

Adams County Retirement Plan

ACTUARIAL VALUATION REPORT
as of January 1, 2025





June 2, 2025

Ms. Debbie Haines, CEBS
Executive Director
Adams County
4430 South Adams County Parkway, Suite C3406
Brighton, CO 80601-8202

Re: Actuarial Valuation of the Adams County Retirement Plan as of January 1, 2025

Dear Debbie:

We are pleased to present our Report on the actuarial valuation of the Adams County Retirement Plan as of January 1, 2025.

This Report presents the results of the January 1, 2025 actuarial valuation of the Adams County Retirement Plan. The Report describes the current actuarial condition of the Adams County Retirement Plan, determines the Actuarially Determined Contribution (ADC), and analyzes changes in the determined rate.

We certify that the information included herein and contained in our January 1, 2025 Actuarial Valuation Report is accurate and fairly presents the actuarial position of the Adams County Retirement Plan as of the valuation date.

All of our work conforms with generally accepted actuarial principles and practices, and to the Actuarial Standards of Practice issued by the Actuarial Standards Board. In our opinion, our calculations also comply with the requirements of, where applicable, the Internal Revenue Code, ERISA, and the Statements of the Governmental Accounting Standards Board.

The valuation was based upon information, furnished by the Plan, concerning Plan benefits, financial transactions, active members, terminated members, retirees and beneficiaries. We checked for internal and year-to-year consistency, but did not audit the data. This report and these calculations are not intended as legal or accounting advice, and we would recommend review by legal counsel for the compliance of these calculations with all relevant agreements.

The valuation results summarized in this report involve actuarial calculations that require assumptions about future events for the Pension Plan. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following:

- plan experience differing from that anticipated by the economic or demographic assumptions;
- changes in economic or demographic assumptions;
- increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status) and;
- changes in plan provisions or applicable law.

Ms. Debbie Haines, CEBS

June 2, 2025

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The 11.50% employer and 9.00% employee contribution are the rates that comply with law. Due to the many factors affecting a retirement system, users of this report should be aware that contributions made at that rate do not necessarily guarantee long-term benefit security.

This report does not include a detailed assessment of the risks of future experience not meeting the actuarial assumptions. Additional assessment of risks was outside the scope of this assignment. We encourage a review and assessment of investment and other significant risks that may have a material effect on the plan's financial condition.

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

We believe that the assumptions and methods used in this report are reasonable and appropriate for the purpose for which they have been used. Furthermore, the assumptions and methods used in this valuation follow the guidance in the applicable Actuarial Standards of Practice and are expected to have no significant bias. However, other assumptions and methods could also be reasonable and could result in materially different results. In addition, because it is not possible or practical to consider every possible contingency, we may use summary information, estimates or simplifications of calculations to facilitate the modeling of future events. We may also exclude factors or data that are deemed to be immaterial.

Certification

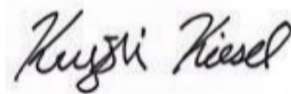
The undersigned are independent actuaries and consultants. Paul Wood, Thomas Lyle, and Krysti Kiesel are actuaries and meet the Qualification Standards of the American Academy of Actuaries. Both of the undersigned are experienced in performing valuations for large public retirement systems.

Respectfully submitted,

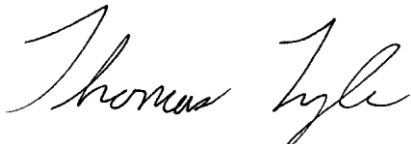
Gabriel, Roeder, Smith & Company



Paul Wood, ASA, FCA, MAAA
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Consultant



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Consultant



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SECTION A

EXECUTIVE SUMMARY

Executive Summary

Valuations are prepared annually, as of January 1 of each year, the first day of the fiscal year. The primary purposes of the valuation report are to measure the plan's liabilities, to determine the required contribution rate and to analyze changes in the Adams County Retirement Plan's actuarial position.

In addition, the report provides summaries of the member data, financial data, plan provisions, and actuarial assumptions and methods.

Financing Objectives

The Adams County Retirement Plan is supported by member contributions, employer contributions, and net earnings on the investments of the fund. Contribution rates are set in the plan document, currently at 9.00% for members and 11.50% for employers.

Beginning in 2018, the County began making an additional contribution to the Plan, pursuant to an agreement between the County and the Plan; such contributions shall not be less than \$2 million per year and will continue until the Plan reaches a specified funding level on a market and actuarial basis. The contribution is based on a reallocation of at least 0.314 mills of the County's total mill levy.

The combined member and employer contributions are intended to be sufficient to pay the normal cost and to amortize the Unfunded Actuarial Accrued Liability (UAAL) over a period of 19 years from the valuation date. This closed period amortization method was first adopted for use in the January 1, 2020 valuation.

Progress toward Realization of Financing Objectives

The UAAL/(surplus) and the funded ratio (ratio of the actuarial value of assets to the actuarial accrued liability) illustrate the progress toward the realization of certain financing objectives. Based on the actuarial valuation as of January 1, 2025, the Plan has an unfunded liability of \$259.82 million and a funded ratio of 61.05%. The funded ratio increased from 60.34% to 61.05% and the Net Employer Actuarially Determined Contribution (ADC) increased from 8.65% of pay, to 9.00% of pay. The calculated ADC under the Board's funding policy can be considered a "Reasonable Actuarially Determined Contribution" as required by the Actuarial Standards of Practice.

The net employer Actuarially Determined Contribution as a percentage of pay for the year beginning January 1, 2025 is 9.00%. The expected County contribution is 11.50% of pay which creates a contribution surplus of 2.5% of pay. This compares to a surplus in the prior year of 2.85% of pay.

The 2014 amendments to lower future benefit accruals help to decrease the future cost of the plan. Projections indicate an improvement in funded status over time. However, projections are built on assumptions from which experience may vary over time. Ongoing monitoring of the funded levels of the plan is recommended.



Experience During the Year

The plan experienced a liability loss of \$1.57 million during fiscal year 2024 before the impact of benefit changes.

The plan experienced an actuarial asset loss of \$2.03 million during fiscal year 2024. This loss was due to the actuarial value of assets earning a return lower than the assumed 7.25% return.

The net overall result of the liability loss and the actuarial asset loss was an unfunded liability \$3.6 million greater than expected at January 1, 2025.

In addition, there was a gain due to a contribution surplus relative to the ADC of \$11.15 million attributable to the additional mill levy contributions as well as the increased County contributions.

Assumptions and methods

There have been no changes in assumptions since the prior valuation. The assumptions have been selected by the Adams County Board of Retirement based upon the actuary's analysis and recommendations from the 2023 Experience Study.

The actuarial assumptions are summarized in Section G of our report.

The results of any actuarial valuation are dependent upon the actuarial assumptions used. Actual results can and almost certainly will differ, as actual experience deviates from the assumptions. Even seemingly minor changes in the assumptions can materially change the liabilities, calculated contribution rates and funding periods. The actuarial calculations presented in this Report are intended to provide information for rational decision making.

Benefit Provisions

All of the benefit provisions reflected in this valuation are those which were in effect on January 1, 2025 as well as known amendments to be effective July 2025. The benefit changes increase the multiplier applied to the career compensation portion of the benefit from 1.75% to 2.00% for all members accruing service on or after July 1, 2025. Additionally, the minimum age for rule of 80 for members hired on or after July 1, 2010 was reduced from age 55 to 50. The benefit changes increased the accrued liability by \$22.6 million and increased the actuarially determined contributions by 1.49% of pay.

The benefit provisions are summarized in Section D of our Report.

Data

Adams County staff supplied data for retired, active and inactive members as of January 1, 2025. We did not audit this data, but we did apply a number of tests to the data, and we have concluded that the data is reasonable and consistent with the prior year's data. Adams County staff also supplied asset data as of January 1, 2025.



Financial Position

The funded ratio on an actuarial value of assets basis and on a market value of assets basis increased from January 1, 2024 to January 1, 2025.

Exhibit A.1		
Funded Status Summary (\$ in millions)		
Valuation Date	January 1, 2025	January 1, 2024
Accrued Liability	\$667.07	\$618.94
Actuarial Value of Assets (smoothed)	407.25	373.48
Unfunded Accrued Liability	\$259.82	\$245.46
Funded Ratio (AVA basis)	61.1%	60.3%
Market Value of Assets	\$396.13	\$356.78
Unfunded Accrued Liability	\$270.94	\$262.16
Funded Ratio (MVA basis)	59.4%	57.6%
Market Value Rate of Return	8.6%	9.5%
Actuarial Value Rate of Return	6.7%	7.5%

The funded status alone is not appropriate for assessing the need for future contributions. The funded status is also not appropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the plan's benefit obligations.

Financial Position (continued)

Investment losses increased the Total Actuarially Determined Contribution (ADC) by roughly 0.07%. The gains due to contributions in excess of the prior year ADC decreased the Total ADC by roughly 0.41%. Liability losses increased the Total ADC by roughly 0.08%. Benefit changes increased the Total ADC by approximately 1.49%, of which 0.81% is attributable to the increase in Normal Cost and 0.68% is due to the amortization of the increase to the unfunded liability due to benefit changes. Payroll increases more than expected decreased the Total ADC by 0.69%. The Employer Net Actuarially Determined Contribution of 9.00% of pay for Fiscal Year 2025 and 8.65% of pay for Fiscal Year 2024 are based on contributions being made throughout the year, consistent with the funding policy of the Plan.

Exhibit A.2 Contribution Summary All Numbers Reported Middle of Year, Percent of Pay		
Fiscal Year Beginning	January 1, 2025	January 1, 2024
Total Normal Cost	9.82%	9.19%
Amortization of UAL	7.84%	8.08%
Assumed Expenses	0.34%	0.38%
Total Actuarially Determined Contribution	18.00%	17.65%
Estimated Member Contribution	9.00%	9.00%
Net ADC Mid-Year	9.00%	8.65%
Estimated County Contribution	11.50%	11.50%
Contribution Shortfall/(Surplus)	(2.50%)	(2.85%)

Benefit changes were made as of January 1, 2014, which decrease the rate of benefits accrued for all service after January 1, 2014, both for current members and future members. The lower benefit accruals will have the effect of decreasing the normal cost rate over time. The normal cost increased as of January 1, 2025 due to the benefit changes effective July 1, 2025; however, decreases to the normal cost are expected to continue in the future.



Executive Summary

Exhibit A.3		
Adams County Retirement Plan		
Executive Summary		
	January 1, 2025	January 1, 2024
1. Actuarially Determined Contribution		
a. Total	\$ 43,934,890	\$ 38,110,575
b. Net Employer Contribution	21,964,164	18,672,597
c. Net Employer %	9.00%	8.65%
2. Funded Status		
a. Actuarial Accrued Liability	\$ 667,067,687	\$ 618,942,681
b. Actuarial Value of Assets (AVA)	407,246,091	373,480,442
c. Unfunded Liability (AVA-basis)	259,821,596	245,462,239
d. Funded Ratio (AVA-basis)	61.1%	60.3%
e. Market Value of Assets (MVA)	\$ 396,131,567	\$ 356,779,292
f. Unfunded Liability (MVA-basis)	270,936,120	262,163,389
g. Funded Ratio (MVA-basis)	59.4%	57.6%
3. Summary of Census Data		
a. Actives		
i. Counts	2,827	2,616
ii. Total Annual Projected Compensation	\$ 244,119,175	\$ 215,977,537
iii. Average Projected Compensation	86,353	82,560
iv. Average Age	42.2	42.4
v. Average Service	6.8	6.9
b. Members with Refunds Due Counts	224	180
c. Deferred Vested Member Counts	287	280
d. Retired Member Counts	1,228	1,211
e. Beneficiary Counts	156	144
f. Disabled Retiree Counts	55	55
g. Total Members Included in Valuation	4,777	4,486



SECTION B

VALUATION RESULTS

Actuarial Accrued Liability

Exhibit B.1 Adams County Retirement Plan Actuarial Valuation Results Actuarial Accrued Liability		
	January 1, 2025	January 1, 2024
1. Active Members		
a. Retirement Benefits	\$ 249,076,870	\$ 213,013,381
b. Withdrawal Benefits	4,972,398	3,922,226
c. Refund Benefits	(9,659,812)	(8,696,628)
d. Disability Benefits	7,360,438	6,144,440
e. Death Benefits	1,885,361	1,695,683
f. Total	\$ 253,635,255	\$ 216,079,102
2. Members with Deferred Benefits	\$ 25,714,301	\$ 23,294,193
3. Members Receiving Benefits	\$ 387,718,131	\$ 379,569,386
4. Total	\$ 667,067,687	\$ 618,942,681
5. Actuarial Value of Assets	\$ 407,246,091	\$ 373,480,442
6. Unfunded Actuarial Accrued Liability	\$ 259,821,596	\$ 245,462,239

Normal Cost

Exhibit B.2 Adams County Retirement Plan Actuarial Valuation Results Normal Cost		
	January 1, 2025	January 1, 2024
1. Total Dollar Normal Cost		
a. Retirement Benefits	\$ 15,518,649	\$ 12,415,255
b. Withdrawal Benefits	7,334,192	6,517,295
c. Disability Benefits	883,125	702,149
d. Death Benefits	227,825	204,200
e. Total	\$ 23,963,791	\$ 19,838,899
2. Normal Cost as a Percentage of Pay	9.82%	9.19%
3. Normal Cost as a Percentage of Pay by Tier		
a. Tier 1	14.33%	14.00%
b. Tier 2	12.04%	11.45%
c. Tier 3	9.10%	8.25%

Present Value of Projected Benefits

Exhibit B.3 Adams County Retirement Plan Actuarial Valuation Results Present Value of Projected Benefits		
	January 1, 2025	January 1, 2024
1. Active Members		
a. Retirement Benefits	\$ 357,091,414	\$ 298,161,847
b. Withdrawal Benefits	52,668,974	46,258,334
c. Disability Benefits	13,509,516	11,031,346
d. Death Benefits	3,545,963	3,195,988
e. Total	\$ 426,815,867	\$ 358,647,515
2. Members with Deferred Benefits	\$ 25,714,301	\$ 23,294,193
3. Members Receiving Benefits	\$ 387,718,131	\$ 379,569,386
4. Total	\$ 840,248,299	\$ 761,511,094

Actuarially Determined Contribution

Exhibit B.4 Adams County Retirement Plan Development of the Actuarially Determined Contribution				
Fiscal Year Beginning	January 1, 2025		January 1, 2024	
	Dollar	Percent of Pay	Dollar	Percent of Pay
1. Total Normal Cost	\$ 23,963,791	9.82%	\$ 19,838,899	9.19%
2. Amortization of Unfunded Actuarial Accrued Liability Over 19 Years	19,143,099	7.84%	17,453,676	8.08%
3. Assumed Administrative Expenses	828,000	0.34%	818,000	0.38%
4. Actuarially Determined Contribution (ADC)	\$ 43,934,890	18.00%	\$ 38,110,575	17.65%
5. Estimated Member Contribution	21,970,726	9.00%	19,437,978	9.00%
6. Net ADC Mid-Year	\$ 21,964,164	9.00%	\$ 18,672,597	8.65%
7. Estimated County Contribution Mid-Year	28,073,705	11.50%	24,837,417	11.50%
8. Contribution Shortfall/(Surplus)	\$ (6,109,541)	(2.50%)	\$ (6,164,820)	(2.85%)
9. Annual Projected Payroll	\$ 244,119,175		\$215,977,537	



Plan Experience

Exhibit B.5 Adams County Retirement Plan Plan Experience for Fiscal Year 2024		
Liabilities		
1. Actuarial Accrued Liability at January 1, 2024	\$	618,942,681
2. Normal Cost for Fiscal Year 2024		20,685,442
3. Benefit Payments during Fiscal Year 2024		40,863,792
4. Interest on Items 1-3 to End of Year		44,141,879
5. Change in Actuarial Accrued Liability Due to Assumption Changes		0
6. Change in Actuarial Accrued Liability Due to Provision Changes		22,594,915
7. Expected Actuarial Accrued Liability at January 1, 2025		665,501,125
8. Actual Actuarial Accrued Liability at January 1, 2025		667,067,687
9. Liability Gain/(Loss)		(1,566,562)
Assets		
10. Actuarial Value of Assets at January 1, 2024	\$	373,480,442
11. Benefit Payments and Expenses during Fiscal Year 2024		41,666,559
12. Contributions during Fiscal Year 2024		50,079,352
13. Interest on Items 10-12 to End of Year		27,382,296
14. Expected Actuarial Value of Assets at January 1, 2025		409,275,531
15. Actual Actuarial Value of Assets at January 1, 2025		407,246,091
16. Asset Gain/(Loss)		(2,029,440)
Total		
17. Total Gain/(Loss)	\$	(3,596,002)

Plan Experience By Source

Exhibit B.6 Adams County Retirement Plan Plan Experience for Fiscal Year 2024 Gain/(Loss) by Source	
1. Asset Gain/(Loss)	\$ (2,029,440)
2. Liability Gain/(Loss)	
a. Salary Gain/(Loss)	(2,215,538)
b. Rehire Gain/(Loss)	(2,019,527)
c. Withdrawal Gain/(Loss)	(657,765)
d. Disability Gain/(Loss)	(5,249)
e. Retirement Gain/(Loss)	1,713,563
f. Active Mortality Gain/(Loss)	286,640
g. Annuitant Mortality Gain/(Loss)	1,560,835
h. LTD to Disability Retirement	(193,313)
i. Other Demographic	<u>(36,207)</u>
j. Total	\$ (1,566,562)
3. Total Gain/(Loss)	\$ (3,596,002)

SECTION C

PLAN ASSETS

Statement of Plan Net Assets

Exhibit C.1 Adams County Retirement Plan Statement of Plan Net Assets		
	December 31, 2024	December 31, 2023
Assets		
Investments, at fair value:		
Cash	\$ 38,371	\$ 1,576,827
Money Market Funds	24,423,959	13,239,377
Public Equity	170,529,178	154,434,156
Private Equity	33,184,809	31,126,078
Floating Rate Debt	52,781,288	41,281,612
Fixed Rate Debt	74,311,645	63,402,369
Low Volatility	-	-
Real Estate Funds	40,501,368	51,466,220
Liquid Real Assets	-	-
Total cash and investments	\$ 395,770,618	\$ 356,526,639
Receivables:		
Dividends and Interest	384,920	263,299
Other Assets:		
Fiduciary/Directors Liability Insurance	118,281	118,281
Total assets	\$ 396,273,819	\$ 356,908,219
Liabilities and net assets held in trust for benefits		
Accrued liabilities	142,252	128,927
Total payables	\$ 142,252	\$ 128,927
Net assets held in trust for pension benefits	\$ 396,131,567	\$ 356,779,292

Statement of Changes in Plan Net Assets

Exhibit C.2		
Adams County Retirement Plan		
Statement of Changes in Plan Net Assets		
	Year Ended December 31, 2024	Year Ended December 31, 2023
Additions to Net Assets Attributed to:		
Contributions:		
Employer contributions	\$ 25,884,918	\$ 22,057,644
Plan Members contributions	20,257,778	18,047,073
Plan Members for Purchase of service	-	45,443
Mill Levy Revenue	3,936,656	3,005,157
Total contributions	\$ 50,079,352	\$ 43,155,317
Investment Income:		
Net appreciation in fair value of investments	\$ 26,118,045	\$ 27,373,119
Interest	2,292,016	1,524,422
Dividends	4,613,024	3,884,198
Other	19,894	423
Total Investment Income	\$ 33,042,979	\$ 32,782,162
Less Investment expense	(2,103,497)	(1,871,754)
Net investment income	\$ 30,939,482	\$ 30,910,408
Total additions	\$ 81,018,834	\$ 74,065,725
Deductions to Net Assets Attributed to:		
Benefit payments	\$ 36,835,159	\$ 35,432,452
Refunds	4,028,633	4,071,787
Administrative expenses	802,767	776,747
Total deductions	\$ 41,666,559	\$ 40,280,986
Change in net assets	39,352,275	33,784,739
Net assets held in trust for benefits:		
Beginning of year	356,779,292	322,994,553
End of year	\$ 396,131,567	\$ 356,779,292



Actuarial Value of Assets

Exhibit C.3				
Adams County Retirement Plan				
Development of the Actuarial Value of Assets				
	Item			Year Ending December 31, 2024
1.	Actuarial value of assets, at beginning of year (prior to corridor)			\$ 373,480,442
2.	Market value of assets, at beginning of year			\$ 356,779,292
3.	Net new investments			
	a. Contributions received for prior plan year			\$ 50,079,352
	b. Benefits paid and administrative expenses			(41,666,559)
	c. Net			\$ 8,412,793
4.	Market value of assets, at end of year			\$ 396,131,567
5.	Net MVA earnings [(4) - (2) - (3c)]			\$ 30,939,482
6.	Assumed investment return rate			7.25%
7.	Expected return [(6)*(2)+(6)*(3c)/2]			\$ 26,171,462
8.	Excess return [(5) - (7)]			\$ 4,768,020
9.	Deferred amounts for fiscal year ending December 31,			
	<u>Year</u>	<u>Gain/(Loss)</u>	<u>Percent Deferred</u>	<u>Amount Deferred</u>
	a. 2024	\$ 4,768,020	80%	\$ 3,814,416
	b. 2023	7,389,108	60%	4,433,464
	c. 2022	(66,697,819)	40%	(26,679,127)
	d. 2021	36,583,619	20%	7,316,723
	e. 2020	<u>13,864,044</u>	0%	-
	f. Total	\$ (4,093,028)		\$ (11,114,524)
10.	80% of Market Value			\$ 316,905,254
11.	120% of Market Value			\$ 475,357,880
12.	Actuarial value of assets			
	[(Item 4 - Item 9f), but not more than Item 11 or less than Item 10]			\$ 407,246,091



Annual Rates of Investment Return

Exhibit C.4 Average Annual Rates of Investment Return				
Fiscal Year Ended December 31,	Actuarial Value		Market Value	
	Annual	Cumulative	Annual	Cumulative
1995	12.1 %	12.1 %	22.9 %	22.9 %
1996	11.6	11.8	12.0	17.3
1997	13.0	12.2	17.0	17.2
1998	12.2	12.2	9.0	15.1
1999	12.0	12.2	4.0	12.8
2000	8.7	11.6	2.6	11.0
2001	6.2	10.8	(1.6)	9.1
2002	(4.5)	8.8	(10.9)	6.4
2003	9.7	8.9	22.4	8.1
2004	4.3	8.4	11.0	8.4
2005	4.4	8.0	6.2	8.2
2006	7.6	8.0	14.2	8.6
2007	11.1	8.2	8.2	8.6
2008	(7.9)	7.0	(26.2)	5.7
2009	11.6	7.3	12.5	6.1
2010	1.9	6.9	9.5	6.3
2011	(0.1)	6.5	(0.5)	5.9
2012	0.4	6.2	12.1	6.2
2013	9.3	6.3	14.1	6.6
2014	8.7	6.4	7.1	6.7
2015	6.4	6.4	(1.7)	6.2
2016	7.2	6.5	8.4	6.3
2017	7.8	6.5	13.4	6.6
2018	4.7	6.5	(3.1)	6.2
2019	5.9	6.4	15.6	6.6
2020	9.1	6.5	12.2	6.8
2021	11.5	6.7	19.0	7.2
2022	6.8	6.7	(11.0)	6.5
2023	7.5	6.7	9.5	6.6
2024	6.7	6.7	8.6	6.7

SECTION D

SUMMARY OF BENEFIT PROVISIONS

Summary of Benefit Provisions

Based on the Plan Originally effective July 1, 1968 and amended and restated effective January 1, 2022 (includes known amendments to be effective July 1, 2025)

Participation

Membership in the Retirement Plan is automatic upon the first day of Covered Employment. You are in Covered Employment when you are (1) an elected or appointed County official or deputy, or staff of such person, (2) an employee of an Employer who is in a regular position regularly scheduled to work or budgeted for at least 30 hours each week, or (3) an employee of the Retirement Board who meets these requirements. Any employee of the Retirement Board who meets these requirements is considered an employee of the County for purposes of the Plan.

You are not eligible to participate in the Retirement Plan if you are (1) an employee in a position regularly scheduled to work or budgeted for less than 30 hours each week, (2) a leased employee, (3) an independent contractor, or (4) in a position that does not meet the criteria in the above paragraph, such as a position designated as temporary, seasonal, provisional, regular part-time scheduled to work less than 30 hours per week, project designated full-time, project designated part-time, or an election judge.

Member Contributions

Effective January 1, 2015, each member contributes 9.00% of compensation on a monthly basis. Interest on contributions is credited at a rate of 3.0% per annum compounded monthly.

Contribution Accumulation means the total of the member Pre-2014 Contribution Accumulation and Post-2013 Contribution Accumulation. The Pre-2014 Contribution Accumulation means the total of the member contributions to the retirement fund prior to January 1, 2014, plus interest. The Post-2013 Contribution Accumulation means the total of the member contributions to the retirement fund on or after January 1, 2014, plus interest. The Contribution Accumulation does not include any amounts paid to purchase previous service credit.

After December 31, 1983 member contributions are picked up and paid by the County as provided in Code Section 414(h).

County Contributions

The County, on a monthly basis, is scheduled to make contributions equal to 11.50% of compensation payroll for dates subsequent to December 31, 2023.



Credited Service

All service completed during the elapsed time from the member's date of employment, excluding any breaks in service, to the member's date of termination on the basis of 1/365th year for each day of employment after January 1, 1965, provided an employee joined the plan on the first date eligible. Service prior to January 1, 1970 will be included (up to five years) provided the employee became a Member on the first date of eligibility.

Service is credited while a member is on long-term disability or is eligible for disability benefits from Social Security, even if the member does not receive disability benefits from Social Security because they are reduced to zero due to other disability benefits received. No credited service will be granted if the member chooses to receive a lump-sum payment from the Employer's LTD plan unless the member qualifies for disability benefits from Social Security (regardless of whether or not the member actually receives Social Security disability benefits).

Service Purchase

Eligible members may purchase additional years of service credit for any full-time, non-vested previous employment with any public or private employer in the United States, subject to certain restrictions.

Classification of Tiers

- *Tier 1* - Members hired prior to January 1, 2005
- *Tier 2* - Members hired on or after January 1, 2005 but before January 1, 2010
- *Tier 3* - Members hired on or after January 1, 2010

Compensation

Compensation is the total regular compensation paid to the member, reflecting the normal regular salary or hourly wage rate, before any payroll deductions for income tax, Social Security, group insurance, or any other purpose, excluding bonuses, extra pay, overtime pay, workers' compensation, single-sum payments received in lieu of accrued vacation and sick leave upon termination of employment or during the course of employment, required contributions by the County under this Plan, or for Social Security, group insurance, retainers' fees under contract, or the like, but including compensation deferred under Sections 125, 403(b), 414(h), or 457 of the Internal Revenue Code.



Final Average Monthly Compensation

- *Tier 1 - Members hired prior to January 1, 2005:*

Average of the highest 36 consecutive calendar months of compensation during the last 120 months of employment.

- *Tier 2 - Members hired on or after January 1, 2005 but before January 1, 2010:*

Average of the highest 60 consecutive calendar months of compensation during the last 120 months of employment.

Career Compensation

- *Tier 3 - Members hired on or after January 1, 2010:*

Pensionable Compensation from date of participation to retirement.

- *Tiers 1 & 2 - Members hired prior to January 1, 2010:*

Pensionable Compensation from January 1, 2014 to retirement.

Career Monthly Compensation

Career Compensation divided by Credited Service accrued during the period. If hired before January 1, 2010 and become disabled before January 1, 2014, special calculations apply. For members with a qualified military leave of absence, career compensation will include compensation credited at a rate that would have been in effect during the leave.

Accrued Benefit (Monthly)

Effective January 1, 2014, the accrued benefit for Tier 1 and Tier 2 members is composed of “Component A” benefit plus a “Component B” benefit. Component A shall mean the benefit attributable to service credit earned prior to January 1, 2014. Component B shall mean the benefit attributable to service credit earned on or after January 1, 2014.

Tiers 1 & 2 - Members hired prior to January 1, 2010:

- *Component A Benefit:*

2.5% of Final Average Monthly Compensation multiplied by Credited Service prior to January 1, 2014 including purchased service.

- *Component B Benefit:*

Members accruing service on or after July 1, 2025: Greater of 2.00% of Career Compensation divided by 12, or 2.00% of Career Monthly Compensation times Credited Service earned on or after January 1, 2014.

Members who do not accrue service on or after July 1, 2025: Greater of 1.75% of Career Compensation divided by 12, or 1.75% of Career Monthly Compensation times Credited Service earned on or after January 1, 2014.



Accrued Benefit (Monthly) (continued)

Tier 3 - Members hired on or after January 1, 2010:

- Members accruing service on or after July 1, 2025: 2.00% of Career Compensation divided by 12 or 2.00% of Career Monthly Compensation times Credited Service, if greater.
- Members who do not accrue service on or after July 1, 2025: 1.75% of Career Compensation divided by 12 or 1.75% of Career Monthly Compensation times Credited Service, if greater.

The minimum monthly accrued benefit for all members is \$25 per month per year of Credited Service.

Vested Accrued Benefit

Eligibility:

Five years of Credited Service for all Tiers. Tier 3 formerly required ten years of Credited Service.

Benefit:

100% of the Accrued Benefit determined as of the date of termination. The benefit may be reduced if payment commences before the Normal Retirement Date or the Special Early Retirement Date.

Normal Retirement

Eligibility:

Attainment of age 65.

Benefit:

Accrued Benefit up to a maximum of 80% of the member's average monthly compensation during any consecutive 12-month period in which the member receives their highest average monthly compensation.



Regular Early Retirement

Eligibility:

- *Tier 1 - Members hired prior to January 1, 2005:*
Attainment of age 55 and 5 years of Credited Service.
- *Tiers 2 & 3 - Members hired on or after January 1, 2005:*
Attainment of age 55 and 10 years of Credited Service.

Benefit:

- *Tier 1 - Members hired prior to January 1, 2005:*
Vested Accrued Benefit determined as of the Early Retirement Date, reduced by 1/6 of 1% for each of the first 36 months and 1/4 of 1% for each additional month payments commence prior to the Normal Retirement Date.
- *Tiers 2 & 3 - Members hired on or after January 1, 2005:*
Vested Accrued Benefit determined as of the Early Retirement Date, reduced by 1/3 of 1% for each of the first 36 months and 5/12 of 1% for each additional month payments commence prior to the Normal Retirement Date.

Special Early Retirement

Eligibility:

- *Tier 1 - Members hired prior to January 1, 2005:*
Attainment of any age and age plus credited service equals 70 or more at termination.
- *Tier 2 - Members hired on or after January 1, 2005 and prior to January 1, 2010:*
Attainment of age 50 and age plus credited service equals 70 or more at termination.
- *Tier 3 - Members hired on or after January 1, 2010:*
Attainment of age 50 and age plus credited service equals 80 or more at termination.

Benefit:

Vested Accrued Benefit determined as of the Special Early Retirement Date, unreduced for early payment.



Disability Retirement

Eligibility:

Total and permanent disability. Member qualifies for disability under the County's long-term disability plan or under Title II of the Social Security Act.

Benefit:

Normal Retirement Benefit considering annual rate of compensation at disability and Credited Service that would have accumulated if employment had continued uninterrupted to the later of the Normal Retirement Date, or the date that the County's long-term disability benefits end. The Component A Benefit will be based on Credited Service attributable to the period ending on December 31, 2013 (including any period through December 31, 2013 while the member was disabled), and the Average Monthly Compensation when the member became disabled. The Component B Benefit will be based on Credited Service attributable to the period beginning on January 1, 2014 and ending on retirement or the date payments under the Employer's LTD plan end, whichever is later (including the period on or after January 1, 2014 while the member was disabled), and the Career Monthly Compensation when the member became disabled.

Benefits commence at Normal Retirement Date, or if later, the first day of the month after payments cease under the County's long-term disability insurance contract. If applicable, members may elect to commence benefits under Early Retirement or Special Early Retirement provisions.

Termination Benefit

Eligibility:

Members with less than five years of Credited Service receive a refund of the member's contributions. Members who have completed at least five years of Credited Service are eligible to receive their Vested Accrued Benefit payable at Normal Retirement Date.

Benefit:

Vested Accrued Benefit determined as of the date of termination but not less than the actuarial equivalent value, determined as of the benefit commencement date, of the Accumulated Contributions as of the Normal Retirement Date.



Refund of Accumulated Contributions

Upon termination prior to any type of retirement, in lieu of a monthly pension benefit, the member may elect to receive a refund of a percentage of the Pre-2014 accumulated contributions (excluding service purchase contributions) according to the following schedule, plus 100% of the Post-2013 accumulated contributions:

Completed Years of Service	Percent Vested of Pre-2014 Contributions Accumulated At Termination		
	Hired Prior to 1/1/2005	Hired 2005-2010	Hired on or after January 1, 2010
Less Than 5	100%	100%	100%
5	110%	100%	100%
6	125%	110%	100%
7	140%	120%	100%
8	155%	130%	100%
9	170%	140%	100%
10	185%	150%	100%
11	200%	160%	100%
12	200%	170%	100%
13	200%	180%	100%
14	200%	190%	100%
15 or more	200%	200%	100%

Pre-Retirement Death Benefit

- *Member is single:*

Beneficiary receives two times member’s accumulated contributions at date of death (excluding service purchase contributions).

- *Member is married:*

Spouse receives two times member’s accumulated contributions at date of death (excluding service purchase contributions); or

A monthly benefit equal to 60% of the member’s vested accrued benefit, commencing the first day of the month after the member’s death or age 50 (55 for Terminated Vested Members) whichever is later.



Normal Form

- *Tier 1* - 10-year certain and life
- *Tier 2* - 10-year certain and life
- *Tier 3* - Single life annuity

Optional Forms

- 100% joint and survivor annuity
- 50% joint and survivor annuity
- 66-2/3% last survivor annuity
- 100% joint and survivor annuity with pop up
- 50% joint and survivor annuity with pop up
- For members in Tier 1 and Tier 2 only: Single life annuity
- For members in Tier 3 only: 10-year certain and life

Optional Form Conversion Factors

Optional annuity forms are actuarially equivalent based on 7.25% interest and the 1983 Group Annuity Mortality table blended 50% male and 50% female.

Payment Date

Benefits are paid on the first day of the month following eligibility for receipt.

Rehires

Effective January 1, 2017, any employee who terminates employment and is reemployed and was otherwise entitled to the Rule of 70 (with or without a minimum age of 50), and who is reemployed on or after January 1, 2017, shall be eligible for a Special Early Retirement (a) with respect to the portion of such employee's accrued benefit attributable to Credited Service earned prior to the period of reemployment when the sum of his age plus service (including purchase of service) equals 70 or more and he is not employed by any Employer as an employee, and (b) with respect to the portion of such employee's accrued benefit attributable to Credited Service earned after the period of reemployment when the sum of his age plus service (including purchase of service) equals 80 or more and he is not employed by any Employer as an employee, if the Rule of 80 date is not earlier than the date the employee would have been eligible for a Special Early Retirement if the employee had remained in-service since December 31, 2016.



SECTION E

SUMMARY OF PARTICIPANT DATA

Summary of Census Data

Exhibit E.1 Adams County Retirement Plan Summary of Census Data		
	January 1, 2025	January 1, 2024
1. Active Members		
a. Counts		
Tier 1	207	235
Tier 2	188	197
Tier 3	2,432	2,184
Total	2,827	2,616
b. Annual Projected Compensation	\$ 244,119,175	\$ 215,977,537
c. Average Annual Compensation	\$ 86,353	\$ 82,560
d. Average Age	42.2	42.4
e. Average Service	6.8	6.9
f. Accumulated Member Contributions with Interest	\$ 127,009,921	\$ 113,363,075
2. NonVested Members with Refunds Due		
a. Counts	224	180
b. Amount of Refunds Due	\$ 1,611,320	\$ 1,616,550
3. Deferred Vested Members*		
a. Counts	287	280
b. Annual Deferred Benefits	\$ 501,335	\$ 3,614,284
c. Average Benefit	\$ 1,747	\$ 12,908
4. Retired Members		
a. Counts	1,228	1,211
b. Annual Benefits	\$ 33,234,310	\$ 32,559,271
c. Average Benefit	\$ 27,064	\$ 26,886
5. Beneficiaries		
a. Counts	156	144
b. Annual Benefits	\$ 2,953,393	\$ 2,495,672
c. Average Benefit	\$ 18,932	\$ 17,331
6. Disabled Retirees		
a. Counts	55	55
b. Annual Benefits	\$ 1,055,005	\$ 1,055,005
c. Average Benefit	\$ 19,182	\$ 19,182
7. Total Members Included in Valuation	4,777	4,486

*Includes 21 deferred disabled members in 2025 and 23 deferred disabled members in 2024.



Summary of Changes in Participant Status

Exhibit E.2 Summary of Changes in Participant Status During Fiscal Year 2024							
	Active Members	With Deferred Benefits ¹	With Refunds Due	Retirees	Disabled Retirees	Beneficiaries	Total
As of January 1, 2024	2,616	280	180	1,211	55	144	4,486
Age retirements	(43)	(5)		48			0
Disability retirements							0
Deferred disability	(2)	2					0
Deaths	(5)			(38)		(7)	(50)
Vested terminations	(29)	32	(3)				0
Rehires	15	(7)	(3)				5
Cashouts	(105)	(15)	(79)				(199)
Expiration of benefits						(1)	(1)
Terminated nonvested with refunds due	(129)		129				0
New beneficiary or Alternate Payee				1		20	21
New entrants during the year ²	509			1			510
Data correction				5			5
Net change	211	7	44	17		12	291
As of January 1, 2025	2,827	287	224	1,228	55	156	4,777

¹ Includes 21 deferred disabled members at January 1, 2025

² Includes 47 members hired and terminated in 2024 with refunds due



Active Member Counts by Age and Service

Exhibit E.3								
Active Member Counts by Age and Service								
as of January 1, 2025								
Age	Service							Total
	0-4	5-9	10-14	15-19	20-24	25-29	Over 30	
Under 20	13	0	0	0	0	0	0	13
20-24	135	4	0	0	0	0	0	139
25-29	267	38	1	0	0	0	0	306
30-34	292	127	12	1	0	0	0	432
35-39	233	134	49	11	0	0	0	427
40-44	186	95	59	41	18	0	0	399
45-49	119	69	41	48	47	3	0	327
50-54	96	67	46	39	29	18	2	297
55-59	92	58	37	23	25	12	8	255
60-64	48	50	17	15	18	11	8	167
65-69	18	8	12	8	3	3	3	55
Over 70	2	2	4	0	0	2	0	10
Total	1,501	652	278	186	140	49	21	2,827



Active Member Average Salary by Age and Service

Exhibit E.4								
Active Member Average Salary at Valuation Date by Age and Service ¹								
as of January 1, 2025								
Age	Service							Total
	0-4	5-9	10-14	15-19	20-24	25-29	Over 30	
Under 20	\$44,568							\$44,568
20-24	54,689							54,903
25-29	65,944	\$68,982						66,344
30-34	69,234	85,913	\$93,443					74,926
35-39	74,201	85,716	97,552	\$100,186				81,163
40-44	77,384	89,461	103,348	112,379	\$99,299			88,683
45-49	76,350	86,247	97,244	123,195	114,366			93,853
50-54	79,894	78,175	90,997	95,589	107,374	\$106,186		87,888
55-59	81,836	81,620	100,374	91,618	101,540	99,082	\$102,324	88,745
60-64	80,551	83,805	93,584	78,993	95,794	81,474	99,753	85,336
65-69	87,232	80,845	101,524	85,050				91,159
Over 70								83,686
Total	\$71,564	\$83,792	\$97,481	\$104,531	\$105,329	\$98,962	\$107,589	\$81,516

¹ Average Salary not shown if group contains less than five members

Exhibit E.5
10-Year Projected Benefit Payments (Closed Group)

Fiscal Year Ended December 31,	Actives	Inactives	Total
2025	\$ 3,646,033	\$ 37,977,428	\$ 41,623,461
2026	6,226,642	37,744,310	43,970,952
2027	8,111,123	37,485,390	45,596,513
2028	10,006,748	37,211,078	47,217,826
2029	11,654,733	36,895,073	48,549,806
2030	14,119,101	36,438,019	50,557,120
2031	16,505,689	35,985,198	52,490,887
2032	18,878,307	35,399,343	54,277,650
2033	21,267,896	34,757,844	56,025,740
2034	23,657,746	34,046,271	57,704,017

**Exhibit E.6
History of Refunds**

Fiscal Year Ended December 31,	Refund Amount
2006	\$ 1,225,048
2007	1,187,708
2008	1,220,911
2009	1,043,307
2010	910,161
2011	1,761,213
2012	1,870,042
2013	2,029,377
2014	3,253,473
2015	3,086,203
2016	2,989,507
2017	2,328,219
2018	3,357,700
2019	2,666,844
2020	2,510,968
2021	4,067,409
2022	5,192,324
2023	4,071,787
2024	4,028,633

SECTION F

HISTORICAL SCHEDULES

Schedule of Funding Progress

Exhibit F.1 Adams County Retirement Plan Schedule of Funding Progress						
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
(1)	(2)	(3)	(4)=(3)-(2)	(5)=(2)/(3)	(6)	(7)=(4)/(6)
1/1/2013	\$ 199,076,191	\$ 386,835,357	\$ 187,759,166	51.5%	\$ 96,443,158	194.7%
1/1/2014	214,140,815	379,802,962	165,662,147	56.4%	102,088,234	162.3%
1/1/2015	227,350,888	398,075,505	170,724,617	57.1%	107,861,819	158.3%
1/1/2016	235,725,998	419,358,970	183,632,972	56.2%	113,995,220	161.1%
1/1/2017	246,434,159	440,035,366	193,601,207	56.0%	120,573,734	160.6%
1/1/2018	259,301,061	484,193,980	224,892,919	53.6%	127,273,779	176.7%
1/1/2019	265,656,097	505,342,712	239,686,615	52.6%	135,696,959	176.6%
1/1/2020	275,805,624	529,979,010	254,173,386	52.0%	149,499,049	170.0%
1/1/2021	297,788,161	551,106,494	253,318,333	54.0%	161,443,374	156.9%
1/1/2022	328,077,911	569,413,773	241,335,862	57.6%	164,502,555	146.7%
1/1/2023	344,756,817	586,241,598	241,484,781	58.8%	181,461,425	133.1%
1/1/2024	373,480,442	618,942,681	245,462,239	60.3%	215,977,537	113.7%
1/1/2025	407,246,091	667,067,687	259,821,596	61.1%	244,119,175	106.4%



Schedule of Employer Contributions

Exhibit F.2 Adams County Retirement Plan Schedule of Employer Contributions					
Fiscal Year Ended December 31,	Actuarially Determined Contribution	Actual Employer Contribution	Mill Levy Contribution	Total Actual County Contribution	Percentage Contributed
2006	\$ 10,110,243	\$ 5,175,320	N/A	\$ 5,175,320	51.2%
2007	11,320,501	5,740,166	N/A	5,740,166	50.7%
2008	11,542,116	6,445,284	N/A	6,445,284	55.8%
2009	16,237,097	7,048,276	N/A	7,048,276	43.4%
2010	16,856,144	7,153,366	N/A	7,153,366	42.4%
2011	17,559,138	7,235,764	N/A	7,235,764	41.2%
2012	18,762,499	7,533,395	N/A	7,533,395	40.2%
2013	19,659,013	8,289,767	N/A	8,289,767	42.2%
2014	15,406,279	8,964,812	N/A	8,964,812	58.2%
2015	15,254,244	9,709,230	N/A	9,709,230	63.6%
2016	15,858,211	10,316,491	N/A	10,316,491	65.1%
2017	16,276,851	10,954,633	N/A	10,954,633	67.3%
2018	19,360,970	13,634,301	N/A	13,634,301	70.4%
2019	21,014,878	12,685,915	2,012,610	14,698,525	69.9%
2020	18,154,422	14,629,155	2,455,845	17,085,000	94.1%
2021	18,200,211	16,069,172	2,606,320	18,675,492	102.6%
2022	17,525,738	17,196,826	2,862,154	20,058,980	114.5%
2023	17,683,463	22,057,644	3,005,157	25,062,801	141.7%
2024	18,672,597	25,884,918	3,936,656	29,821,574	159.7%
2025	21,964,164	TBD	TBD	TBD	TBD



Supplementary Information

Exhibit F.3 Adams County Retirement Plan Supplementary Information	
Valuation Date	January 1, 2025
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent of Payroll Closed
Remaining Amortization Period	19 Years
Asset Valuation Method	5-Year Smoothed Market
Actuarial Assumptions:	
Investment Rate of Return	7.25%
Projected Salary Increases	Service-based increases from 3.5% to 6.75%
Inflation	2.50%
Cost of Living Adjustments	N/A

SECTION G

ACTUARIAL ASSUMPTIONS AND METHODS

Summary of Actuarial Methods and Assumptions

I. Valuation Date

The valuation date is January 1st of each plan year. This is the date as of which the actuarial present value of future benefits and the actuarial value of assets are determined.

II. Actuarial Cost Method

The actuarial valuation uses the Entry Age Normal actuarial cost method. Under this method, the employer contribution rate is the sum of (i) the employer normal cost rate, and (ii) a rate that will amortize the unfunded actuarial liability.

1. The valuation is prepared on the projected benefit basis. The present value of each participant's expected benefit payable at retirement or termination is determined, based on age, service, sex, compensation, and the interest rate assumed to be earned in the future (7.25%). The calculations take into account the probability of a participant's death or termination of employment prior to becoming eligible for a benefit, as well as the possibility of terminating with a service benefit. Future salary increases are also anticipated. The present value of the expected benefits payable on account of the active participants is added to the present value of the expected future payments to retired participants and beneficiaries to obtain the present value of all expected benefits payable from the Plan on account of the present group of participants and beneficiaries.
2. The employer contributions required to support the benefits of the Plan are determined following a level percent funding approach, and consist of a normal cost contribution and an accrued liability contribution.
3. The normal contribution is determined using the Entry Age Normal cost method. Under this method, a calculation is made to determine the average uniform and constant percentage rate of employer contribution which, if applied to the compensation of each new participant during the entire period of anticipated covered service, would be required in addition to the contributions of the participant to meet the cost of all benefits payable on their behalf.
4. The unfunded accrued liability contributions are determined by subtracting the actuarial value of assets from the actuarial accrued liability and amortizing the result over 19 years from the valuation date as a level percentage of payroll. It is assumed that payments are made throughout the year.

III. Actuarial Value of Assets

The actuarial value of assets is based on recognizing gains and losses over a five-year period where gains and losses are determined by comparing the projected market value of assets (based on the prior year’s market value of assets, cash flows during the year and expected investment returns on those amounts) to the current year’s market value of assets. The actuarial value of assets must be between 80% and 120% of market value.

IV. Actuarial Assumptions

A. Economic Assumptions

1. Investment return: 7.25% per annum, compounded annually, composed of an assumed 2.50% inflation rate and a 4.75% real rate of return. This rate represents the assumed return, net of all investment expenses.
2. Salary increase rate: Inflation rate of 2.50%, plus productivity component of 1.00%, plus step-rate/ promotional component as shown (adopted November 2023).

Completed Years of Service	Percentage Increase in Salary		
	Merit	Wage Inflation	Total
0	3.25 %	3.50 %	6.75 %
5	2.75	3.50	6.25
10	2.00	3.50	5.50
15	1.00	3.50	4.50
20	1.00	3.50	4.50
25	0.00	3.50	3.50
30	0.00	3.50	3.50
35	0.00	3.50	3.50
40	0.00	3.50	3.50

3. Wage inflation: 3.50%
4. Payroll growth: 3.50%

B. Demographic Assumptions

1. Mortality rates (post-retirement) – The valuation assumes fully generational mortality. The base mortality table used is Pub-2010 General Amount-Weighted Healthy Annuitant tables with the below median income adjustments for females. The base mortality tables are adjusted with a 89% multiplier on males and and 106% multiplier on females. Future mortality improvements are assumed each year using the Ultimate rates of the MP 2020 Scale. The following are sample rates for 2025 (adopted November 2023):

Sample Attained Ages	Probability of Death Post-Retirement	
	Men	Women
20	0.03 %	0.01 %
25	0.02	0.01
30	0.03	0.02
35	0.03	0.03
40	0.05	0.04
45	0.08	0.08
50	0.22	0.36
55	0.31	0.41
60	0.45	0.46
65	0.67	0.60
70	1.13	1.05
75	1.99	1.85
80	3.60	3.28
85	6.71	6.20
90	11.88	11.73

2. Mortality rates (pre-retirement) – The valuation assumes fully generational mortality. The base mortality table used is the Pub-2010 General Amount-Weighted Employee tables with no adjustments. Future mortality improvements are assumed each year using the Ultimate rates of the MP 2020 Scale. The following are sample rates for 2025 (adopted November 2023):

Sample Attained Ages	Probability of Death Pre-Retirement	
	Men	Women
20	0.03 %	0.01 %
25	0.02	0.01
30	0.03	0.01
35	0.04	0.02
40	0.05	0.03
45	0.08	0.05
50	0.12	0.07
55	0.18	0.10
60	0.26	0.15
65	0.38	0.24
70	0.58	0.41
75	0.92	0.68
80	1.47	1.13
85	6.34	4.68
90	13.35	10.45

3. Mortality rates (post-disablement) – Pub-2010 General Amount Weighted Disabled tables with no adjustments. Future mortality improvements are assumed each year using the Ultimate MP 2020 Scale. Sample rates for 2025 shown below (adopted November 2023):

Sample Attained Ages	Probability of Death Post-Disability	
	Men	Women
20	0.34 %	0.19 %
25	0.23	0.13
30	0.29	0.21
35	0.37	0.33
40	0.53	0.51
45	0.82	0.80
50	1.31	1.21
55	1.72	1.42
60	2.04	1.60
65	2.50	1.85
70	3.24	2.37
75	4.35	3.36
80	6.22	5.09
85	9.49	8.18
90	14.78	12.43

3. Disability rates. Sample rates shown below (adopted November 2023):

Sample Attained Ages	Probability of Disablement Next Year	
	Men	Women
25	0.02 %	0.02 %
30	0.04	0.04
35	0.05	0.05
40	0.09	0.09
45	0.14	0.14
50	0.25	0.25
55	0.46	0.46
60	0.66	0.66

4. Termination rates (for causes other than death, disability or retirement): Termination rates are based on service. Termination rates are not applied after a member becomes eligible for a retirement benefit. Rates at selected ages are shown (adopted November 2023):

Completed Years of Service	Probability of Termination Next Year	
	Men	Women
0	13.00 %	13.00 %
5	11.00	11.00
10	4.00	4.00
15	4.00	4.00
20	2.50	2.50
25	1.50	1.50
30	1.50	1.50
35	1.50	1.50

5. Retirement rates (adopted November 2023).

Age	Tier 1		Tier 2		Tier 3	
	Age-based	Rule-based	Age-based	Rule-based	Age-based	Rule-based
< 46	17.00%	17.00%				
46	17.00%	17.00%				
47	17.00%	17.00%				
48	17.00%	17.00%				
49	17.00%	17.00%				
50	15.00%	15.00%		20.00%		20.00%
51	15.00%	15.00%		15.00%		15.00%
52	15.00%	15.00%		15.00%		15.00%
53	15.00%	15.00%		15.00%		15.00%
54	15.00%	15.00%		15.00%		15.00%
55	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
56	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
57	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
58	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
59	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
60	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
61	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
62	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%
63	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%
64	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%
65	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%
66	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%
67	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%
68	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%
69	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%
70	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%
71	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%
72	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%
73	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%
74	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%
75	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

C. Expense Loading. Based on the prior three year average, rounded to the nearest \$1,000.

Noninvestment	
Year	Expenses
2022	904,806
2023	776,747
2024	802,767
	\$2,484,320 ÷ 3 = \$828,106.67
Average	\$828,107
Loading	\$828,000



D. Other Assumptions

1. Percent married: 85% of employees are assumed to be married.
2. Age difference: Male members are assumed to be three years older than their spouses, and female members are assumed to be three years younger than their spouses.
3. Cost of living adjustment: None.
4. Optional forms: Members are assumed to elect the normal form of benefit.
5. Vested terminating members are assumed to elect a refund or a deferred benefit, whichever is more valuable at the time of termination.
6. Current and future deferred vested participants are assumed to retire at age 55 or the age they meet normal retirement eligibility if they are not eligible for early retirement at age 55. Deferred disabled participants are assumed to commence benefits at age 60.
7. Pay increase timing: Middle of year.
8. Decrement timing: Decrements of all types are assumed to occur mid-year.
9. Eligibility testing: Eligibility for benefits is determined based upon the age nearest birthday and service nearest whole year on the date the decrement is assumed to occur.
10. Decrement relativity: Decrement rates are used directly, without adjustment for multiple decrement table effects.
11. Incidence of Contributions: Contributions are assumed to be received continuously throughout the year based upon the computed percent of payroll shown in this report, and the actual payroll payable at the time contributions are made.

SECTION H

RISKS ASSOCIATED WITH MEASURING THE ACCRUED LIABILITY

Risks Associated with Measuring the Accrued Liability and Actuarially Determined Contribution

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

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

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

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

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



Risks Associated with Measuring the Accrued Liability and Actuarially Determined Contribution

The computed contribution rate shown on Exhibit B.4 may be considered as a minimum contribution rate that complies with the Board's policy. Actual contributions are set by statute. The timely receipt of the contributions is critical to support the financial health of the plan. Users of this report should be aware that contributions made at the statutory rate do not necessarily guarantee benefit security.

Plan Maturity Measures

Risks facing a pension plan evolve over time. A young plan with virtually no investments and paying few benefits may experience little investment risk. An older plan with a large number of members in pay status and a significant trust may be much more exposed to investment risk. Generally accepted plan maturity measures include the following:

	<u>January 1, 2025</u>	<u>January 1, 2024</u>	<u>January 1, 2023</u>
Ratio of the market value of assets to total payroll	1.6	1.7	1.8
Ratio of actuarial accrued liability to payroll	2.7	2.9	3.2
Ratio of actives to retirees and beneficiaries	2.0	1.9	1.7
Ratio of net cash flows to market value of assets	2%	1%	-2%
Duration of the actuarial accrued liability	11.7	11.4	11.3

Ratio of Market Value of Assets to Payroll

The relationship between assets and payroll is a useful indicator of the potential volatility of contributions. For example, if the market value of assets is 4.0 times the payroll, a return on assets 5% different than assumed would equal 20% of payroll. A higher (lower) or increasing (decreasing) level of this maturity measure generally indicates a higher (lower) or increasing (decreasing) volatility in plan sponsor contributions as a percentage of payroll.

Ratio of Actuarial Accrued Liability to Payroll

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

The ratio of liability to payroll may also be used as a measure of sensitivity of the liability itself. For example, if the actuarial accrued liability is 5.5 times the payroll, a change in liability 2% other than assumed would equal 11% of payroll. A higher (lower) or increasing (decreasing) level of this maturity measure generally indicates a higher (lower) or increasing (decreasing) volatility in liability (and also plan sponsor contributions) as a percentage of payroll.



Risks Associated with Measuring the Accrued Liability and Actuarially Determined Contribution

Ratio of Actives to Retirees and Beneficiaries

A young plan with many active members and few retirees will have a high ratio of active to retirees. A mature open plan may have close to the same number of actives to retirees resulting in a ratio near 1.0. A super-mature or closed plan may have significantly more retirees than actives resulting in a ratio below 1.0.

Ratio of Net Cash Flow to Market Value of Assets

A positive net cash flow means contributions exceed benefits and expenses. A negative cash flow means existing funds are being used to make payments. A certain amount of negative net cash flow is generally expected to occur when benefits are prefunded through a qualified trust. Large negative net cash flows as a percent of assets may indicate a super-mature plan or a need for additional contributions.

Duration of Actuarial Accrued Liability

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

Additional Risk Assessment

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

Risks Measures – Low Default Risk Obligation Measure

Introduction

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

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

Comparing the Accrued Liabilities and the LDROM

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

The LDROM is meant to approximately represent the lump sum cost to a plan to purchase low-default-risk fixed income securities whose resulting cash flows essentially replicate in timing and amount the benefits earned (or the costs accrued) as of the measurement date. The LDROM is very dependent upon market interest rates at the time of the LDROM measurement. The lower the market interest rates, the higher the LDROM, and vice versa. The LDROM results presented in this report are based on the entry age actuarial cost method and discount rates based upon the intermediate rate from the FTSE Pension Discount Curve and Liability Index published by the Society of Actuaries. This rate is 5.49% as of December 31, 2024. This measure may not be appropriate for assessing the need for or amount of future contributions. This measure may not be appropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the plan’s benefit obligation.

The difference between the two measures (Valuation and LDROM) is one illustration of the cost to de-risk the diversified portfolio.

Valuation Accrued Liabilities	LDROM
\$667,067,687	\$815,240,335



SECTION I

DETERMINISTIC PROJECTIONS

Deterministic Projections

Projections are a vital part of the annual valuation process for the Adams County Retirement Plan. The Adams County Retirement Plan is funded on a fixed rate basis meaning the contributions made to the plan do not automatically change as a result of experience, good or bad. As a result, long term projected outcomes can change significantly year to year due to fluctuations in investment returns.

Included in this section is the deterministic projection. This analysis is meant to demonstrate the positive impact on the Plan of increased County contributions. Please note that the projection set assumes an annual rate of return on assets of exactly 7.25%.

Deterministic Projections

Adams County Retirement Plan

Projection Results Based on January 1, 2025 Actuarial Valuation

Discount Rate: 7.25%

Valuation as of January 1, (1)	Actuarial Accrued Liability (AAL, in thousands) (2)	Actuarial Value of Assets (AVA, in thousands) (3)	Actuarial Accrued Liability (UAAL, in thousands) (4)	Funded Ratio (5)	Employer ADC (6)	Employer Normal Cost and Admin (7)	Amortization Payment (8)	Market Return for FY Beginning on Valuation Date (9)	Contribution Rate for Fiscal Year Following Valuation Date		Projected Payroll - (in thousands) (12)	Employee Contributions (in thousands) (13)	Employer Contributions (in thousands) (14)	Mill Levy Revenue (in thousands) (15)
									Employee (10)	Employer (11)				
2025	\$667,068	\$407,246	\$259,822	61.1%	9.00%	1.16%	7.84%	7.25%	9.00%	11.50%	\$244,119	\$21,971	\$28,074	\$3,937
2026	697,576	448,710	248,867	64.3%	8.12%	0.63%	7.49%	7.25%	9.00%	11.50%	254,181	22,876	29,231	3,986
2027	726,901	492,746	234,155	67.8%	7.56%	0.50%	7.07%	7.25%	9.00%	11.50%	264,352	23,792	30,400	4,036
2028	756,885	540,052	216,833	71.4%	6.97%	0.39%	6.58%	7.25%	9.00%	11.50%	274,765	24,729	31,598	4,086
2029	787,447	590,747	196,700	75.0%	6.33%	0.29%	6.03%	7.25%	9.00%	11.50%	285,459	25,691	32,828	4,137
2030	818,879	645,330	173,549	78.8%	5.62%	0.22%	5.40%	7.25%	9.00%	11.50%	296,574	26,692	34,106	4,189
2031	851,246	704,107	147,138	82.7%	4.81%	0.15%	4.67%	7.25%	9.00%	11.50%	308,154	27,734	35,438	-
2032	884,722	763,151	121,571	86.3%	4.04%	0.08%	3.96%	7.25%	9.00%	11.50%	320,106	28,810	36,812	-
2033	919,563	827,028	92,535	89.9%	3.13%	0.02%	3.11%	7.25%	9.00%	11.50%	332,407	29,917	38,227	-
2034	955,911	896,176	59,735	93.8%	2.07%	-0.03%	2.09%	7.25%	9.00%	11.50%	345,014	31,051	39,677	-
2035	993,957	971,077	22,880	97.7%	0.77%	-0.07%	0.84%	7.25%	9.00%	11.50%	358,103	32,229	41,182	-
2036	1,033,861	1,052,231	(18,369)	101.8%	0.00%	0.00%	0.00%	7.25%	9.00%	11.50%	371,683	33,451	42,744	-
2037	1,076,005	1,140,388	(64,383)	106.0%	0.00%	0.00%	0.00%	7.25%	9.00%	11.50%	385,765	34,719	44,363	-
2038	1,120,542	1,236,105	(115,563)	110.3%	0.00%	0.00%	0.00%	7.25%	9.00%	11.50%	400,244	36,022	46,028	-
2039	1,167,649	1,339,981	(172,332)	114.8%	0.00%	0.00%	0.00%	7.25%	9.00%	11.50%	415,026	37,352	47,728	-
2040	1,217,420	1,452,544	(235,123)	119.3%	0.00%	0.00%	0.00%	7.25%	9.00%	11.50%	430,169	38,715	49,469	-
2041	1,269,944	1,574,353	(304,409)	124.0%	0.00%	0.00%	0.00%	7.25%	9.00%	11.50%	445,618	40,106	51,246	-
2042	1,325,260	1,705,944	(380,684)	128.7%	0.00%	0.00%	0.00%	7.25%	9.00%	11.50%	461,455	41,531	53,067	-
2043	1,383,338	1,847,836	(464,498)	133.6%	0.00%	0.00%	0.00%	7.25%	9.00%	11.50%	477,638	42,987	54,928	-
2044	1,444,212	2,000,642	(556,430)	138.5%	0.00%	0.00%	0.00%	7.25%	9.00%	11.50%	494,242	44,482	56,838	-
2045	1,507,896	2,165,004	(657,108)	143.6%	0.00%	0.00%	0.00%	7.25%	9.00%	11.50%	511,290	46,016	58,798	-
2046	1,574,324	2,341,533	(767,209)	148.7%	0.00%	0.00%	0.00%	7.25%	9.00%	11.50%	528,856	47,597	60,818	-
2047	1,643,505	2,530,974	(887,469)	154.0%	0.00%	0.00%	0.00%	7.25%	9.00%	11.50%	546,997	49,230	62,905	-
2048	1,715,501	2,734,192	(1,018,691)	159.4%	0.00%	0.00%	0.00%	7.25%	9.00%	11.50%	565,725	50,915	65,058	-
2049	1,790,339	2,952,075	(1,161,736)	164.9%	0.00%	0.00%	0.00%	7.25%	9.00%	11.50%	585,053	52,655	67,281	-
2050	1,868,096	3,185,622	(1,317,526)	170.5%	0.00%	0.00%	0.00%	7.25%	9.00%	11.50%	605,035	54,453	69,579	-
2051	1,948,792	3,435,855	(1,487,063)	176.3%	0.00%	0.00%	0.00%	7.25%	9.00%	11.50%	625,701	56,313	71,956	-
2052	2,032,391	3,703,806	(1,671,414)	182.2%	0.00%	0.00%	0.00%	7.25%	9.00%	11.50%	647,117	58,241	74,418	-
2053	2,118,852	3,990,601	(1,871,749)	188.3%	0.00%	0.00%	0.00%	7.25%	9.00%	11.50%	669,265	60,234	76,966	-
2054	2,208,182	4,297,483	(2,089,301)	194.6%	0.00%	0.00%	0.00%	7.25%	9.00%	11.50%	692,253	62,303	79,609	-
2055	2,300,441	4,625,860	(2,325,419)	201.1%	0.00%	0.00%	0.00%	7.25%	9.00%	11.50%	716,093	64,448	82,351	-

