



Employees' Retirement System of Alabama
GASB Statement 67 Information as of September 30, 2022
(\$ in Thousands)

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
System's net pension liability	\$10,468,835	\$8,657,788	\$6,628,370

Paragraph 31(c): September 30, 2021 is the actuarial valuation date upon which the TPL is based. An expected TPL is determined as of September 30, 2022, using standard roll forward techniques for the TPL. The roll forward calculations add the annual normal cost (also called the service cost), subtract the actual benefit payments and refunds for the plan year and then apply the expected investment rate of return for the year. In addition, we have determined an expected TPL as of September 30, 2022, based on the TPL roll-forward in the September 30, 2021 GASB 67 report. The difference between this amount and the roll-forward of the actual TPL before any benefit or assumption changes is reflected as an experience gain or loss for the year. We have also determined an expected TPL as of September 30, 2022, after reflecting Act 2022-348, Act 2022-351, and Act 2022-184. The difference between this amount and the roll-forward of the actual TPL before any benefit or assumption changes is reflected as a benefit change gain or loss for the year. These procedures are shown in the following table:



TPL Roll-Forward (\$ in Thousands)			
	<u>Expected</u>	<u>Actual Before Plan</u> <u>Changes</u>	<u>Actual After Plan</u> <u>Changes</u>
(a) TPL as of September 30, 2021	\$21,063,964	21,106,297	\$21,124,945
(b) Expected Rate of Return	7.45%	7.45%	7.45%
(c) Entry Age Normal Cost* for the Year October 1, 2021 - September 30, 2022	400,919	400,919	402,495
(d) Actual Benefit Payments (including refunds) for the Year October 1, 2021 – September 30, 2022	1,392,433	1,392,433	1,392,433
(e) TPL as of September 30, 2022 =[(a) x (1+(b))] + (c) – [(d) x (1+0.5x(b))]	\$21,589,847	\$21,635,334	\$21,656,947
(f) Difference between Expected and Actual Experience (Gain)/Loss		\$45,487	
(g) Difference between Actual TPL Before and After Plan Changes-Benefit Change (Gain)/Loss			\$21,613

*Also called the Service Cost



SCHEDULE A

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY
GASB 67 Paragraph 32(a)
(\$ in Thousands)**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total pension liability										
Service Cost*	\$ 298,985	\$ 346,440	\$ 308,840	\$ 325,138	\$ 307,064	\$ 315,841	\$ 329,995	\$ 348,684	\$ 400,919	
Interest	1,164,853	1,199,079	1,233,415	1,271,712	1,303,322	1,329,988	1,407,878	1,466,595	1,517,397	
Benefit changes	-	-	-	-	-	-	71,320	39,193	21,613	
Difference between expected and actual experience	-	(35,546)	101	(64,111)	(79,478)	24,803	243,909	96,894	45,487	
Changes of assumptions	-	-	544,310	-	87,608	-	-	726,196	-	
Benefit payments	(948,645)	(1,023,732)	(1,043,293)	(1,056,006)	(1,102,478)	(1,123,150)	(1,215,223)	(1,268,499)	(1,331,069)	
Refunds of contributions	(49,767)	(49,865)	(44,660)	(46,374)	(44,890)	(55,478)	(45,303)	(52,064)	(61,364)	
New unit City of Montgomery							560,498			
Net change in total pension liability	465,426	436,376	998,713	430,359	471,148	492,004	1,353,074	1,356,999	592,983	
Total pension liability - beginning	\$ 15,059,865	\$ 15,525,291	\$ 15,961,667	\$ 16,960,380	\$ 17,390,739	\$ 17,861,887	\$ 18,353,891	\$ 19,706,965	\$ 21,063,964	
Total pension liability - ending (a)	\$ 15,525,291	\$ 15,961,667	\$ 16,960,380	\$ 17,390,739	\$ 17,861,887	\$ 18,353,891	\$ 19,706,965	\$ 21,063,964	\$ 21,656,947	
Components of Plan Fiduciary Net Position reserved to fund Total Pension Liability										
Contributions - employer	\$ 379,163	\$ 411,087	\$ 435,243	\$ 426,369	\$ 426,340	\$ 467,553	\$ 519,806	\$ 516,402	\$ 562,109	
Contributions - member	226,015	229,254	238,017	233,901	241,741	254,440	270,947	286,396	310,159	
Contributions - new unit City of Montgomery	-	-	-	-	-	-	344,352	-	-	
Other	-	68,897	-	-	(7,481)	-	-	-	165	
Net investment income/(loss)	1,183,377	126,335	1,052,886	1,402,009	1,098,412	320,585	724,025	2,861,199	(1,945,460)	
Benefit payments	(948,645)	(1,023,732)	(1,043,293)	(1,056,006)	(1,102,478)	(1,123,150)	(1,215,223)	(1,268,499)	(1,331,069)	
Refunds of contributions	(49,767)	(49,865)	(44,660)	(46,374)	(44,890)	(55,478)	(45,303)	(52,064)	(61,364)	
Administrative Expenses	-	(13,182)	(13,023)	(14,502)	(13,763)	(15,829)	(16,539)	(14,496)	(14,857)	
Net change in plan fiduciary net position	790,143	(251,206)	625,170	945,397	597,881	(151,879)	582,065	2,328,938	(2,480,317)	
Plan fiduciary net position - beginning	\$ 10,012,967	\$ 10,803,110	\$ 10,551,904	\$ 11,177,074	\$ 12,122,471	\$ 12,720,352	\$ 12,568,473	\$ 13,150,538	\$ 15,479,476	
Plan fiduciary net position - ending (b)	\$ 10,803,110	\$ 10,551,904	\$ 11,177,074	\$ 12,122,471	\$ 12,720,352	\$ 12,568,473	\$ 13,150,538	\$ 15,479,476	\$ 12,999,159	
Net pension liability - ending (a) - (b)	\$ 4,722,181	\$ 5,409,763	\$ 5,783,306	\$ 5,268,268	\$ 5,141,535	\$ 5,785,418	\$ 6,556,427	\$ 5,584,488	\$ 8,657,788	



SCHEDULE OF THE NET PENSION LIABILITY
GASB 67 Paragraph 32(b)
(\$ in Thousands)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total pension liability	\$ 15,525,291	\$ 15,961,667	\$ 16,960,380	\$ 17,390,739	\$ 17,861,887	\$ 18,353,891	\$ 19,706,965	\$ 21,063,964	\$ 21,656,947		
Plan fiduciary net position	10,803,110	10,551,904	11,177,074	12,122,471	12,720,352	12,568,473	13,150,538	15,479,476	12,999,159		
Net pension liability	\$ 4,722,181	\$ 5,409,763	\$ 5,783,306	\$ 5,268,268	\$ 5,141,535	\$ 5,785,418	\$ 6,556,427	\$ 5,584,488	\$ 8,657,788		
Plan Fiduciary Net Position as a % of the Total Pension Liability	69.58%	62.22%	65.90%	69.71%	71.22%	68.48%	66.73%	73.49%	60.02%		
Covered payroll*	\$ 3,511,115	\$ 3,556,282	\$ 3,592,658	\$ 3,680,078	\$ 3,692,241	\$ 3,789,556	\$ 4,003,430	\$ 4,124,367	\$ 4,185,892		
Net pension liability as a percentage of covered payroll	134.49%	180.20%	160.98%	143.16%	139.25%	152.67%	163.77%	135.40%	206.83%		

*Payroll from the annual actuarial valuation upon which the TPL is based, increased with assumed annual payroll growth