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September 2026

Clackamas Community College/2908
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 Tier One/Tier Two State and Local Government Rate Pool (SLGRP), Oregon Public Service Retirement Plan (OPSRP), Retiree Health Insurance Account (RHIA), and Retiree Health Insurance Premium Account (RHIPA) 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:

- Employer-specific weighted average Tier One/Tier Two normal cost rates,
- Transition liability or surplus balances and rate calculation,
- Side account balances, transactions, and rate relief,
- A brief summary of methods and assumptions, and
- A brief summary of any changes in System benefit provisions.

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

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September 2026
Clackamas Community College/2908

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
Clackamas Community College/2908

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.

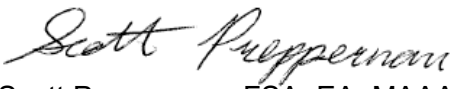
The signing actuaries are independent of the System. We are not aware of any relationship that would impair the objectivity of our work.

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

STATE AND LOCAL GOVERNMENT RATE POOL

Clackamas Community College -- #2908

September 2026

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Executive Summary

Milliman has prepared this report for Clackamas Community College to:

- Provide summary December 31, 2025 valuation results for the Tier One/Tier Two State and Local Government Rate Pool (SLGRP), Oregon Public Service Retirement Plan (OPSRP), and the Retiree Health Insurance programs (RHIA and RHIPA),
- Provide employer-specific contribution rates effective July 1, 2027 through June 30, 2029, and
- Provide employer-specific information on side accounts and pre-SLGRP liabilities as of December 31, 2025.

This report summarizes the valuation results for the SLGRP, OPSRP, RHIA and RHIPA. The full development of these results can be found in the December 31, 2025 system-wide actuarial valuation report. This report develops employer-specific side account and pre-SLGRP rates and applies the results from the system-wide actuarial valuation to Clackamas Community College.

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

SLGRP employers have the option to elect separate Tier One/Tier Two rates to be applied to general service and police and fire payroll or to have the default blended rate apply to all Tier One/Tier Two payroll.

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				
	Tier One/Tier Two			OPSRP	
	Default	Optional Separate Rates			
	All Tier One/Tier Two Payroll	General Service	Police & Fire	General Service	Police & Fire
Pension					
Normal cost rate	14.30%	14.30%	21.69%	10.31%	15.83%
Tier One/Tier Two UAL rate [1]	12.46%	12.46%	12.46%	12.46%	12.46%
Multnomah Fire District #10 UAL rate	0.04%	0.04%	0.04%	0.04%	0.04%
OPSRP UAL rate	2.69%	2.69%	2.69%	2.69%	2.69%
Pre-SLGRP pooled liability rate [2]	0.29%	0.29%	0.29%	0.29%	0.29%
Transition liability/(surplus) rate [3]	0.00%	0.00%	0.00%	0.00%	0.00%
Side account rate relief [3]	(7.77%)	(7.77%)	(7.77%)	(7.77%)	(7.77%)
Member redirect offset [4]	(2.40%)	(2.40%)	(2.40%)	(0.65%)	(0.65%)
Net employer pension contribution rate [1]	**19.61%**	**19.61%**	**27.00%**	**17.37%**	**22.89%**
Retiree Healthcare					
Normal cost rate	0.03%	0.03%	0.03%	0.00%	0.00%
UAL rate	(0.03%)	(0.03%)	(0.03%)	0.00%	0.00%
Net retiree healthcare rate	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
Total net employer contribution rate [1]	**19.61%**	**19.61%**	**27.00%**	**17.37%**	**22.89%**

Employer Contribution Rates Effective July 1, 2025

	Payroll				
	Tier One/Tier Two			OPSRP	
	Default	Optional Separate Rates			
	All Tier One/Tier Two Payroll	General Service	Police & Fire	General Service	Police & Fire
Pension					
Normal cost rate	14.83%	14.83%	22.04%	10.47%	15.74%
Tier One/Tier Two UAL rate [1]	12.46%	12.46%	12.46%	12.46%	12.46%
Multnomah Fire District #10 UAL rate	0.06%	0.06%	0.06%	0.06%	0.06%
OPSRP UAL rate	2.69%	2.69%	2.69%	2.69%	2.69%
Pre-SLGRP pooled liability rate [2]	0.53%	0.53%	0.53%	0.53%	0.53%
Transition liability/(surplus) rate [3]	0.00%	0.00%	0.00%	0.00%	0.00%
Side account rate relief [3]	(16.23%)	(16.23%)	(16.23%)	(16.23%)	(16.23%)
Member redirect offset [4]	(2.40%)	(2.40%)	(2.40%)	(0.65%)	(0.65%)
Net employer pension contribution rate [1]	**11.94%**	**11.94%**	**19.15%**	**9.33%**	**14.60%**
Retiree Healthcare					
Normal cost rate	0.04%	0.04%	0.04%	0.00%	0.00%
UAL rate	(0.04%)	(0.04%)	(0.04%)	0.00%	0.00%
Net retiree healthcare rate	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
Total net employer contribution rate [1]	**11.94%**	**11.94%**	**19.15%**	**9.33%**	**14.60%**

[1] *Includes any impact of rate collar developed in the system-wide actuarial valuation report.*

[2] *Pre-SLGRP pooled liability rate developed in the system-wide actuarial valuation report. Effective 12/31/2022, reflects amortization to end of 2027-2029 biennium and includes adjustment for contribution lag.*

[3] *The transition liability/(surplus) rate and side account rate relief shown may be reduced such that the net pension contribution rate does not go below 0.00%.*

[4] *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 the rate pool, but does not limit changes in rates for individual employers related to pre-SLGRP liabilities or side accounts and does not limit the change in the normal cost rate. The table below shows the possible minimum and maximum Tier One/Tier Two UAL Rates for the SLGRP 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 3% of pay. However, the UAL Rate is only allowed to decrease by the full collar width if the funded status (excluding side accounts) of the SLGRP is greater than or equal to 90%. The UAL Rate is not allowed to decrease at all if funded status is below 87%, and the allowable decrease is phased in for funded status levels from 87% to 90%.

For reference, the Pool's funded status excluding side accounts as of December 31, 2025 is 72%.

2027-2029 Biennium	2029-2031 Biennium	
	15.46%	**<<<No higher than this**
12.46%	12.46%	**<<<No lower than this if December 31, 2027 funded status is 87% or lower**
	9.46%	**<<<No lower than this if December 31, 2027 funded status is 90% or higher**

For individual employers in the SLGRP, the SLGRP rate is adjusted to reflect the individual employer's pre-SLGRP pooled liability rate, transition liability rate, and side account rate offset to determine the individual employer's net contribution rate.

Normal Cost Rates

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

The normal cost rate in any biennium is driven by the active member demographics of the experience pooling groups in which the employer’s members participate. 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.

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 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.

Clackamas Community College

	Actuarial Valuation as of	
	December 31, 2025	**December 31, 2024**
Allocated pooled SLGRP Tier One/Tier Two UAL	$59,880,143	$65,653,204
Allocated pre-SLGRP pooled liability/(surplus)	596,227	1,018,163
Transition liability/(surplus)	0	0
Allocated pooled OPSRP UAL	10,336,081	11,630,869
Side account	44,727,085	50,948,815
Net unfunded pension actuarial accrued liability	26,085,366	27,353,421
Combined valuation payroll	46,015,024	44,607,354
Net pension UAL as a percentage of payroll	57%	61%
Pre-SLGRP pooled rate	0.29%	0.57%
Transition rate	0.00%	0.00%
Side account rate relief	(7.77%)	(7.95%)
Allocated pooled RHIA UAL	($1,308,107)	($1,161,084)
Allocated pooled RHIPA UAL	$0	$0

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

RHIPA liabilities are allocated to State Agencies and the State Judiciary, the only employers participating in the RHIPA program.

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Executive Summary

Principal Valuation Results (continued)

SLGRP

($ in millions)	Actuarial Valuation as of December 31, 2025	Actuarial Valuation as of December 31, 2024
Normal cost	$254.2	$282.3
Tier One/Tier Two valuation payroll	1,625.3	1,773.3
Normal cost rate	15.64%	15.92%
Actuarial accrued liability	$49,179.4	$48,853.3
Actuarial value of assets	35,522.6	34,241.2
Unfunded actuarial accrued liability	13,656.8	14,612.1
Funded status	72%	70%
Combined valuation payroll	$10,494.6	$9,928.0
UAL as a percentage of payroll	130%	147%
UAL rate[1]	12.50%	12.52%
State and Community College Pre-SLGRP Pooled Liability	$81.0	$133.0
LGRP Pooled Liability	(40.6)	(62.1)
Total Transition Liability	(108.5)	(177.8)
Tier One/Tier Two Active Members		
▪ Count	13,646	15,375
▪ Average Age	56.7	56.3
▪ Average Service	26.0	25.4
▪ Average Valuation Salary (in dollars)	$119,103	$115,335
Tier One/Tier Two Dormant Members		
▪ Count	10,903	11,713
▪ Average Age	60.3	59.7
▪ Average Monthly Benefit (in dollars)	$1,629	$1,602
Tier One/Tier Two Retirees and Beneficiaries		
▪ Count	95,215	94,677
▪ Average Age	74.2	73.8
▪ Average Monthly Benefit (in dollars)	$2,840	$2,749

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] *The December 31, 2025 UAL rate shown for the SLGRP includes 0.04% for Multnomah Fire District #10 (0.06% at December 31, 2024). The City of Portland pays an additional 0.30% and the cities of Fairview, Gresham, Troutdale, and Wood Village pay an additional 0.04% (0.43% and 0.06% respectively at December 31, 2024). Effective 12/31/2022, reflects amortization to end of 2027-2029 biennium and includes adjustment for contribution lag.*

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Executive Summary

Principal Valuation Results (continued)

OPSRP

	Actuarial Valuation as of	
($ in millions)	**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%

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Executive Summary

Principal Valuation Results (continued)

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%)

($ in millions)	Actuarial Valuation as of	
RHIPA	**December 31, 2025**	**December 31, 2024**
Normal cost	$0.8	$0.9
Tier One/Tier Two valuation payroll	901.8	960.4
Normal cost rate	0.09%	0.09%
Actuarial accrued liability	$40.2	$43.0
Actuarial value of assets	99.0	94.0
Unfunded actuarial accrued liability	(58.8)	(51.0)
Funded status	246%	219%
Combined valuation payroll	$5,669.6	$5,265.2
UAL as a percentage of payroll	(1%)	(1%)
UAL rate	(0.09%)	(0.09%)

RHIPA liabilities are allocated to State Agencies and the State Judiciary, the only employers participating in the RHIPA program.

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Weighted Average Tier One/Tier Two Normal Cost Rate

Pension

The normal cost represents the value of benefits assigned to the next year of service by the actuarial cost method. If all actuarial assumptions are met, the normal cost represents the amount that would need to be contributed each year to fund the benefits.

Members of the State and Local Government Rate Pool pay a payroll-weighted average normal cost rate using the normal cost rates developed for the pool for each tier and member classification. The table below shows the calculation of the individual employer's Tier One/Tier Two normal cost rate by member classification and in aggregate. The employer can elect to pay the member classification rates or the aggregate rate. For purposes of this calculation, all Community Colleges are treated as a single employer.

Development of Total Weighted Average Tier One/Tier Two Normal Cost Rate

	December 31, 2025			December 31, 2024		
	SLGRP Normal Cost Rate	Employer Tier One/Tier Two Valuation	Normal Cost	SLGRP Normal Cost Rate	Employer Tier One/Tier Two Valuation	Normal Cost
Tier One General Service	17.29%	$21,807,735	$3,770,557	17.38%	$26,570,392	$4,617,934
Tier Two General Service	13.51%	82,007,947	11,079,274	13.61%	85,667,160	11,659,300
Total General Service		**103,815,682**	**14,849,831**		**112,237,552**	**16,277,234**
Tier One Police & Fire	23.00%	0	0	23.18%	0	0
Tier Two Police & Fire	21.53%	0	0	21.57%	0	0
Total Police & Fire		**0**	**0**		**0**	**0**
Total		**$103,815,682**	**$14,849,831**		**$112,237,552**	**$16,277,234**
Total normal cost rate						
General Service			**14.30%**			**14.50%**
Police & Fire			**21.69%**			**21.80%**
Aggregate (Default)			**14.30%**			**14.50%**

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

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Transition Liability Information

Outstanding Balance of Transition Liability/(Surplus)

Upon joining the SLGRP effective January 1, 2002, a transition liability or surplus was calculated to ensure that the employer entered the pool on a comparable basis. The transition liability is maintained separately from the SLGRP, and is reduced by contributions and increased for interest charges at the assumed interest rate. The table below shows the reconciliation of the transition liability or surplus from the last valuation to the current valuation.

	Transition Liability
1. Transition liability/(surplus) as of December 31, 2024	$0
2. January 1, 2025 through June 30, 2025	
A. Transition liability/(surplus) rate[1]	0.00%
B. Actual employer payroll	0
C. Payment to transition liability/(surplus)	0
3. July 1, 2025 through December 31, 2025	
A. Transition liability/(surplus) rate[1]	0.00%
B. Actual employer payroll	0
C. Payment to transition liability/(surplus)	0
4. Supplemental payment to transition liability	0
5. Interest	0
6. Other adjustments, i.e. merger, spin-off, balance expiration	0
7. Transition liability/(surplus) as of December 31, 2025 ***(1. - 2C. - 3C. - 4. + 5. + 6.)***	**$0**

[1] *Transition liability or surplus rates shown are those paid on Tier One/Tier Two payroll for the indicated periods. For some surplus employers, this rate may differ from the rate paid on OPSRP general service or OPSRP police and fire payroll. In those cases, the payment to transition (surplus) shown below is the payment reflecting the rates on different payroll.*

Development of Transition Liability or Surplus Rate

The rate adjustment attributable to a transition liability or surplus is determined by amortizing the liability or surplus on the valuation date over a fixed period, and expressing the result as a percentage of combined valuation payroll. For employers joining the SLGRP prior to December 31, 2009, the fixed period ends December 31, 2027. For all others, the fixed period ends 18 years after the date the employer joined the pool.

	December 31, 2025	December 31, 2024
1. Total transition liability/(surplus)	0	0
2. Combined valuation payroll	46,015,024	44,607,354
3. Regular amortization factor[1]	0.000	0.000
4. **Total transition liability/(surplus) rate**	**0.00%**	**0.00%**

[1] *Effective December 31, 2022, reflects alignment of amortization period with biennial rate changes and includes adjustment for contribution lag as described in the system-wide actuarial valuation report*

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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**	**$50,948,815**	**$50,948,815**
2. Deposits during 2025			
3. Administrative expenses		(1,500)	(1,500)
4. Amount transferred to employer reserves during 2025		(10,497,140)	(10,497,140)
5. Side account earnings during 2025		4,276,910	4,276,910
6. Side account as of December 31, 2025 ***(1. + 2. + 3. + 4. + 5.)***		**$44,727,085**	**$44,727,085**

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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	2/27/2004	12/31/2027	$2,494,166	$4,862,113
Side Account 2	6/30/2005	12/31/2027	2,223,951	4,348,390
Side Account 3	8/31/2021	12/31/2039	40,008,968	41,738,312
Side Account 4			0	0
Side Account 5			0	0
Side Account 6			0	0
Side Account 7			0	0
Side Account 8			0	0
Total			**$44,727,085**	**$50,948,815**

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		$46,015,024	Combined valuation payroll		$44,607,354
	Side account balance	**Amortization factor[1, 2]**	**Side account rate[1]**	**Side account balance**	**Amortization factor[1, 2]**	**Side account rate[1]**
1.	$2,494,166	0.000	0.00%	$4,862,113	0.000	0.00%
2.	2,223,951	0.000	0.00%	4,348,390	0.000	0.00%
3.	40,008,968	11.190	(7.77%)	41,738,312	11.770	(7.95%)
4.	0		0.00%	0		0.00%
5.	0		0.00%	0		0.00%
6.	0		0.00%	0		0.00%
7.	0		0.00%	0		0.00%
8.	0		0.00%	0		0.00%
Total	**$44,727,085**		**(7.77%)**	**$50,948,815**		**(7.95%)**

[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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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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