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September 2026

West Side Rural Fire Protection District/2796
Oregon Public Employees Retirement System

As part of our engagement with the Oregon Public Employees Retirement Board, we performed a system-wide actuarial valuation of the Oregon Public Employees Retirement System ("PERS" or "the System") as of December 31, 2025. The attached report, which is an informational supplement to the system-wide actuarial valuation report, provides you with employer-specific contribution rates that will become effective July 1, 2027. Information to assist you in preparing your required financial reporting disclosures under Statement 68 and Statement 75 of the Governmental Accounting Standards Board (GASB) will be provided separately by PERS and is not included in this report.

This report reflects the System's benefit provisions in effect as of December 31, 2025. The full development of the valuation results for the Oregon Public Service Retirement Plan (OPSRP) and Retiree Health Insurance Account (RHIA) programs can be found in the separate system-wide actuarial valuation report. Costs of the IAP (Individual Account Program) are not included in this or the system-wide actuarial valuation report. Further, costs of pension obligation bond payments are not included in this or the system-wide actuarial valuation report.

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

Contents of Report

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

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

The remainder of the report provides additional information, including:

- Side account balances, transactions, and rate relief,
- Detailed development of Tier One/Tier Two valuation results,
- A brief summary of methods and assumptions, and
- A brief summary of any changes in System benefit provisions.

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

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September 2026
West Side Rural Fire Protection District/2796

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

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

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

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

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

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September 2026
West Side Rural Fire Protection District/2796

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

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

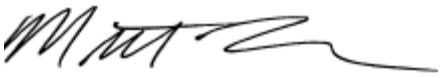
The consultants who worked on this assignment are actuaries. Milliman's advice is not intended to be a substitute for qualified legal or accounting counsel.

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

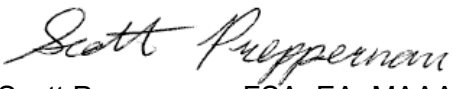
On the basis of the foregoing, we hereby certify that, to the best of our knowledge and belief, this report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the principles prescribed by the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

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

Sincerely,



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



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

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ACTUARIAL VALUATION REPORT DECEMBER 31, 2025

OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM

INDEPENDENT EMPLOYERS

West Side Rural Fire Protection District -- #2796

September 2026

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Executive Summary

Milliman has prepared this report for West Side Rural Fire Protection District to:

- Provide summary December 31, 2025 valuation results for the Oregon Public Service Retirement Plan (OPSRP) and the Retiree Health Insurance Account (RHIA),
- Provide employer-specific contribution rates effective July 1, 2027 through June 30, 2029, and
- Provide employer-specific valuation results for side accounts and Tier One/Tier Two assets and liabilities as of December 31, 2025.

This report summarizes the valuation results for OPSRP and RHIA. The full development of these results can be found in the December 31, 2025 system-wide actuarial valuation report. This report develops employer-specific Tier One/Tier Two and side account rates and applies the results from the system-wide actuarial valuation to West Side Rural Fire Protection District.

Retirement System Risks

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

Employer Contribution Rates

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

The employer contribution rates effective July 1, 2025 through June 30, 2027 are as previously published and do not reflect subsequent changes such as supplemental payments made by the employer or the exhaustion of an employer side account balance and associated side account rate offset.

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

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

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Executive Summary

Employer Contribution Rates (continued)

Employer Contribution Rates Effective July 1, 2027

	Payroll		
		OPSRP	
	Tier One/Tier Two	General Service	Police & Fire
Pension			
Normal cost rate	20.71%	10.31%	15.83%
Tier One/Tier Two UAL rate	4.00%	4.00%	4.00%
Multnomah Fire District #10 UAL rate	0.04%	0.04%	0.04%
OPSRP UAL rate	2.69%	2.69%	2.69%
Side account rate relief [1]	0.00%	0.00%	0.00%
Member redirect offset [2]	(2.40%)	(0.65%)	(0.65%)
Net employer pension contribution rate	**25.04%**	**16.39%**	**21.91%**
Retiree Healthcare			
Normal cost rate	0.03%	0.00%	0.00%
UAL rate	(0.03%)	0.00%	0.00%
Net retiree healthcare rate	**0.00%**	**0.00%**	**0.00%**
Total net employer contribution rate	**25.04%**	**16.39%**	**21.91%**

Employer Contribution Rates Effective July 1, 2025

	Payroll		
		OPSRP	
	Tier One/Tier Two	General Service	Police & Fire
Pension			
Normal cost rate	20.82%	10.47%	15.74%
Tier One/Tier Two UAL rate	4.00%	4.00%	4.00%
Multnomah Fire District #10 UAL rate	0.06%	0.06%	0.06%
OPSRP UAL rate	2.69%	2.69%	2.69%
Side account rate relief [1]	0.00%	0.00%	0.00%
Member redirect offset [2]	(2.40%)	(0.65%)	(0.65%)
Net employer pension contribution rate	**25.17%**	**16.57%**	**21.84%**
Retiree Healthcare			
Normal cost rate	0.04%	0.00%	0.00%
UAL rate	(0.04%)	0.00%	0.00%
Net retiree healthcare rate	**0.00%**	**0.00%**	**0.00%**
Total net employer contribution rate	**25.17%**	**16.57%**	**21.84%**

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

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

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Executive Summary

Employer Contribution Rates (continued)

Range of Potential Tier One/Tier Two UAL Contribution Rates for the July 2029 to June 2031 Biennium

The rate collar limits changes in the Tier One/Tier Two UAL Rate for an employer, but does not limit changes related to side accounts and does not limit the change in the normal cost rate. The table below shows the possible minimum and maximum Tier One/Tier Two UAL Rates first effective as of July 1, 2029. The collar width, which in general is the amount the UAL Rate could increase or decrease from the current UAL Rate being paid, is 4% of pay or (if greater) one-third of the difference between the collared and uncollared UAL rates at the last rate-setting valuation. However, the UAL Rate is only allowed to decrease by the full collar width if the employer's funded status (excluding side accounts) is greater than or equal to 90%. The UAL Rate is not allowed to decrease at all if funded status is below 87%, and the allowable decrease is phased in for funded status levels from 87% to 90%.

For reference, the employer's funded status (excluding side accounts) as of December 31, 2025 is 62%.

2027-2029 Biennium	2029-2031 Biennium	
	8.00%	**<<<No higher than this**
4.00%	4.00%	**<<<No lower than this if December 31, 2027 funded status is 87% or lower**
	0.00%	**<<<No lower than this if December 31, 2027 funded status is 90% or higher**

Normal Cost Rates

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

The normal cost rate in any biennium is driven by the active member demographics of the experience pooling groups in which the employer’s members participate. The active member census as of this rate-setting valuation is used to calculate the adopted 2027 - 2029 biennium normal cost rate.

Each biennium's normal cost rate is also sensitive to the investment return assumption, or assumed rate, adopted by the PERS Board for the valuation. The lower the assumed rate, the higher the normal cost rate. The normal cost rate that will be effective as of July 1, 2029 will be based on the active demographics and investment return assumption as of December 31, 2027.

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Executive Summary

Accounting Information

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

Pension

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

Schedule of Funding Progress

Under GASB 27, the Schedule of Funding Progress for Tier One/Tier Two pension liabilities was reported in the Required Supplementary Information. This schedule is no longer required now that GASB 68 has replaced GASB 27. However, for additional information and the sake of historical comparison, the updated schedule is shown below for the last several valuations. For employers with side accounts, the actuarial value of assets in this Schedule includes the value of the employer's side accounts.

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (b - a)	Funded Ratio (a ÷ b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) ÷ c)
12/31/2020	$749,177	$519,662	($229,515)	144%	$222,041	(103%)
12/31/2021	412,005	545,894	133,889	75%	197,083	68%
12/31/2022	380,397	582,786	202,388	65%	361,643	56%
12/31/2023	388,265	634,943	246,678	61%	310,586	79%
12/31/2024	410,140	684,336	274,195	60%	339,696	81%
12/31/2025	461,260	742,523	281,263	62%	547,126	51%

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Executive Summary

Accounting Information (continued)

Retiree Healthcare

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

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Executive Summary

Principal Valuation Results

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

West Side Rural Fire Protection District

	Actuarial Valuation as of	
	December 31, 2025	**December 31, 2024**
Tier One/Tier Two UAL	$281,263	$274,196
Allocated pooled OPSRP UAL	122,898	88,572
Side account	0	0
Net unfunded pension actuarial accrued liability	404,161	362,768
Combined valuation payroll	547,126	339,696
Net pension UAL as a percentage of payroll	74%	107%
Calculated side account rate relief	0.00%	0.00%
Allocated pooled RHIA UAL	($15,554)	($8,842)

In the above exhibit, UAL amounts for the pools (OPSRP and RHIA) are allocated pro-rata based on the ratio of an employer's combined valuation payroll to the combined valuation payroll of the applicable pool. Pool total results are summarized on page 8 of this report. Allocated amounts shown above differ from the proportionate share of Net Pension Liability (NPL) that will be allocated to employers under GASB 68.

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Executive Summary

Principal Valuation Results (continued)

Tier One/Tier Two

	Actuarial Valuation as of	
	December 31, 2025	**December 31, 2024**
Normal cost	$35,909	$33,855
Tier One/Tier Two valuation payroll	173,385	161,813
Tier One/Tier Two pension normal cost rate	20.71%	20.92%
Tier One/Tier Two Actuarial accrued liability	$742,523	$684,336
Actuarial value of assets	461,260	410,140
Tier One/Tier Two Unfunded actuarial accrued liability	281,263	274,196
Tier One/Tier Two Funded status	62%	60%
Combined valuation payroll	$547,126	$339,696
Tier One/Tier Two UAL as a percentage of payroll	51%	81%
Tier One/Tier Two UAL rate	4.04%	6.09%
(includes Multnomah Fire District #10)		
Tier One/Tier Two active members [1]	1	1
Tier One/Tier Two dormant members	0	0
Tier One/Tier Two retirees and beneficiaries	1	1

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

[1] *Active counts do not include concurrent employees who have a separate dominant employer.*

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Executive Summary

Principal Valuation Results (continued)

OPSRP

($ in millions)	Actuarial Valuation as of	
	December 31, 2025	**December 31, 2024**
General service normal cost	$1,300.8	$1,219.2
OPSRP general service valuation payroll	12,612.0	11,785.1
General service normal cost rate	10.31%	10.35%
Police and fire normal cost	$297.3	$268.7
OPSRP police and fire valuation payroll	1,877.4	1,707.5
Police and fire normal cost rate	15.83%	15.74%
Actuarial accrued liability	$22,340.1	$19,529.6
Actuarial value of assets	18,436.0	15,192.1
Unfunded actuarial accrued liability	3,904.1	4,337.5
Funded status	83%	78%
Combined valuation payroll	$17,420.4	$16,670.4
UAL as a percentage of payroll	22%	26%
UAL rate	2.69%	2.92%

Retiree Healthcare

($ in millions)	Actuarial Valuation as of	
RHIA	**December 31, 2025**	**December 31, 2024**
Normal cost	$0.9	$1.0
Tier One/Tier Two valuation payroll	2,931.0	3,177.8
Normal cost rate	0.03%	0.03%
Actuarial accrued liability	$283.3	$305.5
Actuarial value of assets	778.5	739.4
Unfunded actuarial accrued liability	(495.2)	(433.9)
Funded status	275%	242%
Combined valuation payroll	$17,420.4	$16,670.4
UAL as a percentage of payroll	(3%)	(3%)
UAL rate	(0.03%)	(0.03%)

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Side Account Information

Reconciliation of Side Accounts

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

All information in this table has been provided by PERS.

	New	Continuing	Total
1. Side account as of December 31, 2024	**N/A**		
2. Deposits made during 2025			
3. Administrative expenses			
4. Amount transferred to employer reserves during 2025			
5. Side account earnings during 2025			
6. Side account as of December 31, 2025 ***(1. + 2. + 3. + 4. + 5.)***			

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Side Account Information

Side Account Balances

	Deposit Date	Rate Offset End Date	December 31, 2025	December 31, 2024
Side Account 1			0	0
Side Account 2			0	0
Side Account 3			0	0
Side Account 4			0	0
Side Account 5			0	0
Total			**$0**	**$0**

Development of Side Account Rate

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

	December 31, 2025			December 31, 2024		
	Combined valuation payroll		$547,126	Combined valuation payroll		$339,696
	Side account balance	**Amortization factor [1, 2]**	**Side account rate [1]**	**Side account balance**	**Amortization factor [1, 2]**	**Side account rate [1]**
1.	0		0.00%	0		0.00%
2.	0		0.00%	0		0.00%
3.	0		0.00%	0		0.00%
4.	0		0.00%	0		0.00%
5.	0		0.00%	0		0.00%
Total	**$0**		**0.00%**	**$0**		**0.00%**

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

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

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Tier One/Tier Two Valuation Results

Assets

A summary of the market value of pension assets, and reconciliation from the prior year are shown below.

Summary of Market Value of Tier One/Tier Two Pension Assets

	December 31, 2025	December 31, 2024
1. Member reserves	$0	$0
2. Employer reserves	370,367	302,005
3. Benefits in force reserve	68,760	92,145
4. Employee Pension Stability Account (EPSA)	22,133	15,991
5. Total market value of assets *(1. + 2. + 3. + 4.)*	**$461,260**	**$410,140**

The market value of member and employer reserves is provided by PERS. The benefits in force reserve provided by PERS is allocated each year among employers in proportion to their liabilities for retired members and beneficiaries.

Reconciliation of Tier One/Tier Two Pension Assets

		December 31, 2024 to December 31, 2025
1.	Market value of assets at beginning of year	$410,140
2.	Regular employer contributions	37,472
3.	EPSA contributions	3,844
4.	Benefit payments and expenses	(43,128)
5.	Adjustments [1]	13,680
6.	Interest credited	39,250
7.	Total transferred from side accounts	0
8.	**Market value of assets at end of year *(1. + 2. + 3. + 4. + 5. + 6. + 7.)***	**$461,260**

[1] *Note the adjustment item above includes a reallocation of the benefits in force reserve, transfers to Multnomah Fire District #10, and other adjustments made by PERS.*

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Tier One/Tier Two Valuation Results

Liabilities

Normal Cost

The normal cost represents the present value of benefits allocated to the next year of service by the actuarial cost method. If all actuarial assumptions are met, the normal cost represents the percent of payroll that would need to be contributed each year to fund plan benefits. Amounts shown below include assumed administrative expenses, which are allocated pro-rata based on normal cost.

Summary of Normal Cost by Tier/Member Classification

	December 31, 2025	December 31, 2024
Tier One Police & Fire	$0	$0
Tier One General Service	0	0
Tier Two Police & Fire	35,909	33,855
Tier Two General Service	0	0
Total	**$35,909**	**$33,855**

Change in Tier One/Tier Two Normal Cost

The following table shows the impact of the assumption, method, and plan changes on normal cost as of December 31, 2025.

	Before Changes	After Changes	Net Change
Normal Cost	$35,909	$35,909	$0

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Tier One/Tier Two Valuation Results

Liabilities

Actuarial Accrued Liability

The actuarial accrued liability represents the present value of benefits allocated to service performed before the valuation date by the actuarial cost method.

Summary of Actuarial Accrued Liability by Tier/Member Classification

	December 31, 2025	December 31, 2024
Active Members		
▪ Tier One Police & Fire	$0	$0
▪ Tier One General Service	0	0
▪ Tier Two Police & Fire	256,371	189,983
▪ Tier Two General Service	0	0
▪ **Total Active Members**	**$256,371**	**$189,983**
Dormant Members	0	0
Retired Members and Beneficiaries	486,152	494,353
Total Actuarial Accrued Liability	**$742,523**	**$684,336**

Change in Tier One/Tier Two Actuarial Accrued Liability

The following table shows the impact of the assumption, method, and plan changes on the actuarial accrued liability as of December 31, 2025.

	Before Changes	After Changes	Net Change
Actuarial Accrued Liability	$742,523	$742,523	$0

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Tier One/Tier Two Valuation Results

Unfunded Accrued Liability (UAL)

Summary of UAL

The UAL represents the difference between the assets accumulated and the liability attributed to prior years of service by the cost method.

	December 31, 2025	December 31, 2024
1. Actuarial accrued liability	$742,523	$684,336
2. Actuarial value of assets	461,260	410,140
3. Unfunded accrued liability *(1. – 2.)*	281,263	274,196
4. Funded percentage *(2. ÷ 1.)*	62%	60%
5. Combined valuation payroll	$547,126	$339,696
6. Unfunded accrued liability as % of combined valuation payroll *(3. ÷ 5.)*	51%	81%

Reconciliation of UAL Bases

Beginning with the December 31, 2013 actuarial valuation, the PERS Board established a policy to amortize the Tier One/Tier Two UAL over a 20-year period, with each subsequent odd-year valuation establishing a new 20-year closed-period amortization schedule for new Tier One/Tier Two UAL amounts based on the total Tier One/Tier Two UAL as of that valuation date less the remaining unamortized balance of previously established Tier One/Tier Two UAL bases. As part of Senate Bill 1049, passed in 2019, the Legislature directed the PERS Board to enact a one-time re-amortization of Tier One/Tier Two UAL over 22 years. This means that, effective with the December 31, 2019 rate-setting valuation, the entire unamortized Tier One/Tier Two UAL for each rate pool and independent employer was re-amortized over a 22-year period as a level percentage of projected future payroll. For the December 31, 2021 and subsequent odd-year valuations, the PERS Board again has authority to set the amortization schedule. In subsequent experience studies, the PERS Board confirmed the policy of 20-year closed-period amortization schedules for Tier One/Tier Two UAL going forward.

Amortization Base, December 31	UAL December 31, 2024	Payment	Interest	UAL December 31, 2025	Years Remaining	Next Year's Payment
2019	($108,690)	($8,490)	($7,187)	($107,387)	16	($8,779)
2021	$240,273	$18,768	$15,888	$237,393	16	$19,408
2023	$113,605	$8,182	$7,538	$112,961	18	$8,460
2025	N/A	N/A	N/A	$38,296	20	$2,659
Total				**$281,263**		**$21,748**

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Tier One/Tier Two Valuation Results

Unfunded Accrued Liability (UAL)

Actuarial Gain or Loss since Prior Valuation

The system-wide actuarial valuation report contains a detailed analysis of gains and losses since the last valuation. The table below shows the gain or loss for the individual employer.

1. Expected actuarial accrued liability	
a. Actuarial accrued liability at December 31, 2024	$684,336
b. Normal cost at December 31, 2024 (excluding assumed expenses)	32,928
c. Benefit payments during 2025	(42,737)
d. Interest at 6.90% to December 31, 2025	46,881
e. Expected actuarial accrued liability before changes *(a. + b. + c. + d.)*	721,407
f. Change in actuarial accrued liability due to assumption, method, and plan changes	0
g. Expected actuarial accrued liability at December 31, 2025 *(e. + f.)*	721,407
2. Actuarial accrued liability at December 31, 2025	742,523
3. Gain/(loss) on actuarial accrued liability *(1.g. – 2.)*	(21,116)
4. Expected actuarial value of assets	
a. Actuarial value of assets at December 31, 2024	410,140
b. Contributions for 2025[1]	41,317
c. Benefit payments and expenses during 2025	(43,128)
d. Interest at 6.90% to December 31, 2025	28,237
e. Expected actuarial value of assets at December 31, 2025 *(a. + b. + c. + d.)*	436,566
5. Actuarial value of assets at December 31, 2025	461,260
6. Gain/(loss) on actuarial value of assets *(5. - 4.e.)*	24,693
7. Total actuarial gain/(loss) *(3. + 6.)*	**$3,577**

Unfunded Accrued Liability Reconciliation

A reconciliation of the Tier One/Tier Two UAL from December 31, 2024 is provided below.

1. UAL at December 31, 2024	**$274,196**
2. Expected increase	10,645
3. Liability (gain)/loss	21,116
4. Asset (gain)/loss	(24,693)
5. Change due to changes in assumptions, methods, and plan provisions	0
6. UAL at December 31, 2025 *(1. + 2. + 3. + 4. + 5.)*	**$281,263**

[1] *Includes EPSA contributions and rate relief from side accounts.*

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Tier One/Tier Two Valuation Results

Contribution Rate Development

Normal Cost Rate

For independent employers, the normal cost calculated previously is divided by projected payroll to determine a normal cost rate. The table below shows the development of the rate for each tier and member classification. Normal cost rates shown below are before any offset for redirected member contributions under Senate Bill 1049.

Development of Tier One/Tier Two Total Normal Cost Rate

	December 31, 2025			December 31, 2024		
	Normal Cost	Employer Tier One/Tier Two Valuation Payroll	Normal Cost Rate	Normal Cost	Employer Tier One/Tier Two Valuation Payroll	Normal Cost Rate
Tier One Police & Fire	$0	$0	0.00%	$0	$0	0.00%
Tier One General Service	0	0	0.00%	0	0	0.00%
Tier Two Police & Fire	35,909	173,385	20.71%	33,855	161,813	20.92%
Tier Two General Service	0	0	0.00%	0	0	0.00%
Total	**$35,909**	**$173,385**	**20.71%**	**$33,855**	**$161,813**	**20.92%**

An independent employer that has no Tier One/Tier Two active payroll will be assigned the weighted average normal cost rate of all independent employers as calculated in the system-wide actuarial valuation report.

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Tier One/Tier Two Valuation Results

Contribution Rate Development

Development of Tier One/Tier Two UAL Rates

The UAL rate is determined by calculating the next year's scheduled payment to the UAL as a percentage of combined valuation payroll.

	December 31, 2025	December 31, 2024
1. Total Tier One/Tier Two UAL	$281,263	$274,196
2. Next year's Tier One/Tier Two UAL payment	21,748	20,474
3. Combined valuation payroll	547,126	339,696
4. Tier One/Tier Two UAL rate (2. ÷ 3.)	3.97%	6.03%

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Tier One/Tier Two Valuation Results

Contribution Rate Development

Tier One/Tier Two Employer Contribution Rate Summary (Pre-Rate Collar)

The following table summarizes the employer's pension contribution rate for Tier One/Tier Two. The normal cost rates apply to Tier One/Tier Two payroll only, but all other rates apply to combined valuation payroll. These rates do not reflect adjustments due to the rate collar or side accounts.

	July 1, 2027 Rates calculated as of December 31, 2025	Advisory July 1, 2027 Rates calculated as of December 31, 2024
1. Tier One/Tier Two pension contribution rates		
a. Tier One/Tier Two pension normal cost rate	20.71%	20.92%
b. Tier One/Tier Two UAL rate	3.97%	6.03%
c. Multnomah Fire District #10 rate	0.04%	0.06%
d. Total Tier One/Tier Two pension rate *(a. + b. + c.)*	24.72%	27.01%

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Tier One/Tier Two Valuation Results

Contribution Rate Development

Adjustments Due to Rate Collar and Decrease Restrictions

The UAL Rate for an employer is confined to a collared range based on the prior biennium's collared UAL Rate. For an independent employer, the collar width for the Tier One/Tier Two UAL Rate is the greater of 4% of payroll or one-third of the difference between the collared and uncollared UAL Rate at the prior rate-setting valuation. The maximum Tier One/Tier Two UAL Rate will always be at least 0.00% of payroll if the employer's funded status (excluding side accounts) is less than 100%. The PERS Board adopted restrictions on when the UAL Rate may decrease: the UAL Rate may not decrease if the funded status (excluding side accounts) is 87% or lower, while it may decrease by the full collar width if funded status is 90% or greater. The allowable decrease is phased in from 87% to 90% funded.

The table below shows the current Tier One/Tier Two UAL Rate for the period from July 1, 2025 through June 30, 2027, develops the maximum and minimum UAL Rates effective July 1, 2027 based on the collar, and determines the collared Tier One/Tier Two UAL Rate.

1. Current Tier One/Tier Two UAL Rate	4.00%
2. Size of rate collar	
a. Impact of rate collar, prior rate-setting valuation	(1.75%)
b. Size of rate collar *(maximum of 4% or absolute value of [a. / 3])*	4.00%
c. Funded percentage	62%
d. Permissible decrease to UAL Rate *(If c. > 90%, b.; if c. < 87%, 0.00%; otherwise, graded between those rates)*	0.00%
3. July 1, 2027 minimum Tier One/Tier Two UAL Rate (1. – 2.d.)	4.00%
4. July 1, 2027 maximum Tier One/Tier Two UAL Rate (1. + 2.b., but not less *than 0% if 2.c. < 100%)*	8.00%
5. July 1, 2027 Tier One/Tier Two UAL Rate, before collar	3.97%
6. Net adjustment due to rate collar *(3. – 5., but not < 0, or 4. – 5., but not > 0)*	0.03%
7. July 1, 2027 Tier One/Tier Two UAL Rate, after collar (5. + 6.)	4.00%

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Tier One/Tier Two Valuation Results

Contribution Rate Development

Tier One/Tier Two Employer Contribution Rate Summary (Post-Rate Collar)

The table below summarizes the employer's pension contribution rate for Tier One/Tier Two after adjustments for the rate collar.

	July 1, 2027 Rates calculated as of December 31, 2025	Advisory July 1, 2027 Rates calculated as of December 31, 2024
1. Tier One/Tier Two pension contribution rates		
a. Tier One/Tier Two pension normal cost rate	20.71%	20.92%
b. Tier One/Tier Two UAL rate	4.00%	6.03%
c. Multnomah Fire District #10 rate	0.04%	0.06%
d. Total Tier One/Tier Two pension rate *(a. + b. + c., minimum 0.00%)*	24.75%	27.01%

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Data

Demographic Information

Employer Valuation Payroll

	General Service	Police & Fire	Total
Tier One	$0	$0	$0
Tier Two	0	173,385	173,385
Tier One/Tier Two valuation payroll	0	173,385	173,385
OPSRP valuation payroll	13,089	360,652	373,741
Combined valuation payroll	**$13,089**	**$534,037**	**$547,126**

Employer Member Census

	December 31							
	2025				2024			
	Tier One	Tier Two	OPSRP	Total	Tier One	Tier Two	OPSRP	Total
Active Members [1]								
General Service	0	0	0	0	0	0	0	0
Police & Fire	0	1	4	5	0	1	2	3
Total	0	1	4	5	0	1	2	3
Active Members with previous service segments with the employer								
General Service	0	0	N/A	0	0	0	N/A	0
Police & Fire	0	0	N/A	0	0	0	N/A	0
Total	0	0	N/A	0	0	0	N/A	0
Dormant Members								
General Service	0	0	0	0	0	0	0	0
Police & Fire	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0
Retired Members and Beneficiaries								
General Service	0	0	0	0	0	0	0	0
Police & Fire	0	1	0	1	0	1	0	1
Total	0	1	0	1	0	1	0	1
Grand Total Number of Members	**0**	**2**	**4**	**6**	**0**	**2**	**2**	**4**

[1] *Active counts do not include concurrent employees who have a separate dominant employer.*

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Data

Demographic Information (continued)

Employer Tier One/Tier Two Active Members as of December 31, 2025

	Years of Service									
Age	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	Total
<20										
20-24										
25-29										
30-34										
35-39										
40-44										
45-49										
50-54					1					**1**
55-59										
60-64										
65-69										
70-74										
75+										
Total	**0**	**0**	**0**	**0**	**1**	**0**	**0**	**0**	**0**	**1**

Distribution of Employer Tier One/Tier Two Members as of December 31, 2025

Dormant Members

Age	Count	Average Deferred Monthly Benefit
<20		
20-24		
25-29		
30-34		
35-39		
40-44		
45-49		
50-54		
55-59		
60-64		
65-69		
70-74		
75+		
Total		

Retired Members and Beneficiaries

Age	Count	Average Monthly Benefit
<45		
45-49		
50-54		
55-59		
60-64		
65-69		
70-74		
75-79	1	4,059
80-84		
85-89		
90-94		
95-99		
100+		
Total	1	4,059

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Brief Summary of Actuarial Methods and Assumptions

A detailed summary of the actuarial methods and assumptions used to prepare the December 31, 2025 valuation can be found in the system-wide actuarial valuation report.

Actuarial Methods and Valuation Procedures

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

Actuarial cost method	Entry Age Normal.
Amortization method	The UAL is amortized as a level percentage of combined payroll. The OPSRP UAL as of December 31, 2007 and experience in each subsequent biennium is amortized over a closed 16 year period. The Retiree Healthcare UAL as of December 31, 2007 and experience in each subsequent biennium is amortized over a closed 10-year period. If a Retiree Healthcare program is over 100% funded the actuarial surplus is amortized over a rolling 20-year period over Tier One/Tier Two payroll. Senate Bill 1049 was signed into law in June 2019 and required a one-time re-amortization of Tier One/Tier Two UAL over a closed 22-year period at the December 31, 2019 rate-setting actuarial valuation, which set actuarially determined contribution rates for the 2021-23 biennium. Future Tier One/Tier Two gains and losses between subsequent odd-year valuations will be amortized as a level percentage of projected combined valuation payroll over a closed 20-year period.
Asset valuation method	Market value of assets, excluding reserves.
Contribution rate stabilization method (rate collar)	The contribution rate stabilization method, also referred to as the rate collar, is applied separately to OPSRP and to each Tier One/Tier Two experience sharing pool (State and Local Government Rate Pool, School Districts) and independent employer. The UAL Rate component is confined to a collared range based on the prior biennium's collared UAL Rate and a defined collar width. The UAL Rate is not allowed to decrease if the funded status of the rate pool or employer is 87% or lower. The rate collar does not limit the change in the normal cost rate or changes for individual employers related to side accounts. Senate Bill 849 applied the balance from the School District Unfunded Liability Fund (SDULF) to offset the School District Tier One/Tier Two UAL Rate by 1.68% of payroll for the 2025-27 biennium. The UAL Rate without regard for the effect of the SDULF offset is the starting point for the rate collar applied to the 2025-27 biennium. An SDULF offset is also anticipated for the 2027-29 biennium, with the amount to be finalized in early 2027. A preliminary estimate of the SDULF 2027-29 offset is 1.37% of payroll.

Economic Assumptions

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

Investment return	6.90% compounded annually on system assets.
Interest crediting	6.90% compounded annually on members' variable account balances. 6.90% compounded annually on members' regular account balances.
Inflation	2.40% per year.
Payroll Growth	3.40% per year.
Healthcare cost trend	Ranging from 5.7% in 2026 to 3.8% in 2073.
Administrative Expenses	$72 million per year is added to the total system normal cost and allocated between Tier One/Tier Two and OPSRP based on valuation payroll.

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Brief Summary of Actuarial Methods and Assumptions

Changes Since Last Valuation

The key changes since the December 31, 2024 actuarial valuation are described briefly below and are described in additional detail in the system-wide actuarial valuation report.

Changes in Actuarial Methods and Allocation Procedures

There were no changes in actuarial methods and allocation procedures since the December 31, 2024 actuarial valuation. A complete summary of the Tier One/Tier Two, OPSRP, RHIA, and RHIPA actuarial methods and allocation procedures is provided as part of the system-wide actuarial valuation report.

Changes in Assumptions

There were no changes in assumptions since the December 31, 2024 actuarial valuation. A complete summary of the Tier One/Tier Two, OPSRP, RHIA, and RHIPA assumptions is provided as part of the system-wide actuarial valuation report.

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Brief Summary of Changes in Plan Provisions

There were no changes in plan provisions since the December 31, 2024 actuarial valuation. A complete summary of the Tier One/Tier Two, OPSRP, RHIA, and RHIPA plan provisions valued is provided as part of the system-wide actuarial valuation report.

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Glossary

Actuarial Accrued Liability

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

Actuarial Value of Assets

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

Actuarial Assumptions

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

Actuarial Cost Method

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

Actuarial Gain or (Loss)

A measure of the difference between actual experience and that expected based upon a set of actuarial assumptions, during the period between two actuarial valuation dates, as determined in accordance with a particular actuarial cost method.

Actuarially Determined Contribution (ADC)

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

Combined Valuation Payroll

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

Employer Contribution Rate

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

Funded Status

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

Normal Cost

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

OPSRP Valuation Payroll

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

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Glossary

Pre-SLGRP Liability/(Surplus)

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

Pre-SLGRP Pooled Liability/(Surplus)

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

Present Value

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

Rate Collar

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

Required Supplementary Information (RSI)

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

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

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

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

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

Tier One/Tier Two Valuation Payroll

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

Transition Liability/(Surplus)

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

Unfunded Accrued Liability (UAL)

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

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