Among the assumptions needed for these calculations is a Single Equivalent Interest Rate (SEIR). To determine the SEIR, the FNP must be projected into the future for as long as there are anticipated benefit payments to the active and retired membership of the Plan on the measurement date. If the FNP is projected to not be depleted at any point in the future, the long term expected rate of return on plan investments expected to be used to finance the benefit payments may be used as the SEIR.

If, however, the FNP is projected to be depleted, the SEIR is determined as the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by discounting all projected benefit payments through the date of depletion by the long term expected rate of return, and the present value determined by discounting those benefits after the date of depletion by a 20-year tax-exempt municipal bond (rating AA/Aa or higher) rate. The rate used, if necessary, for this purpose is the Bond Buyer General Obligation 20-year Municipal Bond Index published monthly by the Board of Governors of the Federal Reserve System. We have determined that a discount rate of 7.75 percent meets the requirements of GASB 68.

The sections that follow provide the results of all the necessary calculations, as well as additional disclosure items needed as Required Supplementary Information (RSI) or for required financial statement footnotes. The employer may also refer to the 2015 PERS Comprehensive Annual Financial Report on the PERS website, www.pers.ms.gov for calculations and note disclosure.

## SECTION III – MEMBERSHIP DATA

Data regarding the membership of the Plan for use as a basis for the actuarial valuation and the GASB 68 requirements were furnished by the System office. The following table summarizes the membership of the Plan as of June 30, 2015.

**Membership**

| | Number |
|---|---|
| Inactive Members or Beneficiaries Currently Receiving Benefits | 185 |
| Inactive Members Entitled To But Not Yet Receiving Benefits | 51 |
| Active Members | 174 |
| Total | 410 |

## SECTION IV – NOTES TO FINANCIAL STATEMENTS

The actuarial assumptions utilized in developing the TPL are outlined in Schedule A. The total pension liability was determined by an actuarial valuation as of June 30, 2015, using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---|---|
| Inflation | 3.00 percent |
| Salary increases | 3.75 percent, including inflation |
| Investment rate of return | 7.75 percent, net of pension plan investment expense, including inflation |

Mortality rates were based on the RP-2014 Healthy Annuitant Blue Collar Table projected with Scale BB to 2016, set forward one year for males.

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2014. The experience report is dated May 4, 2015.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges 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 and by adding expected inflation. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|---|---|---|
| U.S. Broad | 34.00% | 5.20% |
| International Equity | 19.00 | 5.00 |
| Emerging Markets Equity | 8.00 | 5.45 |
| Fixed Income | 20.00 | 0.25 |
| Real Assets | 10.00 | 4.00 |
| Private Equity | 8.00 | 6.15 |
| Cash | 1.00 | (0.50) |
| Total | 100.00% | |

*Discount Rate* - The discount rate used to measure the total pension liability was 7.75 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate of 3.00% and that employer contributions will be made at the rate set in the Board's Funding Policy (currently 7.40%). Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of 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 Total Pension Liability.

*Plan Description.* The Supplemental Legislative Retirement Plan is a single-employer defined benefit plan administered by the Public Employees' Retirement System. Membership in SLRP is composed of all elected members of the State Legislature and the President of the Senate. This plan is designed to supplement the provisions of PERS. Those serving when SLRP became effective July 1, 1989, had 30 days to waive membership in SLRP. Those elected after July 1, 1989, automatically become members of SLRP. Members and employers are statutorily required to contribute certain percentages of salaries and wages as specified by the Board of Trustees. Current rates are 7.4 percent for employer contributions and 3.0 percent for members, which is supplemental to the 15.75 percent employer contribution rate and 9.0 percent member contribution rate required by PERS. SLRP employers contributed $511 thousand and members contributed $207 thousand for fiscal year 2015.

The retirement allowance is 50.0 percent of an amount equal to the retirement allowance payable by PERS, determined by creditable service as an elected senator or representative in the State Legislature or as President of the Senate. Benefits vest upon completion of the requisite number of membership service years in PERS. SLRP also provides certain death and disability benefits. In the event of death prior to retirement of any member whose spouse and/or children are not entitled to a retirement allowance, the deceased member's accumulated contributions and interest are paid to the designated beneficiary. A member who terminates legislative employment and who is not eligible to receive monthly retirement benefits may request a full refund of his or her accumulated employee contributions plus interest. Upon withdrawal of contributions, a member forfeits service credit represented by those contributions.

A Cost-of-Living Adjustment (COLA) payment is made to eligible retirees and beneficiaries. The COLA is equal to 3.0 percent of the annual retirement allowance for each full fiscal year of retirement up to the year in which the retired member reaches age 60 (55 for those who became members of PERS before July 1, 2011), with 3.0 percent compounded for each fiscal year thereafter. COLA terms are identical to those of the PERS plan.

Plan provisions and the Board of Trustees' authority to determine contribution rates for SLRP are established by Miss. Code Ann. § 25-11-301 et seq., (1972, as amended) and may be amended only by the Mississippi Legislature. The SLRP plan financial report is included in the Comprehensive Annual Financial Report of the Public Employees' Retirement System available at www.PERS.ms.gov.

## SECTION V – NET PENSION LIABILITY

As stated previously, the NPL is equal to the TPL minus the FNP. That result as of June 30, 2015 is presented in the table below, along with additional required figures ($ thousands).

| | June 30, 2015 |
|---|---|
| Total Pension Liability | $21,213 |
| Fiduciary Net Position | 16,456 |
| Net Pension Liability | $4,757 |
| Ratio of Fiduciary Net Position to Total Pension Liability | 77.58% |
| Covered employee payroll | $6,861 |
| Net Pension Liability as a percentage of covered employee payroll | 69.33% |

In addition to the results in the table above, the sensitivity of the NPL to changes in the discount rate must be disclosed. The following presents the NPL of the Plan, calculated using the discount rate of 7.75 percent, as well as what the Plan's NPL would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate ($ thousands):

| | 1% Decrease **(6.75%)** | Current Discount Rate **(7.75%)** | 1% Increase **(8.75%)** |
|---|---|---|---|
| Plan's Net Pension Liability | $7,014 | $4,757 | $2,828 |

The following table details the changes in the NPL from the beginning to the end of the measurement year.

**CHANGES IN THE NET PENSION LIABILITY**
**($ in Thousands)**

| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (a) – (b) |
|---|---|---|---|
| Balances at June 30, 2014 | 20,240 | 16,453 | 3,787 |
| Changes for the year: | | | |
| Service cost | 406 | | 406 |
| Interest | 1,569 | | 1,569 |
| Difference between expected and actual experience | (333) | | (333) |
| Contributions - employer | | 511 | (511) |
| Contributions - employee | | 207 | (207) |
| Net investment income | | 552 | (552) |
| Benefit payments, including refunds of employee contributions | (1,257) | (1,257) | 0 |
| Administrative expense | | (10) | 10 |
| Other changes | 588 | 0 | 588 |
| Net changes | 973 | 3 | 970 |
| Balances at June 30, 2015 | 21,213 | 16,456 | 4,757 |

## SECTION VI – PENSION EXPENSE

As noted earlier, the Pension Expense (PE) consists of a number of different items. GASB 68 refers to the first as Service Cost which is the Normal Cost using the Entry Age Normal actuarial funding method. The second item is interest on the beginning of year TPL and the cash flow during the year at the 8.00% rate of return in effect as of the previous Measurement Date.

The next three items refer to any change that occurred in the TPL under EAN due to benefit changes, actual experience or assumptions. Benefit changes, which are reflected immediately in PE can be positive, if there is a benefit improvement for existing Plan members, or negative if there is a benefit reduction. For the year ended June 30, 2015 there were no benefit changes to be recognized.

The next item to be recognized is the portion of current year changes in TPL due to Plan experience. The portion to recognize in the current year is determined by spreading the total experience change over the remaining service life of the entire Plan membership. For the year ended June 30, 2015, the remaining service life is 3.80.

The last item under changes in TPL is changes in actuarial assumptions. There were changes in assumptions since the last Measurement Date based on an actuarial experience study for the period July 1, 2010 to June 30, 2014. The experience study report is dated May 4, 2015. The change in TPL due to changes in actuarial assumptions is spread over the remaining service life of the entire Plan membership just like Plan experience in the prior paragraph.

Member contributions for the year and projected earnings on the FNP, again at the rate used to calculate the liabilities are subtracted from the amount determined thus far. One-fifth of current-period differences between actual and projected earnings on the FNP are recognized in the pension expense.

The current year portions of previously determined experience, assumption and earnings amounts, recognized as deferred outflows and inflows (see Section VII) are included next. Finally, administrative expenses and other miscellaneous items are included.

The calculation of the Pension Expense for the year ended June, 30 2015 is shown in the following table:

**Pension Expense**
**For the Year Ended June 30, 2015**
**($ thousands)**

| | |
|---|---|
| Service Cost | $406 |
| Interest on the total pension liability | 1,569 |
| Current-period benefit changes | 0 |
| Expensed portion of current-period difference between expected and actual experience in the total pension liability | (88) |
| Expensed portion of current-period changes of assumptions | 155 |
| Member contributions | (207) |
| Projected earnings on plan investments | (1,294) |
| Expensed portion of current-period differences between actual and projected earnings on plan investments | 148 |
| Administrative expense | 10 |
| Other | 0 |
| Recognition of beginning deferred outflows of resources as pension expense | 0 |
| Recognition of beginning deferred inflows of resources as pension expense | (405) |
| **Pension Expense** | $294 |

## SECTION VII – DEFERRED OUTFLOWS/INFLOWS

**($ Thousands)**

Since certain expense items are amortized over closed periods each year, the deferred portions of these items must be tracked annually. If the amounts serve to reduce pension expense they are labeled deferred inflows. If they will increase pension expense they are labeled deferred outflows. As noted in the previous section, the amortization of these amounts is accomplished on a level dollar basis, with no interest included in the deferred amounts. Experience gains/losses and the impact of changes in actuarial assumptions, if any, are amortized over the average remaining service life of the active and inactive Plan members at the beginning of the fiscal year. Investment gains and losses are amortized over a fixed five year period.

The table below provides a summary of the deferred outflows and inflows as of June 30, 2015 (Measurement Date).

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Differences between expected and actual experience | $0 | $(478) |
| Changes of assumptions | 433 | 0 |
| Net difference between projected and actual earnings on plan investments | 0 | (292) |
| Employer contributions subsequent to the measurement date | see note | 0 |
| Total | $433 | $(770) |

NOTE: The deferred outflows of resources reported by the State should include contributions made by the State during its fiscal year that will be reflected in the net pension liability in the next measurement period.

Amortization periods for fiscal year 2016 are 3.80 for the average expected remaining service life of members and 5.0 years for investment gains/losses.

In order to properly report PE and deferred outflows/inflows of resources in future years, it will be necessary for employers to maintain schedules for amortizing deferred amounts.

Amounts reported as deferred outflows of resources related to pensions resulting from State contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016 (Reporting Date). Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense.

**Deferred Outflows and Inflows for Differences between Expected and Actual Experience**

| | | | | Balances as of June 30, 2016 (Reporting Date) | |
|---|---|---|---|---|---|
| **Year** | **Experience Losses (a)** | **Experience Gains (b)** | **Amounts Recognized in Pension Expense through 2015 (c)** | **Deferred Outflows (a) – (c)** | **Deferred Inflows (b) – (c)** |
| 2015 | $0 | $333 | $88 | $0 | $245 |
| 2014 | $0 | 453 | 220 | 0 | 233 |
| **Total** | | | | $0 | $478 |

**Deferred Outflows and Inflows for Differences from Assumption Changes**

| | | | | Balances as of June 30, 2016 (Reporting Date) | |
|---|---|---|---|---|---|
| **Year** | **Experience Losses (a)** | **Experience Gains (b)** | **Amounts Recognized in Pension Expense through 2015 (c)** | **Deferred Outflows (a) – (c)** | **Deferred Inflows (b) – (c)** |
| 2014 | $588 | $0 | $155 | $433 | $0 |
| **Total** | | | | $433 | $0 |

**Deferred Outflows and Inflows for Differences from Investment Experience**

| | | | | Balances as of June 30, 2016 (Reporting Date) | |
|---|---|---|---|---|---|
| **Year** | **Experience Losses (a)** | **Experience Gains (b)** | **Amounts Recognized in Pension Expense through 2015 (c)** | **Deferred Outflows (a) – (c)** | **Deferred Inflows (b) – (c)** |
| 2015 | $742 | $0 | $148 | $594 | $0 |
| 2014 | 0 | 1,476 | 590 | 0 | 886 |
| **Total** | | | | $594 | $886 |
| **Net difference between projected and actual earnings on investments** | | | | | $292 |

| Amortization of Deferrals | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2014 Investment Gain | | 2014 Experience Gain | | 2015 Investment Loss | | 2015 Experience Gain | | 2015 Assumption Change Loss | | Total Deferrals | |
| Fiscal Year End | Amount Recognized | EOY Balance | Amount Recognized | EOY Balance | Amount Recognized | EOY Balance | Amount Recognized | EOY Balance | Amount Recognized | EOY Balance | Amount Recognized | EOY Balance |
| 6/30/2015 | $295 | $1,181 | $110 | $343 | $0 | $0 | $0 | $0 | $0 | $0 | $405 | $1,524 |
| 6/30/2016 | 295 | 886 | 110 | 233 | (148) | (594) | 88 | 245 | (155) | (433) | 190 | 337 |
| 6/30/2017 | 295 | 591 | 110 | 123 | (148) | (446) | 88 | 157 | (155) | (278) | 190 | 147 |
| 6/30/2018 | 295 | 296 | 110 | 13 | (148) | (298) | 88 | 69 | (155) | (123) | 190 | (43) |
| 6/30/2019 | 296 | 0 | 13 | 0 | (148) | (150) | 69 | 0 | (123) | 0 | 108 | (150) |
| 6/30/2020 | 0 | 0 | 0 | 0 | (150) | 0 | 0 | 0 | 0 | 0 | (150) | 0 |
| 6/30/2021 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6/30/2022 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

# SECTION VIII – REQUIRED SUPPLEMENTARY INFORMATION

There are several tables of Required Supplementary Information (RSI) that need to be included in the Employer's financial statements. They are provided in Schedule C. In addition the following should be noted regarding the RSI.

***Changes of assumptions.*** In 2015 and later, the expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Table projected to 2016 using Scale BB rather than the RP-2000 Mortality Table, which was used prior to 2015. In 2015, the expectation of disabled mortality was changed to the RP-2014 Disabled Retiree Table, rather than the RP-2000 Disabled Mortality Table, which was used prior to 2015. Pre-retirement mortality rates and service retirement rates were also adjusted to more closely reflect actual experience. In 2015, assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience. Finally, the price inflation and investment rate of return assumptions were changed from 3.50% to 3.00% and 8.00% to 7.75%, respectively.

***Method and assumptions used in calculations of actuarially determined contributions.*** The actuarially determined contribution rates in the schedule of employer contributions are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported (2015 Employer Contributions are developed from 2013 valuation). The following actuarial methods and assumptions were used to determine the most recent contribution rate reported in that schedule:

| | |
|---|---|
| Actuarial cost method | Entry age |
| Amortization method | Level percentage of payroll, open |
| Remaining amortization period | 39.6 years |
| Asset valuation method | 5-year smoothed market |
| Price Inflation | 3.50 percent |
| Salary increase | 4.50 percent, including inflation |
| Investment rate of return | 8.00 percent, net of pension plan investment expense, including inflation |

## SCHEDULE A

### STATEMENT OF ACTUARIAL ASSUMPTIONS AND METHODS

INTEREST RATE: 7.75% per annum, compounded annually (net of investment expenses only).

SEPARATIONS FROM ACTIVE SERVICE: Representative values of the assumed rates of separation from active service are as follows:

| | Annual Rate of | | |
|---|---|---|---|
| | Death | | |
| Age | Male | Female | Disability* |
| 20 | 0.02% | 0.01% | 0.04% |
| 25 | 0.03 | 0.01 | 0.05 |
| 30 | 0.03 | 0.01 | 0.07 |
| 35 | 0.03 | 0.01 | 0.11 |
| 40 | 0.04 | 0.01 | 0.17 |
| 45 | 0.05 | 0.02 | 0.23 |
| 50 | 0.09 | 0.04 | 0.30 |
| 55 | 0.15 | 0.06 | 0.35 |
| 60 | 0.24 | 0.08 | 0.40 |
| 65 | 0.41 | 0.12 | 0.00 |
| 70 | 0.69 | 0.20 | 0.00 |
| 75 | 1.12 | 0.34 | 0.00 |

* 94% are presumed to be non-duty related, and 6% are assumed to be duty related.

WITHDRAWAL AND VESTING: 20% in an election year, none in a non-election year.

SERVICE RETIREMENT: 25% in an election year, none in a non-election year. All members are assumed to retire no later than age 75.

It is assumed that a member will be granted 2.5 years of service credit for unused leave at termination of employment.

PRICE INFLATION: 3.00% per annum, compounded annually.

PAYROLL GROWTH: 3.75% per annum, compounded annually.

ADMINISTRATIVE EXPENSES: 0.23% of payroll.

TIMING OF DECREMENTS AND PAY INCREASES: Middle of Year.

SALARY INCREASES: 3.75% per annum, for all ages.

DEATH AFTER RETIREMENT: The mortality table, for post-retirement mortality, used in evaluating allowances to be paid was the RP-2014 Healthy Annuitant Blue Collar Mortality Table Projected to 2016 by Scale BB (set forward 1 year for males). The RP-2014 Disabled Mortality Table (set forward 5 years for males and set forward 4 years for females) was used for the period after disability retirement. This assumption is used to measure the probabilities of each benefit payment being made after retirement.

MARRIAGE ASSUMPTION: 85% married with the husband three years older than his wife.

VALUATION METHOD: The valuation is prepared on the projected benefit basis, which is used to determine the present value of each member's expected benefit payable at retirement, disability or death. The calculations are based on the member's age, years of service, sex, compensation, expected future salary increases, and an assumed future interest earnings rate (currently 7.75%). The calculations consider the probability of a member's death or termination of employment prior to becoming eligible for a benefit and the probability of the member terminating with a service, disability, or survivor's benefit. The present value of the expected benefits payable to active members is added to the present value of the expected future payments to current benefit recipients to obtain the present value of all expected benefits payable to the present group of members and survivors.

The employer contributions required to support the benefits of SLRP are determined following a level funding approach, and consist of a normal contribution and an accrued liability contribution.

The normal contribution is determined using the "entry age normal" method. Under this method, a calculation is made for pension benefits to determine the uniform and constant percentage rate of employer contribution which, if applied to the compensation of the average new member during the entire period of his anticipated covered service, would be required in addition to the contributions of the member to meet the cost of all benefits payable on his behalf.

The unfunded accrued liability is determined by subtracting the current assets and the present value of prospective employer normal contributions and member contributions from the present value of expected benefits to be paid from the SLRP. The accrued liability contribution amortizes the balance of the unfunded accrued liability over a period of years from the valuation date.

ASSET VALUATION METHOD: Market Value of Assets.

## SCHEDULE B

### SUMMARY OF MAIN BENEFIT AND CONTRIBUTION PROVISIONS

The following summary presents the main benefit and contribution provisions of the Plan in effect June 30, 2015 as interpreted in preparing the actuarial valuation.

### DEFINITIONS

| | |
|---|---|
| **Average Compensation** | Average annual covered earnings of an employee during the four highest years of service. |
| **Covered Earnings** | Gross salary not in excess of the maximum amount on which contributions were required. |
| **Fiscal Year** | Year commencing on July 1 and ending June 30. |
| **Eligibility Service** | Service while a contributing member of PERS plus additional service as described below. (OLD: Eligibility service" is all service in PERS, including that credited for SLRP service.) |
| **Credited Service** | Service while a contributing member of SLRP plus additional service as described below. (OLD: "Creditable service" includes only SLRP service.) |
| **Unused Sick and Vacation Leave** | Service credit is provided at no charge to members for unused sick and vacation time that has accrued at the time of retirement. |
| **Additional Service** | Additional service credit may be granted for service prior to July 1, 1989, including active duty military service. |

The maximum covered earnings for employers and employees over the years are as follows:

EMPLOYER AND EMPLOYEE RATES OF CONTRIBUTION
AND MAXIMUM COVERED EARNINGS

| Fiscal Date From | Fiscal Date To | Employer Rate | Employee Rate | Maximum Covered Earnings |
|---|---|---|---|---|
| 7/1/1989 | 6/30/1992 | 6.33% | 3.00% | $75,600 |
| 7/1/1992 | 6/30/2002 | 6.33 | 3.00 | $125,000 |
| 7/1/2002 | 6/30/2006 | 6.33 | 3.00 | $150,000 |
| 7/1/2006 | 6/30/2008 | 6.65 | 3.00 | $150,000 |
| 7/1/2008 | 6/30/2009 | 6.65 | 3.00 | $230,000 |
| 7/1/2009 | 12/31/2011 | 6.65 | 3.00 | $245,000 |
| 1/1/2012 | 6/30/2012 | 7.40 | 3.00 | $245,000 |
| 7/1/2012 | 6/30/2013 | 7.40 | 3.00 | $250,000 |
| 7/1/2013 | 6/30/2014 | 7.40 | 3.00 | $255,000 |
| 7/1/2014 | 6/30/2015 | 7.40 | 3.00 | $260,000 |
| 7/1/2015 | 6/30/2016 | 7.40 | 3.00 | $265,000 |

**BENEFITS**

**Superannuation Retirement**

Condition for Retirement

(a) A retirement allowance is paid upon the request of any member who retires and has attained age 60 and completed at least eight years* of membership service under PERS. A retirement allowance may also be paid upon the completion of at least 25 years of creditable service under PERS for members hired prior to July 1, 2011, or upon the completion of 30 years of creditable service for members hired on or after July 1, 2011.

(b) Any member who withdraws from service prior to his or her attainment of age 60 and who has completed at least eight years* of ,membership service under PERS is entitled to receive, in lieu of a refund of his or her accumulated contributions, a retirement allowance commencing at age 60.

Amount of Allowance

The annual retirement allowance payable to a member who retires under condition (a) above is equal to:

1. A member's annuity which is the actuarial equivalent of the member's accumulated contributions at the time of his or her retirement, plus

2. An employer's annuity which, together with the member's annuity, is equal to 1% of his or her average compensation for each of the first 25 years of creditable service plus 1.25% for each year of creditable service over 25 years.

The minimum allowance is $60 per year of creditable service.

**Disability Retirement**

Condition for Retirement

A retirement allowance is paid to a member who is totally and permanently disabled, as determined by the Board of Trustees, and has accumulated eight or more years* of membership service under PERS.

* four years for those who entered PERS before July 1, 2007.

Amount of Allowance

For those who were active members prior to July 1, 1992, and did not elect the benefit structure outlined below, the annual disability retirement allowance payable is equal to a superannuation retirement allowance if the member has attained age 60, otherwise it is equal to a superannuation retirement allowance calculated as follows:

1. A member's annuity equal to the actuarial equivalent of his or her accumulated contributions at the time of retirement, plus

2. An employer's annuity equal to the amount that would have been payable had the member continued in service to age 60.

For those who become active members after June 30, 1992, and for those who were active members prior to July 1, 1992, who so elected, the following benefits are payable:

1. A temporary allowance equal to the greater of (a) 20% of average compensation plus 5% for each dependent child up to a maximum of 2, or (b) the member's accrued allowance. This temporary allowance is paid for a period of time based on the member's age at disability, as follows:

| Age at Disability | Duration |
|---|---|
| 60 and earlier | to age 65 |
| 61 | to age 66 |
| 62 | to age 66 |
| 63 | to age 67 |
| 64 | to age 67 |
| 65 | to age 68 |
| 66 | to age 68 |
| 67 | to age 69 |
| 68 | to age 70 |
| 69 and later | one year |

The minimum allowance is $60 per year of service credit.

2. A deferred allowance commencing when the temporary allowance ceases equal to the greater of (a) the allowance the member would have received based on service to the termination age of the temporary allowance, but not more than 20% of average compensation, or (b) the member's accrued allowance.

The minimum allowance is $60 per year of service credit.

Effective July 1, 2004, a temporary benefit can be paid out of a member's accumulated contribution balance while the member is awaiting a determination for eligibility for disability benefits. Future disability payments, if any, would be offset by advanced payments made from the member's accumulated contributions.

**Accidental Disability Retirement**

| | |
|---|---|
| Condition for Retirement | A retirement allowance is paid to a member who is totally and permanently disabled in the line of performance of duty. |
| Amount of Allowance | The annual accidental disability retirement allowance is equal to the allowance payable on disability retirement but not less than 25% of average compensation. There is no minimum benefit. |

**Accidental Death Benefit**

| | |
|---|---|
| Condition for Benefit | A retirement allowance is paid to a spouse and/or dependent children upon the death of an active member in the line of performance of duty. |
| Amount of Allowance | The annual retirement allowance is equal to 25% of average compensation payable to the spouse and 12-1/2% of average compensation payable to one dependent child or 25% to two or more children until age 19 (23 if a full time student). There is no minimum benefit. |

**Ordinary Death Benefit**

| | |
|---|---|
| Condition for Benefit | Upon the death of a member who has completed at least eight years* of membership service, a benefit is payable, in lieu of a refund of the member's accumulated contributions, to his or her spouse, if said spouse has been married to the member for not less than one year.<br><br>* four years for those who entered the system before July 1, 2007. |
| Amount of Allowance | The annual retirement allowance payable to the lawful spouse of a vested member who dies is equal to the greater of (i) the allowance that would have been payable had the member retired and elected Option 2, reduced by an actuarially determined factor based on the number of years the member lacked in qualifying for unreduced |

benefits, or (ii) a lifetime benefit equal to 20% of the deceased member's average compensation, but not less than $25 per month.

In addition, a benefit is payable to dependent children until age 19 (23 if a full time student). The benefit is equal to the greater of 5% of average compensation or $25 per month for each dependent child up to 3.

**Return of Contributions**

Upon the withdrawal of a member without a retirement benefit, his or her contributions are returned to him or her, together with accumulated regular interest thereon.

Upon the death of a member before retirement, his or her contributions, together with the full accumulated regular interest thereon, are paid to his or her designated beneficiary, if any, otherwise, to his or her estate provided no other survivor benefits are payable.

Interest is currently credited to the member's account at 3.50% per annum.

**Normal Form of Benefit**

The normal form of benefit is an allowance payable during the life of the member with the provision that upon his or her death the excess of his or her total contributions at the time of retirement over the total retirement annuity paid to him or her will be paid to his or her designated beneficiary.

**Optional Benefits**

A member upon retirement may elect to receive his or her allowance in one of the following forms which are computed to be actuarially equivalent to the applicable retirement allowance.

Option 1. Reduced allowance with the provision that if the pensioner dies before he receives the value of the member's annuity as it was at the time of retirement, the balance shall be paid to his or her beneficiary.

Option 2. Upon his or her death, his or her reduced retirement allowance shall be continued throughout the life of, and paid to, his or her beneficiary.

Option 3. Upon his or her death, 50% of his or her reduced retirement allowance shall be continued throughout the life of, and paid to, a designated beneficiary and the other 50% of his or her reduced retirement allowance to some other designated beneficiary.

Option 4. Upon his or her death, 75% of his of her reduced retirement allowance shall be continued throughout the life of, and paid to, a designated beneficiary.

Option 4A. Upon his or her death, 50% of his of her reduced retirement allowance shall be continued throughout the life of, and paid to, a designated beneficiary.

Option 4B. A reduced retirement allowance shall be continued throughout the life of the pensioner, but with the further guarantee of payment to the pensioner or his or her beneficiary for a specified number of years certain.

Option 4C. A member may elect any option with the added provision that the member shall receive, so far as possible, the same total amount annually (considering both SLRP and Social Security benefits) before and after the earliest age at which the member becomes eligible for a Social Security benefit. This option was only available to those who retired prior to July 1, 2004.

A member who elects Option 2, Option 4 or Option 4A at retirement may revert to the normal form of benefit if the designated beneficiary predeceases the retired member or if the member divorces the designated beneficiary.

A member who elects the normal form of benefit or Option 1 at retirement may select Option 2, Option 4 or Option 4A to provide beneficiary protection to a new spouse if married at retirement.

A member who has at least 28 years of creditable service* under PERS can select a partial lump-sum option at retirement. Under this option, the retiree has the option of taking a partial lump-sum distribution equal to either 12, 24, or 36 times the base maximum monthly benefit. With each lump-sum amount, the base maximum monthly benefit will be actuarially reduced. A member selecting the partial lump-sum option may also select any of the regular options except Option 1, the prorated single-life annuity, and Option 4-C, the Social Security leveling provision. The benefit is then calculated using the new reduced maximum benefit as a starting point in applying the appropriate option factors for the reduction.

*or at least age 63 with four years of membership service for those who entered PERS before July 1, 2007.

**Post-Retirement Adjustments In Allowances**

The allowances of retired members are adjusted annually by an amount equal to (a) 3% of the annual retirement allowance for each full fiscal year of retirement prior to the year in which the member reaches age 55, plus (b) 3% compounded for each year thereafter beginning with the fiscal year in which the member turns age 55.

A prorated portion of the annual adjustment will be paid to the member, beneficiary, or estate of any member or beneficiary who is receiving the annual adjustment in a lump sum, but whose benefits are terminated between July 1 and December 1.

## CONTRIBUTIONS

Members currently contribute 3.00% of covered earnings. The employer contributes 7.40% of covered earnings.

# SCHEDULE C

## REQUIRED SUPPLEMENTARY INFORMATION

### SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY
### ($ in Thousands)

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Total pension liability** | | | | | | | | | | |
| Service cost | $404 | $406 | | | | | | | | |
| Interest | 1,549 | 1,569 | | | | | | | | |
| Changes of benefit terms | 0 | 0 | | | | | | | | |
| Difference between expected and actual experience | (453) | (333) | | | | | | | | |
| Changes of assumptions | 0 | 588 | | | | | | | | |
| Benefit payments | (1,216) | (1,220) | | | | | | | | |
| Refund of Contributions | (22) | (37) | | | | | | | | |
| **Net change in total pension liability** | $262 | $973 | | | | | | | | |
| **Total pension liability – beginning** | $19,978 | $20,240 | | | | | | | | |
| **Total pension liability – ending (a)** | $20,240 | $21,213 | | | | | | | | |
| **Plan fiduciary net position** | | | | | | | | | | |
| Contributions – employer | $514 | $511 | | | | | | | | |
| Contributions – member | 208 | 207 | | | | | | | | |
| Net investment income | 2,605 | 552 | | | | | | | | |
| Benefit payments | (1,216) | (1,220) | | | | | | | | |
| Administrative expense | (10) | (10) | | | | | | | | |
| Refund of Contributions | (22) | (37) | | | | | | | | |
| Other | 0 | 0 | | | | | | | | |
| **Net change in plan fiduciary net position** | $2,079 | $3 | | | | | | | | |
| **Plan fiduciary net position – beginning** | $14,374 | $16,453 | | | | | | | | |
| **Plan fiduciary net position – ending (b)** | $16,453 | $16,456 | | | | | | | | |
| **Net pension liability – ending (a) – (b)** | $3,787 | $4,757 | | | | | | | | |

## SCHEDULE OF THE NET PENSION LIABILITY
## ($ in Thousands)

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|---|---|---|---|---|
| Total pension liability | $20,240 | $21,213 | | | | | | | | |
| Plan fiduciary net position | 16,453 | 16,453 | | | | | | | | |
| Net pension liability | $3,787 | $4,757 | | | | | | | | |
| Plan fiduciary net position as a percentage of the total pension liability | 81.29% | 77.58% | | | | | | | | |
| Covered-employee payroll | $6,918 | $6,861 | | | | | | | | |
| Net pension liability as a percentage of covered-employee payroll | 54.74% | 69.33% | | | | | | | | |

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**
**($ in Thousands)**

| | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 |
|---|---|---|---|---|---|---|---|---|---|---|
| Actuarially determined contribution | $508 | $519 | $509 | $504 | $464 | $452 | $449 | $436 | $423 | $413 |
| Contributions in relation to the actuarially determined contribution | 511 | 514 | 503 | 490 | 457 | 446 | 458 | 449 | 432 | 411 |
| Annual contribution deficiency (excess) | (3) | 5 | 6 | 14 | 7 | 6 | (9) | (13) | (9) | 2 |
| Covered-employee payroll | 6,861 | 6,918 | 6,695 | 6,872 | 6,810 | 6,605 | 6,803 | 6,753 | 6,554 | 6,354 |
| Actual contributions as a percentage of covered-employee payroll | 7.45% | 7.43% | 7.51% | 7.13% | 6.71% | 6.75% | 6.73% | 6.65% | 6.59% | 6.47% |