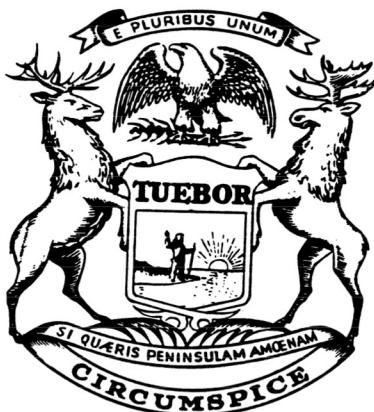


MICHIGAN LEGISLATIVE RETIREMENT SYSTEM

**Annual Comprehensive Financial Report
for the Fiscal Year Ended September 30, 2025**



M L R S

Fiduciary Component Unit of the State of Michigan

**Prepared by:
Lorie Blundy, Director**

For

**Michigan Legislative Retirement System
Anderson House Office Building, Suite S0927
P.O. Box 30014
Lansing, Michigan 48909
(517) 373-0575**

This page was intentionally left blank.

TABLE OF CONTENTS

INTRODUCTORY SECTION

Certificate of Achievement	6
Letter of Transmittal	7
Administrative Organization	10
Retirement Board of Trustees.....	10
Organization Chart.....	10
Investment Advisors.....	11
Advisors and Consultants	11
Office Location	12

FINANCIAL SECTION

Independent Auditor's Report	14
Management's Discussion and Analysis.....	17
Basic Financial Statements.....	20
Statement of Pension Plan and Other Postemployment Benefit Plan Fiduciary Net Position	20
Statement of Changes in Pension Plan and Other Postemployment Benefit Plan	
Fiduciary Net Position	21
Notes to Basic Financial Statements	22
Note 1 – Plan Description.....	22
Note 2 – Summary of Significant Accounting Policies	25
Note 3 – Contributions.....	27
Note 4 – Net Pension Liability	28
Note 5 – Net Other Postemployment Benefit Liability	31
Note 6 – Investments	34
Required Supplementary Information	38
Schedule of Changes in Net Pension Liability	38
Schedule of Changes in Net OPEB Liability	40
Schedules of Contributions	42
Schedules of Investment Returns	43
Note to Required Supplementary Information	44
Supporting Schedules	46
Summary Schedule of Administrative Expenses	46
Schedule of Investment Expenses	46
Schedule of Payments to Consultants	46
Detail of Changes in Plan Fiduciary Net Position (Pension and Other Postemployment Benefits) ..	47

INVESTMENT SECTION

Report on Investment Activity	50
Asset Allocation.....	54
Investment Summary	54
Schedule of Investment Fees.....	55

ACTUARIAL SECTION

Actuary's Certification.....	58
Summary of Actuarial Assumptions and Methods	61
Actuarial Valuation Data.....	63
Schedule of Active Member Pension Valuation Data	63
Schedule of Active Member OPEB Valuation Data	63
Schedule of Changes in the Pension Retirement Rolls.....	64
Schedule of Changes in the OPEB Retirement Rolls.....	64
Schedule of Funding Progress – Pension Plan	65
Schedule of Funding Progress – OPEB Plan	66
Prioritized Solvency Test.....	67
Analysis of System Experience.....	69
Summary of Plan Provisions	71

STATISTICAL SECTION

Narrative Explanation to Statistical Section	74
Schedule of Additions by Source	75
Schedule of Pension Plan Additions by Source.....	75
Schedule of OPEB Plan Additions by Source.....	75
Schedule of Deductions by Type	76
Schedule of Pension Plan Deductions by Type	76
Schedule of OPEB Plan Deductions by Type	76
Schedules of Changes in Fiduciary Net Position - Pension Plan	77
Schedules of Changes in Fiduciary Net Position - OPEB Plan	77
Schedules of Benefit and Refund Deductions from Net Position by Type – Pension Plan	78
Schedules of Benefit and Refund Deductions from Net Position by Type – OPEB Plan	78
Schedules of Retired Members by Type of Benefit – Pension Plan	79
Schedules of Retired Members by Type of Benefit – OPEB Plan	80
Schedule of Average Benefit Payments – Pension Plan	81
Schedule of Average Benefit Payments – OPEB Plan	82

Michigan Legislative Retirement System

**Annual Comprehensive Financial Report
for the Fiscal Year Ended September 30, 2025**

INTRODUCTORY SECTION



**Certificate of Achievement
Letter of Transmittal
Retirement Board of Trustees
Organization Chart
Advisors and Consultants
Office Location**

INTRODUCTORY SECTION



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Michigan Legislative Retirement System

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2024

Christopher P. Morill

Executive Director/CEO

INTRODUCTORY SECTION

Letter of Transmittal

LORIE BLUNDY
DIRECTOR



TEL. NO: (517) 373-0575
TOLL FREE: (877) 577-5628
EMAIL: MLRS@house.mi.gov

STATE OF MICHIGAN
LEGISLATIVE RETIREMENT SYSTEM
P.O. BOX 30014
LANSING, MICHIGAN
48909-7514

January 6, 2026

The Honorable Gretchen Whitmer
Governor, State of Michigan

Members of the Legislature
State of Michigan

Retirement Board Members
and
Members, Retirees, and Beneficiaries

Ladies and Gentlemen:

We are pleased to present the annual comprehensive financial report of the Michigan Legislative Retirement System (MLRS or System) for fiscal year 2025.

INTRODUCTION TO REPORT

The System was established by legislation under Public Act 261 of 1957. Information regarding the background and description of the System is presented in Note 1 in the financial section of this report. The purpose of the System is to provide benefits for eligible current and former state legislators. The services provided by the staff are performed to facilitate the payment of benefits to members.

Responsibility

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the System. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the System.

Management's Discussion and Analysis (MD&A)

Generally Accepted Accounting Principles (GAAP) requires that management provide an overview and analysis of the System's financial statements, which is called the MD&A. This letter of transmittal should be read in conjunction with the MD&A. The MD&A is found in the beginning of the financial section of this report.

INTRODUCTORY SECTION

Letter of Transmittal (Continued)

FINANCIAL INFORMATION

Internal Control

The management of the System is responsible for maintaining a system of adequate internal accounting control designed to: (1) provide reasonable assurance that transactions are executed in accordance with management's general or specific authorization; (2) record transactions necessary to maintain accountability for assets; and (3) permit preparation of financial statements in accordance with generally accepted accounting principles in the United States of America. The internal control process is designed to provide reasonable assurance regarding the safekeeping of assets and reliability of all financial records. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and that the valuation of costs and benefits requires estimates and judgments by management. This internal control structure includes maintaining written policies and procedures.

INVESTMENT

The System Board of Trustees is the investment fiduciary for the System, and pursuant to state law, the State Treasurer is the custodian of all investments of the System. The System's overall investment objective is to obtain a competitive total rate of return on investments commensurate with Act No. 314 of the Michigan Public Acts of 1965, as amended (MCL §38.1132 et seq., which is the Michigan statute governing the investments of public pension funds), the System's risk-taking ability, and the responsibilities of the System to provide retirement benefits for its members, retirees, and their beneficiaries. In absolute terms, this return objective should approximate the System's actuarial assumed real rate of return, which is currently 3%. The investment activity for the year produced a total rate of return on the portfolio of 10.7%. A summary of asset allocation and investment portfolio information can be found in the investment section of this report.

FUNDING

Funds are derived from the excess of additions, which include contributions and investment earnings, over deductions that are comprised of benefits and administrative expenses. Funds are accumulated to meet future benefit obligations to retirees and beneficiaries. This accumulated balance is referred to as the "net position restricted for pension benefits and OPEB" in the Statement of Pension Plan and Other Postemployment Benefit Plan Fiduciary Net Position in the Financial Section of the report.

Pension Plan

The total pension liability is not reported in the basic financial statements but is disclosed in Note 4 to the basic financial statements and in the required supplementary information. The total pension liability is determined by the actuary and is a measure of the present value of actuarial accrued liabilities estimated to be payable in the future to current retirees, beneficiaries, and employees for service earned to date. The net pension liability is measured as the total pension liability less the amount of the pension plan's fiduciary net position. As of September 30, 2025, total pension liability was \$206.2 million, and plan fiduciary net position was \$83.8 million. Resulting in a net pension liability of \$122.4 million.

Other Postemployment Benefits Plan (OPEB)

The total OPEB liability is not reported in the basic financial statements but is disclosed in Note 5 to the basic financial statements and in the required supplementary information. The total OPEB liability is determined by the actuary and is a measure of the present value of actuarial accrued liabilities estimated to be payable in the future to current retirees, beneficiaries, and employees for service earned to date. The net OPEB liability is measured as the total OPEB liability less the amount of the OPEB plan's fiduciary net position. As of September 30, 2025, total OPEB liability was \$97.2 million, and plan fiduciary net position was \$45.2 million. Resulting in a net OPEB liability of \$52.0 million.

INTRODUCTORY SECTION

Letter of Transmittal (Continued)

PROFESSIONAL SERVICES

Audit Services

The Office of the Auditor General (OAG), independent auditors, conducts audits of the System. The independent auditor's report on the System's financial statements is included in the financial section of this report. The financial statements of the System are audited by the Auditor General as part of his constitutional responsibility.

Actuarial Services

Statute requires an annual actuarial valuation be conducted for the pension benefits. The purpose of the valuation is to evaluate the mortality, service, compensation, and other financial experience of the System and to recommend funding rates. This annual actuarial valuation was completed for the fiscal year ended September 30, 2024. Actuarial certification and supporting statistics are included in the actuarial section of this report.

Financial Services

The Board of Trustees for the System retains twelve (12) investment managers and a financial consultant to assist the board in its statutory responsibility to invest the System's funds. These advisors are identified in the introductory section of this report. By statute, the State Treasurer acts as the custodian for the System. Investment information is included in the investment section of this report.

HONORS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Michigan Legislative Retirement System for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2024. This was the 11th consecutive year that the LRS has achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

The preparation of this report was accomplished with the dedication and cooperation of several people, including Lorie Blundy, the System's Chief Accountant. It is intended to provide complete and reliable information as a basis for making management decisions, as a means of determining compliance with legal provisions, and as a means for determining responsible stewardship of the funds of the System.

We would like to express our appreciation for the assistance given by staff, the advisors, and other people who contributed to the preparation of this report. We believe their combined efforts have produced a report that will enable the System Board of Trustees, plan members, and other interested parties to evaluate and understand the Michigan Legislative Retirement System.

Sincerely,



Lorie Blundy, Director
Michigan Legislative Retirement System

INTRODUCTORY SECTION

Administrative Organization

Retirement Board of Trustees Members

As of January 6, 2026

The Honorable Joseph Palamara
Retiree Member
Chairperson of the Board

The Honorable Alma Wheeler Smith
Retiree Member
Vice-Chairperson of the Board

The Honorable J. Michael Busch
Retiree Member

The Honorable Deborah Cherry
Retiree Member

The Honorable John Cherry
Retiree Member

The Honorable Philip Hoffman
Retiree Member

The Honorable Richard Posthumus
Retiree Member

The Honorable Gary Randall
Retiree Member

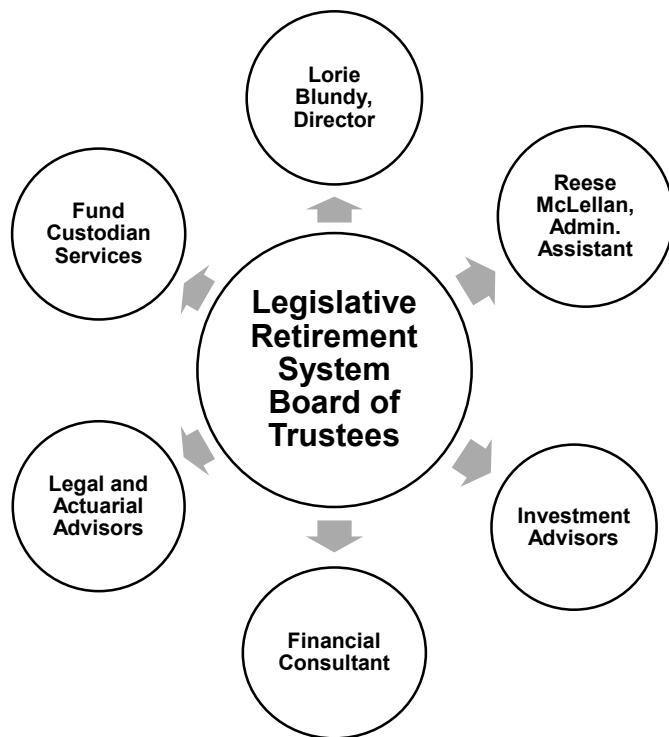
The Honorable Mark Schauer
Retiree Member

The Honorable John Schwarz
Tier 2 Defined Contribution Plan Member

(Vacancy)

Organization Chart

As of January 6, 2026



INTRODUCTORY SECTION

Administrative Organization (Continued)

Investment Advisors*

As of January 6, 2026

The American Fund Group	DoubleLine Funds Trust	Victory Funds
Capital Research and Management	Los Angeles, CA	Sycamore Small Cap Value
EuroPacific Growth Fund		Columbus, OH
Los Angeles, CA		
Barrow Hanley Global Investors	Fidelity Investments	Wasatch Global Investors
Dallas, TX	Boston, MA	Milwaukee, WI
Dimensional Fund Advisors (DFA)	Ironwood Capital Management	Wellington Management Co., LLP
Austin, TX	San Francisco, CA	Boston, MA
Dodge & Cox Funds	PIMCO	
Kansas City, MO	Newport Beach, CA	

*The investments of the System are managed by the Investment Advisors, in accordance with Board directive, and applicable law. Information on the advisors can be found in the Investment Section. The investment category and rate of return for the advisors can be found on page 53, Schedule of Investment Results. Investment fees for the advisors can be found on page 55, Schedule of Investment Fees. Broker fees and commissions on shares traded can be found on pages 56, Schedule of Fees and Commissions.

Advisors and Consultants

As of January 6, 2026

Actuary Gabriel, Roeder, Smith & Company Francois Pieterse and Mark Buis Southfield, MI	Independent Auditors Doug A. Ringler, C.P.A., C.I.A Auditor General State of Michigan	Custodian Rachael Eubanks State Treasurer State of Michigan
Financial Consultant Fund Evaluation Group Robert P. Van Den Brink Cincinnati, OH		Legal Advisor Dana Nessel Attorney General State of Michigan

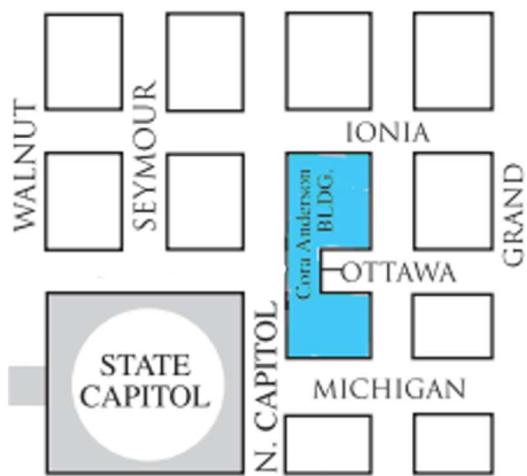
INTRODUCTORY SECTION

Administrative Organization (Continued)

Office Location:

Michigan Legislative Retirement System
Cora Anderson House Office Building
124 N. Capitol Avenue, Suite S0927
Lansing, MI 48933

Map of downtown Lansing, near the Michigan State Capitol.



Michigan Legislative Retirement System

**Annual Comprehensive Financial Report
for the Fiscal Year Ended September 30, 2025**

FINANCIAL SECTION



**Independent Auditor's Report
Management's Discussion and Analysis
Basic Financial Statements
Notes to Basic Financial Statements
Required Supplementary Information
Note to Required Supplementary Information
Supporting Schedules**



Independent Auditor's Report on the Financial Statements
and Other Reporting Required by *Government Auditing Standards*

The Honorable Joseph Palamara, Chair
Board of Trustees
and
Lorie Blundy, Director
Michigan Legislative Retirement System

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Michigan Legislative Retirement System (System), a fiduciary component unit of the State of Michigan, as of and for the fiscal year ended September 30, 2025 and the related notes to the financial statements, which collectively comprise the System's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Michigan Legislative Retirement System as of September 30, 2025 and the changes in fiduciary net position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the System and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the System's ability to continue as a going concern for the twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



The Honorable Joseph Palamara, Chair

Lorie Blundy, Director

Page 2

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the System's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in net pension liability, schedule of changes in net OPEB liability, schedules of contributions, schedules of investment returns, and related note, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other



The Honorable Joseph Palamara, Chair

Lorie Blundy, Director

Page 3

knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the System's basic financial statements. The supporting schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supporting schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory, investment, actuarial, and statistical sections, as listed in the table of contents, but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we will also issue a report dated January 6, 2026 on our consideration of the System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the System's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the System's internal control over financial reporting and compliance.

Doug Ringler
Auditor General
January 6, 2026

FINANCIAL SECTION

Management's Discussion and Analysis

The management's discussion and analysis (MD&A) of the System provides an overview of the financial activities and performance for the fiscal years ended September 30, 2025, and 2024. This should be read in conjunction with the financial statements and required supplemental information (RSI), which provides information for September 30, 2025.

THE STATEMENT OF NET POSITION AND THE STATEMENT OF CHANGES IN NET POSITION

This Annual Comprehensive Financial Report (ACFR) consists of two financial statements: Statement of Pension Plan and Other Postemployment Benefit Plan Fiduciary Net Position (page 20) and Statements of Changes in Pension Plan and Other Postemployment Benefit Plan Fiduciary Net Position (page 21). These financial statements report information about the System, as a whole, and about its financial condition that should help answer the question: Is the System, as a whole, better off or worse off as a result of this year's activities? These statements include all assets and liabilities using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, all revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Pension Plan and Other Postemployment Benefit Plan Fiduciary Net Position, presents all of the System's assets and liabilities, with the difference between the two reported as net position. Over time, increases and decreases in net position measure whether the System's financial position is improving or deteriorating. The Statement of Changes in Pension Plan and Other Postemployment Benefit Plan Fiduciary Net Position presents how the System's net position changed during the most recent fiscal year. These two financial statements should be reviewed along with the Schedule of Changes in Net Pension Liability (page 38), Schedule of Changes in Net OPEB Liability (page 40) and Schedules of Contributions (page 42) to determine whether the System is becoming financially stronger or weaker and to understand changes over time in the funded status of the System.

FINANCIAL ANALYSIS

The Statement of Pension Plan and Other Postemployment Benefit Net Position, presents information on the System's assets and liabilities using the accrual basis of accounting. Over time, increases or decreases in net position may serve as a useful indicator of the System's financial strength or weakness. System's net position, for the fiscal year ending September 30, 2025, **decreased** by \$3.1 million or 2.3%, due to a decrease in the fair value of the System's investments.

Plan Fiduciary Net Position

As of September 30

(\$ in thousands)

	<u>2025</u>	<u>2024</u>	<u>Increase (Decrease)</u>
Assets:			
Equity in common cash	\$ 1,473	\$ 1,689	(12.8) %
Receivables	210	225	(6.5)
Investments	127,459	130,262	(2.2)
Total assets	129,142	132,176	(2.3)
Liabilities:			
Accounts payable	104	48	115.6
Amount due to other funds	2	3	(31.5)
Unearned revenue	32	30	6.9
Total liabilities	138	81	70.1
Total net position	\$ 129,004	\$ 132,095	(2.3) %

FINANCIAL SECTION

Management's Discussion and Analysis (Continued)

ADDITIONS TO NET POSITION

The reserves needed to finance benefits provided by the System are accumulated through the collection of court fees, member and other contributions, State appropriations and through earnings on investments. Contributions and investment income/loss for fiscal year 2025 totaled \$18.7 million. Total Additions to Net Position **decreased** in fiscal year 2025 by 41.6% from the prior year, primarily due to decreased investment income compared to the prior year.

DEDUCTIONS FROM NET POSITION

The primary deductions of the System include the payment of pension and life insurance benefits to members and beneficiaries; the payments for health, dental, and vision benefits; the refund or transfer of contributions to former members; and the cost of administering the System. Total expenses for fiscal year 2025 were \$21.9 million, an **increase** of 4.2% over fiscal year 2024 expenses. This increase was primarily from higher health care costs, due to increased premiums. These higher premiums are attributed to claims made by the members and the benefit structure within the system.

Changes in Plan Fiduciary Net Position

For Fiscal Year Ended September 30

(\$ in thousands)

	<u>2025</u>	<u>2024</u>	<u>Increase (Decrease)</u>
Additions			
Member contributions	\$ 1	\$ 2	(51.5)%
Employer contributions	5,435	6,044	(10.1)
Other governmental contributions	360	462	(22.0)
Net investment income/(loss)	12,847	25,435	(49.5)
Miscellaneous income	125	141	(11.7)
Total additions	18,767	32,083	(41.6)
Deductions			
Retirement benefits	14,543	14,510	0.2
Health care benefits	6,348	5,617	13.0
Death benefits	450	318	41.7
Refunds	32	14	121.7
Administrative expenses	485	515	(5.9)
Total deductions	21,858	20,974	4.2
Net increase (decrease)	(3,091)	11,109	(127.8)
Net position - Beginning of year	132,095	120,986	9.2
Net position - End of year	\$ 129,004	\$ 132,095	(2.3)%

FINANCIAL SECTION

Management's Discussion and Analysis (Continued)

Overall Financial Analysis

The third quarter of 2025 saw the continuing surge of the Artificial Intelligence (AI) economy as AI capex and the associated knock-on effects buoyed earnings and stock prices broadly during the period. This was in no way limited to “the Magnificent 7” (Microsoft, Amazon, Apple, Meta, Alphabet, Nvidia, and Tesla) at the heart of AI’s transformations, as utilities, data centers, and some areas within software got a strong lift. Small caps also had a robust quarter as earnings seem to have bottomed out. Against the backdrop of the Federal Reserve (the Fed), cutting interest rates by 25 basis points in September, hopes for continued equity market strength were sustained and some fixed-income segments were able to deliver modestly positive returns.

Although corporate spending and venture capital funding for AI has soared, that will not always make AI an ironclad investment thesis or necessarily generate an attractive return on investment. The trend, however, shows no signs of slowing down. New, innovative use cases and companies will continue to be born out of this cycle, but there will also be misallocation of capital and poor subsequent returns for some companies and use cases. As investors, we must do our best to figure out the difference and position portfolios accordingly.

In accordance with its enabling statute, the MLRS Board of Trustees has fiduciary responsibility for the management of the System’s funds, and it oversees its carefully structured and carefully monitored investment program to meet the System’s financial goals, established through its Investment Policy Statement.

As with past practice, the Board of Trustees of the LRS continued their ongoing due diligence reviews, meeting on a regular basis to discuss markets, managers, and portfolio positioning. Rather than shun risk or even attempt to predict it, the Trustees continue to diversify the portfolio in a way that avoids excess concentration in a single risk. By doing so they recognize long-term tendencies can help raise the probability of investment success by taking a smoother path.

Detailed information regarding the MLRS investment program and performance can be found in the Investment Section of this report (beginning on page 50).

Financial Questions or Requests

This financial report is designed to provide a general overview of the System's financial position. Requests for additional information or questions about this report should be addressed by email to: MLRS@house.mi.gov. You can also contact the office by phone at (517)373-0575.

FINANCIAL SECTION

Basic Financial Statements

STATEMENT OF PENSION PLAN AND OTHER POSTEMPLOYMENT BENEFIT PLAN FIDUCIARY NET POSITION

As of September 30, 2025

	Pension Plan	OPEB Plan	Total
ASSETS			
Equity in common cash	\$ 1,096,409	\$ 376,790	\$ 1,473,199
Receivables			
Due from federal agencies	-	210,348	210,348
Total receivables:	-	210,348	210,348
Investments			
Mutual funds - domestic	30,301,741	16,333,070	46,634,812
Mutual funds - international	18,989,241	10,235,472	29,224,713
Alternative investments	8,916,308	4,806,017	13,722,325
Fixed income mutual funds	24,611,010	13,265,685	37,876,695
Total investments:	82,818,300	44,640,244	127,458,544
Total assets:	83,914,709	45,227,382	129,142,091
LIABILITIES			
Accounts payable and other liabilities	104,004	-	104,004
Amount due to other funds	2,083	-	2,083
Unearned revenue	-	31,846	31,846
Total liabilities:	106,086	31,846	137,933
Net position restricted for pension benefits and OPEB	\$ 83,808,623	\$ 45,195,535	\$ 129,004,158

The accompanying notes are an integral part of these financial statements.

FINANCIAL SECTION

Basic Financial Statements (Continued)

STATEMENT OF CHANGES IN PENSION PLAN AND OTHER POSTEMPLOYMENT BENEFIT PLAN FIDUCIARY NET POSITION

For fiscal year ended September 30, 2025

	Pension	OPEB		Total
	Plan	Plan	Total	
ADDITIONS				
Member contributions	\$ 738	\$ -	\$ 738	
Employer contributions	-	4,818,800	4,818,800	
Court fees	-	615,864	615,864	
Other governmental contributions	-	360,294	360,294	
Total contributions:	<u>738</u>	<u>5,794,957</u>	<u>5,795,695</u>	
Investment income (loss):				
Net increase (decrease) in fair value of investments	6,871,523	1,981,563	8,853,086	
Interest, dividends and other	<u>2,773,619</u>	<u>1,316,275</u>	<u>4,089,894</u>	
Total investment income (loss)	<u>9,645,142</u>	<u>3,297,838</u>	<u>12,942,979</u>	
Less investment expenses	(65,344)	(31,010)	(96,354)	
Net investment income (loss)	<u>9,579,798</u>	<u>3,266,827</u>	<u>12,846,625</u>	
Miscellaneous income	-	124,510	124,510	
Total additions:	<u>9,580,535</u>	<u>9,186,295</u>	<u>18,766,830</u>	
DEDUCTIONS				
Benefits & refunds paid to plan members and beneficiaries:				
Retirement benefits	14,543,026	-	14,543,026	
Health benefits	-	6,007,475	6,007,475	
Dental benefits	-	340,028	340,028	
Death benefits	450,000	-	450,000	
Refund of contribution & interest	31,876	-	31,876	
Administrative expenses	<u>328,872</u>	<u>156,073</u>	<u>484,945</u>	
Total deductions:	<u>15,353,775</u>	<u>6,503,576</u>	<u>21,857,350</u>	
Net increase (decrease) in net position	(5,773,240)	2,682,719	(3,090,520)	
Net position restricted for pension benefits and OPEB:				
Beginning of year	<u>89,581,862</u>	<u>42,512,816</u>	<u>132,094,679</u>	
End of year	<u>\$ 83,808,623</u>	<u>\$ 45,195,535</u>	<u>\$ 129,004,158</u>	

The accompanying notes are an integral part of these financial statements.

FINANCIAL SECTION

Notes to Basic Financial Statements

NOTE 1 - PLAN DESCRIPTION

ORGANIZATION

The Michigan Legislative Retirement System (MLRS or System) is a single employer, public employee, defined benefit retirement pension plan and post-employment healthcare plan governed by the State of Michigan (the "State"). The System was created by Public Act 261 of 1957, as amended, and provides retirement and ancillary benefits to eligible current and former state legislators. The System's pension plan was established by the State to provide retirement, survivor and disability benefits to the Michigan Legislature, elected for the first time before March 31, 1997. In addition, the System's other postemployment benefit (OPEB) plan provides health care to eligible vested members, the option of receiving health, prescription, dental and vision coverage under the Michigan Legislative Retirement Act. Public Act 200 of 2011 amended the System's enabling statute and closed the OPEB Plan. The System is a fiduciary component unit of the State of Michigan, and its financial statements are included as a pension and other employee benefit trust fund in the State of Michigan Annual Comprehensive Financial Report.

The System operates within the legislative branch of state government. The System's Board of Trustees appoints the director who serves as executive secretary to the System's board, with whom the general oversight of the System resides. Public Act 486 of 1996 amended the System's enabling statute to mandate that people elected to the Michigan Legislature after March 30, 1997, participate in a state-wide defined contribution pension plan administered by the State of Michigan Department of Technology, Management and Budget. Thus, the defined benefit plan is a closed plan. The defined contribution retirement plan operates as a 401(k) plan and is part of the State of Michigan 401K plan. The State of Michigan 401K plan annual financial report is issued separately.

The System shall be administered by a board of trustees, consisting of eleven (11) members, and composed as defined in Public Act 261 of 1957, as amended, and in the bylaws. Board members are appointed for a 4-year term. The board of trustees oversee the Systems investments, advisors and consultants. Complete information on the retirement board, advisors and consultants are included in the introductory section of this report.

MEMBERSHIP

At September 30, 2025, the System's pension plan membership consisted of the following:

Inactive plan members or their beneficiaries currently receiving benefits	<u>2025</u>
Regular benefits.....	163
Survivor benefits.....	62
Disability benefits.....	0
Total.....	225 *
 Inactive plan members entitled to but not yet receiving benefits	 1
 Active plan members:	
Vested.....	0
Non-vested.....	0
Total.....	0
 Total Plan Members	 <u>226</u>

*Includes 9 domestic relations orders (DRO) alternate payees for FY2025

FINANCIAL SECTION

Notes to Basic Financial Statements (Continued)

MEMBERSHIP (continued)

The System provides life insurance benefits. The number of plan participants is as follows:

Life Insurance Plan	2025
Eligible active plan members.....	0
Eligible inactive vested plan members.....	1
Eligible retired plan members.....	109

Enrollment in the health plan is voluntary. The number of plan participants is as follows:

Health/Dental/Vision Plan	2025
Active participants.....	1
Deferred participants.....	54
Participants currently eligible for health benefits.....	362 **
Participants receiving health benefits.....	330 **

**Includes 118 defined contribution (DC) participants at September 30, 2025, who are receiving health care insurance through System in accordance with state statute. At September 30, 2025, the number of DC participants who were eligible for health care insurance but declined to receive the benefits was 30.

BENEFIT PROVISIONS

Introduction

Public Act 261 of 1957, the Michigan Legislative Retirement System Act, as amended, establishes eligibility and benefit provisions for this defined benefit pension plan.

Michigan's constitutional term-limit amendment limits members of the House of Representatives to six (6) years in office and members of the Michigan Senate to eight (8) years in office. Effective March 31, 1997, Public Act 486 of 1996 closed the System to new legislators. The act provides certain re-elected former legislators with the option to rejoin the system. All legislators who first take office after 1997 are automatically enrolled in the State of Michigan Defined Contribution Plan. Term limits were amended in 2022 to a total of 12 years in the legislature, in any combination between Michigan House and Senate.

Benefit provisions of the post-employment healthcare plan are established by State statute, which may be amended. Public Act 261 of 1957, as amended, establishes eligibility and benefit provisions for the health plan. Eligible members may receive health, prescription, hearing, dental, and vision coverage.

Regular Retirement

A member may retire and receive retirement benefits based on age and service after: (1) attaining age 50, if age and years of credited service combined are equal to or greater than 70; or (2) attaining age 55 with 5 or more years of credited service if elected, qualified, and seated not less than (a) 3 full or partial terms in the House of Representatives, (b) 2 full or partial terms in the Senate, or (c) 1 term in the House of Representatives and 1 term in the Senate. Within 30 days after becoming 55 years of age, a deferred vested member may elect to defer receipt of the retirement allowance to which the member is entitled, not to exceed 70-1/2 years of age.

A member's retirement benefit is computed using a benefit formula prescribed by the enabling statute and described below. The benefit is paid on a monthly basis.

For those legislators who first became members on or before January 1, 1995, the retirement benefit is calculated by multiplying 20% of the highest salary earned for the first 5 years of service, plus 4% of highest salary for each of the next 11 years of service, plus 1% of the highest salary for each additional year.

FINANCIAL SECTION

Notes to Basic Financial Statements (Continued)

BENEFIT PROVISIONS (continued)

For those legislators who first became members after January 1, 1995, the retirement benefit is calculated by multiplying 3% of the highest salary for each year of service.

Post Retirement Benefit Adjustment

For those legislators who first became members on or before January 1, 1995, the annual retirement benefit payable to a retiree and/or his/her survivor is increased by 4% compounded annually. The adjustment is effective each January.

For those legislators who first became members after January 1, 1995, the annual retirement benefit payable to a retiree and/or his/her survivor is increased by 4%, but it is not compounded annually. The adjustment is effective each January.

Other Postemployment Benefits

Under Section 50a and 50b of the Legislative Retirement System Act, all retirees and their dependents and survivors receive health, dental, vision, and hearing insurance coverage. The System also provides health, dental, vision, and hearing insurance coverage for deferred vested members who were members on or before January 1, 1995, and for their survivors and dependents. In addition, in accordance with state law, the System provides health insurance coverage to eligible former legislators (and their dependents) who meet certain vesting requirements established by statute and who belong to the State's Defined Contribution Plan. Member enrollment to the System's health plan is voluntary. The System pays for health, dental, vision, and hearing benefits on a modified pay-as-you-go basis; however, the State has begun to advance fund for future System health insurance costs. Public Act 200 of 2011 amended the System's enabling statute and closed the OPEB Plan. All qualified participants must have completed six (6) years of service before January 1, 2013 to qualify for health insurance in the System.

Life Insurance Benefits

Deferred vested members are covered by varying amounts of life insurance, ranging from \$5,000 to \$150,000, depending on the member's date of deferral and, in some instances, the payment of an annual premium. Retirees are covered by varying amounts of life insurance, ranging from \$2,500 to \$75,000, depending on their retirement dates and, in some instances, the payment of an annual premium. The System prefunds life insurance benefits using the entry age actuarial cost method. The life insurance plan and the pension plan use the same actuarial assumptions, which are stated in the actuarial section.

Disability Benefit

A member or deferred vested member who becomes disabled as determined by at least (2) licensed physicians appointed by the board of trustees is eligible for a disability benefit computed in the same manner described under Regular Retirement.

Survivor Benefit

Upon the death of a vested member or deferred vested member who meets the service, but not the age requirements, for regular retirement (see Regular Retirement), or upon the death of a retiree, a surviving spouse shall be entitled to a benefit equal to 66 2/3% of the benefit the member would have received or was receiving at the time of death. Special provisions apply to surviving minor children and surviving spouses with minor children.

Refunds

A member who leaves legislative service may request a refund of his/her contributions from the Members' Saving Fund. A member who receives a refund of contributions forfeits all rights to any future System benefits. Members who return to legislative service and who previously received a refund of their contributions may reinstate their service through repayment of the refund plus interest in accordance with the statute.

FINANCIAL SECTION

Notes to Basic Financial Statements (Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting and Presentation

The System's financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting, as provided by generally accepted accounting principles for governments. Contributions are recognized as revenue when due, pursuant to formal commitments, as well as statutory requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Contributions and Reserves

The Legislative Retirement System Act provides for several "reserves" or "funds." These funds and the contributions and other monies allocated to them are described below.

Members' Savings Fund (MSF) — A member who first becomes a member on or before January 1, 1995, with less than 20 years of experience, contributed approximately 7% of salary to MSF. A member who first becomes a member after January 1, 1995, contributed approximately 5% of salary to MSF. Beginning January 1, 1999, there were no member contributions allocated to MSF except for approximately 4% of salary for the period beginning on January 1, 1999 and ending on December 31, 2000, for members who first becomes a member after December 1, 1994 and on or before January 1, 1995, in accordance with legislation. Eligible members may make other contributions to the MSF to purchase special service credit or to repay previously refunded contributions. MSF represents active member contributions (and interest credited from the Income Fund) less amounts transferred to reserves for retirement and amounts refunded to terminated members. At September 30, 2025, the balance in this account was \$0.

Members' Retirement Fund (MRF) — The MRF represents the reserves for payment of retirement benefits. At retirement a member's accumulated contributions (with interest) are transferred to the MRF (from the MSF). Interest is credited to the MRF (from the Income Fund), and monthly allowances are debited. At each fiscal year end an actuarial valuation determines the 100% funding requirements for the MRF. Any amounts required to 100% fund the MRF are transferred in the next fiscal year. At September 30, 2025, the balance in this account was \$(46.8) million.

Survivors' Retirement Fund (SRF) — On and before January 1, 1999, all members with less than 20 years of service contributed 1/2% of salary to the SRF. After January 1, 1999, there are no member contributions allocated to the SRF. Interest is credited annually to the SRF (from the Income Fund), and member savings are transferred to the SRF from the MSF upon the death of a vested member, and additional state contributions may be made in order to make the SRF 100% funded. Survivors' monthly retirement allowances are paid from this fund upon the death of vested members, deferred vested members, and retirants. At September 30, 2025, the balance in this account was \$90.5 million.

Insurance Revolving Fund (IRF) — On and before January 1, 1999, all members contributed 1/2% of salary to the Insurance Revolving Fund. After January 1, 1999, there are no member contributions allocated to the IRF. State contributions (if any), member premiums, and interest from the Income Fund are credited to this fund. Life insurance benefits are paid from the IRF to beneficiaries of members, retirants, and deferred vested members. At September 30, 2025, the balance in this account was \$40.1 million.

Health Insurance Fund (HIF) — On and before January 1, 1999, all members contributed 1% of salary to this fund. After January 1, 1999, member contributions are made as follows: (1) members who first became members on or before January 1, 1995, contribute 9% to the HIF; (2) members who first became members after January 1, 1995, contribute 7% to the HIF. This fund is also credited with employer contributions, court fees, other governmental contributions and interest income. Funds from this reserve are used to pay health care expenses and are accumulated to fully fund the future health insurance liabilities for the System. At September 30, 2025, the balance in this account was \$45.2 million.

FINANCIAL SECTION

Notes to Basic Financial Statements (Continued)

Contributions and Reserves (continued)

In July, 2011, the Michigan Legislature passed, and Governor Rick Snyder signed, a new law that provides for the use of the health insurance reserve funds to pay for the current costs associated with the retiree health insurance plan. Before the passage of the new law, Public Act 99 of 2011, the System statute prohibited the use of certain prefunding dollars maintained in the health insurance reserve, and their investment income, until the retiree health insurance (OPEB) liabilities in the System became 100% funded. Public Act 99 of 2011 removed the 100%-funding requirement, and thus allows for the immediate use of the funds for health insurance costs of the System. The System added \$2.7 million to the reserve after paying health costs for fiscal year ending September 30, 2025.

Income Fund (IF) — The IF is credited with all investment earnings and other miscellaneous income. Interest transfers are made annually to the other reserves, based on beginning balance. This fund also accounts for investment and administrative expenses and interest on refunds and transfers.

Fair Value of Investments

System investments are presented at fair value, consistent with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*, as amended. Short-term, highly liquid debt instruments, including commercial paper, are reported at amortized cost. Additional disclosures describing investments are provided in Note 6.

Reporting Entity

The System is a fiduciary component unit of the State of Michigan and its financial statements are included as a pension and other employee benefit trust fund in the State of Michigan Annual Comprehensive Financial Report. As such, the System is considered part of the State and is included in the State's Annual Comprehensive Financial Report as a pension and OPEB trust fund. The System and the System's Board of Trustees are not financially accountable for any other entities. Accordingly, the System is the only entity included in this financial report.

Investment Income

Dividend income is recognized on the ex-dividend date, and interest income is recognized on the accrual basis as earned. Fair value changes are recorded as investment income or loss. Purchases and sales of investments are recorded as of the trade date.

Cost of Administering the System

The System shall pay the expenses for the administration of the System, exclusive of amounts payable as retirement allowances and other benefits provided in this act, from the income fund.

Related Party Transactions

The cash account includes \$1.5 million on September 30, 2025, which represents funds deposited in a common cash investment pool maintained for various State operating funds. The participating funds in the common cash pool earn interest at various rates depending upon prevailing short-term interest rates. Earnings from these activities amounted to \$78.0 thousand for the year ended September 30, 2025.

Excess Benefits

Internal Revenue Service (IRS) Code Section 415 requires that, for individuals who receive retirement benefits in excess of established limits, these benefits should be recorded and reported outside of the pension fund in order to keep the qualified status of the plan. This includes coordination of benefits issued where a retiree participates in more than one qualified plan. The System provided excess benefits to seven (7) retirees, for a total amount of \$296.2 thousand as of September 30, 2025.

FINANCIAL SECTION

Notes to Basic Financial Statements (Continued)

NOTE 3 - CONTRIBUTIONS

Member Contributions

On or before January 1, 1999, the following contributions were made by members of the System:

Members who first became members on or before January 1, 1995, contributed 9% of their salaries to the System. The contributions were placed in the following reserves created by the enabling statute: 7% to the Members' Savings Fund for the first 20 years of service; 0.5% to the Insurance Revolving Fund; 0.5% to the Survivors' Retirement Fund for the first 20 years of service; and 1% to the Health Insurance Fund.

Members who first became members on or after January 1, 1995, contributed 7% of their salaries to the System. The contributions were placed in the following reserves created by the enabling statute: 5% to the Members' Savings Fund; 0.5% to the Insurance Revolving Fund; 0.5% to the Survivors' Retirement Fund; and 1% to the Health Insurance Fund.

After January 1, 1999, the following contributions are made by the members of the System:

Members who first became members after December 1, 1994, contribute 9% of their salaries to the System. The contributions are placed in accordance with enabling statute to Health Insurance Fund.

Members who first became members after December 1, 1994 and on or before January 1, 1995, contributed 13% of their salaries to the System. The contributions were placed in the following reserves in accordance with the enabling statute: 9% to the Health Insurance Fund and 4% to the Members' Savings Fund until December 31, 2000. After December 31, 2000, these members contribute 9% of their salaries to the System. The contributions are placed in accordance with enabling statute to Health Insurance Fund.

Members who first became members after January 1, 1995, contribute 7% of their salaries to the System. The contributions are placed in the following reserve in accordance with the enabling statute: 7% to the Health Insurance Fund.

Member contributions are tax-deferred through the provisions of section 414(h)(2) of the Internal Revenue Code.

State Contributions

State contributions are made on the basis of actuarial requirements as determined by the System actuary and approved by the Board of Trustees. Through the annual state budgetary process, the Legislature annually appropriates, and the Governor approves, the State contributions along with certain court fee revenues, which are paid to the System pursuant to state statute.

Pension plan State contributions are determined based on an actuarially determined contributions. Actual employer contributions for pension plan benefits were \$0 for fiscal year 2025.

OPEB plan State contributions are determined based on an actuarially determined contributions. Actual employer contributions for OPEB were \$4.8 million for fiscal year 2025.

FINANCIAL SECTION

Notes to Basic Financial Statements (Continued)

NOTE 4 – NET PENSION LIABILITY

Measurement of the Net Pension Liability

The net pension liability is to be measured as the total pension liability, less the amount of the pension plan's fiduciary net position. In actuarial terms, this will be the accrued liability less the fair value of assets (not the smoothed actuarial value of assets that is often encountered in actuarial valuations performed to determine the employer's contribution requirement)

Net Pension Liability		
Total Pension Liability	\$ 206,192,964	
Plan Fiduciary Net Position	83,808,623	
Net Pension Liability	<u>\$ 122,384,341</u>	
Plan Fiduciary Net Position as a Percentage of Total Pension Liability		
	40.65%	
Net Pension Liability as a Percentage of Covered Payroll		
Total Covered Payroll	N/A	
	\$ -	

Long-Term Expected Return on Pension Plan Assets

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges 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 by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2025, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Large Cap Equity	27.5 %	3.3 %
Small Cap Equity	9.0	4.3
International Equity	16.5	4.2
Emerging Markets	6.0	4.5
Fixed Income	23.0	2.3
Hedge Fund	10.0	3.1
Real Assets	7.0	4.1
Cash	1.0	1.0
Total	<u>100.0 %</u>	

*Real rate of return is based on investment manager inflation assumption of 2.50%.

FINANCIAL SECTION

Notes to Basic Financial Statements (Continued)

Pension Plan Rate of Return

For the year ended September 30, 2025, the annual money-weighted rate of return on pension plan investments, net pension plan investment expense, was 11.16%. The money weighted rate of return expresses investment performances, net of investment expense, adjusted for the changing amounts actually invested.

Pension Plan Discount Rate

The single discount rate used to measure the total pension liability increased to 5.17%, compared to the prior year's 4.20%. This single discount rate was based on an expected rate of return on pension plan investments of 7.0% and a municipal bond rate of 4.90% (based on the weekly rate closest to but not later than the measurement date, of The Bond Buyer "20-Bond GO Index"). The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contributions rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2031. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2031, and the municipal bond rate was applied to all benefit payments after that date.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

As required by GASB Statement No. 67, *Financial Reporting for Pension Plans*, as amended, the following presents the plan's net pension liability, calculated using a single discount rate of 5.17%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher:

	Current Single Discount		
	1% Decrease	Rate Assumption	1% Increase
Net Pension Liability/(Asset)	4.17%	5.17%	6.17%
	\$143,805,577	\$122,384,341	\$104,274,251

Timing of the Valuation

An actuarial valuation to determine the total pension liability is required to be performed at least every two years. If the actuarial valuation is not calculated as of the plan's fiscal year end, the total pension liability is required to be rolled forward from the actuarial valuation date to the pension plan's fiscal year end. The total pension liability as of September 30, 2025, is based on the results of an actuarial valuation performed as of September 30, 2024 and rolled forward using generally accepted actuarial procedures.

FINANCIAL SECTION

Notes to Basic Financial Statements (Continued)

Actuarial Valuations and Assumptions

Actuarial valuations for pension plans involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment and mortality. Amounts determined regarding the net pension liability of the plan and the rate of return are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Summary of Actuarial Assumptions

Methods and assumptions used to determine Net Pension Liability as of September 30, 2025:

Valuation Date	September 30, 2024
Actuarial Cost Method	Entry-Age Normal
Asset Valuation Method	Fair Value
Wage Inflation	4.00%
Salary Increases	4.00%
Investment Rate of Return	5.17% Single Discount Rate
Cost-of-living Adjustments	4% Annual Compounded (non-compounded for legislators who first became members after 1/1/95).
Retirement Age	Age-based table of rates with 100% probability of retirement once a member is subject to term limits.
Mortality	The Pub-2010 Amount Weighted, General, Healthy Retiree, Male and Female tables, with future mortality improvements using the fully generational MP-2021 projection scale from a base year of 2010.

Note: Actuarial assumptions are periodically reviewed and modified, if needed, upon the recommendation of the actuary, and with approval of the board.

FINANCIAL SECTION

Notes to Basic Financial Statements (Continued)

NOTE 5 – NET OTHER POSTEMPLOYMENT BENEFIT LIABILITY

Measurement of the Net OPEB Liability

The net OPEB liability is to be measured as the total OPEB liability, less the amount of the OPEB plan's fiduciary net position. In actuarial terms, this will be the accrued liability less the fair value of assets (not the smoothed actuarial value of assets that is often encountered in the actuarial valuations performed to determine the employer's contribution requirement). The net OPEB liability should be measured as of the OPEB plan's most recent fiscal year end.

Net OPEB Liability

Total OPEB Liability	\$ 97,159,793
Plan Fiduciary Net Position	<u>45,195,535</u>
Net OPEB Liability	<u><u>\$ 51,964,258</u></u>
Plan Fiduciary Net Position as a Percentage	
of Total OPEB Liability	46.52%

Long-Term Expected Return on OPEB Plan Assets

The long-term expected rate of return on OPEB plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB investment expense and inflation) are developed for each major asset class. These ranges 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 by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of September 30, 2025, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Large Cap Equity	27.5 %	3.3 %
Small Cap Equity	9.0	4.3
International Equity	16.5	4.2
Emerging Markets	6.0	4.5
Fixed Income	23.0	2.3
Hedge Fund	10.0	3.1
Real Assets	7.0	4.1
Cash	1.0	1.0
Total	<u>100.0 %</u>	

*The arithmetic rates of return were provided by the System's investment consultant along with a 2.50% price inflation assumption.

FINANCIAL SECTION

Notes to Basic Financial Statements (Continued)

OPEB Plan Rate of Return

For the year ended September 30, 2025, the annual money-weighted rate of return on OPEB plan investments, net OPEB plan investment expense, was 8.48%. The money weighted rate of return expresses investment performances, net of investment expense, adjusted for the changing amounts actually invested.

OPEB Plan Discount Rate

The single discount rate of 7.0% was used to measure the total OPEB liability, compared to the prior year's 7.0%. This single discount rate was based on an expected rate of return on OPEB plan investments of 7.0%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to actuarially determined contributions rate. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

As required by GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, as amended, the following presents the plan's net OPEB liability, calculated using a single discount rate of 7.00%, as well as what the plan's net OPEB liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher:

	Current Single Discount		
	1% Decrease 6.00%	Rate Assumption 7.00%	1% Increase 8.00%
Net OPEB Liability/(Asset)	\$62,333,269	\$51,964,258	\$43,234,959

Sensitivity of the Net OPEB Liability to the Healthcare Cost Trend Rate

Regarding the sensitivity of the net OPEB liability to changes in the healthcare cost trend rates, the following presents the plan's net OPEB liability, calculated using the assumed trend rates as well as what the plan's net OPEB liability would be if it were calculated using a trend rate that is one percent lower or one percent higher:

	Current Healthcare Cost Trend Rate Assumption		
	1% Decrease (5.5% decreasing to 2.5%)	6.5% decreasing to 3.5%)	1% Increase (7.5% decreasing to 4.5%)
Net OPEB Liability/(Asset)	\$42,557,034	\$51,964,258	\$62,994,856

Timing of the Valuation

An actuarial valuation to determine the total OPEB liability is required to be performed at least every two years. If the actuarial valuation is not calculated as of the plan's fiscal year end, the total OPEB liability is required to be rolled forward from the actuarial valuation date to the OPEB plan's fiscal year end. The total OPEB liability as of September 30, 2025, is based on the results of an actuarial valuation performed as of September 30, 2024 and rolled forward using generally accepted actuarial procedures.

FINANCIAL SECTION

Notes to Basic Financial Statements (Continued)

Actuarial Valuations and Assumptions

Actuarial valuations OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the net OPEB liability of the plan and the rate of return are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Summary of Actuarial Assumptions

Methods and assumptions used to determine Net OPEB Liability as of September 30, 2025:

Valuation Date	September 30, 2024
Actuarial Cost Method	Entry-Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions:	
Wage Inflation	4.00%
Investment Rate of Return	7.0% Single Discount Rate
Retirement Age	Age-based table of rates with 100% probability of retirement once a member is subject to term limits.
Mortality	The Pub-2010 Amount Weighted, General, Healthy Retiree, Disabled Retiree, Male and Female tables, with future mortality improvements using the fully generational MP-2021 projection scale from a base year of 2010.
Healthcare Cost Trend Rate	Pre-65: 7.25% trend, gradually decreasing to 3.50% in 15 years. Post-65: 6.5% trend, gradually decreasing to 3.50% in 15 years.
Aging factors	Based on the 2013 SOA Study "Health Care Costs – From Birth to Death".

Note: Actuarial assumptions are periodically reviewed and modified, if needed, upon the recommendation of the actuary, and with approval of the board.

FINANCIAL SECTION

Notes to Basic Financial Statements (Continued)

NOTE 6 - INVESTMENTS

Investment Authority

All investments made are subject to approval by the Board of Trustees, which has investment authority under Public Act 261 of 1957. Investments made are subject to statutory regulations imposed under the Michigan Public Employee Retirement System Investment Act, Public Act 314 of 1965, as amended. The Public Employee Retirement System Investment Act authorizes, with certain restrictions, the investment of pension fund assets in stocks, corporate and governmental bonds and notes, mortgages, real estate, and certain short-term and alternative investments. The System also contracts with independent investment advisors.

Derivative Instruments

State investment statutes limit total derivative instrument exposure to 15% of a fund's total asset value and restricts uses to replication of returns and hedging of assets. The System Investment Policy Statement (IPS) has a target asset allocation of 10% for hedge funds, which may include derivative instruments. The System invests in derivative instruments for investment purposes and not hedging purposes. As of September 30, 2025, total investments in hedge funds were 10.6%. The fair value of the hedge funds at September 30, 2025 was \$13.7 million.

Securities Lending

The System did not participate in any securities lending activities.

Risk

In accordance with GASB statement No. 40, *Deposit and Investment Risk Disclosures*, as amended, investments require certain disclosure regarding policies and the risks associated with them. The credit risk, custodial credit risk, concentration of credit risk, foreign currency risk, and interest rate risk are discussed in the following paragraphs.

Credit risk

Credit risk is the risk that an issuer will not fulfill its obligations. The System has a policy to maintain an overall weighted average of "Aa" or better by Moody's Investors Service and "AA" or better by Standard & Poor's for active management of fixed income securities. Mutual fund fixed income investments are not subject to this constraint; they are governed by the terms of their prospectuses. GASB Statement No. 40 states that governments should disclose the credit quality ratings of external investment pools, money market funds, bond mutual funds and other pooled investments of fixed income securities in which they invest.

Debt Securities As of September 30, 2025

Investment Type	Fair Value	Ratings	
		S & P	Moody's
Mutual Funds**	\$ 14,170,355	A	A
	\$ 14,333,567	NR	NR
<u>\$ 28,503,921</u>			

**** Average Rating**

FINANCIAL SECTION

Notes to Basic Financial Statements (Continued)

Custodial credit risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the System's deposits may not be recovered. Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are: a.) Uncollateralized, b.) Collateralized with securities held by the pledging financial institution, or c.) Collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor-government's name.

The Board does not have a policy for custodial credit risk. However, the State's custodial bank had a credit rating of A at September 30, 2025. As of September 30, 2025, no securities were exposed to custodial credit risk. Additional details on custodial credit risk and the common cash pool policies are described in the State of Michigan Annual Comprehensive Financial Report.

Custodial credit risk associated with investments

In accordance with GASB Statement No. 40, investments also require certain disclosures regarding policies and procedures with respect to the risks associated with them. The custodial credit risk for investments is the risk that, in the event of a failure of the counterparty, the System will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government and are held by either: a.) the counterparty, or b.) the counterparty's trust department or agent but are not in the government's name. The State Treasurer does not have an investment policy for managing custodial credit risk. At September 30, 2025, the System's investments were not exposed to custodial credit risk.

Concentration of credit risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

System is prohibited by Public Act 314 of 1965, as amended, from investing in more than 5% of the outstanding stock or obligations of any one issuer or investing more than 5% of its assets in the stock or obligations of any one issuer.

At September 30, 2025, there were no investments in any one issuer that accounted for more than 5% of System's assets nor were there any investments totaling more than 5% of the stock or obligations of any one issuer.

Foreign currency risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of deposits. Public Act 35 of 1997 requires State deposits be held in a financial institution which maintains a principal office or branch office located in the State of Michigan. The System had no common cash deposits subject to foreign currency risk at September 30, 2025.

FINANCIAL SECTION

Notes to Basic Financial Statements (Continued)

Foreign currency risk associated with investments

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of investments. The System invests in various global investments (including, but not limited to, equities, fixed income, and mutual funds), which are subject to various limitations in accordance with the System's Investment Policy Statement (IPS), which incorporates the provisions of the Public Employee Retirement System Investment Act, or Public Act 314 of 1965, as amended.

Investments in countries that have been identified by the United States Department of State as engaging in or sponsoring terrorism are prohibited. New, and existing investments in any such newly-identified country, shall be quickly divested in accordance with the law.

According to GASB Statement No. 40, a foreign investment is an investment denominated in a foreign currency. At September 30, 2025, the System held no investments denominated in foreign currency, therefore did not hold any investments subject to foreign currency risk.

Interest rate risk associated with investments

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The System has a 23% target allocation of fixed income securities, which are affected by interest rates because they are a debt investment. At September 30, 2025, the fair value was \$28.5 million, with the investment activity for the year producing a total rate of return of 3.5%, and a rate of return since inception of 2.6%. The projected duration is 5.79 years. The System does not have a policy for controlling interest rate risk.

FINANCIAL SECTION

Notes to Basic Financial Statements (Continued)

Fair Value Measurements

The MLRS categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Not all investments held by the MLRS are recorded at fair value. GASB Statement No. 72 allows for certain investments to be recorded at cost (or amortized cost or any other valuation method), and therefore, they are not presented in the fair value hierarchy table. Equity and fixed income securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Equity swaps and fixed income securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique and other significant observable inputs. Equity and fixed income securities classified as Level 3 of the fair value hierarchy are valued using a third party data and reports that are unobservable. Securities reported at Net Asset Value (NAV) are valued using the most recent third party statement adjusted for cash flows as of September 30, 2025. Investments that are measured at fair value using the NAV per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The MLRS' assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

Investment by Fair Value Level

As of September 30, 2025

	Level 1
Total Cash and Cash Equivalents	\$ -
Equity	
Depository Receipts	-
Common Stocks	-
Real Estate Investment Trusts	-
Commingled Funds, ETF's	<u>75,859,524</u>
Total Equity	<u>75,859,524</u>
Fixed Income	
Commingled Funds and ETF's	<u>37,876,695</u>
Total Fixed Income	<u>37,876,695</u>
Total Investment by fair value level	<u>\$ 113,736,219</u>
 Investments measured at the net asset value (NAV)	
Private Equity	<u>13,722,325</u>
Total Investments measured at NAV	<u>13,722,325</u>
Total Investments measured at fair value	<u>\$ 127,458,544</u>

Additional disclosures needed for fair value measurements of investments in certain entities that calculate the Net Asset Value per share (or its equivalent):

Alternative Investments

Total investments measured at the NAV: \$13,722,325
Unfunded commitments: \$0

There is one investment reported at NAV:

- The one investment is a hedge fund that requires 95 days' notice for redemption; generally redemptions are only allowed semi-annually. A full redemption would require withholding 5% of the NAV retained until all costs are settled.

FINANCIAL SECTION

Required Supplementary Information

Schedule of Changes in Net Pension Liability

Fiscal years ending September 30,	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Total pension liability					
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -
Interest on the total pension liability	9,428,047	10,210,661	10,182,343	8,391,799	8,579,719
Benefit changes	-	-	-	-	-
Difference between expected and actual experience					
of the total pension liability	522,896	1,990,234	982,210	(2,685,543)	(1,676,726)
Assumption changes	(20,722,828)	19,253,584	(4,222,695)	(43,544,046)	(1,010,884)
Benefit payments and refunds	(15,024,902)	(14,842,310)	(14,583,775)	(14,502,619)	(14,594,667)
Net changes in total pension liability	(25,796,787)	16,612,169	(7,641,917)	(52,340,409)	(8,702,558)
Total pension liability - beginning	231,989,751	215,377,582	223,019,499	275,359,908	284,062,466
Total pension liability - ending (a)	<u>\$ 206,192,964</u>	<u>\$ 231,989,751</u>	<u>\$ 215,377,582</u>	<u>\$ 223,019,499</u>	<u>\$ 275,359,908</u>
Plan fiduciary net position					
Employer contributions	\$ -	\$ 900,000	\$ -	\$ -	\$ -
Employee contributions	738	1,520	1,394	1,284	1,213
Pension plan net investment income	9,579,797	19,119,424	12,034,940	(21,847,682)	25,587,919
Benefit payments and refunds	(15,024,902)	(14,842,310)	(14,583,775)	(14,502,619)	(14,594,667)
Pension plan administrative expense	(328,872)	(360,992)	(373,623)	(384,393)	(384,369)
Other	-	-	-	(71,857)	-
Net change in plan fiduciary net position	(5,773,239)	4,817,642	(2,921,064)	(36,805,267)	10,610,096
Plan fiduciary net position - beginning	89,581,862	84,764,220	87,685,284	124,490,551	113,880,455
Plan fiduciary net position - ending (b)	<u>\$ 83,808,623</u>	<u>\$ 89,581,862</u>	<u>\$ 84,764,220</u>	<u>\$ 87,685,284</u>	<u>\$ 124,490,551</u>
Net pension liability - (a) - (b)	122,384,341	142,407,889	130,613,362	135,334,215	150,869,357
Plan fiduciary net position as a percentage					
of total pension liability	40.65%	38.61%	39.36%	39.32%	45.21%
Covered payroll	\$ -				
Net pension liability as a percentage					
of covered payroll	N/A	N/A	N/A	N/A	N/A

FINANCIAL SECTION

Required Supplementary Information (Continued)

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$ -	\$ 38,955	\$ 77,125	\$ 85,889	\$ 73,996
9,614,058	11,050,515	10,555,045	10,213,286	11,025,152
-	-	-	-	-
1,780,292	479,528	66,388	(1,617,292)	1,899,056
19,452,109	30,744,212	(3,054,941)	(13,496,599)	18,936,985
<u>(14,655,163)</u>	<u>(14,129,965)</u>	<u>(14,521,128)</u>	<u>(14,282,224)</u>	<u>(13,919,312)</u>
16,191,296	28,183,245	(6,877,511)	(19,096,940)	18,015,877
<hr/> <u>267,871,170</u>	<u>239,687,925</u>	<u>246,565,436</u>	<u>265,662,376</u>	<u>247,646,499</u>
<hr/> <u>\$284,062,466</u>	<u>\$267,871,170</u>	<u>\$239,687,925</u>	<u>\$246,565,436</u>	<u>\$265,662,376</u>
\$ -	\$ 8,063,327	\$ -	\$ -	\$ -
1,123	2,445	998	3,895	3,648
6,635,565	3,319,925	8,629,843	15,840,766	11,324,783
<u>(14,655,163)</u>	<u>(14,129,965)</u>	<u>(14,521,128)</u>	<u>(14,282,224)</u>	<u>(13,919,312)</u>
(406,665)	(405,319)	(398,871)	(391,937)	(405,381)
<hr/> 6,733	<hr/> -	<hr/> -	<hr/> 6,649	<hr/> -
(8,418,407)	(3,149,587)	(6,289,158)	1,177,149	(2,996,262)
<hr/> 122,298,862	<hr/> 125,448,449	<hr/> 131,737,607	<hr/> 130,560,458	<hr/> 133,556,720
<hr/> <u>\$113,880,455</u>	<u>\$122,298,862</u>	<u>\$125,448,449</u>	<u>\$131,737,607</u>	<u>\$130,560,458</u>
170,182,011	145,572,308	114,239,476	114,827,829	135,101,918
40.09%	45.66%	52.34%	53.43%	49.15%
\$ -	\$ 71,685	\$ 71,685	\$ 71,685	\$ 71,685
N/A	203,072.20%	159,363.15%	160,183.90%	188,466.09%

FINANCIAL SECTION

Required Supplementary Information (Continued)

Schedule of Changes in Net OPEB Liability

Fiscal years ending September 30,	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Total OPEB liability					
Service cost	\$ 37,894	\$ 32,992	\$ 24,073	\$ 24,231	\$ 154,723
Interest on the total OPEB liability	6,525,036	5,191,152	5,705,509	6,423,404	5,468,170
Changes in benefit terms	-	-	-	-	-
Difference between expected and actual experience	(1,074,356)	13,265,272	(9,058,199)	(12,927,950)	(7,428,519)
Changes of assumptions	1,649,119	6,545,762	1,360,180	1,504,214	(41,686,334)
Benefit payments, including refunds of employee contributions	(6,347,503)	(5,616,781)	(5,151,187)	(5,407,735)	(5,816,447)
Net changes in total OPEB liability	790,190	19,418,397	(7,119,624)	(10,383,836)	(49,308,407)
Total OPEB liability - beginning	96,369,603	76,951,206	84,070,830	94,454,666	143,763,073
Total OPEB liability - ending (a)	\$ 97,159,793	\$ 96,369,603	\$ 76,951,206	\$ 84,070,830	\$ 94,454,666
Plan fiduciary net position					
Employer contributions	\$ 5,434,664	\$ 5,143,988	\$ 4,933,173	\$ 4,660,761	\$ 4,611,638
Employee contributions	-	-	-	-	-
OPEB plan net investment income	3,266,828	6,315,348	3,770,339	(6,759,034)	7,021,482
Benefit payments, including refunds of employee contributions	(6,347,503)	(5,616,781)	(5,151,187)	(5,407,735)	(5,816,447)
OPEB plan administrative expense	(156,073)	(154,261)	(135,657)	(118,198)	(105,785)
Other	484,803	602,593	967,976	1,181,694	1,200,350
Net change in plan fiduciary net position	2,682,719	6,290,887	4,384,644	(6,442,512)	6,911,238
Plan fiduciary net position - beginning	42,512,816	36,221,929	31,837,285	38,279,797	31,368,559
Plan fiduciary net position - ending (b)	\$ 45,195,535	\$ 42,512,816	\$ 36,221,929	\$ 31,837,285	\$ 38,279,797
Net OPEB liability - (a) - (b)	\$ 51,964,258	\$ 53,856,787	\$ 40,729,277	\$ 52,233,545	\$ 56,174,869
Plan fiduciary net position as a percentage of total OPEB liability	46.52%	44.11%	47.07%	37.87%	40.53%

Note: Contributions to the OPEB plan are not based on a measure of pay. Therefore, in accordance with GASB Statement No. 85, *Omnibus 2017*, as amended covered payroll is not presented in this schedule.

FINANCIAL SECTION

Required Supplementary Information (Continued)

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
\$ 154,932	\$ 1,147,517	\$ 1,482,175	\$ 797,000
6,446,545	7,517,765	7,076,802	8,463,585
-	-	-	-
(26,458,278)	(25,628,961)	3,291,754	18,099
(393,431)	4,385,679	(9,407,229)	66,226,054
<u>(5,836,338)</u>	<u>(6,163,773)</u>	<u>(6,695,207)</u>	<u>(6,342,947)</u>
(26,086,570)	(18,741,773)	(4,251,705)	69,161,791
<u>169,849,643</u>	<u>188,591,416</u>	<u>192,843,121</u>	<u>123,681,330</u>
<u><u>\$ 143,763,073</u></u>	<u><u>\$ 169,849,643</u></u>	<u><u>\$ 188,591,416</u></u>	<u><u>\$ 192,843,121</u></u>
\$ 4,637,799	\$ 9,091,371	\$ 4,657,040	\$ 4,571,636
-	1,737	6,452	6,452
1,581,923	625,677	1,573,478	2,754,692
(5,836,338)	(6,163,773)	(6,695,207)	(6,342,947)
(99,031)	(80,542)	(74,201)	(68,871)
<u>1,302,035</u>	<u>1,379,333</u>	<u>953,927</u>	<u>643,981</u>
<u>1,586,388</u>	<u>4,853,803</u>	<u>421,489</u>	<u>1,564,943</u>
<u>29,782,171</u>	<u>24,928,368</u>	<u>24,506,879</u>	<u>22,941,936</u>
<u><u>\$ 31,368,559</u></u>	<u><u>\$ 29,782,171</u></u>	<u><u>\$ 24,928,368</u></u>	<u><u>\$ 24,506,879</u></u>
<u><u>\$ 112,394,514</u></u>	<u><u>\$ 140,067,472</u></u>	<u><u>\$ 163,663,048</u></u>	<u><u>\$ 168,336,242</u></u>
21.82%	17.53%	13.22%	12.71%

FINANCIAL SECTION

Required Supplementary Information (Continued)

Schedules of Contributions

Pension Benefits

Fiscal Year Ended Sept. 30	Actuarially Determined Contribution	Actual Employer Contributions	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2016	\$8,063,327	\$ -	\$8,063,327	\$71,685	0.0 %
2017	7,878,170	-	7,878,170	71,685	0.0
2018	8,236,583	-	8,236,583	71,685	0.0
2019	9,348,433	8,063,327	1,285,106	17,921	N/A ⁽¹⁾
2020	9,291,507	-	9,291,507	-	N/A
2021	9,556,222	-	9,556,222	-	N/A
2022	9,373,970	-	9,373,970	-	N/A
2023	10,618,509	-	10,618,509	-	N/A
2024	12,248,151	900,000	11,348,151	-	N/A
2025	13,756,199	-	13,756,199	-	N/A

⁽¹⁾ For the 2019 and later valuations, a contribution percentage is not computed because the Retirement System is closed.

Other Postemployment Benefits⁽¹⁾

Fiscal Year Ended Sept. 30	Actuarially Determined Contribution	Actual ⁽²⁾ Employer Contributions	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2016	\$10,464,110	\$4,537,633	\$5,926,477	\$1,661,862	273.0 %
2017	11,336,578	4,571,636	6,764,942	1,661,862	275.1
2018 ⁽³⁾	11,631,582	4,657,040	6,974,542	N/A	N/A
2019	10,172,054	9,091,371	1,080,683	N/A	N/A
2020	7,907,429	4,637,799	3,269,630	N/A	N/A
2021	7,531,715	4,611,638	2,920,077	N/A	N/A
2022	6,065,982	4,660,761	1,405,221	N/A	N/A
2023	5,457,307	4,933,174	524,133	N/A	N/A
2024	7,750,877	5,143,988	2,606,889	N/A	N/A
2025	7,971,551	5,434,664	2,536,887	N/A	N/A

⁽¹⁾ Includes members in both the defined benefit plan and the defined contribution plan.

⁽²⁾ Actual Employer Contributions includes court fees.

⁽³⁾ Beginning FY2018, covered payroll is not disclosed.

FINANCIAL SECTION

Required Supplementary Information (Continued)

Schedules of Investment Returns

Pension Benefits

<u>Fiscal Years Ending September 30,</u>	<u>Annual Return*</u>
2016	8.58 %
2017	12.44
2018	6.58
2019	2.30
2020	5.39
2021	23.45
2022	(18.96)
2023	14.35
2024	23.94
2025	11.16

* Annual money-weighted rate of return, net of investment expenses

Other Postemployment Benefits

<u>Fiscal Years Ending September 30,</u>	<u>Annual Return*</u>
2017	14.87 %
2018	10.34
2019	6.74
2020	8.60
2021	23.72
2022	(15.70)
2023	14.93
2024	18.72
2025	8.48

* Annual money-weighted rate of return, net of investment expenses

FINANCIAL SECTION

Required Supplementary Information (Continued)

NOTE A - DESCRIPTION

Ten-year historical trend information designed to provide information about the System's progress in accumulating sufficient assets to pay benefits when due is presented in the preceding schedules. Other ten-year historical trend information related to the System is presented in the Statistical and Actuarial sections of the report. This information is presented to enable the interested parties to assess the progress made by the System in accumulating sufficient assets to pay pension benefits and other postemployment benefits as they become due. In accordance with GASB Statement No. 67, ten years of historical trend information is provided. Also, in accordance with GASB Statement No. 74, nine years of historical trend information is provided.

The comparability of trend information is affected by changes in actuarial assumptions, benefit provisions, actuarial funding methods, accounting policies, and other changes. Those changes usually affect trends in contribution requirements and in ratios that use the pension benefit and OPEB obligations as a factor. A change in actuarial assumption, beginning with fiscal year ending September 30, 2024, was made to use the Pub-2010 amount-weighted general tables and include a margin for future mortality improvement projected using a fully generational improvement scale.

The Schedule of Contributions is reported as historical trend information. The schedule is presented to show the responsibility of the State in meeting the actuarial requirements to maintain the System on a sound financial basis. The Schedule of Changes in Net Pension Liability, Schedule of Contributions, and Schedule of Investment Returns are schedules that are required in implementing GASB Statement No. 67. The Schedule of Changes in Net OPEB Liability, Schedule of Contributions, and Schedule of Investment Returns are schedules that are required in implementing GASB Statement No. 74. These schedules are required to show information for ten years. Additional years will be displayed as it becomes available. The Schedule of Changes in Net Pension Liability and the Schedule of Changes in Net OPEB Liability represents in actuarial terms, the accrued liability less the fair value of assets. The Schedule of Contributions is a comparison of the employer's contributions to the actuarially determined contributions. The Schedule of Investment Returns represents a money-weighted rate of return that expresses investment performances, net of investment expense, adjusted for the changing amounts actually invested.

FINANCIAL SECTION

Required Supplementary Information (Continued)

The information presented in the Schedule of Contributions was used in the actuarial valuation for the purposes of determining actuarially determined contribution rate. Additional information as of the latest actuarial valuation for the pension plan follows:

Valuation Date: Actuarially determined rates are calculated as of September 30, each year, which is 1 day prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Pension Contribution Rates:

Valuation Date	September 30, 2024
Actuarial Cost Method	Entry-Age Normal
Amortization Method	Level Dollar
Remaining Amortization Period	Multiple periods
Asset Valuation Method	5-Year Smoothed Fair Value
Wage Inflation	4%
Actuarial Assumptions:	
Investment Rate of Return	7%
Projected Salary Increases	4%
Cost-of-living Adjustments	4% Annual Compounded (non-compounded for legislators who first became members after 1/1/95)
Retirement Age	Age-based table of rates with 100% probability of retirement once a member is subject to term limits
Mortality	The Pub-2010 Amount Weighted, General, Healthy Retiree, Male and Female tables, with future mortality improvements using the fully generational MP-2021 projection scale from a base year of 2010.

Methods and Assumptions Used to Determine Other Postemployment Contribution Rates:

Valuation Date	September 30, 2024
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Dollar Closed
Remaining Amortization Period	16 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Actuarial Assumptions:	
Investment Rate of Return	4%
Wage Inflation	4%
Projected Salary Increases	4%
Healthcare Cost Trend Rate	Pre-65: 7.25% trend, gradually decreasing to 3.5% in year 15. Post-65: 6.50% trend, gradually decreasing to 3.5% in year 15.
Retirement Age	Age-based table of rates with 100% probability of retirement once a member is subject to term limits
Mortality	The Pub-2010 Amount Weighted, General, Healthy Retiree, Disabled Retiree, Male and Female tables, with future mortality improvements using the fully generational MP-2021 projection scale from a base year of 2010.
Excise Tax	No load was applied to the health care liabilities of current retirees or future retirees to approximate the cost for future excise tax.
Aging Factors	Based on the 2013 SOA Study "Health Care Costs – From Birth to Death"

Note: Actuarial assumptions are periodically reviewed and modified, if needed, upon the recommendation of the actuary, and with approval of the board.

FINANCIAL SECTION

Supporting Schedules

Summary Schedule of Administrative Expenses For Year Ended September 30, 2025

Personnel services	\$ 329,974
Actuarial services	74,755
Audit	31,900
Attorney & other professional services	215
Postage, telephone and other	<u>48,101</u>
Total Administrative Expenses	\$ <u>484,945</u>

Schedule of Investment Expenses* For Year Ended September 30, 2025

State Treasurer and custody fees	\$ 10,500
Other investment expenses	<u>85,854</u>
Total Investment Expenses	\$ <u>96,354</u>

*Mutual fund management fees are netted against returns earned.

Schedule of Payments to Consultants For Year Ended September 30, 2025

Auditor General	\$ 31,900
Fund Evaluation Group	85,854
Gabriel Roeder	<u>74,755</u>
Total Payments to Consultants	\$ <u>192,509</u>

FINANCIAL SECTION

Supporting Schedules (Continued)

DETAIL OF CHANGES IN PLAN FIDUCIARY NET POSITION (Pension and other Postemployment Benefits)

For Fiscal Year Ended September 30, 2025

	Member	Member	Survivors	Insurance	Health		
	Savings	Retirement	Retirement	Revolving	Insurance	Income	
	Fund	Fund	Fund	Fund	Fund	Fund	Total
ADDITIONS							
Member contributions	\$ -	\$ -	\$ -	\$ 738	\$ -	\$ -	\$ 738
Employer contributions	-	-	-	-	4,818,800	-	4,818,800
Court fees	-	-	-	-	615,864	-	615,864
Other governmental contributions	-	-	-	-	360,294	-	360,294
Total contributions:	-	-	-	738	5,794,957	-	5,795,695
Investment income (loss)							
Net increase (decrease) in fair value of investments	-	-	-	-	1,981,563	6,871,523	8,853,086
Interest, dividends and other	-	-	-	-	1,316,275	2,773,619	4,089,894
Total investment income (loss)	-	-	-	-	3,297,838	9,645,142	12,942,979
Less investment expenses	-	-	-	-	(31,010)	(65,344)	(96,354)
Net investment income (loss)	-	-	-	-	3,266,827	9,579,798	12,846,625
Miscellaneous income	-	-	-	-	124,510	-	124,510
Total additions:	-	-	-	738	9,186,295	9,579,798	18,766,830
DEDUCTIONS							
Benefits & refunds paid to plan members & beneficiaries:							
Retirement benefits	-	11,501,799	3,041,227	-	-	-	14,543,026
Health benefits	-	-	-	-	6,007,475	-	6,007,475
Dental benefits	-	-	-	-	340,028	-	340,028
Death benefits	-	-	-	450,000	-	-	450,000
Refund of contribution & interest	-	-	31,876	-	-	-	31,876
Administrative expenses	-	-	-	-	156,073	328,872	484,945
Total deductions:	-	11,501,799	3,073,104	450,000	6,503,576	328,872	21,857,350
Net increase (decrease) in net position	-	(11,501,799)	(3,073,104)	(449,262)	2,682,719	9,250,925	(3,090,520)
Other changes in net position:							
Interest/loss allocations	583	-	6,454,232	2,796,111	-	(9,250,925)	-
Transfer upon retirements	(15,153)	15,153	-	-	-	-	-
Total other changes in net position	(14,570)	15,153	6,454,232	2,796,111	-	(9,250,925)	-
Net increase (decrease) after changes	(14,570)	(11,486,646)	3,381,128	2,346,848	2,682,719	-	(3,090,520)
Net position restricted for pension benefits and OPEB:							
Beginning of Year:	14,570	(35,283,509)	87,112,019	37,738,782	42,512,816	-	132,094,679
End of Year:	\$ -	\$ (46,770,155)	\$ 90,493,148	\$ 40,085,630	\$ 45,195,535	\$ -	\$ 129,004,158

This page was intentionally left blank.

INVESTMENT SECTION

Michigan Legislative Retirement System

**Annual Comprehensive Financial Report
for the Fiscal Year Ended September 30, 2025**

INVESTMENT SECTION



**Report on Investment Activity
Asset Allocation
Investment Summary
Schedule of Investment Fees**

INVESTMENT SECTION

Report on Investment Activity

INTRODUCTION

The System's Board of Trustees is the investment fiduciary for the System in accordance with the law. Investment decisions, including investment policies and procedures, are subject to statutory regulations imposed by the Michigan Public Employee Retirement System Investment Act, Public Act 314 of 1965, as amended.

As the investment fiduciary for the System, the board's responsibilities include, but are not limited to: (1) establishing an investment policy and asset allocation for the System pension and OPEB funds; (2) prudently selecting investment managers and consultants for the System, and (3) conducting periodic reviews to ensure that its policies are followed and that its investment professionals perform satisfactorily in accordance with established standards and goals.

The State Treasurer for the State of Michigan acts as the custodian for the System funds pursuant to state law, and the board has also contracted with independent investment advisors to assist with investment decisions and to manage the pension and OPEB fund assets.

Fund Evaluation Group (FEG) is the investment advisor for the MLRS Board of Trustees and Director. They monitor all the investments and the performance of the investments for both pension and OPEB funds. The market review is prepared in its entirety by FEG. While the rest of the report on investment activity is prepared by the MLRS Director, using information from FEG.

INVESTMENT OBJECTIVES

The System's primary investment objective is to provide a real rate of return, net of inflation, administrative and investment expenses, sufficient to support the System's ability to meet its obligations to plan participants and beneficiaries without undue exposure to risk. In absolute terms, this return objective should approximate the System's actuarial assumed real rate of return, which is currently 3%. The System seeks to attain investment results over a full market cycle. It does not expect that all investment objectives will be attained in each year and recognizes that over various periods of time the System investment results may produce significant "over" or "under" performance relative to broad markets. For this reason, the board of trustees takes a LONG-TERM perspective and will measure quantitative investment returns over a 5-year moving period. Managers and other parties are also expected to meet qualitative performance objectives (adherence to its investment philosophy and System policies, continuity of firm personnel and practices, etc.) as established by the board.

MARKET REVIEW

Twelve Months Ending September 30, 2025

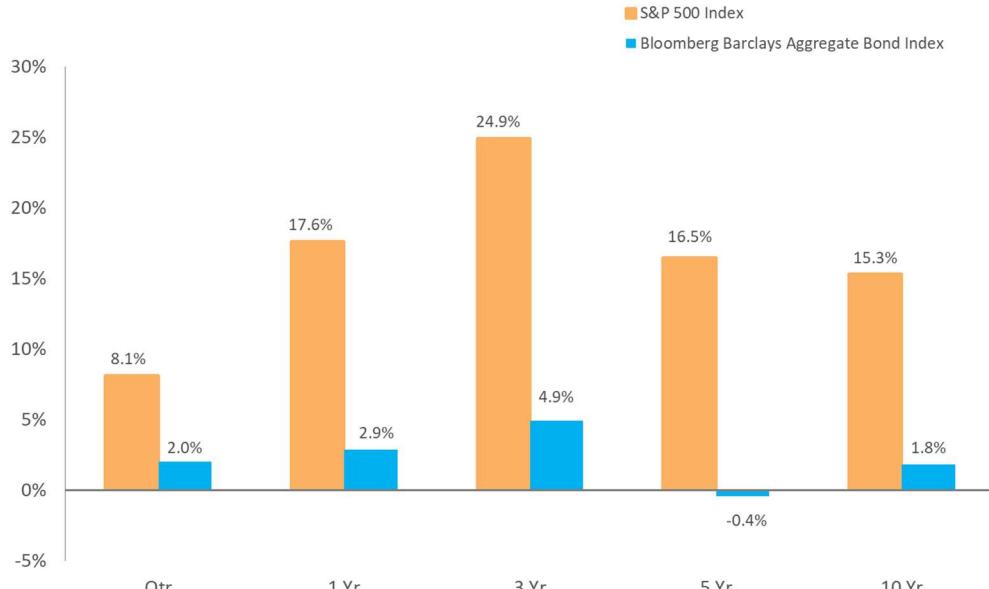
The outcome of the U.S. presidential election introduced a new policy direction that added uncertainty to markets, particularly around trade and fiscal priorities. Midway through the fiscal year, the early April "Liberation Day" announcement, briefly shocked the market participants as investors prepared for the worst. The continued momentum in large cap equity persisted throughout the year as the technology sector and AI (artificial intelligence) expenditures were the main drivers of the fiscal year performance. Bond markets' performance continued to be positive. Geopolitical tensions, trade policy uncertainty, and market volatility prompted investors to shift toward higher-quality bonds. Markets remained strong throughout the fourth fiscal quarter, traditional investments such as equities and fixed income delivered solid returns, while alternative assets including gold and bitcoin also participated in the rally. The strength and breadth of performance made it difficult to identify any meaningful segment of the investible universe that did not benefit from the favorable conditions. Growth stocks outperformed value stocks, while larger companies outperformed smaller companies. U.S. stocks and non-U.S. developed stocks performed in line during the fiscal year. Actively managed equity continued to be a difficult place for relative performance with mixed results from active managers. On an absolute basis large cap U.S. as well as international and emerging markets all led to strong gains in the portfolio. Fixed income, real assets and diversifying strategies all contributed to positive performance.

INVESTMENT SECTION

Report on Investment Activity (Continued)

MARKET REVIEW (continued)

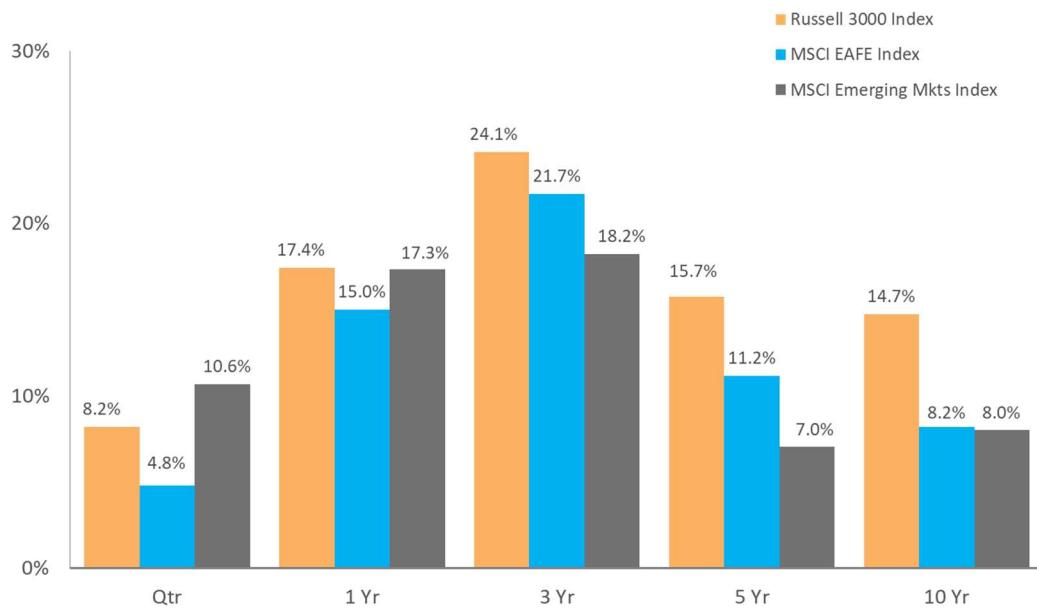
U.S. Stocks vs. Bonds



Data Source: Lipper

Developed international and emerging equity investments produced strong performance over the trailing 12 months. International investments benefited from a weaker U.S. dollar that boosted returns for U.S. investors. Valuations overseas have been significantly cheaper than in the U.S., making non-U.S. stocks relatively more attractive after years of underperformance.

U.S. and Non-U.S. Equities



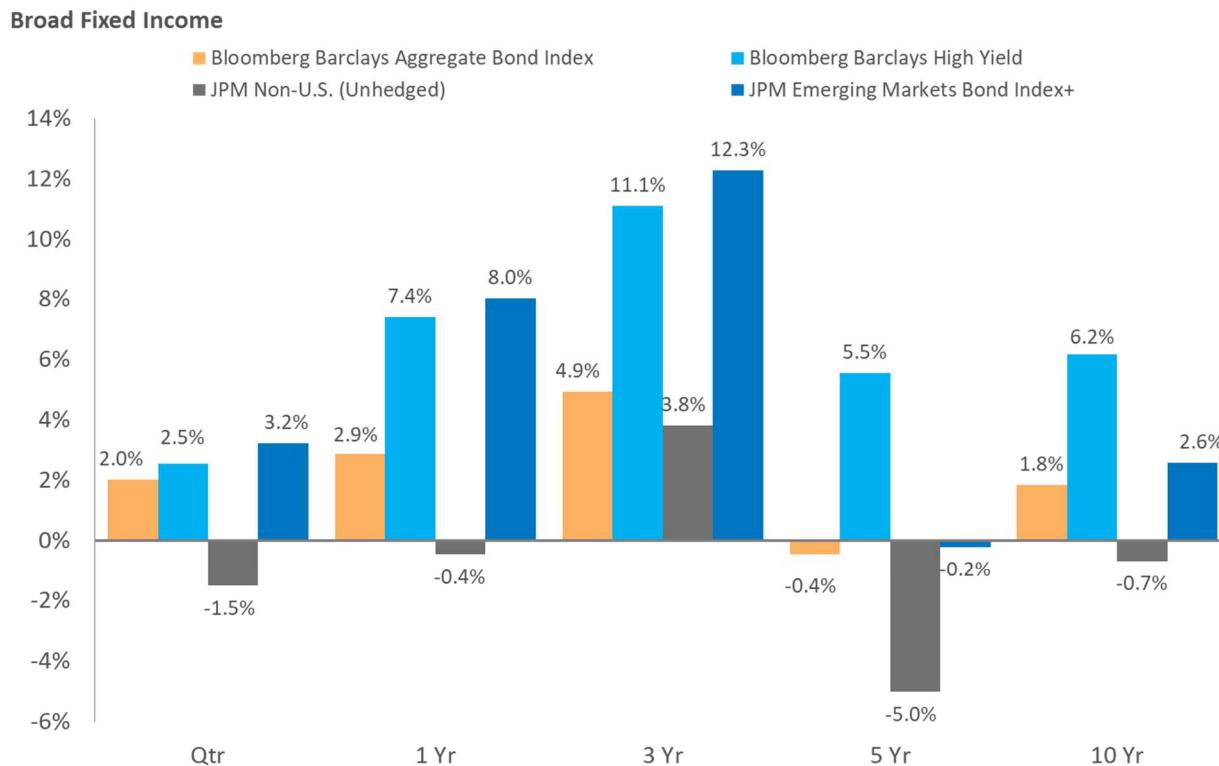
Data Source: Lipper

INVESTMENT SECTION

Report on Investment Activity (Continued)

MARKET REVIEW (continued)

During the fiscal year, the Federal Reserve (Fed) continued its rate cutting cycle. The Fed's easing created a favorable backdrop for fixed income by lowering policy rates, which in turn reduced yields and raised existing bond prices. The September rate cut benefited interest rate-sensitive fixed income. The outlook for continued rate cuts continues to be mixed, as the Fed continues to balance their dual mandate of maximum employment and low inflation. On both an absolute and relative basis, the LRS' fixed income portfolio generated strong returns.



Data Source: Lipper

The fiscal year ending September 30, 2025, saw LRS investment returns build on the strong performance of the previous two fiscal years, with all asset classes performing well. The Legislative Retirement System returned 10.7% net-of-fees for fiscal year 2025. This solid performance over the one-year period aided longer-term averages. The LRS portfolio returned 8.8% (net-of-fees) over five years and 8.0% (net-of-fees) over ten years. For comparison, the actuarially assumed rate-of-return is 7%. The LRS portfolio has exceeded the target benchmark since inception.

The LRS portfolio remains well-diversified and positioned to generate results under a wide variety of economic scenarios. The largest allocations within the portfolio continue to be domestic and non-U.S. equity investments combined with investment-grade fixed income. The portfolio includes allocations to real asset investments to offer inflation protection as well as non-traditional exposures to provide diversification to the total portfolio.

The LRS Trustees continued to meet on a regular basis to discuss markets, investment managers, and portfolio positioning. The portfolio's current allocation is in line with the long-term target allocation.

INVESTMENT SECTION

Report on Investment Activity (Continued)

Schedule of Investment Results

for period ending September 30, 2025

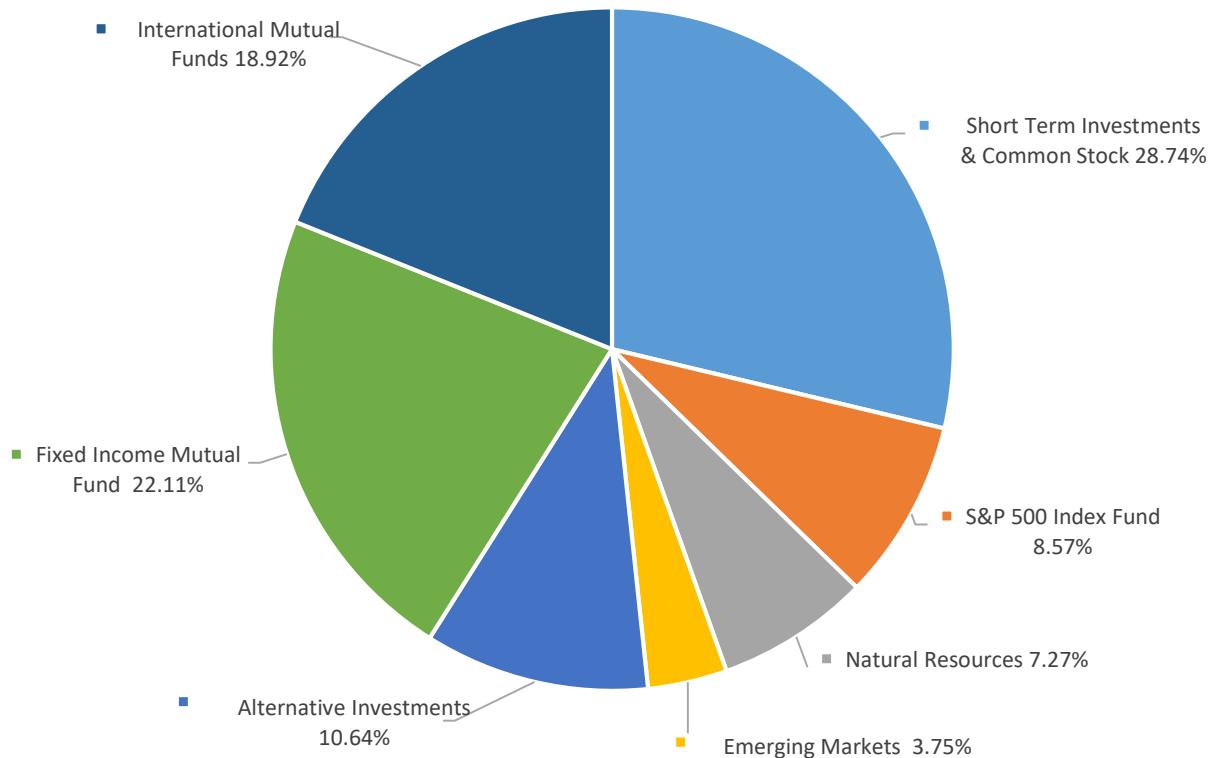
Investment Category	Current Year	Annualized Rate of Return ¹			
		3 years	5 years	7 years	10 years
Total Portfolio	10.7 %	15.1 %	8.8 %	7.4 %	8.0 %
Global Equity Composite	13.6	20.4	11.6	9.5	10.6
Large Cap Equity Composite	15.7	24.1	15.3	14.0	15.1
Wellington	21.1	30.1	13.1	16.4	17.9
S&P 500 Index	17.6	24.9	16.5	14.4	15.3
Russell 1000 Growth Index	25.5	31.6	17.6	18.1	18.8
Barrow, Hanley, Mewhinney & Strauss	8.8	17.2	16.1	10.1	11.4
S&P 500 Index	17.6	24.9	16.5	14.4	15.3
Russell 1000 Value Index	9.4	17.0	13.9	9.5	10.7
Fidelity 500 Index	17.6	24.9	16.5	-	-
S&P 500 Index	17.6	24.9	16.5	-	-
Small Cap Equity Managers	(2.5)	12.3	9.2	2.6	5.7
Wasatch Core Growth Fund	(6.7)	14.3	8.3	-	-
Russell 2000 Index	10.8	15.2	11.6	-	-
Russell 2000 Growth Index	13.6	16.7	8.4	-	-
Sycamore Small Company Fund	1.7	10.1	-	-	-
Russell 2000 Index	10.8	15.2	-	-	-
Russell 2000 Value Index	7.9	13.6	-	-	-
International Equity Managers					
EuroPacific Growth	14.4	19.2	7.1	7.2	7.9
MSCI AC World Index	16.4	20.7	10.3	7.5	8.2
Fidelity Total International Index	17.2	20.9	10.3	-	-
MSCI AC World Index	16.4	20.7	10.3	-	-
DFA Emerging Markets Fund	17.6	19.0	9.4	-	-
MSCI Emerging Markets Index	17.3	18.2	7.0	-	-
Fixed Income Managers	3.4	5.8	0.8	2.6	2.5
Dodge & Cox Income Fund	3.4	6.6	1.3	3.3	3.2
Bloomberg US Aggregate Ind	2.9	4.9	(0.4)	2.1	1.8
DoubleLine Total Return Bond Fund	3.7	5.0	0.4	1.9	1.8
Bloomberg US Aggregate Ind	2.9	4.9	(0.4)	2.1	1.8
Natural Resources Manager					
PIMCO Inflation Response	10.7	10.6	8.2	-	-
PIMCO IRMAF Benchmark	8.3	8.2	5.9	-	-
CPI + 2% Index	5.0	5.0	6.5	-	-
Hedge Fund Manager					
Ironwood International Ltd	12.0	8.8	8.1	7.5	6.6
HFRI FOF: Conservative Index	7.0	6.3	6.2	4.9	4.3
Bloomberg Barclays US Aggregate Index	2.9	4.9	(0.4)	2.1	1.8

¹ Calculations used a time-weighted net-of-fees total return based on the market rate of return in accordance with industry standards.

INVESTMENT SECTION

Asset Allocation

As of September 30, 2025



Investment Summary

As of September 30, 2025

Investment Category	Fair Value	Percentages of Fair Value	Percentages of Income/(Loss)	Fiscal Year Income/(Loss)**
Short Term Investments* & Common Stocks	\$ 37,058,818	28.74 %	58.97 %	\$ 7,631,768
S&P 500 Index Fund	11,049,445	8.57	8.09	1,046,785
Natural Resources	9,372,773	7.27	2.15	278,518
Emerging Markets	4,834,576	3.75	1.64	211,964
Alternative Investments	13,722,325	10.64	-	-
Fixed Income Mutual Funds	28,503,921	22.11	8.00	1,036,038
International Mutual Funds	24,390,137	18.92	21.15	2,737,907
Total Investments	<u>\$ 128,931,995</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>\$ 12,942,980</u>

* Short Term Investments are equity in the State Treasurer's Common Cash Fund.

** Includes realized/unrealized gains and losses.

INVESTMENT SECTION

Schedule of Investment Fees

As of September 30, 2025

	Assets under Management		Management Fees*
Investment Managers' Fees:			
Large Cap Equity Composite	\$ 35,327,050	\$ 92,229	0.27 %
Small Cap Equity Managers	11,307,762	103,353	0.95
International Equity Managers	24,390,137	60,675	0.27
Emerging Markets Manager	4,834,576	16,527	0.36
Fixed Income Managers	28,503,921	128,572	0.45
Natural Resources Manager	9,372,773	62,204	0.69
Hedge Fund Manager	13,722,325	158,490	1.20
Total	\$ 127,458,544	\$ 622,051	
Other Investment Services Fees			
State Treasurer		\$ 9,088	
State Street		1,412	
Fund Evaluation Group		85,854	
Total		\$ 96,354	

*American Funds/EuroPacific, Barrow Hanley Mewhinney & Strauss, Fidelity, Ironwood International Ltd., PIMCO, DFA, Dodge & Cox, DoubleLine, Victory/Sycamore, Wasatch and Wellington management fees are netted against return earned by mutual fund money managers.

INVESTMENT SECTION

This page was intentionally left blank.

Michigan Legislative Retirement System

**Annual Comprehensive Financial Report
for the Fiscal Year Ended September 30, 2025**

ACTUARIAL SECTION



**Actuary's Certification
Summary of Actuarial Assumptions and Methods
Actuarial Valuation Data
Prioritized Solvency Test
Analysis of System Experience
Summary of Plan Provisions**

ACTUARIAL SECTION

Actuary's Certification



800.521.0498 | P: 248.799.9000 | www.grsconsulting.com

December 9, 2025

Board of Trustees
Michigan Legislative Retirement System
124 North Capitol Avenue – Suite S0927
Lansing, Michigan 48933

Ladies and Gentlemen:

The basic financial objective of the Tier 1 Defined Benefit Plan of the Michigan Legislative Retirement System (MLRS) is to establish and receive contributions which, when combined with present assets and future investment return, will be sufficient to meet the financial obligations of the System to present and future benefit recipients.

The purpose of the September 30, 2024 annual actuarial valuations was to determine the contribution requirements for the fiscal year ending September 30, 2025 and to measure the System's funding progress. The valuations should not be relied upon for any other purpose. The valuation process develops employer contributions that are sufficient to fund any unfunded accrued liabilities over a reasonable period. The valuation was completed based upon population data, asset data and plan provisions in effect on September 30, 2024.

The valuation was based upon information provided by the System's administrative staff concerning System benefit provisions, financial transactions, and individual members, terminated members, retirees and beneficiaries. We checked the data for internal and year-to-year consistency, but did not audit the data. As a result, we do not assume responsibility for the accuracy or completeness of the data provided by the System's administrative staff. The actuary summarizes and tabulates population data in order to analyze long-term trends. The System's external auditor audits the actuarial data annually.

Annual actuarial valuations are based upon assumptions regarding future activity in specific risk areas including the rate of investment return and payroll growth, eligibility for the various classes of benefits and longevity among retired lives. These assumptions are adopted by the Board of Trustees after considering the advice of the actuary and other professionals. Each actuarial valuation takes into account all prior differences between actual and assumed experience in each risk area and adjusts the contribution requirements as needed. Assets are valued according to a method that fully recognizes expected investment return and recognizes unanticipated market return over a five-year period. The assumptions and the methods comply with the disclosure requirements of GASB Statements No. 67 and No. 74.



One Towne Square | Suite 800 | Southfield, Michigan 48076-3723

ACTUARIAL SECTION

Actuary's Certification (Continued)

Board of Trustees
Michigan Legislative Retirement System
December 9, 2025
Page 2

The Michigan Legislative Retirement System is a closed plan consisting of only retired and inactive members. The primary assumptions which impact liabilities are the investment return and mortality assumptions. While there has not been a formal experience study performed in recent history, these assumptions are reviewed annually. The mortality assumptions were updated with the September 30, 2023 actuarial valuations. All assumptions and methods comply with relevant actuarial standards of practice.

As of the valuation date, the Retirement System is 47.5% funded based upon the smoothed value of assets and 50.3% funded based upon market value. As of the valuation date, the OPEB Plan is 30.5% funded based upon the smoothed value of assets and 31.3% funded based upon market value.

The following schedules in the Actuarial Section of the Annual Comprehensive Financial Report (ACFR) were prepared based upon certain information presented in the previously mentioned funding valuation reports. MLRS Staff excerpted information from various schedules in the actuarial reports and tabulated it to produce the appropriate ACFR Schedule.

- Schedule of Active Member Pension Valuation Data
- Schedule of Changes in the Pension Retirement Rolls
- Priority Solvency Test – Pension Benefits
- Analysis of System Experience – Pension Benefits
- Schedule of Active Member OPEB Valuation Data
- Schedule of Changes in the OPEB Retirement Rolls
- Priority Solvency Test – OPEB Benefits
- Analysis of System Experience – OPEB Benefits
- Schedule of Funding Progress – Pension Plan
- Schedule of Funding Progress – Other Postemployment Benefits Plan

The current benefit structure is outlined in the Actuarial Section of the ACFR.

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; 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 or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law.



ACTUARIAL SECTION

Actuary's Certification (Continued)

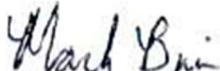
Board of Trustees
Michigan Legislative Retirement System
December 9, 2025
Page 3

Based upon the results of the September 30, 2024 valuation, the actuarial liabilities are less than fully funded on a funding value of assets basis and market value of assets basis. It is most important that this plan receive contributions at least equal to the actuarial rates. Lower than recommended actual contributions will increase future required contributions or possibly lead to a depletion in fund assets.

The signing actuaries are independent of the plan sponsor.

The actuarial valuation of the Michigan Legislative Retirement System as of September 30, 2024 was performed by qualified actuaries in accordance with standards of practice prescribed by the Actuarial Standards Board and in compliance with applicable State statutes. The assumptions and methods used for funding and financial reporting purposes are in conformity with the Actuarial Standards of Practice issued by the Actuarial Standards Board. Mark Buis and Francois Pieterse are Members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. It is our opinion that the calculated employer contribution meets the financial objective of the Retirement System.

Respectfully submitted,
Gabriel, Roeder, Smith & Company


Mark Buis, FSA, EA, FCA, MAAA


Francois Pieterse, ASA, FCA, MAAA

MB/FP:sc



ACTUARIAL SECTION

Summary of Actuarial Assumptions and Methods

1. The investment return rate used in making the valuations was 7% per year, compounded annually. This rate of return is not the assumed real rate of return. The real rate of return is the rate of investment return in excess of the inflation rate. Considering other financial assumptions, this 7% investment return rate translates to an assumed real rate of return of 3%. Adopted 1987.
2. The mortality table used in evaluating allowances to be paid was the Pub-2010 amount-weighted General tables and include a margin for future mortality improvement projected using a fully generational improvement scale. These rates were first used for the September 30, 2023 valuation.
3. Sample probabilities of retirement with an age and service allowance are shown in Schedule 1. Adopted 1987.
4. Sample probabilities of withdrawal from service and disability, together with individual pay increase assumptions, are shown in Schedule 2. Adopted 1993, 1979, and 1987, respectively.
5. Total active member payroll is assumed to increase 4% per year. This represents the portion of the individual pay increase assumptions attributable to inflation.
6. An individual entry age actuarial cost method of valuation was used in determining age and service allowance actuarial liabilities and normal cost. Starting with the September 30, 2024 valuation a new 10-year amortization layer will be created for unfunded liabilities that arose during the current valuation and prior unfunded liabilities will be amortized over a period one year less than the prior valuation (multiple layer amortizations).
7. Effective for the September 30, 1993 valuation, valuation assets were equal to valuation assets (prior method) as of September 30, 1992, with subsequent differences between total investment income and projected investment income (actuarial assumption) being spread over a five (5) year period.
8. Member data and asset information was furnished by the System's administrative staff. Although examined for general reasonableness, the data was not audited by the actuary.
9. The actuarial valuation computations were made by or under the supervision of a Member of the American Academy of Actuaries (MAAA). The assumptions used in the actuarial valuations were adopted by the board of trustees after consulting with the actuary.
10. Beginning fiscal year 2011, the System board approved using the prior year actuarial report for the System current year Annual Comprehensive Financial Report.

ACTUARIAL SECTION

Summary of Actuarial Assumptions and Methods (Continued)

SCHEDULE 1

<u>Retirement Ages</u>	<u>Percent of Eligible Active Members Retiring Within Next Year</u>
50-69	10 %
70	100

SCHEDULE 2

Separation From Active Employment Before Age & Service Retirement & Individual Pay Increase Assumptions

<u>Years of Service[#]</u>	<u>Percent of Active Members Withdrawing Within Next Year</u>		<u>Sample Ages</u>	<u>Percent of Active Members Becoming Disabled Within Next Year</u>		<u>Percent Increase In Pay During Next Year</u>
	<u>House</u>	<u>Senate</u>		<u>Men</u>	<u>Women</u>	
0	6 %	6 %	25	0.08 %	0.10 %	4 %
1	6	6	35	0.08	0.10	4
2	6	6	40	0.20	0.36	4
3	6	6	45	0.27	0.41	4
4	6	6	50	0.49	0.57	4
5	4	4	55	0.89	0.77	4
6	100	4	60	1.41	1.02	4
7		4	65	1.66	1.23	4
8		100				

Years after 1992, for persons who were members on December 31, 1992

ACTUARIAL SECTION

Actuarial Valuation Data

Schedule of Active Member Pension Valuation Data

Valuation Date Sept. 30	Number	Reported Annual Payroll	Average Annual Pay	% Increase (Decrease)	Average Age	Average Service
2015	1	\$ 71,685	\$ 71,685	0.0 %	55.3	12.8
2016	1	71,685	71,685	0.0	56.3	13.8
2017	1	71,685	71,685	0.0	57.3	14.8
2018	1	71,685	71,685	0.0	58.3	15.8
2019	0	0	0	0.0	0	0
2020	0	0	0	0.0	0	0
2021	0	0	0	0.0	0	0
2022	0	0	0	0.0	0	0
2023	0	0	0	0.0	0	0
2024	0	0	0	0.0	0	0

Schedule of Active Member OPEB Valuation Data

Valuation Date Sept. 30	Number	Reported Annual Payroll	Average Annual Pay	% Increase (Decrease)	Average Age	Average Service
2015	24	\$ 1,733,547	\$ 72,231	(1.7)%	52.2	10.5
2016	23	1,661,862	72,255	0.0	53.7	11.4
2017	23	1,661,862	72,255	0.0	54.7	12.4
2018	24	1,733,547	72,231	0.0	56.3	13.2
2019	3	215,055	71,685	(0.8)	57.6	10.1
2020	3	215,055	71,685	0.0	58.6	11.1
2021	2	143,370	71,685	0.0	64.5	10.8
2022	2	143,370	71,685	0.0	65.5	11.8
2023	1	71,685	71,685	0.0	68.7	10.8
2024	1	71,685	71,685	0.0	69.7	11.8

ACTUARIAL SECTION

Actuarial Valuation Data (Continued)

Schedule of Changes in the Pension Retirement Rolls

Year Ended Sept. 30	Added to Rolls		Removed from Rolls		Rolls—End of Year		% Increase in Annual Allowances	Average Annual Allowances
	No.	Annual Allowances	No.	Annual Allowances	No.	Annual Allowances		
2015	5	\$ 723,413	10	\$ 391,953	279	\$ 13,414,663	2.5 %	\$ 48,081
2016	5	656,260	13	735,829	271	13,335,094	(0.6)	49,207
2017	13	803,468	15	540,339	269	13,598,223	2.0	50,551
2018	10	834,312	17	689,748	262	13,742,787	1.1	52,453
2019	5	729,809	8	386,757	259	14,085,839	2.5	54,385
2020	2	606,183	10	757,575	251	13,934,447	(1.1)	55,516
2021	5	789,961	13	923,533	243	13,800,875	(1.0)	56,794
2022	6	806,575	9	576,983	240	14,030,467	1.7	58,460
2023	3	688,506	8	493,786	235	14,225,187	1.4	60,533
2024	5	667,807	12	588,028	228	14,304,966	0.6	62,741

Schedule of Changes in the OPEB Retirement Rolls

Year Ended Sept. 30	Added to Rolls		Removed from Rolls		Rolls—End of Year		% Increase in Annual Allowances	Average Annual Allowances
	No.	Annual Allowances	No.	Annual Allowances	No.	Annual Allowances		
2015	16	\$ 514,854	14	\$ 163,980	364	\$ 5,571,727	6.7 %	\$ 15,307
2016	8	162,321	13	159,096	359	5,574,952	0.1	15,529
2017	16	904,549	17	247,893	358	6,231,608	11.8	17,407
2018	11	226,851	16	129,730	356	6,328,729	1.6	17,778
2019	17	157,370	13	485,372	360	6,000,727	(5.2)	16,669
2020	6	39,086	12	378,110	354	5,661,703	(5.6)	15,994
2021	11	213,837	20	154,957	345	5,720,583	1.0	16,581
2022	9	102,449	13	415,296	341	5,407,736	(5.5)	15,858
2023	10	151,699	11	408,247	340	5,151,188	(4.7)	15,151
2024	8	552,611	15	208,595	333	5,495,204	6.7	16,502

ACTUARIAL SECTION

Actuarial Valuation Data (Continued)

Schedule of Funding Progress Pension Plan

(in thousands)

Valuation Date Sept 30	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded (Overfunded) Accrued Liability (UAAL) (b-a)	Funded Ratio AAL (a/b)	Covered Payroll ⁽¹⁾ (c)	UAAL as a % of Covered Payroll ⁽²⁾ ((b-a)/c)
2015	\$134,049	\$192,642	\$58,593	70 %	\$72	N/A
2016	132,976	190,224	57,248	70	72	N/A
2017	128,919	188,771	59,852	68	72	N/A
2018	122,261	190,193	67,932	64	72	N/A
2019	122,266	189,784	67,518	64	0	N/A
2020	116,052	185,493	69,442	63	0	N/A
2021	113,096	181,213	68,117	62	0	N/A
2022	102,340	179,501	77,161	57	0	N/A
2023	91,718	180,721	89,003	51	0	N/A
2024	84,654	178,173	93,519	48	0	N/A

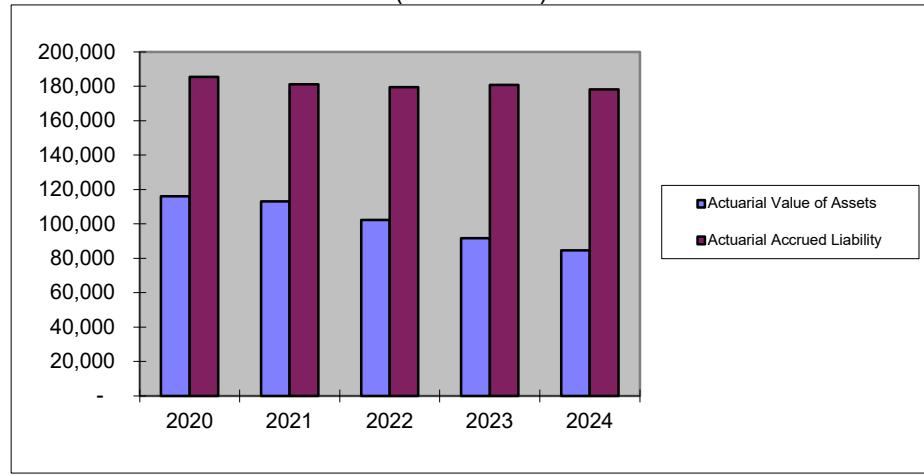
⁽¹⁾ October based payrolls

⁽²⁾ Percentage of covered payroll is not applicable (N/A) as the System is closed.

Actuarial Value of Pension Plan Assets compared to Actuarial Accrued Pension Plan Liability

Fiscal Years Ended September 30

(In Thousands)



Note: A ten-year schedule of actuarially determined and actual contributions can be found on page 42, as Required Supplemental Information - Schedule of Contributions (Pension Benefits).

ACTUARIAL SECTION

Actuarial Valuation Data (Continued)

Schedule of Funding Progress Other Postemployment Benefit Plan⁽²⁾

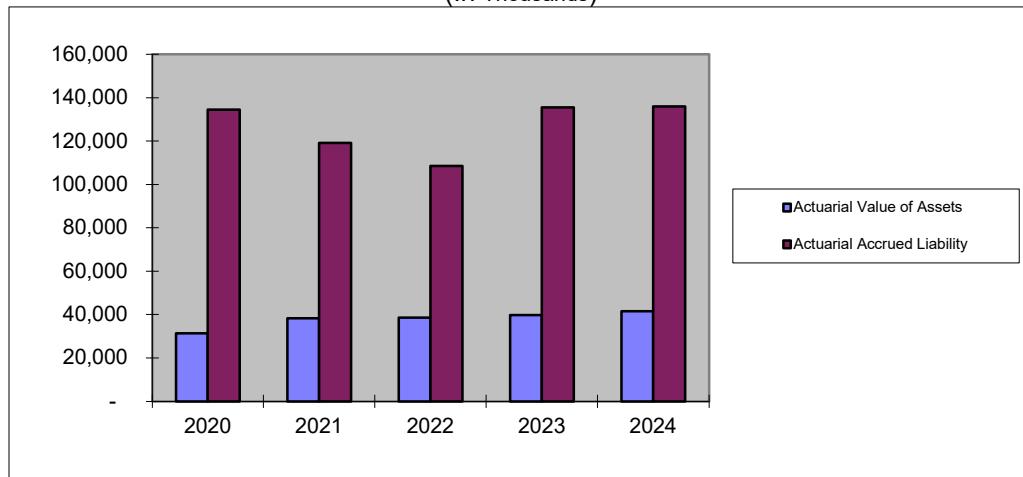
(in thousands)

Valuation Date Sept 30	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded (Overfunded) Accrued Liability (UAAL) (b-a)	Funded Ratio AAL (a/b)	Covered Payroll ⁽¹⁾ (c)	UAAL as a % of Covered Payroll ((b-a)/c)
2015	\$21,840	\$174,564	\$152,724	13 %	\$1,734	8,810 %
2016	22,942	184,225	161,283	12	1,662	9,705
2017	24,507	188,991	164,484	13	1,662	9,898
2018	24,928	165,531	140,603	15	1,734	8,111
2019	29,782	141,534	111,751	21	215	51,964
2020	31,369	134,457	103,089	23	215	47,936
2021	38,280	119,066	80,786	32	143	56,494
2022	38,516	108,520	70,003	36	143	48,953
2023	39,700	135,528	95,828	29	72	133,679
2024	41,503	135,892	94,389	31	72	131,672

⁽¹⁾ October based payrolls

⁽²⁾ Includes members in both the defined benefit plan and the defined contribution plan

Actuarial Value of OPEB Plan Assets compared to Actuarial Accrued OPEB Plan Liability Fiscal Years Ended September 30 (In Thousands)



Note: A ten-year schedule of actuarially determined and actual contributions can be found on page 42, as Required Supplemental Information - Schedule of Contributions (Other Postemployment Benefits).

ACTUARIAL SECTION

Prioritized Solvency Test

The System's funding objective is to meet long-term benefit promises through contributions that remain approximately level from year to year as a percent of member payroll. If the contributions to the System are level in concept and soundly executed, the System will pay all promised benefits when due -- the ultimate test of financial soundness. Testing for level contribution rates is the long-term solvency test.

A prioritized solvency test is another means of checking a system's progress under its funding program. In a short condition test, the plan's present assets (cash and investments) are compared with: (1) liability for active member contributions on deposit; (2) the liabilities for future benefits to present retired lives; and (3) the liabilities for service already rendered by active members. In a system that has been following the discipline of level percent of payroll financing, the liabilities for active member contributions on deposit (liability 1) and the liabilities for future benefits to present retired lives (liability 2) will be fully covered by present assets (except in rare circumstances). In addition, the liabilities for service already rendered by active members (liability 3) is normally partially covered by the remainder of present assets. Generally, if the System has been using level-cost financing, the funded portion of liability 3 will increase over time. Liability 3 being fully funded is not necessarily a byproduct of level percent of payroll funding methods.

The schedule below illustrates the history of the liabilities of the System and is indicative of the System's policy of following the discipline of level percent of payroll financing.

Pension Benefits (\$ in thousands)									
Valuation Date	Actuarial Accrued Liability (AAL)			Valuation Assets	Portion of AAL Covered by Assets				(4) ¹
	(1)	(2)	(3)		(1)	(2)	(3)		
	Active Member Contributions	Retirants and Beneficiaries	Active Members (Employer Financed Portion)		(1)	(2)	(3)		
Sept. 30									
2015	\$ 284	\$ 186,103	\$ 6,255	\$ 134,049	100 %	72 %	0 %	70 %	
2016	236	184,070	5,918	132,976	100	72	0	70	
2017	152	184,169	4,450	128,919	100	70	0	68	
2018	102	186,251	3,840	122,261	100	66	0	64	
2019	87	187,284	2,412	122,266	100	65	0	64	
2020	91	182,808	2,594	116,052	100	63	0	63	
2021	94	178,329	2,790	113,096	100	63	0	62	
2022	27	178,212	1,262	102,340	100	57	0	57	
2023	28	179,343	1,350	91,718	100	51	0	51	
2024	15	177,610	549	84,654	100	48	0	48	

¹percents funded on a total valuation asset and total actuarial accrued liability basis

ACTUARIAL SECTION

Prioritized Solvency Test (Continued)

Other Postemployment Benefits
(\$ in thousands)

Valuation Date Sept. 30	Actuarial Accrued Liability (AAL)			Valuation Assets	Portion of AAL Covered by Assets			
	(1)	(2)	(3)		Active Members			
	Active Member Contributions	Retirants and Beneficiaries	(Employer Financed Portion)		(1)	(2)	(3)	(4) ¹
2015	\$ -	\$ 123,962	\$ 50,602	\$ 21,840	0 %	18 %	0 %	13 %
2016	-	132,404	51,821	22,942	0	17	0	13
2017	-	136,308	52,683	24,507	0	18	0	13
2018	-	119,220	46,311	24,928	0	21	0	15
2019	-	106,669	34,865	29,782	0	28	0	21
2020	-	101,858	32,600	31,369	0	31	0	23
2021	-	90,212	28,853	38,280	0	42	0	32
2022	-	83,782	24,155	38,516	0	46	0	36
2023	-	105,041	30,198	39,700	0	38	0	29
2024	-	105,391	30,169	41,503	0	39	0	31

¹percents funded on a total valuation asset and total actuarial accrued liability basis

ACTUARIAL SECTION

Analysis of System Experience

Pension Benefits

Gains/Losses in Accrued Liabilities During Year Ended September 30, 2024 Resulting from Differences Between Assumed Experience & Actual Experience

Type of Activity	Gain/(Loss)
1. Retirements (including Disability Retirement). If members retire at older ages or with lower final average pay than assumed, there is a gain. If younger ages or higher average pays, a loss.	\$ -
2. Withdrawals From Employment (including death-in-service). If more liabilities are released by withdrawals and deaths than assumed, there is a gain. If smaller releases, a loss.	-
3. Pay Increases. If there are smaller pay increases than assumed, there is a gain. If greater increases, a loss.	-
4. Investment Income. If there is greater investment income than assumed, there is a gain. If less income, a loss.	943,604
5. Death After Retirement. If retirants live longer than assumed, there is a loss. If not as long, a gain.	(347,569)
6. New Entrants/Rehires.	-
7. Other. Miscellaneous gains and losses resulting from data adjustments, timing of financial transactions, etc.	186,033
8. Composite Gain (or Loss) During Year	\$ <u>782,068</u>

ACTUARIAL SECTION

Analysis of System Experience (Continued)

OPEB Benefits

Gains/Losses in Accrued Liabilities During Year Ended September 30, 2024 **Resulting from Differences Between Assumed Experience & Actual Experience**

A. Derivation of Actuarial Gain/(Loss):

1. Unfunded Actuarial Accrued Liability (UAAL) - Previous Valuation	\$ 95,827,737
2. Total Normal Cost (employer plus member) for Year Ending 9/30/2024	27,437
3. Total Contributions (employer plus member) for Year Ending 9/30/2024	5,605,639
4. Interest on:	
a. UAAL: .04 x (1)	3,833,109
b. Normal Cost and Contributions: .04/2 x [(2) - (3)]	(111,564)
c. Net Total: (a) + (b)	3,721,545
5. Change in UAAL due to Benefit Changes	-
6. Change in UAAL due to Assumptions/Methods (i.e., Trend/Mortality)	2,453,838
7. Expected UAAL Current Year:	
(1) + (2) - (3) + (4c) + (5) + (6)	96,424,918
8. Actual UAAL Current Year	94,388,860
9. Experience Gain/(Loss): (7) - (8)	2,036,058
 B. Approximate Portion of Gain/(Loss) due to Investments	(486,724)
 C. Approximate Portion of Gain/(Loss) due to Liabilities: (A.9) - (B)	2,522,782

Type of Activity	Gain/(Loss)
1. Premiums. Gains and losses resulting from actual premiums in valuation year versus that assumed from prior valuation	\$ 1,538,900
2. Investment Income. If there is greater investment income than assumed, there is a gain. If less income, a loss.	(486,724)
3. Demographic and Other. Gains and losses resulting from demographic experience, data adjustments, timing of financial transactions, etc.	983,882
4. Composite Gain/(Loss) During Year.	<u>\$ 2,036,058</u>

ACTUARIAL SECTION

Summary Of Plan Provisions

Membership

Legislators who first become legislators after March 30, 1997, will *not* be members of the Tier 1 defined benefit plan. This summary of benefits applies only to persons who first became legislators on or before March 30, 1997, and who did not elect to transfer to Tier 2, the defined contribution plan.

Term Limits

For terms of office beginning on or after January 1, 1993, no person shall be elected to the House of Representatives (House) more than three (3) times and no person shall be elected to the Senate more than two (2) times. With the exception of persons who fill vacancies for partial terms and persons who serve in both the House and the Senate, the normal service limits are:

House - 6 years (three 2-year terms)
Senate - 8 years (two 4-year terms)

Regular Retirement

Eligibility - At least age 50 with age plus service equal to or exceeding 70; or at least age 55 with 5 or more years service if seated either: a) 3 times in the House or b) 2 times in the Senate or c) 1 time in the House and 1 time in the Senate.

Annual Amount - Persons who first became members on or before January 1, 1995: 20% of the highest salary earned for the first 5 years of service, plus 4% of highest salary for each of the next 11 years of service, plus 1% of highest salary for each additional year of service.

Persons who first became members after January 1, 1995: 3% of highest salary for each year of service.

Deferred Retirement (Vested Benefit)

Eligibility - 5 or more years of service if seated either: a) 3 times in the House or b) 2 times in the Senate or c) 1 time in the House and 1 time in the Senate. Benefit begins at age 55 (as early as age 50 if age plus service equals or exceeds 70). Member may delay commencement of benefits to an age not greater than age 70-1/2.

Annual Amount - Computed as regular retirement benefit based on service and highest salary at termination. For persons who first became members on or before January 1, 1995, the benefit is increased 4% annually (compounded) between termination of membership and the earlier of a) benefit commencement or b) age 55. Benefits delayed beyond age 55 are actuarially equivalent to the age 55 benefit.

Disability Retirement

Eligibility - Disability before becoming eligible to retire or during a benefit deferral period.

Annual Amount - Computed as a regular retirement benefit based on service and highest salary at time of disability.

ACTUARIAL SECTION

Summary Of Plan Provisions (Continued)

Death Benefit

Eligibility - 5 or more years of service if seated either: a) 3 times in the House or b) 2 times in the Senate or c) 1 time in the House and 1 time in the Senate. Benefit is paid immediately.

Annual Amount - Surviving spouse receives 66 2/3% of the retirement allowance earned as of the date of death of the member. If there are eligible dependent children in his or her care, the surviving spouse receives 75% of the retirement allowance earned as of the date of death until the children are no longer dependent, at which time 66-2/3% then becomes payable. Special conditions apply if there is no surviving spouse, or if the eligible children are not under the care of the surviving spouse.

Post-Retirement Cost-of-Living Adjustments

The annual retirement allowance payable to a retitant or survivor is increased by 4% per year, compounded annually (non-compounded for persons first becoming members after January 1, 1995), each January 1.

Life Insurance

Life insurance coverage is provided from the Insurance Revolving Fund for active members, retitants, and deferred vested members. Coverage varies from \$2,500 to \$150,000 depending on premium payments, board policy, and statutory provisions in place at deferral and/or retirement.

Post-Retirement Health Insurance

Hospital, medical, and dental insurance shall be provided from the Health Insurance Fund for retitants, deferred vested members who first became members on or before January 1, 1995, and their survivors, and to the spouses and eligible children of retitants and of deferred vested members who first became members on or before January 1, 1995.

In addition, the System provides health insurance coverage to eligible former legislators who belong to the State's Defined Contribution Plan (Tier 2).

Member Contributions

For members who first became a member on or before January 1, 1995: 9% of annual salary to the Health Insurance Fund.

For members who first became a member after January 1, 1995: 7% of annual salary to the Health Insurance Fund.

Michigan Legislative Retirement System

**Annual Comprehensive Financial Report
for the Fiscal Year Ended September 30, 2025**

STATISTICAL SECTION



Schedules of Additions by Source

Schedules of Deductions by Type

Schedules of Changes in Fiduciary Net Position

Schedules of Benefit and Refund Deductions from Net Position by Type

Schedules of Retired Members by Type of Benefit

Schedules of Average Benefit Payments

STATISTICAL SECTION

Narrative Explanation to Statistical Section

The intention of this narrative description is to explain the System's financial and operating trends of the schedules in the statistical section. It is important that this section be written clearly and accurately to help improve the understandability and usefulness of the statistical information. The statistical section contains the following schedules:

FINANCIAL TRENDS:

These schedules are a ten (10) year comparison of the Statement of Changes in Pension Plan and OPEB Plan Fiduciary Net Position found in the Financial Section of this report. This is to provide a longer time period for reference and show possible trends.

Schedule of Additions by Source - Pension Plan and Other Postemployment Benefit Plan (OPEB) Plan

Schedule of Pension Plan Additions by Source

Schedule of OPEB Plan Additions by Source

Schedule of Deductions by Type - Pension Plan and OPEB Plan

Schedule of Pension Plan Deductions by Type

Schedule of OPEB Plan Deductions by Type

Schedule of Changes in Fiduciary Net Position - Pension Plan

Schedule of Changes in Fiduciary Net Position – OPEB Plan

Schedule of Benefit and Refund Deductions from Net Position by Type – Pension Plan

Schedule of Benefit and Refund Deductions from Net Position by Type – OPEB Plan

OPERATING INFORMATION:

These schedules contain information to show the System's financial information as it relates to the members and the benefits provided.

Schedule of Retired Members by Type of Benefit – Pension Plan

Schedule of Retired Members by Type of Benefit – OPEB Plan

Schedule of Average Benefit Payments – Pension Plan

Schedule of Average Benefit Payments – OPEB Plan

STATISTICAL SECTION

Schedule of Additions By Source

Pension Plan and Other Postemployment Benefit (OPEB) Plan

Fiscal Year Ended	Member Contributions	Employer Contributions	Other Governmental Contributions	Court Fees	Investment & Other Income(Loss)	Total
2016	\$ 135,739	\$ 3,733,500	\$ 207,065	\$ 804,133	\$ 13,785,524	\$ 18,665,961
2017	10,346	3,808,200	204,042	763,436	19,042,045	23,828,069
2018	7,450	3,884,400	270,673	772,640	10,886,576	15,821,739
2019	4,182	16,400,900	353,649	753,798	4,971,286	22,483,815
2020	1,123	4,120,900	240,272	516,899	9,285,985	14,165,179
2021	1,213	4,120,900	226,728	490,738	33,583,022	38,422,602
2022	1,284	4,182,700	281,576	478,061	(27,706,598)	(22,762,977)
2023	1,394	4,412,700	328,256	520,474	16,444,999	21,707,823
2024	1,520	5,489,200	461,651	554,788	25,575,713	32,082,873
2025	738	4,818,800	360,294	615,864	12,971,135	18,766,830

Schedule of Pension Plan Additions By Source

Fiscal Year Ended	Member Contributions	Employer Contributions	Other Governmental Contributions	Court Fees	Investment & Other Income(Loss)	Total
2016	\$ 3,648	\$ -	\$ -	\$ -	\$ 11,324,783	\$ 11,328,431
2017	3,895	-	-	-	15,847,414	15,851,309
2018	998	-	-	-	8,629,843	8,630,841
2019	2,445	8,063,327	-	-	3,319,925	11,385,698
2020	1,123	-	-	-	6,642,298	6,643,421
2021	1,213	-	-	-	25,587,919	25,589,132
2022	1,284	-	-	-	(21,847,682)	(21,846,398)
2023	1,394	-	-	-	12,034,940	12,036,334
2024	1,520	900,000	-	-	19,119,424	20,020,944
2025	738	-	-	-	9,579,798	9,580,535

Schedule of OPEB Plan Additions By Source

Fiscal Year Ended	Member Contributions	Employer Contributions	Other Governmental Contributions	Court Fees	Investment & Other Income(Loss)	Total
2016	\$ 132,090	\$ 3,733,500	\$ 207,065	\$ 804,133	\$ 2,460,741	\$ 7,337,529
2017	6,452	3,808,200	204,042	763,436	3,194,631	7,976,761
2018	6,452	3,884,400	270,673	772,640	2,256,733	7,190,899
2019	1,737	8,337,573	353,649	753,798	1,651,361	11,098,118
2020	-	4,120,900	240,272	516,899	2,643,687	7,521,758
2021	-	4,120,900	226,728	490,738	7,995,103	12,833,469
2022	-	4,182,700	281,576	478,061	(5,858,916)	(916,579)
2023	-	4,412,700	328,256	520,474	4,410,059	9,671,489
2024	-	4,589,200	461,651	554,788	6,456,290	12,061,929
2025	-	4,818,800	360,294	615,864	3,391,337	9,186,295

STATISTICAL SECTION

Schedule of Deductions By Type

Pension Plan and OPEB Plan

Fiscal Year Ended	<u>Benefits*</u>	<u>Refunds and Transfers</u>	<u>Administrative Expenses</u>	<u>Total</u>
2016	\$ 20,015,578	\$ 72,715	\$ 471,670	\$ 20,559,964
2017	20,589,553	35,618	460,807	21,085,978
2018	21,182,711	33,623	473,073	21,689,407
2019	20,293,738	-	485,861	20,779,600
2020	20,456,577	34,924	505,696	20,997,197
2021	20,360,690	50,424	490,154	20,901,268
2022	19,880,391	101,821	502,590	20,484,802
2023	19,700,668	34,294	509,280	20,244,242
2024	20,444,716	14,375	515,253	20,974,344
2025	21,340,529	31,876	484,945	21,857,350

* Includes health benefits

Schedule of Pension Plan Deductions by Type

Fiscal Year Ended	<u>Regular & Survivor</u>		<u>Administrative</u>		<u>Total</u>
	<u>Pension Benefits</u>	<u>Death Benefits</u>	<u>Refunds and Transfers</u>	<u>and Other Expenses</u>	
2016	\$ 13,451,597	\$ 395,000	\$ 72,715	\$ 405,381	\$ 14,324,693
2017	13,639,606	607,000	35,618	391,937	14,674,160
2018	13,855,004	632,500	33,623	398,871	14,919,999
2019	14,008,685	121,280	-	405,319	14,535,284
2020	14,230,239	390,000	34,924	406,665	15,061,829
2021	13,972,963	571,280	50,424	384,369	14,979,036
2022	14,075,155	397,500	101,821	384,393	14,958,869
2023	14,264,680	284,800	34,294	373,623	14,957,398
2024	14,510,435	317,500	14,375	360,992	15,203,302
2025	14,543,026	450,000	31,876	328,872	15,353,775

Schedule of OPEB Plan Deductions by Type

Fiscal Year Ended	<u>Health Benefits</u>	<u>Dental Benefits</u>	<u>Refunds and Transfers</u>	<u>Administrative and Other Expenses</u>	<u>Total</u>
	<u>Benefits</u>	<u>Benefits</u>	<u>Refunds and Transfers</u>	<u>and Other Expenses</u>	
2016	\$ 5,764,052	\$ 404,929	\$ -	\$ 66,289	\$ 6,235,271
2017	5,952,317	390,630	-	68,871	6,411,818
2018	6,315,202	380,005	-	74,201	6,769,408
2019	5,791,875	371,898	-	80,543	6,244,315
2020	5,494,948	341,390	-	99,031	5,935,369
2021	5,456,860	359,587	-	105,785	5,922,232
2022	5,050,276	357,460	-	118,198	5,525,933
2023	4,798,117	353,071	-	135,657	5,286,845
2024	5,271,779	345,002	-	154,261	5,771,042
2025	6,007,475	340,028	-	156,073	6,503,576

STATISTICAL SECTION

Schedule of Changes in Fiduciary Net Position Pension Plan (Ten Years)

	Fiscal Year									
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Additions										
Member contributions	\$ 3,648	\$ 3,895	\$ 998	\$ 2,445	\$ 1,123	\$ 1,213	\$ 1,284	\$ 1,394	\$ 1,520	\$ 738
Employer contributions	-	-	-	8,063,327	-	-	-	-	900,000	-
Net Investment income	11,324,783	15,840,765	8,629,843	3,319,925	6,635,565	25,587,919	(21,847,682)	12,034,940	19,119,424	9,579,798
Other income	-	6,649	-	-	6,733	-	-	-	-	-
Total additions	<u>11,328,431</u>	<u>15,851,309</u>	<u>8,630,841</u>	<u>11,385,697</u>	<u>6,643,422</u>	<u>25,589,132</u>	<u>(21,846,398)</u>	<u>12,036,334</u>	<u>20,020,944</u>	<u>9,580,535</u>
Deductions										
Benefit payments	13,846,597	14,246,606	14,487,504	14,129,965	14,620,239	14,544,243	14,472,655	14,549,480	14,827,935	14,993,026
Refunds	72,715	35,618	33,623	-	34,924	50,424	29,964	34,294	14,375	31,876
Qualified rollovers	-	-	-	-	-	-	71,857	-	-	-
Administrative expenses	405,381	391,937	398,871	405,319	406,665	384,369	384,393	373,623	360,992	328,872
Total deductions	<u>14,324,693</u>	<u>14,674,160</u>	<u>14,919,999</u>	<u>14,535,284</u>	<u>15,061,829</u>	<u>14,979,036</u>	<u>14,958,869</u>	<u>14,957,398</u>	<u>15,203,302</u>	<u>15,353,775</u>
Changes in Net position	<u><u>\$ (2,996,262)</u></u>	<u><u>\$ 1,177,149</u></u>	<u><u>\$ (6,289,158)</u></u>	<u><u>\$ (3,149,587)</u></u>	<u><u>\$ (8,418,407)</u></u>	<u><u>\$ 10,610,096</u></u>	<u><u>\$ (36,805,267)</u></u>	<u><u>\$ (2,921,063)</u></u>	<u><u>\$ 4,817,642</u></u>	<u><u>\$ (5,773,240)</u></u>

Schedule of Changes in Fiduciary Net Position OPEB Plan (Ten Years)

	Fiscal Year									
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Additions										
Member contributions	\$ 132,090	\$ 6,452	\$ 6,452	\$ 1,737	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer contributions	3,733,500	3,808,200	3,884,400	8,337,573	4,120,900	4,120,900	4,182,700	4,412,700	4,589,200	4,818,800
Other Gov't contribution	207,065	204,042	270,673	353,649	240,272	226,728	281,576	328,256	461,651	360,294
Court fees	804,133	763,436	772,640	753,798	516,899	490,738	478,061	520,474	554,788	594,370
Net Investment income	1,834,640	2,754,692	1,573,479	625,677	1,581,923	7,021,482	(6,759,034)	3,770,339	6,315,348	3,266,827
Other income	626,101	439,939	683,254	1,025,684	1,061,764	973,621	900,118	639,720	140,942	124,510
Total additions	<u>7,337,530</u>	<u>7,976,761</u>	<u>7,190,898</u>	<u>11,098,118</u>	<u>7,521,757</u>	<u>12,833,470</u>	<u>(916,579)</u>	<u>9,671,489</u>	<u>12,061,929</u>	<u>9,164,801</u>
Deductions										
Benefit payments	6,168,981	6,342,947	6,695,207	6,163,773	5,836,338	5,816,447	5,407,735	5,151,187	5,616,781	6,347,503
Administrative expenses	66,289	68,871	74,201	80,543	99,031	105,785	118,198	135,657	154,261	156,073
Total deductions	<u>6,235,271</u>	<u>6,411,818</u>	<u>6,769,408</u>	<u>6,244,315</u>	<u>5,935,369</u>	<u>5,922,232</u>	<u>5,525,933</u>	<u>5,286,845</u>	<u>5,771,042</u>	<u>6,503,576</u>
Changes in Net position	<u><u>\$ 1,102,259</u></u>	<u><u>\$ 1,564,943</u></u>	<u><u>\$ 421,490</u></u>	<u><u>\$ 4,853,802</u></u>	<u><u>\$ 1,586,388</u></u>	<u><u>\$ 6,911,238</u></u>	<u><u>\$ (6,442,512)</u></u>	<u><u>\$ 4,384,644</u></u>	<u><u>\$ 6,290,887</u></u>	<u><u>\$ 2,661,225</u></u>

STATISTICAL SECTION

Schedule of Benefit and Refund Deductions from Net Position by Type Pension Plan (Ten Years)

	Fiscal Year									
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Type of Benefit										
Age and service benefits:										
Retirees	\$ 11,398,950	\$ 11,502,955	\$ 11,457,806	\$ 11,579,049	\$ 11,709,039	\$ 11,400,941	\$ 11,184,521	\$ 11,258,962	\$ 11,396,022	\$ 11,501,799
Survivors	2,052,647	2,136,651	2,397,198	2,429,636	2,521,200	2,572,022	2,890,634	3,005,719	3,114,413	3,041,227
Death in service benefit	<u>395,000</u>	<u>607,000</u>	<u>632,500</u>	<u>121,280</u>	<u>390,000</u>	<u>571,280</u>	<u>397,500</u>	<u>284,800</u>	<u>317,500</u>	<u>450,000</u>
Total benefits	<u><u>\$ 13,846,597</u></u>	<u><u>\$ 14,246,606</u></u>	<u><u>\$ 14,487,504</u></u>	<u><u>\$ 14,129,965</u></u>	<u><u>\$ 14,620,239</u></u>	<u><u>\$ 14,544,243</u></u>	<u><u>\$ 14,472,655</u></u>	<u><u>\$ 14,549,480</u></u>	<u><u>\$ 14,827,935</u></u>	<u><u>\$ 14,993,026</u></u>
Type of refund										
Death										
Death	\$ 61,780	\$ 35,618	\$ 33,623	\$ -	\$ 34,924	\$ 50,424	\$ 29,964	\$ 34,294	\$ 14,375	\$ 31,876
Other	10,935	-	-	-	-	-	71,857	-	-	-
Total Refunds	<u><u>\$ 72,715</u></u>	<u><u>\$ 35,618</u></u>	<u><u>\$ 33,623</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 34,924</u></u>	<u><u>\$ 50,424</u></u>	<u><u>\$ 101,821</u></u>	<u><u>\$ 34,294</u></u>	<u><u>\$ 14,375</u></u>	<u><u>\$ 31,876</u></u>

Schedule of Benefit and Refund Deductions from Net Position by Type OPEB Plan (Ten Years)

	Fiscal Year									
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Type of Benefit										
Healthcare benefits:										
Health benefits	\$ 5,764,052	\$ 5,952,317	\$ 6,315,202	\$ 5,791,875	\$ 5,494,948	\$ 5,456,860	\$ 5,050,276	\$ 4,798,117	\$ 5,271,779	\$ 6,007,475
Dental benefits	404,929	390,630	380,005	371,898	341,390	359,587	357,460	353,071	345,002	340,028
Total benefits	<u><u>\$ 6,168,981</u></u>	<u><u>\$ 6,342,947</u></u>	<u><u>\$ 6,695,207</u></u>	<u><u>\$ 6,163,773</u></u>	<u><u>\$ 5,836,338</u></u>	<u><u>\$ 5,816,447</u></u>	<u><u>\$ 5,407,735</u></u>	<u><u>\$ 5,151,187</u></u>	<u><u>\$ 5,616,781</u></u>	<u><u>\$ 6,347,503</u></u>

STATISTICAL SECTION

Schedule of Retired Members by Type of Benefit - Pension Plan As of September 30, 2025

Amount of Monthly Benefit	Number of Retired Members	Type of Retirement*				
		1	2	3	4	5
Deferred	1	0	1	0	0	0
\$ 1 - \$ 500	1	1	0	0	0	0
501 - 1,000	2	2	0	0	0	0
1,001 - 1,500	6	2	2	1	1	0
1,501 - 2,000	13	4	4	4	1	0
2,001 - 2,500	19	3	5	11	0	0
2,501 - 3,000	8	4	0	4	0	0
3,001 - 3,500	24	22	0	1	1	0
3,501 - 4,000	14	7	1	6	0	0
4,001 - 4,500	20	14	1	5	0	0
4,501 - 5,000	12	3	2	7	0	0
Over 5,000	106	86	0	20	0	0
Total	226	148	16	59	3	0

Notes:

*Type of Retirement

- 1 - Regular retirement - first became members on or before 1/1/95
- 2 - Regular retirement - first became members after 1/1/95
- 3 - Survivor payment - survivor of type 1 regular retiree
- 4 - Survivor payment - survivor of type 2 regular retiree
- 5 - Disability Retirement

STATISTICAL SECTION

Schedule of Retired Members by Type of Benefit - OPEB Plan As of September 30, 2025

Amount of Monthly Pension Benefit	Number of Eligible Members	Type of Other Postemployment Benefits		
		Receiving Health*	Receiving Dental	Receiving Health and/or Dental
Defined Contribution	148	114	117	118
Deferred	0	0	0	0
\$ 1 - \$ 500	0	0	0	0
501 - 1,000	0	0	0	0
1,001 - 1,500	3	3	3	3
1,501 - 2,000	11	11	11	11
2,001 - 2,500	18	18	18	18
2,501 - 3,000	8	8	8	8
3,001 - 3,500	24	23	24	24
3,501 - 4,000	13	11	12	12
4,001 - 4,500	20	19	19	19
4,501 - 5,000	12	12	12	12
Over 5,000	105	105	105	105
Total	362	324	329	330

*Health includes: health, prescription, hearing and vision insurance

STATISTICAL SECTION

Schedule of Average Benefit Payments Pension Plan (Ten Years)

Retirement Effective Dates	Years of Credited Services						
	0-5	5-10	10-15	15-20	20-25	25-30	30+
Period 10/1/15 to 9/30/16							
Average monthly benefit	\$2,299	\$4,075	\$5,488	\$6,690	\$7,262	\$5,729	
Average final average salary	\$51,404	\$46,754	\$49,315	\$67,415	\$72,065	\$44,966	
Number of retired members	91	90	55	21	8	6	
Period 10/1/16 to 9/30/17							
Average monthly benefit	\$2,309	\$4,264	\$5,719	\$6,916	\$7,553	\$5,958	
Average final average salary	\$52,796	\$48,174	\$49,731	\$69,236	\$72,065	\$44,966	
Number of retired members	92	89	54	20	8	6	
Period 10/1/17 to 9/30/18							
Average monthly benefit	\$2,358	\$4,457	\$6,133	\$7,566	\$7,527	\$6,197	
Average final average salary	\$53,786	\$48,770	\$51,735	\$72,880	\$72,065	\$44,966	
Number of retired members	94	84	51	19	8	6	
Period 10/1/18 to 9/30/19							
Average monthly benefit	\$2,448	\$4,590	\$6,430	\$7,707	\$7,828	\$6,521	
Average final average salary	\$53,786	\$49,055	\$53,983	\$70,215	\$72,065	\$44,414	
Number of retired members	94	84	49	19	8	5	
Period 10/1/19 to 9/30/20							
Average monthly benefit	\$2,573	\$4,772	\$6,719	\$7,965	\$7,062	\$6,328	
Average final average salary	\$54,257	\$49,099	\$54,053	\$69,105	\$75,237	\$43,587	
Number of retired members	93	83	48	17	6	4	
Period 10/1/20 to 9/30/21							
Average monthly benefit	\$2,672	\$4,944	\$6,871	\$8,015	\$8,008	\$6,581	
Average final average salary	\$54,286	\$50,332	\$54,053	\$69,105	\$71,280	\$43,587	
Number of retired members	94	76	48	17	4	4	
Period 10/1/21 to 9/30/22							
Average monthly benefit	\$2,741	\$5,064	\$7,047	\$8,388	\$8,328	\$6,844	
Average final average salary	\$54,947	\$50,942	\$53,253	\$69,105	\$71,280	\$43,587	
Number of retired members	93	75	47	17	4	4	
Period 10/1/22 to 9/30/23							
Average monthly benefit	\$2,876	\$5,276	\$7,340	\$8,599	\$8,661	\$6,548	
Average final average salary	\$54,947	\$51,212	\$52,423	\$69,105	\$71,280	\$42,208	
Number of retired members	93	72	46	17	4	3	
Period 10/1/23 to 9/30/24							
Average monthly benefit	\$2,933	\$5,430	\$7,763	\$9,336	\$9,008	\$8,968	
Average final average salary	\$55,383	\$52,032	\$54,262	\$70,584	\$71,280	\$42,208	
Number of retired members	91	71	43	16	4	3	
Period 10/1/24 to 9/30/25							
Average monthly benefit	\$2,997	\$5,560	\$8,110	\$9,648	\$9,368	\$7,281	
Average final average salary	\$55,861	\$52,190	\$54,816	\$70,584	\$71,280	\$43,372	
Number of retired members	92	69	42	16	4	2	

STATISTICAL SECTION

Schedule of Average Benefit Payments OPEB Plan (Ten Years)

Retirement Effective Dates	Years of Credited Services						
	0-5	5-10	10-15	15-20	20-25	25-30	30+
Period 10/1/15 to 9/30/16							
Average monthly benefit	\$1,321	\$1,215	\$1,209	\$1,301	\$1,411	\$849	
Average final average salary	\$62,719	\$52,238	\$48,947	\$65,248	\$69,968	\$44,966	
Number of retired members	163	108	55	22	9	6	
Period 10/1/16 to 9/30/17							
Average monthly benefit	\$1,444	\$1,362	\$1,373	\$1,545	\$1,629	\$970	
Average final average salary	\$63,820	\$53,951	\$49,353	\$66,859	\$69,968	\$44,966	
Number of retired members	160	109	54	22	9	6	
Period 10/1/17 to 9/30/18							
Average monthly benefit	\$1,529	\$1,459	\$1,464	\$1,659	\$1,624	\$1,036	
Average final average salary	\$63,911	\$54,948	\$51,335	\$66,859	\$69,968	\$44,966	
Number of retired members	162	105	51	22	9	6	
Period 10/1/18 to 9/30/19							
Average monthly benefit	\$1,362	\$1,337	\$1,342	\$1,557	\$1,515	\$856	
Average final average salary	\$63,614	\$57,108	\$53,566	\$66,613	\$69,968	\$44,414	
Number of retired members	159	114	49	23	9	5	
Period 10/1/19 to 9/30/20							
Average monthly benefit	\$1,338	\$1,304	\$1,273	\$1,343	\$1,392	\$816	
Average final average salary	\$64,052	\$57,540	\$53,627	\$65,371	\$72,088	\$43,587	
Number of retired members	159	114	48	21	7	4	
Period 10/1/20 to 9/30/21							
Average monthly benefit	\$1,364	\$1,329	\$1,251	\$1,400	\$1,334	\$837	
Average final average salary	\$64,162	\$59,160	\$53,627	\$65,980	\$67,663	\$43,587	
Number of retired members	160	108	48	20	5	4	
Period 10/1/21 to 9/30/22							
Average monthly benefit	\$1,260	\$1,260	\$1,175	\$1,332	\$1,274	\$787	
Average final average salary	\$64,732	\$60,096	\$52,818	\$64,998	\$70,494	\$43,587	
Number of retired members	157	108	47	19	6	4	
Period 10/1/22 to 9/30/23							
Average monthly benefit	\$1,196	\$1,208	\$1,151	\$1,280	\$1,194	\$751	
Average final average salary	\$64,732	\$60,836	\$52,979	\$65,980	\$67,663	\$42,208	
Number of retired members	157	109	46	20	5	3	
Period 10/1/23 to 9/30/24							
Average monthly benefit	\$1,327	\$1,313	\$1,322	\$1,467	\$1,172	\$840	
Average final average salary	\$65,115	\$61,464	\$53,787	\$67,061	\$67,663	\$42,208	
Number of retired members	155	108	43	19	5	3	
Period 10/1/24 to 9/30/25							
Average monthly benefit	\$1,564	\$1,533	\$1,527	\$1,616	\$1,365	\$978	
Average final average salary	\$65,635	\$61,574	\$54,330	\$67,061	\$67,663	\$43,372	
Number of retired members	157	105	42	19	5	2	