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January 31, 2025

CONFIDENTIAL

Mr. Doug Anderson
Executive Director
Public Employees Retirement Association of Minnesota
60 Empire Drive, Suite 200
St. Paul, MN 55103

Re: Projection of Contributions and Funding Status – Local Correctional Plan

Dear Mr. Anderson:

Attached are 30-year projections of estimated funded status, required contributions, and statutory contributions under three asset return scenarios for the Local Government Correctional Service Retirement Plan. These projections, including the underlying investment return assumptions, are required by the Minnesota Standards for Actuarial Work. Unless noted otherwise, the estimates are based on participant data, assets, and plan provisions as outlined in the Local Government Correctional Service Retirement Plan actuarial funding valuation as of July 1, 2024.

Basis for Projections

For all enclosed projections, liabilities are determined using the statutory investment return assumption of 7.0%. As required by the Minnesota Standards for Actuarial Work, the projections reflect three asset return scenarios (7.0%, 5.5% and 8.5%). Note that we believe the 8.5% rate of return assumption is outside of the range of reasonable expected returns for this plan.

The estimates are based on the market value of assets with no smoothing of investment gains or losses. Payroll is assumed to increase approximately 3.00% per year over the long term, consistent with the valuation assumption for total payroll growth.

The projection is an open group projection; meaning, active members projected to retire or otherwise terminate in the future are replaced with new active members so that the total active membership of the fund remains at 3,914 members. The profile of these new members is the same as new members hired between July 1, 2018 and June 30, 2023. Average salary at hire increases at the assumed payroll growth rate.

- Average age at hire is 31.3
- Average salary at hire is $62,900
- Approximately 36% female, 64% male

If actuarial accrued liability exceeds assets, the unfunded actuarial accrued liability is amortized through June 30, 2048 per Minnesota Statute 356.215, Subdivision 11. Per Minnesota Statute 356.215, Subdivision 11 (l), a negative unfunded actuarial accrued liability (i.e., when assets exceed liability) is amortized over a rolling 30-year period.

Post-retirement Benefit Increases

A very significant assumption affecting the projected estimates is the expectation of annual increases in the benefits being paid to retirees and beneficiaries. Actual benefit increases equal the Social Security Cost-of-Living Adjustment, not less than 1.00% and not more than 2.50%. If the funded status declines to 85% for two consecutive years or to 80% for one year (on a market value of assets basis), the maximum is lowered to 1.50%. For the 7.0% and 8.5% investment return scenarios, the projections assume a constant post-retirement benefit increase of 2.00%. More information about this assumption can be found in the valuation report as of July 1, 2024.

For the 5.5% investment return scenario, if all assumptions are met, the funding status of the plan deteriorates to the point that the 1.5% maximum post-retirement benefit increase is estimated to be applied beginning January 1, 2042. In this projection, the accrued liability and normal cost are based on a 2.0% post-retirement benefit increase assumption through December 31, 2041 and a 1.5% post-retirement benefit increase assumption beginning January 1, 2042 and later.

If actual benefit increases are greater than assumed, liabilities and required contributions will be greater than the amounts shown in the enclosed projections.

Comments

The reader should keep the following in mind when reviewing these results:

- The enclosed projections are based on recommended assumption changes as outlined in the Local Government Correctional Service Retirement Plan Four-Year Experience Study for the period July 1, 2019 through June 30, 2023.

- Statutory contributions are defined in statutes as a fixed percentage of payroll plus any statutory supplemental contributions and represent the amount that is actually contributed to the plan. Required contributions are defined in statutes and the LCPR Standards for Actuarial Work and represent the amount needed to fully fund the plan by June 30, 2048 (normal cost, expenses and a payment to amortize the unfunded liability).

- Investment experience that has occurred since the measurement date is not reflected in this report.

- In the 7.0% and 8.5% investment return scenarios, surplus assets reduce the projected required contributions to amounts less than normal cost. We typically recommend the contribution be at least equal to the normal cost of the plan and suggest that plans with considerable surplus assets investigate the pros and cons of reducing the risk of the plan’s investment allocation to preserve surplus assets.

- Note that as funding ratios decline, as they are expected to in one of the investment return scenarios shown in this letter, it will be increasingly difficult for the plan to attain the assumed scenario investment return. Each year, a larger proportion of assets is paid out in benefits, and less capital is available to invest.

Disclosures

The purpose of this report is to estimate the fund's funding progress and required contribution rates over a 30-year period according to prescribed assumptions and the Minnesota Standards for Actuarial Work. To the best of our knowledge and belief, the calculations were completed in accordance with the requirements of Minnesota Statutes, Section 356.215, and the requirements of the Standards for Actuarial Work established by the Legislative Commission on Pensions and Retirement.

This report should not be relied upon for any purpose other than the purpose described herein. Determinations of the financial results associated with the benefits described in this report in a manner other than the intended purpose may produce significantly different results. GRS is not responsible for the consequences of any unauthorized use.

Actuarial assumptions, including discount rates, mortality tables and others identified in this report, are prescribed by Minnesota Statutes Section 356.215, the Legislative Commission on Pensions and Retirement (LCPR), and the Board of Trustees. These parties are responsible for selecting the plan's funding policy, actuarial valuation methods, asset valuation methods, and assumptions. The policies, methods and assumptions used in this valuation are those that have been so prescribed and are described in the Actuarial Basis section of the valuation report, except as noted. PERA is solely responsible for communicating to GRS any changes required thereto.

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 this report follow the guidance in the applicable Actuarial Standards of Practice. Additional information about the actuarial assumptions can be found in the Local Government Correctional Service Retirement Plan Four-Year Experience Study for the period July 1, 2019 through June 30, 2023.

The contribution rates shown in this report have been determined using the actuarial methods disclosed in the Actuarial Basis section of the July 1, 2024 valuation report and the recommended assumption changes as outlined in the Public Employees Police and Fire Plan Four-Year Experience Study for the period July 1, 2019 through June 30, 2023. This valuation report includes risk metrics on pages 6-9, but does not include a robust assessment of the risks of future experience not meeting the actuarial assumptions. Additional assessment of risks was outside the scope of this assignment.

We have assessed that the contribution rate calculated under the 7.0% investment return scenario is a reasonable Actuarially Determined Employer Contribution (ADEC) and it is consistent with the plan accumulating adequate assets to make benefit payments when due.

The projections assume the continuing ability of the plan sponsor to make the contributions necessary to fund this plan. A determination regarding whether or not the plan sponsor is actually able to do so is outside our scope of expertise and was not performed.

The valuation was based upon information furnished by the Public Employees Retirement Association (PERA), concerning 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 PERA.

This report was prepared using our proprietary valuation model and related software which, in our professional judgement, has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.

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 or applicable law.

Professional Qualifications

This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. To the best of our knowledge and belief, the information contained in this report is accurate and fairly presents the actuarial position of the Local Government Correctional Service Retirement Plan as of the valuation date and was performed in accordance with the requirements of Minnesota Statutes Section 356.215, and the requirements of the Standards for Actuarial Work established by the LCPR. All calculations have been made in conformity with generally accepted actuarial principles and practices, and with the Actuarial Standards of Practice issued by the Actuarial Standards Board and with applicable statutes.

Bonita J. Wurst and Sheryl L. Christensen 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. The signing actuaries are independent of the plan sponsor. We are not aware of any relationship that would impair the objectivity of our work.

Respectfully submitted,

Gabriel, Roeder, Smith & Company

Bonita J. Wurst, ASA, EA, FCA, MAAA

Sheryl L. Christensen, FSA, EA, FCA, MAAA

BJW/SLC:dj
Enclosures

Other Observations

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

Given the plan's contribution allocation procedure, if there are no changes in benefits, Chapter 356 required contributions are made, and all actuarial assumptions are met (including the assumption of the plan earning 7.00% on the actuarial value of assets, as prescribed by statutes), it is expected that:

(1) The normal cost of the plan is expected to remain approximately level as a percent of pay;
(2) The funded status of the plan is expected to gradually improve and is expected to be 100% funded within the next 24 years; and
(3) The unfunded liability will grow initially as a dollar amount for 2 years (based on the current 24-year amortization period and if contributions are equal to the required contribution amount) before beginning to decline.

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 market 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 actuarial value of assets were used instead of the market value of assets.

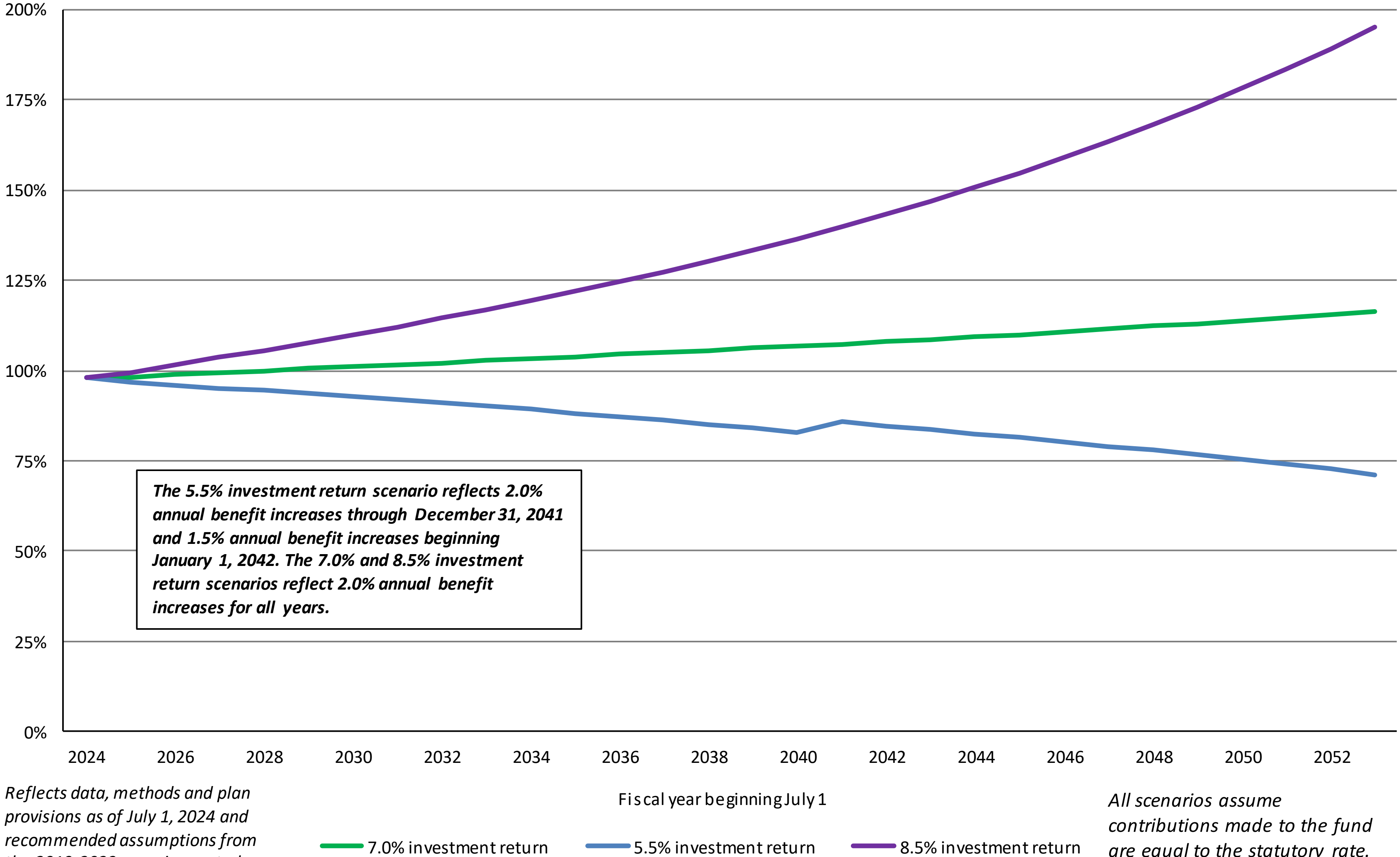
Limitations of Project Scope

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.

This exhibit should only be viewed in conjunction with GRS' January 31, 2025 letter to PERA.

PERA Local Goverment Correctional Service Retirement Plan Estimated Funded Ratio (MVA Basis)

In all scenarios, the interest rate used to discount liabilities was 7.00%.



The 5.5% investment return scenario reflects 2.0% annual benefit increases through December 31, 2041 and 1.5% annual benefit increases beginning January 1, 2042. The 7.0% and 8.5% investment return scenarios reflect 2.0% annual benefit increases for all years.

Reflects data, methods and plan provisions as of July 1, 2024 and recommended assumptions from the 2019-2023 experience study.

All scenarios assume contributions made to the fund are equal to the statutory rate.

PERA Local Goverment Correctional Service Retirement Plan
Estimated Required Contribution Rate (MVA Basis)

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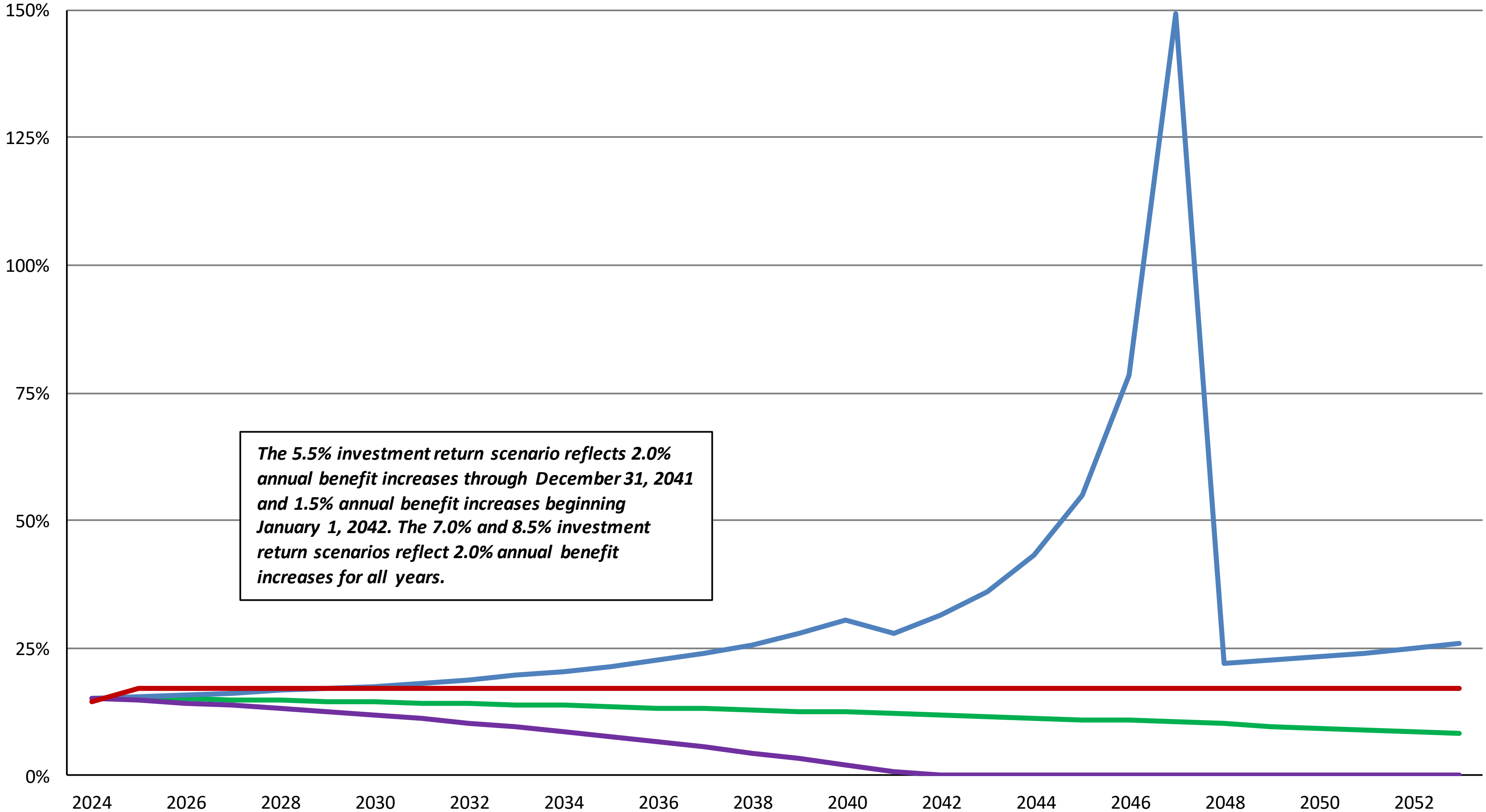
In all scenarios, the interest rate used to discount liabilities was 7.00%.



The 5.5% investment return scenario reflects 2.0% annual benefit increases through December 31, 2041 and 1.5% annual benefit increases beginning January 1, 2042. The 7.0% and 8.5% investment return scenarios reflect 2.0% annual benefit increases for all years.

Reflects data, methods and plan provisions as of July 1, 2024 and recommended assumptions from the 2019-2023 experience study.

All scenarios assume contributions made to the fund are equal to the statutory rate.

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Local Government Service Correctional Retirement Plan

Scenario: 7.0% investment return for all years

Fiscal year beginning July 1

$ in Thousands	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Contributions (% of Payroll)										
Statutory - Chapter 353	14.58%	17.08%	17.08%	17.08%	17.08%	17.08%	17.08%	17.08%	17.08%	17.08%
Required - Chapter 356 (MVA)	15.12%	15.15%	15.01%	14.84%	14.66%	14.51%	14.36%	14.20%	14.03%	13.86%
Sufficiency / (Deficiency)	(0.54)%	1.93%	2.07%	2.24%	2.42%	2.57%	2.72%	2.88%	3.05%	3.22%
Contributions										
Statutory - Chapter 353	$ 41,075	$ 50,287	$ 52,229	$ 54,047	$ 55,848	$ 57,667	$ 59,487	$ 61,349	$ 63,264	$ 65,210
Required - Chapter 356 (MVA)	42,589	44,606	45,884	46,964	47,941	48,990	50,005	50,997	51,973	52,904
Sufficiency / (Deficiency)	(1,514)	5,681	6,345	7,083	7,906	8,677	9,482	10,351	11,291	12,306
Funding Ratios										
Current Assets (MVA)	$1,208,413	$1,292,919	$1,387,553	$1,485,589	$1,587,348	$1,692,344	$1,800,871	$1,912,976	$2,028,857	$2,148,157
Actuarial Accrued Liability (AAL)	1,232,246	1,317,422	1,405,099	1,495,334	1,588,423	1,683,839	1,781,824	1,882,379	1,985,614	2,091,084
Unfunded AAL	23,833	24,503	17,546	9,746	1,075	(8,505)	(19,046)	(30,597)	(43,243)	(57,074)
Funding Ratio	98.1%	98.1%	98.8%	99.4%	99.9%	100.5%	101.1%	101.6%	102.2%	102.7%
Benefit Payments	$ 40,450	$ 45,561	$ 50,589	$ 55,412	$ 60,942	$ 66,424	$ 72,100	$ 77,869	$ 84,289	$ 90,846
Ratio of Assets to Benefit Payments	29.87	28.38	27.43	26.81	26.05	25.48	24.98	24.57	24.07	23.65

Numbers may not add due to rounding.

The interest rate used to discount liabilities was 7.0%.

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Local Government Service Correctional Retirement Plan
Scenario: 7.0% investment return for all years
Fiscal year beginning July 1

$ in Thousands	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
Contributions (% of Payroll)										
Statutory - Chapter 353	17.08%	17.08%	17.08%	17.08%	17.08%	17.08%	17.08%	17.08%	17.08%	17.08%
Required - Chapter 356 (MVA)	13.67%	13.48%	13.28%	13.08%	12.86%	12.63%	12.39%	12.14%	11.88%	11.61%
Sufficiency / (Deficiency)	3.41%	3.60%	3.80%	4.00%	4.22%	4.45%	4.69%	4.94%	5.20%	5.47%
Contributions										
Statutory - Chapter 353	$ 67,211	$ 69,263	$ 71,365	$ 73,532	$ 75,766	$ 78,069	$ 80,435	$ 82,864	$ 85,374	$ 87,941
Required - Chapter 356 (MVA)	53,809	54,678	55,507	56,298	57,042	57,733	58,358	58,906	59,385	59,766
Sufficiency / (Deficiency)	13,401	14,584	15,858	17,235	18,724	20,336	22,078	23,958	25,989	28,175
Funding Ratios										
Current Assets (MVA)	$2,271,007	$2,397,708	$2,528,254	$2,662,682	$2,801,295	$2,944,266	$3,091,825	$3,244,320	$3,402,181	$3,566,082
Actuarial Accrued Liability (AAL)	2,198,836	2,309,071	2,421,674	2,536,575	2,653,950	2,773,833	2,896,306	3,021,559	3,149,857	3,281,684
Unfunded AAL	(72,171)	(88,637)	(106,580)	(126,106)	(147,345)	(170,433)	(195,519)	(222,761)	(252,324)	(284,398)
Funding Ratio	103.3%	103.8%	104.4%	105.0%	105.6%	106.1%	106.8%	107.4%	108.0%	108.7%
Benefit Payments	$ 97,405	$ 104,281	$ 111,432	$ 118,615	$ 125,981	$ 133,487	$ 141,029	$ 148,551	$ 155,866	$ 163,502
Ratio of Assets to Benefit Payments	23.32	22.99	22.69	22.45	22.24	22.06	21.92	21.84	21.83	21.81

Numbers may not add due to rounding.

The interest rate used to discount liabilities was 7.0%.

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Local Government Service Correctional Retirement Plan

Scenario: 7.0% investment return for all years

Fiscal year beginning July 1

$ in Thousands	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053
Contributions (% of Payroll)										
Statutory - Chapter 353	17.08%	17.08%	17.08%	17.08%	17.08%	17.08%	17.08%	17.08%	17.08%	17.08%
Required - Chapter 356 (MVA)	11.32%	11.03%	10.72%	10.40%	10.07%	9.72%	9.36%	8.99%	8.60%	8.20%
Sufficiency / (Deficiency)	5.76%	6.05%	6.36%	6.68%	7.01%	7.36%	7.72%	8.09%	8.48%	8.88%
Contributions										
Statutory - Chapter 353	$ 90,590	$ 93,316	$ 96,114	$ 99,010	$ 101,985	$ 105,053	$ 108,204	$ 111,448	$ 114,791	$ 118,217
Required - Chapter 356 (MVA)	60,061	60,252	60,326	60,292	60,117	59,799	59,315	58,659	57,816	56,756
Sufficiency / (Deficiency)	30,529	33,064	35,788	38,717	41,868	45,254	48,889	52,789	56,975	61,462
Funding Ratios										
Current Assets (MVA)	$3,736,169	$3,912,600	$4,095,765	$4,285,895	$4,483,475	$4,689,151	$4,903,329	$5,126,573	$5,359,301	$5,601,960
Actuarial Accrued Liability (AAL)	3,417,007	3,555,772	3,698,150	3,844,145	3,993,984	4,148,045	4,306,447	4,469,450	4,637,146	4,809,631
Unfunded AAL	(319,162)	(356,829)	(397,615)	(441,749)	(489,491)	(541,105)	(596,882)	(657,123)	(722,155)	(792,330)
Funding Ratio	109.3%	110.0%	110.8%	111.5%	112.3%	113.0%	113.9%	114.7%	115.6%	116.5%
Benefit Payments	$ 171,486	$ 179,600	$ 188,015	$ 196,529	$ 205,001	$ 213,720	$ 222,552	$ 231,683	$ 241,122	$ 250,877
Ratio of Assets to Benefit Payments	21.79	21.79	21.78	21.81	21.87	21.94	22.03	22.13	22.23	22.33

Numbers may not add due to rounding.

The interest rate used to discount liabilities was 7.0%.

This exhibit should only be viewed in conjunction with GRS' January 31, 2025 letter to PERA.

Local Government Service Correctional Retirement Plan

Scenario: 5.5% investment return for all years

Fiscal year beginning July 1

$ in Thousands	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Contributions (% of Payroll)										
Statutory - Chapter 353	14.58%	17.08%	17.08%	17.08%	17.08%	17.08%	17.08%	17.08%	17.08%	17.08%
Required - Chapter 356 (MVA)	15.12%	15.56%	15.87%	16.21%	16.60%	17.04%	17.55%	18.12%	18.77%	19.52%
Sufficiency / (Deficiency)	(0.54)%	1.52%	1.21%	0.87%	0.48%	0.04%	(0.47)%	(1.04)%	(1.69)%	(2.44)%
Contributions										
Statutory - Chapter 353	$ 41,075	$ 50,287	$ 52,229	$ 54,047	$ 55,848	$ 57,667	$ 59,487	$ 61,349	$ 63,264	$ 65,210
Required - Chapter 356 (MVA)	42,589	45,810	48,518	51,294	54,278	57,543	61,116	65,086	69,536	74,534
Sufficiency / (Deficiency)	(1,514)	4,476	3,711	2,753	1,570	124	(1,629)	(3,737)	(6,272)	(9,324)
Funding Ratios										
Current Assets (MVA)	$1,208,413	$1,274,794	$1,349,007	$1,424,103	$1,500,213	$1,576,650	$1,653,500	$1,730,589	$1,807,874	$1,884,752
Actuarial Accrued Liability (AAL)	1,232,246	1,317,422	1,405,099	1,495,334	1,588,423	1,683,839	1,781,824	1,882,379	1,985,614	2,091,084
Unfunded AAL	23,833	42,629	56,092	71,232	88,210	107,188	128,324	151,790	177,740	206,331
Funding Ratio	98.1%	96.8%	96.0%	95.2%	94.5%	93.6%	92.8%	91.9%	91.1%	90.1%
Benefit Payments	$ 40,450	$ 45,561	$ 50,589	$ 55,412	$ 60,942	$ 66,424	$ 72,100	$ 77,869	$ 84,289	$ 90,846
Ratio of Assets to Benefit Payments	29.87	27.98	26.67	25.70	24.62	23.74	22.93	22.22	21.45	20.75

Numbers may not add due to rounding.

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Local Government Service Correctional Retirement Plan

Scenario: 5.5% investment return for all years

Fiscal year beginning July 1

$ in Thousands	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
Contributions (% of Payroll)										
Statutory - Chapter 353	17.08%	17.08%	17.08%	17.08%	17.08%	17.08%	17.08%	17.08%	17.08%	17.08%
Required - Chapter 356 (MVA)	20.39%	21.39%	22.57%	23.97%	25.66%	27.72%	30.31%	28.01%	31.37%	36.09%
Sufficiency / (Deficiency)	(3.31)%	(4.31)%	(5.49)%	(6.89)%	(8.58)%	(10.64)%	(13.23)%	(10.93)%	(14.29)%	(19.01)%
Contributions										
Statutory - Chapter 353	$ 67,211	$ 69,263	$ 71,365	$ 73,532	$ 75,766	$ 78,069	$ 80,435	$ 82,864	$ 85,374	$ 87,941
Required - Chapter 356 (MVA)	80,220	86,744	94,309	103,205	113,818	126,711	142,721	135,872	156,814	185,824
Sufficiency / (Deficiency)	(13,010)	(17,481)	(22,944)	(29,673)	(38,052)	(48,642)	(62,286)	(53,008)	(71,441)	(97,884)
Funding Ratios										
Current Assets (MVA)	$1,961,092	$2,036,916	$2,111,924	$2,185,837	$2,258,630	$2,330,120	$2,400,161	$2,468,700	$2,536,166	$2,602,907
Actuarial Accrued Liability (AAL)	2,198,836	2,309,071	2,421,674	2,536,575	2,653,950	2,773,833	2,896,306	2,877,228	2,992,366	3,110,537
Unfunded AAL	237,745	272,155	309,751	350,738	395,320	443,713	496,145	408,528	456,200	507,630
Funding Ratio	89.2%	88.2%	87.2%	86.2%	85.1%	84.0%	82.9%	85.8%	84.8%	83.7%
Benefit Payments	$ 97,405	$ 104,281	$ 111,432	$ 118,615	$ 125,981	$ 133,487	$ 141,029	$ 148,551	$ 154,925	$ 161,920
Ratio of Assets to Benefit Payments	20.13	19.53	18.95	18.43	17.93	17.46	17.02	16.62	16.37	16.08

Numbers may not add due to rounding.

The interest rate used to discount liabilities was 7.0%.

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Local Government Service Correctional Retirement Plan

Scenario: 5.5% investment return for all years

Fiscal year beginning July 1

$ in Thousands	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053
Contributions (% of Payroll)										
Statutory - Chapter 353	17.08%	17.08%	17.08%	17.08%	17.08%	17.08%	17.08%	17.08%	17.08%	17.08%
Required - Chapter 356 (MVA)	43.17%	54.96%	78.55%	149.30%	21.94%	22.59%	23.30%	24.05%	24.87%	25.75%
Sufficiency / (Deficiency)	(26.09)%	(37.88)%	(61.47)%	(132.22)%	(4.86)%	(5.51)%	(6.22)%	(6.97)%	(7.79)%	(8.67)%
Contributions										
Statutory - Chapter 353	$ 90,590	$ 93,316	$ 96,114	$ 99,010	$ 101,985	$ 105,053	$ 108,204	$ 111,448	$ 114,791	$ 118,217
Required - Chapter 356 (MVA)	228,959	300,289	442,050	865,446	130,996	138,967	147,594	156,959	167,151	178,256
Sufficiency / (Deficiency)	(138,369)	(206,973)	(345,935)	(766,436)	(29,011)	(33,914)	(39,390)	(45,511)	(52,360)	(60,038)
Funding Ratios										
Current Assets (MVA)	$2,668,730	$2,733,350	$2,796,682	$2,858,453	$2,918,613	$2,977,231	$3,034,097	$3,089,113	$3,141,991	$3,192,430
Actuarial Accrued Liability (AAL)	3,231,793	3,356,088	3,483,600	3,614,340	3,748,539	3,886,585	4,028,599	4,174,841	4,325,406	4,480,387
Unfunded AAL	563,063	622,738	686,919	755,887	829,926	909,354	994,502	1,085,728	1,183,415	1,287,957
Funding Ratio	82.6%	81.4%	80.3%	79.1%	77.9%	76.6%	75.3%	74.0%	72.6%	71.3%
Benefit Payments	$ 169,226	$ 176,624	$ 184,290	$ 192,018	$ 199,669	$ 207,536	$ 215,487	$ 223,707	$ 232,206	$ 240,994
Ratio of Assets to Benefit Payments	15.77	15.48	15.18	14.89	14.62	14.35	14.08	13.81	13.53	13.25

Numbers may not add due to rounding.

The interest rate used to discount liabilities was 7.0%.

This exhibit should only be viewed in conjunction with GRS' January 31, 2025 letter to PERA.

Local Government Service Correctional Retirement Plan

Scenario: 8.5% investment return for all years

Fiscal year beginning July 1

$ in Thousands	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**
Contributions (% of Payroll)										
Statutory - Chapter 353	14.58%	17.08%	17.08%	17.08%	17.08%	17.08%	17.08%	17.08%	17.08%	17.08%
Required - Chapter 356 (MVA)	15.12%	14.74%	14.21%	13.66%	13.07%	12.45%	11.77%	11.05%	10.28%	9.46%
Sufficiency / (Deficiency)	(0.54)%	2.34%	2.87%	3.42%	4.01%	4.63%	5.31%	6.03%	6.80%	7.62%
Contributions										
Statutory - Chapter 353	$ 41,075	$ 50,287	$ 52,229	$ 54,047	$ 55,848	$ 57,667	$ 59,487	$ 61,349	$ 63,264	$ 65,210
Required - Chapter 356 (MVA)	42,589	43,402	43,459	43,233	42,751	42,023	41,005	39,700	38,090	36,117
Sufficiency / (Deficiency)	(1,514)	6,885	8,770	10,814	13,097	15,644	18,482	21,648	25,175	29,093
Funding Ratios										
Current Assets (MVA)	$1,208,413	$1,311,045	$1,426,643	$1,548,821	$1,678,223	$1,814,709	$1,958,950	$2,111,405	$2,272,715	$2,443,012
Actuarial Accrued Liability (AAL)	1,232,246	1,317,422	1,405,099	1,495,334	1,588,423	1,683,839	1,781,824	1,882,379	1,985,614	2,091,084
Unfunded AAL	23,833	6,377	(21,544)	(53,487)	(89,800)	(130,871)	(177,126)	(229,025)	(287,102)	(351,928)
Funding Ratio	98.1%	99.5%	101.5%	103.6%	105.7%	107.8%	109.9%	112.2%	114.5%	116.8%
Benefit Payments	$ 40,450	$ 45,561	$ 50,589	$ 55,412	$ 60,942	$ 66,424	$ 72,100	$ 77,869	$ 84,289	$ 90,846
Ratio of Assets to Benefit Payments	29.87	28.78	28.20	27.95	27.54	27.32	27.17	27.11	26.96	26.89

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Local Government Service Correctional Retirement Plan

Scenario: 8.5% investment return for all years

Fiscal year beginning July 1

$ in Thousands	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
Contributions (% of Payroll)										
Statutory - Chapter 353	17.08%	17.08%	17.08%	17.08%	17.08%	17.08%	17.08%	17.08%	17.08%	17.08%
Required - Chapter 356 (MVA)	8.58%	7.65%	6.65%	5.60%	4.47%	3.28%	2.02%	0.68%	0.00%	0.00%
Sufficiency / (Deficiency)	8.50%	9.43%	10.43%	11.48%	12.61%	13.80%	15.06%	16.40%	17.08%	17.08%
Contributions										
Statutory - Chapter 353	$ 67,211	$ 69,263	$ 71,365	$ 73,532	$ 75,766	$ 78,069	$ 80,435	$ 82,864	$ 85,374	$ 87,941
Required - Chapter 356 (MVA)	33,772	31,012	27,796	24,090	19,843	15,002	9,504	3,286	-	-
Sufficiency / (Deficiency)	33,438	38,251	43,569	49,442	55,923	63,067	70,931	79,578	85,374	87,941
Funding Ratios										
Current Assets (MVA)	$2,622,947	$2,813,394	$3,014,969	$3,228,383	$3,454,675	$3,694,818	$3,949,913	$4,221,260	$4,510,325	$4,818,912
Actuarial Accrued Liability (AAL)	2,198,836	2,309,071	2,421,674	2,536,575	2,653,950	2,773,833	2,896,306	3,021,559	3,149,857	3,281,684
Unfunded AAL	(424,111)	(504,324)	(593,295)	(691,808)	(800,725)	(920,984)	(1,053,608)	(1,199,701)	(1,360,467)	(1,537,228)
Funding Ratio	119.3%	121.8%	124.5%	127.3%	130.2%	133.2%	136.4%	139.7%	143.2%	146.8%
Benefit Payments	$ 97,405	$ 104,281	$ 111,432	$ 118,615	$ 125,981	$ 133,487	$ 141,029	$ 148,551	$ 155,866	$ 163,502
Ratio of Assets to Benefit Payments	26.93	26.98	27.06	27.22	27.42	27.68	28.01	28.42	28.94	29.47

Numbers may not add due to rounding.

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Local Government Service Correctional Retirement Plan

Scenario: 8.5% investment return for all years

Fiscal year beginning July 1

$ in Thousands	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053
Contributions (% of Payroll)										
Statutory - Chapter 353	17.08%	17.08%	17.08%	17.08%	17.08%	17.08%	17.08%	17.08%	17.08%	17.08%
Required - Chapter 356 (MVA)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Sufficiency / (Deficiency)	17.08%	17.08%	17.08%	17.08%	17.08%	17.08%	17.08%	17.08%	17.08%	17.08%
Contributions										
Statutory - Chapter 353	$ 90,590	$ 93,316	$ 96,114	$ 99,010	$ 101,985	$ 105,053	$ 108,204	$ 111,448	$ 114,791	$ 118,217
Required - Chapter 356 (MVA)	-	-	-	-	-	-	-	-	-	-
Sufficiency / (Deficiency)	90,590	93,316	96,114	99,010	101,985	105,053	108,204	111,448	114,791	118,217
Funding Ratios										
Current Assets (MVA)	$5,148,404	$5,500,302	$5,876,452	$6,278,677	$6,709,190	$7,170,520	$7,665,126	$8,195,802	$8,765,399	$9,377,007
Actuarial Accrued Liability (AAL)	3,417,007	3,555,772	3,698,150	3,844,145	3,993,984	4,148,045	4,306,447	4,469,450	4,637,146	4,809,631
Unfunded AAL	(1,731,397)	(1,944,530)	(2,178,302)	(2,434,532)	(2,715,206)	(3,022,475)	(3,358,678)	(3,726,353)	(4,128,253)	(4,567,376)
Funding Ratio	150.7%	154.7%	158.9%	163.3%	168.0%	172.9%	178.0%	183.4%	189.0%	195.0%
Benefit Payments	$ 171,486	$ 179,600	$ 188,015	$ 196,529	$ 205,001	$ 213,720	$ 222,552	$ 231,683	$ 241,122	$ 250,877
Ratio of Assets to Benefit Payments	30.02	30.63	31.26	31.95	32.73	33.55	34.44	35.37	36.35	37.38

Numbers may not add due to rounding.

The interest rate used to discount liabilities was 7.0%.