



October 31, 2025

Board of Trustees
County Employees Retirement System
Perimeter Park West
1260 Louisville Road
Frankfort, KY 40601

Re: Sensitivity Analysis Based on Results of the June 30, 2025 Actuarial Valuation – CERS

Dear Members of the Board:

Per Kentucky State Statute 61.670, we are providing this supplemental information regarding the sensitivity of the valuation results to changes in some of the economic assumptions. Specifically, the enclosed tables show the impact for the **County Employees Retirement System (CERS)** due to changes in the investment return assumption, the inflation rate assumption, and the payroll growth rate assumption.

Background

Investment Assumption

The investment return assumption is used to discount future expected benefit payments to the valuation date in order to determine the liabilities of the plans. The lower the investment return assumption, the less the benefit payments are discounted and the higher the valuation liability. The current investment return assumption is 6.50% for the non-hazardous and hazardous retirement and insurance funds. The sensitivity analysis shows the financial impact of a 1.00% increase and a 1.00% decrease in the investment return assumption. For purposes of this sensitivity analysis, the inflation assumption and payroll growth assumption remain unchanged from the valuation assumption.

Inflation Assumption

The inflation assumption underlies most of the other economic assumptions, including the investment return, salary increases, and payroll growth rate. This is a macroeconomic assumption and as such the same assumption is used in the valuation of each of the retirement systems. The current assumption is 2.50% for all funds. The sensitivity analysis shows the financial impact of a 0.25% increase and a 0.25% decrease in the inflation assumption. Note, the change in the inflation assumption results in a corresponding change in the investment return assumption, the individual salary increase assumption for projecting members' benefit amounts, the payroll growth rate assumption, and the healthcare trend assumption that is used in the valuation of the health insurance funds.

Payroll Growth Assumption

Participating employers of CERS make contributions to the system as a percentage of covered payroll. Therefore, as payroll changes over time these amortization payments will also change. If actual covered payroll increases at a rate that is less than assumed, then the retirement system receives fewer contribution dollars than expected to finance the unfunded liability, which means the contribution rates in future years will be required to increase in order to finance the unfunded liability over the same time period. The current payroll growth assumption is 2.00% for all the CERS retirement and insurance funds. The analysis shows the impact of a 1.00% increase and a 1.00% decrease in the payroll growth assumption.

Please note that the payroll growth assumption does not impact the valuation liabilities, unfunded liability, or funded status of the system. Rather, this assumption only impacts the amortization rate for financing the existing unfunded actuarial accrued liability and the actuarially determined employer contribution. For purposes of this analysis, the investment return assumption and the inflation assumption are held at their current valuation assumptions.

Certification

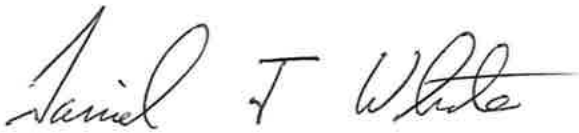
The information provided in this letter compliments the information provided in the June 30, 2025 actuarial valuation report. Please refer to the June 30, 2025 actuarial valuation report for additional discussion of the actuarial valuation, including the nature of actuarial calculations and more information related to participant data, economic and demographic assumptions, and benefit provisions.

Actual results can, and almost certainly will, differ as actual experience deviates from the assumptions. Even seemingly minor changes in the assumptions can materially change the liabilities, calculated contribution rate, and funding periods. The actuarial calculations are intended to provide information for rational decision making. The purpose of this information is to provide stakeholders the financial sensitivity of the unfunded liability and contribution rates to changes in the inflation, assumed rate of return, and payroll growth assumption.

To the best of our knowledge, this report is complete and accurate and is in accordance with generally recognized actuarial practices and methods. All of the undersigned are Enrolled Actuaries and members of the American Academy of Actuaries and meet all of the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. In addition, all three are independent of KPPA and are experienced in performing valuations for large public retirement systems. This communication shall not be construed to provide tax advice, legal advice or investment advice.

Sincerely,

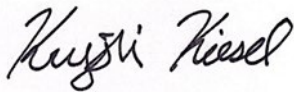
Gabriel, Roeder, Smith & Company



Daniel J. White, FSA, EA, MAAA
Senior Consultant



Janie Shaw, ASA, EA, MAAA
Consultant



Krysti Kiesel, ASA, EA, MAAA
Consultant

Sensitivity Analysis - Discount Rate
Non-Hazardous Members
(Dollar amounts expressed in thousands)

	Decrease Discount Rate	Valuation Results	Increase Discount Rate
(1)	(2)	(3)	(4)
Payroll Growth Rate	2.00%	2.00%	2.00%
Inflation Rate	2.50%	2.50%	2.50%
Discount Rate - Retirement	5.50%	6.50%	7.50%
Discount Rate - Insurance	5.50%	6.50%	7.50%
Retirement			
Actuarial Accrued Liability	\$ 17,990,133	\$ 16,174,006	\$ 14,673,696
Actuarial Value of Assets	9,933,705	9,933,705	9,933,705
Unfunded Actuarial Accrued Liability	8,056,428	6,240,301	4,739,991
Funded Ratio	55.2%	61.4%	67.7%
Actuarially Determined Contribution Rate	22.14%	17.14%	12.94%
Insurance			
Actuarial Accrued Liability	\$ 4,009,861	\$ 3,562,876	\$ 3,190,544
Actuarial Value of Assets	3,793,782	3,793,782	3,793,782
Unfunded Actuarial Accrued Liability	216,079	(230,906)	(603,238)
Funded Ratio	94.6%	106.5%	118.9%
Actuarially Determined Contribution Rate	2.07%	0.29%	0.00%
Combined			
Actuarial Accrued Liability	\$ 21,999,994	\$ 19,736,882	\$ 17,864,240
Actuarial Value of Assets	13,727,487	13,727,487	13,727,487
Unfunded Actuarial Accrued Liability	8,272,507	6,009,395	4,136,753
Funded Ratio	62.4%	69.6%	76.8%
Actuarially Determined Contribution Rate	24.21%	17.43%	12.94%

Sensitivity Analysis - Inflation Rate
Non-Hazardous Members
(Dollar amounts expressed in thousands)

	Decrease Inflation Rate	Valuation Results	Increase Inflation Rate
(1)	(2)	(3)	(4)
Payroll Growth Rate	1.75%	2.00%	2.25%
Inflation Rate	2.25%	2.50%	2.75%
Discount Rate - Retirement	6.25%	6.50%	6.75%
Discount Rate - Insurance	6.25%	6.50%	6.75%
Retirement			
Actuarial Accrued Liability	\$ 16,559,086	\$ 16,174,006	\$ 15,805,260
Actuarial Value of Assets	9,933,705	9,933,705	9,933,705
Unfunded Actuarial Accrued Liability	6,625,381	6,240,301	5,871,555
Funded Ratio	60.0%	61.4%	62.9%
Actuarially Determined Contribution Rate	18.41%	17.14%	15.94%
Insurance			
Actuarial Accrued Liability	\$ 3,616,206	\$ 3,562,876	\$ 3,512,545
Actuarial Value of Assets	3,793,782	3,793,782	3,793,782
Unfunded Actuarial Accrued Liability	(177,576)	(230,906)	(281,237)
Funded Ratio	104.9%	106.5%	108.0%
Actuarially Determined Contribution Rate	0.55%	0.29%	0.05%
Combined			
Actuarial Accrued Liability	\$ 20,175,292	\$ 19,736,882	\$ 19,317,805
Actuarial Value of Assets	13,727,487	13,727,487	13,727,487
Unfunded Actuarial Accrued Liability	6,447,805	6,009,395	5,590,318
Funded Ratio	68.0%	69.6%	71.1%
Actuarially Determined Contribution Rate	18.96%	17.43%	15.99%

Sensitivity Analysis - Payroll Growth
Non-Hazardous Members
(Dollar amounts expressed in thousands)

	Decrease Payroll Growth	Valuation Results	Increase Payroll Growth
(1)	(2)	(3)	(4)
Payroll Growth Rate	1.00%	2.00%	3.00%
Inflation Rate	2.50%	2.50%	2.50%
Discount Rate - Retirement	6.50%	6.50%	6.50%
Discount Rate - Insurance	6.50%	6.50%	6.50%
Retirement			
Actuarial Accrued Liability	\$ 16,174,006	\$ 16,174,006	\$ 16,174,006
Actuarial Value of Assets	9,933,705	9,933,705	9,933,705
Unfunded Actuarial Accrued Liability	6,240,301	6,240,301	6,240,301
Funded Ratio	61.4%	61.4%	61.4%
Actuarially Determined Contribution Rate	18.45%	17.14%	15.93%
Insurance			
Actuarial Accrued Liability	\$ 3,562,876	\$ 3,562,876	\$ 3,562,876
Actuarial Value of Assets	3,793,782	3,793,782	3,793,782
Unfunded Actuarial Accrued Liability	(230,906)	(230,906)	(230,906)
Funded Ratio	106.5%	106.5%	106.5%
Actuarially Determined Contribution Rate	0.27%	0.29%	0.31%
Combined			
Actuarial Accrued Liability	\$ 19,736,882	\$ 19,736,882	\$ 19,736,882
Actuarial Value of Assets	13,727,487	13,727,487	13,727,487
Unfunded Actuarial Accrued Liability	6,009,395	6,009,395	6,009,395
Funded Ratio	69.6%	69.6%	69.6%
Actuarially Determined Contribution Rate	18.72%	17.43%	16.24%

Sensitivity Analysis - Discount Rate
Hazardous Members
(Dollar amounts expressed in thousands)

	Decrease Discount Rate	Valuation Results	Increase Discount Rate
(1)	(2)	(3)	(4)
Payroll Growth Rate	2.00%	2.00%	2.00%
Inflation Rate	2.50%	2.50%	2.50%
Discount Rate - Retirement	5.50%	6.50%	7.50%
Discount Rate - Insurance	5.50%	6.50%	7.50%
Retirement			
Actuarial Accrued Liability	\$ 7,095,901	\$ 6,301,846	\$ 5,666,439
Actuarial Value of Assets	<u>3,592,717</u>	<u>3,592,717</u>	<u>3,592,717</u>
Unfunded Actuarial Accrued Liability	3,503,184	2,709,129	2,073,722
Funded Ratio	50.6%	57.0%	63.4%
Actuarially Determined Contribution Rate	41.07%	31.52%	23.94%
Insurance			
Actuarial Accrued Liability	\$ 2,163,631	\$ 1,939,809	\$ 1,753,457
Actuarial Value of Assets	<u>1,763,479</u>	<u>1,763,479</u>	<u>1,763,479</u>
Unfunded Actuarial Accrued Liability	400,152	176,330	(10,022)
Funded Ratio	81.5%	90.9%	100.6%
Actuarially Determined Contribution Rate	6.35%	3.20%	0.37%
Combined			
Actuarial Accrued Liability	\$ 9,259,532	\$ 8,241,655	\$ 7,419,896
Actuarial Value of Assets	<u>5,356,196</u>	<u>5,356,196</u>	<u>5,356,196</u>
Unfunded Actuarial Accrued Liability	3,903,336	2,885,459	2,063,700
Funded Ratio	57.8%	65.0%	72.2%
Actuarially Determined Contribution Rate	47.42%	34.72%	24.31%

Sensitivity Analysis - Inflation Rate
Hazardous Members
(Dollar amounts expressed in thousands)

	Decrease Inflation Rate	Valuation Results	Increase Inflation Rate
(1)	(2)	(3)	(4)
Payroll Growth Rate	1.75%	2.00%	2.25%
Inflation Rate	2.25%	2.50%	2.75%
Discount Rate - Retirement	6.25%	6.50%	6.75%
Discount Rate - Insurance	6.25%	6.50%	6.75%
Retirement			
Actuarial Accrued Liability	\$ 6,469,541	\$ 6,301,846	\$ 6,145,497
Actuarial Value of Assets	<u>3,592,717</u>	<u>3,592,717</u>	<u>3,592,717</u>
Unfunded Actuarial Accrued Liability	2,876,824	2,709,129	2,552,780
Funded Ratio	55.5%	57.0%	58.5%
Actuarially Determined Contribution Rate	33.90%	31.52%	29.40%
Insurance			
Actuarial Accrued Liability	\$ 1,962,491	\$ 1,939,809	\$ 1,918,382
Actuarial Value of Assets	<u>1,763,479</u>	<u>1,763,479</u>	<u>1,763,479</u>
Unfunded Actuarial Accrued Liability	199,012	176,330	154,903
Funded Ratio	89.9%	90.9%	91.9%
Actuarially Determined Contribution Rate	3.66%	3.20%	2.78%
Combined			
Actuarial Accrued Liability	\$ 8,432,032	\$ 8,241,655	\$ 8,063,879
Actuarial Value of Assets	<u>5,356,196</u>	<u>5,356,196</u>	<u>5,356,196</u>
Unfunded Actuarial Accrued Liability	3,075,836	2,885,459	2,707,683
Funded Ratio	63.5%	65.0%	66.4%
Actuarially Determined Contribution Rate	37.56%	34.72%	32.18%

Sensitivity Analysis - Payroll Growth
Hazardous Members
(Dollar amounts expressed in thousands)

	Decrease Payroll Growth	Valuation Results	Increase Payroll Growth
(1)	(2)	(3)	(4)
Payroll Growth Rate	1.00%	2.00%	3.00%
Inflation Rate	2.50%	2.50%	2.50%
Discount Rate - Retirement	6.50%	6.50%	6.50%
Discount Rate - Insurance	6.50%	6.50%	6.50%
Retirement			
Actuarial Accrued Liability	\$ 6,301,846	\$ 6,301,846	\$ 6,301,846
Actuarial Value of Assets	<u>3,592,717</u>	<u>3,592,717</u>	<u>3,592,717</u>
Unfunded Actuarial Accrued Liability	2,709,129	2,709,129	2,709,129
Funded Ratio	57.0%	57.0%	57.0%
Actuarially Determined Contribution Rate	33.85%	31.52%	29.35%
Insurance			
Actuarial Accrued Liability	\$ 1,939,809	\$ 1,939,809	\$ 1,939,809
Actuarial Value of Assets	<u>1,763,479</u>	<u>1,763,479</u>	<u>1,763,479</u>
Unfunded Actuarial Accrued Liability	176,330	176,330	176,330
Funded Ratio	90.9%	90.9%	90.9%
Actuarially Determined Contribution Rate	3.39%	3.20%	3.04%
Combined			
Actuarial Accrued Liability	\$ 8,241,655	\$ 8,241,655	\$ 8,241,655
Actuarial Value of Assets	<u>5,356,196</u>	<u>5,356,196</u>	<u>5,356,196</u>
Unfunded Actuarial Accrued Liability	2,885,459	2,885,459	2,885,459
Funded Ratio	65.0%	65.0%	65.0%
Actuarially Determined Contribution Rate	37.24%	34.72%	32.39%

Kentucky Public Pensions Authority
CERS Non-Hazardous Retirement Fund
(\$ in Millions)

Fiscal Year Beginning July 1,	Actuarial Accrued Liability	Actuarial Value of Assets	Unfunded Actuarial Accrued Liability	Funded Ratio (3) / (2)	Employer Contribution	Member Contribution	Covered Payroll	Employer Contribution as % of Covered Payroll	Employer Actuarially Determined Contribution
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
2025	\$ 16,174	\$ 9,934	\$ 6,240	61%	\$ 621	\$ 167	\$ 3,337	18.62%	18.62%
2026	16,517	10,412	6,105	63%	583	170	3,404	17.14%	17.14%
2027	16,833	11,039	5,794	66%	583	174	3,472	16.79%	16.79%
2028	17,128	11,588	5,540	68%	568	177	3,541	16.03%	16.03%
2029	17,406	12,021	5,385	69%	558	181	3,612	15.46%	15.46%
2030	17,667	12,338	5,329	70%	558	184	3,684	15.14%	15.14%
2031	17,915	12,645	5,270	71%	566	188	3,758	15.06%	15.06%
2032	18,154	12,953	5,201	71%	575	192	3,833	14.99%	14.99%
2033	18,386	13,267	5,119	72%	583	195	3,910	14.92%	14.92%
2034	18,614	13,589	5,025	73%	593	199	3,988	14.88%	14.88%
2035	18,840	13,924	4,916	74%	603	203	4,068	14.83%	14.83%
2036	19,085	14,293	4,792	75%	614	207	4,149	14.80%	14.80%
2037	19,337	14,687	4,650	76%	625	212	4,232	14.77%	14.77%
2038	19,605	15,113	4,492	77%	636	216	4,317	14.74%	14.74%
2039	19,891	15,578	4,313	78%	648	220	4,403	14.72%	14.72%
2040	20,200	16,086	4,114	80%	653	225	4,491	14.53%	14.53%
2041	20,534	16,634	3,900	81%	701	229	4,581	15.30%	15.30%
2042	20,898	17,271	3,627	83%	677	234	4,672	14.50%	14.50%
2043	21,293	17,930	3,363	84%	794	238	4,766	16.65%	16.65%
2044	21,721	18,756	2,965	86%	818	243	4,861	16.82%	16.82%
2045	22,184	19,663	2,521	89%	870	248	4,958	17.55%	17.55%
2046	22,683	20,686	1,997	91%	897	253	5,057	17.74%	17.74%
2047	23,220	21,806	1,414	94%	948	258	5,159	18.38%	18.38%
2048	23,798	23,052	746	97%	992	263	5,262	18.85%	18.85%
2049	24,417	24,417	-	100%	218	268	5,367	4.07%	4.07%
2050	25,078	25,078	-	100%	223	274	5,474	4.08%	4.08%
2051	25,784	25,784	-	100%	227	279	5,584	4.07%	4.07%
2052	26,535	26,535	-	100%	232	285	5,696	4.08%	4.08%
2053	27,332	27,332	-	100%	237	290	5,809	4.08%	4.08%
2054	28,173	28,173	-	100%	242	296	5,926	4.08%	4.08%

Notes and assumptions:

The projection is based on the results of the June 30, 2025 actuarial valuation and assumes that all actuarial assumptions are realized, including the assumed annual asset return of 6.50%.

New active members are assumed to be hired as current active members are assumed to terminate employment or retire.

The total active population is assumed to remain level throughout the entire projection.

Covered payroll is assumed to increase 2% each year throughout the entire projection.

The Board certified contribution rate paid by employers is assumed to be equal to the full actuarially determined contribution rate, except as allowed by

House Bill 362 (passed during the 2018 legislative session), which limits the certified contribution rate to a 12% increase over the prior year rate for the period of July 1, 2018 to June 30, 2028.

Kentucky Public Pensions Authority
CERS Hazardous Retirement Fund
(\$ in Millions)

Fiscal Year Beginning July 1,	Actuarial Accrued Liability	Actuarial Value of Assets	Unfunded Actuarial Accrued Liability	Funded Ratio (3) / (2)	Employer Contribution	Member Contribution	Covered Payroll	Employer Contribution as % of Covered Payroll	Employer Actuarially Determined Contribution
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
2025	\$ 6,302	\$ 3,593	\$ 2,709	57%	\$ 274	\$ 65	\$ 806	34.00%	34.00%
2026	6,492	3,843	2,649	59%	259	66	823	31.52%	31.52%
2027	6,673	4,143	2,530	62%	259	67	839	30.91%	30.91%
2028	6,849	4,420	2,429	65%	254	68	856	29.69%	29.69%
2029	7,024	4,661	2,363	66%	251	70	873	28.78%	28.78%
2030	7,199	4,868	2,331	68%	252	71	890	28.26%	28.26%
2031	7,379	5,081	2,298	69%	255	73	908	28.10%	28.10%
2032	7,565	5,306	2,259	70%	259	74	926	27.97%	27.97%
2033	7,760	5,545	2,215	72%	263	76	945	27.86%	27.86%
2034	7,964	5,802	2,162	73%	268	77	964	27.76%	27.76%
2035	8,178	6,074	2,104	74%	272	79	983	27.66%	27.66%
2036	8,402	6,364	2,038	76%	277	80	1,003	27.58%	27.58%
2037	8,633	6,669	1,964	77%	281	82	1,023	27.49%	27.49%
2038	8,868	6,989	1,879	79%	286	83	1,043	27.40%	27.40%
2039	9,107	7,321	1,786	80%	291	85	1,064	27.30%	27.30%
2040	9,350	7,667	1,683	82%	283	87	1,085	26.04%	26.04%
2041	9,600	8,018	1,582	84%	289	89	1,107	26.14%	26.14%
2042	9,858	8,390	1,468	85%	292	90	1,129	25.86%	25.86%
2043	10,125	8,779	1,346	87%	326	92	1,152	28.26%	28.26%
2044	10,401	9,219	1,182	89%	336	94	1,175	28.57%	28.57%
2045	10,684	9,685	999	91%	351	96	1,198	29.25%	29.25%
2046	10,972	10,182	790	93%	361	98	1,222	29.55%	29.55%
2047	11,265	10,708	557	95%	381	100	1,247	30.53%	30.53%
2048	11,564	11,272	292	98%	397	102	1,272	31.23%	31.23%
2049	11,869	11,869	-	100%	91	104	1,297	6.99%	6.99%
2050	12,180	12,180	-	100%	93	106	1,323	7.01%	7.01%
2051	12,498	12,498	-	100%	95	108	1,350	7.02%	7.02%
2052	12,823	12,823	-	100%	97	110	1,377	7.03%	7.03%
2053	13,153	13,153	-	100%	99	112	1,404	7.03%	7.03%
2054	13,488	13,488	-	100%	101	115	1,432	7.04%	7.04%

Notes and assumptions:

The projection is based on the results of the June 30, 2025 actuarial valuation and assumes that all actuarial assumptions are realized, including the assumed annual asset return of 6.50%.

New active members are assumed to be hired as current active members are assumed to terminate employment or retire.

The total active population is assumed to remain level throughout the entire projection.

Covered payroll is assumed to increase 2% each year throughout the entire projection.

The Board certified contribution rate paid by employers is assumed to be equal to the full actuarially determined contribution rate, except as allowed by

House Bill 362 (passed during the 2018 legislative session), which limits the certified contribution rate to a 12% increase over the prior year rate for the period of July 1, 2018 to June 30, 2028.

Kentucky Public Pensions Authority
CERS Non-Hazardous Insurance Fund
(\$ in Millions)

Fiscal Year Beginning July 1,	Actuarial Accrued Liability	Actuarial Value of Assets	Unfunded Actuarial Accrued Liability	Funded Ratio (3) / (2)	Employer Contribution	Member Contribution	Covered Payroll	Employer Contribution as % of Covered Payroll	Employer Actuarially Determined Contribution
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
2025	\$ 3,563	\$ 3,794	\$ (231)	107%	\$ -	\$ 28	\$ 3,304	0.00%	0.00%
2026	3,708	3,932	(224)	106%	10	29	3,370	0.29%	0.29%
2027	3,835	4,139	(304)	108%	3	31	3,437	0.10%	0.10%
2028	3,952	4,306	(354)	109%	-	32	3,506	0.00%	0.00%
2029	4,061	4,427	(366)	109%	-	33	3,576	0.00%	0.00%
2030	4,162	4,506	(344)	108%	-	35	3,648	0.00%	0.00%
2031	4,254	4,577	(323)	108%	-	36	3,721	0.00%	0.00%
2032	4,340	4,641	(301)	107%	-	37	3,795	0.00%	0.00%
2033	4,420	4,699	(279)	106%	-	38	3,871	0.00%	0.00%
2034	4,497	4,753	(256)	106%	-	39	3,948	0.00%	0.00%
2035	4,574	4,805	(231)	105%	-	40	4,027	0.00%	0.00%
2036	4,652	4,859	(207)	104%	-	41	4,108	0.00%	0.00%
2037	4,735	4,915	(180)	104%	-	42	4,190	0.00%	0.00%
2038	4,822	4,973	(151)	103%	-	42	4,274	0.00%	0.00%
2039	4,916	5,037	(121)	103%	-	43	4,359	0.00%	0.00%
2040	5,017	5,105	(88)	102%	-	44	4,447	0.00%	0.00%
2041	5,124	5,177	(53)	101%	-	45	4,535	0.00%	0.00%
2042	5,237	5,254	(17)	100%	109	46	4,626	2.35%	2.35%
2043	5,358	5,447	(89)	102%	109	47	4,719	2.31%	2.31%
2044	5,486	5,652	(166)	103%	96	48	4,813	1.99%	1.99%
2045	5,618	5,853	(235)	104%	50	49	4,909	1.02%	1.02%
2046	5,756	6,017	(261)	105%	55	50	5,007	1.09%	1.09%
2047	5,899	6,191	(292)	105%	69	51	5,108	1.35%	1.35%
2048	6,047	6,386	(339)	106%	80	52	5,210	1.54%	1.54%
2049	6,198	6,600	(402)	107%	-	53	5,314	0.00%	0.00%
2050	6,352	6,738	(386)	106%	-	54	5,420	0.00%	0.00%
2051	6,507	6,876	(369)	106%	-	55	5,529	0.00%	0.00%
2052	6,665	7,015	(350)	105%	-	56	5,639	0.00%	0.00%
2053	6,825	7,154	(329)	105%	-	58	5,752	0.00%	0.00%
2054	6,986	7,294	(308)	104%	-	59	5,867	0.00%	0.00%

Notes and assumptions:

The projection is based on the results of the June 30, 2025 actuarial valuation and assumes that all actuarial assumptions are realized, including the assumed annual asset return of 6.50%.

New active members are assumed to be hired as current active members are assumed to terminate employment or retire.

The total active population is assumed to remain level throughout the entire projection.

Covered payroll is assumed to increase 2% each year throughout the entire projection.

The Board certified contribution rate paid by employers is assumed to be equal to the full actuarially determined contribution rate, except as allowed by

House Bill 362 (passed during the 2018 legislative session), which limits the certified contribution rate to a 12% increase over the prior year rate for the period of July 1, 2018 to June 30, 2028.

Kentucky Public Pensions Authority
CERS Hazardous Insurance Fund
(\$ in Millions)

Fiscal Year Beginning July 1,	Actuarial Accrued Liability	Actuarial Value of Assets	Unfunded Actuarial Accrued Liability	Funded Ratio (3) / (2)	Employer Contribution	Member Contribution	Covered Payroll	Employer Contribution as % of Covered Payroll	Employer Actuarially Determined Contribution
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
2025	\$ 1,940	\$ 1,763	\$ 177	91%	\$ 14	\$ 15	\$ 803	1.73%	1.73%
2026	1,986	1,806	180	91%	26	15	819	3.20%	3.20%
2027	2,018	1,885	133	93%	23	16	836	2.80%	2.80%
2028	2,043	1,944	99	95%	18	17	852	2.11%	2.11%
2029	2,061	1,975	86	96%	14	17	870	1.61%	1.61%
2030	2,076	1,984	92	96%	12	18	887	1.32%	1.32%
2031	2,089	1,988	101	95%	11	18	905	1.22%	1.22%
2032	2,098	1,988	110	95%	11	18	923	1.14%	1.14%
2033	2,104	1,984	120	94%	10	19	941	1.09%	1.09%
2034	2,110	1,979	131	94%	10	19	960	1.04%	1.04%
2035	2,115	1,972	143	93%	10	20	979	0.99%	0.99%
2036	2,123	1,968	155	93%	10	20	999	0.97%	0.97%
2037	2,135	1,966	169	92%	10	20	1,019	0.94%	0.94%
2038	2,151	1,967	184	91%	10	21	1,039	0.92%	0.92%
2039	2,171	1,971	200	91%	9	21	1,060	0.89%	0.89%
2040	2,196	1,979	217	90%	15	22	1,081	1.36%	1.36%
2041	2,226	1,996	230	90%	27	22	1,103	2.47%	2.47%
2042	2,260	2,030	230	90%	62	22	1,125	5.51%	5.51%
2043	2,299	2,104	195	92%	61	23	1,147	5.29%	5.29%
2044	2,342	2,184	158	93%	62	23	1,170	5.30%	5.30%
2045	2,388	2,269	119	95%	41	24	1,194	3.47%	3.47%
2046	2,434	2,337	97	96%	44	24	1,218	3.59%	3.59%
2047	2,480	2,409	71	97%	50	25	1,242	4.06%	4.06%
2048	2,527	2,489	38	99%	55	25	1,267	4.37%	4.37%
2049	2,572	2,572	-	100%	13	26	1,292	0.97%	0.97%
2050	2,616	2,616	-	100%	12	26	1,318	0.94%	0.94%
2051	2,660	2,660	-	100%	12	27	1,344	0.90%	0.90%
2052	2,703	2,703	-	100%	12	27	1,371	0.87%	0.87%
2053	2,744	2,744	-	100%	12	28	1,399	0.84%	0.84%
2054	2,783	2,783	-	100%	12	29	1,427	0.81%	0.81%

Notes and assumptions:

The projection is based on the results of the June 30, 2025 actuarial valuation and assumes that all actuarial assumptions are realized, including the assumed annual asset return of 6.50%.

New active members are assumed to be hired as current active members are assumed to terminate employment or retire.

The total active population is assumed to remain level throughout the entire projection.

Covered payroll is assumed to increase 2% each year throughout the entire projection.

The Board certified contribution rate paid by employers is assumed to be equal to the full actuarially determined contribution rate, except as allowed by

House Bill 362 (passed during the 2018 legislative session), which limits the certified contribution rate to a 12% increase over the prior year rate for the period of July 1, 2018 to June 30, 2028.

