table 38 Participating Employers as of June 30, 2025

Employer Category	Employer Name	Number (SURS DB)			Number (RSP)			Number (Total SURS DB and RSP)		
		Tier 1	Tier 2	Total	Tier 1	Tier 2	Total	Tier 1	Tier 2	Total
Community College	Black Hawk College	131	220	351	31	39	70	162	259	421
Community College	Carl Sandburg College	101	119	220	11	9	20	112	128	240
University	Chicago State University	288	309	597	18	32	50	306	341	647
Community College	City Colleges of Chicago	1,907	2,260	4,167	112	192	304	2,019	2,452	4,471
Community College	College of DuPage	844	1,231	2,075	103	179	282	947	1,410	2,357
Community College	College of Lake County	525	702	1,227	68	125	193	593	827	1,420
Community College	Danville Area Community College	94	129	223	8	17	25	102	146	248
University	Eastern Illinois University	424	514	938	77	107	184	501	621	1,122
Community College	Elgin Community College	417	546	963	36	73	109	453	619	1,072
University	Governors State University	338	411	749	25	78	103	363	489	852
Community College	Heartland Community College	180	242	422	28	45	73	208	287	495
Community College	Highland Community College	94	104	198	15	19	34	109	123	232
Allied Agency	ILCS Section 15-107(c) Members	3	2	5			2	3	4	7
Allied Agency	ILCS Section 15-107(i) Members	1		1				1		1
Allied Agency	Illinois Board of Examiners	2	3	5				2	3	5
Allied Agency	Illinois Board of Higher Education	17	27	44	1	1	2	18	28	46
Community College	Illinois Central College	344	464	808	39	88	127	383	552	935
Allied Agency	Illinois Community College Board	28	31	59	1	3	4	29	34	63
Allied Agency	Illinois Community College Trustees' Association	2		2				2		2
Allied Agency	Illinois Department of Innovation and Technology	12		12	4		4	16		16
Community College	Illinois Eastern Community College	168	219	387	16	37	53	184	256	440
Allied Agency	Illinois Mathematics & Science Academy	69	120	189	7	21	28	76	141	217
University	Illinois State University	1,128	1,626	2,754	206	445	651	1,334	2,071	3,405
Community College	Illinois Valley Community College	112	146	258	17	22	39	129	168	297
Community College	John A Logan College	156	183	339	11	24	35	167	207	374
Community College	John Wood Community College	85	168	253	13	25	38	98	193	291
Community College	Joliet Junior College	471	489	960	49	57	106	520	546	1,066
Community College	Kankakee Community College	126	150	276	17	24	41	143	174	317
Community College	Kaskaskia College	104	146	250	15	32	47	119	178	297
Community College	Kishwaukee College	117	166	283	12	30	42	129	196	325
Community College	Lake Land College	186	263	449	17	45	62	203	308	511
Community College	Lewis & Clark Community College	143	217	360	19	55	74	162	272	434
Community College	Lincoln Land Community College	237	269	506	38	53	91	275	322	597
Community College	McHenry College	203	248	451	41	45	86	244	293	537
Community College	Moraine Valley Community College	424	423	847	46	63	109	470	486	956
Community College	Morton College	133	175	308	9	16	25	142	191	333
University	Northeastern Illinois University	471	400	871	48	72	120	519	472	991
University	Northern Illinois University	1,000	1,201	2,201	202	411	613	1,202	1,612	2,814
Allied Agency	Northern Illinois University Foundation	3	1	4		1	1	3	2	5
Community College	Oakton Community College	441	413	854	51	89	140	492	502	994
Community College	Parkland College	252	353	605	54	101	155	306	454	760
Community College	Prairie State College	156	207	363	15	34	49	171	241	412
Community College	Rend Lake College	122	155	277	15	18	33	137	173	310
Community College	Richland Community College	76	153	229	12	26	38	88	179	267
Community College	Rock Valley College	170	282	452	25	52	77	195	334	529
Community College	Sauk Valley College	68	98	166	13	21	34	81	119	200
Community College	Shawnee College	53	84	137	5	11	16	58	95	153
Community College	South Suburban College	160	158	318	11	9	20	171	167	338
Community College	Southeastern Illinois College	50	83	133	3	5	8	53	88	141
University	Southern Illinois University - Carbondale	1,423	2,547	3,970	261	754	1,015	1,684	3,301	4,985
University	Southern Illinois University - Edwardsville	685	1,130	1,815	135	321	456	820	1,451	2,271
Community College	Southwestern Illinois College	337	533	870	39	79	118	376	612	988
Community College	Spoon River College	79	84	163	8	10	18	87	94	181
State agency	State Universities Retirement System	57	83	140	2	39	41	59	122	181
State agency	State University Civil Service System	6	5	11		1	1	6	6	12
Community College	Triton College	350	591	941	38	58	96	388	649	1,037
University	University of Illinois at Springfield	269	476	745	48	112	160	317	588	905
Allied Agency	University of Illinois-Alumni Assoc	7	3	10	3	5	8	10	8	18
University	University of Illinois-Chicago	3,970	9,439	13,409	662	2,790	3,452	4,632	12,229	16,861
Allied Agency	University of Illinois-Foundation	41	85	126	15	48	63	56	133	189
University	University of Illinois-Urbana	3,996	6,608	10,604	929	2,791	3,720	4,925	9,399	14,324
Community College	Waubonsee Community College	298	408	706	52	84	136	350	492	842
University	Western Illinois University	439	358	797	100	101	201	539	459	998
Community College	William Rainey Harper College	426	509	935	124	137	261	550	646	1,196
Total		25,019	38,769	63,788	3,980	10,183	14,163	28,999	48,952	77,951

Shaded employers have more than 2,000 total active members.



Table 39
Active Members by Employer Category and Tier
as of June 30, 2025

Employer Category	Number of Employers	Number (SURS DB)			Number (RSP)			Number (Total SURS DB and RSP)		
		Tier 1	Tier 2	Total	Tier 1	Tier 2	Total	Tier 1	Tier 2	Total
University	12	14,431	25,019	39,450	2,711	8,014	10,725	17,142	33,033	50,175
Community College	39	10,340	13,390	23,730	1,236	2,048	3,284	11,576	15,438	27,014
Allied Agency	11	185	272	457	31	81	112	216	353	569
State Agency	2	63	88	151	2	40	42	65	128	193
Total	64	25,019	38,769	63,788	3,980	10,183	14,163	28,999	48,952	77,951

Table 40
Participating Employers for Police Active Members
as of June 30, 2025

Employer Category	Employer Name	Number (SURS DB)			Number (RSP)			Number (Total SURS DB and RSP)		
		Tier 1	Tier 2	Total	Tier 1	Tier 2	Total	Tier 1	Tier 2	Total
Community College	Black Hawk College	17	5	22	1	1	2	18	6	24
University	Chicago State University	11	5	16				11	5	16
Community College	College of DuPage	4	11	15	1		1	5	11	16
Community College	College of Lake County	4	9	13		2	2	4	11	15
University	Eastern Illinois University	3	11	14		2	2	3	13	16
Community College	Elgin Community College	6	8	14		1	1	6	9	15
University	Governors State University	5	8	13				5	8	13
Community College	Illinois Central College	10	7	17				10	7	17
University	Illinois State University	13	15	28	1	2	3	14	17	31
Community College	John A Logan College	2	4	6				2	4	6
Community College	John Wood Community College	1	3	4				1	3	4
Community College	Joliet Junior College	8	5	13				8	5	13
Community College	Kankakee Community College	5	3	8				5	3	8
Community College	Kaskaskia College	1	1	2		1	1	1	2	3
Community College	Lake Land College	4	8	12	1		1	5	8	13
Community College	Lincoln Land Community College	4	5	9	2	3	5	6	8	14
Community College	McHenry College		7	7	1		1	1	7	8
Community College	Moraine Valley Community College	8	10	18			1	8	11	19
Community College	Morton College	10	4	14				10	4	14
University	Northeastern Illinois University	9	5	14				9	5	14
University	Northern Illinois University	18	23	41				18	23	41
Community College	Oakton Community College	7	3	10				7	3	10
Community College	Parkland College	4	8	12		1	1	4	9	13
Community College	Prairie State College	11	8	19				11	8	19
Community College	Rend Lake College	2	2	4				2	2	4
Community College	Richland Community College		1	1					1	1
Community College	Rock Valley College	7	3	10				7	3	10
Community College	South Suburban College	4	3	7				4	3	7
University	Southern Illinois University - Carbondale	12	22	34		1	1	12	23	35
University	Southern Illinois University - Edwardsville	13	28	41		1	1	13	29	42
Community College	Southwestern Illinois College	8	8	16				8	8	16
Community College	Triton College	5	6	11				5	6	11
University	University of Illinois at Springfield	6	12	18				6	12	18
University	University of Illinois-Chicago	32	30	62		3	3	32	33	65
University	University of Illinois-Urbana	29	18	47	2	20	22	31	38	69
Community College	Waubonsee Community College	9	4	13		1	1	9	5	14
University	Western Illinois University	7	11	18				7	11	18
Community College	William Rainey Harper College	3	4	7	3	1	4	6	5	11
Total		302	328	630	12	41	53	314	369	683



APPENDIX G

ACTUARIAL METHODS AND ASSUMPTIONS

Actuarial Methods and Assumptions

Projected Unit Credit Method

The Projected Unit Credit Method is mandated under Section 15-155 of the SURS Article of the Illinois Pension Code as the funding method to be used for SURS.

The concept of this method is that funding of benefits should occur as benefits are accrued (earned) by active members of SURS.

The Normal Cost (“NC”) for a fiscal year under this method is the actuarial present value of all benefits expected to be accrued during the fiscal year adjusted for future expected salary increases. The Actuarial Accrued Liability (“AAL”) under this method is the actuarial present value of all benefits accrued to the valuation date. To the extent that the assets of the fund are insufficient to cover the AAL, an Unfunded Actuarial Accrued Liability (“UAAL”) develops. Under the classical application of this method, the contribution for a year is the NC for that year plus an amount to amortize the UAAL.

Funding Policy to Calculate Statutory Contributions

Under Section 15-155 of the Illinois Pension Code, the employer/State contribution is determined such that the assets of SURS reach 90% of the AAL by the end of FY 2045.

This contribution is determined as a level percentage of pay for all years except that the contribution rates through 2010 shall grade in equal steps to the desired level contribution rate. *We have assumed the contribution would be based on pensionable (capped) payroll for members hired on or after January 1, 2011 (“Tier 2 members”).* Pensionable pay does not include amounts in excess of the pay cap (\$125,774 in fiscal year 2025 for Tier 2, increased by the lesser of 3% and 1/2 of the increase in CPI-U as measured in the preceding 12-month calendar year) that is applicable to members hired on or after January 1, 2011, participating in the defined benefit plans.

Public Act 100-0023 (Effective July 6, 2017) made the following changes to the SURS funding policy:

State Contributions

- Requires the State to make additional contributions to SURS in FY 2018, FY 2019 and FY 2020 equal to 2% of the total payroll of each employee who participates in the Optional Hybrid Plan or who participates in the Tier 2 plan in lieu of the Optional Hybrid Plan.
- Requires any change in an actuarial assumption that increases or decreases the required State contribution to be implemented in equal annual amounts over a five-year period beginning in the State fiscal year in which the change first applies to the required State contribution.
 - For changes that first applied in FY 2014, FY 2015, FY 2016 or FY 2017, the impact is calculated based on a five-year period and the applicable portion is recognized during the remaining fiscal years in that five-year period.

Actuarial Methods and Assumptions

Employer Contributions

- Requires employers to contribute the employer normal cost of the portion of an employee's earnings that exceeds the amount of salary set for the governor, for academic years beginning on or after July 1, 2017. (Applicable to Tier 1 and Tier 2 employees.)

Public Act 100-0587 (Effective June 4, 2018) made the following changes to the SURS funding policy:

Employer Contributions

- For academic years beginning on or after July 1, 2018, and for earnings paid under a contract or collective bargaining agreement entered into, amended or renewed on or after the effective date of the amendatory Act (June 5, 2018), if a participant's earnings for any academic year with the same employer as the previous academic year used to determine the final average salary increased by more than 3.00%, then the participant's employer shall pay the System the present value of the increase in benefits resulting from the portion of the increase in earnings that is in excess of 3.00%. Prior to the effective date of Public Act 100-0587, the payment from employers was for pay increases in excess of 6.00%.

PA 101-0010 rescinded the change to 3% from PA 100-0587. Therefore, employers make contributions equal to the present value of the increase in benefit attributable to members who receive pay increases in excess of 6% during the final average salary (FAS) period.

The 6% employer billing rule is assumed to apply to all current and future Tier 1 and Tier 2 members.

Statutory Contributions Related to the Optional Hybrid Plan

SURS is currently not moving forward with the implementation of the Optional Hybrid Plan (OHP) created under PA 100-0023. Additional clarifying legislation is needed for SURS to be able to do so. Therefore, contributions related to the OHP are not included in the actuarial valuation, including contributions for employer normal cost, additional 2% of payroll contributions and unfunded liability contributions.

Phase In of the Financial Impact of Assumption Changes

On the following page is a table with the recognition schedule for the phase in of actuarial assumption changes required under Public Act 100-0023. The following actuarial assumption changes were made:

1. Beginning with the June 30, 2021 actuarial valuation, there were changes to the economic and demographic actuarial assumptions.
2. Beginning with the June 30, 2024 actuarial valuation, there were changes to the economic and demographic actuarial assumptions.

Actuarial Methods and Assumptions

Valuation Year Ending 6/30	2024	2025	2026	2027	2028	2029
Applicable Fiscal Year Ending 6/30	2026	2027	2028	2029	2030	2031
\$ in Millions						
After Impact of Bonds						
Contribution Before Assumption Change:						
(1) Contribution Dollar	\$ 2,360.3	\$ 2,422.9				
(2) Contribution Rate	39.73%	38.40%				
Contribution After Assumption Change:						
(3) Contribution Dollar	2,386.3	2,422.9				
(4) Contribution Rate	39.96%	38.40%				
(5) Assumption Impact as Percentage of Payroll						
=(4)-(2)	0.23%	0.00%				
(6) Assumption Change Impact Recognized						
This Year (5 year recognition)						
(6a) From This Year	0.05%	0.00%				
(6b) From One Year Ago	0.00%	0.05%	0.00%			
(6c) From Two Years Ago	0.00%	0.00%	0.05%	0.00%		
(6d) From Three Years Ago	-0.09%	0.00%	0.00%	0.05%	0.00%	
(6e) From Four Years Ago	0.00%	-0.07%	0.00%	0.00%	0.03%	0.00%
(6f) Total Recognized Assumption Change Impact	-0.04%	-0.02%	0.05%	0.05%	0.03%	0.00%

Contribution Related to Pay in Excess of Governor's Pay

Following is a table with the estimated contributions required under Public Act 100-0023 to be made by employers for pay in excess of the Governor's pay. (Information calculated and provided by SURS.)

\$ in Millions									
Contribution Year	Governor's Pay		Pay for Preceding Fiscal Year for Affected Members				Additional Adjustments ¹	Estimated Employer Contributions	
	Fiscal Year	Amount	Year of Member	Pay	Excess Pay	Employer Normal Cost Rate			Excess Pay * ER NC Rate
2018	2017	\$ 177,500	2016	\$ 46.831	12.46%	\$ 5.835	\$ (1.579)	\$ 4.256	
2019	2018	177,500	2017	47.193	12.29%	5.800	(1.654)	4.146	
2020	2019	177,500	2018	55.726	13.02%	7.256	(2.132)	5.124	
2021	2020	177,500	2019	60.295	12.70%	7.657	(2.128)	5.529	
2022	2021	181,700	2020	58.515	12.32%	7.209	(1.840)	5.369	
2023	2022	184,800	2021	54.838	12.83%	7.036	(1.988)	5.048	
2024	2023	190,700	2022	54.291	12.53%	6.803	(1.810)	4.993	
2025	2024	216,000	2023	40.034	11.98%	4.796	(1.322)	3.474	
2026	2025	226,800	2024	40.964	11.88%	4.867	(1.481)	3.386	
2027	2026	237,900	2025	39.972	11.58%	4.629	(1.391)	3.238	

¹ Additional adjustments for members with pay in excess of the Governor's pay whose employers' already make normal cost contributions.

Actuarial Methods and Assumptions

Asset Valuation Method

Prior to the actuarial valuation as of June 30, 2009, market value of assets was used. Under Section 15-155(l) of the Illinois Pension Code, beginning with the actuarial valuation as of June 30, 2009, the asset value is the actuarial value of assets which is calculated by recognizing 20% of the investment gain or loss (the difference between the actual investment return and the expected investment return) on the market value of assets for each of the five following fiscal years. This method was not applied retroactively to recognize a portion of investment gains or losses from previous fiscal years.

Following is a table with the investment return assumption used in recent actuarial valuations.

Valuation Date	Investment Return Assumption
Prior to June 30, 2010	8.50%
June 30, 2010 through June 30, 2013	7.75%
June 30, 2014 through June 30, 2017	7.25%
June 30, 2018 through June 30, 2020	6.75%
June 30, 2021 to present	6.50%

Actuarial Methods and Assumptions

Actuarial Assumptions

(Most Adopted Effective with the June 30, 2024, Actuarial Valuation)

Under Section 15-155(a) of the Illinois Pension Code, the Board adopts the assumptions after consultation with the actuary. All actuarial assumptions are expectations of future experience and are not market measures. The rationale for the actuarial assumptions may be found in the experience study report covering the period June 30, 2020 through June 30, 2023, issued to the Board of Trustees on May 23, 2024.

Rate of Investment Return. For all purposes under the system the rate of investment return is assumed to be 6.50% per annum beginning with the **June 30, 2021** actuarial valuation. This assumption is net of investment expenses.

Price Inflation (Increase in Consumer Price Index “CPI”). The assumed rate is 2.40% per annum, beginning with the June 30, 2024, actuarial valuation.

Effective Rate of Interest. The assumed rate credited to member accounts is 7.00% per annum, beginning with the June 30, 2024, actuarial valuation.

Cost of Living Adjustment “Automatic Annual Increase (AAI).” The assumed rate is 3.00% per annum for members hired before January 1, 2011, based on the benefit provision of 3.00% annual compound increases. The assumed rate is 1.20% for members hired on or after January 1, 2011, based on the benefit provision of increases equal to ½ of the increase in CPI with a maximum increase of 3.00%, beginning with the June 30, 2024, actuarial valuation.

Annual Compensation Increases. Each member’s compensation is assumed to increase by 3.15% each year, 2.40% reflecting salary inflation and 0.75% reflecting standard of living increases. That rate is increased for members with less than 34 years of service to reflect merit, longevity and promotion increases. The rates are based on service at the beginning of the year and are as follows:

Service Year	Total Increase - Academic		Total Increase - Non-Academic	
	Under Age 50	50 and Older	Under Age 50	50 and Older
0-1	15.00%	13.00%	12.00%	11.00%
2	9.00%	9.25%	9.00%	8.25%
3	7.75%	7.50%	8.00%	7.00%
4	6.75%	6.75%	7.00%	6.00%
5	6.25%	6.25%	6.50%	5.50%
6	6.00%	5.75%	6.25%	5.25%
7	5.50%	5.25%	5.75%	4.75%
8-10	5.00%	4.25%	5.25%	4.50%
11-14	4.75%	3.75%	5.00%	4.00%
15-18	4.50%	3.50%	4.75%	3.75%
19	4.50%	3.25%	4.50%	3.50%
20-24	4.25%	3.25%	4.25%	3.50%
25-29	4.00%	3.25%	4.00%	3.50%
30-33	3.75%	3.25%	3.75%	3.50%
34+	3.50%	3.15%	3.50%	3.15%



Actuarial Methods and Assumptions

General Wage Inflation. The assumed rate of general wage inflation is 3.15%.

Mortality. The mortality assumptions are as follows:

Members classified as an employee type of academic:

Applicable Group	Base Mortality Table	Male Scaling Factor	Female Scaling Factor
Pre-retirement	Pub-2010 Employee Mortality Table (for Teachers)	99%	100%
Post-retirement (non-disabled)	Pub-2010 Healthy Retiree Mortality Table (for Teachers)	96%	103%
Post-retirement (disabled)	Pub-2010 Disabled Retiree Mortality Table (for Non-Safety Employees)	122%	106%

Members classified as an employee type of non-academic:

Applicable Group	Base Mortality Table	Male Scaling Factor	Female Scaling Factor
Pre-retirement	Pub-2010 Employee Mortality Table (for General Employees)	120%	104%
Post-retirement (non-disabled)	Pub-2010 Healthy Retiree Mortality Table (for General Employees)	102%	104%
Post-retirement (disabled)	Pub-2010 Disabled Retiree Mortality Table (for Non-Safety Employees)	122%	106%

Members classified as an employee type of police:

Applicable Group	Base Mortality Table	Male Scaling Factor	Female Scaling Factor
Pre-retirement	Pub-2010 Employee Mortality Table (for Safety Employees)	100%	100%
Post-retirement (non-disabled)	Pub-2010 Healthy Retiree Mortality Table (for Safety Employees)	100%	100%
Post-retirement (disabled)	Pub-2010 Disabled Retiree Mortality Table (for Safety Employees)	100%	100%

Future mortality improvements are reflected by projecting the base mortality tables from 2010 using the MP-2021 projection scale.

Actuarial Methods and Assumptions

Following are the future life expectancies for post-retirement (non-disabled) mortality:

Age	Future Life Expectancy (years) in 2025				Future Life Expectancy (years) in 2035			
	Academic		Non-Academic		Academic		Non-Academic	
	Male	Female	Male	Female	Male	Female	Male	Female
35	54.02	55.69	51.12	54.02	54.77	56.37	52.05	54.81
40	48.77	50.44	45.85	48.72	49.52	51.12	46.78	49.51
45	43.54	45.20	40.61	43.44	44.29	45.88	41.53	44.23
50	38.34	39.97	35.51	38.27	39.08	40.66	36.40	39.05
55	33.21	34.83	30.63	33.30	33.94	35.51	31.49	34.06
60	28.24	29.87	25.91	28.43	28.95	30.52	26.72	29.16
65	23.44	25.03	21.40	23.70	24.11	25.64	22.14	24.37
70	18.87	20.33	17.13	19.17	19.47	20.89	17.77	19.76
75	14.62	15.88	13.19	14.93	15.12	16.37	13.72	15.44

Age	Future Life Expectancy (years) in 2025		Future Life Expectancy (years) in 2035	
	Police		Police	
	Male	Female	Male	Female
35	53.68	55.93	54.43	56.60
40	48.43	50.68	49.18	51.35
45	43.20	45.44	43.95	46.12
50	38.00	40.21	38.75	40.89
55	32.88	35.07	33.61	35.74
60	27.91	30.10	28.62	30.75
65	23.13	25.25	23.80	25.86
70	18.58	20.54	19.17	21.10
75	14.35	16.08	14.85	16.56

Actuarial Methods and Assumptions

Disability. A table of disability incidence with rates follows:

Age	Academic		Non-Academic		Police	
	Male	Female	Male	Female	Male	Female
20	0.007410%	0.013120%	0.027170%	0.036080%	0.054340%	0.072160%
21	0.007590%	0.013880%	0.027830%	0.038170%	0.055660%	0.076340%
22	0.007770%	0.014640%	0.028490%	0.040260%	0.056980%	0.080520%
23	0.007950%	0.015400%	0.029150%	0.042350%	0.058300%	0.084700%
24	0.008130%	0.016160%	0.029810%	0.044440%	0.059620%	0.088880%
25	0.008310%	0.016920%	0.030470%	0.046530%	0.060940%	0.093060%
26	0.008490%	0.017680%	0.031130%	0.048620%	0.062260%	0.097240%
27	0.008670%	0.018440%	0.031790%	0.050710%	0.063580%	0.101420%
28	0.008850%	0.019240%	0.032450%	0.052910%	0.064900%	0.105820%
29	0.009000%	0.020000%	0.033000%	0.055000%	0.066000%	0.110000%
30	0.009450%	0.021640%	0.034650%	0.059510%	0.069300%	0.119020%
31	0.009900%	0.023280%	0.036300%	0.064020%	0.072600%	0.128040%
32	0.010350%	0.024920%	0.037950%	0.068530%	0.075900%	0.137060%
33	0.010770%	0.026560%	0.039490%	0.073040%	0.078980%	0.146080%
34	0.011220%	0.028200%	0.041140%	0.077550%	0.082280%	0.155100%
35	0.011850%	0.029800%	0.043450%	0.081950%	0.086900%	0.163900%
36	0.012450%	0.031440%	0.045650%	0.086460%	0.091300%	0.172920%
37	0.013080%	0.033080%	0.047960%	0.090970%	0.095920%	0.181940%
38	0.013710%	0.034720%	0.050270%	0.095480%	0.100540%	0.190960%
39	0.014310%	0.036360%	0.052470%	0.099990%	0.104940%	0.199980%
40	0.016080%	0.038000%	0.058960%	0.104500%	0.117920%	0.209000%
41	0.017850%	0.039640%	0.065450%	0.109010%	0.130900%	0.218020%
42	0.019620%	0.041280%	0.071940%	0.113520%	0.143880%	0.227040%
43	0.021390%	0.042920%	0.078430%	0.118030%	0.156860%	0.236060%
44	0.023160%	0.044560%	0.084920%	0.122540%	0.169840%	0.245080%
45	0.025350%	0.046200%	0.092950%	0.127050%	0.185900%	0.254100%
46	0.027570%	0.047840%	0.101090%	0.131560%	0.202180%	0.263120%
47	0.029790%	0.049480%	0.109230%	0.136070%	0.218460%	0.272140%
48	0.031980%	0.051120%	0.117260%	0.140580%	0.234520%	0.281160%
49	0.034200%	0.052760%	0.125400%	0.145090%	0.250800%	0.290180%
50	0.036420%	0.054400%	0.133540%	0.149600%	0.267080%	0.299200%
51	0.038610%	0.056040%	0.141570%	0.154110%	0.283140%	0.308220%
52	0.040830%	0.057680%	0.149710%	0.158620%	0.299420%	0.317240%
53	0.043050%	0.059320%	0.157850%	0.163130%	0.315700%	0.326260%
54	0.045240%	0.060960%	0.165880%	0.167640%	0.331760%	0.335280%
55 & Older	0.046560%	0.062600%	0.170720%	0.172150%	0.341440%	0.344300%

Disability rates apply during the retirement eligibility period. Members are assumed to first receive disability benefits (DB) and then receive disability retirement annuity (DRA) benefits.

For police officers, 50% of disabilities are assumed to occur in the line of duty and 50% of disabilities are assumed to be ordinary.



Actuarial Methods and Assumptions

Retirement. Upon eligibility, active members are assumed to retire as follows:

Nearest Age @ Retirement	Tier 1					Tier 2				
	Normal (Unreduced) Retirement			Early (Reduced) Retirement		Normal (Unreduced) Retirement			Early (Reduced) Retirement	
	Police	Academic	Non-Academic	Academic	Non-Academic	Police	Academic	Non-Academic	Academic	Non-Academic
Under 50		55.0%	55.0%							
50	50.0%	55.0%	40.0%							
51	40.0%	40.0%	30.0%							
52	40.0%	40.0%	30.0%							
53	40.0%	30.0%	30.0%							
54	40.0%	30.0%	30.0%							
55	50.0%	20.0%	25.0%	4.0%	8.5%					
56	30.0%	18.0%	25.0%	3.0%	5.5%					
57	30.0%	18.0%	25.0%	4.0%	6.0%					
58	30.0%	18.0%	25.0%	4.0%	6.0%					
59	30.0%	18.0%	25.0%	4.0%	8.0%					
60	20.0%	12.0%	20.0%			60.0%				
61	15.0%	12.0%	15.0%			25.0%				
62	15.0%	12.0%	17.0%			25.0%			15.0%	20.0%
63	15.0%	13.0%	17.0%			25.0%			10.0%	12.0%
64	15.0%	13.0%	17.0%			25.0%			10.0%	12.0%
65	40.0%	17.0%	25.0%			15.0%			10.0%	12.0%
66	40.0%	17.0%	25.0%			15.0%			10.0%	12.0%
67	40.0%	17.0%	25.0%			15.0%	30.0%	30.0%		
68	40.0%	17.0%	25.0%			25.0%	17.0%	25.0%		
69	40.0%	17.0%	25.0%			25.0%	17.0%	25.0%		
70	100.0%	17.0%	22.0%			100.0%	17.0%	22.0%		
71-79	100.0%	17.0%	22.0%				17.0%	22.0%		
80+	100.0%	100.0%	100.0%				100.0%	100.0%		

Members who retire are assumed to elect the most valuable option on a present value basis – refund of contributions (or portable lump sum retirement, if applicable) or a retirement annuity.

For purposes of the projections in the actuarial valuation, members of the Retirement Savings Plan are assumed to retire in accordance with the Tier 1 and Tier 2 retirement rates (based on hire date).



Actuarial Methods and Assumptions

General Turnover. A table of termination rates based on experience in the 2020-2023 period. The assumption is a table of turnover rates by years of service. A sample of these rates follows:

Years of Service	Academic	Non-Academic
0	15.00%	14.00%
1	15.00	14.00
2	11.00	14.00
3	10.00	13.00
4	9.00	12.00
5	8.00	10.50
6	7.00	8.50
7	6.00	7.50
8	5.50	6.50
9	5.00	6.00
10	4.00	5.00
11	3.50	5.00
12	3.00	4.00
13	2.50	3.00
14	2.50	3.00
15	2.00	3.00
16	2.00	2.50
17	2.00	2.50
18	2.00	2.50
19	2.00	2.50
20	1.50	2.00
21	1.50	2.00
22	1.50	2.00
23	1.50	2.00
24	1.50	2.00
25	1.25	1.25
26	1.25	1.25
27	1.25	1.25
28	1.25	1.25
29	1.25	1.25

Members who terminate with at least five years of service (10 years of service for Tier 2 members) are assumed to elect the most valuable option on a present value basis – refund of contributions or a deferred benefit.

Termination rate for 29 years of service used for Tier 2 members until retirement eligibility is met.

Operational Expenses. The amount of operational expenses for administration incurred in the latest fiscal year are supplied by SURS staff and incorporated in the Normal Cost. Estimated administrative expenses for FY 2027 and after are assumed to increase by 3.00%.

Actuarial Methods and Assumptions

Marital Status. Members are assumed to be married in the following proportions:

Age	Males	Females
20-24	10 %	25 %
25-29	35	45
30-34	60	65
35-39	70	70
40-44	75	75
45-49	80	75
50-54	80	75
55-59	80	75
60-64	80	70
65-69	80	70
70-74	80	70
75-79	80	70
80-84	80	70
85-89	80	70

Spouse Age. The female spouse is assumed to be three years younger than the male spouse.

Benefit Commencement Age. Inactive members eligible for a deferred benefit are assumed to commence benefits at their earliest normal retirement age. For Tier 1 members, this is age 62 with at least five years of service, age 60 with at least eight years of service or immediately if at least 30 years of service. For Tier 2 members, this is age 67 with 10 or more years of service.

Load on Final Average Salary. No load is assumed to account for higher than assumed pay increases in final years of employment before retirement.

Load on Liabilities for Service Retirees with Non-finalized Benefits. A load of 10% on liabilities for service retirees whose benefits have not been finalized as of the valuation date is assumed to account for finalized benefits that on average are 10% higher than 100% of the preliminary estimated benefit. A load of 5% is used if a “best formula” benefit was provided in the data by Staff.

Valuation of Inactives. An annuity benefit is estimated based on information provided by staff for Tier 1 inactive members with five or more years of service and Tier 2 members with 10 or more years of service.

Assumption for Missing Data. Members with an unknown gender are assumed to be female. Active and inactive members with an unknown date of birth are assumed to be 37 years old at the valuation date. An assumed spouse date of birth is calculated for current service retirees in the traditional plan for purposes of calculating future survivor benefits. The female spouse is assumed to be three years younger than the male spouse. 70% of current total male retirees and 80% of current total female retirees in the traditional plan who have not elected a survivor refund are assumed to have a spouse at the valuation date.



Actuarial Methods and Assumptions

Reciprocal Service. Reciprocal service is included for current inactive members for purposes of determining vesting eligibility and eligibility age to commence benefits.

The recently updated actuarial assumptions (including retirement and termination rates) were based on SURS service only. Therefore, reciprocal service was not included for current active members.

Projection Assumptions. The number of total active members throughout the projection period will remain the same as the total number of active members in the defined benefit plans and the RSP in the current valuation.

Future new hires are assumed to elect to participate in the offered plans as follows:

- Academic
 - 45% elect to participate in the Retirement Savings Plan
 - 55% elect to participate in the Tier 2 Plan
- Non-Academic
 - 25% elect to participate in the Retirement Savings Plan
 - 75% elect to participate in the Tier 2 Plan

New entrants have an average age of 37.5 and average capped pay of \$54,847 and average uncapped pay of \$57,227 (2025 dollars). These values are based on the estimated average age and average pay of current members at plan entry. The new entrant data is based on the age at hire and assumed pay at hire (using the actuarial assumptions, inflated to 2025 dollars) of current active members with hire dates between July 1, 2021 and July 1, 2024.

Academic*

Summary of New Entrants - Academic									
Age	Number Males	Average Pay		Number Females	Average Pay		Total Number	Average Pay	
		Tier 2			Tier 2			Tier 2	
		Capped Male	Uncapped Male		Capped Female	Uncapped Female		Capped Total	Uncapped Total
<20	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -
20 - 24	91	40,409	40,409	79	36,686	36,686	170	38,679	38,679
25 - 29	243	49,970	52,393	338	48,393	49,373	581	49,053	50,636
30 - 34	446	69,111	76,907	600	62,484	67,950	1,046	65,310	71,769
35 - 39	452	70,987	80,186	534	60,545	65,918	986	65,332	72,458
40 - 44	284	65,144	73,329	426	54,899	58,158	710	58,997	64,227
45 - 49	193	56,984	64,237	289	53,728	58,050	482	55,032	60,527
50 - 54	147	55,509	64,871	210	52,511	58,180	357	53,746	60,935
55 - 59	125	57,535	71,386	166	47,560	52,555	291	51,845	60,644
60 - 64	87	45,436	55,398	87	41,499	46,725	174	43,468	51,062
65 - 69	6	38,032	67,309	6	57,931	80,062	12	47,981	73,686
Total	2,074	\$61,601	\$69,363	2,735	\$55,163	\$59,450	4,809	\$57,940	\$63,725

*Current actives with 2025 annualized pay lower than \$12,500 were excluded in developing the new entrant data.

Actuarial Methods and Assumptions

Non-Academic

Summary of New Entrants - Non-Academic									
Age	Average Pay			Average Pay			Total Number	Average Pay	
	Number Males	Tier 2		Number Females	Tier 2			Tier 2	
		Capped Male	Uncapped Male		Capped Female	Uncapped Female		Capped Total	Uncapped Total
<20	41	\$25,063	\$25,063	48	\$26,827	\$26,827	89	\$26,014	\$26,014
20 - 24	726	41,117	41,117	1,191	40,933	40,933	1,917	41,002	41,002
25 - 29	1,457	51,857	51,859	2,358	50,714	50,846	3,815	51,150	51,233
30 - 34	1,171	57,654	59,408	1,726	55,242	55,858	2,897	56,217	57,293
35 - 39	801	62,047	64,091	1,223	57,327	58,413	2,024	59,195	60,660
40 - 44	660	62,754	65,839	1,046	56,729	58,675	1,706	59,060	61,447
45 - 49	494	61,904	65,661	822	55,215	57,071	1,316	57,726	60,295
50 - 54	473	60,878	63,665	759	56,418	59,487	1,232	58,131	61,091
55 - 59	352	59,982	62,637	567	54,612	57,782	919	56,669	59,641
60 - 64	216	55,189	62,955	265	50,426	52,368	481	52,565	57,122
65 - 69	18	61,105	78,078	16	45,948	45,948	34	53,972	62,958
Total	6,409	\$55,948	\$57,793	10,021	\$52,658	\$53,747	16,430	\$53,942	\$55,325

RSP Contribution Assumptions. The projected RSP contributions are equal to 7.6% of RSP payroll, plus estimated RSP expenses minus RSP employer forfeitures. Estimated RSP expenses for FY 2026 are \$1,394,568 and actual FY 2025 RSP employer forfeitures used to reduce the certified contributions for FY 2027 are \$7,882,871 (as provided by SURS). Estimated RSP expenses for FY 2027 and after are assumed to increase by 3.00%. Estimated RSP employer forfeitures used to reduce the certified contributions for FY 2028 and after are assumed to be 7.5% of the gross RSP employer contribution.

Pensionable Earnings Greater than 6%. The participant's employer is required to pay the present value of the increase in benefits resulting from the portion of the increase in excess of 6.00% for earnings used in the calculation of the final average salary. The projections include a component paid for by employers for earnings increases greater than 6.00% in the calculation of the final average salary.

Governor's Pay. The governor's pay is \$226,800 as of June 30, 2025, and budgeted as \$237,900 for fiscal year ending June 30, 2026, and is expected to increase each year by the assumed rate of increase in the Tier 2 pay cap (1/2 the increase in CPI or 1.20%).

Actuarial Methods and Assumptions

Buyout Election Assumption. 0% of eligible Tier 1 active members are assumed to elect to receive a reduced and delayed AAI benefit at retirement and an accelerated pension benefit option in accordance with Public Acts 100-0587 and 101-0010. 0% of eligible inactive members are assumed to elect to receive an accelerated pension benefit option in lieu of an annuity at retirement in accordance with Public Acts 100-0587 and 101-0010.

\$ in millions			
Buyout Activity from Inception Through 6/30/2025			
	AAI	VIB	Total
Number Eligible for the buyout*	15,795	13,316	29,111
Buyout applications received	595	240	835
Buyout election forms sent	391	187	578
Buyout election forms approved	245	140	385
Application %	3.8%	1.8%	2.9%
Approved %	1.6%	1.1%	1.3%
Approved buyout amount**	\$23.1	\$29.8	\$53.0
Estimated Approved buyout (non EBA)	23.1	21.4	44.6
Estimated Liability Reduction	33.0	35.7	68.8

* Number eligible for the VIB buyout on an annual basis is the number of vested Tier 1 inactive members (based on SURS service only) included in the actuarial valuation as of June 30 at the end of the prior year, who are in the Traditional or Portable Plan.

Number eligible for the VIB buyout on a cumulative basis (shown above) is the average annual number eligible for the VIB buyout through the reporting date.

Number eligible for the AAI buyout is the number of total Tier 1 retirement claims (as provided by SURS).

** Includes amounts attributable to benefits that would have been payable from the Excess Benefit Arrangement (EBA). There was one \$11.2 million VIB buyout of which \$8.4 million was payable from the EBA during the year ended June 30, 2021.

Treatment of Benefits in Excess of the Internal Revenue Code Section 415 Limits. The benefit amounts in excess of the IRC Section 415 limits for current retirees are paid through the Excess Benefit Arrangement (EBA) and are not reported in the actuarial valuation data. Therefore, the liabilities and the required contributions for these EBA benefits are not reflected in the actuarial valuation results. The amount of the estimated EBA payments for the upcoming fiscal year are provided by SURS Staff and included in the Statutory contribution requirement. Following are the estimates used in the previous and current valuations:

Valuation Year	Applicable Fiscal Year	Estimated EBA Payments
2018	2020	\$17.065 million
2019	2021	\$18.000 million
2020	2022	\$21.500 million
2021	2023	\$24.200 million
2022	2024	\$17.300 million
2023	2025	\$18.300 million
2024	2026	\$21.000 million
2025	2027	\$23.000 million



Actuarial Methods and Assumptions

Estimated Federal/Trust Fund Employer Contributions. Following are the estimated employer contributions provided by SURS that reduce the estimated State contributions.

Valuation Year	Applicable Fiscal Year	Estimated Federal/Trust Fund Payments
2018	2020	\$52.0 million
2019	2021	\$52.5 million
2020	2022	\$57.0 million
2021	2023	\$62.0 million
2022	2024	\$65.5 million
2023	2025	\$70.5 million
2024	2026	\$76.0 million
2025	2027	\$77.0 million

APPENDIX H

SUMMARY OF BENEFIT PROVISIONS OF SURS

Summary of Benefit Provisions of SURS

It should be noted that the purpose of this Appendix is to describe the benefit structures of SURS for which actuarial values have been generated. There is no description of the Retirement Savings Plan (RSP) and many portions of the defined plans are described in a manner which may not be legally complete or precise.

It is not our intent to provide an exhaustive description of all benefits provided under SURS or the policies and procedures utilized by SURS staff. A more precise description of the provisions of SURS is contained in the Member's Guide, published by SURS staff. Of course, the statute is controlling.

Summary of Benefit Provisions of SURS

Plans

There are two defined benefit plans available under SURS, the Traditional Plan and the Portable Plan, and one defined contribution plan, the Retirement Savings Plan (RSP). A Member must select one of these plans within the first six months of participation. If no choice is made in that time, the Traditional Plan is deemed chosen. Effective September 1, 2020, the Self Managed Plan (SMP) was renamed the Retirement Savings Plan (RSP).

New tiers of benefits have been established for members hired on or after January 1, 2011 (“Tier 2”). Members hired before January 1, 2011, participate in Tier 1. Members in Tiers 1 and 2 are eligible to choose either the Traditional or the Portable Plan. **SURS is currently not moving forward with the implementation of the optional hybrid plan created under PA 100-0023. Additional clarifying legislation is needed for SURS to be able to do so.**

Tier 2 members who participate in the Traditional and Portable Plans are subject to the pay caps established under Public Act 96-0889. The Tier 2 pay cap was \$106,800 in fiscal year 2012 and increases by the lesser of (1) 3% and (2) ½ the increase in the Consumer Price Index-Urban (“CPI-U”) for the 12 months ending with the September proceeding each November 1.

The pay cap history is as follows:

Fiscal Year	CPI-U	½ CPI-U	Increase	Tier 2 Pensionable Pay Cap
2012				\$106,800.00
2013	3.90%	1.95%	1.95%	\$108,882.60
2014	2.00%	1.00%	1.00%	\$109,971.43
2015	1.20%	0.60%	0.60%	\$110,631.26
2016	1.70%	0.85%	0.85%	\$111,571.63
2017	0.00%	0.00%	0.00%	\$111,571.63
2018	1.50%	0.75%	0.75%	\$112,408.42
2019	2.20%	1.10%	1.10%	\$113,644.91
2020	2.30%	1.15%	1.15%	\$114,951.83
2021	1.70%	0.85%	0.85%	\$115,928.92
2022	1.40%	0.70%	0.70%	\$116,740.42
2023	5.40%	2.70%	2.70%	\$119,892.41
2024	8.20%	4.10%	3.00%	\$123,489.18
2025	3.70%	1.85%	1.85%	\$125,773.73
2026	2.40%	1.20%	1.20%	\$127,283.01

The Tier 2 pay cap is calculated annually by the Illinois Department of Insurance.

The Retirement Savings Plan is a defined contribution plan under which members contribute 8.0% of compensation and the State contributes 7.6% of compensation. A portion of the employer contribution is used to fund disability benefits for RSP participants. Members hired on or after January 1, 2011 who participate in the RSP are not subject to the Tier 2 pay cap.

Summary of Benefit Provisions of SURS

The provisions of the Traditional and Portable defined benefit plans are identical in many areas. The description below is primarily of the Traditional Plan. Where different, the Portable plan provisions will be described in *italics*.

Member Contributions

Most members in Tier 1 and Tier 2 contribute a total of 8% of pensionable compensation. Police officers and firefighters contribute a total of 9.5% of pensionable compensation, with the additional 1.5% allocated to the retirement annuity.

The total contribution is broken down as follows:

	Tier 1 and Tier 2	
	Police/Fire	All Others
Retirement Annuity	8.0%	6.5%
Survivor Benefits	1.0%	1.0%
Annual Increases in Retirement	0.5%	0.5%
Total Contribution	9.5%	8.0%

Portable Plan members contribute the same percent of compensation, but the breakdown set out above does not apply.

The retirement annuity portion of the total contribution (8.0% of compensation for police officers and firefighters and 6.5% of compensation for all others) is annuitized for the money purchase formula (Rule 2) calculation for Tier 1 members.

Contributions for Tier 2 members are assumed not to be made on pay in excess of the pay cap.

Since January 1, 1981, the member contributions under SURS have been “picked up” for IRS purposes by employers.

Effective Rate of Interest

The Effective Rate of Interest (“ERI”) is the interest rate that is applied to member contribution balances. Effective for the 2006 fiscal year, the ERI for the purpose of determining the money purchase benefit is established by the State Comptroller annually. The ERI for other purposes, such as the calculation of purchases of service credit, refunds for excess contributions, portable plan refunds and lump sum portable retirements is determined by the SURS Board annually and certified to the Governor. For purposes of the actuarial valuation, the assumed ERI is 7.00% beginning with the actuarial valuation as of June 30, 2024.

For the purposes of withdrawal of contributions at termination or death by Traditional Plan Members, this rate is not greater than 4.5% by statute.



Summary of Benefit Provisions of SURS

Retirement Benefits

Final Average Salary

Final average salary is equal to:

Tier 1	High four consecutive year average compensation or the average of the last 48 consecutive months of employment.
Tier 2	High final eight consecutive year average compensation within the last 10 years or the average of the last 96 consecutive months within the last 120 months.

The Tier 2 pay cap history is shown in a table earlier in this section. We have assumed that the pay cap each year applies to the individual pay amounts that are used to develop the final average compensation.

The present value of the benefits for pay increases in excess of 6% during the final average earnings period immediately preceding retirement will be paid by the employer. The employer will pay this amount in a lump sum to the Retirement System.

Normal Retirement

Eligibility

For police officers and firefighters, separation from service on or after the attainment of the earlier of:

Tier 1	Tier 2
Age 55/20 Years of Service	Age 60/20 Years of Service
Age 50/25 Years of Service	Age 67/10 Years of Service

For all other Tier 1 and Tier 2 members, separation from service on or after attainment of the earlier of:

Tier 1	Tier 2
Age 62/5 Years of Service	Age 67/10 Years of Service
Age 60/8 Years of Service	
Any age/30 Years of Service	

Initial Benefit Amount

There are three alternate formulae. The initial benefit is the largest produced by one of the three:

1. General Formula (Applicable to all Tiers)
2. Money Purchase Formula (Applicable to Tier 1 only, hired before July 1, 2005)
3. Minimum Benefit (Applicable to all Tiers)



Summary of Benefit Provisions of SURS

Following is a description of the benefits provided under each of the three alternate formulae.

1. General Formula (Applicable to all Tiers): The following percentages of final average compensation for each year of service:

Year of Service	Tier 1 and Tier 2	
	General	Police/Fire
1 st 10 Years	2.20 %	2.25 %
Next 10 Years	2.20	2.50
Over 20	2.20	2.75

2. Money Purchase Formula (Applicable to Tier 1 only, hired before July 1, 2005):
 - a) The member contributions for retirement benefits (8.0% of compensation for police officers and firefighters and 6.5% of compensation for all others) accumulated with interest at the ERI, plus
 - b) An imputed employer contribution match at \$1.40 per dollar of member contribution accumulated with interest at the ERI.
 - c) The total of the accumulations in (a) and (b) is converted into an annuity using a life annuity factor that takes into account neither the automatic 50% spousal survivor benefit nor the automatic annual increases.

Members hired on or after July 1, 2005 no longer receive the Money Purchase Formula under the plan.

3. Minimum Benefit (Applicable to all Tiers) – A benefit for each year of service, up to 30, based on final annual pay, as follows:

Under 3,500	\$ 8
\$3,500 - \$4,500	9
\$4,500 - \$5,500	10
\$5,500 - \$6,500	11
\$6,500 - \$7,500	12
\$7,500 - \$8,500	13
\$8,500 - \$9,500	14
Over \$9,500	15

Minimum Retirement Annuity – No retiree shall receive a retirement annuity less than \$25 per month for each year of service up to 30. The comparable benefit for survivor benefit recipients is \$17.50 per month for each year of service up to 30.

Summary of Benefit Provisions of SURS

Maximum Benefit

All Tiers have a maximum benefit equal to 80% of final average compensation.

Contribution waivers are applicable to members whose benefits are capped at 80% of final average compensation. Member contributions made once the maximum benefit is achieved are refunded to the member with interest (at the Effective Rate of Interest).

Benefit Duration

The Normal Retirement benefit is payable for the lifetime of the retired member. If the retiree under the Traditional Plan has a spouse at date of retirement and if that spouse survives the retiree, the spouse will receive, upon the death of the retiree, a survivor benefit equal to the following percentage of the monthly benefit being paid to the retiree as of the date of death.

1. The survivor benefit for Tier 1 members is equal to 50% of the monthly benefit being paid to the retiree as of the date of death.
2. The survivor benefit for Tier 2 members is equal to 66 2/3% of the monthly benefit being paid to the retiree as of the date of death.

Such benefit will continue for the lifetime of the surviving spouse.

For retirees under the Portable Plan, the normal form of benefit is a single-life annuity for unmarried participants and a reduced 50% joint and survivor benefit for married participants. With spousal consent, a member may designate a contingent annuitant to receive a joint and survivor annuity or elect a single-life annuity or lump sum distribution. Those receiving a joint and survivor annuity will have their benefit reduced to cover the cost of the option. The available joint and survivor options are 50%, 75% and 100%. A member may elect the 75% or 100% spousal joint and survivor annuity without consent.

Portable Plan members may also elect to receive their retirement benefit as a lump sum equal to member contributions with an equal employer match (if have the required years of service), accumulated with interest (at the Effective Rate of Interest that is certified annually by the SURS Board).

The required years of service is five years for all plans. (Must have 10 years if retirement age.)

Annual Increases

For Tier 1 members who have not elected the Automatic Annual Increase (AAI) buyout, each January 1 subsequent to retirement date, the monthly benefit being paid each retiree shall be increased by 3% (compound COLA). The adjustment for the first January after retirement shall be proportional based on the portion of the year retired. See Accelerated Pension Benefit Options on pages 96 and 97 for a description of the increase for members who have elected the AAI buyout.

Summary of Benefit Provisions of SURS

For Tier 2 members, each January 1 subsequent to retirement date, the monthly benefit being paid each retiree shall be increased by fifty percent of the Consumer Price Index-Urban (“CPI-U”) up to a maximum of 3% applied to the original benefit (simple COLA). The first increase will be granted upon the later of the attainment of age 67 or the first anniversary of the commencement of the annuity.

The historical development of the Tier 2 Annual Increase as determined by the Illinois Department of Insurance can be found in the following table.

Calendar Year	CPI-U *	½ CPI-U *	Annual Increase
2011			3.00%
2012	3.90%	1.95%	1.95%
2013	2.00%	1.00%	1.00%
2014	1.20%	0.60%	0.60%
2015	1.70%	0.85%	0.85%
2016	0.00%	0.00%	0.00%
2017	1.50%	0.75%	0.75%
2018	2.20%	1.10%	1.10%
2019	2.30%	1.15%	1.15%
2020	1.70%	0.85%	0.85%
2021	1.40%	0.70%	0.70%
2022	5.40%	2.70%	2.70%
2023	8.20%	4.10%	3.00%
2024	3.70%	1.85%	1.85%
2025	2.40%	1.20%	1.20%

Increase effective January 1.

**Measured based on the change in CPI-U from September to September of the calendar year preceding the year in which the annual increase applies.*

Early Retirement

Eligibility

For Tier 1 members other than police and fire employees, separation from service on or after attainment of age 55 with 8 years of service, but not eligible for Normal Retirement.

For Tier 2 members, separation from service on or after attainment of age 62 with 10 years of service, but not eligible for Normal Retirement.

Benefits

The benefit amounts and all terms of benefit payment are the same as that for Normal Retirement, except that the benefit amounts calculated under the General Formula and the Minimum Formula shall be reduced by .5% for each month by which the retirement date precedes the 60th birthday for Tier 1 members and the 67th birthday for Tier 2 members.

Summary of Benefit Provisions of SURS

Benefits on Death before Retirement

Survivor Benefits

Traditional Plan

Eligibility

Payable to eligible survivor(s) (spouse, child or dependent parent) for the death of an active member with at least 1.5 years of service or a terminated member with at least 10 years of service. For this purpose, service under the State Employees' Retirement System, the Teachers' Retirement System of the State of Illinois and the Public School Teachers' Pension Fund of Chicago is recognized.

Benefits

For Tier 1 members, an annuity to the eligible survivor(s) equal to the greater of:

1. 50% of the benefit accrued to the date of the death of the member, and
2. The lowest applicable benefit from the following list:
 - a) \$400 per month to a single eligible survivor or \$600 per month to two or more eligible survivors.
 - b) 30% (one survivor), or 60% (two survivors), or 80% (three or more survivors) of the member's final rate of earnings.
 - c) If member inactive, 80% of base retirement annuity.

For Tier 2 members, an annuity to the survivor(s) equal to 66 2/3% of the benefit accrued to the date of the death of the member.

Supplemental Minimum Survivor Annuity of \$17.50 per month times number of years of service credit, up to 30 years. No annual increases payable on the supplemental minimum survivor annuity.

Benefit Duration

Surviving spouse

May receive a lifetime benefit commencing at the later of the day following the member's date of death and the spouse's attainment of age 50. May be payable the day following the member's date of death if a dependent child in their care is also receiving benefits.

Dependent child

Payable to unmarried child(ren) under age 18 (over 18 if disabled prior to age 18), and children age 18-22 if a qualified full time student.



Summary of Benefit Provisions of SURS

Dependent parent

Payable to a parent of the member who was dependent upon the member at the time of their death. Payable at the later of the day following the member's date of death and the parent's attainment of age 55. The benefit continues until the parent dies.

Annual Increases

For Tier 1 members, each January 1 subsequent to retirement date the monthly benefit being paid each survivor annuity recipient shall be increased by 3%. The first increase begins with the first January closest to the first anniversary of the survivor annuity.

For Tier 2 members, each January 1 subsequent to retirement date the monthly benefit being paid each survivor annuity recipient shall be increased fifty percent of the Consumer Price Index-Urban ("CPI-U") up to a maximum of 3% of the originally granted survivor annuity (simple COLA). The first increase will be granted upon January 1 following the first anniversary of the commencement of the survivor annuity.

Portable Plan

Eligibility

Payable to an eligible spouse for the death of an active or inactive member with at least 1.5 years of SURS service.

Benefits

An annuity to the eligible spouse equal to 50% of the member's earned retirement benefit after the reductions to pay for the cost of providing the pre-retirement survivor annuity. (Applicable to Tier 1 and Tier 2 members.)

Benefit Duration

Surviving spouse

May receive a lifetime benefit commencing at the member's earliest retirement age.

Annual Increases

For members hired before January 1, 2011 and for all members hired on or after January 1, 2011, each January 1 subsequent to retirement date the monthly benefit being paid each survivor annuity recipient shall be increased by 3%. The adjustment for the first January after retirement shall be proportional.

Lump Sum Death Benefit

Eligibility

Death of member prior to retirement.



Summary of Benefit Provisions of SURS

Traditional Plan

Benefit

With Eligible Survivor

- $\frac{7}{8}$ ^{ths} of accumulated member contributions balance (includes all contributions and interest).

Without Eligible Survivor

- Refund of the total accumulated member contribution and interest; and
- An amount up to \$5,000 based on the annual final average earnings amount to a dependent beneficiary or \$2,500 to a non-dependent beneficiary. The additional death benefit is only payable if the member was active at death. If the member was inactive, this additional death benefit is not payable.

Portable Plan

Benefit

With Eligible Spouse

- Refund of total accumulated member contributions at the full Effective Rate of Interest, plus, if the member has at least 1.5 years of service at death, a like amount of imputed employer contributions – less the actuarial equivalent of the Pre-Retirement Survivor Annuity.

Without Eligible Spouse

- Refund of total accumulated member contributions at the full Effective Rate of Interest, plus, if the member has at least 1.5 years of service at death, a like amount of imputed employer contributions.

Benefits on Death after Retirement

In addition to survivor/spouse benefits payable from the System, the following death benefit is payable if a member does not have an eligible survivor/spouse/contingent annuitant:

- The greater of the total accumulated member contributions and interest minus the total retirement annuities paid to the member through the date of their death or \$1,000.

Eligibility

Payable to eligible survivor(s) (spouse, child or dependent parent) as long as the member did not take a refund of their survivor contributions at retirement.



Summary of Benefit Provisions of SURS

Traditional Plan

Benefits

For Tier 1 members, an annuity to the eligible survivor(s) equal to the greater of:

1. 50% of the annuity at the time of the member's death.
2. The lowest applicable benefit from the following list:
 - a) \$400 per month to a single eligible survivor or \$600 per month to two or more eligible survivors.
 - b) 30% (one survivor), or 60% (two survivors), or 80% (three or more survivors) of the member's final rate of earnings.
 - c) 80% of base retirement annuity.

For Tier 2 members, an annuity to the survivor(s) equal to 66 2/3% of retirement annuity at the time of the member's death.

Supplemental Minimum Survivor Annuity of \$17.50 per month times number of years of service credit, up to 30 years. No annual increases payable on the supplemental minimum survivor annuity.

Benefit Duration

Surviving spouse

May receive a lifetime benefit commencing at the later of the day following the member's date of death and the spouse's attainment of age 50. May be payable the day following the members' date of death if a dependent child in their care is also receiving benefits.

Dependent child

Payable to unmarried child(ren) under age 18 (over 18 if disabled prior to age 18), and children age 18-22 if a qualified full time student.

Dependent parent

Payable to a parent of the member who was dependent upon the member at the time of their death. Payable at the later of the day following the member's date of death and the parent's attainment of age 55. The benefit continues until the parent dies.

Summary of Benefit Provisions of SURS

Portable Plan

Benefits

A 50%, 75% or 100% Joint and Survivor annuity is payable to the Contingent Annuitant that the member chose at the time of retirement, if any. The member's retirement annuity is reduced to pay for the Joint and Survivor Annuity.

Benefit Duration

Surviving spouse

May receive a lifetime benefit commencing at the member's earliest retirement age.

Annual Increases

For members hired before January 1, 2011, and for all members hired on or after January 1, 2011, each January 1 on or after the survivor annuity shall be increased by 3% compounded. The first AAI begins with the January 1 on or after the commencement of the survivor annuity if retired January 14, 1991 or later. If the member retired prior to January 14, 1991, then January 1 on or closest to the 1st anniversary of the Survivor Annuity shall be increased by 3%. The adjustment for the first January after retirement shall be proportional.

Benefits for Disability

Disability Benefit

Eligibility

Disablement after completing two years of service. The service requirement is waived if the disablement is accidental.

Disability definition – inability to perform the duties of “own occupation.”

Pregnancy and childbirth are, by definition, disablement.

Benefit

The greater of 50% of the basic compensation paid at date of disablement or 50% of the average earnings for the 24 months prior to the date of disablement. This base benefit level is offset dollar for dollar by each of the following:

1. Earnings while disabled in excess of the disability benefit.
2. Other disability insurance either fully or partially employer provided.
3. Worker's compensation benefits.



Summary of Benefit Provisions of SURS

Duration of Benefit

Benefits become payable on the later of the termination of salary and sick leave, or the 61st day after disablement and continue to the earlier of the following:

1. Recovery or death.
2. Benefits paid equal 50% of total compensation during the period of SURS service.
3. If disablement occurs prior to age 65, the disability benefit may not continue past the August 31 following 70th birthday.
4. If disablement occurs at or after attainment of age 65, completion of five years in disablement.

Survivor and death benefits are payable if a member dies while receiving disability benefits.

If, at discontinuance of the disability benefit, the member is eligible for a retirement benefit (based on service, which includes the period of disability and may also include time receiving a disability retirement annuity), the member may retire and receive that benefit. The member may commence the retirement benefit once age and service requirements are met. The early retirement reduction does not apply for members who began first participating prior to January 1, 2011 (Tier 1). The benefit is based on the greatest of three formulas (General Formula, Money Purchase and Minimum Benefit), subject to applicable maximums. Contributions are not made during the disability period. However, accumulated contributions continue to accrue interest.

For police officers who are disabled in the line of duty, benefits and duration of benefits are based on 65% instead of 50%.

Annual Increases

Each January 1 subsequent to retirement date, the monthly benefit being paid each retiree shall be increased by 3%. The adjustment for the first January after retirement shall be proportional.

Disability Retirement Annuity

Eligibility

Continuing disablement after discontinuation of the disability benefit as a result of reaching the "50% of total earnings" limitation (65% of total earning for police officers disabled in the line of duty). Disability is defined in accordance with the Social Security disability definition.

Benefit

35% of the compensation being earned at disablement.



Summary of Benefit Provisions of SURS

Duration of Benefit

Benefits become payable upon discontinuance of the disability benefit and continue to the earlier of the following:

1. Recovery or death
2. Election to receive a retirement benefit

Survivor and death benefits are payable if a member dies while receiving a disability retirement annuity.

Annual Increases

Each January 1 subsequent to retirement date, the monthly benefit being paid each retiree shall be increased by 3%. The adjustment for the first January after retirement shall be proportional.

For members hired on or after January 1, 2011, if the member converts to a service retirement annuity (item 2 above), each January 1 subsequent to retirement date the monthly benefit being paid each retiree shall be increased fifty percent of the Consumer Price Index ("CPI") up to a maximum of 3% of the originally granted benefit. The first increase will be granted upon the later of the attainment of age 67 or the first anniversary of the commencement of the annuity.

Benefits for Deferred Members

Eligibility

For members hired before January 1, 2011, separation from employment with at least five years of service and separation from employment with at least 10 years of service for members hired on or after January 1, 2011.

Benefit

Benefit as defined for normal retirement purposes, but calculated based on final average compensation and service at date of termination.

Commencement of Benefit

Benefits commence when member reaches the age condition for either normal or early retirement.

Annual Increases

For members hired before January 1, 2011, who have not elected the AAI buyout, each January 1 subsequent to retirement date the monthly benefit being paid each retiree shall be increased by 3%. The adjustment for the first January after retirement shall be proportional. See Accelerated



Summary of Benefit Provisions of SURS

Pension Benefit Options on pages 96 and 97 for a description of the increase for members who have elected the AAI buyout.

For members hired on or after January 1, 2011, each January 1 subsequent to retirement date the monthly benefit being paid each retiree shall be increased fifty percent of the Consumer Price Index ("CPI") up to a maximum of 3% applied to the original benefit. The first increase will be granted upon the later of the attainment of age 67 or the first anniversary of the commencement of the annuity.

Member Refunds

Non-vested terminated members and members who elect a refund in lieu of a vested benefit receive the following amounts.

Traditional Plan

Refund of the total accumulated member contribution at 4.5% interest.

Portable Plan

Refund of total accumulated member contributions at the full Effective Rate of Interest that is certified annually by the SURS Board, plus, if the member has the required years of service, a like amount of imputed employer contributions.

The required years of service is five years for all plans. (Must have 10 years if retirement age.)

Accelerated Pension Benefit Options

Under Public Act (PA) 100-0587 and PA 101-0010, SURS shall offer an accelerated pension benefit payment to eligible members beginning on the implementation date and until June 30, 2024. Public Act 102-0718 extended the buyout period through June 30, 2026.

There are two accelerated pension benefit payment options that will be offered:

1. For vested inactive members, a payment equal to 60% of the present value of the member's pension benefit in lieu of receiving any pension benefit.
2. For members eligible for retirement, a payment equal to 70% of the difference between: (i) the present value of the automatic annual increases (AAI) to a Tier 1 member's retirement and survivor's annuity under the current AAI provisions and (ii) the present value of the automatic annual increases to the Tier 1 member's retirement annuity under revised AAI provisions:
 - a. The current AAI provisions are an annual 3% increase of the prior year's benefit (compound COLA) payable as of the January 1 following the annuity start date (first increase is prorated).



Summary of Benefit Provisions of SURS

- b. The revised AAI provisions are an annual 1.5% increase of the originally granted benefit (simple COLA). The delayed AAI begins the January 1 following the first anniversary of the retirement date, or the January 1 following age 67, whichever is later. The survivor AAI is first payable 1 year after the survivor annuity commences.

Defined Contribution Plan

Public Act 100-0769, effective August 10, 2018, requires the SURS Board of Trustees, as soon as practicable after the effective date of the legislation, to establish and maintain a defined contribution plan. The defined contribution benefit must be an optional benefit to any member who chooses to participate. SURS has established the Deferred Compensation Plan (DCP).

Projected administrative expenses for this plan are included in the Statutory contribution. Other costs are not reflected in this valuation.

APPENDIX I

GLOSSARY OF TERMS

Glossary of Terms

Actuarial Accrued Liability (“AAL”). The difference between (i) the actuarial present value of future plan benefits, and (ii) the actuarial present value of future normal cost. Sometimes referred to as “accrued liability” or “past service liability.”

Actuarial Assumptions. Estimates of future plan experience such as investment return, expected lifetimes and the likelihood of receiving a pension from the Pension Plan. Demographic, or “people” assumptions, include rates of mortality, retirement and separation. Economic, or “money” assumptions, include expected investment return, inflation and salary increases.

Actuarial Cost Method. A mathematical budgeting procedure for allocating the dollar amount of the “actuarial present value of future plan benefits” between the actuarial present value of future normal cost and the actuarial accrued liability. Sometimes referred to as the “actuarial funding method.”

Actuarial Present Value of Future Plan Benefits (“APV”). The amount of funds presently required to provide a payment or series of payments in the future. It is determined by discounting the future payments at a predetermined rate of interest, taking into account the probability of payment.

Actuarial Value of Assets (“AVA”). Smoothed value of assets that recognizes the difference between the expected investment return using the valuation assumption of 6.5 percent and the actual investment return over a five-year period. Dampens volatility of asset value over time.

Actuarially Determined Contribution (“ADC”). The sum of the gross normal cost (including employee contributions) and amortization of the unfunded actuarial accrued liability over a period not to exceed 30 years.

Amortization. Paying off an interest-bearing liability by means of periodic payments of interest and principal, as opposed to paying it off with a lump sum payment.

Annual Required Contribution (“ARC”). The sum of the normal cost (net of employee contributions) and amortization of the unfunded actuarial accrued liability over a period not to exceed 30 years. Was required for accounting purposes by the Governmental Accounting Standards Board (GASB) Statement Nos. 25 and 27.

Asset Return. The net investment return for the asset divided by the mean asset value. Example: if \$1.00 is invested and yields \$1.065 after a year, the asset return is 6.50%.

Funded Ratio. The actuarial value of assets divided by the actuarial accrued liability. Measures the portion of the actuarial accrued liability that is currently funded.

Low-Default-Risk Obligation Measure (“LDROM”). The LDROM gives an approximate measure of the cost as of the measurement date of securing benefits by constructing a Low-Default-Risk Bond portfolio whose cash flows match the pattern of benefits expected to be paid in the future. The LDROM is very dependent upon market interest rates at the time of the LDROM measurement. The lower the market interest rates, the higher the LDROM, and vice versa.

Glossary of Terms

Market Value of Assets (“MVA”). The value of assets currently held in the trust available to pay for benefits of the Pension Plan. Each of the investments in the trust is valued at market price which is the price at which buyers and sellers trade similar items in the open market.

Normal Cost (“NC”). The annual cost assigned, under the actuarial funding method, to current and subsequent plan years. Sometimes referred to as “current service cost.” Any payment toward the unfunded actuarial accrued liability is not part of the normal cost.

Unfunded Actuarial Accrued Liability (“UAAL”). The difference between the actuarial accrued liability and valuation assets. Sometimes referred to as “unfunded accrued liability.”

APPENDIX J

STRESS TESTING SCENARIOS



November 14, 2025

Board of Trustees
State Universities Retirement System of Illinois
1901 Fox Drive
Champaign, Illinois 61820

Re: Stress Testing Scenarios Based on Actuarial Valuation Results as of June 30, 2025

Dear Members of the Board:

At your request, we have performed stress testing of the required statutory contributions and funded ratio for the State Universities Retirement System of Illinois ("SURS") based on the results of the June 30, 2025 actuarial valuation. Risk measures, as illustrated in this letter, are intended to aid in the understanding of the effects of future experience differing from the assumptions used in the course of the actuarial valuation. Risk measures may also help with illustrating the potential volatility in the accrued liability and the statutory and actuarially determined contribution that result from the differences between actual experience and the actuarial assumptions. We have illustrated the statutory contributions and funded ratios under the stress testing scenarios. However, we are not able to opine on the sponsor's ability to pay the contribution requirements.

This letter focuses on different stressors to the System, including variations in investment return, new hire plan elections and a changing workforce.

GRS has prepared this analysis exclusively for the Trustees of the State Universities Retirement System; GRS is not responsible for reliance upon this report by any other party. This report may be provided to parties other than SURS only in its entirety and only with the permission of SURS and the Board.

Description of Stress Testing Scenarios

Investment Return Scenarios and Additional Contribution Scenario

GRS recommended and performed five alternative investment return/additional contribution stress testing scenarios. Graphs of the total statutory contributions under each of these five scenarios can be found in Exhibits I(A) and I(B), a summary of the total statutory contributions and funded ratios can be found in Exhibits III(A), III(B) and III(C) and additional details of the results of these scenarios can be found in Exhibits IV(A) through V(B). The alternative investment return stress testing scenarios are based on the System earning the following rates of investment return (on average) over the period from fiscal year 2026 through 2045.

1. Scenario 1: Return of 0% in 2026 and then 6.50% in each year from 2027 through 2045
 - Liabilities calculated using 6.50% discount rate
2. Scenario 2: 6.50% investment return in each year from 2026 through 2045, with additional Pension Stabilization Fund (PSF) contribution from SB 1937 (assumed allocation to SURS of 19.5% of the total amounts, equal to \$58.5 million in 2030, \$78 million from 2031 through 2034, and \$117 million from 2035 through 2045)
 - Liabilities calculated using 6.50% discount rate
3. Scenario 3: Volatile returns in each year from 2026 through 2045, with a 20-year geometric average of 6.50% and favorable returns in the near-term (as shown in Exhibit VIII)
 - Liabilities calculated using 6.50% discount rate
4. Scenario 4: Static returns in each year from 2026 through 2045 of 6.00%
 - The discount rate used to determine liabilities is 6.00%
5. Scenario 5: Volatile returns in each year from 2026 through 2045, with a 20-year geometric average of 6.50% (same set of volatile returns as Scenario 3)
 - The discount rate used to determine liabilities is 6.00%

We have also included a baseline scenario (the basis for the June 30, 2025 actuarial valuation results) which assumes a static return of 6.50% each year from 2026 through 2045.

In order to demonstrate the risk and volatility of the returns, we provided results in Scenario 3 assuming volatile returns with a geometric average equal to the actuarial valuation assumption. Please note that the volatile return scenario represents one possible trial that generates the targeted average geometric return, and that another equally likely trial that produces the same targeted average geometric return could produce significantly different contribution and funded ratio patterns.

In each scenario 1 through 3, the discount rate used to determine liabilities is 6.50%. In scenarios 4 and 5, the discount rate used to determine liabilities is 6.00%, average future uncapped salary growth or wage inflation remains at 3.15% per year and the future active population remains constant at 77,951 total active members (the number of combined total active members as of June 30, 2025, in the SURS defined benefit plan and the Retirement Savings Plan "RSP"). The assumed election percentages for future new hires are 25% to the RSP and 75% to Tier 2 for Non-Academic members and 45% to the RSP and 55% to Tier 2 for Academic members for all investment return/additional contribution scenarios, which is the same as the baseline from the actuarial valuation as of June 30, 2025.



Number of Active Members Scenario

In addition to the five investment return/additional contribution scenarios, GRS performed one sensitivity scenario based on an increase in the number of future total active members. A summary of the number of total active members used and the total statutory contributions under this scenario can be found in Exhibit III(B) and III(C) and additional details of the results of this scenario can be found in Exhibit VI. The alternate total active population scenario is based on the System earning the annual assumed rate of return of 6.50% in each future year and the following membership changes:

- 6. Scenario 6: 1% increase in the number of total active members for 5 years
 (77,951 total active members in 2025 to 81,927 total active members in 2030)

Future New Hire Plan Election Scenarios

GRS also performed sensitivity scenarios based on changes to the plan election assumption of future new hires. A summary of the total statutory contributions under these scenarios can be found in Exhibit III(B) and additional details of the results of these scenarios can be found in Exhibits VII(A) through VII(B). The alternate plan election scenarios are based on the System earning the annual assumed rate of return of 6.50% in each future year and the following future new hire plan election changes (compared to the current assumption that 25% of Non-Academic members and 45% of Academic members elect RSP):

- 7. Scenario 7: Assume 0% of non-Academic new hires and 100% of Academic new hires elect RSP
- 8. Scenario 8: Assume 100% of non-Academic new hires and 0% of Academic new hires elect RSP

The following exhibits and graphs are included in this letter:

Exhibit	Scenario	Investment Return	Discount Rate	% of Non-Academic/ Academic New Hires to RSP	Ultimate Number of Total Actives (SURS DB and RSP)	Scenario Description
I(A)	1-3	6.50%	6.50%	25%/45%	77,951	Graphs of the Projected Total Statutory Contributions and Funded Ratios
I(B)	4-5	6.00%, 6.50%	6.00%	25%/45%	77,951	
I(C)	6-8	6.50%	6.50%	25%/45% (0%/100% Scenario 7) (100%/0% Scenario 8)	77,951 (81,927 Scenario 6)	
II(D)	7-8	6.50%	6.50%	(0%/100% Scenario 7) (100%/0% Scenario 8)	77,951	Graphs of the Projected Total Capped Payroll, Total UAL Contributions and AAL under the Future New Hire Plan Election Scenarios
II	1-8	6.50%, 6.00%	6.50%, 6.00% (Scenarios 4 and 5)	25%/45% (0%/100% Scenario 7) (100%/0% Scenario 8)	77,951 (81,927 Scenario 6)	Graph of the Projected Annual Rates of Return Used in the Stress Testing Scenarios
III(A)	1-8	6.50%, 6.00%	6.50%, 6.00% (Scenarios 4 and 5)	25%/45% (0%/100% Scenario 7) (100%/0% Scenario 8)	77,951 (81,927 Scenario 6)	Comparison of Total Contributions, Unfunded Liability and Funded Ratio
III(B)	1-8	6.50%, 6.00%	6.50%, 6.00% (Scenarios 4 and 5)	25%/45% (0%/100% Scenario 7) (100%/0% Scenario 8)	77,951 (81,927 Scenario 6)	Comparison of Projected Total Capped Payroll and Total Statutory Contributions from the Stress Testing Scenarios
III(C)	1-8	6.50%, 6.00%	6.50%, 6.00% (Scenarios 4 and 5)	25%/45% (0%/100% Scenario 7) (100%/0% Scenario 8)	77,951 (81,927 Scenario 6)	Comparison of Projected Number of SURS DB Active Members and Funded Ratio based on AVA from the Stress Testing Scenarios
III(D)	1-8	6.50%, 6.00%	6.50%, 6.00% (Scenarios 4 and 5)	25%/45% (0%/100% Scenario 7) (100%/0% Scenario 8)	77,951 (81,927 Scenario 6)	Comparison of Projected UAAL based on MVA from the Stress Testing Scenarios



Exhibit	Scenario	Investment Return	Discount Rate	% of Non-Academic/ Academic New Hires to RSP	Ultimate Number of Total Actives (SURS DB and RSP)	Scenario Description
IV(A)	1	0%, then 6.50% Static	6.50%	25%/45%	77,951	Comparison of Actuarial Valuation Results and Unfavorable Investment Return in the First Year
IV(B)	2	6.50% Static	6.50%	25%/45%	77,951	Comparison of Actuarial Valuation Results and Additional Pension Stabilization Fund contributions from SB 1937
IV(C)	3	6.50% Volatile	6.50%	25%/45%	77,951	Comparison of Actuarial Valuation Results and Volatile Investment Return Stress Testing Scenario
V(A)	4	6.00% Static	6.00%	25%/45%	77,951	Comparison of Actuarial Valuation Results and Stress Testing Scenarios with Liabilities Calculated Using 6.00% Discount Rate
V(B)	5	6.50% Volatile	6.00%	25%/45%	77,951	
VI	6	6.50% Static	6.50%	25%/45%	81,927	Comparison of Actuarial Valuation Results and Number of Active Member Sensitivity Scenario
VII(A)	7	6.50% Static	6.50%	0%/100%	77,951	Comparison of Actuarial Valuation Results and Future New Hire Plan Election Scenario
VII(B)	8	6.50% Static	6.50%	100%/0%	77,951	
VIII	1-8	6.50%	6.50%, 6.00% (Scenarios 4 and 5)	25%/45% (0%/100% Scenario 7) (100%/0% Scenario 8)	77,951 (81,927 Scenario 6)	Comparison of Assumed Investment Returns Used in the Stress Testing Scenarios

GRS believes that these scenarios provide a plausible illustration of the potential future volatility of investment returns and the resulting statutory contribution requirements based on the current assumptions and methods (including the current plan election assumptions and variations in the assumptions). These scenarios are not intended to represent the full range of all possible outcomes. Annual returns will likely be significantly different from the returns shown in Exhibit VIII and the 20-year geometric average of actual returns may be either higher or lower than the assumption of 6.50%. The statutory contributions shown in this analysis are the combined amounts from both the State and the employers. Under the provisions of PA 100-0023, employers make contributions beginning in fiscal year 2018 for current members in excess of the Governor’s pay, and under PA 101-0010, employers make contributions equal to the present value of the increase in benefit attributable to member pay increases in excess of 6.00% during the Final Average Salary (FAS) period.

Analysis of Stress Testing Scenario Results

Under the projected results from the actuarial valuation as of June 30, 2025 in which all future actuarial assumptions are assumed to be realized, the statutory contribution gradually increases by a steady rate (once deferred asset gains/losses are fully recognized in the actuarial value of assets and phase-in of assumption changes are fully recognized). There is also an increase in the funded ratio from 47.1% on an actuarial value of assets basis as of June 30, 2025 to 90% as of June 30, 2045 with a significant portion of the increase occurring in the last five years of the projection period. The funded ratio increases from about 69.3% to 90% between 2040 and 2045.

The following table presents a summary of the combined State and employer (“statutory”) contributions (including RSP) and the present value of the total statutory contributions during the fiscal years 2026 through 2045 under the alternative stress testing scenarios. The total statutory contributions do not include Excess Benefit Arrangement (EBA) contributions or Deferred Compensation Plan (DCP) administrative expense contributions. In addition, we have summarized the unfunded actuarial accrued



liability (UAAL) based on the market value of assets as of June 30, 2045, and the present value of the market value UAAL for each scenario. The contributions and UAAL are discounted to a present value based on the actuarial valuation interest rate of 6.50%.

	Contributions* FY 2026-2045 (\$ in Millions)			MVA UAAL at 2045 (\$ in Millions)		Total PV
	Total Contributions	PV Contributions	MVA Funded Ratio in 2045	UAAL	PV of UAAL	Contributions + UAAL
Baseline	\$ 63,822.186	\$ 34,164.441	90.00%	\$ 5,926.034	\$ 1,681.791	\$35,846.232
Scenario 1	67,057.929	35,675.103	90.00%	5,926.034	1,681.791	37,356.894
Scenario 2	63,530.754	34,235.201	90.42%	5,676.700	1,611.031	35,846.232
Scenario 3	55,441.316	30,177.327	77.25%	13,480.050	3,825.598	34,002.925
Scenario 4	67,946.419	36,180.240	90.00%	6,117.099	1,736.015	37,916.255
Scenario 5	55,483.734	30,708.060	78.62%	13,076.100	3,710.958	34,419.018
Scenario 6	64,221.893	34,289.019	90.00%	5,985.700	1,698.724	35,987.743
Scenario 7	64,503.211	34,357.335	90.00%	5,898.591	1,674.002	36,031.337
Scenario 8	65,442.619	34,871.540	90.00%	5,596.555	1,588.286	36,459.826

* Combined State, employer and Pension Stabilization Fund (PSF) contributions (for Scenario 2). Scenario 2 assumes SURS receives 19.5% of the total annual PSF contribution and includes \$1,657.500 million (\$772.064 million on a present value basis) of contributions paid from the PSF. Includes total RSP contributions. Excludes EBA and DCP contributions.

Scenario 1 reflects a 0% investment return and then 6.50% thereafter (which results in a 20-year geometric average of 6.17%), resulting in an increase in the total statutory contributions when compared to the baseline (June 30, 2025 actuarial valuation) results.

Scenario 2 assumes additional contributions will be made from the Pension Stabilization Fund (PSF) based on the schedule proposed in SB 1937 and assuming that SURS receives 19.5% of the total annual PSF contribution (\$58.5 million in 2030, \$78 million from 2031 through 2034, and \$117 million from 2035 through 2045) in addition to the statutory contributions determined as a level percentage of pay. As the additional contributions are made, there will be more assets than in the baseline actuarial valuation results and over time, the statutory contributions determined as a level percentage of pay will decrease and the funded ratio will increase as a result of higher contributions that are made earlier in the projection period.

In scenarios 3 and 5, because of the volatility and deviation of the returns from the actuarial assumption of 6.50% and the fact that the statutory contribution for fiscal year 2045 is determined based on the actuarial valuation results as of June 30, 2043, the funded ratios on both an actuarial value of assets basis and a market value of assets basis do not equal 90% in 2045. In scenario 3 and scenario 5, the market value funded ratio is less than 90%. In order to better compare the future obligation between the scenarios and recognize that the unfunded liability and funded ratio as of June 30, 2045 are different under each scenario, we have included the sum of the present value of contributions between 2026 and 2045 and the present value of the market value UAAL as of June 30, 2045.



The total statutory contributions, the present value of the statutory contributions and the unfunded actuarial accrued liability (UAAL) are highly dependent on both the annualized investment returns and the pattern of the investment returns. Although the average geometric return is 6.50% over the years 2026 through 2045 for both the baseline and scenario 3, the total statutory contributions under scenario 3 are \$8.381 billion lower than the baseline scenario and the sum of the present value of contributions and the present value of the market value UAAL at 2045 is about \$1.843 billion lower under scenario 3 (\$34.003 billion) than under the baseline scenario (\$35.846 billion).

In scenarios 4 and 5, the liabilities were determined using a 6.00% assumption (a 50 basis point reduction from the current assumption of 6.50%). Scenario 4 assumes a static return of 6.00% each year, which in conjunction with the 6.00% discount rate assumption results in a higher present value of contributions and a lower present value of the market value UAAL in 2045 than scenarios 3 and 5. Scenario 5 assumes the same rates of investment return as in scenario 3, with an average geometric return of 6.50%. Comparing scenarios 3 and 5, calculating liabilities based on a 6.00% assumption under scenario 5 while realizing the same rates of investment return as under scenario 3 will require higher contributions until 2040, but would also result in a higher funded ratio beginning in 2036. The total statutory contributions under scenario 5 are about \$42 million higher than under scenario 3 and the sum of the present value of contributions and the present value of the market value UAAL at 2045 is about \$416 million higher under scenario 5 (\$34.419 billion) than under scenario 3 (\$34.003 billion).

In scenario 6, the number of active members is assumed to annually increase by 1% for five years. Scenario 6 is projected to result in lower statutory contribution until 2029 then higher statutory contribution until 2045, and lower funded ratios until 2042 compared to the baseline.

Scenarios 7 and 8 illustrate the variation in the statutory contributions and increase in the funded ratio due to plan elections. In scenario 7, 0% of non-Academic new hires and 100% of Academic new hires are assumed to elect the RSP. Scenario 7 is projected to result in lower statutory contribution until 2032 then higher statutory contribution until 2045, and lower funded ratios until 2045. In Scenario 8, 100% of non-Academic new hires and 0% of Academic new hires are assumed to elect the RSP. Scenario 8 is projected to result in higher statutory contribution and lower funded ratios until 2045 and a combined total present value of contributions and UAAL in 2045 that is higher than the baseline and scenario 7.

In each scenario, we have assumed that the State and the employers will make the statutory contribution when due. However, some scenarios result in very high contributions for extended periods of time and may jeopardize the sustainability of the System. We are not able to opine on the sponsor's ability to pay such high contribution requirements.

The stress testing does not take into account the implication of potential required changes in asset allocation in order to maintain sufficient liquidity to make all required benefit payments.



To the best of our knowledge, this actuarial statement is complete and accurate, fairly presents the actuarial position of SURS as of June 30, 2025 under the alternative stress testing scenarios, and has been prepared in accordance with generally accepted actuarial principles and practices, with the Actuarial Standards of Practice issued by the Actuarial Standards Board and with applicable statutes.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions, contribution amounts or applicable law. Due to the limited scope of the actuary's assignment, the actuary did not perform an analysis of the potential range of such future measurements.

This letter is part of the SURS actuarial valuation as of June 30, 2025 and is subject to the same actuarial assumptions and disclosures as used in the presentation and the actuarial valuation report. The stress testing scenarios used future investment returns as shown in Exhibit VIII. All other assumptions and methods were the same as those used in the SURS actuarial valuation as of June 30, 2025 (including the 6.50% discount rate used to determine liabilities for scenarios 1 through 3 and 6 through 8) and the assumed election percentages for future new hires (25% of Non-Academic and 45% of Academic members elect the RSP and 75% of Non-Academic and 55% of Academic members elect Tier 2 for scenarios 1 through 6). A 6.00% discount rate was used to determine liabilities in scenarios 4 and 5. The future new hire election scenarios use a return assumption of 6.50% per year and vary the percentage of new hires assumed to elect the RSP and defined benefit plans.

In each projection scenario, the Statutory contribution in each year has been projected as though an actuarial valuation in each of those years was performed. The market value of assets at each projected valuation is assumed to be based on the rates of investment return and Statutory contributions in the preceding years, according to the scenario being modeled, and the valuation interest rate going forward. At each projected actuarial valuation, an additional 20% of the investment gains and losses are recognized in the actuarial value of assets. The actuarial value of assets is projected to earn the actuarial valuation rate of 6.50% from the valuation date to 2045 (6.00% in scenarios 4 and 5). This iterative process is followed for each projection year through 2045.

This analysis was prepared using our proprietary valuation model and related software and spreadsheet models used to calculate the statutory contributions in each future year through 2045 under the SURS statutory funding policy. In our professional judgment, the models used have the capability to provide results that are consistent with the purposes of the valuation and have no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled. We are relying on the GRS actuaries and Internal Software, Training and Processes Team who developed and maintain the model.



Numerous additional assumptions could be varied in stress testing scenarios, such as payroll growth, inflation and other member behavior. The stress testing analysis performed focused on variations in investment return and new hire plan elections, which are likely two of the most significant stressors on the System. GRS annually performs stress testing and has illustrated additional scenarios in prior years. GRS can perform additional stress testing scenarios at the Board's request.

The statutory funding method generates a contribution requirement that is less than a reasonable actuarially determined contribution. Meeting the statutory requirement does not mean that the undersigned agree that adequate actuarial funding has been achieved; we recommend the development of and adherence to a funding policy that funds the normal cost of the plan as well as an amortization payment that would seek to pay off the total unfunded accrued liability by 2045 or sooner, if possible.

The signing actuaries are independent of the plan sponsor.

Amy Williams, Mark Buis and Kevin Noelke are Members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions herein.

Sincerely,
Gabriel, Roeder, Smith & Company



Amy Williams, ASA, EA, MAAA, FCA
Senior Consultant



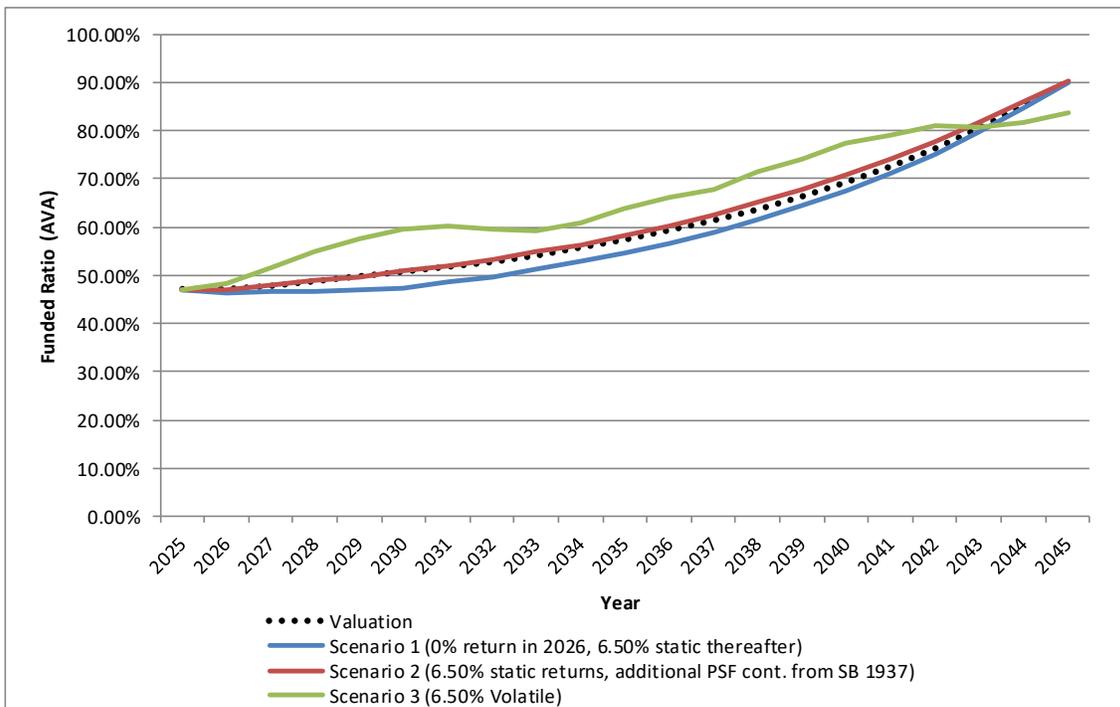
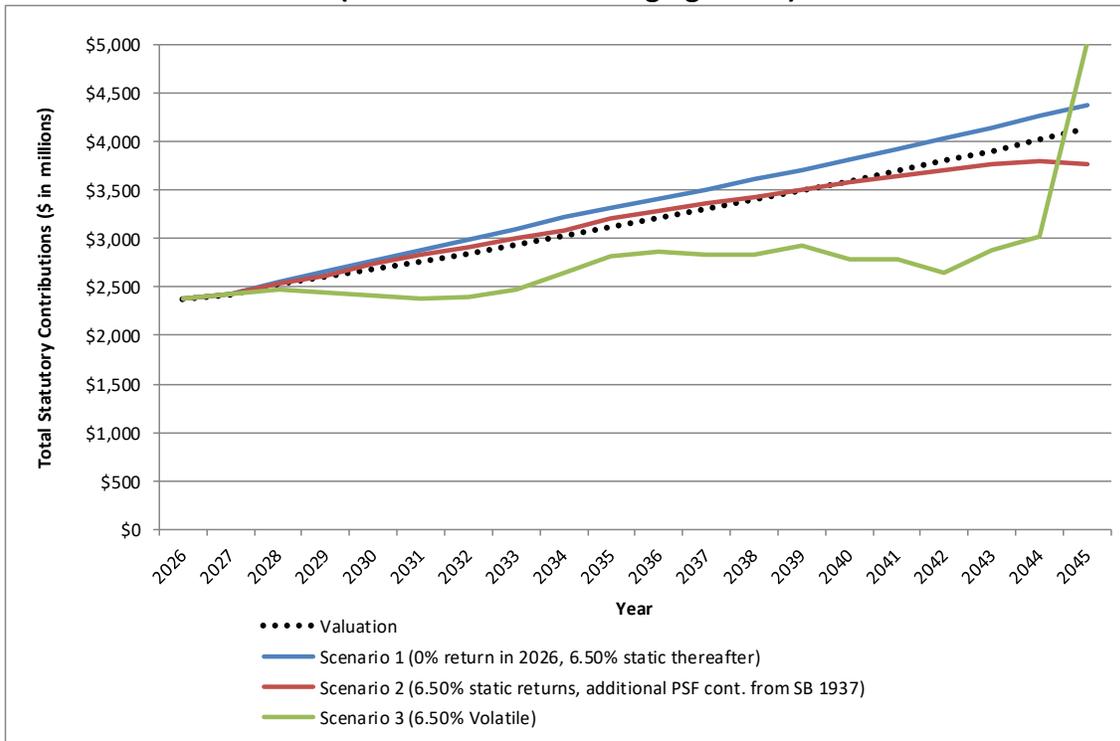
Mark Buis, FSA, EA, MAAA, FCA
Senior Consultant



Kevin Noelke, ASA, MAAA, FCA
Consultant

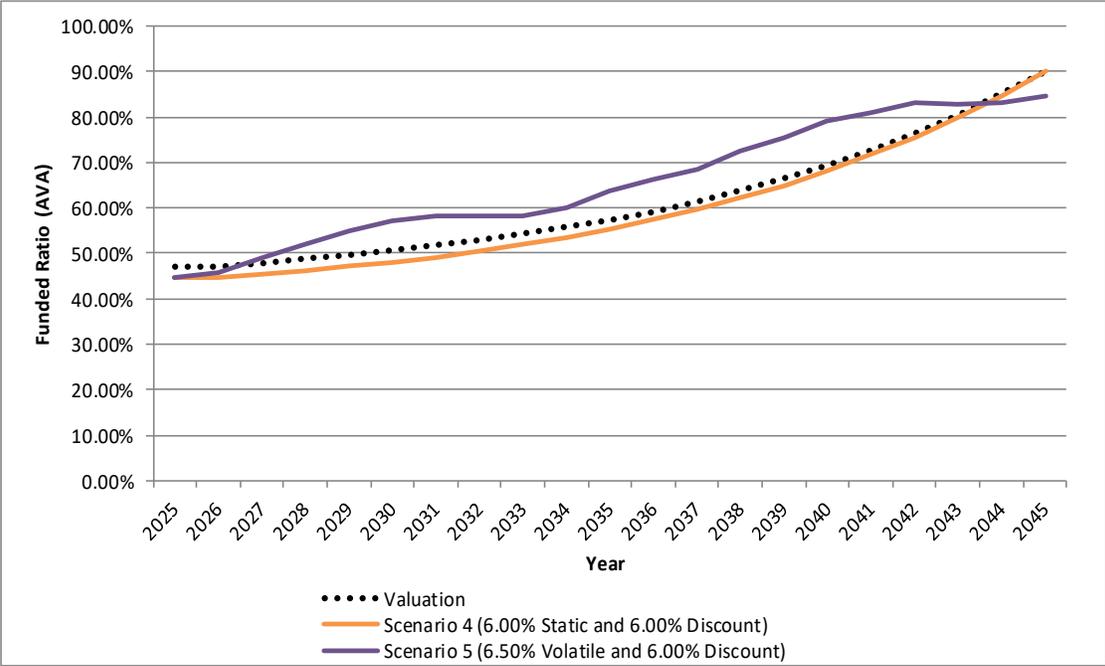
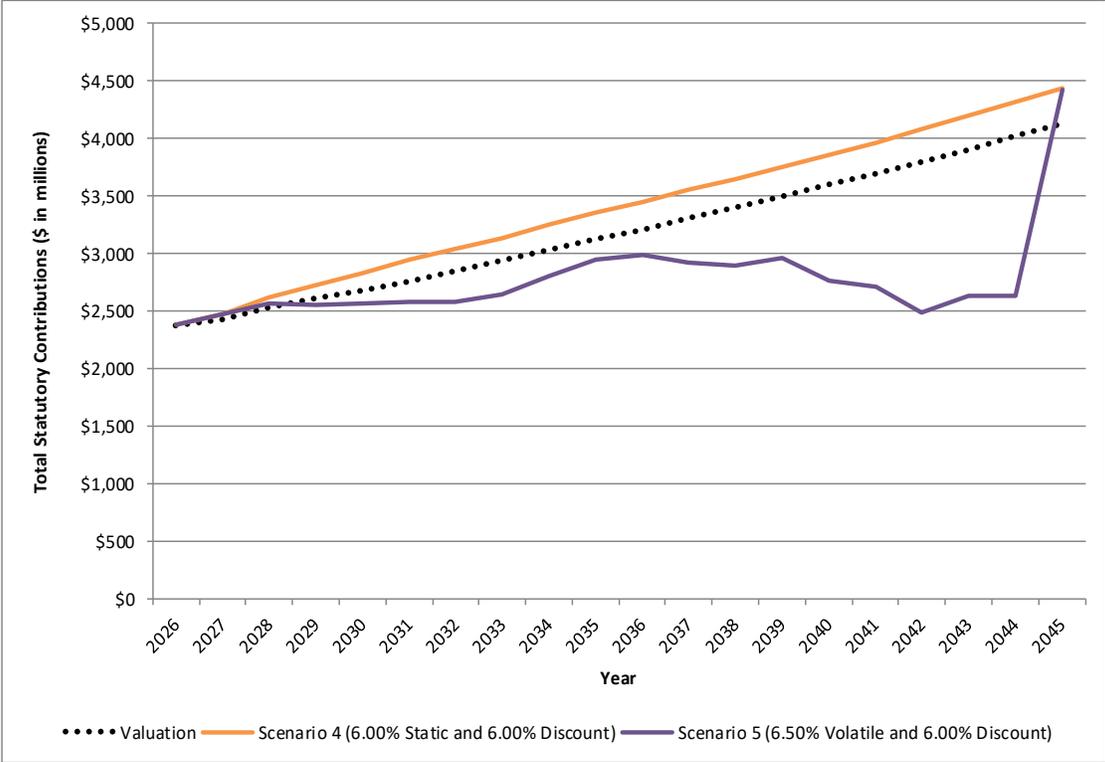


**State Universities Retirement System
Comparison of Total Statutory Contributions and Funded Ratio
Assuming an Annual Return of 6.50% (Valuation Assumption) and
Rates under the Volatile Investment Return Stress Testing Scenarios
(Volatile Returns Averaging 6.50%)**



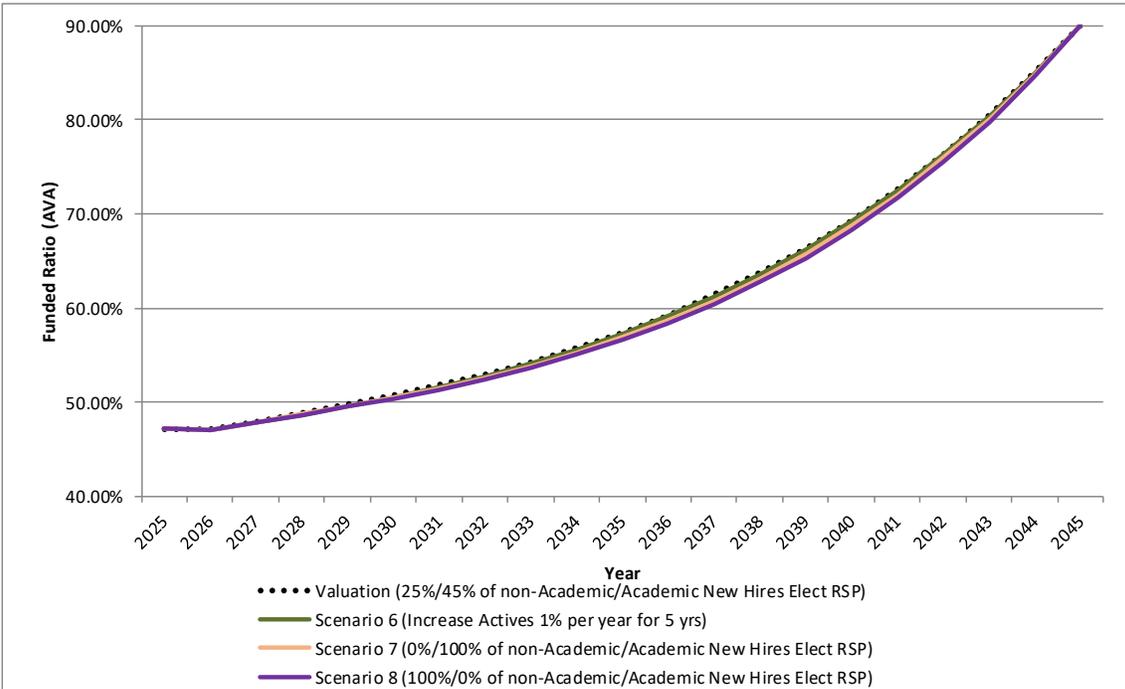
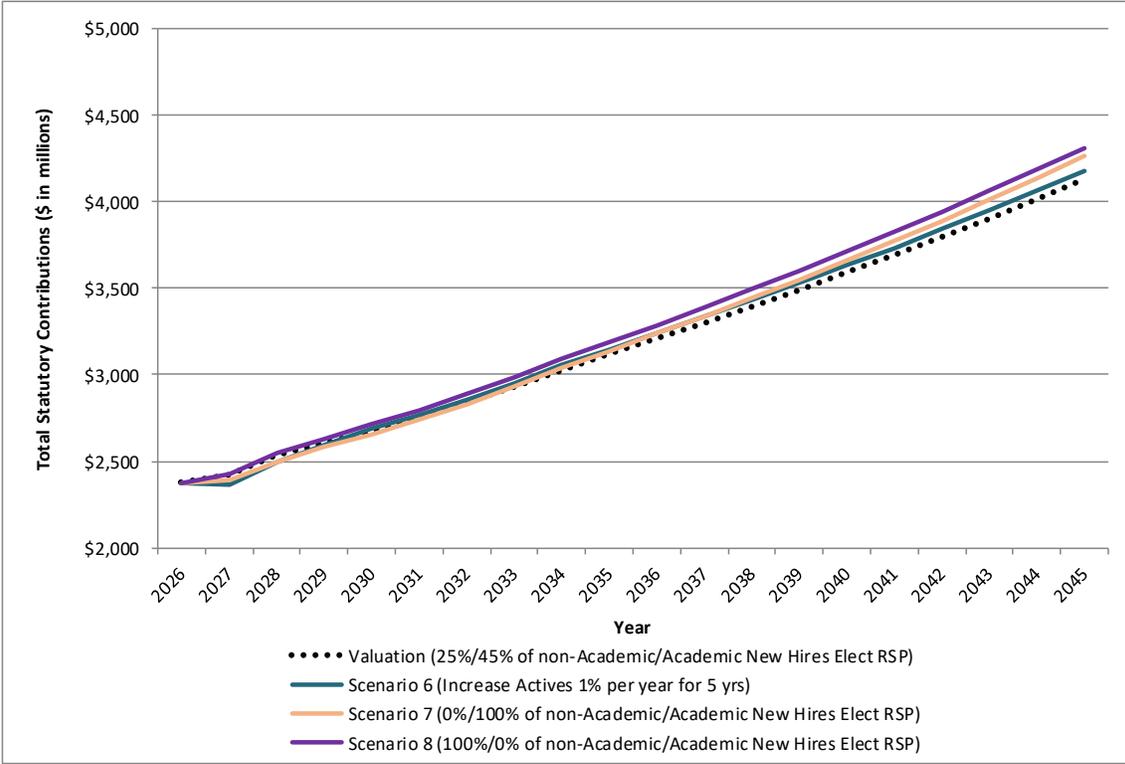
Total statutory contributions include contributions from both the State and employers and include total RSP contributions. Total statutory contributions exclude EBA and DCP administrative expense contributions.

State Universities Retirement System
Comparison of Total Statutory Contributions and Funded Ratio
Assuming an Annual Return of 6.50% (Valuation Assumption) and
Rates under the Volatile Investment Return Stress Testing Scenarios
(Liabilities Discounted at 6.00%)



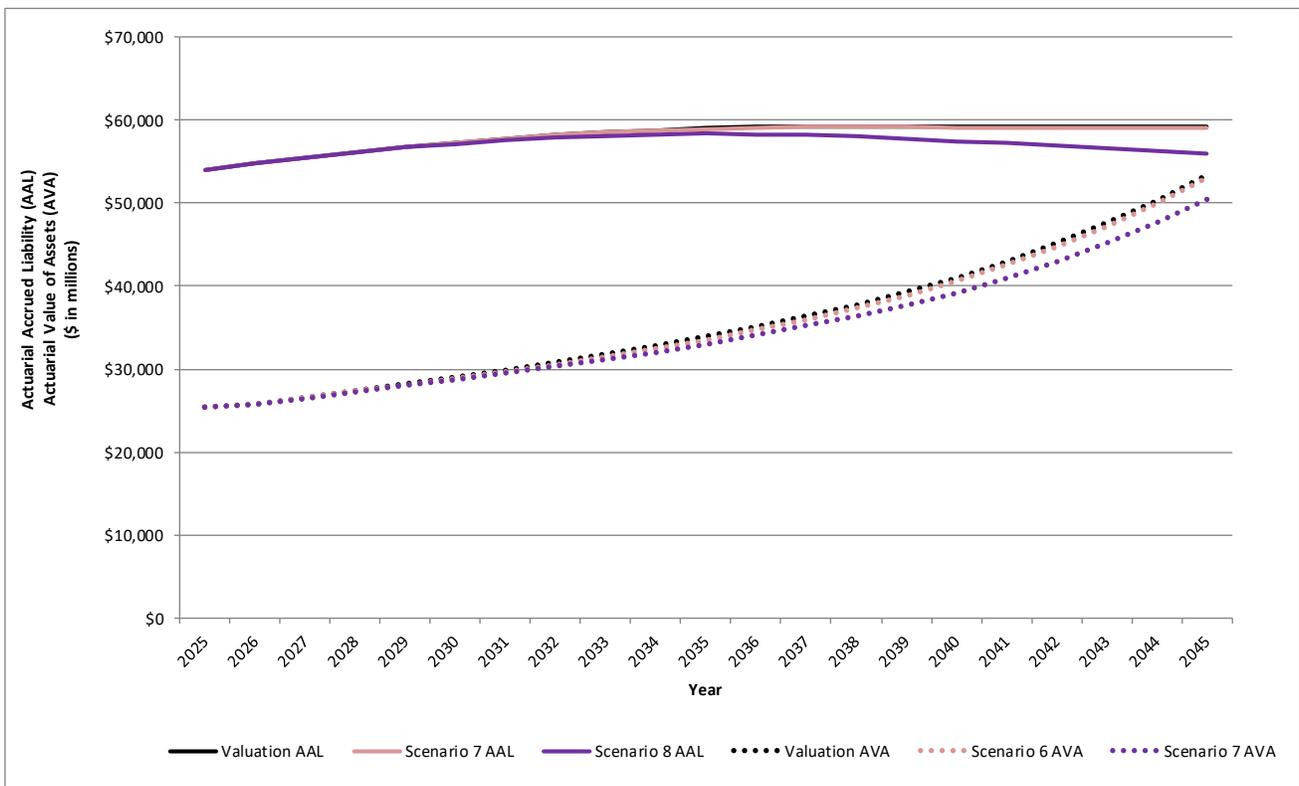
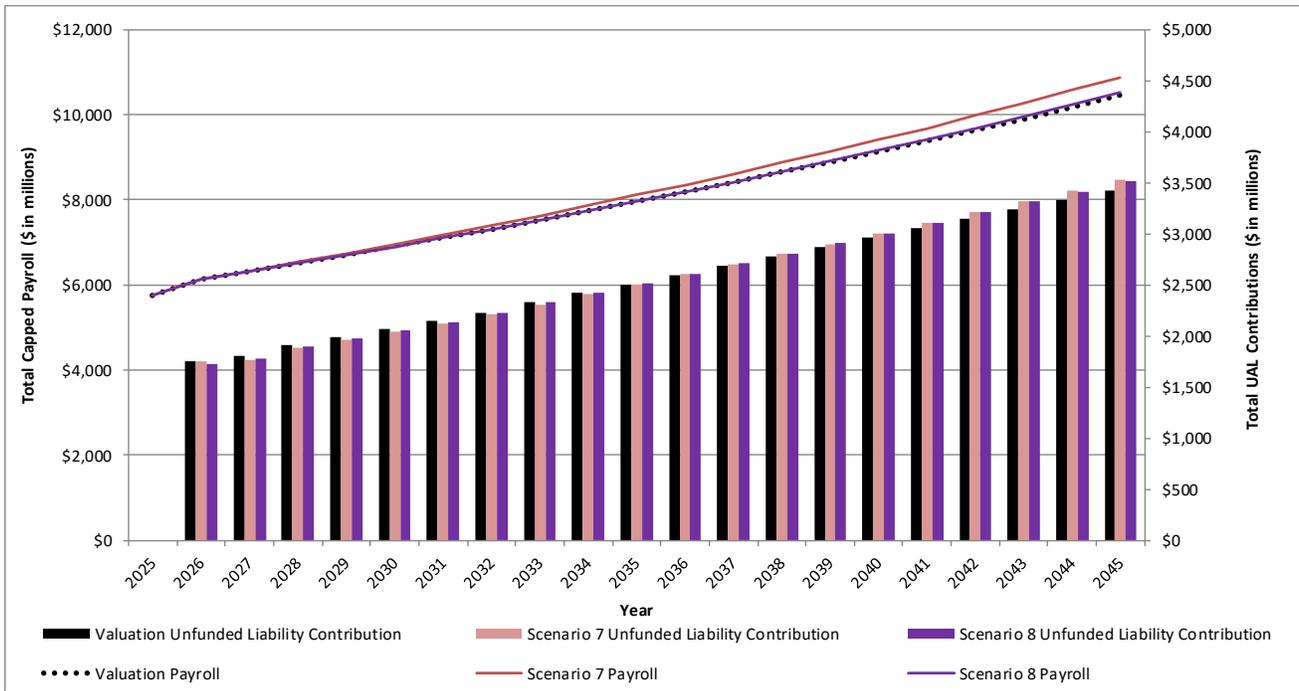
Total statutory contributions include contributions from both the State and employers and include total RSP contributions. Total statutory contributions exclude EBA and DCP administrative expense contributions.

**State Universities Retirement System
 Comparison of Total Statutory Contributions and Funded Ratio
 Assuming an Annual Return of 6.50% (Valuation Assumption) and
 Rates under the Number of Active Members Sensitivity and Future New Hire Election Scenarios**



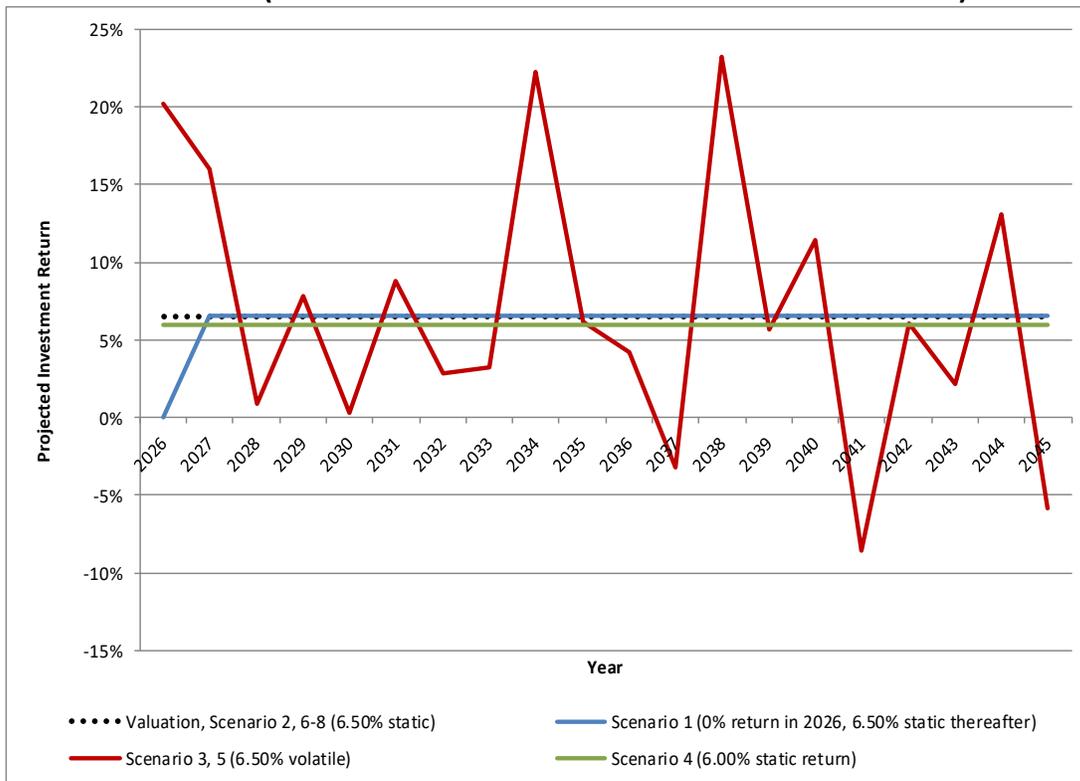
Total statutory contributions include contributions from both the State and employers and include total RSP contributions. Total statutory contributions exclude EBA and DCP administrative expense contributions.

State Universities Retirement System Comparison of Total Capped Payroll, Total UAL Contributions and AAL Assuming an Annual Return of 6.50% (Valuation Assumption) and Rates under the Future New Hire Election Scenarios



Valuation: 25%/45% of non-Academic/Academic New Hires Elect RSP
 Scenario 7: 0%/100% of non-Academic/Academic new hires elect RSP
 Scenario 8: 100%/0% of non-Academic/Academic new hires elect RSP

**State Universities Retirement System
Comparison of Projected Rates of Investment Return
Assuming an Annual Return of 6.50% (Valuation Assumption) and Rates under the Stress Testing
Scenarios (Liabilities Discounted at 6.00% for Scenarios 4 and 5)**



State Universities Retirement System
Comparison of Total Contributions, Unfunded Liability and Funded Ratio
Based on Actuarial Valuation as of June 30, 2025

	Contributions* FY 2026-2045 (\$ in Millions)			MVA UAAL at 2045 (\$ in Millions)		Total PV Contributions + UAAL
	Total	PV	MVA Funded	UAAL	PV of UAAL	
	Contributions	Contributions	Ratio in 2045			
Baseline (6.50% Static, 25%/45% of non-Academic/Academic New Hires Elect RSP)	\$ 63,822.186	\$ 34,164.441	90.00%	\$ 5,926.034	\$ 1,681.791	\$35,846.232
Scenario 1 (0% return in 2026, 6.50% static thereafter)	67,057.929	35,675.103	90.00%	5,926.034	1,681.791	37,356.894
Scenario 2 (6.50% static returns, additional PSF cont. from SB 1937)	63,530.754	34,235.201	90.42%	5,676.700	1,611.031	35,846.232
Scenario 3 (6.50% Volatile)	55,441.316	30,177.327	77.25%	13,480.050	3,825.598	34,002.925
Scenario 4 (6.00% Static and 6.00% Discount)	67,946.419	36,180.240	90.00%	6,117.099	1,736.015	37,916.255
Scenario 5 (6.50% Volatile and 6.00% Discount)	55,483.734	30,708.060	78.62%	13,076.100	3,710.958	34,419.018
Scenario 6 (Increase Actives 1% per year for 5 yrs)	64,221.893	34,289.019	90.00%	5,985.700	1,698.724	35,987.743
Scenario 7 (0%/100% of non-Academic/Academic New Hires Elect RSP)	64,503.211	34,357.335	90.00%	5,898.591	1,674.002	36,031.337
Scenario 8 (100%/0% of non-Academic/Academic New Hires Elect RSP)	65,442.619	34,871.540	90.00%	5,596.555	1,588.286	36,459.826

	Percentage Change in Annual Statutory Contribution \$		Minimum Funded Ratio		Annual Funded Ratio (AVA) Change	
	Maximum Increase	Minimum Increase/ Maximum (Decrease)	(AVA)	(MVA)	Maximum Increase	Minimum Increase/ Maximum (Decrease)
	Baseline (6.50% Static, 25%/45% of non-Academic/Academic New Hires Elect RSP)			47.08%	47.36%	
Scenario 1 (0% return in 2026, 6.50% static thereafter)	5.53%	2.76%	46.49%	44.42%	5.42%	0.25%
Scenario 2 (6.50% static returns, additional PSF cont. from SB 1937)	4.98%	-0.81%	47.08%	47.36%	4.45%	0.90%
Scenario 3 (6.50% Volatile)	66.06%	-5.08%	48.32%	53.57%	3.65%	-0.59%
Scenario 4 (6.00% Static and 6.00% Discount)	5.61%	2.76%	44.59%	44.86%	5.26%	0.88%
Scenario 5 (6.50% Volatile and 6.00% Discount)	68.28%	-8.25%	45.82%	50.99%	4.06%	-0.39%
Scenario 6 (Increase Actives 1% per year for 5 yrs)	5.31%	2.79%	47.08%	47.36%	5.00%	0.86%
Scenario 7 (0%/100% of non-Academic/Academic New Hires Elect RSP)	4.62%	3.00%	47.08%	47.35%	5.18%	0.83%
Scenario 8 (100%/0% of non-Academic/Academic New Hires Elect RSP)	4.86%	3.01%	47.03%	47.31%	5.40%	0.82%

* Combined State, employer and Pension Stabilization Fund (PSF) contributions (for Scenario 2). Scenario 2 assumes SURS receives 19.5% of the total annual PSF contribution and includes \$1,657.500 million (\$772.064 million on a present value basis) of contributions paid from the PSF. Includes total RSP contributions. Excludes EBA and DCP contributions.

The contributions and unfunded actuarial accrued liability (UAAL) are discounted to a present value based on the actuarial valuation interest rate of 6.50%. The maximum increase and decrease in the annual statutory contribution are for fiscal years 2027 through 2045.



State Universities Retirement System
Comparison of Projected Total Capped Payroll and Total Statutory Contributions from the Stress Testing Scenarios
Based on Actuarial Valuation as of June 30, 2025

Year	Total Projected Capped Payroll (\$ in Millions)					Total Statutory Contributions (\$ in Millions)								
	All Except Scenario 6, 7 and 8	Scenario 6	Scenario 7	Scenario 8	Baseline	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 5	Scenario 6	Scenario 7	Scenario 8	
2025	\$5,738.609	\$5,738.609	\$5,738.609	\$5,738.609										
2026	6,127.530	6,172.860	6,134.347	6,126.590	\$2,377.364	\$2,377.364	\$2,377.364	\$2,377.364	\$2,377.364	\$2,377.364	\$2,377.364	\$2,377.364	\$2,377.364	
2027	6,309.132	6,406.552	6,324.319	6,307.026	2,422.904	2,422.904	2,422.904	2,422.904	2,475.434	2,475.434	2,367.211	2,390.633	2,429.376	
2028	6,503.578	6,659.849	6,529.470	6,499.944	2,533.674	2,556.972	2,533.674	2,478.859	2,614.303	2,565.082	2,492.847	2,501.087	2,547.349	
2029	6,701.449	6,922.423	6,739.654	6,696.484	2,608.874	2,663.533	2,608.874	2,435.689	2,723.719	2,556.989	2,591.407	2,581.320	2,631.440	
2030	6,902.602	7,193.969	6,954.832	6,896.368	2,680.268	2,767.012	2,738.768	2,405.998	2,831.303	2,564.068	2,688.438	2,658.640	2,711.193	
2031	7,105.429	7,417.871	7,173.311	7,097.984	2,756.611	2,876.156	2,834.611	2,381.950	2,946.227	2,573.189	2,770.181	2,741.570	2,795.469	
2032	7,311.914	7,643.229	7,397.063	7,303.447	2,841.334	2,994.437	2,913.435	2,395.545	3,036.459	2,579.255	2,859.349	2,833.621	2,887.875	
2033	7,524.071	7,872.164	7,627.968	7,515.215	2,934.161	3,091.706	2,997.750	2,478.737	3,134.947	2,649.068	2,955.677	2,934.426	2,988.457	
2034	7,741.881	8,105.992	7,865.926	7,733.422	3,028.311	3,216.759	3,082.586	2,647.160	3,252.354	2,800.382	3,052.642	3,039.133	3,091.221	
2035	7,963.620	8,343.316	8,109.122	7,956.514	3,118.175	3,312.021	3,201.215	2,811.478	3,348.635	2,946.400	3,145.224	3,137.676	3,189.353	
2036	8,187.118	8,582.171	8,355.305	8,182.312	3,208.846	3,408.131	3,280.593	2,869.612	3,445.773	2,981.665	3,238.504	3,237.518	3,288.568	
2037	8,414.711	8,825.041	8,606.907	8,413.368	3,301.243	3,506.068	3,354.783	2,828.421	3,544.757	2,917.137	3,333.424	3,339.599	3,389.954	
2038	8,646.226	9,071.647	8,863.623	8,649.769	3,395.323	3,605.784	3,428.371	2,830.683	3,645.537	2,890.862	3,429.904	3,443.830	3,493.548	
2039	8,883.523	9,323.978	9,127.456	8,893.471	3,491.733	3,707.970	3,501.416	2,928.150	3,748.814	2,957.111	3,528.611	3,550.937	3,600.007	
2040	9,127.017	9,582.606	9,398.932	9,145.024	3,590.676	3,812.839	3,573.267	2,789.172	3,854.803	2,766.791	3,629.806	3,661.168	3,709.607	
2041	9,378.427	9,849.371	9,679.753	9,406.237	3,692.705	3,920.989	3,643.110	2,789.946	3,964.108	2,710.620	3,734.062	3,775.059	3,822.910	
2042	9,636.298	10,122.723	9,968.526	9,675.618	3,797.324	4,031.885	3,708.156	2,648.228	4,076.190	2,487.080	3,840.868	3,892.144	3,939.438	
2043	9,900.462	10,402.590	10,264.979	9,953.396	3,904.435	4,145.425	3,763.767	2,878.249	4,190.945	2,633.549	3,950.164	4,012.265	4,059.300	
2044	10,169.691	10,687.693	10,567.947	10,238.526	4,013.611	4,261.155	3,798.375	3,023.042	4,307.912	2,628.493	4,061.525	4,135.025	4,182.193	
2045	10,443.333	10,977.285	10,876.794	10,530.613	4,124.614	4,378.819	3,767.735	5,020.129	4,426.835	4,423.195	4,174.685	4,260.196	4,307.997	
					Total Contributions FY 2026-2045	\$63,822.186	\$67,057.929	\$63,530.754	\$55,441.316	\$67,946.419	\$55,483.734	\$64,221.893	\$64,503.211	\$65,442.619
					Total Present Value FY 2026-2045	\$34,164.441	\$35,675.103	\$34,235.201	\$30,177.327	\$36,180.240	\$30,708.060	\$34,289.019	\$34,357.335	\$34,871.540
					Difference from June 30, 2025 Valuation									
					Total Contributions FY 2026-2045	\$0.000	\$3,235.743	-\$291.432	-\$8,380.870	\$4,124.233	-\$8,338.452	\$399.707	\$681.025	\$1,620.433
					Total Present Value FY 2026-2045	\$0.000	\$1,510.662	\$70.760	-\$3,987.114	\$2,015.799	-\$3,456.381	\$124.578	\$192.894	\$707.099

Total statutory contributions include contributions from both the State and employers and include total RSP contributions. Total statutory contributions exclude EBA and DCP administrative expense contributions.

The contributions are discounted to a present value based on the actuarial valuation interest rate of 6.50%.

Liabilities are calculated using a discount rate of 6.00% in Scenarios 4 and 5 and 6.50% in all other scenarios.

Scenario 1 assumes a 0% return the first year and 6.50% thereafter.

Scenario 2 assumes SURS receives 19.5% of the total annual PSF contribution and includes \$1,657.500 million (\$772.064 million on a present value basis) of contributions paid from the PSF.

Scenarios 3 and 5 assume the same set of volatile returns with a geometric average of 6.50% over the 20-year period.

Scenario 4 assumes an annual return of 6.00%.

Scenario 6 assumes 1% increasing number of total active members for 5 years and an annual return of 6.50%.

Scenario 7 assumes 0%/100% of non-Academic/Academic new hires elect RSP and Scenario 8 assumes 100%/0% of non-Academic/Academic new hires elect RSP.



**State Universities Retirement System
Comparison of Projected Number of SURS DB Active Members and Funded Ratio based on AVA from the Stress Testing Scenarios
Based on Actuarial Valuation as of June 30, 2025**

Year	Active Member Count (SURS DB Only)				Funded Ratio Based on Actuarial Value of Assets (AVA)								
	All Except Scenario 6, 7 and 8	Scenario 6	Scenario 7	Scenario 8	Baseline	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 5	Scenario 6	Scenario 7	Scenario 8
2025	63,788	63,788	63,788	63,788	47.12%	47.12%	47.12%	47.12%	44.80%	44.80%	47.12%	47.12%	47.12%
2026	62,638	63,167	62,587	59,633	47.08%	46.49%	47.08%	48.32%	44.59%	45.82%	47.08%	47.08%	47.03%
2027	61,701	62,766	61,645	56,145	47.87%	46.52%	47.87%	51.71%	45.28%	49.05%	47.77%	47.80%	47.76%
2028	60,904	62,508	60,813	53,225	48.84%	46.77%	48.84%	54.80%	46.16%	52.09%	48.66%	48.69%	48.65%
2029	60,211	62,362	60,052	50,753	49.74%	47.03%	49.74%	57.55%	47.04%	54.95%	49.52%	49.53%	49.47%
2030	59,608	62,309	59,349	48,651	50.70%	47.40%	50.80%	59.49%	48.03%	57.16%	50.48%	50.42%	50.35%
2031	59,070	61,772	58,700	46,832	51.75%	48.48%	52.00%	60.20%	49.18%	58.28%	51.54%	51.41%	51.31%
2032	58,585	61,286	58,092	45,235	52.92%	49.73%	53.32%	59.61%	50.45%	58.17%	52.72%	52.52%	52.39%
2033	58,142	60,844	57,523	43,814	54.25%	51.14%	54.78%	59.29%	51.88%	58.31%	54.05%	53.79%	53.63%
2034	57,739	60,441	56,996	42,535	55.74%	52.78%	56.40%	60.74%	53.52%	60.21%	55.56%	55.23%	55.04%
2035	57,365	60,067	56,500	41,377	57.41%	54.61%	58.25%	63.68%	55.34%	63.53%	57.25%	56.87%	56.63%
2036	57,025	59,726	56,040	40,331	59.28%	56.65%	60.30%	66.20%	57.37%	66.44%	59.14%	58.71%	58.42%
2037	56,709	59,411	55,613	39,373	61.37%	58.93%	62.55%	67.75%	59.63%	68.35%	61.25%	60.79%	60.45%
2038	56,416	59,118	55,214	38,495	63.71%	61.49%	65.03%	71.40%	62.16%	72.41%	63.62%	63.13%	62.74%
2039	56,145	58,847	54,835	37,701	66.34%	64.34%	67.75%	74.11%	64.98%	75.48%	66.27%	65.76%	65.34%
2040	55,892	58,594	54,474	36,984	69.28%	67.53%	70.75%	77.46%	68.12%	79.16%	69.23%	68.73%	68.27%
2041	55,668	58,369	54,140	36,351	72.61%	71.16%	74.10%	79.07%	71.67%	80.95%	72.58%	72.12%	71.66%
2042	55,462	58,164	53,827	35,782	76.33%	75.18%	77.75%	81.00%	75.60%	83.01%	76.32%	75.91%	75.48%
2043	55,276	57,978	53,535	35,268	80.44%	79.65%	81.72%	80.69%	79.95%	82.62%	80.45%	80.13%	79.78%
2044	55,103	57,805	53,262	34,793	84.99%	84.58%	85.97%	81.64%	84.74%	83.25%	85.00%	84.82%	84.60%
2045	54,945	57,647	53,006	34,356	90.00%	90.00%	90.42%	83.75%	90.00%	84.48%	90.00%	90.00%	90.00%

Liabilities are calculated using a discount rate of 6.00% in Scenarios 4 and 5 and 6.50% in all other scenarios.

All scenarios assume 77,951 total active members (SURS defined benefit and RSP) in each year, except Scenario 6 assumes an increasing number of total actives with 81,927 ultimate total active members.

Scenario 1 assumes a 0% return the first year and 6.50% thereafter.

Scenario 2 assumes SURS receives 19.5% of the total annual PSF contribution and includes \$1,657.500 million (\$772.064 million on a present value basis) of contributions paid from the PSF.

Scenarios 3 and 5 assume the same set of volatile returns with a geometric average of 6.50% over the 20-year period.

Scenario 4 assumes an annual return of 6.00%.

Scenario 6 assumes 1% increasing number of total active members for 5 years and an annual return of 6.50%.

Scenario 7 assumes 0%/100% of non-Academic/Academic new hires elect RSP.

Scenario 8 assumes 100%/0% of non-Academic/Academic new hires elect RSP.

The shaded rows indicate when under the baseline scenario SURS is first 60%, 70% and 90% funded.



State Universities Retirement System
Comparison of Projected UAAL based on the Market Value of Assets (MVA) from the Stress Testing Scenarios
Based on Actuarial Valuation as of June 30, 2025

Unfunded Actuarial Accrued Liability (UAAL) based on the Market Value of Assets (MVA) (\$ in Millions)

Year	Baseline	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 5	Scenario 6	Scenario 7	Scenario 8
2025	\$28,749.330	\$28,749.330	\$28,749.330	\$28,749.330	\$31,549.583	\$31,549.583	\$28,749.330	\$28,749.330	\$28,749.330
2026	28,808.968	30,417.821	28,808.968	25,407.891	31,710.030	28,184.859	28,807.689	28,810.906	28,835.023
2027	28,823.598	30,537.027	28,823.598	22,460.769	31,775.802	25,150.724	28,880.320	28,862.388	28,876.981
2028	28,721.076	30,521.835	28,721.076	23,832.876	31,697.405	26,400.508	28,826.057	28,801.331	28,799.407
2029	28,531.905	30,393.306	28,531.904	23,085.214	31,497.972	25,472.322	28,666.476	28,653.152	28,632.803
2030	28,253.922	30,146.796	28,193.550	24,789.495	31,171.720	26,970.662	28,396.162	28,414.845	28,374.851
2031	27,876.853	29,769.395	27,732.061	23,847.640	30,704.170	25,733.125	28,026.273	28,075.347	28,015.028
2032	27,386.333	29,243.890	27,157.723	24,770.869	30,113.079	26,390.945	27,539.942	27,619.466	27,538.617
2033	26,767.668	28,583.381	26,458.574	25,511.139	29,383.689	26,863.420	26,923.324	27,031.632	26,930.436
2034	26,012.530	27,751.788	25,627.334	19,983.267	28,489.697	20,828.179	26,168.719	26,300.553	26,180.869
2035	25,117.450	26,769.713	24,621.520	19,131.073	27,444.021	19,661.120	25,272.695	25,424.253	25,286.197
2036	24,072.968	25,626.968	23,470.760	18,945.202	26,237.177	19,202.767	24,225.787	24,392.350	24,236.212
2037	22,867.786	24,311.419	22,171.182	21,714.422	24,857.805	21,874.469	23,016.666	23,192.566	23,018.913
2038	21,490.415	22,810.692	20,714.428	14,679.003	23,294.446	14,168.888	21,633.858	21,812.435	21,621.828
2039	19,928.462	21,111.402	19,092.043	13,641.747	21,534.795	12,854.334	20,064.959	20,238.526	20,031.419
2040	18,169.212	19,199.774	17,296.391	10,088.963	19,566.321	8,881.905	18,297.177	18,456.931	18,233.740
2041	16,199.058	17,061.021	15,320.686	15,783.919	17,375.671	14,854.664	16,316.841	16,452.780	16,213.816
2042	14,004.653	14,680.579	13,161.207	14,944.033	14,949.904	13,895.496	14,110.577	14,211.338	13,956.927
2043	11,571.455	12,042.617	10,818.353	15,500.587	12,274.941	14,529.090	11,663.781	11,716.643	11,446.829
2044	8,884.113	9,130.438	8,304.180	11,251.218	9,335.986	10,197.589	8,961.036	8,951.801	8,666.293
2045	5,926.034	5,926.034	5,676.700	13,480.050	6,117.099	13,076.100	5,985.700	5,898.591	5,596.555

Liabilities are calculated using a discount rate of 6.00% in Scenarios 4 and 5 and 6.50% in all other scenarios.

All scenarios assume 77,951 total active members (SURS defined benefit and RSP) in each year, except Scenario 6 assumes an increasing number of total actives with 81,927 ultimate total active members.

Scenario 1 assumes a 0% return the first year and 6.50% thereafter.

Scenario 2 assumes SURS receives 19.5% of the total annual PSF contribution and includes \$1,657.500 million (\$772.064 million on a present value basis) of contributions paid from the PSF.

Scenarios 3 and 5 assume the same set of volatile returns with a geometric average of 6.50% over the 20-year period.

Scenario 4 assumes an annual return of 6.00%.

Scenario 6 assumes 1% increasing number of total active members for 5 years and an annual return of 6.50%.

Scenario 7 assumes 0%/100% of non-Academic/Academic new hires elect RSP.

Scenario 8 assumes 100%/0% of non-Academic/Academic new hires elect RSP.



**State Universities Retirement System
Comparison of Actuarial Valuation Results and Stress Testing Scenario 1
(0% Return in 2026, 6.50% Thereafter)
Based on Actuarial Valuation as of June 30, 2025**

\$ in Millions

June 30, 2025 Valuation Baseline								Stress Test Scenario 1							
Year	Projected	Total	Actuarial	Market Value	Increase in			Annual Rate	Cumulative	Total	Actuarial	Market Value	Increase in		
Ending	Investment	Statutory	Value of	of Assets	Total	Increase in		of	Geometric	Statutory	Value of	of Assets	Total	Increase in	
June 30	Return	Contribution	Assets (AVA)	(MVA)	Statutory	AVA Funded		Investment	Return	Contribution	Assets (AVA)	(MVA)	Statutory	AVA Funded	
			Funded Ratio	Funded Ratio	Contribution	Ratio		Return	(from 2026)	DB Statutory	Including RSP	Funded Ratio	Funded Ratio	Contribution	Ratio
2025		\$2,183.331	\$2,293.545	47.12%	46.69%			6.71%		\$2,183.331	\$2,293.545	47.12%	46.69%		
2026	6.50%	2,263.181	2,377.364	47.08%	47.36%	3.65%	-0.04%	0.00%	0.00%	2,263.181	2,377.364	46.49%	44.42%	3.65%	-0.63%
2027	6.50%	2,301.522	2,422.904	47.87%	48.04%	1.92%	0.79%	6.50%	3.20%	2,301.522	2,422.904	46.52%	44.95%	1.92%	0.03%
2028	6.50%	2,407.185	2,533.674	48.84%	48.85%	4.57%	0.96%	6.50%	4.29%	2,430.483	2,556.972	46.77%	45.65%	5.53%	0.25%
2029	6.50%	2,475.344	2,608.874	49.74%	49.74%	2.97%	0.90%	6.50%	4.84%	2,530.003	2,663.533	47.03%	46.46%	4.17%	0.25%
2030	6.50%	2,539.613	2,680.268	50.70%	50.70%	2.74%	0.96%	6.50%	5.17%	2,626.357	2,767.012	47.40%	47.40%	3.89%	0.37%
2031	6.50%	2,608.717	2,756.611	51.75%	51.75%	2.85%	1.05%	6.50%	5.39%	2,728.262	2,876.156	48.48%	48.48%	3.94%	1.08%
2032	6.50%	2,686.032	2,841.334	52.92%	52.92%	3.07%	1.17%	6.50%	5.55%	2,839.135	2,994.437	49.73%	49.73%	4.11%	1.25%
2033	6.50%	2,771.248	2,934.161	54.25%	54.25%	3.27%	1.32%	6.50%	5.66%	2,928.793	3,091.706	51.14%	51.14%	3.25%	1.41%
2034	6.50%	2,857.545	3,028.311	55.74%	55.74%	3.21%	1.49%	6.50%	5.76%	3,045.993	3,216.759	52.78%	52.78%	4.04%	1.64%
2035	6.50%	2,939.389	3,118.175	57.41%	57.41%	2.97%	1.67%	6.50%	5.83%	3,133.235	3,312.021	54.61%	54.61%	2.96%	1.83%
2036	6.50%	3,021.883	3,208.846	59.28%	59.28%	2.91%	1.87%	6.50%	5.89%	3,221.168	3,408.131	56.65%	56.65%	2.90%	2.04%
2037	6.50%	3,105.888	3,301.243	61.37%	61.37%	2.88%	2.09%	6.50%	5.94%	3,310.713	3,506.068	58.93%	58.93%	2.87%	2.28%
2038	6.50%	3,191.340	3,395.323	63.71%	63.71%	2.85%	2.34%	6.50%	5.99%	3,401.801	3,605.784	61.49%	61.49%	2.84%	2.55%
2039	6.50%	3,278.927	3,491.733	66.34%	66.34%	2.84%	2.62%	6.50%	6.02%	3,495.164	3,707.970	64.34%	64.34%	2.83%	2.86%
2040	6.50%	3,368.802	3,590.676	69.28%	69.28%	2.83%	2.94%	6.50%	6.05%	3,590.965	3,812.839	67.53%	67.53%	2.83%	3.19%
2041	6.50%	3,461.597	3,692.705	72.61%	72.61%	2.84%	3.34%	6.50%	6.08%	3,689.881	3,920.989	71.16%	71.16%	2.84%	3.62%
2042	6.50%	3,556.778	3,797.324	76.33%	76.33%	2.83%	3.71%	6.50%	6.11%	3,791.339	4,031.885	75.18%	75.18%	2.83%	4.03%
2043	6.50%	3,654.282	3,904.435	80.44%	80.44%	2.82%	4.12%	6.50%	6.13%	3,895.272	4,145.425	79.65%	79.65%	2.82%	4.46%
2044	6.50%	3,753.655	4,013.611	84.99%	84.99%	2.80%	4.55%	6.50%	6.15%	4,001.199	4,261.155	84.58%	84.58%	2.79%	4.93%
2045	6.50%	3,854.657	4,124.614	90.00%	90.00%	2.77%	5.01%	6.50%	6.17%	4,108.862	4,378.819	90.00%	90.00%	2.76%	5.42%
Total Contributions FY															
2026-2045		\$60,097.585	\$63,822.186							\$63,333.328	\$67,057.929				
Total Present Value FY															
2026-2045		\$32,235.204	\$34,164.441							\$33,745.866	\$35,675.103				
Difference from June 30, 2025 Valuation															
Total Contributions FY															
2026-2045		\$0.000	\$0.000							\$3,235.743	\$3,235.743	Maximum Annual Increase		5.53%	5.42%
Total Present Value FY												Minimum Annual Increase/			
2026-2045		\$0.000	\$0.000							\$1,510.662	\$1,510.662	Maximum Annual (Decrease)		2.76%	0.25%

Total statutory contributions include contributions from both the State and employers and include total RSP contributions. Total statutory contributions exclude EBA and DCP administrative expense contributions.

The contributions are discounted to a present value based on the actuarial valuation interest rate of 6.50%.



**State Universities Retirement System
Comparison of Actuarial Valuation Results and Stress Testing Scenario 2
(Additional Pension Stabilization Fund Contributions from SB 1937)
Based on Actuarial Valuation as of June 30, 2025**

\$ in Millions

June 30, 2025 Valuation Baseline								Stress Test Scenario 2							
Year	Projected	Total	Actuarial	Market Value	Increase in			Annual Rate	Cumulative	Total	Actuarial	Market Value	Increase in		
Ending	Investment	Statutory	Value of	of Assets	Total	Increase in		of	Geometric	Statutory	Value of	of Assets	Total	Increase in	
June 30	Return	Contribution	Assets (AVA)	(MVA)	Statutory	AVA Funded		Investment	Return	Contribution	Assets (AVA)	(MVA)	Statutory	AVA Funded	
			Funded Ratio	Funded Ratio	Contribution	Ratio		Return	(from 2026)	Contribution	Funded Ratio	Funded Ratio	Contribution	Ratio	
2025		\$2,183.331	\$2,293.545	47.12%	46.69%			6.71%		\$2,183.331	\$2,293.545	47.12%	46.69%		
2026	6.50%	2,263.181	2,377.364	47.08%	47.36%	3.65%	-0.04%	6.50%	6.50%	2,263.181	2,377.364	47.08%	47.36%	3.65%	-0.04%
2027	6.50%	2,301.522	2,422.904	47.87%	48.04%	1.92%	0.79%	6.50%	6.50%	2,301.522	2,422.904	47.87%	48.04%	1.92%	0.79%
2028	6.50%	2,407.185	2,533.674	48.84%	48.85%	4.57%	0.96%	6.50%	6.50%	2,407.185	2,533.674	48.84%	48.85%	4.57%	0.96%
2029	6.50%	2,475.344	2,608.874	49.74%	49.74%	2.97%	0.90%	6.50%	6.50%	2,475.344	2,608.874	49.74%	49.74%	2.97%	0.90%
2030	6.50%	2,539.613	2,680.268	50.70%	50.70%	2.74%	0.96%	6.50%	6.50%	2,598.113	2,738.768	50.80%	50.80%	4.98%	1.06%
2031	6.50%	2,608.717	2,756.611	51.75%	51.75%	2.85%	1.05%	6.50%	6.50%	2,686.717	2,834.611	52.00%	52.00%	3.50%	1.20%
2032	6.50%	2,686.032	2,841.334	52.92%	52.92%	3.07%	1.17%	6.50%	6.50%	2,758.133	2,913.435	53.32%	53.32%	2.78%	1.31%
2033	6.50%	2,771.248	2,934.161	54.25%	54.25%	3.27%	1.32%	6.50%	6.50%	2,834.837	2,997.750	54.78%	54.78%	2.89%	1.46%
2034	6.50%	2,857.545	3,028.311	55.74%	55.74%	3.21%	1.49%	6.50%	6.50%	2,911.820	3,082.586	56.40%	56.40%	2.83%	1.62%
2035	6.50%	2,939.389	3,118.175	57.41%	57.41%	2.97%	1.67%	6.50%	6.50%	3,022.429	3,201.215	58.25%	58.25%	3.85%	1.85%
2036	6.50%	3,021.883	3,208.846	59.28%	59.28%	2.91%	1.87%	6.50%	6.50%	3,093.630	3,280.593	60.30%	60.30%	2.48%	2.05%
2037	6.50%	3,105.888	3,301.243	61.37%	61.37%	2.88%	2.09%	6.50%	6.50%	3,159.428	3,354.783	62.55%	62.55%	2.26%	2.25%
2038	6.50%	3,191.340	3,395.323	63.71%	63.71%	2.85%	2.34%	6.50%	6.50%	3,224.388	3,428.371	65.03%	65.03%	2.19%	2.48%
2039	6.50%	3,278.927	3,491.733	66.34%	66.34%	2.84%	2.62%	6.50%	6.50%	3,288.610	3,501.416	67.75%	67.75%	2.13%	2.73%
2040	6.50%	3,368.802	3,590.676	69.28%	69.28%	2.83%	2.94%	6.50%	6.50%	3,351.393	3,573.267	70.75%	70.75%	2.05%	3.00%
2041	6.50%	3,461.597	3,692.705	72.61%	72.61%	2.84%	3.34%	6.50%	6.50%	3,412.002	3,643.110	74.10%	74.10%	1.95%	3.35%
2042	6.50%	3,556.778	3,797.324	76.33%	76.33%	2.83%	3.71%	6.50%	6.50%	3,467.610	3,708.156	77.75%	77.75%	1.79%	3.65%
2043	6.50%	3,654.282	3,904.435	80.44%	80.44%	2.82%	4.12%	6.50%	6.50%	3,513.614	3,763.767	81.72%	81.72%	1.50%	3.96%
2044	6.50%	3,753.655	4,013.611	84.99%	84.99%	2.80%	4.55%	6.50%	6.50%	3,538.419	3,798.375	85.97%	85.97%	0.92%	4.26%
2045	6.50%	3,854.657	4,124.614	90.00%	90.00%	2.77%	5.01%	6.50%	6.50%	3,497.778	3,767.735	90.42%	90.42%	-0.81%	4.45%
Total Contributions FY															
	2026-2045	\$60,097.585	\$63,822.186							\$59,806.153	\$63,530.754				
Total Present Value FY															
	2026-2045	\$32,235.204	\$34,164.441							\$32,305.964	\$34,235.201				
Difference from June 30, 2025 Valuation															
Total Contributions FY															
	2026-2045	\$0.000	\$0.000							-\$291.432	-\$291.432	Maximum Annual Increase	4.98%	4.45%	
Total Present Value FY												Minimum Annual Increase/			
	2026-2045	\$0.000	\$0.000							\$70.760	\$70.760	Maximum Annual (Decrease)	-0.81%	0.90%	

Total statutory contributions include contributions from both the State and employers and include total RSP contributions. Scenario 2 assumes SURS receives 19.5% of the total annual PSF contribution and includes \$1,657.500 million (\$772.064 million on a present value basis) of contributions paid from the PSF. Total statutory contributions exclude EBA and DCP administrative expense contributions.

The contributions are discounted to a present value based on the actuarial valuation interest rate of 6.50%.



**State Universities Retirement System
Comparison of Actuarial Valuation Results and Stress Testing Scenario 3
(Volatile Returns Averaging 6.50%)
Based on Actuarial Valuation as of June 30, 2025**

\$ in Millions															
June 30, 2025 Valuation Baseline								Stress Test Scenario 3							
Year	Projected	Total	Actuarial	Market Value	Increase in			Annual Rate	Cumulative	Total	Actuarial	Market Value	Increase in		
Ending	Investment	Statutory	Value of	of Assets	Total	Increase in		of	Geometric	Statutory	Value of	of Assets	Total	Increase in	
June 30	Return	Contribution	Assets (AVA)	(MVA)	Statutory	AVA Funded		Investment	Return	Contribution	Assets (AVA)	(MVA)	Statutory	AVA Funded	
		Including RSP	Funded Ratio	Funded Ratio	Contribution	Ratio		Return	(from 2026)	DB Statutory	Including RSP	Funded Ratio	Funded Ratio	Contribution	Ratio
2025		\$2,183.331	\$2,293.545	47.12%	46.69%			6.71%		\$2,183.331	\$2,293.545	47.12%	46.69%		
2026	6.50%	2,263.181	2,377.364	47.08%	47.36%	3.65%	-0.04%	20.23%	20.23%	2,263.181	2,377.364	48.32%	53.57%	3.65%	1.20%
2027	6.50%	2,301.522	2,422.904	47.87%	48.04%	1.92%	0.79%	15.99%	18.09%	2,301.522	2,422.904	51.71%	59.51%	1.92%	3.39%
2028	6.50%	2,407.185	2,533.674	48.84%	48.85%	4.57%	0.96%	0.87%	12.05%	2,352.370	2,478.859	54.80%	57.56%	2.31%	3.09%
2029	6.50%	2,475.344	2,608.874	49.74%	49.74%	2.97%	0.90%	7.82%	10.97%	2,302.159	2,435.689	57.55%	59.33%	-1.74%	2.75%
2030	6.50%	2,539.613	2,680.268	50.70%	50.70%	2.74%	0.96%	0.29%	8.75%	2,265.343	2,405.998	59.49%	56.74%	-1.22%	1.94%
2031	6.50%	2,608.717	2,756.611	51.75%	51.75%	2.85%	1.05%	8.78%	8.76%	2,234.056	2,381.950	60.20%	58.73%	-1.00%	0.70%
2032	6.50%	2,686.032	2,841.334	52.92%	52.92%	3.07%	1.17%	2.84%	7.89%	2,240.243	2,395.545	59.61%	57.42%	0.57%	-0.59%
2033	6.50%	2,771.248	2,934.161	54.25%	54.25%	3.27%	1.32%	3.26%	7.30%	2,315.824	2,478.737	59.29%	56.39%	3.47%	-0.32%
2034	6.50%	2,857.545	3,028.311	55.74%	55.74%	3.21%	1.49%	22.22%	8.86%	2,476.394	2,647.160	60.74%	66.00%	6.79%	1.44%
2035	6.50%	2,939.389	3,118.175	57.41%	57.41%	2.97%	1.67%	6.19%	8.59%	2,632.692	2,811.478	63.68%	67.56%	6.21%	2.94%
2036	6.50%	3,021.883	3,208.846	59.28%	59.28%	2.91%	1.87%	4.21%	8.19%	2,682.649	2,869.612	66.20%	67.95%	2.07%	2.53%
2037	6.50%	3,105.888	3,301.243	61.37%	61.37%	2.88%	2.09%	-3.18%	7.19%	2,633.066	2,828.421	67.75%	63.32%	-1.44%	1.55%
2038	6.50%	3,191.340	3,395.323	63.71%	63.71%	2.85%	2.34%	23.26%	8.35%	2,626.700	2,830.683	71.40%	75.22%	0.08%	3.65%
2039	6.50%	3,278.927	3,491.733	66.34%	66.34%	2.84%	2.62%	5.62%	8.15%	2,715.344	2,928.150	74.11%	76.96%	3.44%	2.71%
2040	6.50%	3,368.802	3,590.676	69.28%	69.28%	2.83%	2.94%	11.44%	8.37%	2,567.298	2,789.172	77.46%	82.94%	-4.75%	3.35%
2041	6.50%	3,461.597	3,692.705	72.61%	72.61%	2.84%	3.34%	-8.54%	7.22%	2,558.838	2,789.946	79.07%	73.32%	0.03%	1.61%
2042	6.50%	3,556.778	3,797.324	76.33%	76.33%	2.83%	3.71%	6.04%	7.15%	2,407.682	2,648.228	81.00%	74.74%	-5.08%	1.94%
2043	6.50%	3,654.282	3,904.435	80.44%	80.44%	2.82%	4.12%	2.20%	6.87%	2,628.096	2,878.249	80.69%	73.80%	8.69%	-0.31%
2044	6.50%	3,753.655	4,013.611	84.99%	84.99%	2.80%	4.55%	13.10%	7.19%	2,763.086	3,023.042	81.64%	81.00%	5.03%	0.95%
2045	6.50%	3,854.657	4,124.614	90.00%	90.00%	2.77%	5.01%	-5.84%	6.50%	4,750.172	5,020.129	83.75%	77.25%	66.06%	2.11%
Total Contributions FY															
	2026-2045	\$60,097.585	\$63,822.186							\$51,716.715	\$55,441.316				
Total Present Value FY															
	2026-2045	\$32,235.204	\$34,164.441							\$28,248.091	\$30,177.327				
Difference from June 30, 2025 Valuation															
Total Contributions FY															
	2026-2045	\$0.000	\$0.000							-\$8,380.870	-\$8,380.870	Maximum Annual Increase	66.06%	3.65%	
Total Present Value FY												Minimum Annual Increase/			
	2026-2045	\$0.000	\$0.000							-\$3,987.113	-\$3,987.114	Maximum Annual (Decrease)	-5.08%	-0.59%	

Total statutory contributions include contributions from both the State and employers and include total RSP contributions. Total statutory contributions exclude EBA and DCP administrative expense contributions.

The contributions are discounted to a present value based on the actuarial valuation interest rate of 6.50%.



**State Universities Retirement System
Comparison of Actuarial Valuation Results and Stress Testing Scenario 4
(Liabilities Discounted at 6.00%, Static Return of 6.00%)
Based on Actuarial Valuation as of June 30, 2025**

\$ in Millions

June 30, 2025 Valuation Baseline								Stress Test Scenario 4							
Year	Projected	Total	Actuarial	Market Value	Increase in			Annual Rate	Cumulative	Total	Actuarial	Market Value	Increase in		
Ending	Investment	Statutory	Value of	of Assets	Total	Increase in		of	Geometric	Statutory	Value of	of Assets	Total	Increase in	
June 30	Return	Contribution	Assets (AVA)	(MVA)	Statutory	AVA Funded		Investment	Return	Contribution	Assets (AVA)	(MVA)	Statutory	AVA Funded	
			Funded Ratio	Funded Ratio	Contribution	Ratio		Return	(from 2026)	Contribution	Including RSP	Funded Ratio	Funded Ratio	Contribution	Ratio
2025		\$2,183.331	\$2,293.545	47.12%	46.69%			6.71%		\$2,183.331	\$2,293.545	44.80%	44.39%		
2026	6.50%	2,263.181	2,377.364	47.08%	47.36%	3.65%	-0.04%	6.00%	6.00%	2,263.181	2,377.364	44.59%	44.86%	3.65%	-0.20%
2027	6.50%	2,301.522	2,422.904	47.87%	48.04%	1.92%	0.79%	6.00%	6.00%	2,354.052	2,475.434	45.28%	45.43%	4.13%	0.68%
2028	6.50%	2,407.185	2,533.674	48.84%	48.85%	4.57%	0.96%	6.00%	6.00%	2,487.814	2,614.303	46.16%	46.17%	5.61%	0.88%
2029	6.50%	2,475.344	2,608.874	49.74%	49.74%	2.97%	0.90%	6.00%	6.00%	2,590.189	2,723.719	47.04%	47.04%	4.19%	0.88%
2030	6.50%	2,539.613	2,680.268	50.70%	50.70%	2.74%	0.96%	6.00%	6.00%	2,690.648	2,831.303	48.03%	48.03%	3.95%	0.99%
2031	6.50%	2,608.717	2,756.611	51.75%	51.75%	2.85%	1.05%	6.00%	6.00%	2,798.333	2,946.227	49.18%	49.18%	4.06%	1.15%
2032	6.50%	2,686.032	2,841.334	52.92%	52.92%	3.07%	1.17%	6.00%	6.00%	2,881.157	3,036.459	50.45%	50.45%	3.06%	1.27%
2033	6.50%	2,771.248	2,934.161	54.25%	54.25%	3.27%	1.32%	6.00%	6.00%	2,972.034	3,134.947	51.88%	51.88%	3.24%	1.43%
2034	6.50%	2,857.545	3,028.311	55.74%	55.74%	3.21%	1.49%	6.00%	6.00%	3,081.588	3,252.354	53.52%	53.52%	3.75%	1.63%
2035	6.50%	2,939.389	3,118.175	57.41%	57.41%	2.97%	1.67%	6.00%	6.00%	3,169.849	3,348.635	55.34%	55.34%	2.96%	1.82%
2036	6.50%	3,021.883	3,208.846	59.28%	59.28%	2.91%	1.87%	6.00%	6.00%	3,258.810	3,445.773	57.37%	57.37%	2.90%	2.03%
2037	6.50%	3,105.888	3,301.243	61.37%	61.37%	2.88%	2.09%	6.00%	6.00%	3,349.402	3,544.757	59.63%	59.63%	2.87%	2.27%
2038	6.50%	3,191.340	3,395.323	63.71%	63.71%	2.85%	2.34%	6.00%	6.00%	3,441.554	3,645.537	62.16%	62.16%	2.84%	2.53%
2039	6.50%	3,278.927	3,491.733	66.34%	66.34%	2.84%	2.62%	6.00%	6.00%	3,536.008	3,748.814	64.98%	64.98%	2.83%	2.82%
2040	6.50%	3,368.802	3,590.676	69.28%	69.28%	2.83%	2.94%	6.00%	6.00%	3,632.929	3,854.803	68.12%	68.12%	2.83%	3.14%
2041	6.50%	3,461.597	3,692.705	72.61%	72.61%	2.84%	3.34%	6.00%	6.00%	3,733.000	3,964.108	71.67%	71.67%	2.84%	3.55%
2042	6.50%	3,556.778	3,797.324	76.33%	76.33%	2.83%	3.71%	6.00%	6.00%	3,835.644	4,076.190	75.60%	75.60%	2.83%	3.93%
2043	6.50%	3,654.282	3,904.435	80.44%	80.44%	2.82%	4.12%	6.00%	6.00%	3,940.792	4,190.945	79.95%	79.95%	2.82%	4.35%
2044	6.50%	3,753.655	4,013.611	84.99%	84.99%	2.80%	4.55%	6.00%	6.00%	4,047.956	4,307.912	84.74%	84.74%	2.79%	4.79%
2045	6.50%	3,854.657	4,124.614	90.00%	90.00%	2.77%	5.01%	6.00%	6.00%	4,156.878	4,426.835	90.00%	90.00%	2.76%	5.26%
Total Contributions FY															
	2026-2045	\$60,097.585	\$63,822.186							\$64,221.818	\$67,946.419				
Total Present Value FY															
	2026-2045	\$32,235.204	\$34,164.441							\$34,251.003	\$36,180.240				
Difference from June 30, 2025 Valuation															
Total Contributions FY															
	2026-2045	\$0.000	\$0.000							\$4,124.233	\$4,124.233	Maximum Annual Increase		5.61%	5.26%
Total Present Value FY												Minimum Annual Increase/			
	2026-2045	\$0.000	\$0.000							\$2,015.799	\$2,015.799	Maximum Annual (Decrease)		2.76%	0.88%

Total statutory contributions include contributions from both the State and employers and include total RSP contributions. Total statutory contributions exclude EBA and DCP administrative expense contributions.

The contributions are discounted to a present value based on the actuarial valuation interest rate of 6.50%.



**State Universities Retirement System
Comparison of Actuarial Valuation Results and Stress Testing Scenario 5
(Liabilities Discounted at 6.00%, Volatile Return Averaging 6.50%)
Based on Actuarial Valuation as of June 30, 2025**

\$ in Millions

June 30, 2025 Valuation Baseline								Stress Test Scenario 5							
Year	Projected	Total	Actuarial	Market Value	Increase in			Annual Rate	Cumulative	Total	Actuarial	Market Value	Increase in		
Ending	Investment	Statutory	Value of	of Assets	Total	Increase in		of	Geometric	Statutory	Value of	of Assets	Total	Increase in	
June 30	Return	Contribution	Assets (AVA)	(MVA)	Statutory	AVA Funded		Investment	Return	Contribution	Assets (AVA)	(MVA)	Statutory	AVA Funded	
			Funded Ratio	Funded Ratio	Contribution	Ratio		Return	(from 2026)	DB Statutory	Including RSP	Funded Ratio	Funded Ratio	Contribution	Ratio
2025		\$2,183.331	\$2,293.545	47.12%	46.69%			6.71%		\$2,183.331	\$2,293.545	44.80%	44.39%		
2026	6.50%	2,263.181	2,377.364	47.08%	47.36%	3.65%	-0.04%	20.23%	20.23%	2,263.181	2,377.364	45.82%	50.99%	3.65%	1.02%
2027	6.50%	2,301.522	2,422.904	47.87%	48.04%	1.92%	0.79%	15.99%	18.09%	2,354.052	2,475.434	49.05%	56.81%	4.13%	3.23%
2028	6.50%	2,407.185	2,533.674	48.84%	48.85%	4.57%	0.96%	0.87%	12.05%	2,438.593	2,565.082	52.09%	55.17%	3.62%	3.04%
2029	6.50%	2,475.344	2,608.874	49.74%	49.74%	2.97%	0.90%	7.82%	10.97%	2,423.459	2,556.989	54.95%	57.17%	-0.32%	2.86%
2030	6.50%	2,539.613	2,680.268	50.70%	50.70%	2.74%	0.96%	0.29%	8.75%	2,423.413	2,564.068	57.16%	55.04%	0.28%	2.21%
2031	6.50%	2,608.717	2,756.611	51.75%	51.75%	2.85%	1.05%	8.78%	8.76%	2,425.295	2,573.189	58.28%	57.41%	0.36%	1.12%
2032	6.50%	2,686.032	2,841.334	52.92%	52.92%	3.07%	1.17%	2.84%	7.89%	2,423.953	2,579.255	58.17%	56.58%	0.24%	-0.11%
2033	6.50%	2,771.248	2,934.161	54.25%	54.25%	3.27%	1.32%	3.26%	7.30%	2,486.155	2,649.068	58.31%	56.01%	2.71%	0.14%
2034	6.50%	2,857.545	3,028.311	55.74%	55.74%	3.21%	1.49%	22.22%	8.86%	2,629.616	2,800.382	60.21%	66.02%	5.71%	1.90%
2035	6.50%	2,939.389	3,118.175	57.41%	57.41%	2.97%	1.67%	6.19%	8.59%	2,767.614	2,946.400	63.53%	68.00%	5.21%	3.32%
2036	6.50%	3,021.883	3,208.846	59.28%	59.28%	2.91%	1.87%	4.21%	8.19%	2,794.702	2,981.665	66.44%	68.80%	1.20%	2.91%
2037	6.50%	3,105.888	3,301.243	61.37%	61.37%	2.88%	2.09%	-3.18%	7.19%	2,721.782	2,917.137	68.35%	64.48%	-2.16%	1.91%
2038	6.50%	3,191.340	3,395.323	63.71%	63.71%	2.85%	2.34%	23.26%	8.35%	2,686.879	2,890.862	72.41%	76.98%	-0.90%	4.06%
2039	6.50%	3,278.927	3,491.733	66.34%	66.34%	2.84%	2.62%	5.62%	8.15%	2,744.305	2,957.111	75.48%	79.09%	2.29%	3.07%
2040	6.50%	3,368.802	3,590.676	69.28%	69.28%	2.83%	2.94%	11.44%	8.37%	2,544.917	2,766.791	79.16%	85.53%	-6.44%	3.68%
2041	6.50%	3,461.597	3,692.705	72.61%	72.61%	2.84%	3.34%	-8.54%	7.22%	2,479.512	2,710.620	80.95%	75.78%	-2.03%	1.79%
2042	6.50%	3,556.778	3,797.324	76.33%	76.33%	2.83%	3.71%	6.04%	7.15%	2,246.534	2,487.080	83.01%	77.32%	-8.25%	2.06%
2043	6.50%	3,654.282	3,904.435	80.44%	80.44%	2.82%	4.12%	2.20%	6.87%	2,383.396	2,633.549	82.62%	76.27%	5.89%	-0.39%
2044	6.50%	3,753.655	4,013.611	84.99%	84.99%	2.80%	4.55%	13.10%	7.19%	2,368.537	2,628.493	83.25%	83.33%	-0.19%	0.63%
2045	6.50%	3,854.657	4,124.614	90.00%	90.00%	2.77%	5.01%	-5.84%	6.50%	4,153.238	4,423.195	84.48%	78.62%	68.28%	1.23%
Total Contributions FY															
	2026-2045	\$60,097.585	\$63,822.186							\$51,759.133	\$55,483.734				
Total Present Value FY															
	2026-2045	\$32,235.204	\$34,164.441							\$28,778.824	\$30,708.060				
Difference from June 30, 2025 Valuation															
Total Contributions FY															
	2026-2045	\$0.000	\$0.000							-\$8,338.452	-\$8,338.452	Maximum Annual Increase	68.28%	4.06%	
Total Present Value FY												Minimum Annual Increase/			
	2026-2045	\$0.000	\$0.000							-\$3,456.380	-\$3,456.381	Maximum Annual (Decrease)	-8.25%	-0.39%	

Total statutory contributions include contributions from both the State and employers and include total RSP contributions. Total statutory contributions exclude EBA and DCP administrative expense contributions.

The contributions are discounted to a present value based on the actuarial valuation interest rate of 6.50%.



**State Universities Retirement System
Comparison of Actuarial Valuation Results and Stress Testing Scenario 6
(Increasing Active Members – 1%/year for 5 Years)
Based on Actuarial Valuation as of June 30, 2025**

\$ in Millions																		
June 30, 2025 Valuation Baseline								Stress Test Scenario 6										
Year	Projected		Total	Actuarial	Market Value	Increase in		Annual Rate	Cumulative		Total	Actuarial	Market Value	Increase in				
Ending	Investment	DB Statutory	Statutory	Value of	of Assets	Total	Increase in	of	Geometric	DB Statutory	Statutory	Value of	of Assets	Total	Increase in			
June 30	Return	Contribution	Including RSP	Assets (AVA)	(MVA)	Statutory	AVA Funded	Investment	Return	Contribution	Including RSP	Assets (AVA)	(MVA)	Statutory	AVA Funded			
				Funded Ratio	Funded Ratio	Contribution	Ratio	Return	(from 2026)			Funded Ratio	Funded Ratio	Contribution	Ratio			
2025		\$2,183.331	\$2,293.545	47.12%	46.69%			6.71%		\$2,183.331	\$2,293.545	47.12%	46.69%					
2026	6.50%	2,263.181	2,377.364	47.08%	47.36%	3.65%	-0.04%	6.50%	6.50%	2,262.016	2,377.364	47.08%	47.36%	3.65%	-0.04%			
2027	6.50%	2,301.522	2,422.904	47.87%	48.04%	1.92%	0.79%	6.50%	6.50%	2,243.311	2,367.211	47.77%	47.94%	-0.43%	0.69%			
2028	6.50%	2,407.185	2,533.674	48.84%	48.85%	4.57%	0.96%	6.50%	6.50%	2,362.599	2,492.847	48.66%	48.67%	5.31%	0.88%			
2029	6.50%	2,475.344	2,608.874	49.74%	49.74%	2.97%	0.90%	6.50%	6.50%	2,452.529	2,591.407	49.52%	49.52%	3.95%	0.86%			
2030	6.50%	2,539.613	2,680.268	50.70%	50.70%	2.74%	0.96%	6.50%	6.50%	2,540.691	2,688.438	50.48%	50.48%	3.74%	0.96%			
2031	6.50%	2,608.717	2,756.611	51.75%	51.75%	2.85%	1.05%	6.50%	6.50%	2,614.618	2,770.181	51.54%	51.54%	3.04%	1.06%			
2032	6.50%	2,686.032	2,841.334	52.92%	52.92%	3.07%	1.17%	6.50%	6.50%	2,695.849	2,859.349	52.72%	52.72%	3.22%	1.18%			
2033	6.50%	2,771.248	2,934.161	54.25%	54.25%	3.27%	1.32%	6.50%	6.50%	2,784.089	2,955.677	54.05%	54.05%	3.37%	1.34%			
2034	6.50%	2,857.545	3,028.311	55.74%	55.74%	3.21%	1.49%	6.50%	6.50%	2,872.738	3,052.642	55.56%	55.56%	3.28%	1.51%			
2035	6.50%	2,939.389	3,118.175	57.41%	57.41%	2.97%	1.67%	6.50%	6.50%	2,956.845	3,145.224	57.25%	57.25%	3.03%	1.69%			
2036	6.50%	3,021.883	3,208.846	59.28%	59.28%	2.91%	1.87%	6.50%	6.50%	3,041.494	3,238.504	59.14%	59.14%	2.97%	1.89%			
2037	6.50%	3,105.888	3,301.243	61.37%	61.37%	2.88%	2.09%	6.50%	6.50%	3,127.567	3,333.424	61.25%	61.25%	2.93%	2.12%			
2038	6.50%	3,191.340	3,395.323	63.71%	63.71%	2.85%	2.34%	6.50%	6.50%	3,214.963	3,429.904	63.62%	63.62%	2.89%	2.37%			
2039	6.50%	3,278.927	3,491.733	66.34%	66.34%	2.84%	2.62%	6.50%	6.50%	3,304.388	3,528.611	66.27%	66.27%	2.88%	2.65%			
2040	6.50%	3,368.802	3,590.676	69.28%	69.28%	2.83%	2.94%	6.50%	6.50%	3,396.045	3,629.806	69.23%	69.23%	2.87%	2.96%			
2041	6.50%	3,461.597	3,692.705	72.61%	72.61%	2.84%	3.34%	6.50%	6.50%	3,490.586	3,734.062	72.58%	72.58%	2.87%	3.36%			
2042	6.50%	3,556.778	3,797.324	76.33%	76.33%	2.83%	3.71%	6.50%	6.50%	3,587.461	3,840.868	76.32%	76.32%	2.86%	3.73%			
2043	6.50%	3,654.282	3,904.435	80.44%	80.44%	2.82%	4.12%	6.50%	6.50%	3,686.645	3,950.164	80.45%	80.45%	2.85%	4.13%			
2044	6.50%	3,753.655	4,013.611	84.99%	84.99%	2.80%	4.55%	6.50%	6.50%	3,787.684	4,061.525	85.00%	85.00%	2.82%	4.55%			
2045	6.50%	3,854.657	4,124.614	90.00%	90.00%	2.77%	5.01%	6.50%	6.50%	3,890.315	4,174.685	90.00%	90.00%	2.79%	5.00%			
Total Contributions FY																		
2026-2045										\$60,097.585	\$63,822.186			\$60,312.433	\$64,221.893			
Total Present Value FY																		
2026-2045										\$32,235.204	\$34,164.441			\$32,269.503	\$34,289.019			
Difference from June 30, 2025 Valuation																		
Total Contributions FY																		
2026-2045										\$0.000	\$0.000			\$214.848	\$399.707	Maximum Annual Increase	5.31%	5.00%
Total Present Value FY																Minimum Annual Increase/		
2026-2045										\$0.000	\$0.000			\$34.299	\$124.578	Maximum Annual (Decrease)	2.79%	0.86%

Total statutory contributions include contributions from both the State and employers and include total RSP contributions. Total statutory contributions exclude EBA and DCP administrative expense contributions.

The contributions are discounted to a present value based on the actuarial valuation interest rate of 6.50%.



**State Universities Retirement System
Comparison of Actuarial Valuation Results and Sensitivity Scenario 7
(Assume 0%/100% of non-Academic/Academic New Hires Elect RSP)
Based on Actuarial Valuation as of June 30, 2025**

\$ in Millions

June 30, 2025 Valuation Baseline								Stress Test Scenario 7							
Year	Projected	Total	Actuarial	Market Value	Increase in			Annual Rate	Cumulative		Total	Actuarial	Market Value	Increase in	
Ending	Investment	Statutory	Value of	of Assets	Total	Increase in		of	Geometric	DB Statutory	Statutory	Value of	of Assets	Total	Increase in
June 30	Return	Contribution	Assets (AVA)	(MVA)	Statutory	AVA Funded		Investment	Return	Contribution	Contribution	Assets (AVA)	(MVA)	Statutory	AVA Funded
			Funded Ratio	Funded Ratio	Contribution	Ratio		Return	(from 2026)		Including RSP	Funded Ratio	Funded Ratio	Contribution	Ratio
2025		\$2,183.331	\$2,293.545	47.12%	46.69%			6.71%		\$2,183.331	\$2,293.545	47.12%	46.69%		
2026	6.50%	2,263.181	2,377.364	47.08%	47.36%	3.65%	-0.04%	6.50%	6.50%	2,262.001	2,377.364	47.08%	47.35%	3.65%	-0.05%
2027	6.50%	2,301.522	2,422.904	47.87%	48.04%	1.92%	0.79%	6.50%	6.50%	2,266.959	2,390.633	47.80%	47.97%	0.56%	0.73%
2028	6.50%	2,407.185	2,533.674	48.84%	48.85%	4.57%	0.96%	6.50%	6.50%	2,371.177	2,501.087	48.69%	48.71%	4.62%	0.89%
2029	6.50%	2,475.344	2,608.874	49.74%	49.74%	2.97%	0.90%	6.50%	6.50%	2,442.856	2,581.320	49.53%	49.53%	3.21%	0.83%
2030	6.50%	2,539.613	2,680.268	50.70%	50.70%	2.74%	0.96%	6.50%	6.50%	2,511.320	2,658.640	50.42%	50.42%	3.00%	0.89%
2031	6.50%	2,608.717	2,756.611	51.75%	51.75%	2.85%	1.05%	6.50%	6.50%	2,585.132	2,741.570	51.41%	51.41%	3.12%	0.99%
2032	6.50%	2,686.032	2,841.334	52.92%	52.92%	3.07%	1.17%	6.50%	6.50%	2,667.746	2,833.621	52.52%	52.52%	3.36%	1.11%
2033	6.50%	2,771.248	2,934.161	54.25%	54.25%	3.27%	1.32%	6.50%	6.50%	2,758.801	2,934.426	53.79%	53.79%	3.56%	1.27%
2034	6.50%	2,857.545	3,028.311	55.74%	55.74%	3.21%	1.49%	6.50%	6.50%	2,853.434	3,039.133	55.23%	55.23%	3.57%	1.45%
2035	6.50%	2,939.389	3,118.175	57.41%	57.41%	2.97%	1.67%	6.50%	6.50%	2,941.656	3,137.676	56.87%	56.87%	3.24%	1.63%
2036	6.50%	3,021.883	3,208.846	59.28%	59.28%	2.91%	1.87%	6.50%	6.50%	3,030.960	3,237.518	58.71%	58.71%	3.18%	1.84%
2037	6.50%	3,105.888	3,301.243	61.37%	61.37%	2.88%	2.09%	6.50%	6.50%	3,122.231	3,339.599	60.79%	60.79%	3.15%	2.08%
2038	6.50%	3,191.340	3,395.323	63.71%	63.71%	2.85%	2.34%	6.50%	6.50%	3,215.357	3,443.830	63.13%	63.13%	3.12%	2.34%
2039	6.50%	3,278.927	3,491.733	66.34%	66.34%	2.84%	2.62%	6.50%	6.50%	3,311.065	3,550.937	65.76%	65.76%	3.11%	2.64%
2040	6.50%	3,368.802	3,590.676	69.28%	69.28%	2.83%	2.94%	6.50%	6.50%	3,409.546	3,661.168	68.73%	68.73%	3.10%	2.97%
2041	6.50%	3,461.597	3,692.705	72.61%	72.61%	2.84%	3.34%	6.50%	6.50%	3,511.415	3,775.059	72.12%	72.12%	3.11%	3.39%
2042	6.50%	3,556.778	3,797.324	76.33%	76.33%	2.83%	3.71%	6.50%	6.50%	3,616.171	3,892.144	75.91%	75.91%	3.10%	3.79%
2043	6.50%	3,654.282	3,904.435	80.44%	80.44%	2.82%	4.12%	6.50%	6.50%	3,723.712	4,012.265	80.13%	80.13%	3.09%	4.22%
2044	6.50%	3,753.655	4,013.611	84.99%	84.99%	2.80%	4.55%	6.50%	6.50%	3,833.616	4,135.025	84.82%	84.82%	3.06%	4.69%
2045	6.50%	3,854.657	4,124.614	90.00%	90.00%	2.77%	5.01%	6.50%	6.50%	3,945.653	4,260.196	90.00%	90.00%	3.03%	5.18%
Total Contributions FY															
2026-2045		\$60,097.585	\$63,822.186							\$60,380.808	\$64,503.211				
Total Present Value FY															
2026-2045		\$32,235.204	\$34,164.441							\$32,254.790	\$34,357.335				
Difference from June 30, 2025 Valuation															
Total Contributions FY															
2026-2045		\$0.000	\$0.000							\$283.223	\$681.025	Maximum Annual Increase		4.62%	5.18%
Total Present Value FY												Minimum Annual Increase/			
2026-2045		\$0.000	\$0.000							\$19.586	\$192.894	Maximum Annual (Decrease)		3.00%	0.83%

Total statutory contributions include contributions from both the State and employers and include total RSP contributions. Total statutory contributions exclude EBA and DCP administrative expense contributions.

The contributions are discounted to a present value based on the actuarial valuation interest rate of 6.50%.



**State Universities Retirement System
Comparison of Actuarial Valuation Results and Sensitivity Scenario 8
(Assume 100%/0% of non-Academic/Academic New Hires Elect RSP)
Based on Actuarial Valuation as of June 30, 2025**

\$ in Millions

June 30, 2025 Valuation Baseline								Stress Test Scenario 8							
Year	Projected	Total	Actuarial	Market Value	Increase in			Annual Rate	Cumulative		Total	Actuarial	Market Value	Increase in	
Ending	Investment	Statutory	Value of	of Assets	Total	Increase in		of	Geometric	DB Statutory	Statutory	Value of	of Assets	Total	Increase in
June 30	Return	Contribution	Assets (AVA)	(MVA)	Statutory	AVA Funded		Investment	Return	Contribution	Contribution	Assets (AVA)	(MVA)	Statutory	AVA Funded
			Funded Ratio	Funded Ratio	Contribution	Ratio		Return	(from 2026)		Including RSP	Funded Ratio	Funded Ratio	Contribution	Ratio
2025		\$2,183.331	\$2,293.545	47.12%	46.69%			6.71%		\$2,183.331	\$2,293.545	47.12%	46.69%		
2026	6.50%	2,263.181	2,377.364	47.08%	47.36%	3.65%	-0.04%	6.50%	6.50%	2,250.925	2,377.364	47.03%	47.31%	3.65%	-0.09%
2027	6.50%	2,301.522	2,422.904	47.87%	48.04%	1.92%	0.79%	6.50%	6.50%	2,283.824	2,429.376	47.76%	47.93%	2.19%	0.73%
2028	6.50%	2,407.185	2,533.674	48.84%	48.85%	4.57%	0.96%	6.50%	6.50%	2,387.969	2,547.349	48.65%	48.67%	4.86%	0.89%
2029	6.50%	2,475.344	2,608.874	49.74%	49.74%	2.97%	0.90%	6.50%	6.50%	2,455.067	2,631.440	49.47%	49.47%	3.30%	0.82%
2030	6.50%	2,539.613	2,680.268	50.70%	50.70%	2.74%	0.96%	6.50%	6.50%	2,518.294	2,711.193	50.35%	50.35%	3.03%	0.87%
2031	6.50%	2,608.717	2,756.611	51.75%	51.75%	2.85%	1.05%	6.50%	6.50%	2,586.368	2,795.469	51.31%	51.31%	3.11%	0.97%
2032	6.50%	2,686.032	2,841.334	52.92%	52.92%	3.07%	1.17%	6.50%	6.50%	2,662.714	2,887.875	52.39%	52.39%	3.31%	1.08%
2033	6.50%	2,771.248	2,934.161	54.25%	54.25%	3.27%	1.32%	6.50%	6.50%	2,747.196	2,988.457	53.63%	53.63%	3.48%	1.24%
2034	6.50%	2,857.545	3,028.311	55.74%	55.74%	3.21%	1.49%	6.50%	6.50%	2,833.701	3,091.221	55.04%	55.04%	3.44%	1.41%
2035	6.50%	2,939.389	3,118.175	57.41%	57.41%	2.97%	1.67%	6.50%	6.50%	2,915.447	3,189.353	56.63%	56.63%	3.17%	1.59%
2036	6.50%	3,021.883	3,208.846	59.28%	59.28%	2.91%	1.87%	6.50%	6.50%	2,998.185	3,288.568	58.42%	58.42%	3.11%	1.79%
2037	6.50%	3,105.888	3,301.243	61.37%	61.37%	2.88%	2.09%	6.50%	6.50%	3,082.849	3,389.954	60.45%	60.45%	3.08%	2.03%
2038	6.50%	3,191.340	3,395.323	63.71%	63.71%	2.85%	2.34%	6.50%	6.50%	3,169.472	3,493.548	62.74%	62.74%	3.06%	2.29%
2039	6.50%	3,278.927	3,491.733	66.34%	66.34%	2.84%	2.62%	6.50%	6.50%	3,258.770	3,600.007	65.34%	65.34%	3.05%	2.60%
2040	6.50%	3,368.802	3,590.676	69.28%	69.28%	2.83%	2.94%	6.50%	6.50%	3,350.944	3,709.607	68.27%	68.27%	3.04%	2.94%
2041	6.50%	3,461.597	3,692.705	72.61%	72.61%	2.84%	3.34%	6.50%	6.50%	3,446.658	3,822.910	71.66%	71.66%	3.05%	3.39%
2042	6.50%	3,556.778	3,797.324	76.33%	76.33%	2.83%	3.71%	6.50%	6.50%	3,545.366	3,939.438	75.48%	75.48%	3.05%	3.82%
2043	6.50%	3,654.282	3,904.435	80.44%	80.44%	2.82%	4.12%	6.50%	6.50%	3,647.150	4,059.300	79.78%	79.78%	3.04%	4.30%
2044	6.50%	3,753.655	4,013.611	84.99%	84.99%	2.80%	4.55%	6.50%	6.50%	3,751.628	4,182.193	84.60%	84.60%	3.03%	4.82%
2045	6.50%	3,854.657	4,124.614	90.00%	90.00%	2.77%	5.01%	6.50%	6.50%	3,858.656	4,307.997	90.00%	90.00%	3.01%	5.40%
Total Contributions FY															
2026-2045		\$60,097.585	\$63,822.186							\$59,751.183	\$65,442.619				
Total Present Value FY															
2026-2045		\$32,235.204	\$34,164.441							\$32,024.443	\$34,871.540				
Difference from June 30, 2025 Valuation															
Total Contributions FY															
2026-2045		\$0.000	\$0.000							-\$346.402	\$1,620.433	Maximum Annual Increase		4.86%	5.40%
Total Present Value FY												Minimum Annual Increase/			
2026-2045		\$0.000	\$0.000							-\$210.761	\$707.099	Maximum Annual (Decrease)		3.01%	0.82%

Total statutory contributions include contributions from both the State and employers and include total RSP contributions. Total statutory contributions exclude EBA and DCP administrative expense contributions.

The contributions are discounted to a present value based on the actuarial valuation interest rate of 6.50%.



State Universities Retirement System
Comparison of Assumed Investment Returns Used in the Stress Testing Scenarios and Total Statutory Contributions
Based on Actuarial Valuation as of June 30, 2025

Year	Baseline ¹	Scenario 1 (Unfavorable 1 st Year)		Scenario 2 (Additional PSF Cont.)		Scenario 3 and 5 (6.50% Volatile)		Scenario 4 (6.00% Static)	
		Nominal ²	Geometric ³	Nominal ²	Geometric ³	Nominal ²	Geometric ³	Nominal ²	Geometric ³
2026	6.50%	0.00%	0.00%	6.50%	6.50%	20.23%	20.23%	6.00%	6.00%
2027	6.50%	6.50%	3.20%	6.50%	6.50%	15.99%	18.09%	6.00%	6.00%
2028	6.50%	6.50%	4.29%	6.50%	6.50%	0.87%	12.05%	6.00%	6.00%
2029	6.50%	6.50%	4.84%	6.50%	6.50%	7.82%	10.97%	6.00%	6.00%
2030	6.50%	6.50%	5.17%	6.50%	6.50%	0.29%	8.75%	6.00%	6.00%
2031	6.50%	6.50%	5.39%	6.50%	6.50%	8.78%	8.76%	6.00%	6.00%
2032	6.50%	6.50%	5.55%	6.50%	6.50%	2.84%	7.89%	6.00%	6.00%
2033	6.50%	6.50%	5.66%	6.50%	6.50%	3.26%	7.30%	6.00%	6.00%
2034	6.50%	6.50%	5.76%	6.50%	6.50%	22.22%	8.86%	6.00%	6.00%
2035	6.50%	6.50%	5.83%	6.50%	6.50%	6.19%	8.59%	6.00%	6.00%
2036	6.50%	6.50%	5.89%	6.50%	6.50%	4.21%	8.19%	6.00%	6.00%
2037	6.50%	6.50%	5.94%	6.50%	6.50%	-3.18%	7.19%	6.00%	6.00%
2038	6.50%	6.50%	5.99%	6.50%	6.50%	23.26%	8.35%	6.00%	6.00%
2039	6.50%	6.50%	6.02%	6.50%	6.50%	5.62%	8.15%	6.00%	6.00%
2040	6.50%	6.50%	6.05%	6.50%	6.50%	11.44%	8.37%	6.00%	6.00%
2041	6.50%	6.50%	6.08%	6.50%	6.50%	-8.54%	7.22%	6.00%	6.00%
2042	6.50%	6.50%	6.11%	6.50%	6.50%	6.04%	7.15%	6.00%	6.00%
2043	6.50%	6.50%	6.13%	6.50%	6.50%	2.20%	6.87%	6.00%	6.00%
2044	6.50%	6.50%	6.15%	6.50%	6.50%	13.10%	7.19%	6.00%	6.00%
2045	6.50%	6.50%	6.17%	6.50%	6.50%	-5.84%	6.50%	6.00%	6.00%

¹ An annual return of 6.50% is assumed for the baseline and scenarios 6, 7 and 8.

² Nominal one-year rate of return.

³ Cumulative average geometric return from 2026 through the current year.