



Insurance | Risk Management | Consulting

1205 Westlakes Drive | Suite 290
Berwyn, PA 19312
www.ajg.com

June 18, 2026

Gallagher was retained to complete this actuarial valuation which provides information for the State of Louisiana Postretirement Benefits Plan ("Plan") for the fiscal year ending June 30, 2026. The purposes of the valuation are to provide reporting and disclosure information for financial statements of the Plan and of the State of Louisiana, as well as for governmental agencies and other interested parties. This valuation report contains information that is required for compliance with the Governmental Accounting Standards Board Statement 75, Accounting and Financial Reporting for Postemployment Benefits other than Pensions ("GASB 75").

Key Results

The State's Total OPEB Liabilities (TOL) of \$7,556,067,000 for included agencies and \$5,127,593,000 for excluded agencies were calculated as of July 1, 2025 based on the July 1, 2025 actuarial valuation results and updated assumptions described in subsequent sections.

The prior year's Total OPEB Liabilities of \$7,811,649,000 for included agencies and \$5,207,310,000 for excluded agencies were calculated as of July 1, 2024 based on the July 1, 2024 valuation results.

The State's Total OPEB Liabilities for both included and excluded agencies have decreased from July 1, 2024 to July 1, 2025 primarily due to the discount rate increase which is partially offset by updated healthcare trend rates assumption and unfavorable claims experience. Detailed changes in the Total OPEB Liability since last year are included on the following page.

Data, Actuarial Assumptions, Methods and Plan Provisions

This valuation was performed using employee census data, premiums, claims and enrollment data, and plan provisions provided by the State of Louisiana personnel. Although we did not audit the data, we reviewed the data for reasonableness and consistency with the prior year's information. A detailed review of the data and its sources beyond that necessary to develop the analysis was not performed and is beyond the scope of the analysis. The results of the valuation are dependent on the accuracy of the data.

Based on input from the Office of Statewide Reporting & Accounting Policy, an adjustment was made to the employer's actual benefit payments for the year ending June 30, 2025 for excluded agencies that were provided to Gallagher by the Office of Group Benefits (OGB). Additional details regarding this adjustment are provided on page 12 of this report.

The entry age normal liabilities presented herein were determined as of July 1, 2025 using data as of that date. Liabilities and certain expense items are allocated to each included agency based on the individual agency's proportionate share percentage as of July 1, 2025. The individual agency's proportionate share percentage is based on the agency's individual OPEB TOL in relation to the combined OPEB TOL for all participating entities included in the State of Louisiana reporting entity. For excluded agencies, liabilities and expense items are calculated directly by agency.

Our calculations rely on the information provided by the Plan Sponsor that the plan provisions are as described in our valuation report.

The assumptions, methods, and plan provisions used were the same as those in the State of Louisiana Actuarial Valuation as of July 1, 2024 for fiscal year ending June 20, 2025, except for the following updates:

- The discount rate increased from 3.93% based on the Bond Buyer 20 Index as of June 30, 2024 to 5.20% as of June 30, 2025¹ since the previous valuation, which decreased the Plan's liability.
- Baseline per capita costs (PCCs) and medical plan election percentages were updated to reflect 2025 claims and enrollment. Plan claims and premiums increased more than had been expected, which increased the Plan's liability.
- The Medicare trend was updated to be the same as the Pre-Medicare trend, which more accurately reflects recent healthcare trend survey results, industry-wide expectations, and the current high-inflationary environment. Medicare trend has been revised to 8.25%, trending down to an ultimate rate of 4.5% by FYE 2035.
- Agency 4030 was an excluded agency as of July 1, 2024 but is an included agency as of July 1, 2025. In addition, several excluded agencies were removed from the valuation as of July 1, 2025 because of no activity and no OPEB liability balance.

The impact of these changes from the prior valuation are as follows:

Change in Total OPEB Liability from 7/1/2024 Valuation (in \$1,000s)				
	Included Agencies		Excluded Agencies	
7/1/2024 Valuation	\$	7,811,649	\$	5,207,310
Expected growth during the year	\$	161,755	\$	145,087
Expected at 7/1/2025	\$	7,973,404	\$	5,352,397
<u>Change due to Experience:</u>				
Updated Census	\$	90,364	1.1%	\$ 120,560 2.3%
Other		41,093	0.5%	28,823 0.5%
Total Plan Experience	\$	131,457		\$ 149,383
<u>Change due to Assumptions:</u>				
Discount rate (from 3.93% to 5.20%)	\$	(1,436,800)	-18.0%	\$ (1,019,497) -19.0%
Updated PCCs / Premiums / Plan Election %		569,545	7.1%	419,278 7.8%
Updated Trend Rates		318,461	4.0%	226,032 4.2%
Total Assumption Changes	\$	(548,794)		\$ (374,187)
Net Change	\$	(417,337)		\$ (224,804)
7/1/2025 Valuation	\$	7,556,067		\$ 5,127,593

¹ Bond Buyer index is updated on Thursday weekly. The rate used for valuation purposes is the closest Thursday prior to the Measurement Date.

Inflation Reduction Act (“IRA”)

The IRA was initially expected to increase Medicare Part D plan costs due to design and funding changes, the most meaningful of which were effective in 2025. However, additional guidance released by CMS indicated higher than expected federal funding for 2025, decreasing the expected cost impact to employers. Additional design changes were effective in 2026. The IRA is also expected to bend the trend curve through price control measures such as HHS’s ability to negotiate prices for older, high-cost single source brand drugs (first effective in 2026) and through the imposition of rebates for drugs that increase in excess of inflation (first effective in 2023). We have considered the future impact of the IRA on Medicare prescription drug costs when developing our per capita cost assumptions and healthcare cost trend assumptions. We made no explicit adjustments for the impact of the Medicare Drug Negotiation Program as it is uncertain how the prescription drug market will react to this program. As further guidance and experience emerges, additional updates to our cost and trend assumptions will be made for future measurement dates if deemed appropriate.

Healthcare Reform

The Patient Protection and Affordable Care Act (PPACA) was signed March 23, 2010, with further changes enacted by the Health Care and Education Affordability Reconciliation Act (HCEARA), signed March 30, 2010. This legislation included many reforms including changes to the Medicare Part D drug program, expansion of child coverage, changes in funding to Medicare Advantage programs, elimination of limits for essential health benefits, and the implementation of a variety of revenue raisers. These changes have been incorporated into the operation of the plan, and we have not identified any specific provision of health care reform that would be expected to have a significant future impact on the measured obligation.

Actuarial Standard of Practice

Actuarial Standard of Practice No. 56 (“ASOP 56”) requires actuaries to disclose information when performing actuarial services with respect to designing, developing, selecting, modifying, using, reviewing, or evaluating models. In performing this assignment, we used the following models:

Model Name	Intended Purpose	Reliance
ProVal	Valued the OPEB liabilities, P&L expense and projected pay-as-you-go costs	Gallagher relied on the model, which was developed by actuaries at Winklevoss Technologies.
Comprehensive Benefit Pricing Model, 2026v1.0	Provided benchmark data and pricing capabilities. Enabled us to calculate per capita costs and actuarial values of different commercial health plans.	Gallagher relied on the model, which was developed using industry data by actuaries and consultants at OptumInsight.

Gallagher reviewed the models for reasonableness before using them. There are no known material inconsistencies, unreasonable output, limitations or weaknesses in the above models used in the valuation.

Actuarial Standard of Practice No. 27 (“ASOP 27”) provides guidance to actuaries when selecting or advising plan sponsors to select assumptions for measuring retiree group benefit obligations. Under this ASOP, for each assumption that has a significant effect on the measurement that is not prescribed by law or regulation and that the actuary has selected or advised the plan sponsor to select, the actuary should disclose the information and analysis that led the actuary to select or advise the plan sponsor to select the assumption for the purpose of the measurement. For any assumption that the plan sponsor selected without the actuary’s advice, the ASOP requires the actuary to disclose the information and analysis used to support the actuary’s determination that the assumption does not significantly conflict with what, in the actuary’s professional judgment, is reasonable for the purpose of the measurement.

Actuarial Certification

The State of Louisiana may use this report as a source of information for its financial statements. Use of this report for any other purpose may not be appropriate and may result in mistaken conclusions due to failure to understand applicable assumptions, methodologies, or inapplicability of the report for that purpose. This report should not be provided except in its entirety.

Because of the risk of misinterpretation of actuarial results, Gallagher recommends requesting its advance review of any statement, document, or filing to be based on information contained in this report. Gallagher will accept no liability for any such statement, document or filing made without its prior review.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: retiree group benefits program experience differing from that anticipated by the assumptions; changes in assumptions, increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period), and changes in plan provisions or applicable law. Retiree group benefits models necessarily rely on the use of approximation and estimates and are sensitive to changes in these approximations and estimates. Small variations in these approximations and estimates may lead to significant changes in actuarial measurements. An analysis of the potential range of such future differences other than the required disclosures related to the sensitivity to discount rate and healthcare cost trend rate assumptions is beyond the scope of this report.

The assumptions used for financial accounting purposes were selected by the plan sponsor with our advice. In our opinion, the actuarial assumptions used are appropriate for purposes of the valuation and are reasonably related to the experience of the Plan and to reasonable long-term expectations. The cost results and actuarial exhibits presented in this report were determined on a consistent and objective basis in accordance with applicable Actuarial Standards of Practice and generally accepted actuarial procedures. To the best of our knowledge, the information fairly presents the actuarial position of the State of Louisiana Postretirement Benefits Plan in accordance with the requirements of GASB Statement No. 75 as of July 1, 2025.

It is important to note that the measurement of postretirement medical obligations is extremely sensitive to the assumptions chosen. The results presented above and in more detail in the next sections are based upon one set of reasonable assumptions. Other sets of equally reasonable assumptions can yield materially lesser or greater obligations.

The report was prepared under our supervision in our capacity as the plan’s Actuaries. We are Associates of the Society of Actuaries and Members of the American Academy of Actuaries and have met the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein. We are available to answer any questions on the content of the report.



Gallagher

Insurance | Risk Management | Consulting

We hereby certify that we do not or have not had any relationship with the plan sponsor that might affect (or appear to affect) our capacity or objectivity to develop the actuarial information required by GASB 75. We do not or have not had any relationship with the plan sponsor or any of its affiliates other than through the capacity of a consulting actuary.

Evi Laksana, ASA, MAAA, FCA
Director, Health Practice
evi_laksana@ajg.com

Kevin Penderghest, ASA, MAAA, FCA
Director, Health Practice
kevin_penderghest@ajg.com

The State of Louisiana

Information Required Under Governmental Accounting Standards Board
Statement No. 75

Actuarial Valuation Report
As of July 1, 2025
For Fiscal Year Ending June 30, 2026 Disclosure



Gallagher

Insurance | Risk Management | Consulting



Gallagher

Insurance | Risk Management | Consulting

Contents

GASB 75 Information	1
Summary – Included Agencies	2
GASB 75 Results – Included Agencies	3
Summary – Excluded Agencies	6
GASB 75 Results – Excluded Agencies	7
Projected Benefit Payments	10
Actuarial Assumptions and Methods	12
Actuarial Methods	12
Economic Assumptions	12
Benefit Cost Assumptions	13
Demographic Assumptions	15
Substantive Plan Provisions	20
Summary of Participant Data – Included Agencies	23
Appendix A: Required Schedules for GASB 75	26
Schedule of Changes in Total OPEB Liability – Included Agencies	26
Schedule of Changes in Total OPEB Liability – Excluded Agencies	27
Appendix B: Deferred Inflows and Outflows of Resources Details	28
Included Agencies: Amortization of Experience (Gains) / Losses	28
Included Agencies: Amortization of Changes in Assumptions or Other Inputs	30
Excluded Agencies: Amortization of Experience (Gains) / Losses	32
Excluded Agencies: Amortization of Changes in Assumptions or Other Inputs	34
Appendix C: Sample Decrement Rates	36
Appendix D: Summary of Benefit Descriptions	42
Appendix E: Summary of Key Terms	46



Insurance | Risk Management | Consulting

GASB 75 Information

Plan Description

The Office of Group Benefits (OGB) administers the State of Louisiana Postretirement Benefits Plan, which is a multiple-employer defined benefit other post-employment benefit (OPEB) plan that provides its retirees, disabled retirees, and their eligible beneficiaries with subsidized medical, prescription drug, and life insurance benefits. Employees who participate in an OGB health plan are eligible for retiree health benefits if they are enrolled in an OGB health plan at the time of retirement and retire under one of the State's retirement systems (LASERS, Louisiana State Police Retirement System (LSPRS), Teachers' Retirement System of Louisiana (TRSL), or Louisiana School Employees' Retirement System (LSERS)) or they retire from a participating employer that meets the qualifications in the Louisiana Administrative Code 32:30.303.

LRS 42:801-883 assigns the authority to establish and amend the benefit provisions of the plan to the state legislature. LRS 42:802, 42:821, and 42:851 provide the authority under which the obligations of plan members, employers, and other contributing entities that contribute to the plan are established or may be amended.

The State has no accumulated assets in a trust as defined by GASB Statement 75 and the Plan is funded on a pay as you go basis.

Amounts in this report are shown in thousands.

Summary – Included Agencies

This section summarizes results for Primary Government, Component Units, and Fiduciary Funds of the State of Louisiana Annual Comprehensive Financial Report in total. Results by Agency, summarized into subtotals for Primary Government, Component Units, and Fiduciary Funds are provided in an exhibit separate from this report. Liabilities and certain expense items are allocated to each agency based on the individual agency's proportionate share percentage as of July 1, 2025. The individual agency's proportionate share percentage is based on the agency's individual Total OPEB Liability (TOL) in relation to the combined OPEB TOL for all participating entities included in the State of Louisiana reporting entity.

The results for the excluded agencies are summarized later in this report, using the same assumptions and plan provisions as documented for all other agencies.

To the extent that agencies offer subsidies to their employees that differ from those documented in this report, these results do not reflect those differences and may not be suitable for financial reporting.

Plan Membership and Total OPEB Liability

Membership Status as of July 1, 2025	Medical ²	Life Insurance	Medical and/or Life Insurance ²
Inactive plan members currently receiving benefits	32,983	22,038	39,469
Spouses of inactive plan members currently receiving benefits	9,433	6,990	11,743
Inactive plan members entitled to but not yet receiving benefits	N/A	N/A	N/A
Active plan members	44,861	54,579	54,579
Total	87,277	83,607	105,791

Reporting for Fiscal Year Ending	June 30, 2026	June 30, 2025
Measurement Date	July 1, 2025	July 1, 2024
Total OPEB Liability (in \$1,000s)	\$ 7,556,067	\$ 7,811,649

² Participants with current Louisiana State University (LSU) medical coverage are not included in this valuation.

GASB 75 Results – Included Agencies

Schedule of Changes in Total OPEB Liability and Related Ratios

The table below outlines the changes in Total OPEB Liability for fiscal year ending June 30, 2026 compared to the prior fiscal year-end.

Reporting for Fiscal Year Ending Measurement Date	June 30, 2026 July 1, 2025	June 30, 2025 July 1, 2024
Total OPEB Liability (TOL) at beginning of year	\$ 7,811,649	\$ 7,148,291
Service cost	\$ 176,943	\$ 137,457
Interest	307,677	294,683
Changes of benefit terms [A]	0	0
Differences between expected and actual experience	131,457	77,944
Changes of assumptions or other input [B]	(548,794)	470,378
Benefit payments	(322,865)	(317,104)
Net change in TOL	\$ (255,582)	\$ 663,358
TOL at end of year	\$ 7,556,067	\$ 7,811,649
Covered employee payroll (measurement period) ³	\$ 3,460,320	\$ 3,319,936
TOL as % of covered payroll	218.4%	235.3%

A. Benefit changes: None.

B. Changes of assumptions:

1. The discount rate has increased from 3.93% to 5.20%.
2. Baseline per capita costs (PCCs) were updated to reflect 2025 claims and enrollment.
3. Medical plan election percentages were updated based on the coverage elections of recent retirees.
4. The Medicare healthcare cost trend was updated.

³ When populating the salary field in our valuation, we first rely on pension-system salary data, then OGB data. Otherwise, we estimated the missing salary by applying system-specific average salary. We do not audit the salary information provided.

GASB 75 OPEB Expense

Components of OPEB expense for the current and prior fiscal year ends.

	FY 2026	FY 2025
Service cost	\$ 176,943	\$ 137,457
Interest on Total OPEB Liability and Net Cash Flow	307,677	294,683
Projected earnings on OPEB Plan investments	0	0
Current period recognitions of:		
Effect of benefit changes	0	0
Difference between expected and actual experience	27,970	17,321
Effect of changes in assumptions or other input	(116,765)	104,528
Prior years' deferred outflows of resources	297,736	306,443
Prior years' deferred inflows of resources	(597,997)	(597,997)
Total OPEB Expense	\$ 95,564	\$ 262,435

Deferred Inflows and Outflows of Resources

The unamortized deferred inflows and outflows of resources for the fiscal year ending June 30, 2026 are as shown below:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 174,646	\$ 0
Changes in assumptions or other inputs	346,043	(731,027)
Employer contributions subsequent to the Measurement Date	313,107	0
Total	\$ 833,796	\$ (731,027)

Following are the details of the amounts reported as deferred (inflows) and outflows of resources to be recognized in future years. For details of the recognized deferred inflows and outflows of resources, refer to Appendix B.

Fiscal Year	Total
2027	\$ (186,163)
2028	\$ 65,851
2029	\$ (27,869)
2030	\$ (62,157)
2031	\$ 0
Thereafter	\$ 0

Sensitivity Results

The following tables depict the sensitivity of the Total OPEB Liability due to changes in both the discount rate and the healthcare cost trend rate which are required under GASB No. 75.

Discount Rate Changes	1% Decrease	Current Discount Rate	1% Increase
Total OPEB Liability	\$ 8,655,519	\$ 7,556,067	\$ 6,662,080

Healthcare Cost Trend Rates Changes	1% Decrease	Current Trend Rates	1% Increase
Total OPEB Liability	\$ 6,643,136	\$ 7,556,067	\$ 8,690,921

Summary – Excluded Agencies

This section summarizes results for Excluded Agencies. Excluded agencies are those agencies excluded from the State of Louisiana Annual Comprehensive Financial Report. Results by Agency for the excluded agencies, using the same assumptions and plan provisions as documented for all other agencies are provided in an exhibit separate from this report. Liabilities and expense items are calculated directly by agency.

To the extent that agencies offer subsidies to their employees that differ from those documented in this report, these results do not reflect these differences and may not be suitable for financial reporting.

Plan Membership and Total OPEB Liability

Membership Status as of July 1, 2025	Medical ⁴	Life Insurance	Medical and/or Life Insurance ⁴
Inactive plan members currently receiving benefits	20,989	10,991	23,723
Spouses of inactive plan members currently receiving benefits	5,685	2,786	6,468
Inactive plan members entitled to but not yet receiving benefits	N/A	N/A	N/A
Active plan members	29,376	30,284	30,284
Total	56,050	44,061	60,475

Reporting for Fiscal Year Ending	June 30, 2026	June 30, 2025
Measurement Date	July 1, 2025	July 1, 2024
Total OPEB Liability (in \$1,000s)	\$ 5,127,593	\$ 5,207,310

⁴ Participants with current Louisiana State University (LSU) medical coverage are not included in this valuation.

GASB 75 Results – Excluded Agencies

Schedule of Changes in Total OPEB Liability and Related Ratios

The table below outlines the changes in Total OPEB Liability for fiscal year ending June 30, 2026 compared to the prior fiscal year-end.

Reporting for Fiscal Year Ending Measurement Date	June 30, 2026 July 1, 2025	June 30, 2025 July 1, 2024
Total OPEB Liability (TOL) at beginning of year	\$ 5,207,310	\$ 4,684,827
Adjustment for agency transfer ⁵	\$ (205)	\$ (6,467)
Service cost	132,959	113,402
Interest	206,094	194,073
Changes of benefit terms [A]	0	0
Differences between expected and actual experience	149,383	20,912
Changes of assumptions or other input [B]	(374,187)	387,749
Benefit payments ⁶	(193,761)	(187,186)
Net change in TOL	\$ (79,717)	\$ 522,483
TOL at end of year	\$ 5,127,593	\$ 5,207,310
Covered employee payroll (measurement period)	\$ N/A	\$ N/A
TOL as % of covered payroll	N/A	N/A

A. Benefit changes: None.

B. Changes of assumptions:

1. The discount rate has increased from 3.93% to 5.20%.
2. Baseline per capita costs (PCCs) were updated to reflect 2025 claims and enrollment.
3. Medical plan election percentages were updated based on the coverage elections of recent retirees.
4. The Medicare healthcare cost trend was updated.

⁵ Agency 4030 that used to be an excluded agency is now an included agency.

⁶ Benefit payments for the year ending June 30, 2025 were adjusted as described on page 12.

GASB 75 OPEB Expense

Components of OPEB expense for the current and prior fiscal year ends.

	FY 2026	FY 2025
Service cost	\$ 132,959	\$ 113,402
Interest on Total OPEB Liability and Net Cash Flow	206,094	194,073
Projected earnings on OPEB Plan investments	0	0
Current period recognitions of:		
Effect of benefit changes	0	0
Difference between expected and actual experience	31,121	4,357
Effect of changes in assumptions or other input	(77,956)	80,781
Prior years' deferred outflows of resources	230,365	185,812
Prior years' deferred inflows of resources	(370,229)	(370,625)
Immediate recognition of deferred inflows / outflows for exiting Agency	82	(136)
Total OPEB Expense	\$ 152,436	\$ 207,664

Deferred Inflows and Outflows of Resources

The unamortized deferred inflows and outflows of resources for the fiscal year ending June 30, 2026 are as shown below:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 134,804	\$ (4,899)
Changes in assumptions or other inputs	339,953	(590,173)
Employer contributions subsequent to the Measurement Date	192,052	0
Total	\$ 666,809	\$ (595,072)

Following are the details of the amounts reported as deferred (inflows) and outflows of resources to be recognized in future years. For details of the recognized deferred inflows and outflows of resources, refer to Appendix B.

Fiscal Year	Total
2027	\$ (190,812)
2028	\$ 86,689
2029	\$ 21,272
2030	\$ (37,464)
2031	\$ 0
Thereafter	\$ 0

Sensitivity Results

The following tables depict the sensitivity of the Total OPEB Liability due to changes in both the discount rate and the healthcare cost trend rate which are required under GASB No. 75.

Discount Rate Changes	1% Decrease	Current Discount Rate	1% Increase
Total OPEB Liability	\$ 5,907,000	\$ 5,127,593	\$ 4,498,082

Healthcare Cost Trend Rates Changes	1% Decrease	Current Trend Rates	1% Increase
Total OPEB Liability	\$ 4,473,818	\$ 5,127,593	\$ 5,947,161

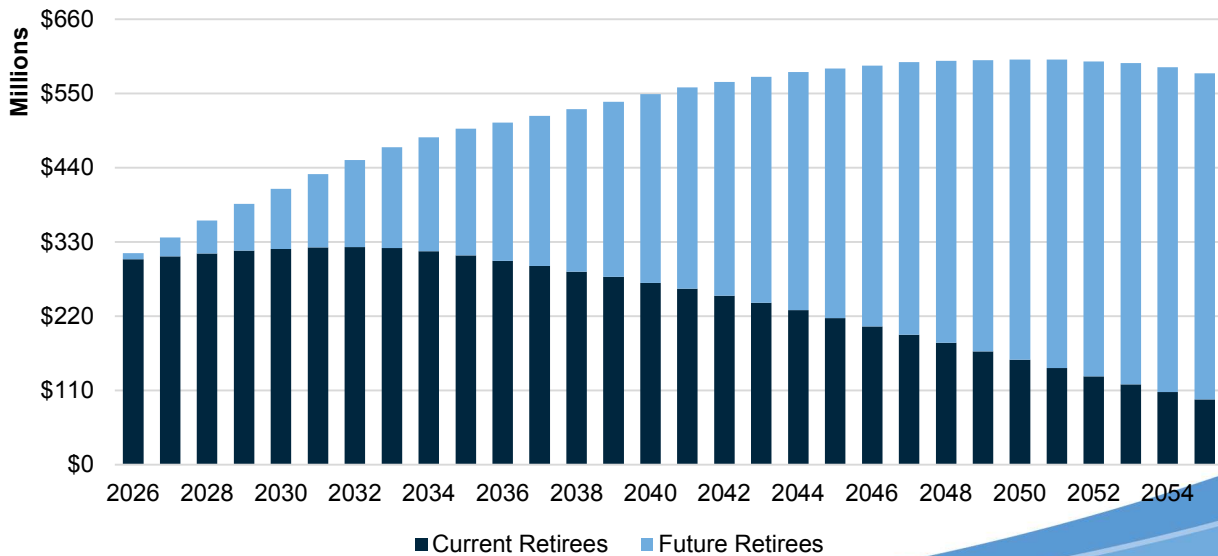
Projected Benefit Payments

The below table shows the projected benefit payments for the next 30 years for a closed group of participants (both active employees and existing retirees) who are included in the census data as of July 1, 2025. This exhibit is provided for informational purposes only and it is not a required disclosure under GASB 75. The projected benefit payments below include both explicit (if any) and implicit subsidies (as applicable).

Included Agencies

FYE	Future Retirees	Current Retirees	Total	FYE	Future Retirees	Current Retirees	Total
2026	\$ 8,785	\$ 304,321	\$ 313,107	2041	\$ 298,252	\$ 260,497	\$ 558,749
2027	\$ 27,765	\$ 308,617	\$ 336,382	2042	\$ 316,480	\$ 250,355	\$ 566,835
2028	\$ 48,791	\$ 313,080	\$ 361,871	2043	\$ 334,860	\$ 239,718	\$ 574,578
2029	\$ 69,361	\$ 317,186	\$ 386,547	2044	\$ 352,811	\$ 228,879	\$ 581,690
2030	\$ 88,984	\$ 319,426	\$ 408,410	2045	\$ 369,671	\$ 217,018	\$ 586,689
2031	\$ 108,895	\$ 321,704	\$ 430,599	2046	\$ 386,573	\$ 204,649	\$ 591,222
2032	\$ 128,822	\$ 322,381	\$ 451,203	2047	\$ 403,667	\$ 192,641	\$ 596,308
2033	\$ 149,465	\$ 320,983	\$ 470,448	2048	\$ 417,711	\$ 180,531	\$ 598,242
2034	\$ 168,627	\$ 316,287	\$ 484,914	2049	\$ 431,446	\$ 167,959	\$ 599,405
2035	\$ 187,639	\$ 310,218	\$ 497,857	2050	\$ 444,880	\$ 155,425	\$ 600,305
2036	\$ 204,999	\$ 301,914	\$ 506,913	2051	\$ 456,858	\$ 143,133	\$ 599,991
2037	\$ 222,434	\$ 294,320	\$ 516,754	2052	\$ 466,646	\$ 130,591	\$ 597,237
2038	\$ 240,493	\$ 286,010	\$ 526,503	2053	\$ 475,964	\$ 118,896	\$ 594,860
2039	\$ 259,330	\$ 278,067	\$ 537,397	2054	\$ 481,239	\$ 107,432	\$ 588,671
2040	\$ 279,595	\$ 269,144	\$ 548,739	2055	\$ 483,367	\$ 96,599	\$ 579,966

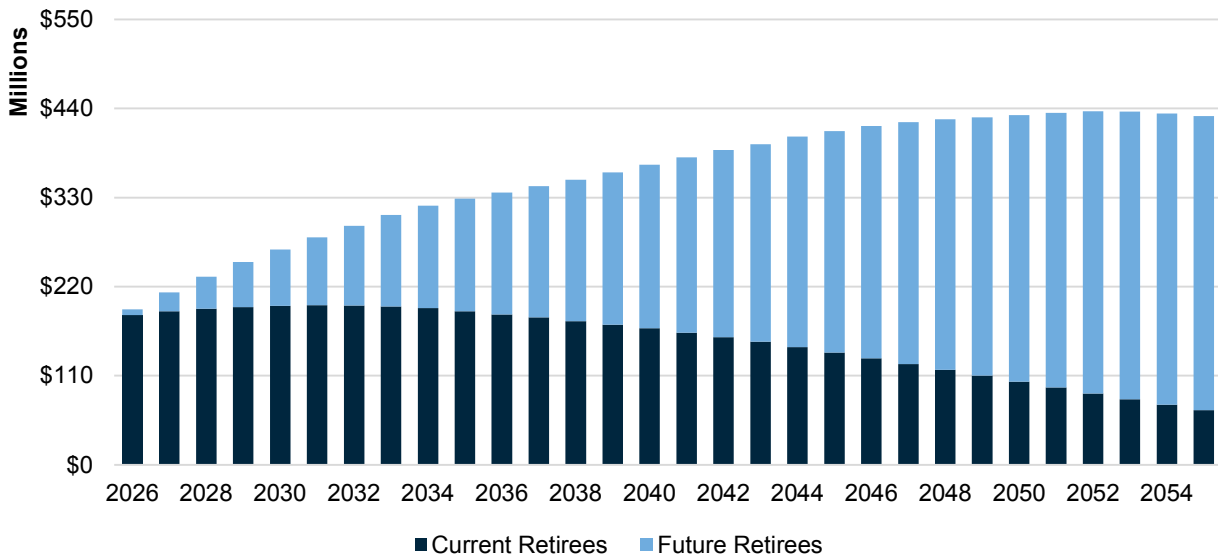
Projected Benefit Payments - Included Agencies



Excluded Agencies

FYE	Future Retirees	Current Retirees	Total	FYE	Future Retirees	Current Retirees	Total
2026	\$ 7,210	\$ 184,842	\$ 192,052	2041	\$ 216,173	\$ 163,287	\$ 379,460
2027	\$ 23,307	\$ 189,459	\$ 212,766	2042	\$ 230,954	\$ 157,783	\$ 388,737
2028	\$ 39,679	\$ 192,765	\$ 232,444	2043	\$ 244,079	\$ 151,905	\$ 395,984
2029	\$ 55,588	\$ 194,651	\$ 250,239	2044	\$ 259,790	\$ 145,414	\$ 405,204
2030	\$ 69,301	\$ 196,396	\$ 265,697	2045	\$ 273,288	\$ 138,556	\$ 411,844
2031	\$ 83,567	\$ 197,169	\$ 280,736	2046	\$ 286,832	\$ 131,547	\$ 418,379
2032	\$ 98,377	\$ 196,545	\$ 294,922	2047	\$ 298,526	\$ 124,471	\$ 422,997
2033	\$ 113,034	\$ 195,366	\$ 308,400	2048	\$ 309,544	\$ 117,241	\$ 426,785
2034	\$ 126,611	\$ 193,473	\$ 320,084	2049	\$ 319,090	\$ 110,062	\$ 429,152
2035	\$ 139,054	\$ 189,689	\$ 328,743	2050	\$ 328,969	\$ 102,750	\$ 431,719
2036	\$ 150,768	\$ 185,505	\$ 336,273	2051	\$ 338,968	\$ 95,541	\$ 434,509
2037	\$ 161,945	\$ 181,969	\$ 343,914	2052	\$ 348,195	\$ 88,202	\$ 436,397
2038	\$ 174,434	\$ 177,341	\$ 351,775	2053	\$ 354,914	\$ 81,115	\$ 436,029
2039	\$ 188,060	\$ 172,882	\$ 360,942	2054	\$ 359,719	\$ 74,176	\$ 433,895
2040	\$ 201,907	\$ 168,473	\$ 370,380	2055	\$ 363,187	\$ 67,520	\$ 430,707

Projected Benefit Payments - Excluded Agencies



Actuarial Assumptions and Methods

Actuarial Methods

Valuation Date	July 1, 2025
Measurement Date	July 1, 2025
Actuarial Cost Method	Entry Age Normal, level percent of pay. Service Costs are attributed through all assumed ages of exit from active service. For current DROP participants, assumed exit from active service is the date at which DROP ends.
Asset Valuation	N/A; benefit payments are funded on a pay-as-you-go basis.
Employer’s Actual Benefit Payments for Excluded Agencies	Based on input from the Office of Statewide Reporting & Accounting Policy, an adjustment was made to the employer’s actual benefit payments for the year ending June 30, 2025 for excluded agencies that were provided to Gallagher by the OGB. These payments are from the OGB Billing Premiums and Adjustments Report for the employer portion of the 2025 OPEB Benefit Payments (i.e., the employer portion of the OGB insurance premiums for retirees). The billing report classifies premiums for rehired retirees as "active" employer premiums instead of "retiree" premiums, but rehired retirees are included in the census data as retirees. The adjustment was made by taking the average payment for actives and rehires combined, and adding the average amount, multiplied by the number of rehires, to the expected payments for retirees who have not returned to work. Prior to 2021 benefit payments provided were used without adjustment. Note that this adjustment was only made for excluded agencies. Benefit payments for retirees who return to work in included agencies are correctly reported as retiree payments.
Miscellaneous	The valuation was prepared on an on-going plan basis. This assumption does not imply that an obligation to continue the plan exists.

Economic Assumptions

Discount Rate	The discount rate as of July 1, 2025 is 5.20% based on the Bond Buyer 20 Index rate as of June 30, 2025 ⁷ . The discount rate as of July 1, 2024 is 3.93% based on the Bond Buyer 20 Index rate as of June 30, 2024.
Inflation	2.40%

⁷ Bond Buyer index is updated on Thursday weekly. The rate used for valuation purposes is the closest Thursday prior to the Measurement Date.

Salary Assumption

Consistent with the assumption used in the June 30, 2025 pension actuarial valuation for each retirement system (LASERS, LSPRS, TRSL, or LSERS).

For LASERS and TRSL, refer to Appendix C for sample rates.

For LSERS: 3.75%

For LSPRS: 5.50%

For employers that do not participate in one of the four state retirement systems, the rates for the LASERS Regular members were used.

Benefit Cost Assumptions

Health Care Cost Trend Rate

The combined effect of price inflation and utilization on gross eligible medical and prescription drug charges is according to the table below. The initial trend rate was developed using our National Health Care Trend Survey. The survey gathers information on trend expectations for the coming year from various insurers and PBMs. These trends are broken out by drug and medical, as well as type of coverage (e.g. PPO, HMO, POS). We selected plans that most closely match the State of Louisiana's benefits to set the initial trend. The ultimate trend is developed based on a building block approach which considers CPI, GDP, and Technology growth. The healthcare cost trend rates applicable to medical and prescription drug benefits are as follows:

From Year	To Year	Pre-Medicare and Medicare Current	Medicare Prior
2025	2026	8.25%	7.00%
2026	2027	8.00%	6.50%
2027	2028	7.75%	6.30%
2028	2029	7.50%	6.10%
2029	2030	7.00%	6.00%
2030	2031	6.50%	5.75%
2031	2032	6.00%	5.50%
2032	2033	5.50%	5.25%
2033	2034	5.00%	5.00%
2034+		4.50%	4.50%

Retiree contribution trend: same as medical and prescription drug trends shown above.

The Medicare trend assumption has been updated since the prior valuation. Prior Medicare trend assumption is shown in the above table.

Per Capita Costs

Per capita costs for the self-insured plans administered by LA Blue were based on medical and prescription drug claims and enrollment for retired participants for the period January 1, 2024 through December 31, 2025. The claims experience was trended to the valuation date. Prescription drug per capita costs have been reduced for expected rebate payments. Prescription drug per capita costs for Medicare retirees under the self-insured plans have been further reduced for expected EGWP subsidies based on projections provided by CVS.

It is our understanding that effective January 1, 2025 Liviniti became the new commercial Pharmacy Benefit Manager (PBM). We considered the impact of this change when developing our per capita cost assumptions based on information regarding the expected impact provided.

Per capita costs for the fully insured HMO and Medicare Advantage plans were based on calendar year 2026 premiums adjusted to the valuation date using the Medicare trend assumption on the prior page.

Per capita costs were adjusted for expected age-related differences in morbidity applicable to retirees, except for costs for the Via Benefits HRA plan, which provides a flat monthly subsidy. Details regarding the Age Morbidity Curve are found under Age Related Morbidity assumptions below.

The table below indicates the assumed 2025 per capita costs normalized to male retiree age 65:

Plans	Without Medicare	With Medicare	Without Medicare	With Medicare
	Retire Before 3/1/2015		Retire On/After 3/1/2015	
People's MA HMO	N/A	\$3,646	N/A	\$3,646
LA Blue HMO	N/A	\$2,681	N/A	\$2,681
Humana MA HMO	N/A	\$1,842	N/A	\$1,842
Via Benefits HRA	N/A	\$2,400	N/A	\$2,400
LA Blue Pelican HRA	\$18,197	\$4,096	\$18,197	\$4,096
LA Blue Magnolia Local/Local Plus	\$23,633	\$4,829	\$23,771	\$4,743
LA Blue Magnolia Open Access	\$25,586	\$4,476	\$25,296	\$3,409

Administrative Expenses

Included in medical claim costs, 10% load for life insurance. The 10% load is consistent with industry standards and covers insurer administrative costs, premium taxes as well as insurer margin and profit (where applicable).

Age Related Morbidity

Per capita costs are adjusted to reflect expected cost differences due to age and gender. Age morbidity factors for pre-Medicare morbidity were developed from “Health Care Costs – From Birth to Death” sponsored by the Society of Actuaries and prepared by Dale H. Yamamoto (May 2013)⁸. Table 4 from Mr. Yamamoto’s study formed the basis of Medicare morbidity factors that are gender distinct and assumed a cost allocation of 60% for pharmacy, 20% for inpatient, 10% for outpatient, and 10% for professional services. Adjustments were made to Table 4 factors for inpatient costs at age 70 and below to smooth out what appears to be a spike in utilization for Medicare retirees gaining healthcare for the first time through Medicare. While such retirees were included in the study, their specific experience is not applicable for a valuation of an employer retiree medical plan where participants had group active coverage before retirement.

Morbidity factors at sample ages are as shown below.

Age	Male	Female
50	0.4612	0.5736
55	0.6085	0.6667
60	0.7829	0.7791
65	1.0000	0.9438
70	1.1873	1.1094
75	1.2752	1.2009
80	1.3381	1.2697
85	1.3479	1.3171
90	1.3235	1.3303
95	1.3047	1.2765
100	1.2878	1.1701

Demographic Assumptions

Basis for Assumptions

We relied upon the assumptions used in the June 30, 2025 Louisiana State Employees’ Retirement System (LASERS), Louisiana State Police Retirement System (LSPRS), the Louisiana School Employees’ Retirement System (LSERS), and the Teachers’ Retirement System of Louisiana (TRSL) pension valuations for the mortality, retirement, termination, disability, and salary scale assumptions.

⁸ <https://www.soa.org/resources/research-reports/2013/research-health-care-birth-death/>

Mortality

LASERS

For General active lives: the PubG-2010 Employee Table, adjusted by 1.055 for males and 1.034 for females, projected from 2020 on a fully generational basis by Mortality Improvement Scale MP-2021.

For General healthy retiree lives: the PubG-2010 Retiree Table, adjusted by 1.215 for males and 1.277 for females, projected from 2020 on a fully generational basis by Mortality Improvement Scale MP-2021.

For General disabled retiree lives: the RP-2000 Disabled Retiree Mortality Table, adjusted by 0.936 for males and 1.065 for females, not projected with mortality improvement.

For Public Safety active lives: the PubS-2010 Below Median Employee Table, adjusted by 1.050 for males and 0.974 for females, projected from 2020 on a fully generational basis by Mortality Improvement Scale MP-2021.

For Public Safety healthy retiree lives: the PubS-2010 Below Median Retiree Table, adjusted by 1.049 for males and 1.020 for females, projected from 2020 on a fully generational basis by Mortality Improvement Scale MP-2021.

For Public Safety disabled retiree lives: the RP-2000 Disabled Retiree Mortality Table, adjusted by 0.978 for males and 1.002 for females, not projected with mortality improvement.

For survivors: the PubG-2010 Contingent Survivor Table, adjusted by 1.264 for males and 1.326 for females, projected from 2020 on a fully generational basis by Mortality Improvement Scale MP-2021.

TRSL

For active lives: Pub2010T-Below Median Employee (amount weighted) tables for males and females, adjusted by 0.965 for males and by 0.942 for females, projected from 2010 on a fully generational basis by Mortality Improvement Scale MP-2021.

For healthy retiree lives: Pub2010T-Below Median Retiree (amount weighted) tables for males and females, adjusted by 1.173 for males and by 1.258 for females, projected from 2010 on a fully generational basis by Mortality Improvement Scale MP-2021.

For disabled retiree lives: Pub2010T-Disability (amount weighted) tables for males and females, adjusted by factors of 1.043 for males and 1.092 for females, projected from 2010 on a fully generational basis by Mortality Improvement Scale MP-2021.

For contingent survivor lives (applicable to the surviving spouse's lifetime after retiree's death): Pub2010T-Below Median – Contingent Survivor (amount weighted) tables for males and females, adjusted by factors of 1.079 for males and 0.919 for females, projected from 2010 on a fully generational basis by Mortality Improvement Scale MP-2021.

Mortality (Cont'd)

LSERS

For active lives: 125% of the Pub-2010 General Below Median Employee Table for males and 135% of the Pub-2010 General Below Median Employee Table for females, projected from 2010 on a fully generational basis by Mortality Improvement Scale MP-2021.

For healthy retiree lives and contingent survivor lives: 125% of the Pub-2010 General Below Median Healthy Retiree Table for males and 135% of the Pub-2010 General Below Median Healthy Retiree Table for females, projected from 2010 on a fully generational basis by Mortality Improvement Scale MP-2021.

For disabled retiree lives: 125% of the Pub-2010 Non-Safety Disabled Retiree Table for males and 135% of the Pub-2010 Non-Safety Disabled Retiree Table for females, projected from 2010 on a fully generational basis by Mortality Improvement Scale MP-2021.

LSPRS

For active lives: Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 100% for males and 105% for females, projected from 2010 on a fully generational basis by Mortality Improvement Scale MP-2021.

For healthy retiree and contingent annuity lives: Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees multiplied by 100% for males and 105% for females, projected from 2010 on a fully generational basis by Mortality Improvement Scale MP-2021.

For disabled retiree lives: Pub-2010 Public Retirement Plans Safety Mortality Table total datasets for disabled retirees multiplied by 100% for males and 105% for females, projected from 2010 on a fully generational basis by Mortality Improvement Scale MP-2021.

Retirement

The rates of retirement are consistent with the assumptions used in the June 30, 2025 pension valuations. The retirement rates for LASERS and TRSL include DROP rates. Refer to Appendix C for sample rates.

Disability Rates

Consistent with the June 30, 2025 pension valuation assumptions. Refer to Appendix C for sample rates.

Termination Rates

Consistent with the June 30, 2025 pension valuation assumptions. Refer to Appendix C for sample rates.

Dependents

Actual data was used for spouses of current retirees. Of those future retirees electing coverage at retirement, 35% are assumed to be married at time of retirement and elect to cover their spouse in the same medical arrangement that they have elected. 35% of future retirees are also assumed to elect the life insurance benefit for their spouses.

For future retirees, male retirees are assumed to be three years older than their spouses and female retirees are assumed to be two years younger than their spouses.

No divorce or remarriage after widowhood was reflected.

These assumptions are based on a review of plan experience from July 1, 2021 through June 30, 2024.

Participation Rates

Medical

Active employees who do not have current medical coverage are assumed not to participate in the medical plan as retirees. The percentage of employees and their dependents who are currently covered for medical coverage that are assumed to participate in the retiree medical plan is outlined in the table below. This assumption is based on a review of plan experience from July 1, 2021 through June 30, 2024. To be eligible for retiree coverage, the participant's coverage must be in effect immediately prior to retirement.

Years of Service	Participation %
<10	33%
10 – 14	60%
15 – 19	80%
20+	88%

Life Insurance

36% of future retirees are assumed to participate in the life insurance plan. This assumption is based on a review of plan experience from July 1, 2021 through June 30, 2024. Future retirees are assumed to elect a total of \$45,000 in basic life insurance and supplemental life insurance coverage, before any age reductions. Spouses are assumed to elect \$2,000 of coverage.

Plan Election Percentage

Current retirees are assumed to remain in their current plan. Future retirees are assumed to elect coverage based on the coverage elections of recent retirees as follows:

Medical Plan	Pre-Medicare %	Medicare %
LA Blue Pelican HRA	13%	8%
LA Blue Magnolia L/LP	80%	71%
LA Blue Magnolia OA	7%	13%
People's MA HMO	N/A	1%
LA Blue MA HMO	N/A	4%
Humana MA HMO	N/A	2%
Via Benefits HRA	N/A	1%

This assumption has been updated since the prior valuation based on a review of the past three years of plan experience. Prior year's plan election percentage is as shown below.

Medical Plan	Pre-Medicare %	Medicare %
LA Blue Pelican HRA	13%	6%
LA Blue Magnolia L/LP	80%	73%
LA Blue Magnolia OA	7%	15%
People's MA HMO	N/A	1%
LA Blue MA HMO	N/A	3%
Humana MA HMO	N/A	1%
Via Benefits HRA	N/A	1%

Medicare Eligibility

99% of future retirees and covered spouses are assumed to be eligible for Medicare at age 65. Retirees under age 65 at 7/1/2017 are assumed to become eligible for Medicare at age 65 at varying rates, based upon how soon they turn age 65, as follows:

Turns Age 65 by	Medicare Eligibility %
7/1/2025	94%
7/1/2026	95%
7/1/2027	96%
7/1/2028	97%
7/1/2029	98%
On/after 7/1/2030	99%

Retirees over age 65 are valued according to their reported Medicare status, which is assumed to never change. All current spouses are assumed to be Medicare eligible at age 65. These assumptions are based on a review of plan experience from July 1, 2021 through June 30, 2024.

DROPS

Current DROPS are valued using actual DROP end dates, where available. Otherwise, the DROP period was assumed to be three years from the DROP start dates. This assumption is consistent with the plan provisions of the DROP program in LASERS, LSERS, and TRSL.

For LASERS and TRSL, 60% of retirements in the first year of normal retirement eligibility are assumed to be DROPS. This assumption is based on a review of the number of DROP participants among terminated employees who retire at first eligibility for normal retirement on July 1, 2017.

50% of DROPS are assumed to return to active employment at the end of the DROP period. This assumption is based on a review of plan experience from July 1, 2013 to June 30, 2018.

Substantive Plan Provisions

Eligibility

An active employee, covered by the active health plan immediately prior to retirement, is eligible for lifetime retiree medical and life insurance benefits for the retiree and spouse if he or she retires under a Statewide Retirement System (LASERS, LSPRS, LSERS, and TRSL).

Early Retirement: The State offers reduced retirement at 20 years of service at any age for all groups except Correctional 2 and Wildlife Officers 2.

Normal retirement eligibility requirements for various retirement plans are as shown below.

State Retirement Plan	Hire Date Cut-Off	Normal Retirement
Alcohol and Tobacco Control		60 & 10 or 25 yrs
Appellate law clerk		65 & 10 or 55 & 12 or age 70 or 18 yrs
Bridge employees		60 & 10 or 25 yrs
Correctional	< 1/1/2002	60 & 10 or 50 & 20 or 25 yrs
Correctional 2	≥ 1/1/2002	60 & 10 or 25 yrs
Hazardous duty		55 & 12 or 25 yrs
Judicial	< 1/1/2011	65 & 10 or 55 & 12 or age 70 or 18 yrs
Judicial 2	1/1/2011 – 6/30/2015	60 & 5
Judicial 3	> 6/30/2015	62 & 5
Legislator		55 & 12 or 50 & 20 or 16 yrs
Police officer		60 & 10 or 55 & 25 or 30 yrs
Regular Employee	< 7/1/2006	60 & 10 or 55 & 25 or 30 yrs
Regular Employee 2 and 3	7/1/2006 – 6/30/2015	60 & 5
Regular Employee 4	≥ 7/1/2015	62 & 5
Special legislative employees		65 & 10 or 55 & 12 or 50 & 20 or 16 yrs
Wildlife officer	< 7/1/2003	55 & 10 or 20 yrs
Wildlife officer 2	≥ 7/1/2003	60 & 10 or 25 yrs

Retirement Systems	Hire Date Cut-Off	Normal Retirement
Teachers Retirement Plan (including Lunch A/B subplans)	< 7/1/1999	65 & 20 or 55 & 25 or 30 yrs
	7/1/1999 – 12/31/2010	60 & 5 or 55 & 25 or 30 yrs
	1/1/2011 – 6/30/2015	60 & 5
	≥ 7/1/2015	62 & 5
School Retirement Plan	< 7/1/2010	60 & 10 or 55 & 25 or 30 yrs
	7/1/2010 – 6/30/2015	60 & 5
	≥ 7/1/2015	62 & 5
Police Retirement Plan	< 1/1/2011	50 & 10 or 25 yrs
	≥ 1/1/2011	55 & 12 or 25 yrs

Medical Benefits

Retirees under age 65 can elect coverage under the following plans:

- LA Blue Pelican HRA
- LA Blue Magnolia Local/Local Plus
- LA Blue Magnolia Open Access

Retirees over age 65 can elect coverage under the following plans:

- LA Blue Pelican HRA
- LA Blue Magnolia Local/Local Plus
- LA Blue Magnolia Open Access
- People's Medicare Advantage HMO
- LA Blue Medicare Advantage HMO (varies by region)
- Humana Medicare Advantage HMO (varies by region)
- Via Benefits HRA

Refer to Appendix D for brief summary of select plans' benefit designs.

Monthly Contribution

Employees with an OGB medical participation start (or re-start) date after December 31, 2001 pay a percentage of the total retiree contribution rate based on the following schedule:

OGB Medical Participation	Retiree Share	State Share
Under 10 years	81%	19%
10 – 14 years	62%	38%
15 – 19 years	44%	56%
20+ years	25%	75%

Premium Rates

Monthly rates effective January 1, 2026 are:

Medical Plans	Pre-Medicare Member		
	Member Only	Pre-65 Spouse	Medicare Spouse
LA Blue Pelican HRA	\$1,165	\$892	\$234
LA Blue Magnolia Local Plus	\$1,870	\$1,432	\$391
LA Blue Magnolia OA	\$1,938	\$1,484	\$390

Medical Plans	Medicare Member		
	Member Only	Pre-65 Spouse	Medicare Spouse
LA Blue Pelican HRA	\$379	\$1,020	\$302
LA Blue Magnolia Local Plus	\$618	\$1,642	\$490
LA Blue Magnolia OA	\$630	\$1,698	\$502

Premium Rates (Cont'd)

Medicare Advantage plan monthly rates effective January 1, 2026 are:

Medical Plan	Member Only	Medicare Spouse
People's MA HMO	\$378	\$378
LA Blue MA HMO - Region 1	\$259	\$259
LA Blue MA HMO – Region 2	\$246	\$246
LA Blue MA HMO - Region 3	\$268	\$268
LA Blue MA HMO - Region 4	\$218	\$218
LA Blue MA HMO - Region 5	\$334	\$334
LA Blue MA HMO - Regions 6,7,8	\$295	\$295
LA Blue MA HMO - Region 9	\$322	\$322
Humana MA HMO - Region 1	\$95	\$95
Humana MA HMO - Region 2	\$241	\$241
Humana MA HMO - Region 3	\$205	\$205
Humana MA HMO - Region 4	\$206	\$206
Humana MA HMO - Region 5	\$202	\$202
Humana MA HMO - Region 6	\$253	\$253
Humana MA HMO - Region 7	\$263	\$263
Humana MA HMO - Region 8	\$263	\$263
Humana MA HMO - Region 9	\$239	\$239

For purposes of this valuation, the above amounts were trended back 6 months to the valuation date.

Life Insurance Benefits

The State provides the following maximum life insurance benefits at retirement.

	Basic	Supplemental Maximum
Under age 65	\$5,000	\$50,000
Ages 65 – 70	\$4,000	\$38,000
After age 70	\$3,000	\$25,000

Age Reductions: In force life insurance amounts are reduced to 75% of the initial value at age 65 and to 50% of the original amount at age 70.

Spouse life insurance amounts of \$1,000, \$2,000 or \$4,000 are available.

Life Insurance Cost Share

Retiree pays 50% of the Prudential Company of America premium and 100% of the Prudential Company of America premium for spousal coverage.

Premiums vary by age.

Summary of Participant Data – Included Agencies

The following table summarizes the participants provided in the census data.

	Active	Retired ⁹
LASERS	35,159	32,798
Appellate law clerk	56	73
Appellate law clerk 2	13	2
Alcohol and Tobacco Control	6	10
Bridge employees	2	2
Bridge employees 2	1	0
Correctional	47	897
Correctional 2	745	1,175
Hazardous duty	3,285	171
Judicial	36	60
Judicial 2	13	0
Judicial 3	9	1
Legislator	1	31
Police office	23	47
Regular Employee	9,819	29,496
Regular Employee 2	3,259	453
Regular Employee 3	3,300	129
Regular Employee 4	14,457	47
Special legislative employees	1	2
Wildlife officer	0	62
Wildlife officer 2	86	140
TRSL	18,426	8,016
Higher Education	12,465	4,492
Lunch	17	36
Regular	5,944	3,488
LSERS	39	78
LSPRS	955	1,093
Total	54,579	41,985

⁹ Retiree counts include disabled retirees and surviving spouses. 2,516 retirees were not valued because they do not have life insurance coverage and they either have no medical coverage or are covered under the LSU plan.

The following table summarizes the valued participants by medical plan:

Medical Plans	Active	Retired
People's MA HMO	0	1,221
Via Benefits HRA	0	515
LSU HMO ¹⁰	7,474	1,283
LA Blue Pelican HRA/HSA	8,333	983
LA Blue Magnolia Local/Local Plus	33,560	19,975
LA Blue Magnolia Open Access	2,968	8,819
LA Blue MA HMO	0	1,149
Humana MA HMO	0	321
Waived	2,244	5,203
Total	54,579	39,469

Active Participant Data

The following table shows a distribution of age and credited service for retirement eligibility for all active employees as of the Valuation Date.

Age	Credited Service for Eligibility to Retire							Total
	0 – 4	5 – 9	10 – 14	15 – 19	20 – 24	25 – 29	30+	
Under 25	1,249	18	0	0	0	0	0	1,267
25 – 29	4,128	568	14	0	0	0	0	4,710
30 – 34	3,627	1,825	378	4	0	0	0	5,834
35 – 39	2,776	1,954	1,266	333	17	0	0	6,346
40 – 44	2,339	1,778	1,397	1,454	506	20	0	7,494
45 – 49	1,841	1,366	993	1,389	1,386	466	24	7,465
50 – 54	1,487	1,095	820	1,086	1,214	1,077	241	7,020
55 – 59	1,179	928	741	939	976	936	573	6,272
60 – 64	722	715	567	709	699	651	534	4,597
65 – 69	226	326	267	379	381	275	441	2,295
70+	56	105	130	180	222	162	424	1,279
Total	19,630	10,678	6,573	6,473	5,401	3,587	2,237	54,579

¹⁰ Medical plan liabilities for LSU participants were not included in this valuation as LSU is responsible for their liabilities. We valued life insurance liability only for the 1,283 retirees enrolled in the LSU HMO plan.

The following table summarizes average OGB medical participation years and credited pension service for active employees by retirement system.

Retirement System	OGB Medical Participation Years	Credited Pension Service
LASERS	9.6	11.5
TRSL	8.5	10.2
LSERS	12.5	16.0
LSPRS	11.0	11.9

Inactive Participant Data

Counts for retirees and spouses with medical coverage (excluding LSU) and life insurance coverage are summarized below.

Age	Medical Coverage		Life Insurance Coverage	
	Retirees	Covered Spouses	Retirees	Covered Spouses
Under 40	3	18	2	11
40 – 44	20	35	7	20
45 – 49	145	130	67	60
50 – 54	598	352	247	192
55 – 59	1,795	682	830	400
60 – 64	3,845	1,373	2,116	853
65 – 69	5,789	1,785	3,579	1,202
70 – 74	6,923	2,001	4,532	1,452
75 – 79	6,138	1,633	4,498	1,388
80 – 84	4,087	936	3,156	900
85+	3,640	488	3,004	512
Total	32,983	9,433	22,038	6,990
In Force Amount (thousands)			\$575,408	\$13,980



Appendix A: Required Schedules for GASB 75

Schedule of Changes in Total OPEB Liability – Included Agencies

Reporting for Fiscal Year End Measurement Date	June 30, 2026 July 1, 2025	June 30, 2025 July 1, 2024	June 30, 2024 July 1, 2023	June 30, 2023 July 1, 2022	June 30, 2022 July 1, 2021
TOL at beginning of year	\$ 7,811,649	\$ 7,148,291	\$ 6,748,572	\$ 9,156,641	\$ 8,284,688
Service cost	\$ 176,943	\$ 137,457	\$ 138,215	\$ 249,314	\$ 207,768
Interest	307,677	294,683	275,412	201,842	222,000
Changes of benefit terms	0	0	0	0	
Differences between expected and actual experience	131,457	77,944	41,014	127,649	71,276
Changes of assumptions or other input	(548,794)	470,378	254,167	(2,690,986)	666,033
Benefit payments	(322,865)	(317,104)	(309,089)	(295,888)	(295,124)
Net change in TOL	\$ (255,582)	\$ 663,358	\$ 399,719	\$ (2,408,069)	\$ 871,953
TOL at end of year	\$ 7,556,067	\$ 7,811,649	\$ 7,148,291	\$ 6,748,572	\$ 9,156,641

Reporting for Fiscal Year End Measurement Date	June 30, 2021 July 1, 2020	June 30, 2020 July 1, 2019	June 30, 2019 July 1, 2018
TOL at beginning of year	\$ 7,722,339	\$ 8,536,315	\$ 8,690,978
Service cost	\$ 191,013	\$ 221,327	\$ 228,131
Interest	216,859	256,685	274,649
Changes of benefit terms		0	0
Differences between expected and actual experience	159,216	120,061	(47,837)
Changes of assumptions or other input	278,487	(1,121,805)	(318,631)
Benefit payments	(283,226)	(290,244)	(290,975)
Net change in TOL	\$ 562,349	\$ (813,976)	\$ (154,663)
TOL at end of year	\$ 8,284,688	\$ 7,722,339	\$ 8,536,315



Gallagher

Insurance | Risk Management | Consulting

Schedule of Changes in Total OPEB Liability – Excluded Agencies

Reporting for Fiscal Year End Measurement Date	June 30, 2026 July 1, 2025	June 30, 2025 July 1, 2024	June 30, 2024 July 1, 2023	June 30, 2023 July 1, 2022	June 30, 2022 July 1, 2021
TOL at beginning of year	\$ 5,207,310	\$ 4,684,827	\$ 4,290,042	\$ 5,880,187	\$ 5,287,608
Adjustment for agency transfer ¹¹	\$ (205)	\$ (6,467)	\$ 0	\$ 0	\$ 0
Service cost	132,959	113,402	108,054	194,838	161,897
Interest	206,094	194,073	176,218	130,527	142,685
Changes of benefit terms	0	0	0	0	
Differences between expected and actual experience	149,383	20,912	(12,100)	26,450	21,748
Changes of assumptions or other input	(374,187)	387,749	303,608	(1,765,914)	438,157
Benefit payments	(193,761)	(187,186)	(180,995)	(176,046)	(171,908)
Net change in TOL	\$ (79,717)	\$ 522,483	\$ 394,785	\$ (1,590,145)	\$ 592,579
TOL at end of year	\$ 5,127,593	\$ 5,207,310	\$ 4,684,827	\$ 4,290,042	\$ 5,880,187

Reporting for Fiscal Year End Measurement Date	June 30, 2021 July 1, 2020	June 30, 2020 July 1, 2019	June 30, 2019 July 1, 2018
TOL at beginning of year	\$ 5,031,032	\$ 5,436,890	\$ 5,437,736
Adjustment for agency transfer	\$ 0	\$ 0	\$ 0
Service cost	151,573	167,248	176,881
Interest	142,340	164,604	173,198
Changes of benefit terms			
Differences between expected and actual experience	63,101	52,594	(56,040)
Changes of assumptions or other input	62,299	(628,072)	(131,347)
Benefit payments	(162,737)	(162,232)	(163,538)
Net change in TOL	\$ 256,576	\$ (405,858)	\$ (846)
TOL at end of year	\$ 5,287,608	\$ 5,031,032	\$ 5,436,890

¹¹ Agency 4030 (for FYE 6/30/26) and Agency 4006 (for FYE 6/30/25) that used to be excluded agencies are now included agencies as of the dates shown.

Appendix B: Deferred Inflows and Outflows of Resources Details¹²

Following are the details of the recognized deferred inflows and outflows of resources. The amounts due to changes in assumptions and differences between expected and actual experience are amortized over the average expected service of the covered population as of the beginning of the measurement period. The average of the expected remaining service lives of all employees that are provided with benefits through the plan (active and inactive employees) determined at July 1, 2024 is 4.70 years for included agencies and 4.80 for excluded agencies.

Included Agencies: Amortization of Experience (Gains) / Losses

FYE June 30	2021	2022	2023	2024	2025	2026
Amount established	\$ 159,216	\$ 71,276	\$ 127,469	\$ 41,014	\$ 77,944	\$ 131,457
Recognition period	4.50	4.50	4.50	4.50	4.50	4.70
Amount Recognized in FY						
2021	\$ 35,381	\$ 0	\$ 0	\$ 0	\$ 0	0
2022	35,381	15,839	0	0	0	0
2023	35,381	15,839	28,366	0	0	0
2024	35,381	15,839	28,366	9,114	0	0
2025	17,692	15,839	28,366	9,114	17,321	0
2026	0	7,920	28,366	9,114	17,321	27,970
2027	0	0	14,185	9,114	17,321	27,970
2028	0	0	0	4,558	17,321	27,970
2029	0	0	0	0	8,660	27,970
2030	0	0	0	0	0	19,577

¹² We are only showing the amortization bases created on/after June 30, 2021 in this Appendix as the bases created prior to June 30, 2021 have been fully amortized.



Gallagher

Insurance | Risk Management | Consulting

Included Agencies: Amortization of Experience (Gains) / Losses (Continued)

FYE June 30	2021	2022	2023	2024	2025	2026
Amount established	\$ 159,216	\$ 71,276	\$ 127,469	\$ 41,014	\$ 77,944	\$ 131,457
Recognition period	4.50	4.50	4.50	4.50	4.50	4.70
Deferred Balance at June 30						
2021	\$ 123,835	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
2022	88,454	55,437	0	0	0	0
2023	53,073	39,598	99,283	0	0	0
2024	17,692	23,759	70,917	31,900	0	0
2025	0	7,920	42,551	22,786	60,623	0
2026	0	0	14,185	13,672	43,302	103,487
2027	0	0	0	4,558	25,981	75,517
2028	0	0	0	0	8,660	47,547
2029	0	0	0	0	0	19,577
2030	0	0	0	0	0	0

FYE	Amount Recognized in FY			Deferred Balance at June 30		
	Outflows	Inflows	Total	Outflows	Inflows	Total
2025	\$ 88,332	\$ 0	\$ 88,332	\$ 133,880	\$ 0	\$ 133,880
2026	90,691	0	90,691	174,646	0	174,646
2027	68,590	0	68,590	106,056	0	106,056
2028	49,849	0	49,849	56,207	0	56,207
2029	36,630	0	36,630	19,577	0	19,577
2030	19,577	0	19,577	0	0	0



Gallagher

Insurance | Risk Management | Consulting

Included Agencies: Amortization of Changes in Assumptions or Other Inputs

FYE June 30	2021	2022	2023	2024	2025	2026
Amount established	\$ 278,487	\$ 666,033	\$ (2,690,986)	\$ 254,167	\$ 470,378	\$ (548,794)
Recognition period	4.50	4.50	4.50	4.50	4.50	4.70
Amount Recognized in FY						
2021	\$ 61,886	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
2022	61,886	148,007	0	0	0	0
2023	61,886	148,007	(597,997)	0	0	0
2024	61,886	148,007	(597,997)	56,482	0	0
2025	30,943	148,007	(597,997)	56,482	104,528	0
2026	0	74,005	(597,997)	56,482	104,528	(116,765)
2027	0	0	(298,998)	56,482	104,528	(116,765)
2028	0	0	0	28,239	104,528	(116,765)
2029	0	0	0	0	52,266	(116,765)
2030	0	0	0	0	0	(81,734)



Gallagher

Insurance | Risk Management | Consulting

Included Agencies: Amortization of Changes in Assumptions or Other Inputs (Continued)

FYE June 30	2021	2022	2023	2024	2025	2026
Amount established	\$ 278,487	\$ 666,033	\$ (2,690,986)	\$ 254,167	\$ 470,378	\$ (548,794)
Recognition period	4.50	4.50	4.50	4.50	4.50	4.70
Deferred Balance at June 30						
2021	\$ 216,601	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
2022	154,715	518,026	0	0	0	0
2023	92,829	370,019	(2,092,989)	0	0	0
2024	30,943	222,012	(1,494,992)	197,685	0	0
2025	0	74,005	(896,995)	141,203	365,850	0
2026	0	0	(298,998)	84,721	261,322	(432,029)
2027	0	0	0	28,239	156,794	(315,264)
2028	0	0	0	0	52,266	(198,499)
2029	0	0	0	0	0	(81,734)
2030	0	0	0	0	0	0

FYE	Amount Recognized in FY			Deferred Balance at June 30		
	Outflows	Inflows	Total	Outflows	Inflows	Total
2025	\$ 339,960	\$ (597,997)	\$ (258,037)	\$ 581,058	\$ (896,995)	\$ (315,937)
2026	235,015	(714,762)	(479,747)	346,043	(731,027)	(384,984)
2027	161,010	(415,763)	(254,753)	185,033	(315,264)	(130,231)
2028	132,767	(116,765)	16,002	52,266	(198,499)	(146,233)
2029	52,266	(116,765)	(64,499)	0	(81,734)	(81,734)
2030	0	(81,734)	(81,734)	0	0	0



Excluded Agencies: Amortization of Experience (Gains) / Losses

FYE June 30	2021	2022	2023	2024	2025	2026
Amount established	\$ 63,101	\$ 21,748	\$ 26,450	\$ (12,100)	\$ 20,912	\$ 149,383
Recognition period	4.80	4.80	4.80	4.80	4.80	4.80
Amount Recognized in FY						
2021	\$ 13,146	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
2022	13,146	4,531	0	0	0	0
2023	13,146	4,531	5,510	0	0	0
2024	13,146	4,531	5,510	(2,521)	0	0
2025	10,517	4,512	5,651	(1,921)	4,357	0
2026	0	3,643	5,434	(2,759)	4,358	31,121
2027	0	0	4,345	(2,722)	4,357	31,121
2028	0	0	0	(2,177)	4,357	31,121
2029	0	0	0	0	3,483	31,121
2030	0	0	0	0	0	24,899

Numbers in green above have been adjusted for re-classification of agency 4030 from an excluded agency to an included agency and also removal of several agencies with no activity and no OPEB liability balance. Unamortized deferred inflows / outflows as of June 30, 2025 for agency 4030 and removed agencies are recognized immediately in 2026. Annual amortization amounts after 2026 no longer include agency 4030 deferred inflows / outflows amortization.



Gallagher

Insurance | Risk Management | Consulting

Excluded Agencies: Amortization of Experience (Gains) / Losses (Continued)

FYE June 30	2021	2022	2023	2024	2025	2026
Amount established	\$ 63,101	\$ 21,748	\$ 26,450	\$ (12,100)	\$ 20,912	\$ 149,383
Recognition period	4.80	4.80	4.80	4.80	4.80	4.80
Deferred Balance at June 30						
2021	\$ 49,955	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
2022	36,809	17,217	0	0	0	0
2023	23,663	12,686	20,940	0	0	0
2024	10,517	8,155	15,430	(9,579)	0	0
2025	0	3,643	9,779	(7,658)	16,555	0
2026	0	0	4,345	(4,899)	12,197	118,262
2027	0	0	0	(2,177)	7,840	87,141
2028	0	0	0	0	3,483	56,020
2029	0	0	0	0	0	24,899
2030	0	0	0	0	0	0

Numbers in green above have been adjusted for re-classification of agency 4030 from an excluded agency to an included agency and also removal of several agencies with no activity and no OPEB liability balance.

FYE	Amount Recognized in FY			Deferred Balance at June 30		
	Outflows	Inflows	Total	Outflows	Inflows	Total
2025	\$ 25,037	\$ (1,921)	\$ 23,116	\$ 29,977	\$ (7,658)	\$ 22,319
2026	44,556	(2,759)	41,797	134,804	(4,899)	129,905
2027	39,823	(2,722)	37,101	94,981	(2,177)	92,804
2028	35,478	(2,177)	33,301	59,503	0	59,503
2029	34,604	0	34,604	24,899	0	24,899
2030	24,899	0	24,899	0	0	0



Excluded Agencies: Amortization of Changes in Assumptions or Other Inputs

FYE June 30	2021	2022	2023	2024	2025	2026
Amount established	\$ 62,299	\$ 438,157	\$ (1,765,914)	\$ 303,608	\$ 387,749	\$ (374,187)
Recognition period	4.80	4.80	4.80	4.80	4.80	4.80
Amount Recognized in FY						
2021	\$ 12,979	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
2022	12,979	91,283	0	0	0	0
2023	12,979	91,283	(367,899)	0	0	0
2024	12,979	91,283	(367,899)	63,252	0	0
2025	10,383	91,370	(368,704)	63,379	80,781	0
2026	0	72,938	(367,470)	63,208	80,784	(77,956)
2027	0	0	(293,942)	63,205	80,780	(77,956)
2028	0	0	0	50,564	80,780	(77,956)
2029	0	0	0	0	64,624	(77,956)
2030	0	0	0	0	0	(62,363)

Numbers in green above have been adjusted for re-classification of agency 4030 from an excluded agency to an included agency and also removal of several agencies with no activity and no OPEB liability balance. Unamortized deferred inflows / outflows as of June 30, 2025 for agency 4030 and removed agencies are recognized immediately in 2026. Annual amortization amounts after 2026 no longer include agency 4030 deferred inflows / outflows amortization.



Gallagher

Insurance | Risk Management | Consulting

Excluded Agencies: Amortization of Changes in Assumptions or Other Inputs (Continued)

FYE June 30	2021	2022	2023	2024	2025	2026
Amount established	\$ 62,299	\$ 438,157	\$ (1,765,914)	\$ 303,608	\$ 387,749	\$ (374,187)
Recognition period	4.80	4.80	4.80	4.80	4.80	4.80
Deferred Balance at June 30						
2021	\$ 49,320	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
2022	36,341	346,874	0	0	0	0
2023	23,362	255,591	(1,398,015)	0	0	0
2024	10,383	164,308	(1,030,116)	240,356	0	0
2025	0	72,938	(661,412)	176,977	306,968	0
2026	0	0	(293,942)	113,769	226,184	(296,231)
2027	0	0	0	50,564	145,404	(218,275)
2028	0	0	0	0	64,624	(140,319)
2029	0	0	0	0	0	(62,363)
2030	0	0	0	0	0	0

Numbers in green above have been adjusted for re-classification of agency 4030 from an excluded agency to an included agency and also removal of several agencies with no activity and no OPEB liability balance.

FYE	Amount Recognized in FY			Deferred Balance at June 30		
	Outflows	Inflows	Total	Outflows	Inflows	Total
2025	\$ 245,913	\$ (368,704)	\$ (122,791)	\$ 556,883	\$ (661,412)	\$ (104,529)
2026	216,930	(445,426)	(228,496)	339,953	(590,173)	(250,220)
2027	143,985	(371,898)	(227,913)	195,968	(218,275)	(22,307)
2028	131,344	(77,956)	53,388	64,624	(140,319)	(75,695)
2029	64,624	(77,956)	(13,332)	0	(62,363)	(62,363)
2030	0	(62,363)	(62,363)	0	0	0

Appendix C: Sample Decrement Rates

Salary Increases

The rates of salary increase are consistent with the assumption used in the June 30, 2025 Louisiana State Employees' Retirement System (LASERS) Actuarial Valuation and Teachers' Retirement System of Louisiana (TRSL) Actuarial Valuation. Sample rates are shown below.

Years of Service	LASERS			TRSL		
	Regular	Judges	Other ¹³	Regular	Higher Ed	Lunch A & B
0	13.95%	4.80%	15.29%	4.85%	4.70%	4.68%
5	5.42%	2.60%	6.43%	4.24%	4.30%	4.68%
10	4.14%	2.60%	5.68%	3.89%	3.80%	3.88%
15	3.63%	2.60%	4.44%	3.54%	3.30%	3.38%
20	3.26%	2.40%	4.44%	3.31%	3.12%	3.03%
25	3.26%	2.40%	4.44%	3.16%	3.02%	3.03%
30	3.26%	2.40%	4.44%	2.93%	2.41%	3.03%

¹³ Other includes Corrections, Hazardous Duty, and Wildlife employee types.

Retirement Rates

The rates of retirement are consistent with the assumptions used in the June 30, 2025 pension valuations for LASERS, TRSL, LSERS, and LSPRS. The retirement rates for LASERS and TRSL include DROP rates.

LASERS

Age	Regular Members					Judicial			Other ¹⁴	
	Years of Service									
	<10	10 – 19	20 – 24	25 – 29	30+	<12	12 – 17	18+	<20	20+
55	0.0%	12.0%	12.0%	60.0%	48.0%	0.0%	6.5%	12.4%	23.8%	27.2%
60	17.0%	35.0%	35.0%	28.0%	28.0%	6.8%	6.5%	23.2%	30.7%	30.7%
62	13.6%	16.5%	16.5%	16.5%	16.5%	6.8%	6.5%	10.9%	21.8%	21.8%
65	18.0%	18.0%	18.0%	18.0%	18.0%	6.8%	6.5%	10.9%	21.8%	21.8%
70	15.6%	18.5%	18.5%	18.5%	18.5%	6.8%	16.3%	15.4%	21.8%	21.8%
72	15.6%	18.5%	18.5%	18.5%	18.5%	6.8%	16.3%	30.3%	21.8%	21.8%
75+	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

LSPRS

Age	Tier 1	Tier 2
45	10%	10%
46	24%	24%
50	15%	24%
55	25%	25%
60	31%	31%
65	58%	58%
70+	100%	100%

¹⁴ Other includes Corrections, Hazardous Duty, and Wildlife employee types.



Retirement Rates (Continued)

TRSL

Age	Regular			Higher Ed			Lunch
	Years of Service						All
	<25	25-29	30+	<25	25-29	30+	
50	2.8%	3.0%	65.0%	3.3%	5.0%	30.0%	22.0%
55	19.0%	78.0%	28.0%	15.0%	52.5%	19.0%	22.0%
60	19.0%	22.5%	21.5%	7.5%	17.5%	15.5%	22.5%
65	25.0%	22.5%	21.5%	18.0%	15.5%	15.5%	27.0%
70	20.0%	22.5%	21.5%	14.5%	15.5%	15.5%	21.0%
75 +	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

LSERS

Age	DOH < 7/1/2010		DOH between 7/1/2010 and 6/30/2015				DOH on/after 7/1/2015			
	Retirement	DROP	<=10	10 – 20	21+	DROP	<=10	10 – 20	21+	DROP
46	5%	73%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
50	5%	73%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
55	20%	70%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
60	17%	55%	7%	13%	20%	¹⁵	N/A	N/A	N/A	N/A
62	16%	43%	8%	12%	16%	16%	8%	14%	20%	¹⁶
65	18%	20%	12%	15%	18%	10%	12%	15%	18%	10%
70	22%	20%	13%	17%	22%	10%	13%	17%	22%	10%
75	22%	20%	13%	17%	22%	10%	13%	17%	22%	10%

¹⁵ The DROP entry rate (if applicable) at age 60 equals 16% if service is less than or equal to 10 years, 35% if service is more than 10 years but less than or equal to 20 years, and 55% if service is more than 20 years.

¹⁶ The DROP entry rate (if applicable) at age 62 equals 16% if service is less than or equal to 10 years, 35% if service is more than 10 years but less than or equal to 20 years, and 55% if service is more than 20 years.



Gallagher

Insurance | Risk Management | Consulting

Disability Rates

Disability rates at sample ages are shown below by group.

Age	LASERS			TRSL			LSERS	LSPRS
	Regular	Judges	Other ¹⁷	Regular	Higher Ed	Lunch		
40	0.070%	0.000%	0.110%	0.090%	0.023%	0.130%	0.150%	0.105%
45	0.110%	0.020%	0.300%	0.160%	0.058%	0.290%	0.240%	0.168%
50	0.150%	0.020%	0.480%	0.240%	0.074%	0.470%	0.440%	0.308%
55	0.250%	0.020%	0.600%	0.380%	0.067%	0.890%	0.940%	0.658%
60	0.000%	0.020%	0.050%	0.360%	0.047%	0.540%	2.670%	1.869%

¹⁷ Other includes Corrections, Hazardous Duty, and Wildlife employee types.



Gallagher

Insurance | Risk Management | Consulting

Termination Rates

Termination rates at sample ages are shown below by group.

LASERS

Age	Regular						Corrections and Hazardous Duty						
	Years of Service												
	<1	1	2 – 3	4 – 6	7 – 9	10+	<1	1	2	3 – 4	5 – 7	8 – 9	10+
20	50.0%	33.3%	22.5%	20.0%	13.0%	5.3%	56.2%	29.6%	32.2%	50.0%	13.4%	6.8%	3.6%
30	30.0%	22.0%	18.0%	13.0%	7.3%	5.3%	41.1%	29.6%	22.6%	16.8%	9.7%	6.8%	3.6%
40	25.0%	18.5%	14.0%	10.5%	7.3%	4.3%	35.2%	21.4%	14.4%	12.5%	9.7%	6.8%	3.6%
45	25.0%	18.5%	12.0%	10.5%	7.3%	4.3%	35.5%	21.4%	14.7%	12.5%	9.7%	6.8%	3.6%
50	25.0%	15.5%	12.0%	10.5%	6.5%	4.3%	32.5%	18.8%	14.7%	12.5%	9.7%	6.8%	3.6%
55	25.0%	15.5%	12.0%	8.5%	6.5%	4.3%	32.5%	18.8%	18.0%	12.5%	9.7%	6.8%	3.6%
60	25.0%	15.5%	12.0%	8.5%	6.5%	4.3%	22.5%	18.8%	18.0%	12.5%	9.7%	6.8%	3.6%

Judicial: Flat rate of withdrawal of 1.4% for all ages and services.

Wildlife: 1.8% for all years of service.



Gallagher

Insurance | Risk Management | Consulting

Termination Rates (Continued)

TRSL

Age	Regular				Higher Ed			
	Years of Service							
	<2	2	3	4+	<2	2	3	4+
20	25.0%	16.0%	16.5%	15.0%	25.0%	25.0%	22.0%	25.0%
30	18.2%	13.5%	12.0%	7.3%	22.2%	19.0%	18.0%	11.5%
40	16.0%	12.7%	10.2%	4.3%	17.0%	15.0%	12.6%	6.7%
45	14.8%	11.7%	10.2%	4.3%	17.0%	15.0%	15.3%	6.7%
50	14.8%	11.7%	10.2%	4.3%	17.0%	15.0%	11.0%	6.7%
55	14.8%	11.7%	10.2%	4.3%	15.0%	13.0%	11.0%	6.7%
60	14.8%	11.7%	10.2%	4.3%	15.0%	13.0%	11.0%	6.7%

LSERS and LSPRS

Service	Lunch	LSERS	LSPRS
0 – 1		15.0%	1.0%
2		12.0%	2.0%
3		10.0%	2.0%
4		9.0%	3.0%
5		8.0%	3.0%
6 – 7		7.0%	3.0%
8 – 9		6.0%	2.0%
10		5.0%	2.0%
11 – 12		4.0%	1.0%
13 – 14		3.0%	1.0%
15 – 18		2.0%	1.0%
19		1.0%	1.0%
20 – 21		5.0%	1.0%
22 – 26		4.0%	1.0%
27+		3.0%	1.0%
0	18.5%		
5	6.5%		
10	6.5%		
15	6.5%		
20	6.5%		
25	10.0%		
30	10.0%		



Appendix D: Summary of Benefit Descriptions

Brief summary of benefit description for various plans effective on January 1, 2026 are as shown below. The Inflation Reduction Act requires Medicare Part D plans to have separate prescription drug out-of-pocket maximums no more than \$2,100 per person for calendar year 2026. Medical out-of-pocket maximums vary based on the number of Medicare participants covered.

Medical Benefits Retired prior to March 1, 2015:

	Magnolia Local Plus				
	Non-Medicare Retirees		Medicare Retirees		
	In Network	Out of Network	In Network	Out of Network	
Deductible	\$0	No Coverage	\$0	No Coverage	
Out of Pocket Max – Medical					
Employee Only	\$2,000		\$500		
Family (EE + 2 dependents)	\$4,000		Varies		
Coinsurance ¹⁸	N/A		N/A		
Physicians' Services	\$25 PCP / \$50 Spec		\$25 PCP / \$50 Spec		
Hospital Services	\$100 per day; max \$300 per admission	\$100 per day; max \$300 per admission			

	Magnolia Open Access		
	Non-Medicare Retirees		Medicare Retirees
	In Network	Out of Network	In and Out of Network
Deductible	\$300 (\$900 Family)	\$300 (\$900 Family)	\$300 (\$900 Family)
Out of Pocket Max – Medical			
Employee Only	\$2,300	\$4,300	\$1,300
Family (EE + 2 dependents)	\$4,900	\$10,900	Varies
Coinsurance	90%	70%	80%
Physicians' Services	90% Coverage	70% Coverage	80% Coverage
Hospital Services	90% Coverage	70% Coverage and \$50 per day copay (days 1 - 5)	80% Coverage

¹⁸ There are a few medical benefits to which coinsurance rates are applied, including bariatric surgery benefits.



Medical Benefits Retired prior to March 1, 2015 (Continued):

	Pelican HRA			
	Non-Medicare Retirees		Medicare Retirees	
	In Network	Out of Network	In Network	Out of Network
Deductible	\$2,000 (\$4,000 Family)	\$4,000 (\$8,000 Family)	\$2,000 (\$4,000 Family)	\$4,000 (\$8,000 Family)
Out of Pocket Max – Medical				
Employee Only	\$5,000	\$10,000	\$3,000	\$10,000
Family (EE + 2 dependents)	\$10,000	\$20,000	Varies	Varies
Coinsurance	80%	60%	80%	60%
Physicians' Services	80% Coverage	60% Coverage	80% Coverage	60% Coverage
Hospital Services	80% Coverage	60% Coverage	80% Coverage	60% Coverage

Medical Benefits Retiring on or after March 1, 2015:

	Magnolia Local Plus			
	Non-Medicare Retirees		Medicare Retirees	
	In Network	Out of Network	In Network	Out of Network
Deductible	\$400 (\$1,200 Family)		\$400 (\$1,200 Family)	
Out of Pocket Max – Medical				
Employee Only	\$3,500	No Coverage	\$1,500	No Coverage
Family (EE + 2 dependents)	\$8,500		Varies	
Coinsurance ¹⁹	N/A		N/A	
Physicians' Services	\$25 PCP / \$50 Spec		\$25 PCP / \$50 Spec	
Hospital Services	\$100 per day; max \$300 per admission		\$100 per day; max \$300 per admission	

¹⁹ There are a few medical benefits to which coinsurance rates are applied, including bariatric surgery benefits.



Medical Benefits Retiring on or after March 1, 2015 (Continued)

	Magnolia Open Access			
	Non-Medicare Retirees		Medicare Retirees	
	In Network	Out of Network	In Network	Out of Network
Deductible	\$900 (\$2,700 Family)	\$900 (\$2,700 Family)	\$900 (\$2,700 Family)	\$900 (\$2,700 Family)
Out of Pocket Max – Medical				
Employee Only	\$3,500	\$4,700	\$1,500	\$4,700
Family (EE + 2 dependents)	\$8,500	\$12,250	Varies	Varies
Coinsurance	90%	70%	80%	80%
Physicians' Services	90% Coverage	70% Coverage	80% Coverage	80% Coverage
Hospital Services	90% Coverage	70% Coverage and \$50 per day copay (days 1 - 5)	80% Coverage	80% Coverage

	Pelican HRA			
	Non-Medicare Retirees		Medicare Retirees	
	In Network	Out of Network	In Network	Out of Network
Deductible	\$2,000 (\$4,000 Family)	\$4,000 (\$8,000 Family)	\$2,000 (\$4,000 Family)	\$4,000 (\$8,000 Family)
Out of Pocket Max – Medical				
Employee Only	\$5,000	\$10,000	\$3,000	\$10,000
Family (EE + 2 dependents)	\$10,000	\$20,000	Varies	Varies
Coinsurance	80%	60%	80%	60%
Physicians' Services	80% Coverage	60% Coverage	80% Coverage	60% Coverage
Hospital Services	80% Coverage	60% Coverage	80% Coverage	60% Coverage



Gallagher

Insurance | Risk Management | Consulting

Prescription Drug Benefits

	Retiree Pays
Up to \$1,500 out-of-pocket threshold	
Tier 1 - Generic	50% up to \$30
Tier 2 - Preferred	50% up to \$55
Tier 3 - Non-Preferred	65% up to \$80
Tier 4 - Specialty	50% up to \$80
After \$1,500 out-of-pocket threshold	
Tier 1 - Generic	\$0 copay
Tier 2 - Preferred	\$20 copay
Tier 3 - Non-Preferred	\$40 copay
Tier 4 - Specialty	\$40 copay
90-day supply for maintenance drugs	2.5 times the applicable copay

The prescription drug out-of-pocket maximum for Medicare retirees for all plans is \$2,000 per Medicare participant, except for Magnolia Local Plus for those who retired prior to March 1, 2015 that has a \$1,500 prescription drug out-of-pocket maximum per Medicare participant.

Appendix E: Summary of Key Terms

Actuarially determined contribution

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

Actuarial present value of projected benefit payments

Projected benefit payments discounted to reflect the expected effects of the time value (present value) of money and the probabilities of payment.

Actuarial valuation

The determination, as of a point in time (the actuarial valuation date), of the service cost, total OPEB liability, and related actuarial present value of projected benefit payments for OPEB performed in conformity with Actuarial Standards of Practice unless otherwise specified by the GASB.

Actuarial valuation date

The date as of which an actuarial valuation is performed.

Ad hoc postemployment benefit changes

Postemployment benefit changes that require a decision to grant by the authority responsible for making such decisions.

Automatic postemployment benefit changes

Postemployment benefit changes that occur without a requirement for a decision to grant by a responsible authority, including those for which the amounts are determined by reference to a specified experience factor (such as the earnings experience of the OPEB plan) or to another variable (such as an increase in the consumer price index).

Covered-employee payroll

The payroll for employees that are provided with OPEB through the OPEB plan.

Discount rate

The single rate of return that, when applied to all projected benefit payments, results in an actuarial present value of projected benefit payments equal to the total of the following:

- a. The actuarial present value of benefit payments projected to be made in future periods in which (1) the amount of the OPEB plan's fiduciary net position is projected (under the requirements of this Statement) to be greater than the benefit payments that are projected to be made in that period and (2) OPEB plan assets up to that point are expected to be invested using a strategy to achieve the long-term expected rate of return, calculated using the long-term expected rate of return on OPEB plan investments
- b. The actuarial present value of projected benefit payments not included in (a), calculated using a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale).

For defined benefit OPEB that is provided through an OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, the discount rate is equal to the municipal bond rate.

Entry age actuarial cost method

A method under which the actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis over the earnings or service of the individual between entry age and assumed exit age(s). The portion of this actuarial present value allocated to a valuation year is called the normal cost. The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future normal costs is called the Total OPEB liability.

Healthcare cost trend rates

The rates of change in per capita health claims costs over time as a result of factors such as medical inflation, utilization of healthcare services, plan design, and technological developments.

Inactive employees

Individuals no longer employed by an employer in the OPEB plan, or the beneficiaries of those individuals. Inactive employees include individuals who have accumulated benefits under the terms of an OPEB plan but are not yet receiving benefit payments and individuals currently receiving benefits.

Measurement period

The period between the prior and the current measurement dates.

Net OPEB liability

The liability of employers and non-employer contributing entities to employees for benefits provided through a defined benefit OPEB plan that is administered through a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Other postemployment benefits (OPEB)

Benefits (such as death benefits, life insurance, disability, and long-term care) that are paid in the period after employment and that are provided separately from a pension plan, as well as healthcare benefits paid in the period after employment, regardless of the manner in which they are provided. OPEB does not include termination benefits or termination payments for sick leave.

Projected benefit payments

All benefits (including refunds of employee contributions) estimated to be payable through the OPEB plan (including amounts to be paid by employers or non-employer contributing entities as the benefits come due) to current active and inactive employees as a result of their past service and their expected future service.

Real rate of return

The rate of return on an investment after adjustment to eliminate inflation.

Service costs

The portions of the actuarial present value of projected benefit payments that are attributed to valuation years.

Total OPEB liability

The portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service. The total OPEB liability is the liability of employers and non-employer contributing entities to employees for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

© 2026 Arthur J. Gallagher & Co.

Consulting and insurance brokerage services to be provided by Gallagher Benefit Services, Inc. and/or its affiliate Gallagher Benefit Services (Canada) Group Inc. Gallagher Benefit Services, Inc. is a licensed insurance agency that does business in California as “Gallagher Benefit Services of California Insurance Services” and in Massachusetts as “Gallagher Benefit Insurance Services.” Neither Arthur J. Gallagher & Co., nor its affiliates provide accounting, legal or tax advice.



Gallagher

Insurance | Risk Management | Consulting