Cavanaugh Macdonald
CONSULTING, LLC
The experience and dedication you deserve

Indiana Public Retirement System

Prosecuting Attorneys' Retirement Fund

Actuarial Valuation as of
June 30, 2023

www.CavMacConsulting.com

November 7, 2023

Board of Trustees
Indiana Public Retirement System
1 North Capitol, Suite 001
Indianapolis, IN 46204

Dear Members of the Board:

At your request, we performed an actuarial valuation of the Prosecuting Attorneys' Retirement Fund (PARF) as of June 30, 2023, for the purpose of estimating the actuarially determined contribution for the plan year ending June 30, 2025. Actuarial valuations are performed annually. The major findings of the valuation are contained in this report, which reflects the benefit and funding provisions in place on June 30, 2023. There were no changes to the ongoing benefit provisions, actuarial assumptions, or actuarial methods from last year.

In preparing our report, we relied, without audit, on information (some oral and some in writing) supplied by Indiana Public Retirement System (INPRS) staff. This information includes, but is not limited to, statutory provisions, member data and financial information. We did review the data to ensure that it was reasonably consistent and comparable with data from prior years. 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.

We certify that all costs and liabilities for the PARF have been determined on the basis of actuarial assumptions and methods which are individually reasonable (taking into account the experience of the plan and reasonable expectations); and which, in combination, offer the best estimate of anticipated experience affecting the plan. Nevertheless, the emerging costs will vary from those presented in this report to the extent actual experience differs from that projected by the actuarial assumptions.

We believe the actuarial assumptions used herein are reasonable. The Board has the final decision regarding the appropriateness of the assumptions and adopted them as indicated in Appendix C. Specifically, we presented the proposed assumptions for the 2023 valuations to the Board on February 24, 2023, and the Board subsequently adopted their use at its May 5, 2023 meeting. These assumptions are applicable to both the funding and Governmental Accounting Standards Board (GASB) Statement Number 67 valuation calculations, unless otherwise noted.

In order to prepare the results in this report, we have utilized actuarial models that were developed to measure liabilities and develop actuarial costs. These models include tools that we have produced and tested, along with commercially available valuation software that we have reviewed to confirm the appropriateness and accuracy of the output. In utilizing these models, we develop and use input parameters and assumptions about future contingent events along with recognized actuarial approaches to develop the needed results. 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. Due to the limited scope of our assignment, we did not perform an analysis of the potential range of future measurements.

We prepared a Risk Report for the INPRS Board in August 2019 that contains information which is relevant to PARF and should be considered part of this valuation report. Although the report was prepared using the data, methods, and assumptions of the June 30, 2018 valuation report, it is our professional opinion that the general results of the risk report are applicable to the June 30, 2023 valuation report as well.

Actuarial computations presented in this report are for purposes of determining the funding rates for the Plan. The calculations in the enclosed report have been made on a basis consistent with our understanding of the Plan’s funding requirements and goals as adopted by the Board. Additionally, we have included actuarial computations for use in preparing certain reporting and disclosure requirements under Governmental Accounting Standards Board Statements Number 67 and Number 68. Determinations for purposes other than meeting these funding and disclosure requirements may be significantly different from the results contained in this report and require additional analysis.

The Annual Comprehensive Financial Report (ACFR) for INPRS contains several exhibits that disclose the actuarial position of the System. This annual report, prepared as of June 30, 2023, provides data and tables that we prepared for use in the following sections of the ACFR:

Financial Section:

- Note 1 - Tables of Plan Membership
- Note 8 - Net Pension Liability and Actuarial Information - Defined Benefit Plans
- Schedule of Changes in Net Pension Liability and Plan Fiduciary Net Position
- Schedule of Contributions
- Schedule of Notes to Required Supplementary Information

Actuarial Section:

- Summary of INPRS Funded Status (Included in the Board Summary)
- Historical Summary of Actuarial Valuation Results by Retirement Plan
- Summary of Actuarial Assumptions, Methods and Plan Provisions
- Analysis of Financial Experience (Included in the Unfunded Actuarial Accrued Liability Reconciliation)
- Solvency Test
- Schedule of Active Member Valuation Data
- Schedule of Retirants and Beneficiaries

Statistical Section:

- Membership Data Summary
- Ratio of Active Members to Annuitants
- Schedule of Benefit Recipients by Type of Benefit Option
- Schedule of Average Benefit Payments

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

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 the assumptions and methods used meet the guidance provided in the applicable Actuarial Standards of Practice. We are members of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein.

The calculations were completed in compliance with applicable law and the calculations for GASB disclosure, in our opinion, meet the requirements of GASB 67 and GASB 68. We are available to answer any questions on the material contained in the report, or to provide explanations or further details as may be appropriate.

We respectfully submit the following report and look forward to discussing it with you.

Sincerely,

Brent A. Banister

Brent. A. Banister, PhD, FSA, EA, FCA, MAAA
Chief Actuary

Edward J. Koebel

Edward Koebel, FCA, EA, MAAA
Chief Executive Officer

Virginia Fritz

Virginia Fritz, FSA, EA, FCA, MAAA
Senior Actuary

Sections	Page

This report presents the results of the June 30, 2023 actuarial valuation of the Prosecuting Attorneys' Retirement Fund (PARF). The primary purposes of performing this actuarial valuation are to:

- Determine the contribution amount for the plan year ending June 30, 2025 that will be sufficient to meet the funding policy.
- Disclose asset and liability measurements as well as the plan's funded status on the valuation date.
- Compare actual and expected experience by the Fund during the plan year ending June 30, 2023.
- Analyze and report on trends in plan contributions, assets and liabilities over the past several years.

VALUATION RESULTS

The actuarial valuation results provide a "snapshot" view of the plan's financial condition on June 30, 2023. The plan's unfunded actuarial accrued liability (UAAL) increased from $40.3 million last year to $40.7 million this year and the funded ratio increased from 67.1% last year to 67.9% this year. The primary factor behind the increase in the UAAL was a loss on both assets and liabilities that was about equal to the amortization payment. While the UAAL and funded ratio typically move in opposite directions, they both increased this year. Assets and liabilities both increased to higher levels, which resulted in a larger dollar amount of UAAL, but when viewed as a ratio, the plan is actually slightly better funded. There were no changes to plan provisions, actuarial methods and assumptions, or funding policy between the June 30, 2022 and June 30, 2023 valuations.

A summary of the key results from the June 30, 2023 actuarial valuation compared to the June 30, 2022 valuation is shown in the following table.

Valuation Results	June 30, 2022	June 30, 2023
Unfunded Actuarial Accrued Liability	$ 40,263,024	$ 40,683,452
Funded Ratio (Actuarial Assets)	67.13%	67.90%
Normal Cost	8.44%	9.06%
UAAL Amortization	14.43%	13.87%
Total Recommended Contribution	22.87%	22.93%
Estimated Member Contributions	(6.00%)	(6.00%)
Actuarially Determined Contribution Amount	16.87%	16.93%

Further detail on the valuation results can be found in the following sections of this Board Summary, including discussion regarding the change in the plan's assets, liabilities, and actuarial determined contribution rate between June 30, 2022 and June 30, 2023.

ASSETS

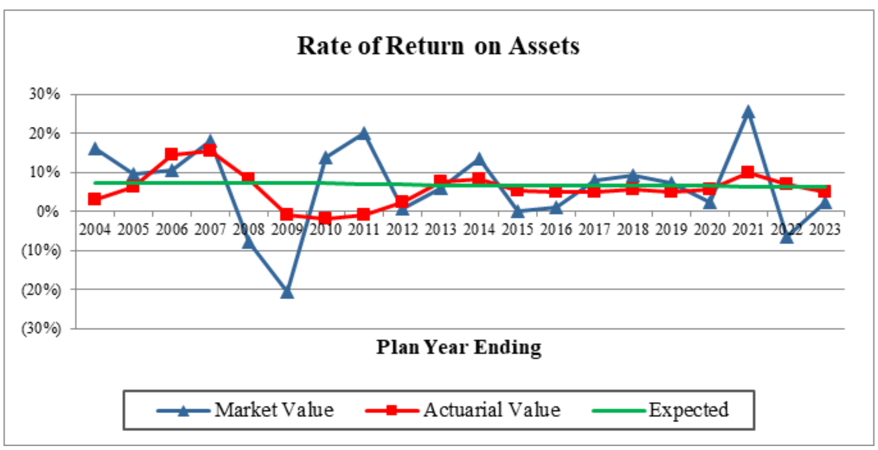
As of June 30, 2023, the plan had net assets of $81.6 million when measured on a market value basis. This was a decrease of $1.6 million from the prior year.

The market value of assets is not used directly in the calculation of the unfunded actuarial accrued liability and the actuarially determined contribution. An asset valuation method, which smoothes the effect of market fluctuations, is applied to determine the value of assets used in the valuation. The resulting amount is called the actuarial value of assets. In this year's valuation, the actuarial value of assets is $86.1 million, an increase of $3.9 million from the prior year.

The components of change in the asset values are shown in the following table:

		Market Value		Actuarial Value
Net Assets, June 30, 2022	$	80,035,129	$	82,211,099
- Employer and Member Contributions	+	5,686,328	+	5,686,328
- Benefit Payments and Refunds	-	6,072,964	-	6,072,964
- Net Investment Income	+	1,936,676	+	4,241,155
Net Assets, June 30, 2023	$	81,585,169	$	86,065,618
Estimated Rate of Return, Net of Expenses		2.4%		5.2%

The estimated rate of return on the actuarial value of assets was 5.2%, which was lower than the 6.25% investment return assumption applicable for the year ended June 30, 2023. As a result, there was an experience loss on assets of $0.9 million. The estimated investment return on the market value of assets for FY 2023 of 2.4% increased the net deferred investment loss from $2.2 million in last year's valuation to $4.5 million in the current valuation. See Table 1 and Table 2 of this report for detailed information on the market and actuarial value of assets.



The rate of return of the actuarial value of assets has been less volatile than the market value return, illustrating the benefits of using an asset smoothing method. The smoothed actuarial value of plan assets has led to relatively steady actuarial valuation results over the last few years, even with a large gain followed by an offsetting loss.

LIABILITIES

The actuarial accrued liability is that portion of the present value of future benefits that is allocated to past service. The remaining portion will be paid by future normal costs. The difference between this liability and the actuarial value of assets as of the valuation date is called the unfunded actuarial accrued liability (UAAL). The dollar amount of unfunded actuarial accrued liability is reduced if the contributions to the plan exceed the normal cost for the year plus interest on the prior year's UAAL.

The unfunded actuarial accrued liability on both a market value and actuarial value of assets basis is shown as of June 30, 2023 in the following table:

	Market Value		Actuarial Value	
Actuarial Accrued Liability	$	126,749,070	$	126,749,070
Value of Assets		81,585,169		86,065,618
Unfunded Actuarial Accrued Liability	$	45,163,901	$	40,683,452
Funded Ratio		64.37%		67.90%

See Table 3 of this report for the development of the unfunded actuarial accrued liability.

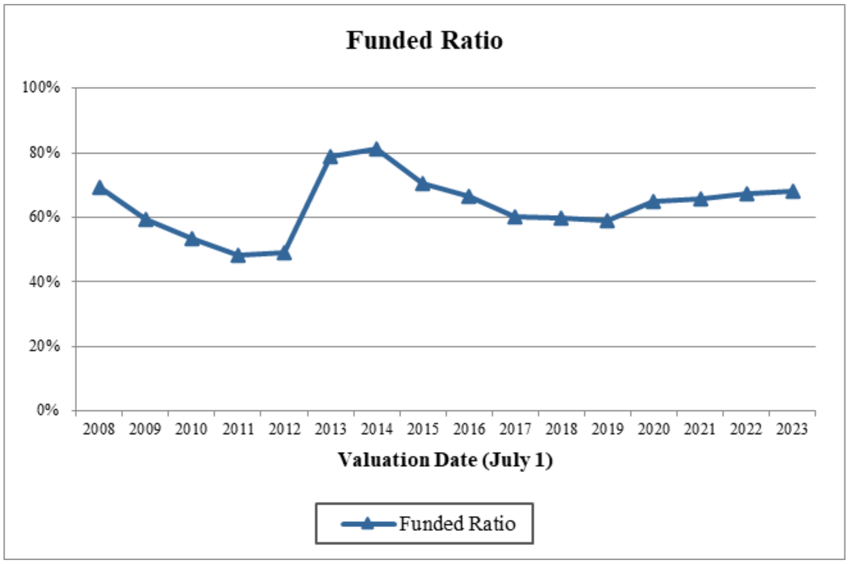
The UAAL (on an actuarial basis) as of June 30, 2023 was a $40.7 million deficit, an increase of $0.4 million from the $40.3 million deficit last year. The change in UAL includes an actuarial loss on liabilities of $0.6 million, largely from termination experience and a $0.9 million loss on assets. The components of the change in the UAAL are quantified in Table 5 of this report. See Table 6 and Table 7 of this report for a breakdown of the components of experience gains/losses for greater detail.

An evaluation of the UAAL on a pure dollar basis may not provide a complete analysis since only the difference between the assets and liabilities (which are both large numbers) is reflected. Another way to evaluate the UAAL and the progress made in its funding is to track the funded ratio, the ratio of the actuarial value of assets to the actuarial accrued liability. The funded status information, which is based on the actuarial value of assets, is shown below (in millions).

	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023
Funded Ratio	59.0%	64.7%	65.7%	67.1%	67.9%
UAAL (in millions)	$45.2	$37.8	$40.1	$40.3	$40.7

Note that the funded ratio does not indicate whether or not the plan assets are sufficient to settle benefits earned to date. The funded ratio, by itself, also may not be indicative of future funding requirements. In addition, if the funded ratios were shown using the market value of assets, the results would differ.

As the following graph of historical funded ratios shows, the funding level of PARF has varied over time.



ACTUARIALLY DETERMINED CONTRIBUTION AMOUNT

The State's funding policy is to contribute an appropriated amount that is estimated at the start of each biennium. The specific amounts in the appropriation bill are guided by the funding requirements of the Plan from an actuarial perspective. A traditional funding strategy includes:

- A "normal cost" for the portion of projected liabilities allocated by the actuarial cost method to service of members during the year following the valuation date.

- An "unfunded actuarial accrued liability contribution" for the excess of the portion of projected liabilities allocated to service to date over the actuarial value of assets.

The UAAL contribution rate is determined by calculating the amortization payment on the UAAL as a level dollar amount over 20 years for each amortization base. Whenever the Plan funded ratio exceeds 100%, all prior amortization bases are eliminated and the negative UAAL (or "surplus") is amortized over an open 30-year period, as an offset to other Fund costs.

The actuarially determined contribution amount for the prosecuting attorneys includes a normal cost which is theoretically based on all prosecuting attorneys' payroll. However, member contributions are only made on payroll of those with less than 22 years of service, while the employer contributions are based upon a direct legislative allocation determined from estimated total payroll. **Consequently, the actual funding requirements are adjusted to reflect only the pay upon which member contributions are made.** While this approach may make the presentation of results more complicated and not directly comparable to other plans, it nonetheless produces an amount that will, if contributed, systematically fund the Plan through time.

See Table 10 of this report for the detailed development of the contribution amounts which are summarized in the following table:

	June 30, 2022	June 30, 2023
Normal Cost	8.44%	9.06%
UAAL Amortization	14.43%	13.87%
Total Recommended Contribution	22.87%	22.93%
Estimated Member Contributions	(6.00%)	(6.00%)
Actuarially Determined Contribution Rate	16.87%	16.93%
Estimated Payroll	$ 25,395,745	$ 27,505,591
Estimated Contribution Amount *	$ 4,284,262	$ 4,656,697
Projected Covered Payroll for FY 2025		$ 28,234,489
Estimated ADC Amount for FY 2025		$ 4,780,099
Scheduled Appropriations for FY 2025		$ 4,514,337

* Due to the biennial appropriations cycle, this will not directly impact the funding of the plan. Next year, this will be used to assist with the determination of the FY 2026 and FY 2027 approved funding amounts.

Because the funding of the plan is largely based on payroll, the Actuarially Determined Contribution for FY 2026 can be assumed to be 2.65% (payroll growth assumption) higher than the FY 2025 amount shown above in the June 30, 2023 valuation, or $4,906,772.

House Enrolled Act No. 1001 appropriated funds in the amount of $4,397,795 for the fiscal year ending June 30, 2024 and $4,514,337 for the fiscal year ending June 30, 2025. The Board will recommend appropriation amounts to the Indiana Legislature for the next biennium (FY 2026 and FY 2027) based on the June 30, 2024 valuation. Therefore, the June 30, 2023 actuarial determined contribution is not directly used in the funding of the plan.

SUMMARY OF PRINCIPAL RESULTS

	June 30, 2021	June 30, 2022	June 30, 2023
MEMBERSHIP			
Active Members	198	200	210
Retired Members and Beneficiaries	182	198	200
Disabled Members	3	3	3
Inactive Members	245	233	215
Total Members	628	634	628
Projected Annual Salaries of Active Members	$ 24,918,438	$ 25,395,745	$ 27,505,591
Annual Retirement Payments for Retired Members, Disabled Members and Beneficiaries	$ 4,939,983	$ 5,402,937	$ 5,433,842
ASSETS AND LIABILITIES			
Net Assets			
Market Value of Assets (MVA)	$ 85,868,925	$ 80,035,129	$ 81,585,169
Actuarial Value of Assets (AVA)	76,896,950	82,211,099	86,065,618
Actuarial Accrued Liability (AAL)	117,022,520	122,474,123	126,749,070
Unfunded Actuarial Accrued Liability (UAAL): AAL - AVA	$ 40,125,570	$ 40,263,024	$ 40,683,452
Funded Ratios			
AVA / AAL	65.71%	67.13%	67.90%
MVA / AAL	73.38%	65.35%	64.37%
CONTRIBUTIONS			
Normal Cost Rate	8.82%	8.44%	9.06%
UAAL Rate	14.24%	14.43%	13.87%
Total Recommended Contribution Rate	23.06%	22.87%	22.93%
Expected Employee Contribution Rate [1]	(6.00%)	(6.00%)	(6.00%)
Actuarially Determined Contribution Rate	17.06%	16.87%	16.93%
Actuarially Determined Contribution Amount	$ 4,251,086	$ 4,284,262	$ 4,656,697

[1]Only active members with less than 22 years of service make contributions to the plan.

This report presents the actuarial valuation results of the Prosecuting Attorneys' Retirement Fund as of June 30, 2023. This valuation was prepared at the request of the Indiana Public Retirement System.

Please pay particular attention to our actuarial certification letter, where the guidelines employed in the preparation of this report are outlined. We also comment on the sources and reliability of both the data and the actuarial assumptions upon which our findings are based. Those comments are the basis for our certification that this report is complete and accurate to the best of our knowledge and belief.

A summary of the findings which result from this valuation is presented in the previous section. Section 3 describes the assets and investment experience of the plan. Sections 4 and 5 describe how the obligations of the plan are to be met under the actuarial cost method in use. Section 6 provides information required by the Governmental Accounting Standards Board (GASB) for reporting and disclosure under GASB 67 and GASB 68.

This report includes several appendices:

- Appendix A — Schedules of valuation data classified by various categories of members.
- Appendix B — A summary of the current benefit structure, as determined by the provisions of governing law on June 30, 2023.
- Appendix C — A summary of the actuarial methods and assumptions used to estimate liabilities and determine contribution rates.
- Appendix D — A glossary of actuarial terms.

In many respects, an actuarial valuation can be thought of as an inventory process. The inventory is taken as of the actuarial valuation date, which for this valuation is June 30, 2023. On that date, the assets available for the payment of benefits are appraised. The assets are compared with the liabilities of the plan, which are generally in excess of assets. The actuarial process then leads to a method of determining the contributions needed by members and the employer in the future to balance the plan assets and liabilities.

Market Value of Assets

The current market value represents the "snapshot" or "cash-out" value of plan assets as of the valuation date. In addition, the market value of assets provides a basis for measuring investment performance from time to time.

Table 1 summarizes the changes in the market value of assets for the last two years. Table 12 (in the GASB section) provides detail regarding the allocation of investments in the trust.

Actuarial Value of Assets

The market value of assets, representing a "cash-out" value of plan assets, may not be the best measure of the plan's ongoing ability to meet its obligations. To arrive at a suitable value of assets for the actuarial valuation, a technique for determining the actuarial value of assets is used which dampens swings in the market value while still indirectly recognizing market values. Under the asset smoothing methodology, the difference between the actual and assumed investment return on the market value of assets is recognized evenly over a five-year period.

Table 2 shows the development of the actuarial value of assets (AVA) as of the valuation date.

TABLE 1

DEVELOPMENT OF MARKET VALUE OF ASSETS

	June 30, 2022	June 30, 2023
1. Market Value of Assets, Beginning of Year	$ 85,868,925	$ 80,035,129
2. Receipts		
a. Member (Includes Purchased Service)	$ 1,474,318	$ 1,530,919
b. Employer	4,044,194	4,155,409
c. Total	$ 5,518,512	$ 5,686,328
3. Expenditures		
a. Benefit Payments	$ 5,395,261	$ 5,738,749
b. Refund of Contributions	303,937	334,215
c. Member Reassignment Transfers	1,629	0
d. Administrative Expense	69,444	108,342
e. Total	$ 5,770,271	$ 6,181,306
4. Investment Return		
a. Investment Income	$ (5,584,897)	$ 2,039,328
b. Securities Lending Income	2,860	5,690
c. Total Investment Return	$ (5,582,037)	$ 2,045,018
5. Market Value of Assets, End of Year: (1) + (2c) - (3e) + (4c)	$ 80,035,129	$ 81,585,169
6. Estimated Rate of Return, Net of Expenses [1]	(6.59%)	2.43%

[1] Based on individual fund experience. Assumes cash flows occur at mid-year.

TABLE 2

DEVELOPMENT OF ACTUARIAL VALUE OF ASSETS

		For Plan Year Ending June 30, 2023
1. Market Value as of June 30, 2022	$	80,035,129
2. Receipts	$	5,686,328
3. Expenditures, Net of Administrative Expenses [1]	$	(6,072,964)
4. Expected Return on Assets [2]	$	4,990,113
5. Expected Market Value as of June 30, 2023: (1) + (2) + (3) + (4)	$	84,638,606
6. Actual Market Value as of June 30, 2023	$	81,585,169
7. Year End 2023 Asset Gain/(Loss): (6) - (5)	$	(3,053,437)

8. Deferred Investment Gains and Losses

	Year Ended June 30:		Gain/(Loss)	Factor		Deferred Amount
a.	2020	$	(2,790,523)	20%	$	(558,105)
b.	2021		12,819,903	40%		5,127,961
c.	2022		(11,012,591)	60%		(6,607,555)
d.	2023		(3,053,437)	80%		(2,442,750)
e.	Total				$	(4,480,449)

9. Initial Actuarial Value as of June 30, 2023: (6) - (8e)	$	86,065,618
10. Constraining Values		
a. 80% of Market Value: (6) x 0.8	$	65,268,135
b. 120% of Market Value: (6) x 1.2	$	97,902,203
11. Actuarial Value as of June 30, 2023	$	86,065,618
12. Actuarial Rate of Return, Net of Expenses [3]		5.17%
13. Actuarial Value of Assets as a Percent of Market Value: (11) / (6)		105.5%

[1] Includes DB Benefit Payments and Member Reassignment Transfers.
[2] Assumes cash flows occur at mid-year and a return assumption of 6.25%.
[3] Assumes cash flows occur at mid-year.

In the previous section, an actuarial valuation was compared with an inventory process, and an analysis was given of the inventory of assets of the Prosecuting Attorneys' Retirement Fund as of the valuation date, June 30, 2023. In this section, the discussion will focus on the commitments (future benefit payments) of the plan, which are referred to as its liabilities.

The liability calculations for the June 30, 2023 Prosecuting Attorneys' Retirement Fund valuation are based on census data collected as of June 30, 2022. Standard actuarial techniques are used to adjust these results from June 30, 2022 to June 30, 2023. While these roll-forward techniques are based on the expectation that all actuarial assumptions are met during the intervening year, there will, of course, be many of the assumptions that are not met exactly. In general, this does not materially affect the resulting calculations or conclusions in this report. Should there be a year in which events, such as plan changes, occur that would affect the results, adjustments in the roll-forward methods would be made to appropriately reflect the events.

All liabilities reflect the benefit provisions and actuarial assumptions in place as of June 30, 2023.

Actuarial Accrued Liability

A fundamental principle in financing the liabilities of a retirement program is that the cost of its benefits should be related to the period in which benefits are earned, rather than to the period of benefit distribution. An actuarial cost method is a mathematical technique that allocates the present value of future benefits into annual costs. In order to do this allocation, it is necessary for the funding method to "breakdown" the present value of future benefits into two components:

(1) that which is attributable to the past and

(2) that which is attributable to the future.

Actuarial terminology calls the part attributable to the past the "past service liability" or the "actuarial accrued liability." The portion allocated to the future is known as the present value of future normal costs, with the specific piece of it allocated to the current year being called the "normal cost."

Table 3 contains the calculation of actuarial accrued liability for the plan. The Entry Age Normal actuarial cost method is used to develop the actuarial accrued liability.

Low-Default-Risk Obligation Measure

Under the revised Actuarial Standards of Practice (ASOP) No. 4 effective for valuations after February 15, 2023, we are required to include a low-default-risk obligation measure of the System's liability in our funding valuation report. This is an informational disclosure as described below and would not be appropriate for assessing the funding progress or health of the plan. This measure uses the unit credit cost method and reflects all the assumptions and provisions of the funding valuation, except that the discount rate is derived from considering low-default-risk fixed income securities. We considered the FTSE Pension Discount Curve based on market bond rates published by the Society of Actuaries as of June 30, 2023 and with the 30-year spot rate used for all durations beyond 30 because this provides an appropriate set of discount rates for this intended purpose. Using these assumptions, we calculate a liability of approximately $144,212,000. This amount approximates the termination liability if the plan (or all covered employment) ended on the valuation date and all of the accrued benefits had to be paid with cash-flow matched bonds.

If the plan were funded with the intent of being able to be terminated at any valuation date, contribution requirements may need to increase and would also be more volatile. This assurance of funded status and benefit security is typically more relevant for corporate plans than for governmental plans since governments rarely have the need or option to completely terminate a plan. However, this informational disclosure is required for all plans whether corporate or governmental and care should be taken to ensure the one size fits all metric is not misconstrued.

TABLE 3

ACTUARIAL ACCRUED LIABILITY

		As of June 30, 2023
1. Actuarial Accrued Liability		
a. Member Contribution Balances	$	27,409,427
b. Active & Inactive Members		44,875,101
c. In-pay Members		54,464,542
d. Total		126,749,070
2. Actuarial Value of Assets		86,065,618
3. Unfunded Actuarial Accrued Liability: (1d) – (2)		40,683,452
4. Funded Ratio: (2) ⁄ (1d)		67.90%

TABLE 4

SOLVENCY TEST

	Actuarial Accrued Liabilities (AAL)					Portion of AAL Covered by Assets			
Actuarial Valuation as of June 30	Active Member Contributions	Retirees and Beneficiaries	Active Member (Employer Financed Portion)	Total Actuarial Accrued Liabilities	Actuarial Value of Assets	Active Member Contributions	Retirees and Beneficiaries	Active Member (Employer Financed Portion)	Total Actuarial Accrued Liabilities
2023	$27,409	$54,465	$44,875	$126,749	$86,066	100.0%	100.0%	9.3%	67.9%
2022	27,948	55,540	38,986	122,474	82,211	100.0	97.7	0.0	67.1
2021	27,001	50,839	39,183	117,023	76,897	100.0	98.1	0.0	65.7
2020	27,768	44,410	34,871	107,049	69,288	100.0	93.5	0.0	64.7
2019	27,470	39,607	43,004	110,081	64,909	100.0	94.5	0.0	59.0
2018	27,620	39,034	36,630	103,284	61,664	100.0	87.2	0.0	59.7
2017	26,327	38,504	31,824	96,655	57,967	100.0	82.2	0.0	60.0
2016	26,206	37,709	21,118	85,033	56,472	100.0	80.3	0.0	66.4
2015	25,479	26,636	25,746	77,861	54,848	100.0	100.0	10.6	70.4
2014	26,654	22,665	16,017	65,336	52,936	100.0	100.0	22.6	81.0

Note: Dollar amounts are in thousands of dollars.

TABLE 5

RECONCILIATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITY

	For Year Ending June 30, 2023
1. Unfunded Actuarial Accrued Liability as of June 30, 2022	$ 40,263,024
2. Normal Cost	2,144,426
3. Actuarially Determined Contribution	(5,809,111)
4. Interest	2,287,396
5. Expected Unfunded Actuarial Accrued Liability as of June 30, 2023	$ 38,885,735
6. Actuarial Value of Asset Changes	
a. Investment Experience (Gain)/Loss	$ 884,956
b. Contributions (Above)/Below the Actuarially Determined Contribution and Other (Gain)/Loss	$ 297,001
7. Actuarial Accrued Liability Changes	
a. Actuarial Accrued Liability Experience (Gain)/Loss	$ 615,760
b. Additional Liability Due to Benefit Changes	0
c. Additional Liability Due to Assumption Changes	0
8. Total Experience (Gain)/Loss	$ 1,797,717
9. Unfunded Actuarial Accrued Liability as of June 30, 2023: (5) + (8)	$ 40,683,452

TABLE 6

ACTUARIAL GAIN/(LOSS)

Liabilities		
1. Actuarial Accrued Liability as of June 30, 2022	$	122,474,123
2. Normal Cost for Plan Year Ending June 30, 2023		2,144,426
3. Benefit Payments During Plan Year[1]		(6,083,780)
4. Service Purchases (employee and employer)		0
5. Member Reassignment Transfers		0
6. Interest at 6.25%		7,598,541
7. Change Due to Benefit Changes		0
8. Change Due to Assumption Changes		0
9. Expected Actuarial Accrued Liability as of June 30, 2023	$	126,133,310
10. Actuarial Accrued Liability as of June 30, 2023	$	126,749,070

Assets		
11. Actuarial Value of Assets as of June 30, 2022	$	82,211,099
12. Receipts During Plan Year		5,686,328
13. Expenditures, Excluding Expenses, During Plan Year		(6,072,964)
14. Interest at 6.25%		5,126,111
15. Expected Actuarial Value of Assets as of June 30, 2023	$	86,950,574
16. Actuarial Value of Assets as of June 30, 2023	$	86,065,618

Experience Gain / (Loss)		
17. Liability Actuarial Experience Gain/(Loss): (9) - (10)	$	(615,760)
18. Asset Actuarial Experience Gain/(Loss): (16) - (15)		(884,956)
19. Total Actuarial Experience Gain/(Loss): (17) + (18)	$	(1,500,716)

[1] Does not include miscellaneous expenses or benefit overpayments.

TABLE 7

EXPERIENCE GAIN/(LOSS) ANALYSIS BY SOURCE

Liability Sources (in thousands)		**Gain/(Loss)***
Retirement	$	75
Termination		(858)
Disability		77
Mortality		639
Salary**		(1,015)
New Entrants/Rehires		(161)
Miscellaneous		627
Total Liability Experience Gain/(Loss)	$	(616)
as a % of AAL		(0.5%)
Asset Experience Gain/(Loss)	$	(885)
Total Actuarial Experience Gain/(Loss)	$	(1,501)

* Numbers may not add due to rounding.
** Includes known pay increase of 7.80% after the data collection date.

TABLE 8

PROJECTED BENEFIT PAYMENTS

Plan Year Ending June 30	Benefit Amount
2024	$ 6,740,296
2025	7,167,145
2026	7,265,694
2027	7,576,475
2028	7,728,484
2029	8,030,269
2030	8,309,948
2031	8,713,298
2032	9,050,066
2033	9,334,741
2034	9,665,135
2035	10,096,013
2036	10,131,842
2037	10,268,576
2038	10,329,220
2039	10,390,794
2040	10,404,414
2041	10,504,521
2042	10,517,164
2043	10,483,376
2044	10,310,877
2045	10,237,214
2046	10,051,121
2047	9,911,377
2048	9,800,726
2049	9,656,239
2050	9,421,403
2051	9,192,368
2052	8,993,095
2053	8,685,369

Note: Payouts reflect nominal payouts for current members, assuming that all future assumptions are met.

The previous two sections were devoted to a discussion of the assets and liabilities of the plan. We now turn to considering how the benefits will be funded. The method used to determine the incidence of the contributions in various years is called the actuarial cost method. Under an actuarial cost method, the contributions required to meet the difference between current assets and current liabilities are allocated each year between two elements: (1) the normal cost rate and (2) the unfunded actuarial accrued liability contribution rate.

The term "fully funded" is often applied to a plan in which contributions at the normal cost rate are sufficient to pay for the benefits of existing employees as well as for those of new employees. More often than not, plans are not fully funded, either because of past benefit improvements that have not been completely funded or because of actuarial deficiencies that have occurred because experience has not been as favorable as anticipated by the actuarial assumptions. Under these circumstances, an unfunded actuarial accrued liability (UAAL) exists. Likewise, when the actuarial value of assets is greater than the actuarial accrued liability, a surplus exists.

Description of Contribution Components

The Entry Age Normal (EAN) actuarial cost method is used for the valuation. Under that method, the normal cost for each year from entry age to assumed exit age is a constant percentage of the member's year by year projected compensation. The portion of the present value of future benefits not provided by the present value of future normal costs is the actuarial accrued liability. The unfunded actuarial accrued liability/(surplus) represents the difference between the actuarial accrued liability and the actuarial value of assets as of the valuation date. The unfunded actuarial accrued liability is calculated each year and reflects experience gains and losses.

The INPRS Board of Trustees has established a funding policy of requesting appropriations from the State in an amount equal to the actuarially determined contribution. Based on the June 30, 2022 actuarial valuation, the Board requested appropriations from the State for fiscal years 2024 and 2025. This June 30, 2023 valuation will not be directly used for determining contributions. Due to the biennial cycle used to set appropriations, the contribution amount for the plan years ending June 30, 2026 and June 30, 2027 will rely on the most up-to-date plan status at that time, which is the June 30, 2024 valuation.

The methodology of developing the contribution rate is designed to fund the benefits over a reasonable period with a stable contribution pattern. The current UAAL for the base benefits will be funded over the next 20 years.

Contribution Summary

In Table 9, the amortization payment related to the unfunded actuarial accrued liability/(surplus), as of June 30, 2023, is developed. Table 10 develops the actuarial determined contribution rate for the Plan. The contribution rates shown in this report are based on the actuarial assumptions and cost methods described in Appendix C. Additionally, in Table 11 the contribution rates under alternative discount rates are provided to illustrate the sensitivity of the contribution requirements to the selection of the investment return assumption.

TABLE 9

SCHEDULE OF AMORTIZATION BASES

Amortization Bases	Original Amount [1]	June 30, 2023 Remaining Payments	Date of Last Payment	Outstanding Balance as of June 30, 2023	Annual Contribution
2009 UAAL Base	$ 6,201,136	14	7/1/2037	$ 4,412,673	$ 453,754
2010 UAAL Base	1,736,351	17	7/1/2040	1,351,312	123,581
2011 UAAL Base	1,680,350	18	7/1/2041	1,348,468	119,424
2012 UAAL Base	463,047	19	7/1/2042	382,110	32,863
2013 UAAL Base	3,556,575	20	7/1/2043	3,010,619	252,077
2014 UAAL Base	(584,092)	21	7/1/2044	(506,087)	(41,345)
2015 UAAL Base	10,811,874	22	7/1/2045	9,569,986	764,334
2016 UAAL Base	5,882,037	13	7/1/2036	4,600,331	496,254
2017 UAAL Base	10,629,681	14	7/1/2037	8,707,224	895,361
2018 UAAL Base	3,735,370	15	7/1/2038	3,189,465	314,147
2019 UAAL Base	4,504,551	16	7/1/2039	3,992,748	378,261
2020 UAAL Base	(6,283,668)	17	7/1/2040	(5,761,247)	(526,881)
2021 UAAL Base	3,412,515	18	7/1/2041	3,226,265	285,727
2022 UAAL Base	1,398,886	19	7/1/2042	1,361,868	117,128
2023 UAAL Base	1,797,717	20	7/1/2043	1,797,717	150,521
Total				$ 40,683,452	$ 3,815,206

1. Total UAAL Amortization Payments	$ 3,815,206
2. Projected Payroll for FY 2024, Under 22 Years of Service	$ 27,505,591
3. UAAL Amortization Payment Rate	13.87%

[1] The original amounts from 2017 to 2013 were provided by the prior actuary. Amounts prior to that were estimated by INPRS.

TABLE 10

ACTUARIALLY DETERMINED CONTRIBUTION RATE

1. Projected Covered Payroll for FY 2024	$	27,505,591
2. Normal Cost Rate as of June 30, 2022		
a. Dollar Amount	$	2,492,029
b. Percent of Total Pay		8.46%
c. Percent of Covered Pay [1]		9.06%
3. Amortization of UAAL as of June 30, 2022		
a. Dollar Amount	$	3,815,206
b. Percent of Covered Pay [1]		13.87%
4. Total Recommended Contribution Rate: (2) + (3b)		22.93%
5. Expected Employee Contribution Rate		
a. Dollar Amount	$	1,650,335
b. Percent of Covered Pay [1]		6.00%
6. Actuarially Determined Contribution Rate: (4) - (5)		16.93%
7. Estimated Actuarially Determined Contribution Amount [2]: (1) x (6)	$	4,656,697
8. Approved Funding Amount for FY 2024	$	4,397,795
9. Expected Percentage of Actuarially Determined Contribution Contributed		94.44%
Biennial Appropriations Cycle		
10. Projected Covered Payroll for FY 2025	$	28,234,489
11. Estimated Actuarially Determined Contribution Amount for FY 2025: (10) x (6)	$	4,780,099
12. Scheduled Appropriations for FY 2025	$	4,514,337

[1] Active members with less than 22 years of service make 6% contributions.
[2] Due to the biennial appropriations cycle, this will not directly impact the funding of the plan. Next year, this will be used to assist with the determination of the FY 2026 and FY 2027 approved funding amounts.

TABLE 11

INVESTMENT RETURN SENSITIVITY

	1.00% Decrease: (5.25%)	0.75% Decrease: (5.50%)	0.50% Decrease: (5.75%)	0.25% Decrease: (6.00%)	Current Assumption: (6.25%)
Funded Status					
Actuarial Accrued Liability	$142,708,216	$138,416,208	$134,334,085	$130,449,013	$126,749,070
Actuarial Value of Assets	86,065,618	86,065,618	86,065,618	86,065,618	86,065,618
Unfunded Actuarial Accrued Liability	$56,642,598	$52,350,590	$48,268,467	$44,383,395	$40,683,452
Funded Ratio	60.3%	62.2%	64.1%	66.0%	67.9%
Actuarially Determined Contribution Amount					
Normal Cost	$3,109,114	$2,937,332	$2,777,871	$2,629,737	2,492,029
UAAL Amortization	4,830,791	4,569,860	4,313,789	4,062,317	3,815,206
Expected Member Contributions	(1,650,335)	(1,650,335)	(1,650,335)	(1,650,335)	(1,650,335)
Actuarially Determined Contribution Amount	$6,289,569	$5,856,857	$5,441,324	$5,041,719	$4,656,899
Actuarially Determined Contribution Rate	22.87%	21.29%	19.78%	18.33%	16.93%

	0.25% Increase: (6.50%)	0.50% Increase: (6.75%)	0.75% Increase: (7.00%)	1.00% Increase: (7.25%)	1.25% Increase: (7.50%)
Funded Status					
Actuarial Accrued Liability	$123,223,179	$119,861,027	$116,653,023	$113,590,231	$110,664,319
Actuarial Value of Assets	86,065,618	86,065,618	86,065,618	86,065,618	86,065,618
Unfunded Actuarial Accrued Liability	$37,157,561	$33,795,409	$30,587,405	$27,524,613	$24,598,701
Funded Ratio	69.8%	71.8%	73.8%	75.8%	77.8%
Actuarially Determined Contribution Amount					
Normal Cost	$2,363,920	$2,244,655	$2,133,548	$2,029,968	$1,933,337
UAAL Amortization	3,572,227	3,333,162	3,097,818	2,865,998	2,637,537
Expected Member Contributions	(1,650,335)	(1,650,335)	(1,650,335)	(1,650,335)	(1,650,335)
Actuarially Determined Contribution Amount	$4,285,811	$3,927,482	$3,581,031	$3,245,630	$2,920,539
Actuarially Determined Contribution Rate	15.58%	14.28%	13.02%	11.80%	10.62%

GASB NO. 67 AND GASB NO. 68

The Governmental Accounting Standards Board issued Statement No. 67 (GASB 67), "Financial Reporting for Pension Plans" and Statement No. 68 (GASB 68), "Accounting and Financial Reporting for Pensions" in June 2012. The effective date for reporting under GASB 67 for the INPRS Plans was the fiscal year ending June 30, 2014. GASB 68's effective date for employers is the first fiscal year beginning after June 15, 2014.

The sections that follow provide the results of the required actuarial calculations set out in GASB 67 and GASB 68 for note disclosure and Required Supplementary Information (RSI). Some of this information was provided by the INPRS for use in this report.

The discount rate used for these disclosures is the assumed return on assets of 6.25%. We have verified that the current assets in conjunction with future contributions made on behalf of current members (including all contributions to fund any past service liability) will be sufficient to make the anticipated benefit payments to be provided to the current members.

To the best of our knowledge, the information contained in this report is complete and accurate. The calculations were performed by qualified actuaries according to generally accepted actuarial principles and practices, as well as in conformity with Actuarial Standards of Practice issued by the Actuarial Standards Board. The calculations are based on the current provisions of the plan, and on actuarial assumptions that are internally consistent and individually reasonable based on the actual experience of the plan. In addition, the calculations were completed in compliance with applicable law and, in our opinion, meet the requirements of GASB 67 and GASB 68.

TABLE 12

STATEMENT OF FIDUCIARY NET POSITION

			June 30, 2023
1. Assets			
a. Cash		$	0
b. Receivables			
i.	Contributions and Miscellaneous Receivables	$	0
ii.	Investments Receivable		671,013
iii.	Foreign Exchange Contracts Receivable		14,218,802
iv.	Interest and Dividends		213,491
v.	Receivables Due From Other Funds		0
vi.	Total Receivables	$	15,103,306
c. Investments			
i.	Short-Term Investments	$	0
ii.	Pooled Repurchase Agreements		37,103
iii.	Pooled Short-Term Investments		7,347,644
iv.	Pooled Fixed Income		22,418,657
v.	Pooled Equity		11,387,147
vi.	Pooled Alternative Investments		42,954,007
vii.	Pooled Derivatives		(27,119)
viii.	Pooled Investments		0
ix.	Securities Lending Collateral		326,850
x.	Total Investments	$	84,444,289
d. Net Capital Assets			0
e. Other Assets			0
f. Total Assets: a + b(vi) + c(x) + d + e		$	99,547,595
2. Liabilities			
a. Administrative Payable		$	13,177
b. Retirement Benefits Payable			608
c. Investments Payable			2,848,613
d. Foreign Exchange Contracts Payable			14,268,297
e. Securities Lending Obligations			326,850
f. Securities Sold Under Agreement to Repurchase			496,066
g. Due To Other Funds			8,815
h. Due to Other Governments			0
i. Total Liabilities: a + b + c + d + e + f + g + h		$	17,962,426
3. Fiduciary Net Position Restricted for Pensions: (1)(f) - (2)(i)		**$**	**81,585,169**

TABLE 13

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

			For Fiscal Year Ending June 30, 2023
1. Fiduciary Net Position as of June 30, 2022		**$**	**80,035,129**
2. Additions			
a. Contributions			
i.	Member Contributions	$	1,530,919
ii.	Employer Contributions		4,155,409
iii.	Service Purchases (Employer and Member)		0
iv.	Non-Employer Contributing Entity Contributions		0
v.	Total Contributions	$	5,686,328
b. Investment Income/(Loss)			
i.	Net Appreciation/(Depreciation)	$	1,427,455
ii.	Net Interest and Dividend Income		1,083,803
iii.	Securities Lending Income		6,333
iv.	Other Net Investment Income		2,510
v.	Investment Management Expenses		(455,069)
vi.	Direct Investment Expenses		(19,371)
vii.	Securities Lending Expenses		(643)
viii.	Total Investment Income/(Loss)	$	2,045,018
c. Other Additions			
i.	Member Reassignments		0
ii.	Miscellaneous Receipts		0
iii.	Total Other Additions	$	0
d. Total Revenue (Additions): a(v) + b(viii) + c(iii)		$	7,731,346
3. Deductions			
a. Pension, Survivor and Disability Benefits		$	5,738,749
b. Death and Funeral Benefits			0
c. Distributions of Contributions and Interest			334,215
d. Administrative Expenses			108,342
e. Member Reassignments			0
f. Miscellaneous Expenses			0
g. Total Expenses (Deductions)		$	6,181,306
4. Net Increase (Decrease) in Fiduciary Net Position: (2)(d) - (3)(g)		**$**	**1,550,040**
5. Fiduciary Net Position as of June 30, 2023: (1) + (4)		**$**	**81,585,169**

TABLE 14

SCHEDULE OF CHANGES IN NET PENSION LIABILITY

	For Fiscal Year Ending June 30, 2023		
	Total Pension Liability (a)	**Plan Fiduciary Net Position (b)**	**Net Pension Liability (a) – (b)**
1. Balance at June 30, 2022	$ 122,474,123	$ 80,035,129	$ 42,438,994
2. Changes for the Year:			
Service Cost (SC) [1]	2,144,426		2,144,426
Interest Cost	7,598,879		7,598,879
Experience (Gains)/Losses	604,606		604,606
Assumption Changes	0		0
Plan Amendments	0		0
Benefit Payments [2]	(6,072,964)	(6,072,964)	0
Service Purchases			
Employer Contributions	0	0	0
Employee Contributions	0	0	0
Member Reassignments	0	0	0
Employer Contributions [3]		4,155,409	(4,155,409)
Non-employer Contributions		0	0
Employee Contributions		1,530,919	(1,530,919)
Net Investment Income		2,045,018	(2,045,018)
Administrative Expenses		(108,342)	108,342
Other		0	0
Net Changes	$ 4,274,947	$ 1,550,040	$ 2,724,907
3. Balance at June 30, 2023	$ 126,749,070	$ 81,585,169	$ 45,163,901

[1] Service cost provided as of beginning of year. Interest to end of year is included in the interest cost.

[2] Includes refund of member contributions of $334,215.

[3] Includes $4,155,409 of state appropriations to the fund.

TABLE 15

DEFERRED OUTFLOWS OF RESOURCES

	June 30, 2022	Remaining Period	Recognition	June 30, 2023
1. Liability Experience				
June 30, 2023 Loss	$ 604,606	2.03	$ 297,836	$ 306,770
June 30, 2022 Loss	849,696	1.02	833,037	16,659
June 30, 2021 Loss	0	0.06	0	0
June 30, 2020 Loss	0	0.00	0	0
June 30, 2019 Loss	0	0.00	0	0
June 30, 2018 Loss	0	0.00	0	0
June 30, 2017 Loss	0	0.00	0	0
June 30, 2016 Loss	0	0.00	0	0
June 30, 2015 Loss	0	0.00	0	0
June 30, 2014 Loss	0	0.00	0	0
2. Assumption Changes				
June 30, 2023 Loss	$ 0	2.03	$ 0	$ 0
June 30, 2022 Loss	0	1.02	0	0
June 30, 2021 Loss	180,668	0.06	180,668	0
June 30, 2020 Loss	0	0.00	0	0
June 30, 2019 Loss	0	0.00	0	0
June 30, 2018 Loss	0	0.00	0	0
June 30, 2017 Loss	0	0.00	0	0
June 30, 2016 Loss	0	0.00	0	0
June 30, 2015 Loss	0	0.00	0	0
3. Investment Experience				
June 30, 2023 Loss	$ 2,941,710	5.00	$ 588,342	$ 2,353,368
June 30, 2022 Loss	8,752,781	4.00	2,188,196	6,564,585
June 30, 2021 Loss	0	3.00	0	0
June 30, 2020 Loss	1,085,570	2.00	542,787	542,783
June 30, 2019 Loss	0	1.00	0	0
Total Outflows: (1)+(2)+(3)	**$ 14,415,031**		**$ 4,630,866**	**$ 9,784,165**

Results prior to 2018 were produced by the prior actuary.

In accordance with GASB, the original amortization period for liability experience and assumption changes are amortized over the expected future working lifetime of all members, whereas the investment experience is amortized over five years.

TABLE 16

DEFERRED INFLOWS OF RESOURCES

	June 30, 2022	Remaining Period	Recognition	June 30, 2023
1. Liability Experience				
June 30, 2023 Gain	$ 0	2.03	$ 0	$ 0
June 30, 2022 Gain	0	1.02	0	0
June 30, 2021 Gain	8,687	0.06	8,687	0
June 30, 2020 Gain	0	0.00	0	0
June 30, 2019 Gain	0	0.00	0	0
June 30, 2018 Gain	0	0.00	0	0
June 30, 2017 Gain	0	0.00	0	0
June 30, 2016 Gain	0	0.00	0	0
June 30, 2015 Gain	0	0.00	0	0
June 30, 2014 Gain	0	0.00	0	0
2. Assumption Changes				
June 30, 2023 Gain	$ 0	2.03	$ 0	$ 0
June 30, 2022 Gain	0	1.02	0	0
June 30, 2021 Gain	0	0.06	0	0
June 30, 2020 Gain	0	0.00	0	0
June 30, 2019 Gain	0	0.00	0	0
June 30, 2018 Gain	0	0.00	0	0
June 30, 2017 Gain	0	0.00	0	0
June 30, 2016 Gain	0	0.00	0	0
June 30, 2015 Gain	0	0.00	0	0
3. Investment Experience				
June 30, 2023 Gain	$ 0	5.00	$ 0	$ 0
June 30, 2022 Gain	0	4.00	0	0
June 30, 2021 Gain	7,735,955	3.00	2,578,652	5,157,303
June 30, 2020 Gain	0	2.00	0	0
June 30, 2019 Gain	73,944	1.00	73,944	0
Total Inflows: (1)+(2)+(3)	**$ 7,818,586**		**$ 2,661,283**	**$ 5,157,303**

Results prior to 2018 were produced by the prior actuary.

In accordance with GASB, the original amortization period for liability experience and assumption changes are amortized over the expected future working lifetime of all members, whereas the investment experience is amortized over five years.

TABLE 17

DEFERRED INFLOWS / OUTFLOWS TO BE RECOGNIZED IN PENSION EXPENSE

Fiscal Year Ending June 30	Deferred Outflows	Deferred Inflows	Net Deferred Outflows/(Inflows)
Current Year:			
2023	$ 4,630,866	$ 2,661,283	$ 1,969,583
Future Years:			
2024	$ 3,633,816	$ 2,578,652	$ 1,055,164
2025	2,785,472	2,578,651	206,821
2026	2,776,535	0	2,776,535
2027	588,342	0	588,342
2028	0	0	0
Thereafter	0	0	0

TABLE 18

PENSION EXPENSE UNDER GASB NO. 68

			For Fiscal Year Ending June 30, 2023
1. Service Cost, beginning of year		$	2,144,426
2. Interest Cost, including interest on service cost			7,598,879
3. Member Contributions			(1,530,919)
4. Administrative Expenses			108,342
5. Expected Return on Assets [1]			(4,986,728)
6. Plan Amendments			0
7. Recognition of Deferred Inflows / Outflows of Resources Related to:			
a. Liability Experience (Gains) / Losses	1,122,186		
b. Assumption Change (Gains) / Losses	180,668		
c. Investment Experience (Gains) / Losses	666,729		
d. Total: (7a)+(7b)+(7c)			1,969,583
8. Miscellaneous (Income) / Expense			0
9. Total Collective Pension Expense: (1)+(2)+(3)+(4)+(5)+(6)+(7d)+(8)			5,303,583
10. Employer Service Purchases			0
Pension Expense / (Income): (9) + (10)		**$**	**5,303,583**

[1] Cash flows assumed to occur mid-year.

GASB NO. 67 and GASB NO. 68
NOTES TO THE FINANCIAL STATEMENTS

The material presented herein is a subset of the information requested as Notes to the Financial Statements. Required information not provided herein is to be supplied by the plan.

Actuarial Assumptions and Inputs

Significant actuarial assumptions and other inputs used to measure the total pension liability:

Type of Plan	The Prosecuting Attorneys' Retirement Fund is a single-employer plan for GASB accounting purposes.
Measurement Date	June 30, 2023
Valuation Date	
Assets:	June 30, 2023
Liabilities:	June 30, 2022 – The TPL as of June 30, 2023 was determined based on an actuarial valuation prepared as of June 30, 2022 rolled forward one year to June 30, 2023, using the following key actuarial assumptions and other inputs, such as benefit accruals and actual benefit payments during that time period.
Inflation	2.00%
Future Salary Increases	2.65%
Cost-of-Living Increases	None.
Mortality Assumption	Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2019. *Healthy Employees* – General Employee table with a 1 year setback for males and a 1 year setback for females. *Retirees* – General Retiree table with a 1 year setback for males and a 1 year setback for females. *Beneficiaries* – Contingent Survivor table with no set forward for males and a 2 year set forward for females. *Disableds* – General Disabled table with a 140% load.

Experience Study	The most recent comprehensive experience study, based on member experience between June 30, 2014 and June 30, 2019, was completed in February 2020. The demographic assumptions were approved by the Board in June 2020 and were used beginning with the June 30, 2020 actuarial valuation. Economic assumptions were updated and approved by the Board in May 2021 following the completion of an Asset-Liability study and first used in the June 30, 2021 actuarial valuation.
Discount Rate	6.25%, net of investment expenses The discount rate is equal to the expected long-term rate of return on plan investments, net of investment expense and including price inflation. There was no change in the discount rate from the prior measurement date. The INPRS Board of Trustees has established a funding policy of requesting appropriations from the State in an amount equal to the actuarially determined contribution, which is based on the assumptions and methods selected by the Board for the annual actuarial valuations and projected covered member payroll. The June 30, 2023 actuarial valuation assumes a long-term rate of return on assets of 6.25%, a 20-year level dollar closed method for amortizing the future layers of unfunded actuarial accrued liability (30 years for amortization layers established prior to June 30, 2016), and a 5-year smoothing method for recognizing investment gains and losses in the actuarial value of assets.

Discount Rate Sensitivity

	1% Decrease 5.25%	Current Rate 6.25%	1% Increase 7.25%
Net Pension Liability	$61,123,047	$45,163,901	$32,005,062

Classes of Plan Members Covered

The June 30, 2023 valuation was performed using census data provided by INPRS as of June 30, 2022. Standard actuarial techniques were used to roll forward the total pension liability computed as of June 30, 2022 to the June 30, 2023 measurement date using actual benefit payments during that period of time.

Number as of June 30, 2022	
1. Currently Receiving Benefits:	
Retired Members, Disabled Members, and Beneficiaries	203
2. Inactive Members Entitled To But Not Yet Receiving Benefits	75
3. Inactive Non-vested Members Entitled to a Refund of Member Contributions	140
4. Active Members	210
Total Covered Plan Members: (1)+(2)+(3)+(4)	628

Money-Weighted Rate of Return

The money-weighted rate of return equals investment performance, net of pension plan investment expense, adjusted for the changing amounts actually invested. For the fiscal year ending June 30, 2023, the money-weighted return on the plan assets is 2.5%.

Components of Net Pension Liability

As of June 30, 2023		
Total Pension Liability	$	126,749,070
Fiduciary Net Position		81,585,169
Net Pension Liability	$	45,163,901
Ratio of Fiduciary Net Position to Total Pension Liability		64.37%

GASB NO. 67 AND GASB NO. 68: REQUIRED SUPPLEMENTAL INFORMATION

SCHEDULE OF CHANGES IN THE TOTAL PENSION LIABILITY AND PLAN FIDUCIARY NET POSITION

Fiscal Year Ending June 30	2019	2020	2021	2022	2023
Total Pension Liability					
Total Pension Liability - beginning	$103,283,935	$110,081,262	$107,048,714	$117,022,520	$122,474,123
Service Cost (SC), beginning-of-year	2,031,234	2,067,197	2,164,251	2,196,650	2,144,426
Interest Cost, including interest on SC	6,959,164	7,402,135	7,193,387	7,273,047	7,598,879
Experience (Gains)/Losses	2,239,818	(2,515,352)	(298,277)	1,682,733	604,606
Assumption Changes	0	(5,012,129)	6,202,974	0	0
Plan Amendments	0	0	0	0	0
Actual Benefit Payments	(4,432,889)	(4,974,399)	(5,288,529)	(5,699,198)	(6,072,964)
Member Reassignments	0	0	0	(1,629)	0
Service Purchases	0	0	0	0	0
Net Change in Total Pension Liability	6,797,327	(3,032,548)	9,973,806	5,451,603	4,274,947
(a) Total Pension Liability - ending	$110,081,262	$107,048,714	$117,022,520	$122,474,123	$126,749,070
Plan Fiduciary Net Position					
Plan Fiduciary Net Position – beginning	$61,019,100	$65,522,813	$67,875,761	$85,868,925	$80,035,129
Contributions – employer	3,215,600	4,232,219	4,401,508	4,044,194	4,155,409
Contributions – non-employer	0	0	0	0	0
Contributions – member	1,307,323	1,439,332	1,459,352	1,474,318	1,530,919
Net investment income	4,489,006	1,729,887	17,491,794	(5,582,037)	2,045,018
Actual benefit payments	(4,432,889)	(4,974,399)	(5,288,529)	(5,699,198)	(6,072,964)
Net member reassignments	0	0	0	(1,629)	0
Administrative expense	(75,327)	(74,091)	(70,961)	(69,444)	(108,342)
Other	0	0	0	0	0
Net change in Plan Fiduciary Net Position	4,503,713	2,352,948	17,993,164	(5,833,796)	1,550,040
(b) Plan Fiduciary Net Position - ending	$65,522,813	$67,875,761	$85,868,925	$80,035,129	$81,585,169
Net Pension Liability - ending, (a) - (b)	$44,558,449	$39,172,953	$31,153,595	$42,438,994	$45,163,901

Results prior to 2018 were produced by the prior actuary.

GASB NO. 67 AND GASB NO. 68: REQUIRED SUPPLEMENTAL INFORMATION

SCHEDULE OF CHANGES IN THE TOTAL PENSION LIABILITY AND PLAN FIDUCIARY NET POSITION

(continued)

Fiscal Year Ending June 30	2014	2015	2016	2017	2018
Total Pension Liability					
Total Pension Liability - beginning	$61,940,389	$65,336,440	$77,860,653	$85,033,204	$96,655,305
Service Cost (SC), beginning-of-year	1,586,626	1,602,704	1,625,509	1,649,825	1,947,022
Interest Cost, including interest on SC	4,207,150	4,408,568	5,238,761	5,713,781	6,520,834
Experience (Gains)/Losses	0	4,550,500	4,058,049	1,996,389	2,155,542
Assumption Changes	0	5,216,488	0	(215,798)	0
Plan Amendments	0	0	0	6,546,752	0
Actual Benefit Payments	(2,397,725)	(3,254,047)	(3,746,129)	(4,068,848)	(3,994,768)
Member Reassignments	0	0	0	0	0
Service Purchases	0	0	(3,639)	0	0
Net Change in Total Pension Liability	3,396,051	12,524,213	7,172,551	11,622,101	6,628,630
(a) Total Pension Liability - ending	$65,336,440	$77,860,653	$85,033,204	$96,655,305	$103,283,935
Plan Fiduciary Net Position					
Plan Fiduciary Net Position – beginning	$47,919,739	$54,507,492	$53,423,166	$52,791,683	$55,575,347
Contributions – employer	1,173,800	1,062,800	1,439,900	1,485,700	3,013,800
Contributions – non-employer	0	0	0	0	0
Contributions – member	1,333,635	1,268,695	1,278,678	1,357,689	1,294,661
Net investment income	6,583,284	(34,881)	588,570	4,166,573	5,217,727
Actual benefit payments	(2,397,725)	(3,254,047)	(3,746,129)	(4,068,848)	(3,994,768)
Net member reassignments	0	0	0	0	0
Administrative expense	(105,241)	(126,893)	(192,502)	(157,450)	(87,667)
Other	0	0	0	0	0
Net change in Plan Fiduciary Net Position	6,587,753	(1,084,326)	(631,483)	2,783,664	5,443,753
(b) Plan Fiduciary Net Position - ending	$54,507,492	$53,423,166	$52,791,683	$55,575,347	$61,019,100
Net Pension Liability - ending, (a) - (b)	$10,828,948	$24,437,487	$32,241,521	$41,079,958	$42,264,835

Results prior to 2018 were produced by the prior actuary.

GASB NO. 67 AND GASB NO. 68: REQUIRED SUPPLEMENTAL INFORMATION

SCHEDULE OF THE NET PENSION LIABILITY

Fiscal Year Ending June 30	2019	2020	2021	2022	2023
Total Pension Liability	$110,081,262	$107,048,714	$117,022,520	$122,474,123	$126,749,070
Plan Fiduciary Net Position	65,522,813	67,875,761	85,868,925	80,035,129	81,585,169
Net Pension Liability	$44,558,449	$39,172,953	$31,153,595	$42,438,994	$45,163,901
Ratio of Plan Fiduciary Net Position to Total Pension Liability	59.52%	63.41%	73.38%	65.35%	64.37%
Covered-employee payroll [1]	$21,790,699	$23,988,963	$24,322,536	$24,577,320	$25,515,391
Net Pension Liability as a percentage of covered-employee payroll	204.48%	163.30%	128.09%	172.68%	177.01%

Fiscal Year Ending June 30	2014	2015	2016	2017	2018
Total Pension Liability	$65,336,440	$77,860,653	$85,033,204	$96,655,305	$103,283,935
Plan Fiduciary Net Position	54,507,492	53,423,166	52,791,683	55,575,347	61,019,100
Net Pension Liability	$10,828,948	$24,437,487	$32,241,521	$41,079,958	$42,264,835
Ratio of Plan Fiduciary Net Position to Total Pension Liability	83.43%	68.61%	62.08%	57.50%	59.08%
Covered-employee payroll [1]	$20,607,596	$21,144,991	$21,371,967	$22,634,637	$21,578,191
Net Pension Liability as a percentage of covered-employee payroll	52.55%	115.57%	150.86%	181.49%	195.87%

[1] As provided by INPRS.
Results prior to 2018 were produced by the prior actuary.

GASB NO. 67 AND GASB NO. 68: REQUIRED SUPPLEMENTAL INFORMATION

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ending June 30	2019	2020	2021	2022	2023
Actuarially Determined Contribution [1]	$3,543,168	$4,608,280	$5,042,062	$4,011,019	$4,352,926
Actual employer contributions	$3,215,600	$4,232,219	$4,401,508	$4,044,194	$4,155,409
Annual contribution (deficiency) / excess	($327,568)	($376,061)	($640,554)	$33,175	($197,517)
Covered-employee payroll [2]	$21,790,699	$23,988,963	$24,322,536	$24,577,320	$25,515,391
Actual contributions as a percentage of covered-employee payroll	14.76%	17.64%	18.10%	16.45%	16.29%

Fiscal Year Ending June 30	2014	2015	2016	2017	2018
Actuarially Determined Contribution [1]	$2,345,144	$1,418,829	$1,380,629	$2,148,027	$2,533,280
Actual employer contributions	$1,173,800	$1,062,800	$1,439,900	$1,485,700	$3,013,800
Annual contribution (deficiency) / excess	($1,171,344)	($356,029)	$59,271	($662,327)	$480,520
Covered-employee payroll [2]	$20,607,596	$21,144,991	$21,371,967	$22,634,637	$21,578,191
Actual contributions as a percentage of covered-employee payroll	5.70%	5.03%	6.74%	6.56%	13.97%

[1] Actuarially determined contribution rate was developed in the actuarial funding valuation completed one year prior to the fiscal year. This rate was applied to the actual covered employee payroll for the fiscal year to determine the contribution amount.

[2] As provided by INPRS.

Results prior to 2018 were produced by the prior actuary.

GASB NO. 67 AND GASB NO. 68: REQUIRED SUPPLEMENTAL INFORMATION

SCHEDULE OF MONEY-WEIGHTED RETURNS

For Fiscal Year Ending June 30	Money-Weighted Return
2023	2.5%
2022	(6.4%)
2021	25.5%
2020	2.6%
2019	7.3%
2018	9.3%
2017	7.9%
2016	1.1%
2015	(0.1%)
2014	13.7%

Returns were provided by INPRS.

Appendix **Page**

MEMBER DATA RECONCILIATION
For June 30, 2022 Data used in the June 30, 2023 Valuation

	Active Members	Inactive Vested	Inactive Nonvested	Disabled	Retired	Beneficiary	Total
1. As of June 30, 2021	**200**	**91**	**142**	**3**	**175**	**23**	**634**
2. Data Adjustments							
New Participants	8	0	0	0	0	0	8
Rehires	13	(11)	(2)	0	0	0	0
Terminations:							
Not Vested	(8)	0	8	0	0	0	0
Deferred Vested	(2)	2	0	0	0	0	0
Disability	0	0	0	0	0	0	0
Retirements	(1)	(4)	0	0	5	0	0
Refund / Benefits Ended	0	(2)	(7)	0	0	0	(9)
Deaths:							
With Beneficiary	0	(1)	0	0	(7)	8	0
Without Beneficiary	0	0	(1)	0	(1)	(3)	(5)
Entitled to Future Benefit	0	0	0	0	0	0	0
Data Corrections	0	0	0	0	0	0	0
Net Change	10	(16)	(2)	0	(3)	5	(6)
3. As of June 30, 2022 [1]	**210**	**75**	**140**	**3**	**172**	**28**	**628**

[1] The valuation results were calculated using the prior year's census data and were adjusted for certain activity during fiscal year. Includes 1 Inactive Nonvested Deceased member in the Inactive Nonvested count.

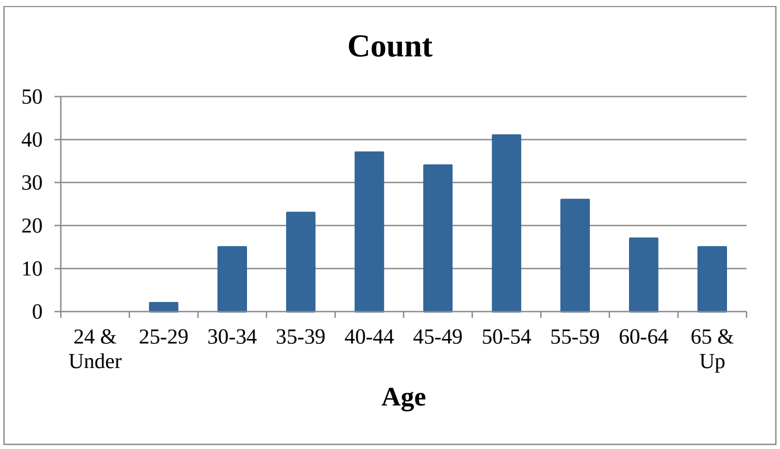
SUMMARY OF MEMBERSHIP DATA

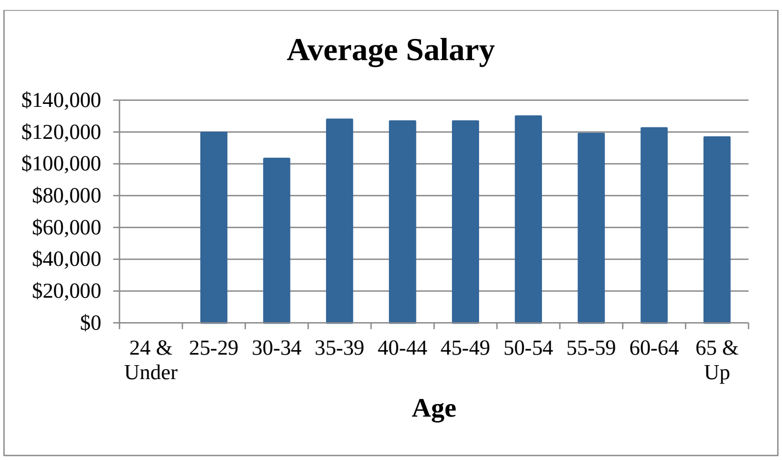
	June 30, 2022	June 30, 2023	% Change
Date of Membership Data [1]	June 30, 2021	June 30, 2022	
ACTIVE MEMBERS			
Number of Active Members	200	210	5.0%
Annual Membership Data Salary	24,799,968	25,965,499	4.7%
Anticipated Covered Pay for Next Fiscal Year [2]	25,395,745	27,505,591	8.3%
Active Member Averages			
Age	47.6	48.8	2.5%
Service	8.3	9.6	15.7%
Annual Membership Data Salary	$ 124,000	$ 123,645	(0.3%)
INACTIVE MEMBERS			
Number of Members			
Inactive Vested	91	75	(17.6%)
Inactive Non-Vested	142	140	(1.4%)
Total	233	215	(7.7%)
Inactive Vested Member Averages			
Age	55.9	55.5	(0.7%)
Service	14.5	13.9	(4.5%)
RETIREES, DISABLEDS, AND BENEFICIARIES			
Number of Members			
Retired	175	172	(1.7%)
Disabled	3	3	0.0%
Beneficiaries	23	28	21.7%
Total	201	203	1.0%
Annual Benefits			
Retired	$ 4,996,689	$ 4,895,607	(2.0%)
Disabled	128,199	128,199	0.0%
Beneficiaries	278,049	410,036	47.5%
Total	$ 5,402,937	$ 5,433,842	0.6%

[1] The valuation results were calculated using the prior year's census data and were adjusted for certain activity during fiscal year.
[2] Actual pay for contributing members with less than 22 years of service for the fiscal year ending on the valuation date, rolled forward at the known pay increase of 7.80%.

ACTIVE MEMBERS
As of June 30, 2022 for the June 30, 2023 Valuation

	Count of Members			FY 2022 Annual Membership Data Salary		
Age	Male	Female	Total	Male	Female	Total
24 & Under	0	0	0	$ 0	$ 0	$ 0
25-29	2	0	2	239,206	0	239,206
30-34	10	5	15	1,160,448	387,134	1,547,582
35-39	10	13	23	1,306,857	1,633,288	2,940,145
40-44	22	15	37	2,876,485	1,811,149	4,687,634
45-49	30	4	34	3,857,546	449,473	4,307,019
50-54	33	8	41	4,247,244	1,075,626	5,322,870
55-59	19	7	26	2,402,534	688,911	3,091,445
60-64	16	1	17	2,049,411	31,023	2,080,434
65 & Up	13	2	15	1,430,224	318,940	1,749,164
Total	155	55	210	$ 19,569,955	$ 6,395,544	$ 25,965,499



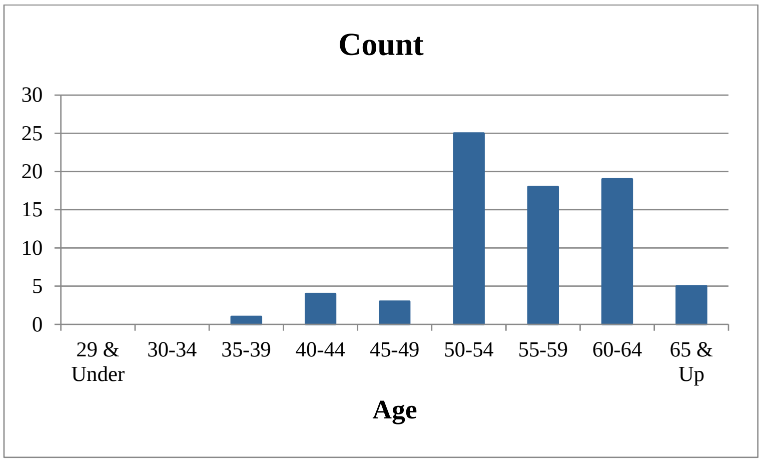


AGE AND SERVICE DISTRIBUTION
As of June 30, 2022 for the June 30, 2023 Valuation

Age		0-4	5-9	10-14	15-19	20-24	25-29	30-34	Over 34	Total
24 & Under	Number	0	0	0	0	0	0	0	0	0
	Total Salary	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
	Average Sal.	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
25-29	Number	2	0	0	0	0	0	0	0	2
	Total Salary	$ 239,206	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 239,206
	Average Sal.	$ 119,603	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 119,603
30-34	Number	12	3	0	0	0	0	0	0	15
	Total Salary	$ 1,148,906	$ 398,676	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 1,547,582
	Average Sal.	$ 95,742	$ 132,892	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 103,172
35-39	Number	15	6	2	0	0	0	0	0	23
	Total Salary	$ 1,863,721	$ 797,351	$ 279,073	$ 0	$ 0	$ 0	$ 0	$ 0	$ 2,940,145
	Average Sal.	$ 124,248	$ 132,892	$ 139,537	$ 0	$ 0	$ 0	$ 0	$ 0	$ 127,832
40-44	Number	18	12	5	2	0	0	0	0	37
	Total Salary	$ 2,161,628	$ 1,674,437	$ 676,950	$ 174,619	$ 0	$ 0	$ 0	$ 0	$ 4,687,634
	Average Sal.	$ 120,090	$ 139,536	$ 135,390	$ 87,310	$ 0	$ 0	$ 0	$ 0	$ 126,693
45-49	Number	9	8	10	7	0	0	0	0	34
	Total Salary	$ 1,002,312	$ 987,917	$ 1,320,900	$ 995,890	$ 0	$ 0	$ 0	$ 0	$ 4,307,019
	Average Sal.	$ 111,368	$ 123,490	$ 132,090	$ 142,270	$ 0	$ 0	$ 0	$ 0	$ 126,677
50-54	Number	10	10	9	8	4	0	0	0	41
	Total Salary	$ 1,098,087	$ 1,354,698	$ 1,316,064	$ 1,075,626	$ 478,395	$ 0	$ 0	$ 0	$ 5,322,870
	Average Sal.	$ 109,809	$ 135,470	$ 146,229	$ 134,453	$ 119,599	$ 0	$ 0	$ 0	$ 129,826
55-59	Number	4	4	7	4	7	0	0	0	26
	Total Salary	$ 450,835	$ 558,187	$ 916,156	$ 558,146	$ 608,121	$ 0	$ 0	$ 0	$ 3,091,445
	Average Sal.	$ 112,709	$ 139,547	$ 130,879	$ 139,537	$ 86,874	$ 0	$ 0	$ 0	$ 118,902
60-64	Number	2	3	1	4	7	0	0	0	17
	Total Salary	$ 279,072	$ 438,543	$ 126,533	$ 558,146	$ 678,140	$ 0	$ 0	$ 0	$ 2,080,434
	Average Sal.	$ 139,536	$ 146,181	$ 126,533	$ 139,537	$ 96,877	$ 0	$ 0	$ 0	$ 122,378
65 & Up	Number	2	1	1	6	5	0	0	0	15
	Total Salary	$ 318,942	$ 71,761	$ 159,469	$ 765,454	$ 433,538	$ 0	$ 0	$ 0	$ 1,749,164
	Average Sal.	$ 159,471	$ 71,761	$ 159,469	$ 127,576	$ 86,708	$ 0	$ 0	$ 0	$ 116,611
Total	Number	74	47	35	31	23	0	0	0	210
	Total Salary	$ 8,562,709	$ 6,281,570	$ 4,795,145	$ 4,127,881	$ 2,198,194	$ 0	$ 0	$ 0	$ 25,965,499
	Average Sal.	$ 115,712	$ 133,650	$ 137,004	$ 133,157	$ 95,574	$ 0	$ 0	$ 0	$ 123,645

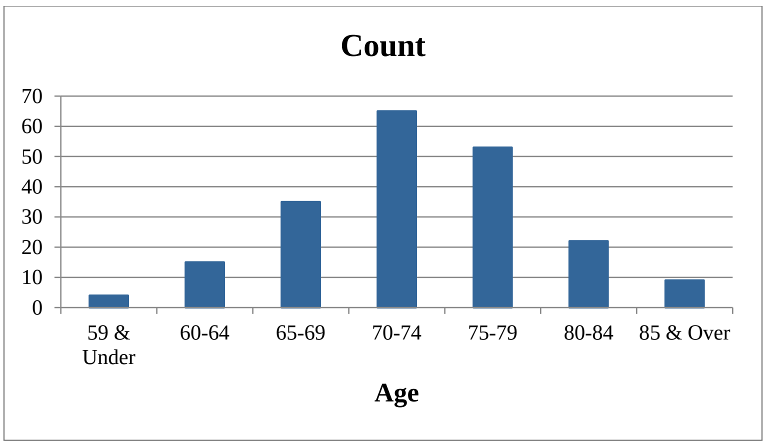
INACTIVE VESTED MEMBERS
As of June 30, 2022 for the June 30, 2023 Valuation

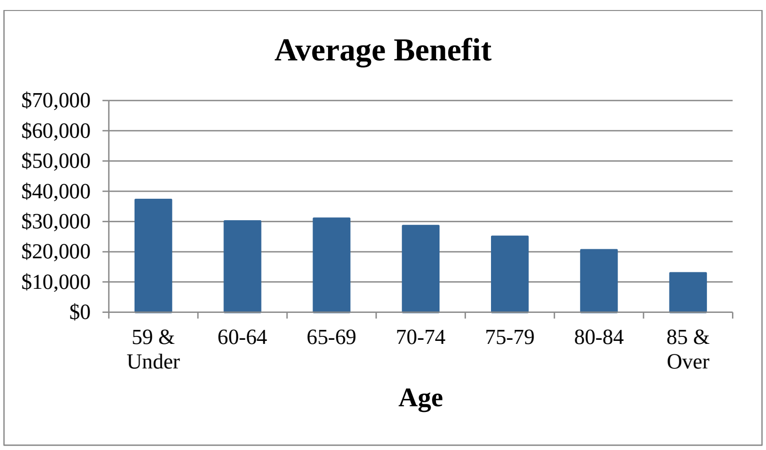
	Count of Members		
Age	Male	Female	Total
29 & Under	0	0	0
30-34	0	0	0
35-39	0	1	1
40-44	4	0	4
45-49	3	0	3
50-54	18	7	25
55-59	11	7	18
60-64	15	4	19
65 & Up	5	0	5
Total	56	19	75



MEMBERS AND BENEFICIARIES RECEIVING BENEFITS
As of June 30, 2022 for the June 30, 2023 Valuation

	Count of Members			Annual Benefits		
Age	Male	Female	Total	Male	Female	Total
59 & Under	1	3	4	$ 77,872	$ 70,865	$ 148,737
60-64	12	3	15	393,716	57,759	451,475
65-69	25	10	35	894,529	191,132	1,085,661
70-74	52	13	65	1,606,609	248,567	1,855,176
75-79	43	10	53	1,133,770	190,512	1,324,282
80-84	20	2	22	438,445	13,440	451,885
85 & Over	5	4	9	81,729	34,897	116,626
Total	158	45	203	$ 4,626,670	$ 807,172	$ 5,433,842





MEMBERS AND BENEFICIARIES RECEIVING BENEFITS
As of June 30, 2022 for the June 30, 2023 Valuation

Schedule of Average Benefit Payments [1]

	Years of Credited Service						
For the Year Ended June 30, 2023	< 10	10 - 14	15 - 19	20 - 24	25 - 29	30 +	Total
Average Monthly Defined Benefit	$1,353	$1,847	$2,406	$2,739	$3,100	$2,463	$2,231
Average Final Average Salary [2]	$86,437	$74,978	$91,426	$98,759	$117,542	$127,002	$90,187
Number of Benefit Recipients	18	73	48	35	17	12	203

Schedule of Benefit Recipients by Type of Benefit Option [1]

	Number of Recipients by Benefit Option			
Amount of Monthly Benefit (in dollars)	Joint with 50% Survivor Benefits	Survivors	Disability	Total Benefit Recipients
1 - 500	6	5	0	11
501 - 1,000	23	10	0	33
1,001 - 1,500	26	5	0	31
1,501 - 2,000	21	3	1	25
2,001 - 2,500	21	3	0	24
2,501 - 3,000	22	1	1	24
Over 3,000	53	1	1	55
Total	172	28	3	203

[1] Calculated using the prior year census data, adjusted for certain activity during the fiscal year.
[2] Excludes the 15 in-pay members who are missing a final average salary in the data.

MEMBERS AND BENEFICIARIES RECEIVING BENEFITS
As of June 30, 2022 for the June 30, 2023 Valuation

	Added to Rolls		Removed from Rolls		Rolls - End of Year				
	Number	Annual Benefits [1]	Number	Annual Benefits [1]	Number	Total Annual Benefits [1, 2]	Percent Change In Total Annual Benefits	Average Annual Benefit	Percent Change In Average Annual Benefit
2023 [3]	6	$136	4	$33	203	$5,434	0.6%	$26,768	(0.4%)
2022 [3]	16	514	0	0	201	5,403	9.4	26,880	0.7
2021 [3]	19	595	3	63	185	4,940	10.0	26,703	0.5
2020 [3]	18	632	1	20	169	4,489	15.3	26,563	3.7
2019 [3]	9	168	2	25	152	3,892	3.8	25,605	(1.0)
2018 [3]	9	307	2	28	145	3,749	7.9	25,853	2.7
2017 [3]	5	140	0	0	138	3,474	4.3	25,176	0.5
2016 [3]	26	937	0	0	133	3,332	39.1	25,056	11.9
2015 [3]	14	319	2	14	107	2,395	14.0	22,385	1.2
2014 [3]	0	0	0	0	95	2,101	0.0	22,118	0.0

[1] Annual benefit dollar amounts are in thousands.
[2] End of year annual benefits are not equal to prior end of year annual benefits plus additions less removals due to beneficiary benefit changes, data changes, and COLA increases.
[3] The valuation results were calculated using the prior year census data, adjusted for certain activity during the fiscal year.

Definitions

Fiscal year	Twelve month period ending June 30.
Participation	All individuals serving as a prosecuting attorney or chief deputy prosecuting attorney in Indiana on or after January 1, 1990.
Earnings	Earnings is the highest annual salary attributable to service as a prosecuting attorney or chief deputy at the time of separation from service. The highest annual salary is the sum of the highest completed consecutive 12 months of salary paid to the member before retirement. It also includes the 6% contributions that are now picked up by the employer (effective in 2013). Amounts paid to a participant by a county or counties are not included.
Member contributions	Each member is required to contribute to the Fund at the rate of 6% of pay until completion of 22 year of service. These contributions are kept on deposit and credited with interest until such time as they are refunded or used to provide the annuity benefit at retirement. This interest crediting rate is established annually by the board. It is based on the 10-Year Treasury Yield, an average of January through March month-end 10-year US Treasury Note yields in the current year.
PERF offset	The PERF offset is the actual PERF benefit amount the member is receiving for members who commence their PERF benefit before their PARF benefit.

Eligibility for Benefits

Deferred vested	8 or more years of creditable service and no longer active.
Disability retirement	Qualify for Social Security disability benefits or federal Civil Service disability benefits.
Early retirement	Age 62 with 8 or more years of creditable service.
Normal retirement	Earliest of: - Age 65 with 8 or more years of creditable service. - Age 55 with sum of age and creditable service equal to 85 or more.
Pre-retirement death	8 or more years of creditable service entitled to a future benefit.

Monthly Benefits Payable

Normal retirement

The normal retirement benefit is a monthly annuity payable for life with a 50% continuation (or $12,000 annually, if greater) to a surviving spouse or surviving dependent children. The benefit is equal to a percentage of earnings in accordance with the following table:

Years of Service	Percentage
Less than 8	0%
8	24%
9	27%
10	30%
11	33%
12	50%
13	51%
14	52%
15	53%
16	54%
17	55%
18	56%
19	57%
20	58%
21	59%
22 or more	60%

The percentages shown above are prorated for partial years of creditable service.

The benefit is reduced by the pension, if any, being paid from PERF (annuity payments from the DC account are not included in this calculation).

Early retirement

The early retirement benefit is the accrued retirement benefit determined as of the early retirement date and payable commencing at the normal retirement date. A participant may elect to have the benefit commence prior to normal retirement provided the benefit is reduced by 0.25% for each month that the benefit commencement date precedes the normal retirement date. The benefit is reduced by the pension, if any, being paid from PERF.

Deferred retirement

The termination benefit is the accrued retirement benefit determined as of the termination date and payable commencing as of the normal retirement date. The participant may elect to receive a reduced early retirement benefit. The benefit is reduced by the pension, if any, being paid from PERF.

Disability

The disability retirement benefit is payable for the duration of the disability commencing the month following disability date without reduction for early commencement. The amount of monthly benefit shall be equal to a percentage of the annual salary paid to the member at the time of separation from service in accordance with the following table:

Years of Service	Percentage
Less than 12	50%
12	50%
13	51%
14	52%
15	53%
16	54%
17	55%
18	56%
19	57%
20	58%
21	59%
22 or more	60%

The percentages shown above are prorated for partial years of creditable service.

The benefit is reduced by the pension, if any, being paid from PERF (annuity payments from the DC account are not included in this calculation).

Death

The spouse or dependent beneficiary is entitled to receive 50% of the monthly life annuity the participant was receiving or was entitled to receive (or $12,000 annually, if greater) under the assumption that the participant retired on the later of age 62 or the day before the date of death. The benefit is reduced by the pension, if any, being paid from PERF to the surviving spouse. Annuity payments from the DC account are not included in this calculation.

Forms of payment

a. Single life annuity

Member will receive a monthly benefit for life, but there are no monthly payments to anyone after death.

b. Joint with one-half survivor benefits

Member will be paid a monthly benefit for life. After death, one-half (1/2) of the benefit will be paid to the spouse for their lifetime or the dependent until age 18 unless disabled. If the dependent child was named the beneficiary, once they are no longer entitled to the benefit, the spouse would receive the benefit for life.

Changes in Plan Provisions since the Prior Year – None.

ACTUARIAL METHODS

1. **Actuarial Cost Method**

   The actuarial cost method is Entry Age Normal - Level Percent of Payroll.

   The normal cost is calculated separately for each active member and is equal to the level percentage of payroll needed as an annual contribution from entry age to retirement age to fund projected benefits. The actuarial accrued liability on any valuation date is the accumulated value of such normal costs from entry age to the valuation date.

   For funding, gains and losses occurring from census experience different than assumed, assumption changes, and benefit changes are amortized over a 20-year period with level payments each year. A new gain or loss base is established each year based on the additional gain or loss during that year and that base is amortized over a new 20-year period (gain or loss bases established prior to June 30, 2016 were amortized over 30 years and will continue to be amortized over 30 -year period). However, when the plan is at or above 100% funded (based on Actuarial Value of Assets), the past amortization bases are considered fully amortized and a single amortization base equal to the surplus is amortized over a 30-year period with level payments each year. The purpose of the method is to give a smooth progression of the costs from year to year and, at the same time, provide for an orderly funding of the unfunded liabilities.

   For accounting, gains and losses occurring from census experience different than assumed and assumption changes are amortized into expense over the average expected future service of all plan participants. Gains and losses occurring from investment experience different than assumed are amortized into expense over a 5-year period. The effect of plan changes on the plan liability are fully recognized in expense in the year in which they occur.

   Member census data as of June 30, 2022 was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2022 and June 30, 2023. The valuation results from June 30, 2022 were rolled forward to June 30, 2023 to reflect benefit accruals during the year less benefits paid.

2. **Asset Valuation Method**

   The Actuarial Value of Assets smoothes the recognition of gains and losses on the Market Value of Assets over five years, subject to a 20% corridor.

3. **Anticipated Payroll**

   The anticipated payroll for the fiscal year following the valuation date is equal to the actual payroll during the year ending on the valuation date, increased with the actual pay adjustment as of the valuation date. The proportion of pay attributable to active members with more than 22 years of service is presumed constant.

4. **Employer Contribution Rate**

   Based on the assumptions and methods previously described, an actuarially determined contribution amount is computed for each employer. The Board considers this information when requesting funds from the State.

Changes in Methods since the Prior Year – None.

ACTUARIAL ASSUMPTIONS

Valuation Date	June 30, 2023

Economic Assumptions

1. Investment return	6.25% per year, compounded annually (net of administrative and investment expenses)
2. Inflation	2.00% per year
3. Salary increase	2.65% per year
4. Interest on member balances	3.30% per year
5. Cost-of-Living Adjustment (COLA)	None

Demographic Assumptions

1. Mortality

Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2019.

Healthy Employees – General Employee table with a 1 year setback for males and a 1 year setback for females.

Retirees – General Retiree table with a 1 year setback for males and a 1 year setback for females.

Beneficiaries – Contingent Survivor table with no set forward for males and a 2 year set forward for females.

Disableds – General Disabled table with a 140% load.

2. Disability

	Sample Rates	
Age	**Male**	**Female**
20	0.004%	0.003%
25	0.008%	0.006%
30	0.014%	0.010%
35	0.024%	0.018%
40	0.042%	0.032%
45	0.080%	0.061%
50	0.160%	0.124%
55+	0.300%	0.200%

3. Retirement

Age	Eligible for **Reduced** Benefit	Eligible for **Unreduced** Benefit
55-61	N/A	40%
62-64	20%	40%
65-69	N/A	50%
70+	N/A	100%

Inactive vested members are assumed to commence their retirement benefit at their earliest unreduced eligible retirement date (age 62, or current age if greater).

4. Termination

10% per year for all members prior to retirement eligibility.

Other Assumptions

1. Form of payment

Members are assumed to elect either a single life annuity or a 50% joint survivor benefit based on the marriage assumptions below.

2. Marital status

a. Percent married

90% of participants are assumed either to be married or to have a dependent beneficiary.

b. Spouse's age

Male members are assumed to be three (3) years older than their spouses and female members are assumed to be two (2) years younger than their spouses.

3. Decrement timing

Decrements are assumed to occur at the beginning of the year.

4. PERF benefit commencement timing

For active and inactive vested members, 75% are assumed to commence their benefit at earliest PERF eligibility and 25% are assumed to commence at the assumed PARF commencement.

Elected officials can commence their PERF benefit while active in PARF. Non-elected officials need to terminate their employment prior to commence their PERF benefit.

Changes in Assumptions since the Prior Year

None.

Data Adjustments

Active and retired member data is reported as of June 30. Member census data as of June 30, 2022 was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2022 and June 30, 2023. Standard actuarial roll-forward techniques were then used to project the total pension liability computed as of June 30, 2022 to the June 30, 2023 measurement date.

The member total payroll and the asset information for this valuation were furnished as of June 30, 2023. We did not audit the information provided, but we did review it thoroughly for reasonableness and compared it with the prior year's submission for consistency.

Spouse gender is assumed to be the opposite gender of the member. Additionally, payroll for new hires is annualized.

Other Technical Valuation Procedures

Salary increases are assumed to apply to annual amounts.

Decrements are assumed to occur at the beginning of the year. Standard adjustments are made for multiple decrements.

No actuarial liability is included for participants who terminated without being vested prior to the valuation date, except those due a refund of contributions.

Accrued Service	Service credited under the system that was rendered before the date of the actuarial valuation.
Actuarial Assumptions	Estimates of future experience with respect to demographic or economic events. Demographic assumptions (rates of mortality, disability, turnover and retirement) are generally based on past experience, often modified for projected changes in conditions. Economic assumptions (salary increases and investment income) consist of an underlying rate in an inflation-free environment plus a provision for a long-term average rate of inflation.
Actuarial Cost Method	A mathematical budgeting procedure for allocating the dollar amount of the actuarial present value of retirement system benefits between future normal cost and actuarial accrued liability. Sometimes referred to as the "actuarial funding method."
Actuarial Equivalent	A single amount or series of amounts of equal value to another single amount or series of amounts computed on the basis of a given set of actuarial assumptions.
Actuarial Accrued Liability	The difference between the actuarial present value of system benefits and the actuarial value of future normal costs. Also referred to as "accrued liability" or "actuarial liability."
Actuarial Present Value	The amount of funds currently required to provide a payment or series of payments in the future. It is determined by discounting future payments at predetermined rates of interest and by probabilities of payment.
Amortization	Paying off an interest-discounted amount with periodic payments of interest and principal, as opposed to paying off with lump sum payment.
Experience Gain (Loss)	The difference between actual experience and actuarial assumptions anticipated experience during the period between two actuarial valuation dates.
Normal Cost	The actuarial present value of retirement system benefits allocated to the current year by the actuarial cost method.
Unfunded Actuarial Accrued Liability	The difference between actuarial liability and the actuarial value of assets. Sometimes referred to as "unfunded accrued liability" or "unfunded liability". Most retirement systems have unfunded actuarial liability. They arise anytime new benefits are added and anytime an actuarial loss is realized.