Teachers' Retirement System of the State of Illinois

Actuarial Valuation and Review as of June 30, 2025

January 12, 2026

This valuation report should only be copied, reproduced, or shared with other parties in its entirety as necessary for the proper administration of the System.

Segal

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January 12, 2026

Board of Trustees
Teachers' Retirement System of the State of Illinois
2815 West Washington Street
Springfield, Illinois 62702

Dear Board of Trustees Members:

We are pleased to submit the results of the annual valuation of the assets and liabilities of the Teachers' Retirement System of the State of Illinois (TRS or System) as of June 30, 2025. This report has been prepared in accordance with the funding policy specified under the Illinois Pension Code (40 ILCS 5/16). This valuation considers all pension benefits members are entitled to.

Actuarial Assumptions and Methods

The valuation was based on the actuarial assumptions adopted by the Board of Trustees, reflecting the three-year demographic and economic experience review covering the period July 1, 2020, through June 30, 2023, presented at the August 16, 2024, Board meeting, and the economic experience review presented at the June 18, 2025, Board meeting. In our opinion, the actuarial assumptions as approved by the Board are reasonably related to the experience of and the expectations for the System. The actuarial assumptions and methods used for funding purposes meet the parameters set by Actuarial Standards of Practice. The methods mandated by the Illinois Pension Code are inadequate to appropriately fund TRS.

Assets and Membership Data

Segal does not audit the data provided. Those who supply the data are responsible for its accuracy and completeness. To the extent we can, however, Segal does review the data for reasonableness and consistency. Based on our review of the data, we have no reason to doubt the substantial accuracy of the information on which we have based this report and we have no reason to believe there are facts or circumstances that would affect the validity of these results. TRS reported to the actuary the individual data for members of the System as of the prior valuation date. Valuation results are projected, based upon the actuarial assumptions, to account for the one-year difference between the date of the census data and the valuation date. The impact on the valuation due to the census data that lags one year behind the valuation date has been studied and deemed immaterial. The amount of assets in the trust fund as of the valuation date was based on statements prepared by TRS.

Funding Adequacy

The member and employer contribution rates are determined in accordance with the funding policy specified under the Illinois Pension Code (40 ILCS 5/16). The member contribution rate is 9.0%, which is comprised of 7.5% toward the cost of the retirement annuity, 0.5% toward the cost of the automatic annual increase in the retirement annuity, and 1.0% for survivor benefits. The employer contributions are determined such that, together with the member contributions, the System is projected to achieve 90% funding by 2045. The 2045 funding objective of 90% was set in 1994 as a 50-year objective. TRS members have always contributed their share. **The State funding has been inadequate, resulting in TRS being among the worst funded public employee retirement systems in the United States. We strongly recommend an actuarial funding method that targets 100% funding. Generally, this implies payments that are ultimately at least enough to cover normal cost, interest on the unfunded actuarial accrued liability, and the principal balance**. The funding policy adopted by the Board, referred to as the Board-Adopted Actuarial Funding Policy, meets this standard.

The valuation indicates that for the fiscal year ended June 30, 2025, the actuarial experience of TRS generated a net actuarial gain of $1.21 billion. This gain is the result of a $1.52 billion gain due to investment return experience (on an actuarial value basis; TRS experienced an investment gain of $1.94 billion on a fair value basis) and a loss of $0.31 billion (0.2% of the actuarial accrued liability) due to non-investment related experience for fiscal 2025.

Actuarial Certification

In preparing the results presented in this report, we have relied upon information TRS staff provided to us regarding the benefit provisions, System members, benefit payments and unaudited plan assets. While the scope of our engagement did not call for us to perform an audit or independent verification of this information, we have reviewed this information for reasonableness. The accuracy of the results presented in this report is dependent upon the accuracy and completeness of the underlying information.

The measurements shown in this actuarial valuation may not be applicable for other purposes. 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; and changes in plan provisions or applicable law.

In our opinion, the results presented comply with the Illinois Pension Code and, where applicable, the Internal Revenue Code, and the Statements of the Governmental Accounting Standards Board. While all calculations have been made in conformity with generally accepted actuarial principles and practices, and with the Actuarial Standards of Practice issued by the Actuarial Standards Board, this does not endorse the funding methodology required by the Illinois Pension Code.

The actuarial calculations were directed under the supervision of Matthew A. Strom and Tanya Dybal. We are members of the American Academy of Actuaries and we meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of our knowledge, the information supplied in this actuarial valuation is complete and accurate. The assumptions used in this actuarial valuation were selected by the Board based upon our analysis and recommendations. In our opinion, the assumptions are reasonable and take into account the experience of the System and reasonable expectations. In addition, in our opinion, the combined effect of these assumptions is expected to have no significant bias.

Segal makes no representation or warranty as to the future status of the System and does not guarantee any particular result. This document does not constitute legal, tax, accounting or investment advice or create or imply a fiduciary relationship. The Board is encouraged to discuss any issues raised in this report with the System's legal, tax and other advisors before taking, or refraining from taking, any action.

We look forward to reviewing this report at your next meeting and to answering any questions.

Sincerely,

Segal

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Senior Vice President and Actuary

Tanya Dybal, FSA, MAAA, EA
Vice President and Actuary

Daniel J. Siblik, ASA, FCA, MAAA, EA
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Section 1: Actuarial Valuation Summary

Overview of TRS

The Teachers' Retirement System of the State of Illinois (TRS) was established by the State of Illinois on July 1, 1939, to provide retirement, disability, and death benefits to teachers employed by Illinois public elementary and secondary schools outside the City of Chicago. TRS is the administrator of a cost-sharing, multiple-employer defined benefit public employee retirement system. Membership is mandatory for all full-time, part-time, and substitute public school personnel employed outside of Chicago in positions requiring certification.

Members of TRS are employed by school districts, special districts, and certain state agencies. As of June 30, 2025, there were 995 employers, comprised of 850 local school districts, 136 special districts, and 9 state agencies. The membership totaled over 461,000 members as of June 30, 2024 (member data used in the valuation is as of the prior valuation date). Of the 461,000 members, over 133,000 are retirees and survivors to whom TRS paid over $8.5 billion during the fiscal year ended June 30, 2025. As of June 30, 2025, the assets of TRS amounted to $77.3 billion on a fair value basis.

Purpose and basis

This report has been prepared by Segal to present a valuation of the System as of June 30, 2025. The valuation was performed to determine whether the assets are sufficient to provide the prescribed benefits and to provide information for required disclosures under Governmental Accounting Standards Board (GASB) Statement No. 67.

The calculation of Statutory and Board-Adopted Actuarial Funding Policy contributions presented in this report are based on:

- The benefit provisions of the System, as defined by the Illinois Pension Code (40 ILCS 5/16);
- The characteristics of covered active members, inactive members, and annuitants and survivor annuitants as of June 30, 2024, (member data used in the valuation is as of the prior valuation date), provided by TRS staff;
- The assets of the System as of June 30, 2025, provided by the TRS staff;
- Economic assumptions regarding future salary increases and investment earnings;
- Other actuarial assumptions regarding employee terminations, retirement, death, etc.;
- The projected unit credit actuarial cost method (for purposes of determining the Statutory contribution) and the entry age normal cost method (for purposes of determining the Board-Adopted Actuarial Funding Policy contribution); and
- The funding policy as required by the Illinois Pension Code and the alternative funding policy adopted by the Board.

Certain disclosure information required by GASB Statement No. 68 as of June 30, 2025, is provided in a separate report.

Valuation highlights

1. Segal strongly recommends an actuarial funding methodology that targets 100% funding of the actuarial accrued liability. Generally, this implies payments that are ultimately at least enough to cover normal cost, interest on the unfunded actuarial accrued liability, and the principal balance. **The funding policy set in the Illinois Pension Code is to achieve 90% funding of the actuarial accrued liability by 2045 and does not meet this standard.** The funding policy adopted by the Board, referred to as the Board-Adopted Actuarial Funding Policy, meets this standard.
2. Actual non-member (i.e., State and Employers) contributions made during the year ended June 30, 2025, of $6.33 billion were 62% of the actuarially determined contribution (ADC) based on the Board-Adopted Actuarial Funding Policy. In the prior year, actual State contributions were 65% of the prior year ADC.
3. This actuarial valuation assumes that buyout provisions, introduced with Public Act 100-0587 (and amended by Public Act 101-0010 and Public Act 102-0718), are effective through fiscal year 2026, such that the initial $650 million share apportioned to TRS is assumed to increase as needed to cover all expected buyout amounts through the program's effective end date of June 30, 2026. Based on current assumptions, the total amount of buyouts expected to be paid through June 30, 2026, is approximately $1.45 billion, reflecting approximately $1.23 billion that has already been claimed as of June 30, 2025.
4. For the year ended June 30, 2025, Segal has estimated that the asset return on a fair value basis was 9.74%. After gradual recognition of previous applicable investment gains and losses under the actuarial smoothing method, the actuarial rate of return was 9.16%. This represents an experience gain when compared to the assumed rate of 7.00%. As of June 30, 2025, the actuarial value of assets ($76.1 billion) represented 98.4% of the fair value ($77.3 billion).
5. The net actuarial gain of $1.21 billion, or 0.8% of actuarial accrued liability, is due to an investment gain of $1.52 billion, or 1.0% of actuarial accrued liability, offset by a loss from sources other than investments of $0.31 billion, or 0.2% of the actuarial accrued liability.
6. The total net investment gain not yet recognized as of June 30, 2025, is $1.21 billion. This net deferred gain is comprised of investment gains and losses that occurred over the past five years, which will be recognized in the determination of the actuarial value of assets for funding purposes in the next few years. This means that earning the assumed rate of investment return of 7.00% per year (net of investment expenses) on a fair value basis will ultimately result in investment gains on the actuarial value of assets in the next few years (though in the interim may result in net investment losses due to timing and magnitude of prior investment losses), to the extent they are not offset by recognition of losses derived from future experience.
7. As mentioned above, the current method used to determine the actuarial value of assets yields an amount that is 98.4% of the fair value of assets as of June 30, 2025. Guidelines in Actuarial Standard of Practice No. 44 (Selection and Use of Asset Valuation Methods for Pension Valuations) recommend that asset values fall within a reasonable range around the corresponding fair value. The actuarial asset method complies with this guideline.

Valuation highlights continued

8. The funded ratio (the ratio of the actuarial value of assets to actuarial accrued liability) is 47.8%, compared to the prior year funded ratio of 45.8%. This ratio is one measure of funding status, and its history is a measure of funding progress. Using the fair value of assets, the funded ratio is 48.6%, compared to 46.3% as of the prior valuation date. These measurements are not necessarily appropriate for assessing the sufficiency of the plan assets to cover the estimated cost of settling the System's benefit obligation or the need for or the amount of future contributions.
9. The required State contribution for 2027 is $6.59 billion, an increase from $6.50 billion for 2026. The total projected employer contribution for 2027, including State, Federal, and School Districts, is $6.71 billion. Of this amount, $1.39 billion, or about 21%, is for the employer portion of the normal cost and $5.32 billion, or about 79%, is applied to the unfunded actuarial accrued liability.
10. The Board-Adopted Actuarial Funding Policy contribution for 2027 is $11.18 billion, an increase of $443 million from the prior year. The contribution is 80.37% of projected payroll and is based on separate 20-year amortizations of the various sources of unfunded actuarial accrued liability.

Risk

11. It is important to note that this actuarial valuation is based on plan assets as of June 30, 2025. The System's funded status does not reflect short-term fluctuations of the market but rather is based on the fair value on the last day of the plan year. Segal is available to prepare projections of potential outcomes of market conditions and other demographic experience upon request.
12. Since the actuarial valuation results are dependent on a given set of assumptions, there is a risk that emerging results may differ significantly as actual experience proves to be different from the assumptions. In April 2023, Segal presented a stochastic modeling analysis to the Board to quantify this risk. We have not been recently-engaged to perform a detailed analysis of the potential range of the impact of risk relative to the System's future financial condition but have included a brief discussion of some risks that may affect the System in Section 2.

    A more detailed assessment would provide the Board with a better understanding of the inherent risks and could be important for the System because:

    - Relatively small changes in investment performance can produce large swings in the unfunded liabilities.
    - Annuitants account for most of the System's liabilities, leaving limited options for reducing costs in the event of adverse experience.
    - Actual contributions have been less than the ADC for several years, which may indicate additional funding challenges in the future.

GASB

13. This report constitutes an actuarial valuation for the purpose of determining the ADC under the Board-Adopted Actuarial Funding Policy. The information contained in Section 7 provides the accounting information for Governmental Accounting Standards Board (GASB) Statement No. 67, for inclusion in the System's and employers' financial statements as of June 30, 2025.

14. The Net Pension Liability (NPL) is equal to the difference between the Total Pension Liability (TPL) and the Plan Fiduciary Net Position (equal to the fair value of assets). The NPL as of June 30, 2025, is $84.75 billion, a decrease of $1.11 billion from the prior year. This is primarily due to the favorable investment experience during the fiscal year ending June 30, 2025.

Summary of key valuation results

Valuation Result	Current Year	Prior Year
Present value of future benefits as of	**June 30, 2025**	**June 30, 2024**
• Annuitants and survivor annuitants receiving benefits	$97,840,585,062	$95,322,113,747
• Inactive members	4,931,452,917	4,778,911,268
• Active members	80,661,243,133	78,197,110,817
• **Total**	**183,433,281,112**	**178,298,135,832**
Actuarial accrued liability (AAL) as of	**June 30, 2025**	**June 30, 2024**
• Annuitants and survivor annuitants receiving benefits	$97,840,585,062	$95,322,113,747
• Inactive members	4,931,452,917	4,778,911,268
• Active members	56,351,506,792	54,224,134,149
• **Total**	**159,123,544,771**	**154,325,159,164**
Assets		
• Fair value of assets (FVA)	77,263,331,616	71,424,801,957
• Actuarial value of assets (AVA)	76,053,649,926	70,687,607,498
• AVA as a percentage of FVA	98.43%	98.97%
Funded status		
• Unfunded AAL on FVA basis	$81,860,213,155	$82,900,357,207
• Funded percentage on FVA basis	48.56%	46.28%
• Unfunded AAL on AVA basis	$83,069,894,845	$83,637,551,666
• Funded percentage on AVA basis	47.80%	45.80%
Summary of State Contributions for Fiscal Year	**2027**	**2026**
• Based on Statutory Funding	**$6,594,062,236**	**$6,495,717,664**
• Based on Board-Adopted Actuarial Funding Policy	11,177,466,698	10,734,362,004
• Difference between Board-Adopted Actuarial Funding Policy and Statutory Funding	4,583,404,462	4,238,644,340
Normal cost rate based on Statutory Funding		
• Total normal cost (including administrative expenses)	19.00%	19.34%
• Less member contribution rate	9.00%	9.00%
• Employer normal cost rate	10.00%	10.34%

Summary of key valuation results continued

Valuation Results	Current Year	Prior Year
Summary of State Contributions for Fiscal Year (continued)	**2027**	**2026**
Normal cost based on Statutory Funding Plan		
• Total normal cost	$2,587,843,610	$2,500,615,885
• Plus administrative expenses	54,707,816	60,984,221
• Less expected member contributions	1,251,641,979	1,192,314,028
• Total employer normal cost	1,390,909,447	1,369,286,078
GASB information as of	**June 30, 2025**	**June 30, 2024**
• Long-term expected rate of return	7.00%	7.00%
• 20-year bond rate[1]	5.20%	3.93%
• Single equivalent discount rate	7.00%	7.00%
• Total Pension Liability	$162,014,881,717	$157,290,420,223
• Plan Fiduciary Net Position	77,263,331,616	71,424,713,925[2]
• Net Pension Liability	84,751,550,101	85,865,706,298
• Plan Fiduciary Net Position as a percentage of Total Pension Liability	47.69%	45.41%
Demographic data used for valuation as of[3]	**June 30, 2024**	**June 30, 2023**
• Number of annuitants	133,431	131,568
• Number of inactive vested members eligible for deferred annuities	18,799	19,265
• Number of inactive members due a refund of member contributions	137,263	133,931
• Number of active members		
– Full-time and regular part-time	143,547	142,390
– Substitute, part-time, and hourly paid	28,134	27,362
– Total active members	171,681	169,752
• **Total membership**	**461,174**	**454,516**
• Annual annuities	$8,387,829,689	$8,062,030,256
• Annual salaries		
– Full-time and regular part-time	12,277,124,387	11,735,723,477
– Substitute, part-time, and hourly paid	221,370,371	205,249,468
– Total annual salaries	12,498,494,758	11,940,972,945

[1] Bond Buyer's 20-Bond GO Index.
[2] Reflects revised financials provided by TRS on November 13, 2024, used for GASB purposes only.
[3] Member data used in the valuation is as of the prior valuation date.

Significant issues facing TRS

Historical Underfunding by the State

The Illinois Pension Code sets the parameters for funding TRS. The employer contributions are determined such that, together with the member contributions, the System is projected to achieve 90% funding of the actuarial accrued liability by 2045. The 2045 funding objective of 90% was set in 1994 as a 50-year objective. TRS members have always contributed their share. **The State funding has been inadequate, resulting in TRS being among the worst funded public employee retirement systems in the United States.**

The State has historically underfunded TRS by the use of funding policies that do not provide for adequate funding of TRS, including:

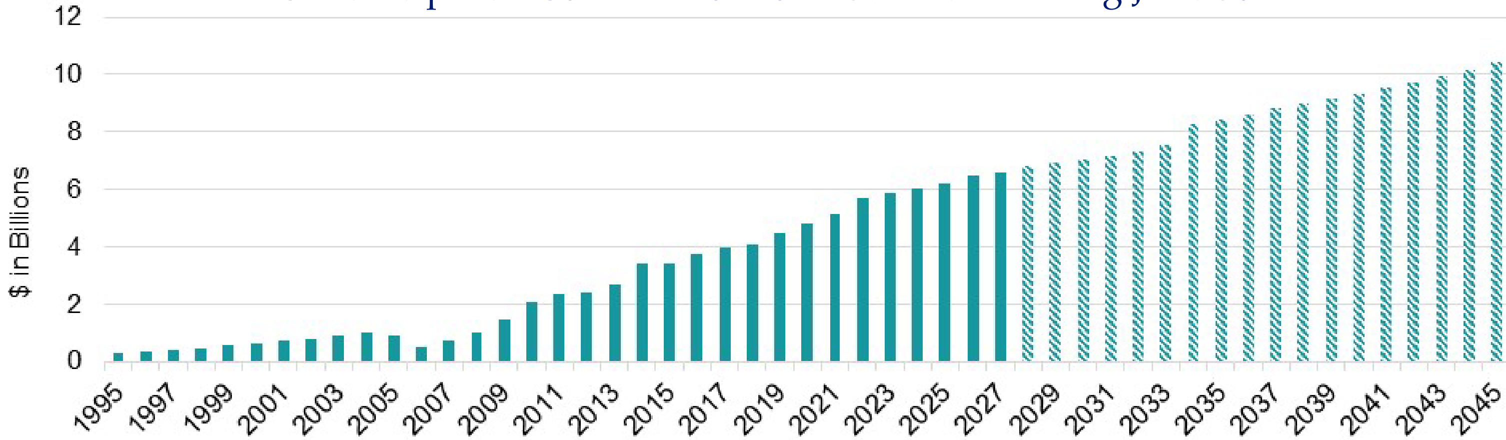
- Establishing a 50-year period in 1994, over which to amortize the Unfunded Actuarial Accrued Liability
- Back loading the 50-year period by requiring a 15-year period to ramp up to full contributions as determined under the Illinois funding policy
- Setting a funding target of 90% of the actuarial accrued liability (as opposed to 100%)
- Requiring the use of the projected unit credit actuarial cost method, which further backloads the contributions to TRS as compared to the entry age normal cost method, which is a level cost funding method
- Imposing a maximum contribution based upon Pension Obligation Bond (POB) debt payments despite the fact that not all of the POB proceeds were contributed to TRS
- Reducing contributions for fiscal years ended June 30, 2006, and 2007
- Modifying the asset valuation method to reduce contributions for the fiscal year ended June 30, 2011; further reducing FY 2011 contributions by requiring TRS to recertify the 2009 valuation to assume that Tier 2 had been in effect in 2009
- Requiring Tier 2 benefit provisions for members to be hired in the future be reflected in the determination of the contribution, resulting in reduced and back-loaded contributions
- Reducing contributions by phasing in the effect of increased liabilities as a result of assumption changes

Significant issues facing TRS continued

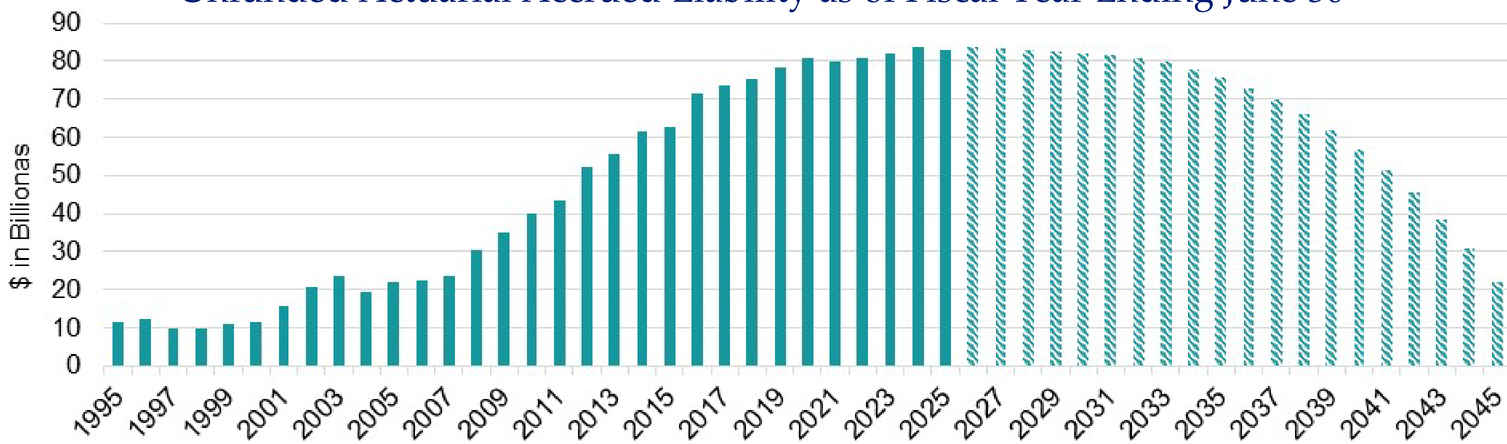
Historical Underfunding by the State continued

The following graphs show a history and projection of the State required contributions under the Illinois Pension Code and the unfunded actuarial accrued liability. These graphs illustrate the effect of inadequate State contributions assuming 7.00% returns and a level active headcount for all future years. State contribution amounts after 2027 are projected based on the June 30, 2025, actuarial valuation.

State Required Contribution for Fiscal Year Ending June 30



Unfunded Actuarial Accrued Liability as of Fiscal Year Ending June 30[1]



[1] Assuming 7.00% returns and a level active headcount for all future years. Amounts after 2025 are projected based on the June 30, 2025, actuarial valuation.

Significant issues facing TRS continued

Funding Policy Certified by the Board

A funding policy (also known as a contribution allocation policy) outlines the parameters for calculating an actuarially determined contribution rate and ensures the systematic funding of future benefit payments. An actuarially determined contribution is comprised of the normal cost and an amortization of the Unfunded Actuarial Accrued Liability. The Board of Trustees adopted a funding policy ("Board-Adopted Actuarial Funding Policy"), comprised of the following components:

- **Actuarial Cost Method:** The entry age normal method, which allocates costs evenly as a level percentage of salary
- **Asset Smoothing Method:** The actuarial value of assets is based on the fair value of assets with a five-year phase-in of investment returns in excess of (or less than) expected investment income
- **Amortization Policy:** The amortization policy is a layered amortization approach. Effective with the June 30, 2015, actuarial valuation, the UAAL is amortized over a closed 20-year period. Sources of UAAL that emerge in subsequent valuations are amortized over closed 20-year periods. The amortization payment increases at the expected rate of future State revenue growth (assumed to be 2.0%, which is conservative but reasonable compared to shorter-term projections of State revenue growth). The minimum contribution is the normal cost.

The Board of Trustees prepares an annual certification, which includes State contributions under the Illinois Pension Code and the Board-Adopted Actuarial Funding Policy. Unlike the current funding policy, the Board-Adopted Actuarial Funding Policy would bring TRS to full funding by decreasing the UAAL every year. **We strongly recommend an actuarial funding method that targets 100% funding where payments ultimately cover interest on the unfunded actuarial accrued liability and a portion of the principal balance.** While the Board-Adopted Actuarial Funding Policy meets this standard, the current Statutory Funding Policy does not. State contributions by statute are not expected to result in a pattern of consistently decreasing UAAL until fiscal year 2028 and are not expected to exceed the normal cost plus interest on the UAAL until fiscal year 2030. However, both funding policies are consistent with the System accumulating assets adequate to make benefit payment when due.

Implications of Tier 2

Lower Benefit Structure/Same Contribution Rate as Tier 1

- Tier 2 members are those who first established membership with TRS or a reciprocal system after December 31, 2010. While Tier 2 member contribution rates are the same as Tier 1 member contribution rates, the value of Tier 2 benefits is lower than Tier 1 benefits. This is because Tier 2 members have to work longer to be eligible for retirement, the final average salary period is longer, pensionable salaries are capped, and the cost-of-living adjustments (COLAs) are smaller.
- The Tier 2 salary cap, which applies to benefits and contributions, was established in 2011 at $106,800 and increases each fiscal year by the lesser of 3% or one-half of the CPI-U as of the preceding September. The Tier 2 salary cap history that is used for the actuarial valuation is on the following page.

Significant issues facing TRS continued

Implications of Tier 2 continued

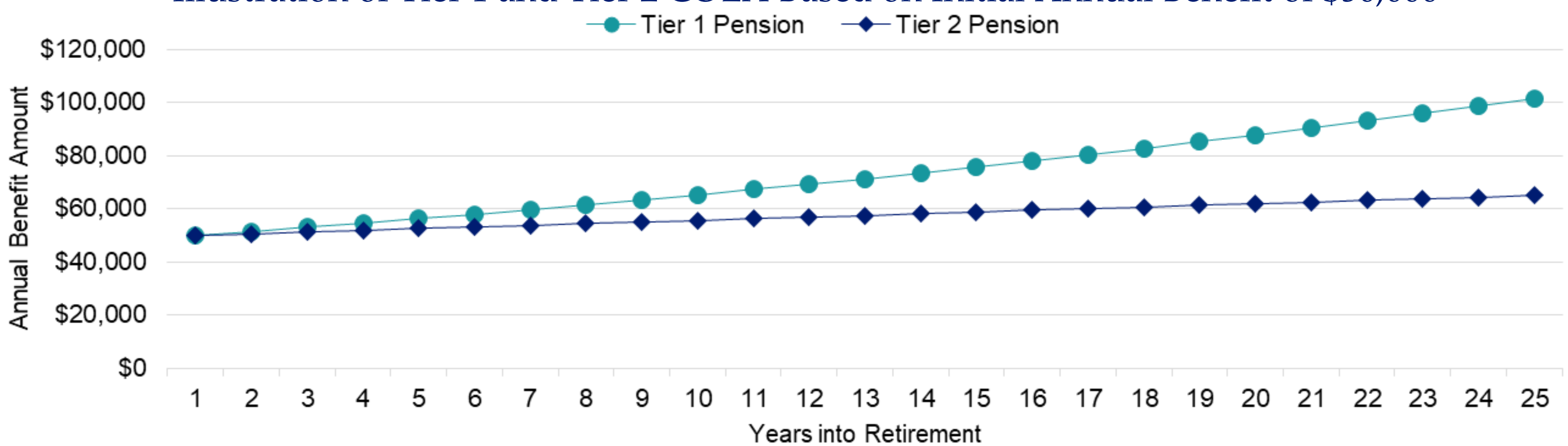
Year	Tier 2 Salary Cap	Year	Tier 2 Salary Cap	Year	Tier 2 Salary Cap	Year	Tier 2 Salary Cap
2011	$106,800.00	2015	$111,572.63	2019	$114,951.83	2023	$119,892.41
2012	$108,883.60	2016	$111,572.63	2020	$115,928.92	2024	$123,489.18
2013	$109,971.43	2017	$112,408.32	2021	$116,740.42	2025	$125,773.73
2014	$110,631.26	2018	$113,645.91	2022	$116,740.42	2026	$127,283.01

Based upon the current actuarial assumptions, it is projected that the salary cap will affect the majority of full career Tier 2 members' final average salary.

Cost-of-living Adjustment

- The Tier 2 cost-of-living adjustment (COLA) is calculated using the lesser of 3% or one-half of CPI-U, as of the preceding September, of the originally granted retirement annuity (currently, 1.25% annual increase based on assumed inflation of 2.50%) as compared to the Tier 1 COLA, which is a 3% compound COLA. The Tier 2 COLA will not keep pace with inflation, eroding the purchasing power of Tier 2 pensions during retirement. The chart below shows the comparison of a $50,000 pension under the Tier 1 and Tier 2 COLA provisions. In the 25th year of retirement, the Tier 1 pension amount of $101,640 is over 55% higher than the Tier 2 pension amount of $65,000.

Illustration of Tier 1 and Tier 2 COLA Based on Initial Annual Benefit of $50,000



Significant issues facing TRS continued

Implications of Tier 2 continued

Total Normal Cost Rate Compared to Member Contribution Rate

- The following chart compares the Tier 1 and Tier 2 member contribution rates to the normal cost rates for fiscal year 2027 using the projected unit credit cost method, as required by the Illinois Pension Code. The normal cost rate is the cost of benefits that accrue during the year expressed as a percentage of payroll, based on the actuarial assumptions. Currently, the total normal cost rate for Tier 1 is over three times the normal cost rate for Tier 2, reflecting the differences in the benefits, as well as the relative age composition of the older, closed Tier 1 population compared to the younger, ongoing Tier 2 group. The Tier 2 total normal cost rate is currently less than the member contribution rate. As a result, based upon the actuarial assumptions, Tier 2 members are funding their pension benefit and paying a portion of the interest on the UAAL.

Employer Normal Cost and Allocation of Member Contribution Rate for Fiscal Year 2027

Contribution	Tier 1	Tier 2	Total
1. Total normal cost	24.98%	7.81%	18.61%
2. Administrative expenses[1]	0.39%	0.39%	0.39%
3. Less: member contribution rate	(9.00%)	(9.00%)	(9.00%)
4. Employer normal cost: (1) + (2) + (3)	**16.37%**	**(0.80%)**	**10.00%**
5. Allocation of member contribution rate			
a. Normal cost rate	9.00%	8.20%	9.00%
b. Unfunded actuarial accrued liability	0.00%	0.80%	0.00%
6. Total member contribution rate: (5a) + (5b)	**9.00%**	**9.00%**	**9.00%**

[1] Assumed administrative expense rate for fiscal year 2028 and thereafter increases to 0.41%, based on budget information provided by TRS and assumed inflation adjustments.

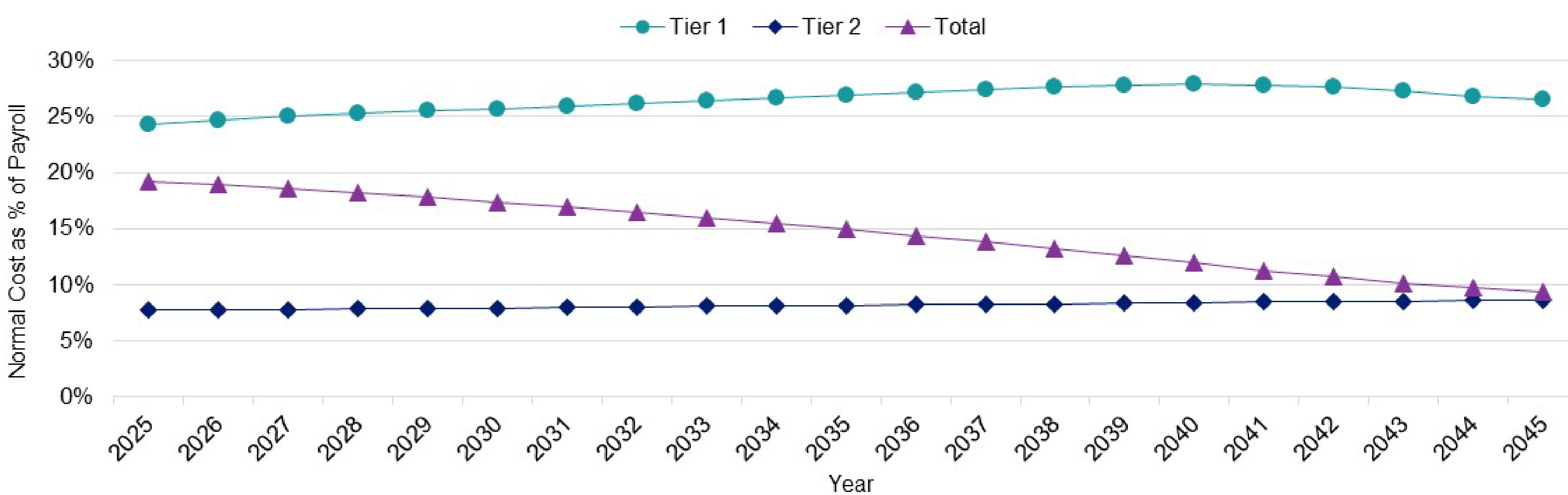
Significant issues facing TRS continued

Implications of Tier 2 continued

Projection of Total Normal Cost Rate by Tier

- The following graph shows a projection of the total normal cost rates for Tier 1, Tier 2, and in total. The chart shows that the total normal cost rate will decline over time as the Tier 1 members terminate and retire and are replaced by Tier 2 members. The funding policy under the Illinois Pension Code, which targets a 90% funded ratio by 2045, requires the funding and benefit provisions for future Tier 2 members to be reflected in the determination of the contribution. The contributions, as determined by the Illinois Pension Code, are based on a projection of normal cost and actuarial accrued liability for Tier 2 members who will be hired after June 30, 2024 (the census measurement date) through June 30, 2045. This results in a deferral of contributions to later years.

Projection of Total Normal Cost Rate for Fiscal Year Ending June 30



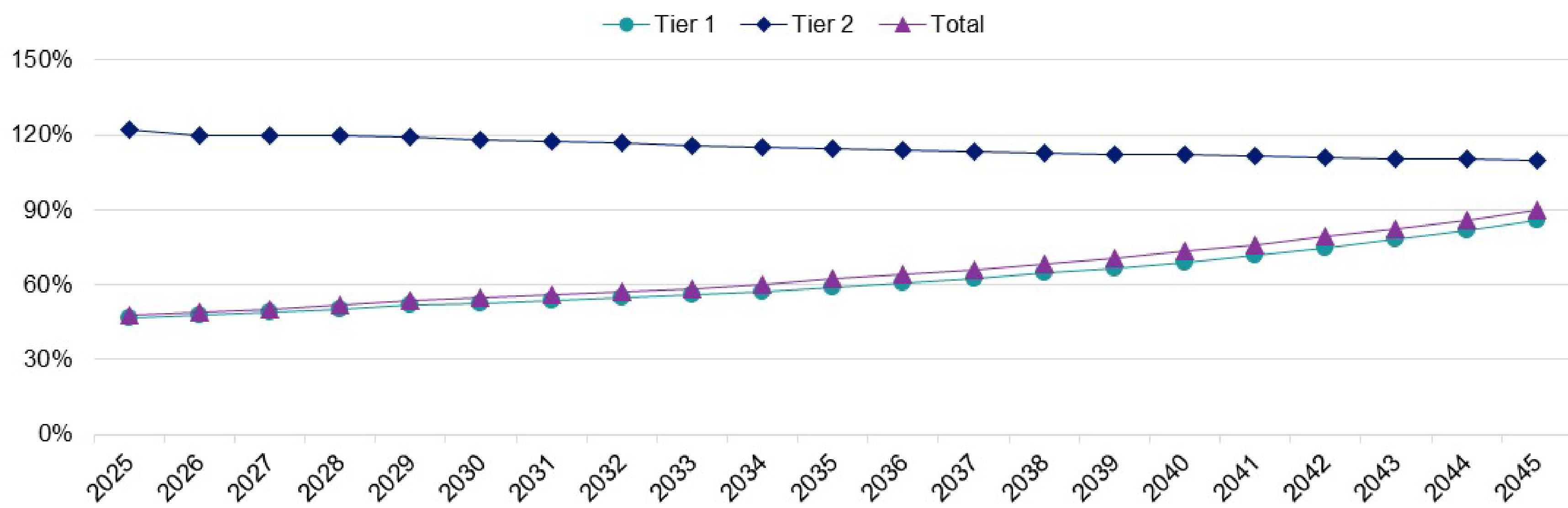
Significant issues facing TRS continued

Implications of Tier 2 continued

Tier 2 Contribution toward Unfunded Actuarial Accrued Liability

- As described above, Tier 2 members are funding a portion of the interest on the UAAL along with the normal cost of their benefits. Tier 1 and Tier 2 liabilities and assets are not allocated separately for purposes of determining the funded ratio and contribution requirements. However, if the assets and liabilities were allocated separately, a projection of the funded ratio for each tier would show that the Tier 2 funded ratio is 122% as of June 30, 2025, ultimately reducing to a funded ratio of 109% as of June 30, 2045. In contrast, the Tier 1 funded ratio is 47% as of June 30, 2025, increasing to 86% as of June 30, 2045. For the total System, the funded ratio is 49% as of June 30, 2025, increasing to 90% as of June 30, 2045. Tier 2 member contributions assist in increasing the total funded ratio to 90% as of 2045. The graph below illustrates this.

Projection of Funded Ratio for Fiscal Year Ending June 30



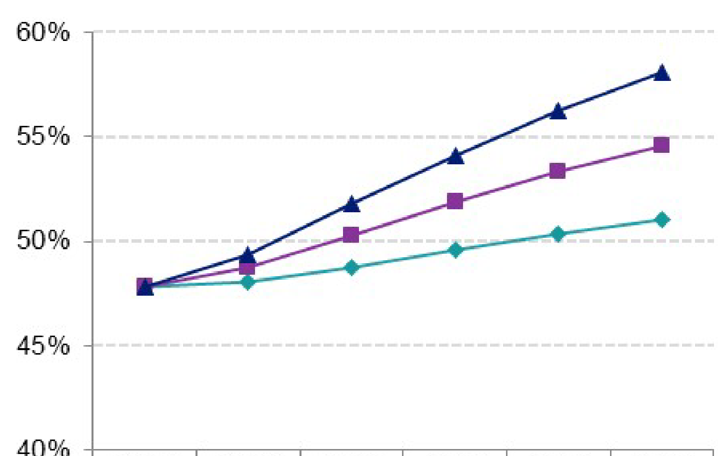
Sensitivity projections

The following charts show projections of valuation results under alternative investment return scenarios and their impact on the funded status and State contributions for the next five years. The projections are based on the current actuarial assumptions and assume that all actuarial assumptions are realized, with the exception of the investment return for the year ending June 30, 2026:

- Scenario #1 assumes a 0% investment return for the year ending June 30, 2026
- Scenario #2 assumes a 14% investment return for the year ending June 30, 2026

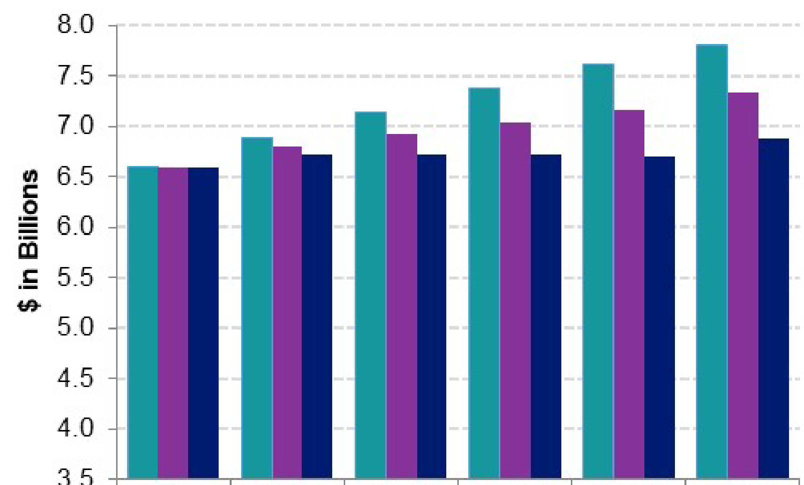
Because investment gains and losses are recognized in the actuarial value of assets over a five-year period, the effect on the funded status and State contribution in the first year is small. However, by the fifth year, the investment returns are fully reflected in the valuation. The charts show that investment gains and losses will have a significant effect on the valuation results.

Funded Ratio for Fiscal Years Ending June 30



	2025	2026	2027	2028	2029	2030
Scenario #1	47.8%	48.1%	48.8%	49.6%	50.4%	51.0%
Baseline Projection	47.8%	48.7%	50.3%	51.8%	53.3%	54.5%
Scenario #2	47.8%	49.4%	51.8%	54.1%	56.2%	58.0%

State Contribution for Fiscal Years Ending June 30



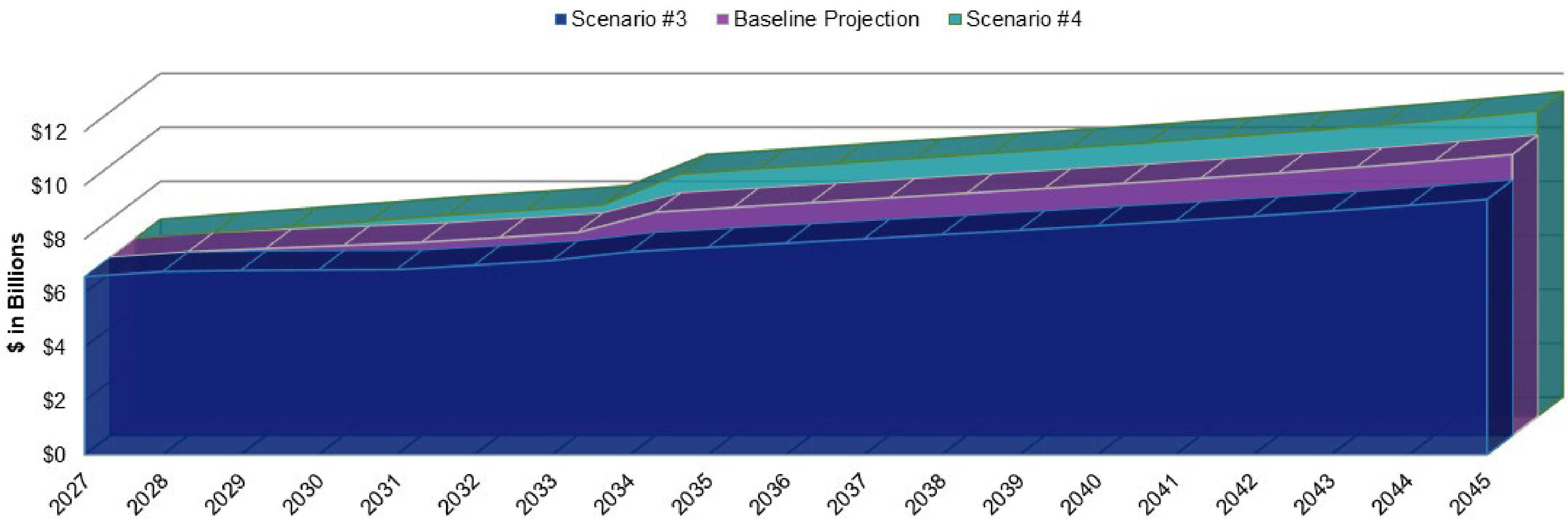
	2027	2028	2029	2030	2031	2032
Scenario #1	$6.59	$6.88	$7.13	$7.37	$7.62	$7.80
Baseline Projection	$6.59	$6.80	$6.92	$7.04	$7.16	$7.33
Scenario #2	$6.59	$6.71	$6.71	$6.71	$6.70	$6.87

Sensitivity projections continued

The following chart shows the projected State contributions for the fiscal years June 30, 2027, through June 30, 2045, based on the current actuarial assumptions and assuming that all actuarial assumptions are realized with the exception of the following:

- Scenario 3 assumes an 8.00% investment return for all future years
- Scenario 4 assumes a 6.00% investment return for all future years

State Contribution Amounts for Fiscal Years Ending June 30, 2027, through June 30, 2045



The cumulative FY2027-FY2045 State contribution amounts would change by approximately $11 billion if the assumed investment returns were 100 basis points different ($150 billion under Scenario #3 and $172 billion under Scenario #4) compared to the baseline projection ($161 billion).

Additional sensitivity and stress testing can be found in Section 2 of this valuation report.

Important information about actuarial valuations

An actuarial valuation is a budgeting tool with respect to the financing of future projected obligations of a pension plan. It is an estimated forecast – the actual long-term cost of the plan will be determined by the actual benefits and expenses paid and the actual investment experience of the plan.

In order to prepare a valuation, Segal relies on a number of input items. These include:

Input Item	Description
Plan provisions	Plan provisions define the rules that will be used to determine benefit payments, and those rules, or the interpretation of them, may change over time. Even where they appear precise, outside factors may change how they operate. It is important to keep Segal informed with respect to plan provisions and administrative procedures, and to review the plan summary included in our report to confirm that Segal has correctly interpreted the plan of benefits.
Participant information	An actuarial valuation for a plan is based on data provided to the actuary by the TRS staff. Segal does not audit such data for completeness or accuracy, other than reviewing it for obvious inconsistencies compared to prior data and other information that appears unreasonable. It is important for Segal to receive the best possible data and to be informed about any known incomplete or inaccurate data.
Financial information	Part of the cost of a plan will be paid from existing assets — the balance will need to come from future contributions and investment income. The valuation is based on the asset values as of the valuation date, as reported by TRS. A snapshot as of a single date may not be an appropriate value for determining a single year's contribution requirement, especially in volatile markets. Plan sponsors often use an "actuarial value of assets" that differs from fair value to gradually reflect year-to-year changes in the fair value of assets in determining the contribution requirements.
Actuarial assumptions	In preparing an actuarial valuation, Segal starts by developing a forecast of the benefits to be paid to existing plan participants for the rest of their lives and the lives of their beneficiaries. This requires actuarial assumptions as to the probability of death, disability, withdrawal, and retirement of participants in each year, as well as forecasts of the plan's benefits for each of those events. In addition, the benefits forecasted for each of those events in each future year reflect actuarial assumptions as to salary increases and cost-of-living adjustments. The forecasted benefits are then discounted to a present value, typically based on an estimate of the rate of return that will be achieved on the plan's assets. All of these factors are uncertain and unknowable. Thus, there will be a range of reasonable assumptions, and the results may vary materially based on which assumptions are selected within that range. That is, there is no right answer (except with hindsight). It is important for any user of an actuarial valuation to understand and accept this constraint. The actuarial model may use approximations and estimates that will have an immaterial impact on our results. In addition, the actuarial assumptions may change over time, and while this can have a significant impact on the reported results, it does not mean that the previous assumptions or results were unreasonable or wrong.

Important information about actuarial valuations continued

The user of Segal's actuarial valuation (or other actuarial calculations) should keep the following in mind:

- The actuarial valuation is prepared at the request of the TRS Board. Segal is not responsible for the use or misuse of its report, particularly by any other party.
- An actuarial valuation is a measurement at a specific date — it is not a prediction of a plan's future financial condition. Accordingly, Segal did not perform an analysis of the potential range of financial measurements, except where otherwise noted.
- If the TRS Board is aware of any event or trend that was not considered in this valuation that may materially change the results of the valuation, Segal should be advised, so that we can evaluate it.
- Segal does not provide investment, legal, accounting, or tax advice and is not acting as a fiduciary to the System. The valuation is based on Segal's understanding of applicable guidance in these areas and of the System's provisions, but they may be subject to alternative interpretations. The TRS Board should look to their other advisors for expertise in these areas.
- While Segal maintains extensive quality assurance procedures, an actuarial valuation involves complex computer models and numerous inputs. In the event that an inaccuracy is discovered after presentation of Segal's valuation, Segal may revise that valuation or make an appropriate adjustment in the next valuation.
- Segal's report shall be deemed to be final and accepted by the TRS Board upon delivery and review. Trustees should notify Segal immediately of any questions or concerns about the final content.

Section 2: Actuarial Valuation Results

Membership data

The Actuarial Valuation and Review considers the number and demographic characteristics of covered participants, including active members, inactive members, annuitants, and survivor annuitants.

This section presents a summary of significant statistical data on these member groups.

Data used for the valuation is as of the prior valuation date. Any changes in liabilities due to demographic experience during the most recent plan year are captured in the subsequent valuation.

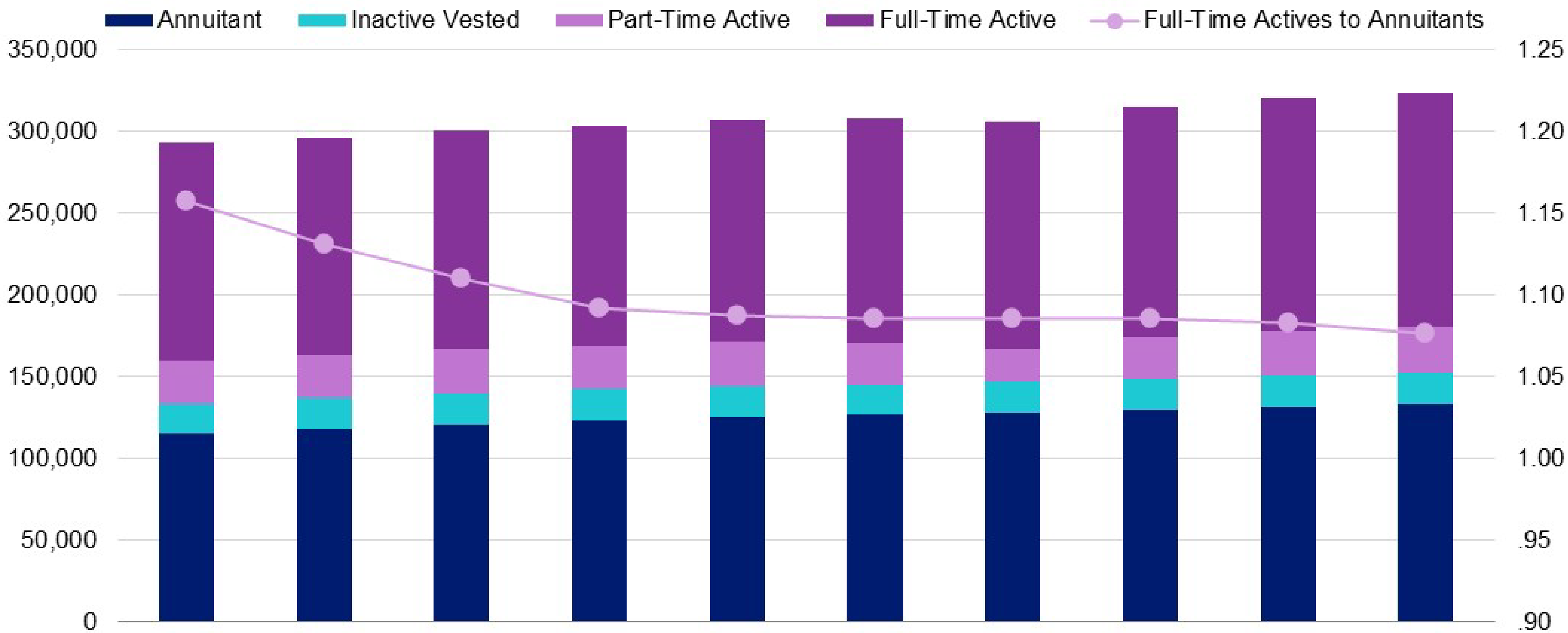
Member Population as of June 30[1]

As of June 30	Full-Time and Regular Part-Time Active Members	Substitutes, Part-Time and Hourly Paid	Total Active Members	Inactive Members Eligible for Deferred Annuities	Inactive Members Eligible for Refunds	Annuitants and Survivor Annuitants	Total Membership	Ratio of Full-Time Actives to Annuitants
2015	133,478	26,206	159,684	18,362	115,360	115,273	408,679	1.16
2016	133,505	26,080	159,585	19,038	117,817	117,990	414,430	1.13
2017	133,761	26,664	160,425	19,531	119,738	120,453	420,147	1.11
2018	134,160	26,592	160,752	19,726	119,833	122,895	423,206	1.09
2019	135,752	27,323	163,075	19,363	121,908	124,791	429,137	1.09
2020	137,394	25,555	162,949	18,632	125,942	126,594	434,117	1.09
2021	139,144	19,761	158,905	19,308	132,507	128,116	438,836	1.09
2022	141,155	25,559	166,714	18,808	129,420	130,051	444,993	1.09
2023	142,390	27,362	169,752	19,265	133,931	131,568	454,516	1.08
2024	143,547	28,134	171,681	18,799	137,263	133,431	461,174	1.08

[1] Member data used in the valuation is as of the prior valuation date.

Membership data continued

Member Population as of June 30[1]



Legend	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Full-Time Active	133,478	133,505	133,761	134,160	135,752	137,394	139,144	141,155	142,390	143,547
Part-Time Active	26,206	26,080	26,664	26,592	27,323	25,555	19,761	25,559	27,362	28,134
Inactive Vested[2]	18,362	19,038	19,531	19,726	19,363	18,632	19,308	18,808	19,265	18,799
Annuitants[3]	115,273	117,990	120,453	122,895	124,791	126,594	128,116	130,005	131,568	133,393
Ratio: ■ ÷ ■	1.16	1.13	1.11	1.09	1.09	1.09	1.09	1.09	1.08	1.08

[1] Member data used in the valuation is as of the prior valuation date.
[2] Excluding inactive members due a refund of member contributions.
[3] Includes annuitants and survivor annuitants.

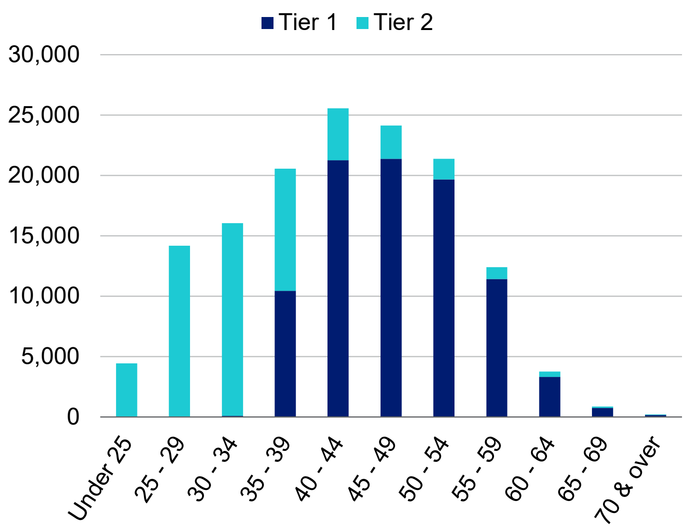
Active members

Full-Time and Regular Part-Time Active Members

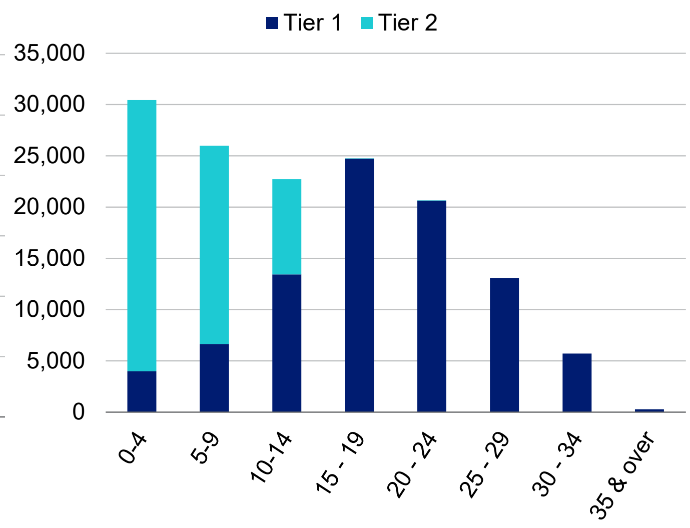
As of June 30,	2024	2023	Change
Active participants	143,547	142,390	0.8%
Average age	42.9	42.8	0.1
Average years of service	13.8	13.7	0.1
Total salary	$12,277,124,387	$11,735,723,477	4.6%
Average salary	$85,527	$82,420	3.8%

Distribution of Full-Time and Regular Part-Time Active Members as of June 30, 2024[1]

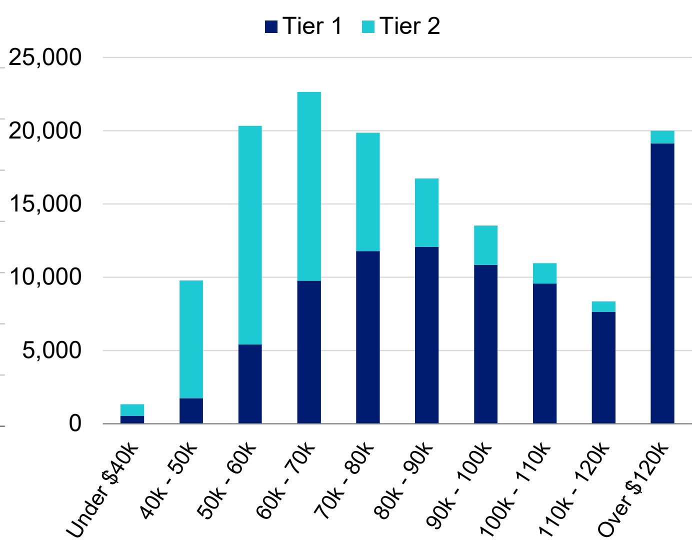
by Age and Tier



by Years of Service and Tier



by Salary and Tier



[1] Member data used in the valuation is as of the prior valuation date.

Active members continued

Substitutes, Part-Time, and Hourly-Paid Active Members

As of June 30,	2024	2023	Change
Active participants	28,134	27,362	2.8%
Average age	45.2	45.2	0.0
Average years of service	2.0	2.0	0.0
Total salary	$221,370,371	$205,249,468	7.9%
Average salary	$7,868	$7,501	4.9%

Inactive participants

As of June 30, 2024 (the date at which census data is collected for the June 30, 2025, valuation), there were 18,749 participants and 50 survivors with a vested right to a deferred benefit. Inactive members may also be eligible for a refund of their retirement benefit contributions or a single sum benefit.

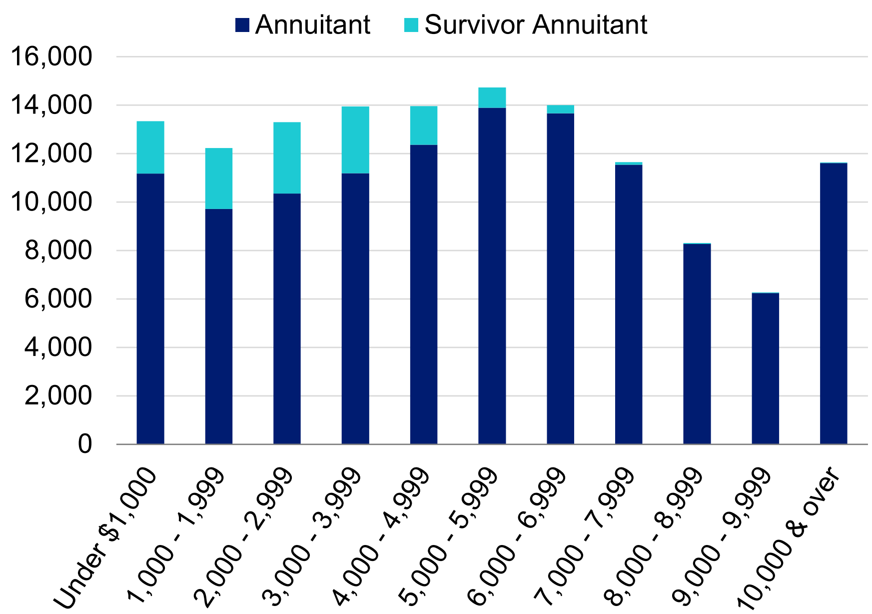
In addition, there were 137,263 participants entitled to a return of their member contributions.

Annuitants and Survivor Annuitants

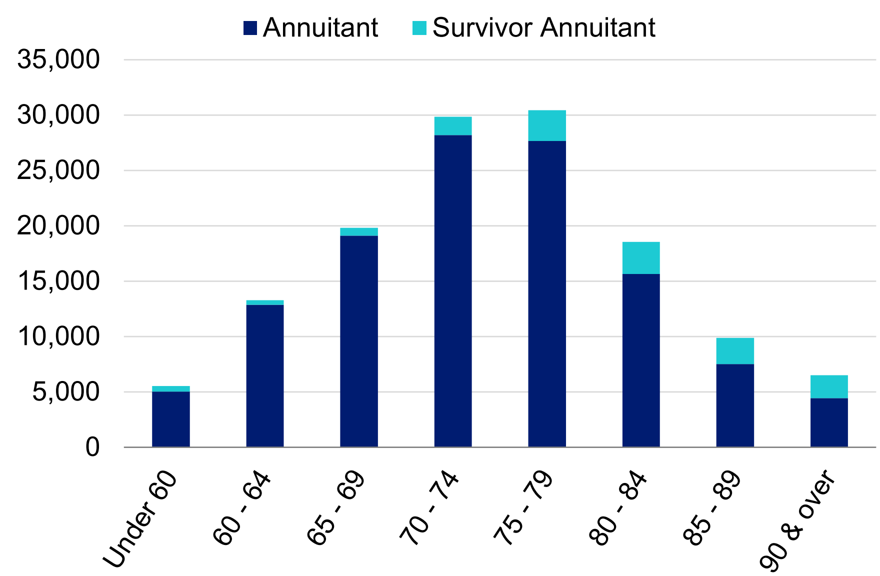
As of June 30,	2024	2023	Change
Annuitants	120,020	118,418	1.4%
Survivor Annuitants	13,411	13,150	2.0%
Average age	74.4	74.1	+0.3
Total annual amount	$8,387,829,689	$8,062,030,256	4.0%
Average monthly amount	$5,239	$5,106	2.6%

Distribution of Annuitants and Survivor Annuitants as of June 30, 2024[1]

By Monthly Amount



By Age



[1] Member data used in the valuation is as of the prior valuation date.

Historical plan population

Participant Data Statistics:
Active Participants[1] versus Annuitants and Survivor Annuitants

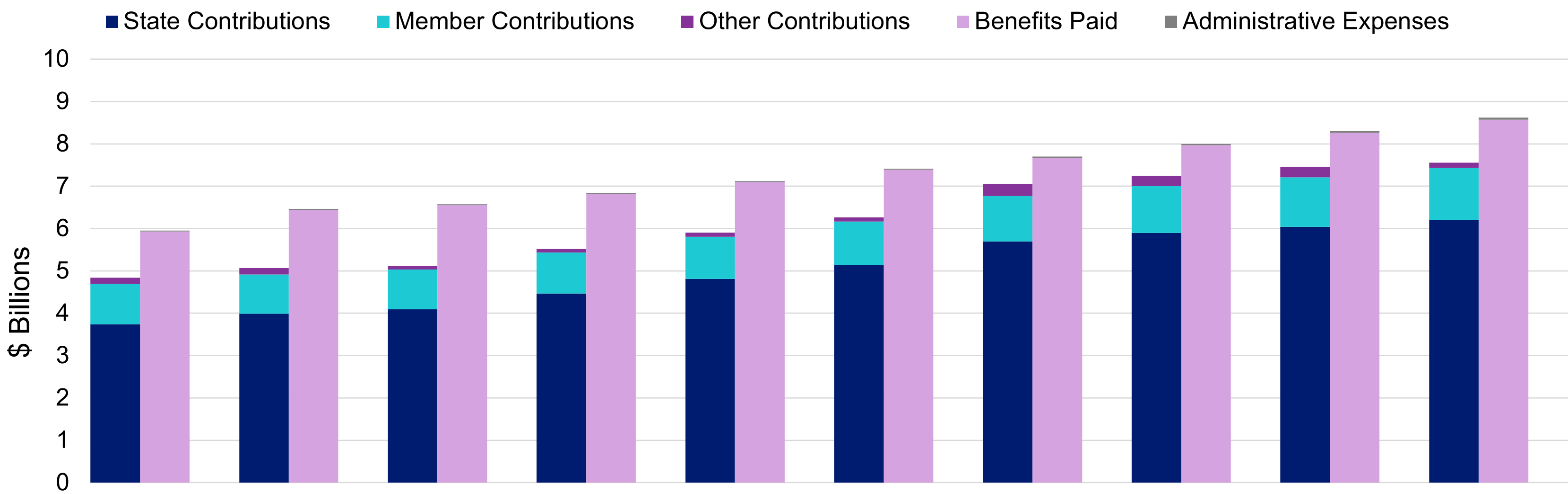
As of June 30[2],	Active Participants[1] Count	Active Participants[1] Average Age	Active Participants[1] Average Service	Annuitants and Survivor Annuitants Count	Annuitants and Survivor Annuitants Average Age	Annuitants and Survivor Annuitants Average Monthly Amount
2015	133,478	41.9	12.6	115,273	71.5	$4,141
2016	133,505	41.8	12.8	117,990	71.8	4,261
2017	133,761	41.9	12.9	120,453	72.1	4,384
2018	134,160	42.0	13.1	122,895	72.4	4,502
2019	135,752	42.2	13.2	124,791	72.8	4,626
2020	137,394	42.3	13.4	126,594	73.1	4,743
2021	139,144	42.4	13.5	128,116	73.4	4,864
2022	141,155	42.6	13.6	130,051	73.7	4,976
2023	142,390	42.8	13.7	131,568	74.1	5,106
2024	143,547	42.9	13.8	133,431	74.4	5,239

[1] Excluding substitutes, part-time and hourly paid active members.
[2] Member data used in the valuation is as of the prior valuation date.

Financial information

Retirement plan funding anticipates that, over the long term, both contributions and investment earnings (less investment fees) will be needed to cover benefit payments and administrative expenses. Retirement plan assets change as a result of the net impact of these income and expense components.

Comparison of Contributions Made with Benefits and Expenses Paid for Years Ended June 30



Legend (in $ billions)	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
State Contributions	$3.74	$3.99	$4.09	$4.47	$4.76	$5.14	$5.69	$5.89	$6.04	$6.20
Member Contributions	$0.95	$0.93	$0.94	$0.96	$0.99	$1.02	$1.07	$1.11	$1.17	$1.22
Other Contributions[1]	$0.15	$0.15	$0.08	$0.09	$0.09	$0.10	$0.29	$0.24	$0.25	$0.12
Benefit Payments	$5.93	$6.44	$6.55	$6.82	$7.10	$7.39	$7.67	$7.97	$8.26	$8.57
Administrative Expense	$0.02	$0.02	$0.02	$0.02	$0.02	$0.02	$0.03	$0.03	$0.04	$0.05

[1] Includes School District and Federal Funds contributions, as well as an additional one-time contributions of $172,823,300 (per Public Act 102-0696), $115,215,500 (per Public Act 102-0698), and $115,215,500 (per Public Act 103-0006) paid in fiscal 2022, fiscal 2023, and fiscal 2024, respectively.

Financial information continued

It is desirable to have level and predictable plan costs from one year to the next. For this reason, the Illinois Pension Code utilizes an asset valuation method that gradually adjusts to fair value. Under this valuation method, the full value of market fluctuations is not recognized in a single year and, as a result, the asset value and the plan costs are more stable. The amount of the adjustment to recognize fair value is treated as income, which may be positive or negative. Realized and unrealized gains and losses are treated equally and, therefore, the sale of assets has no immediate effect on the actuarial value.

Two actuarial values of assets are used for determining the statutory contribution under the Illinois Pension Code: one that includes the Pension Obligation Bond (POB) and one that excludes the POB. The recommended contribution under the Board's funding policy (Board-Adopted Actuarial Funding Policy) includes the POB.

To determine the employer contributions, both actuarial values of assets are projected one year from the valuation date to the beginning of the contribution fiscal year.

See charts on the following two pages for additional information.

Financial information continued

Determination of Actuarial Value of Assets with POB for Year Ended June 30, 2025 and June 30, 2024

Step		Original Amount[1]	Percent Deferred[2]	As of June 30, 2025	Percent Deferred	As of June 30, 2024
1.	Fair value of assets with POB available for benefits			$77,263,331,616		$66,504,717,419
2.	Calculation of unrecognized return					
	a. Year ended June 30, 2025	$1,939,518,843	80%	1,551,615,074		
	b. Year ended June 30, 2024	1,131,900,547	60%	679,140,328	80%	905,520,438
	c. Year ended June 30, 2023	55,147,448	40%	22,058,979	60%	33,088,469
	d. Year ended June 30, 2022	(5,215,663,453)	20%	(1,043,132,691)	40%	(2,086,265,381)
	e. Year ended June 30, 2021	9,424,254,666	0%	0	20%	1,884,850,933
	f. Total unrecognized return			1,209,681,690		737,194,459
3.	**Final actuarial value of assets: (1) - (2f)**			**76,053,649,926**		**70,687,607,498**
4.	Actuarial value as a percentage of fair value: (3) ÷ (1)			98.4%		99.0%
5.	Amount deferred for future recognition: (1) - (3)			$1,209,681,690		$737,194,459
6.	Projected actuarial value of assets used for derivation of employer contributions			**As of June 30, 2026**		**As of June 30, 2025**
	a. Assumed contributions			7,804,032,844		7,466,370,311
	b. Assumed distributions			9,157,565,375		8,815,525,494
	c. Expected return at 7.00%			5,276,381,856		4,900,912,093
7.	**Projected actuarial value of assets: (3) + (6a) - (6b) + (6c)**			**79,976,499,251**		**74,239,364,408**

The expected actuarial value of assets with POB as of June 30, 2026, assuming 7% returns on a fair value basis, is $76,643,357,645.

1 Total return minus expected return on fair value.
2 Recognition at 20% per year over 5 years.

Financial information continued

For determining the actuarial value of assets without the POB, the fair value of assets is estimated by adjusting for the POB. The fair value of assets without the POB as of the valuation date is equal to the fair value of assets without the POB as of the prior valuation date, increased by contributions excluding the POB debt service, decreased by disbursements, and credited with interest based upon the investment return of the fair value of assets with the POB.

Determination of Actuarial Value of Assets without POB for Year Ended June 30, 2025 and June 30, 2024

Step		Original Amount[1]	Percent Deferred[2]	As of June 30, 2025	Percent Deferred	As of June 30, 2024
1.	Estimated fair value of assets without POB available for benefits			$72,902,413,056		$66,946,205,516
2.	Calculation of unrecognized return					
	a. Year ended June 30, 2025	$1,824,214,376	80%	1,459,371,501		
	b. Year ended June 30, 2024	1,057,423,373	60%	634,454,024	80%	845,938,698
	c. Year ended June 30, 2023	51,165,880	40%	20,466,352	60%	30,699,528
	d. Year ended June 30, 2022	(4,805,772,954)	20%	(961,154,591)	40%	(1,922,309,182)
	e. Year ended June 30, 2021	8,630,845,465	0%	0	20%	1,726,169,093
	f. Total unrecognized return			1,153,137,286		680,498,137
3.	**Actuarial value of assets without POB (Current Assets): (1) - (2f)**			**71,749,275,770**		**66,265,707,379**
4.	Actuarial value as a percentage of fair value: (3) ÷ (1)			98.4%		99.0%
5.	Amount deferred for future recognition: (1) - (3)			$1,153,137,286		$680,498,137
6.	Projected actuarial value of assets used for derivation of employer contributions			**As of June 30, 2026**		**As of June 30, 2025**
	a. Assumed contributions			8,345,781,359		7,994,374,271
	b. Assumed distributions			9,157,565,375		8,815,525,494
	c. Expected return at 7.00%			4,994,036,863		4,609,859,224
7.	**Projected actuarial value of assets: (3) + (6a) - (6b) + (6c)**			**75,931,528,617**		**70,782,548,387**

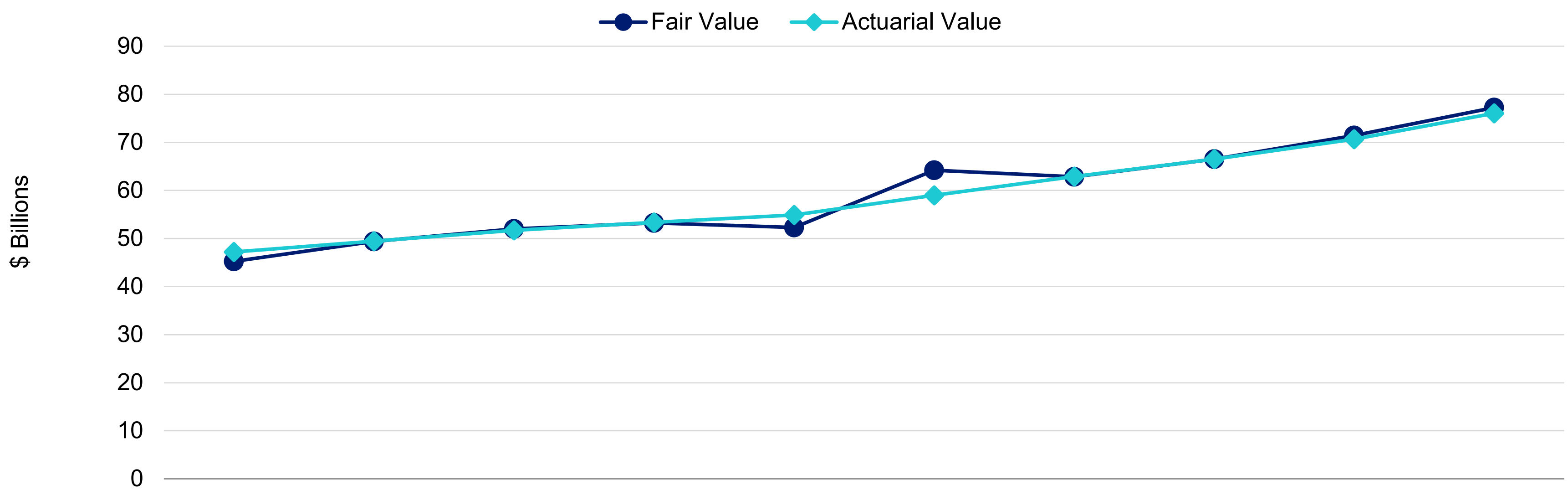
The expected actuarial value of assets without POB as of June 30, 2026, assuming 7% returns on a fair value basis, is $75,637,654,362.

1 Total return minus expected return on fair value.
2 Recognition at 20% per year over 5 years.

Asset history for years ended June 30

Both the actuarial value and fair value of assets are a representation of the TRS financial status. As investment gains and losses are gradually taken into account, the actuarial value of assets tracks the fair value of assets. The actuarial asset value is significant because TRS liabilities are compared to these assets to determine what portion, if any, remains unfunded. Amortization of the unfunded actuarial accrued liability is an important element in determining the actuarially determined contribution requirement.

Actuarial Value of Assets vs Fair Value of Assets (with POB)



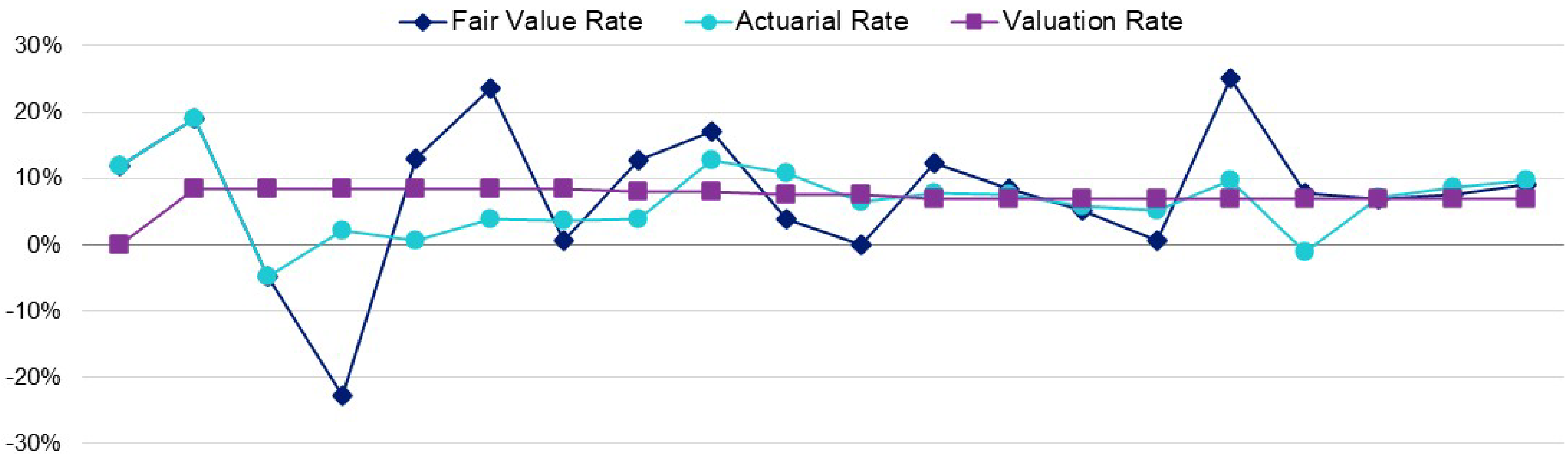
Legend	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Fair value[1]	$45.25	$49.38	$51.97	$53.26	$52.32	$64.21	$62.83	$66.50	$71.42	$77.26
Actuarial value[1]	47.22	49.47	51.73	53.39	54.89	58.98	62.91	66.50	70.69	76.05
Ratio	1.04	1.00	1.00	1.00	1.05	0.92	1.00	1.00	0.99	0.98

[1] In $ billions

Historical investment returns

As described earlier in this section, the actuarial asset valuation method gradually recognizes fluctuations in the fair value rate of return. The goal of this is to stabilize the actuarial rate of return and to produce more level pension plan costs.

Fair Value and Actuarial Rates of Return vs Valuation Rate for Years Ended June 30



Legend (in %)	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Fair value rate	11.98	19.07	(4.89)	(22.89)	12.97	23.50	0.61	12.70	17.19	3.91	0.10	12.39	8.32	5.10	0.52	25.21	(1.16)	7.09	8.71	9.73
Actuarial rate	11.98	19.07	(4.89)	2.22	0.71	3.84	3.64	3.83	12.75	10.76	6.76	7.83	7.63	5.84	5.16	9.65	7.78	6.95	7.60	9.16
Valuation rate	8.50	8.50	8.50	8.50	8.50	8.50	8.00	8.00	7.50	7.50	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00

Average Rates of Return	Fair Value	Actuarial Value
Most recent five-year average return:	9.59%	8.23%
Most recent ten-year average return:	7.34%	7.43%
Most recent 15-year average return:	8.64%	7.25%
Most recent 20-year average return:	6.94%	6.80%

Actuarial experience

Assumptions should consider experience and should be based on reasonable expectations for the future.

Each year actual experience is compared to that projected by the assumptions. Differences are reflected in the actuarial valuation.

Assumptions are not changed if experience is believed to be a short-term development that will not continue over the long term. On the other hand, if experience is expected to continue, assumptions are changed.

Actuarial Experience for Year Ended June 30, 2025

Assumption	Amount
1. Net gain/(loss) from investments	$1,518,635,225
2. Gain/(loss) from administrative expenses	6,030,183
3. Net gain/(loss) from other experience	(314,569,212)
4. Net experience gain/(loss): 1 + 2 + 3	**$1,210,096,196**

Actuarial experience continued

Investment experience

Actuarial planning is long term. The obligations of a pension plan are expected to continue for the lifetime of all its participants.

The assumed long-term rate of return of 7.00% considers past experience, the asset allocation policy of the Board, and future expectations.

Investment Experience for Year Ended June 30, 2025

Item		Fair Value With POB	Fair Value Without POB	Actuarial Value With POB
1.	Value of assets as of June 30, 2024	$71,424,801,957	$66,946,205,516	$70,687,607,498
2.	Contributions during fiscal year ended June 30, 2025	7,551,849,627	8,079,853,587[1]	7,551,849,627
3.	Benefits and expenses during fiscal year ended June 30, 2025	8,615,352,353	8,615,352,353	8,615,352,353
4.	Value of assets as of June 30, 2025	77,263,331,616	72,902,413,056	76,053,649,926
5.	Net investment income: **4 – 1 – 2 + 3**	6,902,032,385	6,491,706,306	6,429,545,154
6.	Average value of assets **1 + (2 – 3) ÷ 2**	70,893,050,594	66,678,456,133	70,155,856,136
7.	Rate of return: **5 ÷ 6**	9.74%	9.74%	9.16%
8.	Assumed rate of return	7.00%	7.00%	7.00%
9.	Expected investment income: **6 x 8**	$4,962,513,542	$4,667,491,930	$4,910,909,929
10.	**Investment gain/(loss): 5 – 9**	**$1,939,518,843**	**1,824,214,376**	**$1,518,635,225**

[1] Includes POB debt service.

Actuarial experience continued

Non-investment experience

Administrative expenses

Administrative expenses for the year ended June 30, 2025, totaled $45,565,876, as compared to the assumption of $51,596,059 (adjusted for interest). This resulted in an experience gain of $6,030,183 for the year.

Other experience

There are other differences between the expected and the actual experience that appear when the new valuation is compared with the projections from the previous valuation. These include:

- Salary increases (greater or smaller than projected)
- Retirement experience (earlier or later than projected)
- Mortality experience (more or fewer than expected deaths)
- The extent of turnover among participants
- Disability experience (more or fewer than projected)
- Buyout experience different than assumed
- New entrants

The net loss from this other experience for the year ended June 30, 2025, amounted to approximately $315 million, which is 0.2% of the actuarial accrued liability.

Actuarial experience continued

Gain/(Loss) Due to Demographic Experience for Year Ended June 30,

Category	2025	2024	2023	2022	2021	Average
Salary increases	($399,444,382)	($164,767,372)	($237,171,924)	($32,828,461)	$56,331,439	($155,576,140)
Retirement experience	18,097,969	(54,978,894)	3,778,734	(12,528,909)	(107,023,064)	(30,530,833)
Disability experience	12,472,339	18,188,416	13,870,284	18,105,257	18,941,923	16,315,644
Termination experience	(27,258,144)	(74,025,535)	(27,073,060)	(54,266,505)	(49,242,128)	(46,373,074)
Mortality experience	98,232,098	28,528,638	15,608,188	146,302,767	68,231,169	71,380,572
Rehires	(36,920,946)	(46,506,966)	(45,283,039)	(35,416,877)	(41,159,834)	(41,057,533)
New entrants	2,077,985	(966,963)	154,803	3,326,783	4,382,406	1,849,781
Buyout experience	68,264,454	133,501,723	35,490,137	65,234,112	195,467,590	99,591,603
Other	(50,090,585)	(85,229,653)	(449,244,171)[1]	(223,011,784)	88,083,634	(143,581,190)
Total	**($314,569,212)**	**($246,256,606)**	**($688,009,545)**	**($125,083,617)**	**$234,013,135**	**(227,981,170)**

Actuarial assumptions

There are no assumption changes reflected in this report except for the following:

- The administrative expense assumption[2] was changed to $54,707,816 and $59,093,190 for the fiscal years ending June 30, 2027, and June 30, 2028, respectively, based on input from TRS staff and adjustments for assumed 2.50% inflation.

The Board sets assumptions for the System based on periodic multi-year experience studies. The last study was completed for the three-year period ended June 30, 2024, and it is anticipated that the assumptions will next be reviewed in August 2027.

Plan provisions

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

[1] Primarily due to programming enhancements.
[2] Not reflected in the phase-in of the effect of assumption changes for purposes of determining the Statutory Contribution.

Unfunded actuarial accrued liability

Development of Unfunded Actuarial Accrued Liability under Projected Unit Credit Method for Fiscal Year Ended June 30, 2025, and June 30, 2024

Unfunded Actuarial Accrued Liability	Change for FYE 06/30/2025	Amount for FYE 06/30/2025	Change for FYE 06/30/2024	Amount for FYE 06/30/2024
1. Unfunded actuarial accrued liability at beginning of year		$83,637,551,666		$81,896,009,108
2. Normal cost at beginning of year		2,433,621,610		2,347,000,074
3. Total actual contributions		(7,551,849,627)		(7,458,024,481)
4. Interest on 1, 2 & 3				
a. Unfunded actuarial accrued liability and normal cost	$6,024,982,129		$5,897,010,643	
b. Total contributions	264,314,737		261,030,857	
c. Total interest: (4a) – (4b)		5,760,667,392		5,635,979,786
5. Expected unfunded actuarial accrued liability: 1 + 2 + 3 + (4c)		**84,279,991,041**		**82,420,964,487**
6. Changes due to:				
a. Investment	(1,518,635,225)		(397,306,665)	
b. Administrative expense	(6,030,183)		0	
c. Demographic	314,569,212		246,256,606	
d. Plan provisions	0		0	
e. Actuarial assumptions	0		1,367,637,238	
f. Total changes		(1,210,096,196)		1,216,587,179
7. Unfunded actuarial accrued liability at end of year: 5 + (6f)		**$83,069,894,845**		**$83,637,551,666**

Development of employer costs

Statutory Funding under Illinois Pension Code

The amount of the employer contribution as determined by the Illinois Pension Code is the amount, which, when increased as a level percentage of member payroll, will result in the System being 90% funded by June 30, 2045, if all assumptions are met and the active population remains level. The employer contributions include contributions from the State, School Districts, and Federal Funds. Federal Funds contributions are based on the assumption that 2.00% of total payroll is attributable to Federal Funds payroll. For fiscal 2027, the School Districts' contributions are expected to equal 0.58% of total payroll under Sec. 16-158(e), approximately 0.07% of total payroll under Sec. 16-158(f), and approximately 0.01% of total payroll under Sec. 16-158(i-5). The actuarial cost method is the projected unit credit method.

The methodology for calculating the Federal Funds contribution is similar to that of School District contributions (i.e., a stream of projected contributions estimated as of the valuation date) resulting in the State contribution being the level percent of payroll required to attain 90% funded by fiscal year 2045.

Recommended Funding under Board-Adopted Actuarial Funding Policy

The actuarially determined contribution under the Board's funding policy, called the Board-Adopted Actuarial Funding Policy, is comprised of an employer normal cost payment and a payment on the unfunded actuarial accrued liability. The amortization of the unfunded accrued liability is a closed 20-year period effective June 30, 2015, and will decline by one year in each subsequent valuation. Sources of unfunded actuarial accrued liability that emerge in subsequent valuations are amortized over closed 20-year periods. Contributions toward the unfunded actuarial accrued liability increase by 2% each year, the estimated increase in future State revenue growth. The actuarial cost method is the entry age normal method. The minimum contribution is the normal cost.

The chart on the following page shows the development of employer contributions under Statutory Funding and the Board-Adopted Actuarial Funding Policy.

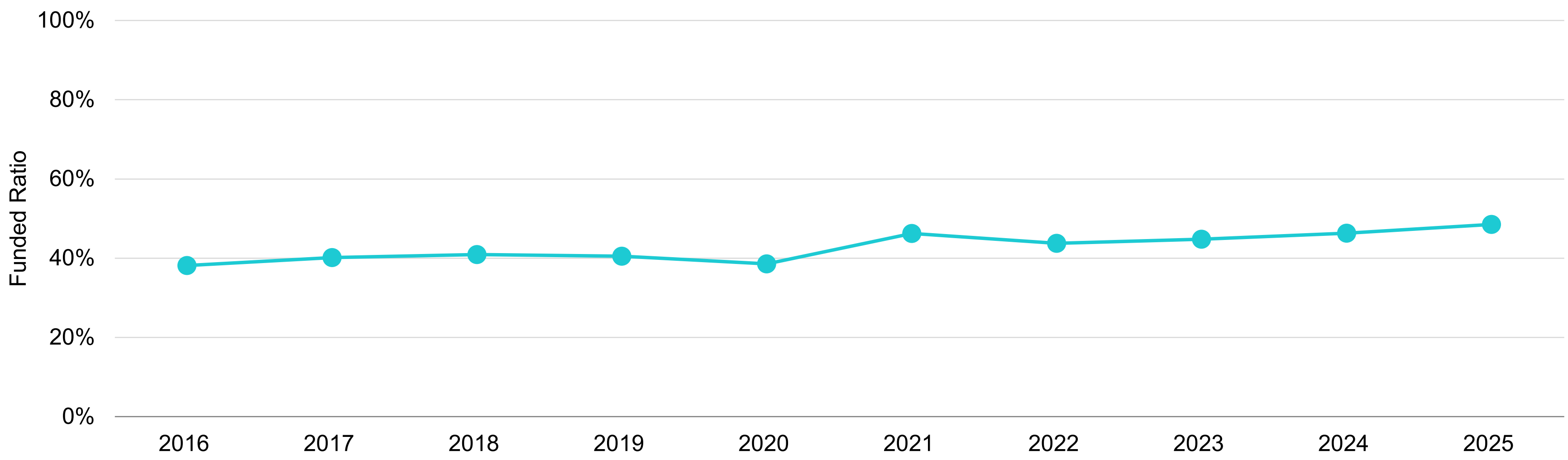
Development of employer costs continued

Employer Contributions for Fiscal Year Ending June 30

Item	2027	2026
Based on Statutory Funding		
1. Benefit Trust Reserve:		
a. Employer's cost as percentage of membership payroll	48.48%	50.54%
b. Total employer contribution: **(1a) x (8)**	$6,741,568,056	$6,695,382,824
c. School Districts contributions under Sec. 16-158	(92,633,548)	(88,804,425)
d. Federal Funds contribution	(27,814,266)	(27,396,727)
e. Phase-in of the effect of assumption changes	(27,258,006)	(83,664,008)
f. State Contribution: **(1b) + (1c) + (1d) + (1e)**	6,593,862,236	6,495,517,664
2. Guaranteed Minimum Annuity Reserve	200,000	200,000
3. Total State Contribution: (1f) + (2)	**6,594,062,236**	**6,495,717,664**
Based on Board-Adopted Actuarial Funding Policy		
4. Benefit Trust Reserve:		
a. Normal cost plus amortization of UAAL (Actuarially Determined Contribution)	11,297,714,512	10,850,363,156
b. School Districts contributions under Sec. 16-158	(92,633,548)	(88,804,425)
c. Federal Funds contribution	(27,814,266)	(27,396,727)
d. Board-Adopted Contribution: **(4a) + (4b) + (4c)**	11,177,266,698	10,734,162,004
5. Guaranteed Minimum Annuity Reserve	200,000	200,000
6. Total Board-Adopted contribution: (4d) + (5)	**11,177,466,698**	**10,734,362,004**
Difference Between Board-Adopted Actuarial Funding Policy and Statutory Funding		
7. Shortfall/(Excess): (6) – (3)	**4,583,404,462**	**4,238,644,340**
8. Total membership payroll	13,907,133,095	13,247,933,643

Schedule of funding progress through June 30, 2025

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
06/30/2016	$47,222,097,809	$118,629,890,305	$71,407,792,496	39.81%	$9,811,614,000	727.8%
06/30/2017	49,467,525,209	122,904,034,268	73,436,509,059	40.25%	9,965,570,000	736.9%
06/30/2018	51,730,889,960	127,019,330,164	75,288,440,204	40.73%	10,163,980,000	740.7%
06/30/2019	53,391,192,733	131,456,968,953	78,065,776,220	40.61%	10,450,452,000	747.0%
06/30/2020	54,890,975,829	135,598,547,013	80,707,571,184	40.48%	10,827,439,000	745.4%
06/30/2021	58,979,922,966	138,914,274,917	79,934,351,951	42.46%	11,120,776,000	718.8%
06/30/2022	62,910,402,179	143,523,730,959	80,613,328,780	43.83%	11,647,248,000	692.1%
06/30/2023	66,502,286,973	148,398,296,080	81,896,009,107	44.81%	12,382,202,189	661.4%
06/30/2024	70,687,607,498	154,325,159,164	83,637,551,666	45.80%	12,721,190,256	657.5%
06/30/2025	76,053,649,926	159,123,544,771	83,069,894,845	47.80%	13,354,862,457	622.0%



Low-Default-Risk Obligation Measure (LDROM)

In December 2021, the Actuarial Standards Board issued a revision of Actuarial Standard of Practice No. 4 (ASOP 4) "Measuring Pension Obligations and Determining Pension Plan Costs or Contributions". One of the revisions to ASOP 4 requires the disclosure of a Low-Default-Risk Obligation Measure (LDROM) when performing a funding valuation. The LDROM presented in this report is calculated using the same methodology and assumptions used to determine the Actuarial Accrued Liability (AAL) used for funding, except for the discount rate. The LDROM is required to be calculated using "a discount rate…derived from low-default-risk fixed income securities whose cash flows are reasonably consistent with the pattern of benefits expected to be paid in the future."

The LDROM is a calculation assuming a plan's assets are invested in an all-bond portfolio, generally lowering expected long-term investment returns. The discount rate selected and used for this purpose is the Bond Buyer General Obligation 20-year Municipal Bond Index Rate, published at the end of each week. The last published rate in June of the measurement period, by The Bond Buyer (www.bondbuyer.com), is 5.20% for use effective June 30, 2025. This is the rate used to determine the discount rate for valuing reported public pension plan liabilities in accordance with Governmental Accounting Standards when plan assets are projected to be insufficient to make projected benefit payments, and the 20-year period reasonably approximates the duration of plan liabilities. The LDROM is not used to determine a plan's funded status or Actuarially Determined Contribution. The System's expected return on assets, currently 7.00%, is used for these calculations.

As of June 30, 2025, the LDROM for the system is $206.2 billion, based on the entry age normal cost method. The difference between the System's AAL of $162.0 billion (based on the entry age normal cost method) and the LDROM can be thought of as the increase in the AAL if the entire portfolio were invested in low-default-risk securities. Alternatively, this difference could also be viewed as representing the expected savings from investing in the plan's diversified portfolio compared to investing only in low-default-risk securities.

ASOP 4 requires commentary to help the intended user understand the significance of the LDROM with respect to the funded status of the plan, plan contributions, and the security of participant benefits. In general, if plan assets were invested exclusively in low-default-risk securities, the funded status would be lower and the Statutory contribution and actuarially determined contribution values would be higher. While investing in a portfolio with low-default-risk securities may be more likely to reduce investment volatility and the volatility of employer contributions, it also may be more likely to result in higher employer contributions or lower benefits.

Risk

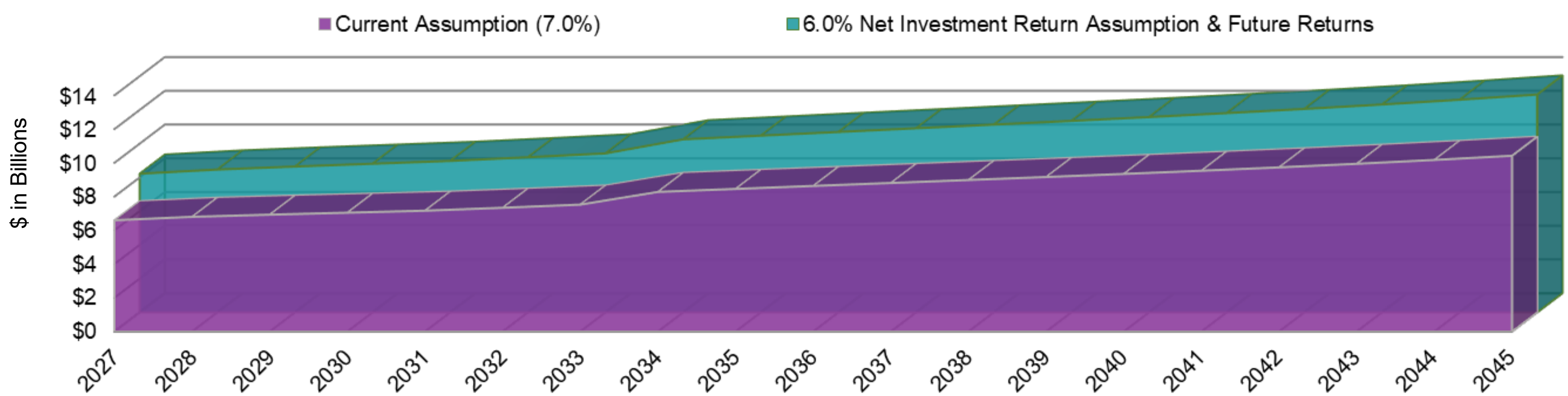
The actuarial valuation results are dependent on a single set of assumptions; however, there is a risk that emerging results may differ significantly as actual experience proves to be different from the current assumptions.

The following risks could significantly affect the System's future condition:

- **Economic and Other Related Risks**. Potential implications for the System due to the following economic effects (that were not reflected as of the valuation date) include:
  - Volatile financial markets and investment returns lower than assumed
  - High inflationary environment impacting salary increases and Tier 2 COLAs / salary caps

  The following chart and graph illustrate the impact on projected total State contributions from fiscal year ending June 30, 2027, through June 30, 2045, assuming the net investment return assumption (and future asset returns) decreases by 1% compared to the current assumption of 7%. Statutory contributions are determined such that the System is projected, by June 30, 2045, to attain 90% funded.

Total State Contributions for FY2027-FY2045



The cumulative FY2027-FY2045 State contribution amounts would increase by approximately $39 billion if the net investment return assumption and future returns were 100 basis points lower compared to current assumptions ($200 billion vs $161 billion).

Sensitivity testing showing impacts on State Contribution amounts due to various investment returns and salary increases are included later in this section.

Risk continued

If actual annual inflation is 100 basis points higher than assumed (i.e., 3.50% vs 2.50%) and results in higher assumed salary increases and Tier 2 COLAs / salary cap increases (i.e., 1.75% vs 1.25%), the unfunded actuarial accrued liability (UAAL) on a fair value basis would increase approximately $2.6 billion, from $81.9 billion to $84.5 billion.

- **Investment Risk** (the risk that returns will be different than expected)

  If the prior year's investment performance resulted in a fair value of assets that is 10% different than the current value, it would result in a change of $7.7 billion in the asset value. A 10% increase in assets would cause the UAAL on a fair value basis to decrease from $81.9 billion to $74.2 billion. Likewise, a 10% decrease in the asset value would cause the UAAL on a fair value basis to increase from $81.9 billion to $89.6 billion.

  Since the System's assets are much larger than contributions, investment performance may create significant volatility in contribution requirements. For example, if future annual returns were 1% different than the current 7.0% return assumption, the average annual State contribution from fiscal year 2027 through fiscal year 2045 under Statutory requirements would increase or decrease by approximately $600 million.

  The fair value rate of return over the last 20 years has ranged from a low of -22.9% to a high of 25.2%.

  See 'Sensitivity Projections' section on pages 22 and 23 of this report for additional information regarding investment risk.

- **Longevity Risk** (the risk that mortality experience will be different than expected)

  The actuarial valuation includes an expectation of future improvement in life expectancy. Emerging plan experience that does not match these expectations will result in either an increase or decrease in the Board-Adopted Funding Policy and statutorily required contribution requirement.

  If people are living longer than expected and the actual rate of mortality is 10% lower than assumed (i.e., adjust the current assumed mortality rates by 90%), the UAAL on a fair value basis would increase approximately $4.1 billion, from $81.9 billion to $86.0 billion.

- **Contribution Risk** (the risk that actual contributions will be different from actuarially determined contribution)

  The Board-Adopted Actuarial Funding Policy requires payment of the System's normal cost and an amortization payment according to a schedule sufficient to pay down the UAAL over time. If the TRS funding policy contribution were adhered to, contribution risk would be negligible.

  However, System contributions are set by statute. The statutorily-required amount systematically underfunds TRS. Among other things, it:

Risk continued

- Is based on a funding target of 90% of the actuarial accrued liability (as opposed to 100%);
- Requires the use of the projected unit credit actuarial cost method, which further backloads the contributions to TRS as compared to the entry age normal cost method, which is a level cost funding method;
- Imposes a maximum contribution based upon Pension Obligation Bond (POB) debt payments despite the fact that not all of the POB proceeds were contributed to TRS; and
- Requires Tier 2 benefit provisions for members to be hired in the future be reflected in the determination of the contribution, resulting in reduced and back-loaded contributions.

If contributions are made per statute and future experience matches the current assumptions, we project the UAAL will not be paid off. However, we project that TRS will have sufficient assets to make benefit payments when due in the future.

The following chart illustrates the impact on projected total State contributions (under the Statutory Funding Policy and Board-Adopted Actuarial Funding Policy) from fiscal year ending June 30, 2027, through June 30, 2045, assuming the fair value return for the upcoming year vary between −21% and +21%. Statutory and Board-Adopted Actuarial Funding Policy contributions are determined such that the System is projected, by June 30, 2045, to attain 90% funded and 100% funded, respectively.

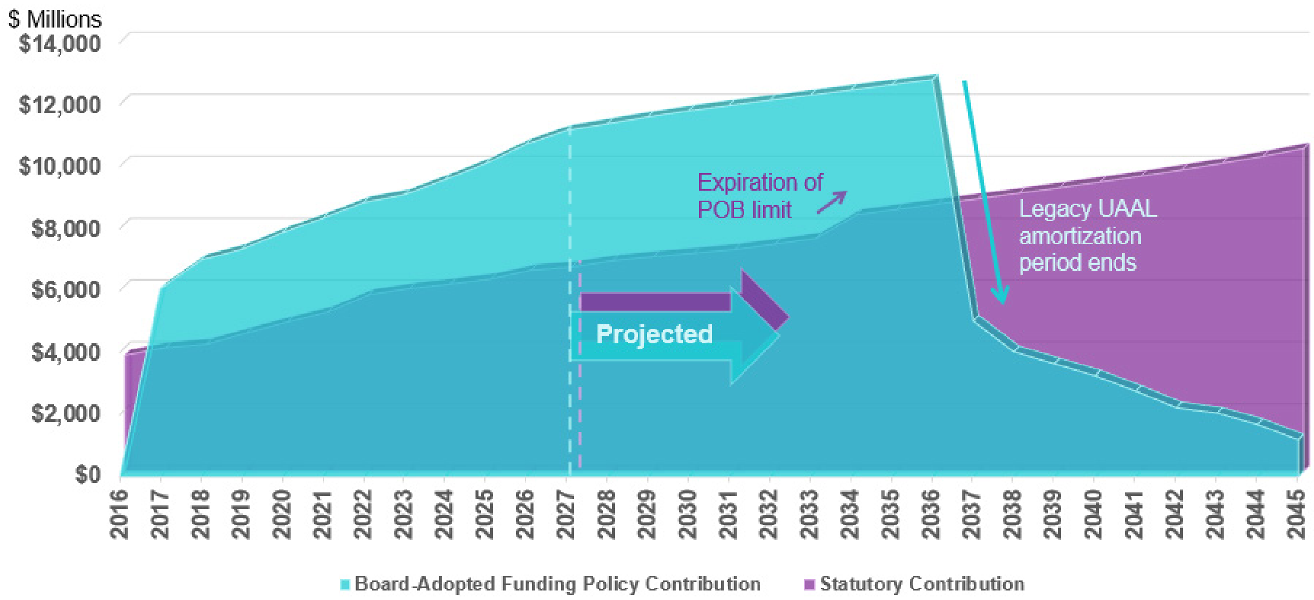
Total State Contributions for FY2027-FY2045

Assumed Return for FYE2026	Statutory	Board-Adopted	Difference
+21%	$138.2B	$127.5B	$10.7B
+14%	149.5B	136.9B	12.7B
+7%	160.8B	146.3B	14.5B
0%	172.0B	155.8B	16.3B
-7%	183.3B	165.2B	18.1B
-14%	194.6B	174.7B	19.9B
-21%	205.8B	184.1B	21.7B

The graph on the following page depicts the differences in contribution pattern from June 30, 2027, through June 30, 2045, under the Statutory Funding Policy and Board-Adopted Actuarial Funding Policy, assuming 7% future returns and a level future active headcount.

Risk continued

Comparison of Total Statutory and Board-Adopted Contribution Amount through FY2045



Note that, under the Board-Adopted Actuarial Funding Policy, the total contribution amounts paid by the System from fiscal year ending June 30, 2027, through June 30, 2045, would be $146.31 billion, which would result in an overall savings of $14.46 billion compared to current Statutory Funding Policy (as shown in the baseline projection scenario above). In addition, the Board-Adopted Actuarial Funding Policy targets 100% funded by June 30, 2045, while the Statutory Funding Policy funding targets 90% by the same date.

- **Demographic Risk** (the risk that participant experience will be different than assumed)

  Examples of this risk include:

  — Actual retirements occurring earlier or later than assumed. The value of retirement plan benefits is sensitive to the rate of benefit accruals and any early retirement subsidies that apply.

  — More or less active participant turnover than assumed.

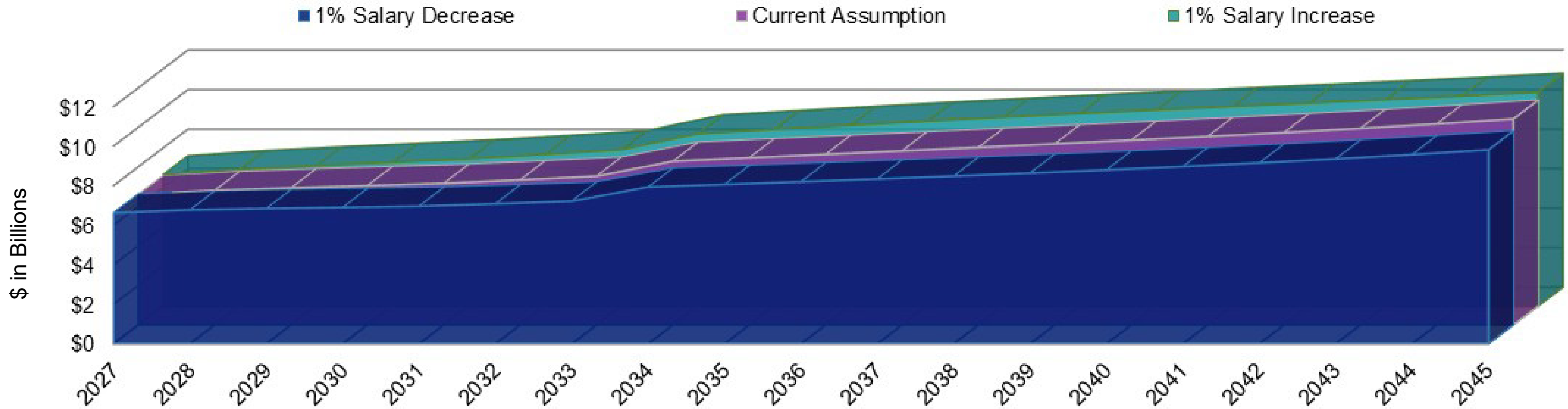
  — Individual salary increases higher or lower than assumed.

  — Projected active headcount increases higher or lower than assumed.

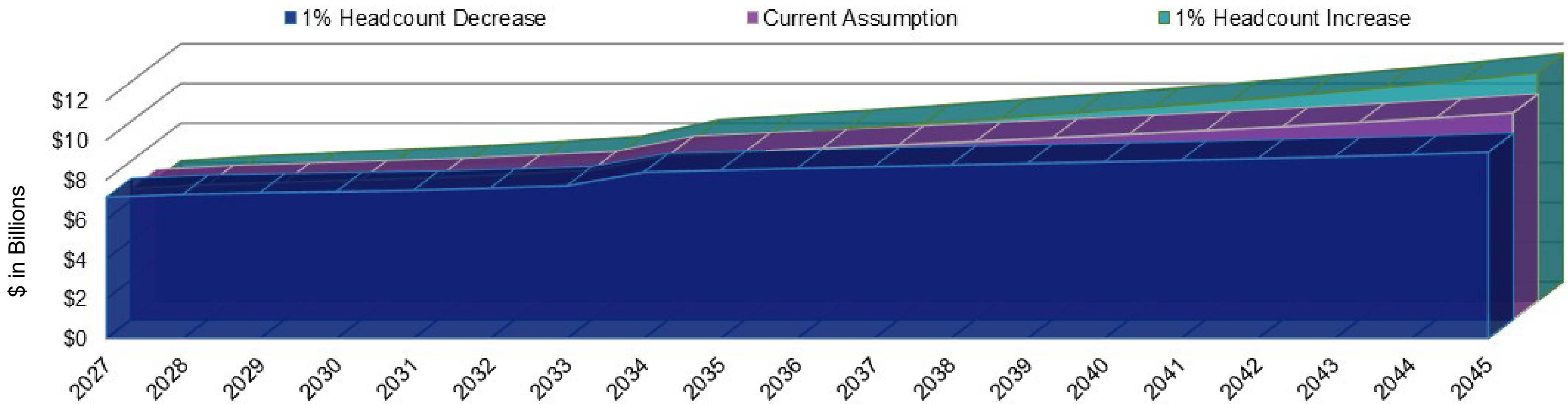
Risk continued

The charts and graphs below illustrate the impact on projected total State contributions from fiscal year ending June 30, 2027, through June 30, 2045, assuming annual increases in individual salaries (for both current and future employees) or projected active headcount differ by 1% compared to the current assumption.

Total State Contributions for FY2027-FY2045



The cumulative FY2027-FY2045 State contribution amounts would change by approximately $8 billion if assumed annual salary increases differ by 1% compared to current assumptions ($153 billion vs $161 billion vs $169 billion).



The cumulative FY2027-FY2045 State contribution amounts would change by approximately $3 billion if the projected active headcount differs by 1% per year compared to current assumptions ($158 billion vs $161 billion vs $164 billion).

Risk continued

- **Actual Experience Over the Last Ten Years**

  Past experience can help demonstrate the sensitivity of key results to the System's actual experience. Over the past ten years:

  — The funded percentage on the actuarial value of assets has ranged from a low of 39.8% to a high of 47.8% since 2016. See page 73 for additional details.

  — The investment gain/(loss) for a year has ranged from a gain of $1,519 million to a loss of $973 million.

  — The non-investment gain/(loss) for a year has ranged from a loss of $47 million to $1,342 million.

Actual Experience Over the Last Ten Years ($ in millions)

Plan Year Ended June 30	AVA Investment Gain/(Loss)	Non-Investment Gain/(Loss)	Plan Year Ended June 30	AVA Investment Gain/(Loss)	Non-Investment Gain/(Loss)
2016	($467)	($964)	2021	1,437	(1,137)
2017	384	(604)	2022	460	(125)
2018	307	(1,342)	2023	(29)	(688)
2019	(590)	(352)	2024	397	(246)
2020	(973)	(47)	2025	1,519	(315)

- **Maturity Measures**

  — As pension plans mature, the cash needed to fulfill benefit obligations will increase over time. Therefore, cash flow projections and analysis should be performed to assure that the System's asset allocation is aligned to meet emerging pension liabilities.

  — Over the past ten years, the ratio of full-time actives to non-active participants (excluding inactive members eligible for refunds) has decreased from a high of 1.18 to a low of 1.08. Currently the System has a full-time active to annuitant participant ratio of 1.08. See page 27 for more details.

  — As of June 30, 2025, the retired life actuarial accrued liability represents 61% of the total actuarial accrued liability. In addition, the actuarial accrued liability for inactive vested participants represents 3% of the total. The higher the non-active actuarial accrued liability as a percentage of the total liability, the greater the danger of volatility in results.

  — Benefits and administrative expenses less contributions totaled $1.1 billion for the year ending June 30, 2025, or 1.4% of the fair value of assets. The Plan is dependent upon investment returns in order to pay benefits. See page 32 for additional details.

Schedule of funded liabilities by type (formerly known as the Solvency Test)

The Actuarial Accrued Liability represents the present value of benefits earned, calculated using the System's actuarial cost method. The Actuarial Value of Assets reflects the financial resources available to liquidate the liability. The portion of the liability covered by assets reflects the extent to which accumulated plan assets are sufficient to pay future benefits, and is shown for liabilities associated with member contributions, pensioner liabilities, and other liabilities. The Government Finance Officers Association (GFOA) recommends that the funding policy aim to achieve a funded ratio of 100 percent.

Schedule of Funded Liabilities by Type as of June 30

($ in thousands)

Valuation as of June 30	Member Contributions[1] (1)	Annuitants and Survivor Annuitants (2)	Active and Inactive Members (Employer-Financed) (3)	Actuarial Value of Assets	Covered by Actuarial Value of Assets (1)	Covered by Actuarial Value of Assets (2)	Covered by Actuarial Value of Assets (3)
2016	$9,629,934	$77,688,075	$31,311,881	$47,222,098	100%	48%	0%
2017	9,683,095	80,882,353	32,338,586	49,467,525	100%	49%	0%
2018	10,057,427	82,968,465	33,993,438	51,730,890	100%	50%	0%
2019	10,474,097	85,788,806	35,194,066	53,391,193	100%	50%	0%
2020	10,902,747	88,185,983	36,509,817	54,890,976	100%	50%	0%
2021	11,320,352	88,788,971	38,804,952	58,979,923	100%	54%	0%
2022	11,804,784	90,534,637	41,184,310	62,910,402	100%	56%	0%
2023	12,276,856	92,515,847	43,605,593	66,502,287	100%	59%	0%
2024	12,753,316	95,322,114	46,249,729	70,687,607	100%	61%	0%
2025	13,313,535	97,840,585	47,969,425	76,053,650	100%	64%	0%

[1] As reported by TRS for purposes of preparing the schedule of funded liabilities included in the Annual Comprehensive Financial Report.

Section 3: Supplemental Information

Exhibit A: Summary of membership data

Category	Year Ended June 30, 2025	Year Ended June 30, 2024	Change From Prior Year
Active members in valuation:			
• Tier 1 Only			
▪ Number of full-time and regular part-time	88,483	91,765	(3.6%)
▪ Number of substitutes, part-time, and hourly paid	8,836	9,199	(3.9%)
– Total Number	97,319	100,964	(3.6%)
▪ Annual salary of full-time and regular part-time	$8,643,549,942	$8,565,751,849	0.9%
▪ Annual salary of substitutes, part-time, and hourly paid	72,698,553	73,903,887	(1.6%)
– Total annual salary	8,716,248,495	8,639,655,736	0.9%
– Average age	49.0	48.4	0.6
– Average years of service	17.5	17.0	0.5
• Tier 2 Only			
▪ Number of full-time and regular part-time	55,064	50,625	8.8%
▪ Number of substitutes, part-time, and hourly paid	19,298	18,163	6.2%
– Total number	74,362	68,788	8.1%
▪ Annual salary of full-time and regular part-time	$3,633,574,445	3,169,971,628	14.6%
▪ Annual salary of substitutes, part-time, and hourly paid	148,671,817	131,345,581	13.2%
– Total annual salary	3,782,246,262	3,301,317,209	14.6%
– Average age	35.9	35.4	0.5
– Average years of service	4.4	4.1	0.3
• Combined Tier 1 and Tier 2			
– Total number	171,681	169,752	1.1%
– Total annual salary	$12,498,494,758	$11,940,972,945	4.7%
– Average age	43.3	43.2	0.1
– Average years of service	11.8	11.8	0.0
Inactive members:			
• Eligible for deferred annuities	18,799	19,265	(2.4%)
• Eligible for refunds or single sum benefits	137,263	133,931	2.5%
• Total	156,062	153,196	1.9%

Exhibit A: Summary of membership data continued

Category	Year Ended June 30, 2025	Year Ended June 30, 2024	Change From Prior Year
Healthy Annuitants:			
• Number			
– Regular	92,114	89,449	3.0%
– ERI	6,172	6,619	(6.8%)
– ERO	20,808	21,402	(2.8%)
– Total	119,094	117,470	1.4%
• Annual annuities			
– Regular	$5,640,279,100	$5,330,063,179	5.8%
– ERI	452,260,198	471,914,410	(4.2%)
– ERO	1,813,499,589	1,804,471,998	0.5%
– Total	7,906,038,887	7,606,449,587	3.9%
• Average age	73.8	73.6	0.2
• Average monthly benefit	$5,532	$5,396	2.5%
Disability Annuitants:			
• Number			
– Retirement allowance	723	751	(3.7%)
– Occupational	9	5	80.0%
– Temporary	194	192	1.0%
– Total	926	948	(2.3%)
• Annual annuities			
– Retirement allowance	$24,251,373	$24,547,472	(1.2%)
– Occupational	479,836	240,029	99.9%
– Temporary	6,718,792	6,607,637	1.7%
– Total	31,450,002	31,395,138	0.2%
• Average age	61.8	61.7	0.1
• Average monthly benefit	$2,830	$2,760	2.5%

Exhibit A: Summary of membership data continued

Category	Year Ended June 30, 2025	Year Ended June 30, 2024	Change From Prior Year
Survivor Annuitants:			
• Number			
– Children	60	72	(16.7%)
– Survivors	13128	12,857	2.1%
– Reversionary	223	221	0.9%
– Total	13,411	13,150	2.0%
• Annual annuities			
– Children	$891,019	$997,963	(10.7%)
– Survivors	438,907,537	412,998,667	6.3%
– Reversionary	10,542,244	10,188,901	3.5%
– Total	450,340,800	424,185,531	6.2%
• Average age	79.6	79.3	0.3
• Average monthly benefit	$2,798	$2,688	4.1%
Total membership	**461,174**	**454,516**	**1.5%**

Exhibit B: Active membership data as of June 30, 2024, used in June 30, 2025 actuarial valuation

Full-Time and Regular Part-Time Active Members
(number and average salary[1])

Years of Service

Age	Total	0 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30 - 34	35 - 39	40 & over
Under 25	4,432	4,432	--	--	--	--	--	--	--	--
	$51,318	$51,318	--	--	--	--	--	--	--	--
25 - 29	14,171	10,260	3,911	--	--	--	--	--	--	--
	$58,817	$56,991	$63,605	--	--	--	--	--	--	--
30 - 34	16,064	4,422	8,393	3,247	2	--	--	--	--	--
	$68,962	$61,433	$69,568	$77,637	$89,244	--	--	--	--	--
35 - 39	20,557	3,198	4,661	9,017	3,681	--	--	--	--	--
	$78,309	$62,577	$72,687	$81,294	$91,783	--	--	--	--	--
40 - 44	25,576	2,915	3,352	4,259	10,924	4,126	--	--	--	--
	$88,540	$63,501	$74,092	$83,406	$95,597	$104,585	--	--	--	--
45 - 49	24,145	2,247	2,407	2,559	4,469	9,327	3,136	--	--	--
	$96,653	$63,922	$73,302	$81,439	$97,263	$107,805	$116,405	--	--	--
50 - 54	21,384	1,497	1,688	1,853	2,863	4,138	6,900	2,445	--	--
	$102,566	$65,910	$74,683	$82,822	$94,546	$108,048	$116,229	$120,778	--	--
55 - 59	12,408	884	942	1130	1837	2146	2455	2924	90	--
	$102,126	$65,426	$73,281	$80,579	$92,811	$106,169	$115,140	$122,100	$124,844	--
60 - 64	3,749	402	467	522	768	683	492	276	125	14
	$92,420	$64,317	$73,636	$81,389	$91,611	$101,119	$110,954	$117,961	$123,970	$120,717
65 - 69	862	131	150	100	152	183	66	52	16	12
	$88,378	$63,899	$72,483	$80,778	$89,663	$103,868	$105,954	$114,462	$109,144	$127,740
70 & over	199	42	27	19	28	27	21	12	6	17
	$86,852	$54,213	$70,342	$70,300	$91,871	$106,099	$110,748	$111,522	$109,578	$118,427
Total	**143,547**	**30,430**	**25,998**	**22,706**	**24,724**	**20,630**	**13,070**	**5,709**	**237**	**43**
	$85,527	**$59,339**	**$70,716**	**$81,263**	**$94,837**	**$106,781**	**$115,807**	**$121,242**	**$122,936**	**$121,771**

[1] Salary is annualized for those hired during the prior plan year.

Exhibit C: 10-year history of active membership data by employment type

Full-Time and Regular Part-Time

Census Date June 30	Number	Percent Change	Total Salaries	Average Annual Salary	Percent Change
2015	133,478	N/A	$9,286,852,068	$69,576	N/A
2016	133,505	0.0%	9,450,737,426	70,789	1.7%
2017	133,761	0.2%	9,610,001,605	71,845	1.5%
2018	134,160	0.3%	9,807,965,387	73,106	1.8%
2019	135,752	1.2%	10,120,309,474	74,550	2.0%
2020	137,394	1.2%	10,450,326,107	76,061	2.0%
2021	139,144	1.3%	10,807,937,150	77,674	2.1%
2022	141,155	1.4%	11,312,520,457	80,143	3.2%
2023	142,390	0.9%	11,735,723,477	82,420	2.8%
2024	143,547	0.8%	12,277,124,387	85,527	3.8%

Substitutes, Part-Time and Hourly Paid

Census Date June 30	Number	Percent Change	Total Salaries	Average Annual Salary	Percent Change
2015	26,206	N/A	$148,630,024	$5,672	N/A
2016	26,080	(0.5%)	154,723,494	5,933	4.6%
2017	26,664	2.2%	152,390,955	5,715	(3.7%)
2018	26,592	(0.3%)	154,944,377	5,827	2.0%
2019	27,323	2.7%	163,335,209	5,978	2.6%
2020	25,555	(6.5%)	148,633,764	5,816	(2.7%)
2021	19,761	(22.7%)	136,562,053	6,911	18.8%
2022	25,559	29.3%	187,176,340	7,284	5.4%
2023	27,362	7.1%	205,249,468	7,501	3.0%
2024	28,134	2.8%	221,370,371	7,868	4.9%

Exhibit D: 10-year history of active membership data by tier

Tier 1

Census Date June 30	Number	Percent Change	Total Salaries	Average Annual Salary	Percent Change
2015	133,498	N/A	$8,649,528,420	$64,791	N/A
2016	128,262	(3.9%)	8,587,965,096	66,956	3.3%
2017	123,933	(3.4%)	8,508,107,682	68,651	2.5%
2018	119,572	(3.5%)	8,455,296,068	70,713	3.0%
2019	116,261	(2.8%)	8,485,298,821	72,985	3.2%
2020	112,214	(3.5%)	8,506,275,858	75,804	3.9%
2021	105,590	(5.9%)	8,510,312,193	80,598	6.3%
2022	104,124	(1.4%)	8,612,733,741	82,716	2.6%
2023	100,964	(3.0%)	8,639,655,736	85,572	3.5%
2024	97,319	-3.6%	8,716,248,495	89,564	4.7%

Tier 2

Census Date June 30	Number	Percent Change	Total Salaries	Average Annual Salary	Percent Change
2015	26,186	N/A	$785,878,433	$30,011	N/A
2016	31,323	19.6%	1,017,495,824	32,484	8.2%
2017	36,492	16.5%	1,254,284,878	34,372	5.8%
2018	41,180	12.8%	1,507,613,696	36,610	6.5%
2019	46,814	13.7%	1,798,345,863	38,415	4.9%
2020	50,735	8.4%	2,092,684,013	41,247	7.4%
2021	53,315	5.1%	2,434,187,010	45,657	10.7%
2022	62,590	17.4%	2,885,963,056	46,109	1.0%
2023	68,788	9.9%	3,301,317,209	47,993	4.1%
2024	74,362	8.1%	3,782,246,262	50,863	6.0%

Exhibit E: 10-year history of annuitant and survivor annuitant membership

Census Date June 30	Number	Percent Change	Annual Allowance	Average Annual Annuity	Percent Change
2015	115,273	N/A	$5,728,198,887	$49,692	N/A
2016	117,990	2.4%	6,033,050,890	51,132	5.3%
2017	120,453	2.1%	6,336,471,817	52,605	5.0%
2018	122,895	2.0%	6,639,967,327	54,030	4.8%
2019	124,791	1.5%	6,927,481,533	55,513	4.3%
2020	126,594	1.4%	7,205,635,969	56,919	4.0%
2021	128,116	1.2%	7,477,612,124	58,366	3.8%
2022	130,051	1.5%	7,764,985,482	59,707	3.8%
2023	131,568	1.2%	8,062,030,256	61,277	3.8%
2024	133,431	1.4%	8,387,829,689	62,863	2.6%

Exhibit F: Benefit stream for Guaranteed Minimum Annuity Reserve

Fiscal Year	Projected Benefit Stream for Guaranteed Minimum Annuity Reserve	Fiscal Year	Projected Benefit Stream for Guaranteed Minimum Annuity Reserve
2026	$186,181	2051	$4,754
2027	168,271	2052	3,847
2028	150,791	2053	3,084
2029	134,216	2054	2,447
2030	119,064	2055	1,921
2031	105,250	2056	1,492
2032	92,790	2057	1,145
2033	81,624	2058	868
2034	71,564	2059	650
2035	62,528	2060	469
2036	54,591	2061	339
2037	47,530	2062	242
2038	41,291	2063	169
2039	35,793	2064	117
2040	30,938	2065	80
2041	26,689	2066	54
2042	22,960	2067	36
2043	19,697	2068	25
2044	16,817	2069	11
2045	14,296	2070	6
2046	12,107	2071	3
2047	10,196	2072	2
2048	8,532	2073	1
2049	7,089	2074	0
2050	5,821		

Exhibit G: Reconciliation of membership data[1]

Description	Active Members	Inactive Members Eligible for Allowance	Inactive Members Eligible for Refund	Healthy Annuitants	Disabled Annuitants	Survivor Annuitants	Deferred Survivors	Total
Number as of June 30, 2023	**169,752**	**19,228**	**133,931**	**117,470**	**948**	**13,150**	**37**	**454,516**
New participants	13,561	N/A	N/A	N/A	N/A	N/A	N/A	13,561
Terminations — with vested rights	(1,806)	1,806	0	0	0	0	0	0
Terminations — without vested rights	(9,710)	0	9,710	0	0	0	0	0
Retirements	(3,496)	(708)	(194)	4,398	0	0	0	0
New disabilities	(92)	(4)	0	0	96	0	0	0
Conversion from disability to service pension	N/A	N/A	N/A	40	(40)	N/A	N/A	0
Died with survivor annuitants	(44)	(2)	0	(976)	(15)	1,133	0	96[2]
Died without survivor annuitants	(76)	(29)	(360)	(1,847)	(23)	(855)	0	(3,190)
Refunds	(776)	(125)	(2,386)	N/A	N/A	N/A	0	(3,287)
IV Buyout	N/A	(572)	N/A	N/A	N/A	N/A	N/A	(572)
Rehire as active	4,368	(872)	(3,455)	(9)	(32)	0	0	0
Temporary annuity expired	N/A	N/A	NA	N/A	N/A	(8)	N/A	(8)
Data adjustments	0	27	17	18	(8)	(9)	13	58
Number as of June 30, 2024	**171,681**	**18,749**	**137,263**	**119,094**	**926**	**13,411**	**50**	**461,174**

[1] Member data used in the valuation is as of the prior valuation date.
[2] Includes multiple survivor annuitants.

Exhibit H: Summary statement of income and expenses on a fair value basis

Year Ended June 30, 2025 versus Year Ended June 30, 2024

Item	Income and Expenses	Assets as of FYE 2025	Income and Expenses	Assets as of FYE 2024
Net assets at fair value at the beginning of the year		**$71,424,713,925**[1]		**$66,504,717,419**
Contribution and other income:				
Member contributions	$1,224,699,297		$1,168,677,259	
State of Illinois	6,203,788,670		6,158,581,314[2]	
Employers:				
– Federal funds	32,914,814		44,152,641	
– 2.2 Benefit formula	77,404,052		73,967,612	
– Excess salary/sick leave	13,042,794		14,114,954	
• **Total contribution income**		**7,551,849,627**		**7,459,493,780**
Investment income:				
Net appreciation (depreciation)	5,355,235,033		4,484,329,915	
Alternatives income	1,500,950,850		1,333,479,037	
Interest and dividends	1,122,950,821		992,669,934	
Other investment income	10,499,276		15,097,510	
Securities lending	3,022,174		4,685,054	
Less alternatives expense	(590,979,396)		(555,214,245)	
Less direct investment expense	(498,803,105)		(516,859,130)	
Less securities lending management fees	(755,236)		(281,095)	
Net investment income		**6,902,120,417**		**5,757,906,980**
Total income available for benefits		**14,453,970,044**		**13,217,400,760**
Benefit payments and administrative expenses:				
Retirement benefits	(7,998,555,247)		(7,714,575,734)	
Survivor benefits	(472,172,170)		(444,748,371)	
Disability benefits	(31,470,753)		(32,052,595)	
Refund of contributions	(67,588,307)		(69,007,152)	
Administrative expenses	(45,565,876)		(36,932,370)	
Net benefit payments and administrative expenses		**(8,615,352,353)**		**(8,297,316,222)**
Change in fair value of assets		**5,838,617,691**		**4,920,084,538**
Net assets at fair value at the end of the year		**77,263,331,616**		**71,424,801,957**

[1] Reflects revised financials provided by TRS on November 13, 2024, after the preliminary June 30, 2024 valuation results were certified.
[2] Includes the additional one-time contribution of $115,215,500 for fiscal 2024 per Public Act 102-0696 and Public Act 103-0006.

Exhibit I: Summary statement of system assets

Fiscal Year Ended June 30, 2025 versus Fiscal Year Ended June 30, 2024

Item	Investments	Assets as of FYE 2025	Investments	Assets as of FYE 2024
Cash:				
Cash equivalents		$16,244,760		$30,417,154
Receivables and prepaid expenses:				
Member contributions	$145,865,724		$150,468,398	
Employer contributions	18,597,473		24,016,585	
State of Illinois	621,225		71,625	
Investment income	198,627,037		185,018,228	
Other receivables	5,516,326		4,657,836	
Pending investments sales	2,303,394,574		1,961,612,751	
Total receivables at fair value		**2,672,622,359**		**2,325,845,423**
Investments:				
Fixed income	8,362,418,363		8,344,717,978	
Public equities	27,508,085,606		24,731,814,611	
Alternative investments	38,534,016,496		35,214,219,556	
Derivatives	(7,069,183)		(6,928,245)	
Short-term investments	2,121,920,261		2,830,476,398	
Foreign currency	71,184,055		59,372,808	
Total investments at fair value		**76,590,555,598**		**71,173,673,106**
Invested securities lending collateral		1,325,591,421		47,886,000
Capital assets, net of accumulated depreciation		7,023,321		8,166,080
Total assets		**80,612,037,459**		**73,585,987,763**
Liabilities:				
Benefits and refunds payable	(8,005,758)		(7,715,709)	
Administrative and investment expenses payable	(125,927,769)		(150,786,645)	
Pending investment purchases	(1,887,568,881)		(1,951,519,437)	
Lease and subscription liabilities	(2,528,375)		(3,278,015)	
Securities lending collateral	(1,324,675,060)		(47,886,000)	
Total liabilities		(3,348,705,843)		(2,161,185,806)
Net assets at fair value		**77,263,331,616**		**71,424,801,957**
Net assets at actuarial value		**76,053,649,926**		**70,687,607,498**

Exhibit J: Development of the fund through June 30, 2025

Year Ending June 30	State Contributions	Member Contributions	Other Contributions	Net Investment Return[1]	Admin. Expenses	Benefit Payments	Fair Value of Assets at Year-End	Actuarial Value of Assets at Year-End	Actuarial Value as a Percent of Fair Value
2016	$3,742,469,245	$951,809,398	$148,040,767	($44,103,178)	$22,967,917	$5,931,207,177	$45,250,956,731	$47,222,097,809	104.4%
2017	3,986,363,699	929,130,165	149,495,577	5,520,453,001	22,728,735	6,438,005,920	49,375,664,518	49,467,525,209	100.2%
2018	4,095,125,358	938,037,245	84,633,117	4,049,271,728	21,550,896	6,551,634,376	51,969,546,694	51,730,889,960	99.5%
2019	4,466,020,692	963,972,120	88,514,781	2,617,431,332	24,335,680	6,818,760,572	53,262,489,367	53,391,192,733	100.2%
2020	4,813,451,679	994,400,416	92,658,238	275,669,398	22,966,372	7,099,524,955	52,316,477,771	54,890,975,829	104.9%
2021	5,140,648,356	1,023,531,951	97,594,081	13,046,153,685	23,758,112	7,388,142,712	64,212,505,020	58,979,922,966	91.9%
2022	5,866,799,836	1,072,639,330	120,876,570	(743,042,373)	26,575,798	7,669,576,246	62,833,626,339	62,910,402,179	100.1%
2023	6,009,158,073	1,109,497,833	124,748,100	4,427,042,975	32,026,386	7,967,329,515	66,504,717,419	66,502,286,973	100.0%
2024	6,158,581,314	1,168,677,259	132,235,207	5,757,906,980	36,932,370	8,260,383,852	71,424,801,957	70,687,607,498	99.0%
2025	6,203,788,670	1,224,699,297	123,361,660	6,902,032,385	45,565,876	8,569,786,477	77,263,331,616	76,053,649,926	98.4%

[1] On a fair value basis, net of investment fees.

Exhibit I: Derivation of Employer Contributions under Illinois Pension Code

Item		Fiscal Year Ending June 30, 2027	As Percentage of Total Payroll
1.	Projected Payroll:		
	a. Total payroll	$13,907,133,095	
	b. Less Federal Funds payroll	(278,142,662)	
	c. State Payroll	13,628,990,433	
2.	Employer contribution that would have been required without funds provided by Sec. 7.2(d) of General Obligation Bond Act		
	a. Employer's cost	7,295,552,036	52.46%
	b. Less School Districts' contributions under Sec. 16-158	(92,633,548)	(0.67%)
	c. Less Federal Funds contribution	(27,814,266)	(0.20%)[1]
	d. Less State debt service for TRS portion of all funds provided under Sec 7.2 of General Obligation Bond Act	(553,983,980)	(3.98%)
	e. Maximum State contribution under PA 94-0004	6,621,120,242	47.61%
3.	Employer contribution recognizing all System assets, before limiting State contribution		
	a. Employer's cost	6,977,348,528	50.17%
	b. Less School Districts' contributions under Sec. 16-158	(92,633,548)	(0.67%)
	c. Less Federal Funds contribution	(27,814,266)	(0.20%)
	d. State contribution[2]	6,856,900,714	49.30%
4.	State contribution under PA 100-0023		
	a. Lesser of amounts under (2) and (3)	6,621,120,242	47.61%
	b. Phase-in of the effect of assumption changes	(27,258,006)	(0.20%)
	c. State contribution	6,593,862,236	47.41%
5.	Employer contributions		
	a. State contribution	6,593,862,236	47.41%
	b. Plus School Districts' contributions under Sec. 16-158	92,633,548	0.67%
	c. Plus Federal Funds contribution	27,814,266	0.20%
	d. Total employer contribution	6,714,310,050	48.28%

[1] Federal Funds contribution is equal to 10.00% of assumed Federal Funds payroll.

[2] The Benefit Trust Reserve State Contribution does not include the Guaranteed Minimum Annuity Reserve contribution. See page 44 for more details.

Exhibit I: Derivation of Employer Contributions under Illinois Pension Code
continued

Notes about employer contributions

1) **State Payroll**

   TRS staff estimated that Federal Funds payroll for the fiscal year ending June 30, 2027, would be 2.00% of total payroll.

2) **Determination of Maximum State Contribution under Public Act 94-0004**

   Under Section 7.2(d) of the General Obligation Bond Act (GOBA), TRS received $4.33 billion on July 2, 2003. Commencing with fiscal year 2005, the maximum State contribution under the Act equals the State contribution that would have been required had the $4.33 billion contribution not been made, reduced, but not below zero, by the State's debt service on the TRS portion of the full $10 billion of Pension Obligation Bonds issued under Section 7.2 of the GOBA.

3) **Employer Contribution Recognizing $4.33 Billion Received July 2, 2003**

   A gross employer contribution is determined that recognizes all System assets, and that meets the cost of maintaining and administering the System on a 90% funded basis by June 30, 2045, with a level percentage of payroll contribution after a 15-year phase-in beginning in fiscal year 1996.

4) **State and Federal Funds Contribution under Public Act 100-0023**

   The State contribution is the lesser of the maximum contribution determined under (2) or the contribution determined under (3), adjusted to reflect the phase-in of the effect of assumption changes. In accordance with Public Act 100-0340, the Federal Funds contribution rate is equal to the employer normal cost rate.

5) **Employer Contributions**

   The required employer contribution equals the sum of the State, Federal, and School Districts' contributions. For fiscal year 2027, the expected School Districts' contributions under Sec. 16-158(e), 16-158(f), and 16-158(i-5) are $80,661,372, $10,162,900, and $1,809,276, respectively.

Exhibit I: Derivation of Employer Contributions under Illinois Pension Code
continued

Additional information:

The following contributions made to the Benefit Trust Reserve are not shown on Exhibit I:

a) **From Members:**
   i) Sec. 16-128 payments for the purchase of optional service credit
   ii) Sec. 16-152 career contributions of 9.0% of salary

b) **From School Districts:**
   i) Sec. 16-128(d-10) payments for excess sick leave service credit

Although these types of contributions are not shown in the exhibits, they are all, with the exception of Sec. 16-128(d-10) payments and Sec. 16-128 member payments for the purchase of optional service credit, taken into account in the actuarial projection of the assets and funded status of the system. The actuarial projection is performed after the above contributions have been taken into account.

Payments under Sec. 16-158(f) have been included since the recertified June 30, 2004, valuation. There are no current assumptions for excess sick leave service credit, and therefore the actuarial projections do not currently include projected payments under Sec. 16-128(d-10).

The methodology for calculating the Federal Funds contribution and, therefore, the State contribution has been changed effective for fiscal years 2021 and thereafter. Based on the modified approach, the Federal Funds contributions are treated in a similar manner as some School District contributions (i.e., a stream of projected contributions estimated as of the valuation date) resulting in the State contribution being the level percent of payroll required to attain 90% funded by fiscal year 2045.

Exhibit II: Development of Statutory State Contribution under Illinois Pension Code

Components as of June 30, 2026			FY2027 Contribution Amounts
1.	Present value of future obligations to fund:		
	a.	90% of June 30, 2045, Actuarial Accrued Liability	$54,713,004,502
	b.	Benefit disbursements and administrative expenses through June 30, 2045	129,732,656,036
	c.	Total	184,445,660,538
2.	Projected actuarial value of assets		
	a.	With POB proceeds	79,976,499,251
	b.	Without POB proceeds	75,931,528,617
3.	Present value of future member contributions through June 30, 2045		15,910,745,539
4.	Present value of future School District contributions through June 30, 2045		
	a.	2.2% formula under §16-158(e)	1,025,359,157
	b.	6% FAS cap increases under §16-158(f)	119,938,583
	c.	Salaries above the Governor's salary under §16-158(i-5)	25,906,716
	d.	Total	1,171,204,456
5.	Present value of future Federal Funds contributions through June 30, 2045		222,986,768
6.	Present value of future State contributions through June 30, 2045		
	a.	Including POB proceeds: (1c) – (2a) – (3) – (4d) – (5)	87,164,224,524
	b.	Excluding POB proceeds: (1c) – (2b) – (3) – (4d) – (5)	91,209,195,158
7.	Present value of future covered payroll through June 30, 2045		176,786,061,548
8.	Determination of contribution rates for State and Federal Funds		
	a.	Including POB proceeds: (6a) ÷ (7)	49.30%
	b.	Excluding POB proceeds: (6b) ÷ (7)	51.59%
9.	Determination of State contribution:		
	a.	Projected payroll:	$13,907,133,095
	b.	State contribution before maximum:	
	i.	Gross contribution: (8a) x (9a)	6,856,900,714
	ii.	Phase-in of the effect of assumption changes	27,258,006
	iii.	Net contribution: (9b)(i) – (9b)(ii)	6,829,642,708
	c.	State contribution before maximum:	
	i.	Gross maximum: (8b) x (9a)	7,175,104,222
	ii.	State's debt service	553,983,980
	iii.	Phase-in of the effect of assumption changes	27,258,006
	iv.	Net contribution: (9c)(i) – (9c)(ii) – (9c)(iii)	6,593,862,236
	d.	**State contribution after maximum: minimum of (9b)(iii) and (9c)(iv)**	**6,593,862,236**

Exhibit III: Development of State Contribution Based on Board-Adopted Actuarial Funding Policy

	Components as of June 30, 2026	FY2027 Contribution Amounts
1.	Projected employer normal cost	
	a. Total normal cost (Entry Age Normal method)	$2,568,156,163
	b. Administrative expenses	54,707,816
	c. Member contributions	1,251,641,979
	d. Employer normal cost: **(1a) + (1b) – (1c)**	1,371,222,000
2.	Projected Unfunded Actuarial Accrued Liability	
	a. Actuarial Accrued Liability	166,579,602,134
	b. Actuarial Value of Assets	79,976,499,251
	c. Unfunded Actuarial Accrued Liability: **(2a) – (2b)**	86,603,102,883
3.	Payment toward projected Unfunded Actuarial Accrued Liability (see Exhibit IV)	9,926,492,512
4.	**Total employer contribution (Actuarially Determined Contribution): (1d) + (3)**	**$11,297,714,512**
5.	Projected School District contributions	
	a. 2.2% formula under §16-158(e)	80,661,372
	b. 6% FAS cap increases under §16-158(f)	10,162,900
	c. Salaries above the Governor's salary under §16-158(i-5)	1,809,276
	d. Total	92,633,548
6.	Estimated Federal Funds contribution	27,814,266
7.	**Board-Adopted Actuarial Funding Policy contribution: (4) – (5d) – (6)**	**$11,177,266,698**

Exhibit IV: Components of Unfunded Liability Bases and Amortization Payment under Board-Adopted Actuarial Funding Policy

Type	Date Established as of June 30	Initial Period	Initial Amount	Annual Payment	Years Remaining	Outstanding Balance
June 30, 2015, valuation base	2016	20	$68,126,860,208	$6,527,398,818	10	$51,359,047,816
June 30, 2016, valuation base	2017	20	8,625,889,107	808,910,990	11	6,849,282,475
June 30, 2017, valuation base	2018	20	3,216,359,048	295,706,736	12	2,672,703,048
June 30, 2018, valuation base	2019	20	3,150,844,586	284,003,377	13	2,721,530,626
June 30, 2019, valuation base	2020	20	4,015,729,497	354,863,066	14	3,584,715,002
June 30, 2020, valuation base	2021	20	4,329,096,839	375,053,721	15	3,974,211,892
June 30, 2021, valuation base	2022	20	1,156,211,108	98,204,897	16	1,086,927,762
June 30, 2022, valuation base	2023	20	2,923,719,908	243,462,232	17	2,804,076,515
June 30, 2023, valuation base	2024	20	4,033,492,504	329,288,768	18	3,933,695,659
June 30, 2024, valuation base	2025	20	4,870,624,128	389,834,353	19	4,816,226,846
June 30, 2025, valuation base	2026	20	2,800,685,242	219,765,554	20	2,800,685,242
Total				**9,926,492,512**		**86,603,102,883**

Exhibit V: Components of Phase-in of the Effect of Assumption Changes

Phase in of the Effect of Assumption Changes for Fiscal Year[1]

Valuation Date June 30	Fiscal Year State Contribution First Affected	Effect on State Contribution	2026	2027	2028	2029	2030
2021	2023	$282,800,000	($56,560,000)	-	-	-	-
2022	2024	(69,300,000)	27,720,000	$13,860,000	-	-	-
2023	2025	-	-	-	-	-	-
2024	2026	68,530,010	(54,824,008)	(41,118,006)	($27,412,004)	($13,706,002)	-
2025	2027	-	-	-	-	-	-
Total			**(83,664,008)**	**(27,258,006)**	**(27,412,004)**	**(13,706,002)**	**-**

[1] For purposes of determining the Statutory contribution only.

Exhibit VI: History of Unfunded Actuarial Accrued Liability and Funded Ratio ($ in thousands)

As of June 30	Actuarial Accrued Liability (AAL)	Actuarial Value of Assets (AVA)	Fair Value of Assets (FVA)	Unfunded AAL (UAAL on AVA)	Unfunded AAL (UAAL on FVA)	Funded Ratio (on AVA)	Funded Ratio (on FVA)
2016	$118,629,890	$47,222,098	$45,250,957	$71,407,792	$73,378,934	39.8%	38.1%
2017	122,904,034	49,467,525	49,375,665	73,436,509	73,528,370	40.2	40.2
2018	127,019,330	51,730,890	51,969,547	75,288,440	75,049,783	40.7	40.9
2019	131,456,969	53,391,193	53,262,789	78,065,776	78,194,180	40.6	40.5
2020	135,598,547	54,890,976	52,316,478	80,707,571	83,282,069	40.5	38.6
2021	138,914,275	58,979,923	64,212,505	79,934,352	74,701,770	42.5	46.2
2022	143,523,731	62,910,402	62,833,626	80,613,329	80,690,105	43.8	43.8
2023	148,398,296	66,502,287	66,504,717	81,896,009	81,893,579	44.8	44.8
2024	154,325,159	70,687,607	71,424,802	83,637,552	82,900,357	45.8	46.3
2025	159,123,545	76,053,650	77,263,332	83,069,895	81,860,213	47.8	48.6

A critical piece of information regarding the System's financial status is the funded ratio. The ratio compares the actuarial value and fair value of assets to the actuarial accrued liabilities of the System as calculated.

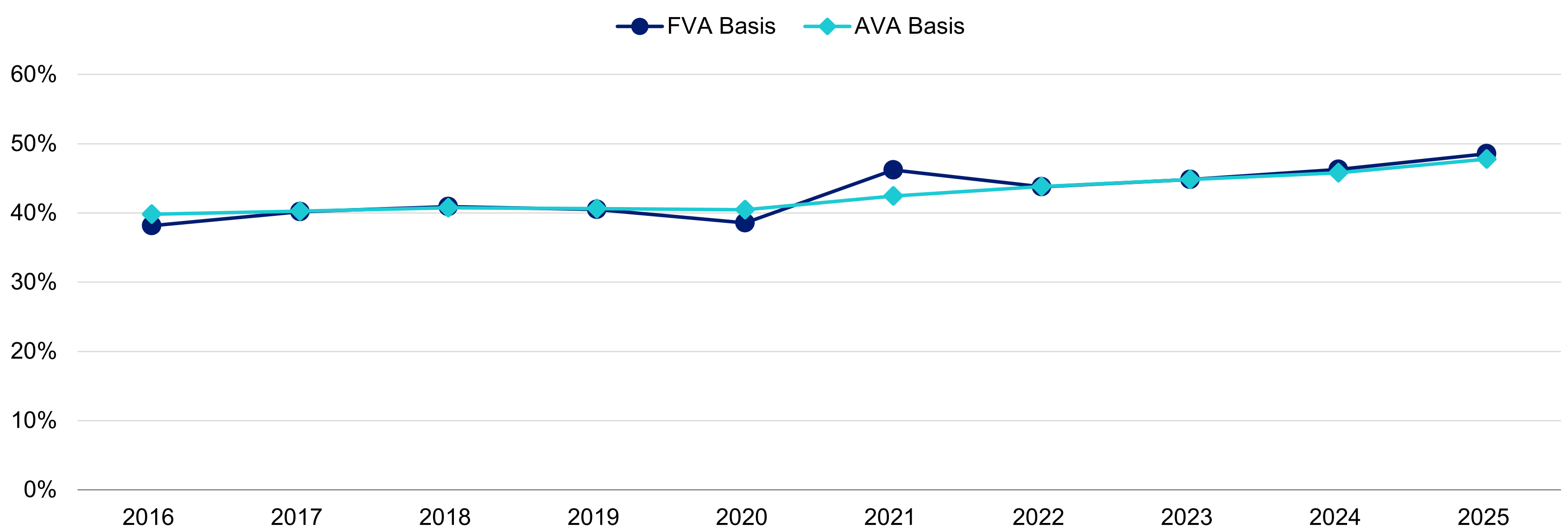


Exhibit VII: Department of Insurance Information

Item	June 30, 2025	June 30, 2024
Actuarial Accrued Liabilities:		
• Annuitant and survivor annuitant:		
– Healthy annuitant	$93,901,866,252	$91,526,093,959
– Disabled annuitant	417,218,166	418,253,050
– Survivor annuitant	3,521,500,644	3,377,766,738
– Total annuitant and survivor annuitant	97,840,585,062	95,322,113,747
• Inactive	4,931,452,917	4,778,911,268
• Active	56,351,506,792	54,224,134,149
Total	**159,123,544,771**	**154,325,159,164**
Headcounts and Salaries for Active Members:		
• Male		
– Count	39,024	38,769
– Salaries	$3,244,000,854	$3,131,778,900
• Female		
– Count	132,657	130,983
– Salaries	$9,254,493,904	$8,809,194,045
• Total		
– Count	171,681	169,752
– Salaries	$12,498,494,758	$11,940,972,945

Exhibit VIII: Roll Forward of Actuarial Accrued Liability and Normal Cost

Actuarial Accrued Liabilities Developed for June 30, 2025, Valuation

Item	Projected Unit Credit Method	Entry Age Normal Method
1. Actuarial Accrued Liability measured as of June 30, 2024	$154,744,923,262	$157,436,498,223
2. Normal cost measured for fiscal year ended June 30, 2025	2,438,066,720	2,448,675,821
3. Expected benefit payments for fiscal year ended June 30, 2025	8,755,801,459	8,755,801,459
4. Interest on (1), (2), and (3) to June 30, 2025	10,696,356,248	10,885,509,132
5. Actuarial Accrued Liability as of June 30, 2025: (1) + (2) – (3) + (4)	**159,123,544,771**	**162,014,881,717**
6. Actuarial Value of Assets as of June 30, 2025	76,053,649,926	76,053,649,926
7. Unfunded Actuarial Accrued Liability as of June 30, 2025: (5) – (6)	83,069,894,845	85,961,231,791
8. Normal cost measured for fiscal year ended June 30, 2026	2,474,656,520	2,466,018,870
9. Expected benefit payments for fiscal year ended June 30, 2026	9,096,581,154	9,096,581,154
10. Interest on (5), (8), and (9) to June 30, 2026	10,993,493,750	11,195,282,701
11. Actuarial Accrued Liability as of June 30, 2026: (5) + (8) – (9) + (10)	**163,495,113,887**	**166,579,602,134**
12. Projected Actuarial Value of Assets as of June 30, 2026	79,643,357,645[1]	79,976,449,251[2]
13. Projected Unfunded Actuarial Accrued Liability as of June 30, 2026: (11) – (12)	83,851,756,242	86,603,102,883

[1] Assuming 7% returns on a fair value basis for fiscal year ending June 30, 2026
[2] Assuming 7% returns on an actuarial value basis for fiscal year ending June 30, 2026

Exhibit IX: State's Share of the Contribution to TRS Necessary to Fund Normal Cost Plus Interest on the Unfunded Actuarial Accrued Liability (UAAL)[1]

Item	Fiscal Year 2027
1. Employer normal cost plus interest on UAAL	
a. Employer normal cost	$1,390,909,447
b. Interest on the projected June 30, 2026 UAAL	5,671,133,272
c. Total employer normal cost plus interest on UAAL	7,062,042,720
2. Contributions from sources other than State and Federal Funds	
a. School District contributions under §16-158(e)	(80,661,372)
b. School District contributions under §16-158(f)	(10,162,900)
c. School District contributions under §16-158(i-5)	(1,809,276)
d. Federal Funds contribution	(27,814,266)
e. Total contributions from sources other than State and Federal Funds	(120,447,814)
3. State share of normal cost plus interest on UAAL: (1c) + (2e)	6,941,594,905
4. State contribution requirement (per Section 22-1001 of Illinois Pension Code)	
a. State's share of normal cost plus interest on UAAL	6,941,594,905
b. Guaranteed Minimum Annuity Reserve contribution	200,000
c. Total State contribution requirement	6,941,794,905

[1] Based on the projected unit credit actuarial cost method and the current asset valuation method.

Exhibit X: Development of Actuarial Determined Contribution (ADC)

Development of the ADC	Fiscal Year Ended June 30, 2025
1. Projected total normal cost	$2,361,824,206
2. Administrative expenses	51,392,140
3. Member contributions	1,151,862,792
4. Employer normal cost: (1) + (2) – (3)	1,261,353,554
5. Amortization of Unfunded Actuarial Accrued Liability	8,955,106,311
6. Actuarially Determined Contribution: (4) + (5)	10,216,459,865

The ADC for fiscal year ended June 30, 2025, is based on the actuarial valuation as of June 30, 2023, prepared by Segal.

Assumption Type	Assumption
Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Layered
Amortization Period:	20 years
Payroll Growth Assumption:	2% (assumed rate of future State revenue growth)
Asset Valuation Method:	5-Year Smoothing
Investment Rate of Return:	7.00%
Projected Salary Increases:	3.75% – 8.75%; composite approximately 4.73%
Includes Inflation at:	2.50%
Post-retirement Increase:	Tier 1: 3.00% compounded Tier 2: 1.25% not compounded (lesser of 3% or 1/2 CPI increase, but not less than zero)

Section 5: Projections

Overview

Based on the results of the June 30, 2025, actuarial valuation, we have projected valuation results to June 30, 2046, commencing with Fiscal Year 2026.

Our projections of contributions, liabilities, and assets are based on the actuarial assumptions, membership data and benefit provisions that were used for the regular actuarial valuation.

In order to determine projected contributions, liabilities, and assets, certain calculations needed to be made that are not normally required in a regular actuarial valuation. Benefit payout requirements, actuarial liabilities, and payroll were estimated over the period from 2026 through 2046 by projecting the membership of TRS over the period, taking into account the impact of new entrants into the System.

To make the required projections, assumptions needed to be made regarding the age and salary distribution of new entrants as well as the size of the active membership of TRS. The characteristics regarding the profile of new entrants to TRS were revised for the June 30, 2025, valuation, to reflect the attributes of new hires over the past five years. The size of the active membership of the System was assumed to remain constant over the projection period. The results of our projections are shown on the following pages.

The assets haven been allocated by Tier for illustration purposes. Estimated Tier 2 assets were initially based on the June 30, 2013, accumulated member contributions of $70,783,523, and have been rolled forward each year with expected member contributions, expected benefit payments, and the proportionate share of investment earnings.

Table 1: Projection of Funded Ratio to 2046

Amounts above the dark blue line are based on prior valuations and amounts below the line are based on the current valuation.

Year Ended June 30	Actuarial Accrued Liability (AAL)	Actuarial Value of Assets (AVA)	Unfunded Actuarial Accrued Liability (UAAL)	Tier 1 Funded Ratio	Tier 2 Funded Ratio	Total Funded Ratio
1995	$23,980,566,000	$12,641,865,000	$11,338,701,000			52.7%
1996	26,141,794,000	13,829,711,000	12,312,083,000			52.9%
1997	26,951,585,000	17,393,108,000	9,558,477,000			64.5%
1998	29,908,241,000	19,965,887,000	9,942,354,000			66.8%
1999	33,205,513,000	22,237,709,000	10,967,804,000			67.0%
2000	35,886,404,000	24,481,413,000	11,404,991,000			68.2%
2001	39,166,697,000	23,315,646,000	15,851,051,000			59.5%
2002	43,047,674,000	22,366,285,000	20,681,389,000			52.0%
2003	46,933,432,000	23,124,823,000	23,808,609,000			49.3%
2004	50,947,451,000	31,544,729,000	19,402,722,000			61.9%
2005	56,075,029,000	34,085,218,000	21,989,811,000			60.8%
2006	58,996,913,000	36,584,889,000	22,412,024,000			62.0%
2007	65,648,395,000	41,909,318,000	23,739,077,000			63.8%
2008	68,632,367,000	38,430,723,000	30,201,644,000			56.0%
2009	73,027,198,000	38,026,043,512	35,001,154,488			52.1%
2010	77,293,198,000	37,439,091,771	39,854,106,229			48.4%
2011	81,299,745,000	37,769,752,971	43,529,992,029			46.5%
2012	90,024,945,000	37,945,397,211	52,079,547,789			42.1%
2013	93,886,988,785	38,155,191,497	55,731,797,288			40.6%
2014	103,740,377,267	42,150,765,261	61,589,612,006	40.6%	120.5%	40.6%
2015	108,121,825,171	45,435,192,645	62,686,632,526	41.9%	162.8%	42.0%
2016	118,629,890,305	47,222,097,809	71,407,792,496	39.6%	153.9%	39.8%
2017	122,904,034,268	49,467,525,209	73,436,509,059	40.0%	144.0%	40.2%
2018	127,019,330,164	51,730,889,960	75,288,440,204	40.4%	130.9%	40.7%
2019	131,456,968,953	53,391,192,733	78,065,776,220	40.3%	124.7%	40.6%
2020	135,598,547,013	54,890,975,829	80,707,571,184	40.1%	121.0%	40.5%
2021	138,914,274,917	58,979,922,966	79,934,351,951	41.9%	126.5%	42.5%
2022	143,523,730,959	62,910,402,178	80,613,328,781	43.2%	121.2%	43.8%

Table 1: Projection of Funded Ratio to 2046 continued

Year Ended June 30	Actuarial Accrued Liability (AAL)	Actuarial Value of Assets (AVA)	Unfunded Actuarial Accrued Liability (UAAL)	Tier 1 Funded Ratio	Tier 2 Funded Ratio	Total Funded Ratio
2023	$148,398,296,080	$66,502,286,971	$81,896,009,109	44.1%	118.8%	44.8%
2024	154,325,159,164	70,687,607,498	83,637,551,666	45.0%	118.5%	45.8%
2025	159,123,544,771	76,053,649,926	83,069,894,845	46.8%	121.9%	47.8%
2026	163,495,113,887	79,643,357,645	83,851,756,242	47.6%	119.9%	48.7%
2027	167,840,915,716	84,371,557,506	83,469,358,210	48.9%	119.7%	50.3%
2028	172,145,256,456	89,256,400,853	82,888,855,603	50.3%	119.5%	51.8%
2029	176,392,656,723	94,012,445,734	82,380,210,989	51.6%	119.0%	53.3%
2030	180,555,733,093	98,457,574,732	82,098,158,360	52.6%	118.1%	54.5%
2031	184,688,475,168	103,053,857,762	81,634,617,406	53.6%	117.3%	55.8%
2032	188,697,015,569	107,782,989,903	80,914,025,666	54.7%	116.5%	57.1%
2033	192,552,349,382	112,655,413,695	79,896,935,687	55.9%	115.8%	58.5%
2034	196,230,884,018	118,263,751,297	77,967,132,722	57.4%	115.2%	60.3%
2035	199,701,264,162	124,050,960,538	75,650,303,625	59.0%	114.5%	62.1%
2036	202,943,898,734	130,030,705,478	72,913,193,256	60.7%	113.9%	64.1%
2037	205,937,929,905	136,218,639,900	69,719,290,005	62.5%	113.4%	66.1%
2038	208,658,952,136	142,634,729,281	66,024,222,855	64.5%	112.8%	68.4%
2039	211,088,723,136	149,306,147,186	61,782,575,949	66.6%	112.3%	70.7%
2040	213,214,760,268	156,270,014,448	56,944,745,820	69.0%	111.9%	73.3%
2041	215,037,246,574	163,577,859,274	51,459,387,300	71.7%	111.4%	76.1%
2042	216,571,811,713	171,296,014,789	45,275,796,924	74.6%	111.0%	79.1%
2043	217,849,774,623	179,509,967,873	38,339,806,750	77.9%	110.5%	82.4%
2044	218,920,340,504	188,326,338,595	30,594,001,909	81.7%	110.1%	86.0%
2045	219,856,763,674	197,871,087,306	21,985,676,367	86.0%	109.7%	90.0%
2046	220,741,925,899	198,667,733,309	22,074,192,590	85.6%	109.4%	90.0%

Table 2: Projection of Contributions to Trust to 2046 (Dollars)

Amounts above the dark blue line are based on prior valuations and amounts below the line are based on the current valuation. See notes.

Year Ended June 30	Member	School District §16-158(e) (2.2 Formula)	School District §16-158(f) (6% FAS Cap)	School District §16-158(i-5) (Payroll above Gov.)	Total	Federal Funds	State	Total
1995	$421,726,521	-	-	-	-	$16,500,000	$262,864,800	$701,091,321
1996	422,238,847	-	-	-	-	17,000,000	324,276,242	763,515,089
1997	420,762,625	-	-	-	-	17,300,000	377,968,984	816,031,609
1998	440,967,595	-	-	-	-	18,000,000	460,439,267	919,406,862
1999	866,369,000	$16,675,000	-	-	$16,675,000	18,500,000	567,067,600	1,468,611,600
2000	619,622,000	34,145,066	-	-	34,145,066	18,200,000	634,038,560	1,306,005,626
2001	643,563,000	36,375,498	-	-	36,375,498	20,000,000	719,356,841	1,419,295,339
2002	681,151,770	38,664,380	-	-	38,664,380	23,000,000	810,618,724	1,553,434,874
2003	732,020,451	12,808,373	-	-	12,808,373	25,000,000	926,049,918	1,695,878,742
2004	768,661,300	42,604,912	-	-	42,604,912	29,400,000	1,027,258,994	1,867,925,206
2005	761,790,009	44,481,074	-	-	44,481,074	37,860,000	902,243,532	1,746,374,615
2006	799,034,336	45,656,648	$14,974,781	-	60,631,429	24,070,387	531,827,700	1,415,563,852
2007	826,249,007	46,047,720	19,353,893	-	225,741,253	41,328,022	735,514,500	1,828,832,782
2008	865,400,168	48,102,405	-	-	131,239,475	47,829,058	1,039,194,988	2,083,663,689
2009	876,182,122	51,141,422	3,000,000	-	148,460,852	55,707,046	1,449,888,800	2,530,238,820
2010	909,642,774	53,666,271	3,000,000	-	145,878,411	75,718,545	2,087,668,469	3,218,908,199
2011	948,286,581	56,171,181	5,000,000	-	147,747,541	75,405,839	2,357,040,597	3,528,480,558
2012	976,364,866	57,976,440	5,000,000	-	147,745,130	84,654,093	2,405,172,175	3,613,936,264
2013	967,910,390	57,610,031	5,000,000	-	133,102,941	83,575,603	2,702,277,829	3,886,866,763
2014	1,004,368,089	57,896,194	5,000,000	-	124,446,854	97,203,752	3,437,478,152	4,663,496,847
2015	1,045,996,125	60,413,797	5,782,580	-	124,562,387	25,074,310	3,411,877,643	4,607,510,465
2016	1,041,807,455	61,478,785	5,027,434	-	124,554,918	80,263,377	3,741,802,194	4,988,427,944
2017	1,034,264,612	61,138,899	2,190,130	-	63,329,029	77,196,619	3,985,783,351	5,160,573,611
2018	939,719,161	60,559,679	4,295,624	$2,477,050	67,332,353	21,091,475	4,094,616,146	5,122,759,135
2019	958,472,559	61,768,232	4,150,160	2,385,898	68,304,290	20,979,899	4,465,578,109	5,513,334,857
2020	985,912,521	63,536,585	4,188,240	3,113,849	70,838,674	23,355,172	4,813,077,696	5,893,184,063
2021	1,009,317,615	65,044,913	4,119,231	4,948,241	74,112,385	23,348,881	5,140,336,721	6,247,115,602
2022	1,032,339,073	66,528,518	4,063,578	3,619,569	74,211,665	23,652,035	5,693,706,973	6,823,909,746

Table 2: Projection of Contributions to Trust to 2046 (Dollars) continued

Year Ended June 30	Member	School District §16-158(e) (2.2 Formula)	School District §16-158(f) (6% FAS Cap)	School District §16-158(i-5) (Payroll above Gov.)	Total	Federal Funds	State	Total
2023	$1,051,430,802	$67,758,874	$4,106,777	$3,939,577	$75,805,228	$24,510,020	$5,893,732,209	$7,045,478,259
2024	1,092,235,571	70,388,515	4,164,720	4,682,961	79,236,196	25,728,216	6,043,154,650	7,240,354,633
2025	1,151,862,792	74,231,158	6,945,300	3,241,402	84,417,860	26,467,247	6,203,622,413	7,466,370,312
2026	1,192,314,028	76,838,015	9,845,000	2,121,410	88,804,425	27,396,727	6,495,517,664	7,804,032,844
2027	1,251,641,979	80,661,372	10,162,900	1,809,276	92,633,548	27,814,266	6,593,862,236	7,965,952,028
2028	1,286,514,502	82,908,712	10,518,200	1,965,871	95,392,783	27,531,410	6,796,122,189	8,205,560,884
2029	1,320,961,607	85,128,637	10,787,700	2,116,361	98,032,698	27,123,745	6,923,963,200	8,370,081,250
2030	1,355,626,154	87,362,574	11,330,000	2,269,108	100,961,682	26,510,023	7,039,799,251	8,522,897,110
2031	1,389,473,691	89,543,860	11,378,400	2,431,534	103,353,794	25,844,211	7,159,733,403	8,678,405,098
2032	1,422,947,796	91,701,080	11,532,400	2,576,854	105,810,334	24,980,639	7,333,435,301	8,887,174,070
2033	1,455,627,904	93,807,132	11,894,300	2,691,040	108,392,472	24,001,687	7,519,720,877	9,107,742,940
2034	1,487,612,147	95,868,338	11,995,500	2,759,873	110,623,711	22,843,111	8,273,978,870	9,895,057,840
2035	1,519,419,516	97,918,147	12,199,000	2,833,225	112,950,372	21,541,992	8,450,888,896	10,104,800,776
2036	1,550,901,986	99,947,017	12,125,300	2,912,305	114,984,622	20,058,332	8,625,991,857	10,311,936,798
2037	1,582,289,748	101,969,784	12,269,400	2,957,116	117,196,300	18,424,885	8,800,568,060	10,518,478,993
2038	1,614,213,996	104,027,124	12,507,000	2,980,332	119,514,456	16,644,340	8,978,128,153	10,728,500,945
2039	1,646,287,885	106,094,108	12,262,800	2,948,542	121,305,450	14,633,670	9,156,520,536	10,938,747,541
2040	1,679,105,032	108,208,991	12,138,500	2,835,750	123,183,241	12,500,004	9,339,046,865	11,153,835,142
2041	1,713,289,442	110,411,986	11,618,200	2,632,008	124,662,194	10,317,810	9,529,177,799	11,377,447,245
2042	1,749,061,927	112,717,324	10,829,500	2,379,562	125,926,386	8,201,157	9,728,141,474	11,611,330,945
2043	1,787,104,035	115,168,927	10,037,500	2,074,314	127,280,741	6,235,007	9,939,728,613	11,860,348,396
2044	1,828,286,876	117,822,932	8,662,500	1,758,365	128,243,797	4,550,403	10,168,784,258	12,129,865,334
2045	1,872,735,447	120,687,396	7,104,900	1,523,249	129,315,544	3,287,691	10,416,003,629	12,421,342,312
2046	1,921,705,477	123,843,242	5,632,000	-	129,475,242	-	1,395,163,308	3,446,344,028

Table 2: Projection of Contributions to Trust to 2046 (Dollars) continued

Notes

1) The administrative staff of the System estimated the Federal Funds contribution for fiscal years prior to 2006. Commencing with the contribution for fiscal 2006, total payroll for the valuation is split into State and Federal Funds payrolls. Federal Funds payrolls for 2006 – 2017 were estimated to be 4.33%, 5.32%, 4.40%, 3.70%, 3.50%, 3.10%, 3.40%, 3.00%, 2.75%, 3.00%, 2.10%, 1.90%, respectively, of total payrolls for those years. For 2018 – 2027, the estimate is 2.00% of payroll. All payrolls are assumed to increase at the same rate for years subsequent to 2027.
2) School District contributions under Sec. 16-158(e) for years subsequent to 2005 are expected to equal 0.58% of total payroll. Sec. 16-158(f) contributions for 2008 – 2014 were estimated by the administrative staff of the System.
3) School District contributions under Sec. 16-133.2 are included in the total School District contributions for years 2007 – 2016, which can be found in the June 30, 2016, valuation report. These contributions no longer apply because the ERO was discontinued at the end of fiscal year 2016.
4) Employer Rates, Contribution Amounts, and Assumed Payroll shown for fiscal years 1995 – 2027 are based on the June 30, 1993 – June 30, 2025, actuarial valuations and are certified amounts, with the following exceptions. The 2006 amount is the recertified amount and 2007 is the certified amount required by per PA 94-0004. The 2011 amount is the originally certified amount, not the recertified amount per PA 96-1511. The 2015 amount is the certified amount; however, PA 98-0674 subsequently lowered state contributions and increased federal contributions. The 2017 Sec. 133.2 contribution was removed because ERO was discontinued at the end of fiscal 2016. The 2018 and 2019 amounts are the recertified amounts. Items subsequent to 2026 are based on the June 30, 2025, valuation.
5) Schedule excludes State ERI contributions of $1,000,000 for 2004, and $1,684,000 for 2005 (under Public Act 92-0056, as amended).
6) Public Act 94-0004 specified actual contribution amounts for fiscal years 2006 and 2007 made by the State to the Benefit Trust Reserve.
7) Effective for fiscal years 2021 and thereafter, the “FAS Cap” threshold reverted back to 6% to reflect the repeal of the 3% “FAS Cap” threshold per PA 101-001 (SB 1814).
8) The methodology for calculating the Federal Funds contribution and, therefore, the State contribution has been changed effective for fiscal years 2021 and thereafter. Based on the modified approach, the Federal Funds contributions are treated in a similar manner as some School District contributions (i.e., a stream of projected contributions estimated as of the valuation date) resulting in the State contribution being the level percent of payroll required to attain 90% funded by fiscal year 2045.

Table 3: Projection of Contributions to Trust to 2046 (Percent of Payroll)

Amounts above the dark blue line are based on prior valuations and amounts below the line are based on the current valuation. See notes.

Year Ended June 30	Assumed Payroll	Member	School District §16-158(e) (2.2 Formula)	School District §16-158(f) (6% FAS Cap)	School District §16-158(i-5) (Payroll above Gov.)	Total	Federal Funds	State	Total
1995	$4,633,650,000	9.10%	-	-	-	-	0.36%	5.67%	15.13%
1996	4,863,544,432	8.68%	-	-	-	-	0.35%	6.67%	15.70%
1997	4,903,151,093	8.58%	-	-	-	-	0.35%	7.71%	16.64%
1998	5,264,732,966	8.38%	-	-	-	-	0.34%	8.75%	17.46%
1999	5,558,349,721	15.59%	0.30%	-	-	0.30%	0.33%	10.20%	26.42%
2000	5,887,080,405	10.53%	0.58%	-	-	0.58%	0.31%	10.77%	22.18%
2001	6,271,637,672	10.26%	0.58%	-	-	0.58%	0.32%	11.47%	22.63%
2002	6,666,272,399	10.22%	0.58%	-	-	0.58%	0.35%	12.16%	23.30%
2003	7,115,762,553	10.29%	0.18%	-	-	0.18%	0.35%	13.01%	23.83%
2004	7,345,674,585	10.46%	0.58%	-	-	0.58%	0.40%	13.98%	25.43%
2005	7,669,150,690	9.93%	0.58%	-	-	0.58%	0.49%	11.76%	22.77%
2006	7,871,835,902	10.15%	0.58%	0.19%	-	0.77%	0.31%	6.76%	17.98%
2007	7,939,262,146	10.41%	0.58%	0.24%	-	2.84%	0.52%	9.26%	23.04%
2008	8,293,518,065	10.43%	0.58%	-	-	1.58%	0.58%	12.53%	25.12%
2009	8,817,486,572	9.94%	0.58%	0.03%	-	1.68%	0.63%	16.44%	28.70%
2010	9,252,805,323	9.83%	0.58%	0.03%	-	1.58%	0.82%	22.56%	34.79%
2011	9,684,686,327	9.79%	0.58%	0.05%	-	1.53%	0.78%	24.34%	36.43%
2012	9,995,937,994	9.77%	0.58%	0.05%	-	1.48%	0.85%	24.06%	36.15%
2013	9,932,764,038	9.74%	0.58%	0.05%	-	1.34%	0.84%	27.21%	39.13%
2014	9,982,102,443	10.06%	0.58%	0.05%	-	1.25%	0.97%	34.44%	46.72%
2015	10,416,171,908	10.04%	0.58%	0.06%	-	1.20%	0.24%	32.76%	44.23%
2016	10,599,790,566	9.83%	0.58%	0.05%	-	1.18%	0.76%	35.30%	47.06%
2017	10,541,189,447	9.81%	0.58%	0.02%	-	0.60%	0.73%	37.81%	48.96%
2018	10,441,324,011	9.00%	0.58%	0.04%	0.02%	0.64%	0.20%	39.22%	49.06%
2019	10,649,695,100	9.00%	0.58%	0.04%	0.02%	0.64%	0.20%	41.93%	51.77%
2020	10,954,583,571	9.00%	0.58%	0.04%	0.03%	0.65%	0.21%	43.94%	53.80%
2021	11,214,640,162	9.00%	0.58%	0.04%	0.04%	0.66%	0.21%	45.84%	55.71%
2022	11,470,434,147	9.00%	0.58%	0.04%	0.03%	0.65%	0.21%	49.64%	59.49%

Table 3: Projection of Contributions to Trust to 2046 (Percent of Payroll)

continued

Year Ended June 30	Assumed Payroll	Member	School District §16-158(e) (2.2 Formula)	School District §16-158(f) (6% FAS Cap)	School District §16-158(i-5) (Payroll above Gov.)	Total	Federal Funds	State	Total
2023	$11,682,564,466	9.00%	0.58%	0.04%	0.03%	0.65%	0.21%	50.45%	60.31%
2024	12,135,950,790	9.00%	0.58%	0.03%	0.04%	0.65%	0.21%	49.80%	59.66%
2025	12,798,475,469	9.00%	0.58%	0.05%	0.03%	0.66%	0.21%	48.47%	58.34%
2026	13,247,933,643	9.00%	0.58%	0.07%	0.02%	0.67%	0.21%	49.03%	58.91%
2027	13,907,133,095	9.00%	0.58%	0.07%	0.01%	0.67%	0.20%	47.41%	57.28%
2028	14,294,605,574	9.00%	0.58%	0.08%	0.01%	0.67%	0.19%	47.54%	57.40%
2029	14,677,351,189	9.00%	0.58%	0.08%	0.01%	0.67%	0.18%	47.17%	57.03%
2030	15,062,512,824	9.00%	0.58%	0.08%	0.02%	0.67%	0.18%	46.74%	56.58%
2031	15,438,596,564	9.00%	0.58%	0.08%	0.02%	0.67%	0.17%	46.38%	56.21%
2032	15,810,531,067	9.00%	0.58%	0.07%	0.02%	0.67%	0.16%	46.38%	56.21%
2033	16,173,643,381	9.00%	0.58%	0.08%	0.02%	0.67%	0.15%	46.49%	56.31%
2034	16,529,023,855	9.00%	0.58%	0.07%	0.02%	0.67%	0.14%	50.06%	59.86%
2035	16,882,439,071	9.00%	0.58%	0.07%	0.02%	0.67%	0.13%	50.06%	59.85%
2036	17,232,244,293	9.00%	0.58%	0.07%	0.02%	0.67%	0.12%	50.06%	59.84%
2037	17,580,997,205	9.00%	0.58%	0.07%	0.02%	0.67%	0.10%	50.06%	59.83%
2038	17,935,711,070	9.00%	0.58%	0.07%	0.02%	0.67%	0.09%	50.06%	59.82%
2039	18,292,087,608	9.00%	0.58%	0.07%	0.02%	0.66%	0.08%	50.06%	59.80%
2040	18,656,722,580	9.00%	0.58%	0.07%	0.02%	0.66%	0.07%	50.06%	59.78%
2041	19,036,549,358	9.00%	0.58%	0.06%	0.01%	0.65%	0.05%	50.06%	59.77%
2042	19,434,021,408	9.00%	0.58%	0.06%	0.01%	0.65%	0.04%	50.06%	59.75%
2043	19,856,711,496	9.00%	0.58%	0.05%	0.01%	0.64%	0.03%	50.06%	59.73%
2044	20,314,298,623	9.00%	0.58%	0.04%	0.01%	0.63%	0.02%	50.06%	59.71%
2045	20,808,171,638	9.00%	0.58%	0.03%	0.01%	0.62%	0.02%	50.06%	59.69%
2046	21,352,283,083	9.00%	0.58%	0.03%	0.00%	0.61%	0.00%	6.53%	16.14%

Table 3: Projection of Contributions to Trust to 2046 (Percent of Payroll)

continued

Notes

1) Effective with the 2016 valuation, the member contribution rate is equal to the statutory 9% rate because of the elimination of ERO and the assumption for the members' cost of optional service.
2) The table on pages 84 and 85 shows historical contribution rates as reported in prior valuation reports. The amounts are based on the assumptions used for each valuation and are not adjusted retrospectively to reflect actual experience.

Table 4: Projection of Total Employer Contribution Rate and Amount to 2046

Amounts above the dark blue line are based on prior valuations and amounts below the line are based on the current valuation. See notes.

Year Ended June 30	Amortization Year	Total Employer Contribution Rate	Normal Cost	Portion of UAAL	Total Employer Contribution Amount	Normal Cost	Portion of UAAL
1995	0	6.03%	8.12%	(2.09%)	$279,364,800	$376,122,700	($96,757,900)
1996	1	7.02%	8.23%	(1.21%)	341,276,242	400,134,055	(58,857,813)
1997	2	8.06%	8.21%	(0.15%)	395,268,984	402,771,457	(7,502,473)
1998	3	9.09%	8.38%	0.71%	478,439,267	441,403,004	37,036,263
1999	4	10.83%	7.84%	2.99%	602,242,600	435,910,961	166,331,639
2000	5	11.66%	8.15%	3.51%	686,383,626	479,928,856	206,454,770
2001	6	12.37%	8.65%	3.72%	775,732,339	542,794,806	232,937,533
2002	7	13.09%	8.84%	4.25%	872,283,104	588,971,933	283,311,171
2003	8	13.55%	8.83%	4.72%	963,858,291	628,536,783	335,321,508
2004	9	14.96%	8.15%	6.81%	1,099,263,906	598,462,925	500,800,981
2005	10	12.84%	8.32%	4.52%	984,584,606	637,971,250	346,613,356
2006	11	7.64%	8.20%	(0.56%)	601,554,735	645,705,698	(44,150,963)
2007	12	10.36%	8.20%	2.16%	822,890,242	650,835,074	172,055,168
2008	13	13.69%	8.22%	5.47%	1,135,126,451	681,651,502	453,474,949
2009	14	17.66%	9.27%	8.39%	1,556,737,268	817,320,366	739,416,902
2010	15	23.96%	9.15%	14.81%	2,217,053,286	846,936,893	1,370,116,393
2011	16	25.70%	8.77%	16.93%	2,488,617,617	849,716,122	1,638,901,495
2012	17	25.49%	8.43%	17.06%	2,547,802,708	842,532,254	1,705,270,454
2013	18	28.63%	8.23%	20.40%	2,843,463,463	817,433,027	2,026,030,436
2014	19	35.99%	7.89%	28.10%	3,592,578,098	787,230,469	2,805,347,629
2015	20	33.58%	8.02%	25.56%	3,497,365,750	835,810,326	2,661,555,424
2016	21	36.64%	9.36%	27.27%	3,883,544,356	992,489,371	2,891,054,985
2017	22	39.12%	8.27%	30.86%	4,124,118,869	871,335,169	3,252,783,700
2018	23	40.02%	10.10%	29.92%	4,178,744,350	1,054,630,171	3,124,114,179
2019	24	42.77%	9.85%	32.92%	4,554,862,299	1,049,301,284	3,505,561,015
2020	25	44.94%	10.66%	34.28%	4,923,519,270	1,167,213,754	3,756,305,516
2021	26	46.71%	10.41%	36.30%	5,237,797,987	1,167,182,742	4,070,615,245
2022	27	50.49%	10.31%	40.18%	5,791,570,673	1,183,129,632	4,608,441,041

Table 4: Projection of Total Employer Contribution to 2046 continued

Year Ended June 30	Amortization Year	Total Employer Contribution Rate	Normal Cost	Portion of UAAL	Total Employer Contribution Amount	Normal Cost	Portion of UAAL
2023	28	51.31%	10.49%	40.82%	$5,994,047,457	$1,225,163,940	$4,768,883,517
2024	29	50.66%	10.60%	40.06%	6,148,119,062	1,285,967,839	4,862,151,223
2025	30	49.34%	10.34%	39.00%	6,314,507,520	1,323,365,601	4,991,141,919
2026	31	49.91%	10.34%	39.57%	6,611,718,816	1,369,286,078	5,242,432,738
2027	32	48.28%	10.00%	38.28%	6,714,310,050	1,390,909,447	5,323,400,603
2028	33	48.40%	9.63%	38.77%	6,919,046,382	1,377,173,982	5,541,872,400
2029	34	48.03%	9.24%	38.79%	7,049,119,643	1,355,678,789	5,693,440,854
2030	35	47.58%	8.80%	38.78%	7,167,270,956	1,326,143,399	5,841,127,557
2031	36	47.21%	8.37%	38.85%	7,288,931,407	1,291,526,176	5,997,405,231
2032	37	47.21%	7.90%	39.31%	7,464,226,274	1,249,802,200	6,214,424,074
2033	38	47.31%	7.42%	39.89%	7,652,115,035	1,199,933,533	6,452,181,502
2034	39	50.86%	6.91%	43.95%	8,407,445,693	1,142,173,433	7,265,272,260
2035	40	50.85%	6.38%	44.48%	8,585,381,260	1,076,648,555	7,508,732,705
2036	41	50.84%	5.82%	45.02%	8,761,034,811	1,002,876,987	7,758,157,824
2037	42	50.83%	5.24%	45.59%	8,936,189,245	921,745,683	8,014,443,561
2038	43	50.82%	4.64%	46.18%	9,114,286,949	831,571,551	8,282,715,398
2039	44	50.80%	4.00%	46.80%	9,292,459,656	731,476,329	8,560,983,327
2040	45	50.78%	3.35%	47.44%	9,474,730,110	624,512,500	8,850,217,610
2041	46	50.77%	2.71%	48.06%	9,664,157,803	515,417,679	9,148,740,124
2042	47	50.75%	2.11%	48.64%	9,862,269,018	409,817,444	9,452,451,574
2043	48	50.73%	1.57%	49.16%	10,073,244,361	311,979,925	9,761,264,436
2044	49	50.71%	1.12%	49.59%	10,301,578,458	226,932,852	10,074,645,606
2045	50	50.69%	0.79%	49.90%	10,548,606,865	164,455,833	10,384,151,032
2046	51	7.14%	0.59%	6.55%	1,524,638,550	125,447,596	1,399,190,954

Table 4: Projection of Total Employer Contribution to 2046 continued

Notes

1) The total employer contributions to the Benefit Trust Reserve represent the sum of State and Federal Funds contributions, as well as School District contributions for the 2.2% formula (commencing in 1999). Starting in fiscal year 2019, School District contributions under Sec. 16-158(f) and 16-158(i-5) are included. Sec. 16-158 requires calculations of State contribution amounts.
2) The following employer contributions to the Benefit Trust Reserve were taken into account when determining the above schedule, but are not included in this schedule:
   a) State ERI contributions of $1,000,000 for fiscal year 2004 and $1,684,000 for fiscal year 2005, which were made under a separate funding plan. (Beginning in fiscal year 2007, the cost of ERI is part of the 50-year funding plan, and included in this schedule);
   b) For fiscal years prior to 2019, School District contributions to the Benefit Trust Reserve under Sec. 16-133.2, 16-158(f) and 16-158(i-5), which are shown in Table 2; and
   c) for FY 1999, additional State funding due to PA 90-0582, and $9,695,600 in additional State Pensions Fund appropriations. No School District contributions are anticipated under Sec. 16-128(d-10).
3) The amortization rate in fiscal years 1995-1997 and 2006 is negative because contributions do not cover normal cost. A negative employer normal cost after 2026 means member contributions are projected to exceed the cost of benefits accruing.
4) Employer Rates, Contribution Amounts, and Assumed Payroll shown for fiscal years 1995 – 2027 are based on the June 30, 1993 – June 30, 2025, actuarial valuations and are certified amounts, with the following exceptions. The 2006 amount is the recertified amount and 2007 is the certified amount required per PA 94-0004. The 2011 amount is the originally certified amount, not the recertified amount per PA 96-1511. The 2015 amount is the certified amount; however, PA 98-0674 subsequently lowered state contributions and increased federal contributions. The 2018 and 2019 amounts are the recertified amounts. Items subsequent to 2026 are based on the June 30, 2025, valuation.
5) Modified ERO retirements are recognized commencing with the June 30, 2005 actuarial liability, while FY 2006 and FY 2007 Pipeline ERO retirements are first recognized in the June 30, 2006 and 2007 accrued liabilities. ERO was discontinued effective June 30, 2016.
6) For calculation purposes, Employer Rates include 15 decimal places. For ease of presentation, only 2 decimal places are shown.

Table 4: Projection of Total Employer Contribution to 2046 continued

Notes continued

7) Assumptions and methodology:
   - Payroll growth based on valuation assumptions
   - Valuation interest rate = 8.00% prior to 1997, 8.50% for 1997 – 2011, 8.0% for 2012 – 2013 and 7.50% for 2013 – 2015 and 7.00% after 2015
   - Return on investment equals valuation interest rate
   - Assets at cost value prior to 1997, fair value 1997-2008 and 5-year smoothing actuarial value after 2008

Table 5: Projection of Funded Ratio to 2046 by Tier (Total)

Amounts above the dark blue line are based on prior valuations and amounts below the line are based on the current valuation. See notes.

Year Ended June 30	Contributions	Benefits and Expenses	FVA Return	AVA	FVA	AAL	UAAL	AVA Funded Ratio
1995	$701,091,321	$1,108,283,000	-	$12,641,865,000	$12,641,865,000	$23,980,566,000	$11,338,701,000	52.7%
1996	763,515,089	1,148,919,000	$1,573,249,911	13,829,711,000	13,829,711,000	26,141,794,000	12,312,083,000	52.9%
1997	816,031,609	1,186,203,042	3,933,568,433	17,393,108,000	17,393,108,000	26,951,585,000	9,558,477,000	64.5%
1998	919,406,862	1,237,762,773	2,891,134,911	19,965,887,000	19,965,887,000	29,908,241,000	9,942,354,000	66.8%
1999	1,468,611,600	1,314,929,000	2,118,139,400	22,237,709,000	22,237,709,000	33,205,513,000	10,967,804,000	67.0%
2000	1,306,005,626	1,437,474,000	2,375,172,374	24,481,413,000	24,481,413,000	35,886,404,000	11,404,991,000	68.2%
2001	1,419,295,339	1,611,050,000	(974,012,339)	23,315,646,000	23,315,646,000	39,166,697,000	15,851,051,000	59.5%
2002	1,553,434,874	1,809,763,000	(693,032,874)	22,366,285,000	22,366,285,000	43,047,674,000	20,681,389,000	52.0%
2003	1,695,878,742	2,051,953,000	1,114,612,258	23,124,823,000	23,124,823,000	46,933,432,000	23,808,609,000	49.3%
2004	1,867,925,206	2,320,690,844	8,872,671,638	31,544,729,000	31,544,729,000	50,947,451,000	19,402,722,000	61.9%
2005	1,746,374,615	2,604,081,011	3,398,195,396	34,085,218,000	34,085,218,000	56,075,029,000	21,989,811,000	60.8%
2006	1,415,563,852	2,948,023,574	4,032,130,722	36,584,889,000	36,584,889,000	58,996,913,000	22,412,024,000	62.0%
2007	1,828,832,782	3,184,574,659	6,680,170,877	41,909,318,000	41,909,318,000	65,648,395,000	23,739,077,000	63.8%
2008	2,083,663,689	3,498,960,895	(2,063,297,794)	38,430,723,000	38,430,723,000	68,632,367,000	30,201,644,000	56.0%
2009	2,530,238,820	3,723,108,308	(8,706,541,270)	38,026,043,512	28,531,312,242	73,027,198,000	35,001,154,488	52.1%
2010	3,218,908,199	4,003,538,821	3,577,102,594	37,439,091,771	31,323,784,214	77,293,198,000	39,854,106,229	48.4%
2011	3,528,480,558	4,329,807,307	6,948,809,729	37,769,752,971	37,471,267,194	81,299,745,000	43,529,992,029	46.5%
2012	3,613,936,264	4,641,424,675	73,046,556	37,945,397,211	36,516,825,339	90,024,945,000	52,079,547,789	42.1%
2013	3,886,866,763	4,969,794,354	4,424,870,751	38,155,191,497	39,858,768,499	93,886,988,785	55,731,797,288	40.6%
2014	4,524,563,343	5,340,981,048	6,782,031,720	42,150,765,261	45,824,382,514	103,740,377,267	61,589,612,006	40.6%
2015	4,457,907,579	5,645,924,033	1,770,549,533	45,435,192,645	46,406,915,593	108,121,825,171	62,686,632,526	42.0%
2016	4,842,319,410	5,954,175,094	(44,103,178)	47,222,097,809	45,250,956,731	118,629,890,305	71,407,792,496	39.8%
2017	5,064,989,441	6,460,734,655	5,520,453,001	49,467,525,209	49,375,664,518	122,904,034,268	73,436,509,059	40.2%
2018	5,117,795,720	6,573,185,272	4,049,271,728	51,730,889,960	51,969,546,694	127,019,330,164	75,288,440,204	40.7%
2019	5,518,507,593	6,843,096,252	2,617,531,332	53,391,192,733	53,262,489,367	131,456,968,953	78,065,776,220	40.6%
2020	5,900,510,333	7,122,491,327	275,969,398	54,890,975,829	52,316,477,771	135,598,547,013	80,707,571,184	40.5%
2021	6,261,774,388	7,411,900,824	13,046,153,685	58,979,922,966	64,212,505,020	138,914,274,917	79,934,351,951	42.5%
2022	7,060,315,736	7,696,152,044	(743,042,373)	62,910,402,178	62,833,626,339	143,523,730,959	80,613,328,781	43.8%

Table 5: Projection of Funded Ratio to 2046 by Tier (Total) continued

Year Ended June 30	Contributions	Benefits and Expenses	FVA Return	AVA	FVA	AAL	UAAL	AVA Funded Ratio
2023	$7,243,404,006	$7,999,355,901	$4,427,042,975	$66,502,286,971	$66,504,717,419	$148,398,296,080	$81,896,009,109	44.8%
2024	7,459,493,780	8,297,316,222	5,757,906,980	70,687,607,498	71,424,801,957	154,325,159,164	83,637,551,666	45.8%
2025	7,551,849,627	8,615,352,353	6,901,116,024	76,053,649,926	77,262,415,255	159,123,544,771	83,069,894,845	47.8%
2026	7,804,032,844	9,157,565,375	5,361,975,935	79,643,357,645	81,270,858,659	163,495,113,887	83,851,756,242	48.7%
2027	7,965,952,028	9,498,390,302	5,635,324,767	84,371,557,506	85,373,745,152	167,840,915,716	83,469,358,210	50.3%
2028	8,205,560,884	9,853,486,190	5,918,484,775	89,256,400,853	89,644,304,621	172,145,256,456	82,888,855,603	51.8%
2029	8,370,081,250	10,212,554,884	6,210,614,746	94,012,445,734	94,012,445,734	176,392,656,723	82,380,210,989	53.3%
2030	8,522,897,110	10,586,416,146	6,508,648,035	98,457,574,732	98,457,574,732	180,555,733,093	82,098,158,360	54.5%
2031	8,678,405,098	10,896,518,336	6,814,396,268	103,053,857,762	103,053,857,762	184,688,475,168	81,634,617,406	55.8%
2032	8,887,174,070	11,287,790,402	7,129,748,472	107,782,989,903	107,782,989,903	188,697,015,569	80,914,025,666	57.1%
2033	9,107,742,940	11,689,757,916	7,454,438,769	112,655,413,695	112,655,413,695	192,552,349,382	79,896,935,687	58.5%
2034	9,895,057,840	12,095,580,890	7,808,860,652	118,263,751,297	118,263,751,297	196,230,884,018	77,967,132,722	60.3%
2035	10,104,800,776	12,511,808,843	8,194,217,308	124,050,960,538	124,050,960,538	199,701,264,162	75,650,303,625	62.1%
2036	10,311,936,798	12,924,325,491	8,592,133,633	130,030,705,478	130,030,705,478	202,943,898,734	72,913,193,256	64.1%
2037	10,518,478,993	13,334,145,623	9,003,601,051	136,218,639,900	136,218,639,900	205,937,929,905	69,719,290,005	66.1%
2038	10,728,500,945	13,742,235,642	9,429,824,079	142,634,729,281	142,634,729,281	208,658,952,136	66,024,222,855	68.4%
2039	10,938,747,541	14,139,726,424	9,872,396,789	149,306,147,186	149,306,147,186	211,088,723,136	61,782,575,949	70.7%
2040	11,153,835,142	14,523,461,269	10,333,493,389	156,270,014,448	156,270,014,448	213,214,760,268	56,944,745,820	73.3%
2041	11,377,447,245	14,885,714,091	10,816,111,672	163,577,859,274	163,577,859,274	215,037,246,574	51,459,387,300	76.1%
2042	11,611,330,945	15,217,412,717	11,324,237,287	171,296,014,789	171,296,014,789	216,571,811,713	45,275,796,924	79.1%
2043	11,860,348,396	15,509,399,556	11,863,004,245	179,509,967,873	179,509,967,873	217,849,774,623	38,339,806,750	82.4%
2044	12,129,865,334	15,752,403,526	12,438,908,914	188,326,338,595	188,326,338,595	218,920,340,504	30,594,001,909	86.0%
2045	12,421,342,312	15,936,409,936	13,059,816,335	197,871,087,306	197,871,087,306	219,856,763,674	21,985,676,367	90.0%
2046	3,446,344,028	16,059,223,360	13,409,525,335	198,667,733,309	198,667,733,309	220,741,925,899	22,074,192,590	90.0%

Table 5: Projection of Funded Ratio to 2046 by Tier (Tier 1 Only)

Amounts above the dark blue line are based on prior valuations and amounts below the line are based on the current valuation. See notes.

Year Ended June 30	Contributions	Benefits and Expenses	FVA Return	AVA	FVA	AAL	UAAL	AVA Funded Ratio
2014				$42,060,460,784	$45,726,207,620	$103,665,420,423	$61,604,959,639	40.6%
2015	$4,357,376,533	$5,636,978,805	$1,759,751,948	45,238,833,875	46,206,357,296	108,001,248,291	62,762,414,416	41.9%
2016	4,761,135,081	5,938,766,822	(43,878,630)	46,944,396,204	44,984,846,925	118,449,453,398	71,505,057,193	39.6%
2017	4,964,338,090	6,438,142,918	5,482,643,972	49,084,836,109	48,993,686,068	122,638,280,909	73,553,444,799	40.0%
2018	4,994,858,498	6,547,670,601	4,013,422,755	51,218,006,139	51,454,296,720	126,627,563,072	75,409,556,933	40.4%
2019	5,369,865,536	6,811,987,553	2,588,547,964	52,727,529,954	52,600,722,667	130,924,874,572	78,197,344,618	40.3%
2020	5,723,556,341	7,086,035,686	271,835,206	54,044,893,615	51,510,078,528	134,899,448,680	80,854,555,065	40.1%
2021	6,056,567,112	7,371,658,058	12,822,029,843	57,881,853,887	63,017,017,425	138,046,338,135	80,164,484,248	41.9%
2022	6,818,158,613	7,650,969,140	(727,994,493)	61,531,305,194	61,456,212,405	142,385,623,844	80,854,318,650	43.2%
2023	6,960,980,738	7,946,944,005	4,321,255,816	64,789,137,116	64,791,504,954	146,955,779,186	82,166,642,070	44.1%
2024	7,132,382,825	8,236,497,389	5,597,037,933	68,569,325,233	69,284,428,323	152,536,950,734	83,967,625,501	45.0%
2025	7,177,018,865	8,551,300,782	6,677,604,241	73,420,830,266	74,587,750,647	156,963,192,066	83,542,361,800	46.8%
2026	7,391,931,350	9,085,157,653	5,162,860,131	76,494,235,340	78,057,384,474	160,867,627,599	84,373,392,260	47.6%
2027	7,501,691,258	9,423,774,424	5,396,744,002	80,574,954,715	81,532,045,310	164,669,228,389	84,094,273,674	48.9%
2028	7,686,957,430	9,773,280,438	5,634,221,866	84,711,791,043	85,079,944,169	168,342,212,749	83,630,421,706	50.3%
2029	7,794,759,223	10,126,304,905	5,873,991,993	88,622,390,480	88,622,390,480	171,863,245,767	83,240,855,287	51.6%
2030	7,888,735,595	10,487,389,475	6,112,614,448	92,136,351,048	92,136,351,048	175,204,107,949	83,067,756,901	52.6%
2031	7,982,987,955	10,786,730,529	6,351,413,583	95,684,022,057	95,684,022,057	178,405,527,897	82,721,505,840	53.6%
2032	8,127,669,495	11,165,784,767	6,591,547,509	99,237,454,295	99,237,454,295	181,364,125,100	82,126,670,805	54.7%
2033	8,281,255,246	11,554,512,397	6,832,057,800	102,796,254,945	102,796,254,945	184,040,023,175	81,243,768,230	55.9%
2034	8,998,482,448	11,944,529,577	7,092,626,197	106,942,834,012	106,942,834,012	186,399,696,437	79,456,862,425	57.4%
2035	9,135,380,160	12,337,224,766	7,373,933,820	111,114,923,226	111,114,923,226	188,406,156,428	77,291,233,202	59.0%
2036	9,266,695,886	12,728,247,299	7,656,890,326	115,310,262,140	115,310,262,140	190,024,046,917	74,713,784,777	60.7%
2037	9,394,604,758	13,113,630,727	7,941,552,441	119,532,788,612	119,532,788,612	191,220,510,900	71,687,722,287	62.5%
2038	9,523,457,930	13,493,491,370	8,228,344,032	123,791,099,205	123,791,099,205	191,959,858,046	68,168,758,842	64.5%
2039	9,649,931,167	13,858,629,659	8,518,072,497	128,100,473,210	128,100,473,210	192,212,302,456	64,111,829,245	66.6%
2040	9,779,192,490	14,205,847,559	8,812,100,197	132,485,918,338	132,485,918,338	191,952,849,013	59,466,930,675	69.0%
2041	9,915,877,542	14,526,894,067	9,112,628,705	136,987,530,518	136,987,530,518	191,169,815,186	54,182,284,668	71.7%
2042	10,062,807,514	14,815,599,450	9,422,779,419	141,657,518,001	141,657,518,001	189,863,267,112	48,205,749,111	74.6%
2043	10,225,814,555	15,057,840,254	9,746,905,361	146,572,397,662	146,572,397,662	188,054,420,996	41,482,023,334	77.9%
2044	10,411,325,296	15,243,026,527	10,090,958,293	151,831,654,725	151,831,654,725	185,784,689,004	33,953,034,278	81.7%
2045	10,622,448,050	15,360,685,787	10,462,377,510	157,555,794,498	157,555,794,498	183,119,691,885	25,563,897,387	86.0%
2046	1,573,027,985	15,405,794,858	10,544,758,774	154,267,786,399	154,267,786,399	180,139,977,917	25,872,191,518	85.6%

Table 5: Projection of Funded Ratio to 2046 by Tier (Tier 2 Only)

Amounts above the dark blue line are based on prior valuations and amounts below the line are based on the current valuation. See notes.

Year Ended June 30	Contributions	Benefits and Expenses	FVA Return	AVA	FVA	AAL	UAAL	AVA Funded Ratio
2014				$90,304,477	$98,174,894	$74,956,844	($15,347,633)	120.5%
2015	$100,531,046	$8,945,228	$10,797,585	196,358,770	200,558,297	120,576,880	(75,781,890)	162.8%
2016	81,184,329	15,408,272	(224,548)	277,701,605	266,109,806	180,436,907	(97,264,698)	153.9%
2017	100,651,351	22,591,737	37,809,030	382,689,100	381,978,450	265,753,359	(116,935,740)	144.0%
2018	122,937,222	25,514,671	35,848,973	512,883,821	515,249,974	391,767,092	(121,116,729)	130.9%
2019	148,642,057	31,108,699	29,283,368	663,662,779	662,066,700	532,094,381	(131,568,398)	124.7%
2020	176,953,992	36,455,641	3,834,192	846,082,214	806,399,243	699,098,333	(146,983,881)	121.0%
2021	205,207,276	40,242,766	224,123,842	1,098,069,079	1,195,487,595	867,936,782	(230,132,297)	126.5%
2022	242,157,123	45,182,904	(15,047,880)	1,379,096,984	1,377,413,934	1,138,107,115	(240,989,869)	121.2%
2023	282,423,268	52,411,896	105,787,159	1,713,149,855	1,713,212,465	1,442,516,894	(270,632,961)	118.8%
2024	327,110,955	60,818,833	160,869,047	2,118,282,266	2,140,373,634	1,788,208,429	(330,073,837)	118.5%
2025	374,830,762	64,051,571	223,511,783	2,632,819,659	2,674,664,608	2,160,352,705	(472,466,954)	121.9%
2026	412,101,494	72,407,722	199,115,805	3,149,122,306	3,213,474,185	2,627,486,288	(521,636,018)	119.9%
2027	464,260,770	74,615,878	238,580,764	3,796,602,791	3,841,699,842	3,171,687,327	(624,915,464)	119.7%
2028	518,603,454	80,205,752	284,262,909	4,544,609,810	4,564,360,452	3,803,043,707	(741,566,103)	119.5%
2029	575,322,027	86,249,979	336,622,753	5,390,055,253	5,390,055,253	4,529,410,955	(860,644,298)	119.0%
2030	634,161,515	99,026,672	396,033,587	6,321,223,685	6,321,223,685	5,351,625,144	(969,598,541)	118.1%
2031	695,417,143	109,787,807	462,982,685	7,369,835,705	7,369,835,705	6,282,947,271	(1,086,888,434)	117.3%
2032	759,504,575	122,005,635	538,200,962	8,545,535,608	8,545,535,608	7,332,890,469	(1,212,645,139)	116.5%
2033	826,487,693	135,245,519	622,380,969	9,859,158,751	9,859,158,751	8,512,326,207	(1,346,832,543)	115.8%
2034	896,575,391	151,051,313	716,234,455	11,320,917,284	11,320,917,284	9,831,187,581	(1,489,729,703)	115.2%
2035	969,420,616	174,584,078	820,283,489	12,936,037,312	12,936,037,312	11,295,107,734	(1,640,929,577)	114.5%
2036	1,045,240,912	196,078,192	935,243,307	14,720,443,338	14,720,443,338	12,919,851,817	(1,800,591,521)	113.9%
2037	1,123,874,235	220,514,896	1,062,048,611	16,685,851,287	16,685,851,287	14,717,419,005	(1,968,432,282)	113.4%
2038	1,205,043,015	248,744,272	1,201,480,046	18,843,630,076	18,843,630,076	16,699,094,090	(2,144,535,987)	112.8%
2039	1,288,816,373	281,096,765	1,354,324,292	21,205,673,976	21,205,673,976	18,876,420,680	(2,329,253,296)	112.3%
2040	1,374,642,653	317,613,710	1,521,393,191	23,784,096,110	23,784,096,110	21,261,911,255	(2,522,184,854)	111.9%
2041	1,461,569,704	358,820,024	1,703,482,966	26,590,328,756	26,590,328,756	23,867,431,388	(2,722,897,367)	111.4%
2042	1,548,523,430	401,813,267	1,901,457,869	29,638,496,788	29,638,496,788	26,708,544,601	(2,929,952,186)	111.0%
2043	1,634,533,841	451,559,301	2,116,098,884	32,937,570,211	32,937,570,211	29,795,353,627	(3,142,216,583)	110.5%
2044	1,718,540,038	509,377,000	2,347,950,621	36,494,683,870	36,494,683,870	33,135,651,501	(3,359,032,369)	110.1%
2045	1,798,894,262	575,724,149	2,597,438,825	40,315,292,808	40,315,292,808	36,737,071,789	(3,578,221,019)	109.7%
2046	1,873,316,043	653,428,501	2,864,766,561	44,399,946,911	44,399,946,911	40,601,947,983	(3,797,998,928)	109.4%

Table 5: Projection of Funded Ratio to 2046 by Tier continued

Notes

1) The projection of assets is based upon the assumption that the Employer maintains the funding policy under Public Act 94-0004 that begins with fiscal year 2006, as revised by Public Act 100-0023 effective with fiscal year 2018.
2) Projected amounts may not add to the dollar due to rounding.
3) Projected buyout amounts are excluded from the benefit payments.
4) For 1995 to 2008 (for the Total tables), actuarial value of assets are equal to the fair value; for 2009 and after, assets are 5-year smoothed value.

Table 6: Projection of Actuarial Accrued Liability (AAL) to 2046 by Member Group

Year Ended June 30	Tier 1 Current Active	Tier 2 Current Active	New Entrants	Inactive	Total AAL
2025	$54,191,154,087	$2,160,352,705	-	$102,772,037,979	$159,123,544,771
2026	59,862,067,633	2,588,728,528	$38,757,760	101,005,559,966	163,495,113,887
2027	65,644,992,052	3,055,720,138	115,967,189	99,024,236,337	167,840,915,716
2028	71,510,319,171	3,571,247,730	231,795,977	96,831,893,578	172,145,256,456
2029	77,431,853,094	4,143,216,425	386,194,530	94,431,392,673	176,392,656,723
2030	83,375,817,498	4,772,385,949	579,239,195	91,828,290,451	180,555,733,093
2031	89,300,608,484	5,460,981,132	821,966,139	89,104,919,413	184,688,475,168
2032	95,159,108,731	6,213,562,985	1,119,327,484	86,205,016,369	188,697,015,569
2033	100,897,065,842	7,035,328,293	1,476,997,915	83,142,957,333	192,552,349,382
2034	106,462,553,794	7,929,683,972	1,901,503,609	79,937,142,643	196,230,884,018
2035	111,800,949,377	8,895,588,946	2,399,518,789	76,605,207,051	199,701,264,162
2036	116,855,224,090	9,935,721,036	2,984,130,781	73,168,822,827	202,943,898,734
2037	121,568,792,750	11,053,812,206	3,663,606,800	69,651,718,149	205,937,929,905
2038	125,884,071,625	12,252,238,194	4,446,855,896	66,075,786,422	208,658,952,136
2039	129,745,262,247	13,534,248,773	5,342,171,907	62,467,040,208	211,088,723,136
2040	133,103,679,132	14,902,166,489	6,359,744,766	58,849,169,881	213,214,760,268
2041	135,921,188,456	16,358,277,724	7,509,153,664	55,248,626,730	215,037,246,574
2042	138,172,437,704	17,905,073,434	8,803,471,167	51,690,829,408	216,571,811,713
2043	139,850,825,502	19,542,283,202	10,253,070,425	48,203,595,494	217,849,774,623
2044	140,971,726,110	21,269,134,661	11,866,516,840	44,812,962,893	218,920,340,504
2045	141,579,984,296	23,081,636,179	13,655,435,610	41,539,707,589	219,856,763,674
2046	141,733,984,221	24,975,015,886	15,626,932,097	38,405,993,696	220,741,925,899

Table 7: Projection of Total Normal Cost to 2046 by Member Group

Year Ended June 30	Tier 1 Current Active	Tier 2 Current Active	New Entrants	Total Normal Cost
2025	$2,209,722,318	$313,676,737	-	$2,523,399,055
2026	2,203,888,634	318,350,872	$39,029,992	2,561,269,498
2027	2,184,965,601	324,849,458	78,028,551	2,587,843,610
2028	2,152,197,190	335,109,278	117,288,826	2,604,595,294
2029	2,110,970,211	348,365,950	156,628,794	2,615,964,955
2030	2,060,892,334	362,657,839	195,951,700	2,619,501,873
2031	2,000,744,710	377,773,761	238,659,004	2,617,177,475
2032	1,929,991,688	393,471,989	283,926,368	2,607,390,045
2033	1,846,962,388	409,730,057	332,007,953	2,588,700,398
2034	1,752,111,465	426,097,582	383,246,368	2,561,455,415
2035	1,645,709,671	442,983,540	437,583,695	2,526,276,906
2036	1,527,501,508	460,577,603	494,462,619	2,482,541,731
2037	1,398,309,405	478,675,971	554,371,085	2,431,356,462
2038	1,257,692,136	496,664,619	617,283,453	2,371,640,207
2039	1,104,588,461	514,774,809	682,782,362	2,302,145,631
2040	942,394,910	532,715,626	751,381,031	2,226,491,567
2041	777,348,103	550,414,063	822,248,805	2,150,010,971
2042	615,367,092	567,927,421	895,245,577	2,078,540,090
2043	462,690,073	584,428,014	969,879,213	2,016,997,300
2044	326,724,913	599,724,488	1,044,792,025	1,971,241,426
2045	217,518,308	612,979,679	1,120,673,344	1,951,171,331
2046	139,874,759	623,801,414	1,195,207,622	1,958,883,795

Table 8: Projection of Benefit Payments to 2046 by Member Group

Year Ended June 30	Tier 1 Current Active	Tier 2 Current Active	New Entrants	Inactive	Total Benefit Payments[1]	Administrative Expenses	Total Benefits and Expenses
2025	$154,569,214	$50,105,705	-	$8,551,126,540	$8,755,801,459	$45,565,876	$8,801,367,335
2026	387,327,062	50,207,949	$1,538,248	8,657,507,895	9,096,581,154	60,984,221	9,157,565,375
2027	643,742,649	48,361,442	5,962,137	8,745,616,258	9,443,682,486	54,707,816	9,498,390,302
2028	922,511,237	43,298,834	13,086,019	8,815,496,910	9,794,393,000	59,093,190	9,853,486,190
2029	1,223,714,102	36,874,481	22,949,357	8,868,341,503	10,151,879,443	60,675,441	10,212,554,884
2030	1,552,511,747	34,567,397	35,330,472	8,901,738,850	10,524,148,466	62,267,680	10,586,416,146
2031	1,912,965,200	34,802,466	43,042,897	8,841,885,381	10,832,695,944	63,822,392	10,896,518,336
2032	2,307,052,614	35,231,528	51,887,949	8,828,258,360	11,222,430,451	65,359,951	11,287,790,402
2033	2,736,812,129	35,526,342	61,756,298	8,788,802,108	11,622,896,877	66,861,039	11,689,757,916
2034	3,196,780,935	37,317,855	72,551,256	8,720,600,680	12,027,250,726	68,330,164	12,095,580,890
2035	3,686,323,548	45,542,574	84,513,318	8,625,638,238	12,442,017,678	69,791,165	12,511,808,843
2036	4,203,814,388	56,726,403	91,340,966	8,501,206,491	12,853,088,248	71,237,243	12,924,325,491
2037	4,745,789,620	69,828,390	99,063,836	8,346,784,807	13,261,466,653	72,678,970	13,334,145,623
2038	5,308,946,286	85,797,978	107,595,316	8,165,750,723	13,668,090,303	74,145,339	13,742,235,642
2039	5,886,604,913	104,182,364	117,715,480	7,955,605,085	14,064,107,842	75,618,582	14,139,726,424
2040	6,471,511,893	125,806,630	128,665,919	7,720,350,862	14,446,335,304	77,125,965	14,523,461,269
2041	7,056,409,133	150,789,873	140,896,189	7,458,922,746	14,807,017,941	78,696,150	14,885,714,091
2042	7,632,280,726	179,146,306	151,538,972	7,174,107,433	15,137,073,437	80,339,280	15,217,412,717
2043	8,185,526,027	212,885,655	163,594,960	6,865,306,254	15,427,312,896	82,086,660	15,509,399,556
2044	8,701,865,467	252,283,470	178,156,205	6,536,120,082	15,668,425,224	83,978,302	15,752,403,526
2045	9,163,900,136	299,561,710	193,534,221	6,193,393,920	15,850,389,987	86,019,949	15,936,409,936
2046	9,566,380,483	354,812,534	212,569,350	5,837,191,714	15,970,954,081	88,269,279	16,059,223,360

[1] Benefit payments shown above do not include projected buyout amounts of $177,338,046 and $172,183,955 for the fiscal years ending 2025 and 2026, respectively.

Table 9: Projection of Payroll to 2046 by Member Group

Year Ended June 30	Tier 1 Current Active	Tier 2 Current Active	New Entrants	Total Payroll
2025	$9,107,503,063	$4,016,823,980	-	$13,124,327,043
2026	8,936,117,530	4,040,467,371	$538,438,117	13,515,023,018
2027	8,748,680,090	4,075,848,994	1,082,604,011	13,907,133,095
2028	8,532,344,973	4,126,485,083	1,635,775,518	14,294,605,574
2029	8,284,884,223	4,198,051,086	2,194,415,880	14,677,351,189
2030	8,016,273,764	4,289,883,218	2,756,355,842	15,062,512,824
2031	7,711,739,420	4,384,768,906	3,342,088,238	15,438,596,564
2032	7,371,591,342	4,479,494,446	3,959,445,279	15,810,531,067
2033	6,990,446,790	4,571,361,909	4,611,834,682	16,173,643,381
2034	6,567,075,062	4,659,391,525	5,302,557,268	16,529,023,855
2035	6,111,098,892	4,741,078,491	6,030,261,688	16,882,439,071
2036	5,618,456,386	4,817,647,609	6,796,140,298	17,232,244,293
2037	5,093,505,709	4,888,905,965	7,598,585,531	17,580,997,205
2038	4,546,344,239	4,951,876,784	8,437,490,047	17,935,711,070
2039	3,971,905,681	5,003,499,416	9,316,682,511	18,292,087,608
2040	3,382,915,329	5,045,137,757	10,228,669,494	18,656,722,580
2041	2,796,885,985	5,074,376,816	11,165,286,557	19,036,549,358
2042	2,228,205,515	5,091,447,590	12,114,368,303	19,434,021,408
2043	1,695,224,378	5,094,783,407	13,066,703,711	19,856,711,496
2044	1,219,409,315	5,081,037,600	14,013,851,708	20,314,298,623
2045	820,457,613	5,051,187,753	14,936,526,272	20,808,171,638
2046	537,660,380	5,000,597,988	15,814,024,715	21,352,283,083

Table 10: Projection of Member Count to 2046 by Member Group[1]

Year Ended June 30	Tier 1 Active	Tier 1 Inactive and Annuitant	Tier 1 Subtotal	Tier 2 Active	Tier 2 Inactive and Annuitant	Tier 2 Subtotal	Total Active	Total Inactive and Annuitant	Grand Total
2025	91,005	140,358	231,363	80,676	645	81,321	171,681	141,003	312,684
2026	85,271	141,928	227,199	86,410	944	87,354	171,681	142,872	314,553
2027	79,761	143,386	223,147	91,920	1,311	93,231	171,681	144,697	316,378
2028	74,418	144,742	219,160	97,263	1,735	98,998	171,681	146,477	318,158
2029	69,281	145,912	215,193	102,400	2,225	104,625	171,681	148,137	319,818
2030	64,212	146,954	211,166	107,469	2,799	110,268	171,681	149,753	321,434
2031	59,208	147,845	207,053	112,473	3,429	115,902	171,681	151,274	322,955
2032	54,239	148,604	202,843	117,442	4,143	121,585	171,681	152,747	324,428
2033	49,293	149,236	198,529	122,388	4,957	127,345	171,681	154,193	325,874
2034	44,410	149,704	194,114	127,271	5,872	133,143	171,681	155,576	327,257
2035	39,576	150,021	189,597	132,105	6,761	138,866	171,681	156,782	328,463
2036	34,822	150,167	184,989	136,859	7,754	144,613	171,681	157,921	329,602
2037	30,187	150,108	180,295	141,494	8,836	150,330	171,681	158,944	330,625
2038	25,647	149,883	175,530	146,034	10,017	156,051	171,681	159,900	331,581
2039	21,273	149,433	170,706	150,408	11,293	161,701	171,681	160,726	332,407
2040	17,163	148,681	165,844	154,518	12,661	167,179	171,681	161,342	333,023
2041	13,378	147,579	160,957	158,303	14,128	172,431	171,681	161,707	333,388
2042	9,994	146,071	156,065	161,687	15,690	177,377	171,681	161,761	333,442
2043	7,092	144,098	151,190	164,589	17,368	181,957	171,681	161,466	333,147
2044	4,745	141,605	146,350	166,936	19,172	186,108	171,681	160,777	332,458
2045	3,114	138,446	141,560	168,567	21,102	189,669	171,681	159,548	331,229
2046	2,026	134,808	136,834	169,655	23,199	192,854	171,681	158,007	329,688

[1] Excluding inactive members due a refund of member contributions, future members due a refund of member contributions are assumed to be paid immediately.

Table 11: Projection of Employer Normal Cost (ER NC) Amount and % of Pay to 2046 by Member Group

Year Ended June 30	Tier 1 Payroll	Tier 2 Payroll	Total Payroll	Tier 1 ER NC Amount	Tier 2 ER NC Amount	Admin. Expenses	Total ER NC Amount	Tier 1 ER NC Rate	Tier 2 ER NC Rate	Admin. Expenses	Total ER NC Rate
2027	$8,748,680,090	$5,158,453,005	$13,907,133,095	$1,397,584,393	($61,382,761)	$54,707,816	$1,390,909,447	15.97%	(1.19%)	0.39%	10.00%
2028	8,532,344,973	5,762,260,601	14,294,605,574	1,384,286,143	(66,205,350)	59,093,190	1,377,173,982	16.22%	(1.15%)	0.41%	9.63%
2029	8,284,884,223	6,392,466,966	14,677,351,189	1,365,330,631	(70,327,283)	60,675,441	1,355,678,789	16.48%	(1.10%)	0.41%	9.24%
2030	8,016,273,764	7,046,239,060	15,062,512,824	1,339,427,696	(75,551,977)	62,267,680	1,326,143,399	16.71%	(1.07%)	0.41%	8.80%
2031	7,711,739,420	7,726,857,144	15,438,596,564	1,306,688,162	(78,984,378)	63,822,392	1,291,526,176	16.94%	(1.02%)	0.41%	8.37%
2032	7,371,591,342	8,438,939,725	15,810,531,067	1,266,548,468	(82,106,218)	65,359,951	1,249,802,200	17.18%	(0.97%)	0.41%	7.90%
2033	6,990,446,790	9,183,196,591	16,173,643,381	1,217,822,177	(84,749,683)	66,861,039	1,199,933,533	17.42%	(0.92%)	0.41%	7.42%
2034	6,567,075,062	9,961,948,793	16,529,023,855	1,161,074,710	(87,231,441)	68,330,164	1,142,173,433	17.68%	(0.88%)	0.41%	6.91%
2035	6,111,098,892	10,771,340,179	16,882,439,071	1,095,710,771	(88,853,381)	69,791,165	1,076,648,555	17.93%	(0.82%)	0.41%	6.38%
2036	5,618,456,386	11,613,787,907	17,232,244,293	1,021,840,434	(90,200,689)	71,237,243	1,002,876,987	18.19%	(0.78%)	0.41%	5.82%
2037	5,093,505,709	12,487,491,496	17,580,997,205	939,893,891	(90,827,178)	72,678,970	921,745,683	18.45%	(0.73%)	0.41%	5.24%
2038	4,546,344,239	13,389,366,831	17,935,711,070	848,521,154	(91,094,943)	74,145,339	831,571,551	18.66%	(0.68%)	0.41%	4.64%
2039	3,971,905,681	14,320,181,927	18,292,087,608	747,116,950	(91,259,203)	75,618,582	731,476,329	18.81%	(0.64%)	0.41%	4.00%
2040	3,382,915,329	15,273,807,251	18,656,722,580	637,932,530	(90,545,995)	77,125,965	624,512,500	18.86%	(0.59%)	0.41%	3.35%
2041	2,796,885,985	16,239,663,373	19,036,549,358	525,628,364	(88,906,835)	78,696,150	515,417,679	18.79%	(0.55%)	0.41%	2.71%
2042	2,228,205,515	17,205,815,893	19,434,021,408	414,828,596	(85,350,432)	80,339,280	409,817,444	18.62%	(0.50%)	0.41%	2.11%
2043	1,695,224,378	18,161,487,118	19,856,711,496	310,119,879	(80,226,614)	82,086,660	311,979,925	18.29%	(0.44%)	0.41%	1.57%
2044	1,219,409,315	19,094,889,308	20,314,298,623	216,978,074	(74,023,524)	83,978,302	226,932,852	17.79%	(0.39%)	0.41%	1.12%
2045	820,457,613	19,987,714,025	20,808,171,638	143,677,122	(65,241,239)	86,019,949	164,455,833	17.51%	(0.33%)	0.41%	0.79%
2046	537,660,380	20,814,622,703	21,352,283,083	91,485,325	(54,307,007)	88,269,279	125,447,596	17.02%	(0.26%)	0.41%	0.59%

Table 12: Projection of Debt Service to 2033

Fiscal Year	Debt Service
2025	$528,003,960
2026	541,748,515
2027	553,983,980
2028	579,505,355
2029	602,763,095
2030	638,552,200
2031	671,323,125
2032	686,280,870
2033	684,179,980

Section 6: Actuarial Valuation Basis

Exhibit 1: Actuarial assumptions, methods and models

Rationale for assumptions

The information and analysis used in supporting each assumption that has a significant effect on this actuarial valuation is shown in the demographic and economic experience review dated August 16, 2024, and the economic experience review dated June 18, 2024. Current data is reviewed in conjunction with each annual valuation.

All assumptions were adopted by the Board on August 16, 2024, effective June 30, 2024, unless otherwise noted.

Net investment return

7.00% per annum, compounded annually and net of investment expenses. The interest rate assumption is composed of an inflation assumption of 2.50% and real return of 4.50% (adopted effective June 30, 2022).

Mortality rates

Healthy Post-Retirement: PubT-2010 Retiree Mortality Table projected generationally with the 2024 Adjusted Scale MP-2021, with female rates multiplied by 91% for ages under 75 and 103% for ages 75 and older and male rates multiplied by 103% for ages under 85 and 111% for ages 85 and older.

Disabled Post-Retirement: PubNS-2010 Non-Safety Disabled Retiree Mortality Table projected generationally with the 2024 Adjusted Scale MP-2021, with no adjustments to female or male rates.

Beneficiary post-retirement: Pub-2010 Contingent Survivor Mortality Table projected generationally with the 2024 Adjusted Scale MP-2021, with female rates multiplied by 94% for all ages and male rates multiplied by 106% for all ages.

Pre-retirement: PubT-2010 Employee Mortality Table projected generationally with the 2024 Adjusted Scale MP-2021, with female and male rates multiplied by 94% for all ages.

Salary increases

The components include 2.50% inflation (adopted effective June 30, 2022), plus merit and seniority increases. Salary increase rates are shown below for selected years of service.

Service	Rate (%)
1	8.50
2	7.00
3	6.50
4	6.50
5	6.25
10	5.50
15	4.75
20 and above	4.00

Salary increases are applied as of the beginning of year.

For a member who works 34 years, the assumed average salary increase over their career is 4.90% per year.

The actual average salary increases for teachers who were in full-time or regular part-time status at June 30, 2023, and June 30, 2024, is 6.37%.

Disability rates

Shown below for selected ages.

Rate (%)

Age	Male	Female
25	0.005	0.015
30	0.005	0.024
35	0.010	0.036
40	0.015	0.042
45	0.025	0.060
50	0.049	0.107
55	0.068	0.119
60	0.088	0.160

Termination rates

Termination rates based on service, for causes other than death, disability, or retirement. Select termination rates apply for members with less than 5 years of service and ultimate termination rates apply for members with 5 or more years of service.

Rate (%)

Age	Select Termination Male	Select Termination Female	Ultimate Termination Male	Ultimate Termination Female
25	6.50	6.50	3.75	4.50
30	7.25	7.45	3.00	4.25
35	7.45	7.75	1.75	2.50
40	8.70	7.25	1.50	1.25
45	10.20	7.50	1.00	1.00
50	11.10	8.55	0.75	1.25
55	12.00	10.60	2.00	2.25
60	16.30	14.00	3.00	2.25
65	29.25	27.50	3.00	2.25

Active retirement rates

The following rates of retirement based on years of service (YOS) are assumed for active members hired before January 1, 2011.

Rate (%)

Age	5 – 18 YOS	19 – 29 YOS	30 – 33 YOS	34+ YOS
54	0	7	24	50
55	0	7	24	50
56	0	7	27	50
57	0	9	33	47
58	0	10	33	46
59	0	35	50	44
60	23	35	59	44
61	16	27	36	37
62	17	27	43	37
63	16	28	38	39
64	26	40	46	36
65	28	41	45	41
66	25	38	39	40
67	25	39	40	34
68	23	35	44	39
69	29	40	37	32
70	100	100	36	32
71			35	38
72			100	29
73				36
74				37
75				100

Active retirement rates (continued)

The following rates of retirement based on years of service (YOS) are assumed for active members hired on or after January 1, 2011 (adopted effective June 30, 2012):

Age	5 – 18 YOS	19 – 30 YOS	31 YOS	32 – 33 YOS	34+ YOS
61 and younger	0	0	0	0	0
62	13	15	20	25	25
63	8	10	15	20	20
64	8	10	15	20	20
65	8	10	15	20	20
66	20	10	15	20	20
67	20	40	70	70	70
68	20	40	40	40	40
69	20	40	40	40	40
70	100	100	100	100	100

Inactive retirement rates

Inactive members with deferred vested benefits are assumed to retire upon reaching Normal Retirement.

The following rates of retirement are assumed for inactive members hired before January 1, 2011, who are eligible for Early Retirement.

Age	Rate (%)
55	50
56	15
57	15
58	15
59	50

Inactive retirement rates (continued)

The following rates of retirement are assumed for inactive members hired on or after January 1, 2011, who are eligible for Early Retirement.

Age	Rate (%)
62	50
63	15
64	15
65	15
66	50

Percent married

For valuation purposes, 85% of members are assumed to be married. Male members are assumed to be three years older than their spouses, and female members are assumed to be three years younger than their spouses. (adopted effective June 30, 1993)

Elected form of payment

Life annuity, if single.

50% Joint and Survivor annuity (for Tier 1) and 66 ⅔% Joint and Survivor annuity (for Tier 2), if married (adopted effective June 30, 1993, for Tier 1 and June 30, 2011, for Tier 2).

Inactive vested buyout

10% of future inactive vested members are assumed to elect to receive a lump sum buyout now in lieu of an annuity at retirement. (adopted effective June 30, 2022).

Automatic annual increase buyout

25% of eligible retiring Tier 1 members are assumed to receive a lump sum buyout and a retirement annuity with automatic annual increases of 1.5% of the originally granted retirement benefit starting at the later of January 1 following age 67 and the first anniversary of retirement.

Buyout period

Buyouts are assumed to be paid through fiscal year 2026, corresponding with the current buyout program ending date (June 30, 2026). This valuation assumes that additional funds will be allocated to TRS to pay for all assumed buyout payments, as needed. (adopted effective June 30, 2022).

Severance pay

20% of retirees are assumed to receive severance pay and the average severance payment will be 10% of other pensionable earnings in the last year of employment. Other pensionable earnings may include payment for unused vacation days, unused sick or personal leave, retirement incentives, 403(b) or 457(b) contributions, and bonuses for performance, good attendance, longevity, etc.

Optional service purchases

The liability for retirement benefits for active members who have not previously purchased optional service is increased to cover the employer cost of out-of-system service purchased in the last two years prior to retirement. The amount purchased varies by the amount of regular service at retirement. Representative amounts purchased at retirement, and other assumptions used, are as follows:

Service	Maximum Service Purchase
10 years	0.073 years
15 years	0.233 years
20 years	0.440 years
25 years	0.580 years
30 years	0.538 years
34 or more	None

- Actual optional service credit for each current member is provided by TRS;
- No additional service purchases will be assumed for members who currently have optional service credit;
- Members will not purchase service if it does not improve their pension benefit; and
- When optional service is purchased within the last two years prior to retirement, 25% of the cost is covered by member payments and the remaining cost is the responsibility of the employer.

A 25% factor is applied for Substitute, Part-Time, and Hourly-Paid members.

Sick leave service credit

The assumed unused and uncompensated sick leave service credit at retirement varies by the amount of regular service at retirement. Representative assumed amounts of unused and uncompensated sick leave service are as follows:

Service	Sick Leave Service Credit
10 years	0.291 years
15 years	0.692 years
20 years	0.949 years
25 years	1.148 years
30 years	1.371 years
34 years	1.623 years
35 or more	None

A 25% factor is applied for Substitute, Part-Time, and Hourly-Paid members.

Future service accrual rate

1.00 years of service per year for current and future Full-Time and Regular Part-Time members.

Actual service accrual in the prior year for current Substitute, Part-Time, and Hourly-Paid members.

0.33 years of service per year for future Substitute, Part-Time, and Hourly-Paid members.

Future normal costs

Projected normal cost is based on an open group forecast with the number of active participants assumed to remain level for both full-time and substitute/hourly groups. The new entrants are assumed to enter the plan with an average age and an average pay as noted below, which is based on the same demographic profile as new entrants over the past 5 years (July 1, 2019 – June 30, 2024), with pay adjusted to 2025 to reflect actual inflation rates of 2.87%, 1.65%, 0.65%, 5.39%, and 9.06% for fiscal years ended June 30, 2020, June 30, 2021, June 30, 2022, June 30, 2023, and June 30, 2024, respectively. New entrant salaries assumed to increase by 2.50% per annum during the projection period (adopted effective June 30, 2022):

Future normal costs continued

Full-Time and regular part-time:

Age	Male Salary	Male Proportion	Female Salary	Female Proportion
22	$53,187	5.2%	$52,410	27.5%
27	56,551	6.1	57,412	24.9
32	63,527	3.1	61,421	10.7
37	66,181	2.0	63,207	6.2
42	67,692	1.4	64,240	4.4
47	68,999	0.9	64,553	2.8
52	67,018	0.6	67,176	1.7
57	68,862	0.4	67,631	1.0
62	68,561	0.3	65,377	0.5
67	70,975	0.1	69,302	0.2

Substitutes, part-time, and hourly-paid:

Age	Male Salary	Male Proportion	Female Salary	Female Proportion
22	$25,083	6.9%	$24,639	21.7%
27	26,006	5.8	25,743	12.3
32	25,128	2.5	23,824	7.5
37	24,578	1.7	21,912	8.5
42	23,595	1.4	21,290	9.2
47	24,183	1.2	21,344	6.2
52	23,282	1.0	21,523	4.4
57	23,839	1.0	21,142	2.7
62	22,114	1.1	21,022	1.9
67	21,594	1.0	21,255	1.1
70	20,870	0.5	22,177	0.4

Based on the demographic mix shown above, the average age and salary at hire for full-time and regular part-time new entrants is 30 and $59,664 (in 2025 dollars) and for substitutes, part-time, and hourly-paid new entrants is 35 and $24,252 (in 2025 dollars). The average ages are assumed to remain constant throughout the projection period.

2.2 upgrade assumption

For those active members who have already made a payment to upgrade past service prior to June 30, 1998, their benefits are based on their upgrading at the valuation date. For all other active members, they are assumed to upgrade at retirement.

Tier 2 pay cap increase

1.25% per annum (adopted effective June 30, 2022). The actuarial valuation reflects the actual Tier 2 pay cap of $127,283 applicable for fiscal year ending June 30, 2026.

Tier 2 COLA increase

1.25% per annum (adopted effective June 30, 2022).

COLA timing

Assumed to occur middle of year (effective January 1st).

Governor's pay

The actuarial valuation reflects the actual Governor's pay of $237,900 applicable for fiscal year ending June 30, 2026.

Substitute, part-time, and hourly-paid minimum annual salary

$1,000

Average cost of excess salary increases over 6% FAS Cap at retirement

$2,200

Decrement timing

All decrements are assumed to occur middle of year, except for the 100% retirement rate assumptions which are assumed to occur beginning of year.

Census and assets

The current actuarial valuation was based on the latest membership data available, which was submitted by the System for active, inactive and retired members as of the prior valuation date. The valuation assumptions were used to project results to account for the one-year difference in the census date and the valuation date. Any change in liability due to changes in census between the collection date of the census information and the valuation date is captured in the next actuarial valuation.

Administrative expenses

$60,984,221 is expected to be paid for the fiscal year ending June 30, 2026 (same as last year's valuation). $54,707,816 is expected to be paid for the fiscal year ending June 30, 2027 (based on projected budget provided by TRS, adjusted for 2 years of assumed 2.50% inflation), and $59,093,190 is expected to be paid for the fiscal year ending June 30, 2028 (based on projected budget provided by TRS, adjusted for 3 years of assumed 2.50% inflation) and each year thereafter, increased by the rate at which payroll is expected to increase.

Actuarial valuation method

The actuarial value of assets for funding and to determine the Actuarially Determined Contribution is based on the fair value of assets with a five-year phase-in of actual investment return in excess of (or less than) expected investment income. Expected investment income is determined using the assumed investment return rate and the fair value of assets (adjusted for receipts and disbursements during the year). The actual investment return for this purpose is determined net of all investment and administrative expenses. For GASB 67 and 68, the fair value of assets is used.

Actuarial cost method

Projected Unit Credit (adopted by statute June 30, 1989) is used for funding purposes. Under this method, the projected benefits of each individual included in the valuation are allocated by a consistent formula to valuation years. The actuarial present value of benefits allocated to a valuation year is called the normal cost. The actuarial present value of benefits allocated to all periods prior to a valuation year is called the accrued liability.

Entry Age Normal is used for GASB 67 and 68 purposes and to determine the actuarially determined contribution ("Board-Adopted Actuarial Funding Policy"), based upon the funding policy adopted by the Board. Under this method, a normal cost is calculated for each employee that is the level annual contribution as a percent of pay required to be made from the employee's date of hire for as long as the employee remains active so that sufficient assets will be accumulated to provide their benefit. The accrued liability is the difference between the present value of all future benefits and the present value of all future normal costs.

Amortization and period method

For funding purposes under the Illinois Pension Code, the unfunded liability is not explicitly amortized. The employer contribution is the amount which, as a level percentage of member payroll, will result in the System being 90% funded by June 30, 2045, if all assumptions are met and the active population remains level. For the Board-Adopted Actuarial Funding Policy, the amortization of the unfunded accrued liability is a closed 20-year period effective June 30, 2015, and declines by one year in each subsequent valuation. Sources of unfunded actuarial accrued liability that emerge in subsequent valuations are amortized over 20-year closed periods. Contributions toward the unfunded actuarial accrued liability increase by 2% each year, the estimate of increase in future State revenue growth.

Models

Segal valuation results are based on proprietary actuarial modeling software. The actuarial valuation models generate a comprehensive set of liability and cost calculations that are presented to meet regulatory, legislative and client requirements. Deterministic cost projections are based on a proprietary forecasting model. Our Actuarial Technology and Systems unit, comprised of both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility and user control. The client team programs the assumptions and the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible actuaries.

The blended discount rate used for calculating total pension liability is based on a model developed by our Actuarial Technology and Systems unit, comprised of both actuaries and programmers. The model allows the client team, under the supervision of the responsible actuaries, control over the entry of future expected contribution income, benefit payments and administrative expenses. The projection of fiduciary net position and the discounting of benefits is part of the model.

Exhibit 2: Summary of plan provisions

This exhibit summarizes the major provisions of the System included in the valuation. It is not intended to be, nor should it be interpreted as, a complete statement of all plan provisions.

Membership

Employers of the System include:

- The Illinois public common school districts outside of Chicago,
- Certain state agencies employing certified teachers, and
- The State Board of Education, Illinois School Board Association, statewide and national teacher organizations, educational cooperatives and the retirement system.

Employees covered under the System include:

- Any educational, administrative, professional or other staff employed in the public common schools outside the City of Chicago in a position requiring certification under the teacher certification law, including substitute teachers, part-time teachers, and hourly paid teachers who are on a flexible work schedule;
- Any position requiring teacher certification in certain state agencies;
- Any regional superintendent of schools, assistant regional superintendent of schools, State Superintendent of Education; any person employed by the State Board of Education as an executive; any executive of the boards engaged in the service of public common school education in school districts covered under this system of which the State Superintendent of Education is an ex-officio member;
- Any employee of a school board association who is certified under the teacher certification law;
- Any person employed by the retirement system who was an employee of and a member in the system on August 17, 2001 or becomes an employee of the system on or after August 17, 2001;
- Any educational, administrative, professional or other staff employed by and under the supervision and control of a regional superintendent of schools, provided such employment position requires the person to be certified under the teacher certification law;
- Any educational, administrative, professional or other staff in a certified position employed by a program serving two or more school districts in accordance with a joint agreement authorized by the School Code or by federal legislation;

Membership (continued)

- Any officer or employee of a statewide teacher organization or officer of a national teacher organization who is certified under the teacher certification law, provided the member had previously established creditable service under TRS and files an irrevocable election for TRS membership before January 5, 2012, and does not receive credit under any other article of the pension code; and
- Any educational, administrative, professional, or other staff employed in a charter school that is certified under the teacher certification law.

Employment on a full-time basis covers only teachers whose normal employment schedule consist of working at least four clock hours daily, five days per week. Employment on a part-time basis covers teachers who are employed less than four clock hours daily or less than five days per week. A substitute teacher is employed on temporary basis to replace another teacher.

Creditable service rendered as an employee for a regular school year in any district, in accordance with the provisions of the Pension Code, is equal to one year of service, and time less than a legal year is counted as such portion of a year as the number of days taught bears to 170 days. Additionally, members may purchase various types of optional service credit.

"Tier 2" means a member, or a benefit provision, that applies to a member who first contributed to TRS on or after January 1, 2011, and has no preexisting creditable service with a reciprocal pension system prior to January 1, 2011. "Tier 1" means all other members and applicable benefit provisions.

For determining both member benefits and contribution amounts, salary for Tier 2 is capped at a limit that is tied to the Consumer Price Index. The initial limit was $106,800 as of January 1, 2011. The limit increases in each subsequent year by an amount equal to the then current limit times the lesser of 3% or one-half the percentage increase in CPI-U as of the preceding September.

"Final average salary" means for Tier 1 the average salary for the highest four consecutive years within the last 10 years of creditable service, as determined under the rules of the Board. For Tier 2, final average salary is for the highest eight consecutive years within the last 10 years.

Member contributions

All members of the Fund are required to contribute 9% of salary to the Fund as follows: 7.5% for the retirement pension, 1% for the spouse's pension, and 0.5% for the automatic increases in the retirement pension. In addition, employees are required to contribute $3.60 per month toward the cost of the single sum death benefit.

Tiers

Tier 1: First hired before January 1, 2011.

Tier 2: First hired on or after January 1, 2011.

Retirement pension

Eligibility

Tier 1: Age 60 with 10 years of service, or age 62 with 5 years of service

Tier 2: Age 67 with 10 years of service

Amount

Tier 1: For members who first became a teacher before July 1, 2005, the annual benefit amount is the greatest of (1), (2) and (3) below. For members who first became a teacher on or after July 1, 2005, the annual benefit amount is the greater of (1) and (2) below.

Tier 2: The annual benefit is the amount under (1) below.

(1) For service earned before July 1, 1998, 1.67% of final average salary for each of the first 10 years of creditable service, plus 1.90% of final average salary for each year in excess of 10 but not exceeding 20, plus 2.10% of final average salary for each year in excess of 20 but not exceeding 30, and 2.30% of final average salary for each year in excess of 30. For all other service, 2.2% of final average salary.[1]

(2) 1½% of final average salary for each year of creditable service, plus $7.50 per year for each of the first 20 years of creditable service.

(3) An actuarially equivalent life annuity, resulting from the member's contributions and State-matching contributions (1.4 times member contributions) plus compound interest on both.

Maximum amount under (1) and (2) above is 75% of final average salary.

[1] Service earned before July 1, 1998 can be upgraded to 2.2% through additional member contributions of 1% of the member's highest salary within the last four years for each year of prior service. Maximum payment is 20% of salary, but all years are upgraded. The number of years to be upgraded is reduced by one for each three full years worked under the 2.2% formula. The 2.2% formula upgrade cost is reduced on a sliding scale for members who have more than 34 years of service credit.

Early retirement

Eligibility

Tier 1: Age 55 with 20 years of service

Tier 2: Age 62 with 10 years of service

Amount

Tier 1: Equal to the amount computed under normal retirement, reduced by 6% for each year the member is under age 60. There is no reduction for a member who retires prior to age 60 with 35 years of credited service.

Tier 2: Equal to the amount computed under normal retirement, reduced by 6% for each year the member is under age 67.

Rule of 85 for state employees

A Tier 1 employee of a state agency retiring on or after January 1, 2001 is entitled to a non-discounted annuity if his or her attained age at retirement and total creditable service equal at least 85, provided he or she has (i) earned during the period immediately preceding the last day of service at least one year of contributing creditable service as a state employee and (ii) has earned at least 5 years of contributing creditable service as a state employee.

Single sum benefit

Eligibility

Age 65 with fewer than 5 years of creditable service after July 1, 1947

Amount

Lump sum payment actuarially equivalent to a life annuity consisting of 1.67% of final average salary for each year of service.

Temporary disability benefit

Eligibility

3 years of credited service

Amount

Equal to 40% of the member's most recent annual contract salary at time of disablement. The benefit is payable beginning with the 31st day after disablement and ending at the earlier of (1) cessation of disability, (2) when the member requests termination of the benefit, (3) when the period for which payments have been made equals one-fourth the period of creditable service, or (4) the member is gainfully employed or able to be gainfully employed.

Disability retirement benefit

Eligibility

Termination of temporary disability benefit, provided member remains disabled

Amount

The greater of:

(1) 35% of the member's most recent annual contract salary, or
(2) the benefit payable for normal retirement but reduced by 1/2% for each month by which the member is less than age 60, or age 55 if the member has 20 years of service.

Other formulas may be applicable if disability retirement occurred prior to July 1, 1971.

Occupational disability

Eligibility

Totally and immediately incapacitated for the performance of duty

Amount

Equal to 60% of salary, if disability is duty-connected or occupational adjudicated by the Illinois Industrial Commission as compensable under either the Workers' Compensation or Occupational Diseases Act. Any amounts payable under these Acts shall be applied as an offset to any occupational disability benefits payable by the Teachers' Retirement System. In general, benefits are payable throughout the period of disability.

Deferred vested benefits

Eligibility

Tier 1: 5 years of service
Tier 2: 10 years of service

Amount

Tier 1: Equal to the amount computed under normal retirement deferred to age 62, if the member has less than 10 years of service. Otherwise, the annuity is payable at age 60.

Tier 2: Equal to the amount computed under normal retirement, payable at age 67, or in a reduced amount as early as age 62. The reduction is 6% for each year the member is under age 67.

Reversionary retirement annuity

Any member entitled to a retirement annuity for age may elect to receive a reduced annuity with the remainder determined on an actuarial basis to become, upon the member's death, an annuity for life to any designated person dependent upon the member at the time of the member's retirement, provided such payment shall not be less than $10 nor more than the amount of reduced age retirement monthly annuity to which the member is entitled.

If the beneficiary predeceases the member, the member’s benefit will revert to the original benefit amount had the participant not elected the reversionary annuity.

Refund of contributions

A member who ceases to be a member for any reason other than death or retirement, shall be entitled to a refund of all retirement contributions and payments made into the System by the member which have not previously been refunded, without interest thereon.

Death benefit

Refund of the deceased member's accumulated contributions (excluding spouse's pension contributions) are paid to survivors or to the member's estate. Additional death benefits are also payable, as summarized in the table below:

Time of Death	Dependent Beneficiaries	Non-Dependent Beneficiaries
While employed	Lump sum up to last salary **or** \$1,000 and a monthly benefit generally not less than \$400[1] or \$600 with minor children[2]	Lump sum up to last salary
Inactive within 12 months of last day of credit	Lump sum up to last salary **or** \$1,000 and a monthly benefit generally not less than \$400 or \$600 with minor children[2]	Lump sum up to last salary
Inactive with 20 or more years of service	Lump sum of \$3,000 or 1/6 of last salary[3] **or** \$1,000 and a monthly benefit generally ½ for Tier 1 and 2/3 for Tier 2 of member's earned benefit at time of death	Lump sum of \$3,000 or 1/6 of last salary[3]

Automatic post-retirement benefit – cost of living adjustment

Eligibility

Member contributed for at least an equivalent period of one full year of creditable service after July 1, 1969.

Amount

For Tier 1, initial increase of 1½% of base annuity for periods prior to January 1, 1972, 2% for periods from and after January 1, 1972 and prior to January 1, 1978, and 3% for periods thereafter (such periods to exclude any period of retirement that precedes attainment of age 55). Initial increase payable effective with the later of: January 1 following first anniversary of retirement; or January 1 following attainment of age 61.

1 Certain circumstances might provide a monthly annuity less than \$400 per month for an active member.
2 TRS will pay a percentage of the member's earned retirement annuity at death (50.00% for Tier 1 and 66.67% for Tier 2) if it is greater than the above amounts.
3 Certain lump sums may be greater if the annuitant or inactive member has been in retirement or out of service for less than five years.

Automatic post-retirement benefit – cost of living adjustment continued

Following the initial increase, automatic annual increases payable on each January 1 thereafter. Prior to January 1, 1990, annual increases were determined as a percentage of the original retirement annuity. Effective on and after January 1, 1990, automatic annual increases granted to eligible annuitants equal 3% of the total annuity being received, including previous increases granted.

For Tier 2 retirement and deferred vested benefits, the annual increase is equal to the original granted annuity benefit times the lesser of 3% or one-half the increase in the CPI-U as of the preceding September. The initial increase is effective January 1 after the later of attaining age 67 or the first anniversary of the annuity starting date.

For Tier 1 and Tier 2 disability benefits, the initial increase is generally 7% effective January 1 following the fourth anniversary of the initial payment. The Tier 1 increase is 3% annually thereafter of the then current benefit amount. The increase for Tier 2 is the lesser of 3% or one-half the percentage increase in CPI-U as of the preceding September of the original benefit amount.

For Tier 1 and Tier 2 survivor benefits, the initial increase is effective January 1 following the first anniversary of the initial survivor payment, or after the survivor benefit has been granted benefits for survivors of annuitants, and annually thereafter. The Tier 1 increase is 3% of the then current benefit. The increase for Tier 2 is the lesser of 3% or one-half the percentage increase in CPI-U as of the preceding September of the original benefit amount.

Historical changes to membership contributions

Beginning July 24, 1959, each member contributes an additional 1% of salary toward Survivor's Benefits. These contributions are subject to refund if there is no dependent beneficiary at retirement, provided the member elects such refund.

Beginning July 1, 1995, each member not employed by a State agency contributes to the Teachers' Health Insurance Security Fund, administered by the Department of Central Management Services. These contributions are not refundable and do not become part of the System's assets.

Beginning July 1, 1998, contributions for creditable service are made at the rate of 8% (exclusive of the 1% Survivor Benefit Contribution) of salary which is comprised of a rate of 7½% of salary towards the cost of the retirement annuity plus ½% of salary toward the cost of the automatic annual increase in retirement annuity.

Additional contributions as are necessary to receive credit for service during which contributions were not made, such as military service or service outside the System.

Net benefit increases

The term "new benefit increase" means an increase in the amount of any benefit provided by the statute, or the expansion of the eligibility requirements for any benefit provided by the statute, resulting from an amendment that takes place on or after June 1, 2005.

Every new benefit increase must have an identified funding source whose adequacy is verified and periodically confirmed by the Commission on Government Forecasting and Accountability (CoGFA).

Every new benefit increase will automatically expire at the earlier of (i) five years after its effective date; (ii) at an earlier time specified in the amendment creating the benefit; or (iii) at the end of the fiscal year in which CoGFA certifies that the identified funding source is inadequate; except that any new benefit increase will continue to apply to persons who applied for and qualified for the increase while it was in effect, and except that any new benefit increase may be extended or recreated by the General Assembly (subject to the adequacy of the funding source).

Sick leave service accruals

Any unused and uncompensated accumulated sick leave is counted as creditable service provided that each former employer certifies to the System the number of unused and uncompensated accumulated sick leave days upon termination of the member. The service granted is the ratio of the number of unused and uncompensated accumulated sick leave days to 170 days, subject to a maximum of two years of service credit. The period of sick leave shall not be considered in determining the effective date of retirement.

Guaranteed minimum benefit

For members who make a small qualifying contribution, a minimum benefit of $25 per month per year of service, up to a maximum of $750 per month with 30 years of service, is paid. An alternate minimum retirement annuity of $200 per month, applicable to members with at least 10 years of service, is described under 40 ILCS 5/16-136.3. The minimum benefit is payable to the extent that funds are available under the Minimum Retirement Annuity Reserve established under 40 ILCS 5/16-186.3. The Minimum Retirement Annuity Reserve is credited with qualifying contributions made by annuitants, amounts contributed by the state that are sufficient to assure payment, and interest. The reserve is charged with the minimum benefit payments.

The portion of the retiree's benefit that is below the minimum is paid from the Benefit Trust Reserve. Only the difference between that amount and the minimum is paid from the Minimum Retirement Annuity Reserve.

Inactive vested buyout

Provides inactive vested members an option to receive an immediate lump sum in exchange for their annuity at retirement. The lump sum would be equal to 60% of the present value of future benefits. Effective for fiscal year ended June 30, 2019 to fiscal year ending June 30, 2021, subsequently extended to fiscal year ending June 30, 2026 by PA 102-0718.

Automatic annual increase buyout

The automatic annual increase buyout provision gives Tier 1 members the option to receive a lump sum at retirement in exchange for having their automatic annual increase based on 1.5% of the originally granted annuity effective at the later of January 1 following age 67 or the first anniversary of retirement. The lump sum would be equal to 70% of the difference between the present value of benefits based on the Tier 1 automatic annual increase and the 1.5% automatic annual increase of the originally granted annuity. Effective for fiscal year ended June 30, 2019 to fiscal year ending June 30, 2021, subsequently extended to fiscal year ending June 30, 2026 by PA 102-0718.

Section 7: GASB Information

General information about the pension plan

Plan membership[1]. At June 30, 2024, pension plan membership consisted of the following:

Membership	Counts
Annuitants and survivor annuitants	133,431
Inactive participants with a vested right to a deferred or immediate benefit	18,799
Inactive participants entitled to a refund of member contributions	137,263
Active members	171,681
Total	**461,174**

Benefits provided. The plan provisions used in the measurement of the net pension liability are the same as those used in the actuarial valuation as of June 30, 2025.

[1] Member data used in the valuation is as of the prior valuation date.

Exhibit 1: Net Pension Liability

Components of the Net Pension Liability	Current	Prior
Measurement date and reporting date for the System under GASB 67	June 30, 2025	June 30, 2024
Total Pension Liability (TPL)	$162,014,881,717	$157,290,420,223
Plan Fiduciary Net Position (FNP)	77,263,331,616	71,424,713,925[1]
Net Pension Liability (NPL)	84,751,550,101	85,865,706,298
System FNP as a percentage of the TPL	47.7%	45.4%

Actuarial assumptions. The total pension liability was determined by an actuarial valuation as of June 30, 2025, using the following actuarial assumptions, applied to all periods included in the measurement:

Assumption Type	Assumption
Inflation	2.50%
Salary increases	8.50% at one year of service to 4.00% at 20 and more years of service
Investment rate of return	7.00%
Cost-of-living adjustments	Tier 1: 3.00% compounded Tier 2: 1.25% not compounded

The assumed mortality rates are based on the Society of Actuaries PubT-2010 mortality tables, applying adjustments for TRS-specific experience, with generational improvement based on the 2024 Adjusted Scale MP-2021.

The actuarial assumptions used were based on the results of an experience study dated August 16, 2024, and the economic experience review presented at the June 18, 2025, Board meeting.

Determination of discount rate and investment rates of return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adding expected inflation. The target allocation (approved by the Board) and projected arithmetic real rates of return for

[1] Reflects revised financials provided by TRS on November 13, 2024, used for GASB purposes only.

each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized in the following table:

Asset Class	Target Allocation	Expected Arithmetic Real Returns Over 10-20 Year Horizon
Public Equity	37.0%	4.59%
Private Equity	15.0	7.93
Public Income	15.0	3.52
Private Credit	8.0	6.70
Real Estate	16.0	4.76
Infra/Other Real Assets	2.0	5.38
Diversifying Strategies	6.0	2.83
Cash Equivalents	1.0	0.25
Total	**100.0%**	

The 2025 capital market assumptions and TRS' current target asset allocation were provided by RVK, the System's investment consultant.

Discount rate. The discount rate used to measure the total pension liability was 7.00% as of June 30, 2025. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at rates equal to those based on this June 30, 2025, Actuarial Valuation Report. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected member and employer contributions for future plan members are included, to the extent that they exceed the service costs of future plan members.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members as of June 30, 2025. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2025.

The projection of cash flows used to determine the discount rate assumed plan member and employer contributions will be made at rates equal to those based on the June 30, 2024, Actuarial Valuation Report. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries are excluded, as are projected employee contributions from future plan members. Based on those assumptions, the System's FNP was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL as of both June 30, 2025, and June 30, 2024.

Discount rate sensitivity

Sensitivity of the Net Pension Liability to changes in the discount rate. The following presents the Net Pension Liability (NPL) of the System as of June 30, 2025, calculated using the discount rate of 7.00%, as well as what the NPL would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate.

Item	1% Decrease (6.00%)	Current (7.00%)	1% Increase (8.00%)
Net Pension Liability	$105,432,099,580	$84,751,550,101	$67,591,096,780

Exhibit 2: Schedule of changes in Net Pension Liability

Fiscal Year Ended June 30	2025	2024	2023	2022	2021
Total Pension Liability					
Service cost	$2,448,675,821	$2,309,476,634	$2,229,200,487	$2,097,274,410	$2,032,149,463
Interest	10,881,794,196	10,476,520,526	10,144,364,716	9,834,039,952	9,580,886,840
Change of benefit terms	0	0	0	0	0
Differences between expected and actual experience	(36,222,046)	76,540,137	405,098,326	(260,304,587)	(370,469,646)
Changes of assumptions	0	1,202,972,544	0	448,727,943	(162,359,084)
Benefit payments, including refunds of member contributions	(8,569,786,477)	(8,260,383,852)	(7,967,329,515)	(7,669,576,246)	(7,388,142,712)
Net change in Total Pension Liability	**4,724,461,494**	**5,805,125,989**	**4,811,334,014**	**4,450,161,472**	**3,692,064,861**
Total Pension Liability — beginning	157,290,420,223	151,485,294,234	146,673,960,220	142,223,798,748	138,531,733,887
Total Pension Liability — ending	**162,014,881,717**	**157,290,420,223**	**151,485,294,234**	**146,673,960,220**	**142,223,798,748**
Plan Fiduciary Net Position					
Contributions – employer	123,361,660	132,235,207	124,748,100	120,876,570	97,594,081
Contributions – nonemployer contributing entity[1]	6,203,788,670	6,158,581,314	6,009,158,073	5,866,799,836	5,140,648,356
Contributions – member	1,224,699,297	1,168,677,259	1,109,497,833	1,072,639,330	1,023,531,951
Net investment income	6,902,120,417	5,757,906,980	4,427,042,975	(743,042,373)	13,046,153,685
Benefit payments, including refunds of member contributions	(8,569,786,477)	(8,260,383,852)	(7,967,329,515)	(7,669,576,246)	(7,388,142,712)
Administrative expense	(45,565,876)	(37,020,402)	(32,026,386)	(26,575,798)	(23,758,112)
Net change in Plan Fiduciary Net Position	**5,838,617,691**	**4,919,996,506**	**3,671,091,080**	**(1,378,878,681)**	**11,896,027,249**
Plan Fiduciary Net Position — beginning	71,424,713,925	66,504,717,419	62,833,626,339	64,212,505,020	52,316,477,771
Plan Fiduciary Net Position — ending	**77,263,331,616**	**71,424,713,925**[2]	**66,504,717,419**	**62,833,626,339**	**64,212,505,020**
Net Pension Liability					
Net Pension Liability – ending	84,751,550,101	85,865,706,298	84,980,576,815	83,840,333,881	78,011,293,728
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	47.7%	45.4%	43.9%	42.8%	45.1%
Covered payroll	$13,354,862,457	$12,721,190,256	$12,382,202,189	$11,647,247,711	$11,120,776,122
Net Pension Liability as percentage of covered payroll	634.6%	675.0%	686.3%	719.8%	701.5%

Notes to Schedule:

Benefit changes: None

Change of Assumptions: See page 41 for details on assumption changes implemented for the June 30, 2025, actuarial valuation

[1] Includes the additional one-time contributions of $172,823,300 (per Public Act 102-0696), $115,215,500 (per Public Act 102-0698), and $115,215,500 (per Public Act 102-0698) paid in fiscal 2022, fiscal 2023, and fiscal 2024, respectively.

[2] Reflects revised financials provided by TRS on November 13, 2024, used for GASB purposes only.

Exhibit 3: Schedule of employer contributions

($ in thousands)

Fiscal Year Ended June 30	Actuarially Determined Contributions[1]	State Contributions	Federal and Employer Contributions	Total Non-Member Contributions	Contribution Deficiency	% Contributed	Covered Payroll	Total Non-Member Contributions as a % of Covered Payroll	Annual Required Contribution per State Statute	% Contributed for Annual Required Contributions
2016	$4,582,530	$3,741,802	$147,408	$3,889,210	$693,320	84.9%	$9,811,614	39.6%	$3,883,544	100.1%
2017	6,248,879	3,985,783	148,749	4,134,532	2,114,347	66.2	9,965,570	41.5	4,124,119	100.3
2018	7,080,756	4,094,616	84,034	4,178,650	2,902,106	59.0	10,163,980	41.1	4,178,744	100.0
2019	7,429,037	4,465,578	87,707	4,553,285	2,875,752	61.3	10,450,452	43.6	4,554,862	100.0
2020	7,988,612	4,763,078	92,038	4,855,116	3,133,496	60.8	10,827,439	44.8	4,923,519	98.6
2021	8,441,258	5,140,337	97,082	5,237,419	3,203,839	62.0	11,120,776	47.1	5,237,798	100.0
2022	8,947,919	5,866,530	120,441	5,986,971	2,960,948	66.9	11,647,248	51.4	5,791,571	103.4
2023	9,201,648	6,008,948	123,194	6,132,142	3,069,506	66.6	12,382,202	49.5	5,994,047	102.3
2024	9,694,780	6,158,370	130,977	6,289,347	3,405,433	64.9	12,721,190	49.4	6,148,119	102.3
2025	10,216,460	6,203,622	122,694	6,326,316	3,890,144	61.9	13,354,862	47.4	6,314,508	100.2

Notes to Schedule:

- State Contributions for years ended June 30, 2022, June 30, 2023, and June 30, 2024, reflect a one-time additional contribution of $172 million (per PA 102-0696), $115.2 million (per PA 102-0698) and $115.2 million (per PA 103-0006), respectively.
- State Contributions exclude Education Assistance Fund contributions (i.e. reimbursement for minimum benefits).
- Federal and Employer Contributions exclude excess sick leave and penalty contributions, but include temporary increase in federal funds payroll resulting from the Elementary and Secondary Emergency Relief Fund (ESSER) for FYE2022 through FYE2024.
- Total Non-Member Contributions are the sum of State Contribution and Federal and Employer Contribution
- Contribution Deficiency is the difference between Actuarially Determined Contribution and Total Non-Member Contribution

[1] Prior to 2017, the ADC is the same as the GASB ARC determined under GASB 25. Beginning in FY 2017, the ADC is based on the Board-Adopted Actuarial Funding Policy.

Exhibit 4: Reconciliation of Collective Net Pension Liability

Changes in the collective net pension liability from the beginning of the year to the end of the year arise from the net difference between changes in the Total Pension Liability and Plan Fiduciary Net Position that occurred during the year. Changes in Net Pension Liability will be recognized immediately as pension expense or reported as deferred outflows of resources related to pensions or deferred inflows of resources related to pensions, depending on the nature of the change.

Differences between actual and expected investment-related experience are recognized over a closed five-year period. Differences between actual and expected non-investment-related experience and changes of assumptions are recognized over the average of the expected remaining service lives of all members who are provided with pensions through the pension plan (active employees and inactive employees). The amounts below that are not included in pension expense for the current year are included in deferred outflows of resources or deferred inflows of resources related to pensions.

Increase/(Decrease) For Fiscal Year Ended June 30, 2025

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at beginning of year	$157,290,420,223	$71,424,713,925	$85,865,706,298
Changes for the year			
Service cost	2,448,675,821		2,448,675,821
Interest	10,881,794,196		10,881,794,196
Differences between expected and actual experience	(36,222,046)		(36,222,046)
Contributions – employer		123,361,660	(123,361,660)
Contributions – nonemployer contributing entity		1,224,699,297	(1,224,699,297)
Contributions – member		6,203,788,670	(6,203,788,670)
Net investment income		6,902,120,417	(6,902,120,417)
Benefit payments, including refunds of member contributions	(8,569,786,477)	(8,569,786,477)	-
Administrative expense		(45,565,876)	45,565,876
Change of assumptions	-		-
Change of benefit terms	-		-
Net changes	4,724,461,494	5,838,617,691	(1,114,156,197)
Balances at end of year	**162,014,881,717**	**77,263,331,616**	**84,751,550,101**

Exhibit 5: Collective Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

	Year Established	Outstanding Balance	Period	Amortization Amount at June 30, 2025	Outstanding Balance at June 30, 2025
Outflows					
Investment	2022	$5,215,663,453	5.00	$1,043,132,691	$1,043,132,689
Assumption	2022	448,727,943	5.44	82,486,754	118,780,927
Demographic	2023	405,098,326	5.60	72,338,987	188,081,365
Demographic	2024	76,540,137	5.44	14,069,878	48,400,381
Assumption	2024	1,202,972,544	5.44	221,134,659	760,703,226
Total outflows				**1,433,162,969**	**2,159,098,588**
Inflows					
Demographic	2020	28,215,833	5.42	2,186,468	-
Demographic	2021	370,469,646	5.56	66,631,231	37,313,491
Investment	2021	9,424,254,666	5.00	1,884,850,934	-
Assumption	2021	162,359,084	5.56	29,201,274	16,352,714
Demographic	2022	260,304,587	5.44	47,850,108	68,904,155
Investment	2023	55,147,448	5.00	11,029,490	22,058,978
Investment	2024	1,131,903,628	5.00	226,380,726	679,142,176
Demographic	2025	36,222,046	5.42[1]	6,683,034	29,539,012
Investment	2025	1,939,613,038	5.00	387,922,608	1,551,690,430
Total inflows				**2,662,735,873**	**2,405,000,956**

Membership	Expected Remaining Service	Counts	Average of the Expected Remaining Service
Active members	2,499,510	171,681	14.56
Inactive members	-	156,062	-
Annuitants and survivor annuitants	-	133,371[2]	-
Total	**2,499,510**	**461,114**	**5.42**

[1] Equal to the total expected service lives of 2,499,510 years, divided by total employees that are provided with pensions through the Plan of 461,114 (as shown in the table above), rounded to two decimals.

[2] Excludes survivor annuitants with certain only form of payment.

Exhibit 5: Collective Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions *continued*

Deferred outflows and inflows	Current	Prior
Measurement date	June 30, 2025	June 30, 2024
Deferred outflows of resources		
Difference between expected and actual experience in the Total Pension Liability	$236,481,746	$322,890,611
Changes of assumptions or other inputs	879,484,153	1,183,105,566
Net difference between projected and actual earnings on pension plan investments	-	-
Total deferred outflows of resources	**1,115,965,899**	**1,505,996,177**
Deferred inflows of resources		
Difference between expected and actual experience in the Total Pension Liability	135,756,658	222,885,453
Changes of assumptions or other inputs	16,352,714	45,553,988
Net difference between projected and actual earnings on pension plan investments	1,209,758,895	737,196,924
Total deferred inflows of resources	**1,361,868,267**	**1,005,636,365**
Net Deferred Outflows/(Inflows) of Resources	(245,902,368)	500,359,812
Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:		
Year Ended June 30:		
2025	N/A	(834,967,262)
2026	699,630,796	1,094,236,438
2027	(309,232,206)	85,373,436
2028	(342,378,438)	52,227,204
2029	(291,115,644)	103,489,996
2030	(2,806,876)	0
Thereafter	0	0

Exhibit 6: Collective Pension Expense

Components of pension expense	Current	Prior
Measurement date	June 30, 2025	June 30, 2024
Service cost	$2,448,675,821	$2,309,476,634
Interest on the Total Pension Liability	10,881,794,196	10,476,520,526
Projected earnings on pension plan investments	(4,962,507,379)	(4,626,003,352)
Contributions – member	(1,224,699,297)	(1,168,677,259)
Administrative expense	45,565,876	37,020,402
Current year recognition of:		
Changes of assumptions	274,420,139	280,536,876
Difference between expected and actual experience	(36,941,976)	(12,785,727)
Difference between projected and actual earnings on pension plan investments	(1,467,051,067)	(397,137,154)
Change of benefit terms	-	-
Pension expense	**5,959,256,313**	**6,898,950,946**

Exhibit 7: Development of Blended Discount Rate

Fiscal Year	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2026	$77,263,331,616	$7,961,368,645	$9,096,581,154	$63,082,568	$5,366,492,885	$81,431,529,424
2027	81,431,529,424	7,938,221,693	9,442,494,888	52,880,787	5,645,706,670	85,520,082,112
2028	85,520,082,112	8,137,009,656	9,789,391,550	55,396,604	5,926,633,500	89,738,937,115
2029	89,738,937,115	8,260,507,235	10,140,240,361	55,186,711	6,214,003,404	94,018,020,681
2030	94,018,020,681	8,371,700,668	10,503,079,743	55,045,170	6,504,736,599	98,336,333,035
2031	98,336,333,035	8,484,862,122	10,868,733,012	54,955,399	6,798,184,392	102,695,691,138
2032	102,695,691,138	8,649,067,367	11,178,273,717	54,852,944	7,098,256,304	107,209,888,148
2033	107,209,888,148	8,822,559,207	11,569,675,744	54,747,103	7,406,626,943	111,814,651,451
2034	111,814,651,451	9,559,508,124	11,963,773,092	54,621,446	7,740,964,577	117,096,729,614
2035	117,096,729,614	9,714,941,295	12,367,354,743	54,477,777	8,102,029,880	122,491,868,269
2036	122,491,868,269	9,865,090,390	12,765,429,286	54,339,481	8,471,017,036	128,008,206,929
2037	128,008,206,929	10,010,949,605	13,165,172,181	54,186,718	8,848,280,160	133,648,077,795
2038	133,648,077,795	10,156,567,796	13,563,995,531	54,016,384	9,234,214,901	139,420,848,576
2039	139,420,848,576	10,300,197,569	13,951,487,554	53,852,333	9,629,779,419	145,345,485,676
2040	145,345,485,676	10,444,210,624	14,323,692,940	53,691,060	10,036,522,929	151,448,835,230
2041	151,448,835,230	10,593,161,594	14,673,728,220	53,559,912	10,456,724,037	157,771,432,729
2042	157,771,432,729	10,749,101,505	14,994,811,873	53,493,507	10,893,528,155	164,365,757,009
2043	164,365,757,009	10,917,200,775	15,274,557,958	53,496,570	11,351,223,109	171,306,126,364
2044	171,306,126,364	11,104,065,130	15,504,210,872	53,611,266	11,835,547,350	178,687,916,707
2045	178,687,916,707	11,310,629,479	15,672,550,242	53,801,261	12,353,603,899	186,625,798,582
2046	186,625,798,582	2,346,821,697	15,778,642,125	54,023,294	12,591,801,370	185,731,756,230
2047	185,731,756,230	2,305,101,214	15,840,499,818	54,276,223	12,525,584,317	184,667,665,720
2048	184,667,665,720	2,277,006,604	15,871,462,943	54,503,550	12,449,023,004	183,467,728,835
2049	183,467,728,835	2,257,674,737	15,885,416,500	54,673,148	12,363,856,497	182,149,170,421
2050	182,149,170,421	2,241,816,033	15,893,656,955	54,743,405	12,270,711,478	180,713,297,571
2051	180,713,297,571	2,226,471,237	15,921,424,362	54,712,502	12,168,692,533	179,132,324,478
2052	179,132,324,478	2,210,113,813	15,971,985,213	54,577,448	12,055,687,004	177,371,562,634
2053	177,371,562,634	2,194,186,346	16,043,612,790	54,329,514	11,929,377,926	175,397,184,601
2054	175,397,184,601	2,173,495,894	16,132,600,422	53,992,536	11,787,344,525	173,171,432,062
2055	173,171,432,062	2,157,322,736	16,229,403,717	53,574,352	11,627,602,308	170,673,379,038
2056	170,673,379,038	2,138,613,764	16,344,871,708	53,085,070	11,448,059,527	167,862,095,551
2057	167,862,095,551	2,117,784,821	16,458,097,113	52,490,323	11,246,598,597	164,715,891,532
2058	164,715,891,532	2,095,259,812	16,550,988,467	51,864,950	11,022,346,631	161,230,644,558
2059	161,230,644,558	2,071,953,830	16,618,894,790	51,210,209	10,775,209,828	157,407,703,217
2060	157,407,703,217	2,049,119,481	16,646,566,871	50,527,407	10,505,860,107	153,265,588,528

Exhibit 7: Development of Blended Discount Rate continued

Fiscal Year	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2061	$153,265,588,528	$2,027,054,011	$16,670,155,445	$49,817,891	$10,214,339,021	$148,787,008,224
2062	148,787,008,224	2,005,910,792	16,646,028,754	49,083,049	9,900,968,540	143,998,775,753
2063	143,998,775,753	1,985,625,937	16,559,379,655	48,324,303	9,568,141,572	138,944,839,305
2064	138,944,839,305	1,966,616,992	16,411,365,002	47,555,147	9,218,908,141	133,671,444,288
2065	133,671,444,288	1,949,350,377	16,191,613,032	46,790,999	8,856,884,222	128,239,274,857
2066	128,239,274,857	1,934,587,124	15,950,320,117	46,032,010	8,484,587,465	122,662,097,318
2067	122,662,097,318	1,923,408,818	15,633,622,517	45,278,332	8,104,904,591	117,011,509,878
2068	117,011,509,878	1,914,700,771	15,234,634,981	44,530,107	7,723,049,440	111,370,095,001
2069	111,370,095,001	1,908,168,941	14,772,964,068	43,787,476	7,344,106,259	105,805,618,656
2070	105,805,618,656	1,903,589,009	14,247,636,148	43,050,573	6,972,844,886	100,391,365,830
2071	100,391,365,830	1,901,073,773	13,685,601,485	42,319,527	6,613,455,955	95,177,974,545
2072	95,177,974,545	1,900,496,090	13,076,387,773	41,594,463	6,269,846,203	90,230,334,603
2073	90,230,334,603	1,900,224,397	12,422,515,835	40,875,500	5,946,412,579	85,613,580,244
2074	85,613,580,244	1,900,043,019	11,749,105,326	40,162,755	5,646,827,740	81,371,182,922
2075	81,371,182,922	1,899,848,820	11,046,638,851	39,456,336	5,374,464,182	77,559,400,738
2076	77,559,400,738	1,899,244,716	10,330,278,342	38,756,349	5,132,715,403	74,222,326,166
2077	74,222,326,166	1,898,139,827	9,609,084,972	38,062,894	4,924,347,550	71,397,665,677
2078	71,397,665,677	1,896,497,441	8,889,906,505	37,376,068	4,751,759,118	69,118,639,663
2079	69,118,639,663	1,894,291,594	8,179,935,007	36,695,961	4,617,022,898	67,413,323,187
2080	67,413,323,187	1,891,503,451	7,485,958,713	36,022,658	4,521,865,896	66,304,711,162
2081	66,304,711,162	1,888,114,040	6,814,684,851	35,356,242	4,467,662,334	65,810,446,443
2082	65,810,446,443	1,884,103,910	6,171,804,545	34,696,790	4,455,447,341	65,943,496,359
2083	65,943,496,359	1,879,453,116	5,562,044,253	34,044,373	4,485,962,502	66,712,823,351
2084	66,712,823,351	1,874,141,212	4,988,951,448	33,399,058	4,559,710,309	68,124,324,365
2085	68,124,324,365	1,868,147,235	4,454,828,365	32,760,910	4,677,022,234	70,181,904,559
2086	70,181,904,559	1,861,449,696	3,960,799,555	32,129,987	4,838,131,525	72,888,556,238
2087	72,888,556,238	1,854,026,566	3,509,239,519	31,506,341	5,043,163,761	76,245,000,705
2088	76,245,000,705	1,845,855,267	3,091,576,192	30,890,025	5,292,468,666	80,260,858,420
2089	80,260,858,420	1,836,912,654	2,713,503,483	30,281,081	5,586,519,573	84,940,506,084
2090	84,940,506,084	1,827,175,009	2,370,312,076	29,679,553	5,925,786,844	90,293,476,307
2091	90,293,476,307	1,816,618,020	2,059,642,139	29,085,476	6,311,019,506	96,332,386,218
2092	96,332,386,218	1,805,216,775	1,779,034,983	28,498,884	6,743,185,937	103,073,255,064
2093	103,073,255,064	1,792,945,744	1,526,211,142	27,919,804	7,223,486,372	110,535,556,234
2094	110,535,556,234	1,779,778,765	1,299,141,096	27,348,262	7,753,354,066	118,742,199,707
2095	118,742,199,707	1,765,689,031	1,096,169,858	26,784,278	8,334,449,701	127,719,384,302

Exhibit 7: Development of Blended Discount Rate continued

Fiscal Year	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2096	$127,719,384,302	$1,750,649,075	$915,928,262	$26,227,869	$8,968,654,154	$137,496,531,400
2097	137,496,531,400	1,734,630,754	757,090,658	25,679,048	9,658,072,335	148,106,464,783
2098	148,106,464,783	1,717,605,237	618,447,014	25,137,823	10,405,043,249	159,585,528,432
2099	159,585,528,432	1,699,542,984	498,754,613	24,604,202	11,212,153,436	171,973,866,038
2100	171,973,866,038	1,680,413,735	396,754,712	24,078,184	12,082,255,952	185,315,702,828
2101	185,315,702,828	1,660,186,490	311,120,901	23,559,769	13,018,491,902	199,659,700,550
2102	199,659,700,550	1,638,829,496	240,337,797	23,048,952	14,024,319,535	215,059,462,833
2103	215,059,462,833	1,616,310,226	182,800,018	22,545,723	15,103,546,155	231,573,973,473
2104	231,573,973,473	1,592,595,364	136,824,726	22,050,072	16,260,358,363	249,268,052,402
2105	249,268,052,402	1,567,650,788	100,815,189	21,561,983	17,499,348,245	268,212,674,263
2106	268,212,674,263	1,541,441,548	73,132,926	21,081,439	18,825,540,150	288,485,441,596
2107	288,485,441,596	1,513,931,852	52,290,804	20,608,417	20,244,417,054	310,170,891,282
2108	310,170,891,282	1,485,085,044	36,912,232	20,142,894	21,761,943,437	333,360,864,638
2109	333,360,864,638	1,454,863,587	25,763,411	19,684,843	23,384,590,061	358,154,870,033
2110	358,154,870,033	1,423,229,040	17,917,694	19,234,233	25,119,353,601	384,660,300,747
2111	384,660,300,747	1,390,142,041	12,479,704	18,791,033	26,973,781,548	412,992,953,598
2112	412,992,953,598	1,355,562,282	8,777,256	18,355,207	28,956,001,796	443,277,385,214
2113	443,277,385,214	1,319,448,496	6,287,444	17,926,716	31,074,750,167	475,647,369,717
2114	475,647,369,717	1,281,758,426	4,551,801	17,505,522	33,339,405,419	510,246,476,238
2115	510,246,476,238	1,242,448,807	3,405,318	17,091,581	35,760,021,653	547,228,449,799
2116	547,228,449,799	1,201,475,347	2,624,988	16,684,848	38,347,367,279	586,757,982,589
2117	586,757,982,589	1,158,792,699	2,051,505	16,285,276	41,112,974,738	629,011,413,245
2118	629,011,413,245	1,114,354,437	1,616,411	15,892,815	44,069,188,510	674,177,446,965
2119	674,177,446,965	1,068,113,037	1,084,093	15,507,414	47,229,224,541	722,458,193,036
2120	722,458,193,036	1,020,019,849	750,535	15,129,020	50,607,218,423	774,069,551,753
2121	774,069,551,753	970,025,072	523,031	14,757,577	54,218,284,679	829,242,580,897
2122	829,242,580,897	918,077,730	379,949	14,393,027	58,078,596,329	888,224,481,980
2123	888,224,481,980	864,125,644	335,293	14,035,313	62,205,455,165	951,279,692,183
2124	951,279,692,183	808,115,407	77,895	13,684,373	66,617,380,813	1,018,691,426,135
2125	1,018,691,426,135	749,992,354	11,546	13,340,145	71,334,182,253	1,090,762,249,051
2126	1,090,762,249,051	689,700,539	4,802	13,002,565	76,377,041,695	1,167,815,983,918
2127	1,167,815,983,918	627,182,702	1,233	12,671,569	81,768,626,721	1,250,199,120,539
2128	1,250,199,120,539	562,380,241	476	12,347,089	87,533,189,581	1,338,282,342,796
2129	1,338,282,342,796	495,233,184	64	12,029,058	93,696,676,138	1,432,462,222,997

Exhibit 7: Development of Blended Discount Rate continued

Fiscal Year	Projected Beginning Fiduciary Net Position	Projected Benefit Payments	"Funded" Portion of Benefit	"Unfunded" Portion of Benefit	Present Value of "Funded" Benefit Payments at 7.00%	Present Value of "Unfunded" Benefit Payments at 5.20%[1]	Present Value of Benefit Payments at 7.00%
2026	$77,263,331,616	$9,096,581,154	$9,096,581,154	$0	$8,793,996,927	$0	$8,793,996,927
2027	81,431,529,424	9,442,494,888	9,442,494,888	0	8,531,219,024	0	8,531,219,024
2028	85,520,082,112	9,789,391,550	9,789,391,550	0	8,266,016,260	0	8,266,016,260
2029	89,738,937,115	10,140,240,361	10,140,240,361	0	8,002,119,407	0	8,002,119,407
2030	94,018,020,681	10,503,079,743	10,503,079,743	0	7,746,217,075	0	7,746,217,075
2031	98,336,333,035	10,868,733,012	10,868,733,012	0	7,491,488,950	0	7,491,488,950
2032	102,695,691,138	11,178,273,717	11,178,273,717	0	7,200,790,650	0	7,200,790,650
2033	107,209,888,148	11,569,675,744	11,569,675,744	0	6,965,348,568	0	6,965,348,568
2034	111,814,651,451	11,963,773,092	11,963,773,092	0	6,731,410,211	0	6,731,410,211
2035	117,096,729,614	12,367,354,743	12,367,354,743	0	6,503,257,196	0	6,503,257,196
2036	122,491,868,269	12,765,429,286	12,765,429,286	0	6,273,440,141	0	6,273,440,141
2037	128,008,206,929	13,165,172,181	13,165,172,181	0	6,046,625,901	0	6,046,625,901
2038	133,648,077,795	13,563,995,531	13,563,995,531	0	5,822,244,201	0	5,822,244,201
2039	139,420,848,576	13,951,487,554	13,951,487,554	0	5,596,796,514	0	5,596,796,514
2040	145,345,485,676	14,323,692,940	14,323,692,940	0	5,370,197,103	0	5,370,197,103
2041	151,448,835,230	14,673,728,220	14,673,728,220	0	5,141,524,586	0	5,141,524,586
2042	157,771,432,729	14,994,811,873	14,994,811,873	0	4,910,307,496	0	4,910,307,496
2043	164,365,757,009	15,274,557,958	15,274,557,958	0	4,674,687,041	0	4,674,687,041
2044	171,306,126,364	15,504,210,872	15,504,210,872	0	4,434,552,281	0	4,434,552,281
2045	178,687,916,707	15,672,550,242	15,672,550,242	0	4,189,440,298	0	4,189,440,298
2046	186,625,798,582	15,778,642,125	15,778,642,125	0	3,941,868,966	0	3,941,868,966
2047	185,731,756,230	15,840,499,818	15,840,499,818	0	3,698,432,192	0	3,698,432,192
2048	184,667,665,720	15,871,462,943	15,871,462,943	0	3,463,234,997	0	3,463,234,997
2049	183,467,728,835	15,885,416,500	15,885,416,500	0	3,239,513,771	0	3,239,513,771
2050	182,149,170,421	15,893,656,955	15,893,656,955	0	3,029,153,502	0	3,029,153,502
2051	180,713,297,571	15,921,424,362	15,921,424,362	0	2,835,930,524	0	2,835,930,524
2052	179,132,324,478	15,971,985,213	15,971,985,213	0	2,658,819,105	0	2,658,819,105
2053	177,371,562,634	16,043,612,790	16,043,612,790	0	2,496,021,291	0	2,496,021,291
2054	175,397,184,601	16,132,600,422	16,132,600,422	0	2,345,668,918	0	2,345,668,918
2055	173,171,432,062	16,229,403,717	16,229,403,717	0	2,205,368,271	0	2,205,368,271
2056	170,673,379,038	16,344,871,708	16,344,871,708	0	2,075,755,975	0	2,075,755,975
2057	167,862,095,551	16,458,097,113	16,458,097,113	0	1,953,397,482	0	1,953,397,482
2058	164,715,891,532	16,550,988,467	16,550,988,467	0	1,835,909,044	0	1,835,909,044
2059	161,230,644,558	16,618,894,790	16,618,894,790	0	1,722,842,537	0	1,722,842,537
2060	157,407,703,217	16,646,566,871	16,646,566,871	0	1,612,814,241	0	1,612,814,241

[1] Bond Buyer's 20-Bond GO index.

Exhibit 7: Development of Blended Discount Rate continued

Fiscal Year	Projected Beginning Fiduciary Net Position	Projected Benefit Payments	"Funded" Portion of Benefit	"Unfunded" Portion of Benefit	Present Value of "Funded" Benefit Payments at 7.00%	Present Value of "Unfunded" Benefit Payments at 5.20%[1]	Present Value of Benefit Payments at 7.00%
2061	$153,265,588,528	$16,670,155,445	$16,670,155,445	$0	$1,509,438,913	$0	$1,509,438,913
2062	148,787,008,224	16,646,028,754	16,646,028,754	0	1,408,648,882	0	1,408,648,882
2063	143,998,775,753	16,559,379,655	16,559,379,655	0	1,309,641,414	0	1,309,641,414
2064	138,944,839,305	16,411,365,002	16,411,365,002	0	1,213,023,637	0	1,213,023,637
2065	133,671,444,288	16,191,613,032	16,191,613,032	0	1,118,486,888	0	1,118,486,888
2066	128,239,274,857	15,950,320,117	15,950,320,117	0	1,029,737,212	0	1,029,737,212
2067	122,662,097,318	15,633,622,517	15,633,622,517	0	943,263,105	0	943,263,105
2068	117,011,509,878	15,234,634,981	15,234,634,981	0	859,056,051	0	859,056,051
2069	111,370,095,001	14,772,964,068	14,772,964,068	0	778,526,343	0	778,526,343
2070	105,805,618,656	14,247,636,148	14,247,636,148	0	701,721,380	0	701,721,380
2071	100,391,365,830	13,685,601,485	13,685,601,485	0	629,944,089	0	629,944,089
2072	95,177,974,545	13,076,387,773	13,076,387,773	0	562,525,389	0	562,525,389
2073	90,230,334,603	12,422,515,835	12,422,515,835	0	499,436,317	0	499,436,317
2074	85,613,580,244	11,749,105,326	11,749,105,326	0	441,460,224	0	441,460,224
2075	81,371,182,922	11,046,638,851	11,046,638,851	0	387,911,952	0	387,911,952
2076	77,559,400,738	10,330,278,342	10,330,278,342	0	339,024,630	0	339,024,630
2077	74,222,326,166	9,609,084,972	9,609,084,972	0	294,725,344	0	294,725,344
2078	71,397,665,677	8,889,906,505	8,889,906,505	0	254,829,009	0	254,829,009
2079	69,118,639,663	8,179,935,007	8,179,935,007	0	219,138,027	0	219,138,027
2080	67,413,323,187	7,485,958,713	7,485,958,713	0	187,426,737	0	187,426,737
2081	66,304,711,162	6,814,684,851	6,814,684,851	0	159,457,927	0	159,457,927
2082	65,810,446,443	6,171,804,545	6,171,804,545	0	134,967,351	0	134,967,351
2083	65,943,496,359	5,562,044,253	5,562,044,253	0	113,675,592	0	113,675,592
2084	66,712,823,351	4,988,951,448	4,988,951,448	0	95,292,404	0	95,292,404
2085	68,124,324,365	4,454,828,365	4,454,828,365	0	79,523,631	0	79,523,631
2086	70,181,904,559	3,960,799,555	3,960,799,555	0	66,079,130	0	66,079,130
2087	72,888,556,238	3,509,239,519	3,509,239,519	0	54,715,539	0	54,715,539
2088	76,245,000,705	3,091,576,192	3,091,576,192	0	45,049,902	0	45,049,902
2089	80,260,858,420	2,713,503,483	2,713,503,483	0	36,953,919	0	36,953,919
2090	84,940,506,084	2,370,312,076	2,370,312,076	0	30,168,372	0	30,168,372
2091	90,293,476,307	2,059,642,139	2,059,642,139	0	24,499,337	0	24,499,337
2092	96,332,386,218	1,779,034,983	1,779,034,983	0	19,777,130	0	19,777,130
2093	103,073,255,064	1,526,211,142	1,526,211,142	0	15,856,584	0	15,856,584
2094	110,535,556,234	1,299,141,096	1,299,141,096	0	12,614,428	0	12,614,428
2095	118,742,199,707	1,096,169,858	1,096,169,858	0	9,947,302	0	9,947,302

[1] Bond Buyer's 20-Bond GO index.

Exhibit 7: Development of Blended Discount Rate continued

Fiscal Year	Projected Beginning Fiduciary Net Position	Projected Benefit Payments	"Funded" Portion of Benefit	"Unfunded" Portion of Benefit	Present Value of "Funded" Benefit Payments at 7.00%	Present Value of "Unfunded" Benefit Payments at 5.20%[1]	Present Value of Benefit Payments at 7.00%
2096	$127,719,384,302	$915,928,262	$915,928,262	$0	$7,767,927	$0	$7,767,927
2097	137,496,531,400	757,090,658	757,090,658	0	6,000,781	0	6,000,781
2098	148,106,464,783	618,447,014	618,447,014	0	4,581,193	0	4,581,193
2099	159,585,528,432	498,754,613	498,754,613	0	3,452,862	0	3,452,862
2100	171,973,866,038	396,754,712	396,754,712	0	2,567,028	0	2,567,028
2101	185,315,702,828	311,120,901	311,120,901	0	1,881,282	0	1,881,282
2102	199,659,700,550	240,337,797	240,337,797	0	1,358,198	0	1,358,198
2103	215,059,462,833	182,800,018	182,800,018	0	965,458	0	965,458
2104	231,573,973,473	136,824,726	136,824,726	0	675,364	0	675,364
2105	249,268,052,402	100,815,189	100,815,189	0	465,067	0	465,067
2106	268,212,674,263	73,132,926	73,132,926	0	315,296	0	315,296
2107	288,485,441,596	52,290,804	52,290,804	0	210,692	0	210,692
2108	310,170,891,282	36,912,232	36,912,232	0	138,998	0	138,998
2109	333,360,864,638	25,763,411	25,763,411	0	90,669	0	90,669
2110	358,154,870,033	17,917,694	17,917,694	0	58,932	0	58,932
2111	384,660,300,747	12,479,704	12,479,704	0	38,361	0	38,361
2112	412,992,953,598	8,777,256	8,777,256	0	25,215	0	25,215
2113	443,277,385,214	6,287,444	6,287,444	0	16,881	0	16,881
2114	475,647,369,717	4,551,801	4,551,801	0	11,421	0	11,421
2115	510,246,476,238	3,405,318	3,405,318	0	7,986	0	7,986
2116	547,228,449,799	2,624,988	2,624,988	0	5,753	0	5,753
2117	586,757,982,589	2,051,505	2,051,505	0	4,202	0	4,202
2118	629,011,413,245	1,616,411	1,616,411	0	3,094	0	3,094
2119	674,177,446,965	1,084,093	1,084,093	0	1,939	0	1,939
2120	722,458,193,036	750,535	750,535	0	1,255	0	1,255
2121	774,069,551,753	523,031	523,031	0	817	0	817
2122	829,242,580,897	379,949	379,949	0	555	0	555
2123	888,224,481,980	335,293	335,293	0	458	0	458
2124	951,279,692,183	77,895	77,895	0	99	0	99
2125	1,018,691,426,135	11,546	11,546	0	14	0	14
2126	1,090,762,249,051	4,802	4,802	0	5	0	5
2127	1,167,815,983,918	1,233	1,233	0	1	0	1
2128	1,250,199,120,539	476	476	0	0	0	0
2129	1,338,282,342,796	64	64	0	0	0	0
Total					**183,423,602,543**	**0**	**183,423,602,543**

[1] Bond Buyer's 20-Bond GO index.

Appendix A: Definition of Pension Terms

The following list defines certain technical terms for the convenience of the reader:

Term	Definition
Actuarial accrued liability for actives	The equivalent of the accumulated normal costs allocated to the years before the valuation date.
Actuarial accrued liability for annuitants and survivor annuitants	Actuarial Present Value of lifetime benefits to existing annuitants and survivor annuitants. This sum takes account of life expectancies appropriate to the ages of the annuitants and the interest that the sum is expected to earn before it is entirely paid out in benefits.
Actuarial cost method	A procedure allocating the Actuarial Present Value of Future Benefits to various time periods; a method used to determine the normal cost and the Actuarial Accrued Liability that are used to determine the actuarially determined contribution.
Actuarial gain or loss	A measure of the difference between actual experience and that expected based upon a set of Actuarial Assumptions, during the period between two Actuarial Valuation dates. To the extent that actual experience differs from that assumed, Actuarial Accrued Liabilities emerge which may be the same as forecasted or may be larger or smaller than projected. Actuarial gains are due to favorable experience, e.g., assets earn more than projected, salary increases are less than assumed, members retire later than assumed, etc. Favorable experience means actual results produce actuarial liabilities not as large as projected by the actuarial assumptions. On the other hand, actuarial losses are the result of unfavorable experience, i.e., actual results yield actuarial liabilities that are larger than projected.
Actuarially equivalent	Of equal Actuarial Present Value, determined as of a given date and based on a given set of Actuarial Assumptions.
Actuarial present value	The value of an amount or series of amounts payable or receivable at various times, determined as of a given date by the application of a particular set of Actuarial Assumptions. Each such amount or series of amounts is: Adjusted for the probable financial effect of certain intervening events (such as changes in compensation levels, marital status, etc.) Multiplied by the probability of the occurrence of an event (such as survival, death, disability, withdrawal, etc.) on which the payment is conditioned, and Discounted according to an assumed rate (or rates) of return to reflect the time value of money.

Appendix A: Definition of Pension Terms

Term	Definition
Actuarial present value of future benefits	The Actuarial Present Value of benefit amounts expected to be paid at various future times under a particular set of Actuarial Assumptions, taking into account such items as the effect of advancement in age, anticipated future compensation, and future service credits. The Actuarial Present Value of Future Benefits includes the liabilities for active members, annuitants and survivor annuitants receiving benefits, and inactive members entitled to either a refund of member contributions or a future retirement benefit. Expressed another way, it is the value that would have to be invested on the valuation date so that the amount invested plus investment earnings would provide sufficient assets to pay all projected benefits and expenses when due.
Actuarial valuation	The determination, as of a valuation date, of the normal cost, Actuarial Accrued Liability, Actuarial Value of Assets, and related Actuarial Present Values for a plan, as well as Actuarially Determined Contributions.
Actuarial value of assets (AVA)	The value of the System's assets as of a given date, used by the actuary for valuation purposes. This may be the market or fair value of plan assets, but commonly plans use a smoothed value in order to reduce the year-to-year volatility of calculated results, such as the funded ratio and the Actuarially Determined Contribution.
Actuarially determined	Values that have been determined utilizing the principles of actuarial science. An actuarially determined value is derived by application of the appropriate actuarial assumptions to specified values determined by provisions of the System.
Actuarially determined contribution (ADC)	The employer's contributions, expressed as a dollar amount or a percentage of covered plan compensation, determined under the System's funding policy. The ADC consists of the Employer Normal cost and the Amortization Payment.
Amortization method	A method for determining the Amortization Payment. The most common methods used are level dollar and level percentage of payroll. Under the Level Dollar method, the Amortization Payment is one of a stream of payments, all equal, whose Actuarial Present Value is equal to the Unfunded Actuarial Accrued Liability. Under the Level Percentage of Pay method, the Amortization Payment is one of a stream of increasing payments, whose Actuarial Present Value is equal to the Unfunded Actuarial Accrued Liability. Under the Level Percentage of Pay method, the stream of payments increases at the assumed rate at which total covered payroll of all active members will increase.
Amortization payment	The portion of the pension plan contribution, or ADC, that is intended to pay off the Unfunded Actuarial Accrued Liability.
Assumptions or actuarial assumptions	The estimates upon which the cost of the System is calculated, including: **Investment return** — the rate of investment yield that the System will earn over the long-term future; **Mortality rates** — the rate or probability of death at a given age for employees and retirees; **Retirement rates** — the rate or probability of retirement at a given age or service; **Disability rates** — the rate or probability of disability retirement at a given age; **Withdrawal rates** — the rate or probability at which employees of various ages are expected to leave employment for reasons other than death, disability, or retirement; **Salary increase rates** — the rates of salary increase due to inflation, real wage growth and merit and promotion increases.

Appendix A: Definition of Pension Terms

Term	Definition
Board-adopted actuarial funding policy	The term given to the Board's funding policy. The contribution determined under the Board-Adopted Actuarial Funding Policy is comprised of an employer normal cost payment and a payment on the unfunded actuarial accrued liability. The amortization of the unfunded accrued liability is a closed 20-year period effective June 30, 2015, and will decline by one year in each subsequent valuation. Sources of unfunded actuarial accrued liability that emerge in subsequent valuations are amortized over 20-year closed periods. Contributions toward the unfunded actuarial accrued liability increase by 2% each year, the estimate of increase in future State revenue growth. The actuarial cost method is the entry age method. The minimum contribution is the normal cost.
Closed amortization period	A specific number of years that is counted down by one each year, and therefore declines to zero with the passage of time. For example, if the amortization period is initially set at 20 years, it is 19 years at the end of one year, 18 years at the end of two years, etc. See Open Amortization Period.
Decrements	Those causes/events due to which a member's status (active-inactive-retiree-beneficiary) changes, that is: death, retirement, disability, or withdrawal.
Defined benefit plan	A retirement plan in which benefits are defined by a formula based on the member's compensation, age and/or years of service.
Defined contribution plan	A retirement plan, such as a 401(k) plan, a 403(b) plan, or a 457 plan, in which the contributions to the plan are assigned to an account for each member, the plan's earnings are allocated to each account, and each member's benefits are a direct function of the account balance.
Employer normal cost (ER NC)	The portion of the normal cost to be paid by the employer. This is equal to the normal cost less expected member contributions.
Experience study	A periodic review and analysis of the actual experience of the System that may lead to a revision of one or more actuarial assumptions. Actual rates of decrement and salary increases are compared to the actuarially assumed values and modified based on recommendations from the Actuary.
Funded ratio	The ratio of the Actuarial Value of Assets (AVA) to the Actuarial Accrued Liability (AAL). Plans sometimes also calculate a market funded ratio, using the Fair Value of Assets (FVA), rather than the AVA.
GASB 67 and GASB 68	Governmental Accounting Standards Board (GASB) Statements No. 67 and No. 68. These are the governmental accounting standards that set the accounting rules for public retirement systems and the employers that sponsor or contribute to them. Statement No. 68 sets the accounting rules for the employers that sponsor or contribute to public retirement systems, while Statement No. 67 sets the rules for the systems themselves.
Investment return	The rate of earnings of the System from its investments, including interest, dividends and capital gain and loss adjustments, computed as a percentage of the average value of the fund. For actuarial purposes, the investment return often reflects a smoothing of the capital gains and losses to avoid significant swings in the value of assets from one year to the next.
Net Pension Liability (NPL)	The Net Pension Liability is equal to the Total Pension Liability minus the Plan Fiduciary Net Position.

Appendix A: Definition of Pension Terms

Term	Definition
Normal cost (NC)	The portion of the Actuarial Present Value of Future Benefits and expenses, if applicable, allocated to a valuation year by the Actuarial Cost Method. Any payment with respect to an Unfunded Actuarial Accrued Liability is not part of the normal cost (see Amortization Payment). For pension plan benefits that are provided in part by employee contributions, normal cost refers to the total of member contributions and employer normal cost unless otherwise specifically stated.
Open amortization period	An open amortization period is one which is used to determine the Amortization Payment but which does not change over time. If the initial period is set as 30 years, the same 30-year period is used in each future year in determining the Amortization Period.
Plan Fiduciary Net Position	Fair value of assets.
Service cost	The portion of the actuarial present value of projected benefit payments that are attributed to valuation years.
Total Pension Liability (TPL)	The actuarial accrued liability under the entry age normal cost method and based on the blended discount rate as described in GASB 67 and 68.
Unfunded actuarial accrued liability (UAAL)	The excess of the Actuarial Accrued Liability over the Actuarial Value of Assets. This value may be negative, in which case it may be expressed as a negative Unfunded Actuarial Accrued Liability, also called the Funding Surplus or an Overfunded Actuarial Accrued Liability.
Valuation date or actuarial valuation date	The date as of which the value of assets is determined and as of which the Actuarial Present Value of Future Benefits is determined. The expected benefits to be paid in the future are discounted to this date.

Appendix B: History of Legislative Changes

The following table summarizes the history changes in funding requirements.

Public Act	Enactment Year	Brief Summary
88-0593	1994	Established a fifty-year funding plan for fiscal years 1996 through 2045. It required a fifteen-year ramp period of gradually increasing State contributions followed by a 35-year period of State contributions at a level percent of pay.
90-0448	1997	Required the System's assets to be valued at fair value instead of book value.
90-0582	1998	Changed the defined benefit formula and added minimum state contribution rates in fiscal year 1999 that remained in effect through fiscal year 2004.
93-0002	2003	Provided pension obligation bond proceeds and placed upper limits on State contributions beginning with the State contribution due for fiscal year 2005.
94-0004	2005	Removed the money purchase formula for new hires, added new employer contributions for excess salary increases and sick leave, specified the level of state contributions for fiscal years 2006 and 2007, and required a return to the statutory funding plan in fiscal year 2008.
94-1057	2006	Contained exemptions from some of the new employer contribution requirements enacted in 2005.
96-0043	2009	Required the use of a smoothed actuarial value of assets beginning with the June 30, 2009 valuation.
96-0889	2020	Established Tier 2 provisions.
96-1511	2011	Required the state retirement systems to recertify their fiscal year 2011 state funding requirements and assume the Tier 2 benefits of Public Act 96-0889 were in effect on June 30, 2009.
97-0694	2012	Required the auditor general to hire an actuary to serve as the State Actuary.
98-0042	2013	Provided that the Early Retirement Option terminate on June 30, 2016. Due to the expiration of the program, active members become eligible for refunds of their early retirement contributions during fiscal year 2017.

Appendix B: History of Legislative Changes

Public Act	Enactment Year	Brief Summary
98-0674	2014	As part of the budget implementation bill, requires the state and federal contribution rates to TRS to be the same.
99-0232	2015	Requires the actuaries of the state-funded retirement systems to conduct experience analyses every three years instead of every five years.
100-0023	2017	As part of the budget implementation bill, creates a Tier 2 hybrid benefit plan.
100-0340	2017	Requires employer contributions from Federal funds to be based on the total employer normal cost rate instead of the State contribution rate, beginning July 1, 2017.
100-0587	2018	Creates two new buyout provisions for TRS members, an inactive vested buyout and an automatic annual increase buyout, which will exist until June 30, 2021.
101-0010	2019	Extends the Automatic Annual Increase and Inactive Vested buyouts through fiscal year ending June 30, 2024, in addition to repealing the 3% “FAS Cap” threshold (reverting back to 6% threshold).
102-0718	2022	Extends the Automatic Annual Increase and Inactive Vested buyouts through fiscal year ending June 30, 2026.

A more complete history of legislative changes can be found at the following link:

https://www.trsil.org/sites/default/files/documents/pub26-2025_0.pdf

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