

# Hampden County Regional Retirement System

**Governmental Accounting Standards Board  
Statements No. 67 and 68 (GASB 67/68) Actuarial  
Valuation as of December 31, 2024**



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June 6, 2025

Retirement Board  
Hampden County Regional Retirement System  
67 Hunt Street, Suite 202  
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Dear Board Members:

We are pleased to submit this Governmental Accounting Standards Board Statements No. 67 and 68 (GASB 67/68) Actuarial Valuation as of December 31, 2024 for the Hampden County Regional Retirement System. It contains various information that will need to be disclosed in order to comply with GASB 67 and 68. Please refer to the Hampden County Regional Retirement System Actuarial Valuation and Review as of January 1, 2024, dated March 26, 2025, for the data, assumptions, and plan of benefits underlying these calculations.

This report has been prepared in accordance with generally accepted actuarial principles and practices for the exclusive use and benefit of the Board, based upon information provided by the staff of the Retirement System and the Retirement System's other service providers.

The measurements shown in this actuarial valuation may not be applicable for other purposes. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; and changes in plan provisions or applicable law.

The actuarial calculations were completed under the supervision of A. Donald Morgan, FSA, MAAA, EA. He is a member of the American Academy of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of his knowledge, the information supplied in the actuarial valuation is complete and accurate. The assumptions used in this actuarial valuation were selected by the Board based upon our analysis and recommendations. In his opinion, the assumptions are reasonable and take into account the experience of the Retirement System and reasonable expectations. In addition, in his opinion, the combined effect of these assumptions is expected to have no significant bias.

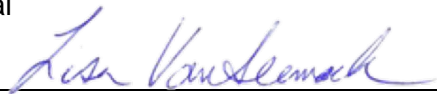
June 6, 2025

Segal makes no representation or warranty as to the future status of the Retirement System and does not guarantee any particular result. This document does not constitute legal, tax, accounting or investment advice or create or imply a fiduciary relationship. The Board is encouraged to discuss any issues raised in this report with the Retirement System's legal, tax and other advisors before taking, or refraining from taking, any action.

We look forward to reviewing this report with you and to answering any questions.

Sincerely,

Segal



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Lisa VanDermark, FSA, MAAA, EA  
Vice President and Consulting Actuary



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A. Donald Morgan, FSA, MAAA, EA  
Senior Vice President and Actuary

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# Section 1: Actuarial Valuation Summary

## Purpose and basis

This report has been prepared by Segal to present certain disclosure information required by Governmental Accounting Standards Board Statements No. 67 and 68 (GASB 67/68) as of December 31, 2024. This report is based on financial information as of December 31, 2024 and the Actuarial Valuation and Review as of January 1, 2024, which reflects:

- The benefit provisions of the Massachusetts General Law Chapter 32;
- The characteristics of covered active participants, inactive participants, and retired participants and beneficiaries as of December 31, 2023, provided by the staff of the Retirement System;
- Economic assumptions regarding future salary increases and investment earnings; and
- Other actuarial assumptions, regarding employee terminations, retirement, death, etc.

## Highlights of the valuation

- The Net Pension Liability (NPL) measured as of December 31, 2024 and December 31, 2023 was determined based upon the results of an actuarial valuation as of January 1, 2024.
- The NPL is equal to the difference between the Total Pension Liability (TPL) and the Plan Fiduciary Net Position (FNP). The Plan Fiduciary Net Position is equal to the market value of assets, and, therefore, the NPL measure is very similar to an Unfunded Actuarial Accrued Liability (UAL) on a market value basis. The NPL decreased from \$428,763,306 as of December 31, 2023 to \$410,508,337 as of December 31, 2024 and the Plan Fiduciary Net Position as a percent of the TPL increased from 55.12% to 58.32%.
- The discount rate used to measure the TPL and NPL was 7.00% as of December 31, 2024 and December 31, 2023.

## Section 1: Actuarial Valuation Summary

### Important information about actuarial valuations

In order to prepare a valuation, Segal relies on a number of input items. These include:

Input Item	Description
<b>Plan of benefits</b>	Plan provisions define the rules that will be used to determine benefit payments, and those rules, or the interpretation of them, may change over time. Even where they appear precise, outside factors may change how they operate. It is important to keep Segal informed with respect to plan provisions and administrative procedures, and to review the plan summary included in our report to confirm that Segal has correctly interpreted the plan of benefits.
<b>Participant data</b>	An actuarial valuation for a plan is based on data provided to the actuary by the Retirement System. Segal does not audit such data for completeness or accuracy, other than reviewing it for obvious inconsistencies compared to prior data and other information that appears unreasonable. It is important for Segal to receive the best possible data and to be informed about any known incomplete or inaccurate data.
<b>Assets</b>	The valuation is based on the market value of assets as of the valuation date, as provided by the Retirement System.
<b>Actuarial assumptions</b>	In preparing an actuarial valuation, Segal starts by developing a forecast of the benefits to be paid to existing plan participants for the rest of their lives and the lives of their beneficiaries. This requires actuarial assumptions as to the probability of death, disability, withdrawal, and retirement of participants in each year, as well as forecasts of the plan's benefits for each of those events. In addition, the benefits forecasted for each of those events in each future year reflect actuarial assumptions as to salary increases and cost-of-living adjustments. The forecasted benefits are then discounted to a present value, typically based on an estimate of the rate of return that will be achieved on the plan's assets. All of these factors are uncertain and unknowable. Thus, there will be a range of reasonable assumptions, and the results may vary materially based on which assumptions are selected within that range. That is, there is no right answer (except with hindsight). It is important for any user of an actuarial valuation to understand and accept this constraint. The actuarial model may use approximations and estimates that will have an immaterial impact on our results. In addition, the actuarial assumptions may change over time, and while this can have a significant impact on the reported results, it does not mean that the previous assumptions or results were unreasonable or wrong.
<b>Actuarial models</b>	Segal valuation results are based on proprietary actuarial modeling software. The actuarial valuation models generate a comprehensive set of liability and cost calculations that are presented to meet regulatory, legislative and client requirements. Our Actuarial Technology and Systems unit, comprised of both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility and user control. The client team programs the assumptions and the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible actuary.

## Section 1: Actuarial Valuation Summary

The user of Segal's actuarial valuation (or other actuarial calculations) should keep the following in mind:

- The actuarial valuation is prepared at the request of the Board. Segal is not responsible for the use or misuse of its report, particularly by any other party.
- An actuarial valuation is a measurement of the System's assets and liabilities at a specific date. Accordingly, except where otherwise noted, Segal did not perform an analysis of the potential range of future financial measures. The actual long-term cost of the Plan will be determined by the actual benefits and expenses paid and the actual investment experience of the System.
- Actuarial results in this report are not rounded, but that does not imply precision.
- If the Board is aware of any event or trend that was not considered in this valuation that may materially change the results of the valuation, Segal should be advised, so that we can evaluate it.
- Segal does not provide investment, legal, accounting, or tax advice and is not acting as a fiduciary to the System. This valuation is based on Segal's understanding of applicable guidance in these areas and of the plan's provisions, but they may be subject to alternative interpretations. The Board should look to their other advisors for expertise in these areas.

## Section 2: GASB Information

### General information about the pension plan

**Plan membership.** At December 31, 2023, pension plan membership consisted of the following:

Membership	Amount
Retired participants or beneficiaries currently receiving benefits	2,037
Inactive participants with a vested right to a deferred or immediate benefit	118
Inactive participants entitled to a refund of employee contributions	1,049
Active members	2,674
<b>Total</b>	<b>5,878</b>



## Section 2: GASB Information

### Exhibit A: Net Pension Liability

Components of the Net Pension Liability	Current	Prior
Reporting date for employer under GASB 68	June 30, 2025	June 30, 2024
Measurement date	December 31, 2024	December 31, 2023
Total Pension Liability	\$984,916,954	\$955,442,052
Plan Fiduciary Net Position	574,408,617	526,678,746
Net Pension Liability	410,508,337	428,763,306
Plan Fiduciary Net Position as a percentage of the Total Pension Liability <sup>1</sup>	58.32%	55.12%

**Actuarial assumptions.** The TPL as of December 31, 2024, which was determined based on the results of an actuarial valuation as of January 1, 2024, used the following actuarial assumptions, applied to all periods included in the measurement:

Assumption Type	Assumption
Wage inflation	3.25%
Salary increases	Varies by length of service with ultimate rates of 4.00% for Group 1, 4.25% for Group 2, and 4.50% for Group 4
Net investment rate of return	7.00%
Cost-of-living adjustment	5% of first \$18,000
Mortality	Pre-Retirement: RP-2014 Blue Collar Employee Mortality Table projected generationally with Scale MP-2021 Healthy Retiree: RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally with Scale MP-2021 Disabled Retiree: RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward one year and projected generationally with Scale MP-2021

Detailed information regarding all actuarial assumptions can be found in the January 1, 2024 Actuarial Valuation and Review.

<sup>1</sup> These funded percentages are not necessarily appropriate for assessing the sufficiency of System assets to cover the estimated cost of settling the System's benefit obligation or the need for or the amount of future contributions.

## Section 2: GASB Information

### Determination of discount rate and investment rates of return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. The target allocation (approved by the Board) and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	23.5%	5.82%
International developed markets equity	9%	5.91%
International emerging markets equity	3.5%	7.06%
Core fixed income	15%	1.81%
High-yield fixed income	9%	3.34%
Real estate	10%	3.34%
Timber	4%	3.82%
Hedge fund, GTAA, Risk parity	10%	2.77%
Private equity	16%	9.20%
<b>Total</b>	<b>100%</b>	

Note: Some asset classes included in the System's target asset allocation have been combined.

**Discount rate.** The discount rate used to measure the TPL was 7.00% as of December 31, 2024 and December 31, 2023. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the Plan FNP was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL as of both December 31, 2024 and December 31, 2023.

## Section 2: GASB Information

### Discount rate sensitivity

**Sensitivity of the Net Pension Liability to changes in the discount rate.** The following presents the Net Pension Liability of the Retirement System as of December 31, 2024 calculated using the discount rate of 7.00%, as well as what the Retirement System's NPL would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate.

Item	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Retirement System's Net Pension Liability as of December 31, 2024	\$520,815,726	\$410,508,337	\$317,655,648

## Section 2: GASB Information

### Exhibit B: Schedule of changes in Net Pension Liability

Components of the Net Pension Liability	Current	Prior
<b>Reporting and Measurement date</b>		
Reporting date for employer under GASB 68	June 30, 2025	June 30, 2024
Measurement date and reporting date for the plan under GASB 67	December 31, 2024	December 31, 2023
<b>Total Pension Liability</b>		
Service cost	\$21,533,170	\$21,310,183
Interest	66,344,180	63,700,967
Change of benefit terms	0	6,094,793
Differences between expected and actual experience	0	3,893,558
Changes of assumptions	0	0
Benefit payments, including refunds of member contributions	-58,402,448	-56,522,155
<b>Net change in Total Pension Liability</b>	<b>\$29,474,902</b>	<b>\$38,477,346</b>
Total Pension Liability — beginning	955,442,052	916,964,706
<b>Total Pension Liability — ending</b>	<b>\$984,916,954</b>	<b>\$955,442,052</b>
<b>Plan Fiduciary Net Position</b>		
Contributions — employer	\$45,637,522	\$42,254,331
Contributions — employee	14,264,445	13,395,427
Net investment income	47,063,242	51,349,265
Benefit payments, including refunds of member contributions	-58,402,448	-56,522,155
Administrative expense	-832,890	-783,685
Other	0	0
<b>Net change in Plan Fiduciary Net Position</b>	<b>\$47,729,871</b>	<b>\$49,693,183</b>
Plan Fiduciary Net Position — beginning	526,678,746	476,985,563
<b>Plan Fiduciary Net Position — ending</b>	<b>\$574,408,617</b>	<b>\$526,678,746</b>

## Section 2: GASB Information

Components of the Net Pension Liability	Current	Prior
<b>Net Pension Liability</b>		
Net Pension Liability – ending	\$410,508,337	\$428,763,306
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	58.32%	55.12%
Covered payroll	\$137,353,389	\$131,595,133
Plan Net Pension Liability as percentage of covered payroll	298.87%	325.82%

### Notes to Schedule:

- **Benefit changes:**

- As of January 1, 2024:

The Board approved a one-time increase in the COLA from 3% to 5% effective July 1, 2022.

- As of January 1, 2025:

None

- **Change of assumptions:**

- As of January 1, 2024:

None

- As of January 1, 2025:

None

## Section 2: GASB Information

### Exhibit C: Schedule of employer contributions

Year Ended December 31	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency / (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$22,876,301	\$22,876,301	—	\$104,080,350	21.98%
2016	24,644,961	24,644,961	—	107,528,616	22.92%
2017	26,603,693	26,603,693	—	109,713,930	24.25%
2018	28,726,819	28,726,819	—	114,335,356	25.13%
2019	30,980,826	30,986,622	-5,796	120,106,229	25.80%
2020	33,416,528	33,416,528	—	125,225,926	26.68%
2021	36,176,306	36,180,780	-4,474	125,635,569	28.80%
2022	39,043,214	39,045,565	-2,351	130,874,871	29.83%
2023	42,254,331	42,254,331	—	131,595,133	32.11%
2024	45,637,522	45,637,522	—	137,353,389	33.23%

#### Notes to Schedule:

#### Methods and assumptions used to determine contribution rates for the year ended December 31, 2024:

- **Valuation date:** Actuarially determined contribution for the year ended December 31, 2024 was determined with the January 1, 2022 actuarial valuation.
- **Actuarial cost method:** Entry age
- **Amortization method:** Total appropriation increases 8.00% per year through fiscal 2030, then 3.75% per year
- **Remaining amortization period:** 14 years from July 1, 2022
- **Asset valuation method:** Market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the expected return on the actuarial value, and is recognized over a five-year period, further adjusted, if necessary, to be within 10% of the market value.

## Section 2: GASB Information

- **Investment rate of return:** 7.00%
- **Wage Inflation rate:** 3.25%

**Projected salary increases:** Varies by length of service with ultimate rates of 4.00% for Group 1, 4.25% for Group 2 and 4.50% for Group 4.

- **Mortality:**
  - **Pre-retirement:** RP-2014 Blue Collar Employee Mortality Table projected generationally with Scale MP-2021
  - **Healthy annuitant:** RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally with Scale MP-2021
  - **Disabled:** RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward one year and projected generationally with Scale MP-2021
- **Other information:** Same as those used in the January 1, 2022 funding actuarial valuation.

## Section 2: GASB Information

### Exhibit D: Pension expense

Components of pension expense	Current	Prior
Reporting date for employer under GASB 68	June 30, 2025	June 30, 2024
Measurement date	December 31, 2024	December 31, 2023
Service cost	\$21,533,170	\$21,310,183
Interest	66,344,180	63,700,967
Current-period benefit changes	—	6,094,793
Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	—	648,928
Expensed portion of current-period changes of assumptions	—	—
Member contributions	-14,264,445	-13,395,427
Projected earnings on pension plan investments	-36,890,844	-33,331,027
Expensed portion of current-period differences between actual and projected earnings on pension plan investments	-2,034,478	-3,603,646
Administrative expense	832,890	783,685
Recognition of beginning of year deferred outflows of resources as pension expense	28,572,272	27,923,346
Recognition of beginning of year deferred inflows of resources as pension expense	-19,273,380	-21,451,938
<b>Pension expense</b>	<b>\$44,819,365</b>	<b>\$48,679,864</b>



## Section 2: GASB Information

### Deferred outflows of resources and deferred inflows of resources

Deferred Outflows and Inflows	Current	Prior
<b>Reporting and measurement dates</b>		
Reporting date for employer under GASB 68	June 30, 2025	June 30, 2024
Measurement date	December 31, 2024	December 31, 2023
<b>Deferred outflows of resources</b>		
Changes in proportion and differences between employer's contributions and proportionate share of contributions <sup>1</sup>	\$26,306,367	\$30,388,064
Changes of assumptions	5,598,628	13,267,964
Net difference between projected and actual earnings on pension plan investments	9,562,725	19,290,158
Difference between expected and actual experience in the Total Pension Liability	2,595,704	3,801,312
<b>Total deferred outflows of resources</b>	<b>\$44,063,424</b>	<b>\$66,747,498</b>
<b>Deferred inflows of resources</b>		
Changes in proportion and differences between employer's contributions and proportionate share of contributions <sup>1</sup>	\$26,306,367	\$30,388,064
Changes of assumptions	0	0
Net difference between projected and actual earnings on pension plan investments	0	0
Difference between expected and actual experience in the Total Pension Liability	2,331,130	3,496,695
<b>Total deferred inflows of resources</b>	<b>\$28,637,497</b>	<b>\$33,884,759</b>
<b>Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:</b>		
Reporting date for employer under GASB 68 year ended June 30:		
2025	N/A	\$9,298,892
2026	\$5,458,808	7,493,288
2027	16,341,875	18,376,355
2028	-4,989,202	-2,954,722
2029	-1,385,554	648,926
2030	0	0
Thereafter	0	0

Note: Average expected remaining service is 5 years as of December 31, 2024 and 6 years as of December 31, 2023.

<sup>1</sup> Calculated in accordance with Paragraphs 54 and 55 of GASB 68

## Section 2: GASB Information

### Exhibit E: Determination of proportionate share

Employer Name	FY 2024 Total Appropriation	Percent of FY 2024 Total Appropriation	Share of NPL as of December 31, 2023	FY 2025 Total Appropriation	Percent of FY 2025 Total Appropriation	Share of NPL as of December 31, 2024
Town of Agawam	\$8,891,321	20.81%	\$89,225,645	\$9,510,337	20.61%	\$84,605,769
Agawam Housing Authority	119,633	0.28%	1,200,537	133,818	0.29%	1,190,474
Town of Blandford	140,996	0.33%	1,414,919	138,433	0.30%	1,231,525
Town of Brimfield	427,262	1.00%	4,287,633	599,876	1.30%	5,336,608
Brimfield Housing Authority	0	0.00%	0	0	0.00%	0
Town of Chester	93,998	0.22%	943,279	129,204	0.28%	1,149,423
Chester Electric Light	68,362	0.16%	686,021	96,903	0.21%	862,068
Town of East Longmeadow	3,593,274	8.41%	36,058,994	3,931,493	8.52%	34,975,310
East Longmeadow Schools	1,670,594	3.91%	16,764,645	1,910,373	4.14%	16,995,045
East Longmeadow Housing Authority	111,088	0.26%	1,114,785	106,132	0.23%	944,169
Town of Granville	145,269	0.34%	1,457,795	198,420	0.43%	1,765,186
Town of Hampden	709,255	1.66%	7,117,471	775,224	1.68%	6,896,540
Hampden Housing Authority	34,181	0.08%	343,011	36,915	0.08%	328,407
Hampden-Wilbraham Regional School	2,234,580	5.23%	22,424,321	2,330,286	5.05%	20,730,671

## Section 2: GASB Information

Employer Name	FY 2024 Total Appropriation	Percent of FY 2024 Total Appropriation	Share of NPL as of December 31, 2023	FY 2025 Total Appropriation	Percent of FY 2025 Total Appropriation	Share of NPL as of December 31, 2024
Town of Holland	388,808	0.91%	3,901,746	447,600	0.97%	3,981,931
Town of Longmeadow	4,870,787	11.40%	48,879,017	5,297,365	11.48%	47,126,357
Town of Ludlow	3,559,092	8.33%	35,715,983	3,765,374	8.16%	33,497,480
Town of Ludlow - School	2,072,220	4.85%	20,795,020	2,168,781	4.70%	19,293,892
Ludlow Housing Authority	85,452	0.20%	857,527	92,289	0.20%	821,017
Town of Monson	1,499,689	3.51%	15,049,592	1,670,423	3.62%	14,860,402
Town of Monson - School	922,886	2.16%	9,261,287	862,898	1.87%	7,676,506
Monson Housing Authority	111,088	0.26%	1,114,785	129,204	0.28%	1,149,423
Town of Montgomery	55,544	0.13%	557,392	59,988	0.13%	533,661
Town of Palmer	1,371,511	3.21%	13,763,302	1,435,087	3.11%	12,766,809
Town of Palmer - School	1,110,881	2.60%	11,147,846	1,093,620	2.37%	9,729,048
Town of Palmer - Library	170,905	0.40%	1,715,053	193,806	0.42%	1,724,135
Town of Palmer - WWTP	192,268	0.45%	1,929,435	221,493	0.48%	1,970,440
Palmer Fire/Water District #1	196,540	0.46%	1,972,311	216,878	0.47%	1,929,389
Palmer Housing Authority	0	0.00%	0	0	0.00%	0
Pathfinder Regional Vocational Technical High School	538,350	1.26%	5,402,418	576,804	1.25%	5,131,354
Town of Russell	226,449	0.53%	2,272,446	309,167	0.67%	2,750,406
Town of Southwick	1,674,867	3.92%	16,807,522	1,855,000	4.02%	16,502,435

## Section 2: GASB Information

Employer Name	FY 2024 Total Appropriation	Percent of FY 2024 Total Appropriation	Share of NPL as of December 31, 2023	FY 2025 Total Appropriation	Percent of FY 2025 Total Appropriation	Share of NPL as of December 31, 2024
Town of Southwick – Water	106,815	0.25%	1,071,908	110,746	0.24%	985,220
Southwick-Tolland Regional High School	1,093,790	2.56%	10,976,341	1,139,764	2.47%	10,139,556
Southwick Housing Authority	21,363	0.05%	214,382	0	0.00%	0
Three Rivers Fire District	64,089	0.15%	643,145	59,988	0.13%	533,661
Town of Tolland	106,815	0.25%	1,071,908	119,975	0.26%	1,067,322
Town of Wales	196,540	0.46%	1,972,311	207,649	0.45%	1,847,288
West Hampden Veterans' Services	0	0.00%	0	0	0.00%	0
Western Massachusetts Emergency Communications and Regional Dispatch Center	623,802	1.46%	6,259,944	687,550	1.49%	6,116,574
Town of Wilbraham	2,901,108	6.79%	29,113,028	3,179,341	6.89%	28,284,024
Wilbraham - Solid Waste	42,726	0.10%	428,763	46,144	0.10%	410,508
Wilbraham - Sewer	76,907	0.18%	771,774	87,674	0.19%	779,966
Wilbraham - Water Dept.	158,087	0.37%	1,586,424	161,505	0.35%	1,436,779
Wilbraham - Ambulance	0	0.00%	0	0	0.00%	0
Wilbraham Housing Authority	46,999	0.11%	471,640	50,759	0.11%	451,559
<b>Grand totals:</b>	<b>\$42,726,191</b>	<b>100.00%</b>	<b>\$428,763,306</b>	<b>\$46,144,286</b>	<b>100.00%</b>	<b>\$410,508,337</b>

## Section 2: GASB Information

### Exhibit F: Determination of proportionate share amounts by employer

#### Net Pension Liability by Employer With Discount Rate Sensitivity

Employer Name	2025 Share of Cost Allocation	Net Pension Liability	Covered Employee Payroll	1% Decrease in Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
Town of Agawam	20.61%	\$84,605,769	\$28,308,532	\$107,340,123	\$84,605,769	\$65,468,828
Agawam Housing Authority	0.29%	1,190,474	398,324	1,510,366	1,190,474	921,201
Town of Blandford	0.30%	1,231,525	412,061	1,562,447	1,231,525	952,967
Town of Brimfield	1.30%	5,336,608	1,785,595	6,770,604	5,336,608	4,129,523
Brimfield Housing Authority	0.00%	0	0	0	0	0
Town of Chester	0.28%	1,149,423	384,589	1,458,284	1,149,423	889,436
Chester Electric Light	0.21%	862,068	288,442	1,093,713	862,068	667,077
Town of East Longmeadow	8.52%	34,975,310	11,702,508	44,373,500	34,975,310	27,064,261
East Longmeadow Schools	4.14%	16,995,045	5,686,429	21,561,771	16,995,045	13,150,944
East Longmeadow Housing Authority	0.23%	944,169	315,913	1,197,876	944,169	730,608
Town of Granville	0.43%	1,765,186	590,618	2,239,508	1,765,186	1,365,919
Town of Hampden	1.68%	6,896,540	2,307,537	8,749,704	6,896,540	5,336,615
Hampden Housing Authority	0.08%	328,407	109,881	416,653	328,407	254,125
Hampden-Wilbraham Regional School	5.05%	20,730,671	6,936,345	26,301,194	20,730,671	16,041,610

## Section 2: GASB Information

Employer Name	2025 Share of Cost Allocation	Net Pension Liability	Covered Employee Payroll	1% Decrease in Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
Town of Holland	0.97%	3,981,931	1,332,329	5,051,913	3,981,931	3,081,260
Town of Longmeadow	11.48%	47,126,357	15,768,172	59,789,645	47,126,357	36,466,868
Town of Ludlow	8.16%	33,497,480	11,208,037	42,498,563	33,497,480	25,920,701
Town of Ludlow - School	4.70%	19,293,892	6,455,608	24,478,339	19,293,892	14,929,815
Ludlow Housing Authority	0.20%	821,017	274,708	1,041,631	821,017	635,311
Town of Monson	3.62%	14,860,402	4,972,192	18,853,529	14,860,402	11,499,134
Town of Monson - School	1.87%	7,676,506	2,568,508	9,739,254	7,676,506	5,940,161
Monson Housing Authority	0.28%	1,149,423	384,589	1,458,284	1,149,423	889,436
Town of Montgomery	0.13%	533,661	178,561	677,060	533,661	412,952
Town of Palmer	3.11%	12,766,809	4,271,690	16,197,369	12,766,809	9,879,091
Town of Palmer - School	2.37%	9,729,048	3,255,277	12,343,333	9,729,048	7,528,439
Town of Palmer - Library	0.42%	1,724,135	576,884	2,187,426	1,724,135	1,334,154
Town of Palmer - WWTP	0.48%	1,970,440	659,298	2,499,915	1,970,440	1,524,747
Palmer Fire/Water District #1	0.47%	1,929,389	645,560	2,447,834	1,929,389	1,492,982
Palmer Housing Authority	0.00%	0	0	0	0	0
Pathfinder Regional Vocational Technical High School	1.25%	5,131,354	1,716,919	6,510,197	5,131,354	3,970,696
Town of Russell	0.67%	2,750,406	920,269	3,489,465	2,750,406	2,128,293
Town of Southwick	4.02%	16,502,435	5,521,605	20,936,792	16,502,435	12,769,757

## Section 2: GASB Information

Employer Name	2025 Share of Cost Allocation	Net Pension Liability	Covered Employee Payroll	1% Decrease in Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
Town of Southwick – Water	0.24%	985,220	329,647	1,249,958	985,220	762,374
Southwick-Tolland Regional High School	2.47%	10,139,556	3,392,629	12,864,148	10,139,556	7,846,095
Southwick Housing Authority	0.00%	0	0	0	0	0
Three Rivers Fire District	0.13%	533,661	178,561	677,060	533,661	412,952
Town of Tolland	0.26%	1,067,322	357,118	1,354,121	1,067,322	825,905
Town of Wales	0.45%	1,847,288	618,089	2,343,671	1,847,288	1,429,450
West Hampden Veterans' Services	0.00%	0	0	0	0	0
Western Massachusetts Emergency Communications and Regional Dispatch Center	1.49%	6,116,574	2,046,566	7,760,154	6,116,574	4,733,069
Town of Wilbraham	6.89%	28,284,024	9,463,648	35,884,204	28,284,024	21,886,474
Wilbraham - Solid Waste	0.10%	410,508	137,353	520,816	410,508	317,656
Wilbraham - Sewer	0.19%	779,966	260,971	989,550	779,966	603,546
Wilbraham - Water Dept.	0.35%	1,436,779	480,737	1,822,855	1,436,779	1,111,795
Wilbraham - Ambulance	0.00%	0	0	0	0	0
Wilbraham Housing Authority	0.11%	451,559	151,090	572,897	451,559	349,421
<b>Grand totals:</b>	<b>100.00%</b>	<b>\$410,508,337</b>	<b>\$137,353,389</b>	<b>\$520,815,726</b>	<b>\$410,508,337</b>	<b>\$317,655,648</b>

## Section 2: GASB Information

### Exhibit F: Determination of proportionate share amounts by employer

#### Schedule of Contributions and Pension Expense by Employer

Employer Name	Statutory Required Contribution	Contributions in Relation to the Statutory Required Contribution	Contribution Deficiency / (Excess)	Contributions as a Percentage of Covered Employee Payroll	Proportionate Share of Plan Pension Expense	Net Amortization of Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Employer Pension Expense
Town of Agawam	\$9,403,697	\$9,403,697	\$0	33.22%	\$9,237,274	-\$730,192	\$8,507,082
Agawam Housing Authority	132,317	132,317	0	33.22%	129,976	20,053	150,029
Town of Blandford	138,433	138,433	0	33.60%	134,458	53,951	188,409
Town of Brimfield	593,150	593,150	0	33.22%	582,652	220,439	803,091
Brimfield Housing Authority	0	0	0	0.00%	0	-60,834	-60,834
Town of Chester	127,755	127,755	0	33.22%	125,494	-18,788	106,706
Chester Electric Light	96,903	96,903	0	33.60%	94,121	28,387	122,508
Town of East Longmeadow	3,887,409	3,887,409	0	33.22%	3,818,610	-1,690,242	2,128,368
East Longmeadow Schools	1,888,952	1,888,952	0	33.22%	1,855,522	2,662,622	4,518,144
East Longmeadow Housing Authority	104,942	104,942	0	33.22%	103,085	-6,498	96,587
Town of Granville	198,420	198,420	0	33.60%	192,723	143,149	335,872
Town of Hampden	766,531	766,531	0	33.22%	752,965	-45,858	707,107
Hampden Housing Authority	36,501	36,501	0	33.22%	35,855	12,105	47,960
Hampden-Wilbraham Regional School	2,304,156	2,304,156	0	33.22%	2,263,378	-87,339	2,176,039



## Section 2: GASB Information

Employer Name	Statutory Required Contribution	Contributions in Relation to the Statutory Required Contribution	Contribution Deficiency / (Excess)	Contributions as a Percentage of Covered Employee Payroll	Proportionate Share of Plan Pension Expense	Net Amortization of Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Employer Pension Expense
Town of Holland	442,581	442,581	0	33.22%	434,748	51,535	486,283
Town of Longmeadow	5,237,965	5,237,965	0	33.22%	5,145,263	-429,232	4,716,031
Town of Ludlow	3,723,152	3,723,152	0	33.22%	3,657,260	-394,609	3,262,651
Town of Ludlow - School	2,144,462	2,144,462	0	33.22%	2,106,510	-83,374	2,023,136
Ludlow Housing Authority	92,289	92,289	0	33.60%	89,639	14,079	103,718
Town of Monson	1,651,692	1,651,692	0	33.22%	1,622,461	52,598	1,675,059
Town of Monson - School	853,222	853,222	0	33.22%	838,122	-111,531	726,591
Monson Housing Authority	127,755	127,755	0	33.22%	125,494	89,678	215,172
Town of Montgomery	59,315	59,315	0	33.22%	58,265	6,476	64,741
Town of Palmer	1,418,995	1,418,995	0	33.22%	1,393,882	-361,381	1,032,501
Town of Palmer - School	1,081,357	1,081,357	0	33.22%	1,062,219	240,319	1,302,538
Town of Palmer - Library	191,633	191,633	0	33.22%	188,241	-9,735	178,506
Town of Palmer - WWTP	219,009	219,009	0	33.22%	215,133	12,469	227,602
Palmer Fire/Water District #1	216,878	216,878	0	33.60%	210,651	53,178	263,829
Palmer Housing Authority	0	0	0	0.00%	0	0	0
Pathfinder Regional Vocational Technical High School	570,336	570,336	0	33.22%	560,242	106,305	666,547
Town of Russell	305,700	305,700	0	33.22%	300,290	166,577	466,867
Town of Southwick	1,834,200	1,834,200	0	33.22%	1,801,738	-132,451	1,669,287

## Section 2: GASB Information

Employer Name	Statutory Required Contribution	Contributions in Relation to the Statutory Required Contribution	Contribution Deficiency / (Excess)	Contributions as a Percentage of Covered Employee Payroll	Proportionate Share of Plan Pension Expense	Net Amortization of Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Employer Pension Expense
Town of Southwick – Water	109,504	109,504	0	33.22%	107,566	-7,442	100,124
Southwick-Tolland Regional High School	1,126,984	1,126,984	0	33.22%	1,107,038	-493,707	613,331
Southwick Housing Authority	0	0	0	0.00%	0	-38,991	-38,991
Three Rivers Fire District	59,315	59,315	0	33.22%	58,265	8,900	67,165
Town of Tolland	118,630	118,630	0	33.22%	116,530	-7,466	109,064
Town of Wales	207,649	207,649	0	33.60%	201,687	-20,497	181,190
West Hampden Veterans' Services	0	0	0	0.00%	0	-83,506	-83,506
Western Massachusetts Emergency Communications and Regional Dispatch Center	679,840	679,840	0	33.22%	667,809	947,476	1,615,285
Town of Wilbraham	3,143,691	3,143,691	0	33.22%	3,088,054	-34,218	3,053,836
Wilbraham - Solid Waste	45,627	45,627	0	33.22%	44,819	-11,040	33,779
Wilbraham - Sewer	86,691	86,691	0	33.22%	85,157	-8,102	77,055
Wilbraham - Water Dept.	159,694	159,694	0	33.22%	156,868	-12,672	144,196
Wilbraham - Ambulance	0	0	0	0.00%	0	-5,435	-5,435
Wilbraham Housing Authority	50,190	50,190	0	33.22%	49,301	-5,156	44,145
<b>Grand totals:</b>	<b>\$45,637,522</b>	<b>\$45,637,522</b>	<b>\$0</b>	<b>33.23%</b>	<b>\$44,819,365</b>	<b>\$0</b>	<b>\$44,819,365</b>

## Section 2: GASB Information

### Exhibit F: Determination of proportionate share amounts by employer

#### Deferred Outflows and Inflows of Resources

Employer Name	Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	Changes of Assumptions	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Outflows of Resources	Differences Between Expected and Actual Experience	Changes of Assumptions	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Inflows of Resources
Town of Agawam	\$534,976	\$1,970,875	\$1,153,880	\$1,629,476	\$5,289,207	\$480,448	\$0	\$4,449,714	\$4,930,162
Agawam Housing Authority	7,528	27,732	16,236	158,573	210,069	6,760	0	160,006	166,766
Town of Blandford	7,787	28,688	16,796	263,460	316,731	6,993	0	188,054	195,047
Town of Brimfield	33,744	124,315	72,782	1,153,572	1,384,413	30,305	0	447,118	477,423
Brimfield Housing Authority	0	0	0	0	0	0	0	55,297	55,297
Town of Chester	7,268	26,776	15,676	552,673	602,393	6,527	0	739,178	745,705
Chester Electric Light	5,451	20,082	11,757	210,082	247,372	4,895	0	102,624	107,519
Town of East Longmeadow	221,154	814,744	477,003	1,137,436	2,650,337	198,612	0	7,123,739	7,322,351
East Longmeadow Schools	107,462	395,897	231,783	8,403,527	9,138,669	96,509	0	0	96,509
East Longmeadow Housing Authority	5,970	21,994	12,877	133,859	174,700	5,362	0	119,216	124,578
Town of Granville	11,162	41,120	24,074	312,878	389,234	10,024	0	253,080	263,104
Town of Hampden	43,608	160,654	94,057	254,086	552,405	39,163	0	548,436	587,599
Hampden Housing Authority	2,077	7,650	4,479	12,952	27,158	1,865	0	18,972	20,837
Hampden-Wilbraham Regional School	131,083	482,918	282,731	192,373	1,089,105	117,722	0	722,018	839,740

## Section 2: GASB Information

Employer Name	Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Earnings on Pension Plan Investments	Changes of Assumptions	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Outflows of Resources	Differences Between Expected and Actual Experience	Changes of Assumptions	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Inflows of Resources
Town of Holland	25,178	92,758	54,307	285,171	457,414	22,612	0	143,210	165,822
Town of Longmeadow	297,987	1,097,801	642,722	1,120,819	3,159,329	267,614	0	1,451,334	1,718,948
Town of Ludlow	211,809	780,318	456,848	205,796	1,654,771	190,220	0	1,646,278	1,836,498
Town of Ludlow - School	121,998	449,448	263,136	382,434	1,217,016	109,563	0	769,379	878,942
Ludlow Housing Authority	5,191	19,125	11,197	78,138	113,651	4,662	0	22,746	27,408
Town of Monson	93,964	346,171	202,670	981,106	1,623,911	84,387	0	656,167	740,554
Town of Monson - School	48,540	178,823	104,694	210,694	542,751	43,592	0	1,429,532	1,473,124
Monson Housing Authority	7,268	26,776	15,676	134,487	184,207	6,527	0	12	6,539
Town of Montgomery	3,374	12,432	7,278	18,778	41,862	3,030	0	37,949	40,979
Town of Palmer	80,726	297,401	174,117	155,632	707,876	72,498	0	833,039	905,537
Town of Palmer - School	61,518	226,637	132,687	1,899,530	2,320,372	55,248	0	1,147,986	1,203,234
Town of Palmer - Library	10,902	40,163	23,514	127,085	201,664	9,791	0	56,832	66,623
Town of Palmer - WWTP	12,459	45,901	26,873	121,263	206,496	11,189	0	129,844	141,033
Palmer Fire/Water District #1	12,200	44,945	26,314	85,709	169,168	10,956	0	80,259	91,215
Palmer Housing Authority	0	0	0	0	0	0	0	0	0
Pathfinder Regional Vocational Technical High School	32,446	119,534	69,983	455,032	676,995	29,139	0	120,658	149,797
Town of Russell	17,391	64,070	37,511	683,325	802,297	15,619	0	0	15,619
Town of Southwick	104,347	384,422	225,065	1,343,009	2,056,843	93,711	0	185,426	279,137

## Section 2: GASB Information

Employer Name	Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	Changes of Assumptions	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Outflows of Resources	Differences Between Expected and Actual Experience	Changes of Assumptions	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Inflows of Resources
Town of Southwick – Water	6,230	22,951	13,437	28	42,646	5,595	0	56,184	61,779
Southwick-Tolland Regional High School	64,114	236,199	138,286	519,176	957,775	57,579	0	1,392,567	1,450,146
Southwick Housing Authority	0	0	0	26,340	26,340	0	0	177,239	177,239
Three Rivers Fire District	3,374	12,432	7,278	26,420	49,504	3,030	0	63,356	66,386
Town of Tolland	6,749	24,863	14,556	76,537	122,705	6,061	0	67,308	73,369
Town of Wales	11,681	43,032	25,194	76,958	156,865	10,490	0	117,764	128,254
West Hampden Veterans' Services	0	0	0	13,014	13,014	0	0	349,512	349,512
Western Massachusetts Emergency Communications and Regional Dispatch Center	38,676	142,485	83,420	2,047,178	2,311,759	34,734	0	0	34,734
Town of Wilbraham	178,844	658,872	385,745	586,706	1,810,167	160,615	0	163,573	324,188
Wilbraham - Solid Waste	2,596	9,563	5,599	25,998	43,756	2,331	0	12,097	14,428
Wilbraham - Sewer	4,932	18,169	10,637	56,692	90,430	4,429	0	37,922	42,351
Wilbraham - Water Dept.	9,085	33,470	19,595	122,893	185,043	8,159	0	114,190	122,349
Wilbraham - Ambulance	0	0	0	0	0	0	0	98,306	98,306
Wilbraham Housing Authority	2,855	10,519	6,158	25,472	45,004	2,564	0	18,246	20,810
<b>Grand totals:</b>	<b>\$2,595,704</b>	<b>\$9,562,725</b>	<b>\$5,598,628</b>	<b>\$26,306,367</b>	<b>\$44,063,424</b>	<b>\$2,331,130</b>	<b>\$0</b>	<b>\$26,306,367</b>	<b>\$28,637,497</b>

## Section 2: GASB Information

### Exhibit F: Determination of proportionate share amounts by employer

Deferred Inflows/(Outflows) Recognized In Future Pension Expense (Year Ended June 30)

Employer Name	2026	2027	2028	2029	2030	Thereafter
Town of Agawam	\$404,806	\$3,142,507	-\$2,068,568	-\$1,119,702	\$0	\$0
Agawam Housing Authority	11,902	73,632	-13,667	-28,565	0	0
Town of Blandford	69,577	58,679	-24,401	17,828	0	0
Town of Brimfield	248,206	454,619	75,555	128,611	0	0
Brimfield Housing Authority	-55,297	0	0	0	0	0
Town of Chester	-10,192	19,598	-21,074	-131,645	0	0
Chester Electric Light	45,123	73,771	3,541	17,417	0	0
Town of East Longmeadow	-1,314,308	-891,630	-2,506,246	40,170	0	0
East Longmeadow Schools	2,888,616	3,339,175	2,456,068	358,302	0	0
East Longmeadow Housing Authority	15,552	64,763	-9,735	-20,458	0	0
Town of Granville	21,117	91,360	-13,407	27,059	0	0
Town of Hampden	23,220	214,427	-239,379	-33,462	0	0
Hampden Housing Authority	4,635	13,112	-10,314	-1,111	0	0
Hampden-Wilbraham Regional School	97,612	746,513	-369,112	-225,648	0	0

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Employer Name	2026	2027	2028	2029	2030	Thereafter
Town of Holland	72,180	193,502	11,348	14,562	0	0
Town of Longmeadow	381,759	1,487,752	-300,574	-128,556	0	0
Town of Ludlow	88,691	988,414	-855,100	-403,731	0	0
Town of Ludlow - School	211,170	730,721	-348,363	-255,454	0	0
Ludlow Housing Authority	14,138	58,650	15,868	-2,411	0	0
Town of Monson	164,262	496,271	43,195	179,630	0	0
Town of Monson - School	-108,124	-38,785	-475,936	-307,528	0	0
Monson Housing Authority	76,898	74,281	14,541	11,947	0	0
Town of Montgomery	13,218	8,604	-19,134	-1,806	0	0
Town of Palmer	-102,540	310,047	-321,739	-83,429	0	0
Town of Palmer - School	334,930	532,964	237,083	12,161	0	0
Town of Palmer - Library	64,106	72,028	-17,586	16,494	0	0
Town of Palmer - WWTP	37,285	76,159	-32,613	-15,368	0	0
Palmer Fire/Water District #1	48,386	73,578	-39,765	-4,247	0	0
Palmer Housing Authority	0	0	0	0	0	0
Pathfinder Regional Vocational Technical High School	141,592	274,349	52,150	59,107	0	0
Town of Russell	219,239	291,232	129,220	146,988	0	0
Town of Southwick	373,131	996,056	132,011	276,507	0	0

## Section 2: GASB Information

Employer Name	2026	2027	2028	2029	2030	Thereafter
Town of Southwick – Water	-6,687	25,007	-26,202	-11,251	0	0
Southwick-Tolland Regional High School	-368,480	-26,684	-121,462	24,256	0	0
Southwick Housing Authority	-39,170	-39,316	-39,353	-33,060	0	0
Three Rivers Fire District	-1,828	11,917	-15,821	-11,151	0	0
Town of Tolland	13,021	56,681	-11,689	-8,676	0	0
Town of Wales	49,242	41,480	-35,793	-26,318	0	0
West Hampden Veterans' Services	-83,888	-84,176	-90,539	-77,895	0	0
Western Massachusetts Emergency Communications and Regional Dispatch Center	1,028,811	925,827	137,572	184,814	0	0
Town of Wilbraham	437,207	1,276,802	-250,464	22,434	0	0
Wilbraham - Solid Waste	-128	22,844	1,509	5,102	0	0
Wilbraham - Sewer	30,672	26,334	-14,205	5,279	0	0
Wilbraham - Water Dept.	16,954	48,107	-1,143	-1,223	0	0
Wilbraham - Ambulance	-98,306	0	0	0	0	0
Wilbraham Housing Authority	498	30,703	-5,479	-1,527	0	0
<b>Grand totals:</b>	<b>\$5,458,808</b>	<b>\$16,341,875</b>	<b>-\$4,989,202</b>	<b>-\$1,385,554</b>	<b>\$0</b>	<b>\$0</b>



# Appendix: Definition of Terms

Definitions of certain terms as they are used in Statement No. 68. The terms may have different meanings in other contexts.

Term	Definition
Active employees	Individuals employed at the end of the reporting or measurement period, as applicable.
Actual contributions	Cash contributions recognized as additions to a pension Plan Fiduciary Net Position.
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 Pension Liability, and related actuarial present value of projected benefit payments for pensions 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.
Actuarially determined contribution	A target or recommended contribution to a defined benefit pension 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.
Ad hoc cost-of-living adjustments (Ad Hoc COLAs)	Cost-of-living adjustments that require a decision to grant by the authority responsible for making such decisions.
Ad hoc postemployment benefit changes	Postemployment benefit changes that require a decision to grant by the authority responsible for making such decisions.
Agent employer	An employer whose employees are provided with pensions through an agent multiple-employer defined benefit pension plan.
Agent multiple-employer defined benefit pension plan (agent pension plan)	A multiple-employer defined benefit pension plan in which pension plan assets are pooled for investment purposes but separate accounts are maintained for each individual employer so that each employer's share of the pooled assets is legally available to pay the benefits of only its employees.
Allocated insurance contract	A contract with an insurance company under which related payments to the insurance company are currently used to purchase immediate or deferred annuities for individual employees. Also may be referred to as an annuity contract.
Automatic cost-of-living adjustments (Automatic COLAs)	Cost-of-living adjustments 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 pension plan) or to another variable (such as an increase in the consumer price index).

## Appendix: Definition of Terms

Term	Definition
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 pension plan) or to another variable (such as an increase in the consumer price index).
Closed period	A specific number of years that is counted from one date and declines to zero with the passage of time. For example, if the recognition period initially is five years on a closed basis, four years remain after the first year, three years after the second year, and so forth.
Collective deferred outflows of resources and deferred inflows of resources related to pensions	Deferred outflows of resources and deferred inflows of resources related to pensions arising from certain changes in the collective Net Pension Liability.
Collective Net Pension Liability	The Net Pension Liability for benefits provided through (1) a cost-sharing pension plan or (2) a single-employer or agent pension plan in circumstances in which there is a special funding situation.
Collective pension expense	Pension expense arising from certain changes in the collective Net Pension Liability.
Contributions	Additions to a pension Plan Fiduciary Net Position for amounts from employers, non-employer contributing entities (for example, state government contributions to a local government pension plan), or employees. Contributions can result from cash receipts by the pension plan or from recognition by the pension plan of a receivable from one of these sources.
Cost-of-living adjustments	Postemployment benefit changes intended to adjust benefit payments for the effects of inflation.
Cost-sharing employer	An employer whose employees are provided with pensions through a cost-sharing multiple-employer defined benefit pension plan.
Cost-sharing multiple employer defined benefit pension plan (Cost-sharing pension plan)	A multiple-employer defined benefit pension plan in which the pension obligations to the employees of more than one employer are pooled and pension plan assets can be used to pay the benefits of the employees of any employer that provides pensions through the pension plan.
Covered payroll	The payroll of employees that are provided with pensions through the pension plan.
Deferred retirement option program (DROP)	A program that permits an employee to elect a calculation of benefit payments based on service credits and salary, as applicable, as of the DROP entry date. The employee continues to provide service to the employer and is paid for that service by the employer after the DROP entry date; however, the pensions that would have been paid to the employee (if the employee had retired and not entered the DROP) are credited to an individual employee account within the defined benefit pension plan until the end of the DROP period.
Defined benefit pension plans	Pension plans that are used to provide defined benefit pensions.

## Appendix: Definition of Terms

Term	Definition
Defined benefit pensions	Pensions for which the income or other benefits that the employee will receive at or after separation from employment are defined by the benefit terms. The pensions may be stated as a specified dollar amount or as an amount that is calculated based on one or more factors such as age, years of service, and compensation. (A pension that does not meet the criteria of a defined contribution pension is classified as a defined benefit pension for purposes of Statement No. 68.)
Defined contribution pension plans	Pension plans that are used to provide defined contribution pensions.
Defined contribution pensions	Pensions having terms that (1) provide an individual account for each employee; (2) define the contributions that an employer is required to make (or the credits that it is required to provide) to an active employee's account for periods in which that employee renders service; and (3) provide that the pensions an employee will receive will depend only on the contributions (or credits) to the employee's account, actual earnings on investments of those contributions (or credits), and the effects of forfeitures of contributions (or credits) made for other employees, as well as pension plan administrative costs, that are allocated to the employee's account.
Discount rate	<p>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:</p> <ol style="list-style-type: none"> <li>1. The actuarial present value of benefit payments projected to be made in future periods in which (a) the amount of the pension Plan Fiduciary Net Position is projected (under the requirements of Statement No. 68) to be greater than the benefit payments that are projected to be made in that period and (b) pension 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 pension plan investments.</li> <li>2. The actuarial present value of projected benefit payments not included in (1), calculated using the municipal bond rate.</li> </ol>
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 actuarial accrued liability.
Inactive employees	Terminated individuals that have accumulated benefits but are not yet receiving them, and retirees or their beneficiaries currently receiving benefits.
Measurement period	The period between the prior and the current measurement dates.
Multiple-employer defined benefit pension plan	A defined benefit pension plan that is used to provide pensions to the employees of more than one employer.
Net Pension Liability (NPL)	The liability of employers and non-employer contributing entities to employees for benefits provided through a defined benefit pension plan.

## Appendix: Definition of Terms

Term	Definition
Non-employer contributing entities	Entities that make contributions to a pension plan that is used to provide pensions to the employees of other entities. For purposes of Statement No. 68, employees are not considered non-employer contributing entities.
Other postemployment benefits	All postemployment benefits other than retirement income (such as death benefits, life insurance, disability, and long-term care) that are provided separately from a pension plan, as well as postemployment healthcare benefits, regardless of the manner in which they are provided. Other postemployment benefits do not include termination benefits.
Pension plans	Arrangements through which pensions are determined, assets dedicated for pensions are accumulated and managed and benefits are paid as they come due.
Pensions	Retirement income and, if provided through a pension plan, postemployment benefits other than retirement income (such as death benefits, life insurance, and disability benefits). Pensions do not include postemployment healthcare benefits and termination benefits.
Plan members	Individuals that are covered under the terms of a pension plan. Plan members generally include (1) employees in active service (active plan members) and (2) terminated employees who have accumulated benefits but are not yet receiving them and retirees or their beneficiaries currently receiving benefits (inactive plan members).
Postemployment	The period after employment.
Postemployment benefit changes	Adjustments to the pension of an inactive employee.
Postemployment healthcare benefits	Medical, dental, vision, and other health-related benefits paid subsequent to the termination of employment.
Projected benefit payments	All benefits estimated to be payable through the pension plan to current active and inactive employees as a result of their past service and their expected future service.
Public employee retirement system	A special-purpose government that administers one or more pension plans; also may administer other types of employee benefit plans, including postemployment healthcare plans and deferred compensation plans.
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.
Single employer	An employer whose employees are provided with pensions through a single-employer defined benefit pension plan.
Single-employer defined benefit pension plan (Single-employer pension plan)	A defined benefit pension plan that is used to provide pensions to employees of only one employer.

## Appendix: Definition of Terms

Term	Definition
Special funding situations	<p>Circumstances in which a non-employer entity is legally responsible for making contributions directly to a pension plan that is used to provide pensions to the employees of another entity or entities and either of the following conditions exists:</p> <ol style="list-style-type: none"><li>1. The amount of contributions for which the non-employer entity legally is responsible is not dependent upon one or more events or circumstances unrelated to the pensions.</li><li>2. The non-employer entity is the only entity with a legal obligation to make contributions directly to a pension plan.</li></ol>
Termination benefits	<p>Inducements offered by employers to active employees to hasten the termination of services, or payments made in consequence of the early termination of services. Termination benefits include early-retirement incentives, severance benefits, and other termination-related benefits.</p>
Total Pension Liability (TPL)	<p>The portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service in conformity with the requirements of Statement No. 68.</p>