



2023 Schedule of Employer Allocation and Collective Pension Amounts

Employees Retirement System of Texas | A Component Unit of the State of Texas
Fiscal Year Ended August 31, 2023

The mission of the Employees Retirement System of Texas supports the state workforce by offering competitive benefits at a reasonable cost.

Published August 2024

2023

Schedules of Employer Allocation and Collective Pension Amounts

Porter Wilson, Executive Director

Prepared by: Finance Division



A Component Unit of the State of Texas
Fiscal Year Ended August 31, 2023



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Introduction

The schedules and accompanying information presented in this document are provided to assist employers participating in the Employees Retirement System of Texas Fund (ERS), the Law Enforcement and Custodial Officers Supplemental Retirement Fund (LECOSRF), and the Judicial Retirement System of Texas Plan Two (JRS, Plan 2). These plans are single employer, retirement plans, which are prepared and presented in compliance with the requirements of the Governmental Accounting Standards Board (GASB). Additional information about the retirement plans can be found in the System's 2023 Annual Comprehensive Financial

Report, which is published on the website at www.ers.texas.gov.

The Schedule of Employer Allocation, Schedule of Collective Pension Amounts, as well as the accompanying notes have been prepared in conformity with generally accepted accounting principles (GAAP) as established by the GASB and audited by CliftonLarsonAllen, LLP in conformance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

INDEPENDENT AUDITORS' REPORT



CliftonLarsonAllen LLP
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Board of Trustees
Employees Retirement System of Texas
Austin, Texas

Report on the Audit of the Schedules

Opinions

We have audited the following of the Employees Retirement System Fund (ERS), the Law Enforcement and Custodial Officers Supplementary Retirement Fund (LECOSRF), and the Judicial Retirement System, Plan 2 Fund (JRS, Plan 2) of the Employees Retirement System (System) of Texas, a component unit of the State of Texas, as of and for the year ended August 31, 2023, :

- a the accompanying schedules of employer allocation,
- b the rows titled net pension liability, total deferred outflows of resources excluding employer specific amounts, total deferred inflows of resources excluding employer specific amounts, and pension expense (specified row amounts) included in the accompanying schedule of collective pension amounts,
- c and the respective related notes

(Collectively referred to herein as the "GASB 68 Schedules").

In our opinion, the GASB 68 Schedules referred to above present fairly, in all material respects, the employer allocation, net pension liability, total deferred outflows of resources excluding employer specific amounts, total deferred inflows of resources excluding employer specific amounts, and pension expense of the ERS, LECOSRF, and JRS, Plan 2, as of and for the year ended August 31, 2023, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Schedules section of our report. We are required to be independent of the System and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Schedules

Management is responsible for the preparation and fair presentation of the GASB 68 Schedules in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the GASB 68 Schedules that are free from material misstatement, whether due to fraud or error.

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Auditor's Responsibilities for the Audit of the Schedules

Our objectives are to obtain reasonable assurance about whether the GASB 68 Schedules are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the GASB 68 Schedules.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the GASB 68 Schedules, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the GASB 68 Schedules.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the GASB 68 Schedules.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Information

Management is responsible for the other information included in the GASB 68 Schedules. The other information comprises the GASB Reporting and Disclosure Information from Actuary, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the GASB 68 Schedules. Our opinion on the GASB 68 Schedules do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the GASB 68 Schedules, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the GASB 68 Schedules, or the other information appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Matter

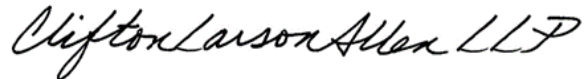
We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the System as of and for the year ended August 31, 2023, and our report thereon, dated February 16, 2024, expressed an unmodified opinion on those financial statements. The System is reported as a blended component unit of the State of Texas.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 9, 2024, on our consideration of the System’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the System’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the System’s internal control over financial reporting and compliance.

Restriction on Use

Our report is intended solely for the information and use of System, the Board of Trustees, the participating employer and their auditor and is not intended to be, and should not be, used by anyone other than these specified parties.



CliftonLarsonAllen LLP

Boston, Massachusetts
August 9, 2024

**Schedule of Employer Allocation
— Employees Retirement System Fund**

As of and for the Year Ended August 31, 2023

Agency No.	Agency Name	Fiscal Year 2023 Allocation	Allocation Percentage
0101	Senate	\$3,604,995.11	0.27622440 %
0102	House of Representatives	3,992,669.33	0.30592904 %
0103	Texas Legislative Council	3,049,926.57	0.23369356 %
0104	Legislative Budget Board	1,269,376.87	0.09726306 %
0105	Legislative Reference Library	137,945.39	0.01056975 %
0116	Sunset Advisory Commission	206,610.14	0.01583102 %
0201	Supreme Court	587,011.06	0.04497836 %
0202	State Bar of Texas	2,171,897.66	0.16641663 %
0203	Board of Law Examiners	141,711.72	0.01085833 %
0211	Court of Criminal Appeals	499,480.51	0.03827154 %
0212	Office of Court Administration	2,430,544.68	0.18623486 %
0213	State Prosecuting Attorney	42,527.22	0.00325855 %
0215	Office of Capital and Forensic Writs	174,868.89	0.01339892 %
0221	Court of Appeals - First Court of Appeals District	263,413.62	0.02018346 %
0222	Court of Appeals - Second Court of Appeals District	245,962.90	0.01884634 %
0223	Court of Appeals - Third Court of Appeals District	201,319.70	0.01542566 %
0224	Court of Appeals - Fourth Court of Appeals District	229,021.19	0.01754822 %
0225	Court of Appeals - Fifth Court of Appeals District	404,559.81	0.03099846 %
0226	Court of Appeals - Sixth Court of Appeals District	108,851.11	0.00834046 %
0227	Court of Appeals - Seventh Court of Appeals District	128,308.05	0.00983131 %
0228	Court of Appeals - Eighth Court of Appeals District	125,717.60	0.00963282 %
0229	Court of Appeals - Ninth Court of Appeals District	129,508.66	0.00992330 %
0230	Court of Appeals - Tenth Court of Appeals District	105,024.62	0.00804727 %
0231	Court of Appeals - Eleventh Court of Appeals District	103,943.26	0.00796441 %
0232	Court of Appeals - Twelfth Court of Appeals District	109,419.37	0.00838401 %
0233	Court of Appeals - Thirteenth Court of Appeals District	192,586.35	0.01475648 %
0234	Court of Appeals - Fourteenth Court of Appeals District	293,804.59	0.02251210 %
0241	Comptroller - Judiciary Section	2,584,035.10	0.19799571 %
0242	State Commission on Judicial Conduct	95,022.02	0.00728084 %
0243	State Law Library	64,639.91	0.00495288 %
0300	Governor - Fiscal	1,001,221.69	0.07671629 %
0301	Governor - Executive	1,373,310.70	0.10522675 %
0302	Attorney General	25,349,374.76	1.94233714 %
0303	Texas Facilities Commission	2,443,650.01	0.18723902 %
0304	Comptroller of Public Accounts	19,202,182.31	1.47132275 %
0305	General Land Office	6,470,165.12	0.49576142 %
0306	Texas State Library and Archives Commission	796,605.04	0.06103802 %
0307	Secretary of State	1,189,136.92	0.09111486 %
0308	State Auditor	1,667,605.39	0.12777640 %
0312	State Securities Board	622,899.96	0.04772827 %
0313	Department of Information Resources	2,169,444.25	0.16622864 %
0320	Texas Workforce Commission	23,959,264.28	1.83582314 %
0326	Texas Emergency Services Retirement System	38,903.24	0.00298087 %
0327	Employees Retirement System of Texas	3,658,062.07	0.28029054 %
0329	Texas Real Estate Commission – Semi-Independent	1,112,105.84	0.08521254 %

**Schedule of Employer Allocation
— Employees Retirement System Fund (Continued)**

As of and for the Year Ended August 31, 2023

Agency No.	Agency Name	Fiscal Year 2023 Allocation	Allocation Percentage
0332	Texas Department of Housing and Community Affairs	\$2,841,365.77	0.21771307 %
0338	State Pension Review Board	96,764.32	0.00741434 %
0347	Texas Public Finance Authority	142,756.15	0.01093836 %
0352	Bond Review Board	74,638.70	0.00571902 %
0356	Texas Ethics Commission	179,172.30	0.01372866 %
0359	Office of Public Insurance Counsel	73,188.54	0.00560790 %
0360	State Office of Administrative Hearings	902,394.85	0.06914392 %
0362	Texas Lottery Commission	2,164,412.18	0.16584307 %
0364	Health Professions Council	55,269.08	0.00423487 %
0401	Texas Military Department	3,172,288.22	0.24306924 %
0403	Texas Veterans Commission	2,405,556.17	0.18432017 %
0405	Department of Public Safety	69,613,128.28	5.33394475 %
0407	Texas Commission on Law Enforcement	363,724.11	0.02786952 %
0409	Commission on Jail Standards	121,182.39	0.00928532 %
0411	Texas Commission on Fire Protection	160,664.19	0.01231052 %
0448	Office of Injured Employee Counsel – Administered by 454	702,620.04	0.05383663 %
0450	Department of Savings and Mortgage Lending – Semi-Independent	503,892.60	0.03860960 %
0451	Texas Department of Banking – Semi-Independent	1,889,693.71	0.14479340 %
0452	Texas Department of Licensing and Regulation	3,082,944.88	0.23622351 %
0454	Texas Department of Insurance	8,328,503.32	0.63815228 %
0455	Railroad Commission of Texas	6,980,667.22	0.53487746 %
0456	Texas State Board of Plumbing Examiners	188,975.34	0.01447980 %
0457	Texas State Board of Public Accountancy – Semi-Independent	264,196.28	0.02024343 %
0458	Texas Alcoholic Beverage Commission	3,708,435.91	0.28415031 %
0459	Texas Board of Architectural Examiners – Semi-Independent	176,158.59	0.01349774 %
0460	Texas Board of Professional Engineers and Land Surveyors –	274,202.61	0.02101014 %
0466	Office of Consumer Credit Commissioner – Semi-Independent	478,123.84	0.03663513 %
0469	Credit Union Department – Semi-Independent	267,037.27	0.02046111 %
0473	Public Utility Commission of Texas	1,884,394.47	0.14438736 %
0475	Office of Public Utility Counsel	109,252.17	0.00837120 %
0476	Texas Racing Commission	226,020.24	0.01731828 %
0477	Commission on State Emergency Communications	175,509.40	0.01344800 %
0479	State Office of Risk Management	674,367.17	0.05167182 %
0481	Texas Board of Professional Geoscientists	35,284.18	0.00270357 %
0503	Texas Medical Board	1,055,310.47	0.08086072 %
0504	State Board of Dental Examiners	269,348.16	0.02063818 %
0507	Texas Board of Nursing	789,410.62	0.06048676 %
0508	Texas Board of Chiropractic Examiners	66,412.82	0.00508873 %
0510	Texas Behavioral Health Executive Council	303,398.55	0.02324721 %
0513	Texas Funeral Service Commission	54,617.22	0.00418492 %
0514	Texas Optometry Board	31,299.88	0.00239828 %
0515	Texas State Board of Pharmacy	565,630.03	0.04334009 %
0529	Health and Human Services Commission	181,038,699.25	13.87167108 %
0530	Department of Family and Protective Services	65,666,192.65	5.03151994 %
0533	Executive Council of Physical and Occupational Therapy Examiners	99,537.16	0.00762680 %

Schedule of Employer Allocation — Employees Retirement System Fund (Concluded)

As of and for the Year Ended August 31, 2023

Agency No.	Agency Name	Fiscal Year 2023 Allocation	Allocation Percentage
0537	Department of State Health Services	20,575,279.84	1.57653317 %
0542	Cancer Prevention and Research Institute of Texas	423,527.38	0.03245181 %
0551	Department of Agriculture	3,976,517.99	0.30469148 %
0554	Texas Animal Health Commission	963,214.16	0.07380405 %
0578	State Board of Veterinary Medical Examiners	106,138.84	0.00813264 %
0580	Texas Water Development Board	2,993,169.44	0.22934468 %
0582	Texas Commission on Environmental Quality	17,183,954.08	1.31668069 %
0592	Soil and Water Conservation Board	452,916.30	0.03470366 %
0601	Texas Department of Transportation	84,133,035.71	6.44649903 %
0608	Texas Department of Motor Vehicles	4,447,162.41	0.34075352 %
0644	Texas Juvenile Justice Department	10,153,080.71	0.77795630 %
0696	Texas Department of Criminal Justice	147,018,713.78	11.26496848 %
0701	Texas Education Agency	10,104,051.37	0.77419954 %
0706	Texas Permanent School Fund Corporation	941,182.15	0.07211590 %
0723	University of Texas Medical Branch at Galveston	28,117.82	0.00215446 %
0771	Texas School for the Blind and Visually Impaired	2,263,421.68	0.17342945 %
0772	Texas School for the Deaf	2,754,348.45	0.21104557 %
0781	Texas Higher Education Coordinating Board	2,709,763.75	0.20762937 %
0802	Parks and Wildlife Department	18,404,153.43	1.41017564 %
0808	Texas Historical Commission	1,821,037.98	0.13953282 %
0809	State Preservation Board	966,077.19	0.07402343 %
0813	Texas Commission on the Arts	94,654.36	0.00725267 %
0851	Texas Cooperative Inspection Program	442,674.40	0.03391890 %
0897	Reserved - Employees Retirement System	84,257.01	0.00645600 %
0907	Comptroller - State Energy Conservation Office	45,469.36	0.00348398 %
0930	Texas Treasury Safekeeping Trust Company	1,034,120.33	0.07923708 %
Total Contributions from State Agencies		\$811,125,315.81	62.15059892 %
N/A	State of Texas - Legacy Payment	493,971,223.63	37.84940108 %
Total Contributions for Allocation Percentage		\$1,305,096,539.44	100.00000000 %

The contributions for Fiscal Year 2023 are based on ERS records of actual contributions from each of the agencies as shown above.

To the best of our knowledge, the information contained within this schedule is accurate and fairly presented in conformity with GASB 67 and 68.

In FY21 Senate Bill 321 was passed, in which the State will provide ERS with additional funding to pay off the unfunded accrued actuarial pension liability no later than 2054.

Reconciliation of the State of Texas Legacy Payment Reported in the Schedule

Legacy Payment (Above)	\$493,971,224
One-Time Additional Funding	\$900,000,000
Total Legacy Payment and One-Time Additional Funding as reported in Exhibit IX of the 2023 ERS ACFR	\$1,393,971,224

The one-time additional funding was not used to calculate the allocation of future liabilities due to its one-time nature and therefore was excluded for allocation purposes

ACFR Exhibits are rounded to the dollar, the above Schedule is rounded to the cents

Additional related documents available on the ERS website:

Annual Comprehensive Financial Report for FY 2023

Actuarial Valuation for FY2023

GASB Reporting and Disclosure Information for ERS FY2023

Schedule of Employer Allocation
— Law Enforcement and Custodial Officer Supplemental Retirement Fund
As of and for the Year Ended August 31, 2023

Agency No.	Agency Name	Fiscal Year 2023 Allocation	Allocation Percentage
0405	Department of Public Safety	1,757,642.85	19.61690209 %
0458	Texas Alcoholic Beverage Commission	88,204.68	0.98444492 %
0644	Texas Juvenile Justice Department	14,771.82	0.16486702 %
0696	Texas Department of Criminal Justice	6,816,265.60	76.07575959 %
0723	University of Texas Medical Branch at Galveston	318.93	0.00355955 %
0802	Parks and Wildlife Department	282,635.15	3.15446683 %
	Grand Total	8,959,839.03	100.00000000 %

Reconciliation of State Agencies Contributions Reported in the Schedule:

Employer Contributions Reported (Above)	\$8,959,839.03
Court Fees	\$15,840,510.69
Total Employer Contributions as reported in Exhibit IX of the 2023 ERS ACFR	<u>\$24,800,349.72</u>

The contributions for Fiscal Year 2023 are based on ERS records of actual contributions from each of the agencies as shown above. To the best of our knowledge, the information contained within this schedule is accurate and fairly presented in conformity with GASB 67 and 68.

ACFR Exhibits are rounded to the dollar, the above Schedule is rounded to the cents

Additional related documents available on the ERS website:

- Annual Comprehensive Financial Report for FY 2023
- Actuarial Valuation for FY 2023
- GASB Reporting and Disclosure Information for ERS FY 2023

Schedule of Employer Allocation
— Judicial Retirement System Plan Two Fund
As of and for the Year Ended August 31, 2023

Agency No.	Agency Name	Fiscal Year 2023 Allocation	Allocation Percentage
0201	Supreme Court	\$214,238.27	1.45883396 %
0211	Court of Criminal Appeals	243,755.76	1.65983034 %
0221	Court of Appeals - First Court of Appeals District	227,154.88	1.54678832 %
0222	Court of Appeals - Second Court of Appeals District	161,477.49	1.09956473 %
0223	Court of Appeals - Third Court of Appeals District	161,276.48	1.09819598 %
0224	Court of Appeals - Fourth Court of Appeals District	199,066.12	1.35552073 %
0225	Court of Appeals - Fifth Court of Appeals District	349,172.30	2.37765367 %
0226	Court of Appeals - Sixth Court of Appeals District	76,022.88	0.51767016 %
0227	Court of Appeals - Seventh Court of Appeals District	104,013.86	0.70827192 %
0228	Court of Appeals - Eighth Court of Appeals District	80,069.16	0.54522290 %
0229	Court of Appeals - Ninth Court of Appeals District	108,132.08	0.73631453 %
0230	Court of Appeals - Tenth Court of Appeals District	87,305.52	0.59449816 %
0231	Court of Appeals - Eleventh Court of Appeals District	82,481.28	0.56164798 %
0232	Court of Appeals - Twelfth Court of Appeals District	86,501.48	0.58902313 %
0233	Court of Appeals - Thirteenth Court of Appeals District	163,688.60	1.11462106 %
0234	Court of Appeals - Fourteenth Court of Appeals District	213,699.44	1.45516485 %
0241	Comptroller - Judiciary Section	12,127,527.26	82.58117758 %
Grand Total		\$14,685,582.86	100.00000000 %

The contributions for Fiscal Year 2023 are based on ERS records of actual contributions from each of the agencies as shown above. To the best of our knowledge, the information contained within this schedule is accurate and fairly presented in conformity with GASB 67 and 68.

ACFR Exhibits are rounded to the dollar, the above Schedule is rounded to the cents

Additional related documents available on the ERS website:

- Annual Comprehensive Financial Report for FY 2023
- Actuarial Valuation for FY 2023
- GASB Reporting and Disclosure Information for ERS FY 2023

Schedule of Collective Pension Amounts
As of and for the Year Ended August 31, 2023

	ERS	LECOSRF	JRS Plan 2
Net Pension Liability	13,942,720,640	759,008,862	86,037,637
Deferred Outflows of Resources			
Differences Between Expected and Actual Experience	758,467,085	51,768,196	1,037,265
Changes of Assumptions	—	36,476,976	—
Total Deferred Outflows of Resources Excluding Employer Specific Amounts*	<u>\$758,467,085</u>	<u>\$88,245,172</u>	<u>\$1,037,265</u>
Deferred Inflows of Resources			
Differences Between Expected and Actual Experience	53,231,189	6,918,492	2,481,150
Changes of Assumptions	1,624,762,561	813,842,390	88,779,308
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	<u>21,163,272</u>	<u>12,790,171</u>	<u>4,975,681</u>
Total Deferred Inflows of Resources Excluding Employer Specific Amounts*	<u>\$1,699,157,022</u>	<u>\$833,551,053</u>	<u>\$96,236,139</u>
Pension Expense *	(\$5,869,622,763)	(\$207,865,447)	(\$17,867,378)
Amortization Period for Recognition of Deferred Outflow and Deferred Inflow of Resources**	2.94 years	3.30 years	3.46 years

* Employer specific amounts that are excluded from this schedule are the changes in proportion and differences between employer contributions and proportionate share of contributions as well as the related amortization as defined in paragraphs 54 and 55 of GASB Statement No. 68, Accounting and Financial Reporting for Pensions.

** GASB 68, paragraph 33 prescribes the amortization period for recognition of deferred outflow and deferred inflow of resources. Specifically, the difference between the expected and actual experience and changes in assumption are recognized in pension expense using a systematic and rational method over a closed period equal to the average of the expected remaining lives of all employees that are provided with pensions through the pension plan determined at the beginning of the measurement period.

Additionally, differences between projected and actual earnings on pension plan investments should be recognized in pension expense using a systematic and rational method over a closed five-year period.

Notes to the Schedules of Employer Allocation and Collective Pension Amounts

For the Fiscal Year Ended August 31, 2023

Note A — General Plan Descriptions

The Employees Retirement System of Texas was created by the Texas Legislature in 1947 and is administered in accordance with the Texas Constitution. The System provides a retirement and disability pension system for state employees, law enforcement and custodial officers, elected state officials and two classes of judges.

The Employees Retirement System of Texas Fund, the Law Enforcement and Custodial Officers Supplemental Retirement Fund, and the Judicial Retirement System of Texas Plan Two are single employer defined benefit pension plans.

Note B — Employer Contributions

Employer contributions were taken from the ERS PeopleSoft Financials system. Employer contribution information is provided to ERS through the Texas Comptroller of Public Accounts and the State of Texas Financial Network. For the Employees Retirement System plan, contributions include:

- State contributions for active employees, service purchases, and return to work employees, and
- Agency contributions for active employees and return to work employees.

For the Law Enforcement and Custodial Officers Supplemental Retirement Plan, contributions include:

- State contributions for active employees, service purchases and return to work employees, and
- Agency contributions for return to work employees.

For the Judicial Retirement System of Texas Plan 2, contributions include state contributions for active employees and service purchases.

Note C — Other information

Basis of Accounting

The underlying financial information used to prepare the pension allocation schedules is based on the ERS financial statements. The ERS financial statements are prepared using the accrual basis of accounting and are prepared in accordance with

accounting principles generally accepted (GAAP) in the United States of America that apply to governmental accounting for fiduciary funds.

Annual Comprehensive Financial Report 2023

ERS Issues an Annual Comprehensive Financial Report that includes financial statements, notes and required supplementary information for the pension plans. That report is also audited by CliftonLarsonAllen, LLP and available online at <https://www.ers.texas.gov/About-ERS/Reports-and-Studies>. This report may also be obtained by writing to ERS at:

Employees Retirement System of Texas
200 East 18th Street, Austin Texas 78701

Please refer to the ERS Annual Comprehensive Financial Report referenced above for these items:

- Investment related information including earning and asset allocation appears in Note 2.
- Plan descriptions and information on contributions, fund status, single discount rate assumptions and sensitivity, membership, and reserves are included in Note 3.
- The benefits information is presented in the Summary of Plan Provisions.

GASB Reporting and Disclosure Information

Gabriel, Roeder, Smith & Company has provided information required by the governmental employers participating in ERS in connection with GASB Statement 68 "Accounting and Financial Reporting for Pensions." These reports are presented immediately after these notes.

The Schedule of Collective Pension Amounts complements the actuarial valuation report as of August 31, 2023 and the GASB Reporting and Disclosure Information for the Fiscal year Ended August 31, 2023, which should be considered together as a complete report for the plan year ended August 31, 2023.

Please see the actuarial valuation report as of August 31, 2023 for additional discussion of the nature of calculations and more information related to participant data, economic and demographic assumptions and benefit provisions. This schedule is to be used for governmental employer reporting for Fiscal Years ending on or before August 31, 2023.

Notes to the Schedules of Employer Allocation and Collective Pension Amounts (Concluded)

For the Fiscal Year Ended August 31, 2023

Note D — Subsequent Events

The 88th Legislative Session, House Bill 1 was passed, in which the State provided additional one-time funding to the LECOS and JRS 2 Pension funds for the purpose of amortizing the plans' unfunded actuarial liabilities. The funding amounted to \$772,000,000 for LECOS and \$99,000,000 for JRS 2.

Both amounts were received in September of fiscal year 2024. Please refer to the Texas Legislative Budget Board 88th Session Adopted Decision Documents - Senate Finance Committee (March 2023) for further information on this funding.



Employees Retirement System of Texas

GASB Reporting and Disclosure Information for ERS Fiscal
Year Ending August 31, 2023





January 22, 2024

Board of Trustees
Employees Retirement System of Texas
200 East 18th Street
Austin, TX 78701

Subject: GASB Reporting and Disclosure Information for ERS Fiscal Year Ending August 31, 2023

Members of the Board,

This report provides information required by the Employees Retirement System of Texas (ERS) in connection with the Governmental Accounting Standards Board (GASB) Statement No. 67, "Financial Reporting for Pension Plans." Additionally, this report provides information required by the governmental employers participating in ERS in connection with the GASB Statement No. 68, "Accounting and Financial Reporting for Pensions." It is our understanding this information will be used by governmental employers in financial reporting for the fiscal year ending August 31, 2024. The information provided herein was prepared for the purpose of assisting ERS and the governmental employers in the compliance with the financial reporting and disclosure requirements of GASB Statement Nos. 67 and 68.

The Net Pension Liability is not an appropriate measure for measuring the sufficiency of plan assets to cover the estimated cost of settling the employer's benefit obligation. The Net Pension Liability is not an appropriate measure for assessing the need for or amount of future employer contributions. A calculation of the plan's liability for purposes other than satisfying the requirements of GASB Statement Nos. 67 and 68 may produce significantly different results. This report may be provided to parties other than ERS only in its entirety and only with the permission of ERS.

The total pension liability, net pension liability, and certain sensitivity information shown in this report are based on an actuarial valuation performed as of August 31, 2023. It is our opinion that the recommended assumptions are internally consistent, reasonable, and comply with the requirements under GASB Statement Nos. 67 and 68.

We have not determined whether the Collective Pension Amounts under GASB Statement No. 68 should be allocated to any of the governmental employers participating in ERS. It is our understanding that these allocations will be determined by another state agency, if necessary.

This report is based upon information, furnished to us by ERS, which include benefit provisions, membership information, and financial data. We did not audit this data and information, but we did apply a number of tests and concluded that it was reasonable and consistent. GRS is not responsible for the accuracy or completeness of the information provided to us by ERS.

Certain tables included in the Required Supplementary Information should include a 10-year history of information. As provided for in GASB Statement Nos. 67 and 68, this historical information is only presented for the years in which the information was measured in conformity with the requirements of GASB Statement Nos. 67 and 68. The historical information in this report will begin with the information presented for the measurement period ending August 31, 2014.

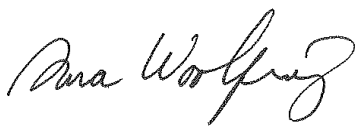
Paragraph 57 of GASB Statement No. 68 indicates that contributions to the pension plan subsequent to the measurement date of the Net Pension Liability and prior to the end of the employer's reporting period should be reported by the employer as a deferred outflow of resources related to pensions. The information contained in this report does not incorporate any contributions reported to ERS subsequent to August 31, 2023.

This report complements the actuarial valuation report as of August 31, 2023, provided for plan funding purposes, which was also provided to ERS and should be considered together as a complete report for the plan year ending August 31, 2023. Please see the actuarial valuation report as of August 31, 2023 for additional discussion of the nature of actuarial calculations and more information related to participant data, economic and demographic assumptions, and benefit provisions.

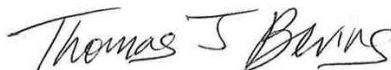
This report was prepared using our proprietary valuation model and related software which in our professional judgment has the capability to provide results that are consistent with the purposes of the valuation. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.

To the best of our knowledge, the information contained within this report is accurate and fairly represents the actuarial position of the Employees Retirement System of Texas. All calculations have been made in conformity with generally accepted actuarial principles and practices as well as with the Actuarial Standards of Practice issued by the Actuarial Standards Board. Ms. Woolfrey and Mr. Bevins are members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Respectfully submitted,
Gabriel, Roeder, Smith & Company



Dana Woolfrey, FSA, EA, MAAA
Senior Consultant



Thomas J. Bevins, ASA, MAAA
Consultant



Summary of Population Statistics

The total pension liability described in this report is based on the ERS plan membership as of August 31, 2023:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	124,504
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	164,112
Active Plan Members	<u>139,958</u>
Total Plan Members	428,574

Measurement of the Net Pension Liability

The net pension liability is measured as the total pension liability, less the amount of the plan's fiduciary net position. In actuarial terms, this is analogous to the accrued liability less the market value of assets (not the smoothed actuarial value of assets that is often encountered in actuarial valuations based on the Board's adopted assumptions and methods).

A single discount rate of 7.00% was used to measure the total pension liability as of August 31, 2022. This single discount rate was based on an expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.91%. Based on the stated assumptions and the projection of cash flows, the pension plan's fiduciary net position and future contributions were sufficient to finance all projected future benefit payments of current plan members. As a result, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

A single discount rate of 7.00% was used to measure the total pension liability as of August 31, 2023. This single discount rate was based on an expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 4.13%. Based on the stated assumptions and the projection of cash flows, the pension plan's fiduciary net position and future contributions were sufficient to finance all projected future benefit payments of current plan members. As a result, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The source of the municipal bond rate as of August 31, 2023 is the rate for Fixed Income Market Data/Yield Curve/Data Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index." In describing this index, Fidelity notes that the municipal curves are constructed using option adjusted analytics of a diverse population of over 10,000 tax exempt securities. The rate shown is as of the last date available on or before the measurement date.

The projection of cash flows used to determine this single discount rate assumed that plan member and employer contributions will be made at the current statutory and appropriated levels and remain a level percentage of payroll.

Actuarially Determined Contribution

Consistent with the provisions of Section 815.407 of the Texas Government Code that were first in effect for the year ending August 31, 2022, level dollar contributions, called Legacy Payments, have been included as part of the funding policy. These Legacy Payments are the amounts necessary, in addition to the statutory 10.00% of payroll contributions, to fund the normal cost and fully amortize the UAAL as required before the end of fiscal year 2054.



During fiscal year 2023, the State made an additional \$900,000,000 contribution to pay down the unfunded liability in accordance with Senate Bill 30.

Sensitivity of the Net Pension Liability to the Single Discount Rate Assumption

Below is a table providing the sensitivity of the net pension liability to changes in the discount rate as of August 31, 2023. In particular, the table presents the plan’s net pension liability, if it were calculated using a single discount rate that is one-percentage-point lower or one-percentage-point higher than the single discount rate:

1% Decrease	Current Single Discount	1% Increase
6.00%	Rate Assumption	8.00%
7.00%	7.00%	8.00%
\$ 19,760,619,924	\$ 13,942,720,640	\$ 9,109,813,101

Reconciliation of Plan Net Assets

for Fiscal Year Ending August 31, 2023

Employees Retirement System of Texas

	<u>Year Ending August 31, 2023</u>
1. Market value of assets at beginning of year	\$ 31,986,091,790
2. Revenue for the year	
a. Contributions for the year	
i. State (including membership fees)	\$ 2,205,085,539
ii. Member (including penalty interest)	<u>758,060,144</u>
iii. Total	\$ 2,963,145,683
b. Net investment income	\$ 2,062,075,339
c. Total revenue	\$ 5,025,221,022
3. Disbursements for the year	
a. Benefit payments and refunds	\$ 2,998,754,444
b. Net transfers from TRS	(79,483,191)
c. Administrative expenses	<u>42,311,175</u>
d. Total expenditures	\$ 2,961,582,428
4. Increase in net assets (Item 2c - Item 3d)	\$ 2,063,638,594
5. Market value of assets at end of year (Item 1 + Item 4)	\$ 34,049,730,384

This reconciliation only includes the items needed to reconcile the changes in Net Pension Liability during the fiscal year. The Reconciliation of Fiduciary Net Position required by GASB No. 67 may require additional detail regarding the changes throughout the year.



Schedules of Required Supplementary Information

Schedule of Changes in the Employers' Net Pension Liability and Related Ratios

Employees Retirement System of Texas

Fiscal year ending August 31,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability										
Service Cost	\$ 1,026,494,471	\$ 985,243,572	\$ 2,146,247,214	\$ 1,827,863,722	\$ 1,346,986,248	\$ 1,445,557,335	\$ 1,457,262,512	\$ 1,146,791,195	\$ 1,231,202,917	\$ 1,139,451,280
Interest on the Total Pension Liability	3,144,126,839	3,027,805,870	2,376,688,275	2,516,723,521	2,694,082,718	2,559,722,952	2,510,128,243	2,522,625,345	2,373,849,426	2,324,179,507
Benefit Changes	0	0	0	0	0	0	0	0	(87,834,605)	0
Difference between expected and actual experience of the Total Pension Liability	878,614,876	509,628,233	(747,551,060)	510,656,816	(578,195,062)	91,880,914	115,632,392	133,557,078	(284,750,930)	(252,966,720)
Assumption Changes	0	-	(22,817,317,720)	6,366,987,163	8,469,458,024	(1,982,913,797)	2,219,672,343	5,301,965,235	(3,429,167,539)	1,199,067,392
Benefit Payments and Refunds	(2,919,271,253)	(2,843,878,750)	(2,711,256,371)	(2,621,737,410)	(2,540,261,957)	(2,406,361,818)	(2,288,824,789)	(2,147,307,029)	(2,049,290,909)	(1,963,481,455)
Net Change in Total Pension Liability	2,129,964,933	1,678,798,925	(21,753,189,662)	8,600,493,812	9,392,069,971	(292,114,414)	4,013,870,701	6,957,631,824	(2,245,991,640)	2,446,250,004
Total Pension Liability - Beginning	45,862,486,091	44,183,687,166	65,936,876,828	57,336,383,016	47,944,313,045	48,236,427,459	44,222,556,758	37,264,924,934	39,510,916,574	37,064,666,570
Total Pension Liability - Ending	\$ 47,992,451,024	\$ 45,862,486,091	\$ 44,183,687,166	\$ 65,936,876,828	\$ 57,336,383,016	\$ 47,944,313,045	\$ 48,236,427,459	\$ 44,222,556,758	\$ 37,264,924,934	\$ 39,510,916,574
Plan Fiduciary Net Position										
Contributions - Employer	\$ 1,305,085,539	\$ 1,259,883,400	\$ 739,572,907	\$ 735,855,712	\$ 712,647,639	\$ 697,189,414	\$ 700,078,188	\$ 686,763,354	\$ 500,394,986	\$ 482,239,018
Contributions - Member	758,060,144	721,520,247	718,357,239	713,985,036	694,788,598	683,932,829	685,461,587	674,677,886	462,159,534	430,594,897
Pension Plan Net Investment Income	2,062,075,339	(728,035,727)	6,937,214,844	1,791,061,478	758,466,709	2,430,297,025	2,832,627,596	1,273,413,421	56,940,707	3,252,416,986
Benefit Payments and Refunds	(2,919,271,253)	(2,843,878,750)	(2,711,256,371)	(2,621,737,410)	(2,540,261,957)	(2,406,361,818)	(2,288,824,789)	(2,147,307,029)	(2,049,290,909)	(1,963,481,455)
Pension Plan Administrative Expense	(42,311,175)	(31,641,814)	(21,850,725)	(24,182,433)	(27,751,616)	(23,549,964)	(23,095,408)	(20,448,669)	(21,839,626)	(20,194,988)
Additional One-Time State Funding	900,000,000	0	0	0	0	0	0	0	0	0
Net Change in Plan Fiduciary Net Position	2,063,638,594	(1,622,152,644)	5,662,037,894	594,982,383	(402,110,627)	1,381,507,486	1,906,247,174	467,098,963	(1,051,635,308)	2,181,574,458
Plan Fiduciary Net Position - Beginning	31,986,091,790	33,608,244,434	27,946,206,540	27,351,224,157	27,753,334,784	26,371,827,298	24,465,580,124	23,998,481,161	25,050,116,469	22,868,542,011
Plan Fiduciary Net Position - Ending	\$ 34,049,730,384	\$ 31,986,091,790	\$ 33,608,244,434	\$ 27,946,206,540	\$ 27,351,224,157	\$ 27,753,334,784	\$ 26,371,827,298	\$ 24,465,580,124	\$ 23,998,481,161	\$ 25,050,116,469
Net Pension Liability - Ending	13,942,720,640	13,876,394,301	10,575,442,732	37,990,670,288	29,985,158,859	20,190,978,261	21,864,600,161	19,756,976,634	13,266,443,773	14,460,800,105
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	70.95 %	69.74 %	76.06 %	42.38 %	47.70 %	57.89 %	54.67 %	55.32 %	64.40 %	63.40 %
Covered Employee Payroll	\$ 7,856,401,438	\$ 7,205,607,848	\$ 7,188,367,590	\$ 7,158,435,103	\$ 6,947,624,737	\$ 6,811,925,525	\$ 6,859,706,582	\$ 6,742,143,036	\$ 6,150,194,660	\$ 5,955,460,705
Net Pension Liability as a Percentage of Covered Employee Payroll	177.47 %	192.58 %	147.12 %	530.71 %	431.59 %	296.41 %	318.74 %	293.04 %	215.71 %	242.82 %

Notes to Schedule:

The covered employee payroll is the actual annual payroll for the fiscal year as reported by ERS.

The change in the Total Pension Liability due to the change in the Single Discount Rate is included as an assumption change.

Assumption changes for FY2017 include the impact of the new assumptions adopted by the Board effective August 31, 2017.

Assumption changes for FY2020 include the impact of the new assumptions adopted by the Board effective August 31, 2020.

Additional one-time state funding in accordance with Senate Bill 1, Appropriation 38202 to pay off the unfunded liability.



Schedules of Required Supplementary Information

Schedule of Employer Contributions Employees Retirement System of Texas

FY Ending August 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2014	\$ 727,892,157	\$ 482,239,018	\$ 245,653,139	\$ 5,955,460,705	8.10%
2015	737,111,059	500,394,986	236,716,073	6,150,194,660	8.14%
2016	679,806,017	686,763,354	(6,957,337)	6,742,143,036	10.19%
2017	713,527,832	700,078,188	13,449,644	6,859,706,582	10.21%
2018	933,914,990	697,189,414	236,725,576	6,811,925,525	10.23%
2019	946,266,489	712,647,639	233,618,850	6,947,624,737	10.26%
2020	985,000,670	735,855,712	249,144,958	7,158,435,103	10.28%
2021	1,148,701,141	739,572,907	409,128,234	7,188,367,590	10.29%
2022	1,259,883,400	1,259,883,400	0	7,205,607,848	17.48%
2023	1,305,085,539	2,205,085,539	* (900,000,000)	7,856,401,438	28.07%

*Includes additional one-time State funding of \$900,000,000 from Senate Bill 30 to pay down the unfunded liability.

Notes to Schedule of Contributions

Valuation Date:

Actuarially determined contribution rates are calculated as of August 31. Members and employers contribute based on statutorily fixed rates. Provisions of the Legacy Payment structure adopted during the 2021 legislative session were reflected in disclosures for the fiscal years 2022 and later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent of Payroll plus Level Dollar Legacy Payment
Remaining Amortization Period	UAAL to be eliminated by 2054
Asset Valuation Method	Marked to market as of August 31, 2017. Future gains and losses each recognized over closed five-year period, with allowance of direct offsetting of deferrals by subsequent gains or losses.
Inflation	2.30%
Salary Increases	0.00% to 8.80%
Investment Rate of Return	7.00%
Retirement Age	Experience-based table of rates that are specific to the class of employee. Updated for the 2020 valuation pursuant to an experience study of the 5-year period from September 1, 2014 through August 31, 2019.
Mortality	2020 State Retirees of Texas (SRT) mortality table. Generational mortality improvements in accordance with the ultimate rates from the scales published through 2019 by Retirement Plans Experience Committee of the Society of Actuaries ("Ultimate MP") and projected from the year 2020. Rates for male LECO members are set forward one year.

Other Information:

Notes
Members and employers contribute based on statutorily fixed rates. The covered employee payroll is the actual annual payroll for the fiscal year as reported by ERS.



Governmental Employer Financial Statements

Pension Expense for Fiscal Year Ending August 31, 2023

To be used for Governmental Employer Reporting for Fiscal Year Ending August 31, 2024

Employees Retirement System of Texas

1. Service Cost	\$ 1,026,494,471
2. Interest on the Total Pension Liability	3,144,126,839
3. Current-Period Benefit Changes	0
4. Member Contributions	(758,060,144)
5. Projected Earnings on Plan Investments	(2,207,581,139)
6. Pension Plan Administrative Expense	42,311,175
7. Other Changes in Plan Fiduciary Net Position*	(900,000,000)
8. Recognition of deferred outflows resulting from differences between expected and actual experience	283,477,982
9. Recognition of deferred outflows resulting from assumption changes	(6,433,222,364)
10. Recognition of deferred outflows resulting from differences between projected and actual earnings on plan investments	(67,169,583)
11. Total Pension Expense	\$ (5,869,622,763)

*Additional one-time State funding in accordance with Senate Bill 30 to pay off the unfunded liability.

Recognition of Deferred Outflows and Inflows of Resources

According to paragraph 33 of GASB No. 68, *differences between expected and actual experience and changes in assumptions* are recognized in pension expense using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan (active employees and inactive employees) determined as of the beginning of the measurement period.

At the beginning of the 2023 measurement period, the expected remaining service lives of all employees was 1,208,309 years for ERS. Additionally, the ERS plan membership (active employees and inactive employees) was 411,619. As a result, the average of the expected remaining service lives for purposes of recognizing the applicable deferred outflows and inflows of resources established in the 2023 measurement period is 2.94 years.

Additionally, *differences between projected and actual earnings on pension plan investments* should be recognized in pension expense using a systematic and rational method over a closed five-year period.

For this purpose, the deferred outflows and inflows of resources are recognized in the pension expense as a level dollar amount over the closed period identified above.



Governmental Employer Financial Statements

Statement of Outflows and Inflows Arising from Current and Prior Reporting Periods For Fiscal Year Ending August 31, 2023

To be used for Governmental Employer Reporting for Fiscal Year Ending August 31, 2024

A. New Deferred Outflows and Inflows of Resources by Source Established in Fiscal Year

	Outflows of Resources	Inflows of Resources	Net Outflows of Resources
1. Differences between expected and actual experience	\$ 878,614,876	\$ 0	\$ 878,614,876
2. Assumption Changes	0	0	0
3. Net Difference between projected and actual earnings on pension plan investments	145,505,800	0	145,505,800
4. Total	\$ 1,024,120,676	\$ 0	\$ 1,024,120,676

B. Outflows and Inflows of Resources by Source to be recognized in Current Pension Expense

	Outflows of Resources	Inflows of Resources	Net Outflows of Resources
1. Differences between expected and actual experience	\$ 514,917,939	\$ 231,439,957	\$ 283,477,982
2. Assumption Changes	630,962,689	7,064,185,053	(6,433,222,364)
3. Net Difference between projected and actual earnings on pension plan investments	937,952,733	1,005,122,316	(67,169,583)
4. Total	\$ 2,083,833,361	\$ 8,300,747,326	\$ (6,216,913,965)

C. Deferred Outflows and Deferred Inflows of Resources by Source to be recognized in Future Pension Expenses

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Outflows of Resources
1. Differences between expected and actual experience	\$ 758,467,085	\$ 53,231,189	\$ 705,235,896
2. Assumption Changes	-	1,624,762,561	(1,624,762,561)
3. Net Difference between projected and actual earnings on pension plan investments	1,989,081,359	2,010,244,631	(21,163,272)
4. Total	\$ 2,747,548,444	\$ 3,688,238,381	\$ (940,689,937)

D. Deferred Outflows and Deferred Inflows of Resources by Year to be recognized in Future Pension Expenses

ERS Fiscal Year Ending	Outflows of Resources	Inflows of Resources	Net Outflows of Resources
2024	\$ 1,146,362,692	\$ 2,683,116,066	\$ (1,536,753,374)
2025	933,119,683	1,005,122,315	(72,002,632)
2026	638,964,909	0	638,964,909
2027	29,101,160	0	29,101,160
2028	0	0	0
Thereafter	0	0	0
Total	\$ 2,747,548,444	\$ 3,688,238,381	\$ (940,689,937)



Governmental Employer Financial Statements

Recognition of Deferred Outflows and Inflows of Resources

For Fiscal Year Ending August 31, 2023

To be used for Governmental Employer Reporting for Fiscal Year Ending August 31, 2024

Year Established	Initial Amount	Initial Recognition Period	Current Year Recognition	Remaining Recognition	Remaining Recognition Period
Deferred Outflow (Inflow) due to Differences Between Expected and Actual Experience on Liabilities					
2019	(578,195,062)	3.38	0	0	0.00
2020	510,656,816	3.33	50,605,628	0	0.00
2021	(747,551,060)	3.23	(231,439,957)	(53,231,189)	0.23
2022	509,628,233	3.08	165,463,713	178,700,807	1.08
2023	878,614,876	2.94	298,848,598	579,766,278	1.94
Total			283,477,982	705,235,896	
Deferred Outflow (Inflow) due to Assumption Changes					
2019	8,469,458,024	3.38	0	0	0.00
2020	6,366,987,163	3.33	630,962,689	0	0.00
2021	(22,817,317,720)	3.23	(7,064,185,053)	(1,624,762,561)	0.23
2022	0	3.08	0	0	1.08
2023	0	2.94	0	0	1.94
Total			(6,433,222,364)	(1,624,762,561)	
Deferred Outflow (Inflow) due to Differences Between Projected and Actual Earnings on Plan Investments					
2019	1,279,511,750	5.00	255,902,350	0	0.00
2020	215,427,368	5.00	43,085,474	43,085,472	1.00
2021	(5,025,611,579)	5.00	(1,005,122,316)	(2,010,244,631)	2.00
2022	3,049,318,745	5.00	609,863,749	1,829,591,247	3.00
2023	145,505,800	5.00	29,101,160	116,404,640	4.00
Total			(67,169,583)	(21,163,272)	

Governmental Employer Financial Statements

Schedule of Collective Pension Amounts

For Fiscal Year Ending August 31, 2023

To be used for Governmental Employer Reporting for Fiscal Year Ending August 31, 2024

Net Pension Liability	\$ 13,942,720,640
<u>Deferred Outflows of Resources</u>	
Differences Between Expected and Actual Experience	\$ 758,467,085
Changes of Assumptions	-
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	<u>1,989,081,359</u>
Total Deferred Outflows of Resources Excluding Employer Specific Amounts *	\$ 2,747,548,444
<u>Deferred Inflows of Resources</u>	
Differences Between Expected and Actual Experience	\$ 53,231,189
Changes of Assumptions	1,624,762,561
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	<u>2,010,244,631</u>
Total Deferred Inflows of Resources Excluding Employer Specific Amounts *	\$ 3,688,238,381
Pension Expense *	\$ (5,869,622,763)

* Employer specific amounts that are excluded from this schedule are the changes in proportion and differences between employer contributions and proportionate share of contributions as well as the related amortization as defined in paragraphs 54 and 55 of GASB Statement No. 68, Accounting and Financial Reporting for Pensions.



APPENDIX

CALCULATION OF THE SINGLE DISCOUNT RATE

Single Discount Rate Development Projection of Contributions for Years Ending August 31

Year	Payroll for Current Employees	Payroll for Future Employees	Total Employee Payroll	Contributions from Current Employees	Employer Contributions for Current Employees	Contributions Related to Payroll of Future Employees	Legacy Payments
1	\$ 8,132,043,168	\$ 417,488,224	\$ 8,549,531,392	\$ 738,217,479	\$ 813,204,317	\$ 26,594,000	\$ 510,000,000
2	7,521,869,374	1,258,499,366	8,780,368,740	684,719,215	752,186,937	80,166,410	510,000,000
3	7,028,608,965	1,988,829,731	9,017,438,696	641,000,667	702,860,897	126,688,454	510,000,000
4	6,613,191,612	2,647,717,929	9,260,909,541	603,639,414	661,319,161	168,659,632	510,000,000
5	6,244,548,105	3,266,405,994	9,510,954,099	570,126,740	624,454,811	208,070,062	510,000,000
6	5,899,120,063	3,868,629,797	9,767,749,860	538,618,798	589,912,006	246,431,718	510,000,000
7	5,573,216,581	4,458,262,525	10,031,479,106	508,698,039	557,321,658	283,991,323	510,000,000
8	5,266,853,757	5,035,475,285	10,302,329,042	480,410,455	526,685,376	320,759,776	510,000,000
9	4,975,623,347	5,604,868,579	10,580,491,926	453,367,996	497,562,335	357,030,128	510,000,000
10	4,690,480,222	6,175,684,986	10,866,165,208	426,867,760	469,048,022	393,391,134	510,000,000
11	4,413,057,537	6,746,494,132	11,159,551,669	401,101,610	441,305,754	429,751,676	510,000,000
12	4,145,421,588	7,315,437,976	11,460,859,564	376,237,304	414,542,159	465,993,399	510,000,000
13	3,886,225,085	7,884,077,687	11,770,302,772	352,056,303	388,622,509	502,215,749	510,000,000
14	3,639,935,952	8,448,164,995	12,088,100,947	329,061,808	363,993,595	538,148,110	510,000,000
15	3,409,211,616	9,005,268,057	12,414,479,673	307,503,803	340,921,162	573,635,575	510,000,000
16	3,189,992,353	9,559,678,271	12,749,670,624	287,051,815	318,999,235	608,951,506	510,000,000
17	2,978,462,095	10,115,449,636	13,093,911,731	267,358,474	297,846,210	644,354,142	510,000,000
18	2,775,028,054	10,672,419,294	13,447,447,348	248,432,771	277,502,805	679,833,109	510,000,000
19	2,580,049,327	11,230,479,099	13,810,528,426	230,330,444	258,004,933	715,381,519	510,000,000
20	2,395,128,544	11,788,284,150	14,183,412,694	213,369,155	239,512,854	750,913,700	510,000,000
21	2,223,795,197	12,342,569,640	14,566,364,837	197,732,233	222,379,520	786,221,686	510,000,000
22	2,064,384,847	12,895,271,841	14,959,656,688	183,056,305	206,438,485	821,428,816	510,000,000
23	1,908,971,941	13,454,595,478	15,363,567,419	168,776,350	190,897,194	857,057,732	510,000,000
24	1,757,764,265	14,020,619,474	15,778,383,739	154,893,009	175,776,427	893,113,460	510,000,000
25	1,610,086,153	14,594,313,947	16,204,400,100	141,349,603	161,008,615	929,657,798	510,000,000
26	1,462,752,494	15,179,166,409	16,641,918,903	127,812,497	146,275,249	966,912,900	510,000,000
27	1,317,637,515	15,773,613,198	17,091,250,713	114,487,503	131,763,752	1,004,779,161	510,000,000
28	1,175,893,574	16,376,820,908	17,552,714,482	101,475,712	117,589,357	1,043,203,492	510,000,000
29	1,035,152,986	16,991,484,787	18,026,637,773	88,544,093	103,515,299	1,082,357,581	510,000,000
30	897,775,166	17,615,581,827	18,513,356,993	76,065,337	89,777,517	1,122,112,562	510,000,000
31	768,141,775	18,245,075,857	19,013,217,632	64,402,740	76,814,178	1,162,211,332	510,000,000
32	646,161,191	18,880,413,317	19,526,574,508	53,438,070	64,616,119	1,202,682,328	-
33	532,413,470	19,521,378,550	20,053,792,020	43,218,785	53,241,347	1,243,511,814	-
34	431,013,349	20,164,231,056	20,595,244,405	34,227,541	43,101,335	1,284,461,518	-
35	342,288,107	20,809,027,897	21,151,316,004	26,466,580	34,228,811	1,325,535,077	-
36	265,735,818	21,456,665,718	21,722,401,536	19,722,674	26,573,582	1,366,789,606	-
37	202,418,009	22,106,488,368	22,308,906,377	14,529,979	20,241,801	1,408,183,309	-
38	151,695,334	22,759,551,515	22,911,246,849	10,774,001	15,169,533	1,449,783,432	-
39	112,412,912	23,417,437,602	23,529,850,514	7,786,120	11,241,291	1,491,690,775	-
40	83,109,397	24,082,047,081	24,165,156,478	5,554,862	8,310,940	1,534,026,399	-
41	61,052,763	24,756,562,940	24,817,615,703	3,922,104	6,105,276	1,576,993,059	-
42	44,390,743	25,443,300,584	25,487,691,327	2,714,617	4,439,074	1,620,738,247	-
43	32,111,957	26,143,747,036	26,175,858,993	1,747,923	3,211,196	1,665,356,686	-
44	23,259,402	26,859,347,784	26,882,607,186	6	2,325,940	1,710,940,454	-
45	17,093,403	27,591,344,177	27,608,437,580	4	1,709,340	1,757,568,624	-
46	12,638,710	28,341,226,685	28,353,865,395	2	1,263,871	1,805,336,140	-
47	9,317,283	29,110,102,478	29,119,419,761	-	931,728	1,854,313,528	-
48	6,813,507	29,898,830,588	29,905,644,095	-	681,351	1,904,555,508	-
49	4,919,635	30,708,176,851	30,713,096,486	-	491,964	1,956,110,865	-
50	3,485,878	31,538,864,213	31,542,350,091	-	348,588	2,009,025,650	-



Single Discount Rate Development
Projection of Contributions for Years Ending August 31 (Continued)

Year	Payroll for Current Employees	Payroll for Future Employees	Total Employee Payroll	Contributions from Current Employees	Employer Contributions for Current Employees	Contributions Related to Payroll of Future Employees	Legacy Payments
51	2,400,673	32,391,592,870	32,393,993,543	-	240,067	2,063,344,466	-
52	1,583,760	33,267,047,609	33,268,631,369	-	158,376	2,119,110,933	-
53	985,236	34,165,899,180	34,166,884,416	-	98,524	2,176,367,778	-
54	587,556	35,088,802,739	35,089,390,295	-	58,756	2,235,156,734	-
55	328,075	36,036,475,758	36,036,803,833	-	32,808	2,295,523,506	-
56	149,679	37,009,647,857	37,009,797,536	-	14,968	2,357,514,568	-
57	46,627	38,009,015,442	38,009,062,069	-	4,663	2,421,174,284	-
58	8,323	39,035,298,422	39,035,306,745	-	832	2,486,548,509	-
59	281	40,089,259,746	40,089,260,027	-	28	2,553,685,846	-
60	-	41,171,670,048	41,171,670,048	-	-	2,622,635,382	-
61	-	42,283,305,139	42,283,305,139	-	-	2,693,446,537	-
62	-	43,424,954,378	43,424,954,378	-	-	2,766,169,594	-
63	-	44,597,428,146	44,597,428,146	-	-	2,840,856,173	-
64	-	45,801,558,706	45,801,558,706	-	-	2,917,559,290	-
65	-	47,038,200,791	47,038,200,791	-	-	2,996,333,390	-
66	-	48,308,232,212	48,308,232,212	-	-	3,077,234,392	-
67	-	49,612,554,482	49,612,554,482	-	-	3,160,319,721	-
68	-	50,952,093,453	50,952,093,453	-	-	3,245,648,353	-
69	-	52,327,799,976	52,327,799,976	-	-	3,333,280,858	-
70	-	53,740,650,575	53,740,650,575	-	-	3,423,279,442	-
71	-	55,191,648,141	55,191,648,141	-	-	3,515,707,987	-
72	-	56,681,822,641	56,681,822,641	-	-	3,610,632,102	-
73	-	58,212,231,852	58,212,231,852	-	-	3,708,119,169	-
74	-	59,783,962,112	59,783,962,112	-	-	3,808,238,387	-
75	-	61,398,129,089	61,398,129,089	-	-	3,911,060,823	-
76	-	63,055,878,574	63,055,878,574	-	-	4,016,659,465	-
77	-	64,758,387,295	64,758,387,295	-	-	4,125,109,271	-
78	-	66,506,863,752	66,506,863,752	-	-	4,236,487,221	-
79	-	68,302,549,073	68,302,549,073	-	-	4,350,872,376	-
80	-	70,146,717,898	70,146,717,898	-	-	4,468,345,930	-
81	-	72,040,679,281	72,040,679,281	-	-	4,588,991,270	-
82	-	73,985,777,622	73,985,777,622	-	-	4,712,894,035	-
83	-	75,983,393,618	75,983,393,618	-	-	4,840,142,173	-
84	-	78,034,945,246	78,034,945,246	-	-	4,970,826,012	-
85	-	80,141,888,768	80,141,888,768	-	-	5,105,038,315	-
86	-	82,305,719,765	82,305,719,765	-	-	5,242,874,349	-
87	-	84,527,974,199	84,527,974,199	-	-	5,384,431,956	-
88	-	86,810,229,502	86,810,229,502	-	-	5,529,811,619	-
89	-	89,154,105,699	89,154,105,699	-	-	5,679,116,533	-
90	-	91,561,266,553	91,561,266,553	-	-	5,832,452,679	-
91	-	94,033,420,750	94,033,420,750	-	-	5,989,928,902	-
92	-	96,572,323,110	96,572,323,110	-	-	6,151,656,982	-
93	-	99,179,775,834	99,179,775,834	-	-	6,317,751,721	-
94	-	101,857,629,782	101,857,629,782	-	-	6,488,331,017	-
95	-	104,607,785,786	104,607,785,786	-	-	6,663,515,955	-
96	-	107,432,196,002	107,432,196,002	-	-	6,843,430,885	-
97	-	110,332,865,294	110,332,865,294	-	-	7,028,203,519	-
98	-	113,311,852,657	113,311,852,657	-	-	7,217,965,014	-
99	-	116,371,272,679	116,371,272,679	-	-	7,412,850,070	-
100	-	119,513,297,041	119,513,297,041	-	-	7,612,997,022	-



Single Discount Rate Development Projection of Plan Net Position for Years Ending August 31

Year	Projected Beginning	Projected Total	Projected Benefit	Projected	Projected
	Plan Net Position	Contributions	Payments	Administrative Expenses	Investment Earnings at 7.00%
	(a)	(b)	(c)	(d)	(e)
1	\$ 34,049,730,384	\$ 2,088,015,796	\$ 3,536,718,924	\$ 26,835,742	\$ 2,332,710,722
2	34,906,902,236	2,027,072,562	3,110,717,149	24,822,169	2,405,342,984
3	36,203,778,464	1,980,550,018	3,214,249,607	23,194,410	2,491,017,229
4	37,437,901,694	1,943,618,207	3,312,180,616	21,823,532	2,572,812,659
5	38,620,328,412	1,912,651,613	3,390,690,076	20,607,009	2,651,857,531
6	39,773,540,471	1,884,962,522	3,485,331,585	19,467,096	2,728,412,440
7	40,882,116,752	1,860,011,020	3,582,613,382	18,391,615	2,801,843,977
8	41,942,966,752	1,837,855,607	3,677,832,396	17,380,617	2,872,099,639
9	42,957,708,984	1,817,960,459	3,766,579,983	16,419,557	2,939,426,479
10	43,932,096,383	1,799,306,916	3,869,939,917	15,478,585	3,003,467,729
11	44,849,452,526	1,782,159,040	3,972,545,481	14,563,090	3,063,593,678
12	45,708,096,672	1,766,772,862	4,071,706,948	13,679,891	3,119,787,797
13	46,509,270,492	1,752,894,561	4,166,435,733	12,824,543	3,172,162,438
14	47,255,067,215	1,741,203,513	4,253,904,537	12,011,789	3,220,984,277
15	47,951,338,680	1,732,060,540	4,330,970,648	11,250,398	3,266,783,192
16	48,607,961,366	1,725,002,556	4,397,179,932	10,526,975	3,310,250,688
17	49,235,507,703	1,719,558,826	4,456,637,865	9,828,925	3,351,969,811
18	49,840,569,550	1,715,768,685	4,508,563,569	9,157,593	3,392,430,166
19	50,431,047,239	1,713,716,896	4,552,600,389	8,514,163	3,432,199,925
20	51,015,849,508	1,713,795,709	4,586,706,239	7,903,924	3,471,986,277
21	51,607,021,331	1,716,333,439	4,610,565,515	7,338,524	3,512,654,126
22	52,218,104,858	1,720,923,606	4,627,194,839	6,812,470	3,555,033,830
23	52,860,054,985	1,726,731,276	4,638,450,608	6,299,607	3,599,800,527
24	53,541,836,573	1,733,782,896	4,644,002,104	5,800,622	3,647,594,024
25	54,273,410,766	1,742,016,016	4,645,093,467	5,313,284	3,699,066,719
26	55,064,086,751	1,751,000,646	4,644,190,701	4,827,083	3,754,770,973
27	55,920,840,586	1,761,030,416	4,639,775,134	4,348,204	3,815,257,255
28	56,853,004,919	1,772,268,561	4,630,644,273	3,880,449	3,881,225,710
29	57,871,974,469	1,784,416,973	4,620,097,789	3,416,005	3,953,350,447
30	58,986,228,094	1,797,955,416	4,606,004,815	2,962,658	4,032,314,542
31	60,207,530,579	1,813,428,250	4,583,471,916	2,534,868	4,119,128,138
32	61,554,080,184	1,320,736,517	4,552,790,623	2,132,332	4,197,503,586
33	62,517,397,332	1,339,971,946	4,513,672,240	1,756,964	4,266,956,542
34	63,608,896,616	1,361,790,394	4,462,485,593	1,422,344	4,345,884,968
35	64,852,664,041	1,386,230,468	4,399,558,053	1,129,551	4,435,964,911
36	66,274,171,817	1,413,085,862	4,325,731,183	876,928	4,538,943,428
37	67,899,592,995	1,442,955,089	4,238,972,621	667,979	4,656,743,034
38	69,759,650,518	1,475,726,966	4,140,358,997	500,595	4,791,473,538
39	71,885,991,429	1,510,718,186	4,031,851,193	370,963	4,945,259,382
40	74,309,746,842	1,547,892,201	3,914,591,125	274,261	5,120,239,363
41	77,063,013,020	1,587,020,439	3,791,019,689	201,474	5,318,568,677
42	80,177,380,973	1,627,891,938	3,662,696,142	146,489	5,542,397,997
43	83,684,828,277	1,670,315,805	3,529,939,844	105,969	5,793,948,309
44	87,619,046,578	1,713,266,400	3,393,373,781	76,756	6,075,521,412
45	92,014,383,853	1,759,277,968	3,254,507,675	56,408	6,389,557,000
46	96,908,654,738	1,806,600,013	3,114,804,588	41,708	6,738,591,637
47	102,339,000,092	1,855,245,256	2,974,270,038	30,747	7,125,225,495
48	108,345,170,058	1,905,236,859	2,833,222,174	22,485	7,552,230,972
49	114,969,393,230	1,956,602,829	2,692,891,128	16,235	8,022,522,728
50	122,255,611,424	2,009,374,238	2,554,079,896	11,503	8,539,150,148



Single Discount Rate Development
Projection of Plan Net Position for Years Ending August 31 (Continued)

Year	Projected Beginning Plan Net Position	Projected Total Contributions	Projected Benefit Payments	Projected Administrative Expenses	Projected Investment Earnings at 7.00%
51	130,250,044,411	2,063,584,533	2,417,123,778	7,922	9,105,338,243
52	139,001,835,486	2,119,269,309	2,282,168,673	5,226	9,724,523,256
53	148,563,454,152	2,176,466,302	2,149,325,726	3,251	10,400,375,533
54	158,990,967,010	2,235,215,490	2,018,701,761	1,939	11,136,817,438
55	170,344,296,238	2,295,556,314	1,890,482,703	1,083	11,938,038,490
56	182,687,407,255	2,357,529,536	1,764,886,614	494	12,808,510,174
57	196,088,559,858	2,421,178,947	1,642,118,561	154	13,753,005,128
58	210,620,625,218	2,486,549,341	1,522,416,409	27	14,776,617,692
59	226,361,375,815	2,553,685,874	1,406,062,515	1	15,884,783,781
60	243,393,782,954	2,622,635,382	1,293,344,340	-	17,083,303,110
61	261,806,377,106	2,693,446,537	1,184,537,710	-	18,378,364,998
62	281,693,650,931	2,766,169,594	1,079,900,099	-	19,776,576,799
63	303,156,497,225	2,840,856,173	979,668,987	-	21,284,994,615
64	326,302,679,026	2,917,559,290	884,054,221	-	22,911,156,462
65	351,247,340,557	2,996,333,390	793,232,469	-	24,663,118,231
66	378,113,559,709	3,077,234,392	707,353,568	-	26,549,492,142
67	407,032,932,675	3,160,319,721	626,549,158	-	28,579,487,374
68	438,146,190,612	3,245,648,353	550,932,211	-	30,762,953,252
69	471,603,860,007	3,333,280,858	480,592,370	-	33,110,425,629
70	507,566,974,124	3,423,279,442	415,601,024	-	35,633,176,518
71	546,207,829,060	3,515,707,987	356,010,842	-	38,343,267,030
72	587,710,793,235	3,610,632,102	301,837,426	-	41,253,604,677
73	632,273,192,588	3,708,119,169	253,047,922	-	44,378,005,722
74	680,106,269,557	3,808,238,387	209,561,097	-	47,731,262,313
75	731,436,209,160	3,911,060,823	171,242,521	-	51,329,214,471
76	786,505,241,933	4,016,659,465	137,899,799	-	55,188,827,466
77	845,572,829,065	4,125,109,271	109,288,214	-	59,328,274,579
78	908,916,924,701	4,236,487,221	85,117,086	-	63,767,025,252
79	976,835,320,089	4,350,872,376	65,055,826	-	68,525,938,968
80	1,049,647,075,606	4,468,345,930	48,738,634	-	73,627,365,332
81	1,127,694,048,234	4,588,991,270	35,764,938	-	79,095,250,985
82	1,211,342,525,551	4,712,894,035	25,701,813	-	84,955,253,901
83	1,300,984,971,674	4,840,142,173	18,096,219	-	91,234,865,183
84	1,397,041,882,811	4,970,826,012	12,500,685	-	97,963,538,069
85	1,499,963,746,208	5,105,038,315	8,495,616	-	105,172,824,296
86	1,610,233,113,203	5,242,874,349	5,699,217	-	112,896,518,873
87	1,728,366,807,208	5,384,431,956	3,782,735	-	121,170,814,116
88	1,854,918,270,544	5,529,811,619	2,487,051	-	130,034,463,361
89	1,990,480,058,474	5,679,116,533	1,621,446	-	139,528,955,590
90	2,135,686,509,150	5,832,452,679	1,049,573	-	149,698,702,811
91	2,291,216,615,067	5,989,928,902	675,480	-	160,591,241,546
92	2,457,797,110,035	6,151,656,982	432,958	-	172,257,449,285
93	2,636,205,783,344	6,317,751,721	276,966	-	184,751,776,779
94	2,827,275,034,878	6,488,331,017	177,159	-	198,132,497,120
95	3,031,895,685,856	6,663,515,955	113,425	-	212,461,972,653
96	3,251,021,061,038	6,843,430,885	72,675	-	227,806,940,838
97	3,485,671,360,087	7,028,203,519	46,493	-	244,238,820,337
98	3,736,938,337,450	7,217,965,014	29,607	-	261,834,038,655
99	4,005,990,311,512	7,412,850,070	18,769	-	280,674,382,826
100	4,294,077,525,639	7,612,997,022	11,833	-	300,847,374,719



Single Discount Rate Development

Present Values of Projected Benefits for Years Ending August 31

Year	Projected Beginning Plan Net Position	Projected Benefit Payments	Funded Portion of Benefit Payments	Unfunded Portion of Benefit Payments	Present Value of Funded Benefit Payments using Expected Return Rate (v)	Present Value of Unfunded Benefit Payments using Municipal Bond Rate (v _r)	Present Value of Benefit Payments using Single Discount Rate (sdr)
(a)	(b)	(c)	(d)	(e)	(f)=(d)*v ^{(a)-.5}	(g)=(e)*v ^{f(a)-.5}	h)=(c)/(1+sdr) ^{(a)-5}
1	\$ 34,049,730,384	\$ 3,536,718,924	\$ 3,536,718,924	\$ -	\$ 3,419,075,235	\$ -	\$ 3,419,075,235
2	34,906,902,236	3,110,717,149	3,110,717,149	-	2,810,508,201	-	2,810,508,201
3	36,203,778,464	3,214,249,607	3,214,249,607	-	2,714,064,442	-	2,714,064,442
4	37,437,901,694	3,312,180,616	3,312,180,616	-	2,613,790,585	-	2,613,790,585
5	38,620,328,412	3,390,690,076	3,390,690,076	-	2,500,697,129	-	2,500,697,129
6	39,773,540,471	3,485,331,585	3,485,331,585	-	2,402,333,651	-	2,402,333,651
7	40,882,116,752	3,582,613,382	3,582,613,382	-	2,307,838,366	-	2,307,838,366
8	41,942,966,752	3,677,832,396	3,677,832,396	-	2,214,183,455	-	2,214,183,455
9	42,957,708,984	3,766,579,983	3,766,579,983	-	2,119,264,112	-	2,119,264,112
10	43,932,096,383	3,869,939,917	3,869,939,917	-	2,034,971,515	-	2,034,971,515
11	44,849,452,526	3,972,545,481	3,972,545,481	-	1,952,266,996	-	1,952,266,996
12	45,708,096,672	4,071,706,948	4,071,706,948	-	1,870,092,419	-	1,870,092,419
13	46,509,270,492	4,166,435,733	4,166,435,733	-	1,788,411,551	-	1,788,411,551
14	47,255,067,215	4,253,904,537	4,253,904,537	-	1,706,501,761	-	1,706,501,761
15	47,951,338,680	4,330,970,648	4,330,970,648	-	1,623,754,860	-	1,623,754,860
16	48,607,961,366	4,397,179,932	4,397,179,932	-	1,540,726,964	-	1,540,726,964
17	49,235,507,703	4,456,637,865	4,456,637,865	-	1,459,402,259	-	1,459,402,259
18	49,840,569,550	4,508,563,569	4,508,563,569	-	1,379,818,895	-	1,379,818,895
19	50,431,047,239	4,552,600,389	4,552,600,389	-	1,302,145,888	-	1,302,145,888
20	51,015,849,508	4,586,706,239	4,586,706,239	-	1,226,075,633	-	1,226,075,633
21	51,607,021,331	4,610,565,515	4,610,565,515	-	1,151,825,675	-	1,151,825,675
22	52,218,104,858	4,627,194,839	4,627,194,839	-	1,080,355,200	-	1,080,355,200
23	52,860,054,985	4,638,450,608	4,638,450,608	-	1,012,133,824	-	1,012,133,824
24	53,541,836,573	4,644,002,104	4,644,002,104	-	947,051,578	-	947,051,578
25	54,273,410,766	4,645,093,467	4,645,093,467	-	885,302,935	-	885,302,935
26	55,064,086,751	4,644,190,701	4,644,190,701	-	827,225,119	-	827,225,119
27	55,920,840,586	4,639,775,134	4,639,775,134	-	772,372,539	-	772,372,539
28	56,853,004,919	4,630,644,273	4,630,644,273	-	720,422,940	-	720,422,940
29	57,871,974,469	4,620,097,789	4,620,097,789	-	671,759,016	-	671,759,016
30	58,986,228,094	4,606,004,815	4,606,004,815	-	625,897,110	-	625,897,110
31	60,207,530,579	4,583,471,916	4,583,471,916	-	582,088,950	-	582,088,950
32	61,554,080,184	4,552,790,623	4,552,790,623	-	540,366,828	-	540,366,828
33	62,517,397,332	4,513,672,240	4,513,672,240	-	500,676,543	-	500,676,543
34	63,608,896,616	4,462,485,593	4,462,485,593	-	462,615,601	-	462,615,601
35	64,852,664,041	4,399,558,053	4,399,558,053	-	426,254,250	-	426,254,250
36	66,274,171,817	4,325,731,183	4,325,731,183	-	391,683,629	-	391,683,629
37	67,899,592,995	4,238,972,621	4,238,972,621	-	358,717,634	-	358,717,634
38	69,759,650,518	4,140,358,997	4,140,358,997	-	327,451,011	-	327,451,011
39	71,885,991,429	4,031,851,193	4,031,851,193	-	298,008,776	-	298,008,776
40	74,309,746,842	3,914,591,125	3,914,591,125	-	270,412,765	-	270,412,765
41	77,063,013,020	3,791,019,689	3,791,019,689	-	244,744,558	-	244,744,558
42	80,177,380,973	3,662,696,142	3,662,696,142	-	220,990,761	-	220,990,761
43	83,684,828,277	3,529,939,844	3,529,939,844	-	199,047,512	-	199,047,512
44	87,619,046,578	3,393,373,781	3,393,373,781	-	178,828,762	-	178,828,762
45	92,014,383,853	3,254,507,675	3,254,507,675	-	160,290,282	-	160,290,282
46	96,908,654,738	3,114,804,588	3,114,804,588	-	143,373,511	-	143,373,511
47	102,339,000,092	2,974,270,038	2,974,270,038	-	127,948,363	-	127,948,363
48	108,345,170,058	2,833,222,174	2,833,222,174	-	113,907,204	-	113,907,204
49	114,969,393,230	2,692,891,128	2,692,891,128	-	101,182,540	-	101,182,540
50	122,255,611,424	2,554,079,896	2,554,079,896	-	89,688,649	-	89,688,649



Single Discount Rate Development

Present Values of Projected Benefits for Years Ending August 31 (Continued)

Year	Projected Beginning Plan Net Position	Projected Benefit Payments	Funded Portion of Benefit Payments	Unfunded Portion of Benefit Payments	Present Value of Funded Benefit Payments using Expected Return Rate (v)	Present Value of Unfunded Benefit Payments using Municipal Bond Rate (v _f)	Present Value of Benefit Payments using Single Discount Rate (sdr)
(a)	(b)	(c)	(d)	(e)	(f)=(d)*v ^{(a)-.5}	(g)=(e)*v ^{f((a)-.5)}	h)=(c)/(1+sdr) ^{(a)-5}
51	130,250,044,411	2,417,123,778	2,417,123,778	-	79,326,468	-	79,326,468
52	139,001,835,486	2,282,168,673	2,282,168,673	-	69,997,606	-	69,997,606
53	148,563,454,152	2,149,325,726	2,149,325,726	-	61,610,383	-	61,610,383
54	158,990,967,010	2,018,701,761	2,018,701,761	-	54,080,420	-	54,080,420
55	170,344,296,238	1,890,482,703	1,890,482,703	-	47,332,215	-	47,332,215
56	182,687,407,255	1,764,886,614	1,764,886,614	-	41,296,871	-	41,296,871
57	196,088,559,858	1,642,118,561	1,642,118,561	-	35,910,468	-	35,910,468
58	210,620,625,218	1,522,416,409	1,522,416,409	-	31,114,745	-	31,114,745
59	226,361,375,815	1,406,062,515	1,406,062,515	-	26,856,761	-	26,856,761
60	243,393,782,954	1,293,344,340	1,293,344,340	-	23,087,632	-	23,087,632
61	261,806,377,106	1,184,537,710	1,184,537,710	-	19,761,975	-	19,761,975
62	281,693,650,931	1,079,900,099	1,079,900,099	-	16,837,641	-	16,837,641
63	303,156,497,225	979,668,987	979,668,987	-	14,275,563	-	14,275,563
64	326,302,679,026	884,054,221	884,054,221	-	12,039,516	-	12,039,516
65	351,247,340,557	793,232,469	793,232,469	-	10,095,941	-	10,095,941
66	378,113,559,709	707,353,568	707,353,568	-	8,413,934	-	8,413,934
67	407,032,932,675	626,549,158	626,549,158	-	6,965,206	-	6,965,206
68	438,146,190,612	550,932,211	550,932,211	-	5,723,915	-	5,723,915
69	471,603,860,007	480,592,370	480,592,370	-	4,666,466	-	4,666,466
70	507,566,974,124	415,601,024	415,601,024	-	3,771,413	-	3,771,413
71	546,207,829,060	356,010,842	356,010,842	-	3,019,304	-	3,019,304
72	587,710,793,235	301,837,426	301,837,426	-	2,392,396	-	2,392,396
73	632,273,192,588	253,047,922	253,047,922	-	1,874,472	-	1,874,472
74	680,106,269,557	209,561,097	209,561,097	-	1,450,785	-	1,450,785
75	731,436,209,160	171,242,521	171,242,521	-	1,107,950	-	1,107,950
76	786,505,241,933	137,899,799	137,899,799	-	833,851	-	833,851
77	845,572,829,065	109,288,214	109,288,214	-	617,610	-	617,610
78	908,916,924,701	85,117,086	85,117,086	-	449,546	-	449,546
79	976,835,320,089	65,055,826	65,055,826	-	321,114	-	321,114
80	1,049,647,075,606	48,738,634	48,738,634	-	224,835	-	224,835
81	1,127,694,048,234	35,764,938	35,764,938	-	154,193	-	154,193
82	1,211,342,525,551	25,701,813	25,701,813	-	103,559	-	103,559
83	1,300,984,971,674	18,096,219	18,096,219	-	68,144	-	68,144
84	1,397,041,882,811	12,500,685	12,500,685	-	43,993	-	43,993
85	1,499,963,746,208	8,495,616	8,495,616	-	27,943	-	27,943
86	1,610,233,113,203	5,699,217	5,699,217	-	17,519	-	17,519
87	1,728,366,807,208	3,782,735	3,782,735	-	10,867	-	10,867
88	1,854,918,270,544	2,487,051	2,487,051	-	6,677	-	6,677
89	1,990,480,058,474	1,621,446	1,621,446	-	4,069	-	4,069
90	2,135,686,509,150	1,049,573	1,049,573	-	2,461	-	2,461
91	2,291,216,615,067	675,480	675,480	-	1,480	-	1,480
92	2,457,797,110,035	432,958	432,958	-	887	-	887
93	2,636,205,783,344	276,966	276,966	-	530	-	530
94	2,827,275,034,878	177,159	177,159	-	317	-	317
95	3,031,895,685,856	113,425	113,425	-	190	-	190
96	3,251,021,061,038	72,675	72,675	-	114	-	114
97	3,485,671,360,087	46,493	46,493	-	68	-	68
98	3,736,938,337,450	29,607	29,607	-	40	-	40
99	4,005,990,311,512	18,769	18,769	-	24	-	24
100	4,294,077,525,639	11,833	11,833	-	14	-	14

Law Enforcement and Correctional Officers Supplemental Retirement Fund

GASB Reporting and Disclosure Information for ERS Fiscal
Year Ending August 31, 2023





January 22, 2024

Board of Trustees
Employees Retirement System of Texas
200 East 18th Street
Austin, TX 78701

Subject: GASB Reporting and Disclosure Information for ERS Fiscal Year Ending August 31, 2023 - LECOSRF

Members of the Board,

This report provides information required by the Law Enforcement and Correctional Officers Supplemental Retirement Fund (LECOSRF) of the Employees Retirement System of Texas (ERS) in connection with the Governmental Accounting Standards Board (GASB) Statement No. 67, "Financial Reporting for Pension Plans." Additionally, this report provides information required by the governmental employers participating in LECOSRF in connection with the GASB Statement No. 68, "Accounting and Financial Reporting for Pensions." It is our understanding this information will be used by governmental employers in financial reporting for the fiscal year ending August 31, 2024. The information provided herein was prepared for the purpose of assisting ERS and the governmental employers in the compliance with the financial reporting and disclosure requirements of GASB Statement Nos. 67 and 68.

The Net Pension Liability is not an appropriate measure for measuring the sufficiency of plan assets to cover the estimated cost of settling the employer's benefit obligation. The Net Pension Liability is not an appropriate measure for assessing the need for or amount of future employer contributions. A calculation of the plan's liability for purposes other than satisfying the requirements of GASB Statement Nos. 67 and 68 may produce significantly different results. This report may be provided to parties other than ERS only in its entirety and only with the permission of ERS.

The total pension liability, net pension liability, and certain sensitivity information shown in this report are based on an actuarial valuation performed as of August 31, 2023. It is our opinion that the recommended assumptions are internally consistent, reasonable, and comply with the requirements under GASB Statement Nos. 67 and 68.

Subsequent to the measurement date, on September 8, the State contributed \$772,000,000 to the plan to pay off the unfunded liabilities. This amount was recognized in an adjusted market value for purposes of determining August 31, 2023 Funding Valuation results for use in long-term decision making. This amount was not included in the August 31, 2023 Plan Net Position in these GASB 67 and 68 results, thus creating a significant disconnect between the funding situation reported in the accounting and funding results. The \$772,000,000 was included as a contribution in the Single Discount Rate Calculation. This additional contribution will first be reflected in the Net Pension Liability as of August 31, 2024, at which time both the funding and accounting results will reflect the improved funding situation of the plan.

We have not determined whether the Collective Pension Amounts under GASB Statement No. 68 should be allocated to any of the governmental employers participating in LECOSRF. It is our understanding that these allocations will be determined by another state agency, if necessary.

This report is based upon information, furnished to us by ERS, which include benefit provisions, membership information, and financial data. We did not audit this data and information, but we did apply a number of tests and concluded that it was reasonable and consistent. GRS is not responsible for the accuracy or completeness of the information provided by ERS.

Certain tables included in the Required Supplementary Information should include a 10-year history of information. As provided for in GASB Statement Nos. 67 and 68, this historical information is only presented for the years in which the information was measured in conformity with the requirements of GASB Statement Nos. 67 and 68. The historical information in this report will begin with the information presented for the measurement period ending August 31, 2014.

Paragraph 57 of GASB Statement No. 68 indicates that contributions to the pension plan subsequent to the measurement date of the Net Pension Liability and prior to the end of the employer's reporting period should be reported by the employer as a deferred outflow of resources related to pensions. The information contained in this report does not incorporate any contributions reported to LECOSRF subsequent to August 31, 2023.

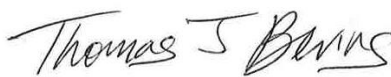
This report complements the actuarial valuation report as of August 31, 2023, provided for plan funding purposes, which was also provided to ERS and should be considered together as a complete report for the plan year ending August 31, 2023. Please see the actuarial valuation report as of August 31, 2023 for additional discussion of the nature of actuarial calculations and more information related to participant data, economic and demographic assumptions, and benefit provisions.

To the best of our knowledge, the information contained within this report is accurate and fairly represents the actuarial position of the Law Enforcement and Correctional Officers Supplemental Retirement Fund of the Employees Retirement System of Texas. All calculations have been made in conformity with generally accepted actuarial principles and practices as well as with the Actuarial Standards of Practice issued by the Actuarial Standards Board. Ms. Woolfrey and Mr. Bevins are members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Respectfully submitted,
Gabriel, Roeder, Smith & Company



Dana Woolfrey, FSA, EA, MAAA
Senior Consultant



Thomas J. Bevins, ASA, MAAA
Consultant



Summary of Population Statistics

The total pension liability described in this report is based on the LECOSRF plan membership as of August 31, 2023:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	16,368
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	35,082
Active Plan Members	<u>31,744</u>
Total Plan Members	83,194

Subsequent Event

Subsequent to the measurement date, on September 8, the State contributed \$772,000,000 to the plan to pay off the unfunded liabilities. This amount was recognized in an adjusted market value for purposes of determining August 31, 2023 Funding Valuation results for use in long-term decisions making. This amount was not included in the August 31, 2023 Plan Net Position in these GASB 67 and 68 results, thus creating a significant disconnect between the funding situation reported in the accounting and funding results. The \$772,000,000 was included as a contribution in the Single Discount Rate Calculation. This additional contribution will first be reflected in the Net Pension Liability as of August 31, 2024, at which time both the funding and accounting results will reflect the improved funding situation of the plan.

Measurement of the Net Pension Liability

The net pension liability is measured as the total pension liability, less the amount of the plan's fiduciary net position. In actuarial terms, this is analogous to the accrued liability less the market value of assets (not the smoothed actuarial value of assets that is often encountered in actuarial valuations based on the Board's adopted assumptions and methods).

A single discount rate of 4.45% was used to measure the total pension liability as of August 31, 2022. This single discount rate was based on an expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.91%. Based on the stated assumptions and the projection of cash flows, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2038. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the 2038 fiscal year, and the municipal bond rate was applied to all benefit payments after that date.

A single discount rate of 7.00% was used to measure the total pension liability as of August 31, 2023. This single discount rate was based on an expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 4.13%. Based on the stated assumptions and the projection of cash flows, the pension plan's fiduciary net position and future contributions were sufficient to finance all projected future benefit payments of current plan members. As a result, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The source of the municipal bond rate is the rate for Fixed Income Market Data/Yield Curve/Data Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index." In describing this index, Fidelity notes that the municipal curves are constructed using option adjusted analytics of a diverse population of over 10,000 tax exempt securities. The rate shown is as of the last date available on or before the measurement date.



The projection of cash flows used to determine this single discount rate assumed that plan member and employer contributions will be made at the current statutory and appropriated levels and remain a level percentage of payroll.

Actuarially Determined Contribution

This report presents the Actuarially Determined Contribution (ADC) for the fiscal year ending August 31, 2023. Consistent with the provisions of Section 811.006 of the Texas Government Code, this contribution is the amount necessary to fund the normal cost and to amortize the UAAL as a level percentage of payroll over 31 years.

With the additional \$772,000,000 contribution from the State in September of 2023, and increased employer payroll contributions, it is anticipated that this plan will maintain a surplus position going forward. Fiscal year 2023 is anticipated to be the last year that actual contributions fall short of the Actuarially Determined Contribution.

Sensitivity of the Net Pension Liability to the Single Discount Rate Assumption

Below is a table providing the sensitivity of the net pension liability to changes in the discount rate as of August 31, 2023. In particular, the table presents the plan’s net pension liability, if it were calculated using a single discount rate that is one-percentage-point lower or one-percentage-point higher than the single discount rate:

1% Decrease	Current Single Rate Assumption	1% Increase
6.00%	7.00%	8.00%
\$ 990,805,627	\$ 759,008,862	\$ 568,050,251



Reconciliation of Plan Net Assets

for Fiscal Year Ending August 31, 2023

Law Enforcement and Correctional Officers Supplemental Retirement Fund

	<u>Year Ending August 31, 2023</u>
1. Market value of assets at beginning of year	\$ 1,042,295,797
2. Revenue for the year	
a. Contributions for the year	
i. State (including membership fees)	\$ 24,800,350
ii. Member (including penalty interest)	10,902,451
iii. Total	<u>\$ 35,702,801</u>
b. Net investment income	\$ 64,703,815
c. Total revenue	\$ 100,406,616
3. Disbursements for the year	
a. Benefit payments and refunds	\$ 99,519,427
b. Net transfers from TRS	0
c. Administrative expenses	<u>2,480,715</u>
d. Total expenditures	\$ 102,000,142
4. Increase in net assets (Item 2c - Item 3d)	\$ (1,593,526)
5. Market value of assets at end of year (Item 1 + Item 4)	\$ 1,040,702,271

This reconciliation only includes the items needed to reconcile the changes in Net Pension Liability during the fiscal year. The Reconciliation of Fiduciary Net Position required by GASB No. 67 may require additional detail regarding the changes throughout the year.



Schedules of Required Supplementary Information

Schedule of Changes in the Employers' Net Pension Liability and Related Ratios

Law Enforcement and Correctional Officers Supplemental Retirement Fund

Fiscal year ending August 31,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability										
Service Cost	\$ 59,220,121	\$ 93,711,540	\$ 91,245,661	\$ 96,690,232	\$ 71,926,346	\$ 79,308,710	\$ 99,389,703	\$ 71,428,931	\$ 57,458,813	\$ 54,527,921
Interest on the Total Pension Liability	106,020,200	80,909,665	82,146,415	86,012,024	96,085,294	91,170,939	82,236,057	88,409,657	87,224,138	88,024,806
Benefit Changes	0	0	0	0	0	0	0	0	0	0
Difference between expected and actual experience of the Total Pension Liability	32,676,904	65,927,635	(27,961,603)	(1,840,822)	(54,147,539)	(21,651,010)	(17,531,861)	(21,657,289)	(9,639,941)	(76,585,373)
Assumption Changes	(701,312,717)	(739,123,431)	82,178,906	158,945,887	427,818,373	(87,015,464)	(144,398,113)	375,371,238	148,114,173	68,228,415
Benefit Payments and Refunds	(99,519,427)	(97,195,678)	(91,669,301)	(86,706,382)	(82,250,048)	(75,632,867)	(69,755,566)	(64,541,719)	(61,344,037)	(57,146,704)
Net Change in Total Pension Liability	(602,914,919)	(595,770,269)	135,940,078	253,100,939	459,432,426	(13,819,692)	(50,059,780)	449,010,818	221,813,146	77,049,065
Total Pension Liability - Beginning	2,402,626,052	2,998,396,321	2,862,456,243	2,609,355,304	2,149,922,878	2,163,742,570	2,213,802,350	1,764,791,532	1,542,978,386	1,465,929,321
Total Pension Liability - Ending	\$ 1,799,711,133	\$ 2,402,626,052	\$ 2,998,396,321	\$ 2,862,456,243	\$ 2,609,355,304	\$ 2,149,922,878	\$ 2,163,742,570	\$ 2,213,802,350	\$ 1,764,791,532	\$ 1,542,978,386
Plan Fiduciary Net Position										
Contributions - Employer	\$ 24,800,350	\$ 21,427,506	\$ 20,294,220	\$ 22,293,664	\$ 25,864,146	\$ 26,109,655	\$ 26,583,162	\$ 27,497,297	\$ 26,728,318	\$ 27,757,980
Contributions - Member	10,902,451	8,729,103	9,077,532	8,949,911	9,098,121	9,274,814	9,583,044	9,538,658	8,376,472	8,179,640
Pension Plan Net Investment Income	64,703,815	(5,026,226)	232,795,473	61,096,949	26,250,173	84,937,315	99,340,827	44,831,113	1,918,490	111,740,551
Benefit Payments and Refunds	(99,519,427)	(97,195,678)	(91,669,301)	(86,706,382)	(82,250,048)	(75,632,867)	(69,755,566)	(64,541,719)	(61,344,037)	(57,146,704)
Pension Plan Administrative Expense	(2,480,715)	(1,680,319)	(1,780,707)	(1,932,593)	(2,167,482)	(1,850,762)	(1,811,110)	(1,421,458)	(1,411,562)	(1,323,502)
Other	0	0	0	0	0	0	0	0	0	0
Net Change in Plan Fiduciary Net Position	(1,593,526)	(73,745,614)	168,717,217	3,701,549	(23,205,090)	42,838,155	63,940,357	15,903,891	(25,732,319)	89,207,965
Plan Fiduciary Net Position - Beginning	1,042,295,797	1,116,041,411	947,324,194	943,622,645	966,827,735	923,989,580	860,049,223	844,145,332	869,877,651	780,669,686
Plan Fiduciary Net Position - Ending	\$ 1,040,702,271	\$ 1,042,295,797	\$ 1,116,041,411	\$ 947,324,194	\$ 943,622,645	\$ 966,827,735	\$ 923,989,580	\$ 860,049,223	\$ 844,145,332	\$ 869,877,651
Net Pension Liability - Ending	759,008,862	1,360,330,255	1,882,354,910	1,915,132,049	1,665,732,659	1,183,095,143	1,239,752,990	1,353,753,127	920,646,200	673,100,735
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	57.83 %	43.38 %	37.22 %	33.09 %	36.16 %	44.97 %	42.70 %	38.85 %	47.83 %	56.38 %
Covered Employee Payroll	\$ 1,704,482,394	\$ 1,581,949,840	\$ 1,586,537,362	\$ 1,662,147,480	\$ 1,682,633,066	\$ 1,689,590,272	\$ 1,746,349,412	\$ 1,725,879,688	\$ 1,506,027,764	\$ 1,496,012,750
Net Pension Liability as a Percentage of Covered Employee Payroll	44.53 %	85.99 %	118.65 %	115.22 %	99.00 %	70.02 %	70.99 %	78.44 %	61.13 %	44.99 %

Notes to Schedule:

The covered employee payroll is the actual annual payroll for the fiscal year as reported by ERS.

The change in the Total Pension Liability due to the change in the Single Discount Rate is included as an assumption change.

Assumption changes for FY2017 include the impact of the new assumptions adopted by the Board effective August 31, 2017.

Assumption changes for FY2020 include the impact of the new assumptions adopted by the Board effective August 31, 2020.



Schedules of Required Supplementary Information

Schedule of Employer Contributions

Law Enforcement and Correctional Officers Supplemental Retirement Fund

FY Ending August 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2014	\$ 40,205,389	\$ 27,757,980	\$ 12,447,409	\$ 1,496,012,750	1.86%
2015	38,131,404	26,728,318	11,403,086	1,506,027,764	1.77%
2016	43,167,243	27,497,297	15,669,946	1,725,879,688	1.59%
2017	45,332,090	26,583,162	18,748,928	1,746,349,412	1.52%
2018	53,560,012	26,109,655	27,450,357	1,689,590,272	1.55%
2019	54,853,838	25,864,146	28,989,692	1,682,633,066	1.54%
2020	56,679,229	22,293,664	34,385,565	1,662,147,480	1.34%
2021	59,019,190	20,294,220	38,724,970	1,586,537,362	1.28%
2022	62,803,409	21,427,506	41,375,903	1,581,949,840	1.35%
2023	67,838,399	24,800,350	43,038,049	1,704,482,394	1.46%

Notes to Schedule of Contributions

Law Enforcement and Correctional Officers Supplemental Retirement Fund

Valuation Date: Actuarially determined contribution rates are calculated as of August 31. Members and employers contribute based on statutorily fixed rates.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Open
Remaining Amortization Period	31 years
Asset Valuation Method	Marked to market as of August 31, 2017. Future gains and losses each recognized over closed five-year period, with allowance of direct offsetting of deferrals by subsequent gains or losses.
Inflation	2.30%
Salary Increases	3.75% to 8.75%
Investment Rate of Return	7.00%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the 5-year period from September 1, 2014 through August 31, 2019.
Mortality	2020 State Retirees of Texas (SRT) mortality table. Generational mortality improvements in accordance with the ultimate rates from the scales published through 2019 by Retirement Plans Experience Committee of the Society of Actuaries ("Ultimate MP") and projected from the year 2020. Rates for male LECO members are set forward one year.

Other Information:

Notes Members and employers contribute based on statutorily fixed rates. The covered employee payroll is the actual annual payroll for the fiscal year as reported by ERS.



Governmental Employer Financial Statements

Pension Expense for Fiscal Year Ending August 31, 2023

To be used for Governmental Employer Reporting for Fiscal Year Ending August 31, 2024

Law Enforcement and Correctional Officers Supplemental Retirement Fund

1. Service Cost	\$ 59,220,121
2. Interest on the Total Pension Liability	106,020,200
3. Current-Period Benefit Changes	0
4. Member Contributions	(10,902,451)
5. Projected Earnings on Plan Investments	(70,640,299)
6. Pension Plan Administrative Expense	2,480,715
7. Other Changes in Plan Fiduciary Net Position	0
8. Recognition of deferred outflows resulting from differences between expected and actual experience	13,010,922
9. Recognition of deferred outflows resulting from assumption changes	(301,031,590)
10. Recognition of deferred outflows resulting from differences between projected and actual earnings on plan investments	(6,023,065)
11. Total Pension Expense	\$ (207,865,447)

Recognition of Deferred Outflows and Inflows of Resources

According to paragraph 33 of GASB No. 68, *differences between expected and actual experience* and *changes in assumptions* are recognized in pension expense using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan (active employees and inactive employees) determined as of the beginning of the measurement period.

At the beginning of the 2023 measurement period, the expected remaining service lives of all employees was 261,753 years for LECOSRF. Additionally, the LECOSRF plan membership (active employees and inactive employees) was 79,369. As a result, the average of the expected remaining service lives for purposes of recognizing the applicable deferred outflows and inflows of resources established in the 2023 measurement period is 3.30 years.

Additionally, *differences between projected and actual earnings on pension plan investments* should be recognized in pension expense using a systematic and rational method over a closed five-year period.

For this purpose, the deferred outflows and inflows of resources are recognized in the pension expense as a level dollar amount over the closed period identified above.



Governmental Employer Financial Statements

Statement of Outflows and Inflows Arising from Current and Prior Reporting Periods

For Fiscal Year Ending August 31, 2023

To be used for Governmental Employer Reporting for Fiscal Year Ending August 31, 2024

A. New Deferred Outflows and Inflows of Resources by Source Established in Fiscal Year

	Outflows of Resources	Inflows of Resources	Net Outflows of Resources
1. Differences between expected and actual experience	\$ 32,676,904	\$ 0	\$ 32,676,904
2. Assumption Changes	0	701,312,717	(701,312,717)
3. Net Difference between projected and actual earnings on pension plan investments	5,936,484	0	5,936,484
4. Total	\$ 38,613,388	\$ 701,312,717	\$ (662,699,329)

B. Outflows and Inflows of Resources by Source to be recognized in Current Pension Expense

	Outflows of Resources	Inflows of Resources	Net Outflows of Resources
1. Differences between expected and actual experience	\$ 28,369,218	\$ 15,358,296	\$ 13,010,922
2. Assumption Changes	118,524,792	419,556,382	(301,031,590)
3. Net Difference between projected and actual earnings on pension plan investments	27,722,039	33,745,104	(6,023,065)
4. Total	\$ 174,616,049	\$ 468,659,782	\$ (294,043,733)

C. Deferred Outflows and Deferred Inflows of Resources by Source to be recognized in Future Pension Expenses

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Outflows of Resources
1. Differences between expected and actual experience	\$ 51,768,196	\$ 6,918,492	\$ 44,849,704
2. Assumption Changes	36,476,976	813,842,390	(777,365,414)
3. Net Difference between projected and actual earnings on pension plan investments	54,700,035	67,490,206	(12,790,171)
4. Total	\$ 142,945,207	\$ 888,251,088	\$ (745,305,881)

D. Deferred Outflows and Deferred Inflows of Resources by Year to be recognized in Future Pension Expenses

ERS Fiscal Year Ending	Outflows of Resources	Inflows of Resources	Net Outflows of Resources
2024	\$ 83,686,763	\$ 460,219,978	\$ (376,533,215)
2025	37,764,440	364,275,411	(326,510,971)
2026	20,306,708	63,755,699	(43,448,991)
2027	1,187,296	0	1,187,296
2028	0	0	0
Thereafter	0	0	0
Total	\$ 142,945,207	\$ 888,251,088	\$ (745,305,881)



Governmental Employer Financial Statements

Recognition of Deferred Outflows and Inflows of Resources

For Fiscal Year Ending August 31, 2023

To be used for Governmental Employer Reporting for Fiscal Year Ending August 31, 2024

Year Established	Initial Amount	Initial Recognition Period	Current Year Recognition	Remaining Recognition	Remaining Recognition Period
Deferred Outflow (Inflow) due to Differences Between Expected and Actual Experience on Liabilities					
2018	(21,651,010)	4.94	0	0	0.00
2019	(54,147,539)	4.68	(7,867,591)	0	0.00
2020	(1,840,822)	4.47	(411,818)	(193,550)	0.47
2021	(27,961,603)	3.95	(7,078,887)	(6,724,942)	0.95
2022	65,927,635	3.57	18,467,125	28,993,385	1.57
2023	32,676,904	3.30	9,902,093	22,774,811	2.30
Total			13,010,922	44,849,704	
Deferred Outflow (Inflow) due to Assumption Changes					
2018	(87,015,464)	4.94	0	0	0.00
2019	427,818,373	4.68	62,161,641	0	0.00
2020	158,945,887	4.47	35,558,364	16,712,431	0.47
2021	82,178,906	3.95	20,804,787	19,764,545	0.95
2022	(739,123,431)	3.57	(207,037,376)	(325,048,679)	1.57
2023	(701,312,717)	3.30	(212,519,006)	(488,793,711)	2.30
Total			(301,031,590)	(777,365,414)	
Deferred Outflow (Inflow) due to Differences Between Projected and Actual Earnings on Plan Investments					
2018	(17,216,815)	5.00	0	0	0.00
2019	44,407,335	5.00	8,881,467	0	0.00
2020	7,522,422	5.00	1,504,485	1,504,482	1.00
2021	(168,725,518)	5.00	(33,745,104)	(67,490,206)	2.00
2022	80,743,946	5.00	16,148,790	48,446,366	3.00
2023	5,936,484	5.00	1,187,297	4,749,187	4.00
Total			(6,023,065)	(12,790,171)	

Governmental Employer Financial Statements

Schedule of Collective Pension Amounts

For Fiscal Year Ending August 31, 2023

To be used for Governmental Employer Reporting for Fiscal Year Ending August 31, 2024

Net Pension Liability	\$	759,008,862
<u>Deferred Outflows of Resources</u>		
Differences Between Expected and Actual Experience	\$	51,768,196
Changes of Assumptions		36,476,976
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments		54,700,035
Total Deferred Outflows of Resources Excluding Employer Specific Amounts *	\$	142,945,207
<u>Deferred Inflows of Resources</u>		
Differences Between Expected and Actual Experience	\$	6,918,492
Changes of Assumptions		813,842,390
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments		67,490,206
Total Deferred Inflows of Resources Excluding Employer Specific Amounts *	\$	888,251,088
Pension Expense *	\$	(207,865,447)

* Employer specific amounts that are excluded from this schedule are the changes in proportion and differences between employer contributions and proportionate share of contributions as well as the related amortization as defined in paragraphs 54 and 55 of GASB Statement No. 68, Accounting and Financial Reporting for Pensions.



APPENDIX

CALCULATION OF THE SINGLE DISCOUNT RATE

Single Discount Rate Development Projection of Contributions for Years Ending August 31

Year	Payroll for	Payroll for Future Employees	Total Employee Payroll	Contributions from Current Employees	Employer Payroll	Court Fees and House Bill 1 Contingency	Contributions	Total Contributions
	Current Employees				Contributions for Current Employees		Related to Payroll of Future Employees	
0								
1	\$ 1,694,483,838	\$ 102,449,338	\$ 1,796,933,176	\$ 11,513,387	\$ 29,653,467	\$ 787,000,000	\$ 246,865	\$ 828,413,720
2	1,540,911,706	304,538,666	1,845,450,372	10,245,356	26,965,955	15,000,000	733,827	52,945,138
3	1,419,888,528	475,389,004	1,895,277,532	9,305,827	24,848,049	15,000,000	1,145,513	50,299,390
4	1,320,708,249	625,741,776	1,946,450,025	8,588,708	23,112,394	15,000,000	1,507,809	48,208,911
5	1,234,524,000	764,480,176	1,999,004,176	8,005,804	21,604,170	15,000,000	1,842,117	46,452,091
6	1,153,662,403	899,314,886	2,052,977,289	7,474,801	20,189,092	15,000,000	2,167,020	44,830,913
7	1,078,841,405	1,029,566,271	2,108,407,676	6,999,342	18,879,725	15,000,000	2,480,878	43,359,944
8	1,011,336,227	1,153,998,456	2,165,334,683	6,582,198	17,698,384	15,000,000	2,780,714	42,061,296
9	948,942,175	1,274,856,544	2,223,798,719	6,212,494	16,606,488	15,000,000	3,071,937	40,890,919
10	887,932,386	1,395,908,898	2,283,841,284	5,854,287	15,538,817	15,000,000	3,363,629	39,756,733
11	828,985,029	1,516,519,970	2,345,504,999	5,501,484	14,507,238	15,000,000	3,654,258	38,662,980
12	772,072,730	1,636,760,904	2,408,833,634	5,169,684	13,511,273	15,000,000	3,943,994	37,624,951
13	718,181,606	1,755,690,536	2,473,872,142	4,862,347	12,568,178	15,000,000	4,230,571	36,661,096
14	669,896,256	1,870,770,434	2,540,666,690	4,591,886	11,723,184	15,000,000	4,507,872	35,822,942
15	625,287,522	1,983,977,169	2,609,264,691	4,346,346	10,942,532	15,000,000	4,780,658	35,069,536
16	583,567,196	2,096,147,642	2,679,714,838	4,120,342	10,212,426	15,000,000	5,050,948	34,383,716
17	544,636,238	2,207,430,901	2,752,067,139	3,917,242	9,531,134	15,000,000	5,319,100	33,767,476
18	508,165,717	2,318,207,235	2,826,372,952	3,737,423	8,892,900	15,000,000	5,586,030	33,216,354
19	471,564,813	2,431,120,209	2,902,685,022	3,556,469	8,252,384	15,000,000	5,858,109	32,666,963
20	432,858,186	2,548,199,332	2,981,057,518	3,273,938	7,575,018	15,000,000	6,140,227	31,989,183
21	397,260,249	2,664,285,822	3,061,546,071	2,987,950	6,952,054	15,000,000	6,419,953	31,359,957
22	366,523,070	2,777,684,745	3,144,207,815	2,801,555	6,414,154	15,000,000	6,693,203	30,908,912
23	335,236,234	2,893,865,192	3,229,101,426	2,609,980	5,866,634	15,000,000	6,973,155	30,449,769
24	302,900,917	3,013,386,248	3,316,287,165	2,414,116	5,300,766	15,000,000	7,261,157	29,976,039
25	269,846,777	3,135,980,141	3,405,826,918	2,213,293	4,722,319	15,000,000	7,556,564	29,492,175
26	236,874,379	3,260,909,866	3,497,784,245	2,007,967	4,145,302	15,000,000	7,857,599	29,010,867
27	205,321,552	3,386,902,868	3,592,224,420	1,804,444	3,593,127	15,000,000	8,161,196	28,558,767
28	175,020,362	3,514,194,117	3,689,214,479	1,599,994	3,062,856	15,000,000	8,467,921	28,130,771
29	146,153,772	3,642,669,498	3,788,823,270	1,392,591	2,557,691	15,000,000	8,777,499	27,727,781
30	120,541,819	3,770,579,679	3,891,121,498	1,198,562	2,109,482	15,000,000	9,085,716	27,393,760
31	97,535,733	3,898,646,045	3,996,181,778	1,013,154	1,706,875	15,000,000	9,394,309	27,114,339
32	76,179,860	4,027,898,826	4,104,078,686	826,334	1,333,148	15,000,000	9,705,761	26,865,243
33	56,642,147	4,158,246,664	4,214,888,811	638,485	991,238	15,000,000	10,019,852	26,649,574
34	40,041,989	4,288,648,820	4,328,690,809	469,116	700,735	15,000,000	10,334,073	26,503,924
35	26,516,703	4,419,048,758	4,445,565,461	320,534	464,042	15,000,000	10,648,289	26,432,865
36	15,695,301	4,549,900,427	4,565,595,728	177,725	274,668	15,000,000	10,963,594	26,415,987
37	7,593,897	4,681,272,916	4,688,866,813	-	132,893	15,000,000	11,280,153	26,413,047
38	2,482,919	4,812,983,298	4,815,466,217	-	43,451	15,000,000	11,597,527	26,640,978
39	383,747	4,945,100,058	4,945,483,805	-	6,716	15,000,000	11,915,880	26,922,596
40	10,271	5,079,001,597	5,079,011,868	-	180	15,000,000	12,238,534	27,238,714
41	230	5,216,144,958	5,216,145,188	-	4	15,000,000	12,568,999	27,569,003
42	79	5,356,981,029	5,356,981,108	-	1	15,000,000	12,908,362	27,908,364
43	35	5,501,619,563	5,501,619,598	-	1	15,000,000	13,256,888	28,256,889
44	14	5,650,163,313	5,650,163,327	-	0	15,000,000	13,614,824	28,614,825
45	5	5,802,717,732	5,802,717,737	-	0	15,000,000	13,982,425	28,982,425
46	2	5,959,391,114	5,959,391,116	-	0	15,000,000	14,359,950	29,359,950
47	-	6,120,294,676	6,120,294,676	-	-	15,000,000	14,747,669	29,747,669
48	-	6,285,542,632	6,285,542,632	-	-	15,000,000	15,145,856	30,145,856
49	-	6,455,252,283	6,455,252,283	-	-	15,000,000	15,554,794	30,554,794
50	-	6,629,544,095	6,629,544,095	-	-	15,000,000	15,974,773	30,974,773



Single Discount Rate Development Projection of Contributions for Years Ending August 31 (Continued)

Year	Payroll for Current Employees	Payroll for Future Employees	Total Employee Payroll	Contributions from Current Employees	Employer Payroll		Contributions		Total Contributions
					Contributions for Current Employees	Court Fees and House Bill 1 Contingency	Related to Payroll of Future Employees		
51	-	6,808,541,786	6,808,541,786	-	-	15,000,000	16,406,092	31,406,092	
52	-	6,992,372,414	6,992,372,414	-	-	15,000,000	16,849,057	31,849,057	
53	-	7,181,166,469	7,181,166,469	-	-	15,000,000	17,303,981	32,303,981	
54	-	7,375,057,964	7,375,057,964	-	-	15,000,000	17,771,189	32,771,189	
55	-	7,574,184,529	7,574,184,529	-	-	15,000,000	18,251,011	33,251,011	
56	-	7,778,687,511	7,778,687,511	-	-	15,000,000	18,743,788	33,743,788	
57	-	7,988,712,074	7,988,712,074	-	-	15,000,000	19,249,870	34,249,870	
58	-	8,204,407,300	8,204,407,300	-	-	15,000,000	19,769,617	34,769,617	
59	-	8,425,926,297	8,425,926,297	-	-	15,000,000	20,303,397	35,303,397	
60	-	8,653,426,307	8,653,426,307	-	-	15,000,000	20,851,588	35,851,588	
61	-	8,887,068,817	8,887,068,817	-	-	15,000,000	21,414,581	36,414,581	
62	-	9,127,019,675	9,127,019,675	-	-	15,000,000	21,992,775	36,992,775	
63	-	9,373,449,206	9,373,449,206	-	-	15,000,000	22,586,580	37,586,580	
64	-	9,626,532,335	9,626,532,335	-	-	15,000,000	23,196,417	38,196,417	
65	-	9,886,448,708	9,886,448,708	-	-	15,000,000	23,822,721	38,822,721	
66	-	10,153,382,823	10,153,382,823	-	-	15,000,000	24,465,934	39,465,934	
67	-	10,427,524,159	10,427,524,159	-	-	15,000,000	25,126,514	40,126,514	
68	-	10,709,067,311	10,709,067,311	-	-	15,000,000	25,804,930	40,804,930	
69	-	10,998,212,128	10,998,212,128	-	-	15,000,000	26,501,663	41,501,663	
70	-	11,295,163,855	11,295,163,855	-	-	15,000,000	27,217,208	42,217,208	
71	-	11,600,133,279	11,600,133,279	-	-	15,000,000	27,952,073	42,952,073	
72	-	11,913,336,878	11,913,336,878	-	-	15,000,000	28,706,779	43,706,779	
73	-	12,234,996,974	12,234,996,974	-	-	15,000,000	29,481,862	44,481,862	
74	-	12,565,341,892	12,565,341,892	-	-	15,000,000	30,277,872	45,277,872	
75	-	12,904,606,123	12,904,606,123	-	-	15,000,000	31,095,375	46,095,375	
76	-	13,253,030,488	13,253,030,488	-	-	15,000,000	31,934,950	46,934,950	
77	-	13,610,862,311	13,610,862,311	-	-	15,000,000	32,797,194	47,797,194	
78	-	13,978,355,593	13,978,355,593	-	-	15,000,000	33,682,718	48,682,718	
79	-	14,355,771,194	14,355,771,194	-	-	15,000,000	34,592,151	49,592,151	
80	-	14,743,377,016	14,743,377,016	-	-	15,000,000	35,526,139	50,526,139	
81	-	15,141,448,195	15,141,448,195	-	-	15,000,000	36,485,345	51,485,345	
82	-	15,550,267,296	15,550,267,296	-	-	15,000,000	37,470,449	52,470,449	
83	-	15,970,124,513	15,970,124,513	-	-	15,000,000	38,482,151	53,482,151	
84	-	16,401,317,875	16,401,317,875	-	-	15,000,000	39,521,170	54,521,170	
85	-	16,844,153,458	16,844,153,458	-	-	15,000,000	40,588,241	55,588,241	
86	-	17,298,945,601	17,298,945,601	-	-	15,000,000	41,684,124	56,684,124	
87	-	17,766,017,132	17,766,017,132	-	-	15,000,000	42,809,595	57,809,595	
88	-	18,245,699,595	18,245,699,595	-	-	15,000,000	43,965,454	58,965,454	
89	-	18,738,333,484	18,738,333,484	-	-	15,000,000	45,152,521	60,152,521	
90	-	19,244,268,488	19,244,268,488	-	-	15,000,000	46,371,639	61,371,639	
91	-	19,763,863,737	19,763,863,737	-	-	15,000,000	47,623,674	62,623,674	
92	-	20,297,488,058	20,297,488,058	-	-	15,000,000	48,909,513	63,909,513	
93	-	20,845,520,236	20,845,520,236	-	-	15,000,000	50,230,070	65,230,070	
94	-	21,408,349,282	21,408,349,282	-	-	15,000,000	51,586,282	66,586,282	
95	-	21,986,374,713	21,986,374,713	-	-	15,000,000	52,979,111	67,979,111	
96	-	22,580,006,830	22,580,006,830	-	-	15,000,000	54,409,547	69,409,547	
97	-	23,189,667,014	23,189,667,014	-	-	15,000,000	55,878,605	70,878,605	
98	-	23,815,788,023	23,815,788,023	-	-	15,000,000	57,387,327	72,387,327	
99	-	24,458,814,300	24,458,814,300	-	-	15,000,000	58,936,785	73,936,785	
100	-	25,119,202,286	25,119,202,286	-	-	15,000,000	60,528,078	75,528,078	



Single Discount Rate Development

Projection of Plan Net Position for Years Ending August 31

Year	Projected Beginning	Projected Total	Projected Benefit	Projected	Projected	Projected Ending Plan
	Plan Net Position	Contributions	Payments	Administrative Expenses	Investment Earnings at 7.00%	Net Position
	(a)	(b)	(c)	(d)	(e)	(f)=(a)+(b)-(c)-(d)+(e)
1	\$ 1,040,702,271	\$ 828,413,720	\$ 111,892,284	\$ 1,355,587	\$ 97,456,616	\$ 1,853,324,736
2	1,853,324,736	52,945,138	106,582,798	1,232,729	127,844,749	1,926,299,095
3	1,926,299,095	50,299,390	111,638,200	1,135,911	132,691,304	1,996,515,678
4	1,996,515,678	48,208,911	116,261,587	1,056,567	137,378,184	2,064,784,618
5	2,064,784,618	46,452,091	120,774,601	987,619	141,943,649	2,131,418,139
6	2,131,418,139	44,830,913	125,353,482	922,930	146,396,889	2,196,369,529
7	2,196,369,529	43,359,944	129,803,154	863,073	150,741,829	2,259,805,074
8	2,259,805,074	42,061,296	133,871,187	809,069	154,999,518	2,322,185,632
9	2,322,185,632	40,890,919	137,483,719	759,154	159,203,304	2,384,036,983
10	2,384,036,983	39,756,733	141,144,448	710,346	163,369,594	2,445,308,516
11	2,445,308,516	38,662,980	144,787,869	663,188	167,497,227	2,506,017,666
12	2,506,017,666	37,624,951	148,500,912	617,658	171,584,959	2,566,109,006
13	2,566,109,006	36,661,096	152,127,342	574,545	175,634,894	2,625,703,110
14	2,625,703,110	35,822,942	155,334,572	535,917	179,668,616	2,685,324,179
15	2,685,324,179	35,069,536	158,264,837	500,230	183,716,571	2,745,345,220
16	2,745,345,220	34,383,716	160,954,313	466,854	187,803,055	2,806,110,824
17	2,806,110,824	33,767,476	163,278,787	435,709	191,956,535	2,868,120,339
18	2,868,120,339	33,216,354	165,502,248	406,533	196,202,737	2,931,630,649
19	2,931,630,649	32,666,963	167,697,307	377,252	200,555,035	2,996,778,087
20	2,996,778,087	31,989,183	170,371,322	346,287	205,001,092	3,063,050,754
21	3,063,050,754	31,359,957	172,684,723	317,808	209,539,909	3,130,948,089
22	3,130,948,089	30,908,912	174,398,940	293,218	214,219,066	3,201,383,909
23	3,201,383,909	30,449,769	176,093,475	268,189	219,076,331	3,274,548,346
24	3,274,548,346	29,976,039	177,834,856	242,321	224,122,514	3,350,569,722
25	3,350,569,722	29,492,175	179,565,872	215,877	229,368,710	3,429,648,858
26	3,429,648,858	29,010,867	181,176,493	189,500	234,833,178	3,512,126,911
27	3,512,126,911	28,558,767	182,444,725	164,257	240,548,317	3,598,625,013
28	3,598,625,013	28,130,771	183,385,745	140,016	246,556,913	3,689,786,936
29	3,689,786,936	27,727,781	183,935,865	116,923	252,906,248	3,786,368,178
30	3,786,368,178	27,393,760	183,850,967	96,433	259,659,068	3,889,473,606
31	3,889,473,606	27,114,339	183,272,282	78,029	266,887,378	4,000,125,012
32	4,000,125,012	26,865,243	182,339,755	60,944	274,657,080	4,119,246,635
33	4,119,246,635	26,649,574	181,009,212	45,314	283,034,492	4,247,876,176
34	4,247,876,176	26,503,924	179,094,317	32,034	292,099,893	4,387,353,642
35	4,387,353,642	26,432,865	176,543,290	21,213	301,949,019	4,539,171,023
36	4,539,171,023	26,415,987	173,425,928	12,556	312,683,215	4,704,831,741
37	4,704,831,741	26,413,047	169,826,002	6,075	324,403,454	4,885,816,164
38	4,885,816,164	26,640,978	165,744,995	1,986	337,220,766	5,083,930,928
39	5,083,930,928	26,922,596	161,123,084	307	351,257,578	5,300,987,711
40	5,300,987,711	27,238,714	156,137,540	8	366,633,983	5,538,722,859
41	5,538,722,859	27,569,003	151,041,985	-	383,462,136	5,798,712,014
42	5,798,712,014	27,908,364	145,924,500	-	401,849,137	6,082,545,014
43	6,082,545,014	28,256,889	140,797,686	-	421,905,842	6,391,910,060
44	6,391,910,060	28,614,825	135,670,966	-	443,750,112	6,728,604,030
45	6,728,604,030	28,982,425	130,552,811	-	467,507,444	7,094,541,088
46	7,094,541,088	29,359,950	125,451,394	-	493,311,558	7,491,761,201
47	7,491,761,201	29,747,669	120,374,876	-	521,304,979	7,922,438,973
48	7,922,438,973	30,145,856	115,331,245	-	551,639,666	8,388,893,250
49	8,388,893,250	30,554,794	110,327,996	-	584,477,688	8,893,597,735
50	8,893,597,735	30,974,773	105,371,779	-	619,991,986	9,439,192,716



Single Discount Rate Development
Projection of Plan Net Position for Years Ending August 31 (Continued)

Year	Projected Beginning	Projected Total	Projected Benefit	Projected	Projected	Projected Ending Plan
	Plan Net Position	Contributions	Payments	Administrative Expenses	Investment Earnings at 7.00%	
	(a)	(b)	(c)	(d)	(e)	(f)=(a)+(b)-(c)-(d)+(e)
51	9,439,192,716	31,406,092	100,467,876	-	658,367,209	10,028,498,141
52	10,028,498,141	31,849,057	95,620,049	-	699,800,635	10,664,527,784
53	10,664,527,784	32,303,981	90,831,021	-	744,503,144	11,350,503,888
54	11,350,503,888	32,771,189	86,103,109	-	792,700,225	12,089,872,193
55	12,089,872,193	33,251,011	81,438,906	-	844,633,002	12,886,317,300
56	12,886,317,300	33,743,788	76,841,850	-	900,559,291	13,743,778,530
57	13,743,778,530	34,249,870	72,316,527	-	960,754,698	14,666,466,571
58	14,666,466,571	34,769,617	67,868,232	-	1,025,513,801	15,658,881,757
59	15,658,881,757	35,303,397	63,502,220	-	1,095,151,457	16,725,834,391
60	16,725,834,391	35,851,588	59,223,623	-	1,170,004,221	17,872,466,577
61	17,872,466,577	36,414,581	55,037,653	-	1,250,431,877	19,104,275,382
62	19,104,275,382	36,992,775	50,949,907	-	1,336,819,039	20,427,137,289
63	20,427,137,289	37,586,580	46,966,468	-	1,429,576,867	21,847,334,268
64	21,847,334,268	38,196,417	43,093,899	-	1,529,144,886	23,371,581,672
65	23,371,581,672	38,822,721	39,339,341	-	1,635,992,941	25,007,057,993
66	25,007,057,993	39,465,934	35,710,790	-	1,750,623,267	26,761,436,404
67	26,761,436,404	40,126,514	32,217,264	-	1,873,572,690	28,642,918,345
68	28,642,918,345	40,804,930	28,868,906	-	2,005,414,979	30,660,269,349
69	30,660,269,349	41,501,663	25,677,113	-	2,146,763,346	32,822,857,245
70	32,822,857,245	42,217,208	22,654,051	-	2,298,273,137	35,140,693,540
71	35,140,693,540	42,952,073	19,811,492	-	2,460,644,770	37,624,478,891
72	37,624,478,891	43,706,779	17,159,483	-	2,634,626,963	40,285,653,149
73	40,285,653,149	44,481,862	14,705,934	-	2,821,020,252	43,136,449,329
74	43,136,449,329	45,277,872	12,456,548	-	3,020,680,771	46,189,951,424
75	46,189,951,424	46,095,375	10,414,721	-	3,234,524,301	49,460,156,379
76	49,460,156,379	46,934,950	8,581,601	-	3,463,530,610	52,962,040,338
77	52,962,040,338	47,797,194	6,956,327	-	3,708,748,078	56,711,629,283
78	56,711,629,283	48,682,718	5,536,474	-	3,971,298,628	60,726,074,154
79	60,726,074,154	49,592,151	4,317,819	-	4,252,382,992	65,023,731,478
80	65,023,731,478	50,526,139	3,293,551	-	4,553,286,384	69,624,250,451
81	69,624,250,451	51,485,345	2,453,587	-	4,875,384,618	74,548,666,827
82	74,548,666,827	52,470,449	1,784,030	-	5,220,150,698	79,819,503,945
83	79,819,503,945	53,482,151	1,266,760	-	5,589,161,906	85,460,881,242
84	85,460,881,242	54,521,170	880,007	-	5,984,107,374	91,498,629,779
85	91,498,629,779	55,588,241	600,045	-	6,406,796,121	97,960,414,096
86	97,960,414,096	56,684,124	403,000	-	6,859,165,510	104,875,860,730
87	104,875,860,730	57,809,595	267,110	-	7,343,290,175	112,276,693,390
88	112,276,693,390	58,965,454	174,783	-	7,861,391,409	120,196,875,470
89	120,196,875,470	60,152,521	112,925	-	8,415,847,128	128,672,762,195
90	128,672,762,195	61,371,639	72,052	-	9,009,202,552	137,743,264,335
91	137,743,264,335	62,623,674	45,402	-	9,644,181,699	147,450,024,306
92	147,450,024,306	63,909,513	28,258	-	10,323,699,730	157,837,605,291
93	157,837,605,291	65,230,070	17,384	-	11,050,876,211	168,953,694,188
94	168,953,694,188	66,586,282	10,579	-	11,829,049,333	180,849,319,223
95	180,849,319,223	67,979,111	6,378	-	12,661,791,154	193,579,083,111
96	193,579,083,111	69,409,547	3,823	-	13,552,923,933	207,201,412,768
97	207,201,412,768	70,878,605	2,286	-	14,506,537,609	221,778,826,696
98	221,778,826,696	72,387,327	1,365	-	15,527,008,528	237,378,221,186
99	237,378,221,186	73,936,785	812	-	16,619,019,475	254,071,176,634
100	254,071,176,634	75,528,078	477	-	17,787,581,121	271,934,285,357



Single Discount Rate Development

Present Values of Projected Benefits for Years Ending August 31

Year	Projected		Funded Portion of Benefit Payments	Unfunded Portion of Benefit Payments	Present Value of	Present Value of	Present Value of
	Beginning Plan Net Position	Projected Benefit Payments			Funded Benefit Payments using Expected Return Rate (v)	Unfunded Benefit Payments using Municipal Bond Rate (v _f)	Benefit Payments using Single Discount Rate (sdr)
(a)	(b)	(c)	(d)	(e)	(f)=(d)*v ^a ((a)-.5)	(g)=(e)*v ^f ((a)-.5)	h)=(c)/(1+sdr) ^a (a-.5)
1	\$ 1,040,702,271	\$ 111,892,284	\$ 111,892,284	\$ -	\$ 108,170,354	\$ -	\$ 108,170,354
2	1,853,324,736	106,582,798	106,582,798	-	96,296,710	-	96,296,710
3	1,926,299,095	111,638,200	111,638,200	-	94,265,632	-	94,265,632
4	1,996,515,678	116,261,587	116,261,587	-	91,747,244	-	91,747,244
5	2,064,784,618	120,774,601	120,774,601	-	89,073,519	-	89,073,519
6	2,131,418,139	125,353,482	125,353,482	-	86,402,364	-	86,402,364
7	2,196,369,529	129,803,154	129,803,154	-	83,616,251	-	83,616,251
8	2,259,805,074	133,871,187	133,871,187	-	80,595,127	-	80,595,127
9	2,322,185,632	137,483,719	137,483,719	-	77,355,137	-	77,355,137
10	2,384,036,983	141,144,448	141,144,448	-	74,219,481	-	74,219,481
11	2,445,308,516	144,787,869	144,787,869	-	71,154,523	-	71,154,523
12	2,506,017,666	148,500,912	148,500,912	-	68,204,916	-	68,204,916
13	2,566,109,006	152,127,342	152,127,342	-	65,299,530	-	65,299,530
14	2,625,703,110	155,334,572	155,334,572	-	62,314,215	-	62,314,215
15	2,685,324,179	158,264,837	158,264,837	-	59,336,190	-	59,336,190
16	2,745,345,220	160,954,313	160,954,313	-	56,396,748	-	56,396,748
17	2,806,110,824	163,278,787	163,278,787	-	53,468,430	-	53,468,430
18	2,868,120,339	165,502,248	165,502,248	-	50,650,972	-	50,650,972
19	2,931,630,649	167,697,307	167,697,307	-	47,965,194	-	47,965,194
20	2,996,778,087	170,371,322	170,371,322	-	45,542,076	-	45,542,076
21	3,063,050,754	172,684,723	172,684,723	-	43,140,629	-	43,140,629
22	3,130,948,089	174,398,940	174,398,940	-	40,718,580	-	40,718,580
23	3,201,383,909	176,093,475	176,093,475	-	38,424,504	-	38,424,504
24	3,274,548,346	177,834,856	177,834,856	-	36,265,871	-	36,265,871
25	3,350,569,722	179,565,872	179,565,872	-	34,223,250	-	34,223,250
26	3,429,648,858	181,176,493	181,176,493	-	32,271,230	-	32,271,230
27	3,512,126,911	182,444,725	182,444,725	-	30,371,148	-	30,371,148
28	3,598,625,013	183,385,745	183,385,745	-	28,530,651	-	28,530,651
29	3,689,786,936	183,935,865	183,935,865	-	26,744,147	-	26,744,147
30	3,786,368,178	183,850,967	183,850,967	-	24,982,994	-	24,982,994
31	3,889,473,606	183,272,282	183,272,282	-	23,275,101	-	23,275,101
32	4,000,125,012	182,339,755	182,339,755	-	21,641,750	-	21,641,750
33	4,119,246,635	181,009,212	181,009,212	-	20,078,345	-	20,078,345
34	4,247,876,176	179,094,317	179,094,317	-	18,566,295	-	18,566,295
35	4,387,353,642	176,543,290	176,543,290	-	17,104,520	-	17,104,520
36	4,539,171,023	173,425,928	173,425,928	-	15,703,264	-	15,703,264
37	4,704,831,741	169,826,002	169,826,002	-	14,371,308	-	14,371,308
38	4,885,816,164	165,744,995	165,744,995	-	13,108,372	-	13,108,372
39	5,083,930,928	161,123,084	161,123,084	-	11,909,193	-	11,909,193
40	5,300,987,711	156,137,540	156,137,540	-	10,785,694	-	10,785,694
41	5,538,722,859	151,041,985	151,041,985	-	9,751,124	-	9,751,124
42	5,798,712,014	145,924,500	145,924,500	-	8,804,434	-	8,804,434
43	6,082,545,014	140,797,686	140,797,686	-	7,939,350	-	7,939,350
44	6,391,910,060	135,670,966	135,670,966	-	7,149,779	-	7,149,779
45	6,728,604,030	130,552,811	130,552,811	-	6,429,958	-	6,429,958
46	7,094,541,088	125,451,394	125,451,394	-	5,774,490	-	5,774,490
47	7,491,761,201	120,374,876	120,374,876	-	5,178,336	-	5,178,336
48	7,922,438,973	115,331,245	115,331,245	-	4,636,791	-	4,636,791
49	8,388,893,250	110,327,996	110,327,996	-	4,145,458	-	4,145,458
50	8,893,597,735	105,371,779	105,371,779	-	3,700,218	-	3,700,218



Single Discount Rate Development

Present Values of Projected Benefits for Years Ending August 31 (Continued)

Year	Projected Beginning Plan Net Position	Projected Benefit Payments	Funded Portion of Benefit Payments	Unfunded Portion of Benefit Payments	Present Value of Funded Benefit Payments using Expected Return Rate (v)	Present Value of Unfunded Benefit Payments using Municipal Bond Rate (v _f)	Present Value of Benefit Payments using Single Discount Rate (sdr)
(a)	(b)	(c)	(d)	(e)	(f)=(d)*v ^{(a)-.5}	(g)=(e)*v _f ^{(a)-.5}	h)=((c)/(1+sdr) ^{(a)-.5}
51	9,439,192,716	100,467,876	100,467,876	-	3,297,209	-	3,297,209
52	10,028,498,141	95,620,049	95,620,049	-	2,932,813	-	2,932,813
53	10,664,527,784	90,831,021	90,831,021	-	2,603,670	-	2,603,670
54	11,350,503,888	86,103,109	86,103,109	-	2,306,677	-	2,306,677
55	12,089,872,193	81,438,906	81,438,906	-	2,038,994	-	2,038,994
56	12,886,317,300	76,841,850	76,841,850	-	1,798,035	-	1,798,035
57	13,743,778,530	72,316,527	72,316,527	-	1,581,445	-	1,581,445
58	14,666,466,571	67,868,232	67,868,232	-	1,387,073	-	1,387,073
59	15,658,881,757	63,502,220	63,502,220	-	1,212,936	-	1,212,936
60	16,725,834,391	59,223,623	59,223,623	-	1,057,207	-	1,057,207
61	17,872,466,577	55,037,653	55,037,653	-	918,209	-	918,209
62	19,104,275,382	50,949,907	50,949,907	-	794,403	-	794,403
63	20,427,137,289	46,966,468	46,966,468	-	684,387	-	684,387
64	21,847,334,268	43,093,899	43,093,899	-	586,875	-	586,875
65	23,371,581,672	39,339,341	39,339,341	-	500,695	-	500,695
66	25,007,057,993	35,710,790	35,710,790	-	424,778	-	424,778
67	26,761,436,404	32,217,264	32,217,264	-	358,152	-	358,152
68	28,642,918,345	28,868,906	28,868,906	-	299,934	-	299,934
69	30,660,269,349	25,677,113	25,677,113	-	249,320	-	249,320
70	32,822,857,245	22,654,051	22,654,051	-	205,576	-	205,576
71	35,140,693,540	19,811,492	19,811,492	-	168,020	-	168,020
72	37,624,478,891	17,159,483	17,159,483	-	136,008	-	136,008
73	40,285,653,149	14,705,934	14,705,934	-	108,935	-	108,935
74	43,136,449,329	12,456,548	12,456,548	-	86,236	-	86,236
75	46,189,951,424	10,414,721	10,414,721	-	67,384	-	67,384
76	49,460,156,379	8,581,601	8,581,601	-	51,891	-	51,891
77	52,962,040,338	6,956,327	6,956,327	-	39,312	-	39,312
78	56,711,629,283	5,536,474	5,536,474	-	29,241	-	29,241
79	60,726,074,154	4,317,819	4,317,819	-	21,313	-	21,313
80	65,023,731,478	3,293,551	3,293,551	-	15,193	-	15,193
81	69,624,250,451	2,453,587	2,453,587	-	10,578	-	10,578
82	74,548,666,827	1,784,030	1,784,030	-	7,188	-	7,188
83	79,819,503,945	1,266,760	1,266,760	-	4,770	-	4,770
84	85,460,881,242	880,007	880,007	-	3,097	-	3,097
85	91,498,629,779	600,045	600,045	-	1,974	-	1,974
86	97,960,414,096	403,000	403,000	-	1,239	-	1,239
87	104,875,860,730	267,110	267,110	-	767	-	767
88	112,276,693,390	174,783	174,783	-	469	-	469
89	120,196,875,470	112,925	112,925	-	283	-	283
90	128,672,762,195	72,052	72,052	-	169	-	169
91	137,743,264,335	45,402	45,402	-	100	-	100
92	147,450,024,306	28,258	28,258	-	58	-	58
93	157,837,605,291	17,384	17,384	-	33	-	33
94	168,953,694,188	10,579	10,579	-	19	-	19
95	180,849,319,223	6,378	6,378	-	11	-	11
96	193,579,083,111	3,823	3,823	-	6	-	6
97	207,201,412,768	2,286	2,286	-	3	-	3
98	221,778,826,696	1,365	1,365	-	2	-	2
99	237,378,221,186	812	812	-	1	-	1
100	254,071,176,634	477	477	-	1	-	1



Judicial Retirement System of Texas, Plan 2

GASB Reporting and Disclosure Information for ERS Fiscal
Year Ending August 31, 2023





January 22, 2024

Board of Trustees
Employees Retirement System of Texas
200 East 18th Street
Austin, TX 78701

Subject: GASB Reporting and Disclosure Information for ERS Fiscal Year Ending August 31, 2023 – JRS, Plan 2

Members of the Board,

This report provides information required by Judicial Retirement System of Texas, Plan 2 (JRS-2) in connection with the Governmental Accounting Standards Board (GASB) Statement No. 67, "Financial Reporting for Pension Plans." Additionally, this report provides information required by the governmental employers participating in JRS-2 in connection with the GASB Statement No. 68, "Accounting and Financial Reporting for Pensions." It is our understanding this information will be used by governmental employers in financial reporting for the fiscal year ending August 31, 2024. The information provided herein was prepared for the purpose of assisting ERS and the governmental employers in the compliance with the financial reporting and disclosure requirements of GASB Statement Nos. 67 and 68.

The Net Pension Liability is not an appropriate measure for measuring the sufficiency of plan assets to cover the estimated cost of settling the employer's benefit obligation. The Net Pension Liability is not an appropriate measure for assessing the need for or amount of future employer contributions. A calculation of the plan's liability for purposes other than satisfying the requirements of GASB Statement Nos. 67 and 68 may produce significantly different results. This report may be provided to parties other than ERS only in its entirety and only with the permission of ERS.

The total pension liability, net pension liability, and certain sensitivity information shown in this report are based on an actuarial valuation performed as of August 31, 2023. It is our opinion that the recommended assumptions are internally consistent, reasonable, and comply with the requirements under GASB Statement Nos. 67 and 68.

Subsequent to the measurement date, on September 8, the State contributed \$99,000,000 to the plan to pay off the unfunded liabilities. This amount was recognized in an adjusted market value for purposes of determining August 31, 2023 Funding Valuation results for use in long-term decision making. This amount was not included in the August 31, 2023 Plan Net Position in these GASB 67 and 68 results, thus creating a significant disconnect between the funding situation reported in the accounting and funding results. The \$99,000,000 was included as a contribution in the Single Discount Rate Calculation. This additional contribution will first be reflected in the Net Pension Liability as of August 31, 2024, at which time both the funding and accounting results will reflect the improved funding situation of the plan.

We have not determined whether the Collective Pension Amounts under GASB Statement No. 68 should be allocated to any of the governmental employers participating in JRS-2. It is our understanding that these allocations will be determined by another state agency, if necessary.

This report is based upon information, furnished to us by ERS, which include benefit provisions, membership information, and financial data. We did not audit this data and information, but we did apply a number of tests and concluded that it was reasonable and consistent. GRS is not responsible for the accuracy or completeness of the information provided to us by ERS.

Certain tables included in the Required Supplementary Information should include a 10-year history of information. As provided for in GASB Statement Nos. 67 and 68, this historical information is only presented for the years in which the information was measured in conformity with the requirements of GASB Statement Nos. 67 and 68. The historical information in this report will begin with the information presented for the measurement period ending August 31, 2014.

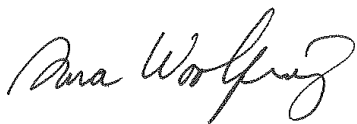
Paragraph 57 of GASB Statement No. 68 indicates that contributions to the pension plan subsequent to the measurement date of the Net Pension Liability and prior to the end of the employer's reporting period should be reported by the employer as a deferred outflow of resources related to pensions. The information contained in this report does not incorporate any contributions reported to JRS-2 subsequent to August 31, 2023.

This report complements the actuarial valuation report as of August 31, 2023, provided for plan funding purposes, which was also provided to ERS and should be considered together as a complete report for the plan year ending August 31, 2023. Please see the actuarial valuation report as of August 31, 2023 for additional discussion of the nature of actuarial calculations and more information related to participant data, economic and demographic assumptions, and benefit provisions.

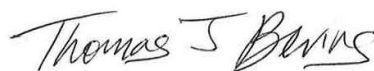
To the best of our knowledge, the information contained within this report is accurate and fairly represents the actuarial position of Judicial Retirement System of Texas, Plan 2. All calculations have been made in conformity with generally accepted actuarial principles and practices as well as with the Actuarial Standards of Practice issued by the Actuarial Standards Board. Ms. Woolfrey and Mr. Bevins are members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Respectfully submitted,

Gabriel, Roeder, Smith & Company



Dana Woolfrey, FSA, EA, MAAA
Senior Consultant



Thomas J. Bevins, ASA, MAAA
Consultant



Summary of Population Statistics

The total pension liability described in this report is based on the JRS-2 plan membership as of August 31, 2023:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	579
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	185
Active Plan Members	623
Total Plan Members	<u>1,387</u>

Subsequent Event

Subsequent to the measurement date, on September 8, the State contributed \$99,000,000 to the plan to pay off the unfunded liabilities. This amount was recognized in an adjusted market value for purposes of determining August 31, 2023 Funding Valuation results for use in long-term decisions making. This amount was not included in the August 31, 2023 Plan Net Position in these GASB 67 and 68 results, thus creating a significant disconnect between the funding situation reported in the accounting and funding results. The \$99,000,000 was included as a contribution in the Single Discount Rate Calculation. This additional contribution will first be reflected in the Net Pension Liability as of August 31, 2024, at which time both the funding and accounting results will reflect the improved funding situation of the plan.

Measurement of the Net Pension Liability

The net pension liability is measured as the total pension liability, less the amount of the plan's fiduciary net position. In actuarial terms, this is analogous to the accrued liability less the market value of assets (not the smoothed actuarial value of assets that is often encountered in actuarial valuations based on the Board's adopted assumptions and methods).

A single discount rate of 5.77% was used to measure the total pension liability as of August 31, 2022. This single discount rate was based on an expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.91%. Based on the stated assumptions and the projection of cash flows, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2046. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the 2046 fiscal year, and the municipal bond rate was applied to all benefit payments after that date.

A single discount rate of 7.00% was used to measure the total pension liability as of August 31, 2023. This single discount rate was based on an expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 4.13%. Based on the stated assumptions and the projection of cash flows, the pension plan's fiduciary net position and future contributions were sufficient to finance all projected future benefit payments of current plan members. As a result, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The source of the municipal bond rate as of August 31, 2023 is the rate for Fixed Income Market Data/Yield Curve/Data Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index." In describing this index, Fidelity notes that the municipal curves are constructed using option adjusted analytics of a diverse population of over 10,000 tax exempt securities. The rate shown is as of the last date available on or before the measurement date.



The projection of cash flows used to determine this single discount rate assumed that plan member and employer contributions will be made at the current statutory and appropriated levels.

Actuarially Determined Contribution

This report presents the Actuarially Determined Contribution (ADC) for the fiscal year ending August 31, 2023. Consistent with the provisions of Section 840.106 of the Texas Government Code, this contribution is the amount necessary to fund the normal cost and to amortize the UAAL as a level percentage of payroll over 31 years.

With the additional \$99,000,000 contribution from the State in September of 2023, and increased employer payroll contributions, it is anticipated that this plan will maintain a surplus position going forward. Fiscal year 2023 is anticipated to be the last year that actual contributions fall short of the Actuarially Determined Contribution.

Sensitivity of the Net Pension Liability to the Single Discount Rate Assumption

Below is a table providing the sensitivity of the net pension liability to changes in the discount rate as of August 31, 2023. In particular, the table presents the plan's net pension liability, if it were calculated using a single discount rate that is one-percentage-point lower or one-percentage-point higher than the single discount rate:

1% Decrease	Current Single	1% Increase
6.00%	Rate Assumption	8.00%
7.00%		
\$ 150,402,242	\$ 86,037,637	\$ 30,554,444

Reconciliation of Plan Net Assets

for Fiscal Year Ending August 31, 2023

Judicial Retirement System of Texas, Plan 2

	<u>Year Ending August 31, 2023</u>
1. Market value of assets at beginning of year	\$ 566,442,429
2. Revenue for the year	
a. Contributions for the year	
i. State (including membership fees)	\$ 14,685,583
ii. Member (including penalty interest)	8,830,106
iii. Total	<u>\$ 23,515,689</u>
b. Net investment income	\$ 36,046,569
c. Total revenue	\$ 59,562,258
3. Disbursements for the year	
a. Benefit payments and refunds	\$ 40,209,602
b. Administrative expenses	244,344
c. Total expenditures	<u>\$ 40,453,946</u>
4. Increase in net assets (Item 2c - Item 3c)	\$ 19,108,312
5. Market value of assets at end of year (Item 1 + Item 4)	\$ 585,550,741

This reconciliation only includes the items needed to reconcile the changes in Net Pension Liability during the fiscal year. The Reconciliation of Fiduciary Net Position required by GASB No. 67 may require additional detail regarding the changes throughout the year.

Schedules of Required Supplementary Information

Schedule of Changes in the Employers' Net Pension Liability and Related Ratios

Judicial Retirement System of Texas, Plan 2

Fiscal year ending August 31,	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability									
Service Cost	\$ 29,480,935	\$ 31,449,670	\$ 37,433,085	\$ 28,964,664	\$ 16,414,760	\$ 16,056,392	\$ 20,420,118	\$ 19,429,114	\$ 16,243,849
Interest on the Total Pension Liability	41,247,713	38,248,523	32,799,983	35,248,418	36,102,665	34,439,932	31,671,238	30,980,403	30,785,435
Benefit Changes	0	0	0	0	(1,018,699)	0	0	0	0
Difference between expected and actual experience of the Total Pension Liability	1,458,918	(4,768,809)	(1,792,802)	(12,694,951)	26,592,244	(1,462,888)	5,091,349	(5,833,252)	(10,066,767)
Assumption Changes	(80,618,957)	(36,199,751)	(86,360,960)	113,895,020	111,655,642	0	(56,699,566)	23,396,407	35,653,448
Benefit Payments and Refunds	(40,209,602)	(37,107,723)	(35,142,239)	(32,040,794)	(29,220,121)	(24,865,580)	(23,361,377)	(21,154,764)	(19,238,317)
Net Change in Total Pension Liability	(48,640,993)	(8,378,090)	(53,062,933)	133,372,357	160,526,491	24,167,856	(22,878,238)	46,817,908	53,377,648
Total Pension Liability - Beginning	720,229,371	728,607,461	781,670,394	648,298,037	487,771,546	463,603,690	486,481,928	439,664,020	386,286,372
Total Pension Liability - Ending	\$ 671,588,378	\$ 720,229,371	\$ 728,607,461	\$ 781,670,394	\$ 648,298,037	\$ 487,771,546	\$ 463,603,690	\$ 486,481,928	\$ 439,664,020
Plan Fiduciary Net Position									
Contributions - Employer	\$ 14,685,583	\$ 14,384,970	\$ 14,321,889	\$ 14,186,283	\$ 13,100,263	\$ 12,559,722	\$ 12,494,828	\$ 12,374,200	\$ 12,457,095
Contributions - Member	8,830,106	8,575,821	8,758,637	8,634,071	6,462,797	5,939,830	6,016,757	5,754,349	5,464,997
Pension Plan Net Investment Income	36,046,569	(4,268,639)	120,145,153	30,632,793	12,832,187	39,191,536	44,875,456	19,861,581	820,005
Benefit Payments and Refunds	(40,209,602)	(37,107,723)	(35,142,239)	(32,040,794)	(29,220,121)	(24,865,580)	(23,361,377)	(21,154,764)	(19,238,317)
Pension Plan Administrative Expense	(244,344)	(321,731)	(234,946)	(273,365)	(362,663)	(295,903)	(294,991)	(226,106)	(283,609)
Other	0	0	0	0	0	0	0	0	0
Net Change in Plan Fiduciary Net Position	19,108,312	(18,737,302)	107,848,494	21,138,988	2,812,463	32,529,605	39,730,673	16,609,260	(779,829)
Plan Fiduciary Net Position - Beginning	566,442,429	585,179,731	477,331,237	456,192,249	453,379,786	420,850,181	381,119,508	364,510,248	365,290,077
Plan Fiduciary Net Position - Ending	\$ 585,550,741	\$ 566,442,429	\$ 585,179,731	\$ 477,331,237	\$ 456,192,249	\$ 453,379,786	\$ 420,850,181	\$ 381,119,508	\$ 364,510,248
Net Pension Liability - Ending	86,037,637	153,786,942	143,427,730	304,339,157	192,105,788	34,391,760	42,753,509	105,362,420	75,153,772
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	87.19 %	78.65 %	80.31 %	61.07 %	70.37 %	92.95 %	90.78 %	78.34 %	82.91 %
Covered Employee Payroll	\$ 91,665,033	\$ 90,027,734	\$ 89,582,518	\$ 88,578,603	\$ 79,710,813	\$ 78,772,445	\$ 78,189,668	\$ 78,260,550	\$ 77,500,736
Net Pension Liability as a Percentage of Covered Employee Payroll	93.86 %	170.82 %	160.11 %	343.58 %	241.00 %	43.66 %	54.68 %	134.63 %	96.97 %

Notes to Schedule:

The covered employee payroll is the actual annual payroll for the fiscal year as reported by ERS.

The change in the Total Pension Liability due to the change in the Single Discount Rate is included as an assumption change.

Assumption changes for FY2017 include the impact of the new assumptions adopted by the Board effective August 31, 2017.

Assumption changes for FY2020 include the impact of the new assumptions adopted by the Board effective August 31, 2020.



Schedules of Required Supplementary Information

Schedule of Employer Contributions

Judicial Retirement System of Texas, Plan 2

FY Ending August 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2014	\$ 13,448,473	\$ 12,210,663	\$ 1,237,810	\$ 77,441,466	15.77%
2015	13,107,449	12,457,095	650,354	77,500,736	16.07%
2016	12,895,678	12,374,200	521,478	78,260,550	15.81%
2017	12,444,384	12,494,828	(50,444)	78,189,668	15.98%
2018	12,934,435	12,559,722	374,713	78,772,445	15.94%
2019	13,056,631	13,100,263	(43,632)	79,710,813	16.43%
2020	16,342,752	14,186,283	2,156,469	88,578,603	16.02%
2021	21,383,347	14,321,889	7,061,458	89,582,518	15.99%
2022	21,345,576	14,384,970	6,960,606	90,027,734	15.98%
2023	21,394,619	14,685,583	6,709,036	91,665,033	16.02%

Notes to Schedule of Contributions

Judicial Retirement System of Texas, Plan 2

Valuation Date: Actuarially determined contribution rates are calculated as of August 31. Members and employers contribute based on statutorily fixed rates.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Open
Remaining Amortization Period	31 years
Asset Valuation Method	Marked to market as of August 31, 2017. Future gains and losses each recognized over closed five-year period, with allowance of direct offsetting of deferrals by subsequent gains or losses.
Inflation	2.30%
Salary Increases	2.30% plus service-based increases at four and eight years of service
Investment Rate of Return	7.00%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the 5-year period from September 1, 2014 through August 31, 2019.
Mortality	2020 State Retirees of Texas (SRT) mortality table. Generational mortality improvements in accordance with the ultimate rates from the scales published through 2019 by Retirement Plans Experience Committee of the Society of Actuaries ("Ultimate MP") and projected from the year 2020.

Other Information:

Notes Members and employers contribute based on statutorily fixed rates. The covered employee payroll is the actual annual payroll for the fiscal year as reported by ERS.



Governmental Employer Financial Statements

Pension Expense for Fiscal Year Ending August 31, 2023

To be used for Governmental Employer Reporting for Fiscal Year Ending August 31, 2024

Judicial Retirement System of Texas, Plan 2

1. Service Cost	\$	29,480,935
2. Interest on the Total Pension Liability		41,247,713
3. Current-Period Benefit Changes		0
4. Member Contributions		(8,830,106)
5. Projected Earnings on Plan Investments		(39,058,131)
6. Pension Plan Administrative Expense		244,344
7. Other Changes in Plan Fiduciary Net Position		0
8. Recognition of deferred outflows resulting from differences between expected and actual experience		(3,937,635)
9. Recognition of deferred outflows resulting from assumption changes		(33,933,536)
10. Recognition of deferred outflows resulting from differences between projected and actual earnings on plan investments		(3,080,962)
11. Total Pension Expense	\$	(17,867,378)

Recognition of Deferred Outflows and Inflows of Resources

According to paragraph 33 of GASB No. 68, *differences between expected and actual experience and changes in assumptions* are recognized in pension expense using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan (active employees and inactive employees) determined as of the beginning of the measurement period.

At the beginning of the 2023 measurement period, the expected remaining service lives of all employees was 4,542 years for JRS-2. Additionally, the JRS-2 plan membership (active employees and inactive employees) was 1,311. As a result, the average of the expected remaining service lives for purposes of recognizing the applicable deferred outflows and inflows of resources established in the 2023 measurement period is 3.46 years.

Additionally, *differences between projected and actual earnings on pension plan investments* should be recognized in pension expense using a systematic and rational method over a closed five-year period.

For this purpose, the deferred outflows and inflows of resources are recognized in the pension expense as a level dollar amount over the closed period identified above.



Governmental Employer Financial Statements

Statement of Outflows and Inflows Arising from Current and Prior Reporting Periods For Fiscal Year Ending August 31, 2023

To be used for Governmental Employer Reporting for Fiscal Year Ending August 31, 2024

A. New Deferred Outflows and Inflows of Resources by Source Established in Fiscal Year

	Outflows of Resources	Inflows of Resources	Net Outflows of Resources
1. Differences between expected and actual experience	\$ 1,458,918	\$ 0	\$ 1,458,918
2. Assumption Changes	0	80,618,957	(80,618,957)
3. Net Difference between projected and actual earnings on pension plan investments	3,011,562	0	3,011,562
4. Total	\$ 4,470,480	\$ 80,618,957	\$ (76,148,477)

B. Outflows and Inflows of Resources by Source to be recognized in Current Pension Expense

	Outflows of Resources	Inflows of Resources	Net Outflows of Resources
1. Differences between expected and actual experience	\$ 421,653	\$ 4,359,288	\$ (3,937,635)
2. Assumption Changes	23,021,333	56,954,869	(33,933,536)
3. Net Difference between projected and actual earnings on pension plan investments	14,351,508	17,432,470	(3,080,962)
4. Total	\$ 37,794,494	\$ 78,746,627	\$ (40,952,133)

C. Deferred Outflows and Deferred Inflows of Resources by Source to be recognized in Future Pension Expenses

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Outflows of Resources
1. Differences between expected and actual experience	\$ 1,037,265	\$ 2,481,150	\$ (1,443,885)
2. Assumption Changes	-	88,779,308	(88,779,308)
3. Net Difference between projected and actual earnings on pension plan investments	29,889,258	34,864,939	(4,975,681)
4. Total	\$ 30,926,523	\$ 126,125,397	\$ (95,198,874)

D. Deferred Outflows and Deferred Inflows of Resources by Year to be recognized in Future Pension Expenses

ERS Fiscal Year Ending	Outflows of Resources	Inflows of Resources	Net Outflows of Resources
2024	\$ 10,614,050	\$ 67,195,253	\$ (56,581,203)
2025	9,968,930	48,212,018	(38,243,088)
2026	9,741,233	10,718,126	(976,893)
2027	602,310	0	602,310
2028	0	0	0
Thereafter	0	0	0
Total	\$ 30,926,523	\$ 126,125,397	\$ (95,198,874)



Governmental Employer Financial Statements

Recognition of Deferred Outflows and Inflows of Resources

For Fiscal Year Ending August 31, 2023

To be used for Governmental Employer Reporting for Fiscal Year Ending August 31, 2024

Year Established	Initial Amount	Initial Recognition Period	Current Year Recognition	Remaining Recognition	Remaining Recognition Period
Deferred Outflow (Inflow) due to Differences Between Expected and Actual Experience on Liabilities					
2019	26,592,244	3.31	0	0	0.00
2020	(12,694,951)	3.76	(2,566,000)	0	0.00
2021	(1,792,802)	3.63	(493,885)	(311,147)	0.63
2022	(4,768,809)	3.67	(1,299,403)	(2,170,003)	1.67
2023	1,458,918	3.46	421,653	1,037,265	2.46
Total			(3,937,635)	(1,443,885)	
Deferred Outflow (Inflow) due to Assumption Changes					
2019	111,655,642	3.31	0	0	0.00
2020	113,895,020	3.76	23,021,333	0	0.00
2021	(86,360,960)	3.63	(23,790,899)	(14,988,263)	0.63
2022	(36,199,751)	3.67	(9,863,693)	(16,472,365)	1.67
2023	(80,618,957)	3.46	(23,300,277)	(57,318,680)	2.46
Total			(33,933,536)	(88,779,308)	
Deferred Outflow (Inflow) due to Differences Between Projected and Actual Earnings on Plan Investments					
2019	20,795,557	5.00	4,159,109	0	0.00
2020	3,225,608	5.00	645,122	645,120	1.00
2021	(87,162,349)	5.00	(17,432,470)	(34,864,939)	2.00
2022	44,724,817	5.00	8,944,964	26,834,889	3.00
2023	3,011,562	5.00	602,313	2,409,249	4.00
Total			(3,080,962)	(4,975,681)	

Governmental Employer Financial Statements

Schedule of Collective Pension Amounts

For Fiscal Year Ending August 31, 2023

To be used for Governmental Employer Reporting for Fiscal Year Ending August 31, 2024

Net Pension Liability	\$	86,037,637
<u>Deferred Outflows of Resources</u>		
Differences Between Expected and Actual Experience	\$	1,037,265
Changes of Assumptions		0
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments		29,889,258
Total Deferred Outflows of Resources Excluding Employer Specific Amounts *	\$	30,926,523
<u>Deferred Inflows of Resources</u>		
Differences Between Expected and Actual Experience	\$	2,481,150
Changes of Assumptions		88,779,308
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments		34,864,939
Total Deferred Inflows of Resources Excluding Employer Specific Amounts *	\$	126,125,397
Pension Expense *	\$	(17,867,378)

* Employer specific amounts that are excluded from this schedule are the changes in proportion and differences between employer contributions and proportionate share of contributions as well as the related amortization as defined in paragraphs 54 and 55 of GASB Statement No. 68, Accounting and Financial Reporting for Pensions.



APPENDIX

CALCULATION OF THE SINGLE DISCOUNT RATE

Single Discount Rate Development Projection of Contributions for Years Ending August 31

Year	Payroll for Current Employees	Payroll for Future Employees	Total Employee Payroll	Contributions from Current Employees	Employer Contributions for Current Employees	Contributions	
						Related to Payroll of Future Employees	Total Contributions
1	\$ 93,562,030	\$ 369,247	\$ 93,931,277	\$ 8,761,846	\$ 117,010,691	\$ 1,883	\$ 125,774,420
2	87,636,426	8,455,270	96,091,696	8,262,579	16,870,012	1,275,055	26,407,646
3	82,302,866	15,998,939	98,301,805	7,773,589	15,843,302	2,412,640	26,029,531
4	78,312,432	22,250,315	100,562,747	7,407,558	15,075,143	3,355,348	25,838,049
5	73,376,948	29,498,742	102,875,690	6,949,325	14,125,062	4,448,410	25,522,797
6	68,157,611	37,084,220	105,241,831	6,457,929	13,120,340	5,592,300	25,170,569
7	62,433,587	45,228,806	107,662,393	5,921,742	12,018,466	6,820,504	24,760,712
8	57,390,927	52,747,701	110,138,628	5,448,935	11,047,753	7,954,353	24,451,041
9	51,606,423	61,065,394	112,671,817	4,900,038	9,934,236	9,208,661	24,042,935
10	45,367,394	69,895,875	115,263,268	4,307,898	8,733,223	10,540,298	23,581,419
11	39,130,745	78,783,579	117,914,324	3,716,542	7,532,668	11,880,564	23,129,774
12	33,957,855	86,668,498	120,626,353	3,225,996	6,536,887	13,069,610	22,832,493
13	29,599,927	93,800,832	123,400,759	2,811,993	5,697,986	14,145,166	22,655,145
14	25,719,821	100,519,156	126,238,977	2,443,383	4,951,065	15,158,289	22,552,737
15	22,212,591	106,929,882	129,142,473	2,110,196	4,275,924	16,125,026	22,511,146
16	18,947,490	113,165,260	132,112,750	1,800,012	3,647,392	17,065,321	22,512,725
17	15,892,382	119,258,962	135,151,343	1,509,776	3,059,283	17,984,251	22,553,310
18	13,151,001	125,108,823	138,259,824	1,249,345	2,531,568	18,866,411	22,647,324
19	10,667,851	130,771,949	141,439,800	1,013,446	2,053,561	19,720,410	22,787,417
20	8,492,517	136,200,398	144,692,915	806,789	1,634,810	20,539,020	22,980,619
21	6,642,512	141,378,341	148,020,852	631,039	1,278,684	21,319,854	23,229,577
22	5,127,835	146,297,497	151,425,332	487,144	987,108	22,061,663	23,535,915
23	3,914,622	150,993,492	154,908,115	371,889	753,565	22,769,819	23,895,273
24	2,944,582	155,526,420	158,471,001	279,735	566,832	23,453,384	24,299,951
25	2,196,823	159,919,012	162,115,834	208,698	422,888	24,115,787	24,747,373
26	1,648,892	164,195,606	165,844,499	156,645	317,412	24,760,697	25,234,754
27	1,203,976	168,454,946	169,658,922	114,378	231,765	25,403,006	25,749,149
28	849,929	172,711,148	173,561,077	80,743	163,611	26,044,841	26,289,195
29	560,030	176,992,952	177,552,982	53,203	107,806	26,690,537	26,851,546
30	342,319	181,294,382	181,636,701	32,520	65,896	27,339,193	27,437,609
31	211,163	185,603,182	185,814,345	20,060	40,649	27,988,960	28,049,669
32	112,643	189,975,431	190,088,075	10,701	21,684	28,648,295	28,680,680
33	45,987	194,414,113	194,460,100	4,369	8,852	29,317,648	29,330,869
34	-	198,932,683	198,932,683	-	-	29,999,049	29,999,049
35	-	203,508,134	203,508,134	-	-	30,689,027	30,689,027
36	-	208,188,821	208,188,821	-	-	31,394,874	31,394,874
37	-	212,977,164	212,977,164	-	-	32,116,956	32,116,956
38	-	217,875,639	217,875,639	-	-	32,855,646	32,855,646
39	-	222,886,779	222,886,779	-	-	33,611,326	33,611,326
40	-	228,013,175	228,013,175	-	-	34,384,387	34,384,387
41	-	233,257,478	233,257,478	-	-	35,175,228	35,175,228
42	-	238,622,400	238,622,400	-	-	35,984,258	35,984,258
43	-	244,110,715	244,110,715	-	-	36,811,896	36,811,896
44	-	249,725,261	249,725,261	-	-	37,658,569	37,658,569
45	-	255,468,942	255,468,942	-	-	38,524,717	38,524,717
46	-	261,344,728	261,344,728	-	-	39,410,785	39,410,785
47	-	267,355,657	267,355,657	-	-	40,317,233	40,317,233
48	-	273,504,837	273,504,837	-	-	41,244,529	41,244,529
49	-	279,795,448	279,795,448	-	-	42,193,154	42,193,154
50	-	286,230,743	286,230,743	-	-	43,163,596	43,163,596



Single Discount Rate Development
Projection of Contributions for Years Ending August 31 (Continued)

Year	Payroll for Current Employees	Payroll for Future Employees	Total Employee Payroll	Contributions from Current Employees	Employer Contributions for Current Employees	Contributions	Total Contributions
						Related to Payroll of Future Employees	
51	-	292,814,051	292,814,051	-	-	44,156,359	44,156,359
52	-	299,548,774	299,548,774	-	-	45,171,955	45,171,955
53	-	306,438,395	306,438,395	-	-	46,210,910	46,210,910
54	-	313,486,479	313,486,479	-	-	47,273,761	47,273,761
55	-	320,696,668	320,696,668	-	-	48,361,057	48,361,057
56	-	328,072,691	328,072,691	-	-	49,473,362	49,473,362
57	-	335,618,363	335,618,363	-	-	50,611,249	50,611,249
58	-	343,337,585	343,337,585	-	-	51,775,308	51,775,308
59	-	351,234,350	351,234,350	-	-	52,966,140	52,966,140
60	-	359,312,740	359,312,740	-	-	54,184,361	54,184,361
61	-	367,576,933	367,576,933	-	-	55,430,601	55,430,601
62	-	376,031,202	376,031,202	-	-	56,705,505	56,705,505
63	-	384,679,920	384,679,920	-	-	58,009,732	58,009,732
64	-	393,527,558	393,527,558	-	-	59,343,956	59,343,956
65	-	402,578,692	402,578,692	-	-	60,708,867	60,708,867
66	-	411,838,002	411,838,002	-	-	62,105,171	62,105,171
67	-	421,310,276	421,310,276	-	-	63,533,590	63,533,590
68	-	431,000,412	431,000,412	-	-	64,994,862	64,994,862
69	-	440,913,422	440,913,422	-	-	66,489,744	66,489,744
70	-	451,054,430	451,054,430	-	-	68,019,008	68,019,008
71	-	461,428,682	461,428,682	-	-	69,583,445	69,583,445
72	-	472,041,542	472,041,542	-	-	71,183,865	71,183,865
73	-	482,898,497	482,898,497	-	-	72,821,093	72,821,093
74	-	494,005,163	494,005,163	-	-	74,495,979	74,495,979
75	-	505,367,281	505,367,281	-	-	76,209,386	76,209,386
76	-	516,990,729	516,990,729	-	-	77,962,202	77,962,202
77	-	528,881,516	528,881,516	-	-	79,755,333	79,755,333
78	-	541,045,791	541,045,791	-	-	81,589,705	81,589,705
79	-	553,489,844	553,489,844	-	-	83,466,268	83,466,268
80	-	566,220,110	566,220,110	-	-	85,385,993	85,385,993
81	-	579,243,173	579,243,173	-	-	87,349,870	87,349,870
82	-	592,565,766	592,565,766	-	-	89,358,917	89,358,917
83	-	606,194,778	606,194,778	-	-	91,414,173	91,414,173
84	-	620,137,258	620,137,258	-	-	93,516,699	93,516,699
85	-	634,400,415	634,400,415	-	-	95,667,583	95,667,583
86	-	648,991,625	648,991,625	-	-	97,867,937	97,867,937
87	-	663,918,432	663,918,432	-	-	100,118,900	100,118,900
88	-	679,188,556	679,188,556	-	-	102,421,634	102,421,634
89	-	694,809,893	694,809,893	-	-	104,777,332	104,777,332
90	-	710,790,520	710,790,520	-	-	107,187,210	107,187,210
91	-	727,138,702	727,138,702	-	-	109,652,516	109,652,516
92	-	743,862,892	743,862,892	-	-	112,174,524	112,174,524
93	-	760,971,739	760,971,739	-	-	114,754,538	114,754,538
94	-	778,474,089	778,474,089	-	-	117,393,893	117,393,893
95	-	796,378,993	796,378,993	-	-	120,093,952	120,093,952
96	-	814,695,710	814,695,710	-	-	122,856,113	122,856,113
97	-	833,433,711	833,433,711	-	-	125,681,804	125,681,804
98	-	852,602,686	852,602,686	-	-	128,572,485	128,572,485
99	-	872,212,548	872,212,548	-	-	131,529,652	131,529,652
100	-	892,273,437	892,273,437	-	-	134,554,834	134,554,834



Single Discount Rate Development Projection of Plan Net Position for Years Ending August 31

Year	Projected Beginning	Projected Total	Projected Benefit	Projected	Projected
	Plan Net Position	Contributions	Payments	Administrative Expenses	Investment Earnings at 7.00%
	(a)	(b)	(c)	(d)	(e)
1	\$ 585,550,741	\$ 125,774,420	\$ 48,660,762	\$ 308,755	\$ 43,631,258
2	705,986,902	26,407,646	47,874,064	289,200	48,670,515
3	732,901,799	26,029,531	50,831,194	271,599	50,440,404
4	758,268,941	25,838,049	53,272,319	258,431	52,125,974
5	782,702,215	25,522,797	56,309,169	242,144	53,721,524
6	805,395,223	25,170,569	58,937,521	224,920	55,208,072
7	826,611,423	24,760,712	61,531,745	206,031	56,590,491
8	846,224,850	24,451,041	63,795,963	189,390	57,875,441
9	864,565,979	24,042,935	66,218,254	170,301	59,062,589
10	881,282,948	23,581,419	68,624,273	149,712	60,134,819
11	896,225,200	23,129,774	70,975,302	129,131	61,085,050
12	909,335,591	22,832,493	72,689,929	112,061	61,934,139
13	921,300,233	22,655,145	73,784,188	97,680	62,728,405
14	932,801,915	22,552,737	74,306,777	84,875	63,512,458
15	944,475,458	22,511,146	74,467,889	73,302	64,323,030
16	956,768,443	22,512,725	74,382,757	62,527	65,186,893
17	970,022,778	22,553,310	74,083,219	52,445	66,126,747
18	984,567,170	22,647,324	73,513,898	43,398	67,167,989
19	1,000,825,188	22,787,417	72,664,104	35,204	68,340,393
20	1,019,253,689	22,980,619	71,426,565	28,025	69,679,864
21	1,040,459,582	23,229,577	69,805,642	21,920	71,228,825
22	1,065,090,422	23,535,915	67,899,953	16,922	73,029,268
23	1,093,738,730	23,895,273	65,731,284	12,918	75,121,771
24	1,127,011,572	24,299,951	63,309,468	9,717	77,548,235
25	1,165,540,573	24,747,373	60,707,294	7,250	80,350,280
26	1,209,923,682	25,234,754	57,949,996	5,441	83,568,803
27	1,260,771,802	25,749,149	55,132,976	3,973	87,242,849
28	1,318,626,852	26,289,195	52,299,835	2,805	91,408,808
29	1,384,022,214	26,851,546	49,490,307	1,848	96,102,536
30	1,457,484,141	27,437,609	46,675,650	1,130	101,361,908
31	1,539,606,878	28,049,669	43,859,393	697	107,228,476
32	1,631,024,933	28,680,680	41,104,517	372	113,744,253
33	1,732,344,977	29,330,869	38,418,394	152	120,951,459
34	1,844,208,759	29,999,049	35,810,777	-	128,894,643
35	1,967,291,674	30,689,027	33,264,135	-	137,621,813
36	2,102,338,378	31,394,874	30,817,336	-	147,183,558
37	2,250,099,475	32,116,956	28,469,732	-	157,632,457
38	2,411,379,156	32,855,646	26,221,769	-	169,024,800
39	2,587,037,832	33,611,326	24,074,692	-	181,420,785
40	2,777,995,252	34,384,387	22,029,294	-	194,884,782
41	2,985,235,127	35,175,228	20,085,667	-	209,485,661
42	3,209,810,349	35,984,258	18,243,923	-	225,297,135
43	3,452,847,819	36,811,896	16,504,173	-	242,398,096
44	3,715,553,638	37,658,569	14,866,084	-	260,872,999
45	3,999,219,122	38,524,717	13,328,613	-	280,812,287
46	4,305,227,514	39,410,785	11,890,750	-	302,312,837
47	4,635,060,385	40,317,233	10,552,223	-	325,478,383
48	4,990,303,778	41,244,529	9,312,446	-	350,419,985
49	5,372,655,846	42,193,154	8,169,760	-	377,256,588
50	5,783,935,827	43,163,596	7,121,876	-	406,115,633



Single Discount Rate Development
Projection of Plan Net Position for Years Ending August 31 (Continued)

Year	Projected Beginning Plan Net Position	Projected Total Contributions	Projected Benefit Payments	Projected Administrative Expenses	Projected Investment Earnings at 7.00%
	(a)	(b)	(c)	(d)	(e)
51	6,226,093,180	44,156,359	6,166,317	-	437,133,686
52	6,701,216,908	45,171,955	5,300,460	-	470,457,084
53	7,211,545,487	46,210,910	4,521,058	-	506,242,650
54	7,759,477,989	47,273,761	3,824,049	-	544,658,479
55	8,347,586,180	48,361,057	3,205,197	-	585,884,757
56	8,978,626,797	49,473,362	2,660,889	-	630,114,601
57	9,655,553,872	50,611,249	2,187,660	-	677,554,932
58	10,381,532,393	51,775,308	1,781,124	-	728,427,470
59	11,159,954,046	52,966,140	1,436,103	-	782,969,831
60	11,994,453,914	54,184,361	1,147,208	-	841,436,679
61	12,888,927,746	55,430,601	909,238	-	904,100,916
62	13,847,550,024	56,705,505	717,096	-	971,254,953
63	14,874,793,387	58,009,732	564,890	-	1,043,212,102
64	15,975,450,330	59,343,956	445,864	-	1,120,308,091
65	17,154,656,514	60,708,867	353,614	-	1,202,902,662
66	18,417,914,429	62,105,171	282,702	-	1,291,381,200
67	19,771,118,098	63,533,590	228,309	-	1,386,156,478
68	21,220,579,857	64,994,862	186,249	-	1,487,670,528
69	22,773,058,997	66,489,744	153,352	-	1,596,396,635
70	24,435,792,024	68,019,008	127,320	-	1,712,841,462
71	26,216,525,174	69,583,445	106,437	-	1,837,547,330
72	28,123,549,512	71,183,865	89,532	-	1,971,094,683
73	30,165,738,528	72,821,093	75,797	-	2,114,104,720
74	32,352,588,544	74,495,979	64,473	-	2,267,242,241
75	34,694,262,291	76,209,386	54,824	-	2,431,218,690
76	37,201,635,543	77,962,202	46,321	-	2,606,795,421
77	39,886,346,845	79,755,333	38,646	-	2,794,787,174
78	42,760,850,706	81,589,705	31,652	-	2,996,065,802
79	45,838,474,562	83,466,268	25,292	-	3,211,564,260
80	49,133,479,798	85,385,993	19,579	-	3,442,280,877
81	52,661,127,089	87,349,870	14,564	-	3,689,283,933
82	56,437,746,328	89,358,917	10,363	-	3,953,716,552
83	60,480,811,434	91,414,173	7,127	-	4,236,801,938
84	64,809,020,418	93,516,699	4,811	-	4,539,848,990
85	69,442,381,296	95,667,583	3,199	-	4,864,258,315
86	74,402,303,995	97,867,937	2,091	-	5,211,528,652
87	79,711,698,493	100,118,900	1,342	-	5,583,263,744
88	85,395,079,795	102,421,634	845	-	5,981,179,685
89	91,478,680,268	104,777,332	520	-	6,407,112,784
90	97,990,569,864	107,187,210	313	-	6,863,027,982
91	104,960,784,743	109,652,516	184	-	7,351,027,854
92	112,421,464,929	112,174,524	105	-	7,873,362,247
93	120,407,001,596	114,754,538	58	-	8,432,438,589
94	128,954,194,665	117,393,893	31	-	9,030,832,920
95	138,102,421,446	120,093,952	16	-	9,671,301,699
96	147,893,817,081	122,856,113	8	-	10,356,794,434
97	158,373,467,620	125,681,804	4	-	11,090,467,198
98	169,589,616,618	128,572,485	2	-	11,875,697,091
99	181,593,886,192	131,529,652	1	-	12,716,097,711
100	194,441,513,554	134,554,834	-	-	13,615,535,717



Single Discount Rate Development

Present Values of Projected Benefits for Years Ending August 31

Year	Projected		Funded Portion of Benefit Payments	Unfunded Portion of Benefit Payments	Present Value of Funded Benefit Payments using Expected Return Rate (v)	Present Value of Unfunded Benefit Payments using Municipal Bond Rate (v _f)	Present Value of Benefit Payments using Single Discount Rate (sdr)
	Beginning Plan Net Position	Projected Benefit Payments					
(a)	(b)	(c)	(d)	(e)	(f)=(d)*v ^a ((a)-.5)	(g)=(e)*v ^f ^a ((a)-.5)	h)=(c)/((1+sdr) ^a -.5)
1	\$ 585,550,741	\$ 48,660,762	\$ 48,660,762	\$ -	\$ 47,042,134	\$ -	\$ 47,042,134
2	705,986,902	47,874,064	47,874,064	-	43,253,836	-	43,253,836
3	732,901,799	50,831,194	50,831,194	-	42,921,102	-	42,921,102
4	758,268,941	53,272,319	53,272,319	-	42,039,581	-	42,039,581
5	782,702,215	56,309,169	56,309,169	-	41,529,062	-	41,529,062
6	805,395,223	58,937,521	58,937,521	-	40,623,851	-	40,623,851
7	826,611,423	61,531,745	61,531,745	-	39,637,356	-	39,637,356
8	846,224,850	63,795,963	63,795,963	-	38,407,396	-	38,407,396
9	864,565,979	66,218,254	66,218,254	-	37,257,663	-	37,257,663
10	881,282,948	68,624,273	68,624,273	-	36,085,429	-	36,085,429
11	896,225,200	70,975,302	70,975,302	-	34,880,089	-	34,880,089
12	909,335,591	72,689,929	72,689,929	-	33,385,724	-	33,385,724
13	921,300,233	73,784,188	73,784,188	-	31,671,314	-	31,671,314
14	932,801,915	74,306,777	74,306,777	-	29,809,001	-	29,809,001
15	944,475,458	74,467,889	74,467,889	-	27,919,283	-	27,919,283
16	956,768,443	74,382,757	74,382,757	-	26,062,959	-	26,062,959
17	970,022,778	74,083,219	74,083,219	-	24,259,817	-	24,259,817
18	984,567,170	73,513,898	73,513,898	-	22,498,488	-	22,498,488
19	1,000,825,188	72,664,104	72,664,104	-	20,783,565	-	20,783,565
20	1,019,253,689	71,426,565	71,426,565	-	19,093,085	-	19,093,085
21	1,040,459,582	69,805,642	69,805,642	-	17,439,060	-	17,439,060
22	1,065,090,422	67,899,953	67,899,953	-	15,853,248	-	15,853,248
23	1,093,738,730	65,731,284	65,731,284	-	14,342,905	-	14,342,905
24	1,127,011,572	63,309,468	63,309,468	-	12,910,703	-	12,910,703
25	1,165,540,573	60,707,294	60,707,294	-	11,570,132	-	11,570,132
26	1,209,923,682	57,949,996	57,949,996	-	10,322,077	-	10,322,077
27	1,260,771,802	55,132,976	55,132,976	-	9,177,858	-	9,177,858
28	1,318,626,852	52,299,835	52,299,835	-	8,136,665	-	8,136,665
29	1,384,022,214	49,490,307	49,490,307	-	7,195,856	-	7,195,856
30	1,457,484,141	46,675,650	46,675,650	-	6,342,624	-	6,342,624
31	1,539,606,878	43,859,393	43,859,393	-	5,570,028	-	5,570,028
32	1,631,024,933	41,104,517	41,104,517	-	4,878,660	-	4,878,660
33	1,732,344,977	38,418,394	38,418,394	-	4,261,539	-	4,261,539
34	1,844,208,759	35,810,777	35,810,777	-	3,712,421	-	3,712,421
35	1,967,291,674	33,264,135	33,264,135	-	3,222,819	-	3,222,819
36	2,102,338,378	30,817,336	30,817,336	-	2,790,429	-	2,790,429
37	2,250,099,475	28,469,732	28,469,732	-	2,409,215	-	2,409,215
38	2,411,379,156	26,221,769	26,221,769	-	2,073,816	-	2,073,816
39	2,587,037,832	24,074,692	24,074,692	-	1,779,448	-	1,779,448
40	2,777,995,252	22,029,294	22,029,294	-	1,521,743	-	1,521,743
41	2,985,235,127	20,085,667	20,085,667	-	1,296,711	-	1,296,711
42	3,209,810,349	18,243,923	18,243,923	-	1,100,757	-	1,100,757
43	3,452,847,819	16,504,173	16,504,173	-	930,643	-	930,643
44	3,715,553,638	14,866,084	14,866,084	-	783,434	-	783,434
45	3,999,219,122	13,328,613	13,328,613	-	656,458	-	656,458
46	4,305,227,514	11,890,750	11,890,750	-	547,328	-	547,328
47	4,635,060,385	10,552,223	10,552,223	-	453,940	-	453,940
48	4,990,303,778	9,312,446	9,312,446	-	374,399	-	374,399
49	5,372,655,846	8,169,760	8,169,760	-	306,970	-	306,970
50	5,783,935,827	7,121,876	7,121,876	-	250,091	-	250,091



Single Discount Rate Development

Present Values of Projected Benefits for Years Ending August 31 (Continued)

Year	Projected Beginning Plan Net Position	Projected Benefit Payments	Funded Portion of Benefit Payments	Unfunded Portion of Benefit Payments	Present Value of	Present Value of	Present Value of
					Funded Benefit Payments using Expected Return Rate (v)	Unfunded Benefit Payments using Municipal Bond Rate (v _f)	Benefit Payments using Single Discount Rate (sdr)
(a)	(b)	(c)	(d)	(e)	(f)=(d)*v ^a ((a)-.5)	(g)=(e)*v ^f ((a)-.5)	h)=((c)/(1+sdr) ^a (a-.5)
51	6,226,093,180	6,166,317	6,166,317	-	202,370	-	202,370
52	6,701,216,908	5,300,460	5,300,460	-	162,573	-	162,573
53	7,211,545,487	4,521,058	4,521,058	-	129,596	-	129,596
54	7,759,477,989	3,824,049	3,824,049	-	102,445	-	102,445
55	8,347,586,180	3,205,197	3,205,197	-	80,249	-	80,249
56	8,978,626,797	2,660,889	2,660,889	-	62,263	-	62,263
57	9,655,553,872	2,187,660	2,187,660	-	47,841	-	47,841
58	10,381,532,393	1,781,124	1,781,124	-	36,402	-	36,402
59	11,159,954,046	1,436,103	1,436,103	-	27,431	-	27,431
60	11,994,453,914	1,147,208	1,147,208	-	20,479	-	20,479
61	12,888,927,746	909,238	909,238	-	15,169	-	15,169
62	13,847,550,024	717,096	717,096	-	11,181	-	11,181
63	14,874,793,387	564,890	564,890	-	8,231	-	8,231
64	15,975,450,330	445,864	445,864	-	6,072	-	6,072
65	17,154,656,514	353,614	353,614	-	4,501	-	4,501
66	18,417,914,429	282,702	282,702	-	3,363	-	3,363
67	19,771,118,098	228,309	228,309	-	2,538	-	2,538
68	21,220,579,857	186,249	186,249	-	1,935	-	1,935
69	22,773,058,997	153,352	153,352	-	1,489	-	1,489
70	24,435,792,024	127,320	127,320	-	1,155	-	1,155
71	26,216,525,174	106,437	106,437	-	903	-	903
72	28,123,549,512	89,532	89,532	-	710	-	710
73	30,165,738,528	75,797	75,797	-	561	-	561
74	32,352,588,544	64,473	64,473	-	446	-	446
75	34,694,262,291	54,824	54,824	-	355	-	355
76	37,201,635,543	46,321	46,321	-	280	-	280
77	39,886,346,845	38,646	38,646	-	218	-	218
78	42,760,850,706	31,652	31,652	-	167	-	167
79	45,838,474,562	25,292	25,292	-	125	-	125
80	49,133,479,798	19,579	19,579	-	90	-	90
81	52,661,127,089	14,564	14,564	-	63	-	63
82	56,437,746,328	10,363	10,363	-	42	-	42
83	60,480,811,434	7,127	7,127	-	27	-	27
84	64,809,020,418	4,811	4,811	-	17	-	17
85	69,442,381,296	3,199	3,199	-	11	-	11
86	74,402,303,995	2,091	2,091	-	6	-	6
87	79,711,698,493	1,342	1,342	-	4	-	4
88	85,395,079,795	845	845	-	2	-	2
89	91,478,680,268	520	520	-	1	-	1
90	97,990,569,864	313	313	-	1	-	1
91	104,960,784,743	184	184	-	0	-	0
92	112,421,464,929	105	105	-	0	-	0
93	120,407,001,596	58	58	-	0	-	0
94	128,954,194,665	31	31	-	0	-	0
95	138,102,421,446	16	16	-	0	-	0
96	147,893,817,081	8	8	-	0	-	0
97	158,373,467,620	4	4	-	0	-	0
98	169,589,616,618	2	2	-	0	-	0
99	181,593,886,192	1	1	-	0	-	0
100	194,441,513,554	-	-	-	-	-	-



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