

Arkansas Local Police and Fire Retirement System

Compiled Annual Actuarial Valuation Report
as of December 31, 2023



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Compiled Actuarial Valuation Report

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June 7, 2024

Board of Trustees
Arkansas Local Police and Fire
Retirement System
Little Rock, Arkansas

Dear Board Members:

Submitted in this report are the compiled results of the annual actuarial valuations for the Arkansas Local Police and Fire Retirement System (LOPFI). The date of the valuation was December 31, 2023.

This report was prepared at the request of the Board and is intended for use by the Retirement System and those designated or approved by the Board (including employers participating in LOPFI). This report may be provided to parties other than the System only in its entirety and only with the permission of the Board. GRS is not responsible for unauthorized use of this report.

The purposes of the valuation are to measure the funding progress in relation to the actuarial cost method and to determine the employer contribution rate for the Fiscal Year beginning January 1, 2025. These measurements were made in accordance with the basic financial objective of the Arkansas Local Police and Fire Retirement System (LOPFI): to establish and receive contributions which, expressed as a percent of active member payroll, will remain approximately level from generation-to-generation and when combined with present assets and future investment return will be sufficient to meet the financial obligations of LOPFI to present and future benefit recipients. Calculations required for compliance with the Governmental Accounting Standards Board (GASB) Statements No. 67 and No. 68 has been issued in a separate report.

This report should not be relied on for any purpose other than the purposes described herein. Determinations of financial results, associated with the benefits described in this report, for purposes other than those identified above may be significantly different.

Results of the 2023 actuarial valuations indicate that aggregate actuarial accrued liabilities are 74% covered by actuarial valuation assets. This result includes the 290 local police and fire pension and relief funds which are closed to new hires and for which LOPFI also serves as administrative agent. Continued receipt of computed employer and member contributions will improve this financial condition and allow LOPFI to continue to operate in sound condition in accordance with the actuarial principles of level cost financing.

The valuations were based upon data furnished to us concerning active and retired members and System assets as of December 31, 2023. The cooperation of the Executive Director and the LOPFI staff in furnishing the materials required for these valuations is acknowledged with appreciation. We checked for internal and year-to-year consistency, but did not audit the data. We are not responsible for the accuracy or completeness of the data provided by LOPFI staff.

The actuarial methods and assumptions used in making the valuations are shown in Section E of this report. The December 31, 2023 valuation was based upon demographic assumptions that were recommended in connection with a study of experience covering the period from January 1, 2017 through December 31, 2020, and the economic assumptions adopted by the Board in March 2022. These assumptions were established by the Board after consulting with the actuary as outlined in A.C.A. 24-10-205(a)(1). The combined effect of the assumptions, excluding prescribed assumptions or methods set by law, is expected to have no significant bias (i.e., not significantly optimistic or pessimistic).

To the best of our knowledge, this report is complete and accurate and was made in accordance with standards of practice promulgated by the Actuarial Standards Board of the American Academy of Actuaries and in conformance with Title 24 of the Arkansas Code, which gives the Board the authority to adopt the assumptions used in actuarial valuations. The Board has committed to an ongoing review of the actuarial assumptions. In our opinion, the assumptions used for the valuation produce results which, individually and in the aggregate, are reasonable.

Note that other assumptions and methods could also be reasonable and could result in materially different results. In addition, because it is not possible or practical to consider every possible contingency, we may use summary information, estimates or simplifications of calculations to facilitate the modeling of future events. We may also exclude factors or data that are deemed to be immaterial. Each actuarial valuation takes into account all prior differences between actual and assumed experience in each risk area and adjusts the contribution rates as needed.

Please be aware that future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as: plan experience differing from that anticipated by the economic and demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of the actuary's assignment, the actuary did not perform an analysis of the potential range of such future measurements.



The contribution rate in this report is determined using the actuarial assumptions and methods disclosed in Section E of this report. This report includes risk metrics on pages B-18 through B-21, but does not include a more robust assessment of the risks of future experience not meeting the actuarial assumptions. Additional assessment of risks was outside the scope of this assignment. We encourage a review and assessment of investment and other significant risks that may have a material effect on the plan's financial condition.

This report was prepared using our proprietary valuation model and related software which, in our professional judgment, has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.

This valuation assumed the continuing ability of the plan sponsor to make contributions necessary to fund this plan. A determination regarding whether or not the plan sponsor is actually able to do so is outside our scope of expertise and was not performed.

The actuaries who prepared this report have substantial experience valuing public employee retirement systems and are independent of the plan sponsor. Heidi G. Barry and Casey T. Ahlbrandt-Rains are Members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

If you have any questions concerning this report or LOPFI in general, please contact the LOPFI office.

Respectfully submitted,
Gabriel, Roeder, Smith & Company



Heidi G. Barry, ASA, FCA, MAAA



Casey T. Ahlbrandt-Rains, ASA, FCA, MAAA

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SECTION A

EXECUTIVE SUMMARY

Executive Summary

Comments

Comment 1: The December 31, 2023 actuarial valuations establish employer contribution rates for the fiscal year beginning in calendar year 2025. Contribution rates for 301 paid service departments were computed. In addition, Local Pension and Relief Fund departments under LOPFI administration were included to develop employer contribution rates for affected departments. The average contribution rate is 23.93% and results in a 17.7-year amortization period. This rate reflects the Board policy of increasing all individual location employer rates by 1% of pay until all or most employer rates can be merged into a single uniform paid service employer rate. The Board policy also reflects a maximum employer contribution rate of 24.00% for calendar year 2025. For Benefit Program 2 paid service departments participating in LOPFI, the uniform rate is the Benefit Program 1 rate plus a surcharge of 2.50%.

Comment 2: Due to changes enacted in the 2007 Session of the Arkansas General Assembly, all Benefit Program 3 volunteer service departments participating in LOPFI are charged a uniform rate for the calendar year. For calendar year 2025, that rate is \$60.00 per member per month (\$6.00 per member per month after allocation of Premium Tax money) which results in a 28.5-year amortization period. This rate was computed as \$60.00 (\$6.00 per member per month after allocation of Premium Tax money) in the prior valuation which resulted in a 26.4-year amortization period. For Benefit Program 4 volunteer service departments participating in LOPFI, the uniform rate is the Benefit Program 3 rate plus a surcharge of \$20.00.

Comment 3: Overall experience for the year ending December 31, 2023 was unfavorable, primarily as a result of larger payroll increases than expected. Experience losses totaled \$82.1 million or 2.0% of the actuarial accrued liabilities (see page B-17). The market value rate of return for the year ended December 31, 2023 was 15.4% while the recognized rate of return on the actuarial value of assets was 8.1%.

Comment 4: The ratio of actuarial value of assets to fair value of assets is currently 103.7%, as the actuarial value of assets exceeded the fair value of assets by \$118.5 million. If near-term experience matches valuation expectations, in particular that market value returns of 7.25% are achieved each year for the next four years, the phase-in of these yet to be recognized losses will increase the paid service employer contribution rate by 1.84% of active member payroll. Rather than increasing the employer contribution rate as the losses are phased-in, if the current policy is continued the effect of the phase-in will be increasing the amortization period by 3.5 years at the end of the phase-in.

Comment 5: Actuarial accrued liabilities, including both LOPFI and Local Pension and Relief Funds under LOPFI administration, totaled \$4.493 billion while actuarial valuation assets totaled \$3.313 billion. Hence, actuarial accrued liabilities are 74% covered by actuarial valuation assets as of December 31, 2023. Excluding the Local Funds, paid actuarial accrued liabilities are 76% covered by actuarial valuation assets.

Comment 6: There were no assumption changes, method changes or benefit provision changes for the December 31, 2023 actuarial valuation.

Executive Summary

Recommendation and Conclusion

Recommendation: We recommend that the Section 24-10-405(h)(1) limits be removed (or at least increased). This limit hinders the complete implementation of the single paid service employer rate and may, over the long run, impair the ability to maintain a sound retirement plan.

Conclusion: The Retirement System's financial objective is to meet long-term benefit obligations through contributions that remain approximately level from year-to-year as a percent of active member payroll. Continued receipt of these contributions is the best guarantee that the Retirement System will be able to pay all promised benefits when due.

Executive Summary – Other Observations

General Implications of Contribution Allocation Procedure or Funding Policy on Future Expected Plan Contributions and Funded Status

Given the plan's contribution allocation procedure, if all actuarial assumptions are met (including the assumption of the plan earning 7.25% on the actuarial value of assets), it is expected that:

- 1) The employer normal cost is sufficient to cover the cost of benefits accruing each year;
- 2) The unfunded actuarial accrued liabilities will be fully amortized after 17.7 years for paid service and 28.5 years for volunteer service; and
- 3) The funded status of the plan will increase gradually towards a 100% funded ratio.

Limitations of Funded Status Measurements

Unless otherwise indicated, a funded status measurement presented in this report is based upon the actuarial accrued liability and the actuarial value of assets. Unless otherwise indicated, with regard to any funded status measurements presented in this report:

- 1) The measurement is inappropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the plan's benefit obligations; in other words, of transferring the obligations to an unrelated third party in an arm's length fair value type transaction.
- 2) The measurement is dependent upon the actuarial cost method which, in combination with the plan's amortization policy, affects the timing and amounts of future contributions. A funded status measurement in this report of 100% is not synonymous with no required future contributions. If the funded status were 100%, the plan would still require future normal cost contributions (i.e., contributions to cover the cost of the active membership accruing an additional year of service credit).
- 3) The measurement would produce a different result if the fair value of assets were used instead of the actuarial value of assets, unless the fair value of assets is used in the measurement.

Limitations of Project Scope

Actuarial standards do not require the actuary to evaluate the ability of the plan sponsor or other contributing entity to make required contributions to the plan when due. Such an evaluation was not within the scope of this project and is not within the actuary's domain of expertise. Consequently, the actuary performed no such evaluation.

Risks to Future Employer Contribution Requirements

There are ongoing risks to future employer contribution requirements to which the Retirement System is exposed, such as:

- Actual and Assumed Investment Rate of Return;
- Actual and Assumed Wage Inflation;
- Actual and Assumed Mortality Rates; and
- Amortization Policy.



SECTION B

VALUATION RESULTS

LOPFI
Average Computed Employer Contribution Rate
for Paid Service Members

Computed December 31, 2023
for Plan Year Beginning January 1, 2025

Contributions	% of Active Payroll #
Normal Cost of Benefits:	
Age and Service	12.83%
Casualty	2.59%
Refunds	1.28%
Total	16.70%
Unfunded Accrued Liabilities *	14.73%
Total Contribution Requirement	31.43%
Member Portion @	7.50%
Employer Portion before Application of 24-10-405(h)(1) 1% Limit	23.93%
Employer Portion after Application of 24-10-405(h)(1) 1% Limit	23.93%

Includes DROP participant payroll.

* Unfunded actuarial accrued liabilities are amortized over a 17.7-year period.

@ Weighted average, Social Security covered members contribute 3.50% of pay, while members not covered by Social Security contribute 9.50% of pay.

LOPFI

Computed Employer Contributions for Paid Service Members by Department December 31, 2023[@]

Group	Number of Active Members	Number of Departments with Indicated Computed Employer Contributions Expressed as Percents of Active Member Payroll									Totals
		Under 16.99%	17.00% -17.99%	18.00% -18.99%	19.00% -19.99%	20.00% -20.99%	21.00% -21.99%	22.00% -22.99%	23.00% -23.99%	24.00% & Above	
12/31/2017 *	6,651	11	7	11	5	15	18	24	190	4	285
12/31/2018 #	6,755	7	5	7	11	5	15	46	189	5	290
12/31/2019	6,889	3	3	5	7	11	5	15	238	7	294
12/31/2020 #	6,916	2	1	3	5	7	11	5	253	8	295
12/31/2021 *	6,834	1	1	1	3	5	7	11	43	223	295
12/31/2022 #	7,017	1	-	1	1	2	5	7	55	224	296
12/31/2023	7,199	1	-	-	1	1	2	5	52	239	301
Paid Police:											
W/SS	2,488	1	-	-	1	1	-	2	24	156	185
W/O SS	1,567	-	-	-	-	-	2	1	2	9	14
Paid Fire:											
W/SS	210	-	-	-	-	-	-	-	17	21	38
W/O SS	2,934	-	-	-	-	-	-	2	9	53	64

Group	Number of Active Members	Number of Departments with Indicated Computed Employer Contributions Expressed as Percents of Active Member Payroll									Totals
		Under 9.00%	9.00% -9.99%	10.00% -10.99%	11.00% -11.99%	12.00% -12.99%	13.00% -13.99%	14.00% -14.99%	15.00% -15.99%	16.00% & Above	
12/31/2009	5,907	8	8	8	5	11	20	17	33	159	269
12/31/2010	5,949	7	6	6	13	6	17	18	27	174	274
12/31/2011	6,016	3	3	6	6	12	6	17	19	203	275
12/31/2012 *#	6,139	1	2	3	6	6	11	7	16	220	272
12/31/2013	6,245	1	-	2	3	5	6	11	6	238	272
12/31/2014	6,323	1	-	1	2	3	5	6	11	247	276
12/31/2015 *	6,430	1	-	-	1	2	3	5	7	266	285
12/31/2016	6,551	-	1	-	-	-	2	3	5	272	283

* After changes in actuarial valuation assumptions.

After legislated benefit changes.

@ Rules established by Board policy to implement uniform paid service rule applied on and after December 31, 2011. All paid service employer rates increased by the maximum allowed under law.



LOPFI
Computed Employer Contribution Rate
for Volunteer Service Members

Computed December 31, 2023
for Plan Year Beginning January 1, 2025

Contributions	\$ Per Member Per Month
Normal Cost of Benefits:	
Age and Service	\$ 26.57
Casualty	1.64
Refunds	-
Total	<u>28.21</u>
Unfunded Accrued Liabilities *	<u>31.79</u>
Total Contribution Requirement	60.00
Member Portion	-
Employer Portion	\$ 60.00

* Unfunded actuarial accrued liabilities were amortized over a 28.5-year period.

LOPFI
Reported Accrued Assets Available for Benefits
December 31, 2023

Group Type	No. #	Employer Accumulation Account	Members' Deposit Account	Retirement Reserve Account &	Totals @
Paid Police W/SS	185	\$ 145,504,924	\$ 27,828,513	\$ -	\$ 173,333,437
Paid Police W/O SS	14	155,469,742	89,452,731	-	244,922,473
Paid Fire W/SS	38	17,044,835	3,691,051	-	20,735,886
Paid Fire W/O SS	64	412,743,995	152,112,451	-	564,856,446
Subtotal	301	730,763,496	273,084,746	-	1,003,848,242
Volunteer Police and Fire	629	61,205,191	-	-	61,205,191
Retirants and Beneficiaries	-	-	-	1,836,552,151	1,836,552,151
Total	930	\$ 791,968,687	\$ 273,084,746	\$ 1,836,552,151	\$ 2,901,605,584

Number of departments with active participants as of December 31, 2023. Totals include accounts for departments with no active participants as of December 31, 2023.

& Includes DROP Reserve Account.

@ Does not include assets of \$292,897,132 invested by LOPFI on behalf of Pension and Relief Funds under LOPFI administration.

The Employer Accumulation Account represents employer contributions accumulated for the payment of annuities.

The Members' Deposit Account represents employee contributions for (1) monthly annuities upon future retirements and (2) refunds upon termination if a monthly annuity is not payable.

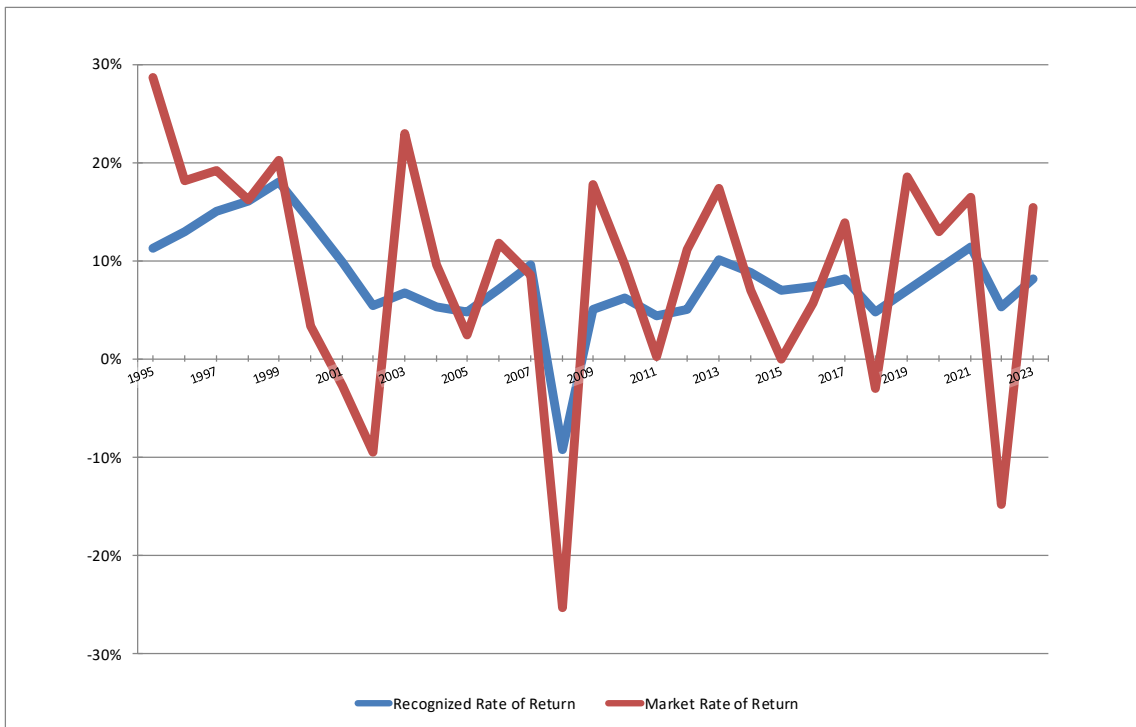
The Retirement Reserve Account represents employer and employee contributions accumulated for monthly annuities being paid to present retired lives.

LOPFI

Development of Actuarial Value of Retirement System Assets (Including Assets of Pension and Relief Fund Plans Under LOPFI Administration)

Year Ended December 31:	2019	2020	2021	2022	2023
A. Actuarial Value Beginning of Year	\$2,235,288,171	\$2,397,980,317	\$2,637,519,696	\$2,926,343,924	\$3,067,268,089
B. Fair Value End of Year	2,474,511,579	2,814,482,623	3,267,281,824	2,772,495,903	3,194,502,712
C. Fair Value Beginning of Year	2,079,853,157	2,474,511,579	2,814,482,623	3,267,281,824	2,772,495,903
D. Non-Investment Net Cash Flow	7,267,608	17,865,951	(10,375,288)	(13,034,709)	(3,882,297)
E. Investment Income					
E1. Market Total: B - C - D	387,390,814	322,105,093	463,174,489	(481,751,212)	425,889,106
E1(a). Assumed Rate of Return	7.50%	7.50%	7.50%	7.25%	7.25%
E2. Amount for Immediate Recognition	\$ 167,919,148	\$ 180,518,497	\$ 197,424,904	\$ 211,687,426	\$ 222,236,203
E3. Amount for Phased-In Recognition: E1-E2	219,471,666	141,586,596	265,749,585	(693,438,638)	203,652,903
F. Phased-In Recognition of Investment Income					
F1. Current Year: 0.20 x E3	43,894,333	28,317,319	53,149,917	(138,687,728)	40,730,581
F2. First Prior Year	(44,402,395)	43,894,333	28,317,319	53,149,917	(138,687,728)
F3. Second Prior Year	20,815,436	(44,402,395)	43,894,333	28,317,319	53,149,917
F4. Third Prior Year	(7,469,761)	20,815,436	(44,402,395)	43,894,333	28,317,319
F5. Fourth Prior Year	<u>(25,332,223)</u>	<u>(7,469,762)</u>	<u>20,815,438</u>	<u>(44,402,393)</u>	<u>43,894,334</u>
F6. Total Recognized Investment Gain	(12,494,610)	41,154,931	101,774,612	(57,728,552)	27,404,423
G. Actuarial Value End of Year: A + D + E2 + F6	2,397,980,317	2,637,519,696	2,926,343,924	3,067,268,089	3,313,026,418
120% Corridor	2,969,413,895	3,377,379,148	3,920,738,189	3,326,995,084	3,833,403,254
80% Corridor	1,979,609,263	2,251,586,098	2,613,825,459	2,217,996,722	2,555,602,170
Actuarial Value End of Year	2,397,980,317	2,637,519,696	2,926,343,924	3,067,268,089	3,313,026,418
H. Difference Between Fair & Actuarial Value	76,531,262	176,962,927	340,937,900	(294,772,186)	(118,523,706)
I. Recognized Rate of Return	6.94%	9.21%	11.37%	5.27%	8.14%
J. Market Rate of Return	18.59%	12.97%	16.49%	(14.77)%	15.37%
K. Ratio of Actuarial Value to Market Value	96.91%	93.71%	89.57%	110.63%	103.71%

LOPFI Comparison of Annual Market Rate to Recognized Rate



LOPFI

Summary of Valuation Assets, Actuarial Accrued Liabilities and Average Contribution Rate

Excluding Pension and Relief Funds Under LOPFI Administration

Paid Participants

Valuation Date ^	Number of Departments	Active Members	Actuarial Accrued Liabilities	Actuarial Valuation Assets	Unfunded Actuarial Accrued Liability	Funded Ratio*	Average Contribution Rate ¹	Average Contribution Rate ²	Amortization Period
12/31/2005	236	5,115	\$ 589,536,989	\$ 546,315,508	\$ 43,221,481	93 %	15.04 %		30
12/31/2006	247	5,328	679,947,017	633,759,848	46,187,169	93	15.11		30
12/31/2007	261	5,603	790,780,919	740,968,085	49,812,834	94	15.16	15.44 %	30
12/31/2008 #+	258	5,640	941,808,816	778,148,309	163,660,507	83	15.30	15.69	30
12/31/2009	269	5,907	1,089,212,977	765,350,382	323,862,595	70	17.25	18.79	30
12/31/2010	274	5,949	1,188,842,953	840,895,829	347,947,124	71	17.03	19.21	30
12/31/2011	275	6,016	1,307,344,445	928,177,445	379,167,000	71	18.01	19.63	30
12/31/2012 #+	272	6,139	1,434,209,374	1,031,482,975	402,726,399	72	18.97	18.97	22.3
12/31/2013	272	6,245	1,592,077,174	1,188,197,455	403,879,719	75	19.39	19.39	19.5
12/31/2014	276	6,323	1,734,569,468	1,335,956,221	398,613,247	77	20.12	20.12	16.3
12/31/2015 #	285	6,430	1,937,302,402	1,463,508,550	473,793,852	76	21.04	21.04	18.8
12/31/2016	283	6,551	2,101,909,805	1,607,578,162	494,331,643	76	21.90	21.90	16.8
12/31/2017 #	285	6,651	2,317,272,762	1,774,216,157	543,056,605	77	22.44	22.44	17.0
12/31/2018 +	290	6,755	2,477,962,759	1,890,785,753	587,177,006	76	22.84	22.84	16.1
12/31/2019	294	6,889	2,688,706,314	2,046,963,145	641,743,169	76	23.17	23.17	16.5
12/31/2020 +	295	6,916	2,887,310,723	2,256,519,852	630,790,871	78	23.38	23.38	13.8
12/31/2021 #	295	6,834	3,193,285,631	2,515,658,420	677,627,211	79	23.72	23.72	15.9
12/31/2022 +	296	7,017	3,465,248,173	2,653,811,204	811,436,969	77	23.83	23.83	17.8
12/31/2023	301	7,199	3,770,230,171	2,878,744,600	891,485,571	76	23.93	23.93	17.7

* If this ratio approximates 100%, it indicates that financial activity is operating within an expected range of reasonableness.

After changes in actuarial valuation assumptions.

+ After legislated benefit changes and Board policy changes.

^ Rules established by Board policy to implement uniform paid service rule applied on and after December 31, 2011. All paid service employer rates increased by the maximum allowed under law.

¹ With Section 24-10-405(h)(1) cap on rate increases as a result of plan experience.

² Without Section 24-10-405(h)(1) cap on rate increases as a result of plan experience.

LOPFI
Summary of Valuation Assets, Actuarial Accrued
Liabilities and Average Contribution Rate
Excluding Pension and Relief Funds Under LOPFI Administration
(Continued)

Volunteer Participants

Valuation Date	Number of Departments	Active Members	Actuarial Accrued Liabilities	Actuarial Valuation Assets	Unfunded Actuarial Accrued Liability	Funded Ratio*	Average Contribution Rate ^{&}	Amortization Period
12/31/2005	325	4,650	\$ 28,869,651	\$ 19,106,574	\$ 9,763,077	66 %	\$ 32.30	30
12/31/2006	341	4,905	33,214,438	21,250,207	11,964,231	64	33.91	30
12/31/2007	461	6,620	47,026,093	26,468,537	20,557,556	56	39.15	30
12/31/2008 #	457	6,603	53,074,090	24,187,269	28,886,821	46	46.14	30
12/31/2009	468	6,551	58,959,579	27,103,260	31,856,319	46	49.15	29
12/31/2010	485	6,734	64,586,619	32,173,609	32,413,010	50	49.62	28
12/31/2011	512	7,034	71,670,610	36,812,938	34,857,672	51	51.56	27
12/31/2012 #	511	7,029	78,626,100	42,114,214	36,511,886	54	53.75	26
12/31/2013	534	7,140	84,573,784	49,562,326	35,011,458	59	52.68	25
12/31/2014	554	7,347	90,183,301	57,093,309	33,089,992	63	52.68	20.7
12/31/2015 #	566	7,304	97,465,046	62,673,098	34,791,948	64	54.13	21.2
12/31/2016	573	7,391	103,714,962	69,786,157	33,928,805	67	55.62	18.5
12/31/2017 #	579	7,341	112,025,766	77,776,841	34,248,925	69	59.00	16.0
12/31/2018	596	7,461	118,978,599	83,364,148	35,614,451	70	59.00	16.7
12/31/2019	601	7,533	126,633,600	91,327,397	35,306,203	72	59.00	16.5
12/31/2020	602	7,508	133,866,429	101,496,995	32,369,434	76	59.00	13.1
12/31/2021 #	608	7,316	148,345,786	114,245,426	34,100,360	77	60.00	15.2
12/31/2022	618	7,251	164,296,294	120,522,577	43,773,717	73	60.00	26.4
12/31/2023	629	7,184	174,717,902	130,841,730	43,876,172	75	60.00	28.5

* If this ratio approximates 100%, it indicates that financial activity is operating within an expected range of reasonableness.

After changes in actuarial valuation assumptions.

& Beginning with the December 31, 2006 valuation, volunteer departments are not separately experience rated for employer contribution rate purposes.

LOPFI
Summary of Valuation Assets, Actuarial Accrued
Liabilities and Average Contribution Rate
Excluding Pension and Relief Funds Under LOPFI Administration
(Concluded)

Total Plan

Valuation Date	Number of Departments	Active Members	Actuarial Accrued Liabilities	Actuarial Valuation Assets	Unfunded Actuarial Accrued Liability	Funded Ratio*
12/31/2005	561	9,765	\$ 618,406,640	\$ 565,422,082	\$ 52,984,558	91 %
12/31/2006	588	10,233	713,161,455	655,010,055	58,151,400	92
12/31/2007	722	12,223	837,807,012	767,436,622	70,370,390	92
12/31/2008 #+	715	12,243	994,882,906	802,335,578	192,547,328	81
12/31/2009	737	12,458	1,148,172,556	792,453,642	355,718,914	69
12/31/2010	759	12,683	1,253,429,572	873,069,438	380,360,134	70
12/31/2011	787	13,050	1,379,015,055	964,990,383	414,024,672	70
12/31/2012 #+	783	13,168	1,512,835,474	1,073,597,189	439,238,285	71
12/31/2013	806	13,385	1,676,650,958	1,237,759,781	438,891,177	74
12/31/2014	830	13,670	1,824,752,769	1,393,049,530	431,703,239	76
12/31/2015 #	851	13,734	2,034,767,448	1,526,181,658	508,585,790	75
12/31/2016	856	13,942	2,205,624,767	1,677,364,319	528,260,448	76
12/31/2017 #	864	13,992	2,429,298,528	1,851,992,998	577,305,530	76
12/31/2018 +	886	14,216	2,596,941,358	1,974,149,901	622,791,457	76
12/31/2019	895	14,422	2,815,339,914	2,138,290,542	677,049,372	76
12/31/2020 +	897	14,424	3,021,177,152	2,358,016,847	663,160,305	78
12/31/2021 #	903	14,150	3,341,631,417	2,629,903,846	711,727,571	79
12/31/2022 +	914	14,268	3,629,544,467	2,774,333,781	855,210,686	76
12/31/2023	930	14,383	3,944,948,073	3,009,586,330	935,361,743	76

* If this ratio approximates 100%, it indicates that financial activity is operating within an expected range of reasonableness.

After changes in actuarial valuation assumptions.

+ After legislated benefit changes.



Other Results Associated with the Determination of Employer Contribution Rates Excluding Pension and Relief Funds Under LOPFI Administration

Terminated Vested Results*

The following table contains information regarding terminated vested member data used in the December 31, 2023 valuation. It includes projected benefits and the actuarial accrued liabilities associated with these benefits. The projected benefit reflects our best estimate of the ultimate benefit. The ultimate benefit will be based on the final average pay at termination.

The December 31, 2023 valuation included 10,265 terminated vested members from 903 departments.

Service Type	Number	Projected Benefits	Actuarial Accrued Liabilities	Average Age
Paid	5,347	\$ 13,617,914	\$ 109,962,176	42.5
Volunteer	4,918	5,263,107	40,460,467	50.6
Total	10,265	\$ 18,881,021	\$ 150,422,643	46.4

* The terminated vested data contains non-terminated vested members who are entitled to, but have not yet received, a refund from the System.

Active Inactive Results

Active Inactive refers to members who have terminated service with an employer, but are currently active with a different employer in LOPFI. The following table contains information regarding the active inactive member data used in the December 31, 2023 valuation. It includes the actuarial accrued liabilities associated with the service accrued from the terminated employer.

The December 31, 2023 valuation included 5,000 active inactive members from 815 departments.

Service Type	Number	Actuarial Accrued Liabilities	Average Age
Paid	2,047	\$ 97,321,992	39.7
Volunteer	2,953	7,903,525	40.5
Total	5,000	\$ 105,225,517	40.2

Other Results Associated with the Determination of Employer Contribution Rates Excluding Pension and Relief Funds Under LOPFI Administration (Concluded)

Retired Results

The following table contains information regarding retired member data used in the December 31, 2023 valuation. When a member retires, a reserve transfer is made to the Retirement Reserve Account to fully fund the liabilities associated with the benefit recipient.

The December 31, 2023 valuation included 8,833 retired members from 902 departments.

Service Type	Number	Annual Benefits	Actuarial Accrued Liabilities	Average Age at Valuation Date	Average Age at Retirement
Paid	4,483	\$ 122,146,331	\$ 1,725,236,498	59.5	52.9
Volunteer	4,350	5,275,730	64,720,740	63.4	57.0
Total	8,833	\$ 127,422,061	\$ 1,789,957,238	61.4	54.9

Deferred Retirement Option Plan (DROP) Results

The following table contains information regarding DROP member data used in the December 31, 2023 valuation. It includes current DROP account deposits, expected benefits at retirement and the actuarial accrued liabilities associated with these benefits.

The December 31, 2023 valuation included 363 DROP members from 97 departments.

Service Type	Number	Annual DROP Benefits	Expected Annual Benefits at Retirement	Actuarial Accrued Liabilities	Average Age at Valuation Date	Average Age at DROP
Paid	363	\$ 13,079,712	\$ 17,553,132	\$ 284,259,480	56.2	53.2

LOPFI and Local Plans Schedule of Funding Progress

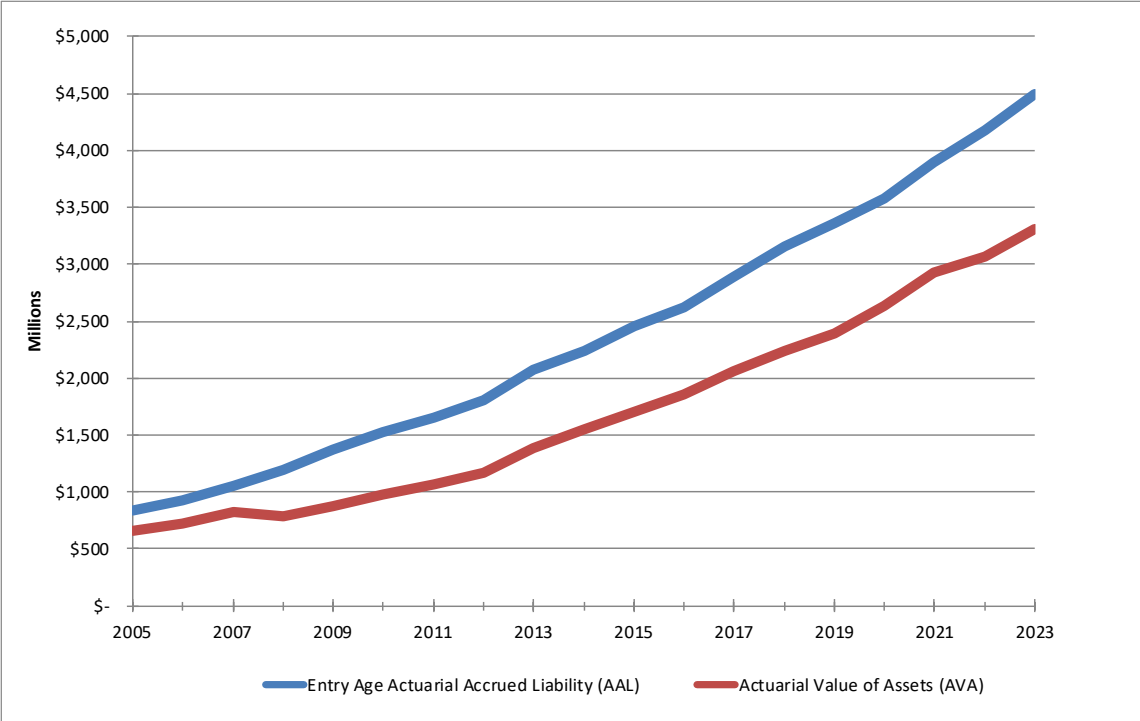
Actuarial Valuation Date	Actuarial Value of Assets (a)	Entry Age Actuarial Liability (AAL) (b)	Unfunded AAL (UAAL) (c) = (b) - (a)	Funded Ratio (d) = (a)/(b)	Annual Valuation Payroll (e)	UAAL as a Percentage of Valuation Payroll (f) = (c)/(e)
12/31/2005	\$ 653,546,976	\$ 842,926,984	\$ 189,380,008	78%	\$ 207,890,440	91%
12/31/2006	724,746,827	927,816,659	203,069,832	78%	222,107,556	91%
12/31/2007	827,546,002	1,054,599,720	227,053,718	78%	235,337,218	96%
12/31/2008 #+	788,633,082	1,200,515,663	411,882,581	66%	245,775,341	168%
12/31/2009	878,958,364	1,379,093,412	500,135,048	64%	265,123,993	189%
12/31/2010	982,154,992	1,519,527,855	537,372,863	65%	268,424,127	200%
12/31/2011	1,070,685,918	1,654,156,087	583,470,169	65%	275,850,081	212%
12/31/2012 #+	1,169,357,127	1,805,815,641	636,458,514	65%	284,595,308	224%
12/31/2013	1,391,830,575	2,069,345,139	677,514,564	67%	298,805,693	227%
12/31/2014	1,554,175,988	2,235,441,597	681,265,609	70%	307,760,404	221%
12/31/2015 #	1,702,593,072	2,455,768,287	753,175,215	69%	317,133,046	237%
12/31/2016	1,857,485,451	2,623,115,852	765,630,401	71%	326,307,029	235%
12/31/2017 #	2,066,004,218	2,892,057,540	826,053,322	71%	338,837,262	244%
12/31/2018 +	2,235,288,171	3,154,883,796	919,595,625	71%	350,825,283	262%
12/31/2019	2,397,980,317	3,365,160,599	967,180,282	71%	367,406,964	263%
12/31/2020 +	2,637,519,696	3,572,572,929	935,053,233	74%	379,736,069	246%
12/31/2021 #	2,926,343,924	3,895,299,842	968,955,918	75%	383,460,690	253%
12/31/2022 +	3,067,268,089	4,180,902,097	1,113,634,008	73%	410,696,540	271%
12/31/2023	3,313,026,418	4,492,688,851	1,179,662,433	74%	455,700,108	259%

After changes in actuarial valuation assumptions.

+ After legislated benefit changes and Board policy changes.

LOPFI and Local Plans

Actuarial Accrued Liability vs. Actuarial Value of Assets



LOPFI and Local Plans Schedule of Employer Contributions

Fiscal Year Ending	Annual Required Contribution	Percent Contributed
12/31/2009	\$ 53,051,887	100%
12/31/2010	58,654,842	100%
12/31/2011	61,818,119	100%
12/31/2012	66,648,849	100%
12/31/2013	73,092,900	100%
12/31/2014	82,447,373	100%
12/31/2015	85,473,297	100%
12/31/2016	89,923,898	100%
12/31/2017	96,071,994	100%
12/31/2018	104,016,627	100%
12/31/2019	113,692,346	100%
12/31/2020	119,262,176	100%
12/31/2021	123,130,126	100%
12/31/2022	129,285,608	100%
12/31/2023	143,365,628	100%

Short Condition Test Comparative Statement

LOPFI Plans

LOPFI Paid Service

Valuation Date December 31	Actuarial Accrued Liabilities for				Portion of Present Values Covered by Assets		
	Member Contributions	Current Retirees and Beneficiaries	Active and Inactive Members, Employer Financed Portion	Actuarial Value of Assets	(1)	(2)	(3)
	(1)	(2)	(3)				
2011	\$ 159,770,407	\$ 229,845,487	\$ 917,728,551	\$ 928,182,921	100	100	59 %
2012 #+	176,658,387	290,143,869	967,407,118	1,031,482,975	100	100	58
2013	189,555,199	357,817,076	1,044,704,899	1,188,207,688	100	100	61
2014	202,036,742	424,620,753	1,107,911,973	1,335,956,221	100	100	64
2015 #	211,502,055	526,188,884	1,199,611,463	1,463,508,560	100	100	61
2016	220,115,288	632,757,349	1,249,037,168	1,607,578,162	100	100	60
2017 #	229,228,802	760,264,654	1,327,779,306	1,774,216,157	100	100	59
2018 +	239,860,093	867,082,665	1,371,020,001	1,890,785,753	100	100	57
2019	244,796,596	1,022,434,924	1,421,474,794	2,046,963,145	100	100	55
2020 +	251,563,149	1,168,479,254	1,467,268,320	2,256,519,852	100	100	57
2021 #	254,808,504	1,394,652,805	1,543,824,322	2,515,658,420	100	100	56
2022 +	262,713,022	1,553,287,616	1,649,247,535	2,653,811,204	100	100	51
2023	273,084,746	1,725,236,498	1,771,908,927	2,878,744,600	100	100	50

LOPFI Volunteer Service

Valuation Date December 31	Actuarial Accrued Liabilities for				Portion of Present Values Covered by Assets		
	Member Contributions	Current Retirees and Beneficiaries	Active and Inactive Members, Employer Financed Portion	Actuarial Value of Assets	(1)	(2)	(3)
	(1)	(2)	(3)				
2011	\$ -	\$ 15,248,883	\$ 56,421,727	\$ 36,807,462	-	100	38 %
2012 #	-	18,410,957	60,215,143	42,114,214	-	100	39
2013	-	21,467,691	63,106,093	49,552,093	-	100	45
2014	-	24,443,482	65,739,819	57,093,309	-	100	50
2015 #	-	28,794,727	68,670,319	62,673,098	-	100	49
2016	-	31,622,143	72,092,819	69,786,157	-	100	53
2017 #	-	36,279,130	75,746,636	77,776,841	-	100	55
2018	-	39,876,740	79,101,859	83,364,148	-	100	55
2019	-	44,341,829	82,291,771	91,327,397	-	100	57
2020	-	48,621,919	85,244,510	101,496,995	-	100	62
2021 #	-	55,037,613	93,308,173	114,245,426	-	100	63
2022	-	59,306,887	104,989,407	120,522,577	-	100	58
2023	-	64,720,740	109,997,162	130,841,730	-	100	60

After changes in actuarial valuation assumptions.

+ After legislated benefit changes and Board policy changes.



Short Condition Test Comparative Statement

Local Plans

Local Paid Service

Valuation Date December 31	Actuarial Accrued Liabilities for				Portion of Present Values Covered by Assets		
	Member Contributions	Current Retirees and Beneficiaries	Active and Inactive Members, Employer Financed Portion	Actuarial Value of Assets	(1)	(2)	(3)
	(1)	(2)	(3)				
2011	\$ 2,450,310	\$ 226,494,886	\$ 32,836,591	\$ 99,201,212	100	43	- %
2012 #	2,123,678	248,990,760	28,111,237	88,851,483	100	35	-
2013	1,647,055	347,697,141	29,055,445	146,413,041	100	42	-
2014	1,734,546	357,077,348	36,767,436	152,308,676	100	42	-
2015 #	1,455,029	371,571,160	32,666,704	167,837,218	100	45	-
2016	1,595,793	372,340,632	27,740,698	171,109,243	100	46	-
2017 #	1,274,344	415,623,362	25,783,235	199,957,371	100	48	-
2018	1,158,476	509,574,301	24,638,215	244,799,518	100	48	-
2019	1,061,086	503,135,342	22,195,366	242,430,841	100	48	-
2020	847,168	506,805,254	21,006,978	261,734,327	100	51	-
2021 #	745,609	504,959,151	23,563,366	275,650,869	100	54	-
2022	597,719	504,926,084	20,013,360	271,010,385	100	54	-
2023	521,589	503,563,532	17,966,025	280,312,374	100	56	-

Local Volunteer Service

Valuation Date December 31	Actuarial Accrued Liabilities for				Portion of Present Values Covered by Assets		
	Member Contributions	Current Retirees and Beneficiaries	Active and Inactive Members, Employer Financed Portion	Actuarial Value of Assets	(1)	(2)	(3)
	(1)	(2)	(3)				
2011	\$ 16,968	\$ 13,046,463	\$ 295,814	\$ 6,494,323	100	50	- %
2012 #	17,401	13,196,487	540,604	6,908,455	100	52	-
2013	17,759	13,940,442	336,339	7,657,753	100	55	-
2014	17,778	14,706,680	385,040	8,817,782	100	60	-
2015 #	4,398	14,991,823	308,725	8,574,196	100	57	-
2016	6,919	15,514,259	292,784	9,011,889	100	58	-
2017 #	6,284	19,761,146	310,641	14,053,849	100	71	-
2018	6,461	22,310,984	254,001	16,338,752	100	73	-
2019	4,190	23,272,798	151,903	17,258,934	100	74	-
2020	4,277	22,583,013	149,087	17,768,522	100	79	-
2021 #	5,009	24,243,140	152,150	20,789,209	100	86	-
2022	3,912	25,667,465	149,090	21,923,923	100	85	-
2023	2,854	25,578,556	108,222	23,127,714	100	90	-

After changes in actuarial valuation assumptions.



Derivation of Actuarial Gain (Loss) Year Ended December 31, 2023 (LOPFI and Local Plans Combined)

The actuarial gains or losses realized in the operation of the Retirement System provide an experience test. Actual experience will never (except by coincidence) coincide exactly with assumed experience. It is expected that gains and losses will cancel each other over a period of years, but sizable year-to-year fluctuations are common. Detail on the derivation of the actuarial gain (loss) is shown below, along with a year-by-year comparative schedule.

(1) UAAL at start of year		\$ 1,113,634,008
(2) Employer normal cost from last valuation		39,541,689
(3) Actual employer contributions		143,365,628
(4) Interest accrual: $(1) \times 0.07250 + [(2)-(3)] \times (0.07250/2)$		76,974,848
(5) Expected UAAL before changes: $(1) + (2) - (3) + (4)$		1,086,784,917
(6) Change from benefit changes*		10,757,479
(7) Change from revised actuarial assumptions		-
(8) Expected UAAL after changes		1,097,542,396
(9) Actual UAAL at end of year		1,179,662,433
(10) Gain (Loss) $(8) - (9)$		(82,120,037)
(a) demographics		(109,524,460)
(b) investment return		27,404,423
(11) Gain (Loss) as percent of actuarial accrued liabilities at start of year	\$4,180,902,097	(2.0)%

* Includes unfunded liability associated with Local Pension Funds added during the year.

Valuation Date December 31	Actuarial Gain (Loss) as a Percentage of Beginning Accrued Liabilities
2014	(0.1) %
2015	(0.3)
2016	(0.5)
2017	(0.3)
2018	(2.6)
2019	(1.9)
2020	0.5
2021	2.4
2022	(3.1)
2023	(2.0)

Risks Associated with Measuring the Accrued Liability and Actuarially Determined Contribution

The determination of the accrued liability and the actuarially determined contribution requires the use of assumptions regarding future economic and demographic experience. Risk measures, as illustrated in this report, are intended to aid in the understanding of the effects of future experience differing from the assumptions used in the course of the actuarial valuation. Risk measures may also help with illustrating the potential volatility in the accrued liability and the actuarially determined contribution that result from the differences between actual experience and the actuarial assumptions.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions due to changing conditions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period, or additional cost or contribution requirements based on the Plan's funded status); and changes in plan provisions or applicable law. The scope of an actuarial valuation does not include an analysis of the potential range of such future measurements.

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

1. **Investment Risk** – actual investment returns may differ from the expected returns;
2. **Asset/Liability Mismatch** – changes in asset values may not match changes in liabilities, thereby altering the gap between the accrued liability and assets and consequently altering the funded status and contribution requirements;
3. **Contribution Risk** – actual contributions may differ from expected future contributions. For example, actual contributions may not be made in accordance with the plan's funding policy or material changes may occur in the anticipated number of covered employees, covered payroll, or other relevant contribution base;
4. **Salary and Payroll Risk** – actual salaries and total payroll may differ from expected, resulting in actual future accrued liability and contributions differing from expected;
5. **Longevity Risk** – members may live longer or shorter than expected and receive pensions for a period of time other than assumed; and
6. **Other Demographic Risks** – members may terminate, retire or become disabled at times or with benefits other than assumed resulting in actual future accrued liability and contributions differing from expected.

The effects of certain trends in experience can generally be anticipated. For example, if the investment return since the most recent actuarial valuation is less (or more) than the assumed rate, the cost of the plan can be expected to increase (or decrease). Likewise, if longevity is improving (or worsening), increases (or decreases) in cost can be anticipated.

The timely receipt of the actuarially determined contributions is critical to support the financial health of the plan. Users of this report should be aware that contributions made at the actuarially determined rate do not necessarily guarantee benefit security.



Plan Maturity Measures

Risks facing a pension plan evolve over time. A young plan with virtually no investments and paying few benefits may experience little investment risk. An older plan with a large number of members in pay status and a significant trust may be much more exposed to investment risk. Generally accepted plan maturity measures are discussed in the following pages. A historical summary of these plan maturity measures can be found on page B-21.

Funded Ratio

The funded ratio is the most widely known measure of a plan's financial strength, but the trend in the funded ratio is much more important than the absolute ratio. The funded ratio should trend to 100%. As it approaches 100%, it is important to re-evaluate the level of investment risk in the portfolio and potentially to re-evaluate the assumed rate of return.

Ratio of Actuarial Accrued Liability to Payroll

The relationship between actuarial accrued liability and payroll is a useful indicator of the potential volatility of contributions for a fully funded plan. A funding policy that targets a funded ratio of 100% is expected to result in the ratio of assets to payroll and the ratio of liability to payroll converging over time. AAL/Payroll is expected to grow as the System matures.

The ratio of liability to payroll may also be used as a measure of sensitivity of the liability itself. For example, if the actuarial accrued liability is 2.5 times the payroll, a change in liability 2% other than assumed would equal 5% of payroll. A higher (lower) or increasing (decreasing) level of this maturity measure generally indicates a higher (lower) or increasing (decreasing) volatility in liability (and also plan sponsor contributions) as a percentage of payroll.

Ratio of Fair Value of Assets to Payroll

The relationship between assets and payroll is a useful indicator of the potential volatility of contributions. For example, if the fair value of assets is 2.0 times the payroll, a return on assets 5% different than assumed would equal 10% of payroll. A higher (lower) or increasing (decreasing) level of this maturity measure generally indicates a higher (lower) or increasing (decreasing) volatility in plan sponsor contributions as a percentage of payroll.

Ratio of Unfunded Actuarial Accrued Liability to Payroll

The ratio of unfunded liability to payroll gives an indication of the plan sponsor's ability to actually pay off the unfunded liability. The ratio of the unfunded actuarial accrued liability to payroll is expected to trend toward 0% in 17.7 years for paid participants.

Plan Maturity Measures (Concluded)

Ratio of Net Cash Flow to Fair Value of Assets

The ratio of Net External Cash Flow to assets is an important measure of sustainability. Negative ratios are common and expected for a maturing system. In the longer term, this ratio should be on the order of approximately -4%. A ratio that is significantly more negative than that for an extended period could be a leading indicator of potential exhaustion of assets.

Duration of Present Value of Future Benefits

The duration of the present value of future benefits may be used to approximate the sensitivity to a 1% change in the assumed rate of return. For example, a duration of 10 indicates that the liability would increase approximately 10% if the assumed rate of return were lowered 1%.

Additional Risk Assessment

Additional risk assessment is outside the scope of the annual actuarial valuation. Additional assessment may include scenario tests, sensitivity tests, stochastic modeling, stress tests, and a comparison of the present value of accrued benefits at low-risk discount rates with the actuarial accrued liability.

LOPFI and Local Plans Risk Measures (\$ Millions)

Valuation Date Dec. 31	(1) Accrued Liabilities (AAL)	(2) Market Value of Assets	(3) Unfunded AAL (1)-(2)	(4) Valuation Payroll	(5) Funded Ratio (2)/(1)	(6) AAL/ Payroll (1)/(4)	(7) MV Assets/ Payroll (2)/(4)	(8) UAAL/ Payroll (3)/(4)	(9) Net External Cash Flow (NECF)	(10) NECF/ Assets (9)/(2)	(11) Modified Duration of PVFB
2008#+	\$ 1,201	\$ 657	\$ 543	\$ 246	55%	488%	267%	221%	\$ 39	6.0%	
2009	1,379	828	551	265	60%	520%	312%	208%	49	6.0%	
2010	1,520	956	564	268	63%	566%	356%	210%	47	4.9%	
2011	1,654	1,002	652	276	61%	600%	363%	237%	44	4.4%	
2012#+	1,806	1,159	647	285	64%	635%	407%	227%	43	3.7%	
2013	2,069	1,468	601	299	71%	693%	491%	201%	100	6.8%	
2014	2,235	1,610	625	308	72%	726%	523%	203%	37	2.3%	
2015#	2,456	1,647	809	317	67%	774%	519%	255%	37	2.3%	
2016	2,623	1,771	852	326	68%	804%	543%	261%	28	1.6%	
2017#	2,892	2,075	817	339	72%	853%	612%	241%	54	2.6%	
2018+	3,155	2,080	1,075	351	66%	899%	593%	306%	70	3.4%	15.7
2019	3,365	2,475	890	367	74%	917%	674%	243%	7	0.3%	15.0
2020+	3,573	2,814	759	380	79%	940%	741%	200%	18	0.6%	14.9
2021#	3,895	3,267	628	383	84%	1017%	853%	164%	(10)	-0.3%	14.8
2022+	4,181	2,772	1,409	411	66%	1017%	674%	343%	(13)	-0.5%	14.8
2023	4,493	3,195	1,298	456	71%	985%	701%	285%	(4)	-0.1%	14.9

LOPFI had experience studies and/or assumption changes in these years leading to a change or "true up" in actuarial assumptions. A pattern of periodic studies is a sign of a well-run system and suggests the extent to which the liability measures the actuary provides are likely to be realistic.

+ LOPFI had benefit changes in these years. Benefit increases cause liabilities to rise; benefit decreases cause liabilities to fall. In either case, benefit changes affect the year-by-year comparability of the measures on this page.

Short-term fluctuations will occur due to experience, plan changes, and assumption and method changes. Long-term expectations are described on the prior pages.

Low-Default-Risk Obligation Measure

Introduction

In December 2021, the Actuarial Standards Board (ASB) adopted a revision to Actuarial Standard of Practice (ASOP) No. 4, Measuring Pension Obligations and Determining Pension Plan Costs or Contributions. The revised ASOP No. 4 requires the calculation and disclosure of a liability referred to by the ASOP as the “Low-Default-Risk Obligation Measure” (LDROM). The rationale that the ASB cited for the calculation and disclosure of the LDROM was included in the Transmittal Memorandum of ASOP No. 4 and is presented below (emphasis added):

The ASB believes that the calculation and disclosure of this measure provides **appropriate, useful information for the intended user regarding the funded status of a pension plan**. The calculation and disclosure of this additional measure is **not intended to suggest that this is the “right” liability measure** for a pension plan. However, the ASB does believe that **this additional disclosure provides a more complete assessment of a plan’s funded status and provides additional information regarding the security of benefits that members have earned as of the measurement date**.

Comparing the Accrued Liabilities and the LDROM

One of the fundamental financial objectives of LOPFI is to finance each member’s retirement benefits over the period from the member’s date of hire until the member’s projected date of retirement (entry age actuarial cost method) as a level percentage of payroll. To fulfill this objective, the discount rate that is used to value the accrued liabilities of LOPFI is set equal to the **expected return** on the System’s diversified portfolio of assets (referred to sometimes as the investment return assumption). For LOPFI, the investment return assumption is 7.25%.

The LDROM is meant to approximately represent the lump sum cost to a plan to purchase low-default-risk fixed income securities whose resulting cash flows essentially replicate in timing and amount the benefits earned (or the costs accrued) as of the measurement date. The LDROM is very dependent upon market interest rates at the time of the LDROM measurement. The lower the market interest rates, the higher the LDROM, and vice versa. The LDROM results presented in this report are based on the projected unit credit actuarial cost method and discount rates based upon the December 2023 Treasury Yield Curve Spot Rates (monthly average). The 1-, 5-, 10- and 30-year rates follow: 4.96%, 4.06%, 3.94% and 4.15%.

Low-Default-Risk Obligation Measure

Presented below are the actuarial accrued liability and the LDROM as of December 31, 2023 for LOPFI.

Paid Service		
Type of Member	Valuation Accrued Liabilities	LDROM
Retirees	\$ 2,009,495,978	\$ 2,871,124,739
Deferreds	207,284,168	371,226,767
Actives	1,553,450,025	2,296,188,639
Totals	\$ 3,770,230,171	\$ 5,538,540,145

Volunteer Service		
Type of Member	Valuation Accrued Liabilities	LDROM
Retirees	\$ 64,720,740	\$ 88,956,852
Deferreds	48,363,992	84,425,351
Actives	61,633,170	87,106,244
Totals	\$ 174,717,902	\$ 260,488,447

Commentary Regarding the LDROM

Some ways in which the LDROM can assist the LOPFI Board of Trustees in a decision-making process include:

- (1) It provides information to potentially allow for better risk management for LOPFI.
- (2) It places the appropriateness of potential employer contribution rate reductions or benefit enhancements in a better context.
- (3) It provides more complete information regarding the benefit security of the membership's benefits earned as of the measurement date.

Potentially Allows for Better Risk Management: A very useful risk metric to exhibit potential contribution rate volatility (or amortization period volatility for fixed rate plans) is the ratio of assets to payroll or AAL to payroll. How could we reduce that potential contribution rate volatility (or amortization period volatility for fixed rate plans)? The LDROM and liability driven investing (LDI) are closely related concepts.

Low-Default-Risk Obligation Measure

Places the Appropriateness of Potential Employer Contribution Rate Reductions or Benefit

Enhancements in a Better Context: Many PERS have adopted a funding policy. Many funding policies already take into account the System's funded ratio (based upon the AAL) when considering whether to allow for benefit enhancements or contribution rate reductions. For example, a System may not allow for a benefit enhancement if the funded ratio does not exceed a certain threshold. Similarly, a System may not allow for an employer contribution rate reduction in some circumstances. For example, a reduction to the employer normal cost contribution may not be allowed until the System reaches a funded ratio of 120%. Given the fact that most criteria are based upon the expectation of earning the investment return assumption, a System may want to consider extending these criteria to a funded ratio based upon the LDROM in addition to the AAL.

Provides more Complete Information Regarding the Benefit Security of the Membership's Benefits

Earned as of the Measurement Date: Too often, a high funded ratio (e.g., 100% funded) on an AAL basis is interpreted as benefit security for the participants. The fact that this funded ratio is based upon an expected measure is many times overlooked. If the AAL and LDROM measures are relatively close, then the System at least has the opportunity to make benefits payable in the future more secure.

Results for Local Plans under LOPFI Administration Paid Service Plans as of December 31, 2023

Department	Actuarial Accrued Liability	Actuarial Valuation Assets	Unfunded Actuarial Accrued Liability	2025 Total Monthly Employer Rate*
Bald Knob Part-Paid Fire	\$ 110,988	\$ 128,416	\$ (17,428)	\$ -
Barling Fire	322,061	283,188	38,873	870
Beebe Fire	449,957	430,611	19,346	727
Bella Vista Fire	4,491,074	2,914,004	1,577,070	19,234
Benton Fire	8,444,033	4,376,164	4,067,869	39,175
Benton Police	2,276,596	2,336,909	(60,313)	10,556
Bentonville Fire	5,781,581	8,981,040	(3,199,459)	-
Blytheville Fire	3,072,846	2,016,128	1,056,718	12,472
Blytheville Police	2,269,130	2,547,117	(277,987)	7,066
Brinkley Fire	239,499	247,438	(7,939)	-
Brinkley Police	220,088	531,470	(311,382)	-
Cabot Fire	1,076,382	3,265,543	(2,189,161)	-
Cabot Police	965,140	4,096,306	(3,131,166)	-
Camden Fire	2,700,656	1,731,298	969,358	18,502
Camden Police	3,548,404	2,495,424	1,052,980	13,442
Centerton Fire	1,240,224	1,231,057	9,167	148
Clinton Fire	182,234	171,886	10,348	288
Conway Fire	9,008,376	7,111,230	1,897,146	57,436
Conway Police	8,369,087	7,103,021	1,266,066	49,904
Crossett Fire	3,014,179	2,521,767	492,412	5,083
Crossett Police	315,873	1,626,420	(1,310,547)	-
El Dorado Fire	5,269,108	486,709	4,782,399	43,223
El Dorado Police	3,297,102	(1,661,319)	4,958,421	50,083
Fayetteville Fire	11,290,061	1,827,715	9,462,346	73,265
Forrest City Fire	2,938,952	2,513,926	425,026	10,832
Forrest City Police	1,372,490	(166,935)	1,539,425	14,518
Fort Smith Fire	30,363,955	12,994,493	17,369,462	141,655
Fort Smith Police	25,113,607	9,710,307	15,403,300	141,480
Gentry Fire	868,146	770,676	97,470	961
Harrison Police	3,281,961	2,848,348	433,613	3,762
Heber Springs Fire	272,245	283,704	(11,459)	-
Heber Springs Police	1,214,064	1,607,316	(393,252)	5,486
Helena - West Helena Fire	2,836,762	2,071,124	765,638	18,675
Helena - West Helena Police	2,287,359	1,773,218	514,141	15,825
Hope Fire	1,743,778	1,755,145	(11,367)	209
Hot Springs Fire	15,232,221	(1,303,062)	16,535,283	137,949
Hot Springs Police	22,903,470	15,996,853	6,906,617	69,952
Hot Springs Village Fire	462,952	(21,679)	484,631	4,083
Hoxie Fire	113,970	112,274	1,696	496
Jonesboro Fire	11,351,467	(2,258,130)	13,609,597	112,673
Jonesboro Police	10,476,288	9,496,375	979,913	19,801

* The Total Monthly Employer Rate is the fixed monthly dollar amount charged to the Employer to cover Local Plan unfunded actuarial accrued liabilities.

Due to extreme uncertainty in financial markets at this time, the employer contribution established for calendar year 2025 will not be lower than the amount in effect for calendar year 2024.



Results for Local Plans under LOPFI Administration Paid Service Plans as of December 31, 2023 (Concluded)

Department	Actuarial Accrued Liability	Actuarial Valuation Assets	Unfunded Actuarial Accrued Liability	2025 Total Monthly Employer Rate*
Lincoln Fire	\$ 95,228	\$ 82,811	\$ 12,417	\$ 148
Little Rock Fire	84,787,708	43,310,105	41,477,603	283,048
Little Rock Police	86,486,021	47,542,122	38,943,899	337,627
Lowell Fire	387,754	1,066,818	(679,064)	-
Lowell Police	52,235	(39,654)	91,889	1,621
Magnolia Fire	2,730,876	2,767,207	(36,331)	6,356
Magnolia Police	1,386,197	979,505	406,692	3,993
Malvern Fire	1,268,782	1,917,844	(649,062)	-
Malvern Police	835,291	1,627,273	(791,982)	-
Marianna Fire	682,196	623,986	58,210	503
Marianna Police	577,459	622,906	(45,447)	2,610
McGehee Fire	358,487	388,611	(30,124)	-
McGehee Police	46,128	627,193	(581,065)	-
Mena Fire	576,275	660,037	(83,762)	83
Monticello Fire	500,822	794,650	(293,828)	-
Mountain Home Fire	4,227,099	1,615,974	2,611,125	21,341
Newport Fire	645,228	1,178,583	(533,355)	-
Newport Police	1,494,970	594,163	900,807	7,271
North Little Rock Fire	20,905,518	1,763,665	19,141,853	158,999
North Little Rock Police	19,132,986	(1,030,004)	20,162,990	173,185
Osceola Police	2,151,056	2,995,058	(844,002)	-
Paragould Fire	1,394,427	505,731	888,696	7,276
Paragould Police	2,169,570	469,036	1,700,534	14,532
Pine Bluff Fire	13,278,199	5,815,257	7,462,942	60,690
Pine Bluff Police	20,061,690	13,874,914	6,186,776	48,551
Pocahontas Fire	841,045	771,399	69,646	6,021
Russellville Fire	4,859,981	3,150,199	1,709,782	15,773
Russellville Police	5,820,248	5,725,301	94,947	893
Searcy Fire	4,225,383	(563,565)	4,788,948	39,565
Searcy Police	2,751,925	1,288,494	1,463,431	14,679
Stamps Fire	23,995	13,154	10,841	88
Stuttgart Fire	3,440,269	2,391,914	1,048,355	27,133
Stuttgart Police	1,115,477	1,596,394	(480,917)	1,108
Texarkana Fire	5,172,803	5,102,032	70,771	4,977
Trumann Fire	397,047	213,156	183,891	1,503
Van Buren Fire	1,565,038	531,603	1,033,435	11,213
Walnut Ridge Fire	1,315,871	569,821	746,050	6,087
Warren Fire	144,881	133,884	10,997	87
West Memphis Fire	8,475,131	7,436,239	1,038,892	11,087
West Memphis Police	4,468,498	6,403,923	(1,935,425)	-
Wynne Fire	412,986	282,046	130,940	1,353

* The Total Monthly Employer Rate is the fixed monthly dollar amount charged to the Employer to cover Local Plan unfunded actuarial accrued liabilities.

Due to extreme uncertainty in financial markets at this time, the employer contribution established for calendar year 2025 will not be lower than the amount in effect for calendar year 2024.



Results for Local Plans under LOPFI Administration Volunteer Service Plans as of December 31, 2023

Department	Actuarial Accrued Liability	Actuarial Valuation Assets	Unfunded Actuarial Accrued Liability	2025 Total Monthly Employer Rate*
Alzheimer Volunteer Fire	\$ 50,507	\$ 48,867	\$ 1,640	\$ 811
Altus Volunteer Fire	58,182	27,339	30,843	401
Amity Volunteer Fire	137,382	177,077	(39,695)	-
Arkansas City Volunteer Fire	25,619	(21,925)	47,544	467
Atkins Volunteer Fire	140,788	157,342	(16,554)	-
Augusta Volunteer Fire	93,238	123,080	(29,842)	-
Bald Knob Volunteer Fire	71,160	91,892	(20,732)	1,182
Barling Volunteer Fire	48,752	162,948	(114,196)	-
Bay Volunteer Fire	48,269	108,047	(59,778)	-
Bearden Volunteer Fire	54,038	85,060	(31,022)	-
Beebe Volunteer Fire	85,153	81,171	3,982	96
Bella Vista Volunteer Fire	58,698	30,714	27,984	279
Belleville Volunteer Fire	94,059	201,920	(107,861)	-
Benton Volunteer Fire	8,105	623	7,482	107
Bentonville Volunteer Fire	64,303	66,141	(1,838)	119
Berryville Volunteer Fire	286,463	313,131	(26,668)	-
Biscoe Volunteer Fire	75,017	(9,039)	84,056	769
Blytheville Volunteer Fire	11,174	3,641	7,533	110
Booneville Volunteer Fire	220,320	120,595	99,725	862
Bradford Volunteer Fire	109,924	72,318	37,606	437
Bradley Volunteer Fire	90,192	76,326	13,866	324
Brinkley Volunteer Fire	270,726	271,111	(385)	-
Bryant Volunteer Fire	59,898	64,611	(4,713)	307
Bull Shoals Volunteer Fire	101,311	117,800	(16,489)	19
Cabot Volunteer Fire	95,194	236,607	(141,413)	-
Caddo Valley Volunteer Fire	98,007	107,566	(9,559)	390
Caldwell Volunteer Fire	45,483	131,427	(85,944)	-
Calico Rock Volunteer Fire	36,974	111,479	(74,505)	-
Calion Volunteer Fire	60,190	119,452	(59,262)	-
Camden Volunteer Fire	128,596	69,762	58,834	762
Cammack Village Volunteer Fire	9,400	98,821	(89,421)	-
Caraway Volunteer Fire	131,778	(85,894)	217,672	2,108
Carlisle Volunteer Fire	288,034	145,581	142,453	1,207
Carthage Volunteer Fire	65,661	58,616	7,045	434
Cash Volunteer Fire	8,147	4,160	3,987	131

* The Total Monthly Employer Rate is the fixed monthly dollar amount charged to the Employer to cover Local Plan unfunded actuarial accrued liabilities.

Due to extreme uncertainty in financial markets at this time, the employer contribution established for calendar year 2025 will not be lower than the amount in effect for calendar year 2024.



Results for Local Plans under LOPFI Administration Volunteer Service Plans as of December 31, 2023 (Continued)

Department	Actuarial Accrued Liability	Actuarial Valuation Assets	Unfunded Actuarial Accrued Liability	2025 Total Monthly Employer Rate*
Cave City Volunteer Fire	\$ 104,142	\$ (655)	\$ 104,797	\$ 1,033
Centerton Volunteer Fire	300,853	244,478	56,375	516
Charleston Volunteer Fire	290,599	623,419	(332,820)	-
Chidester Volunteer Fire	45,590	37,896	7,694	272
Clarendon Volunteer Fire	222,133	282,072	(59,939)	166
Clarksville Volunteer Fire	735,009	1,280,399	(545,390)	-
Clinton Volunteer Fire	345,139	288,544	56,595	1,558
Coal Hill Volunteer Fire	31,122	(4,088)	35,210	521
Conway Volunteer Fire	-	(1,332)	1,332	-
Cooterneck Volunteer Fire	111,651	(15,334)	126,985	1,265
Corning Volunteer Fire	108,826	118,773	(9,947)	138
Cotter Volunteer Fire	29,312	29,716	(404)	130
Cotton Plant Volunteer Fire	47,654	53,896	(6,242)	585
Crawfordsville Volunteer Fire	126,324	104,174	22,150	192
Crossett Volunteer Fire	185,219	147,104	38,115	387
Danville Volunteer Fire	84,053	32,103	51,950	462
Decatur Volunteer Fire	129,670	142,413	(12,743)	-
DeQueen Volunteer Fire	287,586	407,604	(120,018)	-
Des Arc Volunteer Fire	252,712	445,157	(192,445)	-
Devalls Bluff Volunteer Fire	123,059	10,930	112,129	1,170
Dewitt Volunteer Fire	204,444	213,594	(9,150)	671
Diaz Volunteer Fire	127,238	120,594	6,644	1,185
Dover Volunteer Fire	53,196	69,088	(15,892)	962
Elaine Volunteer Fire	152,706	175,408	(22,702)	-
Elkins Volunteer Fire	267,301	234,288	33,013	302
Emmet Volunteer Fire	78,119	55,686	22,433	269
England Volunteer Fire	212,933	202,969	9,964	537
Eudora Volunteer Fire	111,321	172,797	(61,476)	-
Farmington Volunteer Fire	105,310	118,411	(13,101)	399
Fayetteville Volunteer Fire	15,375	1,358	14,017	154
Fisher Volunteer Fire	23,490	(603)	24,093	241
Flippin Volunteer Fire	218,359	219,529	(1,170)	-
Forrest City Volunteer Fire	-	(1,315)	1,315	84
Garland Volunteer Fire	49,969	49,507	462	6
Gassville Volunteer Fire	238,646	167,877	70,769	603

* The Total Monthly Employer Rate is the fixed monthly dollar amount charged to the Employer to cover Local Plan unfunded actuarial accrued liabilities.

Due to extreme uncertainty in financial markets at this time, the employer contribution established for calendar year 2025 will not be lower than the amount in effect for calendar year 2024.



Results for Local Plans under LOPFI Administration Volunteer Service Plans as of December 31, 2023 (Continued)

Department	Actuarial Accrued Liability	Actuarial Valuation Assets	Unfunded Actuarial Accrued Liability	2025 Total Monthly Employer Rate*
Gentry Volunteer Fire	\$ 386,921	\$ 355,135	\$ 31,786	\$ 326
Gillett Volunteer Fire	166,385	229,345	(62,960)	-
Gosnell Volunteer Fire	36,017	(609)	36,626	346
Gould Volunteer Fire	39,147	48,984	(9,837)	162
Grady Volunteer Fire	97,333	115,814	(18,481)	-
Gravette Volunteer Fire	94,580	126,825	(32,245)	40
Green Forest Volunteer Fire	85,392	70,921	14,471	413
Greenwood Volunteer Fire	198,684	153,863	44,821	487
Greers Ferry Volunteer Fire	136,562	143,535	(6,973)	-
Grover Township Volunteer Fire	97,208	86,055	11,153	721
Grubbs Volunteer Fire	34,436	26,899	7,537	278
Gurdon Volunteer Fire	236,829	276,126	(39,297)	-
Hamburg Volunteer Fire	367,168	216,688	150,480	1,282
Hampton Volunteer Fire	195,091	49,704	145,387	1,279
Hardin Volunteer Fire	58,951	56,085	2,866	463
Hardy Volunteer Fire	151,656	134,171	17,485	752
Harrisburg Volunteer Fire	32,184	330,636	(298,452)	-
Hartford Volunteer Fire	13,821	71,562	(57,741)	-
Hazen Volunteer Fire	231,777	184,923	46,854	340
Heber Springs Volunteer Fire	206,861	313,729	(106,868)	-
Helena - West Helena Volunteer Fire	132,360	69,650	62,710	882
Hermitage Volunteer Fire	31,433	(16,124)	47,557	495
Hickory Ridge Volunteer Fire	312,662	293,887	18,775	414
Holiday Island Volunteer Fire	26,212	23,643	2,569	274
Holly Grove Volunteer Fire	26,307	36,897	(10,590)	-
Hope Volunteer Fire	16,792	32,967	(16,175)	-
Horatio Volunteer Fire	128,937	142,020	(13,083)	5
Hot Springs Village Volunteer Fire	43,628	(20,722)	64,350	678
Hoxie Volunteer Fire	25,622	31,447	(5,825)	770
Humphrey Volunteer Fire	34,971	43,575	(8,604)	-
Huntington Volunteer Fire	39,478	49,065	(9,587)	183
Huntsville Volunteer Fire	177,499	226,157	(48,658)	-
Huttig Volunteer Fire	133,288	211,802	(78,514)	-
Imboden Volunteer Fire	204,772	28,527	176,245	1,567
Jasper Volunteer Fire	88,819	(6,966)	95,785	846

* The Total Monthly Employer Rate is the fixed monthly dollar amount charged to the Employer to cover Local Plan unfunded actuarial accrued liabilities.

Due to extreme uncertainty in financial markets at this time, the employer contribution established for calendar year 2025 will not be lower than the amount in effect for calendar year 2024.



Results for Local Plans under LOPFI Administration Volunteer Service Plans as of December 31, 2023 (Continued)

Department	Actuarial Accrued Liability	Actuarial Valuation Assets	Unfunded Actuarial Accrued Liability	2025 Total Monthly Employer Rate*
Joiner Volunteer Fire	\$ 45,783	\$ 28,816	\$ 16,967	\$ 419
Jonesboro Volunteer Fire	-	(37,909)	37,909	708
Junction City Volunteer Fire	94,361	165,903	(71,542)	-
Keiser Volunteer Fire	72,138	38,087	34,051	372
Kensett Volunteer Fire	72,157	54,587	17,570	224
Lake City Volunteer Fire	107,854	89,462	18,392	340
Lake Village Volunteer Fire	118,698	123,621	(4,923)	79
Lavaca Volunteer Fire	92,944	71,119	21,825	1,040
Leachville Volunteer Fire	57,135	99,581	(42,446)	-
Lepanto Volunteer Fire	101,896	104,943	(3,047)	-
Lewisville Volunteer Fire	58,942	54,417	4,525	189
Lincoln Volunteer Fire	103,105	83,604	19,501	232
Lockesburg Volunteer Fire	102,391	92,831	9,560	420
Lowell Volunteer Fire	21,202	65,643	(44,441)	-
Luxora Volunteer Fire	25,170	250,184	(225,014)	-
Magazine Volunteer Fire	105,273	(20,630)	125,903	1,183
Magnolia Volunteer Fire	95,331	72,262	23,069	646
Malvern Volunteer Fire	20,356	73,370	(53,014)	-
Mammoth Spring Volunteer Fire	86,344	42,730	43,614	413
Mansfield Volunteer Fire	54,156	55,109	(953)	144
Marianna Volunteer Fire	237,628	236,174	1,454	16
Marion Volunteer Fire	267,955	90,948	177,007	1,538
Marked Tree Volunteer Fire	142,542	376,947	(234,405)	-
Marmaduke Volunteer Fire	64,237	25,931	38,306	257
Marshall Volunteer Fire	241,502	(2,355)	243,857	2,213
Marvell Volunteer Fire	98,611	83,475	15,136	712
McCrary Volunteer Fire	120,960	233,582	(112,622)	-
McGehee Volunteer Fire	37,767	33,811	3,956	173
McNeil Volunteer Fire	71,518	82,225	(10,707)	-
McRae Volunteer Fire	31,624	18,144	13,480	411
Melbourne Volunteer Fire	78,612	(46,385)	124,997	1,241
Mena Volunteer Fire	17,545	154,497	(136,952)	-
Mineral Springs Volunteer Fire	39,669	63,296	(23,627)	-
Monette Volunteer Fire	97,861	(11,673)	109,534	1,060
Monticello Volunteer Fire	194,882	310,490	(115,608)	-

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Due to extreme uncertainty in financial markets at this time, the employer contribution established for calendar year 2025 will not be lower than the amount in effect for calendar year 2024.



Results for Local Plans under LOPFI Administration Volunteer Service Plans as of December 31, 2023 (Continued)

Department	Actuarial Accrued Liability	Actuarial Valuation Assets	Unfunded Actuarial Accrued Liability	2025 Total Monthly Employer Rate*
Montrose Volunteer Fire	\$ 24,213	\$ 23,379	\$ 834	\$ 412
Moro Volunteer Fire	53,720	48,399	5,321	425
Mount Ida Volunteer Fire	279,134	365,735	(86,601)	-
Mountain Home Volunteer Fire	50,303	(91,275)	141,578	1,361
Mountain View Volunteer Fire	631,956	246,831	385,125	3,257
Mulberry Volunteer Fire	143,203	201,847	(58,644)	-
Murfreesboro Volunteer Fire	114,822	(80,543)	195,365	1,890
Newark Volunteer Fire	100,542	83,864	16,678	270
Newport Volunteer Fire	42,376	84,926	(42,550)	-
Norman Volunteer Fire	29,076	51,219	(22,143)	-
Norphlet Volunteer Fire	44,435	65,843	(21,408)	-
North Crossett Volunteer Fire	59,499	(45,530)	105,029	952
Ola Volunteer Fire	209,395	259,824	(50,429)	-
Oppelo Volunteer Fire	120,013	80,016	39,997	435
Ozark Volunteer Fire	936,680	930,479	6,201	51
Pangburn Volunteer Fire	192,094	200,409	(8,315)	-
Paragould Volunteer Fire	13,271	(21,970)	35,241	353
Paris Volunteer Fire	172,327	170,044	2,283	116
Parkin Volunteer Fire	65,113	11,343	53,770	496
Perla Volunteer Fire	9,346	6,007	3,339	530
Perryville Volunteer Fire	87,502	63,189	24,313	700
Piggott Volunteer Fire	423,917	307,465	116,452	1,276
Plainview Volunteer Fire	113,247	94,321	18,926	712
Plumerville Volunteer Fire	319,430	90,182	229,248	2,023
Pocahontas Volunteer Fire	53,312	39,145	14,167	1,469
Portland Volunteer Fire	80,721	158,348	(77,627)	-
Prescott Volunteer Fire	108,481	147,187	(38,706)	-
Pulaski County Fire Protection District 5	79,268	(46,283)	125,551	1,035
Rector Volunteer Fire	96,415	77,450	18,965	395
Rison Volunteer Fire	345,538	142,562	202,976	1,710
Russell Volunteer Fire	28,456	33,911	(5,455)	441
Russellville Volunteer Fire	604,193	377,456	226,737	3,244
Salem Volunteer Fire	132,429	63,372	69,057	512
Searcy Volunteer Fire	59,241	(103,934)	163,175	1,616
Shannon Hills FD Volunteer Fire	64,570	(797)	65,367	589

* The Total Monthly Employer Rate is the fixed monthly dollar amount charged to the Employer to cover Local Plan unfunded actuarial accrued liabilities.

Due to extreme uncertainty in financial markets at this time, the employer contribution established for calendar year 2025 will not be lower than the amount in effect for calendar year 2024.



Results for Local Plans under LOPFI Administration Volunteer Service Plans as of December 31, 2023 (Concluded)

Department	Actuarial Accrued Liability	Actuarial Valuation Assets	Unfunded Actuarial Accrued Liability	2025 Total Monthly Employer Rate*
Sheridan Volunteer Fire	\$ 87,474	\$ 122,777	\$ (35,303)	\$ -
Smackover Volunteer Fire	344,882	349,577	(4,695)	342
Sparkman Volunteer Fire	166,703	162,204	4,499	536
St. Francis Volunteer Fire	33,133	(1,036)	34,169	327
Stamps City Volunteer Fire	182,397	116,970	65,427	567
Star City Volunteer Fire	375,589	222,806	152,783	1,990
Stephens Volunteer Fire	143,571	232,362	(88,791)	-
Strong Volunteer Fire	54,544	82,378	(27,834)	-
Stuttgart Volunteer Fire	50,173	9,679	40,494	991
Sulphur Springs Volunteer Fire	54,782	53,621	1,161	246
Swifton Volunteer Fire	88,355	77,039	11,316	1,342
Taylor Volunteer Fire	158,382	30,922	127,460	1,019
Thornton Volunteer Fire	137,884	(27,990)	165,874	1,619
Tillar Volunteer Fire	53,645	42,679	10,966	247
Tracy Area Volunteer Fire	28,562	15,324	13,238	454
Trumann Volunteer Fire	47,320	27,700	19,620	167
Tuckerman Volunteer Fire	44,433	(16,451)	60,884	655
Turrell Volunteer Fire	10,454	10,500	(46)	123
Tyronza Volunteer Fire	123,813	(12,153)	135,966	1,351
Vilonia Volunteer Fire	95,764	104,346	(8,582)	641
Viola Volunteer Fire	85,227	(20,366)	105,593	1,045
Wabbeska Volunteer Fire	62,288	(3,411)	65,699	593
Waldo Volunteer Fire	29,314	39,526	(10,212)	628
Walnut Ridge Volunteer Fire	298,878	60,792	238,086	2,237
Warren Volunteer Fire	213,077	192,662	20,415	173
Washington Volunteer Fire	25,138	12,423	12,715	132
Weiner Volunteer Fire	239,336	103,138	136,198	889
West Point Volunteer Fire	38,663	42,634	(3,971)	252
Wheatley Volunteer Fire	71,180	80,725	(9,545)	99
White Hall Volunteer Fire	101,762	101,075	687	112
Wilmot Volunteer Fire	54,147	73,626	(19,479)	-
Wilson Volunteer Fire	80,322	74,808	5,514	252
Wynne Volunteer Fire	102,468	46,049	56,419	595

* The Total Monthly Employer Rate is the fixed monthly dollar amount charged to the Employer to cover Local Plan unfunded actuarial accrued liabilities.

Due to extreme uncertainty in financial markets at this time, the employer contribution established for calendar year 2025 will not be lower than the amount in effect for calendar year 2024.



LOPFI Level Dollar Contributions

December 31, 2023

Departments with Active Members in Other Departments

Department		Actuarial	Actuarial	Unfunded		2025
Name	Number	Accrued Liabilities	Value Assets	Actuarial Liabilities (UAAL)	Amort. Years	Total Monthly Employer Rate
Alzheimer Police	24822	\$ 303,122	\$ 218,631	\$ 84,491	6	\$ 1,298
Bauxite Police	112023	448,054	184,912	263,142	14	2,216
Caddo Valley Fire	268233	113,650	107,934	5,716	Layered #	543
Chidester Police	338723	29,595	34,683	(5,088)	Layered #	-
Town of Concord Police	377822	109,364	212,872	(103,508)	12	-
Dyess Police	526622	2,296	23,502	(21,206)	Layered #	-
East Camden Police	536322	134,172	197,050	(62,878)	14	-
Evening Shade Police	587822	2,804	13,714	(10,910)	14	-
Foreman Police	635122	229,718	356,327	(126,609)	7	-
Gillett Police	713722	309,437	(136,029)	445,466	14	4,019
Higginson Police	884222	4,934	18,549	(13,615)	5	-
Town of Highfill Fire	885032	113,397	92,331	21,066	Layered #	507
Highland Fire	890732	7,064	32,033	(24,969)	15	-
Joiner Police	1040522	66,359	100,787	(34,428)	4	-
Junction City Police	1061822	57,633	285,646	(228,013)	13	-
Luxora Police	1195922	405,901	301,478	104,423	10	1,150
Manila Fire	1248332	13,496	10,647	2,849	12	28
Montrose Police	1418422	19,662	18,189	1,473	5	25
Mount Ida Police	1448622	14,821	160,381	(145,560)	Layered #	-
Newark Police	1497422	47,953	111,482	(63,529)	Layered #	-
Oppelo Police	1566022	41,878	177,667	(135,789)	14	-
Perla Police	1628422	66,341	61,888	4,453	Layered #	185
Plainview Police	1657822	39,058	19,994	19,064	9	229
Rison Police	1714022	751,721	455,276	296,445	11	3,084
Sheridan Fire	1774432	9,370	66,948	(57,578)	10	-
Sparkman Police	1798126	56,782	47,576	9,206	14	122
Strong Police	1843022	45,129	(138,609)	183,738	14	1,782
Tontitown Area Fire	1909732	13,078	88,823	(75,745)	6	-
Yellville Police	2139322	82,323	168,481	(86,158)	Layered #	-

Departments with No Active Members

Department		Actuarial	Actuarial	Unfunded		2025
Name	Number	Accrued Liabilities	Value Assets	Actuarial Liabilities (UAAL)	Amort. Years	Total Monthly Employer Rate
Cushman Police	431622	\$ 26,405	\$ 31,045	\$ (4,640)	Layered #	\$ -
Friendship Police	665322	42,742	38,495	4,247	Layered #	194
Hoxie Fire	932633	76,862	245,865	(169,003)	13	-
Huntington Police	971722	61,867	69,836	(7,969)	13	-

Amortized over multiple layers ranging from 1-5 years.

- (1) These results assume contributions begin January 1, 2025 and are applicable in periods where no active members are reported.
- (2) Departments currently with their reported assets exceeding their actuarial accrued liabilities could still be liable for contributions at a later date, depending upon future economic and demographic experience.
- (3) These departments were identified for inclusion in this calculation by the LOPFI Staff.
- (4) New calculations are needed, as of December 31, 2024, for any of these departments that again are without active members.



SECTION C

BENEFIT PROVISIONS AND VALUATION DATA

Arkansas Local Police and Fire Retirement System
Brief Summary as of December 31, 2023 of LOPFI Coverage for
BENEFIT PROGRAM 1 PAID SERVICE
Benefits and Conditions Evaluated and/or Considered
(Section References are to Arkansas Code of 1987, Including
Amendments from 2023 General Assembly Session)

Voluntary Retirement. Section 24-10-604. A member may retire with an age & service annuity after both (i) completing 5 years (10 years for members hired on or after July 1, 2013) of credited service, and (ii) attaining his or her normal retirement age. The normal retirement age is age 60 for a member with less than 20 years credited service, age 55 for a member with at least 20 years credited service or any age for a member with 28 or more years of credited service.

Compulsory Retirement. Section 24-10-605. Established by each employer.

Paid Service. Section 24-10-102(13). Covered employment which is half-time employment or more, and for which a minimum dollar amount is paid. For each calendar month in 1981, the minimum is \$500 for the month. For each later calendar year, the \$500 is indexed for inflation (Consumer Price Index). Accordingly, the monthly minimum during 2023 was \$1,717.

Volunteer Service. Section 24-10-102(14). Covered employment which cannot be classified as Paid Service.

Final Average Pay. Section 24-10-102(16)(A). The average of a member's monthly pay during the period of 36 consecutive months of credited Paid Service producing the highest monthly average, which period is contained within the 120 consecutive months of credited Paid Service immediately preceding retirement. Not applicable to Volunteer Service.

Age & Service Annuity. Section 24-10-602. The annuity, payable monthly for life, equals a specified amount multiplied by the member's number of years of credited service. The amount depends upon the conditions related to covered employment:

- A. ***Paid Service Not Covered by Social Security.*** For each year of such service, 3.00% of the member's final average pay.
- B. ***Paid Service Also Covered by Social Security.*** For each year of such service, 2.00% of the member's final average pay. In addition, there is a temporary annuity equal to 1.0% of the member's final average pay for each year of service, payable to normal Social Security retirement age.
- C. At time of retirement, the total of A plus B cannot exceed 100% of final average pay.

Early Annuity. Section 24-10-606. A member may retire with an early annuity after both (i) completing 20 years of credited service, and (ii) attaining age 50 or (iii) after completing 25 years of credited paid service. The early annuity amount, payable monthly for life, is computed in the same manner as an age & service annuity, based upon his or her service and pay record to time of early retirement, but reduced to reflect the fact that his or her age when payments begin is younger than his or her normal retirement age. The amount of the reduction is 1/2 of 1% (.005) for each month his or her age at early retirement is younger than his or her normal retirement age (age 55 for members with 25 years of credited paid service).



Vested Termination Annuity. Section 24-10-611. If a member leaves LOPFI-covered employment (i) before attaining his or her early retirement age, and (ii) after completing 5 years (10 years for members hired on or after July 1, 2013) of credited service, he or she becomes eligible for a vested termination annuity; provided he or she lives to his or her normal retirement age and does not withdraw his or her accumulated contributions. The vested annuity amount, payable monthly for life from his or her normal retirement age, is computed in the same manner as an age & service annuity, based upon his or her service and pay record to time of leaving LOPFI coverage.

Non-Duty Disability Annuity. Section 24-10-607(a)(1)(A). A member with 5 or more years (10 or more years for members hired on or after July 1, 2013) of credited service who becomes totally and permanently disabled from other than duty-connected causes receives a non-duty disability annuity computed in the same manner as an age & service annuity, based upon his or her service and pay record to time of disability.

Duty Disability Annuity. Section 24-10-607(c)(1)(A). A member who becomes totally and permanently disabled from duty-connected causes receives a duty disability annuity computed in the same manner as an age & service annuity, based upon his or her service and pay record to time of disability.

The minimum annuity payable is 65% of the member's final average pay for duty disability retirements approved prior to April 1, 2021.

An approved duty disability retirement that is effective on or after April 1, 2021, shall be classified as catastrophic duty disability, hazardous duty disability, or ordinary duty disability in accordance with the criteria in the rules for disability retirement established by the board.

The minimum annuity payable to:

- (i) A catastrophic duty disability retiree shall be an annuity based on twenty-eight (28) years of accrued paid service credit;
- (ii) A hazardous duty disability retiree shall be sixty-five percent (65%) of the final average pay of the member; and
- (iii) An ordinary duty disability retiree shall be fifteen percent (15%) of the final average pay of the member.

Non-Duty Death-in-Service. Paid Member. Section 24-10-608(a)(1). Upon the death, from other than duty-connected causes, of a Paid Service member who had completed 5 years (10 years for members hired on or after July 1, 2013) of paid service, his or her eligible surviving dependents receive the following benefits:

- (a) The surviving spouse receives an annuity equal to the Option B50 annuity (joint and 50% survivor benefit) computed based upon the deceased member's service (and pay) record to time of death. Minimum of 20% of member's final average pay, or \$125 monthly if greater.
- (b) While a spouse benefit is payable, each dependent child under age 18 (age 23 if full time student) receives 10% of member's final average pay, or \$25 monthly if greater. The totals for 4 or more children cannot exceed 30% of final average pay, or \$125 monthly if greater.
- (c) While no spouse benefit is payable, each dependent child under age 18 (age 23 if full time student) receives 20% of member's final average pay, or \$25 monthly if greater. The total for 3 or more children cannot exceed 50% of final average pay, or \$125 monthly if greater.
- (d) If there is neither spouse nor child at time of member's death, each dependent parent receives 20% of final average pay.



Duty Death-in-Service. Section 24-10-608(b)(1). Upon the death of a Paid Service member from duty-connected causes, regardless of length of service, his or her eligible surviving dependents receive the same benefits as for Non-Duty Death, except that if credited service at time of death is less than 25 years, credited service is increased to 25 years.

Benefit Changes after Retirement. Section 24-10-612. There is an annual redetermination of monthly benefit amount, beginning the July 1 following 12 months of retirement. The redetermined amount is 3.0% of the monthly benefit from the preceding July.

Member Contributions. Sections 24-10-404 and 24-10-613. Each member contributes 9.5% of his or her covered pay if his or her covered employment is resulting in Paid Service credit and is not covered by Social Security. For other covered employment conditions, each member contributes 3.5% of his or her covered pay. Individual member deposit accounts do not receive interest credit. If a member leaves LOPFI-covered employment before an annuity is payable on his or her behalf, the member may choose to have his or her accumulated contributions refunded to him. If he or she dies, his or her accumulated contributions are refunded to his or her designated beneficiary.

Employer Contributions. Section 24-10-405. Each employer contributes the remainder amounts necessary to finance its employees' participation in LOPFI. Contributions to LOPFI are determined based upon level-rate principles, so that contribution rates do not have to increase over decades of time.

DROP (Deferred Retirement Option Plan). Sections 24-10-701 through 24-10-708. Paid service members who have attained age 55 with at least 20 years of service or members with at least 28 years of service may participate. A participant with 28 years of service will receive 75% of his or her accrued benefit at time of DROP election while in the DROP, payable into the participant's DROP account (which will be credited with 6% interest annually). A participant with less than 28 years of service will receive 72% of his or her accrued benefit at time of DROP election while in the DROP, payable into the participant's DROP account (which will be credited with 6% interest annually). The duration of participation in the DROP shall not exceed 10 years. When a member has reached year 6 of participation in the DROP, the amount of the accrued benefit at the time of DROP election shall be redetermined. The redetermined amount shall be the amount of the benefit as of the immediately preceding July 1 increased by 3%. The redetermined amount shall be payable only when the member elects to cease employment and receive a service retirement and shall not be added to the plan account. Employer and employee contributions continue and are used to finance System benefits (i.e., they are not deposited to the participant's DROP account). For additional details please refer to Arkansas Code, Title 24, Chapter 10, Subchapter 7.

LOPFI
Illustrations of Normal Benefit Amounts
for Sample Combinations of Service & Pay

Illustration 1
FOR PAID SERVICE WHICH IS NOT COVERED BY
SOCIAL SECURITY

**(The Applicable Benefit Program is Years of Paid Service times
3.00% of FAP ⁽¹⁾)**

Final Average Pay (FAP) ⁽¹⁾	LOPFI BENEFIT ⁽²⁾	
	\$	% of FAP
<u>32 Years of Service ⁽³⁾</u>		
\$ 2,400	\$ 2,304	96 %
3,000	2,880	96
3,600	3,456	96
4,200	4,032	96
4,800	4,608	96
<u>28 Years of Service ⁽³⁾</u>		
\$ 2,400	\$ 2,016	84 %
3,000	2,520	84
3,600	3,024	84
4,200	3,528	84
4,800	4,032	84
<u>20 Years of Service ⁽³⁾</u>		
\$ 2,400	\$ 1,440	60 %
3,000	1,800	60
3,600	2,160	60
4,200	2,520	60
4,800	2,880	60

⁽¹⁾ "Final Average Pay" means the monthly average of an employee's pays during the period of 36 consecutive months when they were highest, contained within the last 120 months of paid service.

⁽²⁾ Amounts shown are rounded to the nearest dollar; actual amounts will be calculated to the nearest cent.

⁽³⁾ With 28 or more years of service the employee is eligible for normal retirement. With 20 or more years of service the employee is eligible for normal retirement at age 55. With fewer than 20 years, the eligibility age is 60.

LOPFI

Illustrations of Normal Benefit Amounts for Sample Combinations of Service & Pay

Illustration 3 ⁽⁵⁾

FOR PAID SERVICE WHICH IS COVERED BY SOCIAL SECURITY

**(The Applicable Benefit Program is Years of Paid Service times:
2.00% of FAP ⁽¹⁾ for life, plus 1.0% of FAP ⁽¹⁾ Temporary to Full Social
Security Retirement Age)**

Final Average Pay (FAP) at LOPFI Retirement Age (LRA) ⁽¹⁾	LOPFI Benefit ⁽³⁾		Estimated	Estimated Monthly		Percent of FAP		
	At LRA	At SSRA ⁽⁶⁾	Social	Total		At LRA	At SSRA ⁽⁷⁾	
			Security ⁽²⁾	At LRA	At SSRA			
32 Years of Service ⁽⁴⁾								
\$2,400	\$ 2,304	\$ 2,190	\$ 1,781	\$ 2,304	\$ 3,971	96 %	127 %	
3,000	2,880	2,737	1,979	2,880	4,716	96	120	
3,600	3,456	3,285	2,186	3,456	5,471	96	116	
4,200	4,032	3,832	2,387	4,032	6,219	96	113	
4,800	4,608	4,380	2,589	4,608	6,969	96	111	
28 Years of Service ⁽⁴⁾								
\$2,400	\$ 2,016	\$ 1,916	\$ 1,781	\$ 2,016	\$ 3,697	84 %	118 %	
3,000	2,520	2,395	1,979	2,520	4,374	84	112	
3,600	3,024	2,874	2,186	3,024	5,060	84	108	
4,200	3,528	3,353	2,387	3,528	5,740	84	105	
4,800	4,032	3,832	2,589	4,032	6,421	84	102	
20 Years of Service ⁽⁴⁾								
\$2,400	\$ 1,440	\$ 1,369	\$ 1,781	\$ 1,440	\$ 3,150	60 %	100 %	
3,000	1,800	1,711	1,979	1,800	3,690	60	94	
3,600	2,160	2,053	2,186	2,160	4,239	60	90	
4,200	2,520	2,395	2,387	2,520	4,782	60	87	
4,800	2,880	2,737	2,589	2,880	5,326	60	85	

⁽¹⁾ "Final Average Pay" means the monthly average of an employee's pays during the period of 36 consecutive months when they were highest, contained within the last 120 months of paid service.

⁽²⁾ "Estimated Social Security" means, for an employee covered by Social Security, an employee's estimated OASDI retirement benefit is based upon an estimated "average indexed monthly earnings" for an employee retiring at normal Social Security Retirement Age (SSRA). It does not include any amounts which might be payable to an eligible spouse or children. Final average pay is assumed to be equal to Average Indexed Monthly Earnings. The results assume no Social Security covered earnings after retirement. Note that a member may draw a reduced Social Security benefit as early as age 62. This is an estimate. Individuals can receive an estimate from the Social Security Administration based on their actual earnings history.

⁽³⁾ Amounts shown are rounded to the nearest dollar; actual amounts will be calculated to the nearest cent.

⁽⁴⁾ With 28 or more years of service the employee is eligible for normal retirement. With 20 or more years of service the employee is eligible for normal retirement at age 55. With fewer than 20 years, the eligibility age is 60.

⁽⁵⁾ This illustration shows 2035 Social Security estimates for a participant who retires in 2023 at age 55.

⁽⁶⁾ Amounts at Social Security Retirement Age are adjusted for post-retirement increases of 3% annually from retirement to SSRA. Amounts to Social Security Retirement Age are benefits at commencement.

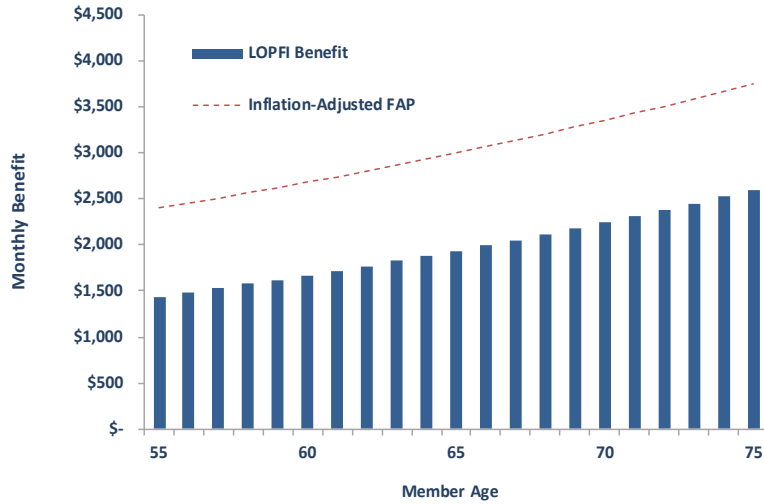
⁽⁷⁾ Amounts at Social Security Retirement Age are discounted by price inflation annually from SSRA to the retirement date and then displayed as a percent of FAP.

LOPFI with Social Security vs. LOPFI-Only

Comparing Normal Benefit Amounts in Retirement

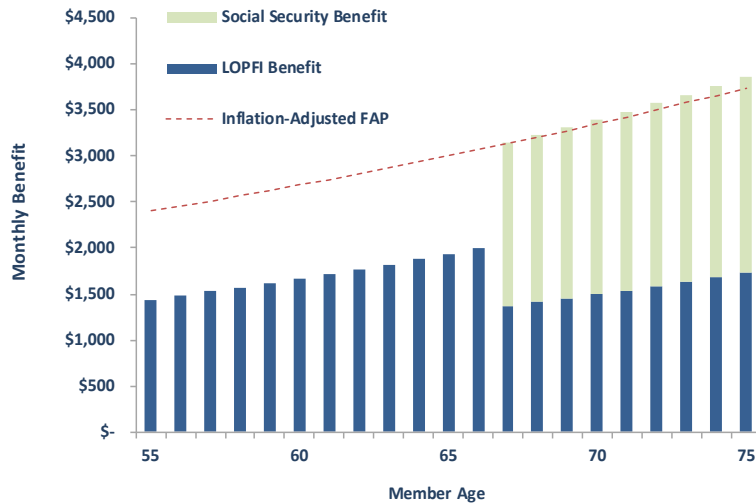
As a summary of the principles set forth in illustrations 1 and 2 on the previous pages, the graphs below show retirement benefit amounts for a LOPFI employee who retires at age 55 with 20 years of service and a monthly FAP of \$2,400 at retirement.

For Paid Service Which is Not Covered by Social Security



The LOPFI benefit for a member not covered by Social Security will replace a portion of the inflation-adjusted earnings at retirement.

For Paid Service Which is Covered by Social Security



If the member is covered by Social Security, the LOPFI benefit is reduced at full Social Security retirement age, after which the member would begin receiving an OASI benefit. The total combined benefit would serve to replace the member's inflation-adjusted final average pay at retirement from LOPFI. The provisions of Social Security coverage create an environment in which retirees may achieve full replacement of their inflation-adjusted earnings when they reach full Social Security retirement age.

Arkansas Local Police and Fire Retirement System
Brief Summary as of December 31, 2023 of LOPFI Coverage for
BENEFIT PROGRAM 2 PAID SERVICE
Benefits and Conditions Evaluated and/or Considered
(Section References are to Arkansas Code of 1987, Including
Amendments from 2023 General Assembly Session)

The provisions for Benefit Program 2 departments are the same as those for Benefit Program 1 departments with the following exception:

Age & Service Annuity. Section 24-10-602. The annuity, payable monthly for life, equals a specified amount multiplied by the member's number of years of credited service. The amount depends upon the conditions related to covered employment:

A. Paid Service Not Covered by Social Security.

- **Paid Service Before Adoption of Benefit Program 2.** For each year of such service, 3.00% of the member's final average pay.
- **Paid Service After Adoption of Benefit Program 2.** For each year of such service, 3.34% of the member's final average pay.
- At time of retirement, the total cannot exceed 100% of final average pay.

B. Paid Service Also Covered by Social Security.

- **Paid Service Before Adoption of Benefit Program 2.** For each year of such service, 2.00% of the member's final average pay, plus a temporary annuity equal to 1.0% of the member's final average pay for each year of service, payable to normal Social Security retirement age.
- **Paid Service After Adoption of Benefit Program 2.** For each year of such service, 3.00% of the member's final average pay.
- At time of retirement, the total cannot exceed 100% of final average pay.

Arkansas Local Police and Fire Retirement System Brief Summary as of December 31, 2023 of LOPFI Coverage for **VOLUNTEER SERVICE**

Benefits and Conditions Evaluated and/or Considered (Section References are to Arkansas Code of 1987, Including Amendments from 2023 General Assembly Session)

Voluntary Retirement. Section 24-10-604. A member may retire with an age & service annuity after both (i) completing 5 years (10 years for members hired on or after July 1, 2013) of credited service, and (ii) attaining his or her normal retirement age. The normal retirement age is age 60 for a member with less than 20 years credited service, age 55 for a member with at least 20 years credited service or any age for a member with 28 or more years of credited service.

Compulsory Retirement. Section 24-10-605. Established by each employer.

Paid Service. Section 24-10-102(13). Covered employment which is half-time employment or more, and for which a minimum dollar amount is paid. For each calendar month in 1981, the minimum is \$500 for the month. For each later calendar year, the \$500 is indexed for inflation (Consumer Price Index). Accordingly, the monthly minimum during 2023 was \$1,717.

Volunteer Service. Section 24-10-102(14). Covered employment which cannot be classified as Paid Service.

Age & Service Annuity. Section 24-10-102(16)(A). The annuity, payable monthly for life, equals a specified amount multiplied by the member's number of years of credited service. The amount depends upon the conditions related to covered employment.

Volunteer Service. For each year of Benefit Program 3 Volunteer Service, \$5.00 monthly, to a maximum of \$200 monthly for all volunteer service. Beginning in 2003, each July 1 these amounts are indexed for inflation by any percentage increase in the inflation index for the period from December 2003 to the December immediately preceding July 1, for members retiring in the next 12 months. Accordingly, the basic benefit factor reflected in the December 31, 2023 valuations was \$8.36 monthly.

For each year of Benefit Program 4 Volunteer Service, \$10.00 monthly, to a maximum benefit of \$400 monthly for all volunteer service. Beginning in 2013, each July 1 these amounts are indexed for inflation by any percentage increase in the inflation index for the period from December 2011 to the December immediately preceding July 1, for members retiring in the next 12 months. Accordingly, the basic benefit factor reflected in the December 31, 2023 valuations was \$13.54 monthly.

Early Annuity. Section 24-10-606. A member may retire with an early annuity after both (i) completing 20 years of credited service, and (ii) attaining age 50. The early annuity amount, payable monthly for life, is computed in the same manner as an age & service annuity, based upon his or her service record to time of early retirement, but reduced to reflect the fact that his or her age when payments begin is younger than his or her normal retirement age. The amount of the reduction is 1/2 of 1% (.005) for each month his or her age at early retirement is younger than his or her normal retirement age.



Vested Termination Annuity. Section 24-10-611. If a member leaves LOPFI-covered employment (i) before attaining his or her early retirement age, and (ii) after completing 5 years (10 years for members hired on or after July 1, 2013) of credited service, he or she becomes eligible for a vested termination annuity; provided he or she lives to his or her normal retirement age (and does not withdraw any accumulated contributions). The vested annuity amount, payable monthly for life from his or her normal retirement age, is computed in the same manner as an age & service annuity, based upon his or her service record to time of leaving LOPFI coverage.

Non-Duty Disability Annuity. Section 24-10-607(a)(1)(A). A member with 5 or more years (10 of more years for members hired on or after July 1, 2013) of credited service who becomes totally and permanently disabled from other than duty-connected causes receives a non-duty disability annuity computed in the same manner as an age & service annuity, based upon his or her service record to time of disability.

Duty Disability Annuity. Section 24-10-607(c)(1)(A). A member who becomes totally and permanently disabled from duty-connected causes receives a duty disability annuity computed in the same manner as an age & service annuity, based upon his or her service and pay record to time of disability. If the member had less than 25 years of service at time of disability, credited service is increased to 25 years.

Non-Duty Death-in-Service. Volunteer Member. Section 24-10-609. Upon the death, from other than duty-connected causes, of a Volunteer member who had completed 5 years (10 years for members hired on or after July 1, 2013) of volunteer service, or who was eligible for normal retirement, his or her eligible surviving dependents receive the following benefits:

- (a) The surviving spouse receives an annuity equal to the Option B50 annuity (joint and 50% survivor benefit) computed based upon the deceased member's service record to time of death.
- (b) Each dependent child under age 18 (age 23 if full time student) receives \$15 monthly. The totals for 3 or more children cannot exceed \$40 monthly.

Duty Death-in-Service. Section 24-10-608(b)(1). Upon the death of a Paid Service member from duty-connected causes, regardless of length of service, his or her eligible surviving dependents receive the same benefits as for Non-Duty Death, except that if credited service at the time of death is less than 25 years, credited service is increased to 25 years.

Benefit Changes after Retirement. Section 24-10-612. There is an annual redetermination of monthly benefit amount, beginning the July first following 12 months of retirement. The redetermined amount is 3.0% of the monthly benefit from the preceding July.

Member Contributions. For Volunteer Service credit, members do not contribute.

Employer Contributions. Section 24-10-405. Each employer contributes the amounts necessary to finance its employees' participation in LOPFI. Contributions to LOPFI are determined based upon level-rate principles, so that contribution rates do not have to increase over decades of time.



LOPFI Covered Departments and Covered Persons (Excluding Local Plan Members)

Paid Police Covered by Social Security	Number of Departments	Active Members*				Inflation Increase % (CPI)
		Number	Annual Payroll	Average Pay	% Increase	
12/31/2000	150	1,493	\$ 39,080,134	\$ 26,176	1.4 %	3.4 %
12/31/2001	152	1,497	42,193,903	28,186	7.7	1.6
12/31/2002	158	1,556	46,480,114	29,872	6.0	2.4
12/31/2003	154	1,583	49,757,738	31,433	5.2	1.9
12/31/2004	154	1,583	51,235,812	32,366	3.0	3.3
12/31/2005	154	1,614	53,061,186	32,876	1.6	3.4
12/31/2006	161	1,680	57,466,068	34,206	4.0	2.5
12/31/2007	167	1,795	62,586,228	34,867	1.7	4.1
12/31/2008	164	1,846	66,703,415	36,134	3.6	0.1
12/31/2009	173	1,913	72,174,542	37,728	4.4	2.7
12/31/2010	176	1,914	73,414,879	38,357	1.6	1.5
12/31/2011	177	1,939	74,641,764	38,495	0.3	3.0
12/31/2012	176	1,956	76,050,618	38,881	1.0	1.7
12/31/2013	173	1,994	80,319,179	40,280	3.6	1.5
12/31/2014	177	2,029	83,740,919	41,272	2.5	0.8
12/31/2015	183	2,122	89,826,406	42,331	2.9	0.7
12/31/2016	179	2,152	91,581,947	42,557	0.5	2.1
12/31/2017	182	2,196	94,895,150	43,213	1.5	2.1
12/31/2018	183	2,229	98,772,944	44,313	2.5	1.9
12/31/2019	186	2,332	106,236,865	45,556	2.8	2.3
12/31/2020	186	2,349	109,497,373	46,614	2.3	1.4
12/31/2021	183	2,328	111,773,904	48,013	3.0	7.0
12/31/2022	182	2,403	122,202,327	50,854	5.9	6.5
12/31/2023	185	2,488	139,696,950	56,148	10.4	3.4

* Includes DROP participants, if any.

LOPFI Covered Departments and Covered Persons (Excluding Local Plan Members) (Continued)

Paid Police Not Covered by Social Security	Number of Departments	Active Members*				Inflation Increase % (CPI)
		Number	Annual Payroll	Average Pay	% Increase	
12/31/2000	15	1,300	\$ 45,395,466	\$ 34,920	3.7 %	3.4 %
12/31/2001	15	1,310	47,997,431	36,639	4.9	1.6
12/31/2002	14	1,309	51,013,420	38,971	6.4	2.4
12/31/2003	14	1,344	54,363,935	40,449	3.8	1.9
12/31/2004	15	1,369	57,397,946	41,927	3.7	3.3
12/31/2005	15	1,410	60,652,180	43,016	2.6	3.4
12/31/2006	14	1,455	64,982,903	44,662	3.8	2.5
12/31/2007	14	1,479	68,484,220	46,304	3.7	4.1
12/31/2008	14	1,507	72,880,723	48,361	4.4	0.1
12/31/2009	14	1,544	77,374,468	50,113	3.6	2.7
12/31/2010	14	1,562	76,993,476	49,292	(1.6)	1.5
12/31/2011	14	1,558	79,332,711	50,920	3.3	3.0
12/31/2012	14	1,604	83,272,934	51,916	2.0	1.7
12/31/2013	14	1,635	87,087,216	53,264	2.6	1.5
12/31/2014	14	1,632	89,441,845	54,805	2.9	0.8
12/31/2015	14	1,599	87,090,401	54,466	(0.6)	0.7
12/31/2016	14	1,597	88,602,540	55,481	1.9	2.1
12/31/2017	14	1,635	93,831,833	57,390	3.4	2.1
12/31/2018	14	1,654	95,257,685	57,592	0.4	1.9
12/31/2019	14	1,637	97,125,778	59,332	3.0	2.3
12/31/2020	14	1,609	97,972,198	60,890	2.6	1.4
12/31/2021	14	1,543	96,159,660	62,320	2.3	7.0
12/31/2022	15	1,539	101,369,200	65,867	5.7	6.5
12/31/2023	14	1,567	113,826,224	72,640	10.3	3.4

* Includes DROP participants, if any.

LOPFI Covered Departments and Covered Persons (Excluding Local Plan Members) (Continued)

Paid Fire Covered by Social Security	Number of Departments	Active Members*				Inflation Increase % (CPI)
		Number	Annual Payroll	Average Pay	% Increase	
12/31/2000	3	20	\$ 550,930	\$ 27,547	(6.9) %	3.4 %
12/31/2001	4	34	1,091,894	32,115	16.6	1.6
12/31/2002	5	34	1,236,009	36,353	13.2	2.4
12/31/2003	6	34	1,297,597	38,165	5.0	1.9
12/31/2004	7	58	1,881,084	32,432	(15.0)	3.3
12/31/2005	10	62	2,137,350	34,473	6.3	3.4
12/31/2006	13	71	2,459,152	34,636	0.5	2.5
12/31/2007	19	84	3,224,208	38,383	10.8	4.1
12/31/2008	20	85	3,310,078	38,942	1.5	0.1
12/31/2009	21	90	3,794,410	42,160	8.3	2.7
12/31/2010	23	99	4,092,787	41,341	(1.9)	1.5
12/31/2011	23	104	4,155,015	39,952	(3.4)	3.0
12/31/2012	22	101	4,221,364	41,796	4.6	1.7
12/31/2013	25	102	4,331,413	42,465	1.6	1.5
12/31/2014	25	114	4,689,955	41,140	(3.1)	0.8
12/31/2015	27	124	5,239,454	42,254	2.7	0.7
12/31/2016	28	126	5,375,073	42,659	1.0	2.1
12/31/2017	27	126	5,486,384	43,543	2.1	2.1
12/31/2018	31	155	6,673,890	43,057	(1.1)	1.9
12/31/2019	32	165	7,248,722	43,932	2.0	2.3
12/31/2020	32	168	7,912,729	47,100	7.2	1.4
12/31/2021	36	172	7,961,038	46,285	(1.7)	7.0
12/31/2022	36	202	10,246,076	50,723	9.6	6.5
12/31/2023	38	210	11,327,593	53,941	6.3	3.4

* Includes DROP participants, if any.

LOPFI Covered Departments and Covered Persons (Excluding Local Plan Members) (Continued)

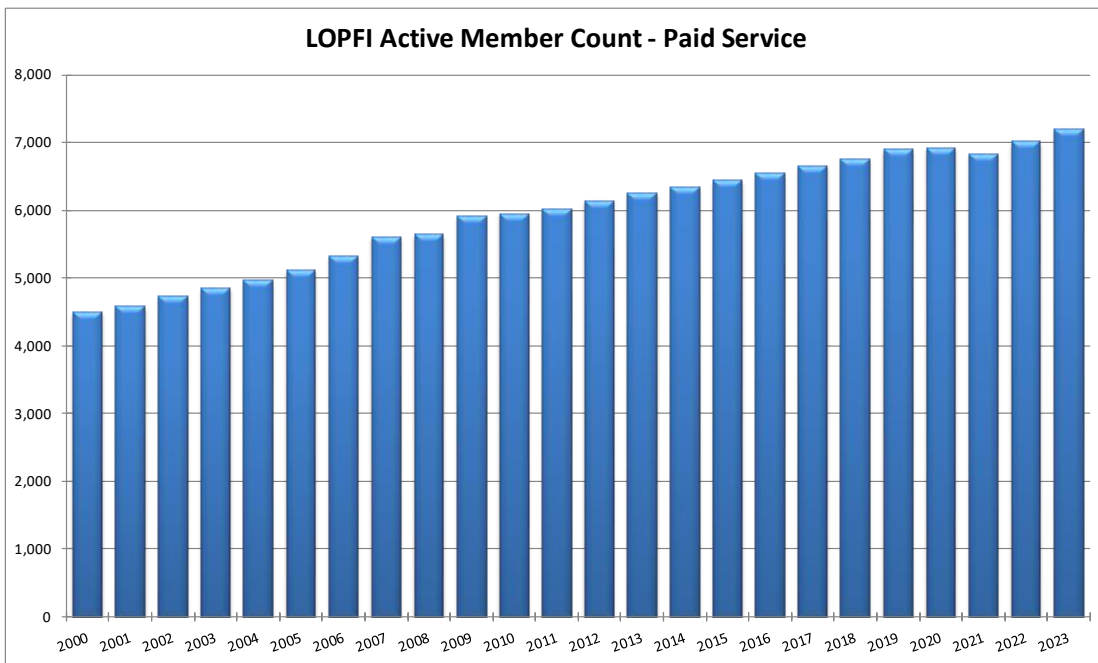
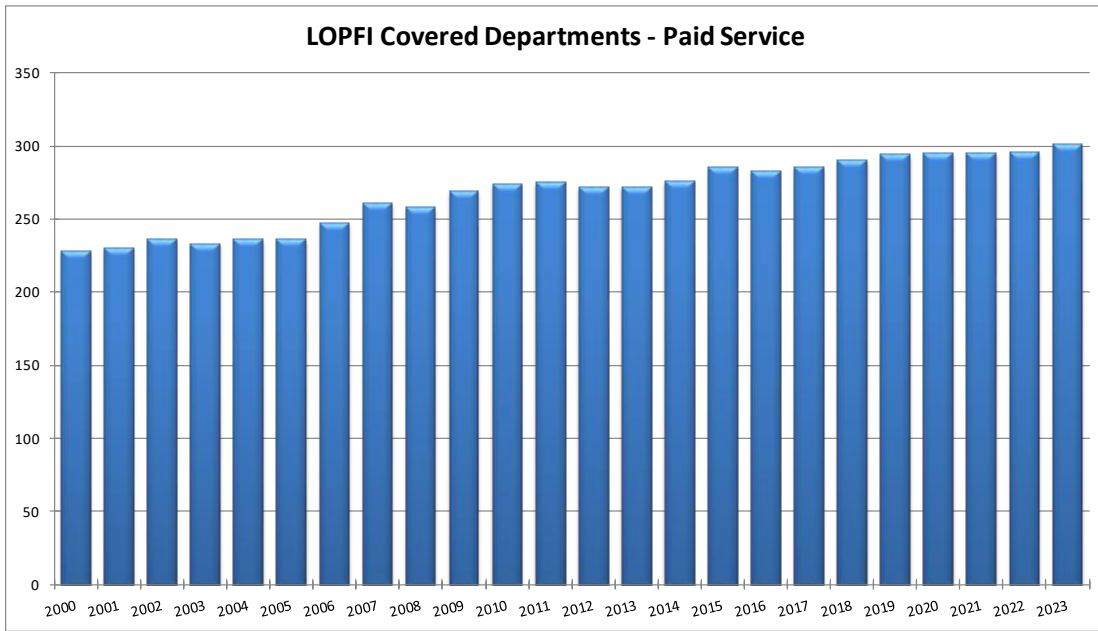
Paid Fire Not Covered by Social Security	Number of Departments	Active Members*				Inflation Increase % (CPI)
		Number	Annual Payroll	Average Pay	% Increase	
12/31/2000	60	1,680	\$ 52,268,378	\$ 31,112	2.0 %	3.4 %
12/31/2001	59	1,732	57,430,283	33,158	6.6	1.6
12/31/2002	59	1,821	64,691,073	35,525	7.1	2.4
12/31/2003	59	1,888	70,635,697	37,413	5.3	1.9
12/31/2004	60	1,956	76,826,671	39,277	5.0	3.3
12/31/2005	57	2,029	81,650,944	40,242	2.5	3.4
12/31/2006	59	2,122	88,041,571	41,490	3.1	2.5
12/31/2007	61	2,245	95,882,874	42,710	2.9	4.1
12/31/2008	60	2,202	98,780,987	44,860	5.0	0.1
12/31/2009	61	2,360	108,383,023	45,925	2.4	2.7
12/31/2010	61	2,374	110,404,238	46,506	1.3	1.5
12/31/2011	61	2,415	114,640,275	47,470	2.1	3.0
12/31/2012	60	2,478	118,625,189	47,871	0.8	1.7
12/31/2013	60	2,514	124,879,563	49,674	3.8	1.5
12/31/2014	60	2,548	129,532,480	50,837	2.3	0.8
12/31/2015	61	2,585	134,740,985	52,124	2.5	0.7
12/31/2016	62	2,676	140,445,733	52,483	0.7	2.1
12/31/2017	62	2,694	144,407,370	53,603	2.1	2.1
12/31/2018	62	2,717	149,934,716	55,184	2.9	1.9
12/31/2019	62	2,755	156,614,173	56,847	3.0	2.3
12/31/2020	63	2,790	164,234,390	58,865	3.6	1.4
12/31/2021	62	2,791	167,384,344	59,973	1.9	7.0
12/31/2022	63	2,873	176,743,947	61,519	2.6	6.5
12/31/2023	64	2,934	190,707,147	64,999	5.7	3.4

* Includes DROP participants, if any.

LOPFI Covered Departments and Covered Persons (Excluding Local Plan Members) (Continued)

Total Paid	Number of Departments	Active Members*				Inflation Increase % (CPI)
		Number	Annual Payroll	Average Pay	% Increase	
12/31/2000	228	4,493	\$ 137,294,908	\$ 30,558	2.5 %	3.4 %
12/31/2001	230	4,573	148,713,511	32,520	6.4	1.6
12/31/2002	236	4,720	163,420,616	34,623	6.5	2.4
12/31/2003	233	4,849	176,054,967	36,307	4.9	1.9
12/31/2004	236	4,966	187,341,513	37,725	3.9	3.3
12/31/2005	236	5,115	197,501,660	38,612	2.4	3.4
12/31/2006	247	5,328	212,949,694	39,968	3.5	2.5
12/31/2007	261	5,603	230,177,530	41,081	2.7	4.1
12/31/2008	258	5,640	241,675,203	42,850	4.3	0.1
12/31/2009	269	5,907	261,726,443	44,308	3.4	2.7
12/31/2010	274	5,949	264,905,380	44,529	0.5	1.5
12/31/2011	275	6,016	272,769,765	45,341	1.8	3.0
12/31/2012	272	6,139	282,170,105	45,964	1.4	1.7
12/31/2013	272	6,245	296,617,371	47,497	3.3	1.5
12/31/2014	276	6,323	307,405,199	48,617	2.4	0.8
12/31/2015	285	6,430	316,897,246	49,284	1.4	0.7
12/31/2016	283	6,551	326,005,293	49,764	1.0	2.1
12/31/2017	285	6,651	338,620,737	50,913	2.3	2.1
12/31/2018	290	6,755	350,639,235	51,908	2.0	1.9
12/31/2019	294	6,889	367,225,538	53,306	2.7	2.3
12/31/2020	295	6,916	379,616,690	54,890	3.0	1.4
12/31/2021	295	6,834	383,278,946	56,084	2.2	7.0
12/31/2022	296	7,017	410,561,550	58,510	4.3	6.5
12/31/2023	301	7,199	455,557,914	63,281	8.2	3.4

* Includes DROP participants, if any.



LOPFI Covered Departments and Covered Persons (Excluding Local Plan Members) (Continued)

Volunteer Police	Number of Departments	Number of Active Members	Inflation Increase % (CPI)
12/31/2000	8	9	3.4 %
12/31/2001	10	16	1.6
12/31/2002	19	49	2.4
12/31/2003	24	55	1.9
12/31/2004	24	55	3.3
12/31/2005	32	70	3.4
12/31/2006	38	91	2.5
12/31/2007	51	118	4.1
12/31/2008	42	123	0.1
12/31/2009	44	139	2.7
12/31/2010	58	174	1.5
12/31/2011	72	230	3.0
12/31/2012	69	224	1.7
12/31/2013	85	293	1.5
12/31/2014	98	335	0.8
12/31/2015	105	366	0.7
12/31/2016	104	396	2.1
12/31/2017	108	408	2.1
12/31/2018	118	452	1.9
12/31/2019	119	478	2.3
12/31/2020	115	470	1.4
12/31/2021	119	476	7.0
12/31/2022	124	455	6.5
12/31/2023	132	459	3.4

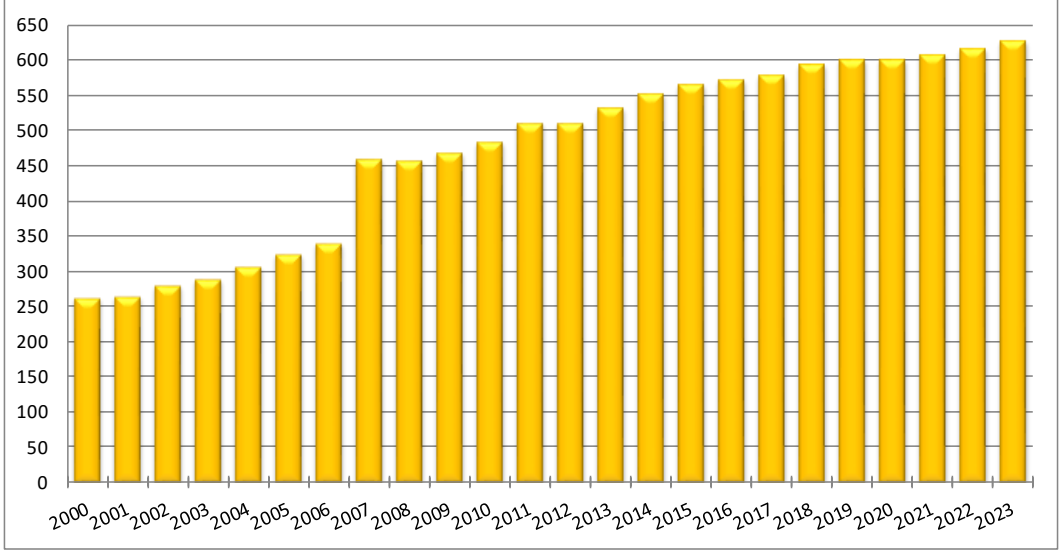
**LOPFI Covered Departments and Covered Persons
(Excluding Local Plan Members)
(Continued)**

Volunteer Fire	Number of Departments	Number of Active Members	Inflation Increase % (CPI)
12/31/2000	254	3,481	3.4 %
12/31/2001	255	3,585	1.6
12/31/2002	261	3,809	2.4
12/31/2003	266	4,033	1.9
12/31/2004	282	4,351	3.3
12/31/2005	293	4,580	3.4
12/31/2006	303	4,814	2.5
12/31/2007	410	6,502	4.1
12/31/2008	415	6,480	0.1
12/31/2009	424	6,412	2.7
12/31/2010	427	6,560	1.5
12/31/2011	440	6,804	3.0
12/31/2012	442	6,805	1.7
12/31/2013	449	6,847	1.5
12/31/2014	456	7,012	0.8
12/31/2015	461	6,938	0.7
12/31/2016	469	6,995	2.1
12/31/2017	471	6,933	2.1
12/31/2018	478	7,009	1.9
12/31/2019	482	7,055	2.3
12/31/2020	487	7,038	1.4
12/31/2021	489	6,840	7.0
12/31/2022	494	6,796	6.5
12/31/2023	497	6,725	3.4

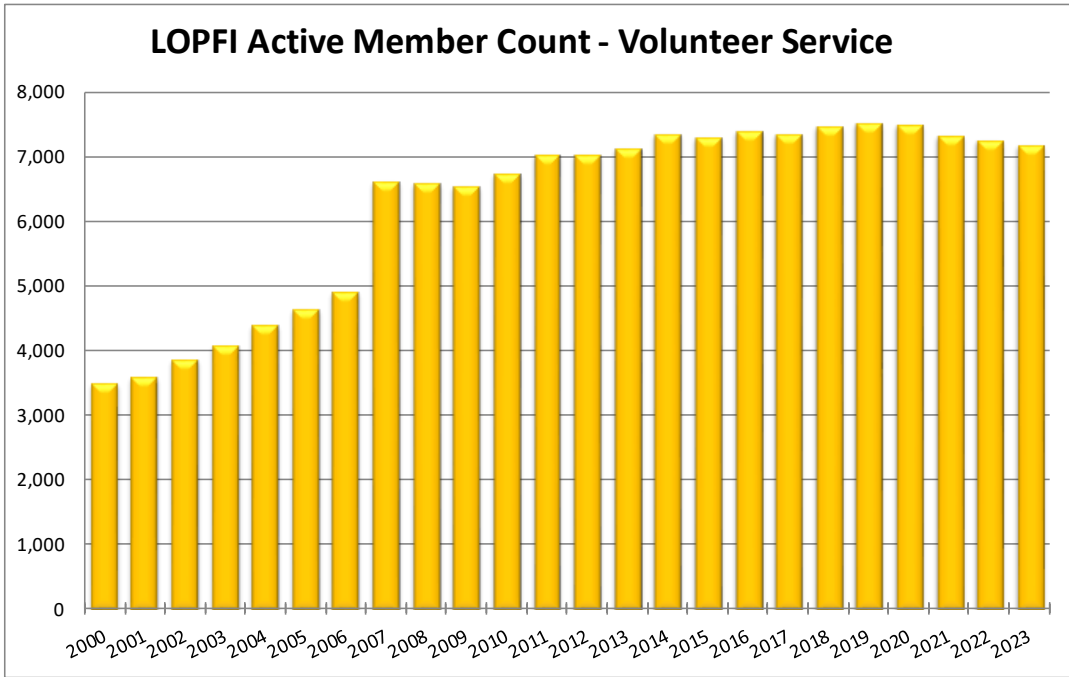
LOPFI Covered Departments and Covered Persons (Excluding Local Plan Members) (Concluded)

Total Volunteer Police and Fire	Number of Departments	Number of Active Members	Inflation Increase % (CPI)
12/31/2000	262	3,490	3.4 %
12/31/2001	265	3,601	1.6
12/31/2002	280	3,858	2.4
12/31/2003	290	4,088	1.9
12/31/2004	306	4,406	3.3
12/31/2005	325	4,650	3.4
12/31/2006	341	4,905	2.5
12/31/2007	461	6,620	4.1
12/31/2008	457	6,603	0.1
12/31/2009	468	6,551	2.7
12/31/2010	485	6,734	1.5
12/31/2011	512	7,034	3.0
12/31/2012	511	7,029	1.7
12/31/2013	534	7,140	1.5
12/31/2014	554	7,347	0.8
12/31/2015	566	7,304	0.7
12/31/2016	573	7,391	2.1
12/31/2017	579	7,341	2.1
12/31/2018	596	7,461	1.9
12/31/2019	601	7,533	2.3
12/31/2020	602	7,508	1.4
12/31/2021	608	7,316	7.0
12/31/2022	618	7,251	6.5
12/31/2023	629	7,184	3.4

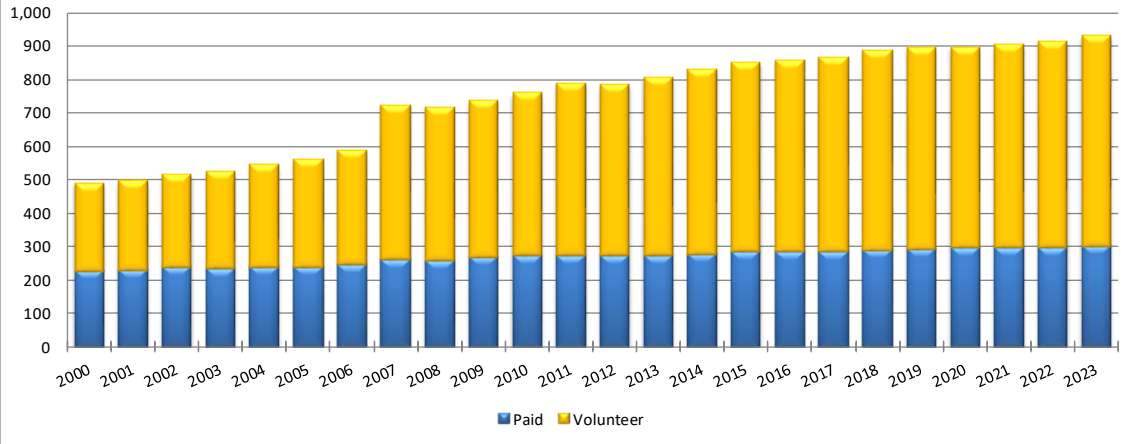
LOPFI Covered Departments - Volunteer Service



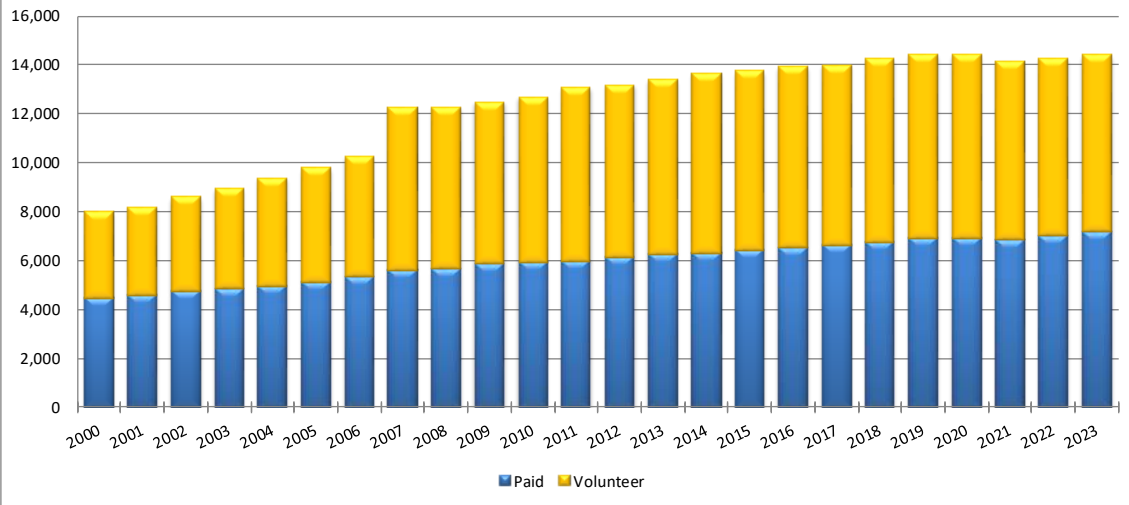
LOPFI Active Member Count - Volunteer Service



LOPFI Covered Departments - Paid and Volunteer Combined



LOPFI Active Member Count - Paid and Volunteer Combined



LOPFI (Excluding Local Plan Members) Paid Service Active Members – December 31, 2023 Attained Age and Years of Service

Attained Age	Years of Service at Valuation Date							Totals*	
	0-4	5-9	10-14	15-19	20-24	25-29	30 Plus	No.	Annual Payroll
Under 20	14							14	\$ 500,851
20-24	571	12						583	26,310,551
25-29	860	232	53					1,145	59,653,562
30-34	568	477	206	80				1,331	77,042,267
35-39	282	278	247	172	76			1,055	67,129,509
40-44	144	132	180	243	177	107		983	68,456,731
45-49	71	67	84	146	226	175	68	837	63,645,012
50-54	65	44	56	69	154	251	102	741	57,250,723
55-59	38	18	39	45	59	115	46	360	26,075,864
60-64	11	7	14	16	21	23	23	115	7,597,584
65-69	4	3	9	8	1	2	3	30	1,680,554
70+	4				1			5	214,706
Totals	2,632	1,270	888	779	715	673	242	7,199	\$ 455,557,914

* Includes DROP participants.

Average Age: 38.2 years

Average Service: 11.4 years

Average Pay: \$63,281

As a comparison, 7,017 paid service members participated in LOPFI on December 31, 2022.

LOPFI Staff is included in the table above.

**LOPFI (Excluding Local Plan Members)
Volunteer Service Active Members – December 31, 2023
Attained Age and Years of Service**

Attained Age	Years of Service at Valuation Date							Total Number
	0-4	5-9	10-14	15-19	20-24	25-29	30 Plus	
Under 20	60							60
20-24	420	44						464
25-29	375	277	57					709
30-34	345	258	214	73				890
35-39	288	247	178	190	76			979
40-44	231	200	171	164	152	66		984
45-49	189	169	129	110	121	129	51	898
50-54	164	137	107	112	88	87	84	779
55-59	101	114	98	84	64	45	75	581
60-64	77	82	58	68	34	42	43	404
65-69	60	47	33	28	22	14	27	231
70+	42	59	32	27	18	7	20	205
Totals	2,352	1,634	1,077	856	575	390	300	7,184

Average Age: 42.9 years

Average Service: 11.1 years

As a comparison, 7,251 volunteer service members participated in LOPFI on December 31, 2022.

Benefit Program 2 Departments
December 31, 2023
(Included in Paid Service Schedules)

Employer	Number of Active Members*	Payroll
Alexander Police	9	\$ 421,686
Alexander Fire	10	424,663
Bella Vista Police	39	2,707,417
Bella Vista Fire	66	4,247,224
Fayetteville Police	138	11,950,095
Fayetteville Fire	136	11,123,841
Hot Springs Police	114	7,616,988
Hot Springs Fire	81	5,131,150
Marion Police	29	1,457,282
Total Benefit Program 2	622	\$ 45,080,346

* Includes DROP participants, if any.

Benefit Program 4 Departments
December 31, 2023
(Included in Volunteer Service Schedules)

Employer	Number of Active Members
Alexander Volunteer Police	7
Alexander Volunteer Fire	4
Chickalah Volunteer Fire	7
Greenwood Volunteer Fire	31
Higginson Volunteer Police	3
Higginson Volunteer Fire	15
Norfolk Volunteer Police	1
Total Benefit Program 4	68

Retirants and Beneficiaries* Added to and Removed from Rolls

Comparative Statement

LOPFI Paid Service

Valuation Date		Added		Removed		End of Year		% Increase in Annual Allowance	Average	
		No.	Annual Allowance	No.	Annual Allowance	No.	Annual Allowance		Annual Allowance	% Increase in Allowance
December 31, 2014	Retirement	282	\$ 7,947,806	28	\$ 409,987	1,755	\$ 37,574,216	25.10	\$ 21,410	6.99
	Survivor of active	6	59,054	5	23,887	100	705,561	5.25	7,056	4.19
	Survivor of retired	12	223,965	1	2,251	58	570,519	63.56	9,837	32.56
December 31, 2015	Retirement	311	8,567,006	17	369,053	2,049	45,772,169	21.82	22,339	4.34
	Survivor of active	5	52,935	8	38,557	97	719,939	2.04	7,422	5.19
	Survivor of retired	13	217,911	4	18,596	67	769,834	34.94	11,490	16.80
December 31, 2016	Retirement	358	9,667,785	33	412,922	2,374	55,027,032	20.22	23,179	3.76
	Survivor of active	1	41,255	3	21,630	95	739,564	2.73	7,785	4.89
	Survivor of retired	16	236,963	4	21,003	79	985,794	28.05	12,478	8.60
December 31, 2017	Retirement	352	9,567,871	33	457,772	2,693	64,137,131	16.56	23,816	2.75
	Survivor of active	11	102,949	5	19,030	101	823,483	11.35	8,153	4.73
	Survivor of retired	21	281,874	5	161,825	95	1,105,843	12.18	11,640	(6.72)
December 31, 2018	Retirement	320	9,702,523	38	398,114	2,975	73,441,540	14.51	24,686	3.65
	Survivor of active	12	83,922	5	23,899	108	883,506	7.29	8,181	0.34
	Survivor of retired	11	110,354	9	108,967	97	1,107,230	0.13	11,415	(1.93)
December 31, 2019	Retirement	380	11,370,675	30	468,181	3,325	84,344,034	14.85	25,367	2.76
	Survivor of active	20	129,798	3	21,662	125	991,642	12.24	7,933	(3.03)
	Survivor of retired	9	229,694	3	35,039	103	1,301,885	17.58	12,640	10.73
December 31, 2020	Retirement	338	12,115,568	39	800,609	3,624	95,658,993	13.42	26,396	4.06
	Survivor of active	16	196,570	2	13,040	139	1,175,172	18.51	8,454	6.57
	Survivor of retired	11	204,964	9	208,626	105	1,298,223	(0.28)	12,364	(2.18)
December 31, 2021	Retirement	369	11,923,020	59	977,061	3,934	106,604,952	11.44	27,098	2.66
	Survivor of active	14	222,146	9	41,061	144	1,356,257	15.41	9,418	11.40
	Survivor of retired	30	383,618	8	139,356	127	1,542,485	18.82	12,146	(1.76)
December 31, 2022	Retirement	343	12,701,874	59	1,247,813	4,218	118,059,013	10.74	27,989	3.29
	Survivor of active	2	56,966	5	32,188	141	1,381,035	1.83	9,795	4.00
	Survivor of retired	25	835,647	13	97,464	139	2,280,668	47.86	16,408	35.09
December 31, 2023	Retirement	391	14,677,056	73	1,450,888	4,536	131,285,181	11.20	28,943	3.41
	Survivor of active	18	223,354	8	38,743	151	1,565,646	13.37	10,369	5.86
	Survivor of retired	33	429,589	13	335,041	159	2,375,216	4.15	14,938	(8.96)

* Includes DROP participants.



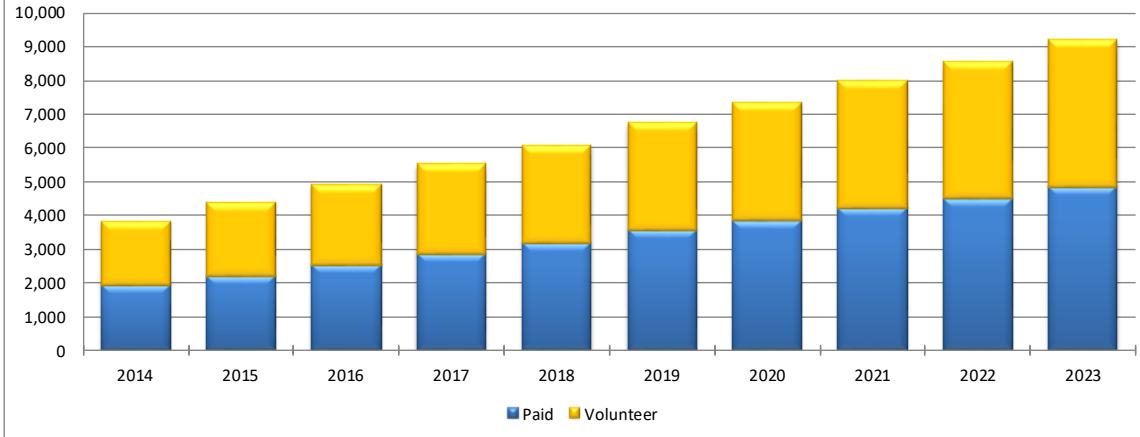
Retirants and Beneficiaries Added to and Removed from Rolls Comparative Statement (Continued)

LOPFI Volunteer Service

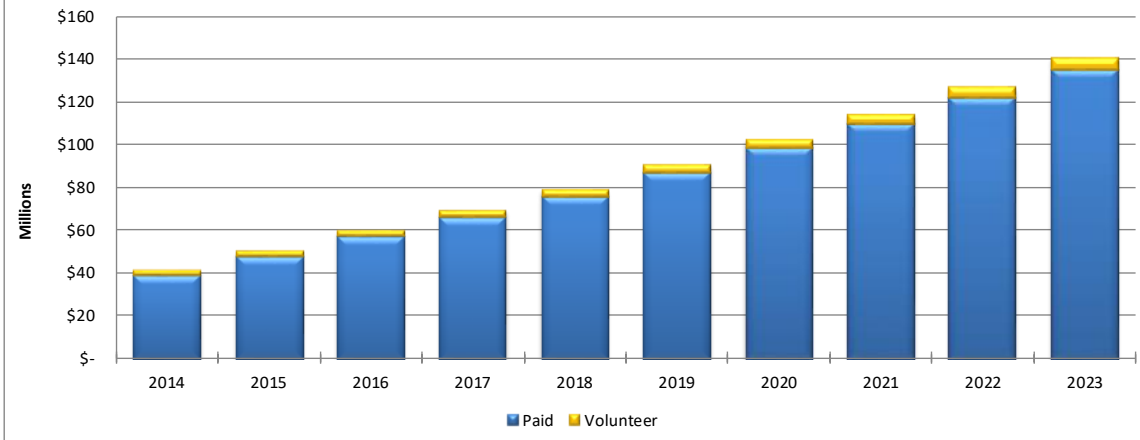
Valuation Date		Added		Removed		End of Year		% Increase in Annual Allowance	Average	
		No.	Annual Allowance	No.	Annual Allowance	No.	Annual Allowance		Annual Allowance	% Increase in Allowance
December 31, 2014	Retirement	241	\$ 276,068	22	\$ 24,459	1,681	\$ 1,938,522	14.92	\$ 1,153	(0.09) %
	Survivor of active	16	4,151	6	2,208	132	45,985	4.41	348	(3.60)
	Survivor of retired	18	18,571	10	13,075	99	98,230	5.93	992	(2.65)
December 31, 2015	Retirement	251	339,418	33	36,715	1,899	2,241,225	15.62	1,180	2.34
	Survivor of active	11	3,182	7	1,574	136	47,593	3.50	350	0.57
	Survivor of retired	22	20,746	5	2,910	116	116,066	18.16	1,001	0.91
December 31, 2016	Retirement	218	283,941	42	48,527	2,075	2,476,639	10.50	1,194	1.19
	Survivor of active	22	10,936	6	1,251	152	57,278	20.35	377	7.71
	Survivor of retired	29	35,094	14	14,065	131	137,095	18.12	1,047	4.60
December 31, 2017	Retirement	280	357,463	35	43,329	2,320	2,790,773	12.68	1,203	0.75
	Survivor of active	28	8,857	6	1,193	174	64,942	13.38	373	(1.06)
	Survivor of retired	17	22,702	9	11,424	139	148,373	8.23	1,067	1.91
December 31, 2018	Retirement	302	362,684	54	71,173	2,568	3,082,284	10.45	1,200	(0.25)
	Survivor of active	2	2,860	8	3,113	168	64,689	(0.39)	385	3.22
	Survivor of retired	28	38,862	15	21,944	152	165,291	11.40	1,087	1.87
December 31, 2019	Retirement	337	426,392	61	78,585	2,844	3,430,091	11.28	1,206	0.50
	Survivor of active	30	9,012	10	1,817	188	71,884	11.12	382	(0.78)
	Survivor of retired	31	33,191	25	33,785	158	164,697	(0.36)	1,042	(4.14)
December 31, 2020	Retirement	305	416,268	46	58,366	3,103	3,787,993	10.43	1,221	1.24
	Survivor of active	20	11,498	15	4,076	193	79,306	10.32	411	7.59
	Survivor of retired	19	25,148	19	19,903	158	169,942	3.18	1,076	3.26
December 31, 2021	Retirement	381	493,207	72	102,246	3,412	4,178,954	10.32	1,225	0.33
	Survivor of active	28	10,956	22	5,960	199	84,302	6.30	424	3.16
	Survivor of retired	29	27,764	16	14,448	171	183,258	7.84	1,072	(0.37)
December 31, 2022	Retirement	351	471,908	92	121,575	3,671	4,529,287	8.38	1,234	0.73
	Survivor of active	9	7,584	16	2,543	192	89,343	5.98	465	9.67
	Survivor of retired	37	48,058	18	20,802	190	210,514	14.87	1,108	3.36
December 31, 2023	Retirement	347	532,252	72	104,135	3,946	4,957,404	9.45	1,256	1.78
	Survivor of active	23	8,304	8	3,972	207	93,675	4.85	453	(2.58)
	Survivor of retired	32	45,850	25	31,713	197	224,651	6.72	1,140	2.89



LOPFI Retirants and Beneficiaries - Member Count



LOPFI Retirants and Beneficiaries - Total Annual Benefits



Retirants and Beneficiaries* Added to and Removed from Rolls Comparative Statement (Continued)

Local Paid Service

Valuation Date		Added		Removed		End of Year		% Increase in Annual Allowance	Average	
		No.	Annual Allowance	No.	Annual Allowance	No.	Annual Allowance		Annual Allowance	% Increase in Allowance
December 31, 2014	Retirement	34	\$ 1,037,839	41	\$ 795,906	1,182	\$ 28,021,143	0.87	\$ 23,707	1.47 %
	Survivor of active	-	3,226	-	-	22	365,144	0.89	16,597	0.89
	Survivor of retired	27	612,017	18	273,656	356	6,417,575	5.57	18,027	2.90
December 31, 2015	Retirement	48	1,585,403	39	668,103	1,191	28,938,443	3.27	24,298	2.49
	Survivor of active	1	11,069	2	39,490	21	336,723	(7.78)	16,034	(3.39)
	Survivor of retired	39	736,035	23	370,013	372	6,783,597	5.70	18,235	1.15
December 31, 2016	Retirement	28	663,817	42	808,519	1,177	28,793,741	(0.50)	24,464	0.68
	Survivor of active	1	8,712	-	-	22	345,435	2.59	15,702	(2.07)
	Survivor of retired	28	593,043	23	347,147	377	7,029,493	3.62	18,646	2.25
December 31, 2017	Retirement	122	3,554,712	35	795,031	1,264	31,553,422	9.58	24,963	2.04
	Survivor of active	2	43,909	1	7,425	23	381,919	10.56	16,605	5.75
	Survivor of retired	58	1,149,220	24	357,161	411	7,821,552	11.27	19,031	2.06
December 31, 2018	Retirement	237	8,914,833	54	1,178,112	1,447	39,290,143	24.52	27,153	8.77
	Survivor of active	4	90,907	-	-	27	472,826	23.80	17,512	5.46
	Survivor of retired	102	3,066,934	26	459,655	487	10,428,831	33.33	21,414	12.52
December 31, 2019	Retirement	22	925,524	51	1,137,359	1,418	39,078,308	(0.54)	27,559	1.50
	Survivor of active	-	2,742	2	37,378	25	438,190	(7.33)	17,528	0.09
	Survivor of retired	26	682,836	25	456,573	488	10,655,094	2.17	21,834	1.96
December 31, 2020	Retirement	40	1,358,752	67	1,563,768	1,391	38,873,292	(0.52)	27,946	1.40
	Survivor of active	1	15,683	1	8,820	25	445,053	1.57	17,802	1.56
	Survivor of retired	55	1,402,303	30	547,727	513	11,509,670	8.02	22,436	2.76
December 31, 2021	Retirement	4	731,131	56	1,358,978	1,339	38,245,445	(1.62)	28,563	2.21
	Survivor of active	-	2,890	-	-	25	447,943	0.65	17,918	0.65
	Survivor of retired	27	747,437	32	534,701	508	11,722,406	1.85	23,076	2.85
December 31, 2022	Retirement	3	1,616,871	62	1,527,670	1,280	38,334,646	0.23	29,949	4.85
	Survivor of active	1	50,260	2	39,284	24	458,919	2.45	19,122	6.72
	Survivor of retired	25	1,280,335	43	818,847	490	12,183,894	3.94	24,865	7.75
December 31, 2023	Retirement	44	1,817,364	53	1,568,853	1,271	38,583,157	0.65	30,357	1.36
	Survivor of active	-	2,791	5	107,119	19	354,591	(22.73)	18,663	(2.40)
	Survivor of retired	43	1,195,275	32	732,857	501	12,646,312	3.80	25,242	1.52

* Includes DROP participants.



Retirants and Beneficiaries Added to and Removed from Rolls Comparative Statement (Concluded)

Local Volunteer Service

Valuation Date		Added		Removed		End of Year		% Increase in Annual Allowance	Average	
		No.	Annual Allowance	No.	Annual Allowance	No.	Annual Allowance		Annual Allowance	% Increase in Allowance
December 31, 2014	Retirement	47	\$ 88,609	22	\$ 32,882	694	\$ 1,189,513	4.92	\$ 1,714	1.12 %
	Survivor of active	-	232	-	-	14	21,521	1	1,537	1.05
	Survivor of retired	32	56,045	11	14,792	238	355,809	13.11	1,495	3.10
December 31, 2015	Retirement	27	50,934	30	46,371	691	1,194,076	0.38	1,728	0.82
	Survivor of active	1	1,439	1	1,200	14	21,760	1.11	1,554	1.11
	Survivor of retired	27	41,171	19	26,369	246	370,611	4.16	1,507	0.80
December 31, 2016	Retirement	37	80,525	40	60,439	688	1,214,162	1.68	1,765	2.14
	Survivor of active	1	2,526	2	2,340	13	21,946	1	1,688	8.62
	Survivor of retired	45	76,922	16	22,294	275	425,239	14.74	1,546	2.59
December 31, 2017	Retirement	175	358,989	33	63,305	830	1,509,846	24.35	1,819	3.06
	Survivor of active	4	4,821	-	-	17	26,767	21.97	1,575	(6.69)
	Survivor of retired	99	190,566	24	36,316	350	579,489	36.27	1,656	7.12
December 31, 2018	Retirement	77	225,052	41	73,666	866	1,661,232	10.03	1,918	5.44
	Survivor of active	1	2,109	1	1,957	17	26,919	0.57	1,583	0.51
	Survivor of retired	60	141,299	21	32,132	389	688,656	18.84	1,770	6.88
December 31, 2019	Retirement	47	162,997	39	64,014	874	1,760,215	5.96	2,014	5.01
	Survivor of active	1	2,054	2	3,941	16	25,032	(7.01)	1,565	(1.14)
	Survivor of retired	28	70,009	31	53,470	386	705,195	2.40	1,827	3.22
December 31, 2020	Retirement	9	45,099	54	103,946	829	1,701,368	(3.34)	2,052	1.89
	Survivor of active	-	316	3	3,300	13	22,048	(11.92)	1,696	8.37
	Survivor of retired	35	81,176	36	60,012	385	726,359	3.00	1,887	3.28
December 31, 2021	Retirement	45	160,512	50	85,712	824	1,776,168	4.40	2,156	5.07
	Survivor of active	-	325	2	4,080	11	18,293	(17.03)	1,663	(1.95)
	Survivor of retired	55	130,425	37	74,462	403	782,322	7.70	1,941	2.86
December 31, 2022	Retirement	64	195,150	39	78,264	849	1,893,054	6.58	2,230	3.43
	Survivor of active	1	1,635	1	2,643	11	17,285	(5.51)	1,571	(5.53)
	Survivor of retired	50	119,644	33	58,926	420	843,040	7.76	2,007	3.40
December 31, 2023	Retirement	22	88,982	52	119,141	819	1,862,895	(1.59)	2,275	2.02
	Survivor of active	1	1,421	2	2,591	10	16,115	(6.77)	1,612	2.61
	Survivor of retired	46	129,880	34	59,446	432	913,474	8.35	2,115	5.38



**LOPFI (Excluding Local Plan Members)
Paid Service Retirants and Beneficiaries* – December 31, 2023
Tabulated by Attained Ages**

Attained Ages	Age & Service Retirants		Disability Retirants		Survivor Beneficiaries	
	No.	Annual Benefits	No.	Annual Benefits	No.	Annual Benefits
Under 10					8	\$ 42,370
10-14					21	131,775
15-19					18	140,174
20-24					4	23,995
25-29					3	103,164
30-34	2	\$21,279	1	\$ 30,632	9	97,340
35-39	15	\$ 246,498	20	543,213	8	145,426
40-44	93	1,734,985	30	947,324	11	104,452
45-49	231	5,851,700	85	2,537,164	21	357,174
50-54	629	20,389,930	152	4,832,251	27	357,465
55-59	976	32,955,496	110	3,595,519	48	712,138
60-64	1,016	30,731,424	115	3,793,722	48	798,679
65-69	512	12,608,426	54	1,605,691	30	335,955
70-74	283	5,247,990	22	747,035	26	249,554
75-79	122	1,587,699	14	396,961	21	210,493
80-84	42	724,300	1	42,889	6	120,881
85-89	11	113,053				
90 & Over					1	9,827
Totals	3,932	\$ 112,212,780	604	\$ 19,072,401	310	\$ 3,940,862

* Includes DROP participants.

LOPFI (Excluding Local Plan Members)
Volunteer Service Retirants and Beneficiaries – December 31, 2023
Tabulated by Attained Ages

Attained Ages	Age & Service Retirants		Disability Retirants		Survivor Beneficiaries	
	No.	Annual Benefits	No.	Annual Benefits	No.	Annual Benefits
Under 10					5	\$ 477
10-14					29	3,271
15-19					27	4,103
20-24					2	383
25-29					1	199
30-34			1	\$ 824	7	4,098
35-39	11	\$ 9,911	10	2,703	8	6,465
40-44	94	52,337	11	4,929	14	6,760
45-49	183	125,504	30	13,330	20	7,728
50-54	325	265,345	46	22,199	28	22,885
55-59	569	654,500	16	8,055	48	36,390
60-64	843	1,099,864	27	18,865	51	43,841
65-69	689	1,022,743	8	9,727	46	57,581
70-74	523	790,774	5	6,956	47	46,027
75-79	292	437,630	3	3,154	37	35,737
80-84	177	281,914			23	27,883
85-89	65	100,443			9	12,349
90 & Over	18	25,697			2	2,149
Totals	3,789	\$ 4,866,662	157	\$ 90,742	404	\$ 318,326

**Local Plan Members Under LOPFI Administration
Paid Service Retirants and Beneficiaries* – December 31, 2023
Tabulated by Attained Ages**

Attained Ages	Age & Service Retirants		Disability Retirants		Survivor Beneficiaries	
	No.	Annual Benefits	No.	Annual Benefits	No.	Annual Benefits
Under 10						
10-14						
15-19						
20-24						
25-29						
30-34						
35-39						
40-44						
45-49					1	\$ 27,563
50-54			1	\$ 5,007	3	63,298
55-59	3	\$ 18,363			5	163,332
60-64	90	2,733,336	7	225,565	27	794,862
65-69	268	8,565,114	23	618,748	43	1,315,949
70-74	304	9,821,896	28	771,403	93	2,589,741
75-79	272	8,313,620	24	574,211	103	2,852,038
80-84	147	4,225,354	9	240,526	115	2,691,213
85-89	67	1,709,093	7	176,801	75	1,462,359
90 & Over	19	555,857	2	28,263	55	1,040,548
Totals	1,170	\$ 35,942,633	101	\$ 2,640,524	520	\$ 13,000,903

* Includes DROP members.

Local Plan Members Under LOPFI Administration Volunteer Service Retirants and Beneficiaries – December 31, 2023 Tabulated by Attained Ages

Attained Ages	Age & Service Retirants		Disability Retirants		Survivor Beneficiaries	
	No.	Annual Benefits	No.	Annual Benefits	No.	Annual Benefits
Under 10						
10-14						
15-19					1	\$ 305
20-24						
25-29						
30-34						
35-39						
40-44						
45-49	1	\$ 3,064				
50-54						
55-59	5	10,774			4	8,210
60-64	60	150,129			13	35,854
65-69	157	356,681	1	\$ 1,433	26	56,516
70-74	157	338,009	5	13,535	53	117,888
75-79	187	422,230	3	3,600	101	208,268
80-84	134	299,731	1	1,200	94	205,845
85-89	69	156,068			85	164,149
90 & Over	39	106,441			65	132,554
Totals	809	\$ 1,843,127	10	\$ 19,768	442	\$ 929,589

LOPFI Participating Department by Employer December 31, 2023

Employer	POLICE			FIRE			OTHER
	Paid with SS	Paid w/o SS	Volunteer Service	Paid with SS	Paid w/o SS	Volunteer Service	
101 Gamaliel						X	
70 West Fire Protection District				X		X	
Alexander	X		X	X		X	
Allison Sylamore						X	
Alma						X	
Alpena						X	
Alzheimer			X			X	
Altus	X					X	
Amity	X		X			X	
Antioch						X	
Appleton Rural						X	
Arch Street FPD #16						X	
Arkadelphia					X	X	
Arkansas City						X	
Ash Flat	X		X		X	X	
Ashdown	X		X		X	X	
Atkins	X		X			X	
Augusta	X		X			X	
Austin	X		X			X	
Avoca						X	
Bald Knob	X					X	
Barling	X		X	X		X	
Barton-Lexa Fire Department, Inc.						X	
Batesville	X		X		X	X	
Bauxite						X	
Bay	X		X			X	
Bay Village						X	
BDR FD#1						X	
Bearden						X	
Beaver Lake				X		X	
Beaverfork						X	
Bee Branch						X	
Beebe				X		X	
Bella Vista	X		X	X			
Belleville						X	
Benton	X				X		
Bentonville	X		X		X	X	
Bergman						X	
Berryville	X		X			X	
Bethesda Area						X	
Big Creek						X	
Bigelow						X	
Bigger-Reyno						X	
Biscoe						X	
Bismarck Fire Pro Association						X	
Black Rock	X		X				
Blytheville	X				X	X	
Bonanza						X	
Bono	X		X				

LOPFI Participating Department by Employer December 31, 2023

Employer	POLICE			FIRE			OTHER
	Paid with SS	Paid w/o SS	Volunteer Service	Paid with SS	Paid w/o SS	Volunteer Service	
Bono FID						X	
Booneville						X	
Boston Mountain						X	
Bradford	X		X			X	
Bradley	X		X			X	
Bradley County Rural						X	
Brinkley		X	X		X	X	
Brookland	X		X				
Brookland Fire Protection District						X	
Bruno Fire Protection District						X	
Bryant	X		X		X		
Buena Vista						X	
Buford				X		X	
Bull Shoals	X			X		X	
Burnt Ridge						X	
Butterfield						X	
Cabot	X				X	X	
Caddo Valley	X		X			X	
Cairo						X	
Caldwell						X	
Calico Rock						X	
Calion	X					X	
Calvert Township						X	
Camden		X			X	X	
Cammack Village	X						
Camp						X	
Cane Creek						X	
Capps-Batavia						X	
Caraway	X					X	
Carlisle	X					X	
Carthage						X	
Cash						X	
Cave City	X		X	X		X	
Cave Springs	X		X	X		X	
Cecil						X	
Center						X	
Center Grove						X	
Centerton	X		X		X	X	
Central City	X					X	
Chambersville						X	
Charleston						X	
Charlotte						X	
Cherokee Village	X		X	X		X	
Cherry Hill						X	
Cherry Valley	X					X	
Chickalah						X	
Chidester						X	
Chimes						X	

LOPFI Participating Department by Employer December 31, 2023

Employer	POLICE			FIRE			OTHER
	Paid with SS	Paid w/o SS	Volunteer Service	Paid with SS	Paid w/o SS	Volunteer Service	
Choctaw						X	
Cincinnati						X	
Clarendon	X		X			X	
Clarksville	X		X			X	
Clinton	X		X	X		X	
Coal Hill	X		X			X	
Collegeville						X	
Colt						X	
Compton						X	
Concord			X				
Conway	X				X		
Conway County						X	
Cooterneck						X	
Cord						X	
Corning	X					X	
Cotter	X					X	
Cotter/Gassville Rural						X	
Cotton Plant	X					X	
Cottonwood Rural Fire Assoc						X	
County Line						X	
Cove Rural						X	
Crawfordsville						X	
Crossett	X		X		X	X	
Crow Mountain Fire Protection District						X	
Crystal Fire Protection District						X	
Curtis Rural						X	
Dalton						X	
Damascus						X	
Danville	X					X	
Dardanelle	X		X			X	
De Queen	X				X	X	
Deann						X	
Decatur	X		X			X	
Deer						X	
Delaware						X	
Dermott	X					X	
Des Arc	X		X			X	
Desha						X	
Devalls Bluff	X					X	
DeWitt	X					X	
Diamond City	X						
Diaz	X		X			X	
Dierks	X		X				
District 7 Crawford Co. Volunt						X	
Dodd Mountain						X	
Dover	X					X	
Dumas						X	
Dyess						X	



LOPFI Participating Department by Employer December 31, 2023

Employer	POLICE			FIRE			OTHER
	Paid with SS	Paid w/o SS	Volunteer Service	Paid with SS	Paid w/o SS	Volunteer Service	
Earle	X		X			X	
East Camden			X			X	
East End Fire Protection District						X	
East Pulaski County						X	
El Dorado		X			X		
Elaine						X	
Elkins	X		X	X		X	
Elm Springs	X		X				
Emmet						X	
EMP Rural Fire Association						X	
England						X	
Etowah						X	
Eudora						X	
Eureka Springs	X		X		X	X	
Evansville						X	
Evening Shade			X			X	
Faircrest						X	
Fairfield Bay	X					X	
Fairview Fire Protection District						X	
Fairview Rural Fire District						X	
Farmington	X		X	X		X	
Fayetteville		X			X		
Fifty Six						X	
Fire District #6 Crawford Co						X	
Fisher						X	
Flippin	X		X	X		X	
Floral						X	
Fordyce						X	
Foreman						X	
Forrest City	X		X		X	X	
Fort Smith		X	X		X		
Fountain Lake						X	
Fox						X	
Frenchport						X	
Gallatin						X	
Garland						X	
Garnett						X	
Gassville	X		X	X		X	
Gentry	X		X	X		X	
Gillett						X	
Gillham						X	
Glenwood	X		X			X	
Goshen	X						
Goshen Fire Dist Assoc						X	
Gosnell	X		X			X	
Gould						X	
Grady						X	
Gravel Ridge					X	X	

LOPFI Participating Department by Employer December 31, 2023

Employer	POLICE			FIRE			OTHER
	Paid with SS	Paid w/o SS	Volunteer Service	Paid with SS	Paid w/o SS	Volunteer Service	
Gravette	X		X	X		X	
Grayson Fire Assoc						X	
Green Forest	X		X			X	
Greenbrier	X			X		X	
Greenland	X		X				
Greenwood	X		X		X	X	
Greenwood Rural						X	
Greers Ferry	X					X	
Grover Township						X	
Grubbs						X	
Gum Springs						X	
Gurdon						X	
Guy Community						X	
Hackett	X		X			X	
Hagarville RFD #3						X	
Halley						X	
Hamburg						X	
Hampton	X					X	
Hand Cove Fire Prot District						X	
Hardin						X	
Hardy	X		X		X	X	
Harmon						X	
Harrell						X	
Harrisburg	X					X	
Harrison	X		X		X	X	
Hartford	X					X	
Haskell	X		X	X		X	
Hatfield						X	
Hazen						X	
Heber Springs	X				X	X	
Hector	X		X			X	
Helena-West Helena		X	X		X	X	
Hensley						X	
Hermitage	X		X			X	
Hickory Creek						X	
Hickory Ridge						X	
Higginson			X			X	
Highfill	X		X			X	
Highland	X		X			X	
Highway 15 South						X	
Highway 286 East						X	
Highway 94 East						X	
Hilltop						X	
Hilltop Fire District# 51						X	
Holiday Island					X	X	
Holland						X	
Hollis						X	
Holly Grove	X		X			X	

LOPFI Participating Department by Employer

December 31, 2023

Employer	POLICE			FIRE			OTHER
	Paid with SS	Paid w/o SS	Volunteer Service	Paid with SS	Paid w/o SS	Volunteer Service	
Hon						X	
Hope					X	X	
Hopewell Fire District						X	
Horatio						X	
Horseshoe Lake						X	
Hot Springs		X			X		
Hot Springs Village	X		X	X		X	
Hoxie	X		X			X	
Hughes	X		X			X	
Humphrey	X		X			X	
Huntington			X			X	
Huntsville	X		X		X	X	
Huttig	X					X	
Imboden						X	
Inspiration Point Rural Fire Protection District						X	
Ione Community						X	
Jacksonville	X				X		
Jasper	X					X	
Johnson	X			X		X	
Johnson County Rfd #1						X	
Johnson County Rfd #2						X	
Johnson County Rfd #4						X	
Johnson County Rfd #5						X	
Johnson County Rfd #7						X	
Johnson County Rfd #8						X	
Joiner						X	
Jonesboro		X	X		X		
Joplin						X	
Judsonia	X		X			X	
Junction City			X			X	
Keiser						X	
Kensett	X		X			X	
Keo						X	
Kibler	X						
Knoxville						X	
Krooked Kreek						X	
Lake City	X					X	
Lake Hamilton				X		X	
Lake Maumelle Area RFD						X	
Lake Norrell						X	
Lake Village	X		X			X	
Lakeview		X	X				
Lakeway Rural						X	
Lamar	X					X	
Landis						X	
Lavaca	X		X			X	
Lawson-Urbana						X	
Lazy Acres						X	

LOPFI Participating Department by Employer December 31, 2023

Employer	POLICE			FIRE			OTHER
	Paid with SS	Paid w/o SS	Volunteer Service	Paid with SS	Paid w/o SS	Volunteer Service	
Leachville	X		X			X	
Lead Hill						X	
Lepanto	X					X	
Leslie						X	
Lewisville	X					X	
Liberty						X	
Lincoln	X		X	X		X	
Linwood-Moscow						X	
Little Flock	X		X			X	
Little Rock		X			X		
Lockesburg						X	
London Rural						X	
Lone Rock						X	
Lonoke	X					X	
LOPFI Staff							X
Louann						X	
Lowell	X		X		X		
Luxora						X	
Lynne						X	
Magazine						X	
Magnet Cove						X	
Magnolia	X		X		X	X	
Malvern	X				X	X	
Mammoth Spring						X	
Manila	X					X	
Mansfield	X					X	
Marble						X	
Marianna	X			X		X	
Marion	X		X	X		X	
Marked Tree	X					X	
Marmaduke	X		X			X	
Marshall	X		X			X	
Marvell	X		X			X	
Maumelle		X			X	X	
Mayflower	X			X		X	
Maynard						X	
McCroary	X					X	
McGehee	X				X	X	
McNeil						X	
McRae	X					X	
Melbourne						X	
Melrose						X	
Mena					X	X	
Midland						X	
Milo						X	
Mineral Springs	X		X			X	
Monette	X					X	
Monticello					X	X	



LOPFI Participating Department by Employer December 31, 2023

<u>Employer</u>	POLICE			FIRE			OTHER
	<u>Paid with SS</u>	<u>Paid w/o SS</u>	<u>Volunteer Service</u>	<u>Paid with SS</u>	<u>Paid w/o SS</u>	<u>Volunteer Service</u>	
Montrose						X	
Morning Star						X	
Morning Star FPA				X		X	
Moro						X	
Morrilton				X		X	
Morrison						X	
Morrow						X	
Mount Holly						X	
Mount Ida						X	
Mountain Home	X		X		X	X	
Mountain Pine	X		X				
Mountain View	X		X			X	
Mountainburg	X					X	
Mt Judea Area						X	
Mulberry	X					X	
Murfreesboro	X					X	
Nashville					X	X	
Natural Dam						X	
New Blaine Rural						X	
Newark			X			X	
Newcastle Rural						X	
Newport	X		X		X	X	
Nimrod/Aplin						X	
Nob Hill					X	X	
Norfolk			X				
Norman						X	
Norphlet			X			X	
North Crossett						X	
North Little Rock		X			X		
North Pulaski FPD						X	
Northeast Benton Co.						X	
Northeast Greene County Fire District						X	
Northeast Lakeside				X		X	
Northeast Saline County Fire						X	
Northside						X	
Northside						X	
Oak Grove						X	
Oak Grove					X	X	
Oil Trough						X	
Ola	X		X			X	
Oppelo			X			X	
Osceola	X		X		X	X	
Ouachita						X	
Ouachita Co FD #1						X	
Oxley						X	
Ozark	X		X	X		X	
Pangburn	X		X			X	
Paragould	X		X		X	X	
Paris						X	

LOPFI Participating Department by Employer December 31, 2023

Employer	POLICE			FIRE			OTHER
	Paid with SS	Paid w/o SS	Volunteer Service	Paid with SS	Paid w/o SS	Volunteer Service	
Parkin						X	
Parthenon						X	
Patterson	X		X			X	
Pea Ridge	X		X	X		X	
Peel						X	
Perla						X	
Perryville	X					X	
Philadelphia						X	
Piggott						X	
Pine Bluff		X	X		X		
Pine Ridge						X	
Pine Village						X	
Pineville						X	
Piney Point						X	
Plainview						X	
Pleasant Plains	X						
Pleasant Plains						X	
Plumerville						X	
Pocahontas	X		X		X	X	
Ponca						X	
Portland	X					X	
Pottsville	X		X			X	
Prairie Grove	X		X	X		X	
Prescott						X	
Pulaski Co					X	X	
Pyatt Rural Fire & Def Assoc						X	
Quail Creek						X	
Quitman						X	
Ravenden	X					X	
Rector	X		X			X	
Redfield	X		X			X	
Richwood						X	
Rison						X	
Riverdale						X	
Rockport	X		X				
Rockport						X	
Rocky Branch						X	
Rogers	X				X		
Rondo						X	
Rose Bud						X	
Ross Van Ness - Wellford						X	
Round Mountain						X	
Ruddell Hill						X	
Rudd's Crossing						X	
Runyan Acres						X	
Russell						X	
Russellville	X				X		
Salem	X					X	
Salem-Saline County						X	

LOPFI Participating Department by Employer December 31, 2023

Employer	POLICE			FIRE			OTHER
	Paid with SS	Paid w/o SS	Volunteer Service	Paid with SS	Paid w/o SS	Volunteer Service	
Saratoga						X	
Sardis Fire Protection District						X	
SAU Tech - Arkansas Fire Training A				X			
Scotland						X	
Scott						X	
Scranton Rural						X	
SE Jefferson Co						X	
Searcy	X		X		X	X	
Sedgwick Fire Improvement Dist						X	
Shady Grove Fire & Rescue						X	
Shannon Hills	X		X				
Shannon Hills						X	
Shaw						X	
Sheridan						X	
Sherwood	X		X				
Siloam Springs	X		X		X	X	
Sixth District						X	
Smackover	X					X	
Smyrna						X	
Snowball						X	
South Carroll Co Fire Assoc						X	
South Greene County						X	
South Mountain						X	
Southbend						X	
Southridge						X	
Southside						X	
Sparkman						X	
Springdale	X				X		
St. Francis						X	
Stamps	X					X	
Star City	X		X			X	
Stephens						X	
Strawberry						X	
Strickler						X	
Strong						X	
Stuttgart	X		X		X	X	
Sulphur	X		X			X	
Sulphur Rock						X	
Summit						X	
Sunnyland Rural						X	
Sunset Rural						X	
Swifton	X					X	
Taylor						X	
Texarkana		X			X		
Thornton						X	
Tillar						X	
Timbo						X	
Tinsman						X	
Tontitown	X		X	X		X	

LOPFI Participating Department by Employer December 31, 2023

Employer	POLICE			FIRE			OTHER
	Paid with SS	Paid w/o SS	Volunteer Service	Paid with SS	Paid w/o SS	Volunteer Service	
Tontitown Area						X	
Town of Sherrill						X	
Town of St. Charles						X	
Tracy Area						X	
Trumann	X		X		X	X	
Tuckerman	X					X	
Tull Fire & Rescue						X	
Turrell						X	
Turtle Creek						X	
Tyronza	X		X			X	
Umpire						X	
Upper White Oak Lake VFD						X	
Valley Springs						X	
Van Buren	X		X		X		
Vandervoort Rural						X	
Velvet Ridge Fire Protection District						X	
Vilonia	X		X	X		X	
Viola						X	
Wabbaseka						X	
Waldo	X		X			X	
Waldron	X					X	
Walnut Ridge	X		X		X	X	
Ward	X		X	X		X	
Warren					X	X	
Washington						X	
Water Valley						X	
Watson Chapel						X	
Wedington						X	
Weiner	X		X			X	
Wescon						X	
Wesley						X	
West Fork	X		X	X		X	
West Memphis	X		X		X		
West Point						X	
West Pulaski						X	
Western Greene Co						X	
Western Grove						X	
Wheatley	X					X	
Wheeler						X	
White Bluff-Rye Hill						X	
White Hall	X		X			X	
Whitehouse						X	
Wickes RVFD #2						X	
Williams Junction						X	
Wilmar						X	
Wilmot	X					X	
Wilson	X		X			X	
Wilton						X	
Winchester						X	

LOPFI Participating Department by Employer December 31, 2023

<u>Employer</u>	<u>POLICE</u>			<u>FIRE</u>			<u>OTHER</u>
	<u>Paid with SS</u>	<u>Paid w/o SS</u>	<u>Volunteer Service</u>	<u>Paid with SS</u>	<u>Paid w/o SS</u>	<u>Volunteer Service</u>	
Woodlawn						X	
Wynne	X		X		X	X	
Y-City						X	
Yellville						X	
Zinc						X	

SECTION D

FINANCIAL PRINCIPLES

Financial Principles and Operational Techniques of LOPFI

Local Police and Fire Retirement System

Promises Made, and To Be Paid For. As each year is completed, the System in effect hands an "IOU" to each member then acquiring a year of service credit -- the "IOU" says: "The Arkansas Local Police and Fire Retirement System owes you one year's worth of retirement benefits, payments in cash commencing when you qualify for retirement."

The related **key financial questions** are:

Which generation of taxpayers contributes the money to cover the IOU? The present taxpayers, who receive the benefit of the member's present year of service? **Or the future taxpayers**, who happen to be in Arkansas at the time the IOU becomes a cash demand, years and often decades later?

LOPFI intends that this year's taxpayers contribute the money to cover the IOUs being handed out this year. By following this principle, **the employer contribution rate will remain approximately level from generation to generation** -- our children and our grandchildren will contribute the same percents of pay we contribute now.

There are systems which have a design for deferring contributions to future taxpayers lured by a lower contribution rate now and putting aside the fact that the contribution rate must relentlessly grow much greater over decades of time -- consume now, and let your children face your financial pollution after you've retired.

An inevitable by-product of the level-cost design is the accumulation of reserve assets, for decades, and the income produced when the assets are invested. **Invested assets are a by-product and not the objective.** **Investment income** becomes in effect **the third contributor** for benefits to employees, and is interlocked with the contribution amounts required from employees and employers.

Translated to actuarial terminology, this level-cost objective means that the contribution rates must total at least the following:

Normal Cost (the cost of members' service being rendered this year)

... plus ...

Interest on Unfunded Actuarial Accrued Liabilities (unfunded actuarial accrued liabilities are the difference between: liabilities for members' service already rendered; and the accrued assets of the governmental unit in the plan).

Computing Contributions to Support System Benefits. From a given schedule of benefits and from the employee data and asset data furnished, the actuary determines the contribution rates to support the benefits, by means of ***an actuarial valuation and a funding method.***

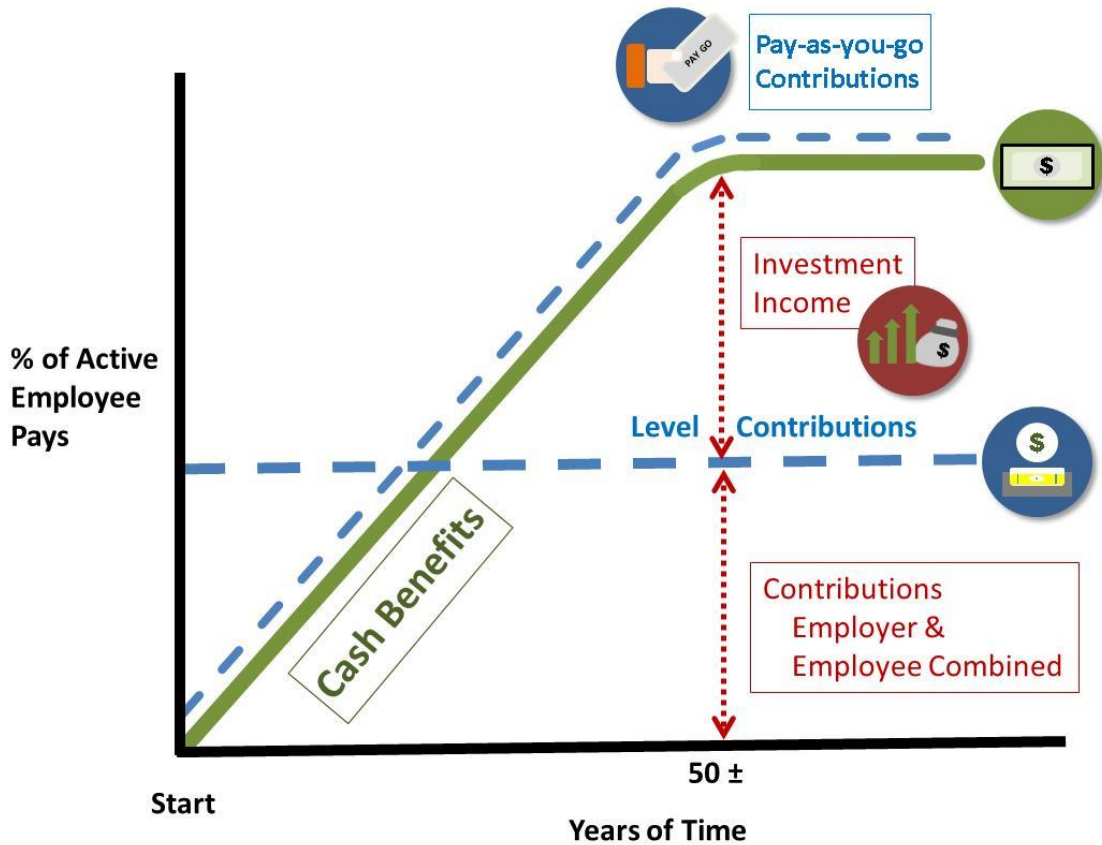
An actuarial valuation has a number of ingredients such as: the rate of investment return which plan assets will earn; the rates of withdrawal of active members who leave covered employment before qualifying for any monthly benefit; the rates of mortality; the rates of disability; the rates of pay increases; and the assumed age or ages at actual retirement.

In making an actuarial valuation, the system must assume what the above experience will be for the next year and for decades in the future. Only the subsequent actual experience of the System can indicate the degree of accuracy of the assumptions.

Reconciling Differences between Assumed Experience and Actual Experience. Once actual experience has occurred and been observed, it will not coincide exactly with assumed experience, regardless of the wisdom of the assumptions and regardless of the skill of the actuary and the calculations made. The future can be predicted with considerable but not complete precision, except that inflation seems to defy reliable prediction.

LOPFI copes with these continually changing differences by having ***annual actuarial valuations***, separately for each participating paid employer department and in aggregate for participating volunteer departments. Each annual actuarial valuation is a complete recalculation of assumed future experience, taking into account all past differences between assumed and actual experience. The result is continually changing employer contribution rates.

To avoid causing employer budget problems, LOPFI provides a maximum annual increase of one percent of payroll for any one participating employer (not including the effect of any benefit changes throughout the year).



CASH BENEFITS LINE. This relentlessly increasing line is the fundamental reality of retirement plan financing. It happens each time a new benefit is added for future retirements (and happens regardless of the design for contributing for benefits).

LEVEL CONTRIBUTION LINE. Determining the level contribution line requires detailed assumptions concerning a variety of experiences in future decades, including:

- **Economic Risk Areas**
 - Rates of investment return
 - Rates of pay increase
 - Changes in active member group size
- **Non-Economic Risk Areas**
 - Ages at actual retirement
 - Rates of mortality
 - Rates of withdrawal of active members (turnover)
 - Rates of disability

Actuarial Valuation Process

The **actuarial valuation** is the mathematical process by which the contribution rate is determined, and the flow of activity constituting the valuation may be summarized as follows:

- A. **Covered people data**, furnished by plan administrator, including:
 - Retired lives now receiving benefits
 - Former employees with vested benefits not yet payable
 - Active employees
- + B. **Asset data** (cash & investments), furnished by plan administrator
- + C. **Assumptions concerning future financial experiences in various risk areas**, which assumptions are established by the Board of Trustees after consulting with the actuary
- + D. **The funding method** for determining employer contributions (the long-term, planned pattern for employer contributions)
- + E. **Mathematically combining the assumptions, the funding method, and the data**
- = F. Determination of:

Plan financial position

and/or ***New Employer Contribution Rate***

SECTION E

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS

Summary of Assumptions Used for LOPFI Actuarial Valuations Assumptions Adopted by Board of Trustees After Consulting with Actuary

The actuarial assumptions used in making the valuations are shown in this section of the report. The assumptions are established by the Board after consulting with the actuary as outlined in A.C.A. 24-10-205(a)(1).

ECONOMIC ASSUMPTIONS -----

The investment return rate used in the valuation was 7.25% per year, compounded annually (net after administrative expenses). This rate of return is not the assumed real rate of return. The real rate of return is defined to be the portion of investment return which is more than the wage inflation rate. With a 3.00% wage inflation assumption, the 7.25% investment return rate translates to an assumed real rate of return of 4.25%.

Price inflation was assumed to be 2.25% a year. This assumption was utilized to increase the basic benefit factor for volunteer members.

Pay increase assumptions for individual active members are summarized in Schedule A-5. Part of the assumption for each age is for a merit and/or seniority increase, and the other 3.00% recognizes wage inflation.

Total active member payroll is assumed to increase 3.00% a year, which is the portion of the individual pay increase assumptions attributable to wage inflation.

The number of active members is assumed to remain constant at the present level of LOPFI active members.

NON-ECONOMIC ASSUMPTIONS -----

The mortality tables used to measure retired life mortality were the Pub-2010 Amount-Weighted General Below Median Income Healthy Retiree tables, set forward one year for males, and two years for females. The disability post-retirement mortality tables used were the Pub-2010 Amount-Weighted General Disabled Retiree tables for males and females. The death-in-service mortality tables used were the Pub-2010 Amount-Weighted General Below Median Income Employee tables for males and females. Fifty percent of deaths-in-service were assumed to be duty related. The tables were adjusted for fully generational mortality improvements using Scale MP-2020. Related retired life mortality values are shown in Schedule A-1.

The probabilities of retirement for members eligible to retire are shown in Schedule A-3.

The probabilities of withdrawal from service are summarized in Schedule A-4, and the *probabilities of disability* are summarized in Schedule A-2.



An individual entry age actuarial cost method of valuation was used in determining age & service allowance normal costs and the allocation of actuarial present values between service rendered before and after the valuation date. The entry-age actuarial cost method has the following characteristics:

- (i) The annual normal costs for each individual active member, payable from the member's actual date of employment to the member's projected date of retirement are sufficient to accumulate the actuarial present value of the member's benefit at the time of retirement; and
- (ii) Each annual normal cost is (a) a constant percentage of the member's year-by-year projected covered pay for paid service plans, or (b) an increasing dollar amount for volunteer service plans.

Differences in the past between assumed experience and actual experience ("actuarial gains and losses") are inevitable and become part of accrued liabilities. In LOPFI, cumulative actuarial losses and gains are the same as unfunded (or overfunded) accrued liabilities.

Unfunded accrued liabilities are amortized to produce contribution amounts (principal and interest) which are (a) level percent of payroll contributions over a period of future years for paid service plans, or (b) increasing dollar amounts for volunteer service plans.

For Benefit Program 3 volunteer service plans, the contribution rates from the December 31, 2002 valuation were developed based on a \$5.00 per month basic benefit factor. This factor is \$8.36 effective July 1, 2024 and is assumed to increase at the assumed rate of price inflation in future years. For Benefit Program 4 volunteer service plans, the contribution rates from the December 31, 2012 valuation were developed based on a \$10.00 per month basic benefit factor. This factor is \$13.54 effective July 1, 2024 and is assumed to increase at the assumed rate of price inflation in future years.

OTHER TECHNICAL ASSUMPTIONS -----

Decrements are assumed to occur at the middle of the valuation year.

The probability of being married, for death-in-service benefits, is assumed to be 90%.

Active members who are eligible to participate in the DROP are assumed to participate in the DROP program in such a manner that is the most advantageous to them. We assume on average the DROP duration for members currently in the DROP is 5 years.

Future service credit is always assumed to accrue at the rate of 1 year of credit every 12 calendar months. Lower service accrual rates (service breaks or less-than-full-time employment) or higher service accrual rates (addition of military credit or reinstatement of prior service) are reflected as they are reported. Any lower or higher accrual rates may result in small financial gains or losses when reported.

The form of benefit payment assumed in the valuation for paid service and volunteer service plans is the Five Year Certain and Life Option. For local plans under LOPFI administration, the assumed form of benefit payment is 100% joint and survivor for police plans and the Life Option for fire plans. For local fire plans under LOPFI administration who have adopted Act 397, the assumed form of benefit payment is 100% joint and survivor.



Employer contribution dollars were assumed to be **paid in equal installments** throughout the employer fiscal year.

Present assets (cash & investments) were used based on a smoothed fair value.

The data about persons now covered and about present assets were furnished by the System's administrative staff. Although examined for general reasonableness, the data was not audited by the Actuary.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as: plan experience differing from that anticipated by the economic and demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of the actuary's assignment, the actuary did not perform an analysis of the potential range of such future measurements.

Illustration of Computed Employer Contributions 17.7-Year Closed Amortization Period

LOPFI Paid Service (Based on Projected Future Payroll)

Year Ended December 31,	Illustrative Payroll	Normal Cost	Payment for Amortization of UAL	Computed Employer Rate	Annual Employer Dollar Contribution
2023	\$100,000	9.20%	14.73%	23.93%	\$ 23,930
2024	103,000	9.20%	14.73%	23.93%	24,648
2025	106,090	9.20%	14.73%	23.93%	25,387
2026	109,273	9.20%	14.73%	23.93%	26,149
2027	112,551	9.20%	14.73%	23.93%	26,933
2028	115,927	9.20%	14.73%	23.93%	27,741
2029	119,405	9.20%	14.73%	23.93%	28,574
2030	122,987	9.20%	14.73%	23.93%	29,431
2031	126,677	9.20%	14.73%	23.93%	30,314
2032	130,477	9.20%	14.73%	23.93%	31,223
2033	134,392	9.20%	14.73%	23.93%	32,160
2034	138,423	9.20%	14.73%	23.93%	33,125
2035	142,576	9.20%	14.73%	23.93%	34,118
2036	146,853	9.20%	14.73%	23.93%	35,142
2037	151,259	9.20%	14.73%	23.93%	36,196
2038	155,797	9.20%	14.73%	23.93%	37,282
2039	160,471	9.20%	14.73%	23.93%	38,401
2040	165,285	9.20%	14.73%	23.93%	39,553
2041	170,243	9.20%	14.73%	23.93%	40,739
2042	175,351	9.20%	14.73%	23.93%	41,961
2043	180,611	9.20%	0.00%	9.20%	16,616
2044	186,029	9.20%	0.00%	9.20%	17,115
2045	191,610	9.20%	0.00%	9.20%	17,628
2046	197,359	9.20%	0.00%	9.20%	18,157
2047	203,279	9.20%	0.00%	9.20%	18,702
2048	209,378	9.20%	0.00%	9.20%	19,263
2049	215,659	9.20%	0.00%	9.20%	19,841
2050	222,129	9.20%	0.00%	9.20%	20,436
2051	228,793	9.20%	0.00%	9.20%	21,049

This illustration is not intended to exactly predict future employer contributions, but instead is intended to illustrate the general trend of future contributions based upon current benefit structure and assumed future economic and demographic activity. It is unlikely that future contributions will match exactly for any given year those rates shown above.



Illustration of Computed Employer Contributions 28.5-Year Closed Amortization Period

LOPFI Benefit Program 3 Volunteer Service (Based on Projected Benefit Factors)

Year Ended December 31,	Basic Benefit Factor@	Illustrative Monthly Active Member Count	Normal Cost	Payment for Amortization of UAL	Computed Monthly Employer Rate	Annual Employer Dollar Contribution
2023	\$ 8.36	10	\$ 28.21	\$ 31.79	\$ 60.00	\$ 7,200
2024	8.55	10	28.84	31.79	60.63	7,276
2025	8.74	10	29.49	31.79	61.28	7,354
2026	8.94	10	30.15	31.79	61.94	7,433
2027	9.14	10	30.83	31.79	62.62	7,514
2028	9.35	10	31.52	31.79	63.31	7,597
2029	9.56	10	32.23	31.79	64.02	7,682
2030	9.78	10	32.96	31.79	64.75	7,770
2031	10.00	10	33.70	31.79	65.49	7,859
2032	10.23	10	34.46	31.79	66.25	7,950
2033	10.46	10	35.24	31.79	67.03	8,044
2034	10.70	10	36.03	31.79	67.82	8,138
2035	10.94	10	36.84	31.79	68.63	8,236
2036	11.19	10	37.67	31.79	69.46	8,335
2037	11.44	10	38.52	31.79	70.31	8,437
2038	11.70	10	39.39	31.79	71.18	8,542
2039	11.96	10	40.28	31.79	72.07	8,648
2040	12.23	10	41.19	31.79	72.98	8,758
2041	12.51	10	42.12	31.79	73.91	8,869
2042	12.79	10	43.07	31.79	74.86	8,983
2043	13.08	10	44.04	31.79	75.83	9,100
2044	13.37	10	45.03	31.79	76.82	9,218
2045	13.67	10	46.04	31.79	77.83	9,340
2046	13.98	10	47.08	31.79	78.87	9,464
2047	14.29	10	48.14	31.79	79.93	9,592
2048	14.61	10	49.22	31.79	81.01	9,721
2049	14.94	10	50.33	31.79	82.12	9,854
2050	15.28	10	51.46	31.79	83.25	9,990
2051	15.62	10	52.62	31.79	84.41	10,129
2052	15.97	10	53.80	31.79	85.59	10,271

@ Basic benefit factor - \$5.00 per month for each year of service beginning July 1, 2003. Increased by price inflation on July 1, 2004 and every July 1 thereafter. This factor is \$8.36 effective July 1, 2024. For purposes for this illustration, the factor was assumed to increase by 2.25% a year, compounded.

This illustration is not intended to exactly predict future employer contributions, but instead is intended to illustrate the general trend of future contributions based upon current benefit structure and assumed future economic and demographic activity. It is unlikely that future contributions will match exactly for any given year those rates shown above.



Schedule A-1
Single Life Retirement Values
Based on the Pub-2010 General
Below Median Income Healthy Retiree
Generational Mortality Tables
and 7.25% Interest
(First Used for December 31, 2021 Valuations)

Sample Attained Ages	Probability of Dying Next Year*		Value at Retirement: \$1.00 Monthly for Life		Future Life Expectancy (Years)*					
	Men	Women	Men	Women	2023		2028		2033	
					Men	Women	Men	Women	Men	Women
35	0.112%	0.051%	\$159.57	\$163.07	46.85	50.90	47.44	51.38	48.03	51.85
40	0.139%	0.066%	155.13	159.68	41.54	45.57	42.12	46.04	42.72	46.52
45	0.249%	0.165%	148.98	154.99	36.30	40.30	36.85	40.75	37.44	41.23
50	0.711%	0.410%	142.39	149.99	31.54	35.40	32.05	35.85	32.60	36.30
55	0.898%	0.494%	135.53	143.97	27.19	30.70	27.68	31.12	28.19	31.55
60	1.152%	0.612%	126.92	135.89	22.98	26.05	23.43	26.45	23.89	26.85
65	1.434%	0.821%	115.87	125.11	18.88	21.50	19.27	21.85	19.68	22.21
70	2.144%	1.312%	102.14	111.48	14.98	17.15	15.30	17.45	15.65	17.77
75	3.451%	2.302%	86.42	95.20	11.45	13.14	11.70	13.39	11.98	13.66
80	5.914%	4.256%	69.65	77.13	8.40	9.60	8.59	9.80	8.80	10.02

* Life expectancies in future years are determined by the fully generational MP-2020 projection scale.

Sample Attained Ages	Benefit Increasing 3.00% Yearly	Portion of Age 55 Lives Still Alive	Sample Attained Ages
55	\$100	100 %	55
60	116	95	60
65	134	89	65
70	156	81	70
75	181	70	75
80	209	55	80

Schedule A-2 Probabilities of Disability Retirement

Paid Service Members (First Used for December 31, 2021 Valuations)

Sample Ages	Percent Becoming Disabled within Next Year	
	Non-Duty	Duty
20	0.10 %	0.13 %
25	0.10	0.13
30	0.12	0.16
35	0.17	0.22
40	0.26	0.34
45	0.40	0.52
50	0.68	0.89
55	1.18	1.55
60	1.77	2.32

Given the relatively small number of disabilities in total and the sensitivity of the results to the actual disability benefit that members would qualify for we have assumed the minimum disability benefit would be based on duty disabilities being split 1/3 catastrophic, 1/3 hazardous and 1/3 ordinary duty. The resulting weighted minimum disability benefit is approximately 55% of final average pay. This assumption will be reviewed and updated as experience emerges.

Volunteer Service Members (First Used for December 31, 2021 Valuations)

Sample Ages	Percent Becoming Disabled within Next Year	
	Non-Duty	Duty
20	0.03 %	0.00 %
25	0.05	0.00
30	0.10	0.01
35	0.15	0.01
40	0.22	0.01
45	0.28	0.01
50	0.35	0.02
55	0.42	0.02
60	0.47	0.03

Schedule A-3

Probabilities of Retirement for Members Eligible to Retire (First Used for December 31, 2021 Valuations)

Paid Service Members

Retirement Ages	Percents of Active Members Retiring within Next Year		Years of Service	Percents of Active Members Retiring within Next Year
	Early	Normal		
45	4 %			
46	4			
47	5			
48	5			
49	5			
50	6			
51	6			
52	6			
53	7			
54	7			
55		30 %	28	30 %
56		30	29	20
57		25	30	15
58		25	31	15
59		25	32	15
60		25	33	25
61		25	34	100
62		25		
63		25		
64		25		
65		50		
66		60		
67		70		
68		80		
69		90		
70+		100		

A member was assumed eligible for retirement after attaining age 55 with 20 years of service or age 60 with 5 years of service or any age with 28 or more years of service. A member was assumed to retire with 100% probability at 34 or more years of service credit.

A member was assumed eligible for a reduced benefit after attaining age 50 with 20 or more years of service or any age with 25 or more years of paid service credit.

The probabilities of retirement shown above represent ultimate termination of employment (whether or not the member participates in the DROP).

We assume on average the DROP duration (for members currently in the DROP) is 5 years. Active members who are eligible to participate in the DROP are assumed to participate in the DROP program in such a manner that is the most advantageous to them.

Schedule A-3
Probabilities of Retirement for Members Eligible to Retire
(Concluded)
(First Used for December 31, 2021 Valuations)

Volunteer Service Members

Retirement Ages	Percents of Active Members Retiring within Next Year	
	Early	Normal
Under 50		15 %
50-54	2.5 %	15
55-59		15
60-64		10
65-69		15
70-74		15
75+		100

A member was assumed to be eligible for retirement after 28 years of service, attaining age 55 with 20 years of service, or age 60 with 5 years of service.

A member was assumed eligible for a reduced benefit after attaining age 50 with 20 or more years of service.

Schedule A-4
Rates of Separation (Excluding Deaths and Disability)
from Active Employment Before Retirement
(First Used for December 31, 2021 Valuations)

Paid Service Members

Sample Ages	Years of Service	% of Active Members Separating within Next Year
ALL	0	18.50 %
	1	15.50
	2	13.00
	3	11.50
	4	11.00
25	5 & Over	10.17
30		8.55
35		6.56
40		5.23
45		4.18
50		3.33
55		0.95
60		0.00

Volunteer Service Members

Sample Ages	Years of Service	% of Active Members Separating within Next Year
ALL	0	23.00 %
	1	21.00
	2	19.00
	3	17.00
	4	15.00
25	5 & Over	10.50
30		10.50
35		10.50
40		10.50
45		10.50
50		10.50
55		10.50
60		10.50

Schedule A-5
Pay Increase Assumptions
for an Individual Paid Service Member
(First Used for December 31, 2021 Valuations)

Years of Service	Pay Increase Assumptions for an Individual Member		
	Merit and Seniority	Base (Economic)	Increase Next Year
1	15.00%	3.00%	18.00%
2	9.00%	3.00%	12.00%
3	4.00%	3.00%	7.00%
4	3.50%	3.00%	6.50%
5	2.50%	3.00%	5.50%
6	2.00%	3.00%	5.00%
7	2.00%	3.00%	5.00%
8	2.00%	3.00%	5.00%
9	1.50%	3.00%	4.50%
10	1.50%	3.00%	4.50%
11	1.00%	3.00%	4.00%
12	1.00%	3.00%	4.00%
13	0.50%	3.00%	3.50%
14	0.50%	3.00%	3.50%
15	0.50%	3.00%	3.50%
16	0.50%	3.00%	3.50%
17	0.50%	3.00%	3.50%
18	0.50%	3.00%	3.50%
19	0.50%	3.00%	3.50%
20+	0.50%	3.00%	3.50%