

Actuarial Valuation Report

As of June 30, 2024

Prepared by Milliman, Inc.

Executive Summary

This report presents the results of the actuarial valuation of the Oakridge Public Employees Retirement System as of June 30, 2024. The valuation was performed to determine the funded status of the system and the actuarially determined employer contribution rate for FY 2026.

Funded Status

Actuarial Value of Assets: \$4,820.1 million. Actuarial Accrued Liability: \$6,150.0 million. Unfunded Actuarial Accrued Liability (UAAL): \$1,329.9 million. Funded Ratio: 78.4%.

The funded ratio improved from 75.1% as of June 30, 2023. This improvement is attributable to: (1) investment returns exceeding the assumed rate, (2) employer contributions at the actuarially determined rate, and (3) favorable demographic experience.

Actuarial Assumptions

Investment return assumption: 7.00% per annum (net of investment expenses). Inflation assumption: 2.75%. Salary increase assumption: 3.25% to 8.50% (including inflation). Mortality: Pub-2010 tables with MP-2024 improvement scale. Discount rate: 7.00%.

Contribution Requirements

Actuarially Determined Employer Contribution (ADEC) for FY 2026: 18.2% of payroll (Normal cost: 11.4%, UAAL amortization: 6.8%). Current statutory employer rate: 18.5%. The statutory rate exceeds the ADEC, providing a margin for future experience.

Sensitivity Analysis

If the discount rate were reduced by 50 basis points to 6.50%, the funded ratio would decrease to 73.8% and the UAAL would increase to \$1,720 million. If increased to 7.50%, the funded ratio would be 83.4% with a UAAL of \$980 million.