



Actuarial valuations

Every year, PERS publishes two types of actuarial valuation reports:

- A system-wide report assessing the health of the system as a whole.
- Individual reports for nearly every PERS-participating employer.

The reports are calculated and created by the PERS consulting actuary Milliman based on information they gathered the previous year.

- Valuations published in **odd years are advisory**. They do not set contribution rates; instead, they show what your rates would be if they were set based on this valuation.
- Valuations published in **even years are rate-setting**. They show what employers' new contribution rates will be for the next biennium starting on July 1.

Rate-setting process



How reports are organized




Instructions for downloading reports





2024 actuarial valuation reports





Independent employers* 

School districts** 

SLGRP ER # 1000-2245 

SLGRP ER # 2247-2659 

SLGRP ER # 2660-2999 

System-Wide 2024 Actuarial Valuation Report 

*Employers who are not part of the SLGRP.

**School districts without side accounts should reference the valuation for ER # 3000, under "School Districts."



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December 2025

School Districts/3000

Oregon Public Employees Retirement System

As part of our engagement with the Oregon Public Employees Retirement Board, we performed a system-wide actuarial valuation of the Oregon Public Employees Retirement System ("PERS" or "the System") as of December 31, 2024. Information to assist you in preparing your required financial reporting disclosures under Statement 68 and Statement 75 of the Governmental Accounting Standards Board (GASB) will be provided separately by PERS and is not included in this report.

This valuation is advisory and does not affect employer contribution rates. Employer contribution rates effective July 1, 2027 through June 30, 2029 will be calculated in the December 31, 2025 actuarial valuation and those rates will likely vary from the advisory rates shown in this report.

This report reflects the System's benefit provisions in effect as of December 31, 2024. The full development of the valuation results for the Tier One/Tier Two School District Pool, Oregon Public Service Retirement Plan (OPSRP), and the Retiree Health Insurance Account (RHIA) can be found in the separate system-wide actuarial valuation report. Costs of the IAP (Individual Account Program) are not included in this or the system-wide actuarial valuation report. Further, costs of pension obligation bond payments are not included in this or the system-wide actuarial valuation report.

If you have any questions about this report, please contact actuarial.services@pers.oregon.gov.

Contents of Report

The executive summary provides the basic information you need, including:

- Contribution rates for Tier One/Tier Two, OPSRP general service, and OPSRP police and fire payroll, and
- A summary of principal valuation results.

The remainder of the report provides additional information, including:

- Side account balances, transactions, and rate relief,
- A brief summary of methods and assumptions, and
- A brief summary of any changes in System benefit provisions.

Additional information is provided in the system-wide actuarial valuation report, which is available at www.oregon.gov/PERS/Pages/Financials/Actuarial-Financial-Information.aspx.

This work product was prepared solely for Oregon Public Employees Retirement System for the purposes stated herein, and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.



December 2025
School Districts/3000

The actuarial computations presented in this report are for purposes of estimating the contribution rates effective from July 2027 to June 2029 for System employers. The calculations in the enclosed report have been made on a basis consistent with our understanding of the System's funding requirements and goals, and with our understanding of the System benefit provisions described in the appendices of this report. Determinations for other purposes may be significantly different from the results contained in this report. Accordingly, additional determinations may be needed for other purposes.

Actuarial assumptions, including discount rates, mortality tables, and others identified in this report, and actuarial cost methods are adopted by the Board. The Board is responsible for selecting the System's funding policy, actuarial valuation methods, asset valuation methods, and assumptions. The policies, methods, and assumptions used in the valuation are those that have been so adopted and are described in this report. All costs, liabilities, rates of interest, and other factors for the System have been determined on the basis of actuarial assumptions and methods which, in our professional opinion, are individually reasonable (taking into account the experience of the System and reasonable expectations); and which, in combination, offer a reasonable estimate of anticipated future experience affecting the System and are expected to have no significant bias.

This valuation report is only an estimate of the System's financial condition as of a single date. It can neither predict the System's future condition nor guarantee future financial soundness. Actuarial valuations do not affect the ultimate cost of System benefits, only the timing of System contributions. While the valuation is based on an array of individually reasonable assumptions, other assumption sets may also be reasonable and valuation results based on those assumptions would be different. No one set of assumptions is uniquely correct.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as, but not limited to, the following: System experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or modifications to contribution calculations based on the System's funded status); and changes in System benefit provisions or applicable law. Due to the limited scope of this assignment, we did not perform an analysis of the potential range of future measurements. The Board has the final decision regarding the selection of the assumptions and actuarial cost methods and adopted them as indicated herein at the September 2025 Board Meeting.

In preparing this report, we relied, without audit, on information (some oral and some in writing) supplied by the System's staff. This information includes, but is not limited to, System benefit provisions as defined by statute, member census data, and financial information. We found this information to be reasonably consistent and comparable with information used for other purposes. The valuation results depend on the integrity of this information. If any of this information is inaccurate or incomplete our results may be different, and our calculations may need to be revised.

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December 2025
School Districts/3000

Milliman's work has been prepared for a specific and limited purpose solely for the use and benefit of the Oregon Public Employees Retirement System, the employer named above, or its auditors for the purpose of completing an audit related to matters herein. Milliman does not intend to benefit or create a legal duty to any third-party recipient of this work. It is a complex, technical analysis that assumes a high level of knowledge concerning the System's operations, and uses the System's data, which Milliman has not audited. No third-party recipient of Milliman's work product should rely upon this report. Such recipients should engage qualified professionals for advice appropriate to their own specific needs.

The valuation results were developed using models intended for valuations that use standard actuarial techniques. We have reviewed the models, including their inputs, calculations, and outputs, for consistency, reasonableness, and appropriateness to the intended purpose and in compliance with generally accepted actuarial practice and relevant actuarial standards of practice.


The consultants who worked on this assignment are actuaries. Milliman's advice is not intended to be a substitute for qualified legal or accounting counsel.


The signing actuaries are independent of the System. We are not aware of any relationship that would impair the objectivity of our work.

On the basis of the foregoing, we hereby certify that, to the best of our knowledge and belief, this report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the principles prescribed by the Actuarial Standards Board and the Code of Professional Conduct and Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States published by the American Academy of Actuaries. We are members of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein. Assumptions related to the healthcare trend (cost inflation) rates for the RHIPA program discussed in this report were determined by Milliman actuaries qualified in such matters.

Additional information is provided in the system-wide actuarial valuation report.

Sincerely,


Matt Larrabee, FSA, EA, MAAA
Principal and Consulting Actuary


Scott Preppernau, FSA, EA, MAAA
Principal and Consulting Actuary

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ACTUARIAL VALUATION REPORT DECEMBER 31, 2024

OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM

SCHOOL DISTRICT POOL

School Districts -- #3000

December 2025

Milliman

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Executive Summary

Milliman has prepared this report for School Districts to:

- Provide summary December 31, 2024 valuation results for the Tier One/Tier Two School District Pool, Oregon Public Service Retirement Plan (OPSRP), and the Retiree Health Insurance Account (RHIA),
- Provide advisory information calculated as of December 31, 2024 on estimated employer-specific contribution rates effective July 1, 2027 through June 30, 2029, and
- Provide employer-specific information on side accounts as of December 31, 2024.

This report summarizes the valuation results for the School District Pool, OPSRP, and RHIA. The full development of these results can be found in the December 31, 2024 system-wide actuarial valuation report. This report develops employer-specific side account rates and applies the results from the system-wide actuarial valuation to School Districts.

Retirement System Risks

Oregon PERS, like all defined benefit plans, is subject to various risks that will affect the future plan liabilities and contribution requirements, including investment risk, demographic risk, and contribution risk. While the results of an actuarial valuation are based on one set of reasonable assumptions, it is almost certain that future experience will not exactly match the assumptions. The section of the system-wide actuarial valuation report titled "Risk Disclosure" discusses the System's risks in more detail.

Employer Contribution Rates

The following tables summarize the advisory employer contribution rates effective July 1, 2027 through June 30, 2029 calculated as of December 31, 2024 and the employer contribution rates effective July 1, 2025 through June 30, 2027 calculated as of December 31, 2023 for each type of payroll. There are separate normal cost rates for each of the payrolls based on the benefit structure supported by that payroll. The other rates apply to all payrolls regardless of the benefit structure to which they are attributed.

The employer contribution rates effective July 1, 2025 through June 30, 2027 are as previously published and do not reflect subsequent changes such as supplemental payments made by the employer.

In this report, the payroll of Tier One and Tier Two members is referred to as Tier One/Tier Two valuation payroll. Combined valuation payroll refers to the payroll for Tier One/Tier Two members, OPSRP general service members, and OPSRP police and fire members.

As discussed in the system-wide actuarial valuation report, we believe the contribution rates shown in this report constitute "reasonable actuarially determined contributions" as defined in Actuarial Standards of Practice. See the system-wide actuarial valuation report for more detail.

Executive Summary

Employer Contribution Rates (continued)

Advisory 2027 - 2029 Employer Contribution Rates Calculated as of December 31, 2024

	Payroll	OPSRP	
		General Service	Police & Fire
Pension	Tier One/Tier Two		
Normal cost rate	14.81%	10.35%	15.74%
Tier One/Tier Two UAL rate ¹	13.95%	13.95%	13.95%
Multnomah Fire District #10 UAL rate	0.06%	0.06%	0.06%
OPSRP UAL rate	2.92%	2.92%	2.92%
Side account rate relief ²	0.00%	0.00%	0.00%
Member redirect offset ³	(2.40%)	(0.65%)	(0.65%)
Net employer pension contribution rate	29.34%	26.63%	32.02%
Retiree Healthcare			
Normal cost rate	0.03%	0.00%	0.00%
UAL rate	(0.03%)	0.00%	0.00%
Net retiree healthcare rate	0.00%	0.00%	0.00%
Total net employer contribution rate	29.34%	26.63%	32.02%

Employer Contribution Rates Effective July 1, 2025

	Payroll	OPSRP	
		General Service	Police & Fire
Pension	Tier One/Tier Two		
Normal cost rate	15.40%	10.47%	15.74%
Tier One/Tier Two UAL rate ¹	13.95%	13.95%	13.95%
Multnomah Fire District #10 UAL rate	0.06%	0.06%	0.06%
OPSRP UAL rate	2.69%	2.69%	2.69%
Side account rate relief ²	0.00%	0.00%	0.00%
Member redirect offset ³	(2.40%)	(0.65%)	(0.65%)
Net employer pension contribution rate	29.70%	26.52%	31.79%
Retiree Healthcare			
Normal cost rate	0.04%	0.00%	0.00%
UAL rate	(0.04%)	0.00%	0.00%
Net retiree healthcare rate	0.00%	0.00%	0.00%
Total net employer contribution rate	29.70%	26.52%	31.79%

¹ Includes any impact of rate collar developed in the system-wide actuarial valuation report. Rates effective July 1, 2025 do not reflect 1.68% reduction from Senate Bill 849.

² The side account rate relief shown may be reduced such that the net pension contribution rate does not go below 0.00%.

³ Redirected member contributions under Senate Bill 1049 (2.50% of payroll for Tier One/Tier Two and 0.75% of payroll for OPSRP) will offset employer contribution rates. Redirect does not apply to members with monthly pay below a threshold. The values shown in the table incorporate an estimate of the effect of this limitation.

Executive Summary

Employer Contribution Rates (continued)

Range of Potential Tier One/Tier Two UAL Contribution Rates for the July 2027 to June 2029 Biennium

The rate collar limits changes in the Tier One/Tier Two UAL Rate for the rate pool, but does not limit changes in rates for individual employers related to side accounts and does not limit the change in the normal cost rate. The table below shows the possible minimum and maximum Tier One/Tier Two UAL Rates for the School District Pool first effective as of July 1, 2027. The collar width, which in general is the amount the UAL Rate could increase or decrease from the current UAL Rate being paid, is 3% of pay. However, the UAL Rate is only allowed to decrease by the full collar width if the funded status (excluding side accounts) of the School District Pool is greater than or equal to 90%. The UAL Rate is not allowed to decrease at all if funded status is below 87%, and the allowable decrease is phased in for funded status levels from 87% to 90%.

For reference, the Pool's funded status excluding side accounts as of December 31, 2024 is 77%.

2025-2027 Biennium	2027-2029 Biennium	
	16.95%	<<<No higher than this
13.95%	13.95%	<<<No lower than this if December 31, 2025 funded status is 87% or lower
	10.95%	<<<No lower than this if December 31, 2025 funded status is 90% or higher

For individual school districts, the School District Pool rate is adjusted for any rate relief provided by a side account rate offset to determine the individual district's net contribution rate.

Normal Cost Rates

As seen on the prior page, the other large rate components are the normal cost rates for the Tier One/Tier Two and OPSRP programs. The normal cost rate represents the projected cost of benefits earned by current year service.

The normal cost rate in any biennium is driven by the active member demographics of the experience pooling groups in which the employer's members participate. While the active member census as of December 31, 2025 will be used to calculate the adopted 2027 - 2029 biennium normal cost rate, the active member census used in this advisory valuation should be similar for the large experience pooling groups.

Executive Summary

Accounting Information

Milliman is not an accounting or audit firm and cannot provide accounting advice. Milliman is not responsible for the interpretation of, or compliance with, accounting standards; citations to, and descriptions of accounting standards provided in this report are for reference purposes only. The information provided in this section is intended to assist the employer in completing its financial statements, but any accounting determination should be reviewed by your auditor.

Pension

In June 2012 the GASB issued Statement No. 68 (GASB 68), which replaced Statement No. 27 and governs employer financial reporting for fiscal years beginning after June 15, 2014. The new standard replaced many of the key elements of the prior reporting requirements. Under the new rules, employers are required to record a balance sheet liability for their unfunded pension obligations. In addition, the timing and coordination of plan and employer reporting has changed under the new requirements. GASB 68 information for employers will be provided separately by PERS and is not included in this report.

Retiree Healthcare

In June 2015, the GASB issued Statement No. 75 (GASB 75), which replaced Statement No. 45 and governs employer financial reporting for retiree healthcare obligations for fiscal years beginning after June 15, 2017. In general, the changes required by GASB 75 parallel those that occurred for pension reporting when GASB 68 replaced GASB 27. Accounting information for reporting the Retiree Health Insurance Account (RHIA) under GASB 75 will be provided separately and is not included in this report.

Executive Summary

Principal Valuation Results

A summary of principal valuation results from the current valuation and the prior valuation follows. Any changes in actuarial assumptions, methods, or plan provisions between the two valuations are described later in this report. More detailed information can be found in the system-wide actuarial valuation report.

District-specific valuation results are only shown for districts with a side account as valuation results for districts without a side account are fully summarized by the School District Pool results, which are shown on the next page.

School Districts

	Actuarial Valuation as of	
	December 31, 2024	December 31, 2023
Allocated pooled Tier One/Tier Two UAL	N/A	N/A
Allocated pooled OPSRP UAL	N/A	N/A
Side account	N/A	N/A
Net unfunded pension actuarial accrued liability	N/A	N/A
Combined valuation payroll	N/A	N/A
Net pension UAL as a percentage of payroll	N/A	N/A
Calculated Side Account Rate Relief	N/A	N/A
Allocated Pooled RHIA UAL	N/A	N/A

In the above exhibit, UAL amounts for the various pools (School District Tier One/Tier Two Pension, OPSRP, and RHIA) are allocated pro-rata based on the ratio of an employer's combined valuation payroll to the combined valuation payroll of the applicable pool. This allocation differs from the proportionate share of Net Pension Liability (NPL) that will be allocated to employers under GASB 68.

Executive Summary

Principal Valuation Results (continued)

School District Pool

(\$ in millions)	Actuarial Valuation as of	
	December 31, 2024	December 31, 2023
Normal cost	\$165.8	\$179.1
Tier One/Tier Two valuation payroll	1,119.7	1,162.8
Normal cost rate	14.81%	15.40%
Actuarial accrued liability	\$32,341.7	\$32,627.7
Actuarial value of assets	24,909.4	24,761.5
Unfunded actuarial accrued liability	7,432.3	7,866.2
Funded status	77%	76%
Combined valuation payroll	\$5,307.2	\$4,985.0
UAL as a percentage of payroll	140%	158%
UAL rate (includes Multnomah Fire District #10)	14.01%	14.01%
Tier One/Tier Two Active Members		
▪ Count	12,133	13,402
▪ Average Age	55.1	54.7
▪ Average Service	24.2	23.5
▪ Average Valuation Salary (in dollars)	\$92,289	\$86,764
Tier One/Tier Two Dormant Members		
▪ Count	8,071	8,605
▪ Average Age	59.5	59.0
▪ Average Monthly Benefit (in dollars)	\$1,246	\$1,213
Tier One/Tier Two Retirees and Beneficiaries		
▪ Count	71,473	71,424
▪ Average Age	75.0	74.6
▪ Average Monthly Benefit (in dollars)	\$2,602	\$2,540

In our opinion, the funded status measures shown in this report are appropriate for assessing the need for and amount of future contributions as part of an ongoing long-term funding policy. The funded status measures are not intended to estimate the cost of settling the System's obligations through an annuity purchase or similar transaction.

Executive Summary

Principal Valuation Results (continued)

OPSRP

(\$ in millions)	Actuarial Valuation as of	
	December 31, 2024	December 31, 2023
General service normal cost	\$1,219.2	\$1,103.9
OPSRP general service valuation payroll	11,785.1	10,546.7
General service normal cost rate	10.35%	10.47%
Police and fire normal cost	\$268.7	\$230.1
OPSRP police and fire valuation payroll	1,707.5	1,462.1
Police and fire normal cost rate	15.74%	15.74%
Actuarial accrued liability	\$19,529.6	\$17,041.2
Actuarial value of assets	15,192.1	12,952.4
Unfunded actuarial accrued liability	4,337.5	4,088.7
Funded status	78%	76%
Combined valuation payroll	\$16,670.4	\$15,316.5
UAL as a percentage of payroll	26%	27%
UAL rate	2.92%	2.69%

Retiree Healthcare

RHIA (\$ in millions)	Actuarial Valuation as of	
	December 31, 2024	December 31, 2023
Normal cost	\$1.0	\$1.2
Tier One/Tier Two valuation payroll	3,177.8	3,307.7
Normal cost rate	0.03%	0.04%
Actuarial accrued liability	\$305.5	\$329.8
Actuarial value of assets	739.4	729.9
Unfunded actuarial accrued liability	(433.9)	(400.2)
Funded status	242%	221%
Combined valuation payroll	\$16,670.4	\$15,316.5
UAL as a percentage of payroll	(3%)	(3%)
UAL rate	(0.03%)	(0.04%)

Side Account Information

Reconciliation of Side Accounts

The following table reconciles the total side account from the beginning of the year to the end of the year. Side account transfers were calculated by PERS and made on a monthly basis. The amount of these transfers is shown in the table below.

All information in this table has been provided by PERS.

	New	Continuing	Total
1. Side account as of December 31, 2023	N/A		
2. Deposits during 2024			
3. Administrative expenses			
4. Amount transferred to employer reserves during 2024			
5. Side account earnings during 2024			
6. Side account as of December 31, 2024 (1. + 2. + 3. + 4. + 5.)			

Side Account Information

Side Account Balances

	Deposit Date	Rate Offset End Date	December 31, 2024	December 31, 2023
Side Account 1			0	0
Side Account 2			0	0
Side Account 3			0	0
Side Account 4			0	0
Side Account 5			0	0
Total			\$0	\$0

Development of Side Account Rate

The rate relief attributable to an employer's side account is determined by amortizing the side account balance on the valuation date over a fixed period and expressing the result as a percentage of combined valuation payroll. For side accounts established prior to December 31, 2009, the fixed period ends December 31, 2027. For side accounts established at a later date, the default fixed period ends 18 years after the first rate-setting valuation following its creation, though employers can select a shorter period under certain specified circumstances. For employers with more than one side account, the total side account rate is determined by calculating the rate on each side account separately and adding the rates together.

December 31, 2024			December 31, 2023		
Combined valuation payroll			Combined valuation payroll		
0			0		
Side account balance	Amortization factor ^{1, 2}	Side account rate ¹	Side account balance	Amortization factor ^{1, 2}	Side account rate ¹
1. 0		0.00%	0		0.00%
2. 0		0.00%	0		0.00%
3. 0		0.00%	0		0.00%
4. 0		0.00%	0		0.00%
5. 0		0.00%	0		0.00%
Total	\$0	0.00%	\$0		0.00%

¹ Amortization factor and side account rate not shown for side accounts with less than two years remaining in the amortization period

² Effective December 31, 2022, includes adjustment for contribution lag as described in the system-wide actuarial valuation report

Brief Summary of Actuarial Methods and Assumptions

A detailed summary of the actuarial methods and assumptions used to prepare the December 31, 2024 valuation can be found in the system-wide actuarial valuation report.

Actuarial Methods and Valuation Procedures

A brief summary of the methods used in this valuation is shown below:

<i>Actuarial cost method</i>	Entry Age Normal.
<i>Amortization method</i>	<p>The UAL is amortized as a level percentage of combined payroll.</p> <p>The OPSRP UAL as of December 31, 2007 and experience in each subsequent biennium is amortized over a closed 16 year period.</p> <p>The Retiree Healthcare UAL as of December 31, 2007 and experience in each subsequent biennium is amortized over a closed 10-year period. If a Retiree Healthcare program is over 100% funded the actuarial surplus is amortized over a rolling 20-year period over Tier One/Tier Two payroll.</p> <p>Senate Bill 1049 was signed into law in June 2019 and required a one-time re-amortization of Tier One/Tier Two UAL over a closed 22-year period at the December 31, 2019 rate-setting actuarial valuation, which set actuarially determined contribution rates for the 2021-2023 biennium. Future Tier One/Tier Two gains and losses between subsequent odd-year valuations will be amortized as a level percentage of projected combined valuation payroll over a closed 20-year period.</p>
<i>Asset valuation method</i>	Market value of assets, excluding reserves.
<i>Contribution rate stabilization method (rate collar)</i>	<p>The contribution rate stabilization method, also referred to as the rate collar, is applied separately to OPSRP and to each Tier One/Tier Two experience sharing pool (State and Local Government Rate Pool, School Districts) and independent employer. The UAL Rate contribution rate component is confined to a collared range based on the prior biennium's collared UAL Rate and a defined collar width. The UAL Rate is not allowed to decrease if the funded status of the rate pool or employer is 87% or lower. The rate collar does not limit the change in the normal cost rate or changes for individual employers related to side accounts.</p> <p>For the 2025-27 biennium only, Senate Bill 849 reduced the School District Tier One/Tier Two UAL Rate by 1.68%. For purposes of this valuation, the starting point for the rate collar applied to the School District Tier One/Tier Two UAL Rate is the 2025-27 collared UAL Rate calculated in the December 31, 2023 rate-setting valuation, without regard for the effect of Senate Bill 849.</p>

Economic Assumptions

A brief summary of the key economic assumptions used in this valuation is shown below:

<i>Investment return</i>	6.90% compounded annually on system assets.
<i>Interest crediting</i>	<p>6.90% compounded annually on members' regular account balances.</p> <p>6.90% compounded annually on members' variable account balances.</p>
<i>Inflation</i>	2.40% per year.
<i>Payroll Growth</i>	3.40% per year.
<i>Healthcare cost trend</i>	Ranging from 6.2% in 2025 to 3.8% in 2073.
<i>Administrative Expenses</i>	\$72 million per year is added to the total system normal cost and allocated between Tier One/Tier Two and OPSRP based on valuation payroll.

Brief Summary of Actuarial Methods and Assumptions

Changes Since Last Valuation

The key changes since the December 31, 2023 actuarial valuation are described briefly below and are described in additional detail in the system-wide report.

Changes in Actuarial Methods and Allocation Procedures

- For the 2025-27 biennium only, Senate Bill 849 reduced the School District Tier One/Tier Two UAL Rate by 1.68%. For purposes of this valuation, the starting point for the contribution rate stabilization method (rate collar) applied to the School District Tier One/Tier Two UAL Rate is the 2025-27 collared UAL Rate calculated in the December 31, 2023 rate-setting valuation, without regard for the effect of Senate Bill 849.

Changes in Economic Assumptions

- Assumed administrative expenses were updated to a combined assumption of \$72 million for Tier One/Tier Two and OPSRP.
- The assumed healthcare cost trend rates for the RHIPA program were updated.

Changes in Demographic Assumptions

- The mortality assumptions were updated to use the new "Pub-2016" base tables, matched to PERS-specific mortality experience. For a complete table of rates, please refer to the 2024 Experience Study report for the System, published in July 2025.
- Disability and retirement rates were updated for certain groups to more closely reflect observed and anticipated future experience.
- The merit/longevity component assumption of individual member salary increases was updated for school district members.
- The unused sick leave assumption was adjusted for one of the nine member categories to reflect recently observed experience.
- Participation assumptions for both RHIA and RHIPA were updated.

A complete summary of all assumptions used as part of the December 31, 2024 actuarial valuation is contained in the system-wide actuarial valuation report.

Brief Summary of Changes in Plan Provisions

There were no changes in plan provisions since the December 31, 2023 actuarial valuation. A complete summary of the Tier One/Tier Two, OPSRP, RHIA, and RHIPA plan provisions valued is provided as part of the system-wide actuarial valuation report.

Glossary

Actuarial Accrued Liability

The portion of the present value of prospective benefits allocated to service and compensation before the valuation date in accordance with the actuarial cost method.

Actuarial Value of Assets

The value of assets used in calculating the required contributions. The actuarial value of assets may be equal to the fair market value of assets, or it may spread the recognition of certain investment gains or losses over a period of years in accordance with an asset valuation method.

Actuarial Assumptions

Assumptions as to the occurrence of future events affecting pension costs, such as: mortality, withdrawal, disablement and retirement, rates of investment earnings, and other relevant items.

Actuarial Cost Method

Sometimes called "funding method," a particular technique used by actuaries to establish the amount and incidence of the annual actuarial cost of pension plan benefits, or normal cost, and the related unfunded actuarial accrued liability. Ordinarily, the annual contribution to the plan comprises the normal cost and an amount for amortization of the unfunded actuarial accrued liability.

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, as determined in accordance with a particular actuarial cost method.

Actuarially Determined Contribution (ADC)

A potential payment to a pension plan determined by an actuary which is developed using an actuarial cost method and may use an amortization method, asset valuation, method, and/or an output smoothing method. The ADC for a plan may or may not be the amount actually paid by the plan sponsor or other contributing entity.

Combined Valuation Payroll

Projected payroll subject to PERS employer contribution rates for the calendar year following the valuation date for both Tier One/Tier Two and OPSRP active members. This payroll is used to calculate UAL rates.

Employer Contribution Rate

Consists of the normal cost rate and the UAL rates, plus adjustments for other items such as side account rate offsets.

Funded Status

The actuarial value of assets expressed as a percentage of the actuarial accrued liability.

Normal Cost

The annual cost allocated to the current year under the actuarial cost method in use. The normal cost divided by the applicable payroll is the normal cost rate.

OPSRP Valuation Payroll

Projected payroll subject to PERS employer contribution rates for the calendar year following the valuation date for OPSRP active members. This payroll is used to calculate OPSRP normal cost rates.

Glossary

Pre-SLGRP Liability/(Surplus)

The sum of Pre-SLGRP Pooled Liabilities and Transition Liabilities.

Pre-SLGRP Pooled Liability/(Surplus)

The difference between the total UAL and the UAL attributable to the SLGRP for a pool of employers that joined the SLGRP. There are currently two pre-SLGRP pools. One was created for State Agencies and Community Colleges when the SLGRP was formed. The other one was created when the Local Government Rate Pool joined the SLGRP.

Present Value

Sometimes called "actuarial present value," the estimated cost (as of the valuation date) of a series of future payments. The present value is determined by discounting the future payments at a predetermined rate of interest, taking into account the probability of payment.

Rate Collar

A contribution rate setting methodology that defines the maximum biennium-to-biennium change in the UAL contribution rate for a given experience-sharing pool.

Required Supplementary Information (RSI)

Schedules, statistical data, and other information that are an essential part of financial reporting and should be presented with, but are not part of, the basic financial statements of a governmental entity.

Statement No. 68 of the Governmental Accounting Standards Board (GASB 68)

The accounting standard governing a state or local governmental employer's accounting for pensions. The standard replaced GASB 27 for fiscal years beginning after June 15, 2014.

Statement No. 75 of the Governmental Accounting Standards Board (GASB 75)

The accounting standard governing a state or local governmental employer's accounting for post-employment benefits other than pensions. The standard replaced GASB Statement 45 for fiscal years beginning after June 15, 2017.

Tier One/Tier Two Valuation Payroll

Projected payroll subject to PERS employer contribution rates for the calendar year following the valuation date for Tier One and Tier Two active members. This payroll is used to calculate the Tier One/Tier Two normal cost rates.

Transition Liability/(Surplus)

The difference between the total UAL and the UAL attributable to the SLGRP for an individual employer that joined the SLGRP or the Local Government Rate Pool. The initial balance of liability or surplus is calculated at the time an employer joins the pool. That balance is then amortized over time via employer contribution rate charges (for a liability) or rate offsets (for a surplus).

Unfunded Accrued Liability (UAL)

The excess of the Actuarial Accrued Liability over the Actuarial Value of Assets. The UAL is divided by combined valuation payroll and an amortization factor to determine an initial pre-collar UAL rate. The final UAL rate can be adjusted by the rate collar.



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