St. Paul Teachers' Retirement Fund Association

Actuarial Valuation as of July 1, 2026



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October 29, 2026

Mr. Phillip Tencick, Executive Director
St. Paul Teachers' Retirement Fund Association
2550 University Avenue W, Suite 312N
St. Paul, Minnesota 55114

Dear Mr. Tencick:

We are pleased to present the report of the actuarial valuation of the St. Paul Teachers' Retirement Fund Association ("Fund") as of July 1, 2026. This report provides, among other things, the required annual contribution rate of the Fund for the Plan Year commencing July 1, 2026 and ending on June 30, 2027, according to prescribed assumptions. Note that the impact of GASB Statements No. 67 and No. 68 is provided in a separate report.

The valuation was based upon data and information through June 30, 2026 furnished by the Fund staff, concerning Retirement Fund benefits, financial transactions, plan provisions and active members, terminated members, retirees and beneficiaries. Their efforts in furnishing the materials needed are gratefully acknowledged. 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 the Fund.

The report has been prepared at the request of the Fund's Board of Trustees in accordance with Section 356.215 of the Minnesota Statutes as well as the Standards for Actuarial Work established by the State of Minnesota Legislative Commission on Pensions and Retirement. To the best of our knowledge, this report is complete and accurate, and has been prepared in accordance with prescribed assumptions and generally accepted actuarial principles and practices. This report is intended for use by the Fund and those determined or approved by the Fund's Board of Trustees. This report may be provided to parties other than the Fund only in its entirety and only with the permission of the Board. GRS is not responsible for unauthorized use of this report.

The contribution rate in this report is determined using the actuarial methods and assumptions disclosed in Section 4 of this report. This report includes risk metrics beginning on page 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 current funding policy is a reasonable Actuarially Determined Employer Contribution (ADEC) and it is consistent with the plan accumulating adequate assets to make benefit payments when due.

This valuation assumed 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.

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. Due to the limited scope of our assignment, we did not perform an analysis of the potential range of such future measurements.

This report was prepared using our proprietary valuation model and related software which, in our professional judgment, 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.

This report should not be relied on for any purpose other than the purpose described in this report. Determinations of financial results associated with the benefits described in this report in a manner other than the intended purpose may produce significantly different results.

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 combined effect of the assumptions, excluding prescribed assumptions or methods set by law, 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. The policies, methods and assumptions used in this valuation are those that have been so prescribed and are described in the Actuarial Basis of this report. The Fund is solely responsible for communicating to GRS any changes required thereto.

This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. 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.

We will be pleased to review this report with you at your convenience.

Respectfully submitted,
Gabriel, Roeder, Smith & Company

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

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

Other Observations

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 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 an actuarial value of assets basis, 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 22 years; and
(3) The unfunded liability will begin 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 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.

Table of Contents

		Pages
Summary of Valuation Results		1-12
Section 1	**Asset Information**	
	Assets of the Plan	13
Table 1	Accounting Balance Sheet	14
Table 2	Plan Assets	15-16
Section 2	**Total Membership Data**	
Table 3	Active Members	17
Table 4	Service Retirements	18
Table 5	Disability Retirements	19
Table 6	Survivors	20
Table 7	Reconciliation of Members	21
Section 3	**Funding Status**	
Table 8	Actuarial Balance Sheet	22
Table 9	Determination of Unfunded Actuarial Accrued Liability (UAAL)	23
Table 10	Changes in Unfunded Actuarial Accrued Liability (UAAL)	25
Table 11	Amortization Layers	25
Table 12	Determination of Contribution Sufficiency	26
Section 4	**Actuarial Methods and Assumptions**	
Table 13	Summary of Actuarial Methods and Assumptions	27-35

Table of Contents (Concluded)

		Pages
Section 5	**Basic Plan**	
Membership Data		
Table 3A	Active Members	36
Table 4A	Service Retirements	37
Table 5A	Disability Retirements	38
Table 6A	Survivors	39
Funding Status		
Table 12A	Basic Determination of Contribution Sufficiency	40
Plan Provisions		
	Summary of Benefit Provisions for Basic Members	41-45
Section 6	**Coordinated Plan**	
Membership Data		
Table 3B	Active Members	46
Table 4B	Service Retirements	47
Table 5B	Disability Retirements	48
Table 6B	Survivors	49
Funding Status		
Table 12B	Coordinated Determination of Contribution Sufficiency	50
	Summary of Benefit Provisions for Coordinated Members	51-55
Section 7	**Additional Disclosures**	56-59

Summary of Valuation Results

This report sets forth the results of the actuarial valuation of the St. Paul Teachers' Retirement Fund Association ("Fund") as of July 1, 2026. The purposes of this valuation are:

1. To develop the Actuarially Determined Contribution (ADC) rates.
2. To compare the ADC rates with the current funding policy in place.
3. To review the funding status of the Fund.

The funding status, in basic terms, is a comparison of the Fund's liabilities to assets expressed as either an unfunded liability (i.e., the difference between the assets and liabilities) or as a ratio of assets to liabilities. This comparison can be measured in various ways. Fund liabilities are dependent on the actuarial assumptions and actuarial cost method. Fund assets can be measured at market value, book value, or some variation to smooth the fluctuations that invariably occur from year to year. The Actuarial Value of Assets is determined from market value with investment gains and losses smoothed over a five-year period.

Contribution Sufficiency/(Deficiency)

Statutory contributions are defined in Section 356 of Minnesota Statutes as a fixed percentage of payroll, plus any supplemental contributions, and represent the amount that is actually contributed to the fund. Required contributions are defined in statutes and the LCPR Standards for Actuarial Work, and represent the amount needed to fully fund the plan within 22 years (normal cost, expenses, and a payment to amortize the unfunded liability).

The required contribution rate decreased from 22.48% of payroll as of July 1, 2025 to 21.09% of payroll as of July 1, 2026, primarily due to the greater than expected investment return on plan assets and actual contributions exceeding the required contribution.

Member contributions were scheduled to increase to 9.0% on July 1, 2026; legislation decreased the 9.0% contribution rate to 8.0% effective July 1, 2026. The contribution sufficiency increased from 4.50% of payroll as of July 1, 2025 to 5.82% of payroll as of July 1, 2026. On a market value of assets basis, statutory contributions are sufficient by 10.27% of payroll as of July 1, 2026.

Assets and Liabilities

The Actuarial Accrued Liability was expected to increase from $1,986 million in 2025 to $2,029 million in 2026. The actual Actuarial Accrued Liability of $2,038 million is slightly higher than expected, due to plan provision changes and demographic experience, including salaries increasing more than expected.

On an actuarial value of assets basis, the funding ratio increased from 69.68% at July 1, 2025 to 72.01% at July 1, 2026. The actuarial value of assets earned approximately 8.6%, which exceeds the 7.0% annual return assumption.

On a market value of assets basis, the funding ratio increased from 72.19% at July 1, 2025 to 80.54% at July 1, 2026. The market value of assets earned approximately 16.90%, net of expenses.

Summary of Valuation Results

Market Value Compared to Actuarial Value of Assets

A 5-year smoothed value of assets (actuarial value of assets), used to determine both the funded status and required contribution level, reduces the volatility of the valuation results. As of July 1, 2026, the actuarial value of assets is 89.41% of market value.

The following table shows the July 1, 2026 valuation results, on both a market value and smoothed actuarial value basis:

Results as of July 1, 2026		
	Market Value of Assets	**Actuarial Value of Assets**
Actuarial Accrued Liability	$2,037.8 million	$2,037.8 million
Value of Assets	$1,641.3 million	$1,467.4 million
Unfunded Actuarial Accrued Liability	$ 396.5 million	$ 570.4 million
Funded Ratio	80.54%	72.01%
Statutory Contribution Rate	26.91% of pay	26.91% of pay
Required Contribution Rate	16.64% of pay	21.09% of pay
Sufficiency	10.27% of pay	5.82% of pay

Changes Reflected in the Valuation

Assumption and Method Changes

There were no changes in actuarial assumptions or methods since the prior valuation.

Plan Provision Changes

Member contributions were scheduled to increase to 9.0% on July 1, 2026; legislation decreased the 9.0% contribution rate to 8.0% effective July 1, 2026.

Additional State aid in the amount of $3.4 million annually will be paid by the State of Minnesota until the earlier of full funding for three consecutive years and July 1, 2048.

Summary of Valuation Results

Effects of Changes (Actuarial Value of Assets Basis)

Additional detail regarding the impact of the changes in plan provisions are summarized in the following table.

	Results as of July 1, 2026 ($000s)	
	Prior to Changes	Reflecting Plan Provision Change
A. FUNDING RATIOS		
1. Accrued Liability Funding Ratio		
a. Current Assets	$ 1,467,403	$ 1,467,403
b. Actuarial Accrued Liability	2,031,004	2,037,766
c. Funding Ratio	72.25%	72.01%
2. Projected Benefit Funding Ratio		
a. Current and Expected Future Assets	$ 2,570,002	$ 2,562,764
b. Current and Expected Future Benefit Obligations	2,344,065	2,342,469
c. Funding Ratio	109.64%	109.40%
B. REQUIRED CONTRIBUTIONS - CHAPTER 356		
1. Normal Cost	10.09%	9.84%
2. Supplemental Contribution Amortization	10.74%	10.91%
3. Allowance for Administrative Expenses	0.34%	0.34%
4. Total	21.17%	21.09%

Participants

Active membership increased 3.3% during fiscal year 2026, from 3,342 to 3,452 (figures exclude members on leave of absence). When members on leave of absence are included, active membership increased 2.4%, from 3,482 to 3,565. Total participants receiving benefits under the Fund, including disabled retirees, beneficiaries, and alternate payees, increased 1.0% during fiscal year 2026 from 4,411 to 4,457. Total annuity expenditures for these benefits decreased from $125.5 million to $125.4 million during fiscal year 2026.

Covered payroll increased 6.0%, during fiscal year 2026, from $321.3 million to $340.5 million. Projected payroll for fiscal year 2027 is $358.4 million.

Asset Valuation Method

The method used to develop the Fund's Actuarial Value of Assets, as set out in the LCPR Standards for Actuarial Work, is as follows: In years when Fund assets earn above the assumed rate (i.e., experience gain) or below the assumed rate (i.e., experience loss) the gain (or loss) will be recognized over five years. This approach both removes volatility of the Fund's level of required contributions and ensures the Fund's assets will track the market value of assets.

Summary of Valuation Results

Experience Analysis

The experience analysis provides a comparison of actual experience to projected experience based on the actuarial assumptions over the past year. Overall, the Fund had an experience gain of $19.5 million.

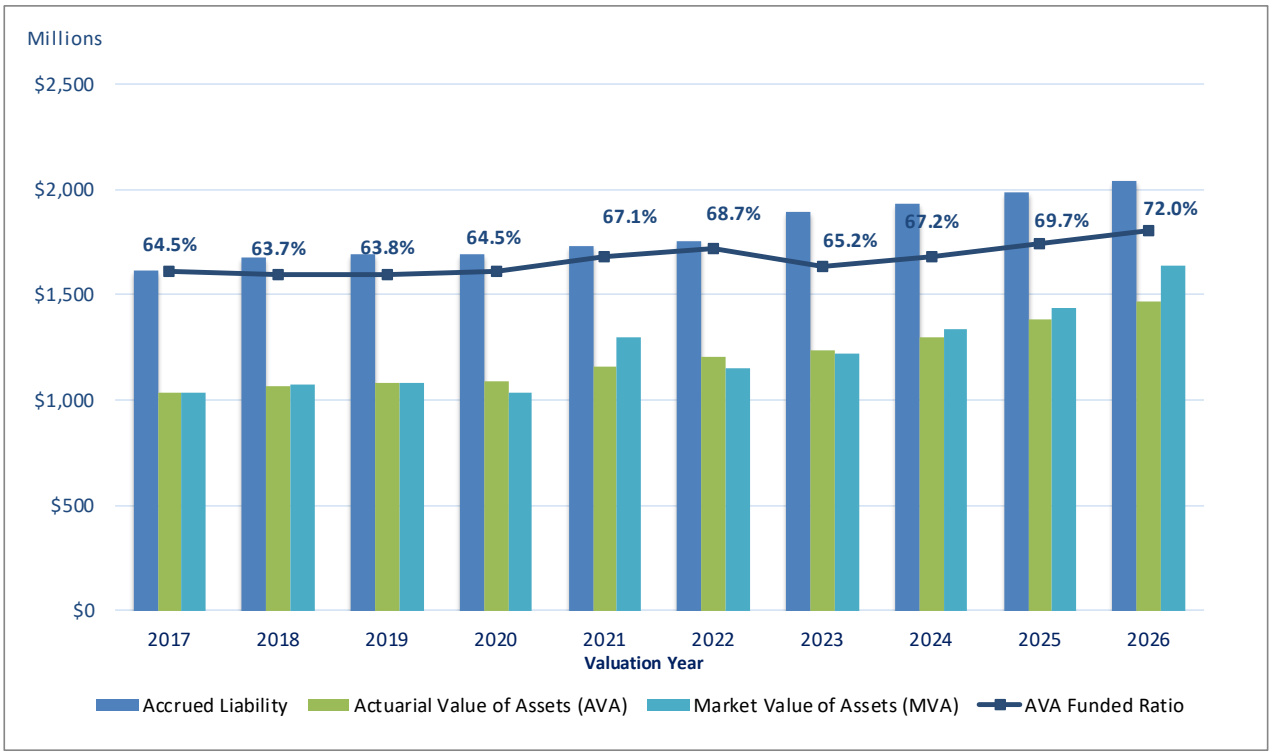
The Fund had an experience gain due to investments. The investment return on a market value of assets basis was 16.9% (net of fees) for the year ended June 30, 2026, more than the 7.00% assumption. However, only 20% of this asset gain was recognized in the actuarial value of assets. Investment gains and losses from previous years were also recognized this year. The net result is a gain of $21.4 million on the actuarial value of assets. The investment return on an actuarial value of assets basis was 8.6% for the year ended June 30, 2026.

Overall, the actuarial accrued liability increased slightly more than expected. Salaries increased more than expected for continuing actives, resulting in an actuarial loss of $3.7 million; this loss was partially offset by other demographic experience. In total, the actuarial accrued liability increased $1.9 million, or 0.1%, more than expected.

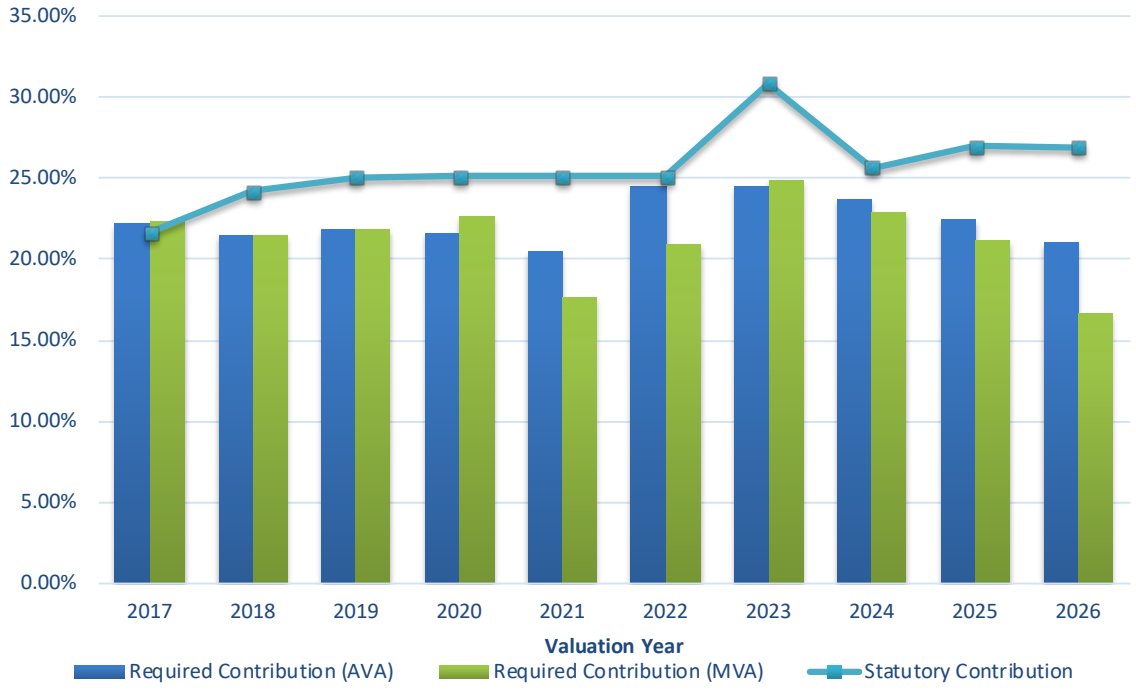
The changes in unfunded actuarial accrued liabilities are shown in Table 10 in Section 3.

Summary of Valuation Results

Funded Ratio History



Contribution Rate History (% of pay)



Note: 2023 and 2024 statutory contributions include one-time State aid of 5.15% and 0.48% of pay, respectively; statutory contributions without one-time State aid are 25.71% and 25.19% of pay, respectively.

Summary of Valuation Results

Sensitivity Tests

During the 2017 legislative session, the Legislative Commission on Pensions and Retirement (LCPR) enacted a new sensitivity disclosure requirement for the Fund's valuations. Per the LCPR's requirement, we have calculated the liabilities associated with the following scenarios:

1) 6.0% interest rate assumption
2) 8.0% interest rate assumption

In each case, all other assumptions were unchanged from those used to develop the final valuation results in this report. Note that we believe the 8.0% interest rate assumption does not comply with Actuarial Standards of Practice.

Interest rate:	(Statutory) 7.00%	6.00%	8.00%
Normal Cost Rate, % of Pay	9.84%	12.22%	8.10%
Amortization of Unfunded Accrued Liability, % of Pay	10.91%	14.96%	7.04%
Expenses (% of Pay)	0.34%	0.34%	0.34%
Total Required Contribution, % of Pay	21.09%	27.52%	15.48%
Contribution Sufficiency/(Deficiency), % of Pay	5.82%	-0.61%	11.43%
Accrued Liability Funding Ratio (AVA basis)	72.0%	63.9%	80.5%
Actuarial Accrued Liability (in millions)	$2,037.8	$2,296.4	$1,823.9
Unfunded Accrued Liability (in millions)	$ 570.4	$ 829.0	$ 356.5

Summary of Valuation Results

(Dollars in Thousands)

	July 1, 2025 Valuation	July 1, 2026 Valuation
A. CONTRIBUTIONS % OF PAYROLL (Table 12)		
1. Statutory Contributions - Chapter 354A	26.98%	26.91%
2. Required Contributions - Chapter 356	22.48%	21.09%
3. Sufficiency / (Deficiency)	4.50%	5.82%
B. FUNDING RATIOS		
1. Accrued Liability Funding Ratio		
a Current Assets (Table 1)	$ 1,384,185	$ 1,467,403
b. Actuarial Accrued Liability (Table 9)	1,986,406	2,037,766
c. Funding Ratio	69.68%	72.01%
2. Projected Benefit Funding Ratio (Table 8)		
a. Current and Expected Future Assets	$ 2,454,333	$ 2,562,764
b. Current and Expected Future Benefit Obligations	2,280,186	2,342,469
c. Funding Ratio	107.64%	109.40%
C. PLAN PARTICIPANTS		
1. Active Members		
a. Number (Table 3)	3,342	3,452
b. Members on Leave of Absence	140	113
c. Projected Annual Earnings*	$ 337,575	$ 358,414
d. Average Annual Earnings (Projected dollars)*	$ 96,949	$ 102,921
e. Average Age	45.7	45.7
f. Average Service	13.6	13.6
2. Others		
a. Service Retirements (Table 4)	3,984	4,007
b. Disability Retirements (Table 5)	23	26
c. Survivors (Table 6)	404	424
d. Deferred Retirements (Table 7)	2,664	2,649
e. Terminated Other Non-Vested (Table 7)	3,138	3,129
f. Total - Others	10,213	10,235
3. Grand Total (1.a + 1.b + 2.f)	13,695	13,800

* *Projected Annual Earnings includes expected payroll for teachers hired after the valuation date to replace retirements in May and June prior to the valuation date; Average Annual Earnings excludes this new teacher payroll. See page 35 for additional information.*

Summary of Valuation Results

Risks Associated with Measuring the Accrued Liability and Actuarially Determined Contribution

The determination of the accrued liability and the 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 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.

Examples of risk that may reasonably be anticipated to significantly affect the plan's future financial condition include:

1. **Investment Risk** – actual investment returns may differ from the expected returns;
2. **Asset/Liability Mismatch** – changes in asset values may not match changes in liabilities, thereby altering the gap between the accrued liability and assets and consequently altering the funded status and contribution requirements;
3. **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 base;
4. **Salary and Payroll Risk** – actual salaries and total payroll may differ from expected, resulting in actual future accrued liability and contributions differing from expected;
5. **Longevity Risk** – members may live longer or shorter than expected and receive pensions for a period of time other than assumed;
6. **Other Demographic Risks** – members may terminate, retire or become disabled at times or with benefits other than assumed 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). Likewise, if longevity is improving (or worsening), increases (or decreases) in cost can be anticipated.

Summary of Valuation Results

The Required Contribution rate shown on page 7 may be considered as a minimum contribution rate that complies with Minnesota Statutes and the requirements of the Standards for Actuarial work published by the LCPR. The timely receipt of the actuarially determined contributions is critical to support the financial health of the plan. Users of this report should be aware that contributions made at the actuarially determined rate do not necessarily guarantee benefit security.

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. Additional maturity measures are shown on page 11.

	2025	2026
Ratio of market value of assets to total payroll	4.46	4.82
Ratio of actuarial accrued liability to total payroll	6.18	5.99
Ratio of actives to retirees and beneficiaries	0.8	0.8
Ratio of non-investment cash flow to market value of assets*	-3.0%	-2.1%

** Cash flow ratio does not reflect contribution increases to be phased in over future years.*

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.

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. 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.

Summary of Valuation Results

RATIO OF ACTIVES TO RETIREES AND BENEFICIARIES

A young plan with many active members and few retirees will have a high ratio of actives 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 very mature or closed plan may have significantly more retirees than actives resulting in a ratio below 1.0.

RATIO OF NON-INVESTMENT CASH FLOW TO MARKET VALUE OF ASSETS

A positive non-investment cash flow means contributions exceed benefits and expenses. A negative non-investment cash flow means benefits and expenses exceed contributions, and existing funds may be 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 very mature plan or a need for additional contributions. The cash flow ratio for this fund will improve as future contribution increases are phased in.

ADDITIONAL RISK ASSESSMENT

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 Valuation Results

Risk Measures Summary (Dollars in Thousands)

Valuation Date (July 1)	(1) Accrued Liabilities (AAL)	(2) Market Value of Assets	(3) Market Value Unfunded AAL (1) - (2)	(4) Valuation Payroll	(5) Market Value Funded Ratio (2) / (1)	(6) Retiree Liabilities	(7) RetLiab/ AAL (6) / (1)	(8) AAL/ Payroll (1) / (4)	(9) Assets/ Payroll (2) / (4)
2017	$ 1,611,208	$ 1,032,249	$ 578,959	$ 264,342	64.1%	$ 1,068,690	66.3%	609.5%	390.5%
2018	1,676,193	1,070,572	605,621	263,122	63.9%	1,129,864	67.4%	637.0%	406.9%
2019	1,691,721	1,080,544	611,177	268,614	63.9%	1,133,369	67.0%	629.8%	402.3%
2020	1,691,236	1,037,613	653,623	274,667	61.4%	1,135,360	67.1%	615.7%	377.8%
2021	1,729,621	1,295,064	434,557	279,916	74.9%	1,151,345	66.6%	617.9%	462.7%
2022	1,750,421	1,154,427	595,994	304,227	66.0%	1,161,360	66.3%	575.4%	379.5%
2023	1,891,617	1,216,753	674,864	296,674	64.3%	1,176,538	62.2%	637.6%	410.1%
2024	1,933,107	1,335,037	598,070	319,667	69.1%	1,186,511	61.4%	604.7%	417.6%
2025	1,986,406	1,433,936	552,470	321,336	72.2%	1,179,080	59.4%	618.2%	446.2%
2026	2,037,766	1,641,264	396,502	340,463	80.5%	1,171,545	57.5%	598.5%	482.1%

Valuation Date (July 1)	(10) Portfolio StdDev	(11) Std Dev % of Pay (9) x (10)	(12) Unfunded / Payroll (3) / (4)	(13) Non-Investment Cash Flow (NICF)	(14) NICF/ Assets (13) / (2)	(15) Market Rate of Return	(16) 5-Year Average
2017	13.4%	52.3%	219.0%	(56,136)	(5.4%)	13.9%	9.5%
2018	13.7%	55.7%	230.2%	(57,563)	(5.4%)	9.8%	8.8%
2019	13.7%	55.1%	227.5%	(50,237)	(4.6%)	5.7%	6.4%
2020	13.7%	51.8%	238.0%	(48,657)	(4.7%)	0.1%	5.8%
2021	13.7%	63.4%	155.2%	(47,781)	(3.7%)	32.7%	11.9%
2022	13.8%	52.4%	195.9%	(44,649)	(3.9%)	(9.4%)	6.9%
2023	13.8%	56.6%	227.5%	(47,971)	(3.9%)	9.4%	6.8%
2024	13.8%	57.6%	187.1%	(29,059)	(2.2%)	12.0%	8.1%
2025	13.8%	61.6%	171.9%	(42,953)	(3.0%)	10.5%	10.2%
2026	13.8%	66.5%	116.5%	(33,791)	(2.1%)	16.9%	7.5%

Notes pertaining to numbered columns:

(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. 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.

(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. Negative ratios are common and expected for a maturing system. In the longer term, this ratio should be on the order of approximately (4)%. A ratio that is significantly more negative than that for an extended period could be a leading indicator of potential exhaustion of assets.

(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 give an indicator of past performance. Of course, past performance is not a guarantee of future results, may not even be reflective of potential future results, and historical averages are very sensitive to the time period chosen.

Summary of Valuation Results

Low-Default-Risk Obligation Measure

Actuarial Standards of Practice No. 4 (ASOP No. 4) was revised and reissued in December 2021 by the Actuarial Standards Board (ASB). It includes a new calculation called a Low-Default-Risk Obligation Measure (LDROM) to be prepared and issued annually for defined benefit pension plans. The transmittal memorandum for ASOP No. 4 includes the following explanation:

"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."

The following information has been prepared in compliance with this new requirement. Unless otherwise noted, the measurement date, actuarial cost methods, and assumptions used are the same as for the funding valuation covered in this actuarial valuation report.

A. Low-Default-Risk Obligation Measure of benefits earned as of the measurement date: $ 2,384,286,000.

B. Discount rate used to calculate the LDROM: 5.70%
(Based on the FTSE Pension Liability Index as of the valuation date)

C. Other significant assumptions that differ from those used for the funding valuation: none

D. Actuarial cost method used to calculate the LDROM: Entry Age Actuarial Cost Method

E. Valuation procedures to value any significant plan provisions that are difficult to measure using traditional valuation procedures, and that differ from the procedures used in the funding valuation: none

F. The LDROM is a market-based measurement of the pension obligation. It estimates the amount the plan would need to invest in low-risk securities to provide the benefits with greater certainty. This measure may not be appropriate for assessing the need for or amounts 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.

The difference between the two measures (Valuation and LDROM) is one illustration of the savings the sponsor anticipates by taking on the risk in a diversified portfolio.

Valuation Actuarial Accrued Liability	$ 2,037,766,000
LDROM Actuarial Accrued Liability	$ 2,384,286,000
Difference	$ (346,520,000)

SECTION 1

ASSET INFORMATION

Assets of the Plan

The market value of the plan assets increased from $1,433.9 million as of June 30, 2025 to $1,641.3 million as of June 30, 2026. The expected return on assets using the valuation investment return rate assumption of 7.0 percent was $99.2 million. The actual return on assets was approximately $241.1 million. Twenty percent of the asset return above the expected $99.2 million is recognized as an actuarial gain in the development of the actuarial value of assets. The recognized gain from the current year, along with the portion of prior gains and losses recognized this year, results in an overall gain of $21.4 million on the actuarial value of assets as shown in Table 10.

The 2026, 2025, 2024, and 2023 asset gains (investment returns that fell above (gain) or below (loss) the expected return – amounts shown on the next page) will be recognized incrementally over the next four years. As of July 1, 2026, there are more unrecognized asset gains than losses, and the Actuarial Value of Assets (AVA) is lower than the Market Value of Assets (MVA) by $173.9 million, or 10.6%.

Table 1 shows the composition of assets as of June 30, 2026 and the development of the actuarial value of assets as of June 30, 2026. Table 2 details the development of asset values during fiscal year 2026.

Table 1
Accounting Balance Sheet
as of June 30, 2026
(Dollars in Thousands)

			Market Value
A.	ASSETS		
	1. Cash, Equivalents, Short-Term Securities		$ 11,114
	2. Investments		
	a. Fixed Income		440,903
	b. Equity		882,542
	c. Real Assets		99,687
	d. Alternative		166,259
	e. Cash and Cash Equivalents		54,630
	3. Other Assets		61,968
B.	TOTAL ASSETS		$ 1,717,103
C.	AMOUNTS CURRENTLY PAYABLE		$ 75,839
D.	ASSETS AVAILABLE FOR BENEFITS		
	1. Member Reserves		$ 300,205
	2. Employer Reserves		1,341,059
	3. Total Assets Available for Benefits		$ 1,641,264
E.	TOTAL AMOUNTS CURRENTLY PAYABLE AND ASSETS AVAILABLE FOR BENEFITS		$ 1,717,103
F.	DETERMINATION OF ACTUARIAL VALUE OF ASSETS		
	1. Market Value of Assets Available for Benefits (D.3)		$ 1,641,264
	2. Unrecognized Asset Returns (UAR)		
	a. June 30, 2026	$ 141,926	
	b. June 30, 2025	49,903	
	c. June 30, 2024	63,187	
	d. June 30, 2023	25,514	
	3. UAR Adjustment: .80 * 2(a) + .60 * 2(b) + .40 * 2(c) + .20 * 2(d)		173,861
	4. Actuarial Value of Assets: (F.1 - F.3)		$ 1,467,403

DERIVATION OF OTHER ASSETS *	Market Value
Accounts Receivable	
Employer Contribution	$ 532
Employee Contribution	291
Service Purchases Receivable	-
Pensions Receivable	574
State Contributions	838
Real Estate Income Receivable	-
Commission Recapture Receivable	-
Interest Receivable	74
Dividend Receivable	2,088
Misc. Receivable	9
Sale of Securities	57,562
Total Accounts Receivable	$61,968
Fixed Assets	0
Total Other Assets	$61,968

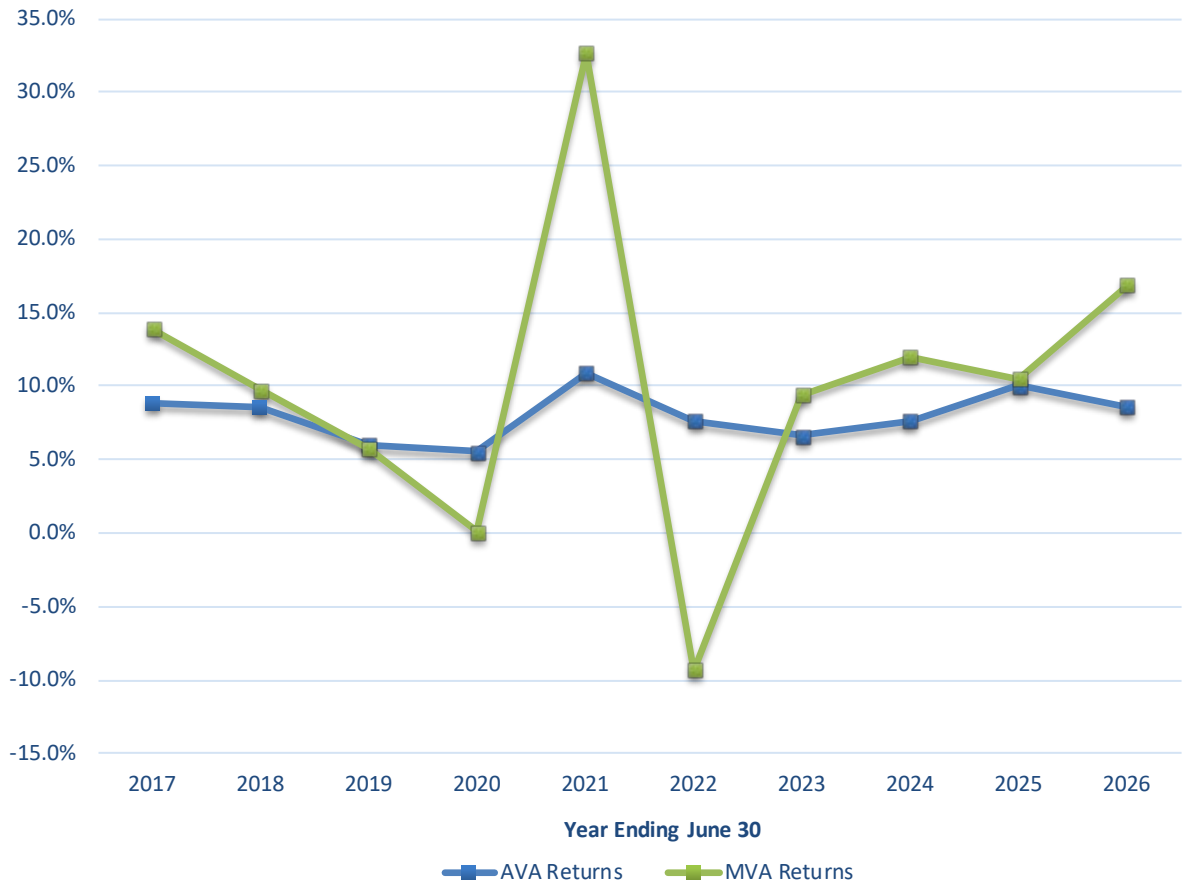
**Numbers may not add due to rounding.*

Table 2
Plan Assets
as of June 30, 2026
(Dollars in Thousands)

		Market Value
A.	ASSETS AVAILABLE AT BEGINNING OF PERIOD	$ 1,433,936
B.	OPERATING REVENUES	
1.	Member Contributions	$ 30,566
2.	Employer Contributions	46,633
3.	Supplemental Contributions	16,465
4.	Re-employed Annuitant Employer Contributions	396
5.	Investment Income	24,353
6.	Investment Expenses	(3,468)
7.	Net Realized Gain / (Loss)	108,265
8.	Other	0
9.	Net Change in Unrealized Gain / (Loss)	111,969
10.	Total Operating Revenue	$ 335,179
C.	OPERATING EXPENSES	
1.	Service Retirements	$ 111,945
2.	Disability Benefits	586
3.	Survivor Benefits	12,915
4.	Refunds	1,247
5.	Benefit Payment Adjustment	0
6.	Administrative Expenses	1,158
7.	Total Operating Expenses	$ 127,851
D.	OTHER CHANGES IN RESERVES	$ 0
E.	ASSETS AVAILABLE AT END OF PERIOD	$ 1,641,264
F.	DETERMINATION OF CURRENT YEAR UNRECOGNIZED ASSET RETURN	
1.	Average Balance	
	(a) Assets available at BOY	$ 1,433,936
	(b) Assets available at EOY	1,641,264
	(c) Average balance {[(a) + (b) - Net Investment Income] / 2}	$ 1,417,041
	{Net investment income: B.5+B.6+B.7+B.9}	
2.	Expected Return: .070 * F.1	99,193
3.	Actual Return	241,119
4.	Current Year Gross Asset Gain/(Loss): F.3 - F.2	$ 141,926

Historical Asset Returns

History of AVA and MVA Asset Returns



Valuation Year	AVA	MVA
2017	8.8%	13.9%
2018	8.5%	9.8%
2019	6.0%	5.7%
2020	5.6%	0.1%
2021	10.9%	32.7%
2022	7.6%	-9.4%
2023	6.6%	9.4%
2024	7.7%	12.0%
2025	10.0%	10.5%
2026	8.6%	16.9%

SECTION 2

TOTAL MEMBERSHIP DATA

Table 3
Active Members as of June 30, 2026*

	Years of Service								
Age	**<5**	**5-9**	**10-14**	**15-19**	**20-24**	**25-29**	**30-34**	**35+**	**ALL**
< 25	23	0	0	0	0	0	0	0	23
25-29	207	39	0	0	0	0	0	0	246
30-34	176	148	13	0	0	0	0	0	337
35-39	137	159	143	14	0	0	0	0	453
40-44	124	115	167	109	16	0	0	0	531
45-49	103	92	103	105	150	26	0	0	579
50-54	72	57	63	64	85	208	14	1	564
55-59	39	41	41	37	69	155	126	7	515
60-64	19	16	17	27	33	62	56	20	250
65+	19	4	9	2	5	13	5	10	67
ALL	919	671	556	358	358	464	201	38	3,565

AVERAGE ANNUAL EARNINGS

	Years of Service								
Age	**<5**	**5-9**	**10-14**	**15-19**	**20-24**	**25-29**	**30-34**	**35+**	**ALL**
< 25	56,540	0	0	0	0	0	0	0	56,540
25-29	66,180	74,746	0	0	0	0	0	0	67,538
30-34	68,899	82,792	100,157	0	0	0	0	0	76,206
35-39	79,269	91,250	97,749	104,459	0	0	0	0	90,086
40-44	86,418	95,078	105,379	107,397	121,707	0	0	0	99,627
45-49	81,730	94,020	103,699	105,797	111,991	115,513	0	0	101,312
50-54	81,195	98,295	102,885	99,010	108,231	113,147	117,011	109,149	104,164
55-59	73,038	92,007	100,382	96,759	106,642	114,042	114,450	136,166	106,262
60-64	71,269	99,467	101,707	99,188	101,098	109,909	113,269	123,194	105,241
65+	37,445	71,123	102,944	107,739	85,974	112,321	111,297	107,639	84,490
ALL	73,863	90,182	102,182	103,597	109,134	113,123	114,221	121,121	95,768

	Total Earnings (IN THOUSANDS) by Years of Service								
	<5	**5-9**	**10-14**	**15-19**	**20-24**	**25-29**	**30-34**	**35 & Over**	**ALL**
ALL	67,880	60,512	56,813	37,088	39,070	52,489	22,958	4,603	341,413

** Including those on leave of absence; pay annualized for new hires.*

Numbers may not add due to rounding.

Table 4
Service Retirements as of June 30, 2026

Member Age	Years Retired									
	<5	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Over	ALL
<45	0	0	0	0	0	0	0	0	0	0
45-49	0	0	0	0	0	0	0	0	0	0
50-54	0	0	0	0	0	0	0	0	0	0
55-59	34	0	0	0	0	0	0	0	0	34
60-64	213	99	1	0	0	0	0	0	0	313
65-69	346	273	77	1	0	0	0	0	0	697
70-74	85	324	321	125	1	0	0	0	0	856
75-79	16	97	289	376	207	0	0	0	0	985
80-84	1	12	47	188	248	141	1	0	0	638
85-89	1	2	6	23	80	157	47	1	0	317
90+	0	0	3	3	12	56	66	23	4	167
ALL	696	807	744	716	548	354	114	24	4	4,007

AVERAGE ANNUAL BENEFIT

Member Age	Years Retired									
	<5	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Over	ALL
<45	0	0	0	0	0	0	0	0	0	0
45-49	0	0	0	0	0	0	0	0	0	0
50-54	0	0	0	0	0	0	0	0	0	0
55-59	19,045	0	0	0	0	0	0	0	0	19,045
60-64	32,754	28,774	30,904	0	0	0	0	0	0	31,509
65-69	23,584	24,755	18,092	33,536	0	0	0	0	0	23,449
70-74	13,798	22,507	23,722	27,200	3,415	0	0	0	0	22,761
75-79	7,711	14,653	21,544	32,294	39,015	0	0	0	0	28,416
80-84	5,584	18,682	16,995	27,427	36,150	32,243	31,034	0	0	30,921
85-89	453	71,571	1,986	22,846	33,304	40,369	39,031	72,863	0	36,563
90+	0	0	11,081	12,424	22,793	41,443	44,614	31,563	30,785	38,673
ALL	24,596	23,157	21,652	29,742	36,465	37,302	42,193	33,284	30,785	27,983

	Total Annual Benefit (IN THOUSANDS) by Years RETIRED									
	<5	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Over	ALL
ALL	17,119	18,688	16,109	21,295	19,983	13,205	4,810	799	123	112,129

Numbers may not add due to rounding.

Table 5
Disability Retirements as of June 30, 2026*

Member Age	Years Disabled									
	<5	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Over	ALL
<45	0	0	0	0	0	0	0	0	0	0
45-49	1	0	1	0	0	0	0	0	0	2
50-54	2	0	0	0	0	0	0	0	0	2
55-59	4	2	2	0	0	0	0	0	0	8
60-64	5	3	3	3	0	0	0	0	0	14
65-69	0	0	0	0	0	0	0	0	0	0
70-74	0	0	0	0	0	0	0	0	0	0
75-79	0	0	0	0	0	0	0	0	0	0
80-84	0	0	0	0	0	0	0	0	0	0
85-89	0	0	0	0	0	0	0	0	0	0
90+	0	0	0	0	0	0	0	0	0	0
ALL	12	5	6	3	0	0	0	0	0	26

AVERAGE ANNUAL BENEFIT

Member Age	Years Disabled									
	<5	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Over	ALL
<45	0	0	0	0	0	0	0	0	0	0
45-49	1,305	0	3,742	0	0	0	0	0	0	2,524
50-54	32,570	0	0	0	0	0	0	0	0	32,570
55-59	25,148	5,282	26,590	0	0	0	0	0	0	20,542
60-64	24,636	27,110	23,800	15,298	0	0	0	0	0	22,986
65-69	0	0	0	0	0	0	0	0	0	0
70-74	0	0	0	0	0	0	0	0	0	0
75-79	0	0	0	0	0	0	0	0	0	0
80-84	0	0	0	0	0	0	0	0	0	0
85-89	0	0	0	0	0	0	0	0	0	0
90+	0	0	0	0	0	0	0	0	0	0
ALL	24,185	18,378	21,387	15,298	0	0	0	0	0	21,397

	Total Annual Benefit (IN THOUSANDS) by Years DISABLED									
	<5	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Over	ALL
ALL	289	92	128	46	0	0	0	0	0	556

** Disability benefits convert to normal retirement benefits at normal retirement age (which occurs at age 65).*

Numbers may not add due to rounding.

Table 6
Survivors as of June 30, 2026

	Years Since Member Death									
Age	**<5**	**5-9**	**10-14**	**15-19**	**20-24**	**25-29**	**30-34**	**35-39**	**40 & Over**	**ALL**
<45	8	10	0	0	0	0	0	0	0	18
45-49	4	2	2	1	0	0	0	0	0	9
50-54	2	4	0	1	0	0	0	0	0	7
55-59	6	2	0	1	0	0	0	0	0	9
60-64	2	1	3	0	0	0	0	0	0	6
65-69	11	2	5	2	0	0	0	0	1	21
70-74	17	12	4	5	3	0	0	0	1	42
75-79	30	11	10	1	5	1	2	1	1	62
80-84	33	21	13	7	5	0	3	0	4	86
85-89	38	16	12	13	3	3	2	1	3	91
90+	20	16	9	9	5	7	2	1	4	73
ALL	171	97	58	40	21	11	9	3	14	424

AVERAGE ANNUAL BENEFIT

	Years Since Member Death									
Age	**<5**	**5-9**	**10-14**	**15-19**	**20-24**	**25-29**	**30-34**	**35-39**	**40 & Over**	**ALL**
<45	9,517	11,647	0	0	0	0	0	0	0	10,701
45-49	10,974	14,463	9,098	7,954	0	0	0	0	0	10,997
50-54	10,729	5,203	0	7,954	0	0	0	0	0	7,175
55-59	17,338	7,290	0	581	0	0	0	0	0	13,244
60-64	2,211	18,678	3,965	0	0	0	0	0	0	5,832
65-69	22,170	54,005	24,118	4,203	0	0	0	0	13,425	23,538
70-74	27,080	22,434	12,198	24,554	6,424	0	0	0	1,119	21,941
75-79	31,937	25,219	34,063	38,126	22,687	22,066	43,613	23,571	35,870	30,588
80-84	34,705	36,975	31,412	22,191	29,561	0	24,352	0	24,224	32,596
85-89	38,294	41,778	30,294	37,472	47,230	64,169	36,128	16,731	22,546	38,078
90+	38,517	49,233	65,713	32,004	42,442	38,497	23,996	41,187	31,844	42,956
ALL	30,895	31,822	32,817	27,907	30,210	44,005	31,170	27,163	24,452	31,161

	Total Annual Benefit (IN THOUSANDS) by Years Since Member Death									
	<5	**5-9**	**10-14**	**15-19**	**20-24**	**25-29**	**30-34**	**35-39**	**40 & Over**	**ALL**
ALL	5,283	3,087	1,903	1,116	634	484	281	81	342	13,211

Numbers may not add due to rounding.

Table 7
Reconciliation of Members
as of June 30, 2026

	Active Participants	Leave of Absence	Vested Terminated	Other Non-Vested	Retired Participants	Disableds	Survivors and Beneficiaries	Alternate Payees[2]	Total
A. Number as of June 30, 2025	3,342	140	2,664	3,138	3,932	22	397	60	13,695
B. Additions	240	49	101	52	142	2	47	1	634
C. Deletions									
1. Retirements	(55)	(2)	(85)	-					(142)
2. Disability	-	-	-	-					-
3. Died with Beneficiary	-	(1)	(1)		(45)				(47)
4. Died without Beneficiary	(1)	-	(3)	-	(77)		(29)	(5)	(115)
5. Terminated - Deferred	(91)	(10)	-						(101)
6. Terminated - Not Vested	(50)	(2)							(52)
7. Refunds	(9)	(1)	(33)	(79)					(122)
8. Rehired as Active	120	(60)	(23)	(37)					-
9. Leave of Absence	(44)								(44)
10. Repayment of Refund									-
11. Expired Benefits									-
12. Disability to Retirement									-
D. Data Adjustments[1]			29	55	8	1	1		94
E. Total on June 30, 2026	3,452	113	2,649	3,129	3,960	25	416	56	13,800

[1] *May include members not valued in prior valuation who repaid refunds or otherwise restored prior service.*

[2] *Includes alternate payees of retired participants (47), disabled participants (1), and survivors (8).*

SECTION 3

FUNDING STATUS

Table 8
Actuarial Balance Sheet
as of July 1, 2026
(Dollars in Thousands)

A. CURRENT ASSETS (TABLE 1; Line F.4)	$	1,467,403
B. EXPECTED FUTURE ASSETS		
1. Present Value of Expected Future Statutory Supplemental Contributions*	$	790,658
2. Present Value of Future Normal Costs		304,703
3. Total Expected Future Assets	$	1,095,361
C. TOTAL CURRENT AND EXPECTED FUTURE ASSETS	$	2,562,764
D. TOTAL CURRENT AND EXPECTED FUTURE BENEFIT OBLIGATIONS	$	2,342,469
E. CURRENT AND FUTURE UNFUNDED ACTUARIAL LIABILITY (D - C)	$	(220,295)

** Includes the effect of scheduled employee and employer contribution increases and supplemental State contributions.*

Table 9
Determination of Unfunded Actuarial Accrued Liability (UAAL)
as of July 1, 2026

	Actuarial Present Value of Projected Benefits	Actuarial Present Value of Future Normal Costs	Actuarial Accrued Liability
A. DETERMINATION OF ACTUARIAL ACCRUED LIABILITY (AAL)			
1. Active Members*			
a. Retirement Benefits	$ 945,132	$ 220,682	$ 724,450
b. Disability Benefits	$ 13,814	$ 4,819	$ 8,995
c. Surviving Spouse and Child Benefits	$ 7,033	$ 2,142	$ 4,891
d. Vested Withdrawals	$ 44,175	$ 55,832	$ (11,657)
e. Refund Liability Due to Death or Withdrawal	$ 2,358	$ 21,228	$ (18,870)
f. Total	$ 1,012,512	$ 304,703	$ 707,809
2. Deferred Retirements	$ 152,585	$ 0	$ 152,585
3. Former Members without Vested Rights	$ 5,827	$ 0	$ 5,827
4. Annuitants	$ 1,171,545	$ 0	$ 1,171,545
5. Total	$ 2,342,469	$ 304,703	$ 2,037,766
B. DETERMINATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITY (UAAL)			
1. Actuarial Accrued Liability (A.5)			$ 2,037,766
2. Current Assets (Table 1; Line F.4)			$ 1,467,403
3. Unfunded Actuarial Accrued Liability (B.1 - B.2)			$ 570,363

* *Includes members on leave of absence.*

Table 10
Changes in Unfunded Actuarial Accrued Liability (UAAL)
as of July 1, 2026

		Year Ending June 30, 2026		
		Actuarial Accrued Liability	Current Assets	Unfunded Actuarial Accrued Liability
A.	UAAL AT BEGINNING OF YEAR	$ 1,986,406	$ 1,384,185	$ 602,221
B.	CHANGE DUE TO INTEREST REQUIREMENTS AND CURRENT RATE OF FUNDING			
	1. Normal Cost and Expenses	33,859	(1,158)	35,017
	2. Benefit Payments	(126,693)	(126,693)	-
	3. Contributions	-	94,060	(94,060)
	4. Interest on A., B.1., B.2. and B.3.	135,528	95,612	39,916
	5. Total *(B.1. + B.2. + B.3. + B.4.)*	$ 42,694	$ 61,821	$ (19,127)
C.	EXPECTED VALUES AT END OF YEAR *(A + B.5)*	$ 2,029,100	$ 1,446,006	$ 583,094
D.	INCREASE / (DECREASE) DUE TO ACTUARIAL LOSSES / (GAINS) BECAUSE OF EXPERIENCE DEVIATIONS FROM EXPECTED			
	1. Age and Service Retirements			$ 3,696
	2. Disability Retirements			(272)
	3. Death-in-Service Benefits			18
	4. Withdrawals			(1,044)
	5. Salary Increases			3,746
	6. Investment Income			(21,397)
	7. Mortality of Annuitants			(7,766)
	8. Other Items			3,525
	9. Total			$ (19,494)
E.	UAAL AT END OF YEAR BEFORE PLAN AMENDMENTS AND CHANGES IN ACTUARIAL ASSUMPTIONS *(C + D.9)*			$ 563,600
F.	CHANGE IN UAAL DUE TO PLAN AMENDMENTS			6,763
G.	CHANGE IN UAAL DUE TO CHANGES IN ACTUARIAL ASSUMPTIONS			-
H.	UAAL AT END OF YEAR *(E + F + G)*			$ 570,363

Table 11
Amortization Layers
as of July 1, 2026

Unfunded Actuarial Accrued Liability							
Source of Unfunded Liability	Date Established	Initial Amount	Initial Period	Current Amount	Remaining Period 6/30/2026	Contribution (% of Payroll)**
Initial unfunded actuarial accrued liability	6/30/2024	$ 633,191	24 yrs.	$ 632,163	22 yrs.	12.59%
Experience (Gain)/Loss	6/30/2025	$ 5,290	15 yrs.	$ 5,159	14 yrs.	0.14%
Asset (Gain)/Loss	6/30/2025	$ (37,857)	15 yrs.	$ (36,921)	14 yrs.	(0.99)%
Assumption or Method Change	6/30/2025	$ 10,758	20 yrs.	$ 10,671	19 yrs.	0.23%
Contribution (Sufficiency)/Deficiency	6/30/2025	$ (9,199)	15 yrs.	$ (8,971)	14 yrs.	(0.24)%
Experience (Gain)/Loss	6/30/2026	$ 1,903	15 yrs.	$ 1,903	15 yrs.	0.05%
Asset (Gain)/Loss	6/30/2026	$ (21,397)	15 yrs.	$ (21,397)	15 yrs.	(0.55)%
Benefit Changes - Active	6/30/2026	$ 6,763	15 yrs.	$ 6,763	15 yrs.	0.17%
Contribution (Sufficiency)/Deficiency	6/30/2026	$ (19,007)	15 yrs.	$ (19,007)	15 yrs.	(0.49)%
Total				**$ 570,363**		**10.91%**

* *Calculated using 7.0% annual investment return rate.*

** *The amortization of the Unfunded Actuarial Accrued Liability (UAAL) using the current amortization method would result in initial payments less than the "interest only" payment on the UAAL; however, expected contributions to the plan are projected to reduce the UAAL due to the current contribution sufficiency. Payments less than the interest only amount would result in the UAAL increasing for an initial period of time.*

Table 12
Determination of Contribution Sufficiency
as of July 1, 2026

		Percent-of-Payroll	Dollar Amount
A.	STATUTORY CONTRIBUTIONS - CHAPTER 354A		
	1. Employee Contributions	8.00%	$ 28,673
	2. Employer Contributions		
	a. Regular	9.75%	34,945
	b. Additional	3.84%	13,763
	3. Supplemental Contribution		
	a. 1996 Legislation	0.23%	838
	b. 1997 Legislation	0.79%	2,827
	c. 2014 Legislation	1.95%	7,000
	d. 2018 Legislation	1.40%	5,000
	e. 2026 Legislation	0.95%	3,400
	4. Total	26.91%	$ 96,446
B.	REQUIRED CONTRIBUTIONS - CHAPTER 356		
	1. Normal Cost		
	a. Retirement Benefits	7.25%	$ 25,985
	b. Disability Benefits	0.15%	538
	c. Surviving Spouse and Child Benefits	0.07%	251
	d. Vested Withdrawals	1.71%	6,129
	e. Refund Liability Due to Death or Withdrawal	0.66%	2,366
	f. Total	9.84%	$ 35,269
	2. Supplemental Contribution Amortization	10.91%	39,103
	3. Allowance for Administrative Expenses	0.34%	1,219
	4. Total	21.09%	$ 75,591
C.	CONTRIBUTION SUFFICIENCY / (DEFICIENCY) (A.4 - B.4)	5.82%	$ 20,855

Projected Annual Payroll for Fiscal Year Beginning on the Valuation Date (determined by increasing reported pay for each member by one full year of assumed pay increase, according to the actuarial salary scale, as prescribed by the LCPR Standards for Actuarial Work), plus replacement payroll (described in Table 13)	$ 358,414

SECTION 4

ACTUARIAL METHODS AND ASSUMPTIONS

Table 13
Actuarial Methods and Assumptions
as of July 1, 2026

I. ACTUARIAL COST METHOD

An Actuarial Cost Method is a set of techniques used by the actuary to develop contribution levels under a retirement plan. The Actuarial Cost Method used in this valuation for all purposes is the Entry Age Actuarial Cost Method. Under this Method, a Normal Cost is developed by amortizing the actuarial value of benefits expected to be received by each active participant (as a level percentage of pay) over the total working lifetime of that participant, from hire to termination. Years of Service for valuation purposes was provided by the Retirement Fund. Age as of the valuation date was calculated based on the dates of birth provided by the Retirement Fund. Entry Age for valuation purposes was calculated as the age on the valuation date minus the years of service on the valuation date.

Payments on the unfunded actuarial accrued liability (UAAL) are determined by source as a level percentage of payroll each year assuming payroll increases of 2.50% per annum, and amortized according to the following closed statutory amortization periods, beginning in the valuation year in which they arise:

Source of UAAL	Closed Period
Legacy UAAL as of July 1, 2024	Period ending June 30, 2048
Experience gain or loss	15 years
Assumption or method changes	20 years
Active member benefit changes	15 years
Long-term inactive member benefit changes	15 years
Short-term inactive member benefit changes	Period during which benefit change is in effect
Statutory Contributions (per Chapter 354A) that are more or less than the Total Required Contribution (per Chapter 356)	15 years

As required by the Standards for Actuarial Work, projected payroll is 1) determined by increasing reported payroll for each member by one full year's assumed pay increase according to the actuarial salary scale and 2) multiplied by 0.964 in the determination of the present value of future payroll to account for timing differences. This statutory method produces a required contribution that is similar to, but slightly below, the contribution that would be produced by more common actuarial methods.

SPTRFA may consider synchronizing or accelerating bases with fewer than three years remaining in order to minimize potential volatility.

Table 13
Actuarial Methods and Assumptions
as of July 1, 2026

II. CURRENT ACTUARIAL ASSUMPTIONS

Assumptions are based on an experience study for the five-year period of July 1, 2016 to June 30, 2021, as well as a legislated change to the investment return assumption effective July 1, 2023. Note that significant plan changes effective July 1, 2023 and July 1, 2025 may ultimately result in behavior changes not anticipated in the actuarial assumptions. The Allowance for Combined Service Annuity assumptions are based on an analysis completed by the LCPR actuary and documented in a report dated February 2025.

A. Demographic Assumptions

Mortality:

1. Healthy and Disabled Annuitant Mortality:
    a. Male: Pub-2010 Male Healthy Teacher Retiree Mortality Table, adjusted for mortality improvements using projection scale MP-2021 from 2010. Rates are multiplied by a factor of 1.03.
    b. Female: Pub-2010 Female Healthy Teacher Retiree Mortality Table, adjusted for mortality improvements using projection scale MP-2021 from 2010. Rates are multiplied by a factor of 1.03.
2. Employee Mortality:
    a. Male: Pub-2010 Male Healthy Teacher Employee Mortality Table, adjusted for mortality improvements using projection scale MP-2021 from 2010.
    b. Female: Pub-2010 Female Healthy Teacher Employee Mortality Table, adjusted for mortality improvements using projection scale MP-2021 from 2010.

Table 13
Actuarial Methods and Assumptions
as of July 1, 2026

Mortality Expressed as Number of Occurrences per 10,000:

Age in 2026	Post-Retirement Mortality	
	Male	Female
55	21	19
56	24	21
57	27	23
58	30	25
59	33	27
60	37	30
61	40	32
62	45	34
63	49	37
64	54	40
65	60	43
66	66	46
67	73	50
68	81	55
69	90	61
70	100	68
71	112	76
72	126	86
73	142	98
74	160	112
75	181	128
76	206	147
77	234	168
78	265	194
79	302	223
80	344	256
81	392	294
82	447	338
83	510	388
84	583	444
85	665	509
86	759	581
87	863	663
88	980	756
89	1,110	859
90	1,254	975
91	1,411	1,105
92	1,578	1,248
93	1,755	1,405
94	1,939	1,572

Table 13
Actuarial Methods and Assumptions
as of July 1, 2026

Mortality Expressed as Number of Occurrences per 10,000:

Age in 2026	Pre-Retirement Mortality	
	Male	Female
25	2	1
26	2	1
27	2	1
28	2	1
29	3	2
30	3	2
31	3	2
32	4	2
33	4	2
34	4	3
35	5	3
36	5	3
37	5	3
38	6	3
39	6	4
40	6	4
41	6	4
42	6	4
43	7	4
44	7	4
45	7	5
46	8	5
47	8	5
48	9	6
49	10	6
50	11	7
51	11	7
52	12	8
53	13	8
54	15	9
55	16	10
56	18	11
57	19	12
58	21	13
59	24	15
60	26	16
61	29	18
62	32	19
63	35	21
64	39	23

Table 13
Actuarial Methods and Assumptions
as of July 1, 2026

Rates of Disability for males and females:

Disability Expressed as the Number of Occurrences per 10,000:

Age	Disability	Age	Disability
20	1	45	4
21	1	46	4
22	1	47	4
23	1	48	4
24	1	49	4
25	1	50	6
26	1	51	6
27	1	52	6
28	1	53	6
29	1	54	6
30	2	55	12
31	2	56	12
32	2	57	12
33	2	58	12
34	2	59	12
35	2	60	20
36	2	61	20
37	2	62	20
38	2	63	20
39	2	64	20
40	2		
41	2		
42	2		
43	2		
44	2		

Table 13
Actuarial Methods and Assumptions
as of July 1, 2026

Rates of Termination:

Year	Number of Terminations per 1,000 Active Members	
	Male	Female
1	450	450
2	235	200
3	160	120
4	75	95
5	65	75
6	55	70
7	40	60
8	35	50
9	30	50
10	30	50
11	30	40
12	30	30
13	30	25
14	25	20
15	25	20
16	25	20
17	20	20
18	10	18
19	10	15
20 & Over	10	10

Rates of Retirement:

Assumed Retirements Expressed as the Number of Occurrences per 10,000:

Age	Male Coordinated Members Eligible for Unreduced Early Retirement	Female Coordinated Members Eligible for Unreduced Early Retirement	Male Coordinated Members Not Eligible for Unreduced Early Retirement	Female Coordinated Members Not Eligible for Unreduced Early Retirement
55	2,500	3,500	500	500
56	3,500	3,000	500	500
57	3,000	2,000	500	500
58	2,500	2,500	700	500
59	2,500	3,000	700	700
60	2,500	3,000	1,200	900
61	3,000	3,000	800	1,000
62	5,000	3,500	2,000	1,800
63	3,000	3,000	2,500	2,100
64	2,500	2,500	2,500	2,100
65	10,000	10,000	3,000*	4,500*
66	10,000	10,000	3,500	5,000
67	10,000	10,000	4,000	4,500
68	10,000	10,000	3,500	3,000
69	10,000	10,000	3,500	2,500
70 & Over	10,000	10,000	10,000	10,000

** 2,800 for male members and 3,200 for female members hired after June 30, 1989 with a Normal Retirement Age equal to 66.*

Note: Members reaching age 62 with 30 years of service prior to age 65 are assumed to retire at the same rate as Rule of 90 retirements.

Table 13
Actuarial Methods and Assumptions
as of July 1, 2026

B. Economic Assumptions

Investment Return Rate: 7.00%

Price Inflation: 2.50% per year

Payroll Growth (Wage Inflation): 2.50% per year

Future Salary Increases: Service-based rates shown below:

Annual Salary Increases

Year	Ultimate Rate of Annual Salary Increases	Year	Ultimate Rate of Annual Salary Increases
1	8.00%	21	2.70%
2	6.75%	22	2.50%
3	6.50%	23 & Over	2.50%
4	6.25%		
5	6.00%		
6	5.75%		
7	5.50%		
8	5.25%		
9	5.00%		
10	4.75%		
11	4.50%		
12	4.25%		
13	4.00%		
14	3.75%		
15	3.50%		
16	3.40%		
17	3.30%		
18	3.20%		
19	3.10%		
20	2.90%		

Asset Value: The assets are valued based on a five-year moving average of expected and market values (five-year average actuarial value). At the end of each plan year, an average asset value is calculated as the average of the market asset value at the beginning and end of the fiscal year net of investment income for the fiscal year. The investment gain or (loss) is taken as the excess of actual investment income over the expected investment income based on the average asset value as calculated above. The investment gain or (loss) is recognized over five years at 20% per year. The asset value is the sum of the market asset value plus the scheduled recognition of investment gains or (losses) during the current and the preceding four fiscal years.

Table 13
Actuarial Methods and Assumptions
as of July 1, 2026

C. Other Assumptions

Marital Status:	It is assumed that 75% of male members and 60% of female members have an eligible spouse. The male spouse is assumed to be two years older than the female spouse. Married members are assumed to have two dependent children.
Deferred Benefit Commencement:	Basic Plan members who terminate vested are assumed to commence benefits at age 61. Coordinated Plan members are assumed to commence benefits at age 63. If the member is already past the assumed deferral age, the member is assumed to commence benefits one year from the valuation date.
Administrative Expenses:	Prior year administrative expenses (excluding investment expenses) are expressed as a percentage-of-payroll and then applied to current projected payroll.
Refund of Contributions:	All employees withdrawing after becoming eligible for a deferred benefit take the larger of their contributions accumulated with interest or the value of their deferred benefit. Account balances for deferred members accumulate interest until the assumed benefit commencement date and are discounted back to the valuation date.
Allowance for Combined Service Annuity:	28.0% load on liabilities for former, vested members. 58.0% load on liabilities for former, non-vested members.
Missing Salary and Salary Minimums:	Active members with reported salaries of $100 or less were assumed to have the average non-zero active salary. Active members with salaries less than those reported at the prior valuation date are valued using their prior salary amount. Active members who have been hired within one year of the valuation date have had their pay annualized by dividing by months of service credited, not to exceed the average non-zero active salary. For members on leave of absence at valuation date who were not on leave at the prior valuation date, the prior year's valuation pay was used.
Missing Data for Deferred Vested Members:	Deferred vested members without a reported benefit and without salary information were assumed to have a final average salary of $40,000.
Decrement Timing:	Retirement and Termination: end of valuation year – consistent with retirements and terminations occurring at the end of the school year. Death and Disability: middle of valuation year.
Eligibility Testing:	Eligibility for benefits is determined based upon the age nearest birthday and service nearest whole year on the date the decrement is assumed to occur.
Service Credit Accruals:	It is assumed that members accrue one year of service credit per year. Exact fractional service is used to determine the amount of benefit payable.

Table 13
Actuarial Methods and Assumptions
as of July 1, 2026

Supplemental Contributions:	1996 legislation provides for a variable amortization aid contribution paid annually on July 15. We assumed the annual amortization aid contribution will equal $838,000, which was the actual contribution for the most recent fiscal year. Additionally, annual supplemental contributions equal to $18,227,000 are scheduled to be paid each October 1. The contributions described herein will continue until the plan is 100% funded for three consecutive years or until June 30, 2048, whichever occurs earlier.
Projected Annual Payroll Calculation:	The census data as of July 1, 2026 reflects retirements and terminations occurring during the months of May and June; however, it does not necessarily reflect the replacements hired to fill their positions who may have hire dates in August and September. We assumed that May and June retirements are replaced by members coming in at the B.A. entry salary level of $59,756; the Projected Annual Payroll for the fiscal year ending June 30, 2027 includes this replacement salary amount.
Changes in Actuarial Methods and Assumptions Since the Prior Valuation:	There were no changes in actuarial assumptions since the prior valuation.

SECTION 5

BASIC PLAN

Table 3A
Basic Active Members as of June 30, 2026

There are no remaining Basic Active Members.

Table 4A
Basic Service Retirements as of June 30, 2026

Member Age	Years Retired									
	<5	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Over	ALL
<45	0	0	0	0	0	0	0	0	0	0
45-49	0	0	0	0	0	0	0	0	0	0
50-54	0	0	0	0	0	0	0	0	0	0
55-59	0	0	0	0	0	0	0	0	0	0
60-64	0	0	0	0	0	0	0	0	0	0
65-69	0	0	0	0	0	0	0	0	0	0
70-74	1	3	27	32	0	0	0	0	0	63
75-79	0	4	26	144	148	0	0	0	0	322
80-84	0	1	4	40	155	107	1	0	0	308
85-89	0	1	0	3	28	122	37	1	0	192
90+	0	0	0	0	2	41	55	22	4	124
ALL	1	9	57	219	333	270	93	23	4	1,009

AVERAGE ANNUAL BENEFIT

Member Age	Years Retired									
	<5	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Over	ALL
<45	0	0	0	0	0	0	0	0	0	0
45-49	0	0	0	0	0	0	0	0	0	0
50-54	0	0	0	0	0	0	0	0	0	0
55-59	0	0	0	0	0	0	0	0	0	0
60-64	0	0	0	0	0	0	0	0	0	0
65-69	0	0	0	0	0	0	0	0	0	0
70-74	11,380	22,879	36,703	48,101	0	0	0	0	0	41,432
75-79	0	42,597	41,618	49,693	48,260	0	0	0	0	48,294
80-84	0	156,900	27,094	49,983	46,346	38,648	31,034	0	0	44,203
85-89	0	141,807	0	39,935	65,022	47,277	46,895	72,863	0	50,302
90+	0	0	0	0	64,912	50,194	50,181	32,759	30,785	46,706
ALL	11,380	59,748	38,271	49,380	48,878	44,300	48,668	34,502	30,785	46,804

Total Annual Benefit (IN THOUSANDS) by Years RETIRED

	<5	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Over	ALL
ALL	11	538	2,181	10,814	16,276	11,961	4,526	794	123	47,225

Numbers may not add due to rounding.

Table 5A
Basic Disability Retirements as of June 30, 2026

There are no remaining Basic Disability Retirees.

Table 6A
Basic Survivors as of June 30, 2026

Age	Years Since Member Death									
	<5	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Over	ALL
<45	0	0	0	0	0	0	0	0	0	0
45-49	0	0	0	0	0	0	0	0	0	0
50-54	0	0	0	0	0	0	0	0	0	0
55-59	1	0	0	0	0	0	0	0	0	1
60-64	0	0	2	0	0	0	0	0	0	2
65-69	3	1	3	0	0	0	0	0	1	8
70-74	8	4	1	2	2	0	0	0	1	18
75-79	19	4	4	1	3	1	2	1	0	35
80-84	20	17	7	5	3	0	3	0	4	59
85-89	33	15	11	11	3	3	2	1	3	82
90+	19	15	9	8	4	7	2	1	4	69
ALL	103	56	37	27	15	11	9	3	13	274

AVERAGE ANNUAL BENEFIT

Age	Years Since Member Death									
	<5	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Over	ALL
<45	0	0	0	0	0	0	0	0	0	0
45-49	0	0	0	0	0	0	0	0	0	0
50-54	0	0	0	0	0	0	0	0	0	0
55-59	70,784	0	0	0	0	0	0	0	0	70,784
60-64	0	0	4,907	0	0	0	0	0	0	4,907
65-69	27,396	37,271	24,992	0	0	0	0	0	13,425	25,983
70-74	39,167	32,161	1,302	35,838	9,261	0	0	0	1,119	29,700
75-79	39,664	36,633	58,366	38,126	27,158	22,066	43,613	23,571	0	39,602
80-84	45,434	42,545	45,697	24,398	40,952	0	24,352	0	24,224	40,112
85-89	42,996	44,454	31,366	41,450	47,230	64,169	36,128	16,731	22,546	41,189
90+	40,457	51,997	65,713	34,024	45,849	38,497	23,996	41,187	31,844	44,662
ALL	41,905	44,330	42,591	35,553	36,529	44,005	31,170	27,163	23,573	40,273

Total Annual Benefit (IN THOUSANDS) by Years Since Member Death

	<5	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Over	ALL
ALL	4,316	2,482	1,576	960	548	484	281	81	306	11,035

Numbers may not add due to rounding.

Table 12A
Basic Determination of Contribution Sufficiency
as of July 1, 2026
(Dollars in Thousands)

There are no remaining Basic Active Members.

Summary of Benefit Provisions for Basic Members as of July 1, 2026

PARTICIPANTS

Licensed Educators first employed prior to July 1, 1978 by schools in the City of St. Paul or St. Paul College whose position requires a license from the Minnesota Professional Educator Licensing and Standards Board, who are not covered under the Social Security Act.

There are no remaining active Basic Members.

ACCREDITED SERVICE

Service which has been verified and accredited by the Association for the purpose of determining contributions and benefits (may include service earned while working outside of St. Paul Public Schools, previous St. Paul service, military service and governmental service).

ALLOWABLE ST. PAUL SERVICE

Service earned as a licensed educator in the St. Paul Public Schools, in the St. Paul College, or as an employee of the Association. Also includes service credited after receipt of payment as required, for licensed educators on leave.

SALARY

Total compensation earned during a school year (July 1 to June 30) excluding lump sum payments for unused leave at termination and employer-paid insurance coverage.

Summary of Benefit Provisions for Basic Members as of July 1, 2026

AVERAGE SALARY

Average of the highest 5 years of salary during the last 10 years of St. Paul service while making contributions.

NORMAL RETIREMENT BENEFIT

Eligibility

Attainment of age 65 and 5 years of Accredited Service.

Benefit

2.50 percent of Average Salary for each year of Accredited Service.

EARLY RETIREMENT BENEFIT

Eligibility

Attainment of age 55 and 5 years of Accredited Service.

Benefit

The greater of the following benefits:

- 2.00 percent of Average Salary per year of Accredited Service, subject to a maximum of 40 years with a 0.25 percent reduction for each month the member is under age 65. If the member has 25 years of Accredited Service, the reduction is taken from age 60, therefore no reduction is required if the member is age 60 or older. No reduction is taken if age plus years of Accredited Service totals at least 90.
- 2.50 percent of Average Salary per year of Accredited Service, subject to a maximum of 40 years, reduced for each month the member is under age 65 using linear interpolation of the table listed below.

Age at Retirement	Reduction Factor
55	0.4200
56	0.4600
57	0.5000
58	0.5400
59	0.5800
60	0.6500
61	0.7200
62	0.7900
63	0.8600
64	0.9300
65	1.0000

Summary of Benefit Provisions for Basic Members as of July 1, 2026

DISABILITY RETIREMENT BENEFIT

Eligibility

Total and permanent disablement before attaining age 65 and 5 years of Accredited Service.

Benefit

If the member is under age 65, 75 percent of the member's annual contract salary less any Social Security and Workers' Compensation benefits payable until age 65. At age 65, a normal retirement benefit is calculated using the projected service and average salary as if the member had continued to teach in their position held at the time of disability. Members age 65 or older at time of disability receive a normal retirement benefit.

DEFERRED RETIREMENT BENEFIT

Eligibility

5 years of Accredited Service.

Benefit

Benefit computed under law in effect at termination and payable as a normal or early retirement benefit. For members hired on or before June 30, 2006, the benefit is augmented at 3.00 percent compounded annually from the 1st of the month following termination until the January 1st after turning age 55 and then augmented at 5.00 percent compounded annually from that date to July 1, 2012. For members hired after June 30, 2006, the benefit is augmented at 2.50 percent compounded annually from the 1st of the month following termination to July 1, 2012. Augmentation for all members, regardless of hire date, changed to 2.00 percent as of July 1, 2012 for the portion of benefit deferral which occurs after June 30, 2012 to June 30, 2019. After June 30, 2019, benefits are not augmented.

PRE-RETIREMENT SURVIVOR BENEFIT (Family Benefit)

Eligibility

Active member with five years of Accredited Service.

Benefit

- Children's Benefit: 25 percent of the maximum Bachelor of Arts salary for the year in which the member died for each eligible child up to a maximum of two. Benefits are paid until the child attains age 18, or 22 for full-time students.
- Spousal Benefit: 15 percent of the maximum Bachelor of Arts salary for an eligible spouse who has legal custody of an eligible child. Spousal benefits cease when the spouse remarries, dies, or elects the regular survivor benefit. Electing the regular survivor benefit does not disqualify the child from receiving the family benefit.

Summary of Benefit Provisions for Basic Members as of July 1, 2026

SURVIVOR BENEFIT (Active or Retired Member)

Eligibility

Active member or retired member with five years of Accredited Service. A surviving spouse must have been married to the member for three years at the earlier of death or retirement.

Benefit

Retirement benefit earned at the time of death or retirement, whichever is earlier, reduced by the use of 100 percent joint survivorship tables, based on the ages of the member and survivor at the time of retirement.

REFUND OF CONTRIBUTIONS

Eligibility

Termination or death where no annuity is payable.

Benefit

Member contributions with 6.00 percent interest accrued through June 30, 2011, 4.00 percent interest accrued through June 30, 2018, and 3.00 percent interest thereafter.

REEMPLOYED ANNUITANTS

The School District shall make the regular employer contribution and additional employer contribution, plus a supplemental contribution equal to 2.5 percent of salary, on behalf of any retired member who is reemployed by the School District. Reemployed annuitants do not accrue additional benefits.

NORMAL FORM OF RETIREMENT BENEFITS

Unreduced annuity payments made until the death of the member, with a 100 percent Joint and Survivor adjusted pension payable to the surviving beneficiary.

BENEFIT INCREASES

1.0 percent per year on January 1.

For retirements on and after July 1, 2024, the first benefit increase is delayed until the retiree reaches Normal Retirement Age (not applicable to Rule of 90 retirees, Rule of 62/30 retirees, disability benefit recipients, or survivors).

Summary of Benefit Provisions for Basic Members as of July 1, 2026

CHANGES IN PLAN PROVISIONS

There were no changes in plan provisions since the prior valuation.

SECTION 6

COORDINATED PLAN

Table 3B
Coordinated Active Members as of June 30, 2026

All remaining active members are Coordinated. Please refer to Table 3 for active member statistics.

Table 4B
Coordinated Service Retirements as of June 30, 2026

	Years Retired									
Age	**<5**	**5-9**	**10-14**	**15-19**	**20-24**	**25-29**	**30-34**	**35-39**	**40 & Over**	**ALL**
<45	0	0	0	0	0	0	0	0	0	0
45-49	0	0	0	0	0	0	0	0	0	0
50-54	0	0	0	0	0	0	0	0	0	0
55-59	34	0	0	0	0	0	0	0	0	34
60-64	213	99	1	0	0	0	0	0	0	313
65-69	346	273	77	1	0	0	0	0	0	697
70-74	84	321	294	93	1	0	0	0	0	793
75-79	16	93	263	232	59	0	0	0	0	663
80-84	1	11	43	148	93	34	0	0	0	330
85-89	1	1	6	20	52	35	10	0	0	125
90+	0	0	3	3	10	15	11	1	0	43
ALL	695	798	687	497	215	84	21	1	0	2,998

AVERAGE ANNUAL BENEFIT

	Years Retired									
Age	**<5**	**5-9**	**10-14**	**15-19**	**20-24**	**25-29**	**30-34**	**35-39**	**40 & Over**	**ALL**
<45	0	0	0	0	0	0	0	0	0	0
45-49	0	0	0	0	0	0	0	0	0	0
50-54	0	0	0	0	0	0	0	0	0	0
55-59	19,045	0	0	0	0	0	0	0	0	19,045
60-64	32,754	28,774	30,904	0	0	0	0	0	0	31,509
65-69	23,584	24,755	18,092	33,536	0	0	0	0	0	23,449
70-74	13,826	22,503	22,529	20,009	3,415	0	0	0	0	21,277
75-79	7,711	13,451	19,560	21,494	15,826	0	0	0	0	18,762
80-84	5,584	6,117	16,056	21,331	19,158	12,084	0	0	0	18,524
85-89	453	1,334	1,986	20,283	16,225	16,289	9,934	0	0	15,460
90+	0	0	11,081	12,424	14,369	17,521	16,781	5,256	0	15,509
ALL	24,615	22,744	20,273	21,089	17,238	14,807	13,521	5,256	0	21,649

	Total Annual Benefit (IN THOUSANDS) by Years RETIRED									
	<5	**5-9**	**10-14**	**15-19**	**20-24**	**25-29**	**30-34**	**35-39**	**40 & Over**	**ALL**
ALL	17,107	18,150	13,927	10,481	3,706	1,244	284	5	0	64,904

Numbers may not add due to rounding.

Table 5B
Coordinated Disability Retirements as of June 30, 2026

All remaining disability retirements are Coordinated. Please refer to Table 5 for disability retirement statistics.

Table 6B
Coordinated Survivors as of June 30, 2026

	Years Since Member Death									
Age	**<5**	**5-9**	**10-14**	**15-19**	**20-24**	**25-29**	**30-34**	**35-39**	**40 & Over**	**ALL**
<45	8	10	0	0	0	0	0	0	0	18
45-49	4	2	2	1	0	0	0	0	0	9
50-54	2	4	0	1	0	0	0	0	0	7
55-59	5	2	0	1	0	0	0	0	0	8
60-64	2	1	1	0	0	0	0	0	0	4
65-69	8	1	2	2	0	0	0	0	0	13
70-74	9	8	3	3	1	0	0	0	0	24
75-79	11	7	6	0	2	0	0	0	1	27
80-84	13	4	6	2	2	0	0	0	0	27
85-89	5	1	1	2	0	0	0	0	0	9
90+	1	1	0	1	1	0	0	0	0	4
ALL	68	41	21	13	6	0	0	0	1	150

AVERAGE ANNUAL BENEFIT

	Years Since Member Death									
Age	**<5**	**5-9**	**10-14**	**15-19**	**20-24**	**25-29**	**30-34**	**35-39**	**40 & Over**	**ALL**
<45	9,517	11,647	0	0	0	0	0	0	0	10,701
45-49	10,974	14,463	9,098	7,954	0	0	0	0	0	10,997
50-54	10,729	5,203	0	7,954	0	0	0	0	0	7,175
55-59	6,649	7,290	0	581	0	0	0	0	0	6,051
60-64	2,211	18,678	2,080	0	0	0	0	0	0	6,295
65-69	20,210	70,739	22,807	4,203	0	0	0	0	0	22,034
70-74	16,335	17,571	15,830	17,031	751	0	0	0	0	16,121
75-79	18,591	18,698	17,860	0	15,981	0	0	0	35,870	18,903
80-84	18,199	13,306	14,747	16,672	12,475	0	0	0	0	16,170
85-89	7,259	1,635	18,504	15,589	0	0	0	0	0	9,735
90+	1,650	7,779	0	15,849	28,815	0	0	0	0	13,523
ALL	14,219	14,739	15,597	12,027	14,413	0	0	0	35,870	14,516

	Total Annual Benefit (IN THOUSANDS) by Years Since Member Death									
	<5	**5-9**	**10-14**	**15-19**	**20-24**	**25-29**	**30-34**	**35-39**	**40 & Over**	**ALL**
ALL	967	604	327	156	86	0	0	0	36	2,177

Numbers may not add due to rounding.

Table 12B
Coordinated Determination of Contribution Sufficiency
as of July 1, 2026
(Dollars in Thousands)

All remaining active members are Coordinated. Please refer to Table 12 for Normal Cost and payroll of active members.

Summary of Benefit Provisions for Coordinated Members as of July 1, 2026

STATUTORY CONTRIBUTIONS

Statutory contribution rates for members and their employers are shown as a percent-of-pay below.

Contribution after June 30,	Member	Employer Regular	Employer Additional
2023	7.75%	9.00%	3.84%
2024	7.50%	9.00%	3.84%
2025	8.75%	9.75%	3.84%
2026	8.00%	9.75%	3.84%

SUPPLEMENTAL CONTRIBUTIONS

1996 legislation provides for a variable amortization aid contribution paid annually on July 15. The actual contribution during the past fiscal year was $838,000.

Annual supplemental contributions of $14,827,000 will be contributed by the State of Minnesota each October 1. The contributions will continue until the earlier of the Plan achieving 100% funded ratio for three consecutive years, or June 30, 2048.

Additional state aid in the amount of $3,400,000 will be paid annually by the State of Minnesota. The contributions will continue until the earlier of the Plan achieving 100% funded ratio for three consecutive years, or June 30, 2048.

PARTICIPANTS

Licensed educators in the public schools of the City of St. Paul, excluding charter schools, whose position requires a license from the Minnesota Professional Educator Licensing and Standards Board, and who are covered under the Social Security Act and make contributions to the St. Paul Teachers' Retirement Fund Association, are covered under the Coordinated Plan.

ALLOWABLE SERVICE

Service earned as a licensed educator in the St. Paul Public Schools, in the St. Paul College, or in certain charter schools, or as an employee of the Association. Also includes service credited after receipt of payment as required, for licensed educators on leave. Service is granted on a proportional basis for part-time teachers.

Summary of Benefit Provisions for Coordinated Members as of July 1, 2026

SALARY

Total compensation excluding lump sum payments for unused leave at termination and employer-paid insurance coverage.

AVERAGE SALARY

Average of the highest five successive years of salary while making contributions. In cases where the Allowable Service is less than five years, Average Salary is based on the Allowable Service years.

NORMAL RETIREMENT BENEFIT

Eligibility

Three years of Allowable Service. The eligibility age is 65 for those hired before July 1, 1989. The eligibility age is the earlier of eligibility for full Social Security retirement benefits to a maximum of age 66 for those hired on or after July 1, 1989 and retired prior to July 1, 2025. Beginning July 1, 2025, the eligibility age is 65 for all members. A Proportionate Retirement Annuity is available at Normal Retirement Age with one year of Allowable Service.

Benefit

1.70 percent of Average Salary for each year of Allowable Service rendered before July 1, 2015 and 1.90 percent of Average Salary for each year of Allowable Service rendered after June 30, 2015.

Summary of Benefit Provisions for Coordinated Members as of July 1, 2026

EARLY RETIREMENT BENEFIT

Eligibility

Attainment of age 55 and 3 years of Allowable Service.

Benefit

Members hired before July 1, 1989 are eligible for the greater of the following benefits. Members hired after July 1, 1989 are eligible for the benefits shown in item (b):

a) For the first 10 years of Allowable Service, 1.20 percent of Average Salary for each year of Allowable Service rendered prior to July 1, 2015, plus 1.40 percent of Average Salary for each year of Allowable Service rendered after June 30, 2015. Additionally, for each subsequent year of Allowable Service in excess of 10 years, 1.70 percent of Average Salary for each year rendered prior to July 1, 2015, plus 1.90 percent of Average Salary for each year rendered after June 30, 2015. There is a reduction of 0.25 percent for each month the member is under age 65, or under age 62 with 30 years of Allowable Service. No reduction applies if the age plus years of service totals at least 90.

b) 1.70 percent of Average Salary per year of Allowable Service rendered before July 1, 2015 and 1.90 percent of Average Salary for each year of service rendered after June 30, 2015 reduced for each month the member is under the Normal Retirement Age using linear interpolation of the factors in the tables listed below. No reduction applies if the member is at least age 62 with at least 30 years of service.

	Reduction Factor	
	Under Age 62 or Less than 30 Years of Service	
Normal Retirement Age:	65	66
Age at Retirement		
55	0.4200	0.3500
56	0.4600	0.3900
57	0.5000	0.4300
58	0.5400	0.4700
59	0.5800	0.5100
60	0.6500	0.5800
61	0.7200	0.6500
62	0.7900	0.7200
63	0.8600	0.7900
64	0.9300	0.8600
65	1.0000	0.9300
66		1.0000

Summary of Benefit Provisions for Coordinated Members as of July 1, 2026

DISABILITY RETIREMENT BENEFIT

Eligibility

Total and permanent disablement and three years of Allowable Service with service earned within the current fiscal year and at least two years of Allowable Service since the last interruption in service.

Benefit

Calculated as a normal retirement benefit payable for life without reduction for early commencement. At normal retirement age, the benefit converts from a disability benefit to a retirement benefit. The disability benefit is reduced by any Workers' Compensation benefits payable.

DEFERRED RETIREMENT BENEFIT

Eligibility

Three years of Allowable Service.

Benefit

Benefit computed under law in effect at termination and payable as a normal or early retirement benefit. For members hired on or before June 30, 2006, the benefit is augmented at 3.00 percent compounded annually from the 1st of the month following termination until the January 1st after turning age 55 and then augmented at 5.00 percent compounded annually from that date to July 1, 2012. For members hired after June 30, 2006, the benefit is augmented at 2.50 percent compounded annually from the 1st of the month following termination to July 1, 2012. Augmentation for all members, regardless of hire date, changed to 2.00 percent as of July 1, 2012 for the portion of benefit deferral which occurs after June 30, 2012 to June 30, 2019. After June 30, 2019, benefits are not augmented.

SURVIVOR BENEFIT (Active Members)

Eligibility

Active member with three years of Allowable service. A surviving spouse is defined as the person legally married to the member at the time of death. If none, a dependent child who is the legal child of the member, who is less than 20 years of age and unmarried.

Benefit

Retirement benefit earned at the time of death with choices for either a reduced for 100 percent joint survivorship, or 5-, 10-, 15-, or 20-year term certain. The benefit is available immediately upon application. Actuarial reductions assuming 2.5 percent augmentation for the calculation of the survivorship portion of a 100 percent joint and survivor benefit are actuarially determined based on the member's and survivor's ages at the death of the member.

Early retirement reductions apply to the survivor benefit based on the member's age when deceased. If the deceased member had not yet attained age 55 at time of death, the additional early retirement reduction from age 55 to the age of the member at death applies at only one-half of the actuarial rate.

Summary of Benefit Provisions for Coordinated Members as of July 1, 2026

REFUND OF CONTRIBUTIONS

Eligibility

Termination or death where no annuity is payable or a refund of contributions is chosen in lieu of an annuity.

Benefit

Member contributions with 6.00 percent interest accrued through June 30, 2011, 4.00 percent interest accrued through June 30, 2018, and 3.00 percent interest thereafter.

REEMPLOYED ANNUITANTS

The School District shall make the regular employer contribution and additional employer contribution, plus a supplemental contribution equal to 2.5 percent of salary, on behalf of any retired member who is reemployed by the School District. Reemployed annuitants do not accrue additional benefits.

NORMAL FORM OF RETIREMENT BENEFITS

Straight life annuity. Actuarially equivalent options are available to provide post-retirement beneficiary or survivor benefits.

BENEFIT INCREASES

1.0 percent per year on January 1.

For retirements on and after July 1, 2024, the first benefit increase is delayed until the retiree reaches Normal Retirement Age (not applicable to Rule of 90 retirees, Rule of 62/30 retirees, disability benefit recipients, or survivors).

CHANGES IN PLAN PROVISIONS

Member contributions were scheduled to increase to 9.00% on July 1, 2026; legislation decreased the 9.0% contribution rate to 8.0% effective July 1, 2026.

Additional state aid in the amount of $3.4 million annually will be paid by the State of Minnesota until the earlier of full funding for three consecutive years and July 1, 2048.

SECTION 7

ADDITIONAL DISCLOSURES

Table 14
Additional Disclosures – Schedule of Funding Progress
(Dollars in Thousands)

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (B)	Unfunded AAL (UAAL) (B)-(A)	Funded Ratio (A)/(B)	Actual Covered Payroll (Previous FY) (C)	UAAL as % of Covered Payroll ((B)-(A))/(C)
07/01/99	$ 704,233	$ 938,847	$ 234,614	75.01%	$ 178,254	131.62%
07/01/00	801,823	998,253	196,430	80.32%	187,950	104.51%
07/01/01	869,045	1,060,931	191,886	81.91%	202,915	94.56%
07/01/02	899,572	1,141,300	241,728	78.82%	201,456	119.99%
07/01/03	898,760	1,189,361	290,601	75.57%	205,655	141.31%
07/01/04	898,860	1,251,460	352,600	71.82%	221,685	159.05%
07/01/05	905,292	1,299,832	394,540	69.65%	223,762	176.32%
07/01/06	938,919	1,346,072	407,153	69.75%	226,351	179.88%
07/01/07	1,015,722	1,380,151	364,429	73.59%	229,172	159.02%
07/01/08	1,075,951	1,432,040	356,089	75.13%	235,993	150.89%
07/01/09	1,049,954	1,454,314	404,360	72.20%	243,166	166.29%
07/01/10	1,001,444	1,471,630	470,185	68.05%	239,996	195.91%
07/01/11	972,718	1,389,875	417,157	69.99%	239,738	174.01%
07/01/12	911,930	1,471,216	559,286	61.98%	239,053	233.96%
07/01/13	886,296	1,467,350	581,054	60.40%	247,432	234.83%
07/01/14	947,972	1,533,603	585,631	61.81%	259,740	225.47%
07/01/15	999,736	1,596,770	597,034	62.61%	263,844	226.28%
07/01/16	1,007,360	1,592,570	585,210	63.25%	258,787	226.14%
07/01/17	1,038,467	1,611,208	572,741	64.45%	264,342	216.67%
07/01/18	1,067,675	1,676,193	608,518	63.70%	263,122	231.27%
07/01/19	1,079,552	1,691,721	612,169	63.81%	268,614	227.90%
07/01/20	1,090,243	1,691,236	600,993	64.46%	274,667	218.81%
07/01/21	1,159,954	1,729,621	569,667	67.06%	279,916	203.51%
07/01/22	1,203,096	1,750,421	547,325	68.73%	304,227	179.91%
07/01/23	1,234,225	1,891,617	657,392	65.25%	296,674	221.59%
07/01/24	1,299,916	1,933,107	633,191	67.24%	319,667	198.08%
07/01/25	1,384,185	1,986,406	602,221	69.68%	321,336	187.41%
07/01/26	1,467,403	2,037,766	570,363	72.01%	340,463	167.53%

Table 15
Additional Disclosures – Schedule of Employer Contributions
(Dollars in Thousands)

Year Ended June 30	Total Actuarially Required Contribution (ARC) Rate (A)	Actual Covered Payroll (B)	Actual Member Contributions (C)	Total ARC Net of Member Contributions (D) = [(A)*(B)]-(C)	Actual Employer Contributions [1] (E)	Percentage Contributed (E) / (D)
2000	18.09%	$ 187,950	$ 13,184	$ 20,816	$ 22,622	108.68%
2001	16.57%	202,915	13,170	20,453	23,569	115.23%
2002	15.81%	201,456	14,468	17,382	24,216	139.32%
2003	18.56% [2]	205,655	14,222	23,948	23,370	97.59%
2004	20.36%	221,685	14,308	30,827	23,771	77.11%
2005	21.59%	223,762	13,587	34,723	23,833	68.64%
2006	23.78%	226,351	13,453	40,373	24,015	59.48%
2007	24.55%	229,172	13,438	42,823	24,117	56.32%
2008	23.40%	235,993	13,642	41,580	24,285	58.40%
2009	17.63%	243,166	13,864	29,007	24,844	85.65%
2010	18.40%	239,996	13,832	30,328	25,126	82.85%
2011	19.84%	239,738	13,745	33,819	25,090	74.19%
2012	18.37%	239,053	14,117	29,797	25,109	84.27%
2013	22.87%	247,432	15,164	41,424	26,445	63.84%
2014	22.13%	259,740	16,564	40,916	35,197	86.02%
2015	21.94%	263,844	17,567	40,320	36,711	91.05%
2016	22.26%	258,787	18,538	39,068	37,228	95.29%
2017	22.44%	264,342	20,146	39,172	38,350	97.90%
2018	22.16%	263,122	20,112	38,196	39,209	102.65%
2019	21.54%	268,614	20,626	37,233	46,981	126.18%
2020	21.87%	274,667	20,889	39,181	49,804	127.11%
2021	21.58%	279,916	21,334	39,072	50,916	130.31%
2022	20.51%	304,227	23,099	39,298	54,735	139.28%
2023	19.96%	296,674	22,420	36,796	54,688	148.62%
2024	24.50%	319,667	25,265	53,053	73,792	139.09%
2025	23.52%	321,336	24,597	50,981	60,183	118.05%
2026	22.48%	340,463	30,566	45,970	63,494	138.12%

[1] *Includes contributions from other sources (if applicable).*

[2] *Actuarially Required Contribution Rate prior to change in Actuarial Assumptions is 16.19%.*

Table 16
Additional Disclosures – Development of the Fund
(Dollars in Thousands)

Year Ended June 30	Employer Contributions	Member Contributions	Supplemental Contributions*	Actuarial Net Investment Return	Administrative Expenses	Benefit Payments	Actuarial Value of Assets EOY
2009	$ 21,501	$ 13,864	$ 3,343	$ 28,924	$ 605	$ 93,024	$ 1,049,954
2010	21,018	13,832	4,108	9,496	602	96,362	1,001,444
2011	21,013	13,745	4,077	31,391	722	98,230	972,718
2012	21,452	14,117	3,658	3,447	736	102,726	911,930
2013	22,780	15,164	3,665	37,919	751	104,411	886,296
2014	24,532	16,564	10,665	117,499	739	106,845	947,972
2015	25,505	17,567	11,206	107,987	748	109,753	999,736
2016	26,433	18,538	10,795	64,402	749	111,795	1,007,360
2017	27,543	20,146	10,807	87,243	889	113,743	1,038,467
2018	28,199	20,112	11,010	86,771	786	116,098	1,067,675
2019	30,919	20,626	16,062	62,114	764	117,080	1,079,552
2020	33,861	20,889	15,943	59,348	788	118,562	1,090,243
2021	35,111	21,334	15,805	117,492	779	119,252	1,159,954
2022	38,731	23,099	16,004	87,791	927	121,556	1,203,096
2023	38,586	22,420	16,102	79,100	1,193	123,886	1,234,225
2024	41,954	25,265	31,838	94,750	811	127,305	1,299,916
2025	41,744	24,597	18,439	127,222	1,018	126,715	1,384,185
2026	46,633	30,566	16,861	117,009	1,158	126,693	1,467,403

** Includes employer contributions for re-employed annuitants.*

Table 17
Additional Disclosures – Supplementary Information

Valuation Date	July 1, 2026
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent of Pay, Closed, Assuming 2.50 Percent Payroll Growth
Amortization Period	Layered Amortization

Source of UAAL	Closed Period
Legacy UAAL as of July 1, 2024	Period ending June 30, 2048
Experience gain or loss	15 years
Assumption or method changes	20 years
Active member benefit changes	15 years
Long-term inactive member benefit changes	15 years
Short-term inactive member benefit changes	Period during which benefit change is in effect
Statutory Contributions (per Chapter 354A) that are more or less than the Total Required Contribution (per Chapter 356)	15 years

Asset Valuation Method 5-Year Smoothed Market

Actuarial Assumptions:

Investment rate of return	7.00 percent
Projected salary increases	2.50 percent - 8.00 percent; service based

Plan Membership:

Active Members	3,565
Retirees and Beneficiaries	4,457
Terminated Vested Members	2,649
Other Non-Vested Terminated Members	3,129
Total	13,800