

# SEIU Affiliates Officers and Employees Pension Plan

**Actuarial Valuation and Review as of January 1, 2024**



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February 11, 2025

Board of Trustees  
SEIU Affiliates Officers and Employees Pension Plan  
1800 Massachusetts Ave NW, Suite 301  
Washington, DC 20036

Dear Trustees:

We are pleased to submit the Actuarial Valuation and Review as of January 1, 2024. It establishes the funding requirements for 2024 and analyzes the preceding year's experience. It also summarizes the actuarial data and includes the actuarial information that is required to be filed with Form 5500 to federal government agencies.

The actuarial valuation results are dependent on a single set of assumptions; however, there is a risk that emerging results may differ significantly as actual experience proves to be different from the current assumptions. We have not been engaged to perform a detailed analysis of the potential range of the impact of risk relative to the Plan's future financial condition but regularly include in Board discussions a review of some risks that may affect the Plan.

This report has been prepared for the exclusive use and benefit of the Board, based upon information provided by the Benefit Funds Office and the Fund's other service providers. Segal makes no representation or warranty as to the future status of the Plan and does not guarantee any particular result. This document does not constitute legal, tax, accounting or investment advice or create or imply a fiduciary relationship. The Trustees are encouraged to discuss any issues raised in this report with the Fund's legal, tax and other advisors before taking, or refraining from taking, any action.

The actuarial calculations were completed by Andrew Dweck under the supervision of Steven Loomis, ASA, FCA, MAAA, Enrolled Actuary.


We look forward to reviewing this report with you at your next meeting and to answering any questions you may have.

Sincerely,

Segal



Stacey Hostetler Carter  
Senior Vice President and Benefits Consultant



Alex Giordano, ASA, FCA, MAAA, EA  
Vice President and Consulting Actuary

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# Introduction

There are several ways of evaluating funding adequacy for a pension plan. In monitoring the Plan's financial position, the Trustees should keep in mind all of these concepts.

Concept	Description
Funding Standard Account	The ERISA Funding Standard Account (FSA) measures the cumulative difference between actual contributions and the minimum required contributions. If actual contributions exceed the minimum required contributions, the excess is called the credit balance. If actual contributions fall short of the minimum required contributions, a funding deficiency occurs.
Zone Information	The Pension Protection Act of 2006 (PPA) called on plan sponsors to actively monitor the projected FSA credit balance, the funded percentage (the ratio of the actuarial value of assets to the present value of benefits earned to date) and cash flow sufficiency. Based on these measures, plans are then categorized as critical (Red Zone), endangered (Yellow Zone), or neither (Green Zone). The Multiemployer Pension Reform Act of 2014 (MPRA), among other things, made the zone provisions permanent.
Solvency Projections	Pension plan funding anticipates that, over the long term, both contributions and investment earnings will be needed to cover benefit payments and expenses. To the extent that contributions are less than benefit payments, investment earnings and fund assets will be needed to cover the shortfall. In some situations, a plan may be faced with insufficient assets to cover its current obligations and may need assistance from the Pension Benefit Guaranty Corporation (PBGC). MPRA and the Special Financial Assistance (SFA) program under the American Rescue Plan Act of 2021 (ARPA) provide options for some plans facing insolvency.
Scheduled Cost	The Scheduled Cost is an annual amount based on benefit levels and assets that allows a comparison to current contribution levels, given the expectation of a continuing plan. Scheduled Cost represents a reasonable Actuarially Determined Contribution (ADC), as defined in the Actuarial Standards of Practice.
Withdrawal Liability	ERISA provides for assessment of withdrawal liability to employers who withdraw from a multiemployer plan based on unfunded vested benefit liabilities.

## Introduction

### Important information about actuarial valuations

An actuarial valuation is a budgeting tool with respect to the financing of future uncertain obligations of a pension plan. As such, it will never forecast the precise future contribution requirements or the precise future stream of benefit payments. However, the valuation does provide the actuary's best estimate of plan liabilities based on current assumptions, participant population, and plan provisions. Since future experience will not exactly match expectations, the actual cost of the plan will be determined by the benefits and expenses paid, not by the actuarial valuation. In order to prepare a valuation, Segal relies on a number of input items. These include:

Item	Description
Plan Provisions	Plan provisions define the rules that will be used to determine benefit payments, and those rules, or the interpretation of them, may change over time. Even where they appear precise, outside factors may change how they operate. It is important for the Trustees to keep Segal informed with respect to plan provisions and administrative procedures, and to review the plan summary included in our report to confirm that Segal has correctly interpreted the plan of benefits.
Participant Information	An actuarial valuation for a plan is based on data provided to the actuary by the plan. Segal does not audit such data for completeness or accuracy, other than reviewing it for obvious inconsistencies compared to prior data and other information that appears unreasonable. For most plans, it is not possible nor desirable to take a snapshot of the actual workforce on the valuation date. It is not necessary to have perfect data for an actuarial valuation. The uncertainties in other factors are such that even perfect data does not produce a "perfect" result. Notwithstanding the above, it is important for Segal to receive the best possible data and to be informed about any known incomplete or inaccurate data.
Financial Information	Part of the cost of a plan will be paid from existing assets — the balance will need to come from future contributions and investment income. The valuation is based on the asset values as of the valuation date, typically reported by the auditor. A snapshot as of a single date may not be an appropriate value for determining a single year's contribution requirement, especially in volatile markets. Plan sponsors often use an "actuarial value of assets" that differs from market value to gradually reflect year-to-year changes in the market value of assets in determining the contribution requirements.
Actuarial Assumptions	In preparing an actuarial valuation, Segal starts by developing a forecast of the benefits to be paid to existing plan participants for the rest of their lives and the lives of their beneficiaries. This requires actuarial assumptions as to the probability of death, disability, withdrawal, and retirement of participants in each year, as well as forecasts of the plan's benefits for each of those events. The present value is determined by applying a discount rate to the forecasted benefits. All of these factors are uncertain and unknowable. Thus, there will be a range of reasonable assumptions, and the results may vary materially based on which assumptions the actuary selects within that range. That is, there is no right answer (except with hindsight). It is important for any user of an actuarial valuation to understand and accept this constraint. The actuarial model may use approximations and estimates that will have an immaterial impact on our results. In addition, the actuarial assumptions may change over time, and while this can have a significant impact on the reported results, it does not mean that the previous assumptions or results were unreasonable or wrong.

## Introduction

Given the above, the user of Segal's actuarial valuation (or other actuarial calculations) needs to keep the following in mind:

- The actuarial valuation is prepared for use by the Trustees. It includes information for compliance with federal filing requirements and for the Plan's auditor. Segal is not responsible for the use or misuse of its report, particularly by any other party.
- An actuarial valuation is a measurement at a specific date — it is not a prediction of a plan's future financial condition. Accordingly, Segal did not perform an analysis of the potential range of financial measurements, except where otherwise noted.
- Critical events for a plan include, but are not limited to, decisions about changes in benefits and contributions. The basis for such decisions needs to consider many factors such as the risk of changes in employment levels and investment losses, not just the current valuation results.
- ERISA requires a plan's enrolled actuary to provide a statement in the plan's annual report disclosing any event or trend that the actuary has not taken into account, if, to the best of the actuary's knowledge, such an event or trend may require a material increase in plan costs or required contribution rates. If the Trustees are aware of any event that was not considered in this valuation and that may materially increase the cost of the Plan, they must advise Segal, so that an appropriate statement can be included.
- Segal does not provide investment, legal, accounting, or tax advice and is not acting as a fiduciary to the Plan. This valuation is based on Segal's understanding of applicable guidance in these areas and of the Plan's provisions, but they may be subject to alternative interpretations. The Trustees should look to their other advisors for expertise in these areas.
- While Segal maintains extensive quality assurance procedures, an actuarial valuation involves complex computer models and numerous inputs. In the event that an inaccuracy is discovered after presentation of Segal's valuation, Segal may revise that valuation or make an appropriate adjustment in the next valuation.
- Segal's report shall be deemed to be final and accepted by the Trustees upon delivery and review. Trustees should notify Segal immediately of any questions or concerns about the final content.

# Section 1: Trustee Summary

## Summary of key valuation results

Valuation Result	Prior	Current
<b>Plan Year Beginning</b>	January 1, 2023	January 1, 2024
<b>Certified Zone Status</b>	"Green"	"Green"
<b>Demographic Data:</b>		
• Number of active participants	3,988	4,209
• Number of inactive participants with vested rights	5,211	5,269
• Number of retired participants and beneficiaries	3,037	3,124
• Total number of participants	12,236	12,602
• Participant ratio: non-active to actives	2.07	1.99
• Average projected annual compensation per active participant	\$86,276	\$90,679
<b>Assets for valuation purposes:</b>		
• Market value of assets (MVA)	\$1,304,785,243	\$1,464,503,448
• Actuarial value of assets (AVA)	1,532,744,022	1,581,171,365
• Market value net investment return, prior year	-12.13%	12.20%
• Actuarial value net investment return, prior year	3.17%	3.13%
<b>Cash Flow:</b>		
• Plan Year	<b>Actual 2022</b>	<b>Actual 2023</b>
• Contributions	\$68,652,078	\$75,358,743
• Withdrawal liability payments	30,050	149,950
• Benefit payments	-74,547,482	-73,303,927
• Administrative expenses	-1,843,316	-1,897,958
• Net cash flow	-\$7,708,670	\$306,808
• Cash flow as a percentage of MVA	-0.6%	0.0%

## Section 1: Trustee Summary

### Summary of key valuation results

Valuation Result	Prior	Current
Plan Year Beginning	January 1, 2023	January 1, 2024
<b>Actuarial Liabilities based on Unit Credit:</b>		
• Valuation interest rate	7.00%	7.00%
• Normal cost, including administrative expenses	\$50,326,229	\$57,869,515
• Actuarial accrued liability	1,588,638,036	1,703,575,272
• Unfunded actuarial accrued liability	55,894,014	122,403,907
<b>Funded Percentages:</b>		
• Actuarial accrued liabilities under unit credit method	\$1,440,688,081	\$1,521,463,996
• MVA funded percentage	90.6%	96.3%
• AVA funded percentage (PPA basis)	106.4%	103.9%
<b>Statutory Funding Information:</b>		
• Credit balance at the end of prior Plan Year	\$95,930,880	\$104,667,094
• Minimum required contribution	0	0
• Maximum deductible contribution	2,582,378,410	2,112,613,515
<b>Scheduled Cost:</b>		
• Interest rate	7.00%	7.00%
• Projected contributions amount	\$72,254,817	\$80,149,839
• Projected contributions as percent of payroll	21.0%	21.0%
• Scheduled Cost amount	63,236,231	82,998,742
• Scheduled Cost as percent of payroll	18.4%	21.7%
• Margin/(deficit) amount	9,018,586	-2,848,903
• Margin/(deficit) as percent of payroll	2.6%	-0.7%
• Actual contributions	75,358,743	--

## Section 1: Trustee Summary

Valuation Result	Prior	Current
<b>Withdrawal Liability:</b>		
• Plan Year ending	December 31, 2022	December 31, 2023
• Funding interest rate	7.00%	7.00%
• PBGC interest rates Initial period	3.90%	5.06%
• PBGC interest rates Thereafter	3.65%	4.37%
• Present value of vested benefits	1,825,068,125	1,788,861,293
• MVA	1,304,785,243	1,464,503,448
• Unfunded present value of vested benefits	\$520,282,882	\$324,357,845

## Section 1: Trustee Summary

This January 1, 2024, actuarial valuation report is based on financial and demographic information as of that date. The Plan's actuarial status does not reflect short-term fluctuations of the financial markets or employment levels, but rather is based on the market value of assets on the last day of the preceding Plan Year. Future changes in economic conditions are uncertain, and Segal is available to prepare projections of potential outcomes upon request.

This report includes additional disclosures now required by the Actuarial Standards of Practice.

### Developments since last valuation

The following are developments since the last valuation, from January 1, 2023, to January 1, 2024.

- **Participant demographics:** The number of active participants increased 5.5% from 3,988 to 4,209. The ratio of non-active to active participants, which is one measure of plan maturity, decreased from 2.07 to 1.99.
- **Investment returns:** The net investment return on the market value of assets was 12.20%. For comparison, the assumed rate of return on plan assets over the long term is 7.00%. The net investment return on the actuarial value of assets, which reflects smoothing of prior year gains and losses, was 3.13%. The calculation of the actuarial value of assets for the current Plan Year and the change in the market value of assets over the last two Plan Years can be found in Section 3.
- **Cash flows:** Cash inflow includes contributions and withdrawal liability payments, and cash outflow includes benefits paid to participants and administrative expenses. In the Plan Year ending December 31, 2023, the Plan had a net cash inflow of \$306,808, a negligible percentage of market assets.
- **Assumption changes:** Since the last valuation, we changed actuarial assumptions related to turnover, mortality projection scale, and administrative expenses, in addition to removing the disability decrement. We selected the new assumptions based on a review of recent plan experience, and they represent our best estimate of anticipated experience under the Plan. In total, the new actuarial assumptions increased the actuarial accrued liability by 0.8% and the normal cost by 4.7% and are also effective for purposes of withdrawal liability calculated as of December 31, 2023. The assumptions are shown in Section 3.

## Section 1: Trustee Summary

### Actuarial valuation results

The following commentary applies to various funding measures for the current Plan Year.

- **Zone status:** The Plan was certified to be neither in endangered status nor in critical status under the Pension Protection Act of 2006 (PPA) for the current Plan Year. In other words, the Plan is in the Green Zone because the funded percentage for the 2024 Plan Year is at least 80%, and the Plan has no projected deficiency in its funding standard account for the 2024 or next six Plan Years. Please refer to the actuarial certification dated March 27, 2024, for more information.
- **Funded percentages:** During 2023, the funded percentage that will be reported on the Plan's annual funding notice decreased from 106.4% to 103.9% due primarily to the actuarial investment loss. Please note that there are different measurements of funded percentage for different purposes. More information can be found in Section 2.
- **Funding Standard Account:** During 2023, the credit balance increased from \$95.9 million to \$104.7 million because contributions exceeded the net charges in the FSA for the Plan Year. For the 2024 Plan Year, the minimum required contribution is \$80.3 million without regard to the credit balance (\$0 with regard to the credit balance), compared to \$80.1 million in expected contributions. The credit balance is expected to temporarily increase to \$114.5 million by the end of 2024 due to interest applied to the credit balance in the Plan's Funding Standard Account. However, the credit balance is ultimately projected to decline in the future.
- **Scheduled Cost:** Scheduled Cost for the plan year is the sum of normal cost (the cost of benefit accruals plus administrative expenses) and an amortization of the unfunded liability. For the 2024 Plan Year, there is a \$2,848,903 deficit between expected contributions and Scheduled Cost, or about 0.7% of projected covered payroll. The change from a margin to a deficit for the 2024 plan year was driven primarily by the actuarial investment loss. For the 2024 plan year and using the MVA, there is a Scheduled Cost deficit of \$21,786,847, which may indicate future funding challenges.
- **Withdrawal liability:** The unfunded present value of vested benefits is \$324.4 million as of December 31, 2023, which is used for determining employer withdrawal liability for the Plan Year beginning January 1, 2024. The unfunded present value of vested benefits decreased from \$520.3 million for the prior year, due mainly to an increase in interest rates that are a proxy for those used by insurers that offer annuity purchases to settle pension obligations, and to a lesser extent market return gains.
- **Funding concerns:** The projected decline in the credit balance should continue to be monitored. We will continue to work with the Board to model and review funding projections, including potential risk factors.

## Section 1: Trustee Summary

### Withdrawal liability

SEIU Fund Counsel has directed us to continue using our “Best Estimate” interest rate assumption for withdrawal liability (i.e., Segal Blend) in light of the D.C. Circuit Court’s ruling in *United Mine Workers of American 1974 Pension Plan v. Energy West Mining Company*. It is Counsel’s opinion that the Court’s decision in this case does not preclude the use of Segal Blend to determine withdrawal liability. Therefore, we have included withdrawal liability calculations in this year’s report.

### Projections and risk

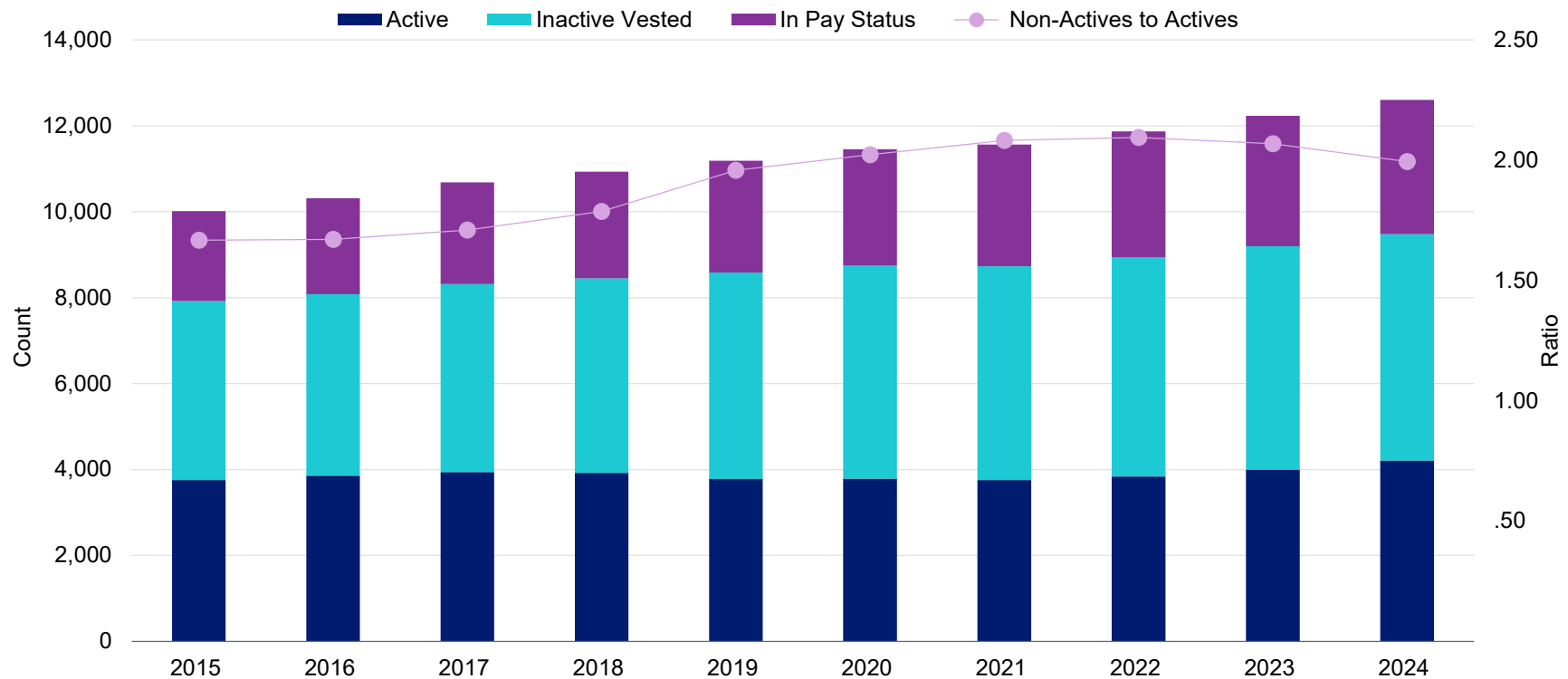
- **Importance of projections:** Most of the results included in this valuation report are snapshot measurements, showing the Plan’s status as of the valuation date. In addition to understanding the Plan’s current status, it is also important to understand where the Plan is headed through actuarial projections. Projections may evaluate various metrics, such as funded percentage, the Funding Standard Account credit balance, zone status, cash flows and solvency. Projections have already been provided outside of this report.
- **Understanding risk:** Projections can also help the Trustees understand the sensitivity of future results to various risk factors, such as investment volatility or changes in future contributions. For example, if future investment returns are less than the actuarial assumption, or future contributions are less than projected, the Plan may not meet its funding objectives or may face eventual insolvency. See Section 2 for a general discussion of the risks facing the Plan, and how they might be better evaluated, understood and addressed. We regularly review funding projections with the Board that demonstrate the effect of primary risk factors, such as actual investment returns that are different than assumed. A more detailed assessment of the potential range of future measurements and risks would provide the Trustees with a more in depth understanding of the risks inherent in the Plan.

# Section 2: Actuarial Valuation Results

## Participant information

- There were 4,209 active participants this year, an increase of 5.5% compared to 3,988 in the prior year.

Population as of January 1



Legend	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
In Pay Status	2,094	2,231	2,363	2,486	2,607	2,708	2,831	2,939	3,037	3,124
Inactive Vested	4,165	4,219	4,376	4,526	4,799	4,956	4,979	5,096	5,211	5,269
Active	3,755	3,860	3,942	3,923	3,783	3,788	3,752	3,836	3,988	4,209
Ratio	1.67	1.67	1.71	1.79	1.96	2.02	2.08	2.09	2.07	1.99

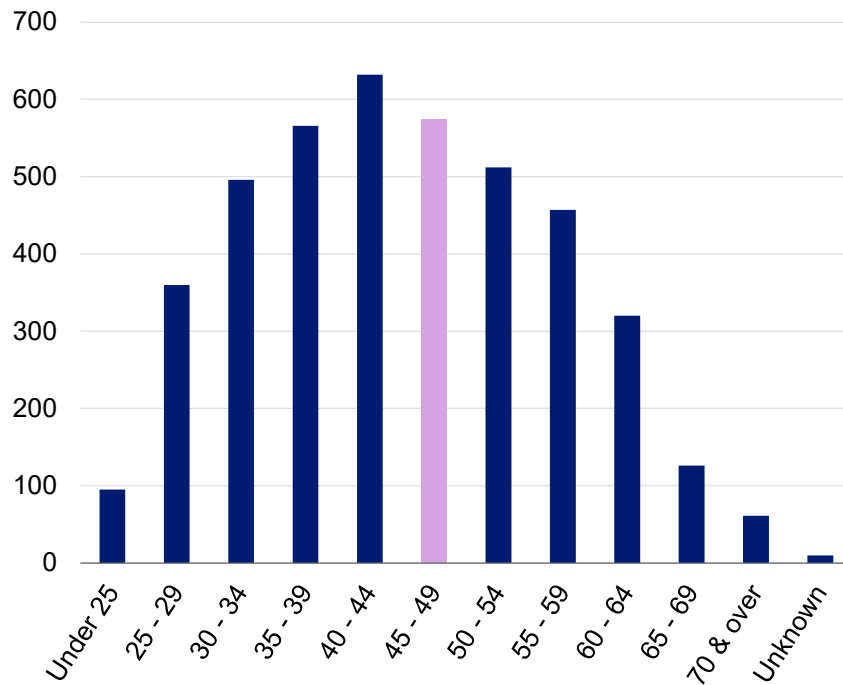
## Section 2: Actuarial Valuation Results

### Active participants

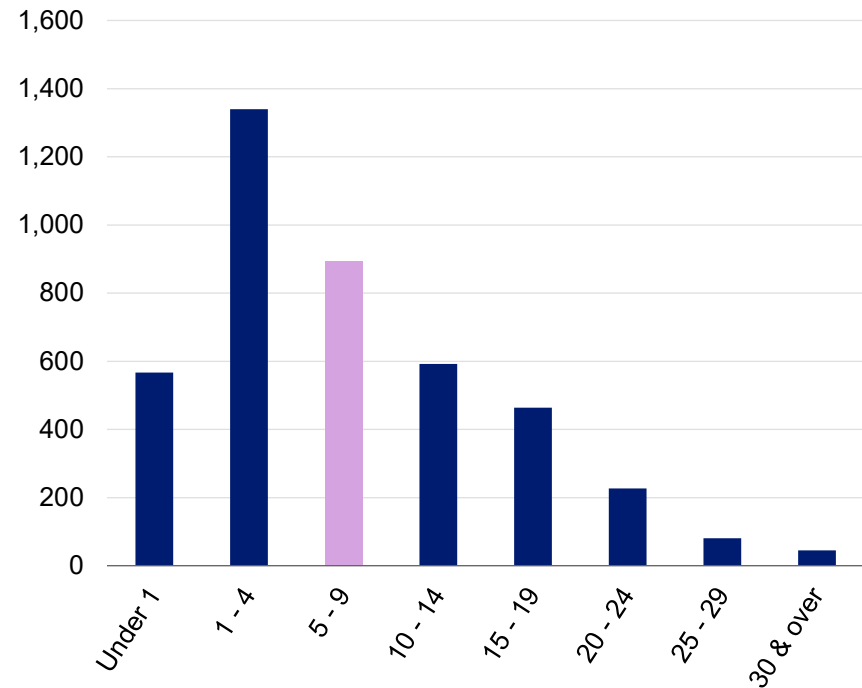
As of January 1,	2023	2024	Change
Active participants	3,988	4,209	5.5%
Average age	45.1	45.1	0.0
Average years of benefit service	8.2	8.1	-0.1

Distribution of Active Participants as of January 1, 2024

by Age



By Years of Benefit Service



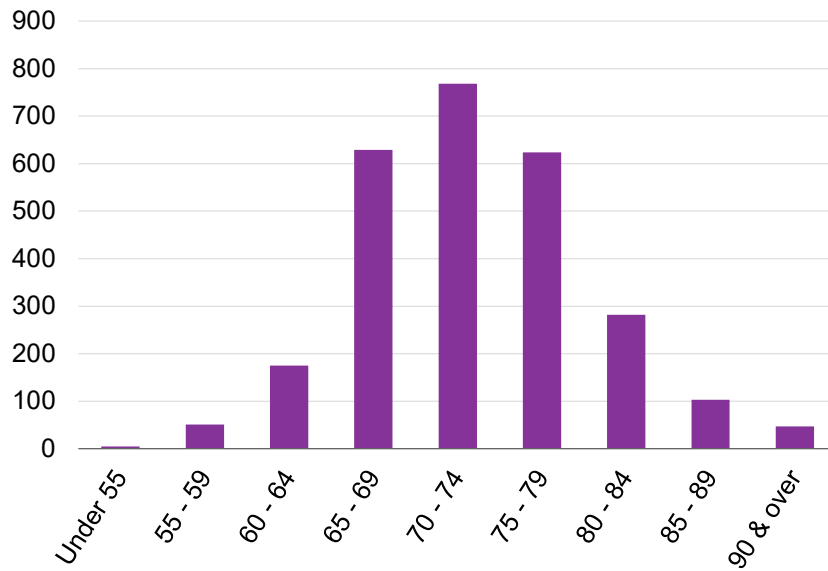
## Section 2: Actuarial Valuation Results

### Pay status information

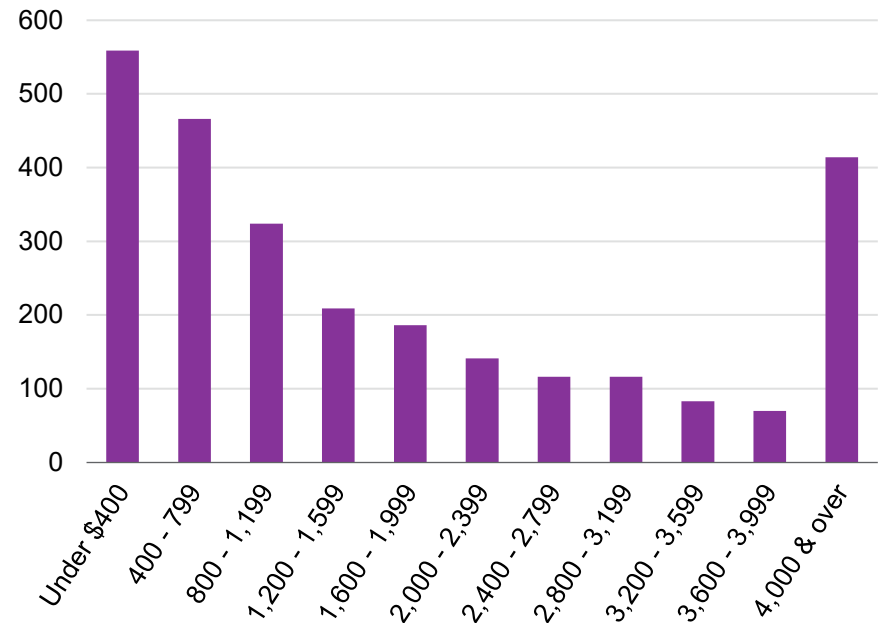
As of January 1,	2023	2024	Change
Pensioners	2,608	2,684	2.9%
Average age	72.8	73.1	0.3
Average amount	\$1,933	\$1,962	1.5%
Beneficiaries	391	400	2.3%
Total monthly amount	\$5,540,385	\$5,773,377	4.2%

#### Distribution of Pensioners as of January 1, 2024

##### By Age



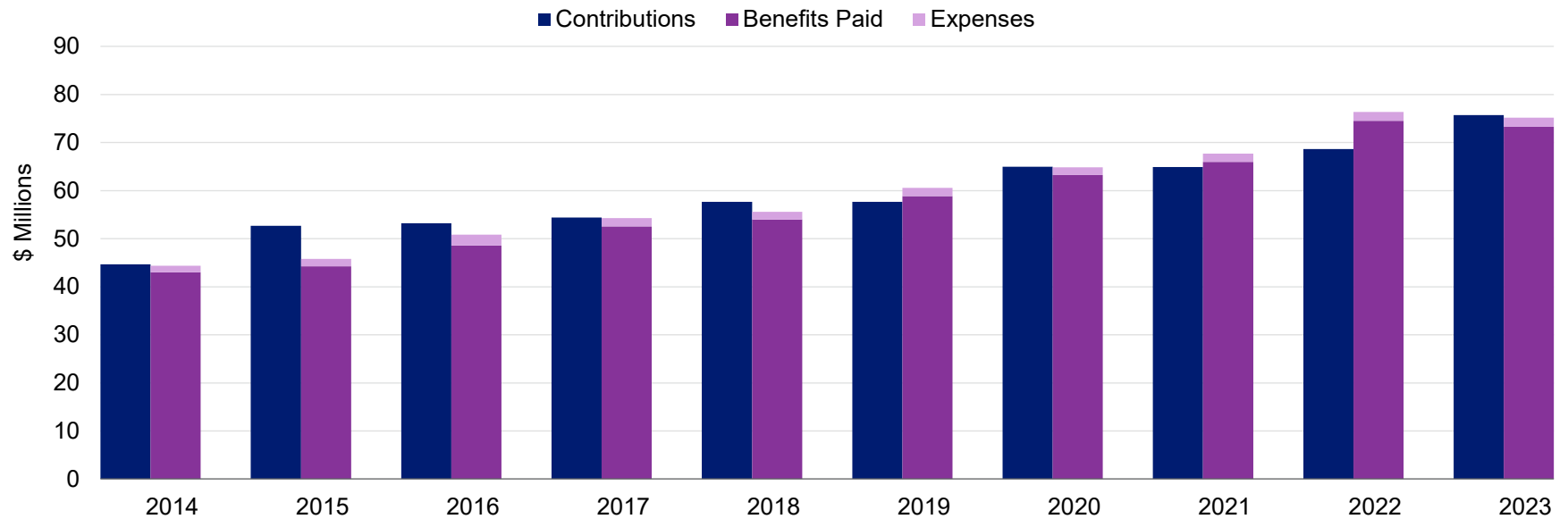
##### By Monthly Amount



## Section 2: Actuarial Valuation Results

### Financial information

Cash Flow (in millions)



Legend	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
■ Contributions	\$44.68	\$52.68	\$53.21	\$54.41	\$57.67	\$57.65	\$64.98	\$64.92	\$68.68	\$75.51
■ Benefits Paid	43.00	44.25	48.58	52.58	54.02	58.88	63.22	65.95	74.55	73.30
■ Expenses	1.39	1.56	2.25	1.70	1.58	1.72	1.65	1.73	1.84	1.90

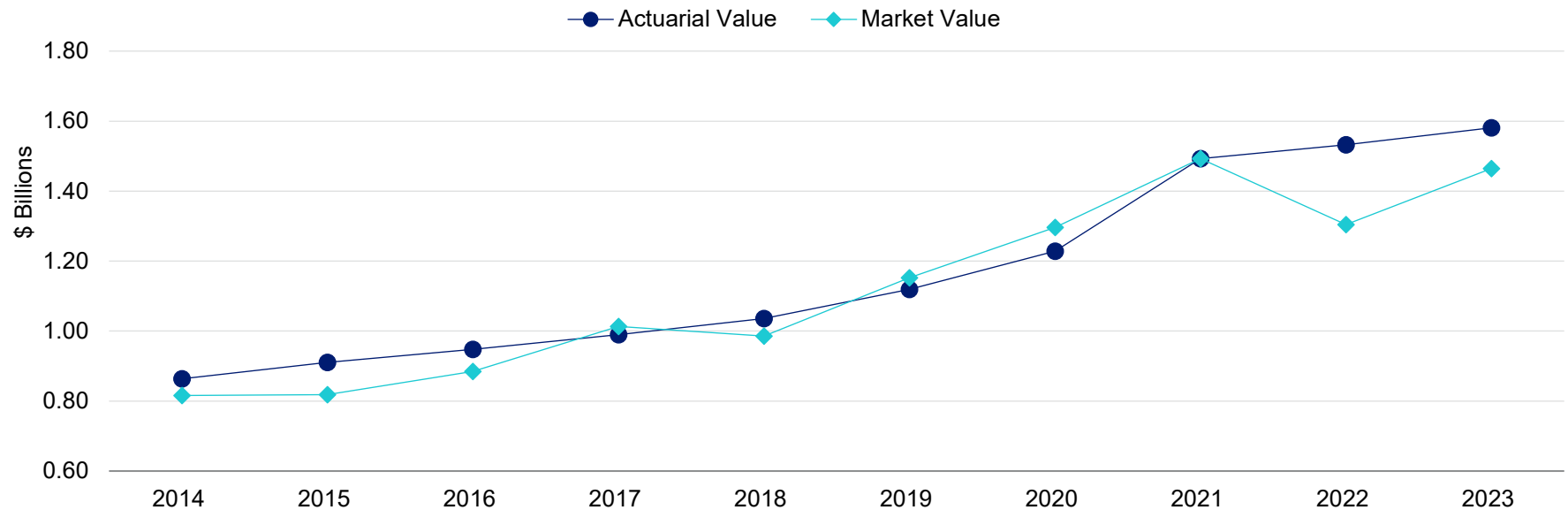
<sup>1</sup> Projected

## Section 2: Actuarial Valuation Results

### Asset history for years ended December 31

- The market value rate of return was 12.20%, as compared to the assumed rate of 7.00%. Under the actuarial asset method, 20% of this deviation is recognized in this valuation and 80% is deferred to future years.
- As of January 1, 2024, the actuarial value of assets is 107.97% of the market value and there are \$117 million of net investment loss that are deferred for future recognition.
- Both the actuarial value and the market value of assets are representations of the Plan's financial status.
- The actuarial value is significant because it is subtracted from the Plan's total actuarial accrued liability to determine the portion that is not funded and is used to determine the PPA'06 funded percentage.

Actuarial Value of Assets (AVA) vs. Market Value of Assets (MVA)



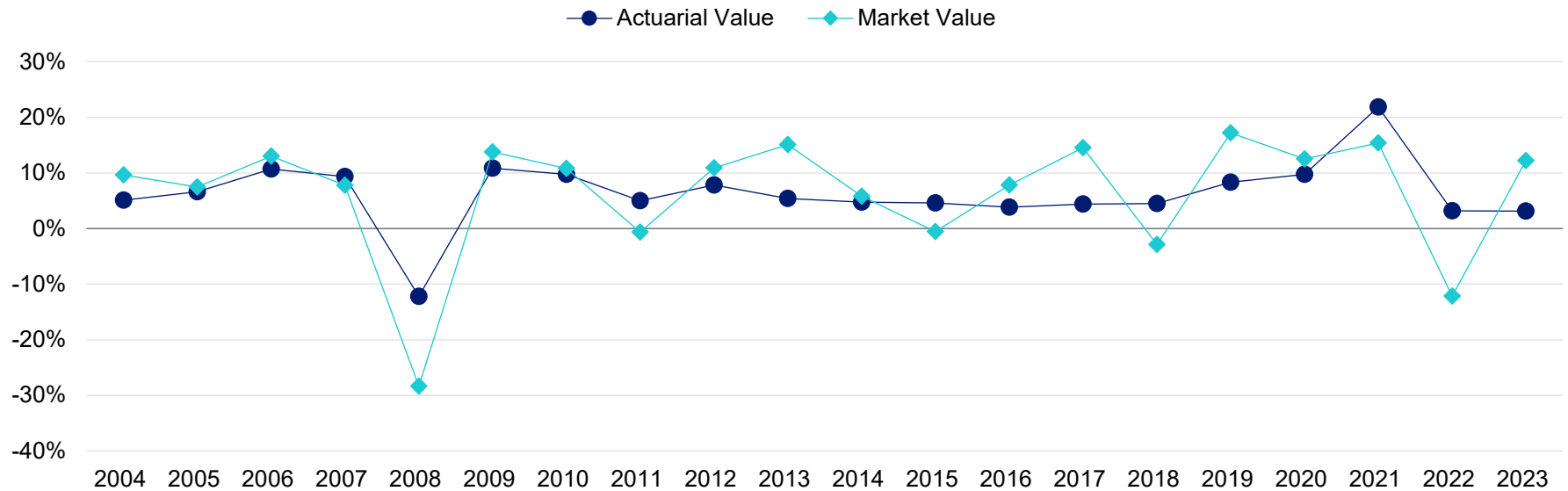
Legend	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
■ Actuarial Value <sup>1</sup>	\$0.86	\$0.91	\$0.95	\$0.99	\$1.04	\$1.12	\$1.23	\$1.49	\$1.53	\$1.58
■ Market Value <sup>1</sup>	0.82	0.82	0.88	1.01	0.99	1.15	1.30	1.49	1.30	1.46
Ratio	105.9%	111.3%	107.2%	97.7%	105.1%	97.1%	94.7%	100.0%	117.5%	108.0%

<sup>1</sup> In billions

## Section 2: Actuarial Valuation Results

### Historical investment returns

Actuarial and Market Value Rates of Return for Years Ended December 31



Legend	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
AVA	5.1%	6.6%	10.7%	9.3%	-12.2%	10.8%	9.7%	5.0%	7.8%	5.4%	4.8%	4.6%	3.9%	4.4%	4.5%	8.3%	9.7%	21.8%	3.2%	3.1%
MVA	9.7%	7.5%	13.0%	7.8%	-28.4%	13.8%	10.8%	-0.6%	10.9%	15.1%	5.8%	-0.5%	7.8%	14.5%	-2.9%	17.2%	12.5%	15.4%	-12.1%	12.2%

Average Rates of Return	Actuarial Value	Total MVA
Most recent five-year average return:	8.72%	7.89%
Most recent ten-year average return:	6.93%	6.60%
20-year average return:	6.50%	6.21%

## Actuarial experience

- Assumptions should consider experience and should be based on reasonable expectations for the future.
- Each year actual experience is compared to that projected by the assumptions. Differences are reflected in the actuarial valuation.
- Assumptions are not changed if experience that is different than expected is believed to be a short-term development only. On the other hand, if experience is expected to continue over the long term, assumptions are changed.

### Experience for the Year Ended December 31, 2023

Item	Amount
1. Loss from investments	-\$59,371,517
2. Gain from administrative expenses	176,543
3. Net loss from other experience (0.7% of projected accrued liability)	-12,076,980
<b>4. Net experience loss: 1 + 2 + 3</b>	<b>-\$71,271,954</b>

## Section 2: Actuarial Valuation Results

### Investment experience

- Actuarial planning is long term. The obligations of a pension plan are expected to continue for the lifetime of all its participants.
- The assumed long-term rate of return of 7.00% considers past experience, the Trustees' asset allocation policy and future expectations.

#### Loss from Investments

Item	Amount
1. Average actuarial value of assets	\$1,532,969,075
2. Assumed rate of return	7.00%
3. Expected net investment income: 1 × 2	\$107,307,835
4. Net investment income (3.13% actual rate of return)	47,936,318
<b>5. Actuarial loss from investments: 4 – 3</b>	<b>-\$59,371,517</b>

### Administrative expenses

- Administrative expenses for the year ended December 31, 2023, totaled \$1,897,958, as compared to the assumption of \$1,995,000.

### Other experience

- The net loss from other experience is not considered significant and is mainly due to turnover patterns different than expected and previously terminated participants returning to work. Some differences between projected and actual experience include:
  - Mortality experience
  - Salary increases more or less than projected
  - Retirement experience (earlier or later than projected and the number of retirements)
  - Number of disability retirements

## Section 2: Actuarial Valuation Results

### Plan funding

#### Comparison of Funded Percentages

Plan Year Beginning	January 1, 2023		January 1, 2024	
Item	Amount	Funded %	Amount	Funded %
<b>Market Value of Assets</b>	<b>\$1,304,785,243</b>		<b>\$1,464,503,448</b>	
Funding interest rate	7.00%		7.00%	
Present value (PV) of future benefits	\$2,033,322,293	64.2%	\$2,273,934,627	64.4%
Actuarial accrued liability <sup>1</sup>	1,595,713,782	81.8%	1,714,098,674	85.4%
PV of accumulated plan benefits (PVAB)	1,440,688,081	90.6%	1,521,463,996	96.3%
PBGC interest rates	3.90% for 20 years 3.65% thereafter		5.06% for 20 years 4.37% thereafter	
PV of vested benefits for withdrawal liability <sup>2</sup>	\$1,825,068,125	71.5%	\$1,788,861,293	81.9%
Current liability interest rate	2.55%		3.29%	
Current liability	\$2,817,130,192	46.3%	\$2,549,612,531	57.4%
<b>Actuarial Value of Assets</b>	<b>\$1,532,744,022</b>		<b>\$1,581,171,365</b>	
Funding interest rate	7.00%		7.00%	
PV of future benefits	\$2,033,322,293	75.4%	\$2,273,934,627	69.5%
Actuarial accrued liability <sup>1</sup>	1,595,713,782	96.1%	1,714,098,674	92.2%
PPA liability and annual funding notice	1,440,688,081	106.4%	1,521,463,996	103.9%
Withdrawal liability interest rate <sup>1</sup>	N/A		N/A	
PV of vested benefits for withdrawal liability	N/A	N/A	N/A	N/A

These measurements are not necessarily appropriate for assessing the sufficiency of the Plan's assets to cover the estimated cost of settling the Plan's benefit obligations or the need for or the amount of future contributions. As shown above, the funded percentage differs depending on the purpose of measurement and can vary significantly depending on the liability measure and asset value (i.e. actuarial value of assets or market value of assets).

<sup>1</sup> Based on the Unit Credit actuarial cost method and on a Scheduled Cost basis.

<sup>2</sup> The present value of vested benefits for withdrawal liability purposes is determined based on the blended interest rate and other assumptions described later in this section.

## Section 2: Actuarial Valuation Results

### **Pension Protection Act of 2006**

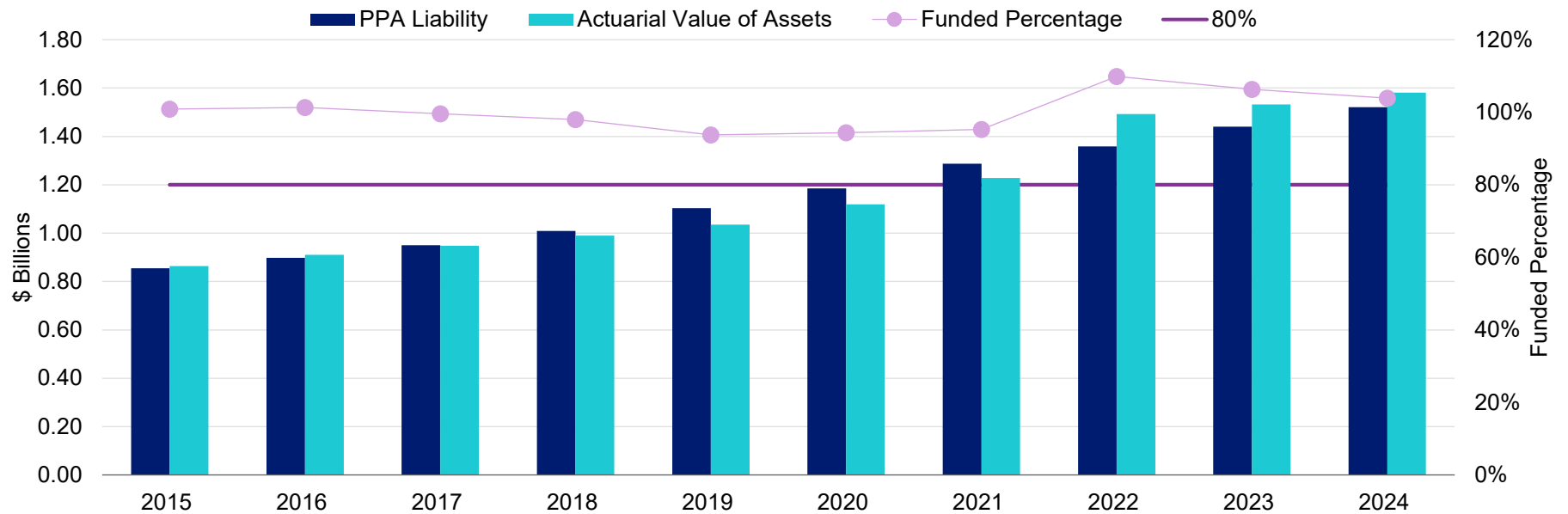
#### **2024 Actuarial status certification**

- PPA requires trustees to actively monitor their plans' financial prospects to identify emerging funding challenges so they can be addressed effectively.
- As reported in the 2024 certification, the Plan was classified as neither endangered nor critical (that is, in the Green Zone) because the funded percentage was more than 80%, and the credit balance in the Funding Standard Account was projected to be positive for at least seven years.
- The Plan was certified in the Green Zone in 2008, the first year "zone" certifications were required, and in every year since.

## Section 2: Actuarial Valuation Results

### Pension Protection Act of 2006 historical information

Funded Percentage and Zone



Plan Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Zone Status	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green
Valuation rate	7.50%	7.50%	7.50%	7.50%	7.25%	7.25%	7.00%	7.00%	7.00%	7.00%
■ PPA liability <sup>1</sup>	\$0.86	\$0.90	\$0.95	\$1.01	\$1.10	\$1.18	\$1.29	\$1.36	\$1.44	\$1.52
■ AVA <sup>1</sup>	0.86	0.91	0.95	0.99	1.04	1.12	1.23	1.49	1.53	1.58
■ Funded %	101.0%	101.3%	99.7%	98.1%	93.8%	94.4%	95.4%	109.9%	106.4%	103.9%

<sup>1</sup> In billions

## Section 2: Actuarial Valuation Results

### Scheduled Cost

- The Scheduled Cost is an annual contribution objective, reflecting benefit levels and current assets, that is compared to projected contributions to assess the Plan's long-term financial position. Simply avoiding a funding deficiency in the Funding Standard Account is not a stable basis for funding the Plan. The Scheduled Cost uses a single amortization schedule for the total unfunded actuarial accrued liability, rather than the ERISA minimum funding approach.
- The Scheduled Cost represents a reasonable Actuarially Determined Contribution (ADC), as defined in the Actuarial Standards of Practice. An ADC should balance benefit security, intergenerational equity, and stability or predictability of annual costs.
- It is our recommendation, subject to Trustee approval, that the amortization period remain at eight years as of January 1, 2024.
- The Scheduled Cost amount, if contributed, would result in a predictable level that amortizes any unfunded actuarial accrued liability over eight years, providing benefit security to plan participants while balancing the needs of current and future participants.
- The actuarial assumption used for the January 1, 2024, Scheduled Cost that differs from those used for minimum funding is the annual mandated benefit and compensation limits are assumed to increase 2.5% per year.

#### Scheduled Cost

Cost Element	2023	2024
Normal cost <sup>1</sup>	\$50,975,584	\$59,269,467
Administrative expenses <sup>1</sup>	2,069,078	2,152,049
Amortization of the unfunded actuarial accrued liability <sup>1</sup>	10,191,569	21,577,226
Actuarial accrued liability	1,595,713,782	1,714,098,674
Actuarial value of assets	1,532,928,239	1,581,171,365
Unfunded actuarial accrued liability	62,785,543	132,927,309
Amortization period	8	8
<b>Annual Scheduled Cost, payable monthly</b>	<b>\$63,236,231</b>	<b>\$82,998,742</b>
Projected contributions (21% of covered payroll)	72,254,817	80,149,839
<b>Margin/(deficit)</b>	<b>\$9,018,586</b>	<b>-\$2,848,903</b>
Margin/(deficit) as a % of projected contributions	2.6%	-0.7%

<sup>1</sup> Includes adjustment for monthly payments

## Section 2: Actuarial Valuation Results

### Low-Default-Risk Obligation Measure (LDRM)

The Actuarial Standards of Practice require the calculation and disclosure of a Low-Default-Risk Obligation Measure (LDRM) when performing a funding valuation. The LDRM represents the plan's actuarial accrued liability measured using discount rates associated with fixed income securities with a high credit rating that would be expected to provide cash flows with approximately the same timing and magnitude as the plan's expected future benefit payments.

The LDRM presented in this report is calculated using the same methodology and assumptions used to determine the actuarial accrued liability for the Scheduled Cost calculation, except for the discount rate. The discount rate selected and used for determining the LDRM is the interest rate used to determine the current liability, 3.29% as of January 1, 2024.

As of January 1, 2024, the LDRM for the Plan is \$3,063,153,478. The difference between the LDRM and the actuarial accrued liability of \$1,714,098,674 represents the expected savings and the related risk of investing in the Plan's diversified portfolio compared to investing only in low-default-risk securities.

The Actuarial Standard requires commentary to help the intended user understand the significance of the LDRM with respect to the funded status of the plan, plan contributions, and the security of participant benefits. In general, if plan assets were invested exclusively in low-default-risk securities, the funded status would be lower, and the Scheduled Cost would be higher. While investing in a portfolio with low-default-risk securities may be more likely to reduce investment volatility and the volatility of the Scheduled Cost, it also may be more likely to result in the need for higher contributions or lower benefits.

## Section 2: Actuarial Valuation Results

### Risk

- The actuarial valuation results are dependent on a single set of assumptions; however, there is a risk that emerging results may differ significantly as actual experience proves to be different from the current assumptions.
- We have not been engaged to perform a detailed analysis of the potential range of the impact of risk relative to the Plan's future financial condition but have included a brief discussion of some risks that may affect the Plan.
- Economic Shock Risk. Potential implications for the Plan that were not reflected as of the valuation date include:
  - Volatile financial markets and investment returns lower than assumed
  - Short-term or long-term employment levels far different than past experience, including a projected rate of change and possible "new normal" long-term state
  - Changes in future demographic experience, such as retirement, disability, turnover, and mortality patterns
- Investment Risk (the risk that returns will be different than expected)

Since the Plan's assets are much larger than contributions, investment performance will create volatility in contribution requirements.

Based on current capital market expectations (developed by Segal Marco) and the Plan's current target asset allocation, we estimate that there is a 16.7% likelihood that the Plans' annual return will be less than **-5.00%** in any given year.

As shown earlier in this Section, the market value rate of return over the last 20 years ended December 31, 2023, has ranged from a low of **-28.35%** to a high of 17.21%.

- Contribution/Employment Risk (the risk that actual contributions will be different from projected contributions)

The Plan relies on contributions to pay benefits and expenses. To the extent contributions do not cover those costs, investment income is needed. As such, there is risk associated with changes in the number and composition of active participants to the extent such changes cause a decrease in contributions to the Plan. A significant decrease in the number of active participants may require increased funding to the Plan that is not sustainable solely through investment earnings.

We are prepared to model the effect of decreases in the number of actives (and projected contributions) on the projected funded percentage and credit balance.
- Longevity Risk (the risk that mortality experience will be different than expected)

The actuarial valuation includes an expectation of future improvement in life expectancy. Emerging plan experience that does not match these expectations will result in either an increase or decrease in the required contribution.

## Section 2: Actuarial Valuation Results

- Other Demographic Risk (the risk that participant experience will be different than assumed)

Examples of this risk include:

- Actual retirements occurring earlier or later than assumed. The value of retirement plan benefits is sensitive to the rate of benefit accruals and any early retirement subsidies that apply. While it is difficult to quantify the impact of potential experience, earlier retirements would generally result in higher costs for the Plan.
- More or less active participant turnover than assumed. Lower turnover would generally result in higher costs for the Plan.
- Return to covered employment of previously inactive participants. More rehires would generally result in higher costs for the Plan.

- Actual Experience over the Last Ten Years

Past experience can help demonstrate the sensitivity of key results to the Plan's risk profile. Over the past ten years ended December 31, 2023:

- The investment gain (loss) on market value for a year has ranged from a loss of \$284,948,474 to a gain of \$108,528,528.
- The non-investment gain (loss) for a year has ranged from a loss of \$21,185,307 to a gain of \$2,739,345.

- Maturity Measures

The risk associated with a pension plan increases as it becomes more mature, meaning that the actives represent a smaller portion of the liabilities of a plan. When this happens, there is a greater risk that fluctuations in the experience of the non-active participants or of the assets of a plan can result in large swings in the contribution requirements.

- As of January 1, 2024, the actuarial accrued liability for retired participants represents 43% of the total actuarial accrued liability. In addition, the actuarial accrued liability for inactive vested participants represents 17% of the total for a total non-active liability of 60%. The higher the non-active actuarial accrued liability is as a percent of the total liability, the greater the danger of volatility in results.
  - Over the past ten years ended December 31, 2023, the ratio of non-active participants to active participants has increased from a low of 1.67 in 2015 to a high of 2.09 in 2022. The ratio is currently 1.99. The ratio of benefit payments to contributions has been at or below 1.1 over the last few years and was less than 1.0 for 2023. As these ratios increase, the Plan becomes more dependent on investment returns to pay benefits.
- There are external factors including legislative, regulatory or financial reporting changes that could impact the Plan's funding and disclosure requirements. While we do not assume any changes in such external factors, it is important to understand that they could have significant consequences for the Plan. Prior legislative proposals considered possible changes to funding requirements (such as changes to the zone rules) and increases in PBGC premiums for multiemployer plans.
  - A detailed risk assessment could be important for the Plan because:

## Section 2: Actuarial Valuation Results

- The Plan may enter endangered or critical status in the near future depending on experience.
- Relatively small changes in investment performance can produce large swings in the unfunded liabilities because the assets and liabilities are of similar size.
- The Plan's asset allocation has potential for a significant amount of investment return volatility.
- Potential changes in the covered population or plan industry may result in participant choices that vary from those assumed.

## Section 2: Actuarial Valuation Results

### Withdrawal liability

- The present value of vested benefits for withdrawal liability purposes reflects the assumption changes effective January 1, 2024. For purposes of determining the present value of vested benefits, we excluded all benefits that are not protected by IRC Section 411(d)(6), including lump sum benefits.
- Because the Trustees have adopted the “one-pool” allocation method, an employer withdrawing in the Plan Year ended December 31, 2024, will be assessed withdrawal liability.
- Withdrawal liability assumptions are stated on the following page.

Item	2022	2023
Present value of vested benefits (PVVB) on funding basis	\$1,355,519,726	\$1,428,101,304
Present value of vested benefits on settlement basis (PBGC interest rates)	2,117,557,609	1,894,878,078
1. PVVB measured for withdrawal purposes	\$1,825,068,125	\$1,788,861,293
2. Market value of assets	1,304,785,243	1,464,503,448
<b>3. Unfunded present value of vested benefits (UVB): 1 – 2, not less than \$0</b>	<b>\$520,282,882</b>	<b>\$324,357,845</b>

## Section 2: Actuarial Valuation Results

### Withdrawal liability assumptions

- The actuarial assumptions and methods are reasonable (taking into account the experience of the Plan and reasonable expectations) and, in combination, represent the actuary's best estimate of anticipated experience under the Plan to determine the unfunded vested benefits for withdrawal liability purposes.
- The present value of vested benefits is based on a blend of two liability calculations:
  - The first calculation applies to benefits that could be settled immediately because assets on hand are sufficient to cover their market value. Since withdrawal liability is a final settlement of an employer's obligation to the Plan, the discount rates used are based on estimated annuity purchase rates. ERISA Sec. 4044 interest rates promulgated by the PBGC for multiemployer plans terminating by mass withdrawal on the measurement date are used as a proxy for annuity purchase rates.
  - The second calculation applies to benefits that cannot be settled immediately because they are not currently funded. This calculation uses the interest rate determined by the plan actuary for minimum funding, based on the expected return on current and future assets.

Assumption	Description
Interest	For liabilities up to market value of assets, 5.06% for 20 years and 4.37% beyond. For liabilities in excess of market value of assets, same as used for plan funding as of January 1, 2024.
Administrative Expenses	Calculated as prescribed by PBGC formula (29 CFR Part 4044, Appendix C); not applicable to those liabilities determined using funding interest rates.
Mortality	Same as used for plan funding as of January 1, 2024
Retirement Rates	Same as used for plan funding as of January 1, 2024

# Section 3: Certificate of Actuarial Valuation

February 11, 2025

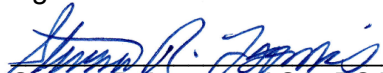
## Certificate of Actuarial Valuation

This is to certify that Segal has prepared an actuarial valuation of the SEIU Affiliates Officers and Employees Pension Plan as of January 1, 2024, in accordance with generally accepted actuarial principles and practices. It has been prepared at the request of the Board of Trustees to assist in administering the Plan and meeting filing requirements of federal government agencies. This valuation report may not otherwise be copied or reproduced in any form without the consent of the Board of Trustees and may only be provided to other parties in its entirety.

The measurements shown in this actuarial valuation may not be applicable for other purposes. 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.

The valuation is based on the assumption that the Plan is qualified as a multiemployer plan for the year and on information supplied by the auditor with respect to contributions and assets and reliance on the Benefit Funds Office with respect to the participant data. Segal does not audit the data provided. The accuracy and comprehensiveness of the data is the responsibility of those supplying the data. To the extent we can, however, Segal does review the data for reasonableness and consistency. Based on our review of the data, we have no reason to doubt the substantial accuracy of the information on which we have based this report, and we have no reason to believe there are facts or circumstances that would affect the validity of these results. Adjustments for incomplete or apparently inconsistent data were made as described in the attached Exhibit J.

I am a member of the American Academy of Actuaries, and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of my knowledge, the information supplied in this actuarial valuation is complete and accurate, except as noted in Exhibit A. Each prescribed assumption for the determination of Current Liability was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the Plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the Plan. In addition, in my opinion, the combined effect of these assumptions is expected to have no significant bias.



Steven R. Loomis, ASA, FCA, MAAA, EA  
Vice President and Consulting Actuary  
Enrolled Actuary No. 23-6253

## Section 3: Certificate of Actuarial Valuation

### Exhibit A: Table of plan coverage

The valuation was made with respect to the following data supplied to us by the Benefit Funds Office.

Category	2022	2023	Change from Prior Year
<b>Active participants in valuation:</b>			
• Number	3,988	4,209	5.5%
• Average age	45.1	45.1	0.0
• Average years of benefit service	8.2	8.1	-0.1
• Average compensation	\$86,276	\$90,679	5.1%
• Number with unknown age	61	10	-83.6%
• Total active vested participants	2,915	2,970	1.9%
• Number of Common Service employees	174	163	-6.3%
<b>Inactive participants with rights to a pension:</b>			
• Number	5,211	5,269	1.1%
• Average age	50.8	51.2	0.4
• Average estimated monthly benefit	\$680	\$692	1.7%
<b>Pensioners:</b>			
• Number in pay status	2,608	2,684	2.9%
• Average age	72.8	73.1	0.3
• Average monthly benefit	\$1,933	\$1,962	1.5%
• Number in suspended status	38	40	5.3%
<b>Beneficiaries:</b>			
• Number in pay status	391	400	2.3%
• Average age	74.1	74.7	0.6
• Average monthly benefit	\$1,279	\$1,272	-0.6%
<b>Total participants</b>	<b>12,236</b>	<b>12,602</b>	<b>3.0%</b>

## Section 3: Certificate of Actuarial Valuation

### Exhibit B: Supporting information for minimum funding calculations

Description	2023	2024
Interest rate assumption	7.00%	7.00%
Normal cost, including administrative expenses	\$50,326,229	\$57,869,515
Actuarial present value of projected benefits	1,998,934,151	2,217,088,268
Present value of future normal costs	410,296,115	513,512,996
Market value as reported by Calibre CPA Group (MVA)	1,304,785,243 <sup>1</sup>	1,464,503,448
Actuarial value of assets (AVA)	1,532,744,022	1,581,171,365
<b>Actuarial accrued liability</b>	<b>\$1,588,638,036</b>	<b>\$1,703,575,272</b>
• Pensioners and beneficiaries	\$705,512,563	\$728,152,493
• Inactive participants with vested rights	274,987,518	285,685,175
• Active participants	608,137,955	689,737,604
Unfunded actuarial accrued liability based on AVA	\$55,894,014	\$122,403,907

<sup>1</sup> Reported market value reduced by long-term receivable contributions.

## Section 3: Certificate of Actuarial Valuation

### Exhibit C: Summary statement of income and expenses

Item	Income and Expenses	Assets for YE December 31, 2022	Income and Expenses	Assets for YE December 31, 2023
<b>Market value of assets, beginning of the year</b>		\$1,493,167,950		\$1,304,785,243
<b>Contribution income:</b>				
• Employer contributions	\$68,652,078		\$75,358,743	
• Withdrawal Liability Payments	30,050		149,950	
<b>Contribution income</b>		<b>68,682,128</b>		<b>75,508,693</b>
<b>Investment income:</b>				
• Interest and dividends:	12,558		71,310	
• Capital appreciation/(depreciation)	-180,686,595		159,155,870	
• Less investment fees <sup>1</sup>	0		0	
<b>Net investment income</b>		<b>-180,674,037</b>		<b>159,227,180</b>
<b>Other income</b>		<b>0</b>		<b>184,217</b>
<b>Total income available for benefits</b>		<b>-111,991,909</b>		<b>234,920,090</b>
<b>Less benefit payments and expenses:</b>				
• Pension benefits	-74,547,482		-73,303,927	
• Administrative expenses	-1,843,316		-1,897,958	
<b>Total benefit payments and expenses</b>		<b>-76,390,798</b>		<b>-75,201,885</b>
<b>Market value of assets, end of the year</b>		<b>\$1,304,785,243</b>		<b>\$1,464,503,448</b>

<sup>1</sup> Not reported in financials as of December 31, 2022 and December 31, 2023.

## Section 3: Certificate of Actuarial Valuation

### Exhibit D: Determination of actuarial value of assets

Step	MVA Rate of Return	Original Amount <sup>1</sup>	Unrecognized Return <sup>2</sup>	Amount
1. Market value of assets, December 31, 2023				\$1,464,503,448
2. Calculation of unrecognized return				
a. Year ended December 31, 2023	12.20%	\$67,876,459	\$54,301,167	
b. Year ended December 31, 2022	-12.13%	-284,948,474	-170,969,084	
<b>c. Total unrecognized return</b>				<b>-116,667,917</b>
3. Preliminary actuarial value: 1 – 2c				1,581,171,365
4. Adjustment to be within 20% corridor				0
<b>5. Final actuarial value of assets as of December 31, 2023: (3) + (4)</b>				<b>1,581,171,365</b>
6. Actuarial value as a percentage of market value: (5) ÷ (1)				108.0%
7. Amount deferred for future recognition: (1) - (5)				<b>-\$116,667,917</b>

<sup>1</sup> Total return minus expected return on a market value basis

<sup>2</sup> Recognition at 20% per year over five years with phase-in beginning January 1, 2022.

## Section 3: Certificate of Actuarial Valuation

### Exhibit E: Information on plan status as of January 1, 2024

Item	Amount
Plan status (as certified on March 27, 2024, for the 2024 zone certification)	"Green"
Actuarial value of assets for FSA	\$1,581,171,365
Accrued liability under unit credit cost method	1,521,463,996
Funded percentage for monitoring plan status	103.9%

#### Annual Funding Notice for Plan Year Beginning January 1, 2024, and Ending December 31, 2024

Item	2024 Plan Year	2023 Plan Year	2022 Plan Year
Actuarial valuation date	January 1, 2024	January 1, 2023	January 1, 2022
Funded percentage	103.9%	106.4%	109.9%
Value of assets	\$1,581,171,365	\$1,532,744,022	\$1,493,167,950
Value of liabilities	1,521,463,996	1,440,688,081	1,358,551,128
Market value of assets as of Plan Year end	Not available	1,464,503,448	1,304,785,243

## Section 3: Certificate of Actuarial Valuation

### Exhibit F: Schedule of active participant data

(Schedule MB, Line 8b(2))

The participant data is as of January 1, 2024.

Age		Total	Pension Credits									
			Under 1	1 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30 - 34	35 - 39	40 & over
Under 25	Count	95	62	33	-	-	-	-	-	-	-	-
	Average Compensation	\$64,926	\$62,714	\$69,083	-	-	-	-	-	-	-	-
	Average Monthly Benefit	\$102	\$47	\$204	-	-	-	-	-	-	-	-
25 - 29	Count	360	124	208	28	-	-	-	-	-	-	-
	Average Compensation	\$75,059	\$67,441	\$77,204	\$92,856	-	-	-	-	-	-	-
	Average Monthly Benefit	\$303	\$61	\$344	\$1,066	-	-	-	-	-	-	-
30 - 34	Count	496	98	248	133	16	1	-	-	-	-	-
	Average Compensation	\$83,046	\$68,430	\$80,805	\$94,992	-	-	-	-	-	-	-
	Average Monthly Benefit	\$597	\$62	\$394	\$1,155	-	-	-	-	-	-	-
35 - 39	Count	566	76	219	167	85	19	-	-	-	-	-
	Average Compensation	\$92,207	\$73,400	\$83,142	\$97,836	\$115,279	-	-	-	-	-	-
	Average Monthly Benefit	\$1,024	\$73	\$394	\$1,253	\$2,511	-	-	-	-	-	-
40 - 44	Count	632	68	183	145	131	92	13	-	-	-	-
	Average Compensation	\$95,618	\$72,493	\$81,518	\$95,997	\$113,882	\$111,238	-	-	-	-	-
	Average Monthly Benefit	\$1,549	\$72	\$414	\$1,260	\$2,598	\$3,454	-	-	-	-	-
45 - 49	Count	574	47	143	134	107	90	48	5	-	-	-
	Average Compensation	\$97,865	\$64,698	\$77,522	\$94,535	\$109,595	\$120,813	\$128,363	-	-	-	-
	Average Monthly Benefit	\$1,926	\$62	\$413	\$1,352	\$2,509	\$3,734	\$4,796	-	-	-	-
50 - 54	Count	512	34	135	102	80	76	54	25	6	-	-
	Average Compensation	\$93,844	\$63,494	\$76,461	\$90,298	\$102,635	\$109,138	\$112,309	\$128,438	-	-	-
	Average Monthly Benefit	\$2,087	\$74	\$398	\$1,257	\$2,332	\$3,520	\$4,527	\$6,102	-	-	-
55 - 59	Count	457	35	82	84	78	83	55	24	13	3	-
	Average Compensation	\$96,486	\$74,557	\$76,176	\$92,701	\$94,764	\$109,312	\$110,922	\$123,535	-	-	-
	Average Monthly Benefit	\$2,461	\$79	\$414	\$1,253	\$2,247	\$3,644	\$4,564	\$5,793	-	-	-

## Section 3: Certificate of Actuarial Valuation

<b>60 - 64</b>	<b>Count</b>	<b>320</b>	13	64	61	61	54	36	16	9	6	-
	<b>Average Compensation</b>	<b>\$90,113</b>	-	\$72,721	\$87,903	\$92,784	\$96,589	\$105,803	-	-	-	-
	<b>Average Monthly Benefit</b>	<b>\$2,336</b>	-	\$398	\$1,219	\$2,215	\$3,095	\$4,474	-	-	-	-
<b>65 - 69</b>	<b>Count</b>	<b>126</b>	3	10	25	25	35	15	8	4	1	-
	<b>Average Compensation</b>	<b>\$98,094</b>	-	-	\$94,579	\$93,440	\$101,231	-	-	-	-	-
	<b>Average Monthly Benefit</b>	<b>\$2,866</b>	-	-	\$1,347	\$2,294	\$3,270	-	-	-	-	-
<b>70 &amp; over</b>	<b>Count</b>	<b>61</b>	3	9	14	9	14	6	3	-	3	-
	<b>Average Compensation</b>	<b>\$78,497</b>	-	-	-	-	-	-	-	-	-	-
	<b>Average Monthly Benefit</b>	<b>\$2,320</b>	-	-	-	-	-	-	-	-	-	-
<b>Unknown</b>	<b>Count</b>	<b>10</b>	4	6	-	-	-	-	-	-	-	-
	<b>Average Compensation</b>	-	-	-	-	-	-	-	-	-	-	-
	<b>Average Monthly Benefit</b>	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>Count</b>	<b>4,209</b>	<b>567</b>	<b>1,340</b>	<b>893</b>	<b>592</b>	<b>464</b>	<b>227</b>	<b>81</b>	<b>32</b>	<b>13</b>	-
	<b>Average Compensation</b>	<b>\$90,679</b>	<b>\$68,477</b>	<b>\$78,432</b>	<b>\$93,928</b>	<b>\$105,337</b>	<b>\$109,562</b>	<b>\$113,130</b>	<b>\$122,029</b>	<b>\$111,792</b>	-	-
	<b>Average Monthly Benefit</b>	<b>\$1,550</b>	<b>\$65</b>	<b>\$387</b>	<b>\$1,246</b>	<b>\$2,407</b>	<b>\$3,479</b>	<b>\$4,522</b>	<b>\$5,890</b>	<b>\$6,656</b>	-	-

## Section 3: Certificate of Actuarial Valuation

### Exhibit G: Funding Standard Account

- ERISA imposes a minimum funding standard that requires the Plan to maintain a Funding Standard Account (FSA). The accumulation of contributions in excess of the minimum required contributions is called the FSA credit balance. If actual contributions fall short on a cumulative basis, a funding deficiency has occurred.
- The FSA is charged with the normal cost and the amortization of increases or decreases in the unfunded actuarial accrued liability due to plan amendments, experience gains or losses, and changes in actuarial assumptions and funding methods. The FSA is credited with employer contributions and withdrawal liability payments.
- Increases or decreases in the unfunded actuarial accrued liability are amortized over 15 years except that short-term benefits, such as 13th checks, are amortized over the scheduled payout period.

Item	December 31, 2023	December 31, 2024
1. Prior year funding deficiency	\$0	\$0
2. Normal cost, including administrative expenses	50,326,229	57,869,515
3. Amortization charges	73,273,766	69,806,097
4. Interest on <b>1, 2 and 3</b>	8,652,000	8,937,293
<b>5. Total charges</b>	<b>\$132,251,995</b>	<b>\$136,612,905</b>
6. Prior year credit balance	\$95,930,880	\$104,667,094
7. Employer contributions	75,508,693	TBD
8. Amortization credits	52,655,872	52,663,954
9. Interest on <b>6, 7 and 8</b>	12,823,644	11,013,173
10. Full funding limitation credits	0	0
<b>11. Total credits</b>	<b>\$236,919,089</b>	<b>\$168,344,221</b>
12. Credit balance/(Funding deficiency): <b>11 – 5</b>	\$104,667,094	TBD
<b>13. Minimum contribution with interest required to avoid a funding deficiency: 5 –11 not less than zero</b>	<b>N/A</b>	<b>\$0</b>

## Section 3: Certificate of Actuarial Valuation

### Full Funding Limitation (FFL) and Credits for Plan Year January 1, 2024

Item	Amount
ERISA FFL (accrued liability FFL)	\$429,721,023
RPA'94 override (90% current liability FFL)	817,826,557
FFL credit	0

## Section 3: Certificate of Actuarial Valuation

### Schedule of FSA Bases (Charges) (Schedule MB, Line 9c)

Type of Base	Date Established	Outstanding Balance	Years Remaining	Amortization Amount
Investment Loss Subject to Relief	01/01/2009	\$87,791,080	14	\$9,381,744
Investment Loss Subject to Relief	01/01/2010	11,526,998	14	1,231,826
Merger	06/01/2010	2,573,700	1.42	1,842,165
Investment Loss Subject to Relief	01/01/2011	7,955,991	14	850,212
Plan Amendment	01/01/2012	340,371	3	121,214
Experience Loss	01/01/2012	684,689	3	243,834
Investment Loss Subject to Relief	01/01/2012	9,929,982	14	1,061,162
Change in Actuarial Assumptions	01/01/2012	12,310,794	3	4,384,158
Plan Amendment	01/01/2013	328,699	4	90,693
Investment Loss Subject to Relief	01/01/2013	11,260,907	14	1,203,390
Plan Amendment	01/01/2014	373,035	5	85,028
Investment Loss Subject to Relief	01/01/2014	27,144,014	14	2,900,730
Plan Amendment	01/01/2015	37,387	6	7,331
Experience Loss	01/01/2015	11,733,721	6	2,300,641
Change in Actuarial Assumptions	01/01/2016	506,634	7	87,858
Experience Loss	01/01/2016	13,403,074	7	2,324,284
Plan Amendment	01/01/2017	799,315	8	125,102
Experience Loss	01/01/2017	23,210,011	8	3,632,644
Plan Amendment	01/01/2018	836,038	9	119,926
Experience Loss	01/01/2018	36,347,818	9	5,213,924
Plan Amendment	01/01/2019	1,038,341	10	138,165
Change in Actuarial Assumptions	01/01/2019	30,234,790	10	4,023,134
Experience Loss	01/01/2019	31,996,473	10	4,257,549
Experience Loss	01/01/2020	823,175	11	102,594

## Section 3: Certificate of Actuarial Valuation

Type of Base	Date Established	Outstanding Balance	Years Remaining	Amortization Amount
Plan Amendment	01/01/2020	1,181,827	11	147,294
Change in Actuarial Assumptions	01/01/2020	4,817,017	11	600,357
Plan Amendment	01/01/2021	90,944	12	10,701
Change in Actuarial Assumptions	01/01/2021	44,162,244	12	5,196,369
Plan Amendment	01/01/2022	5,336,492	13	596,744
Plan Amendment	01/01/2023	2,926,474	14	312,736
Change in Actuarial Assumptions	01/01/2023	8,733,801	14	933,333
Experience Loss	01/01/2023	69,105,452	14	7,384,915
Plan Amendment	01/01/2024	1,968,976	15	202,040
Change in Actuarial Assumptions	01/01/2024	13,438,581	15	1,378,957
Experience Loss	01/01/2024	71,271,954	15	7,313,343
<b>Total</b>		<b>\$546,220,799</b>		<b>\$69,806,097</b>

## Section 3: Certificate of Actuarial Valuation

### Schedule of FSA Bases (Credits) (Schedule MB, Line 9h)

Type of Base	Date Established	Outstanding Balance	Years Remaining	Amortization Amount
Combined Base	01/01/2022	\$190,970,222	6.7	\$34,277,196
Change in Funding Method	01/01/2023	128,179,576	9	18,386,758
<b>Total</b>		<b>\$319,149,798</b>		<b>\$52,663,954</b>

## Section 3: Certificate of Actuarial Valuation

### Exhibit H: Current Liability

The table below presents the current liability for the Plan Year beginning January 1, 2024.

Item <sup>1</sup>	Number of Participants	Current Liability
Interest rate assumption		3.29%
Retired participants and beneficiaries receiving payments	3,124	\$996,442,074
Inactive vested participants	5,269	555,244,324
Active participants		
• Non-vested benefits		149,495,968
• Vested benefits		848,430,165
• <b>Total active</b>	<b>4,209</b>	<b>\$997,926,133</b>
<b>Total</b>	<b>12,602</b>	<b>\$2,549,612,531</b>

Item	Amount
Expected increase in current liability due to benefits accruing during the Plan Year	\$135,872,040
Expected release from current liability for the Plan Year	90,306,397
Expected plan disbursements for the Plan Year, including administrative expenses of \$2,075,000	92,381,397
Current value of assets	\$1,464,503,448
Percentage funded for Schedule MB	57.44%

<sup>1</sup> The actuarial assumptions used to calculate these values are shown in Exhibit J.

## Section 3: Certificate of Actuarial Valuation

### Exhibit I: Actuarial present value of accumulated plan benefits

The actuarial present value of accumulated plan benefits calculated in accordance with FASB ASC 960 is shown below as of January 1, 2023, and as of January 1, 2024. In addition, a reconciliation between the two dates follows.

Item	January 1, 2023	January 1, 2024
Actuarial present value of vested accumulated plan benefits:		
• Participants currently receiving payments	\$705,512,563	\$728,152,493
• Other vested benefits	654,998,624	705,051,357
• <b>Total vested benefits</b>	<b>\$1,360,511,187</b>	<b>\$1,433,203,850</b>
Actuarial present value of non-vested accumulated plan benefits	80,176,894	88,260,146
<b>Total actuarial present value of accumulated plan benefits</b>	<b>\$1,440,688,081</b>	<b>\$1,521,463,996</b>

Factors	Change in Actuarial Present Value of Accumulated Plan Benefits
Plan amendments	\$506,677
Benefits accumulated, net experience gain or loss, changes in data	57,353,443
Benefits paid	-73,303,927
Changes in actuarial assumptions	-1,849,003
Interest	98,068,725
<b>Total</b>	<b>\$80,775,915</b>

## Section 3: Certificate of Actuarial Valuation

### Exhibit J: Statement of actuarial assumptions, methods and models

(Schedule MB, Line 6)

#### Rationale for assumptions

Current data is reviewed in conjunction with each annual valuation. Based on professional judgment, the assumptions noted at the end of this exhibit were changed.

#### Mortality rates

**Healthy:** 91.5% of the Pri-2012 Blue Collar Amount Weighted Mortality Table (separate employee and annuitant tables) projected generationally with SSA2024 scale

**Disabled:** Healthy life (annuitant) mortality, with ages set forward 10 years

The Pri-2012 Blue Collar amount weighted tables (with ages set forward for disabled lives and the 91.5% factor) and generational projection to the valuation date reasonably reflect the mortality experience of the Plan as of the measurement date.

These mortality tables were then adjusted to future years using a generational projection to reflect future mortality improvement between the measurement date and those years.

The mortality rates were based on historical and current demographic data, adjusted to reflect health characteristics of the industry, and estimated future experience and professional judgment. As part of the analysis, a comparison was made between the actual number of deaths by age and the projected number based on the prior years' assumption over the most recent five years, taking into consideration the results of Segal's 2020 industry mortality study.

#### Termination rates

Age	Withdrawal Rate (%)
20	20.00
25	17.96
30	14.34
35	10.27
40	7.91

## Section 3: Certificate of Actuarial Valuation

45	6.84
50	5.83
55	5.01
60	4.89

The assumed rates of withdrawal shown above apply to employees with three or more years of service. For employees with less than three years of service, the assumed withdrawal rates are as follows:

Years of Service	Rate (%)
Less than 1	28
Between 1 and 2	22
Between 2 and 3	18

The termination rates were based on historical and current demographic data, estimated future experience, and professional judgment. As part of the analysis, a comparison was made between the actual number of terminations by age and the projected number based on the prior years' assumption over the most recent five years.

### Retirement rates

Age	Eligible for Unreduced Benefit	Eligible for Reduced Benefit
50 – 54	12.0%	N/A
55	15.0	2.0%
56 – 59	9.0	2.0
60 – 61	13.0	5.0
62	17.0	12.0
63 – 64	17.0	10.0
65	20.0	20.0
66 – 69	18.0	18.0
70	100.0	100.0

## Section 3: Certificate of Actuarial Valuation

The retirement rates were based on historical and current demographic data, estimated future experience, and professional judgment. As part of the analysis, a comparison was made between the actual number of retirements by age and the projected number based on the prior years' assumption over the most recent five years.

### Description of weighted average retirement age

Age 63, determined as follows: The weighted average retirement age for each participant is calculated as the sum of the product of each potential current or future retirement age times the probability of surviving from current age to that age and then retiring at that age, assuming no other decrements. The overall weighted retirement age is the average of the individual retirement ages based on all the active participants included in this valuation.

### Retirement rates for inactive vested participants

5.5% at the age when first eligible to retire, 5.5% each year thereafter, and 100% at age when first eligible for an unreduced benefit. The retirement rates for inactive vested participants were based on historical and current demographic data, estimated future experience, and professional judgment. As part of the analysis, a comparison was made between the actual number of retirements by age and the projected number based on the prior years' assumption over the most recent five years.

### Retirement age for CSEA inactive vested participants (at merger)

Age 63

### Salary Scale

Annual increases of 2.75% plus an additional amount varying by age. Sample rates of increase are as follows:

Age	Annual Increase
20	12.7%
25	10.6
30	8.6
35	7.4
40	6.3
45	5.8
50	5.7

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Age	Annual Increase
55	5.0
60	3.3
65+	2.8

The salary scale rates were based on historical and current demographic data, adjusted to reflect estimated future experience and professional judgment. As part of the analysis, a comparison was made between the assumed and the actual increase in salary by age over the most recent five years.

### **Assumed cost of living Increase for CSEA retirement benefits**

2.5% per year (for CSEA retirees receiving a CSEA benefit and for terminated vested participants whose accrued CSEA Plan benefit is greater than their accrued Affiliates Plan benefit)

### **Future benefit accruals**

One service credit per year per active employee included in the valuation.

### **Unknown data for participants**

Same as those exhibited by participants with similar known characteristics. If not specified, participants are assumed to be female.

### **Definition of active participants**

All active employees as of the valuation date

### **Exclusion of inactive vested participants**

Inactive participants over age 85 are excluded from the valuation. In addition, records identified as unconfirmed deaths or deaths with survivor benefits payable, but on hold who are over age 85 are also excluded from the valuation. The exclusion of these participants over age 85 is based on historical and current demographic data, estimated future experience, and professional judgement. As part of the analysis, the ages of new retirees from inactive vested status were reviewed.

## Section 3: Certificate of Actuarial Valuation

### **Percent married**

62% of males and 35% of females

### **Age of spouse**

Females 3 years younger than males

### **Benefit election**

Non-married participants are assumed to elect the single life annuity with three years certain form of payment. Married participants are assumed to elect the 50% Spousal Pension with three years certain form of payment. Additionally, 16% of future retirees are assumed to receive 25% of the value of their benefit as a lump sum payable at retirement. Lump sums are determined using an interest rate of 4.0% and the mortality table mandated by PPA'06.

The benefit elections were based on historical and current demographic data, adjusted to reflect the plan design, estimated future experience and professional judgment. As part of the analysis, a comparison was made between the assumed and the actual option election patterns over the most recent five years.

### **Eligibility for delayed retirement factors**

Inactive vested participants after attaining age 65

### **Net investment return**

7.00%

The net investment return assumption is a long-term estimate derived from historical data, current and recent market expectations, and professional judgment. As part of the analysis, a building block approach was used that reflects inflation expectations and anticipated risk premiums for each of the portfolio's asset classes, as well as the Plan's target asset allocation.

The net investment return assumption is a long-term estimate derived from historical data, current and recent market expectations, and professional judgment. As part of the analysis, a building block approach was used that reflects inflation expectations and anticipated risk premiums for each of the portfolio's asset classes, as well as the Plan's target asset allocation.

### **Annual administrative expenses**

\$2,075,000, payable as of the beginning of the year, for the year beginning January 1, 2024

## Section 3: Certificate of Actuarial Valuation

The annual administrative expenses were based on historical and current data, adjusted to reflect estimated future experience and professional judgment.

### Actuarial value of assets

IRS Method 16 (Rev. Proc. 2000-40). The market value of assets less unrecognized returns in each of the last five years, where the five-year period is phased-in and actuarial value equals market value in the first year (January 1, 2022). Unrecognized return is equal to the difference between the actual market return and the projected market return (at the assumed rate of return) 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 Trustees adopted this method effective January 1, 2022. Therefore, the asset method cannot be changed again until the January 1, 2028, actuarial valuation.

### Actuarial cost method

Projected Unit Credit. IRS Approval 1 from Revenue Procedure 2000-40, where the projected benefit is calculated using projected compensation.

### Benefits valued

Unless otherwise indicated, includes all benefits summarized in Exhibit K.

### Current liability assumptions

- **Interest:** 3.29%, within the permissible range prescribed under IRC Section 431(c)(6)(E)
- **Mortality:** Mortality prescribed under IRS Regulations 1.431(c)(6)-1 and 1.430(h)(3)-1(a)(1): PRI-2012 employee and annuitant mortality tables, projected forward generationally using the Adjusted MP-2021 scale (previously, the RP-2014 employee and annuitant mortality tables, adjusted backward to the base year (2006) using scale MP-2014, projected generationally using scale MP-2021, were used).

### Estimated rate of investment return

- **On actuarial value of assets (Schedule MB, line 6g):** 3.1%, for the Plan Year ending December 31, 2023
- **On current (market) value of assets (Schedule MB, line 6h):** 12.2%, for the Plan Year ending December 31, 2023

## Section 3: Certificate of Actuarial Valuation

### **FSA contribution timing (Schedule MB, line 3a)**

Unless otherwise noted, contributions are paid periodically throughout the year pursuant to collective bargaining agreements. The interest credited in the FSA is therefore assumed to be equivalent to a July 15 contribution date.

### **Actuarial models**

Segal valuation results are based on proprietary actuarial modeling software. The actuarial valuation models generate a comprehensive set of liability and cost calculations that are prepared to meet regulatory, legislative and client requirements. Deterministic cost projections are based on a proprietary forecasting model. Our Actuarial Technology and Systems unit, comprised of both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility, and user control. The client team programs the assumptions and the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible Enrolled Actuary.

### **Justification for change in actuarial assumptions (Schedule MB, line 11)**

For purposes of determining current liability, the current liability interest rate was changed from 2.55% to 3.29% due to a change in the permissible range and recognizing that any rate within the permissible range satisfies the requirements of IRC Section 431(c)(6)(E) and the mortality tables and mortality improvement scales were changed in accordance with IRS Regulations 1.431(c)(6)-1 and 1.430(h)(3)-1.

Based on past experience and future expectations, the following actuarial assumptions were changed:

Annual administrative expenses were changed from \$1,995,000, payable as of the beginning of the year, to \$2,075,000, payable as of the beginning of the year.

Mortality projection scale was updated from MP-2021 to SSA2024.

Disability decrement was removed effective with this valuation.

Termination rates, previously the rates shown below for employees with three or more years of service.

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<b>Age</b>	<b>Withdrawal Rate (%)</b>
20	20.00
25	20.00
30	18.22
35	12.60
40	10.26
45	8.62
50	7.18
55	6.27
60	5.36

Termination rates, previously the rates shown below for employees with less than three years of service.

<b>Years of Service</b>	<b>Withdrawal Rate (%)</b>
Less than 1	30
Between 1 and 2	23
Between 2 and 3	20

## Section 3: Certificate of Actuarial Valuation

### Exhibit L: Summary of plan provisions

(Schedule MB, Line 6)

This exhibit summarizes the major provisions of the Plan included in the valuation. It is not intended to be, nor should it be interpreted as, a complete statement of all plan provisions.

#### Plan year

January 1 through December 31

#### Pension credit year

January 1 through December 31

#### Plan status

Ongoing plan

#### Normal pension

- **Age Requirement:** 65
- **Service Requirement:** 15 years of Service Credit with at least one year of Current Service; or three years of Current Service or Vesting Service; or the fifth anniversary of Plan participation.
- **Amount:** 2.5% of Final Average Compensation times years of service\*. Former participants of the California State Employees Association Retirement Plan will receive their accrued benefit in that Plan as of June 1, 2010, if it has a greater present value.
- **Final Average Compensation:** Highest average using 36 consecutive months of compensation. Maximum annual compensation is \$345,000 for 2024 (\$330,000 for 2023).
- **Maximum Annual Benefit:** \$275,000 for 2024 (\$265,000 for 2023). Actuarially reduced for retirement before age 62.
- **Delayed Retirement Amount:** Actuarial increases in accordance with Plan provisions.

\* Employees with common service under the SEIU Affiliates' Officers and Employees Pension Plan and the Pension Plan for Employees of the Service Employees International Union will have their respective benefits based on the percentage of their career spent in each Plan.

## Section 3: Certificate of Actuarial Valuation

### Early retirement

- **Age Requirement:** 55 (or 50 provided age plus service total 80 or more)
- **Service Requirement:** 15 years of Service Credit with at least one year of Current Service; or 10 years of Current Service or Vesting Service.
- **Amount:** Normal Pension accrued reduced by 5% for each year of age less than 65. There is no reduction if age plus service total 80 or more.

### Disability

- **Age Requirement:** None
- **Service Requirement:** 15 years of Service Credit with at least one year of Current Service; or 10 years of Current Service or Vesting Service.
- **Amount:** (1) Normal pension based on service accrued and final compensation at disability, payable immediately, or (2) for local unions with Long Term Disability Income Plan Benefits only - the Pension Plan will continue to credit service while the employee is disabled. When insurance payments cease, the employee will be entitled to a pension based on the total of actual service plus service credited during the period of disability and annual compensation at the time of disability increased by the percentage increase in the Consumer Price Index per year from the time of disability until the Disability Pension commences.

### Vesting

- **Age Requirement:** None
- **Service Requirement:** Three years of Vesting Service.
- **Amount:** Normal Pension accrued payable at age 65.
- **Normal Retirement Age:** 65

### Spouse's pre-retirement death benefit

- **Age and service requirement:** Eligible for an immediate or deferred vested pension.
- **Amount:** 100% of the benefit the employee would have received had he or she retired the day before death and elected the joint and survivor option.

## Section 3: Certificate of Actuarial Valuation

- **Benefit Commencement:** First of the month following the death of the employee if the employee dies while eligible for an immediate pension. If the employee dies while eligible for a deferred pension, benefits commence on the first of the month the employee would have been eligible for a pension had he or she lived but earned no additional service, but no later than age 55. However, in all circumstances, the monthly benefit is payable to the surviving spouse for the first 24 months following the death of the employee, and for as long as any dependent children of the employee are under age 18.

### **Pre-retirement lump-sum death benefit (if not eligible for spouse's benefit)**

- **Age Requirement:** None
- **Service Requirement:** One year of Service Credit or Vesting Service.
- **Amount:** \$5,000 for less than five years of service; \$10,000 for five years of service or more; or 60 times monthly Normal Pension accrued, if greater.

### **Post-retirement death benefit**

- **Benefit:** Benefits are payable for life with a guarantee that total benefits paid will equal 36 times the original Normal Pension accrued including early retirement reductions. All optional forms of payment include this guarantee.
- **Joint and Survivor:** For married participants, pension benefits are paid in the form of a joint and survivor annuity unless this form is rejected by the participant and spouse. If this form is not rejected, the benefit amount otherwise payable is reduced to reflect the joint and survivor coverage. If this form is rejected, or if the participant is not married, benefits are payable for the life of the participant, or in any other available optional form elected by the participant in an actuarially equivalent amount. No death benefits shall be payable other than those provided under the optional methods elected.

### **Optional forms of benefits**

- Single Life Annuity with 5 or 10 years certain
- Joint and 50% Survivor Annuity
- Joint and 75% Survivor Annuity
- Joint and 100% Survivor Annuity
- Level Income Annuity

A participant can elect to receive between 5% and 30% of their benefit as a lump sum.

## Section 3: Certificate of Actuarial Valuation

### **Cost-of-Living Adjustments**

Monthly payments to all pensioners and beneficiaries are increased 1.5% each January for all pensions in payment status for at least six months. Participants who retired under the provisions of the CSEA Retirement Plan receive an increase each April equal to California CPI, up to a maximum of 2.5% per year. The California CPI is equal to the average of the annual CPI for the Los Angeles-Long Beach area and the annual CPI for the San Francisco-Oakland area published by the Bureau of Labor Statistics of the United States Department of Labor.

### **Participation**

On the first day of the month after 12 consecutive months of employment during which at least \$4,000 in compensation was earned.

### **Years of Service**

One month of service credit granted for each month employee earned any compensation.

### **Past Service**

Continuous service from date of hire to October 1, 1964 (if employer entered on that date), or prior service granted by the Trustees.

### **Current Service**

Years of Service for which contributions are received or for which an employer is obligated to contribute.

### **Vesting service**

One year of Vesting Service granted for any calendar year in which the participant earns compensation during any five months.

### **Service Credit**

Sum of Current Service and Past Service

### **Employer Contributions**

21% of covered payroll

## Section 3: Certificate of Actuarial Valuation

### **Changes in plan provisions**

There were no changes in plan provisions reflected in this actuarial valuation.