Hampden County Regional Retirement System

Governmental Accounting Standards Board
Statements No. 67 and No. 68 Actuarial Valuation
Measured as of December 31, 2025

This valuation report should only be copied, reproduced, or shared with other parties in its entirety as necessary for the proper administration of the System.

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July 21, 2026

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 No. 68 (GASB 67/68) Actuarial Valuation Measured as of December 31, 2025 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, 2026, dated July 2, 2026, 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 of Trustees, 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; 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); changes in economic or demographic assumptions; and changes in plan provisions or applicable law.

The actuarial calculations were completed under my supervision. I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of my 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 my opinion, the assumptions are reasonable and take into account the experience of the Retirement System and reasonable expectations. In addition, in my opinion, the combined effect of these assumptions is expected to have no significant bias.

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

Lisa VanDermark

Lisa VanDermark, FSA, MAAA, EA
Vice President and Consulting 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, 2025. Determinations for purposes other than meeting financial accounting may be significantly different from the results reported here. This report is based on financial information as of December 31, 2025 and the Actuarial Valuation and Review as of January 1, 2026, which reflects:

- The benefit provisions of Massachusetts General Law Chapter 32;
- The characteristics of covered active participants, inactive participants, and retired participants and beneficiaries as of December 31, 2025, provided by the staff of the Retirement System;
- The assets of the System as of December 31, 2025, 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, 2025 and December 31, 2024 was determined based upon the results of actuarial valuations as of January 1, 2026 and January 1, 2024, respectively.
- The NPL is equal to the difference between the Total Pension Liability (TPL) and the System Fiduciary Net Position (FNP). The System FNP is equal to the fair value of assets. The NPL decreased from $410,508,337 as of December 31, 2024 to $367,647,451 as of December 31, 2025 and the System Fiduciary Net Position as a percent of the TPL increased from 58.32% to 63.84%.
- The discount rate used to measure the TPL was 7.00% as of December 31, 2025 and December 31, 2024.

Important information about actuarial valuations

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

Input Item	Description
Plan of benefits	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.
Participant data	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.
Assets	The valuation is based on the fair value of assets as of the valuation date, as provided by the Retirement System.
Actuarial assumptions	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.
Actuarial models	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. It includes information for compliance with accounting standards and for the plan's auditor. Segal is not responsible for the use or misuse of its report, particularly by any other party.
- An actuarial valuation is a measurement at a specific date – it is not a prediction of a plan's future financial condition. Accordingly, Segal did not perform an analysis of the potential range of future financial measures, except where otherwise noted. The actual long-term cost of the System will be determined by the actual benefits and expenses paid and the actual investment experience of the System.
- Sections of this report may include actuarial results that are shown to the nearest dollar, 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.
- While Segal maintains extensive quality assurance procedures, an actuarial valuation involves complex computer models and numerous inputs. In the event that an inaccuracy is discovered after presentation of Segal's valuation, Segal may revise that valuation or make an appropriate adjustment in the next valuation.
- Segal's report shall be deemed to be final and accepted by the Board upon delivery and review. The Board should notify Segal immediately of any questions or concerns about the final content.
- 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, 2025, pension plan membership consisted of the following:

Membership	Amount
Retired participants or beneficiaries currently receiving benefits	2,146
Inactive participants with a vested right to a deferred or immediate benefit	114
Inactive participants entitled to a refund of employee contributions	1,131
Active members	2,756
Total	**6,147**

Exhibit A: Net Pension Liability

Components of the Net Pension Liability	Current	Prior
Reporting date for employer under GASB 68	June 30, 2026	June 30, 2025
Measurement date	December 31, 2025	December 31, 2024
Total Pension Liability	$1,016,805,842	$984,916,954
Plan Fiduciary Net Position	649,158,391	574,408,617
Net Pension Liability	367,647,451	410,508,337
Plan Fiduciary Net Position as a percentage of the Total Pension Liability[1]	63.84%	58.32%

Actuarial assumptions. The TPL as of December 31, 2025, which was determined based on the results of an actuarial valuation as of January 1, 2026, 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	3% 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, 2026 Actuarial Valuation and Review.

[1] 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.

Exhibit B: 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%	5.76%
International developed markets equity	9%	5.85%
International emerging markets equity	4%	7.12%
Core fixed income	15%	1.85%
High-yield fixed income	9%	2.92%
Real estate	10%	3.71%
Timber	4%	4.19%
Hedge fund, GTAA, Risk parity	10%	2.63%
Private equity	16%	9.27%
Total	**100%**	

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, 2025 and December 31, 2024. 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, 2025 and December 31, 2024.

Exhibit C: Discount rate sensitivity

The following presents the Net Pension Liability of the Retirement System as of December 31, 2025 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%)
Net Pension Liability	$482,671,058	$367,647,451	$270,879,885

Exhibit D: Schedule of changes in Net Pension Liability

Components of the Net Pension Liability	Current	Prior
Reporting date for employer under GASB 68	June 30, 2026	June 30, 2025
Measurement date and reporting date for the plan under GASB 67	December 31, 2025	December 31, 2024
Total Pension Liability		
Service cost	$22,266,348	$21,533,170
Interest	68,374,095	66,344,180
Change of benefit terms	0	0
Differences between expected and actual experience	2,069,478	0
Changes of assumptions	0	0
Benefit payments, including refunds of member contributions	(60,821,033)	(58,402,448)
Net change in Total Pension Liability	**$31,888,888**	**$29,474,902**
Total Pension Liability — beginning	984,916,954	955,442,052
Total Pension Liability — ending	**$1,016,805,842**	**$984,916,954**
Plan Fiduciary Net Position		
Contributions — employer	$49,296,069	$45,637,522
Contributions — employee	15,501,483	14,264,445
Net investment income	71,668,682	47,063,242
Benefit payments, including refunds of member contributions	(60,821,033)	(58,402,448)
Administrative expense	(895,427)	(832,890)
Net change in Plan Fiduciary Net Position	**$74,749,774**	**$47,729,871**
Plan Fiduciary Net Position — beginning	574,408,617	526,678,746
Plan Fiduciary Net Position — ending	**$649,158,391**	**$574,408,617**

Components of the Net Pension Liability	Current	Prior
Net Pension Liability		
Net Pension Liability – ending	$367,647,451	$410,508,337
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	63.84%	58.32%
Covered payroll	$149,602,796	$137,353,389
Plan Net Pension Liability as percentage of covered payroll	245.75%	298.87%

Notes to Schedule:

- **Benefit changes:**
  - As of January 1, 2025

    None
  - As of January 1, 2026

    None
- **Change of assumptions:**
  - As of January 1, 2025

    None
  - As of January 1, 2026

    None

Exhibit E: 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
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%
2025	49,296,069	49,296,069	—	149,602,796	32.95%

Notes to Schedule:

- **Methods and assumptions used to determine contribution rates for the year ended** December 31, 2025.
- **Valuation date**: Actuarially determined contribution for the year ended December 31, 2025 was determined with the January 1, 2024 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:** 12 years from July 1, 2024
- **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 market value, and is recognized over a five-year period, further adjusted, if necessary, to be within 10% of the market value.
- **Investment rate of return:** 7.00%

- **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.
- **Cost of living adjustment:** 3% of first $18,000
- **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, 2024 funding actuarial valuation.

Exhibit F: Pension expense

Components of pension expense	Current	Prior
Reporting date for employer under GASB 68	June 30, 2026	June 30, 2025
Measurement date	December 31, 2025	December 31, 2024
Service cost	$22,266,348	$21,533,170
Interest	68,374,095	66,344,180
Current-period benefit changes	—	—
Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	413,894	—
Expensed portion of current-period changes of assumptions	—	—
Member contributions	(15,501,483)	(14,264,445)
Projected earnings on pension plan investments	(40,316,441)	(36,890,844)
Expensed portion of current-period differences between actual and projected earnings on pension plan investments	(6,270,449)	(2,034,478)
Administrative expense	895,427	832,890
Recognition of beginning of year deferred outflows of resources as pension expense	23,145,568	28,572,272
Recognition of beginning of year deferred inflows of resources as pension expense	(17,686,760)	(19,273,380)
Pension expense	**$35,320,199**	**$44,819,365**

Exhibit G: Deferred outflows and inflows of resources

Deferred Outflows and Inflows	Current	Prior
Reporting date for employer under GASB 68	June 30, 2026	June 30, 2025
Measurement date	December 31, 2025	December 31, 2024
Deferred outflows of resources		
Changes in proportion and differences between employer's contributions and proportionate share of contributions	$23,877,539	$26,306,367
Changes of assumptions	2,799,314	5,598,628
Net difference between projected and actual earnings on pension plan investments	0	9,562,725
Difference between expected and actual experience in the Total Pension Liability	3,602,362	2,595,704
Total deferred outflows of resources	**$30,279,215**	**$44,063,424**
Deferred inflows of resources		
Changes in proportion and differences between employer's contributions and proportionate share of contributions	$23,877,539	$26,306,367
Changes of assumptions	0	0
Net difference between projected and actual earnings on pension plan investments	18,695,200	0
Difference between expected and actual experience in the Total Pension Liability	1,165,565	2,331,130
Total deferred inflows of resources	**$43,738,304**	**$28,637,497**
Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:		
Reporting date for employer under GASB 68 year ended June 30:		
2026	N/A	$5,458,808
2027	$10,485,323	16,341,875
2028	(10,845,754)	(4,989,202)
2029	(7,242,106)	(1,385,554)
2030	(5,856,552)	0
2031	0	0
Thereafter	0	0

Note: Average expected remaining service is 5.00 years as of December 31, 2025 and December 31, 2024.

Section 3: Results by Employer

Exhibit H: Determination of proportionate share

Employer Name	FY 2025 Total Appropriation	Percent of FY 2025 Total Appropriation	Share of NPL as of December 31, 2024	FY 2026 Total Appropriation	Percent of FY 2026 Total Appropriation	Share of NPL as of December 31, 2025
Town of Agawam	$9,510,337	20.61%	$84,605,769	$9,852,543	19.77%	$72,683,902
Agawam Housing Authority	133,818	0.29%	1,190,474	169,442	0.34%	1,250,001
Town of Blandford	138,433	0.30%	1,231,525	149,508	0.30%	1,102,942
Town of Brimfield	599,876	1.30%	5,336,608	637,899	1.28%	4,705,887
Brimfield Housing Authority	0	0.00%	0	0	0.00%	0
Town of Chester	129,204	0.28%	1,149,423	134,557	0.27%	992,648
Chester Electric Light	96,903	0.21%	862,068	59,803	0.12%	441,177
Town of East Longmeadow	3,931,493	8.52%	34,975,310	4,430,405	8.89%	32,683,858
East Longmeadow Schools	1,910,373	4.14%	16,995,045	2,003,400	4.02%	14,779,428
East Longmeadow Housing Authority	106,132	0.23%	944,169	149,507	0.30%	1,102,942
Town of Granville	198,420	0.43%	1,765,186	214,294	0.43%	1,580,884
Town of Hampden	775,224	1.68%	6,896,540	926,946	1.86%	6,838,243
Hampden Housing Authority	36,915	0.08%	328,407	39,869	0.08%	294,118
Hampden-Wilbraham Regional School	2,330,286	5.05%	20,730,671	2,626,348	5.27%	19,375,021
Town of Holland	447,600	0.97%	3,981,931	568,128	1.14%	4,191,181
Town of Longmeadow	5,297,365	11.48%	47,126,357	5,576,629	11.19%	41,139,750
Town of Ludlow	3,765,374	8.16%	33,497,480	4,206,144	8.44%	31,029,445
Town of Ludlow - School	2,168,781	4.70%	19,293,892	2,367,202	4.75%	17,463,254
Ludlow Housing Authority	92,289	0.20%	821,017	124,590	0.25%	919,119

Section 3: Results by Employer

Employer Name	FY 2025 Total Appropriation	Percent of FY 2025 Total Appropriation	Share of NPL as of December 31, 2024	FY 2026 Total Appropriation	Percent of FY 2026 Total Appropriation	Share of NPL as of December 31, 2025
Town of Monson	1,670,423	3.62%	14,860,402	1,724,320	3.46%	12,720,602
Town of Monson - School	862,898	1.87%	7,676,506	892,061	1.79%	6,580,889
Monson Housing Authority	129,204	0.28%	1,149,423	139,540	0.28%	1,029,413
Town of Montgomery	59,988	0.13%	533,661	64,787	0.13%	477,942
Town of Palmer	1,435,087	3.11%	12,766,809	1,564,845	3.14%	11,544,130
Town of Palmer - School	1,093,620	2.37%	9,729,048	1,240,912	2.49%	9,154,422
Town of Palmer - Library	193,806	0.42%	1,724,135	189,376	0.38%	1,397,060
Town of Palmer - WWTP	221,493	0.48%	1,970,440	239,212	0.48%	1,764,708
Palmer Fire/Water District #1	216,878	0.47%	1,929,389	294,031	0.59%	2,169,120
Palmer Housing Authority	0	0.00%	0	0	0.00%	0
Pathfinder Regional Vocational Technical High School	576,804	1.25%	5,131,354	692,718	1.39%	5,110,300
Town of Russell	309,167	0.67%	2,750,406	313,966	0.63%	2,316,179
Town of Southwick	1,855,000	4.02%	16,502,435	1,978,482	3.97%	14,595,604
Town of Southwick – Water	110,746	0.24%	985,220	109,639	0.22%	808,824
Southwick-Tolland Regional High School	1,139,764	2.47%	10,139,556	1,220,978	2.45%	9,007,363
Southwick Housing Authority	0	0.00%	0	0	0.00%	0
Three Rivers Fire District	59,988	0.13%	533,661	89,705	0.18%	661,765
Town of Tolland	119,975	0.26%	1,067,322	129,573	0.26%	955,883
Town of Wales	207,649	0.45%	1,847,288	284,064	0.57%	2,095,590
West Hampden Veterans' Services	0	0.00%	0	59,803	0.12%	441,177
Western Massachusetts Emergency Communications and Regional Dispatch Center	687,550	1.49%	6,116,574	782,423	1.57%	5,772,065
Town of Wilbraham	3,179,341	6.89%	28,284,024	3,239,329	6.50%	23,897,084

Section 3: Results by Employer

Employer Name	FY 2025 Total Appropriation	Percent of FY 2025 Total Appropriation	Share of NPL as of December 31, 2024	FY 2026 Total Appropriation	Percent of FY 2026 Total Appropriation	Share of NPL as of December 31, 2025
Wilbraham - Solid Waste	46,144	0.10%	410,508	49,836	0.10%	367,647
Wilbraham - Sewer	87,674	0.19%	779,966	94,688	0.19%	698,530
Wilbraham - Water Dept.	161,505	0.35%	1,436,779	149,508	0.30%	1,102,942
Wilbraham - Ambulance	0	0.00%	0	0	0.00%	0
Wilbraham Housing Authority	50,759	0.11%	451,559	54,819	0.11%	404,412
Grand total	**$46,144,286**	**100.00%**	**$410,508,337**	**$49,835,829**	**100.00%**	**$367,647,451**

Exhibit I: Determination of proportionate share amounts by employer

Net Pension Liability by Employer With Discount Rate Sensitivity

Employer Name	Covered Employee Payroll	2026 Share of Cost Allocation	Net Pension Liability (7.00%)	1% Decrease in Discount Rate (6.00%)	1% Increase in Discount Rate (8.00%)
Town of Agawam	$29,576,472	19.77%	$72,683,902	$95,424,067	$53,552,950
Agawam Housing Authority	508,650	0.34%	1,250,001	1,641,082	920,992
Town of Blandford	448,810	0.30%	1,102,942	1,448,013	812,640
Town of Brimfield	1,914,917	1.28%	4,705,887	6,178,190	3,467,263
Brimfield Housing Authority	0	0.00%	0	0	0
Town of Chester	403,928	0.27%	992,648	1,303,212	731,376
Chester Electric Light	179,523	0.12%	441,177	579,205	325,056
Town of East Longmeadow	13,299,688	8.89%	32,683,858	42,909,457	24,081,222
East Longmeadow Schools	6,014,031	4.02%	14,779,428	19,403,377	10,889,371
East Longmeadow Housing Authority	448,807	0.30%	1,102,942	1,448,013	812,640
Town of Granville	643,292	0.43%	1,580,884	2,075,486	1,164,784
Town of Hampden	2,782,611	1.86%	6,838,243	8,977,682	5,038,366
Hampden Housing Authority	119,683	0.08%	294,118	386,137	216,704
Hampden-Wilbraham Regional School	7,884,067	5.27%	19,375,021	25,436,765	14,275,370
Town of Holland	1,705,471	1.14%	4,191,181	5,502,450	3,088,031
Town of Longmeadow	16,740,552	11.19%	41,139,750	54,010,891	30,311,459
Town of Ludlow	12,626,476	8.44%	31,029,445	40,737,437	22,862,262
Town of Ludlow - School	7,106,133	4.75%	17,463,254	22,926,875	12,866,795
Ludlow Housing Authority	374,008	0.25%	919,119	1,206,678	677,200
Town of Monson	5,176,258	3.46%	12,720,602	16,700,419	9,372,444

Section 3: Results by Employer

Employer Name	Covered Employee Payroll	2026 Share of Cost Allocation	Net Pension Liability (7.00%)	1% Decrease in Discount Rate (6.00%)	1% Increase in Discount Rate (8.00%)
Town of Monson - School	2,677,889	1.79%	6,580,889	8,639,812	4,848,750
Monson Housing Authority	418,887	0.28%	1,029,413	1,351,479	758,464
Town of Montgomery	194,485	0.13%	477,942	627,472	352,144
Town of Palmer	4,697,528	3.14%	11,544,130	15,155,871	8,505,628
Town of Palmer - School	3,725,109	2.49%	9,154,422	12,018,509	6,744,909
Town of Palmer - Library	568,490	0.38%	1,397,060	1,834,150	1,029,344
Town of Palmer - WWTP	718,093	0.48%	1,764,708	2,316,821	1,300,223
Palmer Fire/Water District #1	882,655	0.59%	2,169,120	2,847,759	1,598,191
Palmer Housing Authority	0	0.00%	0	0	0
Pathfinder Regional Vocational Technical High School	2,079,479	1.39%	5,110,300	6,709,128	3,765,230
Town of Russell	942,498	0.63%	2,316,179	3,040,828	1,706,543
Town of Southwick	5,939,230	3.97%	14,595,604	19,162,041	10,753,931
Town of Southwick – Water	329,127	0.22%	808,824	1,061,876	595,936
Southwick-Tolland Regional High School	3,665,269	2.45%	9,007,363	11,825,441	6,636,557
Southwick Housing Authority	0	0.00%	0	0	0
Three Rivers Fire District	269,287	0.18%	661,765	868,808	487,584
Town of Tolland	388,967	0.26%	955,883	1,254,945	704,288
Town of Wales	852,735	0.57%	2,095,590	2,751,225	1,544,015
West Hampden Veterans' Services	179,523	0.12%	441,177	579,205	325,056
Western Massachusetts Emergency Communications and Regional Dispatch Center	2,348,765	1.57%	5,772,065	7,577,936	4,252,814
Town of Wilbraham	9,724,182	6.50%	23,897,084	31,373,619	17,607,193
Wilbraham - Solid Waste	149,603	0.10%	367,647	482,671	270,880

Section 3: Results by Employer

Employer Name	Covered Employee Payroll	2026 Share of Cost Allocation	Net Pension Liability (7.00%)	1% Decrease in Discount Rate (6.00%)	1% Increase in Discount Rate (8.00%)
Wilbraham - Sewer	284,245	0.19%	698,530	917,075	514,672
Wilbraham - Water Dept.	448,810	0.30%	1,102,942	1,448,013	812,640
Wilbraham - Ambulance	0	0.00%	0	0	0
Wilbraham Housing Authority	164,562	0.11%	404,412	530,938	297,968
Grand total	**$149,602,796**	**100.00%**	**$367,647,451**	**$482,671,058**	**$270,879,885**

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	$9,742,065	$ 9,742,065	$0	32.94%	$6,982,803	($1,384,742)	$5,598,061
Agawam Housing Authority	167,542	167,542	0	32.94%	120,089	35,567	155,656
Town of Blandford	147,832	147,832	0	32.94%	105,961	53,189	159,150
Town of Brimfield	630,746	630,746	0	32.94%	452,099	161,389	613,488
Brimfield Housing Authority	0	0	0	0.00%	0	(55,297)	(55,297)
Town of Chester	133,048	133,048	0	32.94%	95,365	(33,391)	61,974
Chester Electric Light	59,132	59,132	0	32.94%	42,384	(37,457)	4,927
Town of East Longmeadow	4,380,726	4,380,726	0	32.94%	3,139,966	(1,487,376)	1,652,590
East Longmeadow Schools	1,980,936	1,980,936	0	32.94%	1,419,872	2,567,647	3,987,519
East Longmeadow Housing Authority	147,831	147,831	0	32.94%	105,961	58,297	164,258
Town of Granville	214,294	214,294	0	33.31%	151,877	(1,891)	149,986
Town of Hampden	916,552	916,552	0	32.94%	656,956	73,670	730,626
Hampden Housing Authority	39,422	39,422	0	32.94%	28,256	265	28,521
Hampden-Wilbraham Regional School	2,596,898	2,596,898	0	32.94%	1,861,374	(4,422)	1,856,952
Town of Holland	561,758	561,758	0	32.94%	402,650	153,513	556,163
Town of Longmeadow	5,514,098	5,514,098	0	32.94%	3,952,330	(474,488)	3,477,842
Town of Ludlow	4,158,980	4,158,980	0	32.94%	2,981,025	(135,821)	2,845,204
Town of Ludlow - School	2,340,658	2,340,658	0	32.94%	1,677,709	(6,065)	1,671,644
Ludlow Housing Authority	124,590	124,590	0	33.31%	88,300	42,999	131,299

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 Monson	1,704,985	1,704,985	0	32.94%	1,222,079	(159,903)	1,062,176
Town of Monson - School	882,058	882,058	0	32.94%	632,232	(273,488)	358,744
Monson Housing Authority	137,975	137,975	0	32.94%	98,897	61,603	160,500
Town of Montgomery	64,061	64,061	0	32.94%	45,916	6,118	52,034
Town of Palmer	1,547,298	1,547,298	0	32.94%	1,109,054	(248,724)	860,330
Town of Palmer - School	1,226,998	1,226,998	0	32.94%	879,473	300,280	1,179,753
Town of Palmer - Library	187,253	187,253	0	32.94%	134,217	9,558	143,775
Town of Palmer - WWTP	236,530	236,530	0	32.94%	169,537	11,064	180,601
Palmer Fire/Water District #1	294,031	294,031	0	33.31%	208,389	118,185	326,574
Palmer Housing Authority	0	0	0	0.00%	0	0	0
Pathfinder Regional Vocational Technical High School	684,950	684,950	0	32.94%	490,951	183,928	674,879
Town of Russell	310,445	310,445	0	32.94%	222,517	151,036	373,553
Town of Southwick	1,956,297	1,956,297	0	32.94%	1,402,212	114,026	1,516,238
Town of Southwick – Water	108,410	108,410	0	32.94%	77,704	(35,599)	42,105
Southwick-Tolland Regional High School	1,207,287	1,207,287	0	32.94%	865,345	(519,213)	346,132
Southwick Housing Authority	0	0	0	0.00%	0	(39,170)	(39,170)
Three Rivers Fire District	88,699	88,699	0	32.94%	63,576	30,579	94,155
Town of Tolland	128,120	128,120	0	32.94%	91,833	(1,182)	90,651

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 Wales	284,064	284,064	0	33.31%	201,325	120,112	321,437
West Hampden Veterans' Services	59,132	59,132	0	32.94%	42,384	10,928	53,312
Western Massachusetts Emergency Communications and Regional Dispatch Center	782,423	782,423	0	33.31%	554,527	1,012,384	1,566,911
Town of Wilbraham	3,203,006	3,203,006	0	32.94%	2,295,813	(247,317)	2,048,496
Wilbraham - Solid Waste	49,277	49,277	0	32.94%	35,320	(5,590)	29,730
Wilbraham - Sewer	93,626	93,626	0	32.94%	67,108	20,291	87,399
Wilbraham - Water Dept.	147,832	147,832	0	32.94%	105,961	(41,673)	64,288
Wilbraham - Ambulance	0	0	0	0.00%	0	(98,306)	(98,306)
Wilbraham Housing Authority	54,204	54,204	0	32.94%	38,852	(5,513)	33,339
Grand total	**$49,296,069**	**$49,296,069**	**$0**	**32.95%**	**$35,320,199**	**$0**	**$35,320,199**

Deferred Outflows and Inflows of Resources

Employer Name	Differences Between Expected and Actual Experience (Outflow)	Changes of Assumptions (Outflow)	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions (Outflow)	Total Deferred Outflows of Resources	Differences Between Expected and Actual Experience (Inflow)	Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments (Inflow)	Changes of Assumptions (Inflow)	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions (Inflow)	Total Deferred Inflows of Resources
Town of Agawam	$712,189	$553,429	$814,738	$2,080,356	$230,429	$3,696,040	$0	$5,572,691	$9,499,160
Agawam Housing Authority	12,248	9,518	257,853	279,619	3,963	63,564	0	97,377	164,904
Town of Blandford	10,807	8,398	155,391	174,596	3,497	56,086	0	133,230	192,813
Town of Brimfield	46,110	35,831	814,299	896,240	14,919	239,299	0	348,494	602,712
Brimfield Housing Authority	0	0	0	0	0	0	0	0	0
Town of Chester	9,726	7,558	383,828	401,112	3,147	50,477	0	576,500	630,124
Chester Electric Light	4,323	3,359	144,844	152,526	1,399	22,434	0	355,526	379,359
Town of East Longmeadow	320,250	248,859	1,642,745	2,211,854	103,619	1,662,003	0	4,681,562	6,447,184
East Longmeadow Schools	144,815	112,532	5,740,906	5,998,253	46,856	751,547	0	379,892	1,178,295
East Longmeadow Housing Authority	10,807	8,398	304,123	323,328	3,497	56,086	0	71,277	130,860
Town of Granville	15,490	12,037	229,993	257,520	5,012	80,389	0	165,983	251,384
Town of Hampden	67,004	52,067	711,479	830,550	21,680	347,731	0	368,705	738,116
Hampden Housing Authority	2,882	2,239	6,361	11,482	932	14,956	0	12,661	28,549
Hampden-Wilbraham Regional School	189,844	147,524	809,987	1,147,355	61,425	985,237	0	467,034	1,513,696
Town of Holland	41,067	31,912	743,083	816,062	13,287	213,125	0	83,212	309,624
Town of Longmeadow	403,104	313,243	672,657	1,389,004	130,427	2,091,993	0	1,676,556	3,898,976
Town of Ludlow	304,039	236,262	986,594	1,526,895	98,374	1,577,875	0	1,186,632	2,862,881
Town of Ludlow - School	171,112	132,967	386,756	690,835	55,364	888,022	0	570,999	1,514,385
Ludlow Housing Authority	9,006	6,998	211,284	227,288	2,914	46,738	0	0	49,652
Town of Monson	124,642	96,856	689,361	910,859	40,329	646,854	0	837,311	1,524,494
Town of Monson - School	64,482	50,108	38,260	152,850	20,864	334,644	0	1,300,018	1,655,526

Employer Name	Differences Between Expected and Actual Experience (Outflow)	Changes of Assumptions (Outflow)	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions (Outflow)	Total Deferred Outflows of Resources	Differences Between Expected and Actual Experience (Inflow)	Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments (Inflow)	Changes of Assumptions (Inflow)	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions (Inflow)	Total Deferred Inflows of Resources
Monson Housing Authority	10,087	7,838	72,871	90,796	3,264	52,347	0	53	55,664
Town of Montgomery	4,683	3,639	8	8,330	1,515	24,304	0	25,321	51,140
Town of Palmer	113,114	87,898	211,064	412,076	36,599	587,029	0	521,822	1,145,450
Town of Palmer - School	89,699	69,703	1,681,045	1,840,447	29,023	465,510	0	756,157	1,250,690
Town of Palmer - Library	13,689	10,637	66,962	91,288	4,429	71,042	0	164,372	239,843
Town of Palmer - WWTP	17,291	13,437	77,719	108,447	5,595	89,737	0	97,455	192,787
Palmer Fire/Water District #1	21,254	16,516	420,097	457,867	6,877	110,302	0	55,549	172,728
Palmer Housing Authority	0	0	0	0	0	0	0	0	0
Pathfinder Regional Vocational Technical High School	50,073	38,910	771,571	860,554	16,201	259,863	0	68,274	344,338
Town of Russell	22,695	17,636	500,660	540,991	7,343	117,780	0	126,524	251,647
Town of Southwick	143,014	111,133	1,003,896	1,258,043	46,273	742,199	0	158,636	947,108
Town of Southwick – Water	7,925	6,158	14	14,097	2,564	41,129	0	99,630	143,323
Southwick-Tolland Regional High School	88,258	68,583	389,382	546,223	28,556	458,032	0	823,044	1,309,632
Southwick Housing Authority	0	0	19,627	19,627	0	0	0	131,356	131,356
Three Rivers Fire District	6,484	5,039	177,509	189,032	2,098	33,651	0	47,517	83,266
Town of Tolland	9,366	7,278	49,359	66,003	3,030	48,608	0	38,998	90,636
Town of Wales	20,533	15,956	395,222	431,711	6,644	106,563	0	78,965	192,172
West Hampden Veterans' Services	4,323	3,359	385,623	393,305	1,399	22,434	0	258,973	282,806
Western Massachusetts Emergency Communications and Regional Dispatch Center	56,557	43,949	1,359,335	1,459,841	18,299	293,515	0	0	311,814
Town of Wilbraham	234,154	181,955	411,252	827,361	75,762	1,215,188	0	1,282,862	2,573,812
Wilbraham - Solid Waste	3,602	2,799	19,494	25,895	1,166	18,695	0	22	19,883

Employer Name	Differences Between Expected and Actual Experience (Outflow)	Changes of Assumptions (Outflow)	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions (Outflow)	Total Deferred Outflows of Resources	Differences Between Expected and Actual Experience (Inflow)	Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments (Inflow)	Changes of Assumptions (Inflow)	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions (Inflow)	Total Deferred Inflows of Resources
Wilbraham - Sewer	6,844	5,319	23,752	35,915	2,215	35,521	0	25,310	63,046
Wilbraham - Water Dept.	10,807	8,398	83,793	102,998	3,497	56,086	0	231,014	290,597
Wilbraham - Ambulance	0	0	0	0	0	0	0	0	0
Wilbraham Housing Authority	3,963	3,079	12,742	19,784	1,282	20,565	0	25	21,872
Grand total	**$3,602,362**	**$ 2,799,314**	**$ 23,877,539**	**$ 30,279,215**	**$ 1,165,565**	**$ 18,695,200**	**$0**	**$ 23,877,539**	**$ 43,738,304**

Section 3: Results by Employer

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

Employer Name	2027	2028	2029	2030	2031	Thereafter
Town of Agawam	$1,182,903	($3,848,989)	($2,930,395)	($1,822,333)	$0	$0
Agawam Housing Authority	101,386	3,421	(9,675)	19,583	0	0
Town of Blandford	41,098	(41,981)	248	(17,581)	0	0
Town of Brimfield	360,535	(14,263)	38,072	(90,816)	0	0
Brimfield Housing Authority	0	0	0	0	0	0
Town of Chester	(5,760)	(44,299)	(155,230)	(23,724)	0	0
Chester Electric Light	(19,085)	(70,117)	(59,484)	(78,148)	0	0
Town of East Longmeadow	(1,059,791)	(2,753,332)	(193,582)	(228,625)	0	0
East Longmeadow Schools	2,989,158	2,131,649	29,558	(330,406)	0	0
East Longmeadow Housing Authority	113,933	24,503	16,303	37,730	0	0
Town of Granville	66,641	(38,126)	2,340	(24,719)	0	0
Town of Hampden	277,069	(215,132)	(2,729)	33,227	0	0
Hampden Housing Authority	8,423	(15,003)	(5,800)	(4,688)	0	0
Hampden-Wilbraham Regional School	647,460	(515,093)	(363,702)	(135,005)	0	0
Town of Holland	288,804	70,386	79,727	67,520	0	0
Town of Longmeadow	555,439	(1,171,028)	(1,009,460)	(884,922)	0	0
Town of Ludlow	760,802	(1,142,439)	(680,980)	(273,369)	0	0
Town of Ludlow - School	500,033	(589,717)	(495,006)	(238,859)	0	0
Ludlow Housing Authority	91,957	38,510	22,033	25,137	0	0
Town of Monson	140,928	(278,018)	(147,349)	(329,196)	0	0
Town of Monson - School	(219,972)	(640,058)	(474,533)	(168,113)	0	0
Monson Housing Authority	57,872	(1,868)	(4,462)	(16,409)	0	0
Town of Montgomery	986	(26,752)	(9,425)	(7,619)	0	0
Town of Palmer	154,639	(483,547)	(244,155)	(160,311)	0	0

Employer Name	2027	2028	2029	2030	2031	Thereafter
Town of Palmer - School	501,472	179,993	(40,604)	(51,103)	0	0
Town of Palmer - Library	11,615	(69,466)	(36,828)	(53,876)	0	0
Town of Palmer - WWTP	48,030	(60,743)	(43,497)	(28,129)	0	0
Palmer Fire/Water District #1	154,091	15,151	54,994	60,903	0	0
Palmer Housing Authority	0	0	0	0	0	0
Pathfinder Regional Vocational Technical High School	326,392	74,329	86,331	29,164	0	0
Town of Russell	216,168	62,689	79,015	(68,527)	0	0
Town of Southwick	715,721	(137,658)	5,035	(272,164)	0	0
Town of Southwick – Water	(6,958)	(53,901)	(39,671)	(28,696)	0	0
Southwick-Tolland Regional High School	(189,334)	(279,846)	(134,849)	(159,382)	0	0
Southwick Housing Authority	(39,316)	(39,353)	(33,060)	0	0	0
Three Rivers Fire District	49,048	10,644	17,115	28,959	0	0
Town of Tolland	41,444	(26,926)	(23,913)	(15,237)	0	0
Town of Wales	123,143	20,272	34,072	62,053	0	0
West Hampden Veterans' Services	23,221	(8,739)	8,229	87,787	0	0
Western Massachusetts Emergency Communications and Regional Dispatch Center	911,861	106,541	156,666	(27,040)	0	0
Town of Wilbraham	523,981	(920,094)	(661,250)	(689,088)	0	0
Wilbraham - Solid Waste	16,983	(4,352)	(758)	(5,861)	0	0
Wilbraham - Sewer	15,199	(25,340)	(5,855)	(11,134)	0	0
Wilbraham - Water Dept.	(17,153)	(55,737)	(57,619)	(57,089)	0	0
Wilbraham - Ambulance	0	0	0	0	0	0
Wilbraham Housing Authority	24,257	(11,925)	(7,973)	(6,446)	0	0
Grand total	**$10,485,323**	**($10,845,754)**	**($7,242,106)**	**($5,856,552)**	**$0**	**$0**

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	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: 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. 2. The actuarial present value of projected benefit payments not included in (1), calculated using 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 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	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: 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. 2. The non-employer entity is the only entity with a legal obligation to make contributions directly to a pension plan.
Termination benefits	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.
Total Pension Liability (TPL)	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.