NOTICE OF A REGULAR MEETING OF THE PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM (POLICE)
OF THE TOWN OF CLARKDALE
WEDNESDAY, OCTOBER 18, 2023 AT 4:30 PM

- In Person: Clark Memorial Clubhouse, 19 N. Ninth St., Clarkdale AZ
- Via Zoom: https://us02web.zoom.us/j/2235608173

Meeting ID: 223 560 8173

Town of Clarkdale Vision

The Town of Clarkdale connects our unique history, proximity to the Verde River, and small-town charm to a future with a vibrant economy.
We cultivate an environment where residents and businesses can thrive; providing services and jobs for our residents and capitalizing upon tourism.
We sustainably enhance our infrastructure, support the arts and education, and develop recreational opportunities to create a bright future for our entire community.

PURSUANT TO A.R.S. §38-431.02, NOTICE IS HEREBY GIVEN that the Public Safety Personnel Retirement System (Police) will hold a Regular Meeting open to the public on Wednesday, October 18, 2023, at 4:30 PM at 19 N. Ninth Street, Clarkdale, Arizona, Clark Memorial Clubhouse, Men's Lounge. A quorum of Town Council members may be present at this meeting; however, they will not deliberate or take action on any items. All members of the public are welcome to attend.

ALL ITEMS ON THIS AGENDA ARE SCHEDULED FOR DISCUSSION AND POSSIBLE ACTION, UNLESS OTHERWISE NOTED.

1. **CALL TO ORDER**

2. **ROLL CALL**

3. **PUBLIC COMMENT**
   The Public Safety Personnel Retirement System (Police) invites the public to provide comments at this time. Members of the Commission may not discuss items that are not specifically identified on the agenda. Therefore, pursuant to A.R.S. §38-431.01 (G), action taken as a result of public comment will be limited to directing staff to study the matter, responding to any criticism, or scheduling the matter for further consideration and decision at a later date. Persons interested in making comments on a specific agenda item are asked to complete a brief form and submit it to the Commission Liaison during the meeting. Each Speaker is asked to limit their comments to five

minutes.

4. **INTRODUCTIONS**
   A. **New Board Members**
   Introduction of Derek Johnston, Joe Candelaria and Mallory Denzler to the PSPRS Board.

5. **MINUTES**
   A. **Approval of Minutes**
   Consider and act upon the minutes from the regular meeting held on Aug. 3, 2022.

6. **NEW BUSINESS**
   A. **APPOINTMENT OF NEW BOARD SECRETARY**
   Discuss, consider and act upon the appointment of Human Resources Director Angela Benavides as the Board Secretary.
   B. **ACCEPTANCE OF WITHDRAWAL OF MEMBER FROM PENSION SYSTEM**
   Discuss, consider and act upon the withdrawal of Police Officer Jacqueline Montijo from the Public Safety Personnel Retirement System.
   C. **ACCEPTANCE OF NEW OFFICERS INTO PENSION SYSTEM**
   Discuss, consider and act upon the acceptance of Police Officers Aaron King, Tristin Leach and Jordan Taylor into the Public Safety Personnel Retirement System (PSPRS).
   D. **BOARD REVIEW OF THE 2021 AND 2022 ANNUAL ACTUARIAL VALUATION**
   Discuss, consider and act upon the acceptance of the 2021 and 2022 annual actuarial reports.
   E. **INDEPENDENT LEGAL COUNSEL**
   Discussion only regarding the State Legislature amended A.R.S. § 38-847 effective Jan. 1, 2022, to require that the local PSPRS board hire independent legal counsel.
   F. **SEVEN YEAR DROP PROGRAM**
   Discussion only regarding the conditional service extensions to DROP participation that were approved by State lawmakers and Governor Ducey.
   G. **ADDITIONAL PHYSICALS**
   Discussion only regarding additional physicals prior to and after attending the academy.

7. **FUTURE AGENDA ITEMS**
   Public Safety Personnel Retirement System (Police) may propose items to be placed on a future agenda. This item is for discussion only.

8. **ADJOURNMENT**

Values

Values are the guiding principles that provide an organization with purpose and direction. The Town of Clarkdale's organizational values are:

COPPER
Customer focused
Open, transparent and equitable
Preserving our history, charm, and environment
Planning for a sustainable future
Economic and social resiliency
Resourceful and innovative

Mission

The Town of Clarkdale serves the community by providing amenities, infrastructure, services, and public safety to enhance quality of life. We are stewards of our history while we sustainably and resiliently plan for the future with an emphasis on community engagement and transparency.

Persons with a disability may request reasonable accommodations by contacting the Town Hall at (928) 639-2400 (TTY: 1-800-367-8939) at least 72 hours in advance of the meeting.

Staff Report

Item Number: 4.A.

Agenda Item: **New Board Members**
Introduction of Derek Johnston, Joe Candelaria and Mallory Denzler to the PSPRS Board.

Staff Contact: Angela Benavides

Meeting Date: October 18, 2023

Strategic Goal: This item supports the following goal:

- Goal Area 2 - Enhance the quality of life for residents, businesses, and visitors to Clarkdale.

Background: A Notice of Interest email was issued to all police officers on Sept. 12, 2022, advising them of the vacant seat and that a secret ballot election was necessary. On Sept. 15, 2022, it was determined that Derek Johnston won the election with a total of three votes. Derek will serve a full two-year term, with an expiration date of Sept. 30, 2024.

An additional Notice of Interest email was issued on Aug. 16, 2023, advising of a vacant seat on the board and a secret ballot election was necessary. On Sept. 5, 2023, it was determined that Joe Candelaria won the election with a total of three votes. Joe will serve a full two-year term, with an expiration date of Sept. 30, 2025.

The public position was filled after a lengthy advertising process in which three applicants were interviewed. The Selection Panel narrowed it down to a finalist and Mallory Denzler was appointed by the Council on Sept. 26, 2023.

Budget Impact: No budget impact.

Recommendation: No recommendation. Informational purpose only.

Staff Report

Item Number: 5.A.

Agenda Item: **Approval of Minutes**
Consider and act upon the minutes from the regular meeting held on Aug. 3, 2022.

Staff Contact: Angela Benavides

Meeting Date: October 18, 2023

Strategic Goal: This item supports the following goal:

- Goal Area 2 - Enhance the quality of life for residents, businesses, and visitors to Clarkdale.

Background: Review of the minutes from the regular meeting held on Aug. 3, 2022.

Budget Impact: No budget impact.

Recommendation: Staff recommends approval of the minutes from the regular meeting held on Aug. 3, 2022.

SUMMARIZED MINUTES OF THE
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM (POLICE)
OF THE TOWN OF CLARKDALE
WEDNESDAY, AUGUST 3, 2022 AT 4:30 PM

1. **CALL TO ORDER –** *Chair Ben Kramer called the meeting to order at 4:30 p.m.*

Board Members:	Chair	Ben Kramer
	Board Members	Rob Robbins
		David Hache
		Mike Brundridge (arrived at 4:40)
		Jacqueline Montijo (arrived at 4:40)

Staff member(s): Randi Stephens, Board Secretary
Charity Brooks, Town Clerk

No members of the public were present

2. **PUBLIC COMMENT –** *no public comment*
The Public Safety Personnel Retirement System (Police) invites the public to provide comments at this time. Members of the Commission may not discuss items that are not specifically identified on the agenda. Therefore, pursuant to A.R.S. §38-431.01 (G), action taken as a result of public comment will be limited to directing staff to study the matter, responding to any criticism, or scheduling the matter for further consideration and decision at a later date. Persons interested in making comments on a specific agenda item are asked to complete a brief form and submit it to the Commission Liaison during the meeting. Each speaker is asked to limit their comments to five minutes.

3. **ANNOUNCEMENT OF NEW MEMBER –** *Ben Kramer welcomed new member, Jacqueline Montijo.*

4. **CONSENT AGENDA**
Items on the consent agenda are of a routine nature or have been previously studied by the Town Council at a work session or during New Business discussion. They are intended to be acted upon in one motion. Council members may pull items from consent if they would like them considered separately.

A. PSPRS Revised Model Uniform Rules of Board Procedure
Consider and act upon the PSPRS Revised Model Uniform Rules of Local Board Procedure.

B. Approval of Minutes
Consider and act upon the draft minutes from the meeting held on Dec. 1, 2021.

Action: Approval of Consent Agenda items A and B:
Motion: Rob Robbins
Second: David Hache
Vote: 5-0

Voting Member	Aye/Nay
Mike Brundridge	Aye
Jacqueline Montijo	Aye
David Hache	Aye
Ben Kramer	Aye
Rob Robbins	Aye

5. NEW BUSINESS

A. NEW MEMBERSHIP APPLICATION
Discussion and possible action to approve the PSPRS membership of the following new hire with possible pre-existing condition(s):

- Lawrence Jackson - hire date May 9, 2022

Action: Motion to approve new PSPRS application for Lawrence Jackson with possible pre-existing condition(s):
Motion: Mike Brundridge
Second: Rob Robbins
Vote: 5-0

Voting Member	Aye/Nay
Mike Brundridge	Aye
Jacqueline Montijo	Aye
David Hache	Aye
Ben Kramer	Aye
Rob Robbins	Aye

B. BOARD ELECTION OF VICE CHAIR
Discussion and possible action to select a board member to serve as Vice Chair.

Action: Motion to appoint Rob Robbins as Vice Chair:
Motion: Ben Kramer

Second: David Hache
Vote: 5-0

Voting Member	Aye/Nay
Mike Brundridge	Aye
Jacqueline Montijo	Aye
David Hache	Aye
Ben Kramer	Aye
Rob Robbins	Aye

C. 2021 ACTUARIAL VALUATION REPORT

Discussion and possible action to approve the 2021 Consolidated Actual Valuation Report.

Rob Robbins voiced concerns with the 2021 Actuarial Valuation Report stating the report is 10 months old and predicts inflation to be at 2.5% when in reality, inflation is at 8-9%.

Action: Motion to accept the 2021 Consolidated Actual Valuation Report with the stipulation that Chair, Ben Kramer, obtain more information regarding inflation and future payments into the system:
Motion: Ben Kramer
Second: David Hache
Vote: 5-0

Voting Member	Aye/Nay
Mike Brundridge	Aye
Jacqueline Montijo	Aye
David Hache	Aye
Ben Kramer	Aye
Rob Robbins	Aye

D. INDEPENDENT LEGAL COUNSEL

Discussion and possible action regarding the State legislature amended A.R.S. § 38-847 effective Jan. 1, 2022, to require that the local PSPRS board hire independent legal counsel.

Board Secretary, Randi Stephens, shared attorney resumes with the Board Members. It was agreed upon that the board would review the resumes and make a decision at the next scheduled meeting.

6. BOARD UPDATES

A. Consolidation of Regional Boards – *local boards determined it was not in their best interest to consolidate.*

7. FUTURE AGENDA ITEMS

The PSPRS Board may propose items to be placed on a future agenda. This item is for discussion only.

The board proposed the following items for a future agenda:

- *Requested that the finance director be available at the next meeting to answer questions*
- *Independent Legal Counsel*
- *7-year drop program*
- *Additional physicals*

8. ADJOURNMENT – *meeting adjourned at 5:20 p.m.*

Submitted by:	Approved by:
______________________________	______________________________
Angela Benavides, Local Board Secretary	Ben Kramer, Chair

Staff Report

Item Number: 6.B.

Agenda Item: **ACCEPTANCE OF WITHDRAWAL OF MEMBER FROM PENSION SYSTEM**
Discuss, consider and act upon the withdrawal of Police Officer Jacqueline Montijo from the Public Safety Personnel Retirement System.

Staff Contact: Angela Benavides

Meeting Date: October 18, 2023

Strategic Goal: Not applicable.

Background: Jacqueline Montijo was elected by her peers in July 2022 and began serving on the PSPRS Board in August 2022. Due to the birth of a new child, Jacqueline was not able to maintain a full-time work status, therefore, not meeting the requirements to contribute to PSPRS nor to serve on the Board.

Budget Impact: No budget impact.

Recommendation: Staff recommends the Board accept the withdrawal of Jacqueline Montijo from the Public Safety Personnel Retirement System.

Staff Report

Item Number: 6.C.

Agenda Item: **ACCEPTANCE OF NEW OFFICERS INTO PENSION SYSTEM**
Discuss, consider and act upon the acceptance of Police Officers Aaron King, Tristin Leach and Jordan Taylor into the Public Safety Personnel Retirement System (PSPRS).

Staff Contact: Angela Benavides

Meeting Date: October 18, 2023

Strategic Goal: This item supports the following goal:

- Goal Area 2 - Enhance the quality of life for residents, businesses, and visitors to Clarkdale.

Background: Officer King is a Lateral transfer from Yavapai College starting with the Town of Clarkdale Police Department on Oct. 17, 2022, and fulfills the requirements set forth in statute as a certified police officer. Aaron King is eligible for acceptance into PSPRS without any pre-existing conditions.

Officer Leach is a new hire for the Town of Clarkdale and fulfills the requirements set forth in statute as a certified police officer. Tristen Leach is eligible for acceptance into PSPRS without any pre-existing conditions.

Officer Taylor is a lateral hire for the Town of Clarkdale and fulfills the requirements set forth in statute as a certified police officer. Jordan Taylor is eligible for acceptance into PSPRS without any pre-existing conditions.

Budget Impact: Budget impact for additional retirement contributions.

Recommendation: Staff recommends that the Board formally accept Lateral Officers Aaron King and Jordan Taylor and new officer Tristen Leach into the Public Safety Personnel Retirement System without any pre-existing conditions.

Staff Report

Item Number: 6.D.

Agenda Item: **BOARD REVIEW OF THE 2021 AND 2022 ANNUAL ACTUARIAL VALUATION**
Discuss, consider and act upon the acceptance of the 2021 and 2022 annual actuarial reports.

Staff Contact: Angela Benevides
Julie Goucher, Finance Director

Meeting Date: October 18, 2023

Strategic Goal: This item supports the following goal:

- Goal Area 6 - Strategically invest in organizational development to enhance efficiency and service delivery and to attract and retain an exemplary workforce.

Background: Finance Director Julie Goucher will be in attendance to answer questions regarding the 2021 and 2022 annual actuarial reports.

Budget Impact: No budget impact.

Recommendation: No recommendation. Discussion only.

ARIZONA PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM

CONSOLIDATED REPORT

ACTUARIAL VALUATION
AS OF JUNE 30, 2021

CONTRIBUTIONS APPLICABLE TO THE
PLAN/FISCAL YEAR ENDING JUNE 30, 2023

FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

VIA E-MAIL

November 2021

Board of Trustees
Arizona Public Safety Personnel Retirement System
Phoenix, AZ

Re: Actuarial Valuation Report as of June 30, 2021 – Arizona Public Safety Personnel Retirement System

Dear Members of the Board:

We are pleased to present to the Board this report of the annual actuarial valuation of the Arizona Public Safety Personnel Retirement System (PSPRS). The valuation was performed to determine whether the assets and contributions are sufficient to provide the prescribed benefits and to develop the appropriate funding requirements for the applicable plan year.

This report was prepared at the request of the Board and is intended for use by PSPRS and those designated or approved by the Board. It documents the valuation of the consolidated plan and provides summary information for PSPRS participating employers. This report may be provided to parties other than PSPRS only in its entirety and only with the permission of the Board. Foster & Foster is not responsible for the unauthorized use of this report.

The valuation has been conducted in accordance with generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board, and reflects laws and regulations issued to date pursuant to the provisions of Title 38, Chapter 5, Article 4 of the Arizona Revised Statutes, as well as applicable federal laws and regulations. In our opinion, the assumptions used in this valuation, as adopted by the Board of Trustees, represent reasonable expectations of anticipated plan experience. Future actuarial measurements may differ significantly from the current measurements presented in this report for a variety of reasons including changes in applicable laws, changes in plan provisions, changes in assumptions, or plan experience differing from expectations. Due to the limited scope of the valuation, we did not perform an analysis of the potential range of such future measurements.

The computed contribution rates shown in the "Contribution Results" section should be considered minimum contribution rates that comply with the Board's funding policy and Arizona Statutes. Users of this report should be aware that contributions made at that rate do not guarantee benefit security. Given the importance of benefit security to any retirement system, we suggest that contributions to the System in excess of those presented in this report be considered.

The funding percentages and unfunded accrued liability as measured based on the actuarial value of assets will differ from similar measures based on the market value of assets. These measures, as provided, are appropriate for determining the adequacy of future contributions, but may not be appropriate for the purpose of settling a portion or all of the Plan's liabilities.

In conducting the valuation, we have relied on personnel, plan design, and asset information supplied by PSPRS through June 30, 2021 and the actuarial assumptions and methods described in the Actuarial Assumptions section of this report. While we cannot verify the accuracy of all this information, the supplied information was reviewed for consistency and reasonableness. As a result of this review, we have no reason to doubt the substantial accuracy of the information and believe that it has produced appropriate results. This information, along with any adjustments or modifications, is summarized in various sections of this report.

This valuation assumes the continuing ability of the participating employers to make the contributions necessary to fund this plan. A determination regarding whether or not the participating employers are actually able to do so is outside our scope of expertise. Consequently, we did not perform such an analysis.

In performing the analysis, we used third-party software to model (calculate) the underlying liabilities and costs. These results are reviewed in the aggregate and for individual sample lives. The output from the software is either used directly or input into internally developed models to generate the costs. All internally developed models are reviewed as part of the process. As a result of this review, we believe that the models have produced reasonable results. We do not believe there are any material inconsistencies among assumptions or unreasonable output produced due to the aggregation of assumptions.

The undersigned are familiar with the immediate and long-term aspects of pension valuations and meet the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. All sections of this report are considered an integral part of the actuarial opinions.

To our knowledge, no associate of Foster & Foster, Inc. working on valuations of the program has any direct financial interest or indirect material interest in the Arizona Public Safety Personnel Retirement System, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the Arizona Public Safety Personnel Retirement System. Thus, there is no relationship existing that might affect our capacity to prepare and certify this actuarial report.

If there are any questions, concerns, or comments about any of the items contained in this report, please contact us at 239-433-5500.

Respectfully Submitted,

Foster & Foster, Inc.

By: ______________________
Bradley R. Heinrichs, FSA, EA, MAAA

By: ______________________
Paul M. Baugher, FSA, EA, MAAA

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I. SUMMARY OF REPORT

The regular annual actuarial valuation of the Arizona Public Safety Personnel Retirement System for the Total, performed as of June 30, 2021, has been completed and the results are presented in this Report. The purpose of this valuation is to:

- Compute the liabilities associated with benefits likely to be paid on behalf of current retired and active members. This information is contained in the section entitled "Liability Support."
- Compare accumulated assets with the liabilities to assess the funded condition. This information is contained in the section entitled "Liability Support."
- Compute the employers' recommended contribution rates for the Fiscal Year beginning July 1, 2022. This information is contained in the section entitled "Contribution Results."

1. Key Valuation Results

The funded status as of June 30, 2021 and the employer contribution amounts applicable to the plan/fiscal year ending June 30, 2023 are as follows:

	Tier 1 & Tier 2 Members			Tier 3 Members *		
	Pension	**Health**	**Total**	**Pension**	**Health**	**Total**
Employer Contribution Rate	54.14%	0.22%	54.36%	9.17%	0.12%	9.29%
Funded Status	54.2%	127.5%	55.3%	104.8%	233.4%	106.6%

2. Comparison of Key Results to Prior Year

The chart below compares the results from this valuation with the results of the prior year's valuation (as of June 30, 2020):

Contribution Rate

	Tier 1 & Tier 2 Members			Tier 3 Members *		
Valuation Date	**Pension**	**Health**	**Total**	**Pension**	**Health**	**Total**
June 30, 2020	56.20%	0.26%	56.46%	9.26%	0.12%	9.38%
June 30, 2021	54.14%	0.22%	54.36%	9.17%	0.12%	9.29%

Funded Status

	Tier 1 & Tier 2 Members			Tier 3 Members		
Valuation Date	**Pension**	**Health**	**Total**	**Pension**	**Health**	**Total**
June 30, 2020	46.9%	120.1%	48.0%	99.9%	218.4%	101.6%
June 30, 2021	54.2%	127.5%	55.3%	104.8%	233.4%	106.6%

** The Tier 3 rates shown are the calculated rates as of the valuation date and do not reflect any Legacy costs that the employer must also contribute.*

3. Reasons for Change

Changes in the results from the prior year's valuation can be illustrated in the following tables along with high-level explanations for the entire System below:

Contribution Rate

	Tier 1 & Tier 2		Tier 3 Members	
	Pension	**Health**	**Pension**	**Health**
Contribution Rate Last Valuation	56.20%	0.26%	9.26%	0.12%
Asset Experience	(0.14%)	0.00%	(0.17%)	(0.01%)
Payroll Base	0.75%	0.00%	0.00%	0.00%
Liability Experience	0.21%	(0.09%)	(0.09%)	0.01%
Additional Contribution	(4.65%)	0.00%	0.00%	0.00%
Assumption/Method Change	1.43%	0.00%	0.00%	0.00%
Other	0.34%	0.05%	0.17%	0.00%
Contribution Rate This Valuation	54.14%	0.22%	9.17%	0.12%

Funded Status

	Tier 1 & Tier 2		Tier 3 Members	
	Pension	**Health**	**Pension**	**Health**
Funded Status Last Valuation	46.9%	120.1%	99.9%	218.4%
Asset Experience	0.1%	(0.2%)	3.3%	8.6%
Liability Experience	(0.1%)	6.8%	1.7%	(18.0%)
Additional Contribution	5.5%	0.0%	0.0%	0.0%
Assumption/Method Change	0.0%	0.0%	0.0%	0.0%
Other	1.8%	0.8%	(0.1%)	24.4%
Funded Status This Valuation	54.2%	127.5%	104.8%	233.4%

Assets Experience – Asset gains and losses (relative to the assumed earnings rate) are smoothed over seven years for Tiers 1 and 2 and over five years for Tier 3. The return on the market value of assets for the year ending June 30, 2021 was 26.7% for Tiers 1 and 2 and 32.7% for Tier 3. On a smoothed, actuarial value of assets basis, however, the average return was 7.6% for Tiers 1 and 2 and 11.5% for Tier 3. These returns exceeded the 2020 assumed earnings rate for Tiers 1 and 2 of 7.3% and for Tier 3 of 7.0%.

Payroll Base – Under the current amortization policy for Tiers 1 and 2, the contribution rate is developed as a level percentage of payroll. Payroll for this purpose includes members of this plan and defined contribution plan's members that would have been in this plan. To the extent that actual payroll is lower/greater than last year's projected payroll, the contribution rate will increase/decrease as a result. The payroll decreased compared to expected, resulting in an increase in the contribution rate.

Liability Experience – Experience overall was unfavorable, driven by salary increases that were higher than expected.

Additional Contribution – Monies contributed in excess of the required contribution rate in order to pay down the unfunded liability.

Assumption / Method Change – The payroll growth assumption was decreased from 3.50% to 3.00%.

Other – This is the combination of all other factors that could impact liabilities year-over-year, with the primary sources being changes in benefits for continuing inactives. Note that Tier 3 experience will stabilize as the group matures.

4. Looking Ahead

The volatility in annual returns, which have produced both gains and losses in recent years, was dampened by the asset smoothing reflected in the actuarial value of assets. The significant gain realized this year will, in the absence of other losses, put downward pressure on the contribution rate next year.

If the June 30, 2021 pension valuation results were based on the market value of assets instead of the actuarial value of assets, the pension funded percentage for Tiers 1 and 2 would be 59.3% (instead of 54.2%) and the pension employer contribution requirement would be 48.23% of payroll (instead of 54.14%).

5. Conclusion

The funded status for Tiers 1 and 2 will continue to improve if assumptions are met and contributions at least equal to the rates determined for each employer are made to the fund. The recent adoption of a layered amortization approach along with a plan to systematically lower the payroll growth assumption was an excellent step to improve funding and ensure the Plan is on a viable path.

The funded status for Tier 3 will stabilize as the population continues to grow, as contributions appear sufficient to keep the liabilities fully funded.

II. CONTRIBUTION RESULTS

Contribution Requirements

Development of Employer Contributions - Tiers 1 & 2 Members				
Valuation Date	June 30, 2021		June 30, 2020	
Applicable to Fiscal Year Ending	2023		2022	
	Rate	**Dollar**	**Rate**	**Dollar**
Pension				
Normal Cost				
Total Normal Cost	21.22%	$ 305,452,405	21.32%	$ 317,459,764
Employee Cost	(7.65%)	(110,097,346)	(7.65%)	(113,910,281)
Employer (Net) Normal Cost	13.57%	195,355,059	13.67%	203,549,483
Amortization of Unfunded Liability	40.57%	583,870,633	42.53%	633,223,175
Total Employer Cost (Pension)	54.14%	779,225,692	56.20%	836,772,658
Health				
Normal Cost	0.41%	5,839,027	0.42%	6,253,898
Amortization of Unfunded Liability	(0.19%)	(2,700,281)	(0.16%)	(2,413,802)
Total Employer Cost (Health)	0.22%	3,138,746	0.26%	3,840,096
Total Employer Cost (Pension + Health)	**54.36%**	**782,364,438**	**56.46%**	**840,612,754**
Total Minimum Contribution Requirement (if applicable)	0.00%		0.00%	
Alternate Contribution Rate (ACR) *	40.57%		42.53%	
Underlying Payroll (as of valuation date)		1,397,263,098		1,438,669,837

** The Alternate Contribution Rate is the sum of the positive amortization rates for Tiers 1 & 2 Pension and Health (subject to an 8% minimum) and is charged when retirees return to active status.*

The results above are shown both prior to and after the application of the statutory minimum contribution requirement of 8% of payroll (5% of payroll if the actual employer contribution is less than 5% for the 2006/2007 Fiscal Year) and are based on the current amortization schedule approved by the Board of Trustees for your individual plan (see "Actuarial Assumptions and Methods").

Development of Employer Contributions – Tier 3 Members		
Valuation Date	June 30, 2021	June 30, 2020
Applicable to Fiscal Year Ending	2023	2022

Defined Benefit (DB) Retirement Plan

	Rate	Dollar	Rate	Dollar
Pension				
Total Normal Cost	18.31%	$ 47,129,341	18.46%	$ 34,756,727
Amortization of Unfunded Liability	0.03%	72,026	0.05%	94,335
Total Pension Cost	18.34%	47,201,367	18.51%	34,851,062
Employee (EE) Pension Cost	9.17%	23,600,684	9.26%	17,425,531
Employer (ER) Pension Cost	9.17%	23,600,684	9.26%	17,425,531
Health				
Total Normal Cost	0.23%	597,099	0.24%	451,875
Amortization of Unfunded Liability	0.00%	0	0.00%	0
Total Health Cost	0.23%	597,099	0.24%	451,875
Employee (EE) Health Cost	0.12%	298,550	0.12%	225,938
Employer (ER) Health Cost	0.12%	298,550	0.12%	225,938
Total				
Total Calculated Tier 3 Required EE/ER Individual Cost	9.29%	23,899,234	9.38%	17,651,469
Board Approved Tier 3 Required EE/ER Individual Cost [1]	10.09%	25,966,347	10.09%	18,997,583
ER Legacy Cost of Tiers 1 & 2 Amort of Unfunded Liabilities [2]	40.57%	104,405,818	42.53%	80,076,034
Total Calculated Tier 3 Required ER Defined Benefit Cost	49.86%	128,305,052	51.91%	97,727,503
Total Board Approved Tier 3 Required ER Defined Benefit Cost	**50.66%**	**130,372,165**	**52.62%**	**99,073,617**
Underlying Payroll (as of valuation date)		249,851,792		181,914,294

[1] *The Board decided to keep Tier 3 rates level (as calculated with the June 30, 2019 valuation) for the fiscal year ending June 30, 2023.*

[2] *Pursuant to ARS § 38-843(B), the amortization of positive unfunded liabilities for Tiers 1 & 2 shall be applied to all Tier 3 payroll on a level percent basis. However, while it is statutorily required to present the rates in this manner, these are the minimums where alternate methods for paying down that unfunded liability is at the discretion of each employer. Further, to understand the effects of reform in relation to Tier 3, compare the total rate of Tier 3 before application of those legacy costs.*

Development of Employer Contributions – Tier 3 Members		
Valuation Date	June 30, 2021	June 30, 2020
Applicable to Fiscal Year Ending	2023	2022

Defined Contribution (DC) Retirement Plan

	Rate	Dollar	Rate	Dollar
Tier 2 & 3 DB / Non-Social Security				
Employee Cost	3.00%		3.00%	
Employer Cost [1]	3.00%		3.00%	
Tier 3 DC Only				
Employee Cost	9.00%	$ 1,082,104	9.00%	$ 871,240
Employee Health Subsidy Program Cost	0.19%	22,844		
Employee Disability Program Cost	1.66%	199,588	0.88%	85,188
Total Employee Cost	**10.85%**	**1,304,536**	**9.88%**	**956,428**
Employer Cost	9.00%	1,082,104	9.00%	871,240
Employer Health Subsidy Program Cost	0.19%	22,844		
Employer Disability Program Cost	1.66%	199,588	0.88%	85,188
Total Employer Cost (before Legacy)	**10.85%**	**1,304,536**	**9.88%**	**956,428**
ER Legacy Cost of Tiers 1 & 2 Amort of Unfunded Liabilities [2]	40.57%	4,877,885	42.53%	4,117,092
Total Employer Cost	**51.42%**	**6,182,421**	**52.41%**	**5,073,520**
Underlying Payroll (as of valuation date)		11,673,184		9,353,085

[1] *Employer rate is 4% for Tier 2 members for a period of time depending on the individual's membership date.*

[2] *Pursuant to ARS § 38-843(B), the amortization of positive unfunded liabilities for Tiers 1 & 2 shall be applied to all Tier 3 payroll on a level percent basis. However, while it is statutorily required to present the rates in this manner, these are the minimums where alternate methods for paying down that unfunded liability is at the discretion of each employer. Further, to understand the effects of reform in relation to Tier 3, compare the total rate of Tier 3 before application of those legacy costs.*

Historical Summary of Employer Rates

	Valuation Date June 30	Fiscal Year Ending June 30	Pension Normal Cost	Pension Unfunded Amortization	Pension Total	Health Normal Cost	Health Unfunded Amortization	Health Total
TIERS 1 & 2	2018	2020	14.66%	37.65%	52.31%	0.31%	(0.15%)	0.16%
	2019	2021	14.64%	39.74%	54.38%	0.47%	(0.17%)	0.30%
	2020	2022	13.67%	42.53%	56.20%	0.42%	(0.16%)	0.26%
	2021	2023	13.57%	40.57%	54.14%	0.41%	(0.19%)	0.22%
TIER 3 [1]	2018	2020	9.85%	0.00%	9.85%	0.24%	0.00%	0.24%
	2019	2021	9.85%	0.00%	9.85%	0.24%	0.00%	0.24%
	2020	2022	9.82%	0.03%	9.85%	0.24%	0.00%	0.24%
	2021 [2]	2023	9.15%	0.02%	9.17%	0.12%	0.00%	0.12%
	2021	2023	9.83%	0.02%	9.85%	0.24%	0.00%	0.24%

[1] *Rates shown are Board approved EE/ER rates, unless otherwise noted. Does not reflect Legacy costs that the employer must also contribute.*

[2] *Rates shown are calculated EE/ER rates*

III. Liability Support

Liabilities and Funded Ratios by Benefit - Tiers 1 & 2

	June 30, 2021	June 30, 2020
Pension		
Actuarial Present Value of Benefits		
Retirees and Beneficiaries	$ 10,668,580,319	$ 10,086,385,747
DROP Members	2,386,712,040	2,190,202,078
Vested Members	120,270,192	92,499,097
Active Members	8,511,177,382	8,648,479,501
Total Actuarial Present Value of Benefits	21,686,739,933	21,017,566,423
Actuarial Accrued Liability (AAL)		
All Inactive Members	13,175,562,551	12,369,086,922
Active Members	6,130,866,273	6,142,868,916
Total Actuarial Accrued Liability	19,306,428,824	18,511,955,838
Actuarial Value of Assets (AVA)	10,462,717,622	8,675,448,922
Unfunded Actuarial Accrued Liability		
Gross Unfunded Actuarial Accrued Liability	8,843,711,202	9,836,506,916
Stabilization Reserve	26,876,792	10,100,822
Net Unfunded Actuarial Accrued Liability	8,870,587,994	9,846,607,738
Funded Ratio (AVA / AAL)	54.2%	46.9%
Health		
Present Value of Benefits		
Retirees and Beneficiaries	$ 143,563,229	$ 149,203,299
DROP Members	36,129,100	33,448,494
Active Members	150,292,456	158,833,495
Total Present Value of Benefits	329,984,785	341,485,288
Actuarial Accrued Liability (AAL)		
All Inactive Members	179,692,329	182,651,793
Active Members	108,805,446	113,617,033
Total Actuarial Accrued Liability	288,497,775	296,268,826
Actuarial Value of Assets (AVA)	367,789,300	355,709,881
Unfunded Actuarial Accrued Liability	(79,291,525)	(59,441,055)
Funded Ratio (AVA / AAL)	127.5%	120.1%

Liabilities and Funded Ratios by Benefit - Tier 3

	June 30, 2021	June 30, 2020
Pension		
Actuarial Present Value of Benefits		
Retirees and Beneficiaries	$ 2,705,962	$ 925,417
Vested Members	3,195,123	1,279,244
Active Members	685,325,517	483,251,673
Total Actuarial Present Value of Benefits	691,226,602	485,456,334
Actuarial Accrued Liability (AAL)		
All Inactive Members	5,901,085	2,204,661
Active Members	88,657,839	47,366,079
Total Actuarial Accrued Liability	94,558,924	49,570,740
Actuarial Value of Assets (AVA)	99,096,618	49,531,567
Unfunded Actuarial Accrued Liability	(4,537,694)	39,173
Funded Ratio (AVA / AAL)	104.8%	99.9%
Health		
Present Value of Benefits		
Retirees and Beneficiaries	0	0
Active Members	8,792,084	6,131,689
Total Present Value of Benefits	8,792,084	6,131,689
Actuarial Accrued Liability (AAL)		
All Inactive Members	0	0
Active Members	1,348,531	695,398
Total Actuarial Accrued Liability	1,348,531	695,398
Actuarial Value of Assets (AVA)	3,146,826	1,518,500
Unfunded Actuarial Accrued Liability	(1,798,295)	(823,102)
Funded Ratio (AVA / AAL)	233.4%	218.4%

Derivation of Experience (Gain)/Loss

Actual experience will never exactly match assumed experience, except by coincidence. Ideally, gains and losses will cancel each other over a period of years, but sizable year-to-year fluctuations are common. Detail on the derivation of the experience (gain) / loss is shown below, along with sources of the gains and losses.

		Tiers 1 & 2		Tier 3	
		Pension	**Health**	**Pension**	**Health**
(1)	Unfunded Actuarial Accrued Liability as of June 30, 2020	9,836,506,916	(59,441,055)	39,173	(823,102)
(2)	Normal Cost Developed in Last Valuation	203,549,483	6,253,898	17,434,848	225,938
(3)	Actual Contributions	1,907,713,416	4,005,856	21,046,874	1,358,038
(4)	Expected Interest On (1), (2), and (3)	664,518,983	(4,026,301)	520,923	(92,288)
(5)	Expected Unfunded Actuarial Accrued Liability as of June 30, 2021 (1)+(2)-(3)+(4)	8,796,861,966	(61,219,314)	(3,051,930)	(2,047,490)
(6)	Changes to UAAL Due to Assumptions, Methods and Benefits	0	0	0	0
(7)	Change to UAAL Due to Actuarial (Gain)/Loss	46,849,236	(18,072,211)	(1,485,764)	249,195
(8)	Unfunded Actuarial Accrued Liability as of June 30, 2021	8,843,711,202	(79,291,525)	(4,537,694)	(1,798,295)

FY 2021 Gains and Losses by Source

	Tiers 1 & 2		Tier 3	
	Pension	**Health**	**Pension**	**Health**
Investment Return	(27,399,965)	515,709	(3,131,059)	(116,461)
Salary Increases	105,824,827	8,965	1,250,945	(4,573)
Retirement	(30,175,677)	(3,235,042)	-	-
Turnover	12,785,448	(2,383,999)	(1,933,201)	97,230
Disability	(12,638,003)	(503,360)	(1,326,425)	2,915
Death-In-Service	(12,677,022)	(4,623,847)	(1,352,896)	813
Retiree Mortality	(23,186,230)	(5,417,102)	1,756,894	-
Other *	34,315,858	(2,433,535)	3,249,978	269,271
Total	46,849,236	(18,072,211)	(1,485,764)	249,195

** The combination of all other factors that could impact liabilities year-over-year, with the primary sources being changes in member data.*

Statement of Changes in Fiduciary Net Position for Year Ended June 30, 2021

Market Value Basis

	Tiers 1 & 2		Tier 3	
	Pension	**Health**	**Pension**	**Health**
Additions				
Contributions				
Member Contributions	$ 125,332,035	$ 0	$ 21,045,607	$ 0
Employer Contributions	1,907,760,231	0	21,046,874	0
Health Insurance Contributions	0	4,005,856	0	1,358,038
Total Contributions	2,033,092,266	4,005,856	42,092,481	1,358,038
Investment Income				
Net Increase in Fair Value	2,205,440,985	84,098,414	21,638,252	757,438
Interest and Dividends	71,848,357	2,739,739	704,927	24,676
Other Income	83,636,944	3,601,503	820,588	32,436
Less Investment Expenses	(50,004,841)	(1,785,590)	(490,613)	(16,082)
Net Investment Income	2,310,921,445	88,654,066	22,673,154	798,468
Transfers In	145,214	0	55,573	0
Total Additions	4,344,158,925	92,659,922	64,821,208	2,156,506
Deductions				
Distributions to Members				
Benefit Payments	933,886,583	0	57,370	0
Health Insurance Subsidy	0	16,906,670	0	0
Refund of Contributions	12,184,527	0	576,884	0
Total Distributions	946,071,110	16,906,670	634,254	0
Administrative Expenses	10,897,164	364,534	106,925	3,283
Transfers Out	276,873	0	0	0
Other	0	0	0	0
Total Deductions	957,245,147	17,271,204	741,179	3,283
Net Increase / (Decrease)	3,386,913,778	75,388,718	64,080,029	2,153,223
Net Position Held in Trust				
Prior Valuation	8,057,538,776	328,079,035	48,259,114	1,480,635
Beginning of the Year Adjustment	0	0	0	0
End of the Year	11,444,452,554	403,467,753	112,339,143	3,633,858

Development of Pension Actuarial Value of Assets - Tiers 1 & 2

A. Investment Income	
A1. Actual Investment Income	$ 2,300,024,281
A2. Expected Amount for Immediate Recognition	627,173,072
A3. Amount Subject to Amortization	1,672,851,209

	Year Ended June 30						
B. Amortization Schedule	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**
2021 Experience (A3 / 7)	238,978,744	238,978,744	238,978,744	238,978,744	238,978,744	238,978,744	238,978,745
2020 Experience	(68,882,158)	(68,882,158)	(68,882,158)	(68,882,158)	(68,882,158)	(68,882,160)	
2019 Experience	(22,859,275)	(22,859,275)	(22,859,275)	(22,859,275)	(22,859,275)		
2018 Experience	(6,266,349)	(6,266,349)	(6,266,349)	(6,266,351)			
2017 Experience	33,380,149	33,380,149	33,380,148				
2016 Experience	(64,250,729)	(64,250,726)					
2015 Experience	(36,894,251)						
Total Amortization	73,206,131	110,100,385	174,351,110	140,970,960	147,237,311	170,096,584	238,978,745

C. Actuarial Value of Assets	
C1. Actuarial Value of Assets, 06/30/2020	8,675,448,922
C2. Noninvestment Net Cash Flow	1,086,889,497
C3. Preliminary Actuarial Value of Assets, 06/30/2021 (A2 + B + C1 + C2)	10,462,717,622
C4. Market Value of Assets, 06/30/2021	11,444,452,554
C5. Final Actuarial Value of Assets, 06/30/2021 (C3 Within 20% Corridor of C4)	10,462,717,622

D. Rates of Return	
D1. Market Value Rate of Return	26.7%
D2. Actuarial Value Rate of Return	7.6%

Development of Health Actuarial Value of Assets - Tiers 1 & 2

A. Investment Income	
A1. Actual Investment Income	$ 88,289,532
A2. Expected Amount for Immediate Recognition	23,487,183
A3. Amount Subject to Amortization	64,802,349

	Year Ended June 30						
B. Amortization Schedule	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**
2021 Experience (A3 / 7)	9,257,478	9,257,478	9,257,478	9,257,478	9,257,478	9,257,478	9,257,481
2020 Experience	(2,898,713)	(2,898,713)	(2,898,713)	(2,898,713)	(2,898,713)	(2,898,716)	
2019 Experience	(1,075,569)	(1,075,569)	(1,075,569)	(1,075,569)	(1,075,572)		
2018 Experience	(304,653)	(304,653)	(304,653)	(304,656)			
2017 Experience	1,532,136	1,532,136	1,532,136				
2016 Experience	(3,221,043)	(3,221,044)					
2015 Experience	(1,796,586)						
Total Amortization	1,493,050	3,289,635	6,510,679	4,978,540	5,283,193	6,358,762	9,257,481

C. Actuarial Value of Assets	
C1. Actuarial Value of Assets, 06/30/2020	355,709,881
C2. Noninvestment Net Cash Flow	(12,900,814)
C3. Preliminary Actuarial Value of Assets, 06/30/2021 (A2 + B + C1 + C2)	367,789,300
C4. Market Value of Assets, 06/30/2021	403,467,753
C5. Final Actuarial Value of Assets, 06/30/2021 (C3 Within 20% Corridor of C4)	367,789,300

D. Rates of Return	
D1. Market Value Rate of Return	27.5%
D2. Actuarial Value Rate of Return	7.2%

Development of Pension Actuarial Value of Assets - Tiers 3

A. Investment Income	
A1. Actual Investment Income	$ 22,566,229
A2. Expected Amount for Immediate Recognition	4,806,547
A3. Amount Subject to Amortization	17,759,682

	Year Ended June 30				
B. Amortization Schedule	**2021**	**2022**	**2023**	**2024**	**2025**
2021 Experience (A3 / 5)	3,551,936	3,551,936	3,551,936	3,551,936	3,551,938
2020 Experience	(351,296)	(351,296)	(351,296)	(351,294)	
2019 Experience	44,435	44,435	44,437		
2018 Experience	(370)	(371)			
2017 Experience	0				
Total Amortization	3,244,705	3,244,704	3,245,077	3,200,642	3,551,938

C. Actuarial Value of Assets	
C1. Actuarial Value of Assets, 06/30/2020	49,531,567
C2. Noninvestment Net Cash Flow	41,513,800
C3. Preliminary Actuarial Value of Assets, 06/30/2021 (A2 + B + C1 + C2)	99,096,619
C4. Market Value of Assets, 06/30/2021	112,339,143
C5. Final Actuarial Value of Assets, 06/30/2021 (C3 Within 20% Corridor of C4)	99,096,619

D. Rates of Return	
D1. Market Value Rate of Return	32.7%
D2. Actuarial Value Rate of Return	11.5%

Development of Health Actuarial Value of Assets - Tiers 3

A. Investment Income	
A1. Actual Investment Income	$ 795,185
A2. Expected Amount for Immediate Recognition	150,372
A3. Amount Subject to Amortization	644,813

	Year Ended June 30				
B. Amortization Schedule	**2021**	**2022**	**2023**	**2024**	**2025**
2021 Experience (A3 / 5)	128,963	128,963	128,963	128,963	128,961
2020 Experience	(10,555)	(10,555)	(10,555)	(10,557)	
2019 Experience	1,507	1,507	1,508		
2018 Experience	0	(2)			
2017 Experience	0				
Total Amortization	119,915	119,913	119,916	118,406	128,961

C. Actuarial Value of Assets	
C1. Actuarial Value of Assets, 06/30/2020	1,518,500
C2. Noninvestment Net Cash Flow	1,358,038
C3. Preliminary Actuarial Value of Assets, 06/30/2021 (A2 + B + C1 + C2)	3,146,825
C4. Market Value of Assets, 06/30/2021	3,633,858
C5. Final Actuarial Value of Assets, 06/30/2021 (C3 Within 20% Corridor of C4)	3,146,825

D. Rates of Return	
D1. Market Value Rate of Return	36.8%
D2. Actuarial Value Rate of Return	12.3%

V. MEMBER STATISTICS

Valuation Data Summary

	June 30, 2021		June 30, 2020	
	Tiers 1 & 2	**Tier 3**	**Tiers 1 & 2**	**Tier 3**
Actives				
Number	13,720	3,694	15,046	2,870
Average Current Age	42.1	30.0	41.6	29.4
Average Age at Employment	28.1	28.2	28.2	28.1
Average Past Service	14.0	1.8	13.4	1.3
Average Annual Salary	$94,111	$60,146	$88,969	$57,502
Actives (transferred)				
Number	727	225	647	114
Average Current Age	36.7	30.2	35.9	30.7
Average Age at Employment	27.9	27.9	28.0	29.0
Average Past Service	8.7	2.3	7.9	1.7
Average Annual Salary	$69,288	$59,069	$64,820	$54,544
Retirees				
Number	10,796	0	10,293	0
Average Current Age	64.9	N/A	64.8	N/A
Average Annual Benefit	$60,943	N/A	$59,920	N/A
Drop Retirees				
Number	2,131	N/A	1,971	N/A
Average Current Age	53.8	N/A	53.7	N/A
Average Annual Benefit	$65,025	N/A	$64,483	N/A
Beneficiaries				
Number	1,863	3	1,766	0
Average Current Age	70.6	43.7	70.2	N/A
Average Annual Benefit	$47,533	$37,769	$47,202	N/A
Disability Retirees				
Number	1,900	2	1,837	2
Average Current Age	59.0	40.7	58.7	39.7
Average Annual Benefit	$46,954	$29,259	$46,118	$28,685
Inactive / Vested				
Number	2,099	513	2,047	319
Average Current Age	41.6	31.2	40.7	30.8
Average Accumulated Contributions	$16,761	$4,319	$14,281	$2,828
Total Number	33,236	4,437	33,607	3,305
Former Members (transferred)	N/A	N/A	N/A	N/A

Counts and Pay Summary by Service - Tiers 1 & 2

	Past Service									
Age	**0-4**	**5-9**	**10-14**	**15-19**	**20-24**	**25-29**	**30+**	**Total Count**	**Total Pay**	**Average Pay**
<20	0	0	0	0	0	0	0	0	0	0
20 - 24	20	1	0	0	0	0	0	21	1,431,121	68,149
25 - 29	421	534	1	0	0	0	0	956	69,985,342	73,206
30 - 34	349	1,388	311	6	0	0	0	2,054	159,246,159	77,530
35 - 39	184	862	1,455	631	5	0	0	3,137	280,904,412	89,546
40 - 44	72	433	902	1,482	330	0	0	3,219	313,050,731	97,251
45 - 49	25	174	505	1,023	838	100	2	2,667	272,891,026	102,321
50 - 54	14	88	239	566	501	219	22	1,649	171,961,157	104,282
55 - 59	8	27	100	258	115	55	28	591	57,877,876	97,932
60 - 64	4	8	25	61	17	5	7	127	11,933,378	93,964
65+	0	6	8	6	5	1	0	26	2,294,351	88,244
Total	1,097	3,521	3,546	4,033	1,811	380	59	14,447	1,341,575,553	92,862

Counts and Pay Summary by Service - Tier 3

	Past Service									
Age	**0-4**	**5-9**	**10-14**	**15-19**	**20-24**	**25-29**	**30+**	**Total Count**	**Total Pay**	**Average Pay**
15 - 19	5	0	0	0	0	0	0	5	201,130	40,226
20 - 24	710	0	0	0	0	0	0	710	40,344,245	56,823
25 - 29	1,610	0	0	0	0	0	0	1,610	96,302,736	59,815
30 - 34	944	2	0	0	0	0	0	946	58,032,624	61,345
35 - 39	400	2	0	0	0	0	0	402	24,772,555	61,623
40 - 44	149	1	1	0	0	0	0	151	9,503,894	62,940
45 - 49	59	1	1	0	0	0	0	61	3,907,312	64,054
50 - 54	24	0	0	0	0	0	0	24	1,591,241	66,302
55 - 59	7	0	0	0	0	0	0	7	553,645	79,092
60 - 64	3	0	0	0	0	0	0	3	259,989	86,663
65+	0	0	0	0	0	0	0	0	0	0
Total	3,911	6	2	0	0	0	0	3,919	235,469,371	60,084

VI. Actuarial Assumptions and Methods

Interest Rate

This is the assumed earnings rate on System assets, compounded annually, net of investment and administrative expenses.

Tiers 1 & 2:
7.30% per year.

Tier 3:
7.00% per year.

Salary Increases

See table below. This is an annual increase for individual member's salary. These rates, which are based on a 2017 experience study using actual plan experience, consist of 3.5% for wage inflation with the remaining portion for merit / seniority increases.

Age	Maricopa County Police	Pima County Police	Other Police	Maricopa County Fire	Pima County Fire	Other Fire
20	7.50%	7.50%	7.50%	7.50%	7.50%	7.20%
25	7.14%	6.24%	6.60%	7.35%	6.36%	6.60%
30	6.00%	5.16%	5.25%	6.74%	5.48%	5.60%
35	4.77%	4.55%	4.15%	5.56%	4.83%	4.96%
40	3.90%	3.89%	3.60%	4.46%	4.03%	4.44%
45	3.54%	3.56%	3.50%	3.74%	3.60%	3.78%
50+	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%

Inflation

2.50%.

Tier 3 Compensation Limit

$115,868 for calendar 2021. Assumed increases of 2.00% per year thereafter.

Cost-of-Living Adjustment

1.75%.

Mortality Rates

These rates are used to project future decrements from the population due to death.

Active Lives:
PubS-2010 Employee mortality, loaded 110% for males and females, projected with future mortality improvements reflected generationally using 75% of scale MP-2020. 100% of active deaths are assumed to be in the line of duty.

Inactive Lives
PubS-2010 Healthy Retiree mortality, loaded 110% for males and females, projected with future mortality improvements reflected

generationally using 75% of scale MP-2020.

Beneficiaries:
PubS-2010 Survivor mortality, projected with future mortality improvements reflected generationally using 75% of scale MP-2020.

Disabled Lives:
PubS-2010 Disabled mortality, projected with future mortality improvements reflected generationally using 75% of scale MP-2020.

The mortality assumptions sufficiently accommodate anticipated future mortality improvements.

Retirement / DROP Rates

These rates are used to project future decrements from the active population due to retirement. The rates below are based on a 2017 experience study using actual plan experience.

Tier 1 – reaching age 62 before attaining 20 years of service:
Age-related rates based on age at retirement: 60% assumed at age 62, 50% assumed at ages 63 – 69, and 100% assumed at age 70. Rates are the same for all employers.

Tier 1 – reaching age 62 after attaining 20 years of service:
Service-related rates based on service at retirement:

Service	Maricopa County Police	Pima County Police	Other Police	Maricopa County Fire	Pima County Fire	Other Fire
20	27%	24%	35%	14%	18%	23%
21	18%	19%	30%	14%	18%	18%
22	14%	14%	23%	7%	11%	11%
23	10%	10%	10%	7%	7%	8%
24	8%	7%	10%	7%	7%	5%
25	38%	32%	36%	22%	22%	30%
26	36%	32%	30%	26%	26%	30%
27	29%	22%	30%	19%	19%	30%
28	29%	22%	30%	32%	25%	25%
29	29%	22%	30%	30%	25%	16%
30	34%	35%	30%	30%	30%	32%
31	34%	35%	30%	30%	30%	35%
32	65%	65%	70%	55%	55%	60%
33	65%	65%	70%	55%	55%	60%
34+	100%	100%	100%	100%	100%	100%

60% are assumed to enter the DROP program while the remaining 40% are assumed to retire and commence benefits immediately. DROP periods are assumed to be 4 years in length.

Tiers 2 & 3:

Age-related rates based on age at retirement:

Age	Maricopa County Police	Pima County Police	Other Police	Maricopa County Fire	Pima County Fire	Other Fire
53	38%	32%	36%	22%	22%	30%
54	36%	32%	30%	26%	26%	30%
55	29%	22%	30%	19%	19%	30%
56	29%	22%	30%	32%	25%	25%
57	29%	22%	30%	30%	25%	16%
58	34%	35%	30%	30%	30%	32%
59	34%	35%	30%	30%	30%	35%
60-63	65%	65%	70%	55%	55%	60%
64+	100%	100%	100%	100%	100%	100%

Termination Rate

These rates are used to project future decrements from the active population due to termination. Service-related rates based on service at termination are shown below. The rates below apply to members prior to retirement eligibility and are based on a 2017 experience study using actual plan experience.

Service	Maricopa County Police	Pima County Police	Other Police	Maricopa County Fire	Pima County Fire	Other Fire
1	14.00%	16.00%	16.00%	7.00%	10.00%	9.50%
2	8.50%	9.00%	12.50%	4.50%	5.00%	9.00%
3	6.50%	7.50%	11.50%	3.70%	5.00%	7.50%
4	4.50%	6.00%	9.00%	3.00%	4.00%	7.50%
5	3.60%	6.00%	8.00%	2.50%	4.00%	6.50%
6	3.30%	4.50%	8.00%	1.70%	3.50%	4.50%
7	3.30%	4.50%	7.00%	1.70%	3.00%	4.00%
8	3.30%	3.20%	7.00%	1.70%	2.40%	3.50%
9	2.70%	3.20%	6.50%	1.70%	2.40%	3.50%
10	2.70%	3.20%	6.00%	1.50%	2.40%	3.00%
11	2.70%	3.20%	5.00%	1.10%	2.40%	2.70%
12	1.80%	1.40%	4.00%	0.70%	1.00%	2.00%
13	1.30%	1.40%	3.50%	0.70%	1.00%	2.00%
14	1.30%	1.40%	3.00%	0.70%	1.00%	1.70%
15	1.30%	1.00%	3.00%	0.60%	1.00%	1.20%
16	0.70%	1.00%	2.00%	0.50%	1.00%	1.20%
17	0.70%	1.00%	1.75%	0.50%	0.50%	1.20%
18	0.70%	1.00%	1.75%	0.40%	0.50%	1.20%
19	0.50%	1.00%	1.75%	0.40%	0.50%	1.20%
20+	0.50%	1.00%	1.75%	0.40%	0.50%	0.50%

Disability Rate

These rates are used to project future decrements from the active population due to disability. Sample age-related rates based on age at disability are provided below. These rates are based on a 2017 experience study using actual plan experience. 100% of disablements are assumed to be duty-related.

Age	Maricopa County Police	Pima County Police	Other Police	Maricopa County Fire	Pima County Fire	Other Fire
20	0.08%	0.08%	0.10%	0.03%	0.03%	0.03%
25	0.08%	0.08%	0.10%	0.03%	0.03%	0.03%
30	0.17%	0.16%	0.20%	0.04%	0.03%	0.03%
35	0.22%	0.21%	0.26%	0.09%	0.07%	0.08%
40	0.36%	0.35%	0.44%	0.17%	0.16%	0.17%
45	0.51%	0.49%	0.62%	0.17%	0.43%	0.48%
50	0.78%	0.75%	0.95%	0.43%	0.59%	0.65%
55	1.02%	0.98%	1.23%	1.00%	1.01%	1.13%

Marital Status

For active members, 85% of males and 60% of females are assumed to be married. Actual marital status is used, where applicable, for inactive members.

Spouse's Age

Males are assumed to be three years older than females.

Health Care Utilization

For active members, 70% of retirees are expected to utilize retiree health care. Actual utilization is used for inactive members.

Funding Method

Entry Age Normal Cost Method.

Actuarial Asset Method

Method described below. Note that during periods when investment performance exceeds (falls short) of the assumed rate, the actuarial value of assets will tend to be less (greater) than the market value of assets.

Tiers 1 & 2:
Each year the assumed investment income is recognized in full while the difference between actual and assumed investment income are smoothed over a 7-year period subject to a 20% corridor around the market value.

Tier 3:
Each year the assumed investment income is recognized in full while the difference between actual and assumed investment income are smoothed over a 5-year period subject to a 20% corridor around the market value.

Funding Policy Amortization Method	***Tiers 1 & 2:*** Any positive UAAL (assets less than liabilities) is amortized using a layered approach beginning with the June 30, 2020 valuation, with new amounts determined according to a Level Dollar method over a closed period of 15 years (phased into from current period of at most 30 years). Initial layer from June 30, 2019 valuation continues to be amortized according to a Level Percentage of Payroll method. Any negative UAAL (assets greater than liabilities) is amortized according to a Level Dollar method over an open period of 20 years. ***Tier 3:*** Any positive UAAL (assets less than liabilities) is amortized according to a Level Dollar method over a closed period of 10 years. No amortization is made of any negative UAAL (assets greater than liabilities).
Payroll Growth	3.00% per year. This is annual increase for total employer payroll.
Stabilization Reserve	Beginning with the June 30, 2007 valuation and with each subsequent valuation, if the actuarial value of assets exceeds the actuarial accrued liability, one half of this excess in each year is allocated to a Stabilization Reserve. This Reserve is excluded from the calculation of the employer contribution rates. The Reserve accumulates as long as the plan is overfunded. Once the plan becomes underfunded, the Stabilization Reserve will be used to dampen increases in the employer contribution rates.

Changes to Actuarial Assumptions and Methods Since the Prior Valuation

The payroll growth assumption was lowered from 3.50% to 3.00%.

VII. DISCUSSION OF RISK

ASOP No. 51, Assessment and Disclosure of Risk Associated with Measuring Pension Obligations and Determining Pension Plan Contributions, states that the actuary should identify risks that, in the actuary's professional judgment, may reasonably be anticipated to significantly affect the plan's future financial condition.

Throughout this report, actuarial results are determined under various assumption scenarios. These results are based on the premise that all future plan experience will align with the plan's actuarial assumptions; however, there is no guarantee that actual plan experience will align with the plan's assumptions. Whenever possible, the recommended assumptions in this report reflect conservatism to allow for some margin of unfavorable future plan experience. However, it is still possible that actual plan experience will differ from anticipated experience in an unfavorable manner that will negatively impact the plan's funded position.

Below are examples of ways in which plan experience can deviate from assumptions and the potential impact of that deviation. Typically, this results in an actuarial gain or loss representing the current-year financial impact on the plan's unfunded liability of the experience differing from assumptions; this gain or loss is amortized over a period of time determined by the plan's amortization method. When assumptions are selected that adequately reflect plan experience, gains and losses typically offset one another in the long term, resulting in a relatively low impact on the plan's contribution requirements associated with plan experience. When assumptions are too optimistic, losses can accumulate over time and the plan's amortization payment could potentially grow to an unmanageable level.

- Investment Return: When the rate of return on the Actuarial Value of Assets falls short of the assumption, this produces a loss representing assumed investment earnings that were not realized. Further, it is unlikely that the plan will experience a scenario that matches the assumed return in each year as capital markets can be volatile from year to year. Therefore, contribution amounts can vary in the future.
- Salary Increases: When a plan participant experiences a salary increase that was greater than assumed, this produces a loss representing the cost of an increase in anticipated plan benefits for the participant as compared to the previous year. The total gain or loss associated with salary increases for the plan is the sum of salary gains and losses for all active participants.
- Payroll Growth: The plan's payroll growth assumption, if one is used, causes a predictable annual increase in the plan's amortization payment in order to produce an amortization payment that remains constant as a percentage of payroll if all assumptions are realized. If payroll does not increase according to the plan's payroll growth assumption, the plan's amortization payment can increase significantly as a percentage of payroll even if all assumptions other than the payroll growth assumption are realized.
- Demographic Assumptions: Actuarial results take into account various potential events that could happen to a plan participant, such as retirement, termination, disability, and death. Each of these potential events is assigned a liability based on the likelihood of the event and the financial consequence of the event for the plan. Accordingly, actuarial liabilities reflect a blend of financial consequences associated with various possible outcomes (such as retirement at one of various possible ages). Once the outcome is known (e.g. the participant retires) the liability is adjusted to reflect the known outcome. This adjustment

produces a gain or loss depending on whether the outcome was more or less favorable than other outcomes that could have occurred.

- Contribution risk: This risk results from the potential that actual employer contributions may deviate from actuarially determined contributions, which are determined in accordance with the Board's funding policy. The funding policy is intended to result in contribution requirements that if paid when due, will result in a reasonable expectation that assets will accumulate to be sufficient to pay plan benefits when due. Contribution deficits, particularly large deficits and those that occur repeatedly, increase future contribution requirements and put the plan at risk for not being able to pay plan benefits when due.

Impact of Plan Maturity on Risk

For newer pension plans, most of the participants and associated liabilities are related to active members who have not yet reached retirement age. As pension plans continue in operation and active members reach retirement ages, liabilities begin to shift from being primarily related to active members to being shared amongst active and retired members. Plan maturity is a measure of the extent to which this shift has occurred. It is important to understand that plan maturity can have an impact on risk tolerance and the overall risk characteristics of the plan. For example, plans with a large amount of retired liability do not have as long of a time horizon to recover from losses (such as losses on investments due to lower than expected investment returns) as plans where the majority of the liability is attributable to active members. For this reason, less tolerance for investment risk may be warranted for highly mature plans with a substantial inactive liability. Similarly, mature plans paying substantial retirement benefits resulting in a small positive or net negative cash flow can be more sensitive to near term investment volatility, particularly if the size of the fund is shrinking, which can result in less assets being available for investment in the market.

To assist with determining the maturity of the plan, we have provided some relevant metrics in the table following titled "Plan Maturity Measures and Other Risk Metrics". Highlights of this information are discussed below:

- The Support Ratio, determined as the ratio of active to inactive members, has decreased for Tiers 1 and 2 from 105.1% on June 30, 2018 to 76.9% on June 30, 2021. This is expected since the plan is closed to new active members. For Tier 3, the Ratio decreased from 1,756.5% on June 30, 2018 to 756.6% on June 30, 2021, consistent with the growth of a new group.
- The Accrued Liability Ratio, determined as the ratio of the Inactive Accrued Liability, which is the liability associated with members who are no longer employed but are due a benefit from the plan, to the Total Accrued Liability, is 68.2% for Tiers 1 and 2. With a group of this maturity, losses due to lower than expected investment returns or demographic factors will need to be made up for over a shorter time horizon than would be needed for a less mature plan.
- The Funded Ratio, determined as the ratio of the Actuarial Value of Assets to the Total Accrued Liability, has increased from 45.8% on June 30, 2018 to 54.2% on June 30, 2021, due mainly to contributions in excess of the required amount and favorable plan experience. For Tier 3, the Ratio increased from 92.1% on June 30, 2018 to 104.8% on June 30, 2021, consistent with a new group with appropriate contribution rates.
- The Net Cash Flow Ratio, determined as the ratio of the Net Cash Flow (contributions minus benefit payments) to the Market Value of Assets, increased from 1.8% on June 30, 2019 to 9.5% on June 30,

2021, meaning that contributions are not currently covering the group's benefit payments. For Tier 3, the Ratio was 37.0%, which is consistent with a new benefit that is beginning to accumulate assets.

It is important to note that the actuary has identified the risks above as the most significant risks based on the characteristics of the plan and the nature of the project, however, it is not an exhaustive list of potential risks that could be considered. Additional advanced modeling, as well as the identification of additional risks, can be provided at the request of the reader.

Plan Maturity Measures and Other Risk Metrics - Tiers 1 & 2

	06/30/2018	06/30/2019	06/30/2020	06/30/2021
Support Ratio				
Total Actives	17,840	16,806	15,693	14,447
Total Inactives	16,977	17,174	17,914	18,789
Actives / Inactives	105.1%	97.9%	87.6%	76.9%
Asset Volatility Ratio				
Market Value of Assets (MVA)		7,810,990,750	8,057,538,776	11,444,452,554
Total Annual Payroll		1,419,642,895	1,380,572,470	1,341,575,553
MVA / Total Annual Payroll		550.2%	583.6%	853.1%
Accrued Liability (AL) Ratio				
Inactive Accrued Liability	10,671,881,219	11,594,509,404	12,369,086,922	13,175,562,551
Total Accrued Liability	16,275,313,899	17,393,828,992	18,511,955,838	19,306,428,824
Inactive AL / Total AL	65.6%	66.7%	66.8%	68.2%
Funded Ratio				
Actuarial Value of Assets (AVA)	7,446,710,138	8,079,039,739	8,675,448,922	10,462,717,622
Total Accrued Liability	16,275,313,899	17,393,828,992	18,511,955,838	19,306,428,824
AVA / Total Accrued Liability	45.8%	46.4%	46.9%	54.2%
Net Cash Flow Ratio				
Net Cash Flow [1]		142,921,171	153,022,031	1,086,974,341
Market Value of Assets (MVA)		7,810,990,750	8,057,538,776	11,444,452,554
Net Cash Flow / MVA		1.8%	1.9%	9.5%

[1] *Determined as total contributions minus benefit payments. Administrative expenses are typically included but are considered part of the net interest rate assumption for this plan.*

Plan Maturity Measures and Other Risk Metrics - Tier 3

	06/30/2018	06/30/2019	06/30/2020	06/30/2021
Support Ratio				
Total Actives	808	1,917	2,984	3,919
Total Inactives	46	151	321	518
Actives / Inactives	1,756.5%	1,269.5%	929.6%	756.6%
Asset Volatility Ratio				
Market Value of Assets (MVA)		18,922,750	48,259,114	112,339,142
Total Annual Payroll		103,627,360	181,914,294	249,851,792
MVA / Total Annual Payroll		18.3%	26.5%	45.0%
Accrued Liability (AL) Ratio				
Inactive Accrued Liability		427,500	2,204,661	5,901,085
Total Accrued Liability		15,228,805	49,570,740	94,558,924
Inactive AL / Total AL		2.8%	4.4%	6.2%
Funded Ratio				
Actuarial Value of Assets (AVA)	3,199,499	18,746,119	49,531,567	99,096,618
Total Accrued Liability	3,473,699	15,228,805	49,570,740	94,558,924
AVA / Total Accrued Liability	92.1%	123.1%	99.9%	104.8%
Net Cash Flow Ratio				
Net Cash Flow [1]		14,738,682	28,622,065	41,515,598
Market Value of Assets (MVA)		18,922,750	48,259,114	112,339,142
Net Cash Flow / MVA		77.9%	59.3%	37.0%

[1] *Determined as total contributions minus benefit payments. Administrative expenses are typically included but are considered part of the net interest rate assumption for this plan.*

VIII. SUMMARY OF CURRENT PLAN

The following is a summary of the benefit provisions provided in Title 38, Chapter 5, Article 4 of the Arizona Revised Statutes.

Membership	Full-time employees of an eligible group, prior to attaining age 65, who are engaged to work for more than six months in a calendar year.
Benefit Tiers	Benefits differ for members based on their hire date: Tier — Hire Date 1 — Hired before January 1, 2012 2 — Hired on or after January 1, 2012 but before July 1, 2017 3 — Hired on or after July 1, 2017
Compensation	Compensation is the amount including base salary, overtime pay, shift and military differential pay, compensatory time used in lieu of overtime pay, and holiday pay, paid to an employee on a regular payroll basis and longevity pay paid at least every six months for which contributions are made to the System. For Tier 3 members, compensation is limited by statutory cap ($110,000 with adjustments by the Board).
Average Monthly Benefit Compensation	***Tier 1:*** The highest compensation paid to member during three consecutive years out of the last 20 years of Credited Service, divided by months. ***Tier 2:*** The highest compensation paid to member during five consecutive years out of the last 20 years of Credited Service, divided by months. ***Tier 3:*** The highest compensation paid to member during five consecutive years out of the last 15 years of Credited Service, divided by months.
Credited Service	Total periods of service, both before and after the member's date of participation, for which the member made contributions to the fund.
Normal Retirement Date	***Tier 1:*** First day of month following attainment of 1) 20 years of service or 2) 62nd birthday and completion of 15 years of service.

Tier 2:
First day of month following the attainment of age 52.5 and completion of 15 years of service.

Tier 3:
First day of month following the attainment of age 55 and completion of 15 years of service.

Benefit

Tier 1:
50% of Average Monthly Benefit Compensation, adjusted based on Credited Service as follows (maximum benefit of 80% of Average Monthly Benefit Compensation):

Credited Service	Benefit Adjustment
15 years, but less than 20	Reduced 4% per year less than 20
20 years, but less than 25	Plus 2% per year between 20 and 25
25+ years	Plus 2.5% per year above 20

Tier 2:
Benefit multiplier (below) times Average Monthly Benefit Compensation times Credited Service (maximum benefit of 80% of Average Monthly Benefit Compensation):

Credited Service	Benefit Multiplier
15 years, but less than 17	1.50%
17 years, but less than 19	1.75%
19 years, but less than 22	2.00%
22 years, but less than 25	2.25%
25+ years	2.50%

Tier 3:
Benefit multiplier (below) times Average Monthly Benefit Compensation times Credited Service (maximum benefit of 80% of Average Monthly Benefit Compensation):

Credited Service	Benefit Multiplier
15 years, but less than 17	1.50%
17 years, but less than 19	1.75%
19 years, but less than 22	2.00%
22 years, but less than 25	2.25%
25+ years	2.50%

Form of Benefit

For married retirees, an annuity payable for the life of the member with 80% continuing to the eligible spouse upon death. For unmarried retirees, the normal form is a single life annuity.

Early Retirement	***Only applicable to Tier 3 members:***
Date	Attainment of age 52.5 and 15 years of Credited Service.
Benefit	Actuarial equivalent of Normal Retirement benefit.
Disability Benefit – Accidental (duty-related)	
Eligibility	Total and permanent disability incurred in performance of duty.
Benefit Amount	A maximum of: a.) 50% of Average Monthly Benefit Compensation, and; b.) The monthly Normal Retirement pension that the member is entitled to receive if he or she retired immediately.
Disability Benefit – Ordinary (not duty-related)	
Eligibility	Total and permanent disability not incurred in performance of duty.
Benefit Amount	Normal Retirement pension that the member is entitled to receive, prorated based on Credited Service earned over the required Credited Service for Normal Retirement (maximum ratio of 1).
Disability Benefit – Other	
Temporary	Benefit equals 1/12 of 50% of compensation during year preceding date of disability. Payments terminate after 12 months.
Catastrophic	Benefit equals 90% of Average Monthly Benefit Compensation. After 60 months member receives greater of 62.5% Average Monthly Benefit Compensation and accrued normal pension.
Pre-Retirement Death Benefit	
Service Incurred	100% of Average Monthly Benefit Compensation, reduced by child's pension.
Non-Service Incurred	80% of benefit based on calculation for accidental disability retirement.
Child's Pension	10% of pension for each child (maximum 20% paid) based on calculation for accidental disability retirement. Payable to dependent child under age 18 (23, if full-time student).
Guardian's Pension	Same as spouse's pension. Payable (along with child's pension) when no spouse is being paid and there is at least one child under 18 (23, if full-time student).
Vesting (Termination)	
Vesting Service Requirement	***Tier 1*:** 10 years of Credited Service.

Tiers 2 & 3:
15 years of Credited Service.

Non-Vested Benefit

Tier 1:
Lump sum payment of accumulated contributions, plus additional amount based on years of Credited Service.

Service	Additional % of Contributions
Less than 5 years	0%
5 years	25%
6 years	40%
7 years	55%
8 years	70%
9 years	85%
10+ years	100%

Tiers 2 & 3:
Lump sum payment of accumulated contributions, with interest at rate determined by the Board.

Vested Benefit

Tier 1:
Deferred retirement annuity based on two times member's accumulated contributions, deferred to age 62. Member is not entitled to survivor benefits, benefit increases, or group health insurance subsidy.

Tiers 2 & 3:
Calculated same as normal retirement pension. Payable if contributions left in fund until reach age requirement. Member is entitled to survivor benefits, benefit increases, and group health insurance subsidy.

Cost-of-Living Adjustment

Payable to retired member or survivor of retired member

Tiers 1 & 2:
Compound cost-of-living adjustment on base benefit. First payment is made on July 1, 2018, with annual adjustments effective every July 1 thereafter.

Cost-of-living adjustment will be based on the average annual percentage change in the Metropolitan Phoenix-Mesa Consumer Price Index published by the United States Department of Labor, Bureau of Statistics. Maximum increase of 2%.

Tier 3:
Compound cost-of-living adjustment on base benefit beginning earlier of first calendar year after the 7th anniversary of retirement or when the retired member reaches 60 years of age.

A cost-of-living adjustment shall be paid on July 1 each year that the funded ratio for members hired on or after July 1, 2017 is 70% or more.

The cost-of-living adjustment will be based on the average annual percentage change in the Metropolitan Phoenix-Mesa Consumer Price Index published by the United States Department of Labor, Bureau of Statistics. The cost-of-living adjustment will not exceed:

- 2%, if funded ratio for members who are hired on or after July 1, 2017 is 90% or more;
- 1.5%, if funded ratio for members who are hired on or after July 1, 2017 is 80-90%;
- 1%, if funded ratio for members who are hired on or after July 1, 2017 is 70-80%.

Deferred Retirement Option Plan (DROP):

Eligibility: Tier 1 and 20 years of Credited Service.

DROP Period: Maximum 60 months.

Member Contributions: Cease upon DROP entry.

Benefit Amount: Calculated based on Credited Service and average monthly compensation as of the beginning of the DROP period, credited to DROP participation account for DROP period.

Interest on DROP Participation Account:

Beginning Year	Interest Rate
July 1, 2015	7.50%
July 1, 2016	7.40%
July 1, 2017	7.40%
July 1, 2018	7.30%
July 1, 2019	7.30%

Payment of DROP Participation Account: Payable as lump sum distribution to Public Safety Personnel Defined Contribution Retirement Plan at end of DROP period or at termination.

Payment Monthly Benefit: System commences payment of benefit amount at the earlier of 1) the end of the DROP period and 2) at termination.

Post-Retirement Health Insurance Subsidy

Eligibility: Retired member or survivor who elect health coverage provided by the state or participating employer.

Maximum Subsidy Amounts (monthly)

	Member Only	With Dependents
Medicare Eligible	$100	$170
One w/ Medicare	N/A	$215
Not Medicare Eligible	$150	$260

Employee Contributions

Members hired before July 20, 2011:
7.65%

Members hired on/after July 20, 2011, but before July 1, 2017:
11.65%. Amounts in excess of 7.65% are not used to reduce the employer contribution ("maintenance of effort").

Tier 3:
50% of total contribution, which is Normal Cost plus a level-dollar amortization of unfunded actuarial accrued liability over a closed period not to exceed 10 years.

Employer Contributions

Tiers 1 & 2:
Normal Cost plus amortization of unfunded actuarial accrued liability over a closed period not to exceed 20 years (subject to one-time election to extend to closed period not to exceed 30 years). Contribution will never be less than 8% of payroll.

Tier 3:
50% of total contribution, which is Normal Cost plus a level-dollar amortization of unfunded actuarial accrued liability over a closed period not to exceed 10 years.

Changes to Benefit Provisions Since the Prior Valuation

The proration period for the Ordinary Disability Benefit was revised to reflect the different required Credited Service periods for different benefit tiers.

IX. Actuarial Funding Policy

A pension plan funding policy describes how pension funding will improve for underfunded plans or maintain funded benefits for funded plans over time for those benefits defined in ARS. Those benefits defined in ARS are to be equitably managed and administered by PSPRS.

This Actuarial Funding Policy identifies the funding objectives and elements of the actuarial funding policy set by the Board for the Arizona Public Safety Personnel Retirement System (PSPRS). The Board adopted this Funding Policy to help ensure the systematic funding of future benefit payments for members of the Retirement System as established by the legislature.

To achieve the systematic funding of future benefits, metrics are identified to measure the progress, or the lack of progress, over time to identify trends. These trends inform the continuation of the current policies or identify areas of needed research for consideration.

This funding policy is reviewed annually and adopted by the Board in accordance with ARS 38-863.02. This policy was reviewed and adopted by the Board in October 2021.

PSPRS Statement of Purpose

The Purpose of the Public Safety Personnel Retirement System is to provide uniform, consistent, and equitable statewide retirement programs for those who have been entrusted to our care.

Funding Objectives

1. Maintain adequate assets so that current plan assets, plus future contributions and investment earnings, are sufficient to fund all benefits expected to be paid to members and their beneficiaries.
    a. Corollary 1a: Current and future contributions should be calculated based upon assumptions that reflect the Board's best estimate of future experience and methods that appropriately allocate costs to address generational equity.
    b. Corollary 1b: While the shorter-term objective is to fully fund the actuarial liability (AAL) that estimates benefits earned as of the valuation date, contributions should target the long-term present value of benefits (PVB) to fund all benefits and help offset risks.

2. Maintain public policy goals of accountability and transparency through stakeholder communication and education. Each policy element is clear in intent and effect, and each should be considered in a balanced approach to determine how and when the funding requirements of the plan will be met.
    a. Corollary 2a: Board shall provide stakeholders with separate reports and tools to help explain current results as well as to help model future funding requirements.

3. Promote intergenerational equity. Defined benefit pensions are designed with a long-term perspective and designed to minimize contribution volatility that cannot avoid some level of generational cost shift. However, the goal is that each generation of members and employers (taxpayers) should, to the extent possible, incur the cost of benefits for the employees who provide services to them, rather than shifting those costs to other generations of members and employers (taxpayers).

a. Corollary 3a: A systematic reduction of the Unfunded Actuarial Accrued Liability (UAAL) over a reasonable time period is paramount to achieving this objective.

Consideration can be given to reduce volatility, to the extent possible, of employer and employee contribution rates as long as the integrity of the objectives listed above is not compromised.

Elements of Actuarial Funding Policy

1. Actuarial Cost Method
   a. The Entry Age Normal level percent of pay actuarial cost method of valuation shall be used in determining the Actuarial Accrued Liability (AAL) and Normal Cost. Differences in the past between assumed experience and actual experience ("actuarial gains and losses") shall become part of the AAL. The Normal Cost shall be determined on an individual basis for each active member.

2. Asset Smoothing Method
   a. The investment gains or losses of each valuation period, resulting from the difference between the actual investment return and assumed investment return, shall be recognized annually in level amounts over seven years (Tiers 1 and 2) or five years (Tier 3) in calculating the Actuarial Value of Assets.
   b. The Actuarial Value of Assets so determined shall be subject to a 20% corridor relative to the Market Value of Assets.

3. Amortization Method (Unfunded Amounts)
   a. The Actuarial Value of Assets are subtracted from the computed AAL. Any unfunded amount is amortized as a level percent of payroll over a closed period.
   b. The unfunded liabilities, for EORP and Tiers 1 & 2 for both PSPRS and CORP, determined in the June 30, 2019 actuarial valuation will become the initial layer for each employer beginning with the June 30, 2020 actuarial valuation and amortized using the current closed year period for that employer and continue to decrease each year.
      i. The payroll growth rate assumption used to amortize the Public Safety Plan (PSPRS) June 30, 2019 Unfunded Liability will be decreased by 0.5% beginning with the 6/30/2021 actuarial valuation and again each year with the intention of ultimately achieving 0.0%. Once the payroll growth assumption reaches 2.0%, however, the Board will reevaluate the payroll growth assumption and decide whether to continue to let it track down to 0.0%.
      ii. The payroll growth rate used to amortize the Correction Officers Retirement Plan (CORP) June 30, 2019 Unfunded Liability will be 3.0% beginning with the 6/30/2020 actuarial valuation, and future years will be reduced by 0.5% until 0.0% is reached.
      iii. The payroll growth rate used to amortize the Elected Officials Retirement Plan (EORP) June 30, 2019 Unfunded Liability will be 2.5% beginning with the 6/30/2020 actuarial valuation, and future years will be reduced by 0.5% until 0.0% is reached.
   c. Gains and losses, for EORP and Tiers 1 & 2 for both PSPRS and CORP, for each employer beginning with the June 30, 2020 actuarial valuation will be amortized as a new layer over the same amortization period as the regular unfunded liability to a minimum of 15 years. Once the amortization period for each employer decreases to 15 years, each subsequent year's gains and losses will be amortized as a new 15-year closed layer.
      i. The payroll growth rate used to amortize unfunded liability for all Plans under this paragraph will be 0.0% (i.e. level-dollar amortization).

   d. Tier 3 amortization methods are established in ARS 38-843.G and ARS 38-891.K.

4. Amortization Method (Overfunded Amounts)
   a. If the Actuarial Value of Assets exceeds the AAL for EORP and Tiers 1 & 2 for both PSPRS and CORP, the excess is amortized over an open period of 20 years and applied as a credit to reduce the Normal Cost otherwise payable.
   b. Tier 3 amortization methods are established in ARS 38-843.G and ARS 38-891.K.

Metrics to Monitor Funding Objectives

1. Appropriateness of Assumptions – Gain/Loss Experience (Corollary 1a)
   a. Metric: Do the cumulative gain/loss layers over the prior five years exceed 8% of plan assets?
   b. Measurement: History of annual gain/loss (split by asset and liability experience) and five-year cumulative results will be tracked.
   c. Action Plan: This metric assumes that a full experience study is performed at least every five years so objective of measurement is to monitor interim experience. If the metric answer is yes, a review of the sources or causes of gains and losses should be analyzed and presented to the Advisory Committee to provide a recommendation to the Board of Trustees. The analysis and presentation are intended to provide a basis for consideration if assumption changes are warranted between full experience studies.

2. Funding Targets (Corollary 1b)
   a. Metric: Has the funded status, on both an AAL and PVB basis when compared to the market value of assets, increased over a five-year period?
   b. Measurement: History of funded status measures will be tracked.
   c. Action Plan: If the answer is no and not readily explainable (e.g., significant assumption change), a review of the reason(s) for the decrease should be researched and presented to the Advisory Committee to provide a recommendation to the Board of Trustees. The analysis and presentation are intended to provide a basis for consideration if changes to assumptions and/or methods are warranted between full experience studies.

3. Communication with Stakeholders (Corollary 2a)
   a. Metric: Have reports and budgeting tools been provided to stakeholders in a timely fashion?
   b. Measurement: Yes/No answer based on input from PSPRS administrator. (An annual standard survey of stakeholders – 3 to 5 questions.)
   c. Action Plan: If the answer is no, and periodically regardless (e.g., every three years), PSPRS staff will revisit this metric to report to the Advisory Committee to provide a recommendation to the Board of Trustees if current reports / tools are sufficient and if the delivery timing is appropriate.

4. Timely Recognition of Costs (Corollary 3a)
   a. Metric: Has the percentage of unfunded liability subject to negative amortization decreased over a five-year lookback period?
   b. Measurement: History of unfunded liability subject to negative amortization as a percentage of total unfunded liability will be tracked.
   c. Action Plan: If the answer is no, and not readily explainable (e.g., adopted assumption changes being phased in are anticipated to address negative amortization), a review of the reason(s) for negative amortization should be researched and presented to the Advisory Committee to provide a

recommendation to the Board of Trustees. The analysis and presentation are intended to provide a basis for consideration if changes to assumptions and/or methods are warranted between full experience studies.

X. GLOSSARY

Actuarial Accrued Liability – Computed differently under different funding methods, the actuarial accrued liability generally represents the portion of the actuarial present value of benefits attributable to service credit earned (or accrued) as of the valuation date.

Actuarial Present Value of Benefits – Amount which, together with future interest, is expected to be sufficient to pay all benefits to be paid in the future, regardless of when earned, as determined by the application of a particular set of actuarial assumptions; equivalent to the actuarial accrued liability plus the present value of future normal costs attributable to the members.

Actuarial Assumptions – Assumptions as to the occurrence of future events affecting pension costs. These assumptions include rates of investment earnings, changes in salary, rates of mortality, withdrawal, disablement, and retirement as well as statistics related to marriage and family composition.

Actuarial Cost Method – A method of determining the portion of the cost of a pension plan to be allocated to each year; sometimes referred to as the "actuarial funding method." Each cost method allocates a certain portion of the actuarial present value of benefits between the actuarial accrued liability and future normal costs.

Actuarial Equivalence – Series of payments with equal actuarial present values on a given date when valued using the same set of actuarial assumptions.

Actuarial Present Value - The amount of funds required as of a specified date to provide a payment or series of payments in the future. It is determined by discounting future payments at predetermined rates of interest, and by probabilities of payments between the specified date and the expected date of payment.

Actuarial Value of Assets – The value of cash, investments, and other property belonging to the pension plan as used by the actuary for the purpose of the actuarial valuation. This may correspond to market value of assets, or some modification using an asset valuation method to reduce the volatility of asset values.

Asset Gain (Loss) – That portion of the actuarial gain attributable to investment performance above (below) the expected rate of return in the actuarial assumptions.

Amortization – Paying off an interest-discounted amount with periodic payments of interest and (generally) principal, as opposed to paying off with a lump sum payment.

Amortization Payment – That portion of the pension plan contribution designated to pay interest and reduce the outstanding principal balance of unfunded actuarial accrued liability. If the amortization payment is less than the accrued interest on the unfunded actuarial accrued liability the outstanding principal balance will increase.

Assumed Earnings Rate – The interest rate used in developing present values to reflect the time value of money.

Decrements – Events which result in the termination of membership in the system such as retirement, disability, withdrawal, or death.

Entry Age Normal (EAN) Funding Method – A standard actuarial funding method whereby each member's normal costs (service costs) are generally level as a percentage of pay from entry age until retirement. The annual cost of benefits is comprised of the normal cost plus an amortization payment to reduce the UAL.

Experience Gain (Loss) – The difference between actual unfunded actuarial accrued liabilities and anticipated unfunded actuarial accrued liabilities during the period between two valuation dates. It is a measurement of the difference between actual and expected experience, and may be related to investment earnings above (or below) those expected or changes in the liability due to fewer (or greater) than expected numbers of retirements, deaths, disabilities, or withdrawals, or variances in pay increases relative to assumed pay increases. The effect of such gains (or losses) is to decrease (or increase) future costs.

Funded Ratio – A measure of the ratio of the actuarial value of assets to liabilities of the system. Typically, the assets used in the measure are the actuarial value of assets as determined by the asset valuation method. The funded ratio depends not only on the financial strength of the plan but also on the asset valuation method used to determine the assets and on the funding method used to determine the liabilities.

Market Value of Assets (MVA) – The value of assets as they would trade on an open market.

Normal Cost – Computed differently under different funding methods, generally that portion of the actuarial present value of benefits allocated to the current plan year.

Unfunded Actuarial Accrued Liability (UAAL) – The excess of the actuarial accrued liability over the valuation assets; sometimes referred to as "unfunded past service liability". UAL increases each time an actuarial loss occurs and when new benefits are added without being fully funded initially and decreases when actuarial gains occur.

APPENDIX A: SUMMARY OF POPULATION DATA BY EMPLOYER - TIERS 1 & 2

Employer Number	Employer Name	Number of Actives	Active Payroll	Number of Retirees	Annual Retiree Benefits	Number of DROP	Annual DROP Benefits	Number of Inactive/ Vested	Inactive/Vested Accum. Member Contrib.	Number Transferred Out
001	Bisbee Fire Dept.	12	649,035	21	840,245	0	0	4	53,112	5
002	Casa Grande Fire Dept.	44	4,273,419	32	1,777,853	3	206,166	1	7,687	5
003	Casa Grande Police Dept.	51	4,316,013	49	2,503,967	14	785,708	9	100,251	6
004	Chandler Fire Dept.	150	15,920,911	82	5,545,662	28	2,046,940	4	176,988	0
005	Chandler Police Dept.	211	21,648,952	201	11,952,672	45	2,995,875	21	716,058	4
006	Clifton Fire Dept.	0	0	1	33,177	0	0	0	0	0
007	Dept. of Public Safety	849	69,672,197	1,457	79,508,780	96	5,527,968	59	610,414	17
008	Douglas Fire Dept.	18	1,341,021	24	1,053,928	2	100,688	3	7,683	5
009	Douglas Police Dept.	22	1,634,545	38	1,585,411	1	39,267	5	33,395	0
010	Flagstaff Fire Dept.	65	5,646,127	97	5,166,287	8	570,040	8	251,528	4
011	Flagstaff Police Dept.	56	4,584,510	90	4,685,390	6	397,374	29	477,224	24
012	Glendale Fire Dept.	176	18,708,390	119	7,914,693	36	3,048,408	6	186,834	6
013	Glendale Police Dept.	288	29,078,452	250	14,562,332	60	4,089,840	30	665,160	8
014	Globe Fire Dept.	11	846,209	14	489,918	1	27,093	1	14,317	0
015	Kingman Fire Dept.	39	2,759,837	31	1,642,681	3	108,825	2	15,982	3
016	Maricopa County Sheriff's Office	419	40,144,138	560	29,685,089	101	6,418,550	33	941,457	23
017	Mesa Fire Dept.	294	29,724,354	289	19,270,842	74	5,207,306	18	566,478	3
018	Mesa Police Dept.	527	51,778,399	660	37,712,234	112	6,811,728	96	1,057,056	10
020	Nogales Fire Dept.	25	1,805,864	36	1,564,768	2	89,910	0	0	4
021	Phoenix Fire Dept.	1,201	133,244,047	1,223	89,239,533	221	17,844,645	33	1,191,168	0
022	Phoenix Police Dept.	1,904	196,944,730	2,699	178,016,149	446	30,721,372	339	3,620,859	29
023	Prescott Fire Dept.	46	3,827,890	72	3,962,284	7	420,147	8	328,064	1
024	Prescott Police Dept.	47	3,548,568	70	3,448,866	3	166,083	11	139,590	2
025	Scottsdale Police Dept.	264	28,209,506	292	17,444,204	43	2,783,734	58	1,115,224	7
026	Sierra Vista Fire Dept.	33	2,423,381	28	1,544,224	5	272,230	10	163,710	7
027	Tempe Fire Dept.	118	13,623,895	150	10,183,419	22	1,820,786	7	184,499	3
028	Tempe Police Dept.	248	24,590,411	290	17,259,202	45	2,769,525	38	904,704	6
029	Tucson Fire	467	40,340,291	601	34,132,528	61	3,567,951	16	340,272	10
030	Tucson Police	535	43,194,260	1,066	57,778,192	100	5,774,700	95	1,506,225	32
031	Winslow Fire Dept.	6	378,734	3	194,304	0	0	1	5,757	1
032	Yuma Fire Dept.	86	7,082,508	85	4,537,964	16	888,768	2	50,036	2
033	Yuma Police Dept.	103	8,309,736	139	6,684,528	9	474,282	36	484,992	10
034	Yuma County Sheriff's Dept.	52	4,108,738	41	1,900,371	11	573,210	8	193,008	4
035	Game and Fish Dept.	82	5,484,323	160	7,661,816	22	1,065,790	13	156,897	2
036	Sierra Vista Police Dept.	41	3,243,732	42	2,360,726	4	245,920	12	317,112	5
037	Benson Police Dept.	10	636,973	7	312,025	1	48,207	0	0	0
038	Bisbee Police Dept.	4	240,628	19	777,493	0	0	4	45,124	1

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039	Pima County Sheriff's Dept.	325	22,869,222	460	23,652,330	56	2,594,816	69	336,444	25
040	Kingman Police Dept.	30	2,224,574	31	1,474,415	6	264,426	9	172,719	9
041	ASU Campus Police	51	4,460,755	42	2,086,855	5	315,960	20	141,900	10
042	Lake Havasu City Fire Dept.	64	5,363,476	49	2,653,273	9	634,320	8	129,632	3
043	Mohave County Sheriff's Dept.	50	3,691,227	57	2,623,088	6	334,458	24	239,040	9
044	Bullhead City Fire Dept.	46	4,288,414	42	2,462,220	11	674,036	7	132,041	3
045	U of A Campus Police	39	2,697,252	28	1,269,073	6	360,192	18	278,406	6
046	Cochise County Sheriff's Dept.	56	3,740,462	71	2,959,714	4	188,824	31	318,556	6
047	Safford Police Dept.	14	1,055,072	17	770,579	5	265,705	0	0	0
049	Drexel Heights Fire District	65	4,439,143	27	1,181,956	7	348,299	8	84,304	5
050	Winslow Police Dept.	13	868,212	15	571,775	1	33,184	6	126,666	5
051	Payson Fire Dept.	21	1,906,208	15	759,331	1	45,056	2	57,156	2
052	Payson Police Dept.	15	1,232,442	24	1,216,353	1	45,899	10	132,860	2
053	Northern AZ. Consolidated Fire District #1	7	506,031	9	432,136	0	0	18	325,422	11
054	Fry Fire District	32	2,729,800	26	1,377,764	1	56,117	1	15,298	7
055	Fredonia Marshals	1	49,836	1	34,408	0	0	1	33,131	0
056	NAU Campus Police	11	873,944	15	781,580	1	33,612	3	55,899	2
058	South Tucson Fire Dept.	1	73,076	7	268,330	1	41,589	4	14,984	6
059	Avondale Fire Dept.	59	6,264,787	17	1,013,463	1	122,233	3	65,163	2
060	Parker Police Dept.	7	450,081	6	232,413	0	0	6	164,658	1
061	Coconino County Sheriff's Dept.	40	2,942,559	61	2,997,585	3	151,869	12	202,212	6
064	Buckskin Fire District	8	655,871	11	493,721	1	81,878	12	121,884	8
065	Snowflake Police Dept.	8	497,301	9	326,100	0	0	1	22,441	2
066	Cottonwood Police Dept.	20	1,618,806	22	940,387	2	113,014	2	3,530	2
067	Lake Havasu City Police Dept.	49	4,498,322	63	3,165,387	4	301,080	17	189,074	8
069	South Tucson Police Dept.	6	303,955	17	669,291	1	51,336	2	93,754	3
070	Apache Junction Police Dept.	44	3,215,351	45	2,166,404	3	207,876	10	182,020	7
071	Navajo County Sheriff's Dept.	26	1,632,124	34	1,276,079	0	0	17	142,205	18
072	Mohave Valley Fire District	17	1,259,569	5	193,660	5	248,170	8	106,840	7
073	Peoria Fire Dept.	142	14,999,183	49	3,050,083	18	1,252,278	3	48,984	0
074	Peoria Police Dept.	143	14,437,025	109	6,005,712	12	755,352	24	507,120	5
076	Paradise Valley Police Dept.	30	2,929,053	44	2,245,239	2	107,940	2	32,720	1
077	Willcox Police Dept.	8	492,688	11	431,625	0	0	1	19,653	0
078	Show Low Police Dept.	19	1,441,260	20	894,038	3	171,381	3	108,108	3
079	Eloy Police Dept.	20	1,525,618	12	556,484	2	90,492	4	93,052	5
080	Nogales Police Dept.	32	1,972,200	39	1,625,765	3	162,372	7	237,454	7
081	Gilbert Police Dept.	179	17,476,094	92	5,256,352	22	1,420,936	35	599,935	7
083	Clifton Police Dept.	2	137,174	2	65,990	0	0	1	2,053	2
085	Coolidge Police Dept.	14	1,079,472	17	697,761	3	115,461	3	45,390	5
086	Holbrook Police Dept.	5	340,748	18	696,588	0	0	2	25,174	4
087	Santa Cruz County Sheriff's Dept.	19	1,289,331	26	1,083,734	1	50,494	8	73,048	11

Employer Number	Employer Name	Number of Actives	Active Payroll	Number of Retirees	Annual Retiree Benefits	Number of DROP	Annual DROP Benefits	Number of Inactive/ Vested	Inactive/Vested Accum. Member Contrib.	Number Transferred Out
088	Prescott Valley Police Dept.	53	4,028,380	34	1,512,505	1	80,438	15	158,790	6
089	Eagar Police Dept.	5	306,547	8	313,082	0	0	1	4,188	0
090	Tolleson Police Dept.	18	1,659,700	13	626,459	3	152,472	2	7,692	1
091	Florence Police Dept.	15	1,085,447	9	304,157	0	0	5	91,120	9
092	Springerville Police Dept.	3	181,805	6	214,410	0	0	0	0	1
093	El Mirage Police Dept.	31	2,848,048	20	975,432	3	179,139	5	13,460	5
094	Superior Police Dept.	7	340,557	3	94,401	0	0	3	66,183	2
095	San Luis Police Dept.	25	1,881,380	9	375,316	0	0	2	27,642	0
096	Page Police Dept.	12	782,335	10	459,050	0	0	4	127,092	1
097	Page Fire Dept.	8	575,890	3	117,967	0	0	9	105,255	5
098	Yavapai County Sheriff's Dept.	75	5,522,935	90	3,790,628	13	615,654	37	434,861	7
100	Pima Police Dept.	3	210,715	0	0	0	0	4	70,948	1
101	Apache County Sheriff's Dept.	13	903,606	25	983,833	2	80,040	5	52,010	7
102	Cottonwood Fire Dept.	20	1,497,987	7	312,524	2	144,200	0	0	1
103	La Paz County Sheriff's Dept.	14	972,858	27	1,194,465	4	138,180	4	42,352	6
104	Pinal County Sheriff's Dept.	173	14,813,457	121	5,293,335	5	215,105	19	561,526	6
105	Clarkdale Police Dept.	5	333,285	7	207,508	1	41,808	1	2,234	2
106	Buckeye Police Dept.	65	6,125,278	25	1,291,019	4	332,428	8	233,904	3
107	Marana Police Dept.	72	5,617,205	36	1,487,116	4	182,404	13	80,769	4
108	Tolleson Fire Dept.	22	2,151,312	11	618,048	2	127,204	2	55,138	1
109	Chino Valley Police Dept.	16	1,041,206	12	477,470	1	62,075	5	118,725	2
110	Surprise Police Dept.	98	10,119,473	59	2,897,846	8	452,608	16	125,200	1
111	Wellton Police Dept.	3	185,699	5	165,293	0	0	0	0	1
112	Gila County Sheriff's Dept.	26	1,741,745	32	1,069,980	3	141,036	9	138,339	7
113	Pinetop-Lakeside Police Dept.	7	466,701	13	494,190	0	0	3	54,237	2
114	Bullhead City Police Dept.	50	4,084,625	50	2,615,254	7	410,592	10	17,950	0
115	Williams Police Dept.	5	316,680	4	128,733	1	39,463	3	58,311	0
116	Miami Police Dept.	2	92,929	6	225,662	0	0	1	14,055	2
117	Thatcher Police Dept.	8	677,585	8	358,087	1	73,711	0	0	0
118	Youngtown Police Dept.	0	0	3	113,444	0	0	1	6,882	0
119	Dept. of Emer & Military Aff	30	1,966,725	20	853,886	3	142,320	7	218,344	9
120	Surprise Fire Dept.	109	11,752,820	15	899,606	10	676,270	2	34,158	1
121	Camp Verde Marshals	10	661,880	9	357,576	0	0	6	157,368	3
122	Oro Valley Police Dept.	75	6,174,801	46	2,094,019	9	638,343	9	345,789	3
123	Greenlee County Sheriff's Dept.	11	747,412	8	412,696	0	0	5	92,185	0
124	Tucson Airport Authority Fire Dept.	13	1,054,218	19	1,030,765	2	124,716	2	15,716	0
125	Tucson Airport Authority Police Dept.	18	1,527,913	27	1,310,912	1	56,511	3	6,528	3
126	Wickenburg Police Dept.	12	922,233	10	444,711	0	0	8	60,152	4
127	El Mirage Fire Dept.	22	2,141,072	3	156,589	0	0	3	60,972	2
128	Patagonia Marshals	2	112,820	2	77,810	0	0	3	75,870	0
129	Sedona Police Dept.	19	1,467,058	14	674,168	0	0	5	31,930	4

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130	Mammoth Police Dept.	3	136,342	3	76,141	0	0	7	35,896	2
131	Globe Police Dept.	9	521,363	17	668,908	1	39,231	3	14,739	16
132	Tombstone Marshals	3	123,358	0	0	0	0	4	119,472	6
133	Golder Ranch Fire District	175	14,327,018	28	1,382,743	11	726,418	12	376,920	7
134	Fort Mojave Mesa Fire District	18	1,554,932	16	902,634	3	207,222	1	5,390	5
136	Goodyear Fire Dept.	70	8,629,914	15	918,792	12	783,456	0	0	1
137	Goodyear Police Dept.	86	8,656,917	30	1,647,528	11	739,695	14	345,730	7
139	Avondale Police Dept.	87	7,777,773	38	1,891,393	4	277,744	27	539,460	10
140	Graham County Sheriff's Dept.	12	842,173	11	425,261	0	0	3	35,028	3
142	Golden Valley Fire District	16	1,126,492	5	216,984	0	0	4	56,856	4
143	Daisy Mountain Fire District	75	7,450,481	16	841,356	2	147,556	3	91,167	0
144	Quartzsite Police Dept.	4	266,294	6	235,494	0	0	2	45,234	8
145	Picture Rocks Fire District	8	575,032	10	302,303	0	0	7	89,943	13
146	Pima County Comm. College Police	18	1,252,861	18	722,844	0	0	7	46,963	4
147	Northwest Fire District	155	14,388,032	58	3,181,372	17	1,040,400	10	124,880	4
148	Superstition Fire and Medical District	63	6,377,908	24	1,459,688	16	986,544	3	110,808	1
149	Gilbert Fire Dept.	150	16,204,301	30	1,756,918	17	1,099,373	4	100,504	0
150	Pine-Strawberry Fire District	13	1,240,215	9	400,181	1	64,115	1	22,357	0
151	Attorney General Invest.	21	1,749,366	32	1,418,077	0	0	4	87,996	3
153	St. Johns Police Dept.	4	228,342	4	99,839	0	0	1	8,129	2
154	Pima County Attorney Invest.	4	227,740	5	262,235	0	0	0	0	0
156	Kearny Police Dept.	3	155,404	6	208,710	0	0	2	23,512	3
158	Navajo County Attorney Invest.	0	0	1	39,105	0	0	0	0	0
162	Avra Valley Fire District	22	1,372,177	7	225,894	0	0	10	68,560	14
163	San Luis Fire Dept.	27	1,799,719	3	88,475	0	0	4	80,728	7
164	AZ Dept. Liq. Lic. & Control Invest.	10	640,609	17	690,385	0	0	4	82,844	1
165	Maricopa County Attorney Invest.	7	587,550	19	931,340	2	83,126	4	225,380	0
166	Sedona Fire District	63	6,707,511	30	1,684,130	5	374,840	7	96,964	3
167	Guadalupe Fire Dept.	3	275,380	1	53,077	2	94,548	0	0	0
168	Mayer Fire District	10	653,971	7	241,587	0	0	2	50,650	2
169	Somerton Police Dept.	10	662,602	8	352,821	0	0	3	91,266	2
171	Somerton Fire Dept.	11	698,448	3	149,303	1	29,761	2	76,762	3
172	Tubac Fire District	19	1,309,145	10	359,422	1	64,346	1	41,415	2
174	Sahuarita Police Dept.	31	2,896,725	10	480,995	1	49,711	5	168,960	8
176	Florence Fire Dept.	22	1,692,850	3	125,856	1	66,608	2	36,272	1
177	Sun City Fire District	41	3,852,515	36	2,586,982	13	763,763	1	1,063	3
178	Hayden Police Dept.	4	215,559	0	0	0	0	2	30,802	3
179	Gila River Fire Dept.	54	4,170,281	12	461,437	2	88,960	5	12,680	7
180	Gila River Police Dept.	90	7,753,944	13	551,609	2	89,374	14	458,010	18

Employer Number	Employer Name	Number of Actives	Active Payroll	Number of Retirees	Annual Retiree Benefits	Number of DROP	Annual DROP Benefits	Number of Inactive/ Vested	Inactive/Vested Accum. Member Contrib.	Number Transferred Out
181	Salt River Pima-Maricopa Fire	65	7,834,045	16	915,808	8	600,624	3	115,368	0
182	Salt River Pima-Maricopa Police	87	9,175,736	32	1,641,657	6	365,790	11	329,560	3
185	Pinetop Fire District	21	2,348,097	9	432,239	1	51,708	2	26,574	1
187	Yavapai County Attorney Invest.	0	0	2	84,558	0	0	0	0	0
188	Three Points Fire District	11	717,859	3	133,878	2	85,170	2	9,136	5
190	Buckeye Fire Dept.	78	7,897,307	4	308,985	2	137,052	2	124,032	0
192	Heber-Overgaard Fire District	10	934,777	2	67,478	1	57,575	3	37,458	0
193	Hellsgate Fire District	4	353,013	4	193,032	0	0	1	77,675	0
194	Green Valley Fire District	51	4,325,877	29	1,341,936	3	135,546	5	149,105	2
195	Summit Fire District	27	2,004,731	13	610,367	3	76,056	7	55,139	5
197	Fort McDowell Tribal Fire Dept.	7	517,971	1	57,778	1	59,775	3	59,253	8
198	Fort McDowell Tribal Police Dept.	10	820,783	4	193,648	4	186,720	3	130,608	2
199	Highlands Fire District	19	1,736,510	10	487,334	1	42,540	4	61,468	2
200	Rio Rico Fire District	21	1,585,787	3	90,849	0	0	9	239,769	6
201	Tri-City Fire District	17	1,318,999	2	62,517	1	48,836	2	30,488	5
202	Maricopa County Park Rangers	0	0	3	163,959	0	0	1	24,132	0
203	Verde Valley Fire District	29	2,347,571	11	615,440	2	143,340	3	103,866	2
204	AZ. State Park Rangers	12	735,016	25	995,025	2	73,184	5	144,455	1
206	Hualapai Indian Tribe Police Dept.	11	733,069	3	116,599	0	0	0	0	3
207	Pinewood Fire District	16	1,437,343	7	379,832	0	0	0	0	0
208	Rincon Valley Fire District	37	2,426,794	4	170,447	0	0	3	102,195	1
210	Jerome Police Dept.	3	165,725	0	0	1	33,778	1	13,277	0
211	Fort Mojave Tribal Police Dept.	11	1,123,136	0	0	0	0	5	58,910	1
212	Buckeye Valley Fire District	56	4,363,493	9	323,751	0	0	7	161,161	10
213	Eloy Fire District	22	1,798,627	6	308,339	1	48,410	3	152,325	2
214	Pascua Yaqui Tribe Fire Dept.	13	1,185,358	6	304,686	2	98,836	2	59,826	2
215	Pascua Yaqui Tribe Police Dept.	16	1,575,050	8	379,742	6	305,238	4	2,144	1
216	Town of Superior Fire Dept.	5	243,384	1	19,048	0	0	4	58,416	0
217	Wickenburg Fire Dept.	12	894,536	0	0	0	0	1	27,686	1
221	Quartzsite Fire District	8	570,704	2	103,176	0	0	1	1,111	2
222	Rio Verde Fire District	8	731,390	6	244,368	4	226,756	1	5,471	1
223	Scottsdale Fire Dept.	211	22,406,182	46	2,381,934	14	850,822	5	159,060	6
224	Ak Chin Indian Comm. Fire Dept.	29	1,962,362	9	345,723	2	81,236	6	144,930	4
225	Ak Chin Indian Comm. Police Dept.	11	903,510	2	111,616	0	0	9	146,160	9
226	Corona De Tucson Fire District	19	1,382,180	2	112,642	0	0	0	0	0
227	Golden Shores Fire District	6	415,030	1	35,141	0	0	3	51,288	1
228	City of Maricopa Fire Dept.	56	5,504,498	5	176,069	1	55,031	4	129,120	0
229	Cave Creek Marshals	1	113,294	0	0	0	0	0	0	0

Employer Number	Employer Name	Number of Actives	Active Payroll	Number of Retirees	Annual Retiree Benefits	Number of DROP	Annual DROP Benefits	Number of Inactive/ Vested	Inactive/Vested Accum. Member Contrib.	Number Transferred Out
231	San Carlos Tribal Police Dept.	22	2,096,325	2	106,046	1	79,364	2	31,624	1
232	Groom Creek Fire District	3	219,776	0	0	0	0	0	0	3
233	Mount Lemmon Fire District	5	280,416	0	0	0	0	0	0	0
234	Yavapai Prescott Tribal Police	5	346,641	1	29,615	0	0	4	113,496	2
235	Tohono O'odham Nation Fire Dept.	29	2,164,884	7	300,229	1	58,244	6	109,128	3
236	Tohono O'odham Nation Police Dept.	48	3,720,808	26	1,312,532	1	46,568	10	303,320	4
237	Williamson Valley Fire District	11	932,982	0	0	0	0	5	50,625	8
238	Harquahala Fire District	12	854,583	0	0	0	0	7	60,830	0
239	Coolidge Fire Dept.	4	296,672	0	0	0	0	2	69,030	1
242	Central AZ. College Police Dept.	6	352,667	1	49,361	0	0	0	0	3
243	City of Maricopa Police Dept.	52	4,541,179	7	305,353	0	0	11	299,926	7
244	Oracle Fire District	4	266,546	1	25,258	0	0	2	14,156	1
245	Benson Fire Dept.	1	75,005	0	0	0	0	0	0	0
246	Desert Hills Fire Dept.	18	1,035,466	2	77,838	0	0	3	62,310	6
247	Queen Creek Fire Dept.	50	5,425,383	2	140,612	0	0	2	1,856	1
248	Sonoita Elgin Fire Dept.	2	111,851	1	60,562	0	0	9	96,327	7
249	Christopher-Kohl's Fire District	3	249,228	1	14,418	0	0	2	72,172	1
250	Whetstone Fire District	4	264,221	0	0	0	0	1	21,813	3
251	Queen Valley Fire District	3	141,581	0	0	0	0	0	0	0
252	Lake Mohave Ranchos Fire District	3	130,549	3	119,616	0	0	6	115,284	3
253	Huachuca City Police Dept.	4	210,507	2	57,429	0	0	1	149	0
254	Palominas Fire District	3	159,870	1	52,842	0	0	6	92,604	10
255	Sun Sites Pearce Fire District	6	328,430	0	0	0	0	3	41,622	4
256	Ponderosa Fire District	3	211,488	0	0	0	0	1	48,456	5
257	Timber Mesa Fire and Medical Dist	60	5,048,611	8	356,792	2	143,260	4	113,556	2
258	Central AZ Fire and Medical	88	7,604,442	60	3,491,098	17	1,147,942	8	294,520	3
259	Copper Canyon Fire and Medical	34	2,622,096	8	300,172	1	30,885	3	51,270	3
261	Beaver Dam/Littlefield Fire Dist.	2	208,990	0	0	0	0	1	4,438	0
262	Blue Ridge Fire District	3	178,042	1	22,257	0	0	1	9,204	0
263	Arizona Fire & Medical Authority	96	9,755,022	42	2,310,133	10	824,490	7	232,498	1
265	Queen Creek Police Dept.	5	463,540	0	0	0	0	0	0	0
	TOTAL	14,447	1,341,575,553	14,559	835,706,333	2,131	138,567,975	2,099	35,182,390	927

APPENDIX B: SUMMARY OF POPULATION DATA BY EMPLOYER - TIER 3

Employer Number	Employer Name	Number of Actives	Active Payroll	Number of Retirees	Annual Retiree Benefits	Number of Inactive/ Vested	Inactive/ Vested Accum. Member Contrib.	Number Transferred Out
001	Bisbee Fire Dept.	8	362,757	0	0	4	17,324	3
002	Casa Grande Fire Dept.	19	1,135,791	0	0	1	6,903	1
003	Casa Grande Police Dept.	16	981,660	0	0	2	10,362	1
004	Chandler Fire Dept.	31	1,961,162	0	0	2	20,208	0
005	Chandler Police Dept.	61	4,191,600	0	0	8	34,960	1
007	Dept. of Public Safety	167	9,795,670	0	0	6	7,608	5
008	Douglas Fire Dept.	9	573,283	0	0	0	0	0
009	Douglas Police Dept.	7	344,342	0	0	1	1,501	0
010	Flagstaff Fire Dept.	19	945,387	0	0	3	36,285	2
011	Flagstaff Police Dept.	40	2,417,625	0	0	5	33,605	4
012	Glendale Fire Dept.	40	2,114,258	0	0	0	0	0
013	Glendale Police Dept.	51	3,499,042	0	0	5	22,700	1
014	Globe Fire Dept.	5	257,795	0	0	0	0	0
015	Kingman Fire Dept.	10	496,412	0	0	0	0	3
016	Maricopa County Sheriff's Office	142	8,728,425	1	30,366	14	43,008	13
017	Mesa Fire Dept.	81	4,601,157	0	0	1	838	0
018	Mesa Police Dept.	163	11,003,693	0	0	35	148,610	4
020	Nogales Fire Dept.	13	580,188	0	0	2	12,366	3
021	Phoenix Fire Dept.	250	15,104,392	0	0	2	2,536	2
022	Phoenix Police Dept.	534	32,930,406	3	113,307	133	502,873	29
023	Prescott Fire Dept.	3	194,333	0	0	0	0	1
024	Prescott Police Dept.	21	1,160,174	0	0	2	15,576	1
025	Scottsdale Police Dept.	68	4,760,541	0	0	15	50,415	1
026	Sierra Vista Fire Dept.	10	508,676	0	0	1	2,619	2
027	Tempe Fire Dept.	24	1,666,323	0	0	1	5,294	0
028	Tempe Police Dept.	41	2,822,302	0	0	2	3,932	1
029	Tucson Fire	56	3,140,507	0	0	5	17,090	3
030	Tucson Police	147	7,910,551	0	0	43	210,872	15
031	Winslow Fire Dept.	2	108,667	0	0	0	0	0
032	Yuma Fire Dept.	24	1,377,461	0	0	3	22,008	2

Employer Number	Employer Name	Number of Actives	Active Payroll	Number of Retirees	Annual Retiree Benefits	Number of Inactive/ Vested	Inactive/ Vested Accum. Member Contrib.	Number Transferred Out
033	Yuma Police Dept.	26	1,493,992	0	0	9	14,751	1
034	Yuma County Sheriff's Dept.	15	911,030	0	0	3	23,856	0
035	Game and Fish Dept.	24	1,198,078	0	0	6	11,394	0
036	Sierra Vista Police Dept.	10	579,202	0	0	3	19,746	0
037	Benson Police Dept.	3	166,226	0	0	0	0	0
038	Bisbee Police Dept.	9	413,932	0	0	1	336	2
039	Pima County Sheriff's Dept.	96	5,143,548	0	0	15	26,670	1
040	Kingman Police Dept.	14	646,179	0	0	3	4,527	0
041	ASU Campus Police	19	1,118,502	0	0	5	11,850	4
042	Lake Havasu City Fire Dept.	5	364,287	0	0	0	0	1
043	Mohave County Sheriff's Dept.	32	1,545,283	0	0	4	30,516	1
044	Bullhead City Fire Dept.	10	648,760	0	0	2	2,670	2
045	U of A Campus Police	15	784,681	0	0	0	0	1
046	Cochise County Sheriff's Dept.	16	803,244	0	0	1	11,237	0
049	Drexel Heights Fire District	10	510,647	0	0	0	0	1
050	Winslow Police Dept.	5	263,265	0	0	3	18,531	0
051	Payson Fire Dept.	8	471,132	0	0	0	0	2
052	Payson Police Dept.	9	568,245	0	0	0	0	0
053	Northern AZ. Consolidated Fire District #1	10	439,073	0	0	5	18,250	6
054	Fry Fire District	5	258,695	0	0	0	0	0
055	Fredonia Marshals	1	63,067	0	0	0	0	0
056	NAU Campus Police	7	432,836	0	0	0	0	2
058	South Tucson Fire Dept.	0	0	0	0	2	4,082	3
059	Avondale Fire Dept.	19	1,029,849	0	0	0	0	1
060	Parker Police Dept.	4	209,863	0	0	1	1,039	2
061	Coconino County Sheriff's Dept.	20	1,048,768	0	0	8	37,240	2
064	Buckskin Fire District	2	101,174	0	0	1	3,510	0
065	Snowflake Police Dept.	5	246,223	0	0	1	17,443	0
066	Cottonwood Police Dept.	4	236,945	0	0	4	11,280	2
067	Lake Havasu City Police Dept.	16	1,160,899	0	0	5	17,075	2
069	South Tucson Police Dept.	4	130,898	0	0	0	0	1
070	Apache Junction Police Dept.	9	530,381	0	0	0	0	0
071	Navajo County Sheriff's Dept.	24	1,200,077	0	0	4	11,648	1
072	Mohave Valley Fire District	8	388,337	0	0	2	7,330	5
073	Peoria Fire Dept.	34	2,323,674	0	0	1	4,426	1

Employer Number	Employer Name	Number of Actives	Active Payroll	Number of Retirees	Annual Retiree Benefits	Number of Inactive/ Vested	Inactive/ Vested Accum. Member Contrib.	Number Transferred Out
074	Peoria Police Dept.	35	2,410,608	0	0	6	30,552	2
076	Paradise Valley Police Dept.	2	144,815	0	0	0	0	0
077	Willcox Police Dept.	1	59,589	0	0	0	0	0
078	Show Low Police Dept.	5	287,163	0	0	1	3,872	0
079	Eloy Police Dept.	4	266,865	0	0	0	0	0
080	Nogales Police Dept.	5	244,899	0	0	1	11,963	0
081	Gilbert Police Dept.	80	5,704,797	0	0	11	42,086	1
083	Clifton Police Dept.	1	53,562	0	0	1	4,638	3
085	Coolidge Police Dept.	10	518,310	0	0	0	0	0
086	Holbrook Police Dept.	6	327,991	0	0	3	3,252	0
087	Santa Cruz County Sheriff's Dept.	10	549,838	0	0	0	0	1
088	Prescott Valley Police Dept.	16	981,096	0	0	1	655	0
090	Tolleson Police Dept.	6	401,082	0	0	1	12,978	0
091	Florence Police Dept.	8	451,490	0	0	0	0	3
092	Springerville Police Dept.	2	106,526	0	0	0	0	0
093	El Mirage Police Dept.	11	690,053	0	0	1	347	0
094	Superior Police Dept.	2	109,991	0	0	0	0	0
095	San Luis Police Dept.	12	676,768	0	0	1	233	1
096	Page Police Dept.	4	219,804	0	0	0	0	0
097	Page Fire Dept.	8	412,506	0	0	1	8,213	2
098	Yavapai County Sheriff's Dept.	37	2,125,689	0	0	8	28,464	1
100	Pima Police Dept.	2	140,659	0	0	0	0	0
101	Apache County Sheriff's Dept.	6	274,067	0	0	1	125	3
102	Cottonwood Fire Dept.	3	149,815	0	0	0	0	0
103	La Paz County Sheriff's Dept.	12	709,680	0	0	1	7,788	3
104	Pinal County Sheriff's Dept.	16	1,014,059	0	0	6	22,098	1
105	Clarkdale Police Dept.	3	162,282	0	0	0	0	1
106	Buckeye Police Dept.	25	1,781,177	0	0	2	11,642	1
107	Marana Police Dept.	14	830,811	0	0	3	29,250	0
108	Tolleson Fire Dept.	4	247,449	0	0	1	6,464	0
109	Chino Valley Police Dept.	6	340,094	0	0	0	0	0
110	Surprise Police Dept.	35	2,438,300	0	0	1	1,300	0
111	Wellton Police Dept.	2	106,581	0	0	0	0	0
112	Gila County Sheriff's Dept.	10	546,357	0	0	3	8,475	4

Employer Number	Employer Name	Number of Actives	Active Payroll	Number of Retirees	Annual Retiree Benefits	Number of Inactive/ Vested	Inactive/ Vested Accum. Member Contrib.	Number Transferred Out
113	Pinetop-Lakeside Police Dept.	3	166,304	0	0	0	0	1
114	Bullhead City Police Dept.	14	760,412	0	0	1	1,409	0
115	Williams Police Dept.	2	108,671	0	0	0	0	1
116	Miami Police Dept.	2	95,421	0	0	0	0	1
117	Thatcher Police Dept.	1	55,895	0	0	0	0	0
119	Dept. of Emer & Military Aff	8	470,783	0	0	3	11,667	1
120	Surprise Fire Dept.	19	1,227,044	0	0	0	0	0
121	Camp Verde Marshals	8	456,470	0	0	0	0	0
122	Oro Valley Police Dept.	13	719,661	0	0	1	2,196	0
123	Greenlee County Sheriff's Dept.	5	266,094	0	0	0	0	1
124	Tucson Airport Authority Fire Dept.	2	134,085	0	0	0	0	0
125	Tucson Airport Authority Police Dept.	0	0	0	0	1	567	2
126	Wickenburg Police Dept.	6	355,982	0	0	0	0	0
127	El Mirage Fire Dept.	8	598,875	0	0	0	0	2
129	Sedona Police Dept.	3	187,736	0	0	0	0	0
130	Mammoth Police Dept.	0	0	0	0	1	500	0
131	Globe Police Dept.	8	405,626	0	0	1	1,838	0
132	Tombstone Marshals	0	0	0	0	3	32,547	0
133	Golder Ranch Fire District	38	1,777,324	0	0	2	11,594	5
134	Fort Mojave Mesa Fire District	2	111,929	0	0	1	3,371	0
136	Goodyear Fire Dept.	19	1,433,933	0	0	0	0	1
137	Goodyear Police Dept.	17	1,240,266	0	0	0	0	0
139	Avondale Police Dept.	40	2,629,025	0	0	2	4,286	3
140	Graham County Sheriff's Dept.	5	277,951	0	0	0	0	1
142	Golden Valley Fire District	5	259,521	0	0	0	0	1
143	Daisy Mountain Fire District	13	827,344	0	0	0	0	0
144	Quartzsite Police Dept.	3	178,000	0	0	1	2,200	2
145	Picture Rocks Fire District	8	402,319	0	0	2	24,752	7
146	Pima County Comm. College Police	8	457,088	0	0	1	1,308	2
147	Northwest Fire District	35	2,154,215	0	0	1	710	1
148	Superstition Fire and Medical District	14	863,443	0	0	0	0	0
149	Gilbert Fire Dept.	23	1,468,578	0	0	1	5,990	1
150	Pine-Strawberry Fire District	1	115,868	0	0	0	0	0
151	Attorney General Invest.	5	390,861	0	0	2	25,224	1
153	St. Johns Police Dept.	3	136,075	0	0	0	0	0
156	Kearny Police Dept.	2	83,078	0	0	0	0	0

Employer Number	Employer Name	Number of Actives	Active Payroll	Number of Retirees	Annual Retiree Benefits	Number of Inactive/ Vested	Inactive/ Vested Accum. Member Contrib.	Number Transferred Out
162	Avra Valley Fire District	15	652,357	0	0	0	0	1
163	San Luis Fire Dept.	15	778,278	0	0	3	18,105	0
165	Maricopa County Attorney Invest.	2	153,098	0	0	0	0	0
166	Sedona Fire District	12	747,557	0	0	0	0	0
167	Guadalupe Fire Dept.	2	151,815	0	0	0	0	0
168	Mayer Fire District	1	48,426	0	0	0	0	0
169	Somerton Police Dept.	9	487,636	0	0	3	8,979	2
171	Somerton Fire Dept.	8	342,013	0	0	4	12,032	4
172	Tubac Fire District	6	321,895	0	0	0	0	0
174	Sahuarita Police Dept.	15	881,872	0	0	3	12,693	1
176	Florence Fire Dept.	5	272,467	0	0	0	0	0
177	Sun City Fire District	11	676,817	0	0	0	0	2
179	Gila River Fire Dept.	20	1,065,984	0	0	2	5,498	0
180	Gila River Police Dept.	38	2,457,856	0	0	1	4,362	1
181	Salt River Pima-Maricopa Fire	10	804,783	0	0	0	0	0
182	Salt River Pima-Maricopa Police	24	1,903,066	0	0	3	51,687	2
185	Pinetop Fire District	6	369,332	0	0	0	0	0
188	Three Points Fire District	2	110,773	0	0	1	4,706	0
190	Buckeye Fire Dept.	11	598,797	0	0	0	0	0
192	Heber-Overgaard Fire District	2	56,025	0	0	0	0	0
193	Hellsgate Fire District	1	61,529	0	0	0	0	0
194	Green Valley Fire District	15	829,860	0	0	0	0	2
195	Summit Fire District	11	358,260	0	0	0	0	2
197	Fort McDowell Tribal Fire Dept.	6	359,420	0	0	1	6,767	3
198	Fort McDowell Tribal Police Dept.	5	345,976	0	0	0	0	0
199	Highlands Fire District	6	333,572	0	0	0	0	1
200	Rio Rico Fire District	7	391,559	0	0	0	0	5
201	Tri-City Fire District	2	159,379	0	0	1	2,150	1
203	Verde Valley Fire District	8	498,749	0	0	0	0	2
206	Hualapai Indian Tribe Police Dept.	5	321,087	1	28,152	1	778	2
207	Pinewood Fire District	1	64,164	0	0	0	0	0
208	Rincon Valley Fire District	8	417,300	0	0	0	0	0
211	Fort Mojave Tribal Police Dept.	1	66,453	0	0	2	19,648	0
212	Buckeye Valley Fire District	17	892,813	0	0	0	0	4
213	Eloy Fire District	7	407,413	0	0	2	8,464	1
214	Pascua Yaqui Tribe Fire Dept.	6	283,289	0	0	1	6,754	0

Employer Number	Employer Name	Number of Actives	Active Payroll	Number of Retirees	Annual Retiree Benefits	Number of Inactive/ Vested	Inactive/ Vested Accum. Member Contrib.	Number Transferred Out
215	Pascua Yaqui Tribe Police Dept.	1	67,338	0	0	0	0	0
216	Town of Superior Fire Dept.	2	77,892	0	0	1	6,709	1
217	Wickenburg Fire Dept.	4	220,766	0	0	0	0	0
221	Quartzsite Fire District	4	224,886	0	0	0	0	2
222	Rio Verde Fire District	7	512,182	0	0	0	0	1
223	Scottsdale Fire Dept.	56	3,016,027	0	0	3	14,457	2
224	Ak Chin Indian Comm. Fire Dept.	4	209,336	0	0	0	0	2
225	Ak Chin Indian Comm. Police Dept.	1	59,562	0	0	0	0	0
227	Golden Shores Fire District	1	38,281	0	0	0	0	0
228	City of Maricopa Fire Dept.	10	627,737	0	0	0	0	0
231	San Carlos Tribal Police Dept.	6	613,722	0	0	0	0	0
232	Groom Creek Fire District	1	46,413	0	0	0	0	1
234	Yavapai Prescott Tribal Police	3	170,289	0	0	0	0	0
235	Tohono O'odham Nation Fire Dept.	3	164,642	0	0	0	0	2
236	Tohono O'odham Nation Police Dept.	20	1,395,970	0	0	2	2,280	1
237	Williamson Valley Fire District	7	573,364	0	0	2	19,754	2
239	Coolidge Fire Dept.	1	52,617	0	0	0	0	0
242	Central AZ. College Police Dept.	3	157,074	0	0	0	0	0
243	City of Maricopa Police Dept.	14	923,546	0	0	3	25,659	2
244	Oracle Fire District	3	175,858	0	0	0	0	1
246	Desert Hills Fire Dept.	2	56,410	0	0	0	0	0
247	Queen Creek Fire Dept.	25	1,602,303	0	0	0	0	1
248	Sonoita Elgin Fire Dept.	7	327,539	0	0	1	3,510	3
249	Christopher-Kohl's Fire District	1	63,340	0	0	0	0	0
250	Whetstone Fire District	7	367,290	0	0	1	1,004	2
252	Lake Mohave Ranchos Fire District	2	62,519	0	0	0	0	0
253	Huachuca City Police Dept.	1	46,554	0	0	0	0	0
254	Palominas Fire District	6	240,598	0	0	4	24,576	3
255	Sun Sites Pearce Fire District	1	58,194	0	0	0	0	0
256	Ponderosa Fire District	3	149,756	0	0	0	0	1
257	Timber Mesa Fire and Medical Dist	26	1,413,001	0	0	3	13,008	0
258	Central AZ Fire and Medical	20	1,180,998	0	0	0	0	1
259	Copper Canyon Fire and Medical	16	913,323	0	0	0	0	0
263	Arizona Fire & Medical Authority	18	1,129,306	0	0	1	696	0
264	Taylor Snowlake Fire & Medical	7	452,846	0	0	1	37,755	1
	TOTAL	3,919	235,469,371	5	171,825	513	2,215,485	272

Appendix C: Summary of Pension Funded Status by Employer - Tiers 1 & 2

Employer Number	Employer Name	Liability (PVB)	Liability (AAL)	Assets (AVA)	Assets (MV)	Unfunded (AAL - AVA)	Unfunded (AAL - MV)	Funded Percent (AVA/AAL)	Funded Percent (MV/AAL)
001	Bisbee Fire Dept.	13,344,674	11,944,717	541,175	591,954	11,403,542	11,352,763	4.5%	5.0%
002	Casa Grande Fire Dept.	53,374,510	46,348,404	25,169,161	27,530,827	21,179,243	18,817,577	54.3%	59.4%
003	Casa Grande Police Dept.	70,248,786	65,035,155	30,012,096	32,828,183	35,023,059	32,206,972	46.1%	50.5%
004	Chandler Fire Dept.	223,330,855	194,333,203	143,186,145	156,621,549	51,147,058	37,711,654	73.7%	80.6%
005	Chandler Police Dept.	361,883,510	324,546,688	221,781,355	242,591,484	102,765,333	81,955,204	68.3%	74.7%
006	Clifton Fire Dept.	271,933	271,933	61,045	66,773	210,888	205,160	22.4%	24.6%
007	Dept. of Public Safety	1,469,264,397	1,345,063,622	913,886,689	999,638,261	431,176,933	345,425,361	67.9%	74.3%
008	Douglas Fire Dept.	22,307,174	19,415,414	19,278,923	21,087,898	136,491	(1,672,484)	99.3%	108.6%
009	Douglas Police Dept.	30,391,078	28,292,157	28,566,322	31,246,749	(274,165)	(2,954,592)	101.0%	110.4%
010	Flagstaff Fire Dept.	111,460,336	101,853,546	108,691,395	118,890,097	(6,837,849)	(17,036,551)	106.7%	116.7%
011	Flagstaff Police Dept.	97,551,417	91,223,383	98,375,600	107,606,353	(7,152,217)	(16,382,970)	107.8%	118.0%
012	Glendale Fire Dept.	284,426,899	247,958,804	150,896,665	165,055,561	97,062,139	82,903,243	60.9%	66.6%
013	Glendale Police Dept.	451,786,530	401,533,739	214,600,253	234,736,567	186,933,486	166,797,172	53.4%	58.5%
014	Globe Fire Dept.	12,531,121	11,104,181	6,889,406	7,535,851	4,214,775	3,568,330	62.0%	67.9%
015	Kingman Fire Dept.	41,401,951	36,481,814	22,921,383	25,072,136	13,560,431	11,409,678	62.8%	68.7%
016	Maricopa County Sheriff's Office	742,137,549	679,966,263	319,918,448	349,936,951	360,047,815	330,029,312	47.0%	51.5%
017	Mesa Fire Dept.	536,352,857	473,409,396	237,555,737	259,846,004	235,853,659	213,563,392	50.2%	54.9%
018	Mesa Police Dept.	972,624,297	882,414,474	422,708,525	462,371,999	459,705,949	420,042,475	47.9%	52.4%
020	Nogales Fire Dept.	35,859,305	32,858,441	15,320,323	16,757,856	17,538,118	16,100,585	46.6%	51.0%
021	Phoenix Fire Dept.	2,327,430,660	2,057,477,384	893,915,879	977,793,556	1,163,561,505	1,079,683,828	43.4%	47.5%
022	Phoenix Police Dept.	4,124,186,225	3,802,488,190	1,573,595,759	1,721,248,977	2,228,892,431	2,081,239,213	41.4%	45.3%
023	Prescott Fire Dept.	85,722,012	79,505,688	67,658,019	74,006,488	11,847,669	5,499,200	85.1%	93.1%
024	Prescott Police Dept.	66,515,535	61,675,050	51,146,949	55,946,156	10,528,101	5,728,894	82.9%	90.7%
025	Scottsdale Police Dept.	466,500,135	418,072,646	230,247,748	251,852,293	187,824,898	166,220,353	55.1%	60.2%
026	Sierra Vista Fire Dept.	41,727,219	36,936,218	21,864,551	23,916,140	15,071,667	13,020,078	59.2%	64.7%
027	Tempe Fire Dept.	252,070,189	222,813,549	100,924,693	110,394,632	121,888,856	112,418,917	45.3%	49.5%
028	Tempe Police Dept.	436,317,916	388,443,880	172,703,441	188,908,504	215,740,439	199,535,376	44.5%	48.6%
029	Tucson Fire	720,023,525	647,977,547	229,399,420	250,924,365	418,578,127	397,053,182	35.4%	38.7%
030	Tucson Police	1,104,007,263	1,033,322,007	370,214,727	404,952,617	663,107,280	628,369,390	35.8%	39.2%
031	Winslow Fire Dept.	4,256,984	3,476,101	8,103,070	8,863,395	(4,626,969)	(5,387,294)	233.1%	255.0%
032	Yuma Fire Dept.	118,722,098	106,431,958	62,262,863	68,105,095	44,169,095	38,326,863	58.5%	64.0%
033	Yuma Police Dept.	142,953,626	132,258,851	79,464,928	86,921,260	52,793,923	45,337,591	60.1%	65.7%
034	Yuma County Sheriff's Dept.	52,962,197	47,216,996	50,019,736	54,713,175	(2,802,740)	(7,496,179)	105.9%	115.9%
035	Game and Fish Dept.	143,554,283	134,428,795	36,593,771	40,027,428	97,835,024	94,401,367	27.2%	29.8%
036	Sierra Vista Police Dept.	55,036,835	51,224,962	26,497,760	28,984,091	24,727,202	22,240,871	51.7%	56.6%
037	Benson Police Dept.	7,464,191	6,601,673	3,690,069	4,036,315	2,911,604	2,565,358	55.9%	61.1%
038	Bisbee Police Dept.	11,437,984	11,198,285	1,104,335	1,207,957	10,093,950	9,990,328	9.9%	10.8%

Employer Number	Employer Name	Liability (PVB)	Liability (AAL)	Assets (AVA)	Assets (MV)	Unfunded (AAL - AVA)	Unfunded (AAL - MV)	Funded Percent (AVA/AAL)	Funded Percent (MV/AAL)
039	Pima County Sheriff's Dept.	486,154,050	450,461,750	216,398,284	236,703,310	234,063,466	213,758,440	48.0%	52.5%
040	Kingman Police Dept.	38,273,855	35,553,255	22,047,873	24,116,663	13,505,382	11,436,592	62.0%	67.8%
041	ASU Campus Police	59,035,617	50,917,257	26,891,642	29,414,931	24,025,615	21,502,326	52.8%	57.8%
042	Lake Havasu City Fire Dept.	79,039,931	70,568,747	34,379,220	37,605,082	36,189,527	32,963,665	48.7%	53.3%
043	Mohave County Sheriff's Dept.	58,892,707	53,934,280	27,462,612	30,039,477	26,471,668	23,894,803	50.9%	55.7%
044	Bullhead City Fire Dept.	73,056,150	65,659,368	38,238,485	41,826,468	27,420,883	23,832,900	58.2%	63.7%
045	U of A Campus Police	42,092,413	37,993,943	22,350,184	24,447,341	15,643,759	13,546,602	58.8%	64.3%
046	Cochise County Sheriff's Dept.	62,702,391	58,357,979	23,378,748	25,572,416	34,979,231	32,785,563	40.1%	43.8%
047	Safford Police Dept.	20,677,925	19,232,745	6,112,401	6,685,938	13,120,344	12,546,807	31.8%	34.8%
049	Drexel Heights Fire District	50,160,205	42,230,755	29,031,689	31,755,783	13,199,066	10,474,972	68.7%	75.2%
050	Winslow Police Dept.	13,193,305	12,006,216	7,309,460	7,995,319	4,696,756	4,010,897	60.9%	66.6%
051	Payson Fire Dept.	21,537,539	18,496,084	10,739,456	11,747,158	7,756,628	6,748,926	58.1%	63.5%
052	Payson Police Dept.	23,589,706	21,986,269	9,049,033	9,898,120	12,937,236	12,088,149	41.2%	45.0%
053	Northern AZ. Consolidated Fire District #1	10,867,867	10,011,217	6,728,020	7,359,322	3,283,197	2,651,895	67.2%	73.5%
054	Fry Fire District	37,851,250	32,029,930	14,605,971	15,976,475	17,423,959	16,053,455	45.6%	49.9%
055	Fredonia Marshals	958,095	928,736	810,084	886,096	118,652	42,640	87.2%	95.4%
056	NAU Campus Police	15,076,428	13,934,375	6,145,255	6,721,875	7,789,120	7,212,500	44.1%	48.2%
058	South Tucson Fire Dept.	4,658,421	4,600,459	3,094,414	3,384,768	1,506,045	1,215,691	67.3%	73.6%
059	Avondale Fire Dept.	58,584,442	45,789,304	33,641,375	36,798,004	12,147,929	8,991,300	73.5%	80.4%
060	Parker Police Dept.	5,692,011	4,993,278	3,547,400	3,880,259	1,445,878	1,113,019	71.0%	77.7%
061	Coconino County Sheriff's Dept.	56,564,102	52,242,701	57,553,844	62,954,221	(5,311,143)	(10,711,520)	110.2%	120.5%
064	Buckskin Fire District	10,843,234	9,434,531	3,821,016	4,179,549	5,613,515	5,254,982	40.5%	44.3%
065	Snowflake Police Dept.	6,949,785	6,273,004	3,195,359	3,495,185	3,077,645	2,777,819	50.9%	55.7%
066	Cottonwood Police Dept.	24,508,348	22,337,248	22,688,790	24,817,719	(351,542)	(2,480,471)	101.6%	111.1%
067	Lake Havasu City Police Dept.	74,079,235	68,521,290	30,961,961	33,867,176	37,559,329	34,654,114	45.2%	49.4%
069	South Tucson Police Dept.	11,501,339	11,046,712	690,915	755,745	10,355,797	10,290,967	6.3%	6.8%
070	Apache Junction Police Dept.	48,902,103	44,408,089	18,061,688	19,756,447	26,346,401	24,651,642	40.7%	44.5%
071	Navajo County Sheriff's Dept.	22,965,988	20,473,176	7,937,049	8,681,796	12,536,127	11,791,380	38.8%	42.4%
072	Mohave Valley Fire District	14,720,421	12,105,958	10,601,434	11,596,185	1,504,524	509,773	87.6%	95.8%
073	Peoria Fire Dept.	164,260,655	130,201,295	93,122,325	101,860,154	37,078,970	28,341,141	71.5%	78.2%
074	Peoria Police Dept.	187,483,286	160,753,257	94,055,372	102,880,751	66,697,885	57,872,506	58.5%	64.0%
076	Paradise Valley Police Dept.	47,151,862	41,776,197	38,272,772	41,863,972	3,503,425	(87,775)	91.6%	100.2%
077	Willcox Police Dept.	7,932,250	7,086,777	2,780,235	3,041,109	4,306,542	4,045,668	39.2%	42.9%
078	Show Low Police Dept.	24,100,131	22,118,001	19,668,195	21,513,696	2,449,806	604,305	88.9%	97.3%
079	Eloy Police Dept.	17,574,650	15,633,742	9,776,383	10,693,718	5,857,359	4,940,024	62.5%	68.4%
080	Nogales Police Dept.	38,870,320	36,474,665	20,089,117	21,974,114	16,385,548	14,500,551	55.1%	60.2%
081	Gilbert Police Dept.	207,989,587	174,358,791	159,943,701	174,951,496	14,415,090	(592,705)	91.7%	100.3%
083	Clifton Police Dept.	1,459,463	1,249,378	1,005,408	1,099,747	243,970	149,631	80.5%	88.0%
085	Coolidge Police Dept.	17,129,154	15,818,974	12,628,561	13,813,521	3,190,413	2,005,453	79.8%	87.3%
086	Holbrook Police Dept.	11,141,440	10,406,241	3,588,952	3,925,710	6,817,289	6,480,531	34.5%	37.7%
087	Santa Cruz County Sheriff's Dept.	22,499,598	20,846,373	9,805,477	10,725,542	11,040,896	10,120,831	47.0%	51.5%

Employer Number	Employer Name	Liability (PVB)	Liability (AAL)	Assets (AVA)	Assets (MV)	Unfunded (AAL - AVA)	Unfunded (AAL - MV)	Funded Percent (AVA/AAL)	Funded Percent (MV/AAL)
088	Prescott Valley Police Dept.	45,035,246	39,699,142	29,707,440	32,494,941	9,991,702	7,204,201	74.8%	81.9%
089	Eagar Police Dept.	5,797,844	5,235,212	2,364,446	2,586,306	2,870,766	2,648,906	45.2%	49.4%
090	Tolleson Police Dept.	19,969,597	17,078,681	14,606,770	15,977,349	2,471,911	1,101,332	85.5%	93.6%
091	Florence Police Dept.	10,357,149	9,001,387	8,926,414	9,763,995	74,973	(762,608)	99.2%	108.5%
092	Springerville Police Dept.	3,466,362	3,093,969	1,979,778	2,165,544	1,114,191	928,425	64.0%	70.0%
093	El Mirage Police Dept.	32,745,752	27,755,339	17,600,595	19,252,089	10,154,744	8,503,250	63.4%	69.4%
094	Superior Police Dept.	2,537,898	1,949,874	1,562,149	1,708,728	387,725	241,146	80.1%	87.6%
095	San Luis Police Dept.	15,630,779	13,156,169	14,283,777	15,624,049	(1,127,608)	(2,467,880)	108.6%	118.8%
096	Page Police Dept.	9,636,897	8,427,046	8,630,025	9,439,795	(202,979)	(1,012,749)	102.4%	112.0%
097	Page Fire Dept.	4,578,803	3,295,152	3,598,776	3,936,455	(303,624)	(641,303)	109.2%	119.5%
098	Yavapai County Sheriff's Dept.	87,283,668	80,213,794	48,101,317	52,614,747	32,112,477	27,599,047	60.0%	65.6%
100	Pima Police Dept.	984,819	645,378	985,320	1,077,774	(339,942)	(432,396)	152.7%	167.0%
101	Apache County Sheriff's Dept.	19,078,149	18,084,976	18,483,626	20,217,977	(398,650)	(2,133,001)	102.2%	111.8%
102	Cottonwood Fire Dept.	15,537,772	12,959,566	13,071,827	14,298,379	(112,261)	(1,338,813)	100.9%	110.3%
103	La Paz County Sheriff's Dept.	22,286,324	20,806,134	7,615,903	8,330,516	13,190,231	12,475,618	36.6%	40.0%
104	Pinal County Sheriff's Dept.	160,055,911	141,065,805	143,420,067	156,877,421	(2,354,262)	(15,811,616)	101.7%	111.2%
105	Clarkdale Police Dept.	4,668,374	4,118,642	2,915,332	3,188,883	1,203,310	929,759	70.8%	77.4%
106	Buckeye Police Dept.	60,315,608	48,422,904	33,983,047	37,171,735	14,439,857	11,251,169	70.2%	76.8%
107	Marana Police Dept.	56,546,613	45,970,934	28,703,577	31,396,883	17,267,357	14,574,051	62.4%	68.3%
108	Tolleson Fire Dept.	24,603,044	20,610,928	17,285,947	18,907,917	3,324,981	1,703,011	83.9%	91.7%
109	Chino Valley Police Dept.	12,245,286	10,866,908	7,705,982	8,429,048	3,160,926	2,437,860	70.9%	77.6%
110	Surprise Police Dept.	108,134,702	89,295,141	58,521,288	64,012,442	30,773,853	25,282,699	65.5%	71.7%
111	Wellton Police Dept.	3,476,960	3,157,255	3,408,255	3,728,058	(251,000)	(570,803)	107.9%	118.1%
112	Gila County Sheriff's Dept.	24,579,513	22,256,118	23,390,038	25,584,766	(1,133,920)	(3,328,648)	105.1%	115.0%
113	Pinetop-Lakeside Police Dept.	9,467,335	8,846,182	2,688,911	2,941,216	6,157,271	5,904,966	30.4%	33.2%
114	Bullhead City Police Dept.	64,568,698	59,819,554	29,961,964	32,773,347	29,857,590	27,046,207	50.1%	54.8%
115	Williams Police Dept.	4,005,790	3,594,518	2,482,644	2,715,595	1,111,874	878,923	69.1%	75.5%
116	Miami Police Dept.	3,523,683	3,439,443	1,750,953	1,915,248	1,688,490	1,524,195	50.9%	55.7%
117	Thatcher Police Dept.	10,171,589	9,385,861	6,452,559	7,058,014	2,933,302	2,327,847	68.7%	75.2%
118	Youngtown Police Dept.	1,397,182	1,397,182	512,052	560,099	885,130	837,083	36.6%	40.1%
119	Dept. of Emer & Military Aff	25,226,998	21,155,456	12,028,011	13,156,620	9,127,445	7,998,836	56.9%	62.2%
120	Surprise Fire Dept.	104,889,057	81,047,596	65,815,546	71,991,133	15,232,050	9,056,463	81.2%	88.8%
121	Camp Verde Marshals	8,815,363	7,946,539	5,279,277	5,774,641	2,667,262	2,171,898	66.4%	72.7%
122	Oro Valley Police Dept.	81,256,408	70,792,554	46,773,089	51,161,889	24,019,465	19,630,665	66.1%	72.3%
123	Greenlee County Sheriff's Dept.	9,647,245	8,696,377	6,804,833	7,443,342	1,891,544	1,253,035	78.2%	85.6%
124	Tucson Airport Authority Fire Dept.	22,002,091	19,884,116	18,472,615	20,205,933	1,411,501	(321,817)	92.9%	101.6%
125	Tucson Airport Authority Police Dept.	25,677,421	22,684,942	21,777,335	23,820,740	907,607	(1,135,798)	96.0%	105.0%
126	Wickenburg Police Dept.	9,932,634	7,916,285	7,866,883	8,605,046	49,402	(688,761)	99.4%	108.7%
127	El Mirage Fire Dept.	15,725,859	10,946,023	9,732,009	10,645,180	1,214,014	300,843	88.9%	97.3%
128	Patagonia Marshals	1,710,853	1,575,044	926,554	1,013,494	648,490	561,550	58.8%	64.3%
129	Sedona Police Dept.	17,251,074	15,304,344	10,677,290	11,679,159	4,627,054	3,625,185	69.8%	76.3%

Employer Number	Employer Name	Liability (PVB)	Liability (AAL)	Assets (AVA)	Assets (MV)	Unfunded (AAL - AVA)	Unfunded (AAL - MV)	Funded Percent (AVA/AAL)	Funded Percent (MV/AAL)
130	Mammoth Police Dept.	1,572,067	1,321,398	644,934	705,449	676,464	615,949	48.8%	53.4%
131	Globe Police Dept.	12,676,417	11,904,251	7,549,701	8,258,103	4,354,550	3,646,148	63.4%	69.4%
132	Tombstone Marshals	688,012	399,051	1,448,378	1,584,282	(1,049,327)	(1,185,231)	363.0%	397.0%
133	Golder Ranch Fire District	114,814,048	85,570,873	61,886,752	67,693,693	23,684,121	17,877,180	72.3%	79.1%
134	Fort Mojave Mesa Fire District	26,681,254	24,147,854	14,618,861	15,990,574	9,528,993	8,157,280	60.5%	66.2%
136	Goodyear Fire Dept.	86,483,532	69,695,734	61,953,397	67,766,592	7,742,337	1,929,142	88.9%	97.2%
137	Goodyear Police Dept.	86,000,074	67,183,987	57,565,410	62,966,872	9,618,577	4,217,115	85.7%	93.7%
139	Avondale Police Dept.	78,111,328	62,470,772	41,139,532	44,999,726	21,331,240	17,471,046	65.9%	72.0%
140	Graham County Sheriff's Dept.	11,166,489	10,160,630	8,243,312	9,016,796	1,917,318	1,143,834	81.1%	88.7%
142	Golden Valley Fire District	10,125,720	8,120,699	6,335,845	6,930,348	1,784,854	1,190,351	78.0%	85.3%
143	Daisy Mountain Fire District	69,508,206	56,327,211	43,436,802	47,512,552	12,890,409	8,814,659	77.1%	84.4%
144	Quartzsite Police Dept.	4,498,144	4,105,111	3,468,196	3,793,623	636,915	311,488	84.5%	92.4%
145	Picture Rocks Fire District	7,788,314	6,453,129	4,606,559	5,038,800	1,846,570	1,414,329	71.4%	78.1%
146	Pima County Comm. College Police	15,895,058	13,788,128	7,895,898	8,636,784	5,892,230	5,151,344	57.3%	62.6%
147	Northwest Fire District	163,642,005	138,053,567	91,780,326	100,392,233	46,273,241	37,661,334	66.5%	72.7%
148	Superstition Fire and Medical District	81,411,363	68,849,236	45,395,041	49,654,536	23,454,195	19,194,700	65.9%	72.1%
149	Gilbert Fire Dept.	157,006,164	125,871,085	113,306,525	123,938,273	12,564,560	1,932,812	90.0%	98.5%
150	Pine-Strawberry Fire District	14,332,596	12,270,392	6,663,574	7,288,829	5,606,818	4,981,563	54.3%	59.4%
151	Attorney General Invest.	23,403,968	19,800,218	10,657,739	11,657,773	9,142,479	8,142,445	53.8%	58.9%
153	St. Johns Police Dept.	3,142,308	2,734,675	1,737,625	1,900,669	997,050	834,006	63.5%	69.5%
154	Pima County Attorney Invest.	4,553,817	4,340,112	2,764,112	3,023,473	1,576,000	1,316,639	63.7%	69.7%
156	Kearny Police Dept.	2,975,361	2,687,185	1,687,510	1,845,852	999,675	841,333	62.8%	68.7%
158	Navajo County Attorney Invest.	595,326	595,326	121,333	132,718	473,993	462,608	20.4%	22.3%
162	Avra Valley Fire District	10,563,251	7,580,118	6,818,560	7,458,357	761,558	121,761	90.0%	98.4%
163	San Luis Fire Dept.	12,683,376	9,698,814	10,800,175	11,813,574	(1,101,361)	(2,114,760)	111.4%	121.8%
164	AZ Dept. Liq. Lic. & Control Invest.	13,849,867	12,926,622	5,443,823	5,954,626	7,482,799	6,971,996	42.1%	46.1%
165	Maricopa County Attorney Invest.	13,321,617	12,661,911	11,631,367	12,722,758	1,030,544	(60,847)	91.9%	100.5%
166	Sedona Fire District	73,057,800	62,607,021	36,430,995	39,849,378	26,176,026	22,757,643	58.2%	63.7%
167	Guadalupe Fire Dept.	4,026,375	3,431,230	1,975,440	2,160,799	1,455,790	1,270,431	57.6%	63.0%
168	Mayer Fire District	7,336,249	6,458,294	4,496,076	4,917,951	1,962,218	1,540,343	69.6%	76.1%
169	Somerton Police Dept.	8,975,282	8,172,349	5,115,652	5,595,662	3,056,697	2,576,687	62.6%	68.5%
171	Somerton Fire Dept.	7,562,934	6,563,857	5,019,000	5,489,942	1,544,857	1,073,915	76.5%	83.6%
172	Tubac Fire District	13,400,445	11,257,105	8,112,932	8,874,182	3,144,173	2,382,923	72.1%	78.8%
174	Sahuarita Police Dept.	23,589,448	17,901,839	18,963,650	20,743,042	(1,061,811)	(2,841,203)	105.9%	115.9%
176	Florence Fire Dept.	12,919,535	10,068,984	8,347,054	9,130,272	1,721,930	938,712	82.9%	90.7%
177	Sun City Fire District	73,498,935	65,606,073	27,671,106	30,267,534	37,934,967	35,338,539	42.2%	46.1%
178	Hayden Police Dept.	1,000,457	676,782	2,404,191	2,629,780	(1,727,409)	(1,952,998)	355.2%	388.6%
179	Gila River Fire Dept.	34,256,297	25,147,234	22,022,446	24,088,850	3,124,788	1,058,384	87.6%	95.8%
180	Gila River Police Dept.	52,695,792	37,211,891	33,218,365	36,335,302	3,993,526	876,589	89.3%	97.6%

Employer Number	Employer Name	Liability (PVB)	Liability (AAL)	Assets (AVA)	Assets (MV)	Unfunded (AAL - AVA)	Unfunded (AAL - MV)	Funded Percent (AVA/AAL)	Funded Percent (MV/AAL)
181	Salt River Pima-Maricopa Fire	78,082,278	62,222,340	44,715,976	48,911,753	17,506,364	13,310,587	71.9%	78.6%
182	Salt River Pima-Maricopa Police	83,889,179	65,244,218	43,078,818	47,120,978	22,165,400	18,123,240	66.0%	72.2%
185	Pinetop Fire District	22,317,765	19,145,909	10,694,410	11,697,885	8,451,499	7,448,024	55.9%	61.1%
187	Yavapai County Attorney Invest.	1,123,869	1,123,869	90,230	98,696	1,033,639	1,025,173	8.0%	8.8%
188	Three Points Fire District	7,553,475	6,393,561	4,927,244	5,389,576	1,466,317	1,003,985	77.1%	84.3%
190	Buckeye Fire Dept.	60,169,472	44,195,550	40,999,120	44,846,138	3,196,430	(650,588)	92.8%	101.5%
192	Heber-Overgaard Fire District	6,668,177	5,269,428	4,363,170	4,772,574	906,258	496,854	82.8%	90.6%
193	Hellsgate Fire District	5,102,427	4,387,477	2,625,634	2,872,002	1,761,843	1,515,475	59.8%	65.5%
194	Green Valley Fire District	47,663,202	38,904,003	23,398,209	25,593,703	15,505,794	13,310,300	60.1%	65.8%
195	Summit Fire District	23,043,133	19,447,530	13,582,263	14,856,710	5,865,267	4,590,820	69.8%	76.4%
197	Fort McDowell Tribal Fire Dept.	5,235,889	4,115,168	3,969,910	4,342,413	145,258	(227,245)	96.5%	105.5%
198	Fort McDowell Tribal Police Dept.	10,300,485	8,891,788	7,912,313	8,654,739	979,475	237,049	89.0%	97.3%
199	Highlands Fire District	18,242,474	15,095,820	9,244,674	10,112,118	5,851,146	4,983,702	61.2%	67.0%
200	Rio Rico Fire District	11,199,563	8,180,129	7,580,711	8,292,022	599,418	(111,893)	92.7%	101.4%
201	Tri-City Fire District	10,121,795	7,961,177	6,176,119	6,755,635	1,785,058	1,205,542	77.6%	84.9%
202	Maricopa County Park Rangers	2,009,916	2,009,916	1,509,842	1,651,513	500,074	358,403	75.1%	82.2%
203	Verde Valley Fire District	23,595,899	19,366,433	13,751,946	15,042,315	5,614,487	4,324,118	71.0%	77.7%
204	AZ. State Park Rangers	19,003,277	18,340,995	9,231,071	10,097,238	9,109,924	8,243,757	50.3%	55.1%
206	Hualapai Indian Tribe Police Dept.	5,200,501	4,335,916	3,679,865	4,025,153	656,051	310,763	84.9%	92.8%
207	Pinewood Fire District	13,278,585	10,257,256	5,851,960	6,401,060	4,405,296	3,856,196	57.1%	62.4%
208	Rincon Valley Fire District	16,999,535	11,869,543	9,689,131	10,598,279	2,180,412	1,271,264	81.6%	89.3%
210	Jerome Police Dept.	1,232,186	1,071,133	1,027,076	1,123,448	44,057	(52,315)	95.9%	104.9%
211	Fort Mojave Tribal Police Dept.	6,677,304	5,212,159	5,534,771	6,054,108	(322,612)	(841,949)	106.2%	116.2%
212	Buckeye Valley Fire District	32,069,903	22,148,119	18,804,051	20,568,468	3,344,068	1,579,651	84.9%	92.9%
213	Eloy Fire District	15,208,876	11,270,341	9,251,403	10,119,478	2,018,938	1,150,863	82.1%	89.8%
214	Pascua Yaqui Tribe Fire Dept.	15,349,787	13,441,278	8,257,306	9,032,103	5,183,972	4,409,175	61.4%	67.2%
215	Pascua Yaqui Tribe Police Dept.	20,117,633	17,600,813	11,147,993	12,194,028	6,452,820	5,406,785	63.3%	69.3%
216	Town of Superior Fire Dept.	1,245,571	914,077	1,019,002	1,114,617	(104,925)	(200,540)	111.5%	121.9%
217	Wickenburg Fire Dept.	5,393,130	3,862,905	3,969,301	4,341,747	(106,396)	(478,842)	102.8%	112.4%
221	Quartzsite Fire District	4,440,554	3,273,407	2,469,439	2,701,151	803,968	572,256	75.4%	82.5%
222	Rio Verde Fire District	11,652,109	10,388,290	8,914,306	9,750,751	1,473,984	637,539	85.8%	93.9%
223	Scottsdale Fire Dept.	190,873,106	150,025,034	126,736,264	138,628,147	23,288,770	11,396,887	84.5%	92.4%
224	Ak Chin Indian Comm. Fire Dept.	16,570,131	13,094,857	10,141,179	11,092,743	2,953,678	2,002,114	77.4%	84.7%
225	Ak Chin Indian Comm. Police Dept.	6,492,990	5,320,029	5,495,636	6,011,301	(175,607)	(691,272)	103.3%	113.0%
226	Corona De Tucson Fire District	9,330,651	6,249,244	4,620,851	5,054,434	1,628,393	1,194,810	73.9%	80.9%
227	Golden Shores Fire District	2,923,741	2,185,904	2,012,215	2,201,025	173,689	(15,121)	92.1%	100.7%
228	City of Maricopa Fire Dept.	39,056,702	30,500,920	25,760,464	28,177,613	4,740,456	2,323,307	84.5%	92.4%
229	Cave Creek Marshals	837,944	732,262	590,652	646,074	141,610	86,188	80.7%	88.2%

Employer Number	Employer Name	Liability (PVB)	Liability (AAL)	Assets (AVA)	Assets (MV)	Unfunded (AAL - AVA)	Unfunded (AAL - MV)	Funded Percent (AVA/AAL)	Funded Percent (MV/AAL)
231	San Carlos Tribal Police Dept.	11,272,254	7,898,014	6,907,239	7,555,357	990,775	342,657	87.5%	95.7%
232	Groom Creek Fire District	1,097,329	721,521	1,231,933	1,347,527	(510,412)	(626,006)	170.7%	186.8%
233	Mount Lemmon Fire District	1,946,749	1,500,449	1,501,058	1,641,905	(609)	(141,456)	100.0%	109.4%
234	Yavapai Prescott Tribal Police	2,377,561	1,895,096	1,795,717	1,964,212	99,379	(69,116)	94.8%	103.6%
235	Tohono O'odham Nation Fire Dept.	19,552,916	15,842,482	12,624,592	13,809,179	3,217,890	2,033,303	79.7%	87.2%
236	Tohono O'odham Nation Police Dept.	43,153,320	37,677,964	28,577,231	31,258,682	9,100,733	6,419,282	75.8%	83.0%
237	Williamson Valley Fire District	4,538,229	2,913,419	3,018,423	3,301,647	(105,004)	(388,228)	103.6%	113.3%
238	Harquahala Fire District	4,895,424	2,972,120	3,327,623	3,639,860	(355,503)	(667,740)	112.0%	122.5%
239	Coolidge Fire Dept.	1,368,690	879,376	1,328,496	1,453,151	(449,120)	(573,775)	151.1%	165.2%
242	Central AZ. College Police Dept.	2,177,433	1,721,130	1,494,383	1,634,604	226,747	86,526	86.8%	95.0%
243	City of Maricopa Police Dept.	26,720,863	20,368,207	19,081,998	20,872,495	1,286,209	(504,288)	93.7%	102.5%
244	Oracle Fire District	1,861,880	1,317,750	1,108,897	1,212,947	208,853	104,803	84.2%	92.0%
245	Benson Fire Dept.	880,588	855,724	808,642	884,518	47,082	(28,794)	94.5%	103.4%
246	Desert Hills Fire Dept.	6,924,146	4,831,391	4,126,648	4,513,859	704,743	317,532	85.4%	93.4%
247	Queen Creek Fire Dept.	31,344,286	17,512,283	19,042,862	20,829,687	(1,530,579)	(3,317,404)	108.7%	118.9%
248	Sonoita Elgin Fire Dept.	1,866,048	1,673,284	1,685,527	1,843,683	(12,243)	(170,399)	100.7%	110.2%
249	Christopher-Kohl's Fire District	1,436,967	1,139,311	1,125,021	1,230,584	14,290	(91,273)	98.7%	108.0%
250	Whetstone Fire District	1,254,156	477,853	921,095	1,007,523	(443,242)	(529,670)	192.8%	210.8%
251	Queen Valley Fire District	864,435	716,695	646,756	707,442	69,939	9,253	90.2%	98.7%
252	Lake Mohave Ranchos Fire District	2,534,556	2,135,792	1,601,527	1,751,801	534,265	383,991	75.0%	82.0%
253	Huachuca City Police Dept.	1,748,524	1,512,682	1,173,554	1,283,671	339,128	229,011	77.6%	84.9%
254	Palominas Fire District	1,570,597	1,181,226	1,569,097	1,716,328	(387,871)	(535,102)	132.8%	145.3%
255	Sun Sites Pearce Fire District	1,913,753	1,191,978	1,359,877	1,487,477	(167,899)	(295,499)	114.1%	124.8%
256	Ponderosa Fire District	773,268	248,577	634,180	693,686	(385,603)	(445,109)	255.1%	279.1%
257	Timber Mesa Fire and Medical Dist	37,616,357	28,744,624	22,462,733	24,570,450	6,281,891	4,174,174	78.1%	85.5%
258	Central AZ Fire and Medical	113,928,276	100,777,848	53,770,349	58,815,714	47,007,499	41,962,134	53.4%	58.4%
259	Copper Canyon Fire and Medical	21,179,008	16,344,686	11,404,092	12,474,158	4,940,594	3,870,528	69.8%	76.3%
261	Beaver Dam/Littlefield Fire Dist.	737,878	667,138	464,220	507,779	202,918	159,359	69.6%	76.1%
262	Blue Ridge Fire District	1,134,724	749,238	323,476	353,828	425,762	395,410	43.2%	47.2%
263	Arizona Fire & Medical Authority	109,738,710	90,477,145	58,081,765	63,531,678	32,395,380	26,945,467	64.2%	70.2%
265	Queen Creek Police Dept.	1,266,898	158,344	213,774	233,833	(55,430)	(75,489)	135.0%	147.7%
	Unallocated and Former Employers			269,373	294,646	(269,373)	(294,646)		
	TOTAL	21,686,739,933	19,306,428,824	10,462,717,622	11,444,452,554	8,843,711,202	7,861,976,270	54.2%	59.3%

APPENDIX D: SUMMARY OF PENSION FUNDED STATUS BY EMPLOYER – TIER 3

Employer Number	Employer Name	Liability (PVB)	Liability (AAL)	Assets (AVA)	Assets (MV)	Unfunded (AAL - AVA)	Unfunded (AAL - MV)	Funded Percent (AVA/AAL)	Funded Percent (MV/AAL)
004	Chandler Fire Dept.	7,364,681	941,736	1,063,427	1,205,535	(121,691)	(263,799)	112.9%	128.0%
005	Chandler Police Dept.	11,884,176	1,571,032	1,615,055	1,830,879	(44,023)	(259,847)	102.8%	116.5%
007	Dept. of Public Safety	29,846,633	3,490,844	3,820,244	4,330,752	(329,400)	(839,908)	109.4%	124.1%
012	Glendale Fire Dept.	8,038,775	458,369	441,516	500,517	16,853	(42,148)	96.3%	109.2%
013	Glendale Police Dept.	10,597,628	1,682,232	1,682,180	1,906,974	52	(224,742)	100.0%	113.4%
016	Maricopa County Sheriff's Office	25,478,741	3,357,113	3,430,522	3,888,951	(73,409)	(531,838)	102.2%	115.8%
017	Mesa Fire Dept.	17,043,639	1,198,499	1,277,164	1,447,834	(78,665)	(249,335)	106.6%	120.8%
018	Mesa Police Dept.	31,273,713	3,619,617	3,983,135	4,515,411	(363,518)	(895,794)	110.0%	124.7%
021	Phoenix Fire Dept.	56,049,341	6,069,796	6,324,616	7,169,790	(254,820)	(1,099,994)	104.2%	118.1%
022	Phoenix Police Dept.	105,742,302	16,804,859	16,429,295	18,624,782	375,564	(1,819,923)	97.8%	110.8%
025	Scottsdale Police Dept.	13,032,833	1,690,825	1,859,875	2,108,415	(169,050)	(417,590)	110.0%	124.7%
027	Tempe Fire Dept.	6,069,046	691,866	718,237	814,217	(26,371)	(122,351)	103.8%	117.7%
028	Tempe Police Dept.	8,007,426	972,869	1,013,940	1,149,435	(41,071)	(176,566)	104.2%	118.1%
029	Tucson Fire	10,149,901	1,230,747	1,242,679	1,408,741	(11,932)	(177,994)	101.0%	114.5%
030	Tucson Police	23,041,235	3,735,251	4,155,202	4,710,472	(419,951)	(975,221)	111.2%	126.1%
039	Pima County Sheriff's Dept.	14,382,181	1,981,025	1,968,698	2,231,780	12,327	(250,755)	99.4%	112.7%
179	Gila River Fire Dept.	3,797,846	297,099	276,376	313,309	20,723	(16,210)	93.0%	105.5%
180	Gila River Police Dept.	6,802,855	824,572	704,666	798,832	119,906	25,740	85.5%	96.9%
223	Scottsdale Fire Dept.	11,720,592	1,207,036	1,226,392	1,390,278	(19,356)	(183,242)	101.6%	115.2%
	Risk Sharing	290,903,058	42,733,537	45,863,401	51,992,240	(3,129,864)	(9,258,703)	107.3%	121.7%
	TOTAL	691,226,602	94,558,924	99,096,620	112,339,144	(4,537,696)	(17,780,220)	104.8%	118.8%

APPENDIX E: SUMMARY OF PENSION CONTRIBUTION BY EMPLOYER - TIERS 1 & 2

Employer Number	Employer Name	ER NC%	UAAL Pmt %	Amortization Period	Calculated ER Cont.	Required ER Cont.
001	Bisbee Fire Dept.	12.75%	67.32%	25	80.07%	80.07%
002	Casa Grande Fire Dept.	12.46%	34.04%	15	46.50%	46.50%
003	Casa Grande Police Dept.	9.48%	57.80%	15	67.28%	67.28%
004	Chandler Fire Dept.	14.96%	24.41%	15	39.37%	39.37%
005	Chandler Police Dept.	13.29%	33.81%	15	47.10%	47.10%
006	Clifton Fire Dept.	0.00%	0.00%	15	0.00%	5.00%
007	Dept. of Public Safety	13.54%	48.19%	15	61.73%	61.73%
008	Douglas Fire Dept.	13.96%	1.77%	15	15.73%	15.73%
009	Douglas Police Dept.	9.75%	(0.60%)	15	9.15%	9.15%
010	Flagstaff Fire Dept.	12.78%	(4.43%)	15	8.35%	8.35%
011	Flagstaff Police Dept.	10.43%	(4.32%)	26	6.11%	8.00%
012	Glendale Fire Dept.	14.79%	40.98%	15	55.77%	55.77%
013	Glendale Police Dept.	13.80%	49.63%	15	63.43%	63.43%
014	Globe Fire Dept.	11.41%	33.01%	15	44.42%	44.42%
015	Kingman Fire Dept.	13.02%	35.01%	15	48.03%	48.03%
016	Maricopa County Sheriff's Office	13.38%	63.39%	15	76.77%	76.77%
017	Mesa Fire Dept.	14.73%	42.75%	25	57.48%	57.48%
018	Mesa Police Dept.	13.61%	45.15%	25	58.76%	58.76%
020	Nogales Fire Dept.	14.15%	61.97%	15	76.12%	76.12%
021	Phoenix Fire Dept.	14.81%	48.57%	25	63.38%	63.38%
022	Phoenix Police Dept.	13.79%	59.55%	25	73.34%	73.34%
023	Prescott Fire Dept.	12.36%	22.41%	15	34.77%	34.77%
024	Prescott Police Dept.	11.14%	17.64%	15	28.78%	28.78%
025	Scottsdale Police Dept.	13.81%	49.46%	15	63.27%	63.27%
026	Sierra Vista Fire Dept.	13.99%	43.95%	15	57.94%	57.94%
027	Tempe Fire Dept.	15.11%	68.76%	15	83.87%	83.87%
028	Tempe Police Dept.	13.99%	68.34%	15	82.33%	82.33%
029	Tucson Fire	13.08%	58.69%	25	71.77%	71.77%
030	Tucson Police	12.22%	79.10%	25	91.32%	91.32%
031	Winslow Fire Dept.	12.69%	0.00%	15	12.69%	12.69%
032	Yuma Fire Dept.	13.03%	45.88%	15	58.91%	58.91%
033	Yuma Police Dept.	10.00%	47.73%	15	57.73%	57.73%
034	Yuma County Sheriff's Dept.	9.98%	(2.41%)	15	7.57%	8.00%
035	Game and Fish Dept.	13.23%	123.50%	15	136.73%	136.73%
036	Sierra Vista Police Dept.	9.93%	53.35%	15	63.28%	63.28%
037	Benson Police Dept.	9.78%	32.89%	15	42.67%	42.67%
038	Bisbee Police Dept.	10.54%	93.83%	25	104.37%	104.37%
039	Pima County Sheriff's Dept.	12.15%	72.30%	15	84.45%	84.45%
040	Kingman Police Dept.	9.55%	40.51%	15	50.06%	50.06%
041	ASU Campus Police	13.63%	37.08%	15	50.71%	50.71%
042	Lake Havasu City Fire Dept.	12.42%	56.39%	15	68.81%	68.81%
043	Mohave County Sheriff's Dept.	10.59%	44.58%	15	55.17%	55.17%
044	Bullhead City Fire Dept.	12.99%	49.20%	15	62.19%	62.19%
045	U of A Campus Police	12.91%	36.78%	15	49.69%	49.69%
046	Cochise County Sheriff's Dept.	10.57%	45.19%	25	55.76%	55.76%
047	Safford Police Dept.	10.75%	75.43%	25	86.18%	86.18%
049	Drexel Heights Fire District	13.38%	23.44%	15	36.82%	36.82%
050	Winslow Police Dept.	14.28%	36.74%	15	51.02%	51.02%

Employer Number	Employer Name	ER NC%	UAAL Pmt %	Amortization Period	Calculated ER Cont.	Required ER Cont.
051	Payson Fire Dept.	13.01%	27.77%	15	40.78%	40.78%
052	Payson Police Dept.	10.58%	57.85%	15	68.43%	68.43%
053	Northern AZ. Consolidated Fire District #1	17.65%	29.53%	15	47.18%	47.18%
054	Fry Fire District	15.23%	35.97%	26	51.20%	51.20%
055	Fredonia Marshals	7.92%	8.43%	15	16.35%	16.35%
056	NAU Campus Police	10.05%	47.32%	15	57.37%	57.37%
058	South Tucson Fire Dept.	8.04%	81.05%	25	89.09%	89.09%
059	Avondale Fire Dept.	15.16%	15.23%	15	30.39%	30.39%
060	Parker Police Dept.	12.46%	20.21%	15	32.67%	32.67%
061	Coconino County Sheriff's Dept.	10.52%	(5.72%)	15	4.80%	8.00%
064	Buckskin Fire District	14.44%	65.29%	15	79.73%	79.73%
065	Snowflake Police Dept.	10.40%	35.90%	15	46.30%	46.30%
066	Cottonwood Police Dept.	10.61%	(0.77%)	15	9.84%	9.84%
067	Lake Havasu City Police Dept.	9.98%	57.65%	15	67.63%	67.63%
069	South Tucson Police Dept.	11.86%	131.89%	25	143.75%	143.75%
070	Apache Junction Police Dept.	11.32%	59.09%	15	70.41%	70.41%
071	Navajo County Sheriff's Dept.	10.96%	38.42%	15	49.38%	49.38%
072	Mohave Valley Fire District	16.80%	9.51%	15	26.31%	26.31%
073	Peoria Fire Dept.	15.28%	19.05%	15	34.33%	34.33%
074	Peoria Police Dept.	13.99%	34.24%	15	48.23%	48.23%
076	Paradise Valley Police Dept.	15.18%	9.15%	15	24.33%	24.33%
077	Willcox Police Dept.	13.95%	67.35%	15	81.30%	81.30%
078	Show Low Police Dept.	9.79%	12.23%	15	22.02%	22.02%
079	Eloy Police Dept.	10.30%	29.39%	15	39.69%	39.69%
080	Nogales Police Dept.	11.06%	62.90%	15	73.96%	73.96%
081	Gilbert Police Dept.	14.48%	4.92%	15	19.40%	19.40%
083	Clifton Police Dept.	9.94%	17.27%	15	27.21%	27.21%
085	Coolidge Police Dept.	10.72%	18.67%	15	29.39%	29.39%
086	Holbrook Police Dept.	21.74%	87.18%	15	108.92%	108.92%
087	Santa Cruz County Sheriff's Dept.	11.99%	52.82%	15	64.81%	64.81%
088	Prescott Valley Police Dept.	10.25%	17.86%	15	28.11%	28.11%
089	Eagar Police Dept.	15.83%	82.69%	15	98.52%	98.52%
090	Tolleson Police Dept.	13.03%	11.65%	15	24.68%	24.68%
091	Florence Police Dept.	10.77%	2.45%	15	13.22%	13.22%
092	Springerville Police Dept.	19.64%	33.67%	15	53.31%	53.31%
093	El Mirage Police Dept.	14.85%	25.36%	15	40.21%	40.21%
094	Superior Police Dept.	21.07%	9.03%	15	30.10%	30.10%
095	San Luis Police Dept.	9.97%	(1.90%)	15	8.07%	8.07%
096	Page Police Dept.	11.08%	(0.80%)	15	10.28%	10.28%
097	Page Fire Dept.	12.57%	(1.31%)	15	11.26%	11.26%
098	Yavapai County Sheriff's Dept.	9.72%	35.94%	15	45.66%	45.66%
100	Pima Police Dept.	11.12%	0.00%	15	11.12%	11.12%
101	Apache County Sheriff's Dept.	9.35%	(1.46%)	15	7.89%	8.00%
102	Cottonwood Fire Dept.	12.97%	(0.28%)	15	12.69%	12.69%
103	La Paz County Sheriff's Dept.	11.30%	67.51%	15	78.81%	78.81%
104	Pinal County Sheriff's Dept.	11.35%	(0.64%)	15	10.71%	10.71%
105	Clarkdale Police Dept.	13.43%	15.25%	25	28.68%	28.68%
106	Buckeye Police Dept.	14.36%	16.81%	15	31.17%	31.17%
107	Marana Police Dept.	13.43%	23.27%	15	36.70%	36.70%
108	Tolleson Fire Dept.	14.50%	13.12%	15	27.62%	27.62%
109	Chino Valley Police Dept.	11.02%	21.33%	15	32.35%	32.35%
110	Surprise Police Dept.	13.49%	22.12%	15	35.61%	35.61%
111	Wellton Police Dept.	10.49%	(3.66%)	15	6.83%	8.00%

Employer Number	Employer Name	ER NC%	UAAL Pmt %	Amortization Period	Calculated ER Cont.	Required ER Cont.
112	Gila County Sheriff's Dept.	10.68%	(2.03%)	15	8.65%	8.65%
113	Pinetop-Lakeside Police Dept.	11.43%	58.55%	25	69.98%	69.98%
114	Bullhead City Police Dept.	9.66%	53.99%	15	63.65%	63.65%
115	Williams Police Dept.	11.08%	22.69%	15	33.77%	33.77%
116	Miami Police Dept.	16.74%	77.07%	15	93.81%	93.81%
117	Thatcher Police Dept.	9.87%	35.44%	15	45.31%	45.31%
118	Youngtown Police Dept.	0.00%	0.00%	15	0.00%	8.00%
119	Dept. of Emer & Military Aff	13.76%	31.80%	15	45.56%	45.56%
120	Surprise Fire Dept.	14.72%	11.08%	15	25.80%	25.80%
121	Camp Verde Marshals	10.38%	20.88%	15	31.26%	31.26%
122	Oro Valley Police Dept.	13.09%	30.38%	15	43.47%	43.47%
123	Greenlee County Sheriff's Dept.	11.52%	18.48%	15	30.00%	30.00%
124	Tucson Airport Authority Fire Dept.	14.10%	12.15%	15	26.25%	26.25%
125	Tucson Airport Authority Police Dept.	17.03%	7.14%	15	24.17%	24.17%
126	Wickenburg Police Dept.	13.14%	2.60%	15	15.74%	15.74%
127	El Mirage Fire Dept.	14.37%	5.00%	15	19.37%	19.37%
128	Patagonia Marshals	17.31%	63.11%	25	80.42%	80.42%
129	Sedona Police Dept.	12.27%	21.94%	15	34.21%	34.21%
130	Mammoth Police Dept.	16.94%	38.23%	15	55.17%	55.17%
131	Globe Police Dept.	14.86%	40.37%	15	55.23%	55.23%
132	Tombstone Marshals	19.17%	(1.02%)	15	18.15%	18.15%
133	Golder Ranch Fire District	13.01%	12.94%	15	25.95%	25.95%
134	Fort Mojave Mesa Fire District	13.15%	40.51%	15	53.66%	53.66%
136	Goodyear Fire Dept.	15.14%	8.04%	15	23.18%	23.18%
137	Goodyear Police Dept.	15.55%	9.52%	15	25.07%	25.07%
139	Avondale Police Dept.	13.65%	18.46%	15	32.11%	32.11%
140	Graham County Sheriff's Dept.	9.89%	11.56%	25	21.45%	21.45%
142	Golden Valley Fire District	12.90%	12.83%	15	25.73%	25.73%
143	Daisy Mountain Fire District	15.17%	9.93%	25	25.10%	25.10%
144	Quartzsite Police Dept.	10.80%	15.14%	15	25.94%	25.94%
145	Picture Rocks Fire District	12.92%	17.87%	15	30.79%	30.79%
146	Pima County Comm. College Police	13.41%	29.42%	15	42.83%	42.83%
147	Northwest Fire District	13.83%	25.12%	15	38.95%	38.95%
148	Superstition Fire and Medical District	14.36%	21.06%	25	35.42%	35.42%
149	Gilbert Fire Dept.	14.69%	6.78%	15	21.47%	21.47%
150	Pine-Strawberry Fire District	12.95%	25.77%	26	38.72%	38.72%
151	Attorney General Invest.	16.98%	32.89%	15	49.87%	49.87%
153	St. Johns Police Dept.	18.38%	23.54%	15	41.92%	41.92%
154	Pima County Attorney Invest.	9.18%	56.75%	15	65.93%	65.93%
156	Kearny Police Dept.	21.62%	36.70%	15	58.32%	58.32%
158	Navajo County Attorney Invest.	0.00%	0.00%	15	0.00%	5.00%
162	Avra Valley Fire District	13.14%	5.13%	15	18.27%	18.27%
163	San Luis Fire Dept.	13.62%	(1.80%)	15	11.82%	11.82%
164	AZ Dept. Liq. Lic. & Control Invest.	14.73%	98.52%	15	113.25%	113.25%
165	Maricopa County Attorney Invest.	11.86%	9.92%	15	21.78%	21.78%
166	Sedona Fire District	12.08%	30.95%	15	43.03%	43.03%
167	Guadalupe Fire Dept.	14.07%	30.41%	15	44.48%	44.48%
168	Mayer Fire District	11.97%	26.20%	15	38.17%	38.17%
169	Somerton Police Dept.	9.60%	25.03%	15	34.63%	34.63%
171	Somerton Fire Dept.	12.48%	13.40%	15	25.88%	25.88%
172	Tubac Fire District	13.52%	12.83%	26	26.35%	26.35%
174	Sahuarita Police Dept.	14.84%	(1.20%)	15	13.64%	13.64%
176	Florence Fire Dept.	12.41%	8.83%	15	21.24%	21.24%

Employer Number	Employer Name	ER NC%	UAAL Pmt %	Amortization Period	Calculated ER Cont.	Required ER Cont.
177	Sun City Fire District	14.33%	51.98%	25	66.31%	66.31%
178	Hayden Police Dept.	15.48%	(0.83%)	15	14.65%	14.65%
179	Gila River Fire Dept.	14.73%	6.66%	15	21.39%	21.39%
180	Gila River Police Dept.	13.53%	5.25%	15	18.78%	18.78%
181	Salt River Pima-Maricopa Fire	14.56%	18.29%	15	32.85%	32.85%
182	Salt River Pima-Maricopa Police	14.27%	18.48%	15	32.75%	32.75%
185	Pinetop Fire District	11.67%	20.37%	26	32.04%	32.04%
187	Yavapai County Attorney Invest.	0.00%	0.00%	15	0.00%	5.00%
188	Three Points Fire District	11.99%	18.39%	15	30.38%	30.38%
190	Buckeye Fire Dept.	15.33%	4.24%	15	19.57%	19.57%
192	Heber-Overgaard Fire District	12.20%	9.69%	15	21.89%	21.89%
193	Hellsgate Fire District	12.76%	26.00%	30	38.76%	38.76%
194	Green Valley Fire District	13.28%	18.82%	26	32.10%	32.10%
195	Summit Fire District	12.92%	22.07%	15	34.99%	34.99%
197	Fort McDowell Tribal Fire Dept.	14.42%	3.73%	15	18.15%	18.15%
198	Fort McDowell Tribal Police Dept.	14.08%	9.88%	15	23.96%	23.96%
199	Highlands Fire District	14.15%	17.67%	25	31.82%	31.82%
200	Rio Rico Fire District	13.48%	4.09%	15	17.57%	17.57%
201	Tri-City Fire District	12.81%	12.42%	15	25.23%	25.23%
202	Maricopa County Park Rangers	0.00%	0.00%	15	0.00%	8.00%
203	Verde Valley Fire District	13.62%	18.01%	15	31.63%	31.63%
204	AZ. State Park Rangers	15.54%	106.65%	15	122.19%	122.19%
206	Hualapai Indian Tribe Police Dept.	11.11%	7.27%	15	18.38%	18.38%
207	Pinewood Fire District	13.60%	26.90%	15	40.50%	40.50%
208	Rincon Valley Fire District	14.67%	7.51%	15	22.18%	22.18%
210	Jerome Police Dept.	10.34%	4.63%	15	14.97%	14.97%
211	Fort Mojave Tribal Police Dept.	10.26%	(1.18%)	15	9.08%	9.08%
212	Buckeye Valley Fire District	14.33%	6.98%	15	21.31%	21.31%
213	Eloy Fire District	13.71%	8.46%	15	22.17%	22.17%
214	Pascua Yaqui Tribe Fire Dept.	14.00%	33.14%	15	47.14%	47.14%
215	Pascua Yaqui Tribe Police Dept.	11.70%	35.10%	15	46.80%	46.80%
216	Town of Superior Fire Dept.	12.76%	0.00%	15	12.76%	12.76%
217	Wickenburg Fire Dept.	13.50%	(0.41%)	15	13.09%	13.09%
221	Quartzsite Fire District	11.93%	8.94%	15	20.87%	20.87%
222	Rio Verde Fire District	14.30%	10.42%	15	24.72%	24.72%
223	Scottsdale Fire Dept.	13.57%	9.60%	15	23.17%	23.17%
224	Ak Chin Indian Comm. Fire Dept.	11.80%	14.47%	15	26.27%	26.27%
225	Ak Chin Indian Comm. Police Dept.	9.15%	(0.79%)	15	8.36%	8.36%
226	Corona De Tucson Fire District	13.77%	11.42%	15	25.19%	25.19%
227	Golden Shores Fire District	14.82%	5.62%	15	20.44%	20.44%
228	City of Maricopa Fire Dept.	12.61%	7.86%	15	20.47%	20.47%
229	Cave Creek Marshals	13.83%	11.64%	15	25.47%	25.47%
231	San Carlos Tribal Police Dept.	12.30%	5.05%	15	17.35%	17.35%
232	Groom Creek Fire District	11.35%	(0.73%)	15	10.62%	10.62%
233	Mount Lemmon Fire District	13.28%	(0.01%)	15	13.27%	13.27%
234	Yavapai Prescott Tribal Police	12.66%	2.27%	15	14.93%	14.93%
235	Tohono O'odham Nation Fire Dept.	12.61%	13.41%	15	26.02%	26.02%
236	Tohono O'odham Nation Police Dept.	12.36%	17.00%	15	29.36%	29.36%
237	Williamson Valley Fire District	13.14%	0.00%	15	13.14%	13.14%
238	Harquahala Fire District	13.66%	(0.37%)	15	13.29%	13.29%
239	Coolidge Fire Dept.	13.18%	(1.50%)	15	11.68%	11.68%
242	Central AZ. College Police Dept.	14.60%	4.59%	15	19.19%	19.19%
243	City of Maricopa Police Dept.	11.11%	3.06%	15	14.17%	14.17%

Employer Number	Employer Name	ER NC%	UAAL Pmt %	Amortization Period	Calculated ER Cont.	Required ER Cont.
244	Oracle Fire District	13.53%	5.54%	15	19.07%	19.07%
245	Benson Fire Dept.	15.49%	4.96%	15	20.45%	20.45%
246	Desert Hills Fire Dept.	12.65%	7.14%	15	19.79%	19.79%
247	Queen Creek Fire Dept.	13.86%	(0.93%)	15	12.93%	12.93%
248	Sonoita Elgin Fire Dept.	14.25%	(0.12%)	15	14.13%	14.13%
249	Christopher-Kohl's Fire District	10.76%	1.63%	15	12.39%	12.39%
250	Whetstone Fire District	16.10%	(0.30%)	15	15.80%	15.80%
251	Queen Valley Fire District	10.67%	5.21%	15	15.88%	15.88%
252	Lake Mohave Ranchos Fire District	24.26%	11.38%	26	35.64%	35.64%
253	Huachuca City Police Dept.	11.40%	13.96%	15	25.36%	25.36%
254	Palominas Fire District	25.84%	0.00%	15	25.84%	25.84%
255	Sun Sites Pearce Fire District	12.79%	0.00%	15	12.79%	12.79%
256	Ponderosa Fire District	15.57%	(1.97%)	15	13.60%	13.60%
257	Timber Mesa Fire and Medical Dist	13.66%	6.50%	26	20.16%	20.16%
258	Central AZ Fire and Medical	12.68%	46.34%	15	59.02%	59.02%
259	Copper Canyon Fire and Medical	12.74%	12.69%	15	25.43%	25.43%
261	Beaver Dam/Littlefield Fire Dist.	4.59%	7.77%	15	12.36%	12.36%
262	Blue Ridge Fire District	11.05%	25.21%	15	36.26%	36.26%
263	Arizona Fire & Medical Authority	14.57%	18.97%	25	33.54%	33.54%
265	Queen Creek Police Dept.	30.73%	(0.52%)	15	30.21%	30.21%
	TOTAL	13.57%	40.57%		54.14%	54.14%

APPENDIX F: SUMMARY OF CALCULATED PENSION CONTRIBUTION BY EMPLOYER – TIER 3

Employer Number	Employer Name	Total NC%	UAAL Pmt %	Total Cont. %	EE Cont. %	ER Cont. %
004	Chandler Fire Dept.	18.58%	0.00%	18.58%	9.29%	9.29%
005	Chandler Police Dept.	17.88%	0.00%	17.88%	8.94%	8.94%
007	Dept. of Public Safety	18.85%	0.00%	18.85%	9.43%	9.43%
012	Glendale Fire Dept.	19.98%	0.11%	20.09%	10.05%	10.05%
013	Glendale Police Dept.	17.98%	0.00%	17.98%	8.99%	8.99%
016	Maricopa County Sheriff's Office	18.68%	0.00%	18.68%	9.34%	9.34%
017	Mesa Fire Dept.	19.82%	0.00%	19.82%	9.91%	9.91%
018	Mesa Police Dept.	17.93%	0.00%	17.93%	8.97%	8.97%
021	Phoenix Fire Dept.	18.84%	0.00%	18.84%	9.42%	9.42%
022	Phoenix Police Dept.	18.46%	0.13%	18.59%	9.30%	9.30%
025	Scottsdale Police Dept.	17.62%	0.00%	17.62%	8.81%	8.81%
027	Tempe Fire Dept.	18.19%	0.00%	18.19%	9.10%	9.10%
028	Tempe Police Dept.	17.93%	0.00%	17.93%	8.97%	8.97%
029	Tucson Fire	19.12%	0.00%	19.12%	9.56%	9.56%
030	Tucson Police	18.58%	0.00%	18.58%	9.29%	9.29%
039	Pima County Sheriff's Dept.	18.79%	0.03%	18.82%	9.41%	9.41%
179	Gila River Fire Dept.	19.43%	0.27%	19.70%	9.85%	9.85%
180	Gila River Police Dept.	18.87%	0.66%	19.53%	9.77%	9.77%
223	Scottsdale Fire Dept.	20.02%	0.00%	20.02%	10.01%	10.01%
	Risk Sharing	17.99%	0.00%	17.99%	9.00%	9.00%
	TOTAL	18.31%	0.03%	18.34%	9.17%	9.17%

APPENDIX G: SUMMARY OF EMPLOYERS WITH EXTENDED AMORTIZATION PERIODS – TIERS 1 & 2

Under the Arizona Revised Statutes Title 38, Chapter 5, Article 4, Section 38-891.M, employers can request a one-time election to extend the amortization period used for recognizing Tier 1 and 2 liabilities to a closed period of no more than 30 years. The employers listed below have made this election and have the period shown remaining as of the June 30, 2021 valuation. All other employers are using the standard 15-year amortization period.

25-Year Amortization	
001	BISBEE FIRE DEPT.
017	MESA FIRE DEPT.
018	MESA POLICE DEPT.
021	PHOENIX FIRE DEPT.
022	PHOENIX POLICE DEPT.
029	TUCSON FIRE
030	TUCSON POLICE
038	BISBEE POLICE DEPT.
046	COCHISE COUNTY SHERIFF'S DEPT.
047	SAFFORD POLICE DEPT.
058	SOUTH TUCSON FIRE DEPT.
069	SOUTH TUCSON POLICE DEPT.
105	CLARKDALE POLICE DEPT.
113	PINETOP-LAKESIDE POLICE DEPT.
128	PATAGONIA MARSHALS
140	GRAHAM COUNTY SHERIFF'S DEPT.
143	DAISY MOUNTAIN FIRE DISTRICT
148	SUPERSTITION FIRE AND MEDICAL DISTRICT
177	SUN CITY FIRE DISTRICT
199	HIGHLANDS FIRE DISTRICT
263	ARIZONA FIRE & MEDICAL AUTHORITY

26-Year Amortization	
011	FLAGSTAFF POLICE DEPT.
054	FRY FIRE DISTRICT
150	PINE-STRAWBERRY FIRE DISTRICT
172	TUBAC FIRE DISTRICT
185	PINETOP FIRE DISTRICT
194	GREEN VALLEY FIRE DISTRICT
252	LAKE MOHAVE RANCHOS FIRE DISTRICT
257	TIMBER MESA FIRE AND MEDICAL DIST

30-Year Amortization	
193	HELLSGATE FIRE DISTRICT

APPENDIX H: SUMMARY OF HEALTH FUNDED STATUS BY EMPLOYER – TIERS 1 & 2

Employer Number	Employer Name	Liability (PVB)	Liability (AAL)	Assets (AVA)	Assets (MV)	Unfunded (AAL - AVA)	Unfunded (AAL - MV)	Funded Percent (AVA/AAL)	Funded Percent (MV/AAL)
001	Bisbee Fire Dept.	170,466	141,738	255,452	280,233	(113,714)	(138,495)	180.2%	197.7%
002	Casa Grande Fire Dept.	771,857	652,579	587,752	644,769	64,827	7,810	90.1%	98.8%
003	Casa Grande Police Dept.	1,138,026	1,027,003	1,020,605	1,119,612	6,398	(92,609)	99.4%	109.0%
004	Chandler Fire Dept.	3,419,805	2,962,849	3,098,307	3,398,867	(135,458)	(436,018)	104.6%	114.7%
005	Chandler Police Dept.	5,906,074	5,298,620	4,919,297	5,396,508	379,323	(97,888)	92.8%	101.8%
006	Clifton Fire Dept.	8,935	8,935	9,757	10,704	(822)	(1,769)	109.2%	119.8%
007	Dept. of Public Safety	24,952,721	22,455,619	33,073,026	36,281,369	(10,617,407)	(13,825,750)	147.3%	161.6%
008	Douglas Fire Dept.	280,491	228,588	525,748	576,750	(297,160)	(348,162)	230.0%	252.3%
009	Douglas Police Dept.	422,766	375,518	648,948	711,901	(273,430)	(336,383)	172.8%	189.6%
010	Flagstaff Fire Dept.	1,641,571	1,465,891	3,109,449	3,411,090	(1,643,558)	(1,945,199)	212.1%	232.7%
011	Flagstaff Police Dept.	1,511,224	1,383,544	1,617,527	1,774,440	(233,983)	(390,896)	116.9%	128.3%
012	Glendale Fire Dept.	3,507,305	2,979,762	5,201,202	5,705,760	(2,221,440)	(2,725,998)	174.6%	191.5%
013	Glendale Police Dept.	6,388,947	5,554,807	6,155,053	6,752,142	(600,246)	(1,197,335)	110.8%	121.6%
014	Globe Fire Dept.	238,071	210,568	216,930	237,974	(6,362)	(27,406)	103.0%	113.0%
015	Kingman Fire Dept.	721,297	614,036	836,277	917,402	(222,241)	(303,366)	136.2%	149.4%
016	Maricopa County Sheriff's Office	9,489,047	8,289,484	15,864,196	17,403,148	(7,574,712)	(9,113,664)	191.4%	209.9%
017	Mesa Fire Dept.	9,921,086	8,985,994	7,936,099	8,705,963	1,049,895	280,031	88.3%	96.9%
018	Mesa Police Dept.	23,049,294	21,521,220	10,578,716	11,604,935	10,942,504	9,916,285	49.2%	53.9%
020	Nogales Fire Dept.	791,913	716,321	661,547	725,722	54,774	(9,401)	92.4%	101.3%
021	Phoenix Fire Dept.	29,515,504	25,795,625	40,439,107	44,362,018	(14,643,482)	(18,566,393)	156.8%	172.0%
022	Phoenix Police Dept.	53,174,438	47,742,282	71,305,101	78,222,256	(23,562,819)	(30,479,974)	149.4%	163.8%
023	Prescott Fire Dept.	1,123,148	1,001,193	1,308,129	1,435,028	(306,936)	(433,835)	130.7%	143.3%
024	Prescott Police Dept.	1,234,541	1,127,138	848,930	931,283	278,208	195,855	75.3%	82.6%
025	Scottsdale Police Dept.	6,065,205	5,287,379	7,683,788	8,429,176	(2,396,409)	(3,141,797)	145.3%	159.4%
026	Sierra Vista Fire Dept.	976,962	883,462	608,532	667,564	274,930	215,898	68.9%	75.6%
027	Tempe Fire Dept.	3,669,978	3,294,863	3,925,339	4,306,128	(630,476)	(1,011,265)	119.1%	130.7%
028	Tempe Police Dept.	7,512,716	6,763,264	4,570,192	5,013,537	2,193,072	1,749,727	67.6%	74.1%
029	Tucson Fire	12,770,413	11,419,873	11,401,436	12,507,465	18,437	(1,087,592)	99.8%	109.5%
030	Tucson Police	20,638,371	19,190,813	16,470,739	18,068,530	2,720,074	1,122,283	85.8%	94.2%
031	Winslow Fire Dept.	64,271	47,602	385,534	422,934	(337,932)	(375,332)	809.9%	888.5%
032	Yuma Fire Dept.	1,881,287	1,645,601	2,089,649	2,292,361	(444,048)	(646,760)	127.0%	139.3%
033	Yuma Police Dept.	1,951,356	1,726,739	3,375,776	3,703,253	(1,649,037)	(1,976,514)	195.5%	214.5%
034	Yuma County Sheriff's Dept.	776,206	660,033	1,363,622	1,495,904	(703,589)	(835,871)	206.6%	226.6%
035	Game and Fish Dept.	2,705,342	2,464,269	3,056,312	3,352,798	(592,043)	(888,529)	124.0%	136.1%
036	Sierra Vista Police Dept.	1,198,934	1,109,508	805,482	883,620	304,026	225,888	72.6%	79.6%
037	Benson Police Dept.	162,640	141,494	176,272	193,372	(34,778)	(51,878)	124.6%	136.7%
038	Bisbee Police Dept.	231,807	223,255	150,983	165,629	72,272	57,626	67.6%	74.2%

Employer Number	Employer Name	Liability (PVB)	Liability (AAL)	Assets (AVA)	Assets (MV)	Unfunded (AAL - AVA)	Unfunded (AAL - MV)	Funded Percent (AVA/AAL)	Funded Percent (MV/AAL)
039	Pima County Sheriff's Dept.	7,106,448	6,229,573	9,737,252	10,681,842	(3,507,679)	(4,452,269)	156.3%	171.5%
040	Kingman Police Dept.	632,009	565,773	732,214	803,244	(166,441)	(237,471)	129.4%	142.0%
041	ASU Campus Police	866,604	716,473	1,177,094	1,291,281	(460,621)	(574,808)	164.3%	180.2%
042	Lake Havasu City Fire Dept.	1,322,140	1,145,167	1,660,923	1,822,046	(515,756)	(676,879)	145.0%	159.1%
043	Mohave County Sheriff's Dept.	864,149	748,381	1,705,157	1,870,571	(956,776)	(1,122,190)	227.8%	249.9%
044	Bullhead City Fire Dept.	953,446	821,031	1,606,626	1,762,481	(785,595)	(941,450)	195.7%	214.7%
045	U of A Campus Police	837,321	738,745	736,609	808,066	2,136	(69,321)	99.7%	109.4%
046	Cochise County Sheriff's Dept.	1,107,648	984,955	1,424,120	1,562,271	(439,165)	(577,316)	144.6%	158.6%
047	Safford Police Dept.	355,313	324,587	364,934	400,336	(40,347)	(75,749)	112.4%	123.3%
049	Drexel Heights Fire District	950,677	767,993	1,083,984	1,189,139	(315,991)	(421,146)	141.1%	154.8%
050	Winslow Police Dept.	196,974	167,688	407,293	446,804	(239,605)	(279,116)	242.9%	266.4%
051	Payson Fire Dept.	481,845	427,534	237,194	260,204	190,340	167,330	55.5%	60.9%
052	Payson Police Dept.	514,969	481,490	285,926	313,663	195,564	167,827	59.4%	65.1%
053	Northern AZ. Consolidated Fire District #1	139,520	115,711	245,844	269,693	(130,133)	(153,982)	212.5%	233.1%
054	Fry Fire District	570,516	478,966	433,888	475,979	45,078	2,987	90.6%	99.4%
055	Fredonia Marshals	19,148	17,701	71,860	78,831	(54,159)	(61,130)	406.0%	445.3%
056	NAU Campus Police	271,439	248,988	312,522	342,839	(63,534)	(93,851)	125.5%	137.7%
058	South Tucson Fire Dept.	33,608	32,185	105,631	115,878	(73,446)	(83,693)	328.2%	360.0%
059	Avondale Fire Dept.	754,260	567,602	739,765	811,528	(172,163)	(243,926)	130.3%	143.0%
060	Parker Police Dept.	65,145	47,535	190,046	208,482	(142,511)	(160,947)	399.8%	438.6%
061	Coconino County Sheriff's Dept.	973,169	883,408	630,715	691,899	252,693	191,509	71.4%	78.3%
064	Buckskin Fire District	94,765	72,225	104,313	114,432	(32,088)	(42,207)	144.4%	158.4%
065	Snowflake Police Dept.	91,600	71,006	167,967	184,261	(96,961)	(113,255)	236.6%	259.5%
066	Cottonwood Police Dept.	304,136	253,141	410,170	449,960	(157,029)	(196,819)	162.0%	177.8%
067	Lake Havasu City Police Dept.	1,292,513	1,180,650	1,258,342	1,380,411	(77,692)	(199,761)	106.6%	116.9%
069	South Tucson Police Dept.	149,991	135,582	125,177	137,320	10,405	(1,738)	92.3%	101.3%
070	Apache Junction Police Dept.	691,285	582,722	869,692	954,059	(286,970)	(371,337)	149.2%	163.7%
071	Navajo County Sheriff's Dept.	313,121	255,365	776,186	851,482	(520,821)	(596,117)	304.0%	333.4%
072	Mohave Valley Fire District	248,592	193,799	507,657	556,904	(313,858)	(363,105)	262.0%	287.4%
073	Peoria Fire Dept.	2,223,619	1,749,499	2,120,578	2,326,291	(371,079)	(576,792)	121.2%	133.0%
074	Peoria Police Dept.	2,520,551	2,094,294	2,452,506	2,690,418	(358,212)	(596,124)	117.1%	128.5%
076	Paradise Valley Police Dept.	618,716	522,520	518,147	568,411	4,373	(45,891)	99.2%	108.8%
077	Willcox Police Dept.	83,143	61,564	161,841	177,541	(100,277)	(115,977)	262.9%	288.4%
078	Show Low Police Dept.	374,671	333,603	476,822	523,078	(143,219)	(189,475)	142.9%	156.8%
079	Eloy Police Dept.	220,729	175,917	454,463	498,550	(278,546)	(322,633)	258.3%	283.4%
080	Nogales Police Dept.	962,182	894,531	1,064,734	1,168,022	(170,203)	(273,491)	119.0%	130.6%
081	Gilbert Police Dept.	2,856,599	2,282,809	2,977,804	3,266,674	(694,995)	(983,865)	130.4%	143.1%
083	Clifton Police Dept.	27,255	22,234	71,263	78,176	(49,029)	(55,942)	320.5%	351.6%
085	Coolidge Police Dept.	291,791	259,019	401,204	440,124	(142,185)	(181,105)	154.9%	169.9%
086	Holbrook Police Dept.	83,094	68,387	252,023	276,471	(183,636)	(208,084)	368.5%	404.3%
087	Santa Cruz County Sheriff's Dept.	354,009	310,002	540,317	592,732	(230,315)	(282,730)	174.3%	191.2%

Employer Number	Employer Name	Liability (PVB)	Liability (AAL)	Assets (AVA)	Assets (MV)	Unfunded (AAL - AVA)	Unfunded (AAL - MV)	Funded Percent (AVA/AAL)	Funded Percent (MV/AAL)
088	Prescott Valley Police Dept.	804,483	682,890	799,932	877,532	(117,042)	(194,642)	117.1%	128.5%
089	Eagar Police Dept.	41,868	29,820	168,794	185,168	(138,974)	(155,348)	566.0%	621.0%
090	Tolleson Police Dept.	338,567	284,990	351,518	385,618	(66,528)	(100,628)	123.3%	135.3%
091	Florence Police Dept.	197,808	162,306	301,314	330,544	(139,008)	(168,238)	185.6%	203.7%
092	Springerville Police Dept.	17,397	7,332	148,690	163,114	(141,358)	(155,782)	2028.0%	2224.7%
093	El Mirage Police Dept.	452,728	351,921	453,940	497,976	(102,019)	(146,055)	129.0%	141.5%
094	Superior Police Dept.	41,797	21,592	127,505	139,874	(105,913)	(118,282)	590.5%	647.8%
095	San Luis Police Dept.	260,517	206,354	378,928	415,687	(172,574)	(209,333)	183.6%	201.4%
096	Page Police Dept.	120,273	93,223	551,390	604,879	(458,167)	(511,656)	591.5%	648.9%
097	Page Fire Dept.	79,831	59,125	87,452	95,936	(28,327)	(36,811)	147.9%	162.3%
098	Yavapai County Sheriff's Dept.	1,341,103	1,179,202	1,568,164	1,720,288	(388,962)	(541,086)	133.0%	145.9%
100	Pima Police Dept.	14,747	8,506	36,070	39,569	(27,564)	(31,063)	424.1%	465.2%
101	Apache County Sheriff's Dept.	263,397	239,829	390,512	428,395	(150,683)	(188,566)	162.8%	178.6%
102	Cottonwood Fire Dept.	315,755	257,609	224,424	246,195	33,185	11,414	87.1%	95.6%
103	La Paz County Sheriff's Dept.	197,590	162,138	582,534	639,044	(420,396)	(476,906)	359.3%	394.1%
104	Pinal County Sheriff's Dept.	2,495,337	2,087,768	3,072,603	3,370,670	(984,835)	(1,282,902)	147.2%	161.4%
105	Clarkdale Police Dept.	62,372	50,595	173,486	190,316	(122,891)	(139,721)	342.9%	376.2%
106	Buckeye Police Dept.	849,749	641,032	825,289	905,349	(184,257)	(264,317)	128.7%	141.2%
107	Marana Police Dept.	952,540	740,591	1,016,706	1,115,335	(276,115)	(374,744)	137.3%	150.6%
108	Tolleson Fire Dept.	346,572	275,373	398,932	437,632	(123,559)	(162,259)	144.9%	158.9%
109	Chino Valley Police Dept.	220,922	181,188	301,897	331,183	(120,709)	(149,995)	166.6%	182.8%
110	Surprise Police Dept.	1,353,139	1,052,911	1,457,575	1,598,971	(404,664)	(546,060)	138.4%	151.9%
111	Wellton Police Dept.	20,953	14,551	73,494	80,624	(58,943)	(66,073)	505.1%	554.1%
112	Gila County Sheriff's Dept.	392,183	335,428	746,407	818,814	(410,979)	(483,386)	222.5%	244.1%
113	Pinetop-Lakeside Police Dept.	196,205	180,236	93,817	102,918	86,419	77,318	52.1%	57.1%
114	Bullhead City Police Dept.	950,418	846,421	1,241,182	1,361,586	(394,761)	(515,165)	146.6%	160.9%
115	Williams Police Dept.	88,181	74,774	119,465	131,054	(44,691)	(56,280)	159.8%	175.3%
116	Miami Police Dept.	32,082	27,092	82,805	90,838	(55,713)	(63,746)	305.6%	335.3%
117	Thatcher Police Dept.	138,797	120,714	267,427	293,369	(146,713)	(172,655)	221.5%	243.0%
118	Youngtown Police Dept.	35,104	35,104	54,498	59,785	(19,394)	(24,681)	155.2%	170.3%
119	Dept. of Emer & Military Aff	368,123	273,666	858,322	941,586	(584,656)	(667,920)	313.6%	344.1%
120	Surprise Fire Dept.	1,439,034	1,105,117	1,220,577	1,338,983	(115,460)	(233,866)	110.4%	121.2%
121	Camp Verde Marshals	171,684	149,308	214,269	235,055	(64,961)	(85,747)	143.5%	157.4%
122	Oro Valley Police Dept.	1,239,567	1,033,806	1,534,689	1,683,566	(500,883)	(649,760)	148.5%	162.9%
123	Greenlee County Sheriff's Dept.	155,589	132,690	334,128	366,541	(201,438)	(233,851)	251.8%	276.2%
124	Tucson Airport Authority Fire Dept.	341,557	298,624	357,417	392,089	(58,793)	(93,465)	119.7%	131.3%
125	Tucson Airport Authority Police Dept.	278,194	222,614	328,859	360,761	(106,245)	(138,147)	147.7%	162.1%
126	Wickenburg Police Dept.	123,227	86,738	211,955	232,516	(125,217)	(145,778)	244.4%	268.1%
127	El Mirage Fire Dept.	200,636	125,653	206,063	226,053	(80,410)	(100,400)	164.0%	179.9%
128	Patagonia Marshals	41,915	36,136	18,009	19,756	18,127	16,380	49.8%	54.7%
129	Sedona Police Dept.	317,521	271,749	316,333	347,020	(44,584)	(75,271)	116.4%	127.7%

Employer Number	Employer Name	Liability (PVB)	Liability (AAL)	Assets (AVA)	Assets (MV)	Unfunded (AAL - AVA)	Unfunded (AAL - MV)	Funded Percent (AVA/AAL)	Funded Percent (MV/AAL)
130	Mammoth Police Dept.	13,349	4,748	50,435	55,328	(45,687)	(50,580)	1062.2%	1165.3%
131	Globe Police Dept.	243,882	219,709	290,538	318,723	(70,829)	(99,014)	132.2%	145.1%
132	Tombstone Marshals	8,103	866	77,032	84,505	(76,166)	(83,639)	8895.2%	9758.1%
133	Golder Ranch Fire District	1,860,845	1,317,499	1,567,426	1,719,479	(249,927)	(401,980)	119.0%	130.5%
134	Fort Mojave Mesa Fire District	337,289	292,133	398,947	437,648	(106,814)	(145,515)	136.6%	149.8%
136	Goodyear Fire Dept.	1,077,453	853,664	928,623	1,018,707	(74,959)	(165,043)	108.8%	119.3%
137	Goodyear Police Dept.	1,069,193	782,087	1,176,055	1,290,142	(393,968)	(508,055)	150.4%	165.0%
139	Avondale Police Dept.	1,067,920	797,405	1,082,676	1,187,704	(285,271)	(390,299)	135.8%	148.9%
140	Graham County Sheriff's Dept.	200,471	174,381	307,209	337,011	(132,828)	(162,630)	176.2%	193.3%
142	Golden Valley Fire District	176,257	132,774	237,831	260,902	(105,057)	(128,128)	179.1%	196.5%
143	Daisy Mountain Fire District	971,801	751,210	1,017,548	1,116,258	(266,338)	(365,048)	135.5%	148.6%
144	Quartzsite Police Dept.	55,659	44,437	141,023	154,703	(96,586)	(110,266)	317.4%	348.1%
145	Picture Rocks Fire District	51,362	28,115	245,384	269,188	(217,269)	(241,073)	872.8%	957.5%
146	Pima County Comm. College Police	234,011	181,484	468,338	513,771	(286,854)	(332,287)	258.1%	283.1%
147	Northwest Fire District	2,662,191	2,209,591	2,457,594	2,696,000	(248,003)	(486,409)	111.2%	122.0%
148	Superstition Fire and Medical District	1,181,021	989,337	1,188,465	1,303,755	(199,128)	(314,418)	120.1%	131.8%
149	Gilbert Fire Dept.	2,266,734	1,815,286	2,068,769	2,269,456	(253,483)	(454,170)	114.0%	125.0%
150	Pine-Strawberry Fire District	164,544	128,627	262,870	288,371	(134,243)	(159,744)	204.4%	224.2%
151	Attorney General Invest.	406,881	331,720	356,558	391,147	(24,838)	(59,427)	107.5%	117.9%
153	St. Johns Police Dept.	67,499	56,067	80,991	88,848	(24,924)	(32,781)	144.5%	158.5%
154	Pima County Attorney Invest.	69,046	62,641	124,413	136,482	(61,772)	(73,841)	198.6%	217.9%
156	Kearny Police Dept.	44,745	33,208	42,181	46,273	(8,973)	(13,065)	127.0%	139.3%
158	Navajo County Attorney Invest.	19,011	19,011	(2,953)	(3,239)	21,964	22,250	-15.5%	-17.0%
162	Avra Valley Fire District	185,303	109,351	236,454	259,392	(127,103)	(150,041)	216.2%	237.2%
163	San Luis Fire Dept.	299,083	223,560	305,678	335,331	(82,118)	(111,771)	136.7%	150.0%
164	AZ Dept. Liq. Lic. & Control Invest.	300,060	271,121	125,111	137,248	146,010	133,873	46.1%	50.6%
165	Maricopa County Attorney Invest.	191,007	172,049	298,967	327,969	(126,918)	(155,920)	173.8%	190.6%
166	Sedona Fire District	1,043,447	867,614	735,752	807,126	131,862	60,488	84.8%	93.0%
167	Guadalupe Fire Dept.	64,245	55,676	58,052	63,683	(2,376)	(8,007)	104.3%	114.4%
168	Mayer Fire District	161,371	135,852	135,376	148,509	476	(12,657)	99.6%	109.3%
169	Somerton Police Dept.	124,644	104,269	281,446	308,749	(177,177)	(204,480)	269.9%	296.1%
171	Somerton Fire Dept.	151,153	122,313	209,068	229,349	(86,755)	(107,036)	170.9%	187.5%
172	Tubac Fire District	189,487	137,015	304,111	333,612	(167,096)	(196,597)	222.0%	243.5%
174	Sahuarita Police Dept.	343,027	247,751	458,961	503,484	(211,210)	(255,733)	185.3%	203.2%
176	Florence Fire Dept.	257,405	193,247	198,310	217,548	(5,063)	(24,301)	102.6%	112.6%
177	Sun City Fire District	1,078,145	952,443	1,005,341	1,102,867	(52,898)	(150,424)	105.6%	115.8%
178	Hayden Police Dept.	28,379	20,086	69,782	76,551	(49,696)	(56,465)	347.4%	381.1%
179	Gila River Fire Dept.	556,626	373,052	666,498	731,154	(293,446)	(358,102)	178.7%	196.0%
180	Gila River Police Dept.	788,227	505,916	1,029,149	1,128,985	(523,233)	(623,069)	203.4%	223.2%

Employer Number	Employer Name	Liability (PVB)	Liability (AAL)	Assets (AVA)	Assets (MV)	Unfunded (AAL - AVA)	Unfunded (AAL - MV)	Funded Percent (AVA/AAL)	Funded Percent (MV/AAL)
181	Salt River Pima-Maricopa Fire	835,020	643,292	987,661	1,083,472	(344,369)	(440,180)	153.5%	168.4%
182	Salt River Pima-Maricopa Police	980,843	706,453	1,033,896	1,134,192	(327,443)	(427,739)	146.4%	160.5%
185	Pinetop Fire District	313,689	256,874	260,168	285,406	(3,294)	(28,532)	101.3%	111.1%
187	Yavapai County Attorney Invest.	1,346	1,346	16,098	17,660	(14,752)	(16,314)	1196.0%	1312.0%
188	Three Points Fire District	152,173	120,673	159,277	174,728	(38,604)	(54,055)	132.0%	144.8%
190	Buckeye Fire Dept.	899,089	652,978	751,531	824,435	(98,553)	(171,457)	115.1%	126.3%
192	Heber-Overgaard Fire District	103,501	78,700	135,221	148,338	(56,521)	(69,638)	171.8%	188.5%
193	Hellsgate Fire District	36,593	22,949	84,081	92,237	(61,132)	(69,288)	366.4%	401.9%
194	Green Valley Fire District	946,602	792,905	654,291	717,762	138,614	75,143	82.5%	90.5%
195	Summit Fire District	349,616	271,110	447,221	490,605	(176,111)	(219,495)	165.0%	181.0%
197	Fort McDowell Tribal Fire Dept.	82,349	56,643	138,163	151,566	(81,520)	(94,923)	243.9%	267.6%
198	Fort McDowell Tribal Police Dept.	177,542	142,539	284,727	312,348	(142,188)	(169,809)	199.8%	219.1%
199	Highlands Fire District	233,558	177,970	241,137	264,529	(63,167)	(86,559)	135.5%	148.6%
200	Rio Rico Fire District	224,347	164,631	236,532	259,477	(71,901)	(94,846)	143.7%	157.6%
201	Tri-City Fire District	195,305	145,407	184,409	202,298	(39,002)	(56,891)	126.8%	139.1%
202	Maricopa County Park Rangers	4,282	4,282	51,394	56,380	(47,112)	(52,098)	1200.2%	1316.7%
203	Verde Valley Fire District	430,160	343,205	421,439	462,322	(78,234)	(119,117)	122.8%	134.7%
204	AZ. State Park Rangers	452,639	427,765	717,111	786,676	(289,346)	(358,911)	167.6%	183.9%
206	Hualapai Indian Tribe Police Dept.	80,113	51,658	111,537	122,357	(59,879)	(70,699)	215.9%	236.9%
207	Pinewood Fire District	205,217	160,033	104,605	114,752	55,428	45,281	65.4%	71.7%
208	Rincon Valley Fire District	343,882	231,367	287,389	315,268	(56,022)	(83,901)	124.2%	136.3%
210	Jerome Police Dept.	40,883	33,906	37,943	41,624	(4,037)	(7,718)	111.9%	122.8%
211	Fort Mojave Tribal Police Dept.	121,107	92,268	154,031	168,973	(61,763)	(76,705)	166.9%	183.1%
212	Buckeye Valley Fire District	580,833	402,316	491,101	538,742	(88,785)	(136,426)	122.1%	133.9%
213	Eloy Fire District	197,961	132,395	227,401	249,461	(95,006)	(117,066)	171.8%	188.4%
214	Pascua Yaqui Tribe Fire Dept.	208,154	170,559	293,847	322,353	(123,288)	(151,794)	172.3%	189.0%
215	Pascua Yaqui Tribe Police Dept.	290,528	242,574	310,506	340,628	(67,932)	(98,054)	128.0%	140.4%
216	Town of Superior Fire Dept.	46,619	30,262	42,808	46,961	(12,546)	(16,699)	141.5%	155.2%
217	Wickenburg Fire Dept.	120,243	84,848	98,591	108,155	(13,743)	(23,307)	116.2%	127.5%
221	Quartzsite Fire District	45,171	25,642	70,669	77,524	(45,027)	(51,882)	275.6%	302.3%
222	Rio Verde Fire District	251,095	227,335	175,684	192,727	51,651	34,608	77.3%	84.8%
223	Scottsdale Fire Dept.	2,573,220	1,985,969	2,285,202	2,506,885	(299,233)	(520,916)	115.1%	126.2%
224	Ak Chin Indian Comm. Fire Dept.	295,060	214,703	261,795	287,191	(47,092)	(72,488)	121.9%	133.8%
225	Ak Chin Indian Comm. Police Dept.	87,325	63,163	152,244	167,013	(89,081)	(103,850)	241.0%	264.4%
226	Corona De Tucson Fire District	166,471	107,382	159,144	174,582	(51,762)	(67,200)	148.2%	162.6%
227	Golden Shores Fire District	50,004	32,281	52,819	57,943	(20,538)	(25,662)	163.6%	179.5%
228	City of Maricopa Fire Dept.	655,178	507,146	534,838	586,722	(27,692)	(79,576)	105.5%	115.7%
229	Cave Creek Marshals	15,674	13,660	14,190	15,566	(530)	(1,906)	103.9%	114.0%

Employer Number	Employer Name	Liability (PVB)	Liability (AAL)	Assets (AVA)	Assets (MV)	Unfunded (AAL - AVA)	Unfunded (AAL - MV)	Funded Percent (AVA/AAL)	Funded Percent (MV/AAL)
231	San Carlos Tribal Police Dept.	169,540	118,025	208,401	228,617	(90,376)	(110,592)	176.6%	193.7%
232	Groom Creek Fire District	22,582	13,309	39,857	43,723	(26,548)	(30,414)	299.5%	328.5%
233	Mount Lemmon Fire District	63,501	49,211	51,032	55,982	(1,821)	(6,771)	103.7%	113.8%
234	Yavapai Prescott Tribal Police	44,176	29,088	54,429	59,709	(25,341)	(30,621)	187.1%	205.3%
235	Tohono O'odham Nation Fire Dept.	335,633	249,180	366,627	402,193	(117,447)	(153,013)	147.1%	161.4%
236	Tohono O'odham Nation Police Dept.	610,822	485,646	817,214	896,490	(331,568)	(410,844)	168.3%	184.6%
237	Williamson Valley Fire District	85,975	54,963	71,368	78,291	(16,405)	(23,328)	129.8%	142.4%
238	Harquahala Fire District	97,009	61,749	84,756	92,978	(23,007)	(31,229)	137.3%	150.6%
239	Coolidge Fire Dept.	28,181	15,907	30,434	33,386	(14,527)	(17,479)	191.3%	209.9%
242	Central AZ. College Police Dept.	44,907	30,389	48,991	53,743	(18,602)	(23,354)	161.2%	176.9%
243	City of Maricopa Police Dept.	450,798	328,181	412,067	452,041	(83,886)	(123,860)	125.6%	137.7%
244	Oracle Fire District	33,446	21,204	38,135	41,834	(16,931)	(20,630)	179.8%	197.3%
245	Benson Fire Dept.	20,630	19,534	18,909	20,743	625	(1,209)	96.8%	106.2%
246	Desert Hills Fire Dept.	138,531	83,779	135,161	148,273	(51,382)	(64,494)	161.3%	177.0%
247	Queen Creek Fire Dept.	364,489	197,927	239,590	262,832	(41,663)	(64,905)	121.0%	132.8%
248	Sonoita Elgin Fire Dept.	18,001	10,638	57,019	62,550	(46,381)	(51,912)	536.0%	588.0%
249	Christopher-Kohl's Fire District	35,128	27,001	32,742	35,918	(5,741)	(8,917)	121.3%	133.0%
250	Whetstone Fire District	17,044	5,178	26,597	29,177	(21,419)	(23,999)	513.7%	563.5%
251	Queen Valley Fire District	38,891	32,241	28,217	30,954	4,024	1,287	87.5%	96.0%
252	Lake Mohave Ranchos Fire District	13,926	1,243	80,337	88,130	(79,094)	(86,887)	6463.2%	7090.1%
253	Huachuca City Police Dept.	39,459	31,073	43,899	48,158	(12,826)	(17,085)	141.3%	155.0%
254	Palominas Fire District	14,588	2,055	44,133	48,414	(42,078)	(46,359)	2147.6%	2355.9%
255	Sun Sites Pearce Fire District	30,763	12,821	33,185	36,404	(20,364)	(23,583)	258.8%	283.9%
256	Ponderosa Fire District	13,192	3,105	16,454	18,050	(13,349)	(14,945)	529.9%	581.3%
257	Timber Mesa Fire and Medical Dist	646,346	470,215	579,353	635,555	(109,138)	(165,340)	123.2%	135.2%
258	Central AZ Fire and Medical	1,695,740	1,454,025	1,596,370	1,751,230	(142,345)	(297,205)	109.8%	120.4%
259	Copper Canyon Fire and Medical	395,095	301,968	361,935	397,046	(59,967)	(95,078)	119.9%	131.5%
261	Beaver Dam/Littlefield Fire Dist.	31,922	29,112	9,767	10,714	19,345	18,398	33.5%	36.8%
262	Blue Ridge Fire District	18,794	10,143	5,029	5,517	5,114	4,626	49.6%	54.4%
263	Arizona Fire & Medical Authority	1,539,875	1,236,346	1,304,630	1,431,189	(68,284)	(194,843)	105.5%	115.8%
265	Queen Creek Police Dept.	19,346	1,475	0	0	1,475	1,475	0.0%	0.0%
	Unallocated	0	0	16,967	18,607	(16,967)	(18,607)		
	TOTAL	329,984,785	288,497,775	367,789,300	403,467,753	(79,291,525)	(114,969,978)	127.5%	139.9%

FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

APPENDIX I: SUMMARY OF HEALTH FUNDED STATUS BY EMPLOYER – TIER 3

Employer Number	Employer Name	Liability (PVB)	Liability (AAL)	Assets (AVA)	Assets (MV)	Unfunded (AAL - AVA)	Unfunded (AAL - MV)	Funded Percent (AVA/AAL)	Funded Percent (MV/AAL)
004	Chandler Fire Dept.	84,603	11,134	25,900	29,909	(14,766)	(18,775)	232.6%	268.6%
005	Chandler Police Dept.	135,463	19,592	57,401	66,285	(37,809)	(46,693)	293.0%	338.3%
007	Dept. of Public Safety	375,139	57,540	101,292	116,969	(43,752)	(59,429)	176.0%	203.3%
012	Glendale Fire Dept.	100,321	6,117	7,669	8,856	(1,552)	(2,739)	125.4%	144.8%
013	Glendale Police Dept.	114,879	21,426	53,814	62,143	(32,388)	(40,717)	251.2%	290.0%
016	Maricopa County Sheriff's Office	319,046	39,057	89,388	103,223	(50,331)	(64,166)	228.9%	264.3%
017	Mesa Fire Dept.	219,703	17,717	39,856	46,024	(22,139)	(28,307)	225.0%	259.8%
018	Mesa Police Dept.	346,754	44,550	332,670	384,157	(288,120)	(339,607)	746.7%	862.3%
021	Phoenix Fire Dept.	681,676	78,359	112,038	129,378	(33,679)	(51,019)	143.0%	165.1%
022	Phoenix Police Dept.	1,178,754	186,631	392,026	452,700	(205,395)	(266,069)	210.1%	242.6%
025	Scottsdale Police Dept.	153,501	24,334	36,260	41,872	(11,926)	(17,538)	149.0%	172.1%
027	Tempe Fire Dept.	61,515	7,450	13,077	15,101	(5,627)	(7,651)	175.5%	202.7%
028	Tempe Police Dept.	91,907	12,924	61,700	71,249	(48,776)	(58,325)	477.4%	551.3%
029	Tucson Fire	129,535	19,192	55,678	64,295	(36,486)	(45,103)	290.1%	335.0%
030	Tucson Police	293,363	52,207	231,646	267,498	(179,439)	(215,291)	443.7%	512.4%
039	Pima County Sheriff's Dept.	189,292	29,705	52,653	60,802	(22,948)	(31,097)	177.3%	204.7%
179	Gila River Fire Dept.	60,436	5,601	7,469	8,625	(1,868)	(3,024)	133.4%	154.0%
180	Gila River Police Dept.	100,412	13,347	19,047	21,995	(5,700)	(8,648)	142.7%	164.8%
223	Scottsdale Fire Dept.	156,793	20,771	27,435	31,681	(6,664)	(10,910)	132.1%	152.5%
	Risk Sharing	3,998,992	680,877	1,429,806	1,651,097	(748,929)	(970,220)	210.0%	242.5%
	TOTAL	8,792,084	1,348,531	3,146,825	3,633,859	(1,798,294)	(2,285,328)	233.4%	269.5%

Appendix J: Summary of Health Contribution By Employer – Tiers 1 & 2

Employer Number	Employer Name	ER NC%	UAAL Pmt %	Calculated ER Cont.
001	Bisbee Fire Dept.	0.51%	(0.51%)	0.00%
002	Casa Grande Fire Dept.	0.37%	0.12%	0.49%
003	Casa Grande Police Dept.	0.40%	0.01%	0.41%
004	Chandler Fire Dept.	0.38%	(0.07%)	0.31%
005	Chandler Police Dept.	0.38%	0.13%	0.51%
006	Clifton Fire Dept.	0.00%	0.00%	0.00%
007	Dept. of Public Safety	0.48%	(0.48%)	0.00%
008	Douglas Fire Dept.	0.41%	(0.41%)	0.00%
009	Douglas Police Dept.	0.41%	(0.41%)	0.00%
010	Flagstaff Fire Dept.	0.41%	(0.41%)	0.00%
011	Flagstaff Police Dept.	0.38%	(0.28%)	0.10%
012	Glendale Fire Dept.	0.36%	(0.36%)	0.00%
013	Glendale Police Dept.	0.40%	(0.16%)	0.24%
014	Globe Fire Dept.	0.43%	(0.05%)	0.38%
015	Kingman Fire Dept.	0.49%	(0.49%)	0.00%
016	Maricopa County Sheriff's Office	0.45%	(0.45%)	0.00%
017	Mesa Fire Dept.	0.36%	0.21%	0.57%
018	Mesa Police Dept.	0.40%	1.08%	1.48%
020	Nogales Fire Dept.	0.58%	0.16%	0.74%
021	Phoenix Fire Dept.	0.34%	(0.34%)	0.00%
022	Phoenix Police Dept.	0.40%	(0.40%)	0.00%
023	Prescott Fire Dept.	0.42%	(0.42%)	0.00%
024	Prescott Police Dept.	0.44%	0.52%	0.96%
025	Scottsdale Police Dept.	0.38%	(0.38%)	0.00%
026	Sierra Vista Fire Dept.	0.45%	0.83%	1.28%
027	Tempe Fire Dept.	0.31%	(0.31%)	0.00%
028	Tempe Police Dept.	0.38%	0.67%	1.05%
029	Tucson Fire	0.42%	(0.06%)	0.36%
030	Tucson Police	0.44%	0.25%	0.69%
031	Winslow Fire Dept.	0.46%	(0.46%)	0.00%
032	Yuma Fire Dept.	0.44%	(0.44%)	0.00%
033	Yuma Police Dept.	0.40%	(0.40%)	0.00%
034	Yuma County Sheriff's Dept.	0.38%	(0.38%)	0.00%
035	Game and Fish Dept.	0.61%	(0.61%)	0.00%
036	Sierra Vista Police Dept.	0.44%	0.66%	1.10%
037	Benson Police Dept.	0.42%	(0.37%)	0.05%
038	Bisbee Police Dept.	0.68%	0.70%	1.38%
039	Pima County Sheriff's Dept.	0.53%	(0.53%)	0.00%
040	Kingman Police Dept.	0.46%	(0.46%)	0.00%
041	ASU Campus Police	0.44%	(0.44%)	0.00%
042	Lake Havasu City Fire Dept.	0.43%	(0.43%)	0.00%
043	Mohave County Sheriff's Dept.	0.44%	(0.44%)	0.00%
044	Bullhead City Fire Dept.	0.39%	(0.39%)	0.00%
045	U of A Campus Police	0.56%	(0.02%)	0.54%
046	Cochise County Sheriff's Dept.	0.54%	(0.54%)	0.00%

Employer Number	Employer Name	ER NC%	UAAL Pmt %	Calculated ER Cont.
047	Safford Police Dept.	0.43%	(0.33%)	0.10%
049	Drexel Heights Fire District	0.52%	(0.52%)	0.00%
050	Winslow Police Dept.	0.47%	(0.47%)	0.00%
051	Payson Fire Dept.	0.37%	0.66%	1.03%
052	Payson Police Dept.	0.40%	0.89%	1.29%
053	Northern AZ. Consolidated Fire District #1	0.53%	(0.53%)	0.00%
054	Fry Fire District	0.39%	0.07%	0.46%
055	Fredonia Marshals	0.77%	(0.77%)	0.00%
056	NAU Campus Police	0.38%	(0.38%)	0.00%
058	South Tucson Fire Dept.	0.40%	(0.40%)	0.00%
059	Avondale Fire Dept.	0.36%	(0.20%)	0.16%
060	Parker Police Dept.	0.50%	(0.50%)	0.00%
061	Coconino County Sheriff's Dept.	0.40%	0.50%	0.90%
064	Buckskin Fire District	0.39%	(0.36%)	0.03%
065	Snowflake Police Dept.	0.59%	(0.59%)	0.00%
066	Cottonwood Police Dept.	0.44%	(0.44%)	0.00%
067	Lake Havasu City Police Dept.	0.38%	(0.12%)	0.26%
069	South Tucson Police Dept.	0.64%	(0.02%)	0.62%
070	Apache Junction Police Dept.	0.48%	(0.48%)	0.00%
071	Navajo County Sheriff's Dept.	0.46%	(0.46%)	0.00%
072	Mohave Valley Fire District	0.50%	(0.50%)	0.00%
073	Peoria Fire Dept.	0.35%	(0.18%)	0.17%
074	Peoria Police Dept.	0.39%	(0.18%)	0.21%
076	Paradise Valley Police Dept.	0.42%	(0.01%)	0.41%
077	Willcox Police Dept.	0.53%	(0.53%)	0.00%
078	Show Low Police Dept.	0.38%	(0.38%)	0.00%
079	Eloy Police Dept.	0.44%	(0.44%)	0.00%
080	Nogales Police Dept.	0.57%	(0.57%)	0.00%
081	Gilbert Police Dept.	0.41%	(0.26%)	0.15%
083	Clifton Police Dept.	0.43%	(0.43%)	0.00%
085	Coolidge Police Dept.	0.48%	(0.48%)	0.00%
086	Holbrook Police Dept.	0.58%	(0.58%)	0.00%
087	Santa Cruz County Sheriff's Dept.	0.52%	(0.52%)	0.00%
088	Prescott Valley Police Dept.	0.43%	(0.20%)	0.23%
089	Eagar Police Dept.	0.52%	(0.52%)	0.00%
090	Tolleson Police Dept.	0.44%	(0.28%)	0.16%
091	Florence Police Dept.	0.52%	(0.52%)	0.00%
092	Springerville Police Dept.	0.71%	(0.71%)	0.00%
093	El Mirage Police Dept.	0.46%	(0.24%)	0.22%
094	Superior Police Dept.	0.79%	(0.79%)	0.00%
095	San Luis Police Dept.	0.41%	(0.41%)	0.00%
096	Page Police Dept.	0.43%	(0.43%)	0.00%
097	Page Fire Dept.	0.35%	(0.24%)	0.11%
098	Yavapai County Sheriff's Dept.	0.44%	(0.44%)	0.00%
100	Pima Police Dept.	0.35%	(0.35%)	0.00%
101	Apache County Sheriff's Dept.	0.46%	(0.46%)	0.00%
102	Cottonwood Fire Dept.	0.48%	0.17%	0.65%
103	La Paz County Sheriff's Dept.	0.46%	(0.46%)	0.00%
104	Pinal County Sheriff's Dept.	0.42%	(0.42%)	0.00%
105	Clarkdale Police Dept.	0.44%	(0.44%)	0.00%
106	Buckeye Police Dept.	0.42%	(0.20%)	0.22%

Employer Number	Employer Name	ER NC%	UAAL Pmt %	Calculated ER Cont.
107	Marana Police Dept.	0.46%	(0.36%)	0.10%
108	Tolleson Fire Dept.	0.43%	(0.43%)	0.00%
109	Chino Valley Police Dept.	0.56%	(0.56%)	0.00%
110	Surprise Police Dept.	0.37%	(0.28%)	0.09%
111	Wellton Police Dept.	0.39%	(0.39%)	0.00%
112	Gila County Sheriff's Dept.	0.48%	(0.48%)	0.00%
113	Pinetop-Lakeside Police Dept.	0.51%	0.83%	1.34%
114	Bullhead City Police Dept.	0.40%	(0.40%)	0.00%
115	Williams Police Dept.	0.64%	(0.64%)	0.00%
116	Miami Police Dept.	0.69%	(0.69%)	0.00%
117	Thatcher Police Dept.	0.43%	(0.43%)	0.00%
118	Youngtown Police Dept.	0.00%	0.00%	0.00%
119	Dept. of Emer & Military Aff	0.55%	(0.55%)	0.00%
120	Surprise Fire Dept.	0.34%	(0.08%)	0.26%
121	Camp Verde Marshals	0.50%	(0.50%)	0.00%
122	Oro Valley Police Dept.	0.45%	(0.45%)	0.00%
123	Greenlee County Sheriff's Dept.	0.45%	(0.45%)	0.00%
124	Tucson Airport Authority Fire Dept.	0.45%	(0.43%)	0.02%
125	Tucson Airport Authority Police Dept.	0.43%	(0.43%)	0.00%
126	Wickenburg Police Dept.	0.44%	(0.44%)	0.00%
127	El Mirage Fire Dept.	0.37%	(0.25%)	0.12%
128	Patagonia Marshals	0.85%	0.95%	1.80%
129	Sedona Police Dept.	0.46%	(0.20%)	0.26%
130	Mammoth Police Dept.	0.80%	(0.80%)	0.00%
131	Globe Police Dept.	0.56%	(0.56%)	0.00%
132	Tombstone Marshals	0.61%	(0.61%)	0.00%
133	Golder Ranch Fire District	0.41%	(0.13%)	0.28%
134	Fort Mojave Mesa Fire District	0.42%	(0.42%)	0.00%
136	Goodyear Fire Dept.	0.32%	(0.06%)	0.26%
137	Goodyear Police Dept.	0.37%	(0.33%)	0.04%
139	Avondale Police Dept.	0.40%	(0.23%)	0.17%
140	Graham County Sheriff's Dept.	0.51%	(0.51%)	0.00%
142	Golden Valley Fire District	0.50%	(0.50%)	0.00%
143	Daisy Mountain Fire District	0.41%	(0.27%)	0.14%
144	Quartzsite Police Dept.	0.54%	(0.54%)	0.00%
145	Picture Rocks Fire District	0.39%	(0.39%)	0.00%
146	Pima County Comm. College Police	0.54%	(0.54%)	0.00%
147	Northwest Fire District	0.41%	(0.13%)	0.28%
148	Superstition Fire and Medical District	0.37%	(0.23%)	0.14%
149	Gilbert Fire Dept.	0.35%	(0.12%)	0.23%
150	Pine-Strawberry Fire District	0.38%	(0.38%)	0.00%
151	Attorney General Invest.	0.52%	(0.09%)	0.43%
153	St. Johns Police Dept.	0.58%	(0.58%)	0.00%
154	Pima County Attorney Invest.	0.60%	(0.60%)	0.00%
156	Kearny Police Dept.	1.02%	(0.33%)	0.69%
158	Navajo County Attorney Invest.	0.00%	0.00%	0.00%
162	Avra Valley Fire District	0.56%	(0.54%)	0.02%
163	San Luis Fire Dept.	0.55%	(0.27%)	0.28%
164	AZ Dept. Liq. Lic. & Control Invest.	0.79%	1.89%	2.68%
165	Maricopa County Attorney Invest.	0.58%	(0.58%)	0.00%

Employer Number	Employer Name	ER NC%	UAAL Pmt %	Calculated ER Cont.
166	Sedona Fire District	0.34%	0.15%	0.49%
167	Guadalupe Fire Dept.	0.37%	(0.05%)	0.32%
168	Mayer Fire District	0.52%	(0.02%)	0.50%
169	Somerton Police Dept.	0.49%	(0.49%)	0.00%
171	Somerton Fire Dept.	0.60%	(0.60%)	0.00%
172	Tubac Fire District	0.50%	(0.50%)	0.00%
174	Sahuarita Police Dept.	0.40%	(0.40%)	0.00%
176	Florence Fire Dept.	0.47%	(0.02%)	0.45%
177	Sun City Fire District	0.38%	(0.10%)	0.28%
178	Hayden Police Dept.	0.67%	(0.67%)	0.00%
179	Gila River Fire Dept.	0.48%	(0.48%)	0.00%
180	Gila River Police Dept.	0.42%	(0.42%)	0.00%
181	Salt River Pima-Maricopa Fire	0.31%	(0.31%)	0.00%
182	Salt River Pima-Maricopa Police	0.34%	(0.25%)	0.09%
185	Pinetop Fire District	0.36%	(0.01%)	0.35%
187	Yavapai County Attorney Invest.	0.00%	0.00%	0.00%
188	Three Points Fire District	0.55%	(0.40%)	0.15%
190	Buckeye Fire Dept.	0.37%	(0.10%)	0.27%
192	Heber-Overgaard Fire District	0.40%	(0.40%)	0.00%
193	Hellsgate Fire District	0.39%	(0.39%)	0.00%
194	Green Valley Fire District	0.39%	0.18%	0.57%
195	Summit Fire District	0.47%	(0.47%)	0.00%
197	Fort McDowell Tribal Fire Dept.	0.51%	(0.51%)	0.00%
198	Fort McDowell Tribal Police Dept.	0.52%	(0.52%)	0.00%
199	Highlands Fire District	0.36%	(0.26%)	0.10%
200	Rio Rico Fire District	0.45%	(0.30%)	0.15%
201	Tri-City Fire District	0.52%	(0.23%)	0.29%
202	Maricopa County Park Rangers	0.00%	0.00%	0.00%
203	Verde Valley Fire District	0.44%	(0.24%)	0.20%
204	AZ. State Park Rangers	0.73%	(0.73%)	0.00%
206	Hualapai Indian Tribe Police Dept.	0.59%	(0.49%)	0.10%
207	Pinewood Fire District	0.34%	0.31%	0.65%
208	Rincon Valley Fire District	0.51%	(0.17%)	0.34%
210	Jerome Police Dept.	0.84%	(0.21%)	0.63%
211	Fort Mojave Tribal Police Dept.	0.36%	(0.36%)	0.00%
212	Buckeye Valley Fire District	0.45%	(0.15%)	0.30%
213	Eloy Fire District	0.37%	(0.37%)	0.00%
214	Pascua Yaqui Tribe Fire Dept.	0.45%	(0.45%)	0.00%
215	Pascua Yaqui Tribe Police Dept.	0.38%	(0.34%)	0.04%
216	Town of Superior Fire Dept.	0.89%	(0.34%)	0.55%
217	Wickenburg Fire Dept.	0.52%	(0.11%)	0.41%
221	Quartzsite Fire District	0.37%	(0.37%)	0.00%
222	Rio Verde Fire District	0.43%	0.37%	0.80%
223	Scottsdale Fire Dept.	0.34%	(0.10%)	0.24%
224	Ak Chin Indian Comm. Fire Dept.	0.49%	(0.20%)	0.29%
225	Ak Chin Indian Comm. Police Dept.	0.36%	(0.36%)	0.00%
226	Corona De Tucson Fire District	0.44%	(0.32%)	0.12%
227	Golden Shores Fire District	0.53%	(0.39%)	0.14%
228	City of Maricopa Fire Dept.	0.37%	(0.04%)	0.33%

Employer Number	Employer Name	ER NC%	UAAL Pmt %	Calculated ER Cont.
229	Cave Creek Marshals	0.45%	(0.04%)	0.41%
231	San Carlos Tribal Police Dept.	0.32%	(0.29%)	0.03%
232	Groom Creek Fire District	0.47%	(0.47%)	0.00%
233	Mount Lemmon Fire District	0.69%	(0.06%)	0.63%
234	Yavapai Prescott Tribal Police	0.62%	(0.42%)	0.20%
235	Tohono O'odham Nation Fire Dept.	0.49%	(0.44%)	0.05%
236	Tohono O'odham Nation Police Dept.	0.49%	(0.49%)	0.00%
237	Williamson Valley Fire District	0.43%	(0.09%)	0.34%
238	Harquahala Fire District	0.45%	(0.23%)	0.22%
239	Coolidge Fire Dept.	0.60%	(0.36%)	0.24%
242	Central AZ. College Police Dept.	0.74%	(0.32%)	0.42%
243	City of Maricopa Police Dept.	0.37%	(0.13%)	0.24%
244	Oracle Fire District	0.50%	(0.33%)	0.17%
245	Benson Fire Dept.	1.02%	0.02%	1.04%
246	Desert Hills Fire Dept.	0.57%	(0.41%)	0.16%
247	Queen Creek Fire Dept.	0.28%	(0.05%)	0.23%
248	Sonoita Elgin Fire Dept.	0.88%	(0.88%)	0.00%
249	Christopher-Kohl's Fire District	0.52%	(0.16%)	0.36%
250	Whetstone Fire District	0.32%	(0.29%)	0.03%
251	Queen Valley Fire District	0.88%	0.23%	1.11%
252	Lake Mohave Ranchos Fire District	0.84%	(0.84%)	0.00%
253	Huachuca City Police Dept.	0.74%	(0.43%)	0.31%
254	Palominas Fire District	0.83%	(0.81%)	0.02%
255	Sun Sites Pearce Fire District	0.50%	(0.45%)	0.05%
256	Ponderosa Fire District	0.50%	(0.32%)	0.18%
257	Timber Mesa Fire and Medical Dist	0.43%	(0.14%)	0.29%
258	Central AZ Fire and Medical	0.40%	(0.14%)	0.26%
259	Copper Canyon Fire and Medical	0.42%	(0.15%)	0.27%
261	Beaver Dam/Littlefield Fire Dist.	0.48%	0.60%	1.08%
262	Blue Ridge Fire District	0.51%	0.22%	0.73%
263	Arizona Fire & Medical Authority	0.37%	(0.05%)	0.32%
265	Queen Creek Police Dept.	0.44%	0.03%	0.47%
	TOTAL	0.41%	(0.19%)	0.22%

APPENDIX K: SUMMARY OF HEALTH CONTRIBUTION BY EMPLOYER – TIER 3

Employer Number	Employer Name	NC%	UAAL Pmt %	Total Cont. %	EE Cont. %	ER Cont. %
004	Chandler Fire Dept.	0.22%	0.00%	0.22%	0.11%	0.11%
005	Chandler Police Dept.	0.20%	0.00%	0.20%	0.10%	0.10%
007	Dept. of Public Safety	0.24%	0.00%	0.24%	0.12%	0.12%
012	Glendale Fire Dept.	0.26%	0.00%	0.26%	0.13%	0.13%
013	Glendale Police Dept.	0.19%	0.00%	0.19%	0.10%	0.10%
016	Maricopa County Sheriff's Office	0.24%	0.00%	0.24%	0.12%	0.12%
017	Mesa Fire Dept.	0.26%	0.00%	0.26%	0.13%	0.13%
018	Mesa Police Dept.	0.20%	0.00%	0.20%	0.10%	0.10%
021	Phoenix Fire Dept.	0.24%	0.00%	0.24%	0.12%	0.12%
022	Phoenix Police Dept.	0.21%	0.00%	0.21%	0.11%	0.11%
025	Scottsdale Police Dept.	0.20%	0.00%	0.20%	0.10%	0.10%
027	Tempe Fire Dept.	0.18%	0.00%	0.18%	0.09%	0.09%
028	Tempe Police Dept.	0.20%	0.00%	0.20%	0.10%	0.10%
029	Tucson Fire	0.24%	0.00%	0.24%	0.12%	0.12%
030	Tucson Police	0.23%	0.00%	0.23%	0.12%	0.12%
039	Pima County Sheriff's Dept.	0.24%	0.00%	0.24%	0.12%	0.12%
179	Gila River Fire Dept.	0.33%	0.00%	0.33%	0.17%	0.17%
180	Gila River Police Dept.	0.28%	0.00%	0.28%	0.14%	0.14%
223	Scottsdale Fire Dept.	0.27%	0.00%	0.27%	0.14%	0.14%
	Risk Sharing	0.24%	0.00%	0.24%	0.12%	0.12%
	TOTAL	0.23%	0.00%	0.23%	0.12%	0.12%

ARIZONA PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM

CLARKDALE POLICE DEPT. (105)

ACTUARIAL VALUATION
AS OF JUNE 30, 2021

CONTRIBUTIONS APPLICABLE TO THE
PLAN/FISCAL YEAR ENDING JUNE 30, 2023

FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

VIA E-MAIL

December 2021

Board of Trustees
Arizona Public Safety Personnel Retirement System
Phoenix, AZ

Re: Actuarial Valuation Report as of June 30, 2021 for Clarkdale Police Dept. (105)

Dear Members of the Board:

We are pleased to present to the Board this report of the annual actuarial valuation of the Arizona Public Safety Personnel Retirement System (PSPRS). The valuation was performed to determine whether the assets and contributions are sufficient to provide the prescribed benefits and to develop the appropriate funding requirements for the applicable plan year.

This report was prepared at the request of the Board and is intended for use by PSPRS and those designated or approved by the Board. It documents the valuation of the consolidated plan and provides summary information for PSPRS participating employers. This report may be provided to parties other than PSPRS only in its entirety and only with the permission of the Board. Foster & Foster is not responsible for the unauthorized use of this report.

The valuation has been conducted in accordance with generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board, and reflects laws and regulations issued to date pursuant to the provisions of Title 38, Chapter 5, Article 4 of the Arizona Revised Statutes, as well as applicable federal laws and regulations. In our opinion, the assumptions used in this valuation, as adopted by the Board of Trustees, represent reasonable expectations of anticipated plan experience. Future actuarial measurements may differ significantly from the current measurements presented in this report for a variety of reasons including changes in applicable laws, changes in plan provisions, changes in assumptions, or plan experience differing from expectations. Due to the limited scope of the valuation, we did not perform an analysis of the potential range of such future measurements.

The computed contribution rates shown in the “Contribution Results” section should be considered minimum contribution rates that comply with the Board’s funding policy and Arizona Statutes. Users of this report should be aware that contributions made at that rate do not guarantee benefit security. Given the importance of benefit security to any retirement system, we suggest that contributions to the System in excess of those presented in this report be considered.

The funding percentages and unfunded accrued liability as measured based on the actuarial value of assets will differ from similar measures based on the market value of assets. These measures, as provided, are appropriate for determining the adequacy of future contributions, but may not be appropriate for the purpose of settling a portion or all of the Plan’s liabilities.

In conducting the valuation, we have relied on personnel, plan design, and asset information supplied by PSPRS through June 30, 2021 and the actuarial assumptions and methods described in the Actuarial Assumptions section of this report. While we cannot verify the accuracy of all this information, the supplied information was reviewed for consistency and reasonableness. As a result of this review, we have no reason to doubt the substantial accuracy of the information and believe that it has produced appropriate results. This information, along with any adjustments or modifications, is summarized in various sections of this report.

This valuation assumes the continuing ability of the participating employers to make the contributions necessary to fund this plan. A determination regarding whether or not the participating employers are actually able to do so is outside our scope of expertise. Consequently, we did not perform such an analysis.

In performing the analysis, we used third-party software to model (calculate) the underlying liabilities and costs. These results are reviewed in the aggregate and for individual sample lives. The output from the software is either used directly or input into internally developed models to generate the costs. All internally developed models are reviewed as part of the process. As a result of this review, we believe that the models have produced reasonable results. We do not believe there are any material inconsistencies among assumptions or unreasonable output produced due to the aggregation of assumptions.

The undersigned are familiar with the immediate and long-term aspects of pension valuations and meet the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. All sections of this report are considered an integral part of the actuarial opinions.

To our knowledge, no associate of Foster & Foster, Inc. working on valuations of the program has any direct financial interest or indirect material interest in the Arizona Public Safety Personnel Retirement System, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the Arizona Public Safety Personnel Retirement System. Thus, there is no relationship existing that might affect our capacity to prepare and certify this actuarial report.

If there are any questions, concerns, or comments about any of the items contained in this report, please contact us at 239-433-5500.

Respectfully Submitted,

Foster & Foster, Inc.

By: ______________________
Bradley R. Heinrichs, FSA, EA, MAAA

By: ______________________
Paul M. Baugher, FSA, EA, MAAA

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I. Summary of Report

The regular annual actuarial valuation of the Arizona Public Safety Personnel Retirement System for the Clarkdale Police Dept., performed as of June 30, 2021, has been completed and the results are presented in this Report. The purpose of this valuation is to:

- Compute the liabilities associated with benefits likely to be paid on behalf of current retired and active members. This information is contained in the section entitled "Liability Support."
- Compare accumulated assets with the liabilities to assess the funded condition. This information is contained in the section entitled "Liability Support."
- Compute the employers' recommended contribution rates for the Fiscal Year beginning July 1, 2022. This information is contained in the section entitled "Contribution Results."

1. Key Valuation Results

The funded status as of June 30, 2021 and the employer contribution amounts applicable to the plan/fiscal year ending June 30, 2023 are as follows:

	Tier 1 & Tier 2 Members			Tier 3 Members *		
	Pension	Health	Total	Pension	Health	Total
Employer Contribution Rate	28.68%	0.00%	28.68%	9.00%	0.12%	9.12%
Funded Status	70.8%	342.9%	74.1%	107.3%	210.0%	108.9%

2. Comparison of Key Results to Prior Year

The chart below compares the results from this valuation with the results of the prior year's valuation (as of June 30, 2020):

Contribution Rate

	Tier 1 & Tier 2 Members			Tier 3 Members *		
Valuation Date	**Pension**	**Health**	**Total**	**Pension**	**Health**	**Total**
June 30, 2020	31.12%	0.00%	31.12%	9.05%	0.13%	9.18%
June 30, 2021	28.68%	0.00%	28.68%	9.00%	0.12%	9.12%

Funded Status

	Tier 1 & Tier 2 Members			Tier 3 Members		
Valuation Date	**Pension**	**Health**	**Total**	**Pension**	**Health**	**Total**
June 30, 2020	66.1%	282.6%	69.2%	101.4%	203.9%	103.0%
June 30, 2021	70.8%	342.9%	74.1%	107.3%	210.0%	108.9%

** The Tier 3 rates shown are the calculated rates as of the valuation date and do not reflect any Legacy costs that the employer must also contribute.*

3. Reasons for Change

Changes in the results from the prior year's valuation can be illustrated in the following tables along with high-level explanations for the entire System below:

Contribution Rate

	Tier 1 & Tier 2		Tier 3 Members	
	Pension	**Health**	**Pension**	**Health**
Contribution Rate Last Valuation	31.12%	0.00%	9.05%	0.13%
Asset Experience	(0.12%)	0.00%	(0.17%)	(0.01%)
Payroll Base	(1.57%)	0.04%	0.01%	(0.01%)
Liability Experience	(0.23%)	0.01%	(0.24%)	0.00%
Additional Contribution	(1.58%)	0.00%	0.00%	0.00%
Assumption/Method Change	0.83%	0.00%	0.00%	0.00%
Other	0.23%	(0.05%)	0.35%	0.01%
Contribution Rate This Valuation	28.68%	0.00%	9.00%	0.12%

Funded Status

	Tier 1 & Tier 2		Tier 3 Members	
	Pension	**Health**	**Pension**	**Health**
Funded Status Last Valuation	66.1%	282.6%	101.4%	203.9%
Asset Experience	0.2%	(0.5%)	3.4%	7.8%
Liability Experience	0.3%	(3.2%)	4.8%	0.0%
Additional Contribution	3.2%	0.0%	0.0%	0.0%
Assumption/Method Change	0.0%	0.0%	0.0%	0.0%
Other	1.0%	64.0%	(2.3%)	(1.7%)
Funded Status This Valuation	70.8%	342.9%	107.3%	210.0%

Assets Experience – Asset gains and losses (relative to the assumed earnings rate) are smoothed over seven years for Tiers 1 and 2 and over five years for Tier 3. The return on the market value of assets for the year ending June 30, 2021 was 26.7% for Tiers 1 and 2 and 32.7% for Tier 3. On a smoothed, actuarial value of assets basis, however, the average return was 7.6% for Tiers 1 and 2 and 11.5% for Tier 3. These returns exceeded the 2020 assumed earnings rate for Tiers 1 and 2 of 7.3% and for Tier 3 of 7.0%.

Payroll Base – Under the current amortization policy for Tiers 1 and 2, the contribution rate is developed as a level percentage of payroll. Payroll for this purpose includes members of this plan and defined contribution plan's members that would have been in this plan. To the extent that actual payroll is lower/greater than last year's projected payroll, the contribution rate will increase/decrease as a result. The payroll decreased compared to expected, resulting in an increase in the contribution rate.

Liability Experience – Experience overall was unfavorable, driven by salary increases that were higher than expected.

Additional Contribution – Monies contributed in excess of the required contribution rate in order to pay down the unfunded liability.

Assumption / Method Change – The payroll growth assumption was decreased from 3.50% to 3.00%.

Other – This is the combination of all other factors that could impact liabilities year-over-year, with the primary sources being changes in benefits for continuing inactives. Note that Tier 3 experience will stabilize as the group matures.

4. Looking Ahead

The volatility in annual returns, which have produced both gains and losses in recent years, was dampened by the asset smoothing reflected in the actuarial value of assets. The significant gain realized this year will, in the absence of other losses, put downward pressure on the contribution rate next year.

If the June 30, 2021 pension valuation results were based on the market value of assets instead of the actuarial value of assets, the pension funded percentage for Tiers 1 and 2 would be 77.4% (instead of 70.8%) and the pension employer contribution requirement would be 24.33% of payroll (instead of 28.68%).

5. Conclusion

The funded status for Tiers 1 and 2 will continue to improve if assumptions are met and contributions at least equal to the rates determined for each employer are made to the fund. The recent adoption of a layered amortization approach along with a plan to systematically lower the payroll growth assumption was an excellent step to improve funding and ensure the Plan is on a viable path.

The funded status for Tier 3 will stabilize as the population continues to grow, as contributions appear sufficient to keep the liabilities fully funded.

II. CONTRIBUTION RESULTS

Contribution Requirements

Development of Employer Contributions - Tiers 1 & 2 Members				
Valuation Date	June 30, 2021		June 30, 2020	
Applicable to Fiscal Year Ending	2023		2022	
	Rate	**Dollar**	**Rate**	**Dollar**
Pension				
Normal Cost				
Total Normal Cost	21.08%	$ 75,384	21.19%	$ 75,464
Employee Cost	(7.65%)	(27,357)	(7.65%)	(27,244)
Employer (Net) Normal Cost	13.43%	48,027	13.54%	48,220
Amortization of Unfunded Liability	15.25%	54,536	17.58%	62,607
Total Employer Cost (Pension)	28.68%	102,563	31.12%	110,827
Health				
Normal Cost	0.44%	1,573	0.43%	1,531
Amortization of Unfunded Liability	(0.44%)	(1,573)	(0.43%)	(1,531)
Total Employer Cost (Health)	0.00%	0	0.00%	0
Total Employer Cost (Pension + Health)	**28.68%**	**102,563**	**31.12%**	**110,827**
Total Minimum Contribution Requirement (if applicable)	0.00%		0.00%	
Alternate Contribution Rate (ACR) *	15.25%		17.58%	
Underlying Payroll (as of valuation date)		347,194		344,085

** The Alternate Contribution Rate is the sum of the positive amortization rates for Tiers 1 & 2 Pension and Health (subject to an 8% minimum) and is charged when retirees return to active status.*

The results above are shown both prior to and after the application of the statutory minimum contribution requirement of 8% of payroll (5% of payroll if the actual employer contribution is less than 5% for the 2006/2007 Fiscal Year) and are based on the current amortization schedule approved by the Board of Trustees for your individual plan (see "Actuarial Assumptions and Methods").

Development of Employer Contributions – Tier 3 Members		
Valuation Date	June 30, 2021	June 30, 2020
Applicable to Fiscal Year Ending	2023	2022

Defined Benefit (DB) Retirement Plan

	Rate	**Dollar**	**Rate**	**Dollar**
Pension				
Total Normal Cost	17.99%	$ 31,312	18.10%	$ 20,923
Amortization of Unfunded Liability	0.00%	0	0.00%	0
Total Pension Cost	17.99%	31,312	18.10%	20,923
Employee (EE) Pension Cost	9.00%	15,656	9.05%	10,462
Employer (ER) Pension Cost	9.00%	15,656	9.05%	10,462
Health				
Total Normal Cost	0.24%	418	0.25%	289
Amortization of Unfunded Liability	0.00%	0	0.00%	0
Total Health Cost	0.24%	418	0.25%	289
Employee (EE) Health Cost	0.12%	209	0.13%	145
Employer (ER) Health Cost	0.12%	209	0.13%	145
Total				
Total Calculated Tier 3 Required EE/ER Individual Cost	9.12%	15,865	9.18%	10,607
Board Approved Tier 3 Required EE/ER Individual Cost [1]	9.94%	17,301	9.94%	11,490
ER Legacy Cost of Tiers 1 & 2 Amort of Unfunded Liabilities [2]	15.25%	26,543	17.58%	20,322
Total Calculated Tier 3 Required ER Defined Benefit Cost	24.37%	42,408	26.76%	30,929
Total Board Approved Tier 3 Required ER Defined Benefit Cost	**25.19%**	**43,843**	**27.52%**	**31,813**
Underlying Payroll (as of valuation date)		168,981		111,689

[1] *The Board decided to keep Tier 3 rates level (as calculated with the June 30, 2019 valuation) for the fiscal year ending June 30, 2023.*

[2] *Pursuant to ARS § 38-843(B), the amortization of positive unfunded liabilities for Tiers 1 & 2 shall be applied to all Tier 3 payroll on a level percent basis. However, while it is statutorily required to present the rates in this manner, these are the minimums where alternate methods for paying down that unfunded liability is at the discretion of each employer. Further, to understand the effects of reform in relation to Tier 3, compare the total rate of Tier 3 before application of those legacy costs.*

Development of Employer Contributions – Tier 3 Members		
Valuation Date	June 30, 2021	June 30, 2020
Applicable to Fiscal Year Ending	2023	2022

Defined Contribution (DC) Retirement Plan

	Rate	**Dollar**	**Rate**	**Dollar**
Tier 2 & 3 DB / Non-Social Security				
Employee Cost	3.00%		3.00%	
Employer Cost [1]	3.00%		3.00%	
Tier 3 DC Only				
Employee Cost	9.00%	$ 0	9.00%	$ 0
Employee Health Subsidy Program Cost	0.19%	0		
Employee Disability Program Cost	1.66%	0	0.88%	0
Total Employee Cost	**10.85%**	**0**	**9.88%**	**0**
Employer Cost	9.00%	0	9.00%	0
Employer Health Subsidy Program Cost	0.19%	0		
Employer Disability Program Cost	1.66%	0	0.88%	0
Total Employer Cost (before Legacy)	**10.85%**	**0**	**9.88%**	**0**
ER Legacy Cost of Tiers 1 & 2 Amort of Unfunded Liabilities [2]	15.25%	0	17.58%	0
Total Employer Cost	**26.10%**	**0**	**27.46%**	**0**
Underlying Payroll (as of valuation date)		0		0

[1] *Employer rate is 4% for Tier 2 members for a period of time depending on the individual's membership date.*

[2] *Pursuant to ARS § 38-843(B), the amortization of positive unfunded liabilities for Tiers 1 & 2 shall be applied to all Tier 3 payroll on a level percent basis. However, while it is statutorily required to present the rates in this manner, these are the minimums where alternate methods for paying down that unfunded liability is at the discretion of each employer. Further, to understand the effects of reform in relation to Tier 3, compare the total rate of Tier 3 before application of those legacy costs.*

Contribution Rate Summary

	Tier 1		Tier 2		Tier 3		
Membership Date On or After	7/1/1968	7/20/2011	1/1/2012		7/1/2017		
Participates in Social Security	N/A	N/A	Yes	No	Yes	No	N/A
Available Retirement Plan [1]	DB Only	DB Only	DB Only	Hybrid	DB Only	Hybrid	DC Only
Employee Contribution Rate							
PSPRS DB Rate	7.65%	11.65%	11.65%	11.65%	9.94%	9.94%	
PSPRS DC Rate				3.00%		3.00%	9.00%
Employer Health Subsidy Program Cost							0.19%
PSPDCRP Disability Program Rate							1.66%
Total EE Contribution Rate	7.65%	11.65%	11.65%	14.65%	9.94%	12.94%	10.85%
Employer Contribution Rate							
PSPRS DB Normal Cost	13.87%	13.87%	13.87%	13.87%	9.94%	9.94%	
PSPRS DB Tier 1 & 2 Legacy Cost [2]	14.81%	14.81%	14.81%	14.81%	15.25%	15.25%	15.25%
PSPRS DC Rate [3]				4.00%		3.00%	9.00%
Employer Health Subsidy Program Cost							0.19%
PSPDCRP Disability Program Rate							1.66%
Total ER Contribution Rate	28.68%	28.68%	28.68%	32.68%	25.19%	28.19%	26.10%

[1] *Employers that pay into Social Security on behalf of their members do not participate in the Hybrid Plan.*

[2] *Per statute (ARS § 38-843(B)), any positive unfunded liability for Tiers 1 and 2 is to be applied to all Tier 3 (DB and DC) payrolls.*

[3] *The 4.00% employer match for Tier 2 Hybrid members is for a short period of time depending on the membership date of the employee at which point the rate will change to 3.00% (ARS § 38-868(C)).*

Exhibit summarizes employee and employer contributions based on Statute and the results of June 30, 2021 actuarial valuation. Pension and health components are combined, where applicable.

Impact of Additional Contributions

	Additional Contribution (000s)										
	$0	**$10**	**$20**	**$30**	**$40**	**$50**	**$60**	**$70**	**$80**	**$90**	**$100**
Impact On											
Funded Status 06/30/2021	70.8%	71.0%	71.3%	71.5%	71.8%	72.0%	72.2%	72.5%	72.7%	73.0%	73.2%
FYE 2023 Contribution Rate	28.68%	28.53%	28.37%	28.22%	28.06%	27.91%	27.75%	27.60%	27.44%	27.29%	27.13%

Table shows the hypothetical change in the funded status and contribution rate from the June 30, 2021 actuarial valuation results for Tiers 1 & 2 if an additional contribution of the amount shown had been made to the Fund on June 30, 2021. This illustration can help estimate the impact of contributing additional monies to the fund in the future.

Historical Summary of Employer Rates

			Pension			Health		
	Valuation Date June 30	**Fiscal Year Ending June 30**	**Normal Cost**	**Unfunded Amortization**	**Total**	**Normal Cost**	**Unfunded Amortization**	**Total**
TIERS 1 & 2	2018	2020	12.22%	20.34%	32.56%	0.40%	(0.40%)	0.00%
	2019	2021	14.06%	19.84%	33.90%	0.50%	(0.50%)	0.00%
	2020	2022	13.54%	17.58%	31.12%	0.43%	(0.43%)	0.00%
	2021	2023	13.43%	15.25%	28.68%	0.44%	(0.44%)	0.00%
TIER 3 [1]	2018	2020	9.68%	0.00%	9.68%	0.26%	0.00%	0.26%
	2019	2021	9.68%	0.00%	9.68%	0.26%	0.00%	0.26%
	2020	2022	9.68%	0.00%	9.68%	0.26%	0.00%	0.26%
	2021 [2]	2023	9.00%	0.00%	9.00%	0.12%	0.00%	0.12%
	2021	2023	9.68%	0.00%	9.68%	0.26%	0.00%	0.26%

[1] *Rates shown are Board approved EE/ER rates, unless otherwise noted. Does not reflect Legacy costs that the employer must also contribute.*

[2] *Rates shown are calculated EE/ER rates*

III. Liability Support

Liabilities and Funded Ratios by Benefit - Tiers 1 & 2

	June 30, 2021	June 30, 2020
Pension		
Actuarial Present Value of Benefits		
Retirees and Beneficiaries	$ 2,679,568	$ 2,682,034
DROP Members	824,641	768,166
Vested Members	17,204	15,652
Active Members	1,146,961	1,088,411
Total Actuarial Present Value of Benefits	4,668,374	4,554,263
Actuarial Accrued Liability (AAL)		
All Inactive Members	3,521,413	3,465,852
Active Members	597,229	516,112
Total Actuarial Accrued Liability	4,118,642	3,981,964
Actuarial Value of Assets (AVA)	2,915,332	2,631,236
Unfunded Actuarial Accrued Liability		
Gross Unfunded Actuarial Accrued Liability	1,203,310	1,350,728
Stabilization Reserve	0	0
Net Unfunded Actuarial Accrued Liability	1,203,310	1,350,728
Funded Ratio (AVA / AAL)	70.8%	66.1%
Health		
Present Value of Benefits		
Retirees and Beneficiaries	$ 14,901	$ 26,389
DROP Members	19,139	17,854
Active Members	28,332	25,506
Total Present Value of Benefits	62,372	69,749
Actuarial Accrued Liability (AAL)		
All Inactive Members	34,040	44,243
Active Members	16,555	13,702
Total Actuarial Accrued Liability	50,595	57,945
Actuarial Value of Assets (AVA)	173,486	163,742
Unfunded Actuarial Accrued Liability	(122,891)	(105,797)
Funded Ratio (AVA / AAL)	342.9%	282.6%

Liabilities and Funded Ratios by Benefit - Tier 3

	June 30, 2021	June 30, 2020
Pension		
Actuarial Present Value of Benefits		
Retirees and Beneficiaries	$ 440,356	$ 429,363
Vested Members	1,850,254	743,741
Active Members	288,612,448	203,486,437
Total Actuarial Present Value of Benefits	290,903,058	204,659,541
Actuarial Accrued Liability (AAL)		
All Inactive Members	2,290,610	1,173,104
Active Members	40,442,927	22,066,495
Total Actuarial Accrued Liability	42,733,537	23,239,599
Actuarial Value of Assets (AVA)	45,863,401	23,570,444
Unfunded Actuarial Accrued Liability	(3,129,864)	(330,845)
Funded Ratio (AVA / AAL)	107.3%	101.4%
Health		
Present Value of Benefits		
Retirees and Beneficiaries	0	0
Active Members	3,998,992	2,785,857
Total Present Value of Benefits	3,998,992	2,785,857
Actuarial Accrued Liability (AAL)		
All Inactive Members	0	0
Active Members	680,877	353,563
Total Actuarial Accrued Liability	680,877	353,563
Actuarial Value of Assets (AVA)	1,429,806	721,079
Unfunded Actuarial Accrued Liability	(748,929)	(367,516)
Funded Ratio (AVA / AAL)	210.0%	203.9%

The liabilities shown on this page are the liabilities for all Tier 3 members grouped together in the Risk Sharing group. These liabilities are NOT the liabilities solely for Clarkdale Police Dept. Tier 3 members.

Derivation of Experience (Gain)/Loss

		Tiers 1 & 2		Tier 3	
		Pension	**Health**	**Pension**	**Health**
(1)	Unfunded Actuarial Accrued Liability as of June 30, 2020	1,350,728	(105,797)	(330,845)	(367,516)
(2)	Normal Cost Developed in Last Valuation	48,220	1,531	7,910,126	113,626
(3)	Actual Contributions	272,846	0	9,445,404	586,975
(4)	Expected Interest On (1), (2), and (3)	92,340	(7,611)	214,602	(39,581)
(5)	Expected Unfunded Actuarial Accrued Liability as of June 30, 2021 (1)+(2)-(3)+(4)	1,218,442	(111,877)	(1,651,521)	(880,446)
(6)	Changes to UAAL Due to Assumptions, Methods and Benefits	0	0	0	0
(7)	Change to UAAL Due to Actuarial (Gain)/Loss	(15,132)	(11,014)	(1,478,343)	131,517
(8)	Unfunded Actuarial Accrued Liability as of June 30, 2021	1,203,310	(122,891)	(3,129,864)	(748,929)

Amortization of Unfunded Liabilities - Tiers 1 & 2

	Date Established	Outstanding Balance [1]	Years Remaining	Amortization Rate
Pension	06/30/2019	1,465,102	25	17.85%
	06/30/2021 [2]	(163,179)	25	(2.60%)
	Total	1,301,923		15.25%
Health	06/30/2019	0	25	0.00%
	06/30/2021 [2]	(122,891)	20	(2.14%)
	Total	(122,891)		(2.14%)

Amortization of Unfunded Liabilities - Tier 3

	Date Established	Outstanding Balance	Years Remaining	Amortization Rate [3]
Pension	06/30/2018	150,675	7	0.02%
	06/30/2019	(1,301,325)	8	(0.18%)
	06/30/2020	855,335	9	0.11%
	06/30/2021	(2,834,549)	10	(0.35%)
	Total	(3,129,864)		0.00%
Health	06/30/2018	(3,195)	7	0.00%
	06/30/2019	(118,978)	8	(0.02%)
	06/30/2020	(217,212)	9	(0.03%)
	06/30/2021	(409,544)	10	(0.05%)
	Total	(748,929)		0.00%

[1] *By Statute, any unfunded liability is adjusted by remove any "maintenance of effort" balance included in the assets.*

[2] *Since the "Years Remaining" for the 2020 and 2021 bases are the same, they have been combined into a single base.*

[3] *By Statute, negative amortization rates are not subtracted in Tier 3 rate calculations.*

IV. Asset Support

Statement of Changes in Fiduciary Net Position for Year Ended June 30, 2021

Market Value Basis

	Tiers 1 & 2		Tier 3	
	Pension	**Health**	**Pension**	**Health**
Additions				
Contributions				
Member Contributions	$ 125,332,035	$ 0	$ 21,045,607	$ 0
Employer Contributions	1,907,760,231	0	21,046,874	0
Health Insurance Contributions	0	4,005,856	0	1,358,038
Total Contributions	2,033,092,266	4,005,856	42,092,481	1,358,038
Investment Income				
Net Increase in Fair Value	2,205,440,985	84,098,414	21,638,252	757,438
Interest and Dividends	71,848,357	2,739,739	704,927	24,676
Other Income	83,636,944	3,601,503	820,588	32,436
Less Investment Expenses	(50,004,841)	(1,785,590)	(490,613)	(16,082)
Net Investment Income	2,310,921,445	88,654,066	22,673,154	798,468
Transfers In	145,214	0	55,573	0
Total Additions	4,344,158,925	92,659,922	64,821,208	2,156,506
Deductions				
Distributions to Members				
Benefit Payments	933,886,583	0	57,370	0
Health Insurance Subsidy	0	16,906,670	0	0
Refund of Contributions	12,184,527	0	576,884	0
Total Distributions	946,071,110	16,906,670	634,254	0
Administrative Expenses	10,897,164	364,534	106,925	3,283
Transfers Out	276,873	0	0	0
Other	0	0	0	0
Total Deductions	957,245,147	17,271,204	741,179	3,283
Net Increase / (Decrease)	3,386,913,778	75,388,718	64,080,029	2,153,223
Net Position Held in Trust				
Prior Valuation	8,057,538,776	328,079,035	48,259,114	1,480,635
Beginning of the Year Adjustment	0	0	0	0
End of the Year	11,444,452,554	403,467,753	112,339,143	3,633,858

Development of Pension Actuarial Value of Assets - Tiers 1 & 2

A. Investment Income	
A1. Actual Investment Income	$ 2,300,024,281
A2. Expected Amount for Immediate Recognition	627,173,072
A3. Amount Subject to Amortization	1,672,851,209

	Year Ended June 30						
B. Amortization Schedule	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**
2021 Experience (A3 / 7)	238,978,744	238,978,744	238,978,744	238,978,744	238,978,744	238,978,744	238,978,745
2020 Experience	(68,882,158)	(68,882,158)	(68,882,158)	(68,882,158)	(68,882,158)	(68,882,160)	
2019 Experience	(22,859,275)	(22,859,275)	(22,859,275)	(22,859,275)	(22,859,275)		
2018 Experience	(6,266,349)	(6,266,349)	(6,266,349)	(6,266,351)			
2017 Experience	33,380,149	33,380,149	33,380,148				
2016 Experience	(64,250,729)	(64,250,726)					
2015 Experience	(36,894,251)						
Total Amortization	73,206,131	110,100,385	174,351,110	140,970,960	147,237,311	170,096,584	238,978,745

C. Actuarial Value of Assets	**Total**	**Employer**
C1. Actuarial Value of Assets, 06/30/2020	8,675,448,922	
C2. Non-investment Net Cash Flow	1,086,889,497	
C3. Preliminary Actuarial Value of Assets, 06/30/2021 (A2 + B + C1 + C2)	10,462,717,622	
C4. Market Value of Assets, 06/30/2021	11,444,452,554	3,188,883
C5. Final Actuarial Value of Assets, 06/30/2021 (C3 Within 20% Corridor of C4)	10,462,717,622	2,915,332

D. Rates of Return	
D1. Market Value Rate of Return	26.7%
D2. Actuarial Value Rate of Return	7.6%

Development of Health Actuarial Value of Assets - Tiers 1 & 2

A. Investment Income	
A1. Actual Investment Income	$ 88,289,532
A2. Expected Amount for Immediate Recognition	23,487,183
A3. Amount Subject to Amortization	64,802,349

	Year Ended June 30						
B. Amortization Schedule	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**
2021 Experience (A3 / 7)	9,257,478	9,257,478	9,257,478	9,257,478	9,257,478	9,257,478	9,257,481
2020 Experience	(2,898,713)	(2,898,713)	(2,898,713)	(2,898,713)	(2,898,713)	(2,898,716)	
2019 Experience	(1,075,569)	(1,075,569)	(1,075,569)	(1,075,569)	(1,075,572)		
2018 Experience	(304,653)	(304,653)	(304,653)	(304,656)			
2017 Experience	1,532,136	1,532,136	1,532,136				
2016 Experience	(3,221,043)	(3,221,044)					
2015 Experience	(1,796,586)						
Total Amortization	1,493,050	3,289,635	6,510,679	4,978,540	5,283,193	6,358,762	9,257,481

C. Actuarial Value of Assets	**Total**	**Employer**
C1. Actuarial Value of Assets, 06/30/2020	355,709,881	
C2. Non-investment Net Cash Flow	(12,900,814)	
C3. Preliminary Actuarial Value of Assets, 06/30/2021 (A2 + B + C1 + C2)	367,789,300	
C4. Market Value of Assets, 06/30/2021	403,467,753	190,316
C5. Final Actuarial Value of Assets, 06/30/2021 (C3 Within 20% Corridor of C4)	367,789,300	173,486

D. Rates of Return	
D1. Market Value Rate of Return	27.5%
D2. Actuarial Value Rate of Return	7.2%

Development of Pension Actuarial Value of Assets - Tiers 3

A. Investment Income	
A1. Actual Investment Income	$ 22,566,229
A2. Expected Amount for Immediate Recognition	4,806,547
A3. Amount Subject to Amortization	17,759,682

	Year Ended June 30				
B. Amortization Schedule	**2021**	**2022**	**2023**	**2024**	**2025**
2021 Experience (A3 / 5)	3,551,936	3,551,936	3,551,936	3,551,936	3,551,938
2020 Experience	(351,296)	(351,296)	(351,296)	(351,294)	
2019 Experience	44,435	44,435	44,437		
2018 Experience	(370)	(371)			
2017 Experience	0				
Total Amortization	3,244,705	3,244,704	3,245,077	3,200,642	3,551,938

C. Actuarial Value of Assets	**Total**	**Employer**
C1. Actuarial Value of Assets, 06/30/2020	49,531,567	
C2. Non-investment Net Cash Flow	41,513,800	
C3. Preliminary Actuarial Value of Assets, 06/30/2021 (A2 + B + C1 + C2)	99,096,619	
C4. Market Value of Assets, 06/30/2021	112,339,143	51,992,240
C5. Final Actuarial Value of Assets, 06/30/2021 (C3 Within 20% Corridor of C4)	99,096,619	45,863,401

D. Rates of Return	
D1. Market Value Rate of Return	32.7%
D2. Actuarial Value Rate of Return	11.5%

Development of Health Actuarial Value of Assets - Tiers 3

A. Investment Income	
A1. Actual Investment Income	$ 795,185
A2. Expected Amount for Immediate Recognition	150,372
A3. Amount Subject to Amortization	644,813

	Year Ended June 30				
B. Amortization Schedule	**2021**	**2022**	**2023**	**2024**	**2025**
2021 Experience (A3 / 5)	128,963	128,963	128,963	128,963	128,961
2020 Experience	(10,555)	(10,555)	(10,555)	(10,557)	
2019 Experience	1,507	1,507	1,508		
2018 Experience	0	(2)			
2017 Experience	0				
Total Amortization	119,915	119,913	119,916	118,406	128,961

C. Actuarial Value of Assets	Total	Employer
C1. Actuarial Value of Assets, 06/30/2020	1,518,500	
C2. Non-investment Net Cash Flow	1,358,038	
C3. Preliminary Actuarial Value of Assets, 06/30/2021 (A2 + B + C1 + C2)	3,146,825	
C4. Market Value of Assets, 06/30/2021	3,633,858	1,651,097
C5. Final Actuarial Value of Assets, 06/30/2021 (C3 Within 20% Corridor of C4)	3,146,825	1,429,806

D. Rates of Return	
D1. Market Value Rate of Return	36.8%
D2. Actuarial Value Rate of Return	12.3%

V. Member Statistics

Valuation Data Summary

	June 30, 2021		June 30, 2020	
	Tiers 1 & 2	**Tier 3**	**Tiers 1 & 2**	**Tier 3**
Actives				
Number	4	2	4	2
Average Current Age	42.1	40.7	41.1	39.7
Average Age at Employment	33.4	38.4	33.4	38.4
Average Past Service	8.7	2.3	7.7	1.3
Average Annual Salary	$66,860	$55,426	$65,719	$53,856
Actives (transferred)				
Number	1	1	1	0
Average Current Age	47.1	30.7	46.1	N/A
Average Age at Employment	33.7	28.8	33.7	N/A
Average Past Service	13.4	1.9	12.4	N/A
Average Annual Salary	$65,845	$51,429	$67,187	N/A
Retirees				
Number	6	0	6	0
Average Current Age	63.6	N/A	62.6	N/A
Average Annual Benefit	$28,197	N/A	$27,681	N/A
Drop Retirees				
Number	1	N/A	1	N/A
Average Current Age	57.1	N/A	56.1	N/A
Average Annual Benefit	$41,808	N/A	$41,808	N/A
Beneficiaries				
Number	1	0	1	0
Average Current Age	74.5	N/A	73.5	N/A
Average Annual Benefit	$38,326	N/A	$37,575	N/A
Disability Retirees				
Number	0	0	0	0
Average Current Age	N/A	N/A	N/A	N/A
Average Annual Benefit	N/A	N/A	N/A	N/A
Inactive / Vested				
Number	1	0	1	0
Average Current Age	31.3	N/A	30.3	N/A
Average Accumulated Contributions	$2,234	N/A	$2,234	N/A
Total Number	14	3	14	2
Former Members (transferred)	2	1	2	1

Counts and Pay Summary by Service - Tiers 1 & 2

	Past Service									
Age	0-4	5-9	10-14	15-19	20-24	25-29	30+	Total Count	Total Pay	Average Pay
<20	0	0	0	0	0	0	0	0	0	0
20 - 24	0	0	0	0	0	0	0	0	0	0
25 - 29	0	1	0	0	0	0	0	1	57,735	57,735
30 - 34	0	1	0	0	0	0	0	1	52,343	52,343
35 - 39	0	0	0	0	0	0	0	0	0	0
40 - 44	0	0	1	0	0	0	0	1	59,248	59,248
45 - 49	0	0	1	0	0	0	0	1	65,845	65,845
50 - 54	0	0	0	0	0	0	0	0	0	0
55 - 59	0	0	0	0	0	0	0	0	0	0
60 - 64	0	0	0	0	0	0	0	0	0	0
65+	0	1	0	0	0	0	0	1	98,114	98,114
Total	0	3	2	0	0	0	0	5	333,285	66,657

Counts and Pay Summary by Service - Tier 3

	Past Service									
Age	0-4	5-9	10-14	15-19	20-24	25-29	30+	Total Count	Total Pay	Average Pay
15 - 19	0	0	0	0	0	0	0	0	0	0
20 - 24	0	0	0	0	0	0	0	0	0	0
25 - 29	0	0	0	0	0	0	0	0	0	0
30 - 34	1	0	0	0	0	0	0	1	51,429	51,429
35 - 39	1	0	0	0	0	0	0	1	47,413	47,413
40 - 44	1	0	0	0	0	0	0	1	63,440	63,440
45 - 49	0	0	0	0	0	0	0	0	0	0
50 - 54	0	0	0	0	0	0	0	0	0	0
55 - 59	0	0	0	0	0	0	0	0	0	0
60 - 64	0	0	0	0	0	0	0	0	0	0
65+	0	0	0	0	0	0	0	0	0	0
Total	3	0	0	0	0	0	0	3	162,282	54,094

VI. Actuarial Assumptions and Methods

Interest Rate

This is the assumed earnings rate on System assets, compounded annually, net of investment and administrative expenses.

Tiers 1 & 2:
7.30% per year.

Tier 3:
7.00% per year.

Salary Increases

See table below. This is an annual increase for individual member's salary. These rates, which are based on a 2017 experience study using actual plan experience, consist of 3.5% for wage inflation with the remaining portion for merit / seniority increases.

Age	Maricopa County Police	Pima County Police	Other Police	Maricopa County Fire	Pima County Fire	Other Fire
20	7.50%	7.50%	7.50%	7.50%	7.50%	7.20%
25	7.14%	6.24%	6.60%	7.35%	6.36%	6.60%
30	6.00%	5.16%	5.25%	6.74%	5.48%	5.60%
35	4.77%	4.55%	4.15%	5.56%	4.83%	4.96%
40	3.90%	3.89%	3.60%	4.46%	4.03%	4.44%
45	3.54%	3.56%	3.50%	3.74%	3.60%	3.78%
50+	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%

Inflation

2.50%.

Tier 3 Compensation Limit

$115,868 for calendar 2021. Assumed increases of 2.00% per year thereafter.

Cost-of-Living Adjustment

1.75%.

Mortality Rates

These rates are used to project future decrements from the population due to death.

Active Lives:
PubS-2010 Employee mortality, loaded 110% for males and females, projected with future mortality improvements reflected generationally using 75% of scale MP-2020. 100% of active deaths are assumed to be in the line of duty.

Inactive Lives
PubS-2010 Healthy Retiree mortality, loaded 110% for males and females, projected with future mortality improvements reflected

generationally using 75% of scale MP-2020.

Beneficiaries:
PubS-2010 Survivor mortality, projected with future mortality improvements reflected generationally using 75% of scale MP-2020.

Disabled Lives:
PubS-2010 Disabled mortality, projected with future mortality improvements reflected generationally using 75% of scale MP-2020.

The mortality assumptions sufficiently accommodate anticipated future mortality improvements.

Retirement / DROP Rates

These rates are used to project future decrements from the active population due to retirement. The rates below are based on a 2017 experience study using actual plan experience.

Tier 1 – reaching age 62 before attaining 20 years of service:
Age-related rates based on age at retirement: 60% assumed at age 62, 50% assumed at ages 63 – 69, and 100% assumed at age 70. Rates are the same for all employers.

Tier 1 – reaching age 62 after attaining 20 years of service:
Service-related rates based on service at retirement:

Service	Maricopa County Police	Pima County Police	Other Police	Maricopa County Fire	Pima County Fire	Other Fire
20	27%	24%	35%	14%	18%	23%
21	18%	19%	30%	14%	18%	18%
22	14%	14%	23%	7%	11%	11%
23	10%	10%	10%	7%	7%	8%
24	8%	7%	10%	7%	7%	5%
25	38%	32%	36%	22%	22%	30%
26	36%	32%	30%	26%	26%	30%
27	29%	22%	30%	19%	19%	30%
28	29%	22%	30%	32%	25%	25%
29	29%	22%	30%	30%	25%	16%
30	34%	35%	30%	30%	30%	32%
31	34%	35%	30%	30%	30%	35%
32	65%	65%	70%	55%	55%	60%
33	65%	65%	70%	55%	55%	60%
34+	100%	100%	100%	100%	100%	100%

60% are assumed to enter the DROP program while the remaining 40% are assumed to retire and commence benefits immediately. DROP periods are assumed to be 4 years in length.

Tiers 2 & 3:

Age-related rates based on age at retirement:

Age	Maricopa County Police	Pima County Police	Other Police	Maricopa County Fire	Pima County Fire	Other Fire
53	38%	32%	36%	22%	22%	30%
54	36%	32%	30%	26%	26%	30%
55	29%	22%	30%	19%	19%	30%
56	29%	22%	30%	32%	25%	25%
57	29%	22%	30%	30%	25%	16%
58	34%	35%	30%	30%	30%	32%
59	34%	35%	30%	30%	30%	35%
60-63	65%	65%	70%	55%	55%	60%
64+	100%	100%	100%	100%	100%	100%

Termination Rate

These rates are used to project future decrements from the active population due to termination. Service-related rates based on service at termination are shown below. The rates below apply to members prior to retirement eligibility and are based on a 2017 experience study using actual plan experience.

Service	Maricopa County Police	Pima County Police	Other Police	Maricopa County Fire	Pima County Fire	Other Fire
1	14.00%	16.00%	16.00%	7.00%	10.00%	9.50%
2	8.50%	9.00%	12.50%	4.50%	5.00%	9.00%
3	6.50%	7.50%	11.50%	3.70%	5.00%	7.50%
4	4.50%	6.00%	9.00%	3.00%	4.00%	7.50%
5	3.60%	6.00%	8.00%	2.50%	4.00%	6.50%
6	3.30%	4.50%	8.00%	1.70%	3.50%	4.50%
7	3.30%	4.50%	7.00%	1.70%	3.00%	4.00%
8	3.30%	3.20%	7.00%	1.70%	2.40%	3.50%
9	2.70%	3.20%	6.50%	1.70%	2.40%	3.50%
10	2.70%	3.20%	6.00%	1.50%	2.40%	3.00%
11	2.70%	3.20%	5.00%	1.10%	2.40%	2.70%
12	1.80%	1.40%	4.00%	0.70%	1.00%	2.00%
13	1.30%	1.40%	3.50%	0.70%	1.00%	2.00%
14	1.30%	1.40%	3.00%	0.70%	1.00%	1.70%
15	1.30%	1.00%	3.00%	0.60%	1.00%	1.20%
16	0.70%	1.00%	2.00%	0.50%	1.00%	1.20%
17	0.70%	1.00%	1.75%	0.50%	0.50%	1.20%
18	0.70%	1.00%	1.75%	0.40%	0.50%	1.20%
19	0.50%	1.00%	1.75%	0.40%	0.50%	1.20%
20+	0.50%	1.00%	1.75%	0.40%	0.50%	0.50%

Disability Rate

These rates are used to project future decrements from the active population due to disability. Sample age-related rates based on age at disability are provided below. These rates are based on a 2017 experience study using actual plan experience. 100% of disablements are assumed to be duty-related.

Age	Maricopa County Police	Pima County Police	Other Police	Maricopa County Fire	Pima County Fire	Other Fire
20	0.08%	0.08%	0.10%	0.03%	0.03%	0.03%
25	0.08%	0.08%	0.10%	0.03%	0.03%	0.03%
30	0.17%	0.16%	0.20%	0.04%	0.03%	0.03%
35	0.22%	0.21%	0.26%	0.09%	0.07%	0.08%
40	0.36%	0.35%	0.44%	0.17%	0.16%	0.17%
45	0.51%	0.49%	0.62%	0.17%	0.43%	0.48%
50	0.78%	0.75%	0.95%	0.43%	0.59%	0.65%
55	1.02%	0.98%	1.23%	1.00%	1.01%	1.13%

Marital Status

For active members, 85% of males and 60% of females are assumed to be married. Actual marital status is used, where applicable, for inactive members.

Spouse's Age

Males are assumed to be three years older than females.

Health Care Utilization

For active members, 70% of retirees are expected to utilize retiree health care. Actual utilization is used for inactive members.

Funding Method

Entry Age Normal Cost Method.

Actuarial Asset Method

Method described below. Note that during periods when investment performance exceeds (falls short) of the assumed rate, the actuarial value of assets will tend to be less (greater) than the market value of assets.

Tiers 1 & 2:
Each year the assumed investment income is recognized in full while the difference between actual and assumed investment income are smoothed over a 7-year period subject to a 20% corridor around the market value.

Tier 3:
Each year the assumed investment income is recognized in full while the difference between actual and assumed investment income are smoothed over a 5-year period subject to a 20% corridor around the market value.

Funding Policy Amortization Method	***Tiers 1 & 2:*** Any positive UAAL (assets less than liabilities) is amortized using a layered approach beginning with the June 30, 2020 valuation, with new amounts determined according to a Level Dollar method over a closed period of 15 years (phased into from current period of at most 30 years). Initial layer from June 30, 2019 valuation continues to be amortized according to a Level Percentage of Payroll method. Any negative UAAL (assets greater than liabilities) is amortized according to a Level Dollar method over an open period of 20 years. ***Tier 3:*** Any positive UAAL (assets less than liabilities) is amortized according to a Level Dollar method over a closed period of 10 years. No amortization is made of any negative UAAL (assets greater than liabilities).
Payroll Growth	3.00% per year. This is annual increase for total employer payroll.
Stabilization Reserve	Beginning with the June 30, 2007 valuation and with each subsequent valuation, if the actuarial value of assets exceeds the actuarial accrued liability, one half of this excess in each year is allocated to a Stabilization Reserve. This Reserve is excluded from the calculation of the employer contribution rates. The Reserve accumulates as long as the plan is overfunded. Once the plan becomes underfunded, the Stabilization Reserve will be used to dampen increases in the employer contribution rates.

Changes to Actuarial Assumptions and Methods Since the Prior Valuation
The payroll growth assumption was lowered from 3.50% to 3.00%.

VII. DISCUSSION OF RISK

ASOP No. 51, Assessment and Disclosure of Risk Associated with Measuring Pension Obligations and Determining Pension Plan Contributions, states that the actuary should identify risks that, in the actuary's professional judgment, may reasonably be anticipated to significantly affect the plan's future financial condition.

Throughout this report, actuarial results are determined under various assumption scenarios. These results are based on the premise that all future plan experience will align with the plan's actuarial assumptions; however, there is no guarantee that actual plan experience will align with the plan's assumptions. Whenever possible, the recommended assumptions in this report reflect conservatism to allow for some margin of unfavorable future plan experience. However, it is still possible that actual plan experience will differ from anticipated experience in an unfavorable manner that will negatively impact the plan's funded position.

Below are examples of ways in which plan experience can deviate from assumptions and the potential impact of that deviation. Typically, this results in an actuarial gain or loss representing the current-year financial impact on the plan's unfunded liability of the experience differing from assumptions; this gain or loss is amortized over a period of time determined by the plan's amortization method. When assumptions are selected that adequately reflect plan experience, gains and losses typically offset one another in the long term, resulting in a relatively low impact on the plan's contribution requirements associated with plan experience. When assumptions are too optimistic, losses can accumulate over time and the plan's amortization payment could potentially grow to an unmanageable level.

- Investment Return: When the rate of return on the Actuarial Value of Assets falls short of the assumption, this produces a loss representing assumed investment earnings that were not realized. Further, it is unlikely that the plan will experience a scenario that matches the assumed return in each year as capital markets can be volatile from year to year. Therefore, contribution amounts can vary in the future.
- Salary Increases: When a plan participant experiences a salary increase that was greater than assumed, this produces a loss representing the cost of an increase in anticipated plan benefits for the participant as compared to the previous year. The total gain or loss associated with salary increases for the plan is the sum of salary gains and losses for all active participants.
- Payroll Growth: The plan's payroll growth assumption, if one is used, causes a predictable annual increase in the plan's amortization payment in order to produce an amortization payment that remains constant as a percentage of payroll if all assumptions are realized. If payroll does not increase according to the plan's payroll growth assumption, the plan's amortization payment can increase significantly as a percentage of payroll even if all assumptions other than the payroll growth assumption are realized.
- Demographic Assumptions: Actuarial results take into account various potential events that could happen to a plan participant, such as retirement, termination, disability, and death. Each of these potential events is assigned a liability based on the likelihood of the event and the financial consequence of the event for the plan. Accordingly, actuarial liabilities reflect a blend of financial consequences associated with various possible outcomes (such as retirement at one of various possible ages). Once the outcome is known (e.g. the participant retires) the liability is adjusted to reflect the known outcome. This adjustment

produces a gain or loss depending on whether the outcome was more or less favorable than other outcomes that could have occurred.

- Contribution risk: This risk results from the potential that actual employer contributions may deviate from actuarially determined contributions, which are determined in accordance with the Board's funding policy. The funding policy is intended to result in contribution requirements that if paid when due, will result in a reasonable expectation that assets will accumulate to be sufficient to pay plan benefits when due. Contribution deficits, particularly large deficits and those that occur repeatedly, increase future contribution requirements and put the plan at risk for not being able to pay plan benefits when due.

Impact of Plan Maturity on Risk

For newer pension plans, most of the participants and associated liabilities are related to active members who have not yet reached retirement age. As pension plans continue in operation and active members reach retirement ages, liabilities begin to shift from being primarily related to active members to being shared amongst active and retired members. Plan maturity is a measure of the extent to which this shift has occurred. It is important to understand that plan maturity can have an impact on risk tolerance and the overall risk characteristics of the plan. For example, plans with a large amount of retired liability do not have as long of a time horizon to recover from losses (such as losses on investments due to lower than expected investment returns) as plans where the majority of the liability is attributable to active members. For this reason, less tolerance for investment risk may be warranted for highly mature plans with a substantial inactive liability. Similarly, mature plans paying substantial retirement benefits resulting in a small positive or net negative cash flow can be more sensitive to near term investment volatility, particularly if the size of the fund is shrinking, which can result in less assets being available for investment in the market.

To assist with determining the maturity of the plan, we have provided some relevant metrics in the table following titled "Plan Maturity Measures and Other Risk Metrics." For a better understanding of the overall Plan and the impact of these risks, please refer to the consolidated PSPRS valuation report.

Plan Maturity Measures and Other Risk Metrics - Tiers 1 & 2

	06/30/2018	06/30/2019	06/30/2020	06/30/2021
Support Ratio				
Total Actives	6	6	5	5
Total Inactives	11	10	9	9
Actives / Inactives	54.5%	60.0%	55.6%	55.6%
Asset Volatility Ratio				
Market Value of Assets (MVA)		2,309,402	2,443,825	3,188,883
Total Annual Payroll		373,805	330,064	333,285
MVA / Total Annual Payroll		617.8%	740.4%	956.8%
Accrued Liability (AL) Ratio				
Inactive Accrued Liability	3,258,320	3,409,135	3,465,852	3,521,413
Total Accrued Liability	3,598,987	3,861,537	3,981,964	4,118,642
Inactive AL / Total AL	90.5%	88.3%	87.0%	85.5%
Funded Ratio				
Actuarial Value of Assets (AVA)	2,205,292	2,388,654	2,631,236	2,915,332
Total Accrued Liability	3,598,987	3,861,537	3,981,964	4,118,642
AVA / Total Accrued Liability	61.3%	61.9%	66.1%	70.8%
Net Cash Flow Ratio				
Net Cash Flow [1]		38,266	105,806	103,010
Market Value of Assets (MVA)		2,309,402	2,443,825	3,188,883
Net Cash Flow / MVA		1.7%	4.3%	3.2%

[1] Determined as total contributions minus benefit payments. Administrative expenses are typically included but are considered part of the net interest rate assumption for this plan.

Plan Maturity Measures and Other Risk Metrics - Tier 3 [1]

	06/30/2018	06/30/2019	06/30/2020	06/30/2021
Support Ratio				
Total Actives	419	944	1,408	2,560
Total Inactives	23	57	130	307
Actives / Inactives	1,821.7%	1,656.1%	1,083.1%	833.9%
Asset Volatility Ratio				
Market Value of Assets (MVA)		9,392,896	22,964,925	51,992,240
Total Annual Payroll		50,420,565	84,448,996	115,883,115
MVA / Total Annual Payroll		18.6%	27.2%	44.9%
Accrued Liability (AL) Ratio				
Inactive Accrued Liability		203,244	1,173,104	2,290,610
Total Accrued Liability		7,956,725	23,239,599	42,733,537
Inactive AL / Total AL		2.6%	5.0%	5.4%
Funded Ratio				
Actuarial Value of Assets (AVA)	1,635,349	9,305,220	23,570,444	45,863,401
Total Accrued Liability	1,831,715	7,956,725	23,239,599	42,733,537
AVA / Total Accrued Liability	89.3%	116.9%	101.4%	107.3%
Net Cash Flow Ratio				
Net Cash Flow [2]		7,281,178	13,192,598	18,607,209
Market Value of Assets (MVA)		9,392,896	22,964,925	51,992,240
Net Cash Flow / MVA		77.5%	57.4%	35.8%

[1] *Tier 3 results are shown for the Risk Sharing group, where applicable.*
[2] *Determined as total contributions minus benefit payments. Administrative expenses are typically included but are considered part of the net interest rate assumption for this plan.*

VIII. Summary of Current Plan

The following is a summary of the benefit provisions provided in Title 38, Chapter 5, Article 4 of the Arizona Revised Statutes.

Membership	Full-time employees of an eligible group, prior to attaining age 65, who are engaged to work for more than six months in a calendar year.
Benefit Tiers	Benefits differ for members based on their hire date:

Tier	Hire Date
1	Hired before January 1, 2012
2	Hired on or after January 1, 2012 but before July 1, 2017
3	Hired on or after July 1, 2017

Compensation	Compensation is the amount including base salary, overtime pay, shift and military differential pay, compensatory time used in lieu of overtime pay, and holiday pay, paid to an employee on a regular payroll basis and longevity pay paid at least every six months for which contributions are made to the System. For Tier 3 members, compensation is limited by statutory cap ($110,000 with adjustments by the Board).
Average Monthly Benefit Compensation	***Tier 1:*** The highest compensation paid to member during three consecutive years out of the last 20 years of Credited Service, divided by months. ***Tier 2:*** The highest compensation paid to member during five consecutive years out of the last 20 years of Credited Service, divided by months. ***Tier 3:*** The highest compensation paid to member during five consecutive years out of the last 15 years of Credited Service, divided by months.
Credited Service	Total periods of service, both before and after the member's date of participation, for which the member made contributions to the fund.
Normal Retirement Date	***Tier 1:*** First day of month following attainment of 1) 20 years of service or 2) 62nd birthday and completion of 15 years of service.

Tier 2:
First day of month following the attainment of age 52.5 and completion of 15 years of service.

Tier 3:
First day of month following the attainment of age 55 and completion of 15 years of service.

Benefit

Tier 1:
50% of Average Monthly Benefit Compensation, adjusted based on Credited Service as follows (maximum benefit of 80% of Average Monthly Benefit Compensation):

Credited Service	Benefit Adjustment
15 years, but less than 20	Reduced 4% per year less than 20
20 years, but less than 25	Plus 2% per year between 20 and 25
25+ years	Plus 2.5% per year above 20

Tier 2:
Benefit multiplier (below) times Average Monthly Benefit Compensation times Credited Service (maximum benefit of 80% of Average Monthly Benefit Compensation):

Credited Service	Benefit Multiplier
15 years, but less than 17	1.50%
17 years, but less than 19	1.75%
19 years, but less than 22	2.00%
22 years, but less than 25	2.25%
25+ years	2.50%

Tier 3:
Benefit multiplier (below) times Average Monthly Benefit Compensation times Credited Service (maximum benefit of 80% of Average Monthly Benefit Compensation):

Credited Service	Benefit Multiplier
15 years, but less than 17	1.50%
17 years, but less than 19	1.75%
19 years, but less than 22	2.00%
22 years, but less than 25	2.25%
25+ years	2.50%

Form of Benefit

For married retirees, an annuity payable for the life of the member with 80% continuing to the eligible spouse upon death. For unmarried retirees, the normal form is a single life annuity.

Early Retirement	***Only applicable to Tier 3 members:***
Date	Attainment of age 52.5 and 15 years of Credited Service.
Benefit	Actuarial equivalent of Normal Retirement benefit.
Disability Benefit – Accidental (duty-related)	
Eligibility	Total and permanent disability incurred in performance of duty.
Benefit Amount	A maximum of: a.) 50% of Average Monthly Benefit Compensation, and; b.) The monthly Normal Retirement pension that the member is entitled to receive if he or she retired immediately.
Disability Benefit – Ordinary (not duty-related)	
Eligibility	Total and permanent disability not incurred in performance of duty.
Benefit Amount	Normal Retirement pension that the member is entitled to receive, prorated based on Credited Service earned over the required Credited Service for Normal Retirement (maximum ratio of 1).
Disability Benefit – Other	
Temporary	Benefit equals 1/12 of 50% of compensation during year preceding date of disability. Payments terminate after 12 months.
Catastrophic	Benefit equals 90% of Average Monthly Benefit Compensation. After 60 months member receives greater of 62.5% Average Monthly Benefit Compensation and accrued normal pension.
Pre-Retirement Death Benefit	
Service Incurred	100% of Average Monthly Benefit Compensation, reduced by child's pension.
Non-Service Incurred	80% of benefit based on calculation for accidental disability retirement.
Child's Pension	10% of pension for each child (maximum 20% paid) based on calculation for accidental disability retirement. Payable to dependent child under age 18 (23, if full-time student).
Guardian's Pension	Same as spouse's pension. Payable (along with child's pension) when no spouse is being paid and there is at least one child under 18 (23, if full-time student).
Vesting (Termination)	
Vesting Service Requirement	***Tier 1*:** 10 years of Credited Service.

Tiers 2 & 3:
15 years of Credited Service.

Non-Vested Benefit

Tier 1:
Lump sum payment of accumulated contributions, plus additional amount based on years of Credited Service.

Service	Additional % of Contributions
Less than 5 years	0%
5 years	25%
6 years	40%
7 years	55%
8 years	70%
9 years	85%
10+ years	100%

Tiers 2 & 3:
Lump sum payment of accumulated contributions, with interest at rate determined by the Board.

Vested Benefit

Tier 1:
Deferred retirement annuity based on two times member's accumulated contributions, deferred to age 62. Member is not entitled to survivor benefits, benefit increases, or group health insurance subsidy.

Tiers 2 & 3:
Calculated same as normal retirement pension. Payable if contributions left in fund until reach age requirement. Member is entitled to survivor benefits, benefit increases, and group health insurance subsidy.

Cost-of-Living Adjustment

Payable to retired member or survivor of retired member

Tiers 1 & 2:
Compound cost-of-living adjustment on base benefit. First payment is made on July 1, 2018, with annual adjustments effective every July 1 thereafter.

Cost-of-living adjustment will be based on the average annual percentage change in the Metropolitan Phoenix-Mesa Consumer Price Index published by the United States Department of Labor, Bureau of Statistics. Maximum increase of 2%.

Tier 3:
Compound cost-of-living adjustment on base benefit beginning earlier of first calendar year after the 7th anniversary of retirement or when the retired member reaches 60 years of age.

A cost-of-living adjustment shall be paid on July 1 each year that the funded ratio for members hired on or after July 1, 2017 is 70% or more.

The cost-of-living adjustment will be based on the average annual percentage change in the Metropolitan Phoenix-Mesa Consumer Price Index published by the United States Department of Labor, Bureau of Statistics. The cost-of-living adjustment will not exceed:

- 2%, if funded ratio for members who are hired on or after July 1, 2017 is 90% or more;
- 1.5%, if funded ratio for members who are hired on or after July 1, 2017 is 80-90%;
- 1%, if funded ratio for members who are hired on or after July 1, 2017 is 70-80%.

<u>Deferred Retirement Option Plan (DROP):</u>

Eligibility: Tier 1 and 20 years of Credited Service.

DROP Period: Maximum 60 months.

Member Contributions: Cease upon DROP entry.

Benefit Amount: Calculated based on Credited Service and average monthly compensation as of the beginning of the DROP period, credited to DROP participation account for DROP period.

Interest on DROP Participation Account:

Beginning Year	Interest Rate
July 1, 2016	7.40%
July 1, 2017	7.40%
July 1, 2018	7.30%
July 1, 2019	7.30%
July 1, 2020	7.30%

Payment of DROP Participation Account: Payable as lump sum distribution to Public Safety Personnel Defined Contribution Retirement Plan at end of DROP period or at termination.

Payment Monthly Benefit: System commences payment of benefit amount at the earlier of 1) the end of the DROP period and 2) at termination.

Post-Retirement Health Insurance Subsidy

Eligibility: Retired member or survivor who elect health coverage provided by the state or participating employer.

Maximum Subsidy Amounts (monthly)

	Member Only	With Dependents
Medicare Eligible	$100	$170
One w/ Medicare	N/A	$215
Not Medicare Eligible	$150	$260

Employee Contributions

Members hired before July 20, 2011:
7.65%

Members hired on/after July 20, 2011, but before July 1, 2017:
11.65%. Amounts in excess of 7.65% are not used to reduce the employer contribution ("maintenance of effort").

Tier 3:
50% of total contribution, which is Normal Cost plus a level-dollar amortization of unfunded actuarial accrued liability over a closed period not to exceed 10 years.

Employer Contributions

Tiers 1 & 2:
Normal Cost plus amortization of unfunded actuarial accrued liability over a closed period not to exceed 20 years (subject to one-time election to extend to closed period not to exceed 30 years). Contribution will never be less than 8% of payroll.

Tier 3:
50% of total contribution, which is Normal Cost plus a level-dollar amortization of unfunded actuarial accrued liability over a closed period not to exceed 10 years.

Changes to Benefit Provisions Since the Prior Valuation

The proration period for the Ordinary Disability Benefit was revised to reflect the different required Credited Service periods for different benefit tiers.

IX. Actuarial Funding Policy

A pension plan funding policy describes how pension funding will improve for underfunded plans or maintain funded benefits for funded plans over time for those benefits defined in ARS. Those benefits defined in ARS are to be equitably managed and administered by PSPRS.

This Actuarial Funding Policy identifies the funding objectives and elements of the actuarial funding policy set by the Board for the Arizona Public Safety Personnel Retirement System (PSPRS). The Board adopted this Funding Policy to help ensure the systematic funding of future benefit payments for members of the Retirement System as established by the legislature.

To achieve the systematic funding of future benefits, metrics are identified to measure the progress, or the lack of progress, over time to identify trends. These trends inform the continuation of the current policies or identify areas of needed research for consideration.

This funding policy is reviewed annually and adopted by the Board in accordance with ARS 38-863.02. This policy was reviewed and adopted by the Board in October 2021.

PSPRS Statement of Purpose

The Purpose of the Public Safety Personnel Retirement System is to provide uniform, consistent, and equitable statewide retirement programs for those who have been entrusted to our care.

Funding Objectives

1. Maintain adequate assets so that current plan assets, plus future contributions and investment earnings, are sufficient to fund all benefits expected to be paid to members and their beneficiaries.
    a. Corollary 1a: Current and future contributions should be calculated based upon assumptions that reflect the Board's best estimate of future experience and methods that appropriately allocate costs to address generational equity.
    b. Corollary 1b: While the shorter-term objective is to fully fund the actuarial liability (AAL) that estimates benefits earned as of the valuation date, contributions should target the long-term present value of benefits (PVB) to fund all benefits and help offset risks.

2. Maintain public policy goals of accountability and transparency through stakeholder communication and education. Each policy element is clear in intent and effect, and each should be considered in a balanced approach to determine how and when the funding requirements of the plan will be met.
    a. Corollary 2a: Board shall provide stakeholders with separate reports and tools to help explain current results as well as to help model future funding requirements.

3. Promote intergenerational equity. Defined benefit pensions are designed with a long-term perspective and designed to minimize contribution volatility that cannot avoid some level of generational cost shift. However, the goal is that each generation of members and employers (taxpayers) should, to the extent possible, incur the cost of benefits for the employees who provide services to them, rather than shifting those costs to other generations of members and employers (taxpayers).

a. Corollary 3a: A systematic reduction of the Unfunded Actuarial Accrued Liability (UAAL) over a reasonable time period is paramount to achieving this objective.

Consideration can be given to reduce volatility, to the extent possible, of employer and employee contribution rates as long as the integrity of the objectives listed above is not compromised.

Elements of Actuarial Funding Policy

1. Actuarial Cost Method
   a. The Entry Age Normal level percent of pay actuarial cost method of valuation shall be used in determining the Actuarial Accrued Liability (AAL) and Normal Cost. Differences in the past between assumed experience and actual experience ("actuarial gains and losses") shall become part of the AAL. The Normal Cost shall be determined on an individual basis for each active member.

2. Asset Smoothing Method
   a. The investment gains or losses of each valuation period, resulting from the difference between the actual investment return and assumed investment return, shall be recognized annually in level amounts over seven years (Tiers 1 and 2) or five years (Tier 3) in calculating the Actuarial Value of Assets.
   b. The Actuarial Value of Assets so determine shall be subject to a 20% corridor relative to the Market Value of Assets.

3. Amortization Method (Unfunded Amounts)
   a. The Actuarial Value of Assets are subtracted from the computed AAL. Any unfunded amount is amortized as a level percent of payroll over a closed period.
   b. The unfunded liabilities, for EORP and Tiers 1 & 2 for both PSPRS and CORP, determined in the June 30, 2019 actuarial valuation will become the initial layer for each employer beginning with the June 30, 2020 actuarial valuation and amortized using the current closed year period for that employer and continue to decrease each year.
      i. The payroll growth rate assumption used to amortize the Public Safety Plan (PSPRS) June 30, 2019 Unfunded Liability will be decreased by 0.5% beginning with the 6/30/2021 actuarial valuation and again each year with the intention of ultimately achieving 0.0%. Once the payroll growth assumption reaches 2.0%, however, the Board will reevaluate the payroll growth assumption and decide whether to continue to let it track down to 0.0%.
      ii. The payroll growth rate used to amortize the Correction Officers Retirement Plan (CORP) June 30, 2019 Unfunded Liability will be 3.0% beginning with the 6/30/2020 actuarial valuation, and future years will be reduced by 0.5% until 0.0% is reached.
      iii. The payroll growth rate used to amortize the Elected Officials Retirement Plan (EORP) June 30, 2019 Unfunded Liability will be 2.5% beginning with the 6/30/2020 actuarial valuation, and future years will be reduced by 0.5% until 0.0% is reached.
   c. Gains and losses, for EORP and Tiers 1 & 2 for both PSPRS and CORP, for each employer beginning with the June 30, 2020 actuarial valuation will be amortized as a new layer over the same amortization period as the regular unfunded liability to a minimum of 15 years. Once the amortization period for each employer decreases to 15 years, each subsequent year's gains and losses will be amortized as a new 15-year closed layer.
      i. The payroll growth rate used to amortize unfunded liability for all Plans under this paragraph will be 0.0% (i.e. level-dollar amortization).

   d. Tier 3 amortization methods are established in ARS 38-843.G and ARS 38-891.K.

4. Amortization Method (Overfunded Amounts)
   a. If the Actuarial Value of Assets exceeds the AAL for EORP and Tiers 1 & 2 for both PSPRS and CORP, the excess is amortized over an open period of 20 years and applied as a credit to reduce the Normal Cost otherwise payable.
   b. Tier 3 amortization methods are established in ARS 38-843.G and ARS 38-891.K.

Metrics to Monitor Funding Objectives

1. Appropriateness of Assumptions – Gain/Loss Experience (Corollary 1a)
   a. Metric: Do the cumulative gain/loss layers over the prior five years exceed 8% of plan assets?
   b. Measurement: History of annual gain/loss (split by asset and liability experience) and five-year cumulative results will be tracked.
   c. Action Plan: This metric assumes that a full experience study is performed at least every five years so objective of measurement is to monitor interim experience. If the metric answer is yes, a review of the sources or causes of gains and losses should be analyzed and presented to the Advisory Committee to provide a recommendation to the Board of Trustees. The analysis and presentation are intended to provide a basis for consideration if assumption changes are warranted between full experience studies.

2. Funding Targets (Corollary 1b)
   a. Metric: Has the funded status, on both an AAL and PVB basis when compared to the market value of assets, increased over a five-year period?
   b. Measurement: History of funded status measures will be tracked.
   c. Action Plan: If the answer is no and not readily explainable (e.g., significant assumption change), a review of the reason(s) for the decrease should be researched and presented to the Advisory Committee to provide a recommendation to the Board of Trustees. The analysis and presentation are intended to provide a basis for consideration if changes to assumptions and/or methods are warranted between full experience studies.

3. Communication with Stakeholders (Corollary 2a)
   a. Metric: Have reports and budgeting tools been provided to stakeholders in a timely fashion?
   b. Measurement: Yes/No answer based on input from PSPRS administrator. (An annual standard survey of stakeholders – 3 to 5 questions.)
   c. Action Plan: If the answer is no, and periodically regardless (e.g., every three years), PSPRS staff will revisit this metric to report to the Advisory Committee to provide a recommendation to the Board of Trustees if current reports / tools are sufficient and if the delivery timing is appropriate.

4. Timely Recognition of Costs (Corollary 3a)
   a. Metric: Has the percentage of unfunded liability subject to negative amortization decreased over a five-year lookback period?
   b. Measurement: History of unfunded liability subject to negative amortization as a percentage of total unfunded liability will be tracked.
   c. Action Plan: If the answer is no, and not readily explainable (e.g., adopted assumption changes being phased in are anticipated to address negative amortization), a review of the reason(s) for negative amortization should be researched and presented to the Advisory Committee to provide a

recommendation to the Board of Trustees. The analysis and presentation are intended to provide a basis for consideration if changes to assumptions and/or methods are warranted between full experience studies.

X. GLOSSARY

Actuarial Accrued Liability – Computed differently under different funding methods, the actuarial accrued liability generally represents the portion of the actuarial present value of benefits attributable to service credit earned (or accrued) as of the valuation date.

Actuarial Present Value of Benefits – Amount which, together with future interest, is expected to be sufficient to pay all benefits to be paid in the future, regardless of when earned, as determined by the application of a particular set of actuarial assumptions; equivalent to the actuarial accrued liability plus the present value of future normal costs attributable to the members.

Actuarial Assumptions – Assumptions as to the occurrence of future events affecting pension costs. These assumptions include rates of investment earnings, changes in salary, rates of mortality, withdrawal, disablement, and retirement as well as statistics related to marriage and family composition.

Actuarial Cost Method – A method of determining the portion of the cost of a pension plan to be allocated to each year; sometimes referred to as the "actuarial funding method." Each cost method allocates a certain portion of the actuarial present value of benefits between the actuarial accrued liability and future normal costs.

Actuarial Equivalence – Series of payments with equal actuarial present values on a given date when valued using the same set of actuarial assumptions.

Actuarial Present Value - The amount of funds required as of a specified date to provide a payment or series of payments in the future. It is determined by discounting future payments at predetermined rates of interest, and by probabilities of payments between the specified date and the expected date of payment.

Actuarial Value of Assets – The value of cash, investments, and other property belonging to the pension plan as used by the actuary for the purpose of the actuarial valuation. This may correspond to market value of assets, or some modification using an asset valuation method to reduce the volatility of asset values.

Asset Gain (Loss) – That portion of the actuarial gain attributable to investment performance above (below) the expected rate of return in the actuarial assumptions.

Amortization – Paying off an interest-discounted amount with periodic payments of interest and (generally) principal, as opposed to paying off with a lump sum payment.

Amortization Payment – That portion of the pension plan contribution designated to pay interest and reduce the outstanding principal balance of unfunded actuarial accrued liability. If the amortization payment is less than the accrued interest on the unfunded actuarial accrued liability the outstanding principal balance will increase.

Assumed Earnings Rate – The interest rate used in developing present values to reflect the time value of money.

Decrements – Events which result in the termination of membership in the system such as retirement, disability, withdrawal, or death.

Entry Age Normal (EAN) Funding Method – A standard actuarial funding method whereby each member's normal costs (service costs) are generally level as a percentage of pay from entry age until retirement. The annual cost of benefits is comprised of the normal cost plus an amortization payment to reduce the UAL.

Experience Gain (Loss) – The difference between actual unfunded actuarial accrued liabilities and anticipated unfunded actuarial accrued liabilities during the period between two valuation dates. It is a measurement of the difference between actual and expected experience, and may be related to investment earnings above (or below) those expected or changes in the liability due to fewer (or greater) than expected numbers of retirements, deaths, disabilities, or withdrawals, or variances in pay increases relative to assumed pay increases. The effect of such gains (or losses) is to decrease (or increase) future costs.

Funded Ratio – A measure of the ratio of the actuarial value of assets to liabilities of the system. Typically, the assets used in the measure are the actuarial value of assets as determined by the asset valuation method. The funded ratio depends not only on the financial strength of the plan but also on the asset valuation method used to determine the assets and on the funding method used to determine the liabilities.

Market Value of Assets (MVA) – The value of assets as they would trade on an open market.

Normal Cost – Computed differently under different funding methods, generally that portion of the actuarial present value of benefits allocated to the current plan year.

Unfunded Actuarial Accrued Liability (UAAL) – The excess of the actuarial accrued liability over the valuation assets; sometimes referred to as "unfunded past service liability". UAL increases each time an actuarial loss occurs and when new benefits are added without being fully funded initially and decreases when actuarial gains occur.

ARIZONA PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM

CONSOLIDATED REPORT

ACTUARIAL VALUATION
AS OF JUNE 30, 2022

CONTRIBUTIONS APPLICABLE TO THE
PLAN/FISCAL YEAR ENDING JUNE 30, 2024

FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

December 2022

Board of Trustees
Arizona Public Safety Personnel Retirement System
Phoenix, AZ

Re: Actuarial Valuation Report as of June 30, 2022 – Arizona Public Safety Personnel Retirement System

Dear Members of the Board:

We are pleased to present to the Board this report of the annual actuarial valuation of the Arizona Public Safety Personnel Retirement System (PSPRS). The valuation was performed to determine whether the assets and contributions are sufficient to provide the prescribed benefits and to develop the appropriate funding requirements for the applicable plan year.

This report was prepared at the request of the Board and is intended for use by PSPRS and those designated or approved by the Board. It documents the valuation of the consolidated plan and provides summary information for PSPRS participating employers. This report may be provided to parties other than PSPRS only in its entirety and only with the permission of the Board. Foster & Foster is not responsible for the unauthorized use of this report.

The valuation has been conducted in accordance with generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board, and reflects laws and regulations issued to date pursuant to the provisions of Title 38, Chapter 5, Article 4 of the Arizona Revised Statutes, as well as applicable federal laws and regulations. In our opinion, the assumptions used in this valuation, as adopted by the Board of Trustees, represent reasonable expectations of anticipated plan experience. Future actuarial measurements may differ significantly from the current measurements presented in this report for a variety of reasons including changes in applicable laws, changes in plan provisions, changes in assumptions, or plan experience differing from expectations. Due to the limited scope of the valuation, we did not perform an analysis of the potential range of such future measurements.

The computed contribution rates shown in the "Contribution Results" section should be considered minimum contribution rates that comply with the Board's funding policy and Arizona Statutes. Users of this report should be aware that contributions made at that rate do not guarantee benefit security. Given the importance of benefit security to any retirement system, we suggest that contributions to the System in excess of those presented in this report be considered.

The funding percentages and unfunded accrued liability as measured based on the actuarial value of assets will differ from similar measures based on the market value of assets. These measures, as provided, are appropriate for determining the adequacy of future contributions, but may not be appropriate for the purpose of settling a portion or all of the Plan's liabilities.

In conducting the valuation, we have relied on personnel, plan design, and asset information supplied by PSPRS through June 30, 2022 and the actuarial assumptions and methods described in the Actuarial Assumptions section of this report. While we cannot verify the accuracy of all this information, the supplied information was reviewed for consistency and reasonableness. As a result of this review, we have no reason to doubt the substantial accuracy of the information and believe that it has produced appropriate results. This information, along with any adjustments or modifications, is summarized in various sections of this report.

This valuation assumes the continuing ability of the participating employers to make the contributions necessary to fund this plan. A determination regarding whether or not the participating employers are actually able to do so is outside our scope of expertise. Consequently, we did not perform such an analysis.

In performing the analysis, we used third-party software to model (calculate) the underlying liabilities and costs. These results are reviewed in the aggregate and for individual sample lives. The output from the software is either used directly or input into internally developed models to generate the costs. All internally developed models are reviewed as part of the process. As a result of this review, we believe that the models have produced reasonable results. We do not believe there are any material inconsistencies among assumptions or unreasonable output produced due to the aggregation of assumptions.

The undersigned are familiar with the immediate and long-term aspects of pension valuations and meet the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. All sections of this report are considered an integral part of the actuarial opinions.

To our knowledge, no associate of Foster & Foster, Inc. working on valuations of the program has any direct financial interest or indirect material interest in the Arizona Public Safety Personnel Retirement System, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the Arizona Public Safety Personnel Retirement System. Thus, there is no relationship existing that might affect our capacity to prepare and certify this actuarial report.

If there are any questions, concerns, or comments about any of the items contained in this report, please contact us at 239-433-5500.

Respectfully Submitted,

Foster & Foster, Inc.

By: ______________________
Bradley R. Heinrichs, FSA, EA, MAAA

By: ______________________
Paul M. Baugher, FSA, EA, MAAA

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I. SUMMARY OF REPORT

The regular annual actuarial valuation of the Arizona Public Safety Personnel Retirement System, performed as of June 30, 2022, has been completed and the results are presented in this Report. The purpose of this valuation is to:

- Compute the liabilities associated with benefits likely to be paid on behalf of current retired and active members. This information is contained in the section entitled "Liability Support."
- Compare accumulated assets with the liabilities to assess the funded condition. This information is contained in the section entitled "Liability Support."
- Compute the employers' recommended contribution rates for the Fiscal Year beginning July 1, 2023. This information is contained in the section entitled "Contribution Results."

1. Key Valuation Results

The funded status as of June 30, 2022 and the employer contribution amounts applicable to the plan/fiscal year ending June 30, 2024 are as follows:

	Tier 1 & Tier 2 Members			Tier 3 Members *		
	Pension	**Health**	**Total**	**Pension**	**Health**	**Total**
Employer Contribution Rate	46.15%	0.27%	46.42%	8.75%	0.12%	8.87%
Funded Status	65.3%	126.0%	66.2%	109.2%	223.5%	110.8%

2. Comparison of Key Results to Prior Year

The chart below compares the results from this valuation with the results of the prior year's valuation (as of June 30, 2021):

Contribution Rate

	Tier 1 & Tier 2 Members			Tier 3 Members *		
Valuation Date	**Pension**	**Health**	**Total**	**Pension**	**Health**	**Total**
June 30, 2021	54.14%	0.22%	54.36%	9.17%	0.12%	9.29%
June 30, 2022	46.15%	0.27%	46.42%	8.75%	0.12%	8.87%

Funded Status

	Tier 1 & Tier 2 Members			Tier 3 Members		
Valuation Date	**Pension**	**Health**	**Total**	**Pension**	**Health**	**Total**
June 30, 2021	54.2%	127.5%	55.3%	104.8%	233.4%	106.6%
June 30, 2022	65.3%	126.0%	66.2%	109.2%	223.5%	110.8%

** The Tier 3 rates shown are the calculated rates as of the valuation date and do not reflect any Legacy costs that the employer must also contribute.*

3. Reasons for Change

Changes in the results from the prior year's valuation can be illustrated in the following tables along with high-level explanations for the entire System below:

Contribution Rate

	Tier 1 & Tier 2		Tier 3 Members	
	Pension	**Health**	**Pension**	**Health**
Contribution Rate Last Valuation	54.14%	0.22%	9.17%	0.12%
Asset Experience	0.12%	0.00%	(0.03%)	0.00%
Payroll Base	(1.03%)	0.00%	0.00%	0.00%
Liability Experience	1.02%	(0.11%)	(0.41%)	0.00%
Additional Contribution	(9.61%)	0.00%	0.00%	0.00%
Assumption/Method Change	2.54%	0.06%	(0.16%)	0.00%
Other	(1.03%)	0.10%	0.18%	0.00%
Contribution Rate This Valuation	46.15%	0.27%	8.75%	0.12%

Funded Status

	Tier 1 & Tier 2		Tier 3 Members	
	Pension	**Health**	**Pension**	**Health**
Funded Status Last Valuation	54.2%	127.5%	104.8%	233.4%
Asset Experience	(0.1%)	(0.2%)	0.6%	2.4%
Liability Experience	(0.7%)	6.2%	6.8%	10.1%
Additional Contribution	10.9%	0.0%	0.0%	0.0%
Assumption/Method Change	(0.7%)	(2.2%)	2.9%	(6.4%)
Other	1.7%	(5.3%)	(5.9%)	(16.0%)
Funded Status This Valuation	65.3%	126.0%	109.2%	223.5%

Assets Experience – Asset gains and losses (relative to the assumed earnings rate) are smoothed over seven years for Tiers 1 and 2 and over five years for Tier 3. The return on the market value of assets for the year ending June 30, 2022 was (4.2%) for Tiers 1 and 2 and (4.6%) for Tier 3. On a smoothed, actuarial value of assets basis, however, the average return was 7.1% for Tiers 1 and 2 and 7.7% for Tier 3. These returns nearly met the 2021 assumed earnings rate for Tiers 1 and 2 of 7.3% and exceeded the 2021 assumed earnings rate for Tier 3 of 7.0%.

Payroll Base – Under the current amortization policy for Tiers 1 and 2, the contribution rate is developed as a level percentage of payroll. Payroll for this purpose includes members of this plan and defined contribution plan's members that would have been in this plan. To the extent that actual payroll is lower/greater than last year's projected payroll, the contribution rate will increase/decrease as a result. Total payroll increased more than expected, resulting in a decrease in the contribution rate.

Liability Experience – Experience overall was unfavorable, driven by salary increases that were higher than expected.

Additional Contribution – Monies contributed in excess of the required contribution rate in order to pay down the unfunded liability.

Assumption / Method Change – The Board adopted the assumption recommendations provided in the 2022 experience study report, dated April 21, 2022, which updated the salary, inflation, and demographic assumptions. The Board also reduced the interest rate for Tier 1 and 2 members from 7.30% to 7.20% and continued the decrease in the payroll growth assumption from 3.00% to 2.50%.

Other – This is the combination of all other factors that could impact liabilities year-over-year, with the primary sources being changes in benefits for continuing inactives. Note that Tier 3 experience will stabilize as the group matures.

4. Looking Ahead

The volatility in annual returns, which have produced both gains and losses in recent years, was dampened by the asset smoothing reflected in the actuarial value of assets. The significant loss realized this year will, in the absence of other gains, put upward pressure on the contribution rate next year.

If the June 30, 2022 pension valuation results were based on the market value of assets instead of the actuarial value of assets, the pension funded percentage for Tiers 1 and 2 would be 63.6% (instead of 65.3%) and the pension employer contribution requirement would be 46.72% of payroll (instead of 46.15%).

5. Conclusion

The funded status for Tiers 1 and 2 will continue to improve if assumptions are met and contributions at least equal to the rates determined for each employer are made to the fund. The recent adoption of a layered amortization approach along with a plan to systematically lower the payroll growth assumption was an excellent step to improve funding and ensure the Plan is on a viable path.

The funded status for Tier 3 will stabilize as the population continues to grow, as contributions appear sufficient to keep the liabilities fully funded.

II. CONTRIBUTION RESULTS

Contribution Requirements

Development of Employer Contributions - Tiers 1 & 2 Members				
Valuation Date	June 30, 2022		June 30, 2021	
Applicable to Fiscal Year Ending	2024		2023	
	Rate	**Dollar**	**Rate**	**Dollar**
Pension				
Normal Cost				
Total Normal Cost	21.59%	$ 307,587,749	21.22%	$ 305,452,405
Employee Cost	(7.65%)	(109,006,453)	(7.65%)	(110,097,346)
Employer (Net) Normal Cost	13.94%	198,581,296	13.57%	195,355,059
Amortization of Unfunded Liability	32.21%	459,035,844	40.57%	583,870,633
Total Employer Cost (Pension)	46.15%	657,617,140	54.14%	779,225,692
Health				
Normal Cost	0.39%	5,587,168	0.41%	5,839,027
Amortization of Unfunded Liability	(0.12%)	(1,735,455)	(0.19%)	(2,700,281)
Total Employer Cost (Health)	0.27%	3,851,713	0.22%	3,138,746
Total Employer Cost (Pension + Health)	**46.42%**	**661,468,853**	**54.36%**	**782,364,438**
Total Minimum Contribution Requirement (if applicable)	8.00%		8.00%	
Alternate Contribution Rate (ACR) *	32.21%		40.57%	
Underlying Payroll (as of valuation date)		1,390,166,784		1,397,263,098

** The Alternate Contribution Rate is the sum of the positive amortization rates for Tiers 1 & 2 Pension and Health (subject to an 8% minimum) and is charged when retirees return to active status.*

The results above are shown both prior to and after the application of the statutory minimum contribution requirement of 8% of payroll (5% of payroll if the actual employer contribution is less than 5% for the 2006/2007 Fiscal Year) and are based on the current amortization schedule approved by the Board of Trustees for your individual plan (see "Actuarial Assumptions and Methods").

Development of Employer Contributions – Tier 3 Members		
Valuation Date	June 30, 2022	June 30, 2021
Applicable to Fiscal Year Ending	2024	2023

Defined Benefit (DB) Retirement Plan

	Rate	**Dollar**	**Rate**	**Dollar**
Pension				
Total Normal Cost	17.48%	$ 62,102,500	18.31%	$ 47,129,341
Amortization of Unfunded Liability	0.01%	41,737	0.03%	72,026
Total Pension Cost	17.49%	62,144,237	18.34%	47,201,367
Employee (EE) Pension Cost	8.75%	31,072,119	9.17%	23,600,684
Employer (ER) Pension Cost	8.75%	31,072,119	9.17%	23,600,684
Health				
Total Normal Cost	0.23%	817,157	0.23%	597,099
Amortization of Unfunded Liability	0.00%	0	0.00%	0
Total Health Cost	0.23%	817,157	0.23%	597,099
Employee (EE) Health Cost	0.12%	408,579	0.12%	298,550
Employer (ER) Health Cost	0.12%	408,579	0.12%	298,550
Total				
Total Calculated Tier 3 Required EE/ER Individual Cost	8.87%	31,480,698	9.29%	23,899,234
Board Approved Tier 3 Required EE/ER Individual Cost [1]	9.61%	34,164,618	10.09%	25,966,347
ER Legacy Cost of Tiers 1 & 2 Amort of Unfunded Liabilities [2]	32.21%	114,452,022	40.57%	104,405,818
Total Calculated Tier 3 Required ER Defined Benefit Cost	41.08%	145,932,720	49.86%	128,305,052
Total Board Approved Tier 3 Required ER Defined Benefit Cost	**41.82%**	**148,616,640**	**50.66%**	**130,372,165**
Underlying Payroll (as of valuation date)		346,664,109		249,851,792

[1] *The "Board Approved" cost was reset with the June 30, 2022 valuation to be the lesser of 1) the calculated rate plus 0.75%, or 2) the prior Board approved rate. Going forward, the funding policy will reflect the approach in setting the costs and will be reviewed annually.*

[2] *Pursuant to ARS § 38-843(B), the amortization of positive unfunded liabilities for Tiers 1 & 2 shall be applied to all Tier 3 payroll on a level percent basis. However, while it is statutorily required to present the rates in this manner, these are the minimums where alternate methods for paying down that unfunded liability is at the discretion of each employer. Further, to understand the effects of reform in relation to Tier 3, compare the total rate of Tier 3 before application of those legacy costs.*

Development of Employer Contributions – Tier 3 Members

Valuation Date	June 30, 2022	June 30, 2021
Applicable to Fiscal Year Ending	2024	2023

Defined Contribution (DC) Retirement Plan

	Rate	Dollar	Rate	Dollar
Tier 2 & 3 DB / Non-Social Security				
Employee Cost	3.00%		3.00%	
Employer Cost [1]	3.00%		3.00%	
Tier 3 DC Only				
Employee Cost	9.00%	$ 1,369,258	9.00%	$ 1,082,104
Employee Health Subsidy Program Cost	0.17%	25,864	0.19%	22,844
Employee Disability Program Cost	1.43%	217,560	1.66%	199,588
Total Employee Cost	**10.60%**	**1,612,682**	**10.85%**	**1,304,536**
Employer Cost	9.00%	1,369,258	9.00%	1,082,104
Employer Health Subsidy Program Cost	0.17%	25,864	0.19%	22,844
Employer Disability Program Cost	1.43%	217,560	1.66%	199,588
Total Employer Cost (before Legacy)	**10.60%**	**1,612,682**	**10.85%**	**1,304,536**
ER Legacy Cost of Tiers 1 & 2 Amort of Unfunded Liabilities [2]	32.21%	4,900,422	40.57%	4,877,885
Total Employer Cost	**42.81%**	**6,513,104**	**51.42%**	**6,182,421**
Underlying Payroll (as of valuation date)		14,842,904		11,673,184

[1] *Employer rate is 4% for Tier 2 members for a period of time depending on the individual's membership date.*

[2] *Pursuant to ARS § 38-843(B), the amortization of positive unfunded liabilities for Tiers 1 & 2 shall be applied to all Tier 3 payroll on a level percent basis. However, while it is statutorily required to present the rates in this manner, these are the minimums where alternate methods for paying down that unfunded liability is at the discretion of each employer. Further, to understand the effects of reform in relation to Tier 3, compare the total rate of Tier 3 before application of those legacy costs.*

Historical Summary of Employer Rates

	Valuation Date June 30	Fiscal Year Ending June 30	Pension Normal Cost	Pension Unfunded Amortization	Pension Total	Health Normal Cost	Health Unfunded Amortization	Health Total
TIERS 1 & 2	2018	2020	14.66%	37.65%	52.31%	0.31%	(0.15%)	0.16%
	2019	2021	14.64%	39.74%	54.38%	0.47%	(0.17%)	0.30%
	2020	2022	13.67%	42.53%	56.20%	0.42%	(0.16%)	0.26%
	2021	2023	13.57%	40.57%	54.14%	0.41%	(0.19%)	0.22%
	2022	2024	13.94%	32.21%	46.15%	0.39%	(0.12%)	0.27%
TIER 3 [1]	2018	2020	9.85%	0.00%	9.85%	0.24%	0.00%	0.24%
	2019	2021	9.85%	0.00%	9.85%	0.24%	0.00%	0.24%
	2020	2022	9.82%	0.03%	9.85%	0.24%	0.00%	0.24%
	2021	2023	9.83%	0.02%	9.85%	0.24%	0.00%	0.24%
	2022 [2]	2024	8.74%	0.01%	8.75%	0.12%	0.00%	0.12%
	2022	2024	9.36%	0.01%	9.37%	0.24%	0.00%	0.24%

[1] *Rates shown are Board approved EE/ER rates, unless otherwise noted. Does not reflect Legacy costs that the employer must also contribute.*

[2] *Rates shown are calculated EE/ER rates*

III. Liability Support

Liabilities and Funded Ratios by Benefit - Tiers 1 & 2

	June 30, 2022	June 30, 2021
Pension		
Actuarial Present Value of Benefits (PVB)		
Retirees and Beneficiaries	$ 11,614,472,518	$ 10,668,580,319
DROP Members	2,484,182,768	2,386,712,040
Vested Members	152,009,070	120,270,192
Active Members	8,588,470,348	8,511,177,382
Total Actuarial Present Value of Benefits	22,839,134,704	21,686,739,933
Actuarial Accrued Liability (AAL)		
All Inactive Members	14,250,664,356	13,175,562,551
Active Members	6,257,682,592	6,130,866,273
Total Actuarial Accrued Liability	20,508,346,948	19,306,428,824
Actuarial Value of Assets (AVA)	13,397,869,480	10,462,717,622
Unfunded Actuarial Accrued Liability	7,110,477,468	8,843,711,202
PVB Funded Ratio (AVA / PVB)	58.7%	48.2%
AAL Funded Ratio (AVA / AAL)	65.3%	54.2%
Health		
Actuarial Present Value of Benefits (PVB)		
Retirees and Beneficiaries	$ 155,674,586	$ 143,563,229
DROP Members	36,965,442	36,129,100
Active Members	147,471,115	150,292,456
Total Present Value of Benefits	340,111,143	329,984,785
Actuarial Accrued Liability (AAL)		
All Inactive Members	192,640,028	179,692,329
Active Members	109,063,045	108,805,446
Total Actuarial Accrued Liability	301,703,073	288,497,775
Actuarial Value of Assets (AVA)	380,136,214	367,789,300
Unfunded Actuarial Accrued Liability	(78,433,141)	(79,291,525)
PVB Funded Ratio (AVA / PVB)	111.8%	111.5%
AAL Funded Ratio (AVA / AAL)	126.0%	127.5%

Pension liabilities were increased by $5,875,361 and health liabilities were increased by $831,842 under the lateral transfer methodology.

Liabilities and Funded Ratios by Benefit - Tier 3

	June 30, 2022	June 30, 2021
Pension		
Actuarial Present Value of Benefits (PVB)		
Retirees and Beneficiaries	$ 4,059,811	$ 2,705,962
Vested Members	6,659,951	3,195,123
Active Members	920,517,508	685,325,517
Total Actuarial Present Value of Benefits	931,237,270	691,226,602
Actuarial Accrued Liability (AAL)		
All Inactive Members	10,719,762	5,901,085
Active Members	141,047,255	88,657,839
Total Actuarial Accrued Liability	151,767,017	94,558,924
Actuarial Value of Assets (AVA)	165,662,342	99,096,618
Unfunded Actuarial Accrued Liability	(13,895,325)	(4,537,694)
PVB Funded Ratio (AVA / PVB)	17.8%	14.3%
AAL Funded Ratio (AVA / AAL)	109.2%	104.8%
Health		
Actuarial Present Value of Benefits (PVB)		
Retirees and Beneficiaries	25,363	0
Active Members	12,345,393	8,792,084
Total Present Value of Benefits	12,370,756	8,792,084
Actuarial Accrued Liability (AAL)		
All Inactive Members	25,363	0
Active Members	2,156,190	1,348,531
Total Actuarial Accrued Liability	2,181,553	1,348,531
Actuarial Value of Assets (AVA)	4,875,299	3,146,826
Unfunded Actuarial Accrued Liability	(2,693,746)	(1,798,295)
PVB Funded Ratio (AVA / PVB)	39.4%	35.8%
AAL Funded Ratio (AVA / AAL)	223.5%	233.4%

Derivation of Experience (Gain)/Loss

Actual experience will never exactly match assumed experience, except by coincidence. Ideally, gains and losses will cancel each other over a period of years, but sizable year-to-year fluctuations are common. Detail on the derivation of the experience (gain) / loss is shown below, along with sources of the gains and losses.

		Tiers 1 & 2		Tier 3	
		Pension	**Health**	**Pension**	**Health**
(1)	Unfunded Actuarial Accrued Liability as of June 30, 2021	8,843,711,202	(79,291,525)	(4,537,694)	(1,798,295)
(2)	Normal Cost Developed in Last Valuation	195,355,059	5,839,027	23,598,752	308,817
(3)	Actual Contributions	3,012,703,559	3,802,967	29,064,040	1,407,709
(4)	Expected Interest On (1), (2), and (3)	551,824,925	(5,498,396)	349,304	(159,208)
(5)	Expected Unfunded Actuarial Accrued Liability as of June 30, 2022 (1)+(2)-(3)+(4)	6,578,187,627	(82,753,861)	(9,653,678)	(3,056,395)
(6)	Changes to UAAL Due to Assumptions, Methods and Benefits	229,841,974	5,077,867	(4,155,556)	61,037
(7)	Change to UAAL Due to Actuarial (Gain)/Loss	302,447,867	(757,147)	(86,091)	301,612
(8)	Unfunded Actuarial Accrued Liability as of June 30, 2022	7,110,477,468	(78,433,141)	(13,895,325)	(2,693,746)

FY 2022 Gains and Losses by Source

	Tiers 1 & 2		Tier 3	
	Pension	**Health**	**Pension**	**Health**
Investment Return	24,046,039	513,468	(878,863)	(51,217)
Salary Increases	225,484,895	(8,775)	(1,713,532)	(28,572)
Retirement	(5,988,806)	(7,387,603)	-	(94,317)
Turnover	(20,143,226)	-	(5,545,023)	-
Disability	(10,180,872)	-	(1,874,334)	-
Death-In-Service	6,245,471	-	(1,300,791)	-
Retiree Mortality	10,360,887	(7,682,921)	(266,983)	25,388
Other *	72,623,479	13,808,684	11,493,435	450,330
Total	302,447,867	(757,147)	(86,091)	301,612

** The combination of all other factors that could impact liabilities year-over-year, with the primary sources being changes in member data.*

IV. Asset Support

Statement of Changes in Fiduciary Net Position for Year Ended June 30, 2022

Market Value Basis

	Tiers 1 & 2		Tier 3	
	Pension	**Health**	**Pension**	**Health**
Additions				
Contributions				
Member Contributions	$ 131,683,526	$ 0	$ 29,063,146	$ 0
Employer Contributions	3,012,703,558	0	29,064,040	0
Health Insurance Contributions	0	3,802,966	0	1,407,709
Total Contributions	3,144,387,084	3,802,966	58,127,186	1,407,709
Investment Income				
Net Increase in Fair Value	(701,182,251)	(21,695,499)	(8,741,820)	(280,480)
Interest and Dividends	126,401,305	3,911,022	1,575,879	50,562
Other Income	87,059,416	2,683,297	1,085,391	34,690
Less Investment Expenses	(22,862,270)	(565,977)	(285,030)	(7,317)
Net Investment Income	(510,583,800)	(15,667,157)	(6,365,580)	(202,545)
Non-investment Income	986,277	0	12,296	0
Transfers In	1,279,046	0	30,523	0
Total Additions	2,636,068,607	(11,864,191)	51,804,425	1,205,164
Deductions				
Distributions to Members				
Benefit Payments	1,014,242,856	0	151,291	0
Health Insurance Subsidy	0	17,298,612	0	0
Refund of Contributions	13,520,140	0	1,255,336	0
Total Distributions	1,027,762,996	17,298,612	1,406,627	0
Administrative Expenses	9,180,607	278,897	114,460	3,606
Transfers Out	780,862	0	0	0
Other	0	0	0	0
Total Deductions	1,037,724,465	17,577,509	1,521,087	3,606
Net Increase / (Decrease)	1,598,344,142	(29,441,700)	50,283,338	1,201,558
Net Position Held in Trust				
Prior Valuation	11,444,452,554	403,467,753	112,339,143	3,633,858
Beginning of the Year Adjustment	0	0	0	0
End of the Year	13,042,796,696	374,026,053	162,622,481	4,835,416

Development of Pension Actuarial Value of Assets - Tiers 1 & 2

A. Investment Income	
A1. Actual Investment Income	$ (519,764,407)
A2. Expected Amount for Immediate Recognition	911,394,336
A3. Amount Subject to Amortization	(1,431,158,743)

	Year Ended June 30						
B. Amortization Schedule	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**
2022 Experience (A3 / 7)	(204,451,249)	(204,451,249)	(204,451,249)	(204,451,249)	(204,451,249)	(204,451,249)	(204,451,249)
2021 Experience	238,978,744	238,978,744	238,978,744	238,978,744	238,978,744	238,978,745	
2020 Experience	(68,882,158)	(68,882,158)	(68,882,158)	(68,882,158)	(68,882,160)		
2019 Experience	(22,859,275)	(22,859,275)	(22,859,275)	(22,859,275)			
2018 Experience	(6,266,349)	(6,266,349)	(6,266,351)				
2017 Experience	33,380,149	33,380,148					
2016 Experience	(64,250,889)						
Total Amortization	(94,351,027)	(30,100,139)	(63,480,289)	(57,213,938)	(34,354,665)	34,527,496	(204,451,249)

C. Actuarial Value of Assets	**Total**
C1. Actuarial Value of Assets, June 30, 2021	10,462,717,622
C2. Non-investment Net Cash Flow	2,118,108,549
C3. Preliminary Actuarial Value of Assets, June 30, 2022 (A2 + B + C1 + C2)	13,397,869,480
C4. Market Value of Assets, June 30, 2022	13,042,796,696
C5. Final Actuarial Value of Assets, June 30, 2022 (C3 Within 20% Corridor of C4)	13,397,869,480

D. Rates of Return	
D1. Market Value Rate of Return	(4.2%)
D2. Actuarial Value Rate of Return	7.1%

Development of Health Actuarial Value of Assets - Tiers 1 & 2

A. Investment Income	
A1. Actual Investment Income	$ (15,946,054)
A2. Expected Amount for Immediate Recognition	28,969,231
A3. Amount Subject to Amortization	(44,915,285)

	Year Ended June 30						
B. Amortization Schedule	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**
2022 Experience (A3 / 7)	(6,416,469)	(6,416,469)	(6,416,469)	(6,416,469)	(6,416,469)	(6,416,469)	(6,416,471)
2021 Experience	9,257,478	9,257,478	9,257,478	9,257,478	9,257,478	9,257,481	
2020 Experience	(2,898,713)	(2,898,713)	(2,898,713)	(2,898,713)	(2,898,716)		
2019 Experience	(1,075,569)	(1,075,569)	(1,075,569)	(1,075,572)			
2018 Experience	(304,653)	(304,653)	(304,656)				
2017 Experience	1,532,136	1,532,136					
2016 Experience	(3,220,881)						
Total Amortization	(3,126,671)	94,210	(1,437,929)	(1,133,276)	(57,707)	2,841,012	(6,416,471)

C. Actuarial Value of Assets	**Total**
C1. Actuarial Value of Assets, June 30, 2021	367,789,300
C2. Non-investment Net Cash Flow	(13,495,646)
C3. Preliminary Actuarial Value of Assets, June 30, 2022 (A2 + B + C1 + C2)	380,136,214
C4. Market Value of Assets, June 30, 2022	374,026,053
C5. Final Actuarial Value of Assets, June 30, 2022 (C3 Within 20% Corridor of C4)	380,136,214

D. Rates of Return	
D1. Market Value Rate of Return	(4.0%)
D2. Actuarial Value Rate of Return	7.2%

Development of Pension Actuarial Value of Assets - Tiers 3

A. Investment Income	
A1. Actual Investment Income	$ (6,480,040)
A2. Expected Amount for Immediate Recognition	9,816,857
A3. Amount Subject to Amortization	(16,296,897)

	Year Ended June 30				
B. Amortization Schedule	**2022**	**2023**	**2024**	**2025**	**2026**
2022 Experience (A3 / 5)	(3,259,379)	(3,259,379)	(3,259,379)	(3,259,379)	(3,259,381)
2021 Experience	3,551,936	3,551,936	3,551,936	3,551,938	
2020 Experience	(351,296)	(351,296)	(351,294)		
2019 Experience	44,435	44,437			
2018 Experience	(208)				
Total Amortization	(14,512)	(14,302)	(58,737)	292,559	(3,259,381)

C. Actuarial Value of Assets	Total
C1. Actuarial Value of Assets, June 30, 2021	99,096,619
C2. Non-investment Net Cash Flow	56,763,378
C3. Preliminary Actuarial Value of Assets, June 30, 2022 (A2 + B + C1 + C2)	165,662,342
C4. Market Value of Assets, June 30, 2022	162,622,481
C5. Final Actuarial Value of Assets, June 30, 2022 (C3 Within 20% Corridor of C4)	165,662,342

D. Rates of Return	
D1. Market Value Rate of Return	(4.6%)
D2. Actuarial Value Rate of Return	7.7%

Development of Health Actuarial Value of Assets - Tiers 3

A. Investment Income	
A1. Actual Investment Income	$ (206,151)
A2. Expected Amount for Immediate Recognition	302,807
A3. Amount Subject to Amortization	(508,958)

	Year Ended June 30				
B. Amortization Schedule	**2022**	**2023**	**2024**	**2025**	**2026**
2022 Experience (A3 / 5)	(101,792)	(101,792)	(101,792)	(101,792)	(101,790)
2021 Experience	128,963	128,963	128,963	128,961	
2020 Experience	(10,555)	(10,555)	(10,557)		
2019 Experience	1,507	1,508			
2018 Experience	(165)				
Total Amortization	17,958	18,124	16,614	27,169	(101,790)

C. Actuarial Value of Assets	**Total**
C1. Actuarial Value of Assets, June 30, 2021	3,146,825
C2. Non-investment Net Cash Flow	1,407,709
C3. Preliminary Actuarial Value of Assets, June 30, 2022 (A2 + B + C1 + C2)	4,875,299
C4. Market Value of Assets, June 30, 2022	4,835,416
C5. Final Actuarial Value of Assets, June 30, 2022 (C3 Within 20% Corridor of C4)	4,875,299

D. Rates of Return	
D1. Market Value Rate of Return	(4.8%)
D2. Actuarial Value Rate of Return	8.3%

V. Member Statistics

Valuation Data Summary

	June 30, 2022		June 30, 2021	
	Tiers 1 & 2	**Tier 3**	**Tiers 1 & 2**	**Tier 3**
Actives				
Number	12,423	4,524	13,720	3,694
Average Current Age	42.7	30.4	42.1	30.0
Average Age at Employment	28.0	28.2	28.1	28.2
Average Past Service	14.7	2.2	14.0	1.8
Average Annual Salary	$102,036	$65,978	$94,111	$60,146
Actives (transferred)				
Number	851	387	727	225
Average Current Age	37.5	31.0	36.7	30.2
Average Age at Employment	27.9	28.1	27.9	27.9
Average Past Service	9.7	2.9	8.7	2.3
Average Annual Salary	$76,993	$64,495	$69,288	$59,069
Retirees				
Number	11,336	0	10,796	0
Average Current Age	64.9	N/A	64.9	N/A
Average Annual Benefit	$62,047	N/A	$60,943	N/A
Drop Retirees				
Number	2,144	N/A	2,131	N/A
Average Current Age	53.9	N/A	53.8	N/A
Average Annual Benefit	$65,616	N/A	$65,025	N/A
Beneficiaries				
Number	1,990	3	1,863	3
Average Current Age	70.7	31.2	70.6	43.7
Average Annual Benefit	$48,627	$31,729	$47,533	$37,769
Disability Retirees				
Number	1,965	5	1,900	2
Average Current Age	59.2	38.2	59.0	40.7
Average Annual Benefit	$47,800	$28,886	$46,954	$29,259
Inactive / Vested				
Number	2,152	741	2,099	513
Average Current Age	42.2	31.8	41.6	31.2
Average Accumulated Contributions	$18,429	$5,751	$16,761	$4,319
Total Number	32,861	5,660	33,236	4,437
Former Members (transferred)	N/A	N/A	N/A	N/A

Active Counts and Pay Summary - Tiers 1 & 2

	Past Service									
Age	**0-4**	**5-9**	**10-14**	**15-19**	**20-24**	**25-29**	**30+**	**Total Count**	**Total Pay**	**Average Pay**
<20	0	0	0	0	0	0	0	0	0	0
20 - 24	0	6	0	0	0	0	0	6	444,219	74,037
25 - 29	20	617	0	0	0	0	0	637	51,291,649	80,521
30 - 34	36	1,474	262	3	0	0	0	1,775	150,509,461	84,794
35 - 39	20	1,023	1,071	790	5	0	0	2,909	276,373,530	95,006
40 - 44	8	414	739	1,601	312	3	1	3,078	320,469,021	104,116
45 - 49	5	178	377	1,037	786	111	0	2,494	274,178,007	109,935
50 - 54	4	89	196	589	527	219	20	1,644	183,654,351	111,712
55 - 59	1	26	85	231	124	60	30	557	59,098,106	106,101
60 - 64	0	15	27	78	17	6	6	149	14,585,321	97,888
65+	0	7	4	9	2	1	2	25	2,505,616	100,225
Total	94	3,849	2,761	4,338	1,773	400	59	13,274	1,333,109,281	100,430

Active Counts and Pay Summary - Tier 3

	Past Service									
Age	**0-4**	**5-9**	**10-14**	**15-19**	**20-24**	**25-29**	**30+**	**Total Count**	**Total Pay**	**Average Pay**
15 - 19	1	0	0	0	0	0	0	1	43,499	43,499
20 - 24	746	1	0	0	0	0	0	747	44,768,756	59,931
25 - 29	1,982	1	0	0	0	0	0	1,983	131,267,309	66,196
30 - 34	1,238	4	0	0	0	0	0	1,242	83,489,670	67,222
35 - 39	581	3	0	0	0	0	0	584	39,374,359	67,422
40 - 44	209	2	2	0	0	0	0	213	14,460,950	67,892
45 - 49	87	2	1	1	0	0	0	91	6,287,688	69,095
50 - 54	34	0	0	0	0	0	0	34	2,412,932	70,969
55 - 59	10	0	0	0	0	0	0	10	786,507	78,651
60 - 64	5	0	0	0	0	0	0	5	456,122	91,224
65+	1	0	0	0	0	0	0	1	95,114	95,114
Total	4,894	13	3	1	0	0	0	4,911	323,442,906	65,861

In-Payment Counts and Benefit Summary – All Tiers

Age	Count	Average Annual Benefit
< 40	153	38,574
40 - 44	298	46,177
45 - 49	838	48,816
50 - 54	1,588	54,015
55 - 59	2,250	59,462
60 - 64	2,641	62,703
65 - 69	2,485	61,449
70 - 74	2,244	60,441
75 - 79	1,536	59,255
80 - 84	768	57,090
85 - 89	344	52,159
90 - 94	121	49,165
95 - 99	32	44,802
100+	1	45,665
Total	15,299	58,455

"In-Payment" refers to retired, beneficiary, and disabled members.

VI. Actuarial Assumptions and Methods

Interest Rate	This is the assumed earnings rate on System assets, compounded annually, net of investment and administrative expenses. ***Tiers 1 & 2:*** 7.20% per year. ***Tier 3:*** 7.00% per year.
Salary Increases	See table at the end of this section. This is an annual increase for individual member's salary. These rates are based on a 2022 experience study using actual plan experience.
Inflation	2.50%.
Tier 3 Compensation Limit	$115,868 for calendar 2022. Assumed increases of 2.00% per year thereafter.
Cost-of-Living Adjustment	1.85%.
Mortality Rates	These rates are used to project future decrements from the population due to death. ***Active Lives:*** PubS-2010 Employee mortality, adjusted by a factor of 1.03 for male members and 1.08 for female members, with generational improvements using 85% of the most recent projection scale (currently Scale MP-2021). 100% of active deaths are assumed to be in the line of duty. ***Inactive Lives:*** PubS-2010 Healthy Retiree mortality, adjusted by a factor of 1.03 for male retirees and 1.11 for female retirees, with generational improvements using 85% of the most recent projection scale (currently Scale MP-2021). ***Beneficiaries:*** PubS-2010 Survivor mortality, adjusted by a factor of 0.98 for male beneficiaries and adjusted by a factor of 1.06 for female beneficiaries, with generational improvements using 85% of the most recent projection scale (currently Scale MP-2021).

Disabled Lives:
PubS-2010 Disabled mortality, adjusted by a factor of 1.08 for male disabled members and 1.01 for female disabled members, with generational improvements using 85% of the most recent projection scale (currently Scale MP-2021).

The mortality assumptions sufficiently accommodate anticipated future mortality improvements.

Retirement / DROP Rates

These rates are used to project future decrements from the active population due to retirement. The rates below are based on a 2022 experience study using actual plan experience.

Tier 1 – reaching age 62 before attaining 20 years of service:
Age-related rates based on age at retirement:

Police - 40% assumed at age 62 and 63, 35% assumed at age 64, 25% assumed at ages 65 and 66, 50% assumed at ages 67 – 69, and 100% assumed at age 70.

Fire - 25% assumed at age 62 and 63, 35% assumed at age 64, 25% assumed at ages 65 and 66, 50% assumed at ages 67 – 69, and 100% assumed at age 70.

Tier 1 – reaching age 62 after attaining 20 years of service:
Service-related rates based on service at retirement. See complete tables at the end of this section.

60% are assumed to enter the DROP program while the remaining 40% are assumed to retire and commence benefits immediately. DROP periods are assumed to be 5 years in length.

Tiers 2 & 3:
Age-related rates based on age at retirement. 50% assumed at age 53, 30% assumed at ages 54 – 59, 60% assumed at ages 60 – 63, and 100% assumed at age 64.

Termination Rate

These rates are used to project future decrements from the active population due to termination. Complete table of rates based on service at termination are provided at the end of this section. The rates apply to members prior to retirement eligibility and are based on a 2022 experience study using actual plan experience.

Disability Rate

These rates are used to project future decrements from the active population due to disability. Complete table of rates based on age at disability are provided at the end of this section. These rates are based on a 2022 experience study using actual plan experience. 90% of disablements are assumed to be duty-related.

Marital Status

For active members, 85% of males and 60% of females are assumed to be married. Actual marital status is used, where applicable, for inactive members.

Spouse's Age

Male spouses are assumed to be five years older than female members and female spouses are assumed to be 2 years younger than males members.

Health Care Utilization

For active members, 70% of retirees are expected to utilize retiree health care. Actual utilization is used for inactive members.

Funding Method

Entry Age Normal Cost Method.

Lateral Transfers

When active members transfer between employers, the new employer's liability starts from their new date of hire with no past service liability (i.e., all liability is accrued through normal cost). Per PSPRS administrative decision, once the new employer's liability is fully funded, the liability will reflect all past service liability.

Actuarial Asset Method

Method described below. Note that during periods when investment performance exceeds (falls short) of the assumed rate, the actuarial value of assets will tend to be less (greater) than the market value of assets.

Tiers 1 & 2:
Each year the assumed investment income is recognized in full while the difference between actual and assumed investment income are smoothed over a 7-year period subject to a 20% corridor around the market value.

Tier 3:
Each year the assumed investment income is recognized in full while the difference between actual and assumed investment income are smoothed over a 5-year period subject to a 20% corridor around the market value.

Funding Policy Amortization Method	***Tiers 1 & 2:*** Any positive UAAL (assets less than liabilities) is amortized using a layered approach beginning with the June 30, 2020 valuation, with new amounts determined according to a Level Dollar method over a closed period of 15 years (phased into from current period of at most 30 years). Initial layer from June 30, 2019 valuation continues to be amortized according to a Level Percentage of Payroll method. Any negative UAAL (assets greater than liabilities) is amortized according to a Level Dollar method over an open period of 20 years. ***Tier 3:*** Any positive UAAL (assets less than liabilities) is amortized according to a Level Dollar method over a closed period of 10 years. No amortization is made of any negative UAAL (assets greater than liabilities).
Payroll Growth	2.50% per year. This is annual increase for total employer payroll.

Changes to Actuarial Assumptions and Methods Since the Prior Valuation

Based on the results of the 2022 experience study, the following assumption changes were made:

- Updated mortality, retirement, termination, and disability rate tables.
- Updated assumed salary increase and cost-of-living adjustment rates.

In addition, the interest rate for Tier 1 and 2 members was decreased from 7.30% to 7.20% and the payroll growth assumption was lowered from 3.00% to 2.50%.

The expected DROP period length was increased from 4 years to 5 years to reflect DROP benefit changes.

There were no method changes since the prior valuation.

Salary Increase Rates

Age	Maricopa Police	Pima Police	Other Police	Maricopa Fire	Pima Fire	Other Fire
20	15.00%	12.00%	14.00%	15.00%	12.00%	13.00%
21	14.00%	6.00%	12.00%	14.00%	11.00%	12.00%
22	13.00%	6.00%	10.00%	13.00%	10.00%	11.00%
23	12.00%	6.00%	9.00%	12.00%	9.50%	10.00%
24	11.00%	6.00%	8.00%	11.00%	9.00%	9.00%
25	10.00%	6.00%	7.00%	10.00%	8.50%	8.00%
26	9.00%	5.50%	6.50%	9.50%	7.50%	7.50%
27	8.00%	5.50%	6.25%	9.00%	6.50%	7.50%
28	7.50%	5.50%	6.00%	8.50%	5.75%	7.00%
29	7.00%	5.50%	5.80%	8.00%	5.75%	6.50%
30	6.50%	5.25%	5.60%	8.00%	5.50%	6.50%
31	6.00%	5.25%	5.40%	7.50%	5.50%	6.00%
32	5.50%	5.00%	5.20%	7.00%	5.00%	5.50%
33	5.10%	5.00%	5.00%	6.50%	5.00%	5.50%
34	4.90%	5.00%	4.90%	6.50%	5.00%	5.50%
35	4.70%	4.50%	4.80%	6.00%	5.00%	5.50%
36	4.50%	4.50%	4.70%	5.50%	5.00%	5.50%
37	4.30%	4.50%	4.60%	5.25%	4.50%	5.00%
38	4.10%	4.00%	4.50%	5.00%	4.50%	5.00%
39	4.00%	4.00%	4.40%	4.75%	4.50%	5.00%
40	3.90%	4.00%	4.30%	4.75%	4.50%	5.00%
41	3.80%	3.80%	4.20%	4.50%	4.50%	4.50%
42	3.70%	3.60%	4.10%	4.50%	4.00%	4.50%
43	3.60%	3.40%	4.00%	4.50%	4.00%	4.50%
44	3.50%	3.20%	3.90%	4.50%	4.00%	4.00%
45	3.50%	3.00%	3.80%	4.25%	4.00%	4.00%
46	3.50%	3.00%	3.70%	4.25%	3.75%	4.00%
47	3.50%	3.00%	3.60%	4.25%	3.75%	3.75%
48	3.50%	3.00%	3.50%	4.00%	3.75%	3.75%
49	3.50%	3.00%	3.50%	4.00%	3.50%	3.75%
50	3.25%	3.00%	3.50%	3.75%	3.50%	3.75%
51	3.25%	3.00%	3.50%	3.75%	3.50%	3.75%
52	3.25%	2.75%	3.50%	3.75%	3.50%	3.75%
53+	3.25%	2.75%	3.50%	3.75%	3.25%	3.75%

Tier 1 Retirement Rates– reaching age 62 after attaining 20 years of service

Service	Maricopa Police	Pima Police	Other Police	Maricopa Fire	Pima Fire	Other Fire
20	28%	28%	35%	14%	20%	20%
21	25%	25%	35%	17%	20%	25%
22	15%	16%	22%	7%	13%	15%
23	12%	12%	12%	7%	7%	10%
24	8%	9%	12%	7%	7%	10%
25	30%	22%	25%	17%	22%	30%
26	42%	42%	40%	30%	26%	30%
27	32%	30%	28%	23%	30%	30%
28	32%	30%	28%	30%	30%	30%
29	32%	20%	28%	30%	30%	30%
30	35%	25%	35%	30%	30%	35%
31	35%	33%	30%	40%	30%	35%
32	60%	50%	70%	55%	30%	35%
33	60%	50%	70%	55%	60%	60%
34+	100%	100%	100%	100%	100%	100%

Termination Rates

Service	Maricopa Police	Pima Police	Other Police	Maricopa Fire	Pima Fire	OtherFire
0	13.0%	14.0%	13.5%	4.5%	10.0%	10.5%
1	8.0%	9.0%	11.5%	3.5%	6.0%	8.5%
2	6.0%	7.5%	10.5%	2.5%	4.5%	8.0%
3	4.5%	7.0%	9.5%	2.0%	4.0%	8.0%
4	3.6%	6.5%	9.0%	1.5%	4.0%	7.0%
5	3.3%	5.0%	8.0%	1.5%	4.0%	5.0%
6	3.3%	5.0%	7.0%	1.5%	4.0%	5.0%
7	3.3%	4.0%	6.5%	1.5%	3.0%	4.0%
8	2.4%	4.0%	6.5%	1.5%	3.0%	4.0%
9	2.4%	4.0%	6.0%	1.5%	3.0%	3.5%
10	2.4%	4.0%	5.0%	1.0%	2.0%	3.0%
11	1.8%	3.0%	4.0%	1.0%	2.0%	2.5%
12	1.8%	3.0%	4.0%	1.0%	1.5%	2.0%
13	1.3%	2.0%	3.5%	1.0%	1.0%	1.5%
14	1.3%	2.0%	3.0%	0.5%	1.0%	1.4%
15	0.8%	1.5%	2.5%	0.5%	1.0%	1.4%
16	0.8%	1.5%	2.0%	0.5%	0.5%	1.4%
17	0.8%	1.0%	2.0%	0.5%	0.5%	1.4%
18	0.8%	1.0%	1.8%	0.5%	0.5%	1.4%
19	0.8%	1.0%	1.8%	0.5%	0.5%	0.5%
20+	0.5%	1.0%	1.8%	0.4%	0.5%	0.5%

Disability Rates

Age	Maricopa Police	Pima Police	Other Police	Maricopa Fire	Pima Fire	Other Fire
20	0.050%	0.050%	0.120%	0.020%	0.020%	0.020%
21	0.050%	0.050%	0.120%	0.020%	0.020%	0.020%
22	0.050%	0.050%	0.120%	0.020%	0.020%	0.020%
23	0.050%	0.050%	0.120%	0.020%	0.020%	0.020%
24	0.050%	0.050%	0.120%	0.020%	0.020%	0.020%
25	0.050%	0.050%	0.120%	0.020%	0.020%	0.020%
26	0.100%	0.100%	0.160%	0.035%	0.020%	0.020%
27	0.100%	0.100%	0.160%	0.035%	0.020%	0.020%
28	0.100%	0.100%	0.160%	0.035%	0.020%	0.020%
29	0.100%	0.100%	0.160%	0.035%	0.020%	0.020%
30	0.100%	0.100%	0.160%	0.035%	0.020%	0.020%
31	0.230%	0.180%	0.240%	0.090%	0.100%	0.060%
32	0.230%	0.180%	0.240%	0.090%	0.100%	0.060%
33	0.230%	0.180%	0.240%	0.090%	0.100%	0.060%
34	0.230%	0.180%	0.240%	0.090%	0.100%	0.060%
35	0.230%	0.180%	0.240%	0.090%	0.100%	0.060%
36	0.450%	0.350%	0.320%	0.150%	0.150%	0.140%
37	0.450%	0.350%	0.320%	0.150%	0.150%	0.140%
38	0.450%	0.350%	0.320%	0.150%	0.150%	0.140%
39	0.450%	0.350%	0.320%	0.150%	0.150%	0.140%
40	0.450%	0.350%	0.320%	0.150%	0.150%	0.140%
41	0.520%	0.650%	0.550%	0.170%	0.300%	0.250%
42	0.520%	0.650%	0.550%	0.170%	0.300%	0.250%
43	0.520%	0.650%	0.550%	0.170%	0.300%	0.250%
44	0.520%	0.650%	0.550%	0.170%	0.300%	0.250%
45	0.520%	0.650%	0.550%	0.170%	0.300%	0.250%
46	0.650%	0.750%	0.750%	0.300%	0.420%	0.420%
47	0.650%	0.750%	0.750%	0.300%	0.420%	0.420%
48	0.650%	0.750%	0.750%	0.300%	0.420%	0.420%
49	0.650%	0.750%	0.750%	0.300%	0.420%	0.420%
50	0.650%	0.750%	0.750%	0.300%	0.420%	0.420%
51	0.800%	0.800%	0.800%	0.700%	0.750%	0.750%
52	0.800%	0.800%	0.800%	0.700%	0.750%	0.750%
53	0.800%	0.800%	0.800%	0.700%	0.750%	0.750%
54	0.800%	0.800%	0.800%	0.700%	0.750%	0.750%
55	0.800%	0.800%	0.800%	0.700%	0.750%	0.750%
56+	1.000%	0.850%	0.900%	1.100%	0.800%	1.000%

VII. DISCUSSION OF RISK

ASOP No. 51, Assessment and Disclosure of Risk Associated with Measuring Pension Obligations and Determining Pension Plan Contributions, states that the actuary should identify risks that, in the actuary's professional judgment, may reasonably be anticipated to significantly affect the plan's future financial condition.

Throughout this report, actuarial results are determined under various assumption scenarios. These results are based on the premise that all future plan experience will align with the plan's actuarial assumptions; however, there is no guarantee that actual plan experience will align with the plan's assumptions. Whenever possible, the recommended assumptions in this report reflect conservatism to allow for some margin of unfavorable future plan experience. However, it is still possible that actual plan experience will differ from anticipated experience in an unfavorable manner that will negatively impact the plan's funded position.

Below are examples of ways in which plan experience can deviate from assumptions and the potential impact of that deviation. Typically, this results in an actuarial gain or loss representing the current-year financial impact on the plan's unfunded liability of the experience differing from assumptions; this gain or loss is amortized over a period of time determined by the plan's amortization method. When assumptions are selected that adequately reflect plan experience, gains and losses typically offset one another in the long term, resulting in a relatively low impact on the plan's contribution requirements associated with plan experience. When assumptions are too optimistic, losses can accumulate over time and the plan's amortization payment could potentially grow to an unmanageable level.

- Investment Return: When the rate of return on the Actuarial Value of Assets falls short of the assumption, this produces a loss representing assumed investment earnings that were not realized. Further, it is unlikely that the plan will experience a scenario that matches the assumed return in each year as capital markets can be volatile from year to year. Therefore, contribution amounts can vary in the future.
- Salary Increases: When a plan participant experiences a salary increase that was greater than assumed, this produces a loss representing the cost of an increase in anticipated plan benefits for the participant as compared to the previous year. The total gain or loss associated with salary increases for the plan is the sum of salary gains and losses for all active participants.
- Payroll Growth: The plan's payroll growth assumption, if one is used, causes a predictable annual increase in the plan's amortization payment in order to produce an amortization payment that remains constant as a percentage of payroll if all assumptions are realized. If payroll does not increase according to the plan's payroll growth assumption, the plan's amortization payment can increase significantly as a percentage of payroll even if all assumptions other than the payroll growth assumption are realized.
- Demographic Assumptions: Actuarial results take into account various potential events that could happen to a plan participant, such as retirement, termination, disability, and death. Each of these potential events is assigned a liability based on the likelihood of the event and the financial consequence of the event for the plan. Accordingly, actuarial liabilities reflect a blend of financial consequences associated with various possible outcomes (such as retirement at one of various possible ages). Once the outcome is known (e.g. the participant retires) the liability is adjusted to reflect the known outcome. This adjustment

produces a gain or loss depending on whether the outcome was more or less favorable than other outcomes that could have occurred.

- Contribution risk: This risk results from the potential that actual employer contributions may deviate from actuarially determined contributions, which are determined in accordance with the Board's funding policy. The funding policy is intended to result in contribution requirements that if paid when due, will result in a reasonable expectation that assets will accumulate to be sufficient to pay plan benefits when due. Contribution deficits, particularly large deficits and those that occur repeatedly, increase future contribution requirements and put the plan at risk for not being able to pay plan benefits when due.

Impact of Plan Maturity on Risk

For newer pension plans, most of the participants and associated liabilities are related to active members who have not yet reached retirement age. As pension plans continue in operation and active members reach retirement ages, liabilities begin to shift from being primarily related to active members to being shared amongst active and retired members. Plan maturity is a measure of the extent to which this shift has occurred. It is important to understand that plan maturity can have an impact on risk tolerance and the overall risk characteristics of the plan. For example, plans with a large amount of retired liability do not have as long of a time horizon to recover from losses (such as losses on investments due to lower than expected investment returns) as plans where the majority of the liability is attributable to active members. For this reason, less tolerance for investment risk may be warranted for highly mature plans with a substantial inactive liability. Similarly, mature plans paying substantial retirement benefits resulting in a small positive or net negative cash flow can be more sensitive to near term investment volatility, particularly if the size of the fund is shrinking, which can result in less assets being available for investment in the market.

To assist with determining the maturity of the plan, we have provided some relevant metrics in the table following titled "Plan Maturity Measures and Other Risk Metrics". Highlights of this information are discussed below:

- The Support Ratio, determined as the ratio of active to inactive members, has decreased for Tiers 1 and 2 from 97.9% on June 30, 2019 to 67.8% on June 30, 2022. This is expected since the plan is closed to new active members. For Tier 3, the Ratio decreased from 1,269.5% on June 30, 2019 to 655.7% on June 30, 2022, consistent with the growth of a new group.
- The Accrued Liability Ratio, determined as the ratio of the Inactive Accrued Liability, which is the liability associated with members who are no longer employed but are due a benefit from the plan, to the Total Accrued Liability, is 69.5% for Tiers 1 and 2. With a group of this maturity, losses due to lower than expected investment returns or demographic factors will need to be made up for over a shorter time horizon than would be needed for a less mature plan.
- The Funded Ratio, determined as the ratio of the Actuarial Value of Assets to the Total Accrued Liability, has increased from 46.4% on June 30, 2019 to 65.3% on June 30, 2022, due mainly to contributions in excess of the required amount. For Tier 3, the Ratio increased from 123.1% on June 30, 2019 to 109.2% on June 30, 2022, consistent with a new group with appropriate contribution rates.
- The Net Cash Flow Ratio, determined as the ratio of the Net Cash Flow (contributions minus benefit payments) to the Market Value of Assets, increased from 1.8% on June 30, 2019 to 16.2% on June 30,

2022, meaning that contributions are currently covering the group's benefit payments. For Tier 3, the Ratio was 35.0%, which is consistent with a new benefit that is beginning to accumulate assets.

It is important to note that the actuary has identified the risks above as the most significant risks based on the characteristics of the plan and the nature of the project, however, it is not an exhaustive list of potential risks that could be considered. Additional advanced modeling, as well as the identification of additional risks, can be provided at the request of the reader.

Plan Maturity Measures and Other Risk Metrics - Tiers 1 & 2

	06/30/2019	06/30/2020	06/30/2021	06/30/2022
Support Ratio				
Total Actives	16,806	15,693	14,447	13,274
Total Inactives	17,174	17,914	18,789	19,587
Actives / Inactives	97.9%	87.6%	76.9%	67.8%
Asset Volatility Ratio				
Market Value of Assets (MVA)	7,810,990,750	8,057,538,776	11,444,452,554	13,042,796,696
Total Annual Payroll	1,419,642,895	1,380,572,470	1,341,575,553	1,333,109,281
MVA / Total Annual Payroll	550.2%	583.6%	853.1%	978.4%
Accrued Liability (AL) Ratio				
Inactive Accrued Liability	11,594,509,404	12,369,086,922	13,175,562,551	14,250,664,356
Total Accrued Liability	17,393,828,992	18,511,955,838	19,306,428,824	20,508,346,948
Inactive AL / Total AL	66.7%	66.8%	68.2%	69.5%
Funded Ratio				
Actuarial Value of Assets (AVA)	8,079,039,739	8,675,448,922	10,462,717,622	13,397,869,480
Total Accrued Liability	17,393,828,992	18,511,955,838	19,306,428,824	20,508,346,948
AVA / Total Accrued Liability	46.4%	46.9%	54.2%	65.3%
Net Cash Flow Ratio				
Net Cash Flow [1]	142,921,171	153,022,031	1,086,974,341	2,116,624,088
Market Value of Assets (MVA)	7,810,990,750	8,057,538,776	11,444,452,554	13,042,796,696
Net Cash Flow / MVA	1.8%	1.9%	9.5%	16.2%

[1] *Determined as total contributions minus benefit payments. Administrative expenses are typically included but are considered part of the net interest rate assumption for this plan.*

Plan Maturity Measures and Other Risk Metrics - Tier 3

	06/30/2019	06/30/2020	06/30/2021	06/30/2022
Support Ratio				
Total Actives	1,917	2,984	3,919	4,911
Total Inactives	151	321	518	749
Actives / Inactives	1,269.5%	929.6%	756.6%	655.7%
Asset Volatility Ratio				
Market Value of Assets (MVA)	18,922,750	48,259,114	112,339,142	162,622,481
Total Annual Payroll	103,627,360	181,914,294	249,851,792	346,664,109
MVA / Total Annual Payroll	18.3%	26.5%	45.0%	46.9%
Accrued Liability (AL) Ratio				
Inactive Accrued Liability	427,500	2,204,661	5,901,085	10,719,762
Total Accrued Liability	15,228,805	49,570,740	94,558,924	151,767,017
Inactive AL / Total AL	2.8%	4.4%	6.2%	7.1%
Funded Ratio				
Actuarial Value of Assets (AVA)	18,746,119	49,531,567	99,096,618	165,662,342
Total Accrued Liability	15,228,805	49,570,740	94,558,924	151,767,017
AVA / Total Accrued Liability	123.1%	99.9%	104.8%	109.2%
Net Cash Flow Ratio				
Net Cash Flow [1]	14,738,682	28,622,065	41,515,598	56,871,850
Market Value of Assets (MVA)	18,922,750	48,259,114	112,339,142	162,622,481
Net Cash Flow / MVA	77.9%	59.3%	37.0%	35.0%

[1] *Determined as total contributions minus benefit payments. Administrative expenses are typically included but are considered part of the net interest rate assumption for this plan.*

VIII. SUMMARY OF CURRENT PLAN

The following is a summary of the benefit provisions provided in Title 38, Chapter 5, Article 4 of the Arizona Revised Statutes.

Membership	Full-time employees of an eligible group, prior to attaining age 65, who are engaged to work for more than six months in a calendar year. Tier 3 Defined Contribution members are able to elect participation in post-retirement health insurance subsidy.
Benefit Tiers	Benefits differ for members based on their hire date:

Tier	Hire Date
1	Hired before January 1, 2012
2	Hired on or after January 1, 2012 but before July 1, 2017
3	Hired on or after July 1, 2017

Compensation	Compensation is the amount including base salary, overtime pay, shift and military differential pay, compensatory time used in lieu of overtime pay, and holiday pay, paid to an employee on a regular payroll basis and longevity pay paid at least every six months for which contributions are made to the System. For Tier 3 members, compensation is limited by statutory cap ($110,000 with adjustments by the Board).
Average Monthly Benefit Compensation	***Tier 1:*** The highest compensation paid to member during three consecutive years out of the last 20 years of Credited Service, divided by months. ***Tier 2:*** The highest compensation paid to member during five consecutive years out of the last 20 years of Credited Service, divided by months. ***Tier 3:*** The highest compensation paid to member during five consecutive years out of the last 15 years of Credited Service, divided by months.
Credited Service	Total periods of service, both before and after the member's date of participation, for which the member made contributions to the fund.
Normal Retirement Date	***Tier 1:*** First day of month following attainment of 1) 20 years of service or

2) 62nd birthday and completion of 15 years of service.

Tier 2:
First day of month following the attainment of age 52.5 and completion of 15 years of service.

Tier 3:
First day of month following the attainment of age 55 and completion of 15 years of service.

Benefit

Tier 1:
50% of Average Monthly Benefit Compensation, adjusted based on Credited Service as follows (maximum benefit of 80% of Average Monthly Benefit Compensation):

Credited Service	Benefit Adjustment
15 years, but less than 20	Reduced 4% per year less than 20
20 years, but less than 25	Plus 2% per year between 20 and 25
25+ years	Plus 2.5% per year above 20

Tier 2:
Benefit multiplier (below) times Average Monthly Benefit Compensation times Credited Service (maximum benefit of 80% of Average Monthly Benefit Compensation):

Credited Service	Benefit Multiplier
15 years, but less than 17	1.50%
17 years, but less than 19	1.75%
19 years, but less than 22	2.00%
22 years, but less than 25	2.25%
25+ years	2.50%

Tier 3:
Benefit multiplier (below) times Average Monthly Benefit Compensation times Credited Service (maximum benefit of 80% of Average Monthly Benefit Compensation):

Credited Service	Benefit Multiplier
15 years, but less than 17	1.50%
17 years, but less than 19	1.75%
19 years, but less than 22	2.00%
22 years, but less than 25	2.25%
25+ years	2.50%

Form of Benefit	For married retirees, an annuity payable for the life of the member with 80% continuing to the eligible spouse upon death. For unmarried retirees, the normal form is a single life annuity.

Early Retirement — ***Only applicable to Tier 3 members:***

Date	Attainment of age 52.5 and 15 years of Credited Service.
Benefit	Actuarial equivalent of Normal Retirement benefit.

Disability Benefit – Accidental (duty-related)

Eligibility	Total and permanent disability incurred in performance of duty.
Benefit Amount	A maximum of: a.) 50% of Average Monthly Benefit Compensation, and; b.) The monthly Normal Retirement pension that the member is entitled to receive if he or she retired immediately.

Disability Benefit – Ordinary (not duty-related)

Eligibility	Total and permanent disability not incurred in performance of duty.
Benefit Amount	Normal Retirement pension that the member is entitled to receive, prorated based on Credited Service earned over the required Credited Service for Normal Retirement (maximum ratio of 1).

Disability Benefit – Other

Temporary	Benefit equals 1/12 of 50% of compensation during year preceding date of disability. Payments terminate after 12 months.
Catastrophic	Benefit equals 90% of Average Monthly Benefit Compensation. After 60 months member receives greater of 62.5% Average Monthly Benefit Compensation and accrued normal pension.

Pre-Retirement Death Benefit

Service Incurred	100% of Average Monthly Benefit Compensation, reduced by child's pension.
Non-Service Incurred	80% of benefit based on calculation for accidental disability retirement.
Child's Pension	10% of pension for each child (maximum 20% paid) based on calculation for accidental disability retirement. Payable to dependent child under age 18 (23, if full-time student).
Guardian's Pension	Same as spouse's pension. Payable (along with child's pension) when no spouse is being paid and there is at least one child under 18 (23, if full-time student).

Vesting (Termination)

Vesting Service Requirement

***Tier 1*:**
10 years of Credited Service.
Tiers 2 & 3:
15 years of Credited Service.

Non-Vested Benefit

***Tier 1*:**
Lump sum payment of accumulated contributions, plus additional amount based on years of Credited Service.

Service	Additional % of Contributions
Less than 5 years	0%
5 years	25%
6 years	40%
7 years	55%
8 years	70%
9 years	85%
10+ years	100%

Tiers 2 & 3:
Lump sum payment of accumulated contributions, with interest at rate determined by the Board.

Vested Benefit

***Tier 1*:**
Deferred retirement annuity based on two times member's accumulated contributions, deferred to age 62. Member is not entitled to survivor benefits, benefit increases, or group health insurance subsidy.

Tiers 2 & 3:
Calculated same as normal retirement pension. Payable if contributions left in fund until reach age requirement. Member is entitled to survivor benefits, benefit increases, and group health insurance subsidy.

Cost-of-Living Adjustment

Payable to retired member or survivor of retired member

Tiers 1 & 2:
Compound cost-of-living adjustment on base benefit. First payment is made on July 1, 2018, with annual adjustments effective every July 1 thereafter.

Cost-of-living adjustment will be based on the average annual percentage change in the Metropolitan Phoenix-Mesa Consumer Price Index published by the United States Department of Labor, Bureau of

Statistics. Maximum increase of 2%.

Tier 3:
Compound cost-of-living adjustment on base benefit beginning earlier of first calendar year after the 7th anniversary of retirement or when the retired member reaches 60 years of age.

A cost-of-living adjustment shall be paid on July 1 each year that the funded ratio for members hired on or after July 1, 2017 is 70% or more.

The cost-of-living adjustment will be based on the average annual percentage change in the Metropolitan Phoenix-Mesa Consumer Price Index published by the United States Department of Labor, Bureau of Statistics. The cost-of-living adjustment will not exceed:

- 2%, if funded ratio for members who are hired on or after July 1, 2017 is 90% or more;
- 1.5%, if funded ratio for members who are hired on or after July 1, 2017 is 80-90%;
- 1%, if funded ratio for members who are hired on or after July 1, 2017 is 70-80%.

<u>Deferred Retirement Option Plan (DROP):</u>

Eligibility	Tier 1 and 20 years of Credited Service.
DROP Period	Maximum 84 months.
Member Contributions	Cease upon DROP entry.
Benefit Amount	Calculated based on Credited Service and average monthly compensation as of the beginning of the DROP period, credited to DROP participation account for DROP period.

Interest on DROP Participation Account

Beginning Year	Interest Rate
July 1, 2016	7.40%
July 1, 2018	7.30%
July 1, 2022	7.20%

Payment of DROP Participation Account	Payable as lump sum distribution to Public Safety Personnel Defined Contribution Retirement Plan at earlier of 1) end of DROP period, 2) at termination, or 3) five years.
Payment Monthly Benefit	System commences payment of benefit amount at the earlier of 1) the end of the DROP period and 2) at termination.

Post-Retirement Health Insurance Subsidy

Eligibility	Retired member or survivor who elect health coverage provided by the state or participating employer.

Maximum Subsidy Amounts (monthly)

	Member Only	With Dependents
Medicare Eligible	$100	$170
One w/ Medicare	N/A	$215
Not Medicare Eligible	$150	$260

Employee Contributions

Members hired before July 20, 2011:
7.65%

Members hired on/after July 20, 2011, but before July 1, 2017:
11.65%. Amounts in excess of 7.65% are not used to reduce the employer contribution ("maintenance of effort").

Tier 3:
50% of total contribution, which is Normal Cost plus a level-dollar amortization of unfunded actuarial accrued liability over a closed period not to exceed 10 years.

Employer Contributions

Tiers 1 & 2:
Normal Cost plus amortization of unfunded actuarial accrued liability over a closed period not to exceed 20 years (subject to one-time election to extend to closed period not to exceed 30 years). Contribution will never be less than 8% of payroll.

Tier 3:
50% of total contribution, which is Normal Cost plus a level-dollar amortization of unfunded actuarial accrued liability over a closed period not to exceed 10 years.

Changes to Benefit Provisions Since the Prior Valuation

The DROP benefit was extended to 84 months.

IX. Actuarial Funding Policy

A pension plan funding policy describes how pension funding will improve for underfunded plans or maintain funded benefits for funded plans over time for those benefits defined in ARS. Those benefits defined in ARS are to be equitably managed and administered by PSPRS.

This Actuarial Funding Policy identifies the funding objectives and elements of the actuarial funding policy set by the Board for the Arizona Public Safety Personnel Retirement System (PSPRS). The Board adopted this Funding Policy to help ensure the systematic funding of future benefit payments for members of the Retirement System as established by the legislature.

To achieve the systematic funding of future benefits, metrics are identified to measure the progress, or the lack of progress, over time to identify trends. These trends inform the continuation of the current policies or identify areas of needed research for consideration.

This funding policy is reviewed annually and adopted by the Board in accordance with ARS 38-863.02. This policy was reviewed and adopted by the Board in September 2022.

PSPRS Statement of Purpose

The Purpose of the Public Safety Personnel Retirement System is to provide uniform, consistent, and equitable statewide retirement programs for those who have been entrusted to our care.

Funding Objectives

1. Maintain adequate assets so that current plan assets, plus future contributions and investment earnings, are sufficient to fund all benefits expected to be paid to members and their beneficiaries.
    a. Corollary 1a: Current and future contributions should be calculated based upon assumptions that reflect the Board's best estimate of future experience and methods that appropriately allocate costs to address generational equity.
    b. Corollary 1b: While the shorter-term objective is to fully fund the actuarial liability (AAL) that estimates benefits earned as of the valuation date, contributions should target the long-term present value of benefits (PVB) to fund all benefits and help offset risks.
    c. As closed plans mature, the target funding should be 110% of AAL or 100% of PVB, whichever is greater.

2. Maintain public policy goals of accountability and transparency through stakeholder communication and education. Each policy element is clear in intent and effect, and each should be considered in a balanced approach to determine how and when the funding requirements of the plan will be met.
    a. Corollary 2a: Board shall provide stakeholders with separate reports and tools to help explain current results as well as to help model future funding requirements.

3. Promote intergenerational equity. Defined benefit pensions are designed with a long-term perspective and designed to minimize contribution volatility that cannot avoid some level of generational cost shift. However, the goal is that each generation of members and employers (taxpayers) should, to the extent

possible, incur the cost of benefits for the employees who provide services to them, rather than shifting those costs to other generations of members and employers (taxpayers).

a. Corollary 3a: A systematic reduction of the Unfunded Actuarial Accrued Liability (UAAL) over a reasonable time period is paramount to achieving this objective.

Consideration can be given to reduce volatility, to the extent possible, of employer and employee contribution rates as long as the integrity of the objectives listed above is not compromised.

Elements of Actuarial Funding Policy

1. Actuarial Cost Method
   a. The Entry Age Normal level percent of pay actuarial cost method of valuation shall be used in determining the Actuarial Accrued Liability (AAL) and Normal Cost. Differences in the past between assumed experience and actual experience (“actuarial gains and losses”) shall become part of the AAL. The Normal Cost shall be determined on an individual basis for each active member.

2. Asset Smoothing Method
   a. The investment gains or losses of each valuation period, resulting from the difference between the actual investment return and assumed investment return, shall be recognized annually in level amounts over seven years (Tiers 1 and 2) or five years (Tier 3) in calculating the Actuarial Value of Assets.
   b. The Actuarial Value of Assets so determine shall be subject to a 20% corridor relative to the Market Value of Assets.

3. Amortization Method (Unfunded Amounts)
   a. The Actuarial Value of Assets are subtracted from the computed AAL. Any unfunded amount is amortized as a level percent of payroll over a closed period.
   b. The unfunded liabilities, for EORP and Tiers 1 & 2 for both PSPRS and CORP, determined in the June 30, 2019 actuarial valuation will become the initial layer for each employer beginning with the June 30, 2020 actuarial valuation and amortized using the current closed year period for that employer and continue to decrease each year.
      i. The payroll growth rate assumption used to amortize the Public Safety Plan (PSPRS) June 30, 2019 Unfunded Liability will be decreased by 0.5% beginning with the 6/30/2021 actuarial valuation and again each year with the intention of ultimately achieving 0.0%. Once the payroll growth assumption reaches 2.0%, however, the Board will reevaluate the payroll growth assumption and decide whether to continue to let it track down to 0.0%.
      ii. The payroll growth rate used to amortize the Correction Officers Retirement Plan (CORP) June 30, 2019 Unfunded Liability will be 3.0% beginning with the 6/30/2020 actuarial valuation, and future years will be reduced by 0.5% until 0.0% is reached.
      iii. The payroll growth rate used to amortize the Elected Officials Retirement Plan (EORP) June 30, 2019 Unfunded Liability will be 2.5% beginning with the 6/30/2020 actuarial valuation, and future years will be reduced by 0.5% until 0.0% is reached.
   c. Gains and losses, for EORP and Tiers 1 & 2 for both PSPRS and CORP, for each employer beginning with the June 30, 2020 actuarial valuation will be amortized as a new layer over the same amortization period as the regular unfunded liability to a minimum of 15 years. Once the amortization period for each employer decreases to 15 years, each subsequent year’s gains and losses will be amortized as a new 15-year closed layer.

i. The payroll growth rate used to amortize unfunded liability for all Plans under this paragraph will be 0.0% (i.e. level-dollar amortization).

d. Tier 3 amortization methods are established in ARS 38-843.G and ARS 38-891.K.

4. Amortization Method (Overfunded Amounts)
   a. The Actuarial Value of Assets are subtracted from the target funding level(greater of 110% of AAL or 100% of PVB). Any overfunded amount is amortized as a level dollar amount over an open 10-year period.

Metrics to Monitor Funding Objectives

1. Appropriateness of Assumptions – Gain/Loss Experience (Corollary 1a)
   a. Metric: Do the cumulative gain/loss layers over the prior five years exceed 8% of plan assets?
   b. Measurement: History of annual gain/loss (split by asset and liability experience) and five-year cumulative results will be tracked.
   c. Action Plan: This metric assumes that a full experience study is performed at least every five years so objective of measurement is to monitor interim experience. If the metric answer is yes, a review of the sources or causes of gains and losses should be analyzed and presented to the Advisory Committee to provide a recommendation to the Board of Trustees. The analysis and presentation are intended to provide a basis for consideration if assumption changes are warranted between full experience studies.

2. Funding Targets (Corollary 1b)
   a. Metric: Has the funded status, on both an AAL and PVB basis when compared to the market value of assets, increased over a five-year period?
   b. Measurement: History of funded status measures will be tracked.
   c. Action Plan: If the answer is no and not readily explainable (e.g., significant assumption change), a review of the reason(s) for the decrease should be researched and presented to the Advisory Committee to provide a recommendation to the Board of Trustees. The analysis and presentation are intended to provide a basis for consideration if changes to assumptions and/or methods are warranted between full experience studies.

3. Communication with Stakeholders (Corollary 2a)
   a. Metric: Have reports and budgeting tools been provided to stakeholders in a timely fashion?
   b. Measurement: Yes/No answer based on input from PSPRS administrator. (An annual standard survey of stakeholders – 3 to 5 questions.)
   c. Action Plan: If the answer is no, and periodically regardless (e.g., every three years), PSPRS staff will revisit this metric to report to the Advisory Committee to provide a recommendation to the Board of Trustees if current reports / tools are sufficient and if the delivery timing is appropriate.

4. Timely Recognition of Costs (Corollary 3a)
   a. Metric: Has the percentage of unfunded liability subject to negative amortization decreased over a five-year lookback period?
   b. Measurement: History of unfunded liability subject to negative amortization as a percentage of total unfunded liability will be tracked.
   c. Action Plan: If the answer is no, and not readily explainable (e.g., adopted assumption changes being phased in are anticipated to address negative amortization), a review of the reason(s) for negative

amortization should be researched and presented to the Advisory Committee to provide a recommendation to the Board of Trustees. The analysis and presentation are intended to provide a basis for consideration if changes to assumptions and/or methods are warranted between full experience studies.

X. GLOSSARY

Actuarial Accrued Liability – Computed differently under different funding methods, the actuarial accrued liability generally represents the portion of the actuarial present value of benefits attributable to service credit earned (or accrued) as of the valuation date.

Actuarial Present Value of Benefits – Amount which, together with future interest, is expected to be sufficient to pay all benefits to be paid in the future, regardless of when earned, as determined by the application of a particular set of actuarial assumptions; equivalent to the actuarial accrued liability plus the present value of future normal costs attributable to the members.

Actuarial Assumptions – Assumptions as to the occurrence of future events affecting pension costs. These assumptions include rates of investment earnings, changes in salary, rates of mortality, withdrawal, disablement, and retirement as well as statistics related to marriage and family composition.

Actuarial Cost Method – A method of determining the portion of the cost of a pension plan to be allocated to each year; sometimes referred to as the "actuarial funding method." Each cost method allocates a certain portion of the actuarial present value of benefits between the actuarial accrued liability and future normal costs.

Actuarial Equivalence – Series of payments with equal actuarial present values on a given date when valued using the same set of actuarial assumptions.

Actuarial Present Value **-** The amount of funds required as of a specified date to provide a payment or series of payments in the future. It is determined by discounting future payments at predetermined rates of interest, and by probabilities of payments between the specified date and the expected date of payment.

Actuarial Value of Assets – The value of cash, investments, and other property belonging to the pension plan as used by the actuary for the purpose of the actuarial valuation. This may correspond to market value of assets, or some modification using an asset valuation method to reduce the volatility of asset values.

Asset Gain (Loss) – That portion of the actuarial gain attributable to investment performance above (below) the expected rate of return in the actuarial assumptions.

Amortization – Paying off an interest-discounted amount with periodic payments of interest and (generally) principal, as opposed to paying off with a lump sum payment.

Amortization Payment – That portion of the pension plan contribution designated to pay interest and reduce the outstanding principal balance of unfunded actuarial accrued liability. If the amortization payment is less than the accrued interest on the unfunded actuarial accrued liability the outstanding principal balance will increase.

Assumed Earnings Rate – The interest rate used in developing present values to reflect the time value of money.

Decrements – Events which result in the termination of membership in the system such as retirement, disability, withdrawal, or death.

Entry Age Normal (EAN) Funding Method – A standard actuarial funding method whereby each member's normal costs (service costs) are generally level as a percentage of pay from entry age until retirement. The annual cost of benefits is comprised of the normal cost plus an amortization payment to reduce the UAL.

Experience Gain (Loss) – The difference between actual unfunded actuarial accrued liabilities and anticipated unfunded actuarial accrued liabilities during the period between two valuation dates. It is a measurement of the difference between actual and expected experience, and may be related to investment earnings above (or below) those expected or changes in the liability due to fewer (or greater) than expected numbers of retirements, deaths, disabilities, or withdrawals, or variances in pay increases relative to assumed pay increases. The effect of such gains (or losses) is to decrease (or increase) future costs.

Funded Ratio – A measure of the ratio of the actuarial value of assets to liabilities of the system. Typically, the assets used in the measure are the actuarial value of assets as determined by the asset valuation method. The funded ratio depends not only on the financial strength of the plan but also on the asset valuation method used to determine the assets and on the funding method used to determine the liabilities.

Market Value of Assets (MVA) – The value of assets as they would trade on an open market.

Normal Cost – Computed differently under different funding methods, generally that portion of the actuarial present value of benefits allocated to the current plan year.

Unfunded Actuarial Accrued Liability (UAAL) – The excess of the actuarial accrued liability over the valuation assets; sometimes referred to as "unfunded past service liability". UAL increases each time an actuarial loss occurs and when new benefits are added without being fully funded initially and decreases when actuarial gains occur.

APPENDIX A: SUMMARY OF POPULATION DATA BY EMPLOYER - TIERS 1 & 2

Employer Number	Employer Name	Number of Actives	Active Payroll	Number of Retirees	Annual Retiree Benefits	Number of DROP	Annual DROP Benefits	Number of Inactive/ Vested	Inactive/Vested Accum. Member Contrib.	Number Transferred Out
001	Bisbee Fire Dept.	9	537,997	21	868,927	0	0	6	127,608	6
002	Casa Grande Fire Dept.	41	4,110,619	33	1,897,051	3	180,819	3	250,506	6
003	Casa Grande Police Dept.	47	4,315,108	58	3,024,664	8	432,488	10	143,850	7
004	Chandler Fire Dept.	144	15,873,849	91	6,252,914	24	1,739,544	5	236,905	0
005	Chandler Police Dept.	200	21,926,035	219	13,286,343	39	2,626,650	23	898,495	4
006	Clifton Fire Dept.	0	0	1	33,841	0	0	0	0	0
007	Dept. of Public Safety	786	79,673,177	1,491	82,576,410	80	4,709,120	83	1,230,807	22
008	Douglas Fire Dept.	15	1,047,583	25	1,112,018	1	49,523	3	7,683	7
009	Douglas Police Dept.	22	1,686,303	38	1,622,416	0	0	5	33,395	0
010	Flagstaff Fire Dept.	66	6,109,308	96	5,228,742	8	550,040	9	299,079	5
011	Flagstaff Police Dept.	51	5,210,182	90	4,805,470	5	317,420	29	477,224	28
012	Glendale Fire Dept.	171	18,608,992	124	8,488,279	38	3,056,150	6	186,834	7
013	Glendale Police Dept.	266	29,119,289	266	15,851,840	62	4,189,092	29	596,327	9
014	Globe Fire Dept.	10	755,868	15	527,215	0	0	1	14,317	1
015	Kingman Fire Dept.	31	2,362,918	35	1,840,540	3	110,541	3	50,184	6
016	Maricopa County Sheriff's Office	367	38,152,897	603	32,642,871	87	5,644,473	31	792,422	35
017	Mesa Fire Dept.	270	30,237,865	305	20,798,486	77	5,465,691	19	654,607	5
018	Mesa Police Dept.	478	51,446,946	705	40,868,705	108	6,699,132	102	1,652,808	9
020	Nogales Fire Dept.	17	1,304,046	42	1,837,157	1	34,283	1	44,329	6
021	Phoenix Fire Dept.	1,133	131,166,697	1,263	94,129,126	233	18,791,450	33	1,342,869	3
022	Phoenix Police Dept.	1,691	186,191,608	2,854	191,579,748	422	29,817,254	355	4,446,375	44
023	Prescott Fire Dept.	43	3,837,168	76	4,257,826	7	423,423	6	99,384	2
024	Prescott Police Dept.	42	3,677,680	69	3,459,839	5	250,240	10	140,470	5
025	Scottsdale Police Dept.	233	26,626,223	312	19,006,790	44	2,971,012	60	1,448,820	9
026	Sierra Vista Fire Dept.	33	2,585,628	30	1,699,416	3	151,047	9	102,276	7
027	Tempe Fire Dept.	111	13,750,590	151	10,405,110	26	2,191,098	9	320,877	3
028	Tempe Police Dept.	222	23,090,261	307	18,643,778	46	2,849,930	38	1,047,926	11
029	Tucson Fire	429	43,310,407	609	35,393,625	76	4,371,824	16	363,424	14
030	Tucson Police	467	45,980,359	1,092	60,284,295	114	6,295,650	95	1,742,395	36
031	Winslow Fire Dept.	6	448,227	3	198,192	0	0	1	5,757	1
032	Yuma Fire Dept.	83	7,284,952	91	4,928,873	13	697,151	2	50,036	2
033	Yuma Police Dept.	93	8,044,791	143	6,988,556	8	396,760	31	245,520	12
034	Yuma County Sheriff's Dept.	48	3,970,012	41	1,933,254	12	604,032	7	146,657	6
035	Game and Fish Dept.	79	5,591,625	162	7,851,900	20	1,000,440	12	133,440	2
036	Sierra Vista Police Dept.	34	3,046,906	44	2,533,735	6	331,362	11	230,670	5
037	Benson Police Dept.	8	497,010	9	405,259	0	0	1	68,875	0
038	Bisbee Police Dept.	2	140,664	19	797,610	0	0	4	45,124	1

Employer Number	Employer Name	Number of Actives	Active Payroll	Number of Retirees	Annual Retiree Benefits	Number of DROP	Annual DROP Benefits	Number of Inactive/ Vested	Inactive/Vested Accum. Member Contrib.	Number Transferred Out
039	Pima County Sheriff's Dept.	296	22,529,589	470	24,444,948	60	2,925,900	70	424,550	29
040	Kingman Police Dept.	28	2,188,822	34	1,607,386	4	192,096	8	141,128	9
041	ASU Campus Police	46	4,252,615	46	2,348,961	5	294,635	20	141,900	11
042	Lake Havasu City Fire Dept.	59	5,317,197	50	2,744,260	9	621,891	9	222,120	4
043	Mohave County Sheriff's Dept.	48	3,861,631	56	2,614,251	6	334,458	21	150,843	9
044	Bullhead City Fire Dept.	47	4,662,380	46	2,773,160	7	418,929	7	132,041	4
045	U of A Campus Police	32	2,611,278	33	1,575,205	6	338,130	16	211,168	7
046	Cochise County Sheriff's Dept.	49	3,735,062	75	3,121,846	6	294,834	29	195,489	8
047	Safford Police Dept.	12	996,161	18	825,220	5	265,705	0	0	1
049	Drexel Heights Fire District	55	4,068,499	30	1,372,296	8	337,336	10	175,800	7
050	Winslow Police Dept.	13	1,093,213	16	615,225	1	33,184	6	126,666	5
051	Payson Fire Dept.	20	1,884,533	15	774,519	1	45,056	2	132,684	3
052	Payson Police Dept.	11	920,893	25	1,281,941	2	103,028	10	183,120	2
053	Northern AZ. Consolidated Fire District #1	6	410,717	10	518,555	0	0	16	279,168	14
054	Fry Fire District	31	2,529,271	28	1,517,524	0	0	1	15,298	10
055	Fredonia Marshals	0	0	1	35,097	0	0	2	105,742	0
056	NAU Campus Police	10	915,045	16	831,505	0	0	2	21,282	5
058	South Tucson Fire Dept.	0	0	7	273,700	2	76,534	4	14,984	5
059	Avondale Fire Dept.	55	5,902,648	18	1,056,623	5	401,445	3	180,468	4
060	Parker Police Dept.	7	485,128	6	237,061	0	0	6	164,658	1
061	Coconino County Sheriff's Dept.	37	3,180,713	62	3,073,261	1	69,307	12	190,368	7
064	Buckskin Fire District	6	570,526	11	503,594	1	81,878	12	121,884	9
065	Snowflake Police Dept.	7	522,071	9	332,620	0	0	1	22,441	3
066	Cottonwood Police Dept.	21	1,676,445	22	959,204	2	113,014	2	3,530	3
067	Lake Havasu City Police Dept.	45	4,485,170	65	3,357,860	4	301,080	18	273,690	7
069	South Tucson Police Dept.	3	215,716	17	690,143	1	25,263	1	51,221	4
070	Apache Junction Police Dept.	41	3,694,023	47	2,323,459	2	114,306	10	182,020	8
071	Navajo County Sheriff's Dept.	25	1,597,230	33	1,242,847	0	0	19	220,039	17
072	Mohave Valley Fire District	15	1,299,398	6	256,329	4	191,004	9	139,905	9
073	Peoria Fire Dept.	133	15,192,069	56	3,675,694	19	1,371,838	4	132,212	0
074	Peoria Police Dept.	132	14,153,054	116	6,496,129	14	899,766	23	412,206	7
076	Paradise Valley Police Dept.	25	2,649,966	47	2,416,698	2	107,940	3	74,607	1
077	Willcox Police Dept.	7	462,462	11	440,261	0	0	1	19,653	1
078	Show Low Police Dept.	21	1,626,205	21	954,713	3	171,381	2	30,976	3
079	Eloy Police Dept.	20	1,580,539	13	615,906	1	43,145	5	128,745	5
080	Nogales Police Dept.	27	1,819,873	44	1,783,751	2	134,716	6	178,878	11
081	Gilbert Police Dept.	172	18,215,705	100	5,769,536	21	1,318,905	36	799,884	7
083	Clifton Police Dept.	2	188,353	2	67,310	0	0	1	2,053	3
085	Coolidge Police Dept.	13	1,045,674	17	711,712	3	115,461	3	45,390	6
086	Holbrook Police Dept.	4	287,315	18	702,034	0	0	2	25,174	5
087	Santa Cruz County Sheriff's Dept.	15	1,074,789	28	1,170,636	1	50,494	8	73,048	11

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088	Prescott Valley Police Dept.	51	4,180,148	34	1,542,765	2	117,178	16	191,728	5
089	Eagar Police Dept.	5	333,248	8	319,338	0	0	1	4,188	0
090	Tolleson Police Dept.	17	1,777,173	15	744,099	1	49,345	2	7,692	2
091	Florence Police Dept.	13	1,037,184	9	310,074	0	0	6	146,856	11
092	Springerville Police Dept.	2	140,236	7	245,843	0	0	0	0	1
093	El Mirage Police Dept.	28	2,849,265	23	1,139,313	3	179,139	5	13,460	5
094	Superior Police Dept.	5	296,150	3	96,290	0	0	2	41,784	4
095	San Luis Police Dept.	25	2,161,876	9	382,822	0	0	1	380	0
096	Page Police Dept.	9	685,878	10	468,230	0	0	6	233,892	1
097	Page Fire Dept.	8	613,791	3	120,326	0	0	8	66,472	6
098	Yavapai County Sheriff's Dept.	64	4,964,190	91	3,887,455	13	615,654	39	576,498	11
100	Pima Police Dept.	4	279,612	0	0	0	0	3	56,619	2
101	Apache County Sheriff's Dept.	12	902,124	26	1,039,468	1	44,201	5	52,010	8
102	Cottonwood Fire Dept.	18	1,403,278	7	317,947	2	144,200	1	48,017	2
103	La Paz County Sheriff's Dept.	10	719,769	29	1,277,072	5	181,130	4	75,792	8
104	Pinal County Sheriff's Dept.	177	15,664,801	125	5,574,320	4	195,232	17	494,785	5
105	Clarkdale Police Dept.	5	346,201	8	253,454	0	0	1	2,234	2
106	Buckeye Police Dept.	62	6,252,078	28	1,458,622	5	363,165	8	257,936	3
107	Marana Police Dept.	68	5,612,745	38	1,609,649	3	130,431	16	239,168	8
108	Tolleson Fire Dept.	21	2,043,147	12	680,335	2	127,204	2	55,138	2
109	Chino Valley Police Dept.	14	986,072	11	456,129	3	124,548	4	61,292	2
110	Surprise Police Dept.	92	10,042,193	66	3,403,279	7	423,339	18	219,168	2
111	Wellton Police Dept.	3	190,285	5	168,599	0	0	0	0	1
112	Gila County Sheriff's Dept.	22	1,713,614	31	1,087,094	3	141,036	11	216,315	8
113	Pinetop-Lakeside Police Dept.	4	328,833	14	535,314	0	0	2	30,302	4
114	Bullhead City Police Dept.	45	4,024,338	54	2,893,416	7	412,944	10	17,950	0
115	Williams Police Dept.	5	346,421	4	131,307	1	39,463	3	58,311	0
116	Miami Police Dept.	1	55,190	7	259,188	0	0	1	14,055	2
117	Thatcher Police Dept.	8	700,169	8	365,245	1	73,711	0	0	0
118	Youngtown Police Dept.	0	0	3	115,713	0	0	1	6,882	0
119	Dept. of Emer & Military Aff	26	1,641,419	21	909,940	5	213,595	4	83,320	11
120	Surprise Fire Dept.	104	12,615,688	15	917,594	13	909,181	2	34,158	2
121	Camp Verde Marshals	7	516,416	9	364,720	0	0	9	321,642	3
122	Oro Valley Police Dept.	71	6,042,533	52	2,468,612	8	589,904	7	166,054	4
123	Greenlee County Sheriff's Dept.	8	632,676	10	487,908	0	0	5	92,985	1
124	Tucson Airport Authority Fire Dept.	11	929,423	19	1,051,395	3	183,945	2	15,716	0
125	Tucson Airport Authority Police Dept.	16	1,420,759	27	1,337,132	2	111,192	3	6,528	4
126	Wickenburg Police Dept.	10	880,579	10	453,609	0	0	8	106,280	4
127	El Mirage Fire Dept.	22	2,264,077	3	159,722	0	0	4	101,924	2
128	Patagonia Marshals	0	0	2	79,368	0	0	3	93,288	1
129	Sedona Police Dept.	17	1,369,223	17	841,999	0	0	5	31,930	4

Employer Number	Employer Name	Number of Actives	Active Payroll	Number of Retirees	Annual Retiree Benefits	Number of DROP	Annual DROP Benefits	Number of Inactive/ Vested	Inactive/Vested Accum. Member Contrib.	Number Transferred Out
130	Mammoth Police Dept.	4	191,116	3	77,663	0	0	6	10,824	2
131	Globe Police Dept.	8	537,061	18	722,174	0	0	3	14,739	18
132	Tombstone Marshals	3	152,142	0	0	0	0	4	119,472	6
133	Golder Ranch Fire District	159	13,316,535	35	1,717,068	13	792,181	15	588,990	10
134	Fort Mojave Mesa Fire District	18	1,484,082	17	1,004,515	3	205,755	1	5,390	5
136	Goodyear Fire Dept.	70	8,688,307	17	1,066,035	10	654,890	2	153,000	1
137	Goodyear Police Dept.	80	8,509,473	36	2,050,402	11	725,868	14	345,730	8
139	Avondale Police Dept.	78	7,488,171	41	2,063,719	8	497,960	28	527,044	10
140	Graham County Sheriff's Dept.	12	873,329	11	433,765	0	0	3	35,028	3
142	Golden Valley Fire District	16	1,198,432	5	221,321	0	0	4	56,856	4
143	Daisy Mountain Fire District	71	7,318,653	18	975,768	4	286,836	4	185,824	0
144	Quartzsite Police Dept.	3	223,706	5	200,540	0	0	2	45,234	8
145	Picture Rocks Fire District	6	443,595	10	308,348	0	0	8	127,616	13
146	Pima County Comm. College Police	16	1,250,493	19	779,234	1	58,993	7	46,963	4
147	Northwest Fire District	144	13,608,841	66	3,635,545	18	1,138,194	10	124,880	4
148	Superstition Fire and Medical District	57	5,922,475	32	2,022,112	13	821,912	2	58,574	3
149	Gilbert Fire Dept.	142	16,507,580	33	1,939,475	21	1,415,778	4	117,572	0
150	Pine-Strawberry Fire District	12	1,136,138	9	408,181	2	103,900	1	22,357	0
151	Attorney General Invest.	19	1,642,737	31	1,412,185	1	44,445	4	165,448	3
153	St. Johns Police Dept.	3	183,661	4	101,834	0	0	2	37,152	2
154	Pima County Attorney Invest.	3	199,775	5	267,480	1	28,244	0	0	0
156	Kearny Police Dept.	4	206,969	6	212,727	0	0	2	23,512	3
158	Navajo County Attorney Invest.	0	0	1	39,887	0	0	0	0	0
162	Avra Valley Fire District	22	1,299,120	7	230,414	0	0	10	68,560	14
163	San Luis Fire Dept.	27	1,957,970	3	90,245	0	0	3	17,220	8
164	AZ Dept. Liq. Lic. & Control Invest.	11	725,447	17	704,201	0	0	4	82,844	1
165	Maricopa County Attorney Invest.	6	504,035	24	1,135,099	0	0	2	48,822	1
166	Sedona Fire District	61	6,355,679	31	1,765,821	7	516,278	6	52,266	3
167	Guadalupe Fire Dept.	4	367,981	1	54,139	2	94,548	0	0	0
168	Mayer Fire District	9	683,698	8	279,762	0	0	1	15,495	4
169	Somerton Police Dept.	6	452,609	9	384,514	0	0	3	98,886	4
171	Somerton Fire Dept.	12	785,325	3	152,290	1	29,761	2	76,762	3
172	Tubac Fire District	15	1,062,111	10	366,607	3	126,555	2	105,916	3
174	Sahuarita Police Dept.	31	3,068,494	12	593,844	1	49,711	7	198,016	5
176	Florence Fire Dept.	22	1,740,589	3	128,372	1	66,608	2	36,272	1
177	Sun City Fire District	41	4,124,092	38	2,773,962	11	629,827	1	1,063	3
178	Hayden Police Dept.	4	244,890	0	0	0	0	2	30,802	3
179	Gila River Fire Dept.	52	4,215,447	12	461,233	2	88,960	4	12,404	10
180	Gila River Police Dept.	67	5,695,878	17	758,988	3	166,710	19	801,268	28

Employer Number	Employer Name	Number of Actives	Active Payroll	Number of Retirees	Annual Retiree Benefits	Number of DROP	Annual DROP Benefits	Number of Inactive/ Vested	Inactive/Vested Accum. Member Contrib.	Number Transferred Out
181	Salt River Pima-Maricopa Fire	56	6,865,023	19	1,128,744	13	1,137,318	3	147,309	3
182	Salt River Pima-Maricopa Police	74	8,246,072	34	1,891,641	5	299,815	11	378,719	14
185	Pinetop Fire District	19	1,907,480	11	555,214	2	142,396	2	26,574	1
187	Yavapai County Attorney Invest.	0	0	2	86,250	0	0	0	0	0
188	Three Points Fire District	10	582,717	3	136,557	3	126,015	2	9,136	4
190	Buckeye Fire Dept.	76	8,110,208	6	428,527	3	207,228	1	67,097	0
192	Heber-Overgaard Fire District	8	770,442	2	68,828	2	118,264	4	104,232	0
193	Hellsgate Fire District	5	511,046	4	196,892	0	0	0	0	0
194	Green Valley Fire District	49	4,357,309	30	1,401,672	3	148,461	5	154,910	1
195	Summit Fire District	23	1,733,686	13	622,585	3	127,140	8	92,096	8
197	Fort McDowell Tribal Fire Dept.	6	470,137	3	128,274	0	0	2	19,828	10
198	Fort McDowell Tribal Police Dept.	6	501,384	4	197,524	5	226,580	1	51,577	5
199	Highlands Fire District	18	1,716,680	11	587,490	0	0	3	32,952	2
200	Rio Rico Fire District	20	1,552,926	3	92,666	0	0	10	274,790	6
201	Tri-City Fire District	17	1,345,926	4	86,662	1	48,836	1	11,662	6
202	Maricopa County Park Rangers	0	0	3	167,238	0	0	1	24,132	0
203	Verde Valley Fire District	28	2,268,216	13	706,156	4	242,060	3	103,866	2
204	AZ. State Park Rangers	12	768,586	24	983,832	2	73,184	5	144,455	1
206	Hualapai Indian Tribe Police Dept.	10	763,056	3	118,930	0	0	1	10,850	3
207	Pinewood Fire District	15	1,377,162	8	422,988	0	0	0	0	0
208	Rincon Valley Fire District	34	2,327,188	5	207,389	2	82,140	3	102,195	1
210	Jerome Police Dept.	3	189,753	0	0	1	33,778	1	13,277	0
211	Fort Mojave Tribal Police Dept.	11	1,262,204	0	0	0	0	4	17,836	1
212	Buckeye Valley Fire District	52	4,369,660	12	514,503	0	0	7	161,161	12
213	Eloy Fire District	21	1,780,613	8	398,148	0	0	2	66,270	3
214	Pascua Yaqui Tribe Fire Dept.	14	1,208,321	6	310,782	4	209,552	2	59,826	2
215	Pascua Yaqui Tribe Police Dept.	15	1,879,136	12	593,681	3	146,550	4	2,144	1
216	Town of Superior Fire Dept.	4	188,917	1	19,429	0	0	5	98,470	2
217	Wickenburg Fire Dept.	10	746,710	1	35,541	1	60,233	0	0	1
221	Quartzsite Fire District	7	535,567	2	105,240	0	0	2	31,476	2
222	Rio Verde Fire District	9	806,993	8	355,544	2	122,058	1	5,471	1
223	Scottsdale Fire Dept.	197	22,323,003	53	2,837,459	20	1,299,820	5	159,060	8
224	Ak Chin Indian Comm. Fire Dept.	27	1,851,599	10	393,866	1	40,211	7	189,994	4
225	Ak Chin Indian Comm. Police Dept.	10	873,787	2	113,848	0	0	8	68,296	8
226	Corona De Tucson Fire District	20	1,460,358	2	114,894	0	0	0	0	0
227	Golden Shores Fire District	6	441,961	1	35,844	0	0	3	51,288	1
228	City of Maricopa Fire Dept.	54	5,314,242	5	179,591	3	192,126	4	129,120	0
229	Cave Creek Marshals	1	98,303	0	0	0	0	0	0	0

Employer Number	Employer Name	Number of Actives	Active Payroll	Number of Retirees	Annual Retiree Benefits	Number of DROP	Annual DROP Benefits	Number of Inactive/ Vested	Inactive/Vested Accum. Member Contrib.	Number Transferred Out
231	San Carlos Tribal Police Dept.	19	1,905,417	3	146,349	2	129,112	2	31,624	2
232	Groom Creek Fire District	3	200,315	0	0	0	0	0	0	3
233	Mount Lemmon Fire District	4	252,957	1	23,253	0	0	0	0	0
234	Yavapai Prescott Tribal Police	4	301,821	1	30,207	0	0	4	113,496	4
235	Tohono O'odham Nation Fire Dept.	24	1,799,084	12	504,079	2	96,718	5	57,410	3
236	Tohono O'odham Nation Police Dept.	43	3,738,791	28	1,414,000	3	159,084	8	242,992	5
237	Williamson Valley Fire District	10	1,026,968	0	0	0	0	6	108,282	9
238	Harquahala Fire District	9	721,465	0	0	1	36,667	8	100,240	1
239	Coolidge Fire Dept.	4	316,631	0	0	0	0	1	3,597	2
242	Central AZ. College Police Dept.	6	452,440	1	50,348	0	0	0	0	4
243	City of Maricopa Police Dept.	48	4,563,076	7	311,460	1	42,207	13	399,711	7
244	Oracle Fire District	4	273,869	1	25,763	0	0	2	14,156	1
245	Benson Fire Dept.	0	0	0	0	1	60,426	0	0	0
246	Desert Hills Fire Dept.	18	1,071,596	2	79,395	0	0	3	62,310	6
247	Queen Creek Fire Dept.	50	5,788,014	2	143,424	0	0	2	1,856	1
248	Sonoita Elgin Fire Dept.	3	165,441	1	61,773	0	0	7	87,703	8
249	Christopher-Kohl's Fire District	4	391,354	1	14,707	0	0	2	72,172	1
250	Whetstone Fire District	5	370,966	0	0	0	0	1	21,813	2
251	Queen Valley Fire District	2	97,476	1	26,237	0	0	0	0	0
252	Lake Mohave Ranchos Fire District	1	60,218	3	122,007	0	0	5	46,405	6
253	Huachuca City Police Dept.	4	212,622	2	58,577	0	0	1	149	0
254	Palominas Fire District	2	160,635	1	53,899	0	0	6	92,604	11
255	Sun Sites Pearce Fire District	3	182,218	0	0	0	0	4	95,184	7
256	Ponderosa Fire District	3	214,614	0	0	0	0	1	48,456	6
257	Timber Mesa Fire and Medical Dist	58	5,034,343	11	482,666	2	143,260	3	79,653	4
258	Central AZ Fire and Medical	85	7,973,997	62	3,647,115	17	1,150,696	9	370,926	4
259	Copper Canyon Fire and Medical	32	2,681,702	8	306,178	2	77,056	4	98,744	3
261	Beaver Dam/Littlefield Fire Dist.	2	212,568	0	0	0	0	1	4,438	0
262	Blue Ridge Fire District	3	204,324	1	22,703	0	0	0	0	1
263	Arizona Fire & Medical Authority	89	9,140,476	46	2,640,767	12	1,046,808	6	169,134	2
264	Taylor Snowlake Fire & Medical	0	0	0	0	0	0	0	0	0
265	Queen Creek Police Dept.	33	3,136,306	0	0	0	0	0	0	0
	TOTAL	13,274	1,333,109,281	15,291	894,057,311	2,144	140,679,748	2,152	39,659,982	N/A

FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

APPENDIX B: SUMMARY OF POPULATION DATA BY EMPLOYER - TIER 3

Employer Number	Employer Name	Number of Actives	Active Payroll	Number of Retirees	Annual Retiree Benefits	Number of Inactive/ Vested	Inactive/ Vested Accum. Member Contrib.	Number Transferred Out
001	Bisbee Fire Dept.	11	566,823	0	0	7	24,038	4
002	Casa Grande Fire Dept.	20	1,249,783	0	0	0	0	1
003	Casa Grande Police Dept.	24	1,484,850	0	0	3	13,251	2
004	Chandler Fire Dept.	51	3,227,567	0	0	2	20,208	0
005	Chandler Police Dept.	80	5,799,591	0	0	13	43,771	4
006	Clifton Fire Dept.	0	0	0	0	0	0	0
007	Dept. of Public Safety	207	15,424,886	1	33,029	19	96,634	6
008	Douglas Fire Dept.	11	642,467	0	0	0	0	1
009	Douglas Police Dept.	8	417,256	0	0	0	0	1
010	Flagstaff Fire Dept.	23	1,435,141	0	0	3	29,511	3
011	Flagstaff Police Dept.	41	2,866,391	0	0	10	80,560	9
012	Glendale Fire Dept.	46	2,686,963	0	0	0	0	2
013	Glendale Police Dept.	77	5,712,377	0	0	8	29,632	3
014	Globe Fire Dept.	7	337,742	0	0	0	0	0
015	Kingman Fire Dept.	17	901,848	0	0	1	6,338	3
016	Maricopa County Sheriff's Office	151	10,664,945	1	30,973	32	169,024	26
017	Mesa Fire Dept.	112	6,885,336	0	0	0	0	0
018	Mesa Police Dept.	227	16,764,055	0	0	58	271,788	13
020	Nogales Fire Dept.	23	1,016,847	0	0	3	14,070	3
021	Phoenix Fire Dept.	330	20,802,686	1	10,059	5	60,365	1
022	Phoenix Police Dept.	532	36,150,425	1	59,373	157	892,074	52
023	Prescott Fire Dept.	8	460,861	0	0	0	0	1
024	Prescott Police Dept.	21	1,327,581	0	0	4	37,780	2
025	Scottsdale Police Dept.	78	6,105,097	0	0	21	108,108	7
026	Sierra Vista Fire Dept.	15	812,198	0	0	0	0	4
027	Tempe Fire Dept.	30	2,279,547	0	0	1	5,294	0
028	Tempe Police Dept.	64	4,616,849	0	0	9	94,995	1
029	Tucson Fire	72	4,531,803	0	0	7	30,492	7
030	Tucson Police	177	11,582,270	1	21,684	46	225,492	27
031	Winslow Fire Dept.	2	127,086	0	0	0	0	0
032	Yuma Fire Dept.	27	1,680,387	0	0	4	47,580	2
033	Yuma Police Dept.	34	2,087,559	0	0	12	35,148	1
034	Yuma County Sheriff's Dept.	23	1,377,848	0	0	4	20,456	0
035	Game and Fish Dept.	28	1,537,232	0	0	5	10,625	0
036	Sierra Vista Police Dept.	13	813,267	0	0	5	39,050	1
037	Benson Police Dept.	4	216,710	0	0	0	0	0
038	Bisbee Police Dept.	7	342,382	0	0	1	336	3

Employer Number	Employer Name	Number of Actives	Active Payroll	Number of Retirees	Annual Retiree Benefits	Number of Inactive/ Vested	Inactive/ Vested Accum. Member Contrib.	Number Transferred Out
039	Pima County Sheriff's Dept.	136	7,725,286	1	25,756	27	56,970	1
040	Kingman Police Dept.	17	985,137	0	0	6	11,238	0
041	ASU Campus Police	20	1,200,248	0	0	6	26,988	9
042	Lake Havasu City Fire Dept.	10	692,978	0	0	1	470	2
043	Mohave County Sheriff's Dept.	35	1,919,022	0	0	8	36,744	1
044	Bullhead City Fire Dept.	10	688,977	0	0	4	21,228	2
045	U of A Campus Police	15	876,224	0	0	3	14,853	2
046	Cochise County Sheriff's Dept.	23	1,244,964	0	0	3	13,014	0
047	Safford Police Dept.	3	176,644	0	0	0	0	0
049	Drexel Heights Fire District	16	846,979	0	0	0	0	2
050	Winslow Police Dept.	5	343,751	0	0	3	18,531	0
051	Payson Fire Dept.	9	569,999	0	0	0	0	2
052	Payson Police Dept.	11	725,711	0	0	2	10,684	0
053	Northern AZ. Consolidated Fire District #1	9	567,073	0	0	5	18,250	14
054	Fry Fire District	8	440,295	0	0	0	0	0
055	Fredonia Marshals	2	55,761	0	0	1	2,047	0
056	NAU Campus Police	7	478,345	0	0	1	3,374	4
058	South Tucson Fire Dept.	0	0	0	0	1	1,599	4
059	Avondale Fire Dept.	26	1,565,866	0	0	0	0	1
060	Parker Police Dept.	4	231,679	0	0	1	1,039	2
061	Coconino County Sheriff's Dept.	20	1,310,405	0	0	9	39,573	7
064	Buckskin Fire District	3	216,031	0	0	1	3,510	0
065	Snowflake Police Dept.	3	169,995	0	0	3	39,948	0
066	Cottonwood Police Dept.	6	369,389	0	0	5	12,670	1
067	Lake Havasu City Police Dept.	20	1,546,158	0	0	8	41,184	2
069	South Tucson Police Dept.	5	253,199	0	0	0	0	2
070	Apache Junction Police Dept.	14	940,668	0	0	0	0	2
071	Navajo County Sheriff's Dept.	23	1,195,732	0	0	4	6,244	1
072	Mohave Valley Fire District	11	713,729	0	0	2	11,208	8
073	Peoria Fire Dept.	42	3,071,249	0	0	1	4,426	1
074	Peoria Police Dept.	49	3,775,531	0	0	8	38,392	5
076	Paradise Valley Police Dept.	4	305,065	0	0	0	0	2
077	Willcox Police Dept.	1	51,183	0	0	2	7,868	0
078	Show Low Police Dept.	6	336,212	0	0	2	22,600	0
079	Eloy Police Dept.	5	381,158	0	0	0	0	2
080	Nogales Police Dept.	14	704,849	0	0	1	1,366	1
081	Gilbert Police Dept.	115	8,734,318	0	0	14	107,086	2
083	Clifton Police Dept.	1	63,386	0	0	1	4,638	3
085	Coolidge Police Dept.	14	807,299	0	0	0	0	0
086	Holbrook Police Dept.	6	336,194	0	0	3	11,526	2
087	Santa Cruz County Sheriff's Dept.	13	730,738	0	0	2	44,404	1

Employer Number	Employer Name	Number of Actives	Active Payroll	Number of Retirees	Annual Retiree Benefits	Number of Inactive/ Vested	Inactive/ Vested Accum. Member Contrib.	Number Transferred Out
088	Prescott Valley Police Dept.	25	1,572,819	0	0	2	8,452	1
089	Eagar Police Dept.	0	0	0	0	0	0	0
090	Tolleson Police Dept.	9	641,566	0	0	2	15,768	0
091	Florence Police Dept.	5	329,407	0	0	1	10,734	4
092	Springerville Police Dept.	2	110,427	0	0	0	0	0
093	El Mirage Police Dept.	20	1,568,997	0	0	1	347	2
094	Superior Police Dept.	3	173,703	0	0	0	0	1
095	San Luis Police Dept.	16	1,073,546	0	0	1	233	1
096	Page Police Dept.	10	625,797	0	0	0	0	0
097	Page Fire Dept.	10	577,449	0	0	1	20,600	3
098	Yavapai County Sheriff's Dept.	52	3,083,090	0	0	11	67,606	2
100	Pima Police Dept.	1	88,393	0	0	0	0	1
101	Apache County Sheriff's Dept.	4	238,363	0	0	3	20,262	2
102	Cottonwood Fire Dept.	2	100,203	0	0	0	0	1
103	La Paz County Sheriff's Dept.	15	895,409	0	0	2	10,716	6
104	Pinal County Sheriff's Dept.	27	1,805,200	0	0	7	37,660	2
105	Clarkdale Police Dept.	3	175,757	0	0	0	0	2
106	Buckeye Police Dept.	36	2,700,019	0	0	3	23,784	1
107	Marana Police Dept.	19	1,159,553	0	0	6	31,836	1
108	Tolleson Fire Dept.	5	368,073	0	0	0	0	0
109	Chino Valley Police Dept.	8	486,700	0	0	0	0	0
110	Surprise Police Dept.	48	3,590,983	0	0	3	9,360	0
111	Wellton Police Dept.	3	183,655	0	0	0	0	0
112	Gila County Sheriff's Dept.	12	756,050	0	0	4	23,896	4
113	Pinetop-Lakeside Police Dept.	6	378,047	0	0	0	0	1
114	Bullhead City Police Dept.	15	971,765	0	0	1	1,409	1
115	Williams Police Dept.	4	232,974	0	0	1	2,837	0
116	Miami Police Dept.	3	130,459	0	0	0	0	0
117	Thatcher Police Dept.	1	59,126	0	0	0	0	0
118	Youngtown Police Dept.	0	0	0	0	0	0	0
119	Dept. of Emer & Military Aff	16	842,717	0	0	2	5,842	2
120	Surprise Fire Dept.	29	2,051,627	0	0	0	0	0
121	Camp Verde Marshals	12	735,883	0	0	1	6,784	0
122	Oro Valley Police Dept.	18	1,050,055	0	0	3	14,757	0
123	Greenlee County Sheriff's Dept.	7	449,067	0	0	0	0	1
124	Tucson Airport Authority Fire Dept.	3	212,550	0	0	0	0	0
125	Tucson Airport Authority Police Dept.	5	293,094	0	0	0	0	3
126	Wickenburg Police Dept.	7	459,756	0	0	2	40,488	1
127	El Mirage Fire Dept.	10	815,455	0	0	0	0	3
128	Patagonia Marshals	0	0	0	0	0	0	0
129	Sedona Police Dept.	6	376,337	0	0	0	0	0

Employer Number	Employer Name	Number of Actives	Active Payroll	Number of Retirees	Annual Retiree Benefits	Number of Inactive/ Vested	Inactive/ Vested Accum. Member Contrib.	Number Transferred Out
130	Mammoth Police Dept.	0	0	0	0	0	0	0
131	Globe Police Dept.	13	831,011	0	0	1	1,838	0
132	Tombstone Marshals	2	95,491	0	0	2	20,160	1
133	Golder Ranch Fire District	39	2,030,298	0	0	3	14,853	6
134	Fort Mojave Mesa Fire District	6	296,618	0	0	1	3,371	0
136	Goodyear Fire Dept.	27	2,016,244	0	0	1	21,393	1
137	Goodyear Police Dept.	33	2,575,424	0	0	1	14,035	1
139	Avondale Police Dept.	52	3,836,351	0	0	3	8,388	3
140	Graham County Sheriff's Dept.	7	406,761	0	0	0	0	1
142	Golden Valley Fire District	6	314,509	0	0	0	0	1
143	Daisy Mountain Fire District	32	1,952,100	0	0	0	0	0
144	Quartzsite Police Dept.	3	180,586	0	0	0	0	7
145	Picture Rocks Fire District	9	446,908	0	0	2	24,752	8
146	Pima County Comm. College Police	6	391,541	0	0	1	1,308	3
147	Northwest Fire District	45	2,766,711	0	0	3	31,716	1
148	Superstition Fire and Medical District	26	1,554,965	0	0	3	31,812	0
149	Gilbert Fire Dept.	34	2,329,009	0	0	3	33,096	2
150	Pine-Strawberry Fire District	1	91,424	0	0	0	0	0
151	Attorney General Invest.	6	462,891	0	0	1	22,951	1
153	St. Johns Police Dept.	3	146,292	0	0	0	0	0
154	Pima County Attorney Invest.	0	0	0	0	0	0	0
156	Kearny Police Dept.	1	43,671	0	0	1	11,678	0
158	Navajo County Attorney Invest.	0	0	0	0	0	0	0
162	Avra Valley Fire District	18	749,440	0	0	1	573	5
163	San Luis Fire Dept.	14	819,200	0	0	2	13,690	2
164	AZ Dept. Liq. Lic. & Control Invest.	1	59,947	0	0	0	0	0
165	Maricopa County Attorney Invest.	2	179,099	0	0	0	0	0
166	Sedona Fire District	15	964,575	0	0	0	0	0
167	Guadalupe Fire Dept.	1	67,994	0	0	0	0	1
168	Mayer Fire District	6	345,684	0	0	0	0	0
169	Somerton Police Dept.	8	458,635	0	0	4	13,516	3
171	Somerton Fire Dept.	8	431,741	0	0	6	41,286	6
172	Tubac Fire District	7	411,210	0	0	1	20,448	1
174	Sahuarita Police Dept.	11	728,804	0	0	5	27,005	3
176	Florence Fire Dept.	5	267,442	0	0	0	0	0
177	Sun City Fire District	13	809,809	0	0	1	26,114	2
178	Hayden Police Dept.	1	50,388	0	0	0	0	2
179	Gila River Fire Dept.	20	1,055,093	0	0	2	5,498	2
180	Gila River Police Dept.	35	2,193,691	0	0	4	30,004	10

Employer Number	Employer Name	Number of Actives	Active Payroll	Number of Retirees	Annual Retiree Benefits	Number of Inactive/ Vested	Inactive/ Vested Accum. Member Contrib.	Number Transferred Out
181	Salt River Pima-Maricopa Fire	12	976,460	0	0	1	620	4
182	Salt River Pima-Maricopa Police	27	2,213,626	1	30,030	8	102,192	9
185	Pinetop Fire District	7	442,313	0	0	0	0	0
187	Yavapai County Attorney Invest.	0	0	0	0	0	0	0
188	Three Points Fire District	2	94,251	0	0	2	18,224	0
190	Buckeye Fire Dept.	17	953,754	0	0	0	0	0
192	Heber-Overgaard Fire District	2	106,585	0	0	0	0	0
193	Hellsgate Fire District	1	80,067	0	0	0	0	0
194	Green Valley Fire District	18	1,005,468	0	0	3	22,227	2
195	Summit Fire District	10	524,642	0	0	1	8,290	2
197	Fort McDowell Tribal Fire Dept.	6	406,200	0	0	2	13,982	2
198	Fort McDowell Tribal Police Dept.	4	298,565	0	0	1	16,280	0
199	Highlands Fire District	7	401,476	0	0	0	0	1
200	Rio Rico Fire District	9	476,017	0	0	0	0	6
201	Tri-City Fire District	5	324,060	0	0	1	2,150	1
202	Maricopa County Park Rangers	0	0	0	0	0	0	0
203	Verde Valley Fire District	7	470,218	0	0	1	1,392	2
204	AZ. State Park Rangers	0	0	0	0	0	0	0
206	Hualapai Indian Tribe Police Dept.	3	210,922	1	28,715	1	778	4
207	Pinewood Fire District	3	203,851	0	0	0	0	0
208	Rincon Valley Fire District	8	430,583	0	0	0	0	0
210	Jerome Police Dept.	0	0	0	0	0	0	0
211	Fort Mojave Tribal Police Dept.	1	79,695	0	0	1	14,827	1
212	Buckeye Valley Fire District	18	972,155	0	0	1	27,779	5
213	Eloy Fire District	9	522,295	0	0	2	25,194	2
214	Pascua Yaqui Tribe Fire Dept.	9	547,695	0	0	2	10,042	0
215	Pascua Yaqui Tribe Police Dept.	5	324,114	0	0	0	0	0
216	Town of Superior Fire Dept.	3	129,744	0	0	1	6,709	1
217	Wickenburg Fire Dept.	4	249,779	0	0	0	0	0
221	Quartzsite Fire District	3	171,782	0	0	0	0	3
222	Rio Verde Fire District	11	748,318	0	0	0	0	1
223	Scottsdale Fire Dept.	69	4,340,922	0	0	5	57,735	3
224	Ak Chin Indian Comm. Fire Dept.	4	220,728	0	0	0	0	2
225	Ak Chin Indian Comm. Police Dept.	5	335,348	0	0	0	0	1
226	Corona De Tucson Fire District	0	0	0	0	0	0	0
227	Golden Shores Fire District	0	0	0	0	0	0	1
228	City of Maricopa Fire Dept.	9	601,691	0	0	0	0	1
229	Cave Creek Marshals	0	0	0	0	0	0	0

Employer Number	Employer Name	Number of Actives	Active Payroll	Number of Retirees	Annual Retiree Benefits	Number of Inactive/ Vested	Inactive/ Vested Accum. Member Contrib.	Number Transferred Out
231	San Carlos Tribal Police Dept.	7	579,379	0	0	0	0	1
232	Groom Creek Fire District	4	208,119	0	0	0	0	0
233	Mount Lemmon Fire District	1	49,926	0	0	0	0	0
234	Yavapai Prescott Tribal Police	4	277,620	0	0	0	0	1
235	Tohono O'odham Nation Fire Dept.	9	533,794	0	0	0	0	2
236	Tohono O'odham Nation Police Dept.	24	1,885,821	0	0	3	3,645	1
237	Williamson Valley Fire District	14	1,142,330	0	0	0	0	3
238	Harquahala Fire District	0	0	0	0	0	0	0
239	Coolidge Fire Dept.	3	157,857	0	0	0	0	0
242	Central AZ. College Police Dept.	4	259,288	0	0	0	0	0
243	City of Maricopa Police Dept.	15	1,063,644	0	0	3	8,106	4
244	Oracle Fire District	3	179,313	0	0	0	0	1
245	Benson Fire Dept.	0	0	0	0	0	0	0
246	Desert Hills Fire Dept.	4	221,029	0	0	0	0	1
247	Queen Creek Fire Dept.	25	1,831,924	0	0	0	0	0
248	Sonoita Elgin Fire Dept.	6	332,812	0	0	2	6,856	3
249	Christopher-Kohl's Fire District	2	138,764	0	0	0	0	0
250	Whetstone Fire District	5	290,587	0	0	0	0	5
251	Queen Valley Fire District	0	0	0	0	0	0	0
252	Lake Mohave Ranchos Fire District	3	176,351	0	0	0	0	0
253	Huachuca City Police Dept.	1	52,603	0	0	0	0	0
254	Palominas Fire District	8	377,315	0	0	4	24,576	3
255	Sun Sites Pearce Fire District	1	64,785	0	0	0	0	0
256	Ponderosa Fire District	4	291,251	0	0	0	0	1
257	Timber Mesa Fire and Medical Dist	28	1,572,770	0	0	7	33,747	2
258	Central AZ Fire and Medical	26	1,662,114	0	0	0	0	1
259	Copper Canyon Fire and Medical	16	999,112	0	0	1	5,300	0
261	Beaver Dam/Littlefield Fire Dist.	0	0	0	0	0	0	0
262	Blue Ridge Fire District	0	0	0	0	0	0	0
263	Arizona Fire & Medical Authority	26	1,655,621	0	0	0	0	0
264	Taylor Snowlake Fire & Medical	12	765,554	0	0	1	37,755	1
265	Queen Creek Police Dept.	23	1,800,188	0	0	0	0	0
	TOTAL	4,911	323,442,906	8	239,619	741	4,261,554	N/A

APPENDIX C: SUMMARY OF PENSION FUNDED STATUS BY EMPLOYER - TIERS 1 & 2

Employer Number	Employer Name	Liability (PVB)	Liability (AAL)	Assets (AVA)	Assets (MV)	Unfunded (AAL - AVA)	Unfunded (AAL - MV)	Funded Percent (AVA/AAL)	Funded Percent (MV/AAL)
001	Bisbee Fire Dept.	13,222,671	11,959,374	11,751,027	11,439,599	208,347	519,775	98.3%	95.7%
002	Casa Grande Fire Dept.	54,914,938	48,514,743	49,434,865	48,124,733	(920,122)	390,010	101.9%	99.2%
003	Casa Grande Police Dept.	73,660,029	68,311,918	68,479,037	66,664,193	(167,119)	1,647,725	100.2%	97.6%
004	Chandler Fire Dept.	235,479,153	205,948,576	162,284,915	157,984,011	43,663,661	47,964,565	78.8%	76.7%
005	Chandler Police Dept.	382,335,370	344,904,006	252,106,973	245,425,588	92,797,033	99,478,418	73.1%	71.2%
006	Clifton Fire Dept.	275,840	275,840	56,287	54,795	219,553	221,045	20.4%	19.9%
007	Dept. of Public Safety	1,573,986,435	1,439,873,271	1,432,167,805	1,394,212,232	7,705,466	45,661,039	99.5%	96.8%
008	Douglas Fire Dept.	22,158,578	19,888,669	19,940,751	19,412,278	(52,082)	476,391	100.3%	97.6%
009	Douglas Police Dept.	31,222,776	29,029,236	29,329,686	28,552,385	(300,450)	476,851	101.0%	98.4%
010	Flagstaff Fire Dept.	116,633,194	106,734,412	113,744,796	110,730,311	(7,010,384)	(3,995,899)	106.6%	103.7%
011	Flagstaff Police Dept.	105,186,903	98,418,393	102,004,419	99,301,079	(3,586,026)	(882,686)	103.6%	100.9%
012	Glendale Fire Dept.	299,839,575	260,498,743	240,412,114	234,040,668	20,086,629	26,458,075	92.3%	89.8%
013	Glendale Police Dept.	477,406,587	428,956,960	390,081,605	379,743,591	38,875,355	49,213,369	90.9%	88.5%
014	Globe Fire Dept.	12,374,650	11,088,030	7,583,726	7,382,741	3,504,304	3,705,289	68.4%	66.6%
015	Kingman Fire Dept.	43,309,835	39,095,190	39,898,726	38,841,323	(803,536)	253,867	102.1%	99.4%
016	Maricopa County Sheriff's Office	767,170,605	711,278,037	384,003,854	373,826,914	327,274,183	337,451,123	54.0%	52.6%
017	Mesa Fire Dept.	575,705,225	506,210,667	259,958,328	253,068,865	246,252,339	253,141,802	51.4%	50.0%
018	Mesa Police Dept.	1,027,684,825	940,954,891	467,287,415	454,903,279	473,667,476	486,051,612	49.7%	48.3%
020	Nogales Fire Dept.	36,664,376	34,353,985	16,457,819	16,021,651	17,896,166	18,332,334	47.9%	46.6%
021	Phoenix Fire Dept.	2,448,874,373	2,163,385,977	971,671,898	945,920,472	1,191,714,079	1,217,465,505	44.9%	43.7%
022	Phoenix Police Dept.	4,268,783,124	3,975,533,736	1,671,512,140	1,627,213,420	2,304,021,596	2,348,320,316	42.0%	40.9%
023	Prescott Fire Dept.	90,965,390	84,709,505	78,172,602	76,100,857	6,536,903	8,608,648	92.3%	89.8%
024	Prescott Police Dept.	70,493,619	65,376,819	63,319,429	61,641,326	2,057,390	3,735,493	96.9%	94.3%
025	Scottsdale Police Dept.	484,932,320	440,579,491	283,808,091	276,286,557	156,771,400	164,292,934	64.4%	62.7%
026	Sierra Vista Fire Dept.	43,799,173	38,824,148	23,721,087	23,092,426	15,103,061	15,731,722	61.1%	59.5%
027	Tempe Fire Dept.	269,203,721	238,054,955	226,352,689	220,353,849	11,702,266	17,701,106	95.1%	92.6%
028	Tempe Police Dept.	452,875,370	408,183,406	390,000,417	379,664,555	18,182,989	28,518,851	95.5%	93.0%
029	Tucson Fire	776,782,928	702,690,555	245,097,490	238,601,872	457,593,065	464,088,683	34.9%	34.0%
030	Tucson Police	1,162,643,284	1,098,622,413	383,101,183	372,948,165	715,521,230	725,674,248	34.9%	33.9%
031	Winslow Fire Dept.	4,731,145	3,803,861	8,639,391	8,410,428	(4,835,530)	(4,606,567)	227.1%	221.1%
032	Yuma Fire Dept.	124,712,732	112,231,898	112,288,976	109,313,073	(57,078)	2,918,825	100.1%	97.4%
033	Yuma Police Dept.	148,948,021	138,526,771	138,731,014	135,054,339	(204,243)	3,472,432	100.1%	97.5%
034	Yuma County Sheriff's Dept.	56,003,140	50,337,730	52,701,676	51,304,967	(2,363,946)	(967,237)	104.7%	101.9%
035	Game and Fish Dept.	145,961,645	139,644,580	141,214,281	137,471,794	(1,569,701)	2,172,786	101.1%	98.4%
036	Sierra Vista Police Dept.	58,884,984	55,353,147	29,477,929	28,696,700	25,875,218	26,656,447	53.3%	51.8%
037	Benson Police Dept.	7,556,680	6,826,826	3,652,971	3,556,159	3,173,855	3,270,667	53.5%	52.1%
038	Bisbee Police Dept.	11,303,387	11,186,916	10,838,265	10,551,027	348,651	635,889	96.9%	94.3%

Employer Number	Employer Name	Liability (PVB)	Liability (AAL)	Assets (AVA)	Assets (MV)	Unfunded (AAL - AVA)	Unfunded (AAL - MV)	Funded Percent (AVA/AAL)	Funded Percent (MV/AAL)
039	Pima County Sheriff's Dept.	501,616,015	472,478,725	414,222,176	403,244,384	58,256,549	69,234,341	87.7%	85.3%
040	Kingman Police Dept.	40,084,629	37,345,222	38,825,232	37,796,279	(1,480,010)	(451,057)	104.0%	101.2%
041	ASU Campus Police	60,912,336	53,445,339	52,961,185	51,557,598	484,154	1,887,741	99.1%	96.5%
042	Lake Havasu City Fire Dept.	82,882,620	74,828,604	38,227,765	37,214,646	36,600,839	37,613,958	51.1%	49.7%
043	Mohave County Sheriff's Dept.	61,120,696	55,952,708	30,060,082	29,263,424	25,892,626	26,689,284	53.7%	52.3%
044	Bullhead City Fire Dept.	76,962,259	68,958,805	63,255,448	61,579,041	5,703,357	7,379,764	91.7%	89.3%
045	U of A Campus Police	44,567,974	41,150,972	39,890,830	38,833,636	1,260,142	2,317,336	96.9%	94.4%
046	Cochise County Sheriff's Dept.	67,464,593	63,155,453	30,289,153	29,486,424	32,866,300	33,669,029	48.0%	46.7%
047	Safford Police Dept.	22,074,514	20,683,952	19,179,741	18,671,436	1,504,211	2,012,516	92.7%	90.3%
049	Drexel Heights Fire District	51,979,307	45,156,146	31,811,656	30,968,578	13,344,490	14,187,568	70.4%	68.6%
050	Winslow Police Dept.	15,041,352	13,379,289	7,875,261	7,666,549	5,504,028	5,712,740	58.9%	57.3%
051	Payson Fire Dept.	22,261,911	19,214,497	12,248,330	11,923,723	6,966,167	7,290,774	63.7%	62.1%
052	Payson Police Dept.	23,943,104	22,636,159	10,759,936	10,474,774	11,876,223	12,161,385	47.5%	46.3%
053	Northern AZ. Consolidated Fire District #	11,543,963	10,613,704	10,264,588	9,992,554	349,116	621,150	96.7%	94.1%
054	Fry Fire District	38,621,549	33,425,968	31,928,994	31,082,806	1,496,974	2,343,162	95.5%	93.0%
055	Fredonia Marshals	686,273	686,273	853,340	830,725	(167,067)	(144,452)	124.3%	121.0%
056	NAU Campus Police	16,002,442	14,919,585	14,524,233	14,139,309	395,352	780,276	97.4%	94.8%
058	South Tucson Fire Dept.	4,802,998	4,802,998	1,964,909	1,912,835	2,838,089	2,890,163	40.9%	39.8%
059	Avondale Fire Dept.	62,602,265	49,197,367	38,010,444	37,003,084	11,186,923	12,194,283	77.3%	75.2%
060	Parker Police Dept.	6,090,593	5,293,733	3,830,116	3,728,610	1,463,617	1,565,123	72.4%	70.4%
061	Coconino County Sheriff's Dept.	59,179,652	54,673,356	59,065,937	57,500,561	(4,392,581)	(2,827,205)	108.0%	105.2%
064	Buckskin Fire District	11,103,986	9,892,290	9,552,074	9,298,923	340,216	593,367	96.6%	94.0%
065	Snowflake Police Dept.	7,501,872	6,887,229	3,492,462	3,399,904	3,394,767	3,487,325	50.7%	49.4%
066	Cottonwood Police Dept.	25,695,214	23,431,347	23,740,151	23,110,985	(308,804)	320,362	101.3%	98.6%
067	Lake Havasu City Police Dept.	78,917,469	73,160,777	34,339,062	33,429,002	38,821,715	39,731,775	46.9%	45.7%
069	South Tucson Police Dept.	10,742,318	10,510,456	159,341	155,118	10,351,115	10,355,338	1.5%	1.5%
070	Apache Junction Police Dept.	53,176,090	48,199,796	20,310,413	19,772,143	27,889,383	28,427,653	42.1%	41.0%
071	Navajo County Sheriff's Dept.	23,848,358	21,601,812	22,459,921	21,864,684	(858,109)	(262,872)	104.0%	101.2%
072	Mohave Valley Fire District	15,599,736	13,265,104	11,358,693	11,057,663	1,906,411	2,207,441	85.6%	83.4%
073	Peoria Fire Dept.	181,456,203	144,049,550	111,060,761	108,117,408	32,988,789	35,932,142	77.1%	75.1%
074	Peoria Police Dept.	197,907,408	171,789,337	131,292,347	127,812,813	40,496,990	43,976,524	76.4%	74.4%
076	Paradise Valley Police Dept.	49,283,462	44,519,899	40,323,332	39,254,676	4,196,567	5,265,223	90.6%	88.2%
077	Willcox Police Dept.	8,178,124	7,507,139	7,616,577	7,414,721	(109,438)	92,418	101.5%	98.8%
078	Show Low Police Dept.	26,437,893	23,832,247	23,304,350	22,686,734	527,897	1,145,513	97.8%	95.2%
079	Eloy Police Dept.	18,457,739	16,337,509	15,897,945	15,476,615	439,564	860,894	97.3%	94.7%
080	Nogales Police Dept.	41,669,219	39,686,030	21,757,448	21,180,828	17,928,582	18,505,202	54.8%	53.4%
081	Gilbert Police Dept.	223,277,015	189,998,178	173,019,557	168,434,161	16,978,621	21,564,017	91.1%	88.7%
083	Clifton Police Dept.	1,799,356	1,511,805	1,093,555	1,064,573	418,250	447,232	72.3%	70.4%
085	Coolidge Police Dept.	17,911,339	16,767,464	16,603,516	16,163,487	163,948	603,977	99.0%	96.4%
086	Holbrook Police Dept.	11,113,402	10,616,647	4,497,003	4,377,823	6,119,644	6,238,824	42.4%	41.2%
087	Santa Cruz County Sheriff's Dept.	23,040,785	21,461,448	19,364,126	18,850,934	2,097,322	2,610,514	90.2%	87.8%

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088	Prescott Valley Police Dept.	48,894,548	43,375,331	34,900,712	33,975,767	8,474,619	9,399,564	80.5%	78.3%
089	Eagar Police Dept.	6,148,033	5,543,609	2,535,381	2,468,188	3,008,228	3,075,421	45.7%	44.5%
090	Tolleson Police Dept.	21,206,708	18,483,290	16,101,541	15,674,815	2,381,749	2,808,475	87.1%	84.8%
091	Florence Police Dept.	10,956,555	9,717,191	9,644,804	9,389,196	72,387	327,995	99.3%	96.6%
092	Springerville Police Dept.	3,955,128	3,625,217	2,017,855	1,964,377	1,607,362	1,660,840	55.7%	54.2%
093	El Mirage Police Dept.	35,341,090	30,456,250	21,376,795	20,810,263	9,079,455	9,645,987	70.2%	68.3%
094	Superior Police Dept.	2,694,102	2,286,090	1,692,457	1,647,603	593,633	638,487	74.0%	72.1%
095	San Luis Police Dept.	18,060,009	15,362,094	15,426,307	15,017,476	(64,213)	344,618	100.4%	97.8%
096	Page Police Dept.	9,812,358	8,762,437	8,955,241	8,717,908	(192,804)	44,529	102.2%	99.5%
097	Page Fire Dept.	5,052,213	3,667,254	3,907,554	3,803,995	(240,300)	(136,741)	106.6%	103.7%
098	Yavapai County Sheriff's Dept.	89,978,490	83,666,610	55,693,526	54,217,526	27,973,084	29,449,084	66.6%	64.8%
100	Pima Police Dept.	1,280,806	812,398	1,110,789	1,081,351	(298,391)	(268,953)	136.7%	133.1%
101	Apache County Sheriff's Dept.	19,695,614	18,746,174	18,886,098	18,385,575	(139,924)	360,599	100.7%	98.1%
102	Cottonwood Fire Dept.	15,824,556	13,706,115	14,203,271	13,826,853	(497,156)	(120,738)	103.6%	100.9%
103	La Paz County Sheriff's Dept.	23,561,007	22,409,435	8,299,582	8,079,625	14,109,853	14,329,810	37.0%	36.1%
104	Pinal County Sheriff's Dept.	170,902,759	149,605,809	151,801,033	147,777,974	(2,195,224)	1,827,835	101.5%	98.8%
105	Clarkdale Police Dept.	4,727,038	4,173,858	2,982,297	2,903,260	1,191,561	1,270,598	71.5%	69.6%
106	Buckeye Police Dept.	64,554,449	52,970,190	38,081,445	37,072,204	14,888,745	15,897,986	71.9%	70.0%
107	Marana Police Dept.	58,152,587	48,698,915	31,926,417	31,080,297	16,772,498	17,618,618	65.6%	63.8%
108	Tolleson Fire Dept.	25,702,013	21,730,133	18,934,503	18,432,697	2,795,630	3,297,436	87.1%	84.8%
109	Chino Valley Police Dept.	12,565,369	11,214,803	8,782,108	8,549,363	2,432,695	2,665,440	78.3%	76.2%
110	Surprise Police Dept.	114,978,093	96,473,442	65,172,643	63,445,426	31,300,799	33,028,016	67.6%	65.8%
111	Wellton Police Dept.	3,736,370	3,393,520	3,545,777	3,451,806	(152,257)	(58,286)	104.5%	101.7%
112	Gila County Sheriff's Dept.	25,647,538	23,657,550	24,455,805	23,807,673	(798,255)	(150,123)	103.4%	100.6%
113	Pinetop-Lakeside Police Dept.	9,795,198	9,396,143	8,945,144	8,708,078	450,999	688,065	95.2%	92.7%
114	Bullhead City Police Dept.	68,327,737	63,354,338	31,792,668	30,950,093	31,561,670	32,404,245	50.2%	48.9%
115	Williams Police Dept.	4,350,939	3,896,643	2,785,800	2,711,970	1,110,843	1,184,673	71.5%	69.6%
116	Miami Police Dept.	3,769,949	3,708,287	1,820,839	1,772,583	1,887,448	1,935,704	49.1%	47.8%
117	Thatcher Police Dept.	10,770,285	9,962,843	7,982,953	7,771,387	1,979,890	2,191,456	80.1%	78.0%
118	Youngtown Police Dept.	1,410,511	1,410,511	529,473	515,441	881,038	895,070	37.5%	36.5%
119	Dept. of Emer & Military Aff	24,947,570	22,577,379	21,952,049	21,370,272	625,330	1,207,107	97.2%	94.7%
120	Surprise Fire Dept.	120,622,401	93,962,761	74,960,080	72,973,474	19,002,681	20,989,287	79.8%	77.7%
121	Camp Verde Marshals	8,716,259	8,081,733	8,428,062	8,204,700	(346,329)	(122,967)	104.3%	101.5%
122	Oro Valley Police Dept.	84,862,211	76,438,334	77,967,201	75,900,900	(1,528,867)	537,434	102.0%	99.3%
123	Greenlee County Sheriff's Dept.	10,497,084	9,697,884	7,771,970	7,565,996	1,925,914	2,131,888	80.1%	78.0%
124	Tucson Airport Authority Fire Dept.	22,430,915	20,538,606	18,847,435	18,347,937	1,691,171	2,190,669	91.8%	89.3%
125	Tucson Airport Authority Police Dept.	26,150,829	23,493,843	22,415,389	21,821,332	1,078,454	1,672,511	95.4%	92.9%
126	Wickenburg Police Dept.	9,657,241	8,381,590	8,224,585	8,006,616	157,005	374,974	98.1%	95.5%
127	El Mirage Fire Dept.	17,347,453	12,222,610	11,209,041	10,911,977	1,013,569	1,310,633	91.7%	89.3%
128	Patagonia Marshals	1,488,732	1,488,732	950,916	925,715	537,816	563,017	63.9%	62.2%
129	Sedona Police Dept.	19,104,793	17,111,182	11,923,877	11,607,868	5,187,305	5,503,314	69.7%	67.8%

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130	Mammoth Police Dept.	1,739,364	1,370,878	616,175	599,845	754,703	771,033	44.9%	43.8%
131	Globe Police Dept.	13,204,905	12,375,810	8,031,491	7,818,639	4,344,319	4,557,171	64.9%	63.2%
132	Tombstone Marshals	815,746	583,732	1,578,779	1,536,938	(995,047)	(953,206)	270.5%	263.3%
133	Golder Ranch Fire District	118,741,315	91,945,157	91,684,897	89,255,047	260,260	2,690,110	99.7%	97.1%
134	Fort Mojave Mesa Fire District	27,518,296	24,968,673	23,476,457	22,854,280	1,492,216	2,114,393	94.0%	91.5%
136	Goodyear Fire Dept.	90,708,435	73,323,809	71,123,230	69,238,309	2,200,579	4,085,500	97.0%	94.4%
137	Goodyear Police Dept.	91,831,732	73,733,272	64,969,296	63,247,468	8,763,976	10,485,804	88.1%	85.8%
139	Avondale Police Dept.	83,558,693	68,920,526	46,734,502	45,495,936	22,186,024	23,424,590	67.8%	66.0%
140	Graham County Sheriff's Dept.	11,719,845	10,641,395	9,499,185	9,247,436	1,142,210	1,393,959	89.3%	86.9%
142	Golden Valley Fire District	11,101,725	9,008,893	7,056,182	6,869,178	1,952,711	2,139,715	78.3%	76.2%
143	Daisy Mountain Fire District	75,137,752	62,072,252	58,993,551	57,430,093	3,078,701	4,642,159	95.0%	92.5%
144	Quartzsite Police Dept.	4,192,298	3,858,205	3,578,062	3,483,236	280,143	374,969	92.7%	90.3%
145	Picture Rocks Fire District	7,713,951	6,779,726	5,008,347	4,875,615	1,771,379	1,904,111	73.9%	71.9%
146	Pima County Comm. College Police	17,188,650	15,314,049	10,015,951	9,750,506	5,298,098	5,563,543	65.4%	63.7%
147	Northwest Fire District	170,982,267	147,739,708	101,741,743	99,045,365	45,997,965	48,694,343	68.9%	67.0%
148	Superstition Fire and Medical District	83,570,049	74,195,707	72,096,500	70,185,785	2,099,207	4,009,922	97.2%	94.6%
149	Gilbert Fire Dept.	172,712,490	139,835,987	125,036,275	121,722,541	14,799,712	18,113,446	89.4%	87.0%
150	Pine-Strawberry Fire District	14,717,652	12,828,291	7,371,202	7,175,849	5,457,089	5,652,442	57.5%	55.9%
151	Attorney General Invest.	23,021,080	21,334,007	21,518,779	20,948,484	(184,772)	385,523	100.9%	98.2%
153	St. Johns Police Dept.	3,140,448	2,839,418	1,917,201	1,866,391	922,217	973,027	67.5%	65.7%
154	Pima County Attorney Invest.	4,768,202	4,602,813	3,089,821	3,007,934	1,512,992	1,594,879	67.1%	65.3%
156	Kearny Police Dept.	3,075,496	2,776,621	1,776,089	1,729,019	1,000,532	1,047,602	64.0%	62.3%
158	Navajo County Attorney Invest.	614,950	614,950	143,227	139,431	471,723	475,519	23.3%	22.7%
162	Avra Valley Fire District	10,660,146	8,023,853	7,774,944	7,568,891	248,909	454,962	96.9%	94.3%
163	San Luis Fire Dept.	14,359,664	11,411,937	11,992,648	11,674,817	(580,711)	(262,880)	105.1%	102.3%
164	AZ Dept. Liq. Lic. & Control Invest.	14,328,336	13,653,659	13,932,767	13,563,518	(279,108)	90,141	102.0%	99.3%
165	Maricopa County Attorney Invest.	13,936,193	13,395,828	11,947,452	11,630,818	1,448,376	1,765,010	89.2%	86.8%
166	Sedona Fire District	75,808,557	66,074,004	40,915,928	39,831,567	25,158,076	26,242,437	61.9%	60.3%
167	Guadalupe Fire Dept.	4,869,466	3,746,522	2,261,627	2,201,689	1,484,895	1,544,833	60.4%	58.8%
168	Mayer Fire District	8,304,840	7,296,646	4,980,815	4,848,813	2,315,831	2,447,833	68.3%	66.5%
169	Somerton Police Dept.	8,979,510	8,550,762	5,439,222	5,295,071	3,111,540	3,255,691	63.6%	61.9%
171	Somerton Fire Dept.	8,109,129	6,949,264	5,556,365	5,409,109	1,392,899	1,540,155	80.0%	77.8%
172	Tubac Fire District	13,403,069	11,613,223	8,711,005	8,480,144	2,902,218	3,133,079	75.0%	73.0%
174	Sahuarita Police Dept.	25,505,973	20,177,250	20,652,309	20,104,978	(475,059)	72,272	102.4%	99.6%
176	Florence Fire Dept.	13,824,810	11,126,009	11,203,497	10,906,580	(77,488)	219,429	100.7%	98.0%
177	Sun City Fire District	78,237,736	69,554,615	65,464,559	63,729,605	4,090,056	5,825,010	94.1%	91.6%
178	Hayden Police Dept.	1,173,972	890,891	2,642,603	2,572,568	(1,751,712)	(1,681,677)	296.6%	288.8%
179	Gila River Fire Dept.	35,528,622	28,796,074	24,708,288	24,053,464	4,087,786	4,742,610	85.8%	83.5%
180	Gila River Police Dept.	46,747,234	38,939,488	36,938,302	35,959,356	2,001,186	2,980,132	94.9%	92.3%

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181	Salt River Pima-Maricopa Fire	84,012,866	68,161,652	49,715,240	48,397,678	18,446,412	19,763,974	72.9%	71.0%
182	Salt River Pima-Maricopa Police	84,186,455	68,384,961	47,587,478	46,326,306	20,797,483	22,058,655	69.6%	67.7%
185	Pinetop Fire District	23,122,919	20,383,945	19,524,623	19,007,178	859,322	1,376,767	95.8%	93.2%
187	Yavapai County Attorney Invest.	1,147,931	1,147,931	137,890	134,236	1,010,041	1,013,695	12.0%	11.7%
188	Three Points Fire District	7,505,214	6,598,657	5,363,241	5,221,103	1,235,416	1,377,554	81.3%	79.1%
190	Buckeye Fire Dept.	66,474,804	49,419,516	46,260,552	45,034,546	3,158,964	4,384,970	93.6%	91.1%
192	Heber-Overgaard Fire District	6,817,894	5,745,185	4,926,242	4,795,686	818,943	949,499	85.7%	83.5%
193	Hellsgate Fire District	5,692,450	4,695,801	4,349,877	4,234,596	345,924	461,205	92.6%	90.2%
194	Green Valley Fire District	50,290,997	41,786,013	25,796,204	25,112,548	15,989,809	16,673,465	61.7%	60.1%
195	Summit Fire District	23,599,818	20,746,584	20,525,035	19,981,077	221,549	765,507	98.9%	96.3%
197	Fort McDowell Tribal Fire Dept.	5,147,280	4,127,849	3,993,731	3,887,888	134,118	239,961	96.8%	94.2%
198	Fort McDowell Tribal Police Dept.	9,969,443	9,185,536	8,404,792	8,182,047	780,744	1,003,489	91.5%	89.1%
199	Highlands Fire District	19,182,808	16,243,109	16,936,675	16,487,816	(693,566)	(244,707)	104.3%	101.5%
200	Rio Rico Fire District	11,656,296	8,825,823	8,525,745	8,299,794	300,078	526,029	96.6%	94.0%
201	Tri-City Fire District	10,994,757	9,020,333	7,032,676	6,846,295	1,987,657	2,174,038	78.0%	75.9%
202	Maricopa County Park Rangers	2,037,020	2,037,020	1,521,185	1,480,870	515,835	556,150	74.7%	72.7%
203	Verde Valley Fire District	26,437,269	22,289,269	22,699,288	22,097,707	(410,019)	191,562	101.8%	99.1%
204	AZ. State Park Rangers	19,312,567	18,992,086	19,042,705	18,538,032	(50,619)	454,054	100.3%	97.6%
206	Hualapai Indian Tribe Police Dept.	5,680,958	4,853,013	4,046,277	3,939,042	806,736	913,971	83.4%	81.2%
207	Pinewood Fire District	14,212,786	11,207,000	6,656,958	6,480,534	4,550,042	4,726,466	59.4%	57.8%
208	Rincon Valley Fire District	18,535,408	13,598,764	11,310,110	11,010,367	2,288,654	2,588,397	83.2%	81.0%
210	Jerome Police Dept.	1,406,579	1,260,379	1,148,492	1,118,054	111,887	142,325	91.1%	88.7%
211	Fort Mojave Tribal Police Dept.	7,943,550	6,380,960	6,177,345	6,013,632	203,615	367,328	96.8%	94.2%
212	Buckeye Valley Fire District	36,643,577	26,126,672	21,355,565	20,789,596	4,771,107	5,337,076	81.7%	79.6%
213	Eloy Fire District	16,215,589	12,364,490	11,358,737	11,057,706	1,005,753	1,306,784	91.9%	89.4%
214	Pascua Yaqui Tribe Fire Dept.	16,701,524	14,503,746	9,300,094	9,053,621	5,203,652	5,450,125	64.1%	62.4%
215	Pascua Yaqui Tribe Police Dept.	22,646,913	19,973,535	12,487,189	12,156,251	7,486,346	7,817,284	62.5%	60.9%
216	Town of Superior Fire Dept.	1,130,718	895,384	1,123,286	1,093,516	(227,902)	(198,132)	125.5%	122.1%
217	Wickenburg Fire Dept.	5,645,892	4,579,343	4,413,384	4,296,420	165,959	282,923	96.4%	93.8%
221	Quartzsite Fire District	4,655,858	3,571,323	2,752,582	2,679,633	818,741	891,690	77.1%	75.0%
222	Rio Verde Fire District	12,001,478	10,561,301	9,389,896	9,141,043	1,171,405	1,420,258	88.9%	86.6%
223	Scottsdale Fire Dept.	216,229,508	175,460,788	150,282,036	146,299,234	25,178,752	29,161,554	85.6%	83.4%
224	Ak Chin Indian Comm. Fire Dept.	16,565,558	13,455,758	10,941,409	10,651,438	2,514,349	2,804,320	81.3%	79.2%
225	Ak Chin Indian Comm. Police Dept.	6,503,035	5,398,229	5,712,698	5,561,299	(314,469)	(163,070)	105.8%	103.0%
226	Corona De Tucson Fire District	10,100,966	6,939,599	5,337,246	5,195,797	1,602,353	1,743,802	76.9%	74.9%
227	Golden Shores Fire District	3,208,220	2,468,749	2,238,444	2,179,120	230,305	289,629	90.7%	88.3%
228	City of Maricopa Fire Dept.	40,978,537	32,978,359	29,242,404	28,467,416	3,735,955	4,510,943	88.7%	86.3%
229	Cave Creek Marshals	755,475	685,362	669,699	651,951	15,663	33,411	97.7%	95.1%

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231	San Carlos Tribal Police Dept.	12,065,368	8,701,840	7,863,774	7,655,367	838,066	1,046,473	90.4%	88.0%
232	Groom Creek Fire District	1,039,507	741,220	1,393,224	1,356,301	(652,004)	(615,081)	188.0%	183.0%
233	Mount Lemmon Fire District	2,151,745	1,761,379	1,679,469	1,634,959	81,910	126,420	95.3%	92.8%
234	Yavapai Prescott Tribal Police	2,459,449	2,046,993	1,981,222	1,928,715	65,771	118,278	96.8%	94.2%
235	Tohono O'odham Nation Fire Dept.	20,838,166	17,616,497	13,804,807	13,438,949	3,811,690	4,177,548	78.4%	76.3%
236	Tohono O'odham Nation Police Dept.	46,273,342	41,692,610	30,969,035	30,148,288	10,723,575	11,544,322	74.3%	72.3%
237	Williamson Valley Fire District	5,150,384	3,354,327	3,514,130	3,420,998	(159,803)	(66,671)	104.8%	102.0%
238	Harquahala Fire District	5,055,356	3,369,765	3,801,207	3,700,467	(431,442)	(330,702)	112.8%	109.8%
239	Coolidge Fire Dept.	1,601,881	1,128,170	1,512,465	1,472,381	(384,295)	(344,211)	134.1%	130.5%
242	Central AZ. College Police Dept.	2,718,647	2,112,176	1,700,443	1,655,378	411,733	456,798	80.5%	78.4%
243	City of Maricopa Police Dept.	28,694,648	22,385,034	21,117,106	20,557,457	1,267,928	1,827,577	94.3%	91.8%
244	Oracle Fire District	1,993,222	1,461,842	1,252,762	1,219,561	209,080	242,281	85.7%	83.4%
245	Benson Fire Dept.	940,065	940,065	883,246	859,838	56,819	80,227	94.0%	91.5%
246	Desert Hills Fire Dept.	7,953,766	5,142,718	4,692,340	4,567,983	450,378	574,735	91.2%	88.8%
247	Queen Creek Fire Dept.	35,671,144	20,420,895	21,983,714	21,401,098	(1,562,819)	(980,203)	107.7%	104.8%
248	Sonoita Elgin Fire Dept.	2,144,572	1,900,522	1,799,822	1,752,123	100,700	148,399	94.7%	92.2%
249	Christopher-Kohl's Fire District	2,091,323	1,414,136	1,301,951	1,267,446	112,185	146,690	92.1%	89.6%
250	Whetstone Fire District	1,713,892	893,107	1,048,686	1,020,894	(155,579)	(127,787)	117.4%	114.3%
251	Queen Valley Fire District	1,006,498	869,215	725,063	705,847	144,152	163,368	83.4%	81.2%
252	Lake Mohave Ranchos Fire District	2,524,239	2,326,215	1,675,532	1,631,127	650,683	695,088	72.0%	70.1%
253	Huachuca City Police Dept.	1,820,848	1,598,399	1,285,698	1,251,624	312,701	346,775	80.4%	78.3%
254	Palominas Fire District	1,627,146	1,476,965	1,645,861	1,602,242	(168,896)	(125,277)	111.4%	108.5%
255	Sun Sites Pearce Fire District	1,760,525	1,278,909	1,450,543	1,412,100	(171,634)	(133,191)	113.4%	110.4%
256	Ponderosa Fire District	856,393	453,936	748,809	728,964	(294,873)	(275,028)	165.0%	160.6%
257	Timber Mesa Fire and Medical Dist	41,303,152	32,867,598	25,244,435	24,575,402	7,623,163	8,292,196	76.8%	74.8%
258	Central AZ Fire and Medical	122,782,632	109,388,728	99,003,580	96,379,769	10,385,148	13,008,959	90.5%	88.1%
259	Copper Canyon Fire and Medical	23,287,042	18,429,680	18,462,042	17,972,758	(32,362)	456,922	100.2%	97.5%
261	Beaver Dam/Littlefield Fire Dist.	793,880	736,943	597,867	582,022	139,076	154,921	81.1%	79.0%
262	Blue Ridge Fire District	1,355,820	894,721	382,201	372,072	512,520	522,649	42.7%	41.6%
263	Arizona Fire & Medical Authority	116,770,524	97,429,021	90,553,489	88,153,624	6,875,532	9,275,397	92.9%	90.5%
264	Taylor Snowlake Fire & Medical	0	0	0	0	0	0	100.0%	100.0%
265	Queen Creek Police Dept.	9,863,839	1,141,666	1,519,154	1,478,893	(377,488)	(337,227)	133.1%	129.5%
	Unallocated and Former Employers	0	0	290,410	282,713	(290,410)	(282,713)		
	TOTAL	22,839,134,704	20,508,346,948	13,397,869,480	13,042,796,696	7,110,477,468	7,465,550,252	65.3%	63.6%

APPENDIX D: SUMMARY OF PENSION FUNDED STATUS BY EMPLOYER – TIER 3

Employer Number	Employer Name	Liability (PVB)	Liability (AAL)	Assets (AVA)	Assets (MV)	Unfunded (AAL - AVA)	Unfunded (AAL - MV)	Funded Percent (AVA/AAL)	Funded Percent (MV/AAL)
004	Chandler Fire Dept.	12,255,554	1,533,717	1,728,689	1,696,968	(194,972)	(163,251)	112.7%	110.6%
005	Chandler Police Dept.	16,601,018	2,584,695	2,814,150	2,762,511	(229,455)	(177,816)	108.9%	106.9%
007	Dept. of Public Safety	43,242,502	6,840,543	6,859,060	6,733,198	(18,517)	107,345	100.3%	98.4%
012	Glendale Fire Dept.	10,759,017	953,275	990,245	972,074	(36,970)	(18,799)	103.9%	102.0%
013	Glendale Police Dept.	16,295,476	2,702,133	2,794,763	2,743,480	(92,630)	(41,347)	103.4%	101.5%
016	Maricopa County Sheriff's Office	31,271,987	5,258,529	5,840,618	5,733,444	(582,089)	(474,915)	111.1%	109.0%
017	Mesa Fire Dept.	26,373,912	2,547,933	2,702,886	2,653,289	(154,953)	(105,356)	106.1%	104.1%
018	Mesa Police Dept.	46,526,366	6,585,841	7,422,385	7,286,186	(836,544)	(700,345)	112.7%	110.6%
021	Phoenix Fire Dept.	78,489,667	9,995,912	10,743,385	10,546,247	(747,473)	(550,335)	107.5%	105.5%
022	Phoenix Police Dept.	116,140,569	22,595,689	25,356,675	24,891,387	(2,760,986)	(2,295,698)	112.2%	110.2%
025	Scottsdale Police Dept.	16,428,090	2,532,270	3,175,063	3,116,801	(642,793)	(584,531)	125.4%	123.1%
027	Tempe Fire Dept.	8,121,943	1,127,000	1,221,820	1,199,400	(94,820)	(72,400)	108.4%	106.4%
028	Tempe Police Dept.	12,851,299	1,678,282	1,815,583	1,782,268	(137,301)	(103,986)	108.2%	106.2%
029	Tucson Fire	13,946,747	2,116,703	2,215,664	2,175,007	(98,961)	(58,304)	104.7%	102.8%
030	Tucson Police	29,887,201	6,507,533	6,487,664	6,368,617	19,869	138,916	99.7%	97.9%
039	Pima County Sheriff's Dept.	19,933,228	3,731,637	3,427,074	3,364,188	304,563	367,449	91.8%	90.2%
179	Gila River Fire Dept.	2,973,669	483,575	503,376	494,139	(19,801)	(10,564)	104.1%	102.2%
180	Gila River Police Dept.	4,567,863	1,029,310	1,232,711	1,210,091	(203,401)	(180,781)	119.8%	117.6%
223	Scottsdale Fire Dept.	16,828,868	2,023,236	2,158,674	2,119,063	(135,438)	(95,827)	106.7%	104.7%
	Risk Sharing	407,742,294	68,939,204	76,171,857	74,774,123	(7,232,653)	(5,834,919)	110.5%	108.5%
	Unallocated	0	0	0	0	0	0		
	TOTAL	931,237,270	151,767,017	165,662,342	162,622,481	(13,895,325)	(10,855,464)	109.2%	107.2%

APPENDIX E: SUMMARY OF PENSION CONTRIBUTION BY EMPLOYER - TIERS 1 & 2

Employer Number	Employer Name	ER NC%	UAAL Pmt %	Amortization Period	Calculated ER Cont.	Required ER Cont.
001	Bisbee Fire Dept.	14.83%	1.18%	24	16.01%	16.01%
002	Casa Grande Fire Dept.	12.45%	0.00%	15	12.45%	12.45%
003	Casa Grande Police Dept.	9.74%	0.00%	15	9.74%	9.74%
004	Chandler Fire Dept.	16.80%	21.34%	15	38.14%	38.14%
005	Chandler Police Dept.	13.56%	31.16%	15	44.72%	44.72%
006	Clifton Fire Dept.	0.00%	0.00%	15	0.00%	8.00%
007	Dept. of Public Safety	12.98%	2.00%	15	14.98%	14.98%
008	Douglas Fire Dept.	13.65%	0.00%	15	13.65%	13.65%
009	Douglas Police Dept.	10.35%	0.00%	15	10.35%	10.35%
010	Flagstaff Fire Dept.	12.86%	0.00%	15	12.86%	12.86%
011	Flagstaff Police Dept.	9.97%	0.00%	25	9.97%	9.97%
012	Glendale Fire Dept.	16.80%	10.50%	15	27.30%	27.30%
013	Glendale Police Dept.	13.86%	12.15%	15	26.01%	26.01%
014	Globe Fire Dept.	13.29%	29.83%	15	43.12%	43.12%
015	Kingman Fire Dept.	13.28%	0.00%	15	13.28%	13.28%
016	Maricopa County Sheriff's Office	13.12%	62.59%	15	75.71%	75.71%
017	Mesa Fire Dept.	16.25%	44.10%	24	60.35%	60.35%
018	Mesa Police Dept.	13.61%	46.00%	24	59.61%	59.61%
020	Nogales Fire Dept.	15.25%	68.94%	15	84.19%	84.19%
021	Phoenix Fire Dept.	16.79%	51.76%	24	68.55%	68.55%
022	Phoenix Police Dept.	14.02%	68.30%	24	82.32%	82.32%
023	Prescott Fire Dept.	12.79%	12.47%	15	25.26%	25.26%
024	Prescott Police Dept.	11.14%	3.38%	15	14.52%	14.52%
025	Scottsdale Police Dept.	13.78%	45.17%	15	58.95%	58.95%
026	Sierra Vista Fire Dept.	14.26%	41.15%	15	55.41%	55.41%
027	Tempe Fire Dept.	16.65%	8.22%	15	24.87%	24.87%
028	Tempe Police Dept.	14.29%	7.91%	15	22.20%	22.20%
029	Tucson Fire	13.17%	62.96%	24	76.13%	76.13%
030	Tucson Police	10.55%	81.96%	24	92.51%	92.51%
031	Winslow Fire Dept.	12.78%	(12.78%)	10	0.00%	0.00%
032	Yuma Fire Dept.	13.76%	0.20%	15	13.96%	13.96%
033	Yuma Police Dept.	10.15%	0.07%	15	10.22%	10.22%
034	Yuma County Sheriff's Dept.	10.17%	0.00%	15	10.17%	10.17%
035	Game and Fish Dept.	9.61%	0.00%	15	9.61%	9.61%
036	Sierra Vista Police Dept.	9.85%	58.01%	15	67.86%	67.86%
037	Benson Police Dept.	9.88%	40.81%	15	50.69%	50.69%
038	Bisbee Police Dept.	9.85%	6.01%	24	15.86%	15.86%
039	Pima County Sheriff's Dept.	10.56%	20.03%	15	30.59%	30.59%
040	Kingman Police Dept.	10.06%	0.00%	15	10.06%	10.06%
041	ASU Campus Police	13.86%	2.62%	15	16.48%	16.48%
042	Lake Havasu City Fire Dept.	12.83%	58.27%	15	71.10%	71.10%
043	Mohave County Sheriff's Dept.	11.00%	42.40%	15	53.40%	53.40%
044	Bullhead City Fire Dept.	13.64%	11.98%	15	25.62%	25.62%
045	U of A Campus Police	10.62%	4.37%	15	14.99%	14.99%
046	Cochise County Sheriff's Dept.	10.58%	42.55%	24	53.13%	53.13%
047	Safford Police Dept.	11.01%	9.84%	24	20.85%	20.85%
049	Drexel Heights Fire District	13.14%	25.79%	15	38.93%	38.93%
050	Winslow Police Dept.	14.82%	36.77%	15	51.59%	51.59%

Employer Number	Employer Name	ER NC%	UAAL Pmt %	Amortization Period	Calculated ER Cont.	Required ER Cont.
051	Payson Fire Dept.	13.19%	25.87%	15	39.06%	39.06%
052	Payson Police Dept.	10.59%	62.23%	15	72.82%	72.82%
053	Northern AZ. Consolidated Fire District #1	17.40%	4.37%	15	21.77%	21.77%
054	Fry Fire District	16.66%	5.04%	25	21.70%	21.70%
055	Fredonia Marshals	0.00%	0.00%	10	0.00%	0.00%
056	NAU Campus Police	9.73%	4.08%	15	13.81%	13.81%
058	South Tucson Fire Dept.	0.00%	0.00%	24	0.00%	8.00%
059	Avondale Fire Dept.	17.09%	14.74%	15	31.83%	31.83%
060	Parker Police Dept.	14.09%	20.16%	15	34.25%	34.25%
061	Coconino County Sheriff's Dept.	9.65%	0.00%	15	9.65%	9.65%
064	Buckskin Fire District	12.05%	6.58%	15	18.63%	18.63%
065	Snowflake Police Dept.	9.81%	46.50%	15	56.31%	56.31%
066	Cottonwood Police Dept.	10.75%	0.00%	15	10.75%	10.75%
067	Lake Havasu City Police Dept.	10.44%	59.75%	15	70.19%	70.19%
069	South Tucson Police Dept.	10.12%	142.95%	24	153.07%	153.07%
070	Apache Junction Police Dept.	10.33%	53.82%	15	64.15%	64.15%
071	Navajo County Sheriff's Dept.	8.99%	0.00%	15	8.99%	8.99%
072	Mohave Valley Fire District	17.45%	10.48%	15	27.93%	27.93%
073	Peoria Fire Dept.	16.98%	17.64%	15	34.62%	34.62%
074	Peoria Police Dept.	14.17%	21.63%	15	35.80%	35.80%
076	Paradise Valley Police Dept.	14.99%	12.90%	15	27.89%	27.89%
077	Willcox Police Dept.	9.89%	0.00%	15	9.89%	9.89%
078	Show Low Police Dept.	11.46%	3.26%	15	14.72%	14.72%
079	Eloy Police Dept.	10.65%	3.88%	15	14.53%	14.53%
080	Nogales Police Dept.	11.89%	65.81%	15	77.70%	77.70%
081	Gilbert Police Dept.	14.46%	5.84%	15	20.30%	20.30%
083	Clifton Police Dept.	9.65%	20.22%	15	29.87%	29.87%
085	Coolidge Police Dept.	10.09%	2.58%	15	12.67%	12.67%
086	Holbrook Police Dept.	21.90%	90.40%	15	112.30%	112.30%
087	Santa Cruz County Sheriff's Dept.	14.72%	12.82%	15	27.54%	27.54%
088	Prescott Valley Police Dept.	10.49%	14.58%	15	25.07%	25.07%
089	Eagar Police Dept.	16.22%	85.74%	15	101.96%	101.96%
090	Tolleson Police Dept.	12.16%	10.24%	15	22.40%	22.40%
091	Florence Police Dept.	10.26%	2.87%	15	13.13%	13.13%
092	Springerville Police Dept.	21.86%	61.50%	15	83.36%	83.36%
093	El Mirage Police Dept.	14.29%	19.78%	15	34.07%	34.07%
094	Superior Police Dept.	12.20%	13.55%	15	25.75%	25.75%
095	San Luis Police Dept.	9.43%	0.00%	15	9.43%	9.43%
096	Page Police Dept.	10.94%	0.00%	15	10.94%	10.94%
097	Page Fire Dept.	12.89%	0.00%	15	12.89%	12.89%
098	Yavapai County Sheriff's Dept.	9.98%	32.81%	15	42.79%	42.79%
100	Pima Police Dept.	10.24%	0.00%	15	10.24%	10.24%
101	Apache County Sheriff's Dept.	8.74%	0.00%	15	8.74%	8.74%
102	Cottonwood Fire Dept.	12.47%	0.00%	15	12.47%	12.47%
103	La Paz County Sheriff's Dept.	12.19%	81.50%	15	93.69%	93.69%
104	Pinal County Sheriff's Dept.	12.51%	0.00%	15	12.51%	12.51%
105	Clarkdale Police Dept.	13.32%	14.31%	24	27.63%	27.63%
106	Buckeye Police Dept.	14.30%	16.48%	15	30.78%	30.78%
107	Marana Police Dept.	12.84%	23.26%	15	36.10%	36.10%
108	Tolleson Fire Dept.	16.34%	11.91%	15	28.25%	28.25%
109	Chino Valley Police Dept.	11.38%	16.72%	15	28.10%	28.10%
110	Surprise Police Dept.	14.13%	22.18%	15	36.31%	36.31%
111	Wellton Police Dept.	11.76%	0.00%	15	11.76%	11.76%

Employer Number	Employer Name	ER NC%	UAAL Pmt %	Amortization Period	Calculated ER Cont.	Required ER Cont.
112	Gila County Sheriff's Dept.	9.00%	0.00%	15	9.00%	9.00%
113	Pinetop-Lakeside Police Dept.	9.25%	5.59%	24	14.84%	14.84%
114	Bullhead City Police Dept.	9.65%	59.69%	15	69.34%	69.34%
115	Williams Police Dept.	11.99%	18.09%	15	30.08%	30.08%
116	Miami Police Dept.	23.25%	95.06%	15	118.31%	118.31%
117	Thatcher Police Dept.	10.80%	25.57%	15	36.37%	36.37%
118	Youngtown Police Dept.	0.00%	0.00%	15	0.00%	8.00%
119	Dept. of Emer & Military Aff	10.99%	4.02%	15	15.01%	15.01%
120	Surprise Fire Dept.	16.11%	13.11%	15	29.22%	29.22%
121	Camp Verde Marshals	9.74%	0.00%	15	9.74%	9.74%
122	Oro Valley Police Dept.	11.00%	0.00%	15	11.00%	11.00%
123	Greenlee County Sheriff's Dept.	12.69%	18.97%	15	31.66%	31.66%
124	Tucson Airport Authority Fire Dept.	15.46%	14.83%	15	30.29%	30.29%
125	Tucson Airport Authority Police Dept.	17.45%	7.64%	15	25.09%	25.09%
126	Wickenburg Police Dept.	10.17%	3.34%	15	13.51%	13.51%
127	El Mirage Fire Dept.	15.96%	4.21%	15	20.17%	20.17%
128	Patagonia Marshals	0.00%	0.00%	24	0.00%	8.00%
129	Sedona Police Dept.	14.91%	25.46%	15	40.37%	40.37%
130	Mammoth Police Dept.	17.56%	34.80%	15	52.36%	52.36%
131	Globe Police Dept.	13.39%	28.46%	15	41.85%	41.85%
132	Tombstone Marshals	9.08%	(9.08%)	10	0.00%	0.00%
133	Golder Ranch Fire District	13.58%	1.30%	15	14.88%	14.88%
134	Fort Mojave Mesa Fire District	13.90%	7.62%	15	21.52%	21.52%
136	Goodyear Fire Dept.	16.75%	3.08%	15	19.83%	19.83%
137	Goodyear Police Dept.	16.02%	8.30%	15	24.32%	24.32%
139	Avondale Police Dept.	14.04%	18.97%	15	33.01%	33.01%
140	Graham County Sheriff's Dept.	10.82%	6.61%	24	17.43%	17.43%
142	Golden Valley Fire District	13.39%	13.72%	15	27.11%	27.11%
143	Daisy Mountain Fire District	16.50%	3.03%	24	19.53%	19.53%
144	Quartzsite Police Dept.	9.97%	8.99%	15	18.96%	18.96%
145	Picture Rocks Fire District	13.49%	20.29%	15	33.78%	33.78%
146	Pima County Comm. College Police	12.57%	30.27%	15	42.84%	42.84%
147	Northwest Fire District	14.49%	27.06%	15	41.55%	41.55%
148	Superstition Fire and Medical District	13.15%	3.22%	24	16.37%	16.37%
149	Gilbert Fire Dept.	15.97%	8.15%	15	24.12%	24.12%
150	Pine-Strawberry Fire District	13.86%	29.15%	25	43.01%	43.01%
151	Attorney General Invest.	7.55%	0.00%	15	7.55%	8.00%
153	St. Johns Police Dept.	20.27%	25.95%	15	46.22%	46.22%
154	Pima County Attorney Invest.	6.62%	68.53%	15	75.15%	75.15%
156	Kearny Police Dept.	21.58%	37.99%	15	59.57%	59.57%
158	Navajo County Attorney Invest.	0.00%	0.00%	15	0.00%	8.00%
162	Avra Valley Fire District	13.49%	2.90%	15	16.39%	16.39%
163	San Luis Fire Dept.	12.59%	0.00%	15	12.59%	12.59%
164	AZ Dept. Liq. Lic. & Control Invest.	9.52%	0.00%	15	9.52%	9.52%
165	Maricopa County Attorney Invest.	11.43%	19.31%	15	30.74%	30.74%
166	Sedona Fire District	13.12%	32.38%	15	45.50%	45.50%
167	Guadalupe Fire Dept.	17.03%	32.28%	15	49.31%	49.31%
168	Mayer Fire District	13.00%	22.38%	15	35.38%	35.38%
169	Somerton Police Dept.	9.17%	34.08%	15	43.25%	43.25%
171	Somerton Fire Dept.	14.75%	11.03%	15	25.78%	25.78%
172	Tubac Fire District	15.07%	13.69%	25	28.76%	28.76%
174	Sahuarita Police Dept.	14.32%	0.00%	15	14.32%	14.32%
176	Florence Fire Dept.	12.24%	0.00%	15	12.24%	12.24%

Employer Number	Employer Name	ER NC%	UAAL Pmt %	Amortization Period	Calculated ER Cont.	Required ER Cont.
177	Sun City Fire District	15.86%	7.23%	24	23.09%	23.09%
178	Hayden Police Dept.	10.62%	(10.62%)	10	0.00%	0.00%
179	Gila River Fire Dept.	12.69%	8.92%	15	21.61%	21.61%
180	Gila River Police Dept.	10.96%	4.65%	15	15.61%	15.61%
181	Salt River Pima-Maricopa Fire	15.89%	23.46%	15	39.35%	39.35%
182	Salt River Pima-Maricopa Police	14.79%	19.76%	15	34.55%	34.55%
185	Pinetop Fire District	13.60%	4.04%	25	17.64%	17.64%
187	Yavapai County Attorney Invest.	0.00%	0.00%	15	0.00%	8.00%
188	Three Points Fire District	12.78%	20.29%	15	33.07%	33.07%
190	Buckeye Fire Dept.	16.91%	4.32%	15	21.23%	21.23%
192	Heber-Overgaard Fire District	11.12%	9.80%	15	20.92%	20.92%
193	Hellsgate Fire District	14.59%	5.30%	29	19.89%	19.89%
194	Green Valley Fire District	13.76%	19.94%	25	33.70%	33.70%
195	Summit Fire District	13.74%	2.69%	15	16.43%	16.43%
197	Fort McDowell Tribal Fire Dept.	15.71%	3.49%	15	19.20%	19.20%
198	Fort McDowell Tribal Police Dept.	13.34%	12.48%	15	25.82%	25.82%
199	Highlands Fire District	12.75%	0.00%	24	12.75%	12.75%
200	Rio Rico Fire District	13.80%	2.84%	15	16.64%	16.64%
201	Tri-City Fire District	13.30%	12.91%	15	26.21%	26.21%
202	Maricopa County Park Rangers	0.00%	0.00%	15	0.00%	8.00%
203	Verde Valley Fire District	14.62%	0.00%	15	14.62%	14.62%
204	AZ. State Park Rangers	3.87%	0.00%	15	3.87%	8.00%
206	Hualapai Indian Tribe Police Dept.	8.73%	9.46%	15	18.19%	18.19%
207	Pinewood Fire District	14.44%	28.02%	15	42.46%	42.46%
208	Rincon Valley Fire District	15.32%	8.85%	15	24.17%	24.17%
210	Jerome Police Dept.	7.47%	7.86%	15	15.33%	15.33%
211	Fort Mojave Tribal Police Dept.	10.44%	3.27%	15	13.71%	13.71%
212	Buckeye Valley Fire District	15.75%	9.95%	15	25.70%	25.70%
213	Eloy Fire District	14.31%	5.03%	15	19.34%	19.34%
214	Pascua Yaqui Tribe Fire Dept.	16.91%	29.40%	15	46.31%	46.31%
215	Pascua Yaqui Tribe Police Dept.	11.56%	32.54%	15	44.10%	44.10%
216	Town of Superior Fire Dept.	9.37%	0.00%	15	9.37%	9.37%
217	Wickenburg Fire Dept.	11.48%	3.05%	15	14.53%	14.53%
221	Quartzsite Fire District	11.99%	9.47%	15	21.46%	21.46%
222	Rio Verde Fire District	15.59%	7.20%	15	22.79%	22.79%
223	Scottsdale Fire Dept.	14.43%	10.53%	15	24.96%	24.96%
224	Ak Chin Indian Comm. Fire Dept.	11.49%	14.10%	15	25.59%	25.59%
225	Ak Chin Indian Comm. Police Dept.	9.26%	0.00%	15	9.26%	9.26%
226	Corona De Tucson Fire District	14.60%	11.50%	15	26.10%	26.10%
227	Golden Shores Fire District	13.71%	6.51%	15	20.22%	20.22%
228	City of Maricopa Fire Dept.	12.88%	7.12%	15	20.00%	20.00%
229	Cave Creek Marshals	10.71%	1.84%	15	12.55%	12.55%
231	San Carlos Tribal Police Dept.	13.75%	5.19%	15	18.94%	18.94%
232	Groom Creek Fire District	10.56%	(10.56%)	10	0.00%	0.00%
233	Mount Lemmon Fire District	13.57%	4.01%	15	17.58%	17.58%
234	Yavapai Prescott Tribal Police	12.65%	1.71%	15	14.36%	14.36%
235	Tohono O'odham Nation Fire Dept.	13.78%	16.91%	15	30.69%	30.69%
236	Tohono O'odham Nation Police Dept.	10.88%	19.58%	15	30.46%	30.46%
237	Williamson Valley Fire District	12.62%	0.00%	15	12.62%	12.62%
238	Harquahala Fire District	14.58%	0.00%	15	14.58%	14.58%
239	Coolidge Fire Dept.	11.74%	0.00%	15	11.74%	11.74%
242	Central AZ. College Police Dept.	10.25%	6.22%	15	16.47%	16.47%
243	City of Maricopa Police Dept.	11.09%	3.32%	15	14.41%	14.41%

Employer Number	Employer Name	ER NC%	UAAL Pmt %	Amortization Period	Calculated ER Cont.	Required ER Cont.
244	Oracle Fire District	13.59%	5.79%	15	19.38%	19.38%
245	Benson Fire Dept.	0.00%	0.00%	15	0.00%	8.00%
246	Desert Hills Fire Dept.	15.51%	4.59%	15	20.10%	20.10%
247	Queen Creek Fire Dept.	14.88%	0.00%	15	14.88%	14.88%
248	Sonoita Elgin Fire Dept.	12.17%	4.40%	15	16.57%	16.57%
249	Christopher-Kohl's Fire District	16.31%	2.95%	15	19.26%	19.26%
250	Whetstone Fire District	11.35%	0.00%	15	11.35%	11.35%
251	Queen Valley Fire District	13.68%	15.90%	15	29.58%	29.58%
252	Lake Mohave Ranchos Fire District	25.67%	15.00%	25	40.67%	40.67%
253	Huachuca City Police Dept.	9.52%	13.19%	15	22.71%	22.71%
254	Palominas Fire District	4.43%	(0.44%)	10	3.99%	3.99%
255	Sun Sites Pearce Fire District	12.28%	0.00%	15	12.28%	12.28%
256	Ponderosa Fire District	9.19%	0.00%	15	9.19%	9.19%
257	Timber Mesa Fire and Medical Dist	14.17%	8.25%	25	22.42%	22.42%
258	Central AZ Fire and Medical	12.94%	11.70%	15	24.64%	24.64%
259	Copper Canyon Fire and Medical	13.29%	0.00%	15	13.29%	13.29%
261	Beaver Dam/Littlefield Fire Dist.	4.18%	5.81%	15	9.99%	9.99%
262	Blue Ridge Fire District	11.27%	26.83%	15	38.10%	38.10%
263	Arizona Fire & Medical Authority	16.07%	5.58%	24	21.65%	21.65%
264	Taylor Snowlake Fire & Medical	0.00%	0.00%	10	0.00%	0.00%
265	Queen Creek Police Dept.	26.06%	0.00%	15	26.06%	26.06%
	TOTAL	13.94%	32.21%		46.15%	46.15%

APPENDIX F: SUMMARY OF CALCULATED PENSION CONTRIBUTION BY EMPLOYER – TIER 3

Employer Number	Employer Name	Total NC%	UAAL Pmt %	Total Cont. %	EE Cont. %	ER Cont. %
004	Chandler Fire Dept.	18.31%	0.00%	18.31%	9.16%	9.16%
005	Chandler Police Dept.	17.35%	0.00%	17.35%	8.68%	8.68%
007	Dept. of Public Safety	17.23%	0.00%	17.23%	8.62%	8.62%
012	Glendale Fire Dept.	19.01%	0.00%	19.01%	9.51%	9.51%
013	Glendale Police Dept.	16.72%	0.00%	16.72%	8.36%	8.36%
016	Maricopa County Sheriff's Office	17.70%	0.00%	17.70%	8.85%	8.85%
017	Mesa Fire Dept.	18.83%	0.00%	18.83%	9.42%	9.42%
018	Mesa Police Dept.	16.93%	0.00%	16.93%	8.47%	8.47%
021	Phoenix Fire Dept.	18.20%	0.00%	18.20%	9.10%	9.10%
022	Phoenix Police Dept.	17.57%	0.00%	17.57%	8.79%	8.79%
025	Scottsdale Police Dept.	16.61%	0.00%	16.61%	8.31%	8.31%
027	Tempe Fire Dept.	17.39%	0.00%	17.39%	8.70%	8.70%
028	Tempe Police Dept.	17.22%	0.00%	17.22%	8.61%	8.61%
029	Tucson Fire	18.08%	0.00%	18.08%	9.04%	9.04%
030	Tucson Police	16.96%	0.00%	16.96%	8.48%	8.48%
039	Pima County Sheriff's Dept.	17.59%	0.50%	18.09%	9.05%	9.05%
179	Gila River Fire Dept.	18.32%	0.00%	18.32%	9.16%	9.16%
180	Gila River Police Dept.	16.78%	0.00%	16.78%	8.39%	8.39%
223	Scottsdale Fire Dept.	19.12%	0.00%	19.12%	9.56%	9.56%
	Risk Sharing	17.37%	0.00%	17.37%	8.69%	8.69%
	TOTAL	17.48%	0.01%	17.49%	8.75%	8.75%

APPENDIX G: SUMMARY OF EMPLOYERS WITH EXTENDED AMORTIZATION PERIODS – TIERS 1 & 2

Under the Arizona Revised Statutes Title 38, Chapter 5, Article 4, Section 38-891.M, employers can request a one-time election to extend the amortization period used for recognizing Tier 1 and 2 liabilities to a closed period of no more than 30 years. The employers listed below have made this election and have the period shown remaining as of the June 30, 2021 valuation. All other employers are using the standard 15-year amortization period.

24-Year Amortization	
001	BISBEE FIRE DEPT.
017	MESA FIRE DEPT.
018	MESA POLICE DEPT.
021	PHOENIX FIRE DEPT.
022	PHOENIX POLICE DEPT.
029	TUCSON FIRE
030	TUCSON POLICE
038	BISBEE POLICE DEPT.
046	COCHISE COUNTY SHERIFF'S DEPT.
047	SAFFORD POLICE DEPT.
058	SOUTH TUCSON FIRE DEPT.
069	SOUTH TUCSON POLICE DEPT.
105	CLARKDALE POLICE DEPT.
113	PINETOP-LAKESIDE POLICE DEPT.
128	PATAGONIA MARSHALS
140	GRAHAM COUNTY SHERIFF'S DEPT.
143	DAISY MOUNTAIN FIRE DISTRICT
148	SUPERSTITION FIRE AND MEDICAL DISTRICT
177	SUN CITY FIRE DISTRICT
199	HIGHLANDS FIRE DISTRICT
263	ARIZONA FIRE & MEDICAL AUTHORITY

25-Year Amortization	
011	FLAGSTAFF POLICE DEPT.
054	FRY FIRE DISTRICT
150	PINE-STRAWBERRY FIRE DISTRICT
172	TUBAC FIRE DISTRICT
185	PINETOP FIRE DISTRICT
194	GREEN VALLEY FIRE DISTRICT
252	LAKE MOHAVE RANCHOS FIRE DISTRICT
257	TIMBER MESA FIRE AND MEDICAL DIST

29-Year Amortization	
193	HELLSGATE FIRE DISTRICT

APPENDIX H: SUMMARY OF HEALTH FUNDED STATUS BY EMPLOYER – TIERS 1 & 2

Employer Number	Employer Name	Liability (PVB)	Liability (AAL)	Assets (AVA)	Assets (MV)	Unfunded (AAL - AVA)	Unfunded (AAL - MV)	Funded Percent (AVA/AAL)	Funded Percent (MV/AAL)
001	Bisbee Fire Dept.	159,316	137,734	264,458	260,207	(126,724)	(122,473)	192.0%	188.9%
002	Casa Grande Fire Dept.	767,472	652,353	620,102	610,135	32,251	42,218	95.1%	93.5%
003	Casa Grande Police Dept.	1,107,474	1,003,575	1,064,701	1,047,587	(61,126)	(44,012)	106.1%	104.4%
004	Chandler Fire Dept.	3,661,491	3,200,627	3,243,195	3,191,065	(42,568)	9,562	101.3%	99.7%
005	Chandler Police Dept.	6,248,238	5,650,716	5,102,608	5,020,591	548,108	630,125	90.3%	88.8%
006	Clifton Fire Dept.	8,846	8,846	9,242	9,093	(396)	(247)	104.5%	102.8%
007	Dept. of Public Safety	25,901,753	23,641,004	33,797,370	33,254,124	(10,156,366)	(9,613,120)	143.0%	140.7%
008	Douglas Fire Dept.	281,216	238,558	550,095	541,253	(311,537)	(302,695)	230.6%	226.9%
009	Douglas Police Dept.	431,262	382,528	673,625	662,797	(291,097)	(280,269)	176.1%	173.3%
010	Flagstaff Fire Dept.	1,651,565	1,475,915	3,243,319	3,191,187	(1,767,404)	(1,715,272)	219.7%	216.2%
011	Flagstaff Police Dept.	1,519,518	1,400,135	1,650,977	1,624,440	(250,842)	(224,305)	117.9%	116.0%
012	Glendale Fire Dept.	3,764,703	3,220,157	5,449,099	5,361,512	(2,228,942)	(2,141,355)	169.2%	166.5%
013	Glendale Police Dept.	6,510,431	5,735,325	6,479,530	6,375,381	(744,205)	(640,056)	113.0%	111.2%
014	Globe Fire Dept.	214,594	189,723	226,238	222,602	(36,515)	(32,879)	119.2%	117.3%
015	Kingman Fire Dept.	661,526	574,435	874,494	860,438	(300,059)	(286,003)	152.2%	149.8%
016	Maricopa County Sheriff's Office	9,559,681	8,499,947	16,618,891	16,351,765	(8,118,944)	(7,851,818)	195.5%	192.4%
017	Mesa Fire Dept.	10,235,537	9,287,565	8,051,221	7,921,809	1,236,344	1,365,756	86.7%	85.3%
018	Mesa Police Dept.	23,683,360	22,257,094	10,680,617	10,508,941	11,576,477	11,748,153	48.0%	47.2%
020	Nogales Fire Dept.	876,752	823,492	677,049	666,166	146,443	157,326	82.2%	80.9%
021	Phoenix Fire Dept.	30,500,189	26,694,346	41,337,162	40,672,725	(14,642,816)	(13,978,379)	154.9%	152.4%
022	Phoenix Police Dept.	53,835,850	48,937,926	72,606,016	71,438,975	(23,668,090)	(22,501,049)	148.4%	146.0%
023	Prescott Fire Dept.	1,197,578	1,084,603	1,334,609	1,313,157	(250,006)	(228,554)	123.1%	121.1%
024	Prescott Police Dept.	1,292,618	1,191,715	860,952	847,113	330,763	344,602	72.2%	71.1%
025	Scottsdale Police Dept.	5,841,306	5,137,424	7,959,943	7,831,998	(2,822,519)	(2,694,574)	154.9%	152.4%
026	Sierra Vista Fire Dept.	985,620	891,252	624,896	614,852	266,356	276,400	70.1%	69.0%
027	Tempe Fire Dept.	3,816,340	3,439,088	3,951,629	3,888,112	(512,541)	(449,024)	114.9%	113.1%
028	Tempe Police Dept.	7,512,974	6,816,575	4,555,366	4,482,145	2,261,209	2,334,430	66.8%	65.8%
029	Tucson Fire	13,695,637	12,414,152	11,702,161	11,514,065	711,991	900,087	94.3%	92.7%
030	Tucson Police	21,714,844	20,519,257	16,735,986	16,466,978	3,783,271	4,052,279	81.6%	80.3%
031	Winslow Fire Dept.	67,321	49,980	409,869	403,281	(359,889)	(353,301)	820.1%	806.9%
032	Yuma Fire Dept.	2,034,344	1,807,091	2,171,201	2,136,302	(364,110)	(329,211)	120.1%	118.2%
033	Yuma Police Dept.	1,939,772	1,735,445	3,529,403	3,472,673	(1,793,958)	(1,737,228)	203.4%	200.1%
034	Yuma County Sheriff's Dept.	845,040	734,559	1,440,826	1,417,667	(706,267)	(683,108)	196.1%	193.0%
035	Game and Fish Dept.	2,815,742	2,640,361	3,128,615	3,078,327	(488,254)	(437,966)	118.5%	116.6%
036	Sierra Vista Police Dept.	1,247,067	1,169,562	846,719	833,109	322,843	336,453	72.4%	71.2%
037	Benson Police Dept.	107,952	91,206	183,563	180,612	(92,357)	(89,406)	201.3%	198.0%
038	Bisbee Police Dept.	150,147	146,032	157,160	154,634	(11,128)	(8,602)	107.6%	105.9%

Employer Number	Employer Name	Liability (PVB)	Liability (AAL)	Assets (AVA)	Assets (MV)	Unfunded (AAL - AVA)	Unfunded (AAL - MV)	Funded Percent (AVA/AAL)	Funded Percent (MV/AAL)
039	Pima County Sheriff's Dept.	7,732,928	6,995,957	10,089,395	9,927,222	(3,093,438)	(2,931,265)	144.2%	141.9%
040	Kingman Police Dept.	627,990	564,772	764,040	751,759	(199,268)	(186,987)	135.3%	133.1%
041	ASU Campus Police	909,674	773,023	1,229,674	1,209,909	(456,651)	(436,886)	159.1%	156.5%
042	Lake Havasu City Fire Dept.	1,314,330	1,155,353	1,727,081	1,699,321	(571,728)	(543,968)	149.5%	147.1%
043	Mohave County Sheriff's Dept.	924,986	816,857	1,772,907	1,744,410	(956,050)	(927,553)	217.0%	213.6%
044	Bullhead City Fire Dept.	950,755	822,831	1,690,166	1,662,999	(867,335)	(840,168)	205.4%	202.1%
045	U of A Campus Police	744,931	670,876	780,092	767,553	(109,216)	(96,677)	116.3%	114.4%
046	Cochise County Sheriff's Dept.	1,174,486	1,066,417	1,481,310	1,457,500	(414,893)	(391,083)	138.9%	136.7%
047	Safford Police Dept.	359,021	331,655	381,086	374,961	(49,431)	(43,306)	114.9%	113.1%
049	Drexel Heights Fire District	905,017	750,372	1,142,061	1,123,704	(391,689)	(373,332)	152.2%	149.8%
050	Winslow Police Dept.	185,335	160,352	429,502	422,598	(269,150)	(262,246)	267.8%	263.5%
051	Payson Fire Dept.	476,534	422,113	251,005	246,970	171,108	175,143	59.5%	58.5%
052	Payson Police Dept.	486,673	461,225	290,395	285,727	170,830	175,498	63.0%	61.9%
053	Northern AZ. Consolidated Fire District #1	112,182	99,065	255,919	251,805	(156,854)	(152,740)	258.3%	254.2%
054	Fry Fire District	631,351	532,495	448,782	441,568	83,713	90,927	84.3%	82.9%
055	Fredonia Marshals	0	0	76,895	75,659	(76,895)	(75,659)	100.0%	100.0%
056	NAU Campus Police	271,846	251,242	316,769	311,677	(65,527)	(60,435)	126.1%	124.1%
058	South Tucson Fire Dept.	34,234	34,234	111,967	110,167	(77,733)	(75,933)	327.1%	321.8%
059	Avondale Fire Dept.	772,532	584,093	799,265	786,418	(215,172)	(202,325)	136.8%	134.6%
060	Parker Police Dept.	70,682	54,362	202,319	199,067	(147,957)	(144,705)	372.2%	366.2%
061	Coconino County Sheriff's Dept.	980,834	895,344	622,906	612,894	272,438	282,450	69.6%	68.5%
064	Buckskin Fire District	95,317	79,725	110,875	109,093	(31,150)	(29,368)	139.1%	136.8%
065	Snowflake Police Dept.	94,860	76,804	177,371	174,520	(100,567)	(97,716)	230.9%	227.2%
066	Cottonwood Police Dept.	319,841	268,955	430,005	423,093	(161,050)	(154,138)	159.9%	157.3%
067	Lake Havasu City Police Dept.	1,281,113	1,178,644	1,302,920	1,281,977	(124,276)	(103,333)	110.5%	108.8%
069	South Tucson Police Dept.	122,267	115,302	131,788	129,670	(16,486)	(14,368)	114.3%	112.5%
070	Apache Junction Police Dept.	677,895	578,204	911,860	897,203	(333,656)	(318,999)	157.7%	155.2%
071	Navajo County Sheriff's Dept.	337,823	286,994	815,832	802,719	(528,838)	(515,725)	284.3%	279.7%
072	Mohave Valley Fire District	259,971	219,326	540,703	532,012	(321,377)	(312,686)	246.5%	242.6%
073	Peoria Fire Dept.	2,212,315	1,735,982	2,255,224	2,218,974	(519,242)	(482,992)	129.9%	127.8%
074	Peoria Police Dept.	2,583,068	2,189,792	2,595,239	2,553,524	(405,447)	(363,732)	118.5%	116.6%
076	Paradise Valley Police Dept.	608,941	535,001	542,001	533,289	(7,000)	1,712	101.3%	99.7%
077	Willcox Police Dept.	105,049	88,517	166,128	163,458	(77,611)	(74,941)	187.7%	184.7%
078	Show Low Police Dept.	398,523	353,062	496,829	488,843	(143,767)	(135,781)	140.7%	138.5%
079	Eloy Police Dept.	224,978	179,637	486,075	478,262	(306,438)	(298,625)	270.6%	266.2%
080	Nogales Police Dept.	950,150	894,959	1,100,079	1,082,397	(205,120)	(187,438)	122.9%	120.9%
081	Gilbert Police Dept.	3,101,274	2,572,410	3,153,560	3,102,871	(581,150)	(530,461)	122.6%	120.6%
083	Clifton Police Dept.	28,667	23,492	75,057	73,851	(51,565)	(50,359)	319.5%	314.4%
085	Coolidge Police Dept.	318,629	289,059	417,444	410,734	(128,385)	(121,675)	144.4%	142.1%
086	Holbrook Police Dept.	92,271	84,003	264,554	260,302	(180,551)	(176,299)	314.9%	309.9%
087	Santa Cruz County Sheriff's Dept.	340,491	308,108	558,891	549,908	(250,783)	(241,800)	181.4%	178.5%

Employer Number	Employer Name	Liability (PVB)	Liability (AAL)	Assets (AVA)	Assets (MV)	Unfunded (AAL - AVA)	Unfunded (AAL - MV)	Funded Percent (AVA/AAL)	Funded Percent (MV/AAL)
088	Prescott Valley Police Dept.	849,479	732,764	842,222	828,684	(109,458)	(95,920)	114.9%	113.1%
089	Eagar Police Dept.	50,695	39,950	177,569	174,715	(137,619)	(134,765)	444.5%	437.3%
090	Tolleson Police Dept.	307,809	258,628	369,523	363,583	(110,895)	(104,955)	142.9%	140.6%
091	Florence Police Dept.	157,915	130,305	318,045	312,933	(187,740)	(182,628)	244.1%	240.2%
092	Springerville Police Dept.	10,270	5,454	159,099	156,542	(153,645)	(151,088)	2917.1%	2870.2%
093	El Mirage Police Dept.	525,401	437,852	484,089	476,308	(46,237)	(38,456)	110.6%	108.8%
094	Superior Police Dept.	34,488	23,223	136,434	134,241	(113,211)	(111,018)	587.5%	578.1%
095	San Luis Police Dept.	281,828	227,243	402,472	396,003	(175,229)	(168,760)	177.1%	174.3%
096	Page Police Dept.	109,163	89,022	585,023	575,620	(496,001)	(486,598)	657.2%	646.6%
097	Page Fire Dept.	84,388	63,178	90,733	89,275	(27,555)	(26,097)	143.6%	141.3%
098	Yavapai County Sheriff's Dept.	1,404,636	1,265,075	1,645,112	1,618,669	(380,037)	(353,594)	130.0%	128.0%
100	Pima Police Dept.	19,400	11,524	38,617	37,996	(27,093)	(26,472)	335.1%	329.7%
101	Apache County Sheriff's Dept.	250,779	229,195	408,357	401,793	(179,162)	(172,598)	178.2%	175.3%
102	Cottonwood Fire Dept.	328,252	277,011	240,207	236,346	36,804	40,665	86.7%	85.3%
103	La Paz County Sheriff's Dept.	176,461	151,101	620,257	610,287	(469,156)	(459,186)	410.5%	403.9%
104	Pinal County Sheriff's Dept.	2,566,570	2,177,568	3,220,433	3,168,669	(1,042,865)	(991,101)	147.9%	145.5%
105	Clarkdale Police Dept.	63,023	52,557	183,389	180,441	(130,832)	(127,884)	348.9%	343.3%
106	Buckeye Police Dept.	915,736	720,459	887,871	873,600	(167,412)	(153,141)	123.2%	121.3%
107	Marana Police Dept.	919,352	747,099	1,080,679	1,063,309	(333,580)	(316,210)	144.7%	142.3%
108	Tolleson Fire Dept.	386,516	316,814	421,833	415,053	(105,019)	(98,239)	133.1%	131.0%
109	Chino Valley Police Dept.	224,060	189,250	316,866	311,773	(127,616)	(122,523)	167.4%	164.7%
110	Surprise Police Dept.	1,500,541	1,212,584	1,545,250	1,520,412	(332,666)	(307,828)	127.4%	125.4%
111	Wellton Police Dept.	23,512	16,731	78,656	77,392	(61,925)	(60,661)	470.1%	462.6%
112	Gila County Sheriff's Dept.	419,803	372,645	783,278	770,688	(410,633)	(398,043)	210.2%	206.8%
113	Pinetop-Lakeside Police Dept.	183,525	175,073	91,045	89,582	84,028	85,491	52.0%	51.2%
114	Bullhead City Police Dept.	921,683	825,151	1,289,336	1,268,612	(464,185)	(443,461)	156.3%	153.7%
115	Williams Police Dept.	92,261	79,501	124,750	122,745	(45,249)	(43,244)	156.9%	154.4%
116	Miami Police Dept.	27,056	25,070	87,167	85,766	(62,097)	(60,696)	347.7%	342.1%
117	Thatcher Police Dept.	161,846	143,913	282,612	278,069	(138,699)	(134,156)	196.4%	193.2%
118	Youngtown Police Dept.	34,600	34,600	55,719	54,823	(21,119)	(20,223)	161.0%	158.4%
119	Dept. of Emer & Military Aff	372,677	308,718	913,237	898,558	(604,519)	(589,840)	295.8%	291.1%
120	Surprise Fire Dept.	1,555,557	1,217,860	1,325,594	1,304,287	(107,734)	(86,427)	108.8%	107.1%
121	Camp Verde Marshals	157,172	141,958	220,244	216,704	(78,286)	(74,746)	155.1%	152.7%
122	Oro Valley Police Dept.	1,232,078	1,062,728	1,617,538	1,591,538	(554,810)	(528,810)	152.2%	149.8%
123	Greenlee County Sheriff's Dept.	134,970	118,541	353,462	347,781	(234,921)	(229,240)	298.2%	293.4%
124	Tucson Airport Authority Fire Dept.	340,439	306,556	361,646	355,833	(55,090)	(49,277)	118.0%	116.1%
125	Tucson Airport Authority Police Dept.	291,431	253,334	338,460	333,020	(85,126)	(79,686)	133.6%	131.5%
126	Wickenburg Police Dept.	118,279	96,158	222,682	219,103	(126,524)	(122,945)	231.6%	227.9%
127	El Mirage Fire Dept.	218,736	138,895	223,147	219,560	(84,252)	(80,665)	160.7%	158.1%
128	Patagonia Marshals	27,449	27,449	16,083	15,824	11,366	11,625	58.6%	57.6%
129	Sedona Police Dept.	292,812	251,890	323,377	318,179	(71,487)	(66,289)	128.4%	126.3%

Employer Number	Employer Name	Liability (PVB)	Liability (AAL)	Assets (AVA)	Assets (MV)	Unfunded (AAL - AVA)	Unfunded (AAL - MV)	Funded Percent (AVA/AAL)	Funded Percent (MV/AAL)
130	Mammoth Police Dept.	18,715	8,972	53,957	53,090	(44,985)	(44,118)	601.4%	591.7%
131	Globe Police Dept.	302,029	283,920	287,437	282,817	(3,517)	1,103	101.2%	99.6%
132	Tombstone Marshals	23,750	17,796	81,218	79,913	(63,422)	(62,117)	456.4%	449.1%
133	Golder Ranch Fire District	1,986,053	1,484,275	1,693,271	1,666,054	(208,996)	(181,779)	114.1%	112.2%
134	Fort Mojave Mesa Fire District	371,591	328,451	416,956	410,254	(88,505)	(81,803)	126.9%	124.9%
136	Goodyear Fire Dept.	1,110,675	880,714	1,009,047	992,828	(128,333)	(112,114)	114.6%	112.7%
137	Goodyear Police Dept.	1,058,966	800,908	1,247,995	1,227,935	(447,087)	(427,027)	155.8%	153.3%
139	Avondale Police Dept.	1,102,164	849,467	1,164,528	1,145,810	(315,061)	(296,343)	137.1%	134.9%
140	Graham County Sheriff's Dept.	209,098	182,635	324,844	319,623	(142,209)	(136,988)	177.9%	175.0%
142	Golden Valley Fire District	189,176	146,338	253,308	249,236	(106,970)	(102,898)	173.1%	170.3%
143	Daisy Mountain Fire District	1,067,467	845,531	1,097,694	1,080,050	(252,163)	(234,519)	129.8%	127.7%
144	Quartzsite Police Dept.	51,840	43,433	147,494	145,123	(104,061)	(101,690)	339.6%	334.1%
145	Picture Rocks Fire District	81,608	63,264	261,670	257,464	(198,406)	(194,200)	413.6%	407.0%
146	Pima County Comm. College Police	278,670	238,718	492,793	484,872	(254,075)	(246,154)	206.4%	203.1%
147	Northwest Fire District	2,776,597	2,353,326	2,627,369	2,585,138	(274,043)	(231,812)	111.6%	109.9%
148	Superstition Fire and Medical District	1,340,255	1,193,582	1,248,080	1,228,019	(54,498)	(34,437)	104.6%	102.9%
149	Gilbert Fire Dept.	2,382,977	1,927,441	2,226,032	2,190,252	(298,591)	(262,811)	115.5%	113.6%
150	Pine-Strawberry Fire District	195,498	162,941	280,338	275,832	(117,397)	(112,891)	172.0%	169.3%
151	Attorney General Invest.	395,486	354,355	361,588	355,776	(7,233)	(1,421)	102.0%	100.4%
153	St. Johns Police Dept.	67,546	59,666	83,572	82,229	(23,906)	(22,563)	140.1%	137.8%
154	Pima County Attorney Invest.	91,333	86,318	129,380	127,300	(43,062)	(40,982)	149.9%	147.5%
156	Kearny Police Dept.	50,084	40,510	42,703	42,017	(2,193)	(1,507)	105.4%	103.7%
158	Navajo County Attorney Invest.	18,712	18,712	(3,331)	(3,277)	22,043	21,989	-17.8%	-17.5%
162	Avra Valley Fire District	201,092	124,438	252,261	248,206	(127,823)	(123,768)	202.7%	199.5%
163	San Luis Fire Dept.	335,058	263,636	334,752	329,371	(71,116)	(65,735)	127.0%	124.9%
164	AZ Dept. Liq. Lic. & Control Invest.	296,527	272,251	139,867	137,619	132,384	134,632	51.4%	50.5%
165	Maricopa County Attorney Invest.	174,549	157,589	308,087	303,135	(150,498)	(145,546)	195.5%	192.4%
166	Sedona Fire District	1,121,633	947,578	798,865	786,024	148,713	161,554	84.3%	83.0%
167	Guadalupe Fire Dept.	78,086	65,402	64,039	63,010	1,363	2,392	97.9%	96.3%
168	Mayer Fire District	146,127	127,772	144,416	142,095	(16,644)	(14,323)	113.0%	111.2%
169	Somerton Police Dept.	105,598	93,231	298,108	293,316	(204,877)	(200,085)	319.8%	314.6%
171	Somerton Fire Dept.	165,782	134,536	224,389	220,782	(89,853)	(86,246)	166.8%	164.1%
172	Tubac Fire District	185,630	145,787	325,425	320,194	(179,638)	(174,407)	223.2%	219.6%
174	Sahuarita Police Dept.	357,452	279,904	487,437	479,602	(207,533)	(199,698)	174.1%	171.3%
176	Florence Fire Dept.	248,450	186,307	220,569	217,024	(34,262)	(30,717)	118.4%	116.5%
177	Sun City Fire District	1,121,739	989,352	1,042,713	1,025,953	(53,361)	(36,601)	105.4%	103.7%
178	Hayden Police Dept.	31,060	24,065	74,658	73,458	(50,593)	(49,393)	310.2%	305.2%
179	Gila River Fire Dept.	634,459	485,843	709,249	697,849	(223,406)	(212,006)	146.0%	143.6%
180	Gila River Police Dept.	637,845	484,961	1,100,698	1,083,006	(615,737)	(598,045)	227.0%	223.3%

Employer Number	Employer Name	Liability (PVB)	Liability (AAL)	Assets (AVA)	Assets (MV)	Unfunded (AAL - AVA)	Unfunded (AAL - MV)	Funded Percent (AVA/AAL)	Funded Percent (MV/AAL)
181	Salt River Pima-Maricopa Fire	805,034	627,025	1,056,752	1,039,766	(429,727)	(412,741)	168.5%	165.8%
182	Salt River Pima-Maricopa Police	920,571	690,563	1,109,584	1,091,749	(419,021)	(401,186)	160.7%	158.1%
185	Pinetop Fire District	337,821	284,131	284,360	279,789	(229)	4,342	100.1%	98.5%
187	Yavapai County Attorney Invest.	8,250	8,250	16,804	16,534	(8,554)	(8,284)	203.7%	200.4%
188	Three Points Fire District	194,354	164,785	168,434	165,727	(3,649)	(942)	102.2%	100.6%
190	Buckeye Fire Dept.	942,621	690,098	827,697	814,393	(137,599)	(124,295)	119.9%	118.0%
192	Heber-Overgaard Fire District	102,665	84,211	144,877	142,548	(60,666)	(58,337)	172.0%	169.3%
193	Hellsgate Fire District	71,140	54,392	89,420	87,983	(35,028)	(33,591)	164.4%	161.8%
194	Green Valley Fire District	989,631	837,224	678,926	668,013	158,298	169,211	81.1%	79.8%
195	Summit Fire District	373,634	301,592	475,825	468,177	(174,233)	(166,585)	157.8%	155.2%
197	Fort McDowell Tribal Fire Dept.	62,442	37,873	147,895	145,518	(110,022)	(107,645)	390.5%	384.2%
198	Fort McDowell Tribal Police Dept.	161,341	142,758	302,271	297,412	(159,513)	(154,654)	211.7%	208.3%
199	Highlands Fire District	255,963	204,807	257,731	253,588	(52,924)	(48,781)	125.8%	123.8%
200	Rio Rico Fire District	241,056	185,959	253,774	249,695	(67,815)	(63,736)	136.5%	134.3%
201	Tri-City Fire District	219,943	170,573	201,883	198,638	(31,310)	(28,065)	118.4%	116.5%
202	Maricopa County Park Rangers	4,241	4,241	54,555	53,678	(50,314)	(49,437)	1286.4%	1265.7%
203	Verde Valley Fire District	419,035	341,353	442,120	435,014	(100,767)	(93,661)	129.5%	127.4%
204	AZ. State Park Rangers	476,779	461,993	741,134	729,221	(279,141)	(267,228)	160.4%	157.8%
206	Hualapai Indian Tribe Police Dept.	82,988	61,133	120,263	118,330	(59,130)	(57,197)	196.7%	193.6%
207	Pinewood Fire District	236,123	193,345	112,838	111,024	80,507	82,321	58.4%	57.4%
208	Rincon Valley Fire District	357,167	257,094	318,257	313,141	(61,163)	(56,047)	123.8%	121.8%
210	Jerome Police Dept.	45,046	39,038	41,942	41,268	(2,904)	(2,230)	107.4%	105.7%
211	Fort Mojave Tribal Police Dept.	134,636	106,123	165,322	162,665	(59,199)	(56,542)	155.8%	153.3%
212	Buckeye Valley Fire District	577,098	398,208	530,413	521,887	(132,205)	(123,679)	133.2%	131.1%
213	Eloy Fire District	200,935	138,873	243,824	239,905	(104,951)	(101,032)	175.6%	172.8%
214	Pascua Yaqui Tribe Fire Dept.	234,764	193,745	316,504	311,417	(122,759)	(117,672)	163.4%	160.7%
215	Pascua Yaqui Tribe Police Dept.	263,228	223,080	333,962	328,594	(110,882)	(105,514)	149.7%	147.3%
216	Town of Superior Fire Dept.	64,008	53,226	47,040	46,284	6,186	6,942	88.4%	87.0%
217	Wickenburg Fire Dept.	113,749	88,607	109,118	107,364	(20,511)	(18,757)	123.1%	121.2%
221	Quartzsite Fire District	46,506	30,393	76,212	74,987	(45,819)	(44,594)	250.8%	246.7%
222	Rio Verde Fire District	176,361	152,382	192,369	189,277	(39,987)	(36,895)	126.2%	124.2%
223	Scottsdale Fire Dept.	2,819,767	2,259,348	2,486,190	2,446,228	(226,842)	(186,880)	110.0%	108.3%
224	Ak Chin Indian Comm. Fire Dept.	285,516	214,271	283,813	279,251	(69,542)	(64,980)	132.5%	130.3%
225	Ak Chin Indian Comm. Police Dept.	90,391	67,627	162,905	160,287	(95,278)	(92,660)	240.9%	237.0%
226	Corona De Tucson Fire District	193,068	131,731	171,698	168,938	(39,967)	(37,207)	130.3%	128.2%
227	Golden Shores Fire District	56,177	41,170	56,941	56,026	(15,771)	(14,856)	138.3%	136.1%
228	City of Maricopa Fire Dept.	712,260	575,072	590,355	580,866	(15,283)	(5,794)	102.7%	101.0%
229	Cave Creek Marshals	17,578	15,996	15,511	15,262	485	734	97.0%	95.4%

Employer Number	Employer Name	Liability (PVB)	Liability (AAL)	Assets (AVA)	Assets (MV)	Unfunded (AAL - AVA)	Unfunded (AAL - MV)	Funded Percent (AVA/AAL)	Funded Percent (MV/AAL)
231	San Carlos Tribal Police Dept.	152,402	107,964	223,075	219,489	(115,111)	(111,525)	206.6%	203.3%
232	Groom Creek Fire District	25,360	16,167	42,676	41,990	(26,509)	(25,823)	264.0%	259.7%
233	Mount Lemmon Fire District	57,989	45,779	56,291	55,386	(10,512)	(9,607)	123.0%	121.0%
234	Yavapai Prescott Tribal Police	38,839	28,214	59,197	58,245	(30,983)	(30,031)	209.8%	206.4%
235	Tohono O'odham Nation Fire Dept.	296,677	215,590	396,295	389,925	(180,705)	(174,335)	183.8%	180.9%
236	Tohono O'odham Nation Police Dept.	601,566	497,365	872,472	858,448	(375,107)	(361,083)	175.4%	172.6%
237	Williamson Valley Fire District	89,387	59,975	80,420	79,127	(20,445)	(19,152)	134.1%	131.9%
238	Harquahala Fire District	90,330	61,648	92,446	90,960	(30,798)	(29,312)	150.0%	147.5%
239	Coolidge Fire Dept.	30,986	19,550	33,319	32,783	(13,769)	(13,233)	170.4%	167.7%
242	Central AZ. College Police Dept.	45,605	33,936	53,868	53,002	(19,932)	(19,066)	158.7%	156.2%
243	City of Maricopa Police Dept.	462,440	353,457	448,096	440,893	(94,639)	(87,436)	126.8%	124.7%
244	Oracle Fire District	37,392	25,271	41,204	40,542	(15,933)	(15,271)	163.0%	160.4%
245	Benson Fire Dept.	15,556	15,556	20,369	20,042	(4,813)	(4,486)	130.9%	128.8%
246	Desert Hills Fire Dept.	155,359	87,400	148,436	146,050	(61,036)	(58,650)	169.8%	167.1%
247	Queen Creek Fire Dept.	407,902	233,037	266,684	262,397	(33,647)	(29,360)	114.4%	112.6%
248	Sonoita Elgin Fire Dept.	24,877	14,292	61,095	60,113	(46,803)	(45,821)	427.5%	420.6%
249	Christopher-Kohl's Fire District	43,699	33,980	37,677	37,071	(3,697)	(3,091)	110.9%	109.1%
250	Whetstone Fire District	24,792	12,116	28,552	28,093	(16,436)	(15,977)	235.7%	231.9%
251	Queen Valley Fire District	27,951	22,308	31,997	31,483	(9,689)	(9,175)	143.4%	141.1%
252	Lake Mohave Ranchos Fire District	4,917	2,661	85,975	84,593	(83,314)	(81,932)	3230.9%	3179.0%
253	Huachuca City Police Dept.	43,243	35,422	47,644	46,878	(12,222)	(11,456)	134.5%	132.3%
254	Palominas Fire District	9,653	5,594	47,891	47,121	(42,297)	(41,527)	856.1%	842.3%
255	Sun Sites Pearce Fire District	55,949	47,218	33,419	32,882	13,799	14,336	70.8%	69.6%
256	Ponderosa Fire District	14,676	7,369	18,451	18,154	(11,082)	(10,785)	250.4%	246.4%
257	Timber Mesa Fire and Medical Dist	679,757	514,105	635,060	624,852	(120,955)	(110,747)	123.5%	121.5%
258	Central AZ Fire and Medical	1,808,756	1,579,360	1,677,687	1,650,721	(98,327)	(71,361)	106.2%	104.5%
259	Copper Canyon Fire and Medical	421,786	333,758	387,346	381,120	(53,588)	(47,362)	116.1%	114.2%
261	Beaver Dam/Littlefield Fire Dist.	33,342	30,724	13,463	13,247	17,261	17,477	43.8%	43.1%
262	Blue Ridge Fire District	21,220	12,663	6,717	6,609	5,946	6,054	53.0%	52.2%
263	Arizona Fire & Medical Authority	1,517,145	1,218,692	1,396,261	1,373,818	(177,569)	(155,126)	114.6%	112.7%
264	Taylor Snowlake Fire & Medical	0	0	0	0	0	0	100.0%	100.0%
265	Queen Creek Police Dept.	128,838	10,143	0	0	10,143	10,143	0.0%	0.0%
	Unallocated and Former Employers	0	0	18,145	17,854	(18,145)	(17,854)		
	TOTAL	340,111,143	301,703,073	380,136,214	374,026,053	(78,433,141)	(72,322,980)	126.0%	124.0%

APPENDIX I: SUMMARY OF HEALTH FUNDED STATUS BY EMPLOYER – TIER 3

Employer Number	Employer Name	Liability (PVB)	Liability (AAL)	Assets (AVA)	Assets (MV)	Unfunded (AAL - AVA)	Unfunded (AAL - MV)	Funded Percent (AVA/AAL)	Funded Percent (MV/AAL)
004	Chandler Fire Dept.	165,982	21,025	39,671	39,346	(18,646)	(18,321)	188.7%	187.1%
005	Chandler Police Dept.	199,614	34,332	85,491	84,792	(51,159)	(50,460)	249.0%	247.0%
007	Dept. of Public Safety	527,758	91,083	183,522	182,021	(92,439)	(90,938)	201.5%	199.8%
012	Glendale Fire Dept.	143,139	13,888	17,097	16,957	(3,209)	(3,069)	123.1%	122.1%
013	Glendale Police Dept.	178,959	34,336	78,564	77,921	(44,228)	(43,585)	228.8%	226.9%
016	Maricopa County Sheriff's Office	381,089	62,847	152,981	151,730	(90,134)	(88,883)	243.4%	241.4%
017	Mesa Fire Dept.	370,406	40,711	74,482	73,873	(33,771)	(33,162)	183.0%	181.5%
018	Mesa Police Dept.	530,853	83,144	433,945	430,395	(350,801)	(347,251)	521.9%	517.7%
021	Phoenix Fire Dept.	1,080,762	142,304	190,109	188,554	(47,805)	(46,250)	133.6%	132.5%
022	Phoenix Police Dept.	1,382,826	300,850	606,537	601,575	(305,687)	(300,725)	201.6%	200.0%
025	Scottsdale Police Dept.	182,915	30,218	63,441	62,922	(33,223)	(32,704)	209.9%	208.2%
027	Tempe Fire Dept.	93,193	13,804	22,189	22,007	(8,385)	(8,203)	160.7%	159.4%
028	Tempe Police Dept.	144,755	20,096	81,160	80,496	(61,064)	(60,400)	403.9%	400.6%
029	Tucson Fire	193,567	31,661	80,375	79,717	(48,714)	(48,056)	253.9%	251.8%
030	Tucson Police	364,785	77,844	298,115	295,676	(220,271)	(217,832)	383.0%	379.8%
039	Pima County Sheriff's Dept.	265,295	50,349	92,423	91,667	(42,074)	(41,318)	183.6%	182.1%
179	Gila River Fire Dept.	52,016	10,052	13,556	13,445	(3,504)	(3,393)	134.9%	133.8%
180	Gila River Police Dept.	67,159	16,133	33,524	33,250	(17,391)	(17,117)	207.8%	206.1%
223	Scottsdale Fire Dept.	238,169	31,143	46,189	45,811	(15,046)	(14,668)	148.3%	147.1%
	Risk Sharing	5,807,514	1,075,733	2,281,928	2,263,260	(1,206,195)	(1,187,527)	212.1%	210.4%
	Unallocated	0	0	0	1	0	(1)		
	TOTAL	12,370,756	2,181,553	4,875,299	4,835,416	(2,693,746)	(2,653,863)	223.5%	221.7%

Appendix J: Summary of Health Contribution By Employer – Tiers 1 & 2

Employer Number	Employer Name	ER NC%	UAAL Pmt %	Calculated ER Cont.
001	Bisbee Fire Dept.	0.45%	(0.45%)	0.00%
002	Casa Grande Fire Dept.	0.37%	0.07%	0.44%
003	Casa Grande Police Dept.	0.36%	0.00%	0.36%
004	Chandler Fire Dept.	0.41%	0.00%	0.41%
005	Chandler Police Dept.	0.38%	0.18%	0.56%
006	Clifton Fire Dept.	0.00%	0.00%	0.00%
007	Dept. of Public Safety	0.41%	(0.41%)	0.00%
008	Douglas Fire Dept.	0.44%	(0.44%)	0.00%
009	Douglas Police Dept.	0.43%	(0.43%)	0.00%
010	Flagstaff Fire Dept.	0.40%	(0.40%)	0.00%
011	Flagstaff Police Dept.	0.33%	(0.17%)	0.16%
012	Glendale Fire Dept.	0.38%	(0.38%)	0.00%
013	Glendale Police Dept.	0.39%	0.00%	0.39%
014	Globe Fire Dept.	0.49%	(0.14%)	0.35%
015	Kingman Fire Dept.	0.47%	(0.47%)	0.00%
016	Maricopa County Sheriff's Office	0.44%	(0.44%)	0.00%
017	Mesa Fire Dept.	0.36%	0.24%	0.60%
018	Mesa Police Dept.	0.39%	1.12%	1.51%
020	Nogales Fire Dept.	0.56%	0.55%	1.11%
021	Phoenix Fire Dept.	0.36%	(0.36%)	0.00%
022	Phoenix Police Dept.	0.40%	(0.40%)	0.00%
023	Prescott Fire Dept.	0.41%	(0.39%)	0.02%
024	Prescott Police Dept.	0.39%	0.62%	1.01%
025	Scottsdale Police Dept.	0.37%	(0.37%)	0.00%
026	Sierra Vista Fire Dept.	0.45%	0.74%	1.19%
027	Tempe Fire Dept.	0.32%	(0.11%)	0.21%
028	Tempe Police Dept.	0.38%	0.74%	1.12%
029	Tucson Fire	0.38%	0.07%	0.45%
030	Tucson Police	0.37%	0.40%	0.77%
031	Winslow Fire Dept.	0.42%	(0.42%)	0.00%
032	Yuma Fire Dept.	0.44%	(0.19%)	0.25%
033	Yuma Police Dept.	0.38%	(0.38%)	0.00%
034	Yuma County Sheriff's Dept.	0.37%	(0.37%)	0.00%
035	Game and Fish Dept.	0.51%	(0.40%)	0.11%
036	Sierra Vista Police Dept.	0.41%	0.71%	1.12%
037	Benson Police Dept.	0.40%	(0.40%)	0.00%
038	Bisbee Police Dept.	0.68%	0.00%	0.68%
039	Pima County Sheriff's Dept.	0.49%	(0.49%)	0.00%
040	Kingman Police Dept.	0.46%	(0.46%)	0.00%
041	ASU Campus Police	0.44%	(0.44%)	0.00%
042	Lake Havasu City Fire Dept.	0.42%	(0.42%)	0.00%
043	Mohave County Sheriff's Dept.	0.41%	(0.41%)	0.00%
044	Bullhead City Fire Dept.	0.36%	(0.36%)	0.00%
045	U of A Campus Police	0.43%	(0.12%)	0.31%
046	Cochise County Sheriff's Dept.	0.49%	(0.49%)	0.00%
047	Safford Police Dept.	0.41%	(0.18%)	0.23%
049	Drexel Heights Fire District	0.50%	(0.50%)	0.00%
050	Winslow Police Dept.	0.28%	(0.28%)	0.00%

Employer Number	Employer Name	ER NC%	UAAL Pmt %	Calculated ER Cont.
051	Payson Fire Dept.	0.37%	0.61%	0.98%
052	Payson Police Dept.	0.37%	0.89%	1.26%
053	Northern AZ. Consolidated Fire District #1	0.33%	(0.33%)	0.00%
054	Fry Fire District	0.44%	0.18%	0.62%
055	Fredonia Marshals	0.00%	0.00%	0.00%
056	NAU Campus Police	0.35%	(0.35%)	0.00%
058	South Tucson Fire Dept.	0.00%	0.00%	0.00%
059	Avondale Fire Dept.	0.37%	(0.05%)	0.32%
060	Parker Police Dept.	0.44%	(0.44%)	0.00%
061	Coconino County Sheriff's Dept.	0.36%	0.51%	0.87%
064	Buckskin Fire District	0.29%	(0.23%)	0.06%
065	Snowflake Police Dept.	0.54%	(0.54%)	0.00%
066	Cottonwood Police Dept.	0.43%	(0.43%)	0.00%
067	Lake Havasu City Police Dept.	0.36%	(0.01%)	0.35%
069	South Tucson Police Dept.	0.59%	(0.14%)	0.45%
070	Apache Junction Police Dept.	0.39%	(0.39%)	0.00%
071	Navajo County Sheriff's Dept.	0.43%	(0.43%)	0.00%
072	Mohave Valley Fire District	0.42%	(0.42%)	0.00%
073	Peoria Fire Dept.	0.35%	(0.03%)	0.32%
074	Peoria Police Dept.	0.37%	(0.01%)	0.36%
076	Paradise Valley Police Dept.	0.37%	0.00%	0.37%
077	Willcox Police Dept.	0.42%	(0.42%)	0.00%
078	Show Low Police Dept.	0.37%	(0.37%)	0.00%
079	Eloy Police Dept.	0.43%	(0.43%)	0.00%
080	Nogales Police Dept.	0.55%	(0.55%)	0.00%
081	Gilbert Police Dept.	0.39%	(0.02%)	0.37%
083	Clifton Police Dept.	0.32%	(0.32%)	0.00%
085	Coolidge Police Dept.	0.46%	(0.46%)	0.00%
086	Holbrook Police Dept.	0.48%	(0.48%)	0.00%
087	Santa Cruz County Sheriff's Dept.	0.43%	(0.43%)	0.00%
088	Prescott Valley Police Dept.	0.42%	0.00%	0.42%
089	Eagar Police Dept.	0.45%	(0.45%)	0.00%
090	Tolleson Police Dept.	0.41%	(0.31%)	0.10%
091	Florence Police Dept.	0.44%	(0.44%)	0.00%
092	Springerville Police Dept.	0.34%	(0.34%)	0.00%
093	El Mirage Police Dept.	0.40%	0.00%	0.40%
094	Superior Police Dept.	0.52%	(0.52%)	0.00%
095	San Luis Police Dept.	0.37%	(0.37%)	0.00%
096	Page Police Dept.	0.38%	(0.38%)	0.00%
097	Page Fire Dept.	0.34%	(0.07%)	0.27%
098	Yavapai County Sheriff's Dept.	0.43%	(0.38%)	0.05%
100	Pima Police Dept.	0.31%	(0.31%)	0.00%
101	Apache County Sheriff's Dept.	0.45%	(0.45%)	0.00%
102	Cottonwood Fire Dept.	0.49%	0.22%	0.71%
103	La Paz County Sheriff's Dept.	0.43%	(0.43%)	0.00%
104	Pinal County Sheriff's Dept.	0.38%	(0.38%)	0.00%
105	Clarkdale Police Dept.	0.38%	(0.38%)	0.00%
106	Buckeye Police Dept.	0.41%	0.00%	0.41%
107	Marana Police Dept.	0.42%	(0.30%)	0.12%
108	Tolleson Fire Dept.	0.45%	(0.19%)	0.26%
109	Chino Valley Police Dept.	0.49%	(0.49%)	0.00%
110	Surprise Police Dept.	0.36%	(0.04%)	0.32%
111	Wellton Police Dept.	0.41%	(0.41%)	0.00%

Employer Number	Employer Name	ER NC%	UAAL Pmt %	Calculated ER Cont.
112	Gila County Sheriff's Dept.	0.44%	(0.44%)	0.00%
113	Pinetop-Lakeside Police Dept.	0.40%	0.77%	1.17%
114	Bullhead City Police Dept.	0.37%	(0.37%)	0.00%
115	Williams Police Dept.	0.58%	(0.58%)	0.00%
116	Miami Police Dept.	0.39%	(0.39%)	0.00%
117	Thatcher Police Dept.	0.44%	(0.44%)	0.00%
118	Youngtown Police Dept.	0.00%	0.00%	0.00%
119	Dept. of Emer & Military Aff	0.53%	(0.53%)	0.00%
120	Surprise Fire Dept.	0.33%	0.00%	0.33%
121	Camp Verde Marshals	0.46%	(0.46%)	0.00%
122	Oro Valley Police Dept.	0.41%	(0.41%)	0.00%
123	Greenlee County Sheriff's Dept.	0.44%	(0.44%)	0.00%
124	Tucson Airport Authority Fire Dept.	0.41%	(0.22%)	0.19%
125	Tucson Airport Authority Police Dept.	0.35%	(0.35%)	0.00%
126	Wickenburg Police Dept.	0.36%	(0.36%)	0.00%
127	El Mirage Fire Dept.	0.39%	(0.02%)	0.37%
128	Patagonia Marshals	0.00%	0.00%	0.00%
129	Sedona Police Dept.	0.41%	(0.20%)	0.21%
130	Mammoth Police Dept.	0.62%	(0.62%)	0.00%
131	Globe Police Dept.	0.37%	0.03%	0.40%
132	Tombstone Marshals	0.36%	(0.36%)	0.00%
133	Golder Ranch Fire District	0.42%	0.00%	0.42%
134	Fort Mojave Mesa Fire District	0.42%	(0.26%)	0.16%
136	Goodyear Fire Dept.	0.34%	0.00%	0.34%
137	Goodyear Police Dept.	0.35%	(0.21%)	0.14%
139	Avondale Police Dept.	0.40%	(0.07%)	0.33%
140	Graham County Sheriff's Dept.	0.52%	(0.52%)	0.00%
142	Golden Valley Fire District	0.49%	(0.49%)	0.00%
143	Daisy Mountain Fire District	0.43%	(0.04%)	0.39%
144	Quartzsite Police Dept.	0.46%	(0.46%)	0.00%
145	Picture Rocks Fire District	0.45%	(0.45%)	0.00%
146	Pima County Comm. College Police	0.44%	(0.44%)	0.00%
147	Northwest Fire District	0.43%	0.00%	0.43%
148	Superstition Fire and Medical District	0.35%	0.00%	0.35%
149	Gilbert Fire Dept.	0.35%	0.00%	0.35%
150	Pine-Strawberry Fire District	0.39%	(0.39%)	0.00%
151	Attorney General Invest.	0.36%	0.00%	0.36%
153	St. Johns Police Dept.	0.50%	(0.50%)	0.00%
154	Pima County Attorney Invest.	0.49%	(0.49%)	0.00%
156	Kearny Police Dept.	0.73%	0.00%	0.73%
158	Navajo County Attorney Invest.	0.00%	0.00%	0.00%
162	Avra Valley Fire District	0.62%	(0.31%)	0.31%
163	San Luis Fire Dept.	0.54%	0.00%	0.54%
164	AZ Dept. Liq. Lic. & Control Invest.	0.64%	1.50%	2.14%
165	Maricopa County Attorney Invest.	0.61%	(0.61%)	0.00%
166	Sedona Fire District	0.37%	0.18%	0.55%
167	Guadalupe Fire Dept.	0.36%	0.03%	0.39%
168	Mayer Fire District	0.37%	0.00%	0.37%
169	Somerton Police Dept.	0.53%	(0.53%)	0.00%
171	Somerton Fire Dept.	0.60%	(0.58%)	0.02%
172	Tubac Fire District	0.47%	(0.47%)	0.00%
174	Sahuarita Police Dept.	0.34%	(0.34%)	0.00%
176	Florence Fire Dept.	0.46%	0.00%	0.46%

Employer Number	Employer Name	ER NC%	UAAL Pmt %	Calculated ER Cont.
177	Sun City Fire District	0.39%	0.00%	0.39%
178	Hayden Police Dept.	0.53%	(0.53%)	0.00%
179	Gila River Fire Dept.	0.46%	(0.18%)	0.28%
180	Gila River Police Dept.	0.38%	(0.38%)	0.00%
181	Salt River Pima-Maricopa Fire	0.31%	(0.31%)	0.00%
182	Salt River Pima-Maricopa Police	0.34%	(0.23%)	0.11%
185	Pinetop Fire District	0.42%	0.00%	0.42%
187	Yavapai County Attorney Invest.	0.00%	0.00%	0.00%
188	Three Points Fire District	0.68%	0.01%	0.69%
190	Buckeye Fire Dept.	0.38%	0.00%	0.38%
192	Heber-Overgaard Fire District	0.35%	(0.35%)	0.00%
193	Hellsgate Fire District	0.34%	(0.34%)	0.00%
194	Green Valley Fire District	0.40%	0.22%	0.62%
195	Summit Fire District	0.55%	(0.55%)	0.00%
197	Fort McDowell Tribal Fire Dept.	0.56%	(0.56%)	0.00%
198	Fort McDowell Tribal Police Dept.	0.50%	(0.50%)	0.00%
199	Highlands Fire District	0.35%	(0.01%)	0.34%
200	Rio Rico Fire District	0.46%	(0.08%)	0.38%
201	Tri-City Fire District	0.54%	0.00%	0.54%
202	Maricopa County Park Rangers	0.00%	0.00%	0.00%
203	Verde Valley Fire District	0.40%	(0.11%)	0.29%
204	AZ. State Park Rangers	0.52%	(0.52%)	0.00%
206	Hualapai Indian Tribe Police Dept.	0.43%	(0.43%)	0.00%
207	Pinewood Fire District	0.35%	0.46%	0.81%
208	Rincon Valley Fire District	0.48%	0.00%	0.48%
210	Jerome Police Dept.	0.71%	0.00%	0.71%
211	Fort Mojave Tribal Police Dept.	0.33%	(0.29%)	0.04%
212	Buckeye Valley Fire District	0.45%	0.00%	0.45%
213	Eloy Fire District	0.37%	(0.24%)	0.13%
214	Pascua Yaqui Tribe Fire Dept.	0.45%	(0.45%)	0.00%
215	Pascua Yaqui Tribe Police Dept.	0.30%	(0.30%)	0.00%
216	Town of Superior Fire Dept.	0.73%	0.23%	0.96%
217	Wickenburg Fire Dept.	0.49%	0.00%	0.49%
221	Quartzsite Fire District	0.32%	(0.32%)	0.00%
222	Rio Verde Fire District	0.40%	(0.13%)	0.27%
223	Scottsdale Fire Dept.	0.34%	0.00%	0.34%
224	Ak Chin Indian Comm. Fire Dept.	0.48%	0.00%	0.48%
225	Ak Chin Indian Comm. Police Dept.	0.36%	(0.36%)	0.00%
226	Corona De Tucson Fire District	0.46%	0.00%	0.46%
227	Golden Shores Fire District	0.41%	(0.02%)	0.39%
228	City of Maricopa Fire Dept.	0.37%	0.00%	0.37%
229	Cave Creek Marshals	0.41%	0.05%	0.46%
231	San Carlos Tribal Police Dept.	0.27%	(0.27%)	0.00%
232	Groom Creek Fire District	0.53%	(0.53%)	0.00%
233	Mount Lemmon Fire District	0.65%	0.00%	0.65%
234	Yavapai Prescott Tribal Police	0.51%	(0.45%)	0.06%
235	Tohono O'odham Nation Fire Dept.	0.56%	(0.54%)	0.02%
236	Tohono O'odham Nation Police Dept.	0.45%	(0.45%)	0.00%
237	Williamson Valley Fire District	0.38%	0.00%	0.38%
238	Harquahala Fire District	0.43%	(0.04%)	0.39%
239	Coolidge Fire Dept.	0.54%	(0.06%)	0.48%
242	Central AZ. College Police Dept.	0.41%	(0.15%)	0.26%
243	City of Maricopa Police Dept.	0.33%	0.00%	0.33%

Employer Number	Employer Name	ER NC%	UAAL Pmt %	Calculated ER Cont.
244	Oracle Fire District	0.50%	(0.11%)	0.39%
245	Benson Fire Dept.	0.00%	0.00%	0.00%
246	Desert Hills Fire Dept.	0.62%	0.00%	0.62%
247	Queen Creek Fire Dept.	0.28%	0.00%	0.28%
248	Sonoita Elgin Fire Dept.	0.85%	(0.85%)	0.00%
249	Christopher-Kohl's Fire District	0.38%	0.00%	0.38%
250	Whetstone Fire District	0.28%	(0.07%)	0.21%
251	Queen Valley Fire District	0.89%	(0.53%)	0.36%
252	Lake Mohave Ranchos Fire District	0.28%	(0.28%)	0.00%
253	Huachuca City Police Dept.	0.65%	(0.21%)	0.44%
254	Palominas Fire District	0.24%	(0.24%)	0.00%
255	Sun Sites Pearce Fire District	0.38%	0.64%	1.02%
256	Ponderosa Fire District	0.35%	(0.09%)	0.26%
257	Timber Mesa Fire and Medical Dist	0.43%	0.00%	0.43%
258	Central AZ Fire and Medical	0.38%	0.00%	0.38%
259	Copper Canyon Fire and Medical	0.41%	0.00%	0.41%
261	Beaver Dam/Littlefield Fire Dist.	0.52%	0.56%	1.08%
262	Blue Ridge Fire District	0.44%	0.25%	0.69%
263	Arizona Fire & Medical Authority	0.39%	0.00%	0.39%
264	Taylor Snowlake Fire & Medical	0.00%	0.00%	0.00%
265	Queen Creek Police Dept.	0.33%	0.02%	0.35%
	TOTAL	0.39%	(0.12%)	0.27%

APPENDIX K: SUMMARY OF HEALTH CONTRIBUTION BY EMPLOYER – TIER 3

Employer Number	Employer Name	NC%	UAAL Pmt %	Total Cont. %	EE Cont. %	ER Cont. %
004	Chandler Fire Dept.	0.25%	0.00%	0.25%	0.13%	0.13%
005	Chandler Police Dept.	0.21%	0.00%	0.21%	0.11%	0.11%
007	Dept. of Public Safety	0.21%	0.00%	0.21%	0.11%	0.11%
012	Glendale Fire Dept.	0.26%	0.00%	0.26%	0.13%	0.13%
013	Glendale Police Dept.	0.18%	0.00%	0.18%	0.09%	0.09%
016	Maricopa County Sheriff's Office	0.22%	0.00%	0.22%	0.11%	0.11%
017	Mesa Fire Dept.	0.27%	0.00%	0.27%	0.14%	0.14%
018	Mesa Police Dept.	0.19%	0.00%	0.19%	0.10%	0.10%
021	Phoenix Fire Dept.	0.26%	0.00%	0.26%	0.13%	0.13%
022	Phoenix Police Dept.	0.21%	0.00%	0.21%	0.11%	0.11%
025	Scottsdale Police Dept.	0.18%	0.00%	0.18%	0.09%	0.09%
027	Tempe Fire Dept.	0.19%	0.00%	0.19%	0.10%	0.10%
028	Tempe Police Dept.	0.19%	0.00%	0.19%	0.10%	0.10%
029	Tucson Fire	0.25%	0.00%	0.25%	0.13%	0.13%
030	Tucson Police	0.21%	0.00%	0.21%	0.11%	0.11%
039	Pima County Sheriff's Dept.	0.23%	0.00%	0.23%	0.12%	0.12%
179	Gila River Fire Dept.	0.33%	0.00%	0.33%	0.17%	0.17%
180	Gila River Police Dept.	0.24%	0.00%	0.24%	0.12%	0.12%
223	Scottsdale Fire Dept.	0.28%	0.00%	0.28%	0.14%	0.14%
	Risk Sharing	0.24%	0.00%	0.24%	0.12%	0.12%
	TOTAL	0.23%	0.00%	0.23%	0.12%	0.12%

ARIZONA PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM

CLARKDALE POLICE DEPT. (105)

ACTUARIAL VALUATION
AS OF JUNE 30, 2022

CONTRIBUTIONS APPLICABLE TO THE
PLAN/FISCAL YEAR ENDING JUNE 30, 2024

FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

December 2022

Board of Trustees
Arizona Public Safety Personnel Retirement System
Phoenix, AZ

Re: Actuarial Valuation Report as of June 30, 2022 for Clarkdale Police Dept. (105)

Dear Members of the Board:

We are pleased to present to the Board this report of the annual actuarial valuation of the Arizona Public Safety Personnel Retirement System (PSPRS). The valuation was performed to determine whether the assets and contributions are sufficient to provide the prescribed benefits and to develop the appropriate funding requirements for the applicable plan year.

This report was prepared at the request of the Board and is intended for use by PSPRS and those designated or approved by the Board. It documents the valuation of the consolidated plan and provides summary information for PSPRS participating employers. This report may be provided to parties other than PSPRS only in its entirety and only with the permission of the Board. Foster & Foster is not responsible for the unauthorized use of this report.

The valuation has been conducted in accordance with generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board, and reflects laws and regulations issued to date pursuant to the provisions of Title 38, Chapter 5, Article 4 of the Arizona Revised Statutes, as well as applicable federal laws and regulations. In our opinion, the assumptions used in this valuation, as adopted by the Board of Trustees, represent reasonable expectations of anticipated plan experience. Future actuarial measurements may differ significantly from the current measurements presented in this report for a variety of reasons including changes in applicable laws, changes in plan provisions, changes in assumptions, or plan experience differing from expectations. Due to the limited scope of the valuation, we did not perform an analysis of the potential range of such future measurements.

The computed contribution rates shown in the "Contribution Results" section should be considered minimum contribution rates that comply with the Board's funding policy and Arizona Statutes. Users of this report should be aware that contributions made at that rate do not guarantee benefit security. Given the importance of benefit security to any retirement system, we suggest that contributions to the System in excess of those presented in this report be considered.

The funding percentages and unfunded accrued liability as measured based on the actuarial value of assets will differ from similar measures based on the market value of assets. These measures, as provided, are appropriate for determining the adequacy of future contributions, but may not be appropriate for the purpose of settling a portion or all of the Plan's liabilities.

13420 Parker Commons Boulevard, Suite 104 Fort Myers, FL 33912 · (239) 433-5500 · Fax (239) 481-0634 · www.foster-foster.com

In conducting the valuation, we have relied on personnel, plan design, and asset information supplied by PSPRS through June 30, 2022 and the actuarial assumptions and methods described in the Actuarial Assumptions section of this report. While we cannot verify the accuracy of all this information, the supplied information was reviewed for consistency and reasonableness. As a result of this review, we have no reason to doubt the substantial accuracy of the information and believe that it has produced appropriate results. This information, along with any adjustments or modifications, is summarized in various sections of this report.

This valuation assumes the continuing ability of the participating employers to make the contributions necessary to fund this plan. A determination regarding whether or not the participating employers are actually able to do so is outside our scope of expertise. Consequently, we did not perform such an analysis.

In performing the analysis, we used third-party software to model (calculate) the underlying liabilities and costs. These results are reviewed in the aggregate and for individual sample lives. The output from the software is either used directly or input into internally developed models to generate the costs. All internally developed models are reviewed as part of the process. As a result of this review, we believe that the models have produced reasonable results. We do not believe there are any material inconsistencies among assumptions or unreasonable output produced due to the aggregation of assumptions.

The undersigned are familiar with the immediate and long-term aspects of pension valuations and meet the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. All sections of this report are considered an integral part of the actuarial opinions.

To our knowledge, no associate of Foster & Foster, Inc. working on valuations of the program has any direct financial interest or indirect material interest in the Arizona Public Safety Personnel Retirement System, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the Arizona Public Safety Personnel Retirement System. Thus, there is no relationship existing that might affect our capacity to prepare and certify this actuarial report.

If there are any questions, concerns, or comments about any of the items contained in this report, please contact us at 239-433-5500.

Respectfully Submitted,

Foster & Foster, Inc.

By: ______________________________
Bradley R. Heinrichs, FSA, EA, MAAA

By: ______________________________
Paul M. Baugher, FSA, EA, MAAA

TABLE OF CONTENTS

I. Summary of Report

The regular annual actuarial valuation of the Arizona Public Safety Personnel Retirement System for the Clarkdale Police Dept., performed as of June 30, 2022, has been completed and the results are presented in this Report. The purpose of this valuation is to:

- Compute the liabilities associated with benefits likely to be paid on behalf of current retired and active members. This information is contained in the section entitled "Liability Support."
- Compare accumulated assets with the liabilities to assess the funded condition. This information is contained in the section entitled "Liability Support."
- Compute the employers' recommended contribution rates for the Fiscal Year beginning July 1, 2023. This information is contained in the section entitled "Contribution Results."

1. Key Valuation Results

The funded status as of June 30, 2022 and the employer contribution amounts applicable to the plan/fiscal year ending June 30, 2024 are as follows:

	Tier 1 & Tier 2 Members			Tier 3 Members *		
	Pension	**Health**	**Total**	**Pension**	**Health**	**Total**
Employer Contribution Rate	27.63%	0.00%	27.63%	8.69%	0.12%	8.81%
Funded Status	71.5%	348.9%	74.9%	110.5%	212.1%	112.1%

2. Comparison of Key Results to Prior Year

The chart below compares the results from this valuation with the results of the prior year's valuation (as of June 30, 2021):

Contribution Rate

	Tier 1 & Tier 2 Members			Tier 3 Members *		
Valuation Date	**Pension**	**Health**	**Total**	**Pension**	**Health**	**Total**
June 30, 2021	28.68%	0.00%	28.68%	9.00%	0.12%	9.12%
June 30, 2022	27.63%	0.00%	27.63%	8.69%	0.12%	8.81%

Funded Status

	Tier 1 & Tier 2 Members			Tier 3 Members		
Valuation Date	**Pension**	**Health**	**Total**	**Pension**	**Health**	**Total**
June 30, 2021	70.8%	342.9%	74.1%	107.3%	210.0%	108.9%
June 30, 2022	71.5%	348.9%	74.9%	110.5%	212.1%	112.1%

** The Tier 3 rates shown are the calculated rates as of the valuation date and do not reflect any Legacy costs that the employer must also contribute.*

3. Reasons for Change

Changes in the results from the prior year's valuation can be illustrated in the following tables along with high-level explanations for the entire System below:

Contribution Rate

	Tier 1 & Tier 2		Tier 3 Members	
	Pension	**Health**	**Pension**	**Health**
Contribution Rate Last Valuation	28.68%	0.00%	9.00%	0.12%
Asset Experience	0.07%	0.01%	(0.03%)	0.00%
Payroll Base	(1.78%)	0.05%	(0.11%)	(0.03%)
Liability Experience	0.67%	0.00%	(0.57%)	(0.01%)
Additional Contribution	(1.48%)	0.00%	0.00%	0.00%
Assumption/Method Change	1.93%	0.00%	(0.13%)	0.00%
Other	(0.46%)	(0.06%)	0.53%	0.04%
Contribution Rate This Valuation	27.63%	0.00%	8.69%	0.12%

Funded Status

	Tier 1 & Tier 2		Tier 3 Members	
	Pension	**Health**	**Pension**	**Health**
Funded Status Last Valuation	70.8%	342.9%	107.3%	210.0%
Asset Experience	(0.1%)	(0.5%)	0.6%	2.3%
Liability Experience	(0.9%)	(3.8%)	9.9%	16.4%
Additional Contribution	3.2%	0.0%	0.0%	0.0%
Assumption/Method Change	(1.5%)	(2.0%)	2.3%	(6.7%)
Other	0.0%	12.3%	(9.6%)	(9.9%)
Funded Status This Valuation	71.5%	348.9%	110.5%	212.1%

Assets Experience – Asset gains and losses (relative to the assumed earnings rate) are smoothed over seven years for Tiers 1 and 2 and over five years for Tier 3. The return on the market value of assets for the year ending June 30, 2022 was (4.2%) for Tiers 1 and 2 and (4.6%) for Tier 3. On a smoothed, actuarial value of assets basis, however, the average return was 7.1% for Tiers 1 and 2 and 7.7% for Tier 3. These returns nearly met the 2021 assumed earnings rate for Tiers 1 and 2 of 7.3% and exceeded the 2021 assumed earnings rate for Tier 3 of 7.0%.

Payroll Base – Under the current amortization policy for Tiers 1 and 2, the contribution rate is developed as a level percentage of payroll. Payroll for this purpose includes members of this plan and defined contribution plan's members that would have been in this plan. To the extent that actual payroll is lower/greater than last year's projected payroll, the contribution rate will increase/decrease as a result.

Liability Experience – Experience overall was unfavorable, driven by salary increases that were higher than expected.

Additional Contribution – Monies contributed in excess of the required contribution rate in order to pay down the unfunded liability.

Assumption / Method Change – The Board adopted the assumption recommendations provided in the 2022 experience study report, dated April 21, 2022, which updated the salary, inflation, and demographic assumptions. The Board also reduced the interest rate for Tier 1 and 2 members from 7.30% to 7.20% and continued the decrease in the payroll growth assumption from 3.00% to 2.50%.

Other – This is the combination of all other factors that could impact liabilities year-over-year, with the primary sources being changes in benefits for continuing inactives. Note that Tier 3 experience will stabilize as the group matures.

4. Looking Ahead

The volatility in annual returns, which have produced both gains and losses in recent years, was dampened by the asset smoothing reflected in the actuarial value of assets. The significant loss realized this year will, in the absence of other gains, put upward pressure on the contribution rate next year.

If the June 30, 2022 pension valuation results were based on the market value of assets instead of the actuarial value of assets, the pension funded percentage for Tiers 1 and 2 would be 69.6% (instead of 71.5%) and the pension employer contribution requirement would be 28.72% of payroll (instead of 27.63%).

5. Conclusion

The funded status for Tiers 1 and 2 will continue to improve if assumptions are met and contributions at least equal to the rates determined for each employer are made to the fund. The recent adoption of a layered amortization approach along with a plan to systematically lower the payroll growth assumption was an excellent step to improve funding and ensure the Plan is on a viable path.

The funded status for Tier 3 will stabilize as the population continues to grow, as contributions appear sufficient to keep the liabilities fully funded.

II. Contribution Results

Contribution Requirements

Development of Employer Contributions - Tiers 1 & 2 Members				
Valuation Date	June 30, 2022		June 30, 2021	
Applicable to Fiscal Year Ending	2024		2023	
	Rate	**Dollar**	**Rate**	**Dollar**
Pension				
Normal Cost				
Total Normal Cost	20.97%	$ 77,620	21.08%	$ 75,384
Employee Cost	(7.65%)	(28,316)	(7.65%)	(27,357)
Employer (Net) Normal Cost	13.32%	49,304	13.43%	48,027
Amortization of Unfunded Liability	14.31%	52,968	15.25%	54,536
Total Employer Cost (Pension)	27.63%	102,272	28.68%	102,563
Health				
Normal Cost	0.38%	1,407	0.44%	1,573
Amortization of Unfunded Liability	(0.38%)	(1,407)	(0.44%)	(1,573)
Total Employer Cost (Health)	0.00%	0	0.00%	0
Total Employer Cost (Pension + Health)	**27.63%**	**102,272**	**28.68%**	**102,563**
Total Minimum Contribution Requirement (if applicable)	5.00%		5.00%	
Alternate Contribution Rate (ACR) *	14.31%		15.25%	
Underlying Payroll (as of valuation date)		361,119		347,194

** The Alternate Contribution Rate is the sum of the positive amortization rates for Tiers 1 & 2 Pension and Health (subject to an 8% minimum) and is charged when retirees return to active status.*

The results above are shown both prior to and after the application of the statutory minimum contribution requirement of 8% of payroll (5% of payroll if the actual employer contribution is less than 5% for the 2006/2007 Fiscal Year) and are based on the current amortization schedule approved by the Board of Trustees for your individual plan (see "Actuarial Assumptions and Methods").

Development of Employer Contributions – Tier 3 Members		
Valuation Date	June 30, 2022	June 30, 2021
Applicable to Fiscal Year Ending	2024	2023

Defined Benefit (DB) Retirement Plan

	Rate	**Dollar**	**Rate**	**Dollar**
Pension				
Total Normal Cost	17.37%	$ 32,696	17.99%	$ 31,312
Amortization of Unfunded Liability	0.00%	0	0.00%	0
Total Pension Cost	17.37%	32,696	17.99%	31,312
Employee (EE) Pension Cost	8.69%	16,348	9.00%	15,656
Employer (ER) Pension Cost	8.69%	16,348	9.00%	15,656
Health				
Total Normal Cost	0.24%	452	0.24%	418
Amortization of Unfunded Liability	0.00%	0	0.00%	0
Total Health Cost	0.24%	452	0.24%	418
Employee (EE) Health Cost	0.12%	226	0.12%	209
Employer (ER) Health Cost	0.12%	226	0.12%	209
Total				
Total Calculated Tier 3 Required EE/ER Individual Cost	8.81%	16,574	9.12%	15,865
Board Approved Tier 3 Required EE/ER Individual Cost [1]	9.56%	17,995	9.94%	17,301
ER Legacy Cost of Tiers 1 & 2 Amort of Unfunded Liabilities [2]	14.31%	26,936	15.25%	26,543
Total Calculated Tier 3 Required ER Defined Benefit Cost	23.12%	43,510	24.37%	42,408
Total Board Approved Tier 3 Required ER Defined Benefit Cost	**23.87%**	**44,931**	**25.19%**	**43,843**
Underlying Payroll (as of valuation date)		183,641		168,981

[1] *The "Board Approved" cost was reset with the June 30, 2022 valuation to be the lesser of 1) the calculated rate plus 0.75%, or 2) the prior Board approved rate. Going forward, the funding policy will reflect the approach in setting the costs and will be reviewed annually.*

[2] *Pursuant to ARS § 38-843(B), the amortization of positive unfunded liabilities for Tiers 1 & 2 shall be applied to all Tier 3 payroll on a level percent basis. However, while it is statutorily required to present the rates in this manner, these are the minimums where alternate methods for paying down that unfunded liability is at the discretion of each employer. Further, to understand the effects of reform in relation to Tier 3, compare the total rate of Tier 3 before application of those legacy costs.*

Development of Employer Contributions – Tier 3 Members

Valuation Date	June 30, 2022	June 30, 2021
Applicable to Fiscal Year Ending	2024	2023

Defined Contribution (DC) Retirement Plan

	Rate	Dollar	Rate	Dollar
Tier 2 & 3 DB / Non-Social Security				
Employee Cost	3.00%		3.00%	
Employer Cost [1]	3.00%		3.00%	
Tier 3 DC Only				
Employee Cost	9.00%	$ 5,054	9.00%	$ 0
Employee Health Subsidy Program Cost	0.17%	95	0.19%	0
Employee Disability Program Cost	1.43%	803	1.66%	0
Total Employee Cost	**10.60%**	**5,952**	**10.85%**	**0**
Employer Cost	9.00%	5,054	9.00%	0
Employer Health Subsidy Program Cost	0.17%	95	0.19%	0
Employer Disability Program Cost	1.43%	803	1.66%	0
Total Employer Cost (before Legacy)	**10.60%**	**5,952**	**10.85%**	**0**
ER Legacy Cost of Tiers 1 & 2 Amort of Unfunded Liabilities [2]	14.31%	8,035	15.25%	0
Total Employer Cost	**24.91%**	**13,987**	**26.10%**	**0**
Underlying Payroll (as of valuation date)		54,780		0

[1] *Employer rate is 4% for Tier 2 members for a period of time depending on the individual's membership date.*

[2] *Pursuant to ARS § 38-843(B), the amortization of positive unfunded liabilities for Tiers 1 & 2 shall be applied to all Tier 3 payroll on a level percent basis. However, while it is statutorily required to present the rates in this manner, these are the minimums where alternate methods for paying down that unfunded liability is at the discretion of each employer. Further, to understand the effects of reform in relation to Tier 3, compare the total rate of Tier 3 before application of those legacy costs.*

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Contribution Rate Summary

	Tier 1		Tier 2		Tier 3		
Membership Date On or After	7/1/1968	7/20/2011	1/1/2012		7/1/2017		
Participates in Social Security	N/A	N/A	Yes	No	Yes	No	N/A
Available Retirement Plan [1]	DB Only	DB Only	DB Only	Hybrid	DB Only	Hybrid	DC Only
Employee Contribution Rate							
PSPRS DB Rate	7.65%	11.65%	11.65%	11.65%	9.56%	9.56%	
PSPRS DC Rate				3.00%		3.00%	9.00%
Employer Health Subsidy Program Cost							0.17%
PSPDCRP Disability Program Rate							1.43%
Total EE Contribution Rate	7.65%	11.65%	11.65%	14.65%	9.56%	12.56%	10.60%
Employer Contribution Rate							
PSPRS DB Normal Cost	13.70%	13.70%	13.70%	13.70%	9.56%	9.56%	
PSPRS DB Tier 1 & 2 Legacy Cost [2]	13.93%	13.93%	13.93%	13.93%	14.31%	14.31%	14.31%
PSPRS DC Rate [3]				4.00%		3.00%	9.00%
Employer Health Subsidy Program Cost							0.17%
PSPDCRP Disability Program Rate							1.43%
Total ER Contribution Rate	27.63%	27.63%	27.63%	31.63%	23.87%	26.87%	24.91%

[1] Employers that pay into Social Security on behalf of their members do not participate in the Hybrid Plan.

[2] Per statute (ARS § 38-843(B)), any positive unfunded liability for Tiers 1 and 2 is to be applied to all Tier 3 (DB and DC) payrolls.

[3] The 4.00% employer match for Tier 2 Hybrid members is for a short period of time depending on the membership date of the employee at which point the rate will change to 3.00% (ARS § 38-868(C)).

Exhibit summarizes employee and employer contributions based on Statute and the results of June 30, 2022 actuarial valuation. Pension and health components are combined, where applicable.

Impact of Additional Contributions

	Additional Contribution (000s)										
	$0	**$10**	**$20**	**$30**	**$40**	**$50**	**$60**	**$70**	**$80**	**$90**	**$100**
Impact On											
Funded Status - June 30, 2022	71.5%	71.7%	71.9%	72.2%	72.4%	72.6%	72.9%	73.1%	73.4%	73.6%	73.8%
FYE 2024 Contribution Rate	27.63%	27.50%	27.36%	27.23%	27.09%	26.96%	26.82%	26.69%	26.55%	26.42%	26.28%

Table shows the hypothetical change in the funded status and contribution rate from the June 30, 2022 actuarial valuation results for Tiers 1 & 2 if an additional contribution of the amount shown had been made to the Fund on June 30, 2022. This illustration can help estimate the impact of contributing additional monies to the fund in the future.

Historical Summary of Employer Rates

	Valuation Date June 30	Fiscal Year Ending June 30	Pension Normal Cost	Pension Unfunded Amortization	Pension Total	Health Normal Cost	Health Unfunded Amortization	Health Total
TIERS 1 & 2	2018	2020	12.22%	20.34%	32.56%	0.40%	(0.40%)	0.00%
	2019	2021	14.06%	19.84%	33.90%	0.50%	(0.50%)	0.00%
	2020	2022	13.54%	17.58%	31.12%	0.43%	(0.43%)	0.00%
	2021	2023	13.43%	15.25%	28.68%	0.44%	(0.44%)	0.00%
	2022	2024	13.32%	14.31%	27.63%	0.38%	(0.38%)	0.00%
TIER 3 [1]	2018	2020	9.68%	0.00%	9.68%	0.26%	0.00%	0.26%
	2019	2021	9.68%	0.00%	9.68%	0.26%	0.00%	0.26%
	2020	2022	9.68%	0.00%	9.68%	0.26%	0.00%	0.26%
	2021	2023	9.68%	0.00%	9.68%	0.26%	0.00%	0.26%
	2022 [2]	2024	8.69%	0.00%	8.69%	0.12%	0.00%	0.12%
	2022	2024	9.30%	0.00%	9.30%	0.26%	0.00%	0.26%

[1] *Rates shown are Board approved EE/ER rates, unless otherwise noted. Does not reflect Legacy costs that the employer must also contribute.*

[2] *Rates shown are calculated EE/ER rates*

III. Liability Support

Liabilities and Funded Ratios by Benefit - Tiers 1 & 2

	June 30, 2022	June 30, 2021
Pension		
Actuarial Present Value of Benefits (PVB)		
Retirees and Beneficiaries	$ 3,390,419	$ 2,679,568
DROP Members	0	824,641
Vested Members	19,694	17,204
Active Members	1,316,925	1,146,961
Total Actuarial Present Value of Benefits	4,727,038	4,668,374
Actuarial Accrued Liability (AAL)		
All Inactive Members	3,410,113	3,521,413
Active Members	763,745	597,229
Total Actuarial Accrued Liability	4,173,858	4,118,642
Actuarial Value of Assets (AVA)	2,982,297	2,915,332
Unfunded Actuarial Accrued Liability	1,191,561	1,203,310
PVB Funded Ratio (AVA / PVB)	63.1%	62.4%
AAL Funded Ratio (AVA / AAL)	71.5%	70.8%
Health		
Actuarial Present Value of Benefits (PVB)		
Retirees and Beneficiaries	$ 31,154	$ 14,901
DROP Members	0	19,139
Active Members	31,869	28,332
Total Present Value of Benefits	63,023	62,372
Actuarial Accrued Liability (AAL)		
All Inactive Members	31,154	34,040
Active Members	21,403	16,555
Total Actuarial Accrued Liability	52,557	50,595
Actuarial Value of Assets (AVA)	183,389	173,486
Unfunded Actuarial Accrued Liability	(130,832)	(122,891)
PVB Funded Ratio (AVA / PVB)	291.0%	278.1%
AAL Funded Ratio (AVA / AAL)	348.9%	342.9%

Health liabilities were increased by $1,691 under the lateral transfer methodology. Pension liabilities were not impacted.

Liabilities and Funded Ratios by Benefit - Tier 3

	June 30, 2022	June 30, 2021
Pension		
Actuarial Present Value of Benefits (PVB)		
Retirees and Beneficiaries	$ 944,111	$ 440,356
Vested Members	3,654,003	1,850,254
Active Members	403,144,180	288,612,448
Total Actuarial Present Value of Benefits	407,742,294	290,903,058
Actuarial Accrued Liability (AAL)		
All Inactive Members	4,598,114	2,290,610
Active Members	64,341,090	40,442,927
Total Actuarial Accrued Liability	68,939,204	42,733,537
Actuarial Value of Assets (AVA)	76,171,857	45,863,401
Unfunded Actuarial Accrued Liability	(7,232,653)	(3,129,864)
PVB Funded Ratio (AVA / PVB)	18.7%	15.8%
AAL Funded Ratio (AVA / AAL)	110.5%	107.3%
Health		
Actuarial Present Value of Benefits (PVB)		
Retirees and Beneficiaries	0	0
Active Members	5,807,514	3,998,992
Total Present Value of Benefits	5,807,514	3,998,992
Actuarial Accrued Liability (AAL)		
All Inactive Members	0	0
Active Members	1,075,733	680,877
Total Actuarial Accrued Liability	1,075,733	680,877
Actuarial Value of Assets (AVA)	2,281,928	1,429,806
Unfunded Actuarial Accrued Liability	(1,206,195)	(748,929)
PVB Funded Ratio (AVA / PVB)	39.3%	35.8%
AAL Funded Ratio (AVA / AAL)	212.1%	210.0%

The liabilities shown on this page are the liabilities for all Tier 3 members grouped together in the Risk Sharing group. These liabilities are NOT the liabilities solely for Clarkdale Police Dept. Tier 3 members.

Derivation of Experience (Gain)/Loss

		Tiers 1 & 2		Tier 3	
		Pension	**Health**	**Pension**	**Health**
(1)	Unfunded Actuarial Accrued Liability as of June 30, 2021	1,203,310	(122,891)	(3,129,864)	(748,929)
(2)	Normal Cost Developed in Last Valuation	48,027	1,573	10,742,365	143,232
(3)	Actual Contributions	272,125	0	13,287,994	708,578
(4)	Expected Interest On (1), (2), and (3)	81,590	(8,856)	79,243	(69,623)
(5)	Expected Unfunded Actuarial Accrued Liability as of June 30, 2022 (1)+(2)-(3)+(4)	1,060,802	(130,174)	(5,596,250)	(1,383,898)
(6)	Changes to UAAL Due to Assumptions, Methods and Benefits	88,193	303	(1,466,606)	33,112
(7)	Change to UAAL Due to Actuarial (Gain)/Loss	42,566	(961)	(169,797)	144,591
(8)	Unfunded Actuarial Accrued Liability as of June 30, 2022	1,191,561	(130,832)	(7,232,653)	(1,206,195)

Amortization of Unfunded Liabilities - Tiers 1 & 2

	Date Established	Outstanding Balance [1]	Years Remaining	Amortization Rate
Pension	06/30/2019	1,343,306	24	15.06%
	06/30/2021	(160,708)	24	(2.22%)
	06/30/2022	106,724	24	1.47%
	Total	1,289,322		14.31%
Health	06/30/2019	0	10	0.00%
	06/30/2021	0	10	0.00%
	06/30/2022	(120,366)	10	(2.69%)
	Total	(120,366)		(2.69%)

Amortization of Unfunded Liabilities - Tier 3

	Date Established	Outstanding Balance	Years Remaining	Amortization Rate [2]
Pension	06/30/2018	133,264	6	0.02%
	06/30/2019	(1,174,488)	7	(0.12%)
	06/30/2020	783,926	8	0.07%
	06/30/2021	(2,629,391)	9	(0.23%)
	06/30/2022	(4,345,964)	10	(0.35%)
	Total	(7,232,653)		0.00%
Health	06/30/2018	(2,826)	6	0.00%
	06/30/2019	(107,381)	7	(0.01%)
	06/30/2020	(199,078)	8	(0.02%)
	06/30/2021	(379,902)	9	(0.03%)
	06/30/2022	(517,008)	10	(0.04%)
	Total	(1,206,195)		0.00%

[1] *By Statute, any unfunded liability is adjusted to remove any "maintenance of effort" balance included in the assets. The current balance is $97,760.*

[2] *By Statute, negative total amortization rates are not subtracted in Tier 3 rate calculations.*

IV. Asset Support

Statement of Changes in Fiduciary Net Position for Year Ended June 30, 2022

Market Value Basis

	Tiers 1 & 2		Tier 3	
	Pension	**Health**	**Pension**	**Health**
Additions				
Contributions				
Member Contributions	$ 131,683,526	$ 0	$ 29,063,146	$ 0
Employer Contributions	3,012,703,558	0	29,064,040	0
Health Insurance Contributions	0	3,802,966	0	1,407,709
Total Contributions	3,144,387,084	3,802,966	58,127,186	1,407,709
Investment Income				
Net Increase in Fair Value	(701,182,251)	(21,695,499)	(8,741,820)	(280,480)
Interest and Dividends	126,401,305	3,911,022	1,575,879	50,562
Other Income	87,059,416	2,683,297	1,085,391	34,690
Less Investment Expenses	(22,862,270)	(565,977)	(285,030)	(7,317)
Net Investment Income	(510,583,800)	(15,667,157)	(6,365,580)	(202,545)
Non-investment Income	986,277	0	12,296	0
Transfers In	1,279,046	0	30,523	0
Total Additions	2,636,068,607	(11,864,191)	51,804,425	1,205,164
Deductions				
Distributions to Members				
Benefit Payments	1,014,242,856	0	151,291	0
Health Insurance Subsidy	0	17,298,612	0	0
Refund of Contributions	13,520,140	0	1,255,336	0
Total Distributions	1,027,762,996	17,298,612	1,406,627	0
Administrative Expenses	9,180,607	278,897	114,460	3,606
Transfers Out	780,862	0	0	0
Other	0	0	0	0
Total Deductions	1,037,724,465	17,577,509	1,521,087	3,606
Net Increase / (Decrease)	1,598,344,142	(29,441,700)	50,283,338	1,201,558
Net Position Held in Trust				
Prior Valuation	11,444,452,554	403,467,753	112,339,143	3,633,858
Beginning of the Year Adjustment	0	0	0	0
End of the Year	13,042,796,696	374,026,053	162,622,481	4,835,416

Development of Pension Actuarial Value of Assets - Tiers 1 & 2

A. Investment Income	
A1. Actual Investment Income	$ (519,764,407)
A2. Expected Amount for Immediate Recognition	911,394,336
A3. Amount Subject to Amortization	(1,431,158,743)

	Year Ended June 30						
B. Amortization Schedule	2022	2023	2024	2025	2026	2027	2028
2022 Experience (A3 / 7)	(204,451,249)	(204,451,249)	(204,451,249)	(204,451,249)	(204,451,249)	(204,451,249)	(204,451,249)
2021 Experience	238,978,744	238,978,744	238,978,744	238,978,744	238,978,744	238,978,745	
2020 Experience	(68,882,158)	(68,882,158)	(68,882,158)	(68,882,158)	(68,882,160)		
2019 Experience	(22,859,275)	(22,859,275)	(22,859,275)	(22,859,275)			
2018 Experience	(6,266,349)	(6,266,349)	(6,266,351)				
2017 Experience	33,380,149	33,380,148					
2016 Experience	(64,250,889)						
Total Amortization	(94,351,027)	(30,100,139)	(63,480,289)	(57,213,938)	(34,354,665)	34,527,496	(204,451,249)

C. Actuarial Value of Assets	Total	Employer
C1. Actuarial Value of Assets, June 30, 2021	10,462,717,622	
C2. Non-investment Net Cash Flow	2,118,108,549	
C3. Preliminary Actuarial Value of Assets, June 30, 2022 (A2 + B + C1 + C2)	13,397,869,480	
C4. Market Value of Assets, June 30, 2022	13,042,796,696	2,903,260
C5. Final Actuarial Value of Assets, June 30, 2022 (C3 Within 20% Corridor of C4)	13,397,869,480	2,982,297

D. Rates of Return	
D1. Market Value Rate of Return	(4.2%)
D2. Actuarial Value Rate of Return	7.1%

Development of Health Actuarial Value of Assets - Tiers 1 & 2

A. Investment Income	
A1. Actual Investment Income	$ (15,946,054)
A2. Expected Amount for Immediate Recognition	28,969,231
A3. Amount Subject to Amortization	(44,915,285)

	Year Ended June 30						
B. Amortization Schedule	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**
2022 Experience (A3 / 7)	(6,416,469)	(6,416,469)	(6,416,469)	(6,416,469)	(6,416,469)	(6,416,469)	(6,416,471)
2021 Experience	9,257,478	9,257,478	9,257,478	9,257,478	9,257,478	9,257,481	
2020 Experience	(2,898,713)	(2,898,713)	(2,898,713)	(2,898,713)	(2,898,716)		
2019 Experience	(1,075,569)	(1,075,569)	(1,075,569)	(1,075,572)			
2018 Experience	(304,653)	(304,653)	(304,656)				
2017 Experience	1,532,136	1,532,136					
2016 Experience	(3,220,881)						
Total Amortization	(3,126,671)	94,210	(1,437,929)	(1,133,276)	(57,707)	2,841,012	(6,416,471)

C. Actuarial Value of Assets	**Total**	**Employer**
C1. Actuarial Value of Assets, June 30, 2021	367,789,300	
C2. Non-investment Net Cash Flow	(13,495,646)	
C3. Preliminary Actuarial Value of Assets, June 30, 2022 (A2 + B + C1 + C2)	380,136,214	
C4. Market Value of Assets, June 30, 2022	374,026,053	180,441
C5. Final Actuarial Value of Assets, June 30, 2022 (C3 Within 20% Corridor of C4)	380,136,214	183,389

D. Rates of Return	
D1. Market Value Rate of Return	(4.0%)
D2. Actuarial Value Rate of Return	7.2%

Development of Pension Actuarial Value of Assets - Tiers 3

A. Investment Income	
A1. Actual Investment Income	$ (6,480,040)
A2. Expected Amount for Immediate Recognition	9,816,857
A3. Amount Subject to Amortization	(16,296,897)

	Year Ended June 30				
B. Amortization Schedule	**2022**	**2023**	**2024**	**2025**	**2026**
2022 Experience (A3 / 5)	(3,259,379)	(3,259,379)	(3,259,379)	(3,259,379)	(3,259,381)
2021 Experience	3,551,936	3,551,936	3,551,936	3,551,938	
2020 Experience	(351,296)	(351,296)	(351,294)		
2019 Experience	44,435	44,437			
2018 Experience	(208)				
Total Amortization	(14,512)	(14,302)	(58,737)	292,559	(3,259,381)

C. Actuarial Value of Assets	Total	Employer
C1. Actuarial Value of Assets, June 30, 2021	99,096,619	
C2. Non-investment Net Cash Flow	56,763,378	
C3. Preliminary Actuarial Value of Assets, June 30, 2022 (A2 + B + C1 + C2)	165,662,342	
C4. Market Value of Assets, June 30, 2022	162,622,481	74,774,123
C5. Final Actuarial Value of Assets, June 30, 2022 (C3 Within 20% Corridor of C4)	165,662,342	76,171,857

D. Rates of Return	
D1. Market Value Rate of Return	(4.6%)
D2. Actuarial Value Rate of Return	7.7%

Development of Health Actuarial Value of Assets - Tiers 3

A. Investment Income	
A1. Actual Investment Income	$ (206,151)
A2. Expected Amount for Immediate Recognition	302,807
A3. Amount Subject to Amortization	(508,958)

	Year Ended June 30				
B. Amortization Schedule	**2022**	**2023**	**2024**	**2025**	**2026**
2022 Experience (A3 / 5)	(101,792)	(101,792)	(101,792)	(101,792)	(101,790)
2021 Experience	128,963	128,963	128,963	128,961	
2020 Experience	(10,555)	(10,555)	(10,557)		
2019 Experience	1,507	1,508			
2018 Experience	(165)				
Total Amortization	17,958	18,124	16,614	27,169	(101,790)

C. Actuarial Value of Assets	Total	Employer
C1. Actuarial Value of Assets, June 30, 2021	3,146,825	
C2. Non-investment Net Cash Flow	1,407,709	
C3. Preliminary Actuarial Value of Assets, June 30, 2022 (A2 + B + C1 + C2)	4,875,299	
C4. Market Value of Assets, June 30, 2022	4,835,416	2,263,260
C5. Final Actuarial Value of Assets, June 30, 2022 (C3 Within 20% Corridor of C4)	4,875,299	2,281,928

D. Rates of Return	
D1. Market Value Rate of Return	(4.8%)
D2. Actuarial Value Rate of Return	8.3%

V. Member Statistics

Valuation Data Summary

	June 30, 2022		June 30, 2021	
	Tiers 1 & 2	**Tier 3**	**Tiers 1 & 2**	**Tier 3**
Actives				
Number	4	2	4	2
Average Current Age	43.1	41.7	42.1	40.7
Average Age at Employment	33.4	38.4	33.4	38.4
Average Past Service	9.7	3.3	8.7	2.3
Average Annual Salary	$70,057	$59,222	$66,860	$55,426
Actives (transferred)				
Number	1	1	1	1
Average Current Age	48.1	32.8	47.1	30.7
Average Age at Employment	33.7	30.7	33.7	28.8
Average Past Service	14.4	2.1	13.4	1.9
Average Annual Salary	$65,972	$57,313	$65,845	$51,429
Retirees				
Number	7	0	6	0
Average Current Age	63.7	N/A	63.6	N/A
Average Annual Benefit	$30,623	N/A	$28,197	N/A
Drop Retirees				
Number	0	N/A	1	N/A
Average Current Age	N/A	N/A	57.1	N/A
Average Annual Benefit	N/A	N/A	$41,808	N/A
Beneficiaries				
Number	1	0	1	0
Average Current Age	75.5	N/A	74.5	N/A
Average Annual Benefit	$39,093	N/A	$38,326	N/A
Disability Retirees				
Number	0	0	0	0
Average Current Age	N/A	N/A	N/A	N/A
Average Annual Benefit	N/A	N/A	N/A	N/A
Inactive / Vested				
Number	1	0	1	0
Average Current Age	32.3	N/A	31.3	N/A
Average Accumulated Contributions	$2,234	N/A	$2,234	N/A
Total Number	14	3	14	3
Former Members (transferred)	2	2	2	1

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ACTUARIES AND CONSULTANTS

Active Counts and Pay Summary - Tiers 1 & 2

				Past Service						
Age	**0-4**	**5-9**	**10-14**	**15-19**	**20-24**	**25-29**	**30+**	**Total Count**	**Total Pay**	**Average Pay**
<20	0	0	0	0	0	0	0	0	0	0
20 - 24	0	0	0	0	0	0	0	0	0	0
25 - 29	0	0	0	0	0	0	0	0	0	0
30 - 34	0	2	0	0	0	0	0	2	110,105	55,053
35 - 39	0	0	0	0	0	0	0	0	0	0
40 - 44	0	0	0	1	0	0	0	1	69,170	69,170
45 - 49	0	0	1	0	0	0	0	1	65,972	65,972
50 - 54	0	0	0	0	0	0	0	0	0	0
55 - 59	0	0	0	0	0	0	0	0	0	0
60 - 64	0	0	0	0	0	0	0	0	0	0
65+	0	1	0	0	0	0	0	1	100,954	100,954
Total	0	3	1	1	0	0	0	5	346,201	69,240

Active Counts and Pay Summary - Tier 3

				Past Service						
Age	**0-4**	**5-9**	**10-14**	**15-19**	**20-24**	**25-29**	**30+**	**Total Count**	**Total Pay**	**Average Pay**
<20	0	0	0	0	0	0	0	0	0	0
20 - 24	0	0	0	0	0	0	0	0	0	0
25 - 29	0	0	0	0	0	0	0	0	0	0
30 - 34	1	0	0	0	0	0	0	1	57,313	57,313
35 - 39	1	0	0	0	0	0	0	1	47,441	47,441
40 - 44	1	0	0	0	0	0	0	1	71,003	71,003
45 - 49	0	0	0	0	0	0	0	0	0	0
50 - 54	0	0	0	0	0	0	0	0	0	0
55 - 59	0	0	0	0	0	0	0	0	0	0
60 - 64	0	0	0	0	0	0	0	0	0	0
65+	0	0	0	0	0	0	0	0	0	0
Total	3	0	0	0	0	0	0	3	175,757	58,586

In-Payment Counts and Benefit Summary – All Tiers

Age	Count	Average Annual Benefit
< 40	0	0
40 - 44	0	0
45 - 49	0	0
50 - 54	0	0
55 - 59	2	35,903
60 - 64	3	35,697
65 - 69	1	24,316
70 - 74	0	0
75 - 79	2	25,121
80 - 84	0	0
85 - 89	0	0
90 - 94	0	0
95 - 99	0	0
100+	0	0
Total	8	31,682

"In-Payment" refers to retired, beneficiary, and disabled members.

VI. ACTUARIAL ASSUMPTIONS AND METHODS

Interest Rate	This is the assumed earnings rate on System assets, compounded annually, net of investment and administrative expenses. ***Tiers 1 & 2:*** 7.20% per year. ***Tier 3:*** 7.00% per year.
Salary Increases	See table at the end of this section. This is an annual increase for individual member's salary. These rates are based on a 2022 experience study using actual plan experience.
Inflation	2.50%.
Tier 3 Compensation Limit	$115,868 for calendar 2022. Assumed increases of 2.00% per year thereafter.
Cost-of-Living Adjustment	1.85%.
Mortality Rates	These rates are used to project future decrements from the population due to death. ***Active Lives:*** PubS-2010 Employee mortality, adjusted by a factor of 1.03 for male members and 1.08 for female members, with generational improvements using 85% of the most recent projection scale (currently Scale MP-2021). 100% of active deaths are assumed to be in the line of duty. ***Inactive Lives:*** PubS-2010 Healthy Retiree mortality, adjusted by a factor of 1.03 for male retirees and 1.11 for female retirees, with generational improvements using 85% of the most recent projection scale (currently Scale MP-2021). ***Beneficiaries:*** PubS-2010 Survivor mortality, adjusted by a factor of 0.98 for male beneficiaries and adjusted by a factor of 1.06 for female beneficiaries, with generational improvements using 85% of the most recent projection scale (currently Scale MP-2021).

Disabled Lives:
PubS-2010 Disabled mortality, adjusted by a factor of 1.08 for male disabled members and 1.01 for female disabled members, with generational improvements using 85% of the most recent projection scale (currently Scale MP-2021).

The mortality assumptions sufficiently accommodate anticipated future mortality improvements.

Retirement / DROP Rates

These rates are used to project future decrements from the active population due to retirement. The rates below are based on a 2022 experience study using actual plan experience.

Tier 1 – reaching age 62 before attaining 20 years of service:
Age-related rates based on age at retirement:

Police - 40% assumed at age 62 and 63, 35% assumed at age 64, 25% assumed at ages 65 and 66, 50% assumed at ages 67 – 69, and 100% assumed at age 70.

Fire - 25% assumed at age 62 and 63, 35% assumed at age 64, 25% assumed at ages 65 and 66, 50% assumed at ages 67 – 69, and 100% assumed at age 70.

Tier 1 – reaching age 62 after attaining 20 years of service:
Service-related rates based on service at retirement. See complete tables at the end of this section.

60% are assumed to enter the DROP program while the remaining 40% are assumed to retire and commence benefits immediately. DROP periods are assumed to be 5 years in length.

Tiers 2 & 3:
Age-related rates based on age at retirement. 50% assumed at age 53, 30% assumed at ages 54 – 59, 60% assumed at ages 60 – 63, and 100% assumed at age 64.

Termination Rate

These rates are used to project future decrements from the active population due to termination. Complete table of rates based on service at termination are provided at the end of this section. The rates apply to members prior to retirement eligibility and are based on a 2022 experience study using actual plan experience.

<u>Disability Rate</u>

These rates are used to project future decrements from the active population due to disability. Complete table of rates based on age at disability are provided at the end of this section. These rates are based on a 2022 experience study using actual plan experience. 90% of disablements are assumed to be duty-related.

<u>Marital Status</u>

For active members, 85% of males and 60% of females are assumed to be married. Actual marital status is used, where applicable, for inactive members.

<u>Spouse's Age</u>

Male spouses are assumed to be five years older than female members and female spouses are assumed to be 2 years younger than males members.

<u>Health Care Utilization</u>

For active members, 70% of retirees are expected to utilize retiree health care. Actual utilization is used for inactive members.

<u>Funding Method</u>

Entry Age Normal Cost Method.

<u>Lateral Transfers</u>

When active members transfer between employers, the new employer's liability starts from their new date of hire with no past service liability (i.e., all liability is accrued through normal cost). Per PSPRS administrative decision, once the new employer's liability is fully funded, the liability will reflect all past service liability.

<u>Actuarial Asset Method</u>

Method described below. Note that during periods when investment performance exceeds (falls short) of the assumed rate, the actuarial value of assets will tend to be less (greater) than the market value of assets.

Tiers 1 & 2:
Each year the assumed investment income is recognized in full while the difference between actual and assumed investment income are smoothed over a 7-year period subject to a 20% corridor around the market value.

Tier 3:
Each year the assumed investment income is recognized in full while the difference between actual and assumed investment income are smoothed over a 5-year period subject to a 20% corridor around the market value.

Funding Policy Amortization Method	***Tiers 1 & 2:*** Any positive UAAL (assets less than liabilities) is amortized using a layered approach beginning with the June 30, 2020 valuation, with new amounts determined according to a Level Dollar method over a closed period of 15 years (phased into from current period of at most 30 years). Initial layer from June 30, 2019 valuation continues to be amortized according to a Level Percentage of Payroll method. Any negative UAAL (assets greater than liabilities) is amortized according to a Level Dollar method over an open period of 20 years. ***Tier 3:*** Any positive UAAL (assets less than liabilities) is amortized according to a Level Dollar method over a closed period of 10 years. No amortization is made of any negative UAAL (assets greater than liabilities).
Payroll Growth	2.50% per year. This is annual increase for total employer payroll.

Changes to Actuarial Assumptions and Methods Since the Prior Valuation
Based on the results of the 2022 experience study, the following assumption changes were made:

- Updated mortality, retirement, termination, and disability rate tables.
- Updated assumed salary increase and cost-of-living adjustment rates.

In addition, the interest rate for Tier 1 and 2 members was decreased from 7.30% to 7.20% and the payroll growth assumption was lowered from 3.00% to 2.50%.

The expected DROP period length was increased from 4 years to 5 years to reflect DROP benefit changes.

There were no method changes since the prior valuation.

Salary Increase Rates

Age	Maricopa Police	Pima Police	Other Police	Maricopa Fire	Pima Fire	Other Fire
20	15.00%	12.00%	14.00%	15.00%	12.00%	13.00%
21	14.00%	6.00%	12.00%	14.00%	11.00%	12.00%
22	13.00%	6.00%	10.00%	13.00%	10.00%	11.00%
23	12.00%	6.00%	9.00%	12.00%	9.50%	10.00%
24	11.00%	6.00%	8.00%	11.00%	9.00%	9.00%
25	10.00%	6.00%	7.00%	10.00%	8.50%	8.00%
26	9.00%	5.50%	6.50%	9.50%	7.50%	7.50%
27	8.00%	5.50%	6.25%	9.00%	6.50%	7.50%
28	7.50%	5.50%	6.00%	8.50%	5.75%	7.00%
29	7.00%	5.50%	5.80%	8.00%	5.75%	6.50%
30	6.50%	5.25%	5.60%	8.00%	5.50%	6.50%
31	6.00%	5.25%	5.40%	7.50%	5.50%	6.00%
32	5.50%	5.00%	5.20%	7.00%	5.00%	5.50%
33	5.10%	5.00%	5.00%	6.50%	5.00%	5.50%
34	4.90%	5.00%	4.90%	6.50%	5.00%	5.50%
35	4.70%	4.50%	4.80%	6.00%	5.00%	5.50%
36	4.50%	4.50%	4.70%	5.50%	5.00%	5.50%
37	4.30%	4.50%	4.60%	5.25%	4.50%	5.00%
38	4.10%	4.00%	4.50%	5.00%	4.50%	5.00%
39	4.00%	4.00%	4.40%	4.75%	4.50%	5.00%
40	3.90%	4.00%	4.30%	4.75%	4.50%	5.00%
41	3.80%	3.80%	4.20%	4.50%	4.50%	4.50%
42	3.70%	3.60%	4.10%	4.50%	4.00%	4.50%
43	3.60%	3.40%	4.00%	4.50%	4.00%	4.50%
44	3.50%	3.20%	3.90%	4.50%	4.00%	4.00%
45	3.50%	3.00%	3.80%	4.25%	4.00%	4.00%
46	3.50%	3.00%	3.70%	4.25%	3.75%	4.00%
47	3.50%	3.00%	3.60%	4.25%	3.75%	3.75%
48	3.50%	3.00%	3.50%	4.00%	3.75%	3.75%
49	3.50%	3.00%	3.50%	4.00%	3.50%	3.75%
50	3.25%	3.00%	3.50%	3.75%	3.50%	3.75%
51	3.25%	3.00%	3.50%	3.75%	3.50%	3.75%
52	3.25%	2.75%	3.50%	3.75%	3.50%	3.75%
53+	3.25%	2.75%	3.50%	3.75%	3.25%	3.75%

Tier 1 Retirement Rates– reaching age 62 after attaining 20 years of service

Service	Maricopa Police	Pima Police	Other Police	Maricopa Fire	Pima Fire	Other Fire
20	28%	28%	35%	14%	20%	20%
21	25%	25%	35%	17%	20%	25%
22	15%	16%	22%	7%	13%	15%
23	12%	12%	12%	7%	7%	10%
24	8%	9%	12%	7%	7%	10%
25	30%	22%	25%	17%	22%	30%
26	42%	42%	40%	30%	26%	30%
27	32%	30%	28%	23%	30%	30%
28	32%	30%	28%	30%	30%	30%
29	32%	20%	28%	30%	30%	30%
30	35%	25%	35%	30%	30%	35%
31	35%	33%	30%	40%	30%	35%
32	60%	50%	70%	55%	30%	35%
33	60%	50%	70%	55%	60%	60%
34+	100%	100%	100%	100%	100%	100%

Termination Rates

Service	Maricopa Police	Pima Police	Other Police	Maricopa Fire	Pima Fire	OtherFire
0	13.0%	14.0%	13.5%	4.5%	10.0%	10.5%
1	8.0%	9.0%	11.5%	3.5%	6.0%	8.5%
2	6.0%	7.5%	10.5%	2.5%	4.5%	8.0%
3	4.5%	7.0%	9.5%	2.0%	4.0%	8.0%
4	3.6%	6.5%	9.0%	1.5%	4.0%	7.0%
5	3.3%	5.0%	8.0%	1.5%	4.0%	5.0%
6	3.3%	5.0%	7.0%	1.5%	4.0%	5.0%
7	3.3%	4.0%	6.5%	1.5%	3.0%	4.0%
8	2.4%	4.0%	6.5%	1.5%	3.0%	4.0%
9	2.4%	4.0%	6.0%	1.5%	3.0%	3.5%
10	2.4%	4.0%	5.0%	1.0%	2.0%	3.0%
11	1.8%	3.0%	4.0%	1.0%	2.0%	2.5%
12	1.8%	3.0%	4.0%	1.0%	1.5%	2.0%
13	1.3%	2.0%	3.5%	1.0%	1.0%	1.5%
14	1.3%	2.0%	3.0%	0.5%	1.0%	1.4%
15	0.8%	1.5%	2.5%	0.5%	1.0%	1.4%
16	0.8%	1.5%	2.0%	0.5%	0.5%	1.4%
17	0.8%	1.0%	2.0%	0.5%	0.5%	1.4%
18	0.8%	1.0%	1.8%	0.5%	0.5%	1.4%
19	0.8%	1.0%	1.8%	0.5%	0.5%	0.5%
20+	0.5%	1.0%	1.8%	0.4%	0.5%	0.5%

Disability Rates

Age	Maricopa Police	Pima Police	Other Police	Maricopa Fire	Pima Fire	Other Fire
20	0.050%	0.050%	0.120%	0.020%	0.020%	0.020%
21	0.050%	0.050%	0.120%	0.020%	0.020%	0.020%
22	0.050%	0.050%	0.120%	0.020%	0.020%	0.020%
23	0.050%	0.050%	0.120%	0.020%	0.020%	0.020%
24	0.050%	0.050%	0.120%	0.020%	0.020%	0.020%
25	0.050%	0.050%	0.120%	0.020%	0.020%	0.020%
26	0.100%	0.100%	0.160%	0.035%	0.020%	0.020%
27	0.100%	0.100%	0.160%	0.035%	0.020%	0.020%
28	0.100%	0.100%	0.160%	0.035%	0.020%	0.020%
29	0.100%	0.100%	0.160%	0.035%	0.020%	0.020%
30	0.100%	0.100%	0.160%	0.035%	0.020%	0.020%
31	0.230%	0.180%	0.240%	0.090%	0.100%	0.060%
32	0.230%	0.180%	0.240%	0.090%	0.100%	0.060%
33	0.230%	0.180%	0.240%	0.090%	0.100%	0.060%
34	0.230%	0.180%	0.240%	0.090%	0.100%	0.060%
35	0.230%	0.180%	0.240%	0.090%	0.100%	0.060%
36	0.450%	0.350%	0.320%	0.150%	0.150%	0.140%
37	0.450%	0.350%	0.320%	0.150%	0.150%	0.140%
38	0.450%	0.350%	0.320%	0.150%	0.150%	0.140%
39	0.450%	0.350%	0.320%	0.150%	0.150%	0.140%
40	0.450%	0.350%	0.320%	0.150%	0.150%	0.140%
41	0.520%	0.650%	0.550%	0.170%	0.300%	0.250%
42	0.520%	0.650%	0.550%	0.170%	0.300%	0.250%
43	0.520%	0.650%	0.550%	0.170%	0.300%	0.250%
44	0.520%	0.650%	0.550%	0.170%	0.300%	0.250%
45	0.520%	0.650%	0.550%	0.170%	0.300%	0.250%
46	0.650%	0.750%	0.750%	0.300%	0.420%	0.420%
47	0.650%	0.750%	0.750%	0.300%	0.420%	0.420%
48	0.650%	0.750%	0.750%	0.300%	0.420%	0.420%
49	0.650%	0.750%	0.750%	0.300%	0.420%	0.420%
50	0.650%	0.750%	0.750%	0.300%	0.420%	0.420%
51	0.800%	0.800%	0.800%	0.700%	0.750%	0.750%
52	0.800%	0.800%	0.800%	0.700%	0.750%	0.750%
53	0.800%	0.800%	0.800%	0.700%	0.750%	0.750%
54	0.800%	0.800%	0.800%	0.700%	0.750%	0.750%
55	0.800%	0.800%	0.800%	0.700%	0.750%	0.750%
56+	1.000%	0.850%	0.900%	1.100%	0.800%	1.000%

VII. DISCUSSION OF RISK

ASOP No. 51, Assessment and Disclosure of Risk Associated with Measuring Pension Obligations and Determining Pension Plan Contributions, states that the actuary should identify risks that, in the actuary's professional judgment, may reasonably be anticipated to significantly affect the plan's future financial condition.

Throughout this report, actuarial results are determined under various assumption scenarios. These results are based on the premise that all future plan experience will align with the plan's actuarial assumptions; however, there is no guarantee that actual plan experience will align with the plan's assumptions. Whenever possible, the recommended assumptions in this report reflect conservatism to allow for some margin of unfavorable future plan experience. However, it is still possible that actual plan experience will differ from anticipated experience in an unfavorable manner that will negatively impact the plan's funded position.

Below are examples of ways in which plan experience can deviate from assumptions and the potential impact of that deviation. Typically, this results in an actuarial gain or loss representing the current-year financial impact on the plan's unfunded liability of the experience differing from assumptions; this gain or loss is amortized over a period of time determined by the plan's amortization method. When assumptions are selected that adequately reflect plan experience, gains and losses typically offset one another in the long term, resulting in a relatively low impact on the plan's contribution requirements associated with plan experience. When assumptions are too optimistic, losses can accumulate over time and the plan's amortization payment could potentially grow to an unmanageable level.

- Investment Return: When the rate of return on the Actuarial Value of Assets falls short of the assumption, this produces a loss representing assumed investment earnings that were not realized. Further, it is unlikely that the plan will experience a scenario that matches the assumed return in each year as capital markets can be volatile from year to year. Therefore, contribution amounts can vary in the future.
- Salary Increases: When a plan participant experiences a salary increase that was greater than assumed, this produces a loss representing the cost of an increase in anticipated plan benefits for the participant as compared to the previous year. The total gain or loss associated with salary increases for the plan is the sum of salary gains and losses for all active participants.
- Payroll Growth: The plan's payroll growth assumption, if one is used, causes a predictable annual increase in the plan's amortization payment in order to produce an amortization payment that remains constant as a percentage of payroll if all assumptions are realized. If payroll does not increase according to the plan's payroll growth assumption, the plan's amortization payment can increase significantly as a percentage of payroll even if all assumptions other than the payroll growth assumption are realized.
- Demographic Assumptions: Actuarial results take into account various potential events that could happen to a plan participant, such as retirement, termination, disability, and death. Each of these potential events is assigned a liability based on the likelihood of the event and the financial consequence of the event for the plan. Accordingly, actuarial liabilities reflect a blend of financial consequences associated with various possible outcomes (such as retirement at one of various possible ages). Once the outcome is known (e.g. the participant retires) the liability is adjusted to reflect the known outcome. This adjustment

produces a gain or loss depending on whether the outcome was more or less favorable than other outcomes that could have occurred.

- Contribution risk: This risk results from the potential that actual employer contributions may deviate from actuarially determined contributions, which are determined in accordance with the Board's funding policy. The funding policy is intended to result in contribution requirements that if paid when due, will result in a reasonable expectation that assets will accumulate to be sufficient to pay plan benefits when due. Contribution deficits, particularly large deficits and those that occur repeatedly, increase future contribution requirements and put the plan at risk for not being able to pay plan benefits when due.

Impact of Plan Maturity on Risk

For newer pension plans, most of the participants and associated liabilities are related to active members who have not yet reached retirement age. As pension plans continue in operation and active members reach retirement ages, liabilities begin to shift from being primarily related to active members to being shared amongst active and retired members. Plan maturity is a measure of the extent to which this shift has occurred. It is important to understand that plan maturity can have an impact on risk tolerance and the overall risk characteristics of the plan. For example, plans with a large amount of retired liability do not have as long of a time horizon to recover from losses (such as losses on investments due to lower than expected investment returns) as plans where the majority of the liability is attributable to active members. For this reason, less tolerance for investment risk may be warranted for highly mature plans with a substantial inactive liability. Similarly, mature plans paying substantial retirement benefits resulting in a small positive or net negative cash flow can be more sensitive to near term investment volatility, particularly if the size of the fund is shrinking, which can result in less assets being available for investment in the market.

To assist with determining the maturity of the plan, we have provided some relevant metrics in the table following titled "Plan Maturity Measures and Other Risk Metrics." For a better understanding of the overall Plan and the impact of these risks, please refer to the consolidated PSPRS valuation report.

Plan Maturity Measures and Other Risk Metrics - Tiers 1 & 2

	06/30/2019	06/30/2020	06/30/2021	06/30/2022
Support Ratio				
Total Actives	6	5	5	5
Total Inactives	10	9	9	9
Actives / Inactives	60.0%	55.6%	55.6%	55.6%
Asset Volatility Ratio				
Market Value of Assets (MVA)	2,309,402	2,443,825	3,188,883	2,903,260
Total Annual Payroll	373,805	330,064	333,285	346,201
MVA / Total Annual Payroll	617.8%	740.4%	956.8%	838.6%
Accrued Liability (AL) Ratio				
Inactive Accrued Liability	3,409,135	3,465,852	3,521,413	3,410,113
Total Accrued Liability	3,861,537	3,981,964	4,118,642	4,173,858
Inactive AL / Total AL	88.3%	87.0%	85.5%	81.7%
Funded Ratio				
Actuarial Value of Assets (AVA)	2,388,654	2,631,236	2,915,332	2,982,297
Total Accrued Liability	3,861,537	3,981,964	4,118,642	4,173,858
AVA / Total Accrued Liability	61.9%	66.1%	70.8%	71.5%
Net Cash Flow Ratio				
Net Cash Flow [1]	38,266	105,806	103,010	(159,064)
Market Value of Assets (MVA)	2,309,402	2,443,825	3,188,883	2,903,260
Net Cash Flow / MVA	1.7%	4.3%	3.2%	(5.5%)

[1] *Determined as total contributions minus benefit payments. Administrative expenses are typically included but are considered part of the net interest rate assumption for this plan.*

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Plan Maturity Measures and Other Risk Metrics - Tier 3 [1]

	06/30/2019	06/30/2020	06/30/2021	06/30/2022
Support Ratio				
Total Actives	944	1,408	1,853	2,417
Total Inactives	57	130	221	327
Actives / Inactives	1,656.1%	1,083.1%	838.5%	739.1%
Asset Volatility Ratio				
Market Value of Assets (MVA)	9,392,896	22,964,925	51,992,240	74,774,123
Total Annual Payroll	50,420,565	84,448,996	115,883,115	165,151,543
MVA / Total Annual Payroll	18.6%	27.2%	44.9%	45.3%
Accrued Liability (AL) Ratio				
Inactive Accrued Liability	203,244	1,173,104	2,290,610	4,598,114
Total Accrued Liability	7,956,725	23,239,599	42,733,537	68,939,204
Inactive AL / Total AL	2.6%	5.0%	5.4%	6.7%
Funded Ratio				
Actuarial Value of Assets (AVA)	9,305,220	23,570,444	45,863,401	76,171,857
Total Accrued Liability	7,956,725	23,239,599	42,733,537	68,939,204
AVA / Total Accrued Liability	116.9%	101.4%	107.3%	110.5%
Net Cash Flow Ratio				
Net Cash Flow [2]	7,281,178	13,192,598	18,607,209	25,802,686
Market Value of Assets (MVA)	9,392,896	22,964,925	51,992,240	74,774,123
Net Cash Flow / MVA	77.5%	57.4%	35.8%	34.5%

[1] *Tier 3 results are shown for the Risk Sharing group, where applicable.*
[2] *Determined as total contributions minus benefit payments. Administrative expenses are typically included but are considered part of the net interest rate assumption for this plan.*

VIII. Summary of Current Plan

The following is a summary of the benefit provisions provided in Title 38, Chapter 5, Article 4 of the Arizona Revised Statutes.

Membership

Full-time employees of an eligible group, prior to attaining age 65, who are engaged to work for more than six months in a calendar year. Tier 3 Defined Contribution members are able to elect participation in post-retirement health insurance subsidy.

Benefit Tiers

Benefits differ for members based on their hire date:

Tier	Hire Date
1	Hired before January 1, 2012
2	Hired on or after January 1, 2012 but before July 1, 2017
3	Hired on or after July 1, 2017

Compensation

Compensation is the amount including base salary, overtime pay, shift and military differential pay, compensatory time used in lieu of overtime pay, and holiday pay, paid to an employee on a regular payroll basis and longevity pay paid at least every six months for which contributions are made to the System. For Tier 3 members, compensation is limited by statutory cap ($110,000 with adjustments by the Board).

Average Monthly Benefit Compensation

Tier 1:
The highest compensation paid to member during three consecutive years out of the last 20 years of Credited Service, divided by months.

Tier 2:
The highest compensation paid to member during five consecutive years out of the last 20 years of Credited Service, divided by months.

Tier 3:
The highest compensation paid to member during five consecutive years out of the last 15 years of Credited Service, divided by months.

Credited Service

Total periods of service, both before and after the member's date of participation, for which the member made contributions to the fund.

Normal Retirement Date

Tier 1:
First day of month following attainment of 1) 20 years of service or

2) 62nd birthday and completion of 15 years of service.

Tier 2:
First day of month following the attainment of age 52.5 and completion of 15 years of service.

Tier 3:
First day of month following the attainment of age 55 and completion of 15 years of service.

Benefit

Tier 1:
50% of Average Monthly Benefit Compensation, adjusted based on Credited Service as follows (maximum benefit of 80% of Average Monthly Benefit Compensation):

Credited Service	Benefit Adjustment
15 years, but less than 20	Reduced 4% per year less than 20
20 years, but less than 25	Plus 2% per year between 20 and 25
25+ years	Plus 2.5% per year above 20

Tier 2:
Benefit multiplier (below) times Average Monthly Benefit Compensation times Credited Service (maximum benefit of 80% of Average Monthly Benefit Compensation):

Credited Service	Benefit Multiplier
15 years, but less than 17	1.50%
17 years, but less than 19	1.75%
19 years, but less than 22	2.00%
22 years, but less than 25	2.25%
25+ years	2.50%

Tier 3:
Benefit multiplier (below) times Average Monthly Benefit Compensation times Credited Service (maximum benefit of 80% of Average Monthly Benefit Compensation):

Credited Service	Benefit Multiplier
15 years, but less than 17	1.50%
17 years, but less than 19	1.75%
19 years, but less than 22	2.00%
22 years, but less than 25	2.25%
25+ years	2.50%

Form of Benefit	For married retirees, an annuity payable for the life of the member with 80% continuing to the eligible spouse upon death. For unmarried retirees, the normal form is a single life annuity.

Early Retirement — ***Only applicable to Tier 3 members:***

Date	Attainment of age 52.5 and 15 years of Credited Service.
Benefit	Actuarial equivalent of Normal Retirement benefit.

Disability Benefit – Accidental (duty-related)

Eligibility	Total and permanent disability incurred in performance of duty.
Benefit Amount	A maximum of: a.) 50% of Average Monthly Benefit Compensation, and; b.) The monthly Normal Retirement pension that the member is entitled to receive if he or she retired immediately.

Disability Benefit – Ordinary (not duty-related)

Eligibility	Total and permanent disability not incurred in performance of duty.
Benefit Amount	Normal Retirement pension that the member is entitled to receive, prorated based on Credited Service earned over the required Credited Service for Normal Retirement (maximum ratio of 1).

Disability Benefit – Other

Temporary	Benefit equals 1/12 of 50% of compensation during year preceding date of disability. Payments terminate after 12 months.
Catastrophic	Benefit equals 90% of Average Monthly Benefit Compensation. After 60 months member receives greater of 62.5% Average Monthly Benefit Compensation and accrued normal pension.

Pre-Retirement Death Benefit

Service Incurred	100% of Average Monthly Benefit Compensation, reduced by child's pension.
Non-Service Incurred	80% of benefit based on calculation for accidental disability retirement.
Child's Pension	10% of pension for each child (maximum 20% paid) based on calculation for accidental disability retirement. Payable to dependent child under age 18 (23, if full-time student).
Guardian's Pension	Same as spouse's pension. Payable (along with child's pension) when no spouse is being paid and there is at least one child under 18 (23, if full-time student).

Vesting (Termination)

Vesting Service Requirement

***Tier 1*:**
10 years of Credited Service.
***Tiers 2 & 3*:**
15 years of Credited Service.

Non-Vested Benefit

***Tier 1*:**
Lump sum payment of accumulated contributions, plus additional amount based on years of Credited Service.

Service	Additional % of Contributions
Less than 5 years	0%
5 years	25%
6 years	40%
7 years	55%
8 years	70%
9 years	85%
10+ years	100%

***Tiers 2 & 3*:**
Lump sum payment of accumulated contributions, with interest at rate determined by the Board.

Vested Benefit

***Tier 1*:**
Deferred retirement annuity based on two times member's accumulated contributions, deferred to age 62. Member is not entitled to survivor benefits, benefit increases, or group health insurance subsidy.

***Tiers 2 & 3*:**
Calculated same as normal retirement pension. Payable if contributions left in fund until reach age requirement. Member is entitled to survivor benefits, benefit increases, and group health insurance subsidy.

Cost-of-Living Adjustment

Payable to retired member or survivor of retired member

Tiers 1 & 2:
Compound cost-of-living adjustment on base benefit. First payment is made on July 1, 2018, with annual adjustments effective every July 1 thereafter.

Cost-of-living adjustment will be based on the average annual percentage change in the Metropolitan Phoenix-Mesa Consumer Price Index published by the United States Department of Labor, Bureau of

Statistics. Maximum increase of 2%.

Tier 3:
Compound cost-of-living adjustment on base benefit beginning earlier of first calendar year after the 7th anniversary of retirement or when the retired member reaches 60 years of age.

A cost-of-living adjustment shall be paid on July 1 each year that the funded ratio for members hired on or after July 1, 2017 is 70% or more.

The cost-of-living adjustment will be based on the average annual percentage change in the Metropolitan Phoenix-Mesa Consumer Price Index published by the United States Department of Labor, Bureau of Statistics. The cost-of-living adjustment will not exceed:

- 2%, if funded ratio for members who are hired on or after July 1, 2017 is 90% or more;
- 1.5%, if funded ratio for members who are hired on or after July 1, 2017 is 80-90%;
- 1%, if funded ratio for members who are hired on or after July 1, 2017 is 70-80%.

Deferred Retirement Option Plan (DROP):

Eligibility	Tier 1 and 20 years of Credited Service.
DROP Period	Maximum 84 months.
Member Contributions	Cease upon DROP entry.
Benefit Amount	Calculated based on Credited Service and average monthly compensation as of the beginning of the DROP period, credited to DROP participation account for DROP period.
Interest on DROP Participation Account	see below
Payment of DROP Participation Account	Payable as lump sum distribution to Public Safety Personnel Defined Contribution Retirement Plan at earlier of 1) end of DROP period, 2) at termination, or 3) five years.
Payment Monthly Benefit	System commences payment of benefit amount at the earlier of 1) the end of the DROP period and 2) at termination.

Interest on DROP Participation Account:

Beginning Year	Interest Rate
July 1, 2016	7.40%
July 1, 2018	7.30%
July 1, 2022	7.20%

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Post-Retirement Health Insurance Subsidy

Eligibility: Retired member or survivor who elect health coverage provided by the state or participating employer.

Maximum Subsidy Amounts (monthly)

	Member Only	With Dependents
Medicare Eligible	$100	$170
One w/ Medicare	N/A	$215
Not Medicare Eligible	$150	$260

Employee Contributions

Members hired before July 20, 2011:
7.65%

Members hired on/after July 20, 2011, but before July 1, 2017:
11.65%. Amounts in excess of 7.65% are not used to reduce the employer contribution (“maintenance of effort”).

Tier 3:
50% of total contribution, which is Normal Cost plus a level-dollar amortization of unfunded actuarial accrued liability over a closed period not to exceed 10 years.

Employer Contributions

Tiers 1 & 2:
Normal Cost plus amortization of unfunded actuarial accrued liability over a closed period not to exceed 20 years (subject to one-time election to extend to closed period not to exceed 30 years). Contribution will never be less than 8% of payroll.

Tier 3:
50% of total contribution, which is Normal Cost plus a level-dollar amortization of unfunded actuarial accrued liability over a closed period not to exceed 10 years.

Changes to Benefit Provisions Since the Prior Valuation

The DROP benefit was extended to 84 months.

IX. Actuarial Funding Policy

A pension plan funding policy describes how pension funding will improve for underfunded plans or maintain funded benefits for funded plans over time for those benefits defined in ARS. Those benefits defined in ARS are to be equitably managed and administered by PSPRS.

This Actuarial Funding Policy identifies the funding objectives and elements of the actuarial funding policy set by the Board for the Arizona Public Safety Personnel Retirement System (PSPRS). The Board adopted this Funding Policy to help ensure the systematic funding of future benefit payments for members of the Retirement System as established by the legislature.

To achieve the systematic funding of future benefits, metrics are identified to measure the progress, or the lack of progress, over time to identify trends. These trends inform the continuation of the current policies or identify areas of needed research for consideration.

This funding policy is reviewed annually and adopted by the Board in accordance with ARS 38-863.02. This policy was reviewed and adopted by the Board in September 2022.

PSPRS Statement of Purpose

The Purpose of the Public Safety Personnel Retirement System is to provide uniform, consistent, and equitable statewide retirement programs for those who have been entrusted to our care.

Funding Objectives

1. Maintain adequate assets so that current plan assets, plus future contributions and investment earnings, are sufficient to fund all benefits expected to be paid to members and their beneficiaries.
    a. Corollary 1a: Current and future contributions should be calculated based upon assumptions that reflect the Board's best estimate of future experience and methods that appropriately allocate costs to address generational equity.
    b. Corollary 1b: While the shorter-term objective is to fully fund the actuarial liability (AAL) that estimates benefits earned as of the valuation date, contributions should target the long-term present value of benefits (PVB) to fund all benefits and help offset risks.
    c. As closed plans mature, the target funding should be 110% of AAL or 100% of PVB, whichever is greater.

2. Maintain public policy goals of accountability and transparency through stakeholder communication and education. Each policy element is clear in intent and effect, and each should be considered in a balanced approach to determine how and when the funding requirements of the plan will be met.
    a. Corollary 2a: Board shall provide stakeholders with separate reports and tools to help explain current results as well as to help model future funding requirements.

3. Promote intergenerational equity. Defined benefit pensions are designed with a long-term perspective and designed to minimize contribution volatility that cannot avoid some level of generational cost shift. However, the goal is that each generation of members and employers (taxpayers) should, to the extent

possible, incur the cost of benefits for the employees who provide services to them, rather than shifting those costs to other generations of members and employers (taxpayers).

a. Corollary 3a: A systematic reduction of the Unfunded Actuarial Accrued Liability (UAAL) over a reasonable time period is paramount to achieving this objective.

Consideration can be given to reduce volatility, to the extent possible, of employer and employee contribution rates as long as the integrity of the objectives listed above is not compromised.

Elements of Actuarial Funding Policy

1. Actuarial Cost Method
   a. The Entry Age Normal level percent of pay actuarial cost method of valuation shall be used in determining the Actuarial Accrued Liability (AAL) and Normal Cost. Differences in the past between assumed experience and actual experience ("actuarial gains and losses") shall become part of the AAL. The Normal Cost shall be determined on an individual basis for each active member.

2. Asset Smoothing Method
   a. The investment gains or losses of each valuation period, resulting from the difference between the actual investment return and assumed investment return, shall be recognized annually in level amounts over seven years (Tiers 1 and 2) or five years (Tier 3) in calculating the Actuarial Value of Assets.
   b. The Actuarial Value of Assets so determine shall be subject to a 20% corridor relative to the Market Value of Assets.

3. Amortization Method (Unfunded Amounts)
   a. The Actuarial Value of Assets are subtracted from the computed AAL. Any unfunded amount is amortized as a level percent of payroll over a closed period.
   b. The unfunded liabilities, for EORP and Tiers 1 & 2 for both PSPRS and CORP, determined in the June 30, 2019 actuarial valuation will become the initial layer for each employer beginning with the June 30, 2020 actuarial valuation and amortized using the current closed year period for that employer and continue to decrease each year.
      i. The payroll growth rate assumption used to amortize the Public Safety Plan (PSPRS) June 30, 2019 Unfunded Liability will be decreased by 0.5% beginning with the 6/30/2021 actuarial valuation and again each year with the intention of ultimately achieving 0.0%. Once the payroll growth assumption reaches 2.0%, however, the Board will reevaluate the payroll growth assumption and decide whether to continue to let it track down to 0.0%.
      ii. The payroll growth rate used to amortize the Correction Officers Retirement Plan (CORP) June 30, 2019 Unfunded Liability will be 3.0% beginning with the 6/30/2020 actuarial valuation, and future years will be reduced by 0.5% until 0.0% is reached.
      iii. The payroll growth rate used to amortize the Elected Officials Retirement Plan (EORP) June 30, 2019 Unfunded Liability will be 2.5% beginning with the 6/30/2020 actuarial valuation, and future years will be reduced by 0.5% until 0.0% is reached.
   c. Gains and losses, for EORP and Tiers 1 & 2 for both PSPRS and CORP, for each employer beginning with the June 30, 2020 actuarial valuation will be amortized as a new layer over the same amortization period as the regular unfunded liability to a minimum of 15 years. Once the amortization period for each employer decreases to 15 years, each subsequent year's gains and losses will be amortized as a new 15-year closed layer.

i. The payroll growth rate used to amortize unfunded liability for all Plans under this paragraph will be 0.0% (i.e. level-dollar amortization).

d. Tier 3 amortization methods are established in ARS 38-843.G and ARS 38-891.K.

4. Amortization Method (Overfunded Amounts)
   a. The Actuarial Value of Assets are subtracted from the target funding level(greater of 110% of AAL or 100% of PVB). Any overfunded amount is amortized as a level dollar amount over an open 10-year period.

Metrics to Monitor Funding Objectives

1. Appropriateness of Assumptions – Gain/Loss Experience (Corollary 1a)
   a. Metric: Do the cumulative gain/loss layers over the prior five years exceed 8% of plan assets?
   b. Measurement: History of annual gain/loss (split by asset and liability experience) and five-year cumulative results will be tracked.
   c. Action Plan: This metric assumes that a full experience study is performed at least every five years so objective of measurement is to monitor interim experience. If the metric answer is yes, a review of the sources or causes of gains and losses should be analyzed and presented to the Advisory Committee to provide a recommendation to the Board of Trustees. The analysis and presentation are intended to provide a basis for consideration if assumption changes are warranted between full experience studies.

2. Funding Targets (Corollary 1b)
   a. Metric: Has the funded status, on both an AAL and PVB basis when compared to the market value of assets, increased over a five-year period?
   b. Measurement: History of funded status measures will be tracked.
   c. Action Plan: If the answer is no and not readily explainable (e.g., significant assumption change), a review of the reason(s) for the decrease should be researched and presented to the Advisory Committee to provide a recommendation to the Board of Trustees. The analysis and presentation are intended to provide a basis for consideration if changes to assumptions and/or methods are warranted between full experience studies.

3. Communication with Stakeholders (Corollary 2a)
   a. Metric: Have reports and budgeting tools been provided to stakeholders in a timely fashion?
   b. Measurement: Yes/No answer based on input from PSPRS administrator. (An annual standard survey of stakeholders – 3 to 5 questions.)
   c. Action Plan: If the answer is no, and periodically regardless (e.g., every three years), PSPRS staff will revisit this metric to report to the Advisory Committee to provide a recommendation to the Board of Trustees if current reports / tools are sufficient and if the delivery timing is appropriate.

4. Timely Recognition of Costs (Corollary 3a)
   a. Metric: Has the percentage of unfunded liability subject to negative amortization decreased over a five-year lookback period?
   b. Measurement: History of unfunded liability subject to negative amortization as a percentage of total unfunded liability will be tracked.
   c. Action Plan: If the answer is no, and not readily explainable (e.g., adopted assumption changes being phased in are anticipated to address negative amortization), a review of the reason(s) for negative

amortization should be researched and presented to the Advisory Committee to provide a recommendation to the Board of Trustees. The analysis and presentation are intended to provide a basis for consideration if changes to assumptions and/or methods are warranted between full experience studies.

X. GLOSSARY

Actuarial Accrued Liability – Computed differently under different funding methods, the actuarial accrued liability generally represents the portion of the actuarial present value of benefits attributable to service credit earned (or accrued) as of the valuation date.

Actuarial Present Value of Benefits – Amount which, together with future interest, is expected to be sufficient to pay all benefits to be paid in the future, regardless of when earned, as determined by the application of a particular set of actuarial assumptions; equivalent to the actuarial accrued liability plus the present value of future normal costs attributable to the members.

Actuarial Assumptions – Assumptions as to the occurrence of future events affecting pension costs. These assumptions include rates of investment earnings, changes in salary, rates of mortality, withdrawal, disablement, and retirement as well as statistics related to marriage and family composition.

Actuarial Cost Method – A method of determining the portion of the cost of a pension plan to be allocated to each year; sometimes referred to as the "actuarial funding method." Each cost method allocates a certain portion of the actuarial present value of benefits between the actuarial accrued liability and future normal costs.

Actuarial Equivalence – Series of payments with equal actuarial present values on a given date when valued using the same set of actuarial assumptions.

Actuarial Present Value - The amount of funds required as of a specified date to provide a payment or series of payments in the future. It is determined by discounting future payments at predetermined rates of interest, and by probabilities of payments between the specified date and the expected date of payment.

Actuarial Value of Assets – The value of cash, investments, and other property belonging to the pension plan as used by the actuary for the purpose of the actuarial valuation. This may correspond to market value of assets, or some modification using an asset valuation method to reduce the volatility of asset values.

Asset Gain (Loss) – That portion of the actuarial gain attributable to investment performance above (below) the expected rate of return in the actuarial assumptions.

Amortization – Paying off an interest-discounted amount with periodic payments of interest and (generally) principal, as opposed to paying off with a lump sum payment.

Amortization Payment – That portion of the pension plan contribution designated to pay interest and reduce the outstanding principal balance of unfunded actuarial accrued liability. If the amortization payment is less than the accrued interest on the unfunded actuarial accrued liability the outstanding principal balance will increase.

Assumed Earnings Rate – The interest rate used in developing present values to reflect the time value of money.

Decrements – Events which result in the termination of membership in the system such as retirement, disability, withdrawal, or death.

Entry Age Normal (EAN) Funding Method – A standard actuarial funding method whereby each member's normal costs (service costs) are generally level as a percentage of pay from entry age until retirement. The annual cost of benefits is comprised of the normal cost plus an amortization payment to reduce the UAL.

Experience Gain (Loss) – The difference between actual unfunded actuarial accrued liabilities and anticipated unfunded actuarial accrued liabilities during the period between two valuation dates. It is a measurement of the difference between actual and expected experience, and may be related to investment earnings above (or below) those expected or changes in the liability due to fewer (or greater) than expected numbers of retirements, deaths, disabilities, or withdrawals, or variances in pay increases relative to assumed pay increases. The effect of such gains (or losses) is to decrease (or increase) future costs.

Funded Ratio – A measure of the ratio of the actuarial value of assets to liabilities of the system. Typically, the assets used in the measure are the actuarial value of assets as determined by the asset valuation method. The funded ratio depends not only on the financial strength of the plan but also on the asset valuation method used to determine the assets and on the funding method used to determine the liabilities.

Market Value of Assets (MVA) – The value of assets as they would trade on an open market.

Normal Cost – Computed differently under different funding methods, generally that portion of the actuarial present value of benefits allocated to the current plan year.

Unfunded Actuarial Accrued Liability (UAAL) – The excess of the actuarial accrued liability over the valuation assets; sometimes referred to as "unfunded past service liability". UAL increases each time an actuarial loss occurs and when new benefits are added without being fully funded initially and decreases when actuarial gains occur.

Staff Report

Item Number: 6.E.

Agenda Item: **INDEPENDENT LEGAL COUNSEL**
Discussion only regarding the State Legislature amended A.R.S. § 38-847 effective Jan. 1, 2022, to require that the local PSPRS board hire independent legal counsel.

Staff Contact: Angela Benavides

Meeting Date: October 18, 2023

Strategic Goal: Not applicable.

Background: The State legislature amended A.R.S. § 38-847 effective January 1, 2022, to require that all local PSPRS boards hire independent legal counsel. Also, the law requires the employer (the Town) to pay for the independent legal counsel's attorney's fees.

Arizona Revised Statute: 38-847. Local boards
N. **The fees** of the medical board and **of the local board's independent legal counsel** and all other expenses of the local board necessary for the administration of the system **shall be paid by the employer** and not the board of trustees or system at such rates and in such amounts as the local board shall approve. **Each local board shall hire an independent legal counsel** who is not an employee of or contracted with the employer or any employee organization and owes its duty of loyalty only to the local board in connection with its representation of the local board. The independent legal counsel may not represent a member of the plan before any local board or any judicial appeal of a local board decision. The local board's independent legal counsel shall review the model uniform rules for local board procedure that are issued by the board of trustees.

Budget Impact: Undetermined at this time.

Recommendation: Discussion only. No recommendation.

House Engrossed

PSPRS; CORP; local boards; consolidation

State of Arizona
House of Representatives
Fifty-fifth Legislature
First Regular Session
2021

CHAPTER 34

HOUSE BILL 2381

AN ACT

AMENDING TITLE 38, CHAPTER 5, ARTICLE 3, ARIZONA REVISED STATUTES, BY ADDING SECTION 38-802.01; AMENDING SECTION 38-847, ARIZONA REVISED STATUTES; AMENDING TITLE 38, CHAPTER 5, ARTICLE 4, ARIZONA REVISED STATUTES, BY ADDING SECTIONS 38-847.02, 38-847.03 AND 38-847.04; AMENDING SECTIONS 38-848 AND 38-893, ARIZONA REVISED STATUTES; AMENDING TITLE 38, CHAPTER 5, ARTICLE 6, ARIZONA REVISED STATUTES, BY ADDING SECTION 38-893.01; RELATING TO PUBLIC RETIREMENT SYSTEMS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

Be it enacted by the Legislature of the State of Arizona:

Section 1. Title 38, chapter 5, article 3, Arizona Revised Statutes, is amended by adding section 38-802.01, to read:

38-802.01. Employer responsibilities under the system

AN EMPLOYER SHALL SUBMIT ANY REPORTS, DATA, PAPERWORK OR OTHER MATERIALS THAT ARE REQUESTED BY THE BOARD OF TRUSTEES FOR ANY REASON, INCLUDING ELIGIBILITY DETERMINATIONS AND PROPER ADMINISTRATION OF THE PLAN.

Sec. 2. Section 38-847, Arizona Revised Statutes, is amended to read:

38-847. Local boards

A. TO THE EXTENT OUTLINED IN THIS SECTION, the administration of the system and responsibility for making the provisions of the system effective for each employer are vested in a local board. The department of public safety, the Arizona game and fish department, the department of emergency and military affairs, the university of Arizona, Arizona state university, northern Arizona university, each county sheriff's office, each county attorney's office, each county parks department, each municipal fire department, each eligible fire district, each community college district, each municipal police department, the department of law, the department of liquor licenses and control, the Arizona department of agriculture, the Arizona state parks board, each Indian reservation police agency and each Indian reservation firefighting agency shall have a local board. A nonprofit corporation operating pursuant to sections 28-8423 and 28-8424 shall have one local board for all of its members. Each local board shall be constituted as follows:

1. For political subdivisions or Indian tribes, the mayor or chief elected official or a designee of the mayor or chief elected official approved by the respective governing body as ~~chairman~~ CHAIRPERSON, two members elected by secret ballot by members employed by the appropriate employer and two citizens, one of whom shall be the head of the merit system, or the head's designee from among the other members of the merit system, if it exists for the group of members, appointed by the mayor or chief elected official and with the approval of the governing body of the city or the governing body of the employer. The appointed two citizens shall serve on both local boards in a city or Indian tribes where both fire and police department employees are members.

2. For state agencies and nonprofit corporations operating pursuant to sections 28-8423 and 28-8424, two members elected by secret ballot by the members employed by the appropriate employer and three citizens appointed by the governor. Each state agency local board shall elect a ~~chairman~~ CHAIRPERSON.

3. For fire districts, the chairperson of the fire district governing board or the chairperson's designee, two members elected by secret ballot by members employed by the fire district and two citizens appointed by the chairperson of the fire district governing board, one of whom is a resident of the fire district and one of whom has experience in personnel administration but who is not required to be a resident of the fire district.

4. For joint powers authorities organized pursuant to section 48-805.01, the joint powers authority board ~~chairman~~ CHAIRPERSON or a designee approved by the governing body, two members elected by secret ballot by members employed by the joint powers authority and two citizens, one of whom is a resident of one of the partner entities and one of whom has experience in personnel administration but who is not required to be a resident of a partner entity.

B. On the taking effect of this system for an employer, the appointments and elections of local board members shall take place with one elective and appointive local board member serving a term ending two years after the effective date of participation for the employer and other local board members serving a term ending four years after the effective date. Thereafter, every second year, and as a vacancy occurs, an office shall be filled for a term of four years in the same manner as previously provided.

C. Each local board shall be fully constituted pursuant to subsection A of this section within sixty days after the employer's effective date of participation in the system. If the deadline is not met, on the written request of any member who is covered by the local board or the employer to the board of trustees, the board of trustees may appoint all vacancies of the local board pursuant to subsection A of this section and designate whether each appointive position is for a ~~two year~~ TWO-YEAR or ~~four year~~ FOUR-YEAR term. If the board of trustees cannot find individuals to serve on the local board who meet the requirements of subsection A of this section, the board of trustees may appoint individuals to serve as interim local board members until qualified individuals are appointed or elected. Each local board shall meet at least twice a year. Each member of a local board, within ten days after the member's appointment or election, shall take an oath of office that, so far as it devolves on the member, the member shall diligently and honestly administer the affairs of the local board and that the member shall not knowingly violate or willingly ~~permit~~ ALLOW to be violated any of the provisions of law applicable to the system. WITHIN ONE HUNDRED EIGHTY DAYS AFTER APPOINTMENT OR ELECTION, EACH BOARD MEMBER SHALL COMPLETE LOCAL BOARD TRAINING AS PRESCRIBED BY THE BOARD OF TRUSTEES, INCLUDING OPEN MEETING LAWS, ETHICS, LEGAL REVIEW AND FIDUCIARY RESPONSIBILITIES AND DUTIES.

D. Except as limited by subsection E of this section, a local board shall have such powers as may be necessary to discharge the following duties:

1. To decide all questions of eligibility for membership~~, service credits and benefits and determine the amount, manner and time of payment of any benefits~~ AND DISABILITY AND IN THE LINE OF DUTY DEATH BENEFITS under the system.

2. To prescribe procedures to be followed by claimants in filing applications for DISABILITY AND IN THE LINE OF DUTY DEATH benefits.

3. To make a determination as to the right of any claimant to a DISABILITY AND IN THE LINE OF DUTY DEATH benefit, TO ISSUE OPINIONS ON QUESTIONS OF WHETHER BENEFITS ARE CONSISTENT WITH AND ALLOWABLE UNDER THE SYSTEM and to afford any claimant or the board of trustees, or both, a right to a rehearing on the original determination. Except as otherwise required by law, unless all parties involved in a matter presented to the local board for determination otherwise agree, the local board shall commence a hearing on the matter within ninety days after the date the matter is presented to the local board for determination. If a local board fails to commence a hearing as provided in this paragraph, on a matter presented to the local board for determination, the relief demanded by the party petitioning the local board is deemed granted and approved by the local board. ~~The granting and approval of this relief is considered final and binding unless a timely request for rehearing or appeal is made as provided in this article, unless the board of trustees determines that granting the relief requested would violate the internal revenue code or threaten to impair the system's status as a qualified plan under the internal revenue code. If the board of trustees determines that granting the requested relief would violate the internal revenue code or threaten to impair the system's status as a qualified plan, the board of trustees may refuse to grant the relief by issuing a written determination to the local board and the party petitioning the local board for relief. The decision by the board of trustees is subject to judicial review pursuant to title 12, chapter 7, article 6.~~

4. To request and receive from the employers and from members such information as is necessary for the proper administration of the system and action on claims for eligibility for membership and DISABILITY AND IN THE LINE OF DUTY DEATH benefits, and to forward such information to the board of trustees.

5. To distribute, in such manner as the local board determines to be appropriate, information explaining the system received from the board of trustees.

6. To furnish the employer, the board of trustees and the legislature, on request, with such annual reports with respect to the administration of the system as are reasonable and appropriate.

7. To receive and review the actuarial valuation of the system for its group of members.

8. To receive and review reports of the financial condition and of the receipts and disbursements of the fund from the board of trustees.

9. To appoint medical boards as provided in section 38-859.

10. To sue and be sued to effectuate the duties and responsibilities set forth in this article.

E. A local board ~~shall have no power to~~ MAY NOT add to, subtract from, modify or waive any of the terms of the system, change or add to any benefits provided by the system or waive or fail to apply any requirement of eligibility for membership or DISABILITY AND IN THE LINE OF DUTY DEATH benefits under the system. Notwithstanding any limitations periods imposed in this article, including subsection D, paragraph 3 and subsections G and H of this section, if the board of trustees determines a local board decision violates the internal revenue code or threatens to impair the system's status as a qualified plan under the internal revenue code, the local board's decision is not final and binding and the board of trustees may refrain from implementing or complying with the local board decision.

F. A local board~~, from time to time,~~ shall establish and adopt such rules as it deems necessary ~~or desirable~~ for its administration AND TO ADJUDICATE CLAIMS AND DISPUTES. AT A MINIMUM, THE BOARD'S RULES SHALL INCORPORATE THE MODEL UNIFORM RULES FOR LOCAL BOARD PROCEDURE THAT ARE ISSUED BY THE BOARD OF TRUSTEES. All rules and decisions of a local board shall be uniformly and consistently applied to all members in similar circumstances. If a claim or dispute is presented to a local board for determination but the local board has not yet adopted uniform rules of procedure for adjudication of the claim or dispute, the local board shall adopt and use the model uniform rules of local board procedure that are issued by the board of trustees' fiduciary counsel to adjudicate the claim or dispute.

G. Except as otherwise provided in this article, any action by a majority vote of the members of a local board that is not inconsistent with the provisions of the system and the internal revenue code shall be final, conclusive and binding on all persons affected by it unless a timely application for a rehearing or appeal is filed as provided in this article. ~~No~~ NOT later than twenty days after taking action, the local board shall submit to the board of trustees the minutes from the local board meeting that include the name of the member affected by its decision, a description of the action taken and an explanation of the reasons and all documents submitted to the local board for the action taken, including the reports of a medical board. THE BOARD OF TRUSTEES MAY REQUIRE ADDITIONAL RECORDS FROM THE LOCAL BOARD OR THE EMPLOYER OR MAY REQUIRE THAT THE LOCAL BOARD CONDUCT A REHEARING ON THE MATTER. The board of trustees may not implement and comply with any local board action that does not comply with the internal revenue code or that threatens to jeopardize the system's status as a qualified plan under the internal revenue code.

H. A claimant MAY APPLY FOR or the board of trustees may ~~apply for~~ REQUIRE a rehearing before the local board within the time periods prescribed in this subsection, except that if a decision of a local board violates the internal revenue code or threatens to jeopardize the system's status as a qualified plan under the internal revenue code, ~~no~~ ANY limitation period for the board of trustees to ~~seek~~ REQUIRE a rehearing of a local board decision ~~applies~~ DOES NOT APPLY. An application for a rehearing shall be filed in writing with a member of the local board or its secretary within sixty days after:

1. The applicant-claimant receives notification of the local board's original action by certified mail, by attending the meeting at which the action is taken or by receiving benefits from the system pursuant to the local board's original action, whichever occurs first.

2. The applicant-board of trustees receives notification of the local board's original action as prescribed by subsection G of this section by EMAIL OR certified mail.

I. A hearing before a local board on a matter remanded from the superior court is not subject to a rehearing before the local board.

J. Decisions of local boards are subject to judicial review pursuant to title 12, chapter 7, article 6.

K. When making a ruling, determination or calculation, the local board shall be entitled to rely on information furnished by the employer, a medical board, the board of trustees, independent legal counsel or the actuary for the system.

L. Each member of a local board is entitled to one vote. A majority is necessary for a decision by the members of a local board at any meeting of the local board.

M. The local board shall adopt such bylaws as it deems desirable. The local board shall elect a secretary who may, but need not, be a member of the local board. The secretary of the local board shall keep a record and prepare minutes of all meetings in compliance with chapter 3, article 3.1 of this title and forward the minutes and all necessary communications to the board of trustees as prescribed by subsection G of this section. WITHIN ONE HUNDRED EIGHTY DAYS AFTER ELECTION, THE LOCAL BOARD'S SECRETARY SHALL COMPLETE LOCAL BOARD TRAINING AS PRESCRIBED BY THE BOARD OF TRUSTEES, INCLUDING OPEN MEETING LAWS, ETHICS, LEGAL REVIEW AND FIDUCIARY RESPONSIBILITIES AND DUTIES.

N. The fees of the medical board and of the local board's independent legal counsel and all other expenses of the local board necessary for the administration of the system shall be paid by the employer and not the board of trustees or system at such rates and in such amounts as the local board shall approve. ~~Legal counsel that is employed~~

~~by the local board is independent of the employer and any employee organization or member~~ EACH LOCAL BOARD SHALL HIRE AN INDEPENDENT LEGAL COUNSEL WHO IS NOT AN EMPLOYEE OF OR CONTRACTED WITH THE EMPLOYER OR ANY EMPLOYEE ORGANIZATION OR MEMBER and owes its duty of loyalty only to the local board in connection with its representation of the local board. THE LOCAL BOARD'S INDEPENDENT LEGAL COUNSEL SHALL REVIEW THE MODEL UNIFORM RULES FOR LOCAL BOARD PROCEDURE THAT ARE ISSUED BY THE BOARD OF TRUSTEES.

O. The local board shall issue directions to the board of trustees concerning all benefits that are to be paid from the employer's account pursuant to the provisions of the fund. The local board shall keep on file, in such manner as it may deem convenient or proper, all reports from the board of trustees and the actuary.

P. The local board and the individual members of the local board shall be indemnified from the assets of the employer for any judgment against the local board or its members, including attorney fees and costs, arising from any act, or failure to act, made in good faith pursuant to the provisions of the system, including expenses reasonably incurred in the defense of any claim relating to the act or failure to act.

Q. A LOCAL BOARD SHALL SUBMIT TO THE BOARD OF TRUSTEES THE NAMES OF THE MEMBERS OF THE LOCAL BOARD AND THE LOCAL BOARD'S SECRETARY AND INDEPENDENT LEGAL COUNSEL AND SHALL SUBMIT ANY CHANGES TO THOSE POSITIONS WITHIN TEN DAYS AFTER THE CHANGE.

R. AN EMPLOYER AND A LOCAL BOARD SHALL SUBMIT ANY REPORTS, DATA, PAPERWORK OR OTHER MATERIALS THAT ARE REQUESTED BY THE BOARD OF TRUSTEES FOR ANY REASON, INCLUDING LOCAL BOARD ACTION OR INACTION OR TO INVESTIGATE A COMPLAINT REGARDING A LOCAL BOARD. IF THE BOARD OF TRUSTEES OR ITS DESIGNEE THROUGH AN AUDIT OR INVESTIGATION FINDS THAT THE LOCAL BOARD IS NOT IN COMPLIANCE WITH STATUTE OR THE MODEL UNIFORM RULES FOR LOCAL BOARD PROCEDURE, THE BOARD OF TRUSTEES SHALL NOTIFY THE LOCAL BOARD OF THE NONCOMPLIANCE AND THE LOCAL BOARD SHALL HAVE SIXTY DAYS TO TAKE CORRECTIVE ACTION. IF THE LOCAL BOARD FAILS TO TAKE ADEQUATE CORRECTIVE ACTION, THE BOARD OF TRUSTEES MAY ACT ON BEHALF OF THE LOCAL BOARD UNTIL THE MATTER IS RESOLVED. THE BOARD OF TRUSTEES OR ITS DESIGNEE SHALL WORK WITH THE LOCAL BOARD MEMBERS TO TAKE THE APPROPRIATE CORRECTIVE ACTIONS, INCLUDING APPOINTING ANY VACANT OR NONCOMPLIANT LOCAL BOARD MEMBER POSITIONS, IF NECESSARY, TO BRING THE LOCAL BOARD AND ITS MEMBERSHIP, POLICIES AND PROCEDURES INTO COMPLIANCE.

Sec. 3. Title 38, chapter 5, article 4, Arizona Revised Statutes, is amended by adding sections 38-847.02, 38-847.03 and 38-847.04, to read:

38-847.02. Voluntary local board consolidation; membership; duties

A. A LOCAL BOARD MAY ENTER INTO AN INTERGOVERNMENTAL AGREEMENT WITH OTHER LOCAL BOARDS TO CONSOLIDATE THE BOARDS FOR THE RESPECTIVE EMPLOYERS.

B. THE CONSOLIDATED LOCAL BOARD SHALL WORK WITH THE BOARD OF TRUSTEES TO ENSURE THAT THE NEW BOARD IS DULY EMPANELED CONSISTENT WITH

THE REPRESENTATION OUTLINED IN SECTION 38-847, SUBSECTION A AND THAT ALL APPOINTMENTS OR ELECTIONS FOR LOCAL BOARD MEMBERS ARE COMPLETED IN A TIMELY MANNER. THE CONSOLIDATED LOCAL BOARD SHALL SUBMIT TO THE BOARD OF TRUSTEES THE NAMES OF THE MEMBERS OF THE CONSOLIDATED LOCAL BOARD AND THE CONSOLIDATED LOCAL BOARD'S SECRETARY AND INDEPENDENT LEGAL COUNSEL AND SHALL SUBMIT ANY CHANGES TO THOSE POSITIONS WITHIN TEN DAYS AFTER THE CHANGE.

C. THE CONSOLIDATED LOCAL BOARD SHALL DECIDE ELIGIBILITY FOR MEMBERSHIP AND DISABILITY AND IN THE LINE OF DUTY DEATH BENEFITS AND HAVE ALL OF THE DUTIES AND RESPONSIBILITIES OF A LOCAL BOARD PURSUANT TO THIS ARTICLE.

D. WITHIN ONE HUNDRED EIGHTY DAYS AFTER APPOINTMENT OR ELECTION, ALL CONSOLIDATED LOCAL BOARD MEMBERS AND THE LOCAL BOARD'S SECRETARY SHALL COMPLETE LOCAL BOARD TRAINING AS PRESCRIBED BY THE BOARD OF TRUSTEES, INCLUDING OPEN MEETING LAWS, ETHICS, LEGAL REVIEW AND FIDUCIARY RESPONSIBILITIES AND DUTIES. THE LOCAL BOARD'S INDEPENDENT LEGAL COUNSEL SHALL REVIEW THE MODEL UNIFORM RULES FOR LOCAL BOARD PROCEDURE THAT ARE ISSUED BY THE BOARD OF TRUSTEES.

E. THE LOCAL BOARD'S INDEPENDENT LEGAL COUNSEL MAY NOT BE EMPLOYED BY OR CONTRACTED WITH THE EMPLOYER OR ANY EMPLOYEE ORGANIZATIONS. THE INDEPENDENT LEGAL COUNSEL MAY NOT REPRESENT A MEMBER OF THE PLAN BEFORE ANY LOCAL BOARD OR ANY JUDICIAL APPEAL OF A LOCAL BOARD DECISION.

38-847.03. **Uniform medical review; administrator; disability decisions; definitions**

A. WITHIN TEN DAYS AFTER A LOCAL BOARD RECEIVES AN APPLICATION FOR DISABILITY BENEFITS OR IN THE LINE OF DUTY DEATH BENEFITS, THE LOCAL BOARD SECRETARY SHALL SUBMIT THE APPLICATION TO THE ADMINISTRATOR.

B. AFTER A LOCAL BOARD HAS MADE A DETERMINATION ON THE APPLICATION, OR THE APPLICATION IS DEEMED GRANTED PURSUANT TO SECTION 38-847, SUBSECTION D, PARAGRAPH 3 OR SECTION 38-893, SUBSECTION D, PARAGRAPH 2 FOR DISABILITY BENEFITS OR IN THE LINE OF DUTY DEATH BENEFITS, THE ADMINISTRATOR OR THE ADMINISTRATOR'S DESIGNEE SHALL REVIEW THE FINDINGS. THE ADMINISTRATOR MAY CONTRACT WITH MEDICAL PROFESSIONALS TO REVIEW APPLICATIONS UNDER THIS SECTION.

C. THE BOARD OF TRUSTEES OR THE ADMINISTRATOR MAY REQUIRE ADDITIONAL RECORDS FROM THE LOCAL BOARD OR THE EMPLOYER OR MAY REQUIRE THAT THE LOCAL BOARD CONDUCT A REHEARING ON THE MATTER.

D. IF THE BOARD OF TRUSTEES DISAGREES WITH THE DECISION OF THE LOCAL BOARD AFTER A REHEARING REQUESTED PURSUANT TO SUBSECTION C OF THIS SECTION, THE DECISION IS SUBJECT TO JUDICIAL REVIEW PURSUANT TO TITLE 12, CHAPTER 7, ARTICLE 6.

E. FOR THE PURPOSES OF THIS SECTION:

1. "ADMINISTRATOR" MEANS THE ADMINISTRATOR APPOINTED BY THE BOARD PURSUANT TO SECTION 38-848.

2. "LOCAL BOARD" MEANS A LOCAL BOARD FORMED UNDER SECTION 38-847, 38-847.02, 38-893 OR 38-893.01.

38-847.04. Board of trustees; determination of retirement benefits; definitions

A. EACH EMPLOYER, WITHIN TEN DAYS AFTER RECEIVING A COMPLETED RETIREMENT APPLICATION FROM A MEMBER, SHALL SUBMIT THE RETIREMENT APPLICATION TO THE BOARD. THE BOARD OR ITS DESIGNEE SHALL DECIDE ALL QUESTIONS OF ELIGIBILITY FOR SERVICE CREDITS AND RETIREMENT BENEFITS AND WILL DETERMINE THE AMOUNT, MANNER AND TIME OF PAYMENT OF THE RETIREMENT BENEFITS. IF THE BOARD OR ITS DESIGNEE FINDS DISCREPANCIES IN THE INFORMATION RECEIVED, THE BOARD OR ITS DESIGNEE SHALL CONTACT THE EMPLOYER AND APPLICANT AND RESOLVE THE DISCREPANCIES BEFORE THE START DATE OF THE BENEFITS.

B. FOR THE PURPOSES OF THIS SECTION, "EMPLOYER" AND "MEMBER" HAVE THE SAME MEANINGS PRESCRIBED IN SECTION 38-842 OR 38-881.

Sec. 4. Section 38-848, Arizona Revised Statutes, is amended to read:

38-848. Board of trustees; powers and duties; independent trust fund; administrator; agents and employees; advisory committee

A. ~~Beginning January 1, 2017,~~ The board of trustees shall consist of nine members and shall have the rights, powers and duties that are set forth in this section. The term of office of members shall be five years to expire on the third Monday in January of the appropriate year. The board shall select a chairperson from among its members each calendar year. Members are eligible to receive compensation in an amount of $50 a day, but not to exceed $1,000 in any one fiscal year, and are eligible for reimbursement of expenses pursuant to chapter 4, article 2 of this title. ~~Beginning January 1, 2017,~~ The board consists of the following members appointed as follows:

1. Two members representing law enforcement, one of whom is appointed by the president of the senate and one of whom is appointed by the governor. A statewide association representing law enforcement in this state shall forward nominations to the appointing elected officials, providing at least three nominees for each position. At least one of the members appointed under this paragraph shall be an elected local board member.

2. Two members representing firefighters, one of whom is appointed by the speaker of the house of representatives and one of whom is appointed by the governor. A statewide association representing firefighters in this state shall forward nominations to the appointing elected officials, providing at least three nominees for each position. At least one of the members appointed under this paragraph shall be an elected local board member.

3. Three members representing cities and towns in this state, one of whom is appointed by the president of the senate, one of whom is appointed by the speaker of the house of representatives and one of whom is appointed by the governor. An association representing cities and towns in this state shall forward nominations to the appointing elected officials, providing at least three nominees for each position. These nominees shall represent taxpayers or employers and may not be members of the system.

4. One member who represents counties in this state and who is appointed by the governor. An association representing county supervisors in this state shall forward nominations to the governor, providing at least three nominees for the position. These nominees shall represent taxpayers or employers and may not be members of the system.

5. One member who is appointed by the governor from a list of three nominees forwarded by the board. The board shall select the nominees to forward to the governor from a list of at least five nominees received from the advisory committee.

B. Each appointment made pursuant to subsection A of this section shall be chosen from the list of nominees provided to the appointing elected official. For any appointment made by the governor pursuant to subsection A of this section, before appointment by the governor, a prospective member of the board shall submit a full set of fingerprints to the governor for the purpose of obtaining a state and federal criminal records check pursuant to section 41-1750 and Public Law 92-544. The department of public safety may exchange this fingerprint data with the federal bureau of investigation. A board member may be reappointed. Notwithstanding section 38-295, a board member may be removed from office only for cause by the appointing power or because the board member has vacated the member's seat on the board. A board member who is removed for cause shall be provided written notice and an opportunity for a response. The appointing power may remove a board member based on written findings that specify the reason for removal. Any vacancy that occurs other than by expiration of a term shall be filled for the balance of the term. All vacancies shall be filled in the same manner as the initial appointment. A board member vacates the office if the member either:

1. Is absent without excuse from three consecutive regular meetings of the board.

2. Resigns, dies or becomes unable to perform board member duties.

C. The members of the board who are appointed pursuant to subsection A of this section and who are not members of the system shall be independent, qualified professionals who are responsible for the performance of fiduciary duties and other responsibilities required to preserve and protect the fund and shall have at least ten years' substantial experience as any one or a combination of the following:

1. A portfolio manager acting in a fiduciary capacity.

2. A securities analyst.

3. A senior executive or principal of a trust institution, investment organization or endowment fund acting either in a management or an investment-related capacity.

4. A chartered financial analyst in good standing as determined by the chartered financial analyst institute.

5. A current or former professor or instructor at the college or university level in the field of economics, finance, actuarial science, accounting or pension-related subjects.

6. An economist.

7. Any other senior executive engaged in the field of public or private finances or with experience with public pension systems.

8. A senior executive in insurance, banking, underwriting, auditing, human resources or risk management.

D. All monies in the fund shall be deposited and held in a public safety personnel retirement system depository. Monies in the fund shall be disbursed from the depository separate and apart from all monies or funds of this state and the agencies, instrumentalities and subdivisions of this state, except that the board may commingle the assets of the fund and the assets of all other plans entrusted to its management in one or more group trusts, subject to the crediting of receipts and earnings and charging of payments to the appropriate employer, system or plan. The monies shall be secured by the depository in which they are deposited and held to the same extent and in the same manner as required by the general depository law of this state. For purposes of making the decision to invest in securities owned by the fund or any plan or trust administered by the board, the fund and assets of the plans and the plans' trusts are subject to the sole management of the board for the purpose of this article except that, on the board's election to invest in a particular security or make a particular investment, the assets comprising the security or investment may be chosen and managed by third parties approved by the board. The board may invest in portfolios of securities chosen and managed by a third party. The board's decision to invest in securities such as mutual funds, commingled investment funds, exchange traded funds, private equity or venture capital limited partnerships, real estate limited partnerships or limited liability companies and real estate investment trusts whose assets are chosen and managed by third parties is not an improper delegation of the board's investment authority.

E. All contributions under this system and other retirement plans that the board administers shall be forwarded to the board and shall be held, invested and reinvested by the board as provided in this article. All property and monies of the fund and other retirement plans that the board administers, including income from investments and from all other sources, shall be retained for the exclusive benefit of members, as provided in the system and other retirement plans that the board administers, and shall be used to pay benefits to members or their beneficiaries or to pay expenses of operation and administration of the system and fund and other retirement plans that the board administers.

F. The board shall have the full power in its sole discretion to invest and reinvest, alter and change the monies accumulated under the system and other retirement plans and trusts that the board administers as provided in this article. In addition to its power to make investments managed by others, the board may delegate the authority the board deems necessary and prudent to investment management pursuant to section 38-848.03, as well as to the administrator, employed by the board pursuant to subsection M, paragraph 6 of this section, and any deputy or assistant administrators to invest the monies of the system and other retirement plans and trusts that the board administers if the administrator, investment management and any deputy or assistant administrators follow the investment policies that are adopted by the board. The board may commingle securities and monies of the fund, the elected officials' retirement plan, the corrections officer retirement plan and other plans or monies entrusted to its care, subject to the crediting of receipts and earnings and charging of payments to the account of the appropriate employer, system or plan. In making every investment, the board shall exercise the judgment and care under the circumstances then prevailing that persons of ordinary prudence, discretion and intelligence exercise in the management of their own affairs, not in regard to speculation but in regard to the permanent disposition of their funds, considering the probable income from their funds as well as the probable safety of their capital, if:

1. Not more than eighty percent of the combined assets of the system or other plans that the board manages is invested at any given time in corporate stocks, based on the cost value of the stocks irrespective of capital appreciation.

2. Not more than five percent of the combined assets of the system or other plans that the board manages is invested in corporate stock issued by any one corporation, other than corporate stock issued by corporations chartered by the United States government or corporate stock issued by a bank or insurance company.

3. Not more than five percent of the voting stock of any one corporation is owned by the system and other plans that the board administers, except that this limitation does not apply to membership interests in limited liability companies.

4. Corporate stocks and exchange traded funds eligible for direct purchase are restricted to stocks and exchange traded funds that, except for bank stocks, insurance stocks, stocks acquired for coinvestment in connection with the system's or the plans' or trusts' commingled investments and interests in limited liability companies and mutual funds, are any of the following:

(a) Listed or approved on issuance for listing on an exchange registered under the securities exchange act of 1934, as amended (15 United States Code sections 78a through 78pp).

(b) Designated or approved on notice of issuance for designation on the national market system of a national securities association registered under the securities exchange act of 1934, as amended (15 United States Code sections 78a through 78pp).

(c) Listed or approved on issuance for listing on an exchange registered under the laws of this state or any other state.

(d) Listed or approved on issuance for listing on an exchange of a foreign country with which the United States is maintaining diplomatic relations at the time of purchase, except that not more than twenty percent of the combined assets of the system and other plans that the board manages is invested in foreign securities, based on the cost value of the stocks irrespective of capital appreciation.

(e) An exchange traded fund that is recommended by the chief investment officer of the system, that is registered under the investment company act of 1940 (15 United States Code sections 80a-1 through 80a-64) and that is both traded on a public exchange and based on a publicly recognized index.

G. Notwithstanding any other law, the board is not required to invest in any type of investment that is dictated or required by any entity of the federal government and that is intended to fund economic development projects, public works or social programs, but may consider such economically targeted investments pursuant to its fiduciary responsibility. The board, on behalf of the system and all other plans or trusts the board administers, may invest in, lend monies to or guarantee the repayment of monies by a limited liability company, limited partnership, joint venture, partnership, limited liability partnership or trust in which the system and plans or trusts have a financial interest, whether the entity is closely held or publicly traded and that, in turn, may be engaged in any lawful activity, including venture capital, private equity, the ownership, development, management, improvement or operation of real property and any improvements or businesses on real property or the lending of monies.

H. Conference call meetings of the board that are held for investment purposes only are not subject to chapter 3, article 3.1 of this title, except that the board shall maintain minutes of these conference call meetings and make them available for public inspection within twenty-four hours after the meeting. The board shall review the minutes of each conference call meeting and shall ratify all legal actions taken during each conference call meeting at the next scheduled meeting of the board.

I. The board is not liable for the exercise of more than ordinary care and prudence in the selection of investments and performance of its duties under the system and is not limited to so-called "legal investments for trustees", but all monies of the system and other plans that the board administers shall be invested subject to all of the conditions, limitations and restrictions imposed by law.

J. Except as provided in subsection F of this section, the board may:

1. Invest and reinvest the principal and income of all assets that the board manages without distinction between principal and income.

2. Sell, exchange, convey, transfer or otherwise dispose of any investments made on behalf of the system or other plans the board administers in the name of the system or plans by private contract or at public auction.

3. Also:

(a) Vote on any stocks, bonds or other securities.

(b) Give general or special proxies or powers of attorney with or without power of substitution.

(c) Exercise any conversion privileges, subscription rights or other options and make any payments incidental to the exercise of the conversion privileges, subscription rights or other options.

(d) Consent to or otherwise participate in corporate reorganizations or other changes affecting corporate securities, delegate discretionary powers and pay any assessments or charges in connection therewith.

(e) Generally exercise any of the powers of an owner with respect to stocks, bonds, securities or other investments held in or owned by the system or other plans whose assets the board administers.

4. Make, execute, acknowledge and deliver any other instruments that may be necessary or appropriate to carry out the powers granted in this section.

5. Register any investment held by the system or other plans whose assets the board administers in the name of the system or plan or in the name of a nominee or trust.

6. At the expense of the system or other plans that the board administers, enter into an agreement with any bank or banks for the safekeeping and handling of securities and other investments coming into the possession of the board. The agreement shall be entered into under terms and conditions that secure the proper safeguarding, inventory, withdrawal and handling of the securities and other investments. Access to and deposit or withdrawal of the securities from any place of deposit selected by the board is not allowed and may not be made except as the terms of the agreement provide.

7. Appear before local boards and the courts of this state and political subdivisions of this state through counsel or an appointed representative to protect the fund or the assets of other plans that the board administers. The board is not responsible for the actions or

omissions of the local boards under this system but may ~~seek~~ REQUIRE a review or rehearing of actions or omissions of local boards. ~~The board does not have a duty to review actions of the local boards but may do so in its discretion in order to protect the fund.~~ A limitation period does not prohibit the board or administrator from contesting or require the board or administrator to implement or comply with a local board decision that violates the internal revenue code or that threatens to impair the tax-qualified status of the system or any plan administered by the board or administrator.

8. Empower the fund administrator to take actions on behalf of the board that are necessary for the protection and administration of the fund or the assets of other plans that the board administers pursuant to the guidelines of the board.

9. Do all acts, whether or not expressly authorized, that may be deemed necessary or proper for the protection of the investments held in the fund or owned by other plans or trusts that the board administers.

10. Settle threatened or actual litigation against any system or plan that the board administers.

K. Investment expenses and operation and administrative expenses of the board shall be accounted for separately and allocated against investment income.

L. The board, as soon as possible within a period of six months following the close of any fiscal year, shall transmit to the governor and the legislature a comprehensive annual financial report on the operation of the system and other plans that the board administers that contains, among other things:

1. A balance sheet.

2. A statement of income and expenditures for the year.

3. A report on an actuarial valuation of its assets and liabilities.

4. A list of investments owned.

5. The total rate of return, yield on cost, and percent of cost to market value of the fund and the assets of other plans that the board administers.

6. Any other statistical and financial data that may be necessary for the proper understanding of the financial condition of the system and other plans that the board administers and the results of their operations. A synopsis of the annual report shall be published for the information of members of the system, the elected officials' retirement plan or the corrections officer retirement plan.

7. An analysis of the long-term level percent of employer contributions and compensation structure and whether the funding methodology is sufficient to pay one hundred percent of the unfunded accrued liability under the elected officials' retirement plan.

8. An estimate of the aggregate employer contribution rate for the public safety personnel retirement system for the next ten fiscal years and an estimate of the aggregate employer contribution rate for the corrections officer retirement plan for the next ten fiscal years.

9. An estimate of the employer contribution rates for the next ten fiscal years for each of the following employers within the public safety personnel retirement system:

(a) Department of liquor licenses and control.

(b) Department of public safety.

(c) Northern Arizona university.

(d) University of Arizona.

(e) Arizona state university.

(f) Arizona game and fish department.

(g) Department of law.

(h) Department of emergency and military affairs.

(i) Arizona state parks board.

10. An estimate of the employer contribution rates for the next ten fiscal years for each of the following employers within the corrections officer retirement plan:

(a) State department of corrections.

(b) Department of public safety.

(c) The judiciary.

(d) Department of juvenile corrections.

11. An estimate of the aggregate fees paid for private equity investments, including management fees and performance fees.

M. The board shall:

1. Maintain the accounts of the system and other plans that the board administers and issue statements to each employer annually and to each member who requests a statement.

2. Report the results of the actuarial valuations to the local boards and employers.

3. Contract on a fee basis with an independent investment counsel to advise the board in the investment management of the fund and assets of other plans that the board administers and with an independent auditing firm to audit the board's accounting.

4. ~~Permit~~ ALLOW the auditor general to make an annual audit and transmit the results to the governor and the legislature.

5. Contract on a fee basis with an actuary who shall make actuarial valuations of the system and other plans that the board administers, be the technical adviser of the board on matters regarding the operation of the funds created by the provisions of the system, the elected officials' retirement plan, the corrections officer retirement plan and the public safety cancer insurance policy program and perform other duties required in connection therewith. The actuary must be a member of a nationally recognized association or society of actuaries.

6. Employ, as administrator, a person, state department or other body to serve at the pleasure of the board.

7. Establish procedures and guidelines for contracts with actuaries, auditors, investment counsel and legal counsel and for safeguarding of securities.

N. The administrator, under the direction of the board, shall:

1. Administer this article.

2. Be responsible for the recruitment, hiring and day-to-day management of employees.

3. Invest the monies of the system and other plans that the board administers as the board deems necessary and prudent as provided in subsections F and J of this section and subject to the investment policies and fund objectives adopted by the board.

4. Establish and maintain an adequate system of accounts and records for the system and other plans that the board administers, which shall be integrated with the accounts, records and procedures of the employers so that the system and other plans that the board administers operate most effectively and at minimum expense and that duplication of records and accounts is avoided.

5. In accordance with the board's governance policy and procedures and the budget adopted by the board, hire employees and services the administrator deems necessary and prescribe their duties, including the hiring of one or more deputy or assistant administrators to manage the system's operations, investments and legal affairs.

6. Be responsible for income, the collection of the income and the accuracy of all expenditures.

7. Recommend to the board annual contracts for the system's actuary, auditor, investment counsel, legal counsel and safeguarding of securities.

8. Perform additional duties and powers prescribed by the board and delegated to the administrator.

O. The system is an independent trust fund and the board is not subject to title 41, chapter 6. Contracts for goods and services approved by the board are not subject to title 41, chapter 23. As an independent trust fund whose assets are separate and apart from all other funds of this state, the system and the board are not subject to the restrictions prescribed in section 35-154 or article IX, sections 5 and 8, Constitution of Arizona. Loans, guarantees, investment management agreements and investment contracts that are entered into by the board are contracts memorializing obligations or interests in securities that the board has concluded, after thorough due diligence, do not involve investments in Sudan or Iran or otherwise provide support to terrorists or in any way facilitate illegal immigration into the United States. These contracts do not involve the procurement, supply or provision of goods, equipment, labor, materials or services that would require the warranties required by section 41-4401.

P. The board, the administrator, the deputy or assistant administrators and all persons employed by them are subject to title 41, chapter 4, article 4. The administrator, deputy or assistant administrators and other employees of the board are entitled to receive compensation pursuant to section 38-611.

Q. In consultation with the director of the department of administration, the board may enter into employment agreements and establish the terms of those agreements with persons holding any of the following system positions:

1. Administrator.
2. Deputy or assistant administrator.
3. Chief investment officer.
4. Deputy chief investment officer.
5. Fiduciary or investment counsel.

R. The attorney general or an attorney approved by the attorney general and paid by the fund is the attorney for the board and shall represent the board in any legal proceeding or forum that the board deems appropriate. The board, administrator, deputy or assistant administrators and employees of the board are not personally liable for any acts done in their official capacity in good faith reliance on the written opinions of the board's attorney.

S. At least once in each five-year period after the effective date, the actuary shall make an actuarial investigation into the mortality, service and compensation experience of the members and beneficiaries of the system and other plans that the board administers and shall make a special valuation of the assets and liabilities of the monies of the system and plans. Taking into account the results of the investigation and special valuation, the board shall adopt for the system and other plans that the board administers those mortality, service and other tables deemed necessary.

T. On the basis of the tables the board adopts, the actuary shall make a valuation of the assets and liabilities of the funds of the system and other plans that the board administers at least every year. By November 1 of each year the board shall provide a preliminary report and by December 31 of each year provide a final report to the governor, the speaker of the house of representatives and the president of the senate on the contribution rate for the ensuing fiscal year.

U. Neither the board nor any member or employee of the board shall directly or indirectly, for ~~himself~~ THE BOARD, THE MEMBER OR THE EMPLOYEE or as an agent, in any manner use the monies or deposits of the fund except to make current and necessary payments, nor shall the board or any member or employee become an endorser or surety or in any manner an obligor for monies loaned by or borrowed from the fund or the assets of any other plans that the board administers.

V. Financial or commercial information that is provided to the board, employees of the board and attorneys of the board in connection with investments in which the board has invested or investments the board has considered for investment is confidential, proprietary and not a public record if the information is information that would customarily not be released to the public by the person or entity from whom the information was obtained.

W. A person who is a dealer as defined in section 44-1801 and who is involved in securities or investments related to the board's investments is not eligible to serve on the board.

X. The public safety personnel retirement system advisory committee is established and shall serve as a liaison between the board and the members and employers of the system. The committee shall be appointed by the chairperson of the board from names submitted to the chairperson by associations representing law enforcement, firefighters, state government, counties, cities and towns and tribal governments. The committee shall select a chairperson from among its members each calendar year. The committee shall consist of the following ten members:

1. A member who is a law enforcement officer.
2. A member who is a firefighter.
3. A member of the elected officials' retirement plan.
4. A member of the corrections officer retirement plan.
5. A retiree from the public safety personnel retirement system.
6. A representative from a city or town in this state.
7. A representative from a county in this state.
8. A representative from a fire district in this state.
9. A representative from a state employer.
10. A representative from a tribal government located in this state.

Sec. 5. Section 38-893, Arizona Revised Statutes, is amended to read:

38-893. Local boards; powers and duties; rules; hearings; administrative review

A. TO THE EXTENT OUTLINED IN THIS SECTION, the administration of the plan and the responsibility for making the provisions of the plan effective for each employer are vested in a local board. The state department of corrections, the department of juvenile corrections, the department of public safety, each participating county sheriff's department, each participating city or town, each participating employer of full-time dispatchers for eligible groups as defined in section 38-842 and the judiciary shall have a local board. Each local board is constituted as follows:

1. For the state departments, two members who are elected by secret ballot by members employed by that department in a designated position and two citizens who are appointed by the governor. The director of each state department shall appoint one member to the local board who is knowledgeable in personnel actions. Each state department local board shall elect a ~~chairman~~ CHAIRPERSON.

2. For each participating county, the ~~chairman~~ CHAIRPERSON of the board of supervisors, or the ~~chairman's~~ CHAIRPERSON'S designee who is approved by the board of supervisors, as ~~chairman~~ CHAIRPERSON, two members who are elected by secret ballot by members employed by the participating county in a designated position and two citizens, one of whom shall be the head of the merit system if it exists for the group of members, who are appointed by the ~~chairman~~ CHAIRPERSON of the board of supervisors with the approval of the board of supervisors.

3. For political subdivisions, the mayor or chief elected official or a designee of the mayor or chief elected official approved by the respective governing body as ~~chairman~~ CHAIRPERSON, two members elected by secret ballot by members employed by the appropriate employer and two citizens, one of whom shall be the head of the merit system if it exists for the group of members, appointed by the mayor or chief elected official and with the approval of the city council or governing body of the employer.

4. For the judiciary, two members who are elected by secret ballot by members who are employed as a probation, surveillance or juvenile detention officer, a designee of the chief justice of the Arizona supreme court and two citizens, one of whom shall be the head of a human resource department for the group of members, appointed by the chief justice.

B. The appointments and elections of local board members shall take place with one elective and one appointive board member, as designated by the appointing authority, serving a term ending two years after the date of appointment or election and the other local board members serving a term ending four years after the date of appointment or election. Thereafter, every second year, and as a vacancy occurs, an office shall be filled for a term of four years in the same manner as provided in this section. Each local board shall meet at least twice each year.

C. Each local board shall be fully constituted pursuant to subsection A of this section within sixty days after the employer's effective date of participation in the plan. If the deadline is not met, on the written request of any member who is covered by the local board or the employer to the board of trustees, the board of trustees shall appoint all vacancies of the local board pursuant to subsection A of this section and designate whether each appointive position is for a ~~two year~~ TWO-YEAR or ~~four year~~ FOUR-YEAR term. If the board of trustees cannot find individuals to serve on the local board who meet the requirements of subsection A of this section, the board of trustees may appoint individuals to serve as interim local board members until qualified individuals are appointed or elected. Within ten days after the member's appointment or election, each member of a local board shall take an oath of office that, so far as it devolves on the member, the member shall diligently and honestly administer the affairs of the local board and shall not knowingly violate or willingly ~~permit~~ ALLOW to be violated any of the provisions of law applicable to the plan. WITHIN ONE HUNDRED EIGHTY DAYS AFTER APPOINTMENT OR ELECTION, EACH BOARD MEMBER SHALL COMPLETE LOCAL BOARD TRAINING AS PRESCRIBED BY THE BOARD OF TRUSTEES, INCLUDING OPEN MEETING LAWS, ETHICS, LEGAL REVIEW AND FIDUCIARY RESPONSIBILITIES AND DUTIES.

D. Except as limited by subsection E of this section, a local board shall:

1. Decide all questions of eligibility ~~and service credits and determine the amount, manner and time of payment of any benefit~~ FOR MEMBERSHIP AND DISABILITY AND IN THE LINE OF DUTY DEATH BENEFITS under the plan.

2. Make a determination as to the right of a claimant to a DISABILITY OR IN THE LINE OF DUTY DEATH benefit, ISSUE OPINIONS ON QUESTIONS OF WHETHER BENEFITS ARE CONSISTENT WITH AND ALLOWABLE UNDER THE PLAN and afford a claimant or the board of trustees, or both, a right to a rehearing on the original determination. Except as otherwise required by law, unless all parties involved in a matter presented to the local board for determination otherwise agree, the local board shall commence a hearing on the matter within ninety days after the date the matter is presented to the local board for determination. If a local board fails to commence a hearing as provided in this paragraph, on a matter presented to the local board for determination, the relief demanded by the party petitioning the local board is deemed granted and approved by the local board. ~~The granting and approval of this relief is considered final and binding unless a timely request for rehearing or appeal is made as provided in this article, unless the board of trustees determines that granting the relief requested would violate the internal revenue code or threaten to impair the plan's status as a qualified plan under the internal revenue code. If the board of trustees determines that granting the requested relief would violate the internal revenue code or threaten to impair the plan's status as a qualified plan, the board of trustees may refuse to grant the relief by issuing a written determination to the local board and the party petitioning the local board for relief. The decision by the board of trustees is subject to judicial review pursuant to title 12, chapter 7, article 6.~~

3. Request and receive from the employers and from members information as is necessary for the proper administration of the plan and action on claims for DISABILITY AND IN THE LINE OF DUTY DEATH benefits and forward the information to the board of trustees.

4. Distribute, in the manner the local board determines to be appropriate, information explaining the plan that is received from the board of trustees.

5. Furnish the employer, the board of trustees and the legislature, on request, with annual reports with respect to the administration of the plan that are reasonable and appropriate.

6. Appoint a medical board that is composed of a designated physician or physicians working in a clinic other than the employer's regular employee or contractor. If required, the local board may employ other physicians to report on special cases. The examining physician or clinic shall report the results of examinations made to the local board, and the secretary of the local board shall preserve the report as a permanent record.

7. Sue and be sued to effectuate the duties and responsibilities set forth in this article.

8. Prescribe procedures to be followed by claimants in filing applications for benefits.

9. Receive and review the actuarial valuation of the plan for its group of members.

10. Receive and review reports of the financial condition and of the receipts and disbursements of the fund from the board of trustees.

E. A local board ~~has no power to~~ MAY NOT add to, subtract from, modify or waive any of the terms of the plan, change or add to any benefits provided by the plan or waive or fail to apply any requirement of eligibility for membership or DISABILITY AND IN THE LINE OF DUTY DEATH benefits under the plan. Notwithstanding any limitations periods imposed in this article, including subsections G and H of this section, if the board of trustees determines a local board decision violates the internal revenue code or threatens to impair the plan's status as a qualified plan under the internal revenue code, the local board's decision is not final and binding and the board of trustees may refrain from implementing or complying with the local board decision.

F. A local board~~, from time to time,~~ shall establish and adopt rules as it deems necessary ~~or desirable~~ for its administration AND TO ADJUDICATE CLAIMS OR DISPUTES. AT A MINIMUM THE BOARD'S RULES SHALL INCORPORATE THE MODEL UNIFORM RULES FOR LOCAL BOARD PROCEDURE THAT ARE ISSUED BY THE BOARD OF TRUSTEES. All rules and decisions of a local board shall be uniformly and consistently applied to all members in similar circumstances. If a claim or dispute is presented to a local board for determination but the local board has not yet adopted uniform rules of procedure for adjudication of the claim or dispute, the local board shall adopt and use the model uniform rules of local board procedure that are issued by the board of trustees' fiduciary counsel to adjudicate the claim or dispute.

G. Except as otherwise provided in this article, an action by a majority vote of the members of a local board that is not inconsistent with the provisions of the plan and the internal revenue code is final, conclusive and binding on all persons affected by it, unless a timely application for a rehearing or appeal is filed as provided in this article. ~~No~~ NOT later than twenty days after taking action, the local board shall submit to the board of trustees the minutes from the local board meeting that include the name of the member affected by its decision, a description of the action taken and an explanation of the reasons and all documents submitted to the local board for the action taken, including the reports of a medical board. THE BOARD OF TRUSTEES MAY REQUIRE ADDITIONAL RECORDS FROM THE LOCAL BOARD OR THE EMPLOYER OR MAY REQUIRE THAT THE LOCAL BOARD CONDUCT A REHEARING ON THE MATTER. The board of trustees may not implement and comply with any local board action that does not comply with the internal revenue code or that threatens to jeopardize the plan's status as a qualified plan under the internal revenue code.

H. A claimant MAY APPLY FOR or the board of trustees may ~~apply for~~ REQUIRE a rehearing before the local board within the time periods prescribed in this subsection, except that if a decision of a local board violates the internal revenue code or threatens to jeopardize the plan's status as a qualified plan under the internal revenue code, ~~no~~ ANY limitation period for the board of trustees to ~~seek~~ REQUIRE a rehearing of a local board decision ~~applies~~ DOES NOT APPLY. A claimant or the board of trustees shall file an application for rehearing in writing with a member of the local board or its secretary within sixty days after:

1. The claimant receives notification of the local board's original action by certified mail, by attending the meeting at which the action is taken or by receiving benefits from the plan pursuant to the local board's original action, whichever occurs first.

2. The board of trustees receives notification of the local board's original action as prescribed by subsection G of this section by EMAIL OR certified mail.

I. A hearing before a local board on a matter remanded from the superior court is not subject to a rehearing before the local board.

J. Decisions of local boards are subject to judicial review pursuant to title 12, chapter 7, article 6.

K. When making a ruling, determination or calculation, the local board is entitled to rely on information furnished by the employer, the board of trustees, independent legal counsel or the actuary for the plan.

L. Each member of a local board is entitled to one vote. A majority is necessary for a decision by the members of a local board at any meeting of the local board.

M. The local board shall adopt bylaws as it deems necessary. The local board shall elect a secretary who may, but need not, be a member of the local board. The secretary of the local board shall keep a record and prepare minutes of all meetings in compliance with chapter 3, article 3.1 of this title and forward the minutes and all necessary communications to the board of trustees as prescribed by subsection G of this section. WITHIN ONE HUNDRED EIGHTY DAYS AFTER ELECTION, THE LOCAL BOARD SECRETARY SHALL COMPLETE LOCAL BOARD TRAINING AS PRESCRIBED BY THE BOARD OF TRUSTEES, INCLUDING OPEN MEETING LAWS, ETHICS, LEGAL REVIEW AND FIDUCIARY RESPONSIBILITIES AND DUTIES.

N. EACH LOCAL BOARD SHALL HIRE AN INDEPENDENT LEGAL COUNSEL. THE LOCAL BOARD'S INDEPENDENT LEGAL COUNSEL MAY NOT BE EMPLOYED BY OR CONTRACTED WITH THE EMPLOYER OR ANY EMPLOYEE ORGANIZATIONS OR MEMBER OF THE PLAN. THE LOCAL BOARD'S INDEPENDENT LEGAL COUNSEL SHALL REVIEW THE MODEL UNIFORM RULES FOR LOCAL BOARD PROCEDURE THAT ARE ISSUED BY THE BOARD OF TRUSTEES.

~~N.~~ O. The employer and not the board of trustees or plan shall pay the fees of the medical board and of the local board's legal counsel and all other expenses of the local board necessary for the administration of the plan at rates and in amounts as the local board approves.

~~O.~~ P. The local board shall issue directions to the board of trustees concerning all benefits that are to be paid from the employer's account pursuant to the provisions of the fund. The local board shall keep on file, in the manner it deems convenient and proper, all reports from the board of trustees and the actuary.

~~P.~~ Q. The local board and the individual members of the local board are indemnified from the assets of the fund for any judgment against the local board or its members, including attorney fees and costs, arising from any act, or failure to act, made in good faith pursuant to the provisions of the plan.

R. A LOCAL BOARD SHALL SUBMIT TO THE BOARD OF TRUSTEES THE NAMES OF THE MEMBERS OF THE LOCAL BOARD AND THE LOCAL BOARD'S SECRETARY AND INDEPENDENT LEGAL COUNSEL AND SHALL SUBMIT ANY CHANGES TO THOSE POSITIONS WITHIN TEN DAYS AFTER THE CHANGE.

S. AN EMPLOYER AND A LOCAL BOARD SHALL SUBMIT ANY REPORTS, DATA, PAPERWORK OR OTHER MATERIALS THAT ARE REQUESTED BY THE BOARD OF TRUSTEES FOR ANY REASON, INCLUDING LOCAL BOARD ACTION OR INACTION OR TO INVESTIGATE A COMPLAINT REGARDING A LOCAL BOARD. IF THE BOARD OF TRUSTEES OR ITS DESIGNEE THROUGH AN AUDIT OR INVESTIGATION FINDS THAT THE LOCAL BOARD IS NOT IN COMPLIANCE WITH STATUTE OR THE MODEL UNIFORM RULES FOR LOCAL BOARD PROCEDURE, THE BOARD OF TRUSTEES SHALL NOTIFY THE LOCAL BOARD OF THE NONCOMPLIANCE AND THE LOCAL BOARD SHALL HAVE SIXTY DAYS TO TAKE CORRECTIVE ACTION. IF THE LOCAL BOARD FAILS TO TAKE ADEQUATE CORRECTIVE ACTION, THE BOARD OF TRUSTEES MAY ACT ON BEHALF OF THE LOCAL BOARD UNTIL THE MATTER IS RESOLVED. THE BOARD OF TRUSTEES OR ITS DESIGNEE SHALL WORK WITH THE LOCAL

BOARD MEMBERS TO TAKE THE APPROPRIATE CORRECTIVE ACTIONS, INCLUDING APPOINTING ANY VACANT OR NONCOMPLIANT LOCAL BOARD MEMBER POSITIONS, IF NECESSARY, TO BRING THE LOCAL BOARD AND ITS MEMBERSHIP, POLICIES AND PROCEDURES INTO COMPLIANCE.

Sec. 6. Title 38, chapter 5, article 6, Arizona Revised Statutes, is amended by adding section 38-893.01, to read:

38-893.01. Voluntary local board consolidation; membership; duties

A. A LOCAL BOARD MAY ENTER INTO AN INTERGOVERNMENTAL AGREEMENT WITH OTHER LOCAL BOARDS TO CONSOLIDATE THE BOARDS FOR THE RESPECTIVE EMPLOYERS.

B. THE CONSOLIDATED LOCAL BOARD SHALL WORK WITH THE BOARD OF TRUSTEES TO ENSURE THAT THE NEW BOARD IS DULY EMPANELED CONSISTENT WITH THE REPRESENTATION OUTLINED IN SECTION 38-893, SUBSECTION A AND THAT ALL APPOINTMENTS OR ELECTIONS FOR LOCAL BOARD MEMBERS ARE COMPLETED IN A TIMELY MANNER. THE CONSOLIDATED LOCAL BOARD SHALL SUBMIT TO THE BOARD OF TRUSTEES THE NAMES OF THE MEMBERS OF THE CONSOLIDATED LOCAL BOARD AND THE CONSOLIDATED LOCAL BOARD'S SECRETARY AND INDEPENDENT LEGAL COUNSEL AND SHALL SUBMIT ANY CHANGES TO THOSE POSITIONS WITHIN TEN DAYS AFTER THE CHANGE.

C. THE CONSOLIDATED LOCAL BOARD SHALL DECIDE ELIGIBILITY FOR MEMBERSHIP AND DISABILITY AND IN THE LINE OF DUTY DEATH BENEFITS AND HAVE ALL OF THE DUTIES AND RESPONSIBILITIES OF A LOCAL BOARD PURSUANT TO THIS ARTICLE.

D. WITHIN ONE HUNDRED EIGHTY DAYS AFTER APPOINTMENT OR ELECTION, ALL CONSOLIDATED LOCAL BOARD MEMBERS AND THE LOCAL BOARD'S SECRETARY SHALL COMPLETE LOCAL BOARD TRAINING AS PRESCRIBED BY THE BOARD OF TRUSTEES, INCLUDING OPEN MEETING LAWS, ETHICS, LEGAL REVIEW AND FIDUCIARY RESPONSIBILITIES AND DUTIES. THE LOCAL BOARD'S INDEPENDENT LEGAL COUNSEL SHALL REVIEW THE MODEL UNIFORM RULES FOR LOCAL BOARD PROCEDURE THAT ARE ISSUED BY THE BOARD OF TRUSTEES.

E. THE LOCAL BOARD'S INDEPENDENT LEGAL COUNSEL MAY NOT BE EMPLOYED BY OR CONTRACTED WITH THE EMPLOYER OR ANY EMPLOYEE ORGANIZATIONS. THE INDEPENDENT LEGAL COUNSEL MAY NOT REPRESENT A MEMBER OF THE PLAN BEFORE ANY LOCAL BOARD OR ANY JUDICIAL APPEAL OF A LOCAL BOARD DECISION.

Sec. 7. Effective date

This act is effective from and after December 31, 2021.

APPROVED BY THE GOVERNOR FEBRUARY 24, 2021.

FILED IN THE OFFICE OF THE SECRETARY OF STATE FEBRUARY 24, 2021.

Staff Report

Item Number: 6.F.

Agenda Item: **SEVEN YEAR DROP PROGRAM**
Discussion only regarding the conditional service extensions to DROP participation that were approved by State lawmakers and Governor Ducey.

Staff Contact: Angela Benavides

Meeting Date: October 18, 2023

Strategic Goal: Not applicable.

Background: State lawmakers and the past Arizona Governor Doug Ducey approved legislation that makes conditional service extensions to DROP participation.

The conditions for extending DROP service to seven from five years are different for members who are currently in DROP and for those who will enter in the future. The PSPRS Board of Trustees did not take a position on the law, Senate Bill 1268, which underwent a series of amendments before passing. The legislation was primarily supported by law enforcement organizations as a means to help encourage member retention in response to attrition and slowing recruitment.

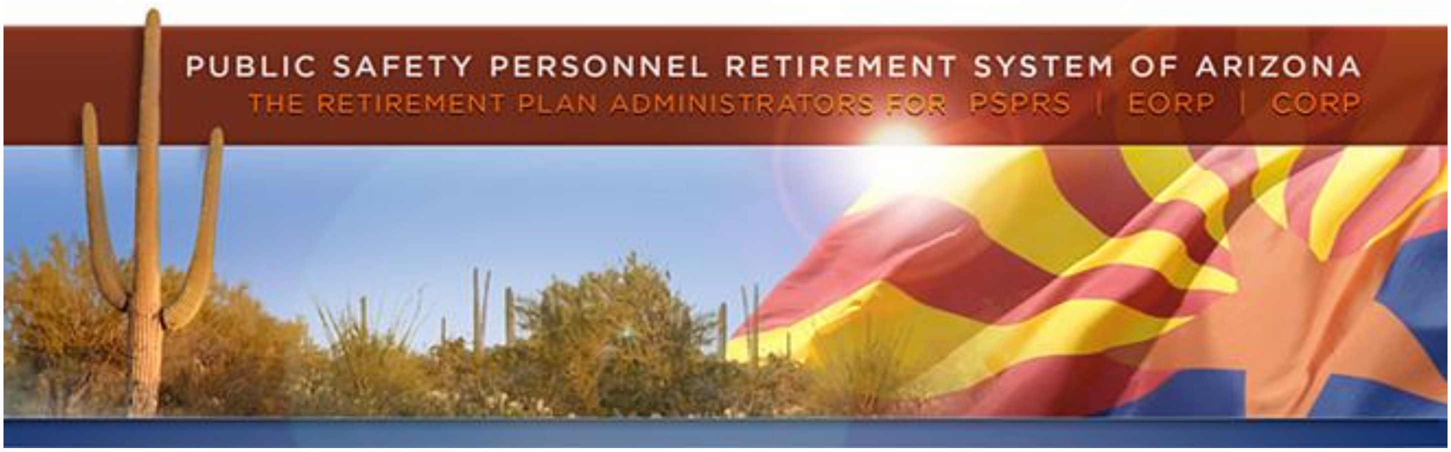
The new law allows members currently in DROP to seek their employers' approval to extend their service beyond the traditional 60-month (five-year) limitation and contains an emergency clause to make the law effective immediately upon the governor's July 6 approval. The law does not alter the basic eligibility requirements of the regular five-year DROP for Tier 1 public safety members, but adds several conditions to enable future DROP members to continue service beyond the five-year limit.

In order to be eligible for extending DROP service up to seven years, future DROP members must be at least 51 years old and have 24.5 years of credited service at the time they enter DROP. Eligible members who elect to extend their service will also have their pension balance and accrued interest transferred into a 401(a) account after five years in DROP. Subsequent monthly pension payments will be deposited by PSPRS into participating members' 401(a) accounts maintained by Nationwide Retirement Solutions over the course of participating members' remaining service, not to exceed 24 months.

The PSPRS assumed rate of return will not be applied to DROP accounts after five years of service in DROP. Members currently in DROP on the date the legislation was signed by the Governor are eligible for extended DROP, however the transfer to Nationwide has an effective date of January 1, 2023. Those members in extended DROP will have their pension balance and accrued interest remain with PSPRS and will not accrue additional interest from the expiration of the 60-month DROP through December 31, 2022.

Budget Impact: No budget impact.

Recommendation: Discussion only. No recommendation.



Extended DROP Frequently Asked Questions for Public Safety Employers & Members

Q: How and when was DROP time limit extended to seven years from five years?

A: The DROP time period was extended through legislation (SB1268, Laws 2022, Chapter 351) passed into law on July 6, 2022. The law created different DROP extension conditions for members in DROP prior to July 6 and those who enter DROP on or after July 6.

Members in DROP prior to July 6 entered into contracts with their employer that limited DROP participation to five years (60 months). Amending an existing DROP contract entered into prior to July 6 requires the approval of both the member and the employer.

Employer approval is not required to enter the extended seven-year DROP time limit for members who meet certain conditions specified in the law, and entered DROP after July 6.

Q: I entered DROP before the new law went into effect on July 6. What is required to extend my DROP service up to seven years?

A: All members need is approval from their employer to amend their existing DROP contract with form P4-DROP1. Their employer must inform PSPRS of the approved extension request (sending amended contracts is not necessary) by emailing the PSPRS Retired Members Department at benefitsapp@psprs.com.

Q: I entered DROP on or after July 6, 2022, and the form I signed referenced a 60-month DROP limit. Am I able to extend my DROP period up to seven years?

A: It depends. There are two requirements that must be met for members who entered DROP on or after July 6 to extend their DROP participation to up to seven years. Members must be at least 51 years old and have 24.5 years of credited service at the time they entered DROP. (The law does not alter five-year DROP eligibility requirements for members.)

Members who entered DROP after July 6 and meet these requirements do not need approval from their employers and are not prohibited from extending DROP up to seven years by the 60-month reference in their DROP contract.

No immediate action is necessary for extension-eligible members who entered DROP on or after July 6 but members are encouraged to replace any contract references to “60 months” with “up to 84 months,” then initial the changes and share the document with their employer and email a copy to benefitsapp@psprs.com.

Q: I am not currently in DROP, but am considering entering DROP for seven years. What are the requirements and what is the role of my employer?

A: Future DROP-eligible participants may participate in DROP up to seven years if they meet the age and service requirements under the law. To be eligible for the DROP extension, members must be at least 51 years old and have 24.5 years of credited service at the time they enter DROP. Employer approval is not required under the law.

Q: Does the new law make any changes to the accrual of monthly DROP payments and interest for those who extend their DROP service up to seven years?

A. Yes. Members who elect to extend their DROP service in 2022 will have their entire pension balance and accrued interest transferred into a 401(a) account maintained by Nationwide Retirement Solutions planned for January 2023. Once operative, these accounts will receive transfers of members’ monthly DROP payments going forward.

However, the new law specifies that PSPRS cannot apply interest to DROP payments made into members’ 401(a) accounts for the months within members’ sixth and seventh year of DROP. The law also provides that DROP participant accounts required to be transferred to 401(a) accounts will receive zero percent interest until such time that participant accounts are transferred to the 401(a).

The law does not impact or reduce any DROP interest accrued by members during their first five years of DROP. These accounts accrue risk-free interest equal to the Assumed Rate of Return set by the PSPRS Board of Trustees. This rate is currently set at 7.3 percent.

Q: What will happen to my DROP account balance and interest transfer when the 401(a) accounts are established in January 2023?

A: Account balances for members who extend DROP service will be deposited into a 401(a) account maintained by Nationwide Retirement Solutions. Members will need to access their accounts through Nationwide. By default, the balances will be put into a fixed annuity contract account that generates a guaranteed 2.75 percent interest. Members have the option of moving funds in their account from this account into a variety of target date funds, stock market index funds, fixed income funds, and any of the plans’ investment options.

Please note: To comply with IRS requirements members cannot receive any distributions from their 401(a) accounts during their extended DROP service.

Q: What is PSPRS’ role in DROP enrollment and participation?

A: The PSPRS trust administers the DROP program and accounts, including the management of enrollment, calculating the monthly retirement benefit and applying applicable interest credited to the members’ DROP accounts. PSPRS does not enter into agreements with members for participation and does not have discretion or any role in determining whether members who entered DROP prior to July 6 may extend their DROP service.

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