Prilago. · PDF p.123 Excerpt

# Funding Progress

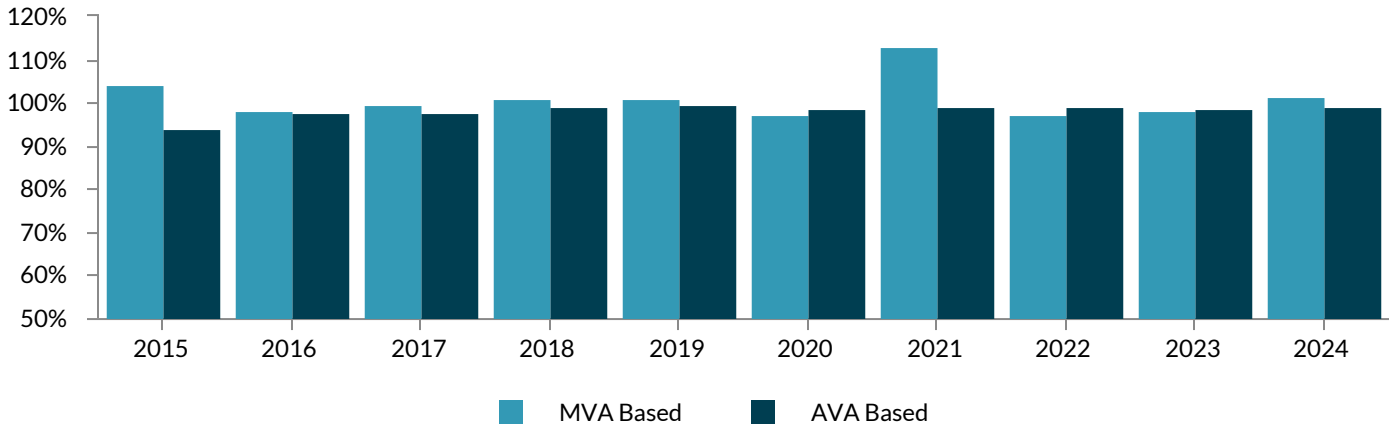
The portion of the actuarial present value of future benefits that is attributed to service rendered as of the valuation date is known as the actuarial accrued liability. In order to effectively assess the funding progress of a retirement system, it is necessary to compare the ratio of plan assets to the actuarial accrued liability over a period of time. Plan assets can be expressed as the market value of assets or as the actuarial value of assets. The market value of assets represents the market value of investments as of a particular date. The actuarial value of assets smooths the volatility inherent in the market value of assets by phasing in unexpected gains and losses over a period of five years, and represents more of an average value. The Retirement System's funding method has allowed the accumulation of assets appropriate for the funding of its liabilities in a systematic and reasonable manner.

## Analysis of Funding Progress

(in millions)

| Fiscal Year Ended | Market Value of Assets (MVA) | Actuarial Value of Assets (AVA)[1] | Actuarial Accrued Liability[2] | Unfunded Actuarial Accrued Liability (Surplus) | Annual Member Payroll | Unfunded Actuarial Accrued Liability as a Percentage of Payroll | Percent Funded Based On | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | MVA | AVA |
| 2015 | $109,718.9 | $99,301.8 | $105,401.8 | $6,100.0 | $15,021.4 | 40.6 % | 104.1 % | 94.2 % |
| 2016 | 107,506.1 | 107,039.2 | 109,305.1 | 2,265.9 | 15,431.0 | 14.7 | 98.4 | 97.9 |
| 2017 | 115,468.4 | 113,059.7 | 115,672.5 | 2,612.8 | 15,846.7 | 16.5 | 99.8 | 97.7 |
| 2018 | 119,915.5 | 117,859.5 | 118,861.1 | 1,001.6 | 16,288.9 | 6.1 | 100.9 | 99.2 |
| 2019 | 122,477.5 | 120,586.9 | 121,049.3 | 462.4 | 16,691.6 | 2.8 | 101.2 | 99.6 |
| 2020 | 120,479.5 | 122,400.4 | 123,801.7 | 1,401.3 | 16,973.2 | 8.3 | 97.3 | 98.9 |
| 2021 | 148,148.5 | 130,173.8 | 131,077.4 | 903.6 | 16,973.2 | 5.3 | 113.0 | 99.3 |
| 2022 | 131,964.6 | 134,527.0 | 135,530.9 | 1,003.9 | 17,715.3 | 5.7 | 97.4 | 99.3 |
| 2023 | 137,221.5 | 137,814.2 | 139,800.8 | 1,986.6 | 18,469.1 | 10.8 | 98.2 | 98.6 |
| 2024 | 145,821.4 | 142,478.8 | 143,734.6 | 1,255.8 | 19,093.5 | 6.6 | 101.5 | 99.1 |

## Percent Funded




*[1] The Retirement System's asset valuation method was changed effective with the June 30, 2015 actuarial valuation.*
*[2] Effective June 30, 2006, the actuarial accrued liability is calculated under the Entry Age Normal Cost Method, including the Group Life Insurance Fund, as was required by Governmental Accounting Standards Board (GASB) Statement No. 50 prior to its replacement by GASB Statement No. 67. The System is funded in accordance with the Aggregate Cost Method. GASB Statement No. 50 required that the Entry Age Normal Cost Method be used to calculate the accrued liability for purposes of presenting the funded percentage.*