

The Police Retirement System of St. Louis

GASB 67/68 Report as of September 30, 2024

Produced by Cheiron

February 2025

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Letter Of Transmittal

February 26, 2025

Board of Trustees
The Police Retirement System of St. Louis
2020 Market Street
St. Louis, Missouri 63101

Dear Members of the Board:

The purpose of this report is to provide accounting and financial disclosure information under GASB 67 for the Police Retirement System of St. Louis and under GASB 68 for the City of St. Louis. This information includes:

- Determination of the discount rate as of September 30, 2024,
- Projection of the Total Pension Liability from the valuation date to the measurement date,
- Calculation of the Net Pension Liability at the discount rate as well as discount rates 1% higher and lower than the discount rate,
- Changes in the Net Pension Liability,
- Schedule of Employer Contributions,
- Disclosure of Deferred Inflows and Outflows, and
- Calculation of the Annual Pension Expense for the System.

If you have any questions about the report or would like additional information, please let us know.

Sincerely,
Cheiron

A handwritten signature in blue ink, reading "Michael J. Noble", is positioned above the printed name and title of the Principal Consulting Actuary.

Michael J. Noble, FSA, FCA, EA
Principal Consulting Actuary

A handwritten signature in blue ink, reading "Patrick T. Nelson", is positioned above the printed name and title of the Consulting Actuary.

Patrick T. Nelson, FSA, CERA, EA
Consulting Actuary

THE POLICE RETIREMENT SYSTEM OF ST. LOUIS
GASB 67 AND 68 REPORTING FOR SEPTEMBER 30, 2024 MEASUREMENT DATE

SECTION I – BOARD SUMMARY

The purpose of this report is to provide accounting and financial disclosure information under Governmental Accounting Standards Board Statements 67 and 68 for the Police Retirement System of St. Louis (System) and the City of St. Louis. This information includes:

- Determination of the discount rate as of September 30, 2024,
- Projection of the Total Pension Liability from the valuation date to the measurement date,
- Calculation of the Net Pension Liability at the discount rate as well as discount rates 1% higher and lower than the discount rate,
- Changes in the Net Pension Liability,
- Schedule of Employer Contributions,
- Disclosure of Deferred Inflows and Outflows, and
- Calculation of the Annual Pension Expense for the System.

Highlights

The reporting date for the Police Retirement System of St. Louis is September 30, 2024. Measurements as of the reporting date are based on the fair value of assets as of September 30, 2024, and the Total Pension Liability as of the valuation date, October 1, 2023, projected to September 30, 2024. There have been changes in actuarial assumptions since the prior measurement date which had the net effect of increasing the Net Pension Liability. Other than the change in assumptions, there were no significant events between the valuation date and the measurement date, so the update procedures only included the addition of service cost and interest cost offset by actual benefit payments, based on the revised assumptions.

The table below provides a summary of the key results during this reporting period.

Summary of Results			
		Measurement Date	
		September 30, 2024	September 30, 2023
Net Pension Liability	\$	245,703,332	\$ 340,523,913
Deferred Outflows		(7,967,641)	(51,311,048)
Deferred Inflows		48,453,612	9,897,415
Net Impact on Statement of Net Position	\$	286,189,303	\$ 299,110,280
Pension Expense (\$ Amount)	\$	27,267,964	\$ 44,240,453
Pension Expense (% of Payroll)		37.64%	60.66%

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SECTION I – BOARD SUMMARY

The Net Pension Liability (NPL) decreased approximately \$94.8 million since the prior measurement date, due to both an investment gain and assumption changes. Experience losses offset some of the decrease to the NPL. The investment gain is recognized over five years, while the actuarial loss and assumption changes are recognized over the average remaining service life, which is two years. Unrecognized amounts are reported as deferred inflows and deferred outflows. As of the end of the reporting year, the System and the City would report a Net Pension Liability of \$245,703,332, Deferred Inflows of \$48,453,612, and Deferred Outflows of \$7,967,641. Consequently, the net impact on the City's Statement of Net Position due to the System would be \$286,189,303 at the end of the reporting year. In addition, any contributions between the measurement date and the City's reporting date would be reported as deferred outflows to offset the cash outflow reported.

For the measurement year ending September 30, 2024, the annual pension expense is \$27,267,964 or 37.64% of covered-employee payroll. This amount is not equal to the City's contribution to the System (\$40,188,941), but instead represents the change in the net impact on the City's Statement of Net Position plus employer contributions (\$286,189,303 – \$299,110,280 + \$40,188,941). The pension expense for the current year is less than the expense for the prior year. Volatility in pension expense from year to year is to be expected. It will largely be driven by investment gains or losses, but other changes, such as changes in assumptions, can also have a significant impact. A breakdown of the components of the net pension expense is shown in the report.

THE POLICE RETIREMENT SYSTEM OF ST. LOUIS
GASB 67 AND 68 REPORTING FOR SEPTEMBER 30, 2024 MEASUREMENT DATE

SECTION II – CERTIFICATION

The purpose of this report is to provide accounting and financial reporting information under GASB 67 for the Police Retirement System of St. Louis and under GASB 68 for the City of St. Louis. This report is for the use of the Police Retirement System, the City of St. Louis, and their auditors in preparing financial reports in accordance with applicable law and accounting requirements. This report is not appropriate for other purposes, including the measurement of funding requirements for the System or estimating the price to settle the System's obligations.

In preparing our report, we relied on information (some oral and some written) supplied by the System. This information includes, but is not limited to, the plan provisions, employee data, and financial information. In accordance with the Actuarial Standard of Practice No. 23, *Data Quality*, we performed an informal examination of the obvious characteristics of the data for reasonableness and consistency and found the data to be appropriate for Actuarial Valuation purposes.

Future actuarial measurements may differ significantly from the current measurements 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; and changes in plan provisions or applicable law.

The membership data and plan provisions are the same as were described in the October 1, 2023 Actuarial Valuation Report. The actuarial assumptions, except for the blended discount rate described in Section III, are the same as are described in the October 1, 2023 actuarial valuation.

This report and its contents have been prepared in accordance with generally recognized and accepted actuarial principles and practices and our understanding of the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board, as well as applicable laws and regulations. Furthermore, as credentialed actuaries, we meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in this report. This report does not address any contractual or legal issues. We are not attorneys, and our firm does not provide any legal services or advice.

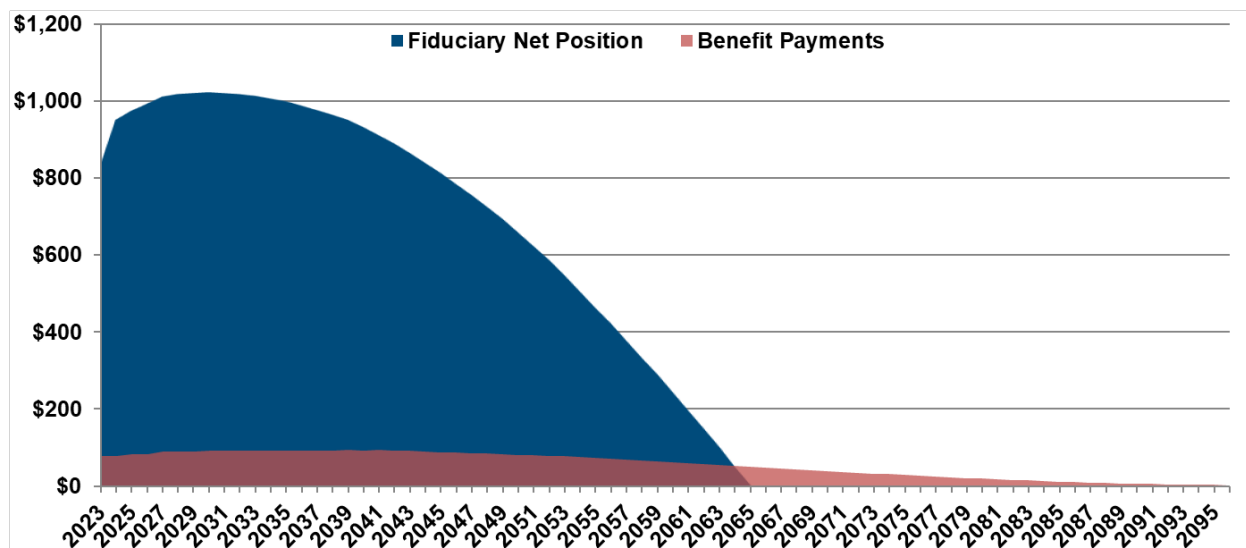
This report was prepared for the Police Retirement System of St. Louis for the purposes described herein and for the use by the Plan auditor in completing an audit related to the matters herein. Other users of this report are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to such other users.

THE POLICE RETIREMENT SYSTEM OF ST. LOUIS
GASB 67 AND 68 REPORTING FOR SEPTEMBER 30, 2024 MEASUREMENT DATE

SECTION III – DETERMINATION OF DISCOUNT RATE

The City's funding policy is to contribute exactly the Actuarially Determined Contribution annually. This contribution is equal to the employer's normal cost. The employer's normal cost is calculated according to the Aggregate Actuarial Cost Method and is equal to the actuarial present value of future benefits minus the sum of the actuarial value of assets and the present value of future employee contributions, funded over the present value of future salary for current participants.

The discount rate used to measure the Total Pension Liability is 6.49% which is a blend of the assumed long-term expected rate of return of 7.00% on System investments and a municipal bond index rate of 3.82% based on the Bond Buyer GO 20-Year Municipal Bond Index as of September 26, 2024. Following the procedures described in paragraphs 39 - 45 of GASB Statement 67, projections of the System's fiduciary net position have indicated that it is not expected to be sufficient to make projected benefit payments for current Plan members after 2065. Therefore, the portion of future projected benefit payments after 2065 are discounted at the municipal bond index rate. The results of these projections are shown in the chart below.



This discount rate is intended to be used for accounting and financial reporting but is not appropriate for estimating the price to settle the plan's liability.

A similar calculation was made as of September 30, 2023 and the fiduciary net position was expected to be sufficient to make projected benefit payments for current members until 2061. Thus using a blend of the assumed long-term expected rate of return of 7.00% on System investments and a municipal bond index rate of 4.09%, this calculation resulted in a blended discount rate of 6.44% as of September 30, 2023.

The projection of cash flows used to determine the discount rate assumed that employer contributions continued to be made in accordance with the contribution policy in effect for the October 1, 2023 actuarial valuation.

Appendix D shows the details of this calculation.

THE POLICE RETIREMENT SYSTEM OF ST. LOUIS
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SECTION IV – PROJECTION OF TOTAL PENSION LIABILITY

The Total Pension Liability (TPL) at the end of the measurement year, September 30, 2024, is measured as of a valuation date of October 1, 2023 and projected to September 30, 2024. There were no significant events during the projection period of which we are aware. Because the TPL shown in the prior report was measured as of September 30, 2022 and projected to September 30, 2023, as well as being determined using different actuarial assumptions, it will not match the amounts measured as of September 30, 2023 that are shown in this exhibit.

The table below shows the projection of the TPL at discount rates equal to the rate used for disclosure and plus and minus one percent from the rate used for disclosure.

Projection of Total Pension Liability from Valuation to Measurement Date						
Discount Rate	5.49%		6.49%		7.49%	
Valuation Total Pension Liability, September 30, 2023						
Actives	\$	288,262,485	\$	243,468,996	\$	208,025,167
DROP and Re-entered		182,326,663		163,962,765		148,889,356
Retirees		847,544,059		774,414,914		712,334,010
Total	\$	1,318,133,208	\$	1,181,846,676	\$	1,069,248,534
Service Cost		19,794,204		15,849,549		12,897,154
Benefit Payments		76,849,480		76,849,480		76,849,480
Interest		70,820,271		74,753,516		77,734,942
Total Pension Liability, September 30, 2024	\$	1,331,898,203	\$	1,195,600,261	\$	1,083,031,150

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SECTION V – NOTE DISCLOSURES

The table below shows the changes in the Total Pension Liability (TPL), the Plan Fiduciary Net Position (i.e., fair value of System assets), and the Net Pension Liability (NPL) during the Measurement Year.

Change in Net Pension Liability			
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances at September 30, 2023	\$ 1,173,077,311	\$ 832,553,398	\$ 340,523,913
Changes for the year:			
Service cost	16,020,419		16,020,419
Interest	73,618,042		73,618,042
Changes of benefits			0
Differences between expected and actual experience	15,935,283		15,935,283
Changes of assumptions	(6,201,314)		(6,201,314)
Contributions - employer		40,188,941	(40,188,941)
Contributions - member		4,930,601	(4,930,601)
Net investment income		150,774,484	(150,774,484)
Benefit payments	(76,849,480)	(76,849,480)	0
Administrative expense		(1,701,015)	1,701,015
Net changes	<u>22,522,950</u>	<u>117,343,531</u>	<u>(94,820,581)</u>
Balances at September 30, 2024	<u>\$ 1,195,600,261</u>	<u>\$ 949,896,929</u>	<u>\$ 245,703,332</u>

During the measurement year, the NPL decreased by approximately \$94.8 million. The service cost and interest cost increased the NPL by approximately \$89.6 million while contributions and investment returns, offset by administrative expenses, decreased the NPL by approximately \$194.2 million.

There were no changes in benefits during the year. There were actuarial experience losses during the year of approximately \$15.9 million. Assumption changes decreased the NPL by \$6.2 million.

Changes in the discount rate affect the measurement of the TPL. Lower discount rates produce a higher TPL, and higher discount rates produce a lower TPL. Because the discount rate does not affect the measurement of assets, the percentage change in the NPL can be very significant for a relatively small change in the discount rate. The table on the next page shows the sensitivity of the NPL to the discount rate.

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SECTION V – NOTE DISCLOSURES

Sensitivity of Net Pension Liability to Changes in Discount Rate			
	1% Decrease 5.49%	Discount Rate 6.49%	1% Increase 7.49%
Total Pension Liability	\$ 1,331,898,203	\$ 1,195,600,261	\$ 1,083,031,150
Plan Fiduciary Net Position	<u>949,896,929</u>	<u>949,896,929</u>	<u>949,896,929</u>
Net Pension Liability	<u>\$ 382,001,274</u>	<u>\$ 245,703,332</u>	<u>\$ 133,134,221</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71.3%	79.4%	87.7%

A one percent decrease in the discount rate increases the TPL by approximately 11.4% and increases the NPL by approximately 55.5%. A one percent increase in the discount rate decreases the TPL by approximately 9.4% and decreases the NPL by approximately 45.8%.

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SECTION VI – REQUIRED SUPPLEMENTARY INFORMATION

The schedules of Required Supplementary Information that show the changes in NPL and related ratios as required by GASB for the past ten years, are shown below.

Schedule of Changes in Net Pension Liability and Related Ratios					
	FYE 2024	FYE 2023	FYE 2022	FYE 2021	FYE 2020
<u>Total Pension Liability</u>					
Service cost (MOY)	\$ 16,020,419	\$ 15,119,984	\$ 16,376,468	\$ 20,487,163	\$ 18,188,606
Interest (includes interest on service cost)	73,618,042	73,777,467	73,349,139	71,739,532	72,663,853
Changes of benefit terms	0	0	0	0	0
Differences between expected and actual experience	15,935,283	(1,713,550)	(10,523,277)	(16,689,147)	(16,422,842)
Changes of assumptions	(6,201,314)	24,927,438	(16,598,645)	(5,578,712)	42,292,759
Benefit payments, including refunds of member contributions	(76,849,480)	(80,762,790)	(77,834,206)	(71,382,914)	(69,963,781)
Net change in total pension liability	\$ 22,522,950	\$ 31,348,549	\$ (15,230,521)	\$ (1,424,078)	\$ 46,758,595
Total pension liability - beginning	1,173,077,311	1,141,728,762	1,156,959,283	1,158,383,361	1,111,624,766
Total pension liability - ending	\$ 1,195,600,261	\$ 1,173,077,311	\$ 1,141,728,762	\$ 1,156,959,283	\$ 1,158,383,361
<u>Plan fiduciary net position</u>					
Contributions - employer	\$ 40,188,941	\$ 37,893,571	\$ 37,289,426	\$ 32,839,034	\$ 35,335,830
Contributions - member	4,930,601	4,512,743	5,172,235	5,898,084	6,169,551
Net investment income	150,774,484	79,801,713	(102,782,788)	167,232,266	43,802,433
Benefit payments, including refunds of member contributions	(76,849,480)	(80,762,790)	(77,834,206)	(71,382,914)	(69,963,781)
Administrative expense	(1,701,015)	(1,306,479)	(1,242,879)	(1,423,896)	(1,446,227)
Net change in plan fiduciary net position	\$ 117,343,531	\$ 40,138,758	\$ (139,398,212)	\$ 133,162,574	\$ 13,897,806
Plan fiduciary net position - beginning	832,553,398	792,414,640	931,812,852	798,650,278	784,752,472
Plan fiduciary net position - ending	\$ 949,896,929	\$ 832,553,398	\$ 792,414,640	\$ 931,812,852	\$ 798,650,278
Net pension liability - ending	\$ 245,703,332	\$ 340,523,913	\$ 349,314,122	\$ 225,146,431	\$ 359,733,083
Plan fiduciary net position as a percentage of the total pension liability	79.45%	70.97%	69.40%	80.54%	68.95%
Covered payroll	\$ 72,437,531	\$ 72,927,859	\$ 77,382,984	\$ 83,068,458	\$ 82,639,813
Net pension liability as a percentage of covered payroll	339.19%	466.93%	451.41%	271.04%	435.30%

	FYE 2019	FYE 2018	FYE 2017	FYE 2016	FYE 2015
<u>Total Pension Liability</u>					
Service cost (MOY)	\$ 15,678,890	\$ 16,369,318	\$ 17,988,134	\$ 12,617,971	\$ 12,977,679
Interest (includes interest on service cost)	71,309,613	68,899,130	66,042,714	67,036,489	66,579,275
Changes of benefit terms	0	0	0	0	0
Differences between expected and actual experience	22,854,628	(4,886,531)	3,911,067	(3,684,265)	(2,041,444)
Changes of assumptions	59,418,045	(59,545,809)	(55,153,649)	131,846,504	16,248,637
Benefit payments, including refunds of member contributions	(68,548,936)	(68,576,111)	(63,452,580)	(62,637,432)	(69,533,077)
Net change in total pension liability	\$ 100,712,240	\$ (47,740,003)	\$ (30,664,314)	\$ 145,179,267	\$ 24,231,070
Total pension liability - beginning	1,010,912,526	1,058,652,529	1,089,316,843	944,137,576	919,906,506
Total pension liability - ending	\$ 1,111,624,766	\$ 1,010,912,526	\$ 1,058,652,529	\$ 1,089,316,843	\$ 944,137,576
<u>Plan fiduciary net position</u>					
Contributions - employer	\$ 35,970,630	\$ 33,104,561	\$ 33,826,528	\$ 30,778,664	\$ 30,600,069
Contributions - member	5,228,438	5,129,154	4,653,968	4,376,867	4,487,942
Net investment income	17,514,881	51,089,258	93,520,079	52,927,643	(8,325,611)
Benefit payments, including refunds of member contributions	(68,548,936)	(68,576,111)	(63,452,580)	(62,637,432)	(69,533,077)
Administrative expense	(1,572,951)	(1,165,930)	(1,206,161)	(1,102,866)	(1,125,310)
Net change in plan fiduciary net position	\$ (11,407,938)	\$ 19,580,932	\$ 67,341,834	\$ 24,342,876	\$ (43,895,987)
Plan fiduciary net position - beginning	796,160,410	776,579,478	709,237,644	684,894,768	728,790,755
Plan fiduciary net position - ending	\$ 784,752,472	\$ 796,160,410	\$ 776,579,478	\$ 709,237,644	\$ 684,894,768
Net pension liability - ending	\$ 326,872,294	\$ 214,752,116	\$ 282,073,051	\$ 380,079,199	\$ 259,242,808
Plan fiduciary net position as a percentage of the total pension liability	70.60%	78.76%	73.36%	65.11%	72.54%
Covered payroll	\$ 82,494,022	\$ 76,710,452	\$ 76,141,625	\$ 72,684,487	\$ 72,325,153
Net pension liability as a percentage of covered payroll	396.24%	279.95%	370.46%	522.92%	358.44%

THE POLICE RETIREMENT SYSTEM OF ST. LOUIS
GASB 67 AND 68 REPORTING FOR SEPTEMBER 30, 2024 MEASUREMENT DATE

SECTION VI – REQUIRED SUPPLEMENTARY INFORMATION

If an Actuarially Determined Contribution is calculated, the following schedule is required. An Actuarially Determined Contribution is a contribution amount determined in accordance with Actuarial Standards of Practice.

Schedule of Employer Contributions					
	FYE 2024	FYE 2023	FYE 2022	FYE 2021	FYE 2020
Actuarially Determined Contribution	\$ 40,188,941	\$ 37,893,571	\$ 37,289,426	\$ 32,839,034	\$ 35,335,830
Contributions in Relation to the Actuarially Determined Contribution	<u>40,188,941</u>	<u>37,893,571</u>	<u>37,289,426</u>	<u>32,839,034</u>	<u>35,335,830</u>
Contribution Deficiency/(Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered Payroll	\$ 72,437,531	\$ 72,927,859	\$ 77,382,984	\$ 83,068,458	\$ 82,639,813
Contributions as a Percentage of Covered Payroll	55.48%	51.96%	48.19%	39.53%	42.76%

	FYE 2019	FYE 2018	FYE 2017	FYE 2016	FYE 2015
Actuarially Determined Contribution	\$ 35,970,630	\$ 33,104,561	\$ 33,826,528	\$ 30,778,664	\$ 30,600,069
Contributions in Relation to the Actuarially Determined Contribution	<u>35,970,630</u>	<u>33,104,561</u>	<u>33,826,528</u>	<u>30,778,664</u>	<u>30,600,069</u>
Contribution Deficiency/(Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered Payroll	\$ 82,494,022	\$ 76,710,452	\$ 76,141,625	\$ 72,684,487	\$ 72,325,153
Contributions as a Percentage of Covered Payroll	43.60%	43.16%	44.43%	42.35%	42.31%

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SECTION VI – REQUIRED SUPPLEMENTARY INFORMATION

Notes to Schedule

Valuation Date	October 1, 2023
Timing	Actuarially determined contribution rates are calculated based on the actuarial valuation at the beginning of the plan year
Key Methods and Assumptions Used to Determine Contribution Rates for 2024:	
Actuarial cost method	Aggregate
Amortization method	N/A
Asset valuation method	5-year smoothed market
Discount rate	7.00% net of investment expenses
Salary increases	Varies by age from 3.00% to 6.25%
Cost-of-living adjustments	2.50% per year
Inflation	2.50% per year
Mortality (Ordinary)	Pub-2010 Safety Employee Below-Median Income Weighted mortality, projected fully generationally with Scale MP-2020
Mortality (Accidental)	0.03% per year for all ages in addition to ordinary mortality
Mortality (Retiree)	Pub-2010 Safety Healthy Retiree Below-Median Income Weighted mortality, projected fully generationally with Scale MP-2020
Mortality (Disabled)	Pub-2010 Safety Disabled Retiree mortality, projected fully generationally with Scale MP-2020
Mortality (Beneficiaries)	Pub-2010 General Retiree Below-Median Income Weighted mortality, projected fully generationally with Scale MP-2020

THE POLICE RETIREMENT SYSTEM OF ST. LOUIS
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SECTION VII – EMPLOYER REPORTING AMOUNTS

The City of St. Louis was required to implement GASB 68 for its reporting date of June 30, 2015. The schedules in this section are provided for the City of St. Louis for its 2025 reporting.

The impact of experience gains or losses and assumption changes on the TPL are recognized in expense over the average expected remaining service life of all active and inactive members of the System. As of the measurement date, this recognition period was 2.23 years. The value rounded to the nearest year and used in this calculation was 2 years.

The impact of investment gains or losses is recognized over a period of five years.

The table below summarizes the current balances of deferred outflows and deferred inflows of resources along with the net recognition over the next five years.

Schedule of Deferred Inflows and Outflows of Resources		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 7,967,641	\$ 0
Changes in assumptions	0	3,100,657
Net difference between projected and actual earnings on pension plan investments	0	45,352,955
Total	\$ 7,967,641	\$ 48,453,612
Amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense as follows:		
Measurement year ended June 30:		
2025	\$ (7,369,346)	
2026	9,481,272	
2027	(23,868,689)	
2028	(18,729,208)	
2029	0	
Thereafter	0	

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SECTION VII – EMPLOYER REPORTING AMOUNTS

The table below provides details on the current balances of deferred inflows and outflows of resources along with the recognition of each base for each of the current and following five years, as well as the total for any years thereafter.

Detailed Schedule of Deferred Inflows and Outflows of Resources									
Recognition of Experience (Gains) and Losses									
Experience	Recognition	Total	Remaining Amounts		Recognition Year				
<u>Year</u>	<u>Period</u>	<u>Amount</u>	<u>BOY</u>	<u>EOY</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
2024	2.00	\$ 15,935,283	\$ 15,935,283	\$ 7,967,641	\$ 7,967,642	\$ 7,967,641	\$ 0	\$ 0	\$ 0
2023	2.00	(1,713,550)	(856,775)	0	(856,775)	0	0	0	0
2022	3.00	(10,523,277)	(3,507,759)	0	(3,507,759)	0	0	0	0
Deferred Outflows			\$ 15,935,283	\$ 7,967,641	\$ 7,967,642	\$ 7,967,641	\$ 0	\$ 0	\$ 0
Deferred Inflows			(4,364,534)	0	(4,364,534)	0	0	0	0
Net Change in Pension Expense			\$ 11,570,749	\$ 7,967,641	\$ 3,603,108	\$ 7,967,641	\$ 0	\$ 0	\$ 0
Recognition of Assumption Changes									
Experience	Recognition	Total	Remaining Amounts		Recognition Year				
<u>Year</u>	<u>Period</u>	<u>Amount</u>	<u>BOY</u>	<u>EOY</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
2024	2.00	\$ (6,201,314)	\$ (6,201,314)	\$ (3,100,657)	\$ (3,100,657)	\$ (3,100,657)	\$ 0	\$ 0	\$ 0
2023	2.00	24,927,438	12,463,719	0	12,463,719	0	0	0	0
2022	3.00	(16,598,645)	(5,532,881)	0	(5,532,881)	0	0	0	0
Deferred Outflows			\$ 12,463,719	\$ 0	\$ 12,463,719	\$ 0	\$ 0	\$ 0	\$ 0
Deferred Inflows			(11,734,195)	(3,100,657)	(8,633,538)	(3,100,657)	0	0	0
Net Change in Pension Expense			\$ 729,524	\$ (3,100,657)	\$ 3,830,181	\$ (3,100,657)	\$ 0	\$ 0	\$ 0
Recognition of Investment (Gains) and Losses									
Experience	Recognition	Total	Remaining Amounts		Recognition Year				
<u>Year</u>	<u>Period</u>	<u>Amount</u>	<u>BOY</u>	<u>EOY</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
2024	5.00	\$ (93,646,040)	\$ (93,646,040)	\$ (74,916,832)	\$ (18,729,208)	\$ (18,729,208)	\$ (18,729,208)	\$ (18,729,208)	\$ (18,729,208)
2023	5.00	(25,697,413)	(20,557,930)	(15,418,447)	(5,139,483)	(5,139,483)	(5,139,483)	(5,139,481)	0
2022	5.00	166,749,823	100,049,893	66,699,928	33,349,965	33,349,965	33,349,963	0	0
2021	5.00	(108,588,012)	(43,435,206)	(21,717,604)	(21,717,602)	(21,717,604)	0	0	0
2020	5.00	13,952,852	2,790,572	0	2,790,572	0	0	0	0
Net Change in Pension Expense			\$ (54,798,711)	\$ (45,352,955)	\$ (9,445,756)	\$ (12,236,330)	\$ 9,481,272	\$ (23,868,689)	\$ (18,729,208)

THE POLICE RETIREMENT SYSTEM OF ST. LOUIS
GASB 67 AND 68 REPORTING FOR SEPTEMBER 30, 2024 MEASUREMENT DATE

SECTION VII – EMPLOYER REPORTING AMOUNTS

The annual pension expense recognized by the City of St. Louis can be calculated in two different ways. First, it is the change in the amounts reported on the City’s Statement of Net Position that relate to PRS and are not attributable to employer contributions. That is, it is the change in NPL plus the changes in deferred outflows and inflows plus employer contributions.

Alternatively, annual pension expense can be calculated by its individual components. While GASB does not require or suggest the organization of the individual components shown in the table below, we believe it helps to understand the level and volatility of pension expense.

Calculation of Pension Expense		
	Measurement Year Ending	
	2024	2023
Change in Net Pension Liability	\$ (94,820,581)	\$ (8,790,209)
Change in Deferred Outflows	43,343,407	30,743,576
Change in Deferred Inflows	38,556,197	(15,606,485)
Employer Contributions	40,188,941	37,893,571
Pension Expense	\$ 27,267,964	\$ 44,240,453
Pension Expense as % of Payroll	37.64%	60.66%
Operating Expenses		
Service cost	\$ 16,020,419	\$ 15,119,984
Employee contributions	(4,930,601)	(4,512,743)
Administrative expenses	1,701,015	1,306,479
Total	\$ 12,790,833	\$ 11,913,720
Financing Expenses		
Interest cost	\$ 73,618,042	\$ 73,777,467
Expected return on assets	(57,128,444)	(54,104,300)
Total	\$ 16,489,598	\$ 19,673,167
Changes		
Benefit changes	\$ 0	\$ 0
Recognition of assumption changes	3,830,181	5,071,267
Recognition of liability gains and losses	3,603,108	(9,927,583)
Recognition of investment gains and losses	(9,445,756)	17,509,882
Total	\$ (2,012,467)	\$ 12,653,566
Pension Expense	\$ 27,267,964	\$ 44,240,453

THE POLICE RETIREMENT SYSTEM OF ST. LOUIS
GASB 67 AND 68 REPORTING FOR SEPTEMBER 30, 2024 MEASUREMENT DATE

SECTION VII – EMPLOYER REPORTING AMOUNTS

First, there are components referred to as operating expenses. These are items directly attributable to the operation of the System during the measurement year. Service cost less employee contributions represent the increase in employer-provided benefits attributable to the year, and administrative expenses are the cost of operating the System for the year.

Second, there are the financing expenses: the interest on the Total Pension Liability less the expected return on assets.

The final category is changes. This category will drive most of the volatility in pension expense from year to year. It includes any changes in benefits made during the year and the recognized amounts due to assumption changes, gains or losses on the TPL, and investment gains or losses. The total pension expense for the current year is less than that of the prior year, decreasing by about \$17.0 million with the recognition of changes making up about \$14.7 million of the total decrease.

THE POLICE RETIREMENT SYSTEM OF ST. LOUIS
GASB 67 AND 68 REPORTING FOR SEPTEMBER 30, 2024 MEASUREMENT DATE

APPENDIX A – MEMBERSHIP INFORMATION

Participant Data Reconciliation					
	Actives	DROP	Retirees	Surviving Spouses and Children	Total
Participants as of October 1, 2022	1,049	40	1,449	503	3,041
New Entrants	32				32
Return to Active					0
Nonvested terminations	(98)				(98)
Retired	(53)	(4)	57		0
Entered into DROP	(7)	7			0
Re-Entry from DROP	12	(12)			0
Deaths without beneficiary			(19)	(30)	(49)
Deaths with Beneficiary		(1)	(25)	44	18
Disabled	(2)	(1)	3		0
Benefits Expired				(8)	(8)
Data Correction					0
Net Change	(116)	(11)	16	6	(105)
Participants as of October 1, 2023	933	29	1,465	509	2,936

THE POLICE RETIREMENT SYSTEM OF ST. LOUIS
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APPENDIX A – MEMBERSHIP INFORMATION

Distribution of Active Participants									
	Years of Service								
Age	0 – 4	5 – 9	10 – 14	15 – 19	20 – 24	25 – 29	30 – 34	35 +	Total
Under 20									0
20 – 24	34								34
	\$53,050								\$53,050
25 – 29	101	25							126
	\$57,675	\$61,817							\$58,497
30 – 34	54	73	8						135
	\$57,996	\$67,032	\$75,704						\$63,931
35 – 39	29	40	58	33	1				161
	\$57,644	\$68,533	\$76,140	\$80,290	\$76,180				\$71,769
40 – 44	9	11	28	102	21				171
	\$61,865	\$68,237	\$75,691	\$80,408	\$83,319				\$78,234
45 – 49	2	5	10	32	39	5			93
	\$67,185	\$65,316	\$79,578	\$79,789	\$84,340	\$89,521			\$81,149
50 – 54	2	3	3	16	43	37	1		105
	\$59,171	\$71,127	\$76,253	\$79,531	\$85,255	\$89,514	\$97,916		\$84,846
55 – 59	1			2	29	39	7		78
	\$175,161			\$88,777	\$86,976	\$88,670	\$84,701		\$88,796
60 – 64					7	19	4		30
					\$87,394	\$90,300	\$89,238		\$89,480
65 +									0
Total	232	157	107	185	140	100	12	0	933
	\$57,832	\$66,692	\$76,314	\$80,295	\$85,108	\$89,335	\$87,314		\$73,745

THE POLICE RETIREMENT SYSTEM OF ST. LOUIS
GASB 67 AND 68 REPORTING FOR SEPTEMBER 30, 2024 MEASUREMENT DATE

APPENDIX A – MEMBERSHIP INFORMATION

Statistics for Active Participants

	Count	Age	Average Service	Average Compensation
As of October 1, 2023				
Continuing	898	41.4	13.9	\$ 74,429
New	35	30.9	1.0	\$ 56,203
Total	933	41.0	13.4	\$ 73,745
As of October 1, 2022				
Continuing	976	41.1	13.4	\$ 67,016
New	73	28.2	0.5	\$ 46,052
Total	1,049	40.2	12.5	\$ 65,557

Statistics for DROP Participants

	Count	Age	Service	Average Compensation	DROP Account Balance	Monthly Benefit Amount
As of October 1, 2023	29	52.2	23.8	\$ 88,642	\$110,621	\$ 3,417
As of October 1, 2022	40	52.7	24.0	\$ 77,212	\$122,283	\$ 3,360

Statistics for Inactive Participants

	Count	Total Monthly Benefits	Average Monthly Benefits
As of October 1, 2023			
Service Retirees	1,301	\$4,143,551	\$ 3,185
Ordinary Disabilities	17	26,842	1,579
Accidental Disabilities	147	432,878	2,945
Surviving Spouses	453	727,926	1,607
Children	56	40,061	715
Total	1,974	\$ 5,371,258	\$ 2,721
As of October 1, 2022			
Service Retirees	1,285	\$3,997,442	\$ 3,111
Ordinary Disabilities	17	24,501	1,441
Accidental Disabilities	147	425,700	2,896
Surviving Spouses	457	713,266	1,561
Children	46	32,148	699
Total	1,952	\$ 5,193,475	\$ 2,661

THE POLICE RETIREMENT SYSTEM OF ST. LOUIS
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APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS

A summary of the actuarial assumptions and methods used to calculate the Total Pension Liability as of September 30, 2024 (except for the discount rate as described in Section III) is provided below, including any assumptions that differ from those used in the October 1, 2023 actuarial valuation.

A. Actuarial Assumptions

1. Mortality Rates:

Actives, Ordinary: Pub-2010 Safety Employee Below-Median Income Weighted mortality, projected fully generationally with Scale MP-2020

Actives, Accidental: 0.03% per year for all ages in addition to ordinary mortality rates.

Healthy Retirees: Pub-2010 Safety Healthy Retiree Below-Median Income Weighted mortality, projected fully generationally with Scale MP-2020

Disabled Retirees: Pub-2010 Safety Disabled Retiree mortality, projected fully generationally with Scale MP-2020

Beneficiaries: Pub-2010 General Retiree Below-Median Income Weighted mortality, projected fully generationally with Scale MP-2020

2. Disability:

10% of disabilities are assumed ordinary and the remaining 90% are accidental disabilities.

Age	Disability (%)
25	0.0256
35	0.5080
45	0.9400
55	1.0000
60	1.0000

THE POLICE RETIREMENT SYSTEM OF ST. LOUIS
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APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS

3. Withdrawal Rates before Retirement:

Service-related rates based on experience; see the table of sample rates.

Years of Service	Withdrawal (%)	Years of Service	Withdrawal (%)
0	13.0	8	5.0
1	12.0	9	4.0
2	11.0	10	3.5
3	10.0	11	3.0
4	9.0	12	2.5
5	8.0	13	2.0
6	7.0	14	1.5
7	6.0	15+	1.5

4. DROP Rates:

Years of Service	DROP Rate (%)
20	40
21	15
22-29	5
30	65

5. Retirement Rates:

Years of Service	Retirement Rate (%)
20	14
21	10
22-23	8
24-26	4
27-29	2
30	35

DROP and retirement rates are additive, so at 30 years of service, the chance of either entering DROP or retirement is 100%. All members are assumed to retire by age 65.

6. Marriage

75% of male active members are assumed to be married and 50% of female active members. The male spouse is assumed to be 3 years older than the female.

THE POLICE RETIREMENT SYSTEM OF ST. LOUIS
GASB 67 AND 68 REPORTING FOR SEPTEMBER 30, 2024 MEASUREMENT DATE

APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS

7. Children

Each member is assumed to have 1.5 children at retirement, disability, or death; the child is assumed to be 30 years younger than the member and to receive benefits until he or she is 20 years old.

8. DROP Participation

Members participate in DROP based on their completed service; see table for rates

- No disability is assumed while in DROP
- One-third of participants are expected to retire from DROP after four years
- One-third of participants are expected to re-enter the plan after five years in DROP and remain in the plan for two years
- The remaining third of participants are expected to re-enter the plan after five years in DROP and remain in the plan for eight years

9. Special Advisor and Consultant Benefits

Assumed to be paid to all eligible members.

10. Form of Payment

There are no optional forms of payment; automatic survivor benefits are paid to all members.

11. Investment Return

7.00% compounded annually for funding purposes, net of investment expenses.

12. Salary Increases

Wage inflation is assumed to be 3.0%. Individual salaries are expected to increase according to the following table which includes wage inflation and promotion.

Service	Salary Increase (%)
0-9	6.25
10-19	3.50
20+	3.00

13. Cost-of-Living Adjustments

2.5% per year.

**THE POLICE RETIREMENT SYSTEM OF ST. LOUIS
GASB 67 AND 68 REPORTING FOR SEPTEMBER 30, 2024 MEASUREMENT DATE**

APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS

14. Administrative Expenses

Prior year actual expenses increased by the assumed inflation rate (2.5%), rounded to the nearest \$1,000.

15. Interest on Member Contributions

4% per year

16. Rationale for actuarial assumptions

The actuarial assumptions were adopted by the Board of Trustees based upon recommendations made in an actuarial experience study performed by Cheiron covering the years 2015 through 2020 subsequent to the October 1, 2020 valuation. The rationale for such changes is contained in the experience study report presented to the Board on June 23, 2021, and in a discount rate review presented to the Board on September 29, 2021.

17. Changes in Actuarial Assumptions from the October 1, 2023 actuarial valuation

None.

APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS

B. Actuarial Methods

1. Actuarial Value of Assets

The market value of assets less unrecognized returns in each of the last five years, but no earlier than October 1, 2005. Initial unrecognized return is equal to the difference between the actual market return and expected return on the actuarial value of assets and is recognized over a five-year period. The actuarial value is further adjusted, if necessary, to be within 20% of the market value. The actuarial asset value was initialized at the market value as of October 1, 2005.

2. Actuarial Cost Method

For determining contributions, the cost method used in this valuation is the Aggregate Cost method. Under this method, the difference between the present value of future benefits and the actuarial value of assets is allocated as a level percentage over the future salary of the participants.

There is no actuarial accrued liability with this method. For accounting purposes, the actuarial accrued liability is determined under the entry age normal method.

3. Valuation Software

Cheiron utilizes ProVal, an actuarial valuation software leased from Winklevoss Technologies (WinTech) to calculate liabilities and project benefit payments. We have relied on WinTech as the developer of ProVal. We have reviewed ProVal and have a basic understanding of it and have used ProVal in accordance with its original intended purpose. We have not identified any material inconsistencies in the assumptions or output of ProVal that would affect this actuarial valuation.

Projections in this valuation were developed using P-scan, our proprietary tool for the intended purpose of developing projections. The projections shown in this presentation cover multiple individual scenarios and the variables are not necessarily correlated. We are not aware of any material inconsistencies, unreasonable output resulting from the aggregation of assumptions, material limitations, or known weaknesses that would affect the projections shown in this presentation.

4. Changes in Actuarial Methods since the October 1, 2023 actuarial valuation

None

**THE POLICE RETIREMENT SYSTEM OF ST. LOUIS
GASB 67 AND 68 REPORTING FOR SEPTEMBER 30, 2024 MEASUREMENT DATE**

APPENDIX C – SUMMARY OF PLAN PROVISIONS

The plan provisions are the same as those summarized in the October 1, 2023 Actuarial Valuation Report.

THE POLICE RETIREMENT SYSTEM OF ST. LOUIS
GASB 67 AND 68 REPORTING FOR SEPTEMBER 30, 2024 MEASUREMENT DATE

APPENDIX D – DETERMINATION OF DISCOUNT RATE

FYE	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position	"Funded" Portion of Benefit Payments	"Unfunded" Portion of Benefit Payments
2024	832,553,398	45,119,542	76,849,480	1,701,015	150,774,484	949,896,929	76,849,480	0
2025	949,896,929	39,199,296	78,881,392	1,624,168	65,071,517	973,662,182	78,881,392	0
2026	973,662,182	35,777,273	81,782,098	1,571,379	66,519,349	992,605,328	81,782,098	0
2027	992,605,328	34,791,782	83,562,754	1,503,289	67,752,534	1,010,083,601	83,562,754	0
2028	1,010,083,601	29,719,670	88,905,796	1,406,557	68,620,976	1,018,111,894	88,905,796	0
2029	1,018,111,894	25,640,342	90,581,725	1,349,301	68,986,900	1,020,808,109	90,581,725	0
2030	1,020,808,109	23,391,280	89,630,706	1,231,185	69,135,036	1,022,472,534	89,630,706	0
2031	1,022,472,534	21,804,270	90,898,463	1,166,230	69,155,554	1,021,367,665	90,898,463	0
2032	1,021,367,665	20,554,399	92,121,991	1,124,305	68,994,551	1,017,670,320	92,121,991	0
2033	1,017,670,320	19,271,178	92,162,796	1,064,178	68,692,248	1,012,406,772	92,162,796	0
2034	1,012,406,772	18,207,138	91,877,002	1,023,216	68,298,431	1,006,012,123	91,877,002	0
2035	1,006,012,123	17,359,164	91,216,315	997,585	67,845,244	999,002,632	91,216,315	0
2036	999,002,632	16,305,821	92,640,858	950,181	67,270,951	988,988,365	92,640,858	0
2037	988,988,365	15,376,453	92,505,369	920,136	66,543,670	977,482,982	92,505,369	0
2038	977,482,982	14,290,654	91,163,658	864,289	65,749,021	965,494,709	91,163,658	0
2039	965,494,709	13,377,648	92,632,408	825,677	64,829,219	950,243,492	92,632,408	0
2040	950,243,492	12,225,273	93,271,671	763,654	63,702,121	932,135,561	93,271,671	0
2041	932,135,561	11,067,441	92,536,224	698,049	62,422,289	912,391,018	92,536,224	0
2042	912,391,018	10,158,363	93,146,945	656,629	60,989,303	889,735,111	93,146,945	0
2043	889,735,111	9,197,510	92,135,443	609,173	59,406,765	865,594,770	92,135,443	0
2044	865,594,770	8,087,825	91,321,646	537,057	57,709,242	839,533,135	91,321,646	0
2045	839,533,135	7,099,285	89,214,531	474,894	55,925,554	812,868,549	89,214,531	0
2046	812,868,549	6,256,357	88,174,422	422,824	54,067,610	784,595,270	88,174,422	0
2047	784,595,270	5,482,417	86,462,114	381,221	52,122,199	755,356,551	86,462,114	0
2048	755,356,551	4,699,198	85,211,077	335,692	50,093,152	724,602,132	85,211,077	0
2049	724,602,132	3,922,242	83,672,442	291,076	47,968,086	692,528,942	83,672,442	0
2050	692,528,942	3,126,040	82,494,687	243,706	45,737,721	658,654,311	82,494,687	0
2051	658,654,311	2,286,272	80,952,820	192,612	43,392,412	623,187,562	80,952,820	0
2052	623,187,562	1,500,004	79,941,518	147,032	40,919,051	585,518,068	79,941,518	0
2053	585,518,068	959,950	78,495,129	96,961	38,315,095	546,201,023	78,495,129	0

THE POLICE RETIREMENT SYSTEM OF ST. LOUIS
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APPENDIX D – DETERMINATION OF DISCOUNT RATE

FYE	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position	"Funded" Portion of Benefit Payments	"Unfunded" Portion of Benefit Payments
2054	546,201,023	490,923	76,748,619	47,908	35,608,545	505,503,965	76,748,619	0
2055	505,503,965	58,324	74,667,299	0	32,818,129	463,713,118	74,667,299	0
2056	463,713,118	49,897	72,892,304	0	29,953,554	420,824,265	72,892,304	0
2057	420,824,265	26,066	70,916,436	0	27,018,500	376,952,395	70,916,436	0
2058	376,952,395	9,605	68,192,662	0	24,040,622	332,809,961	68,192,662	0
2059	332,809,961	13,315	65,882,590	0	21,030,264	287,970,949	65,882,590	0
2060	287,970,949	11,075	63,693,648	0	17,966,774	242,255,150	63,693,648	0
2061	242,255,150	4,055	61,416,458	0	14,844,780	195,687,527	61,416,458	0
2062	195,687,527	0	59,043,733	0	11,666,548	148,310,342	59,043,733	0
2063	148,310,342	0	56,756,437	0	8,428,846	99,982,751	56,756,437	0
2064	99,982,751	0	54,466,220	0	5,124,717	50,641,248	54,466,220	0
2065	50,641,248	0	52,181,128	0	1,749,437	209,557	50,641,248	1,539,880
2066	209,557	0	49,901,370	0	0	0	209,557	49,691,812
2067	0	0	47,631,879	0	0	0	0	47,631,879
2068	0	0	45,376,795	0	0	0	0	45,376,795
2069	0	0	43,141,524	0	0	0	0	43,141,524
2070	0	0	40,926,420	0	0	0	0	40,926,420
2071	0	0	38,733,203	0	0	0	0	38,733,203
2072	0	0	36,571,888	0	0	0	0	36,571,888
2073	0	0	34,445,720	0	0	0	0	34,445,720
2074	0	0	32,356,417	0	0	0	0	32,356,417
2075	0	0	30,307,009	0	0	0	0	30,307,009
2076	0	0	28,301,366	0	0	0	0	28,301,366
2077	0	0	26,342,350	0	0	0	0	26,342,350
2078	0	0	24,433,479	0	0	0	0	24,433,479
2079	0	0	22,578,473	0	0	0	0	22,578,473
2080	0	0	20,781,438	0	0	0	0	20,781,438
2081	0	0	19,046,431	0	0	0	0	19,046,431
2082	0	0	17,377,324	0	0	0	0	17,377,324
2083	0	0	15,778,133	0	0	0	0	15,778,133

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APPENDIX D – DETERMINATION OF DISCOUNT RATE

FYE	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position	"Funded" Portion of Benefit Payments	"Unfunded" Portion of Benefit Payments
2084	0	0	14,252,507	0	0	0	0	14,252,507
2085	0	0	12,803,619	0	0	0	0	12,803,619
2086	0	0	11,434,416	0	0	0	0	11,434,416
2087	0	0	10,147,319	0	0	0	0	10,147,319
2088	0	0	8,944,178	0	0	0	0	8,944,178
2089	0	0	7,826,470	0	0	0	0	7,826,470
2090	0	0	6,794,972	0	0	0	0	6,794,972
2091	0	0	5,849,955	0	0	0	0	5,849,955
2092	0	0	4,991,213	0	0	0	0	4,991,213
2093	0	0	4,217,648	0	0	0	0	4,217,648
2094	0	0	3,527,425	0	0	0	0	3,527,425
2095	0	0	2,917,946	0	0	0	0	2,917,946
2096	0	0	2,385,742	0	0	0	0	2,385,742
2097	0	0	1,926,518	0	0	0	0	1,926,518
2098	0	0	1,535,222	0	0	0	0	1,535,222
2099	0	0	1,206,307	0	0	0	0	1,206,307
2100	0	0	933,818	0	0	0	0	933,818
2101	0	0	711,547	0	0	0	0	711,547
2102	0	0	533,203	0	0	0	0	533,203
2103	0	0	392,608	0	0	0	0	392,608
2104	0	0	283,829	0	0	0	0	283,829
2105	0	0	201,328	0	0	0	0	201,328
2106	0	0	140,058	0	0	0	0	140,058
2107	0	0	95,523	0	0	0	0	95,523
2108	0	0	63,851	0	0	0	0	63,851
2109	0	0	41,822	0	0	0	0	41,822
2110	0	0	26,842	0	0	0	0	26,842
2111	0	0	16,886	0	0	0	0	16,886
2112	0	0	10,416	0	0	0	0	10,416
Discount Rate:							7.00%	3.82%

THE POLICE RETIREMENT SYSTEM OF ST. LOUIS
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APPENDIX D – DETERMINATION OF DISCOUNT RATE

FYE	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position	"Funded" Portion of Benefit Payments	"Unfunded" Portion of Benefit Payments
						Present Value:	\$1,154,309,661	\$ 99,422,870
						Total Present Value:		\$ 1,253,732,531
						GASB Discount Rate:		6.49%

APPENDIX E – GLOSSARY OF TERMS

1. Actuarially Determined Contribution

A target or recommended contribution for the reporting period, determined in conformity with Actuarial Standards of Practice based on the most recent measurement available when the contribution for the reporting period was adopted.

2. Actuarial Valuation Date

The date as of which an actuarial valuation is performed. This date may be up to 24 months prior to the measurement date and up to 30 months prior to the employer's reporting date.

3. Deferred Inflow of Resources

An acquisition of net assets by a government employer that is applicable to a future reporting period. In the context of GASB 68, these are experience gains on the Total Pension Liability, assumption changes reducing the Total Pension Liability, or investment gains that are recognized in future reporting periods.

4. Deferred Outflow of Resources

A consumption of net assets by a government employer that is applicable to a future reporting period. In the context of GASB 68, these are experience losses on the Total Pension Liability, assumption changes increasing the Total Pension Liability, or investment losses that are recognized in future reporting periods.

5. Entry Age Actuarial Cost Method

The actuarial cost method required for GASB 67 and 68 calculations. Under this method, the actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis over the earnings of the individual between entry age and assumed exit ages. The portion of this actuarial present value allocated to a valuation year is called the Service Cost. The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future service costs is called the Total Pension Liability.

6. Measurement Date

The date as of which the Total Pension Liability and Plan Fiduciary Net Position are measured. The Total Pension Liability may be projected from the Actuarial Valuation Date to the Measurement Date. The Measurement Date must be the same as the Reporting Date for the plan.

APPENDIX E – GLOSSARY OF TERMS

7. Net Pension Liability

The liability of employers and nonemployer contributing entities for employees for benefits provided through a defined benefit pension plan. It is calculated as the Total Pension Liability less the Plan Fiduciary Net Position.

8. Plan Fiduciary Net Position

The fair or market value of assets.

9. Reporting Date

The last day of the plan or employer's fiscal year.

10. Service Cost

The portion of the actuarial present value of projected benefit payments that is attributed to the current period of employee service in conformity with the requirements of GASB 67 and 68. The Service Cost is the normal cost calculated under the entry age actuarial cost method.

11. Total Pension Liability

The portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service in conformity with the requirements of GASB 67 and 68. The Total Pension Liability is the actuarial liability calculated under the entry age actuarial cost method. This measurement generally is not appropriate for estimating the cost to settle the Plan's liabilities.



Classic Values, Innovative Advice