

# **The Teachers' Pension and Annuity Fund of New Jersey**

**GASB 67 Report  
as of June 30, 2025**

**Produced by Cheiron**

**March 2026**

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**TEACHERS' PENSION AND ANNUITY FUND OF NEW JERSEY  
GASB 67 REPORTING FOR JUNE 30, 2025 MEASUREMENT DATE**

**SECTION I – BOARD SUMMARY**

The purpose of this report is to provide accounting and financial disclosure information under Governmental Accounting Standards Board Statement 67 for the Teachers' Pension and Annuity Fund of New Jersey (TPAF, Plan or Fund). This information includes:

- Projection of the Total Pension Liability (TPL) from the valuation date to the measurement date,
- Calculation of the Net Pension Liability (NPL) at the discount rate as well as discount rates 1% higher and lower than the discount rate, and
- Changes in the Net Pension Liability.

**Highlights**

The reporting date for the TPAF is June 30, 2025. Measurements as of the reporting date are based on the fair value of assets as of June 30, 2025 and the Total Pension Liability (TPL) as of the valuation date, July 1, 2024, updated to June 30, 2025. As a result of the Experience Study covering the period July 1, 2021 through June 30, 2024, the underlying demographic and economic assumptions were updated. To see a detailed comparison of the changes refer to the Experience Study. We are not aware of any other significant events between the valuation date and the measurement date that are measurable at this time, so the update procedures only include the addition of service cost and interest cost offset by actual benefit payments and an adjustment to reflect the changes in assumptions.

The following table provides a summary of the key results during this reporting period.

<b>Table I-1 Summary of Results</b>		
<b>Measurement Date</b>	<b>June 30, 2025</b>	<b>June 30, 2024</b>
Total Pension Liability	\$ 80,587,091,014	\$ 79,808,368,112
Plan Fiduciary Net Position	<u>33,850,645,800</u>	<u>30,316,295,787</u>
Net Pension Liability	\$ 46,736,445,214	\$ 49,492,072,325

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**SECTION II – CERTIFICATION**

The purpose of this report is to provide accounting and financial reporting information under GASB 67 for the Teachers' Pension and Annuity Fund of New Jersey (TPAF). This report is for the use of TPAF, the Division of Pensions and Benefits (DPB) and their auditors in preparing financial reports in accordance with applicable law and accounting requirements. This report is not appropriate for other purposes, including the measurement of funding requirements for TPAF and estimating the price to settle TPAF's obligations.

In preparing our report, we relied on information (some oral and some written) supplied by the DPB. This information includes, but is not limited to, the plan provisions, employee data, and financial information. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice No. 23, *Data Quality*.

Future actuarial measurements may differ significantly from the current measurements due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; and changes in plan provisions or applicable law.

For purposes of this report, the calculation of the Total Pension Liability and the projection of the Plan's contributions and benefit payments as of June 30, 2025 were based on the recommended demographic assumptions of the July 1, 2021 – June 30, 2024 Experience Study, which was approved by the Board of Trustees on October 9, 2025.

Chapter 82, P.L. 2025 revises the apportionment of State lottery revenue. The percentage of lottery revenue dedicated to the New Jersey Retirement Systems is reduced from 30% to 27% for at least FYE 2026 through FYE 2028 and may revert to 30% thereafter depending on future lottery revenue. We continue to rely on the projected lottery revenue proceeds from the most recent New Jersey Lottery Valuation Report as of December 31, 2021.

This report was prepared using census data as of the July 1, 2024 valuation date and financial information as of the June 30, 2025 measurement date.

Based on the State Treasurer's recommendation, the investment return assumption used to determine the actuarially determined contributions is 7.00% per annum.

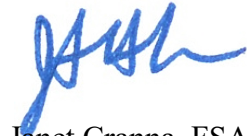
In accordance with Paragraph 40 of GASB Statement No. 67, the projection of the Plan's fiduciary net position is based on a long-term expected rate of return of 7.00% per annum. The discount rate used to measure the Total Pension Liability is 7.00% as of June 30, 2025 and is described in Section III of the report.

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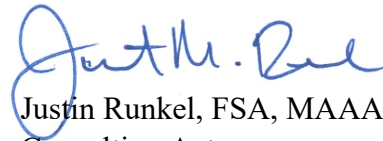
**SECTION II – CERTIFICATION**

This report and its contents have been prepared in accordance with generally recognized and accepted actuarial principles and practices and our understanding of the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board as well as applicable laws and regulations. Furthermore, as credentialed actuaries, we meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in this report. This report does not address any contractual or legal issues. We are not attorneys, and our firm does not provide any legal services or advice.

This report was prepared for TPAF for the purposes described herein and for the use by the plan auditor in completing an audit related to the matters herein. Other users of this report are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to such other users.



Janet Cranna, FSA, FCA, MAAA, EA  
Principal Consulting Actuary



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Consulting Actuary

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**SECTION III – DETERMINATION OF DISCOUNT RATE**

The discount rate used to measure the Total Pension Liability was 7.00% as of June 30, 2024 and June 30, 2025. As discussed with the DPB, the projection of cash flows used to determine the discount rate as of June 30, 2025 assumed:

- In accordance with Paragraph 40 of GASB Statement No. 67, the projection of the Plan's fiduciary net position is based on a long-term expected rate of return of 7.00% per annum.
- In accordance with Paragraph 41 of GASB Statement No. 67, the projection of the Plan's contributions and benefit payments are based on the same assumptions used to determine the expected contributions for the Fund. The demographic assumptions are based on the recommendations of the July 1, 2021 – June 30, 2024 Experience Study, which was approved by the Board of Trustees on October 9, 2025.

Based on the State Treasurer's recommendation, the investment return assumption used to determine the actuarially determined contributions is 7.00% per annum.

- It is assumed that the State will contribute 100% of the actuarially determined contribution and Non-Contributory Group Insurance Premium Fund (NCGIPF) contribution. The 100% contribution rate is the total State contribution rate expected to be paid in fiscal year ending June 30, 2026 with respect to the actuarially determined contribution for the fiscal year ending June 30, 2026 for all State-administered retirement systems.
- Consistent with Chapter 83, P.L. 2016, it is assumed that the State will make pension contributions in equal amounts at the end of each quarter.
- In accordance with Chapter 98, P. L. 2017, TPAF receives 77.78% of the proceeds of the Lottery Enterprise for a period of 30 years. Revenues received from lottery proceeds are assumed to be contributed to the Fund on a monthly basis. Chapter 82, P.L. 2025 revises the apportionment of State lottery revenue. The percentage of lottery revenue dedicated to the New Jersey Retirement Systems is reduced from 30% to 27% for at least FYE 2026 through FYE 2028 and may revert to 30% thereafter depending on future lottery revenue. We continue to rely on the projected lottery revenue proceeds from the most recent New Jersey Lottery Valuation Report as of December 31, 2021.
- It is assumed that Local employers' contributions are expected to be received on April 1<sup>st</sup>, 21 months after the associated valuation date.
- The NCGIPF contributions are assumed to be paid monthly.
- Annual administrative expenses are assumed to be 0.45% of expected pension benefit payments.

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**SECTION III – DETERMINATION OF DISCOUNT RATE**

The Fiduciary Net Position (FNP) includes Local employers' contributions receivable as reported in the financial statements provided to us by the DPB. In determining the discount rate in Appendix D, the FNP at the beginning of each year does not reflect receivable contributions as those amounts are not available at the beginning of the year to pay benefits. The receivable contributions for the current year include receivable contributions of \$2,131,855 for Local employers' Early Retirement Incentive (ERI).

In the event the Plan's fiduciary net position was no longer sufficient to make future benefit payments, municipal bond rates of 3.93% as of June 30, 2024 and 5.20% as of June 30, 2025 would be used to develop the blended GASB discount rate. As selected by the State Treasurer, the rates are based on the Bond Buyer GO 20-Bond Municipal Bond Index.

As of June 30, 2025, based on the assumptions above, the pension Plan's fiduciary net position is expected to be sufficient to make all projected future benefit payments for current Plan members; therefore, the GASB discount rate as of June 30, 2025 is equal to the long-term rate of return of 7.00%. Similarly, the GASB discount rate as of June 30, 2024 was equal to the long-term rate of return of 7.00%. The assumed discount rates have been determined in accordance with the method prescribed by GASB Statement No. 67. See Appendix D for the determination of the discount rate.

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**SECTION IV – PROJECTION OF TOTAL PENSION LIABILITY**

The Total Pension Liability (TPL) at the end of the measurement year, June 30, 2025, is measured as of a valuation date of July 1, 2024 and projected to June 30, 2025. The TPL and service cost were calculated using the Entry Age Normal Cost Method as prescribed by GASB 67. All TPL amounts shown in Table IV-1 below include liabilities attributable to the NCGIPF. In addition, net employer transfer contributions and net member transfer contributions with accumulated interest are added to the June 30, 2025 TPL.

During the measurement year there was a change in assumptions. There were no other significant events during the projection period of which we are aware. Because the TPL shown in the prior report was measured as of July 1, 2023 and projected to June 30, 2024, it will not match the amounts measured as of July 1, 2024 that are shown in this exhibit.

The following table shows the projection of the TPL at discount rates equal to the rate used for disclosure and plus and minus one percent from the rate used for disclosure.

<b>Table IV-1</b>			
<b>Projection of Total Pension Liability from Valuation to Measurement Date</b>			
<b>Discount Rate</b>	<b>6.00%</b>	<b>7.00%</b>	<b>8.00%</b>
<b>Total Pension Liability, 7/1/2024</b>			
Actives	\$ 38,746,728,223	\$ 33,085,042,796	\$ 28,423,927,850
Deferred Vested	107,327,840	93,251,072	81,788,142
Retirees	<u>49,138,094,613</u>	<u>45,623,619,552</u>	<u>42,551,519,223</u>
<b>Total</b>	<b>\$ 87,992,150,676</b>	<b>\$ 78,801,913,420</b>	<b>\$ 71,057,235,215</b>
<b>Service Cost</b>	1,818,517,041	1,425,115,131	1,129,198,772
<b>Benefit Payments</b>	(5,093,379,329)	(5,093,379,329)	(5,093,379,329)
<b>Transfer Contributions - Employer</b>	3,213,755	3,213,755	3,213,755
<b>Transfer Contributions - Member</b>	9,163,382	9,163,382	9,163,382
<b>Interest</b>	<u>5,238,430,324</u>	<u>5,441,064,655</u>	<u>5,575,584,541</u>
<b>Total Pension Liability, 6/30/2025</b>	<b>\$ 89,968,095,849</b>	<b>\$ 80,587,091,014</b>	<b>\$ 72,681,016,336</b>

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**SECTION V – NOTE DISCLOSURES**

The following table shows the changes in the Total Pension Liability, the Plan Fiduciary Net Position (i.e., fair value of Fund assets), and the Net Pension Liability during the Measurement Year. There were changes in assumptions that resulted from the July 1, 2021 – June 30, 2024 Experience Study. The impact of these changes is displayed in the following table.

<b>Table V-1 Change in Net Pension Liability</b>			
	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a) - (b)</b>
<b>Balances at 6/30/2024</b>	\$ 79,808,368,112	\$ 30,316,295,787	\$ 49,492,072,325
<b>Changes for the year:</b>			
Service cost	1,437,159,506		1,437,159,506
Interest	5,512,359,590		5,512,359,590
Changes of benefits	0		0
Differences between expected and actual experience	(15,839,329)		(15,839,329)
Changes of assumptions	(1,073,954,673)		(1,073,954,673)
Contributions - employer (appropriations)		3,388,310,000	(3,388,310,000)
Contributions - employer (NCGIPF)		51,903,325	(51,903,325)
Contributions - employer (lottery)		842,357,400	(842,357,400)
Contributions - member		997,192,573	(997,192,573)
Transfers from other systems - employer	3,213,755	3,213,755	0
Transfers from other systems - member	9,163,382	9,163,382	0
Employer contribution - delayed enrollments	0	480,856	(480,856)
Employer contribution - delayed appropriations	0	0	0
Net investment income		3,357,932,954	(3,357,932,954)
Benefit payments	(5,093,379,329)	(5,093,379,329)	0
Administrative expense		(22,824,903)	22,824,903
Net changes	<u>778,722,902</u>	<u>3,534,350,013</u>	<u>(2,755,627,111)</u>
<b>Balances at 6/30/2025</b>	<u>\$ 80,587,091,014</u>	<u>\$ 33,850,645,800</u>	<u>\$ 46,736,445,214</u>

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**SECTION V – NOTE DISCLOSURES**

Changes in the discount rate affect the measurement of the TPL. Lower discount rates produce a higher TPL and higher discount rates produce a lower TPL. Because the discount rate does not affect the measurement of assets, the percentage change in the NPL can be very significant for a relatively small change in the discount rate. The following table shows the sensitivity of the NPL to the discount rate.

<b>Table V-2</b>			
<b>Sensitivity of Net Pension Liability to Changes in Discount Rate</b>			
	<b>1% Decrease 6.00%</b>	<b>Discount Rate 7.00%</b>	<b>1% Increase 8.00%</b>
Total Pension Liability	\$ 89,968,095,849	\$ 80,587,091,014	\$ 72,681,016,336
Plan Fiduciary Net Position	<u>33,850,645,800</u>	<u>33,850,645,800</u>	<u>33,850,645,800</u>
Net Pension Liability	<u>\$ 56,117,450,049</u>	<u>\$ 46,736,445,214</u>	<u>\$ 38,830,370,536</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	37.6%	42.0%	46.6%

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**SECTION VI – REQUIRED SUPPLEMENTARY INFORMATION**

The schedule below shows the changes in NPL and related ratios required by GASB for the current and prior year.

<b>Table VI-1</b>		
<b>Schedule of Changes in Net Pension Liability and Related Ratios</b>		
	<b>FYE 2025</b>	<b>FYE 2024</b>
<b><u>Total Pension Liability</u></b>		
Service cost	\$ 1,437,159,506	\$ 1,395,143,002
Interest (includes interest on service cost)	5,512,359,590	5,402,862,412
Changes of benefit terms	0	0
Differences between expected and actual experience	(15,839,329)	(242,353,091)
Changes of assumptions	(1,073,954,673)	0
Transfers from other systems - employer	3,213,755	3,281,252
Transfers from other systems - member	9,163,382	4,809,209
Benefit payments, including refunds of member contributions	(5,093,379,329)	(4,995,517,764)
<b>Net change in total pension liability</b>	<b>\$ 778,722,902</b>	<b>\$ 1,568,225,020</b>
<b>Total pension liability - beginning</b>	<b>79,808,368,112</b>	<b>78,240,143,092</b>
<b>Total pension liability - ending</b>	<b>\$ 80,587,091,014</b>	<b>\$ 79,808,368,112</b>
<b><u>Plan fiduciary net position</u></b>		
Contributions - employer (appropriations)	\$ 3,388,310,000	\$ 3,367,351,000
Contributions - employer (NCGIPF)	51,903,325	46,919,331
Contributions - employer (lottery)	842,357,400	913,915,000
Contributions - member	997,192,573	968,116,740
Transfers from other systems - employer	3,213,755	3,281,252
Transfers from other systems - member	9,163,382	4,809,209
Employer contribution - delayed enrollments	480,856	521,718
Employer contribution - delayed appropriations	0	0
Net investment income	3,357,932,954	2,900,716,901
Benefit payments, including refunds of member contributions	(5,093,379,329)	(4,995,517,764)
Administrative expense	(22,824,903)	(23,998,868)
<b>Net change in plan fiduciary net position</b>	<b>\$ 3,534,350,013</b>	<b>\$ 3,186,114,519</b>
<b>Plan fiduciary net position - beginning</b>	<b>30,316,295,787</b>	<b>27,130,181,268</b>
<b>Plan fiduciary net position - ending</b>	<b>\$ 33,850,645,800</b>	<b>\$ 30,316,295,787</b>
<b>Net pension liability - ending</b>	<b>\$ 46,736,445,214</b>	<b>\$ 49,492,072,325</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>42.01%</b>	<b>37.99%</b>
<b>Covered payroll</b>	<b>\$ 12,686,312,401</b>	<b>\$ 12,217,308,333</b>
<b>Net pension liability as a percentage of covered payroll</b>	<b>368.40%</b>	<b>405.10%</b>

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**SECTION VI – REQUIRED SUPPLEMENTARY INFORMATION**

Since an Actuarially Determined Contribution (ADC) is calculated, the following schedule is required. An ADC is a contribution amount determined in accordance with Actuarial Standards of Practice. Amounts shown for the ADC and actual contributions in the following table include the amounts payable from the Lottery Enterprise. These amounts also include the Non-Contributory Group Insurance Premium Fund costs.

Table VI-2 Schedule of Employer Contributions		
	FYE 2025	FYE 2024
Actuarially Determined Contribution*	\$ 4,181,818,355	\$ 4,155,875,428
Contributions in Relation to the Actuarially Determined Contribution	<u>4,282,570,725</u>	<u>4,328,185,331</u>
Contribution Deficiency/(Excess)	\$ (100,752,370)	\$ (172,309,903)
Covered Payroll	\$ 12,686,312,401	\$ 12,217,308,333
Contributions as a Percentage of Covered Payroll	33.76%	35.43%

\* Includes NCGIPF

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**SECTION VI – REQUIRED SUPPLEMENTARY INFORMATION**

The following summarizes key methods and assumptions used to determine the Actuarially Determined Contribution for FYE 2025.

Valuation Date:	July 1, 2023
Timing:	Actuarial determined contributions are calculated as of the July 1 preceding the fiscal year in which contributions are made.
Actuarial cost method:	Projected Unit Credit
Amortization method:	Level dollar
Remaining amortization period:	26 years
Asset valuation method:	5-year smoothing of difference between market value and expected actuarial value
Investment rate of return:	7.00%, net of investment expenses
Salary increases:	Service-based rates scaling from 4.25% at enrollment to 2.75%
Mortality:	<p><i>Pre-Retirement (Non-Annuitants):</i> The Pub-2010 Teachers Above-Median Income Employee mortality table [<i>PubT-2010(A) Employee</i>] as published by the Society of Actuaries (SOA) with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis using SOA's Scale MP-2021. All pre-retirement deaths are assumed to be ordinary deaths.</p> <p><i>Healthy Retirees and Beneficiaries (Healthy Annuitants):</i> The Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table [<i>PubT-2010(A) Healthy Retiree</i>] as published by the SOA with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis using SOA's Scale MP-2021.</p> <p><i>Disabled Retirees (Disabled Annuitants):</i> The Pub-2010 Non-Safety Disabled Retiree mortality table [<i>PubNS-2010 Disabled Retiree</i>] as published by the SOA with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis using SOA's Scale MP-2021.</p>

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**APPENDIX A – MEMBERSHIP INFORMATION**

<b>Plan Membership</b>		
	<b>July 1, 2024</b>	<b>July 1, 2023</b>
Contributing Actives	145,354	144,016
Non-Contributing Members	16,287	16,259
Terminated Vested	521	378
Inactive Receiving Benefits*	<u>114,157</u>	<u>112,829</u>
<b>Total</b>	<b>276,319</b>	<b>273,482</b>
Annual Compensation for Contributing Actives	\$ 12,686,312,401	\$ 12,217,308,333
Annual Retirement Allowances for Those Receiving Benefits	\$ 4,840,664,967	\$ 4,756,890,148

\* QDRO recipients are excluded from the counts for both years.

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APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS

**A. Actuarial Assumptions**

- 1. Investment Rate of Return for determining Actuarially Determined Contributions** 7.00% per annum, compounded annually.
- 2. Long-Term Expected Rate of Return** 7.00% per annum, compounded annually.
- 3. Interest Crediting Rate on Accumulated Deductions** 7.00% per annum, compounded annually. Interest credits are assumed to end upon termination.
- 4. GASB 67 Effective Discount Rate**
  - June 30, 2024: 7.00% per annum, compounded annually.
  - June 30, 2025: 7.00% per annum, compounded annually.
- 5. Price Inflation** 2.75% per annum, compounded annually.
- 6. Wage Inflation** 3.25% per annum, compounded annually.
- 7. Cost-of-Living Adjustments (COLAs)** No future COLAs are assumed. Previously granted COLAs are included in the data.

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**APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS**

**8. Salary Increases**                      Salary increases vary by years of service. Annual salary increases are shown below.

Years of Service	Rate
0	4.25%
1	4.45
2	4.65
3	4.85
4	5.05
5	5.25
6	5.35
7	5.45
8	5.55
9	5.65
10	5.75
11	5.85
12	5.85
13	5.85
14	5.85
15	5.85
16	5.35
17	4.90
18	4.50
19	4.20
20	3.90
21	3.60
22	3.30
23	3.00
24	2.85
25+	2.75

Salary increases are assumed to occur on October 1.

Non-contributing members reported with a salary are assumed to have no future salary increases.

**9. 401(a)(17) Pay Limit**                      \$345,000 in 2024 increasing 2.75% per annum, compounded annually.

**10. Social Security Wage Base**                      \$168,600 in 2024 increasing 3.25% per annum, compounded annually.

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APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS

11. Termination

Termination rates are as follows:

Service	Rates
0	7.00%
1	7.00
2	6.00
3	5.25
4	4.25
5	3.75
6	3.25
7	3.00
8	2.75
9	2.50
10	2.35
11	2.35
12	2.15
13	1.75
14	1.50
15	1.25
16	1.10
17	0.95
18	0.90
19	0.65
20	0.60
21	0.55
22	0.45
23	0.35
24-29	0.30

No termination is assumed after attainment of retirement eligibility.

72% of members with 10 or more years of service at termination are assumed to elect a deferred retirement benefit.

All other members are assumed to receive a refund of Accumulated Deductions with credited interest.

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**APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS**

**12. Disability**

Disability rates are as follows:

Age	Ordinary Disability	Accidental Disability	Age	Ordinary Disability	Accidental Disability
20	0.005%	0.006%	48	0.120%	0.006%
21	0.005	0.006	49	0.130	0.006
22	0.005	0.006	50	0.145	0.006
23	0.005	0.006	51	0.160	0.006
24	0.005	0.006	52	0.170	0.006
25	0.005	0.006	53	0.190	0.006
26	0.005	0.006	54	0.205	0.006
27	0.005	0.006	55	0.245	0.006
28	0.005	0.006	56	0.295	0.006
29	0.005	0.006	57	0.345	0.006
30	0.005	0.006	58	0.390	0.006
31	0.010	0.006	59	0.440	0.006
32	0.015	0.006	60	0.495	0.006
33	0.020	0.006	61	0.500	0.006
34	0.025	0.006	62	0.500	0.006
35	0.035	0.006	63	0.500	0.006
36	0.045	0.006	64	0.500	0.006
37	0.055	0.006	65	0.500	0.006
38	0.065	0.006	66	0.500	0.006
39	0.070	0.006	67	0.500	0.006
40	0.075	0.006	68	0.500	0.006
41	0.080	0.006	69	0.500	0.006
42	0.085	0.006	70	0.500	0.006
43	0.085	0.006	71	0.500	0.006
44	0.095	0.006	72	0.500	0.006
45	0.100	0.006	73	0.500	0.006
46	0.110	0.006	74	0.500	0.006
47	0.115	0.006			

Accidental disability rates apply at all ages.

Ordinary disability rates apply upon attainment of 10 years of service until the attainment of age 55 with at least 25 years of service.

Members are assumed to receive the greater of the applicable disability benefit or the early or service retirement benefit, depending on eligibility.

**APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS**

Tier 4 and Tier 5 members are not eligible for the Ordinary or Accidental Disability benefits, but the disability rates still apply. Such members terminating under the disability decrement are assumed to separate from service and elect a deferred retirement benefit.

**13. Mortality**

Pre-Retirement Mortality (Non-Annuitants): The Pub-2016 Teachers Above-Median Income Employee mortality table [*PubT-2016(A) Employee*] as published by the Society of Actuaries (SOA) with a 94.1% adjustment for males and 84.0% adjustment for females, and with future improvement from the base year of 2016 on a generational basis using SOA's Scale MP-2021. All pre-retirement deaths are assumed to be ordinary deaths.

Healthy Retirees and Beneficiaries (Healthy Annuitants): The Pub-2016 Teachers Above-Median Income Healthy Retiree mortality table [*PubT-2016(A) Healthy Retiree*] as published by the SOA with a 112.1% adjustment for males and 99.5% adjustment for females, and with future improvement from the base year of 2016 on a generational basis using SOA's Scale MP-2021.

Disabled Retirees (Disabled Annuitants): The Pub-2016 Non-Safety Disabled Retiree mortality table [*PubNS-2016 Disabled Retiree*] as published by the SOA with a 128.0% adjustment for males and 113.7% adjustment for females, and with future improvement from the base year of 2016 on a generational basis using SOA's Scale MP-2021.

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**APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS**

**14. Retirement**

Retirement rates for Tier 1-4 members are as follows:

Age	Less Than 25 Years of Service	25 Years of Service	26 or More Years of Service
< 49	N/A	1.5%	1.5%
49	N/A	2.0	1.5
50	N/A	2.0	1.5
51	N/A	2.0	2.0
52	N/A	4.0	2.5
53	N/A	5.0	3.0
54	N/A	6.0	3.5
55	N/A	10.0	13.0
56	N/A	20.0	17.0
57	N/A	20.0	17.0
58	N/A	20.0	17.0
59	N/A	20.0	17.0
60	5.0	27.0	20.0
61	6.0	27.0	22.0
62	6.0	35.0	27.0
63	8.0	42.0	30.0
64	8.0	42.0	30.0
65	12.0	45.0	30.0
66	18.0	52.0	35.0
67	20.0	58.0	40.0
68	18.0	55.0	30.0
69	18.0	50.0	30.0
70	18.0	50.0	30.0
71	18.0	50.0	30.0
72	18.0	50.0	30.0
73	18.0	50.0	30.0
74	18.0	50.0	30.0
75	100.0	100.0	100.0

Rates apply upon retirement eligibility by tier.

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Retirement rates for Tier 5 members are as follows:

<b>Age</b>	<b>Less Than 25 Years of Service</b>	<b>25 Years of Service</b>	<b>26 to 29 Years of Service</b>	<b>30 Years of Service</b>	<b>31 or More Years of Service</b>
< 49	N/A	N/A	N/A	1.5%	1.5%
49	N/A	N/A	N/A	2.0	1.5
50	N/A	N/A	N/A	2.0	1.5
51	N/A	N/A	N/A	2.0	2.0
52	N/A	N/A	N/A	4.0	2.5
53	N/A	N/A	N/A	5.0	3.0
54	N/A	N/A	N/A	6.0	3.5
55	N/A	N/A	N/A	10.0	13.0
56	N/A	N/A	N/A	20.0	17.0
57	N/A	N/A	N/A	20.0	17.0
58	N/A	N/A	N/A	20.0	17.0
59	N/A	N/A	N/A	20.0	17.0
60	N/A	N/A	N/A	27.0	20.0
61	N/A	N/A	N/A	27.0	22.0
62	N/A	N/A	N/A	35.0	27.0
63	N/A	N/A	N/A	42.0	30.0
64	N/A	N/A	N/A	42.0	30.0
65	12.0	45.0	45.0	45.0	30.0
66	18.0	52.0	35.0	35.0	35.0
67	20.0	58.0	40.0	40.0	40.0
68	18.0	55.0	30.0	30.0	30.0
69	18.0	50.0	30.0	30.0	30.0
70	18.0	50.0	30.0	30.0	30.0
71	18.0	50.0	30.0	30.0	30.0
72	18.0	50.0	30.0	30.0	30.0
73	18.0	50.0	30.0	30.0	30.0
74	18.0	50.0	30.0	30.0	30.0
75	100.0	100.0	100.0	100.0	100.0

**APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS**

- 15. Family Composition Assumptions** For members not currently in receipt, 50% of members are assumed married to spouses of the opposite sex. Males are assumed to be two years older than females.
- For purposes of the optional form of payment death benefit for members currently in receipt, beneficiary status is based on the beneficiary allowance reported. If no beneficiary date of birth is provided, the beneficiary is assumed to be the member's spouse of the opposite sex with males assumed to be two years older than females.
- No additional dependent children or parents are assumed.
- 16. Form of Payment** Current actives are assumed to elect the Maximum Option.
- 17. Data** Information provided by the prior actuary was relied upon for the purposes of setting the status of and valuing non-contributing records. For non-contributing terminated members, a deferred retirement benefit is estimated, when applicable, based on the last known salary. For non-contributing members with incomplete information, the benefit is based on the Annuity Savings Fund.
- Deferred beneficiaries were reported separately from other non-contributing members for the first time in 2021. The benefit is based on the Annuity Savings Fund.
- For current beneficiaries with incomplete information, reasonable assumptions were made based on information available in prior years.
- Inactive participants receiving benefits according to the 2023 data but omitted from the 2024 data are assumed to have died without a beneficiary.
- Tier 4 and 5 members on long-term disability appeared on the active data for the first time in 2019. The number of members on long-term disability is immaterial for valuation purposes. Therefore, we valued these members as regular contributing and non-contributing members.
- 18. Rationale for Assumptions** The demographic and economic assumptions used in this report, except for the investment return assumption, reflect the results of the July 1, 2021 – June 30, 2024 Experience Study, which was approved by the Board of Trustees on October 9 2025.
- The investment return assumption was recommended by the State Treasurer. We find the investment return assumption to be reasonable based on the System's current asset allocation and the capital market outlook of the New Jersey Division of Investment.
- The combined effect of the assumptions in aggregate is expected to have no significant bias.

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**19. Projection Basis** This report includes projections of future assets, benefit payments and contributions for the purpose of determining the GASB 67 discount rate.

The projections are based on the census data as of July 1, 2024 and the financial information as of June 30, 2025. The projections assume continuation of the plan provisions and actuarial assumptions in effect as of July 1, 2025 and do not reflect the impact of any changes in benefits or actuarial assumptions that may be adopted after July 1, 2025 unless otherwise indicated. While the assumptions individually are reasonable for the underlying valuation that supports the projections, specifically for projection purposes, they are also considered reasonable in the aggregate.

**20. Changes in Assumptions since Last Valuation** Mortality rates, termination rates, retirement rates, ordinary disability rates, salary increase rates, and family composition assumptions were updated based on the July 1, 2021 – June 30, 2024 Experience Study, which was approved by the Board of Trustees on October 9, 2025.

## APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS

### B. Actuarial Methods

The actuarial methods used for determining State contributions are described below.

#### 1. Actuarial Cost Method

The actuarial cost method for funding calculations is the Projected Unit Credit Cost Method. Non-contributory active members only use the Unit Credit Cost Method.

The actuarial liability is calculated as the actuarial present value of the projected benefits linearly allocated to periods prior to the valuation year based on service. Refunds are valued as the Accumulated Deductions with interest as of the valuation date provided by the Division of Pensions and Benefits. The unfunded actuarial liability is the actuarial liability on the valuation date less the actuarial value of assets.

In accordance with Chapter 78, P.L. 2011:

- Beginning with the July 1, 2010 actuarial valuation, the accrued liability contribution shall be computed so that if the contribution is paid annually in level dollars, it will amortize the unfunded accrued liability over an open 30-year period.
- Beginning with the July 1, 2019 actuarial valuation, the accrued liability contribution shall be computed so that if the contribution is paid annually in level dollars, it will amortize the unfunded accrued liability over a closed 30-year period (i.e., for each subsequent actuarial valuation the amortization period shall decrease by one year).
- Beginning with the July 1, 2029 actuarial valuation, when the remaining amortization period reaches 20 years, any increase or decrease in the unfunded accrued liability as a result of actuarial losses or gains for subsequent valuation years shall serve to increase or decrease, respectively, the amortization period for the unfunded accrued liability, unless an increase in the amortization period will cause it to exceed 20 years. If an increase in the amortization period as a result of actuarial losses for a valuation year would exceed 20 years, the accrued liability contribution shall be computed for the valuation year using a 20-year amortization period.

To the extent that the amortization period remains an open period in future years and depending upon the specific circumstances, it should be noted that in the absence of emerging actuarial gains or contributions made in excess of the actuarially determined contribution, any existing unfunded accrued liability may not be fully amortized in the future.

The non-contributory group life insurance benefit is funded separately through a term cost.

## APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS

### 2. Asset Valuation Method

For the purposes of determining contribution rates, an actuarial value of assets is used that dampens the volatility in the market value of assets, resulting in a smoother pattern of contributions.

The actuarial value of assets is adjusted to reflect actual contributions and benefit payments and administrative expenses, and an assumed rate of return on the previous year's assets and current year's cash flow at the prior year's actuarial valuation interest rate, with a further adjustment to reflect 20% of the difference between the resulting value and the actual market value of Fund assets.

### 3. Contributions

Chapter 83, P.L. 2016 requires the State to make the required pension contributions on a quarterly basis in each fiscal year according to the following schedule: at least 25% by September 30, at least 50% by December 31, at least 75% by March 31, and at least 100% by June 30. As such, contributions are assumed to be made on a quarterly basis with the first contribution 15 months after the associated valuation date.

Chapter 98, P.L. 2017, the Lottery Enterprise Contribution Act, allows the TPAF to receive 77.78% of the proceeds of the Lottery Enterprise, based upon their members' past or present employment in schools and institutions in the State for a term of 30 years. Revenues from Chapter 98, P.L. 2017, the Lottery Enterprise Contribution Act, are assumed to be contributed to the trust on a monthly basis. The State's pension contribution is reduced by the product of the allocable percentage for the TPAF, the adjustment percentage, and the special asset value.

Contributions payable in the fiscal year starting on the valuation date are included in the actuarial value of assets as receivable contributions, discounted by the applicable valuation interest rate.

Legislation has provided for additional benefits and/or funding requirements which are included in this valuation and are described as follows.

#### Early Retirement Incentive Programs

State and Local employers which elected to participate in various early retirement incentive programs authorized by NJ Statute make contributions to cover the cost of these programs over amortization periods elected by the employer to the extent permitted by NJ Statute.

#### Chapter 133, P.L. 2001

Chapter 133, P.L. 2001 increased the accrual rate from 1/60 to 1/55. In addition, it lowered the age required for a veteran benefit equal to 1/55 of highest 12-month Compensation for each Year of Service from 60 to 55.

**APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS**

Chapter 133, P.L. 2001 established the Benefit Enhancement Fund (BEF) to fund the additional annual employer normal contribution due to the Statute's increased benefits. (Chapter 353, P.L. 2001 extended this coverage to this Statute's additional annual employer normal contribution.) If the assets in the BEF are insufficient to cover the normal contribution for the increased benefits for a valuation period, the State will pay such amount. As of July 1, 2024, there are no assets in the BEF.

**4. Valuation Software**

Cheiron utilizes ProVal, an actuarial valuation software leased from Winklevoss Technologies (WinTech) to calculate liabilities, normal costs, and project benefit payments. We have relied on WinTech as the developer of ProVal. We have reviewed ProVal and have used ProVal in accordance with its original intended purpose. We have not identified any material inconsistencies in ProVal assumptions or output that would affect this actuarial valuation.

**5. Changes in Methods since Last Valuation**

None.

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**APPENDIX C – SUMMARY OF PLAN PROVISIONS**

This summary of Plan provisions provides an overview of the major provisions of the TPAF used in the actuarial valuation. It is not intended to replace the more precise language of the NJ State Statutes, Title 18A, Chapter 66, and if there is any difference between the description of the plan herein and the actual language in the NJ State Statutes, the NJ State Statutes will govern.

**1. Eligibility for Membership**

Employees appointed to positions requiring certification by the New Jersey Department of Education as members of a regular teaching or professional staff of a public school system in New Jersey are required to enroll as a condition of employment. Employees of the Department of Education holding unclassified, professional and certificated titles are eligible for membership. Temporary or substitute employees are not eligible. The eligible employee must be scheduled to work at least 32 hours per week effective May 22, 2010, per Chapter 1, P.L. 2010.

- a) Class B (or Tier 1) Member: Any member hired prior to July 1, 2007.
- b) Class D (or Tier 2) Member: Any member hired on or after July 1, 2007 and before November 2, 2008.
- c) Class E (or Tier 3) Member: Any member hired after November 1, 2008 and before May 22, 2010.
- d) Class F (or Tier 4) Member: Any member hired after May 21, 2010 and before June 28, 2011.
- e) Class G (or Tier 5) Member: Any member hired on or after June 28, 2011.

**2. Plan Year**

The 12-month period beginning on July 1 and ending on June 30.

**3. Years of Service**

A year of service for each year an employee is a Member of the Retirement System plus service, if any, covered by a prior service liability. Tier 4 members must be scheduled to work at least 32 hours per week; Tier 3 members must have an annual salary of \$7,500 (indexed for inflation) and other members must have an annual salary of \$500.

**APPENDIX C – SUMMARY OF PLAN PROVISIONS**

**4. Compensation**

Base salary upon which contributions by a Member to the Annuity Savings Fund were based. Chapter 113, P.L. 1997 provides that Compensation cannot exceed the compensation limitation of Section 401(a)(17) of the Internal Revenue Code. Chapter 103, P.L. 2007 provides that for a Tier 2, 3, 4 or 5 Member, Compensation cannot exceed the annual maximum wage contribution base for Social Security, pursuant to the Federal Insurance Contribution Act.

**5. Final Compensation**

The average annual compensation upon which contributions by a Member are made for the three consecutive years of service immediately preceding retirement, or the highest three fiscal years of service, if greater. Chapter 1, P. L. 1997 provides that for a Tier 4 or Tier 5 Member, Final Compensation is the average annual compensation upon which contributions by a Member are made for the five consecutive years of service immediately preceding retirement, or the highest five fiscal years of service, if greater.

**6. Final Year Compensation**

The compensation upon which contributions by a Member to the Annuity Savings Fund are based in the last year of service.

**7. Accumulated Deductions**

The sum of all amounts deducted from the compensation of a Member or contributed by the Member or on the Member's behalf without interest.

**8. Interest Credits on Accumulated Deductions**

Members receive interest credits while contributing and for the first two years of inactivity. The rate depends on the type of benefit. Prior to July 1, 2018, members received interest credits for the entire period of inactivity until retirement or death.

**9. Member Contributions**

Each Member contributes a percentage of Compensation. Effective October 1, 2011, Chapter 78, P.L. 2011 set the member contribution rate at 6.5% and increased it by 1/7 of 1% each July thereafter until it attained an ultimate rate of 7.5% on July 1, 2018.

APPENDIX C – SUMMARY OF PLAN PROVISIONS

10. Benefits

- a) **Service Retirement:** For a Tier 1 or Tier 2 Member, age 60. For a Tier 3 or Tier 4 Member, age 62. For a Tier 5 Member, age 65.

Benefit is an annual retirement allowance comprised of a member annuity plus an employer pension which together will provide a total allowance of:

- (1) For a Tier 1, 2 or 3 Member, 1/55 of Final Compensation for each Year of Service.
- (2) For a Tier 4 or 5 Member, 1/60 of Final Compensation for each Year of Service.

- b) **Early Retirement:** Prior to eligibility for Service Retirement. For a Tier 1, 2, 3 or 4 Member, 25 Years of Service. For a Tier 5 Member, 30 Years of Service.

Benefit is an annual retirement allowance comprised of a member annuity plus an employer pension which together will provide a total allowance of:

- (1) For a Tier 1 Member, the Service Retirement benefit reduced by 1/4 of one percent for each month the retirement date precedes age 55.
- (2) For a Tier 2 Member, the Service Retirement benefit reduced by 1/12 of one percent for each month the retirement date precedes age 60 through age 55 and by 1/4 of one percent for each month the retirement date precedes age 55.
- (3) For a Tier 3 or 4 Member, the Service Retirement benefit reduced by 1/12 of one percent for each month the retirement date precedes age 62 through age 55 and by 1/4 of one percent for each month the retirement date precedes age 55.
- (4) For a Tier 5 Member, the Service Retirement benefit reduced by 1/4 of one percent for each month the retirement date precedes age 65.

- c) **Veteran Retirement:** Age 55 with 25 Years of Service or Age 60 with 20 Years of Service for a qualified military veteran who retires directly from active service.

Benefit is an annual retirement allowance comprised of a member annuity plus an employer pension which together will provide a total allowance of the greater of:

- (1) 54.5% of highest 12-month Compensation, or
- (2) For a member who is at least age 55 with 35 Years of Service, 1/55 of highest 12-month Compensation for each Year of Service.

Veterans may receive a Service Retirement benefit if greater.

APPENDIX C – SUMMARY OF PLAN PROVISIONS

- d) **Deferred Retirement:** Termination of service prior to eligibility for Service Retirement with 10 Years of Service.

Benefit is either:

- (1) A refund of Accumulated Deductions plus, if the member has completed three years of service, interest accumulated at 2.0% per annum; or
- (2) A deferred life annuity, commencing at age 60 for a Tier 1 or Tier 2 Member, age 62 for a Tier 3 or Tier 4 Member or age 65 for a Tier 5 Member, comprised of a member annuity plus an employer pension which together will provide a total allowance of the Service Retirement benefit based on Final Compensation and Years of Service at date of termination.

For Members who die during the deferral period, the benefit is a return of Accumulated Deductions with credited interest.

- e) **Non-Vested Termination:** Termination of service prior to eligibility for Service Retirement and less than 10 Years of Service.

Benefit is a refund of Accumulated Deductions plus, if the member has completed three Years of Service, interest accumulated at 2.0% per annum.

- f) **Death Benefits**

- (1) **Ordinary Death Before Retirement:** Death of an active contributing Member  
Benefit is equal to:

- a. Lump sum payment equal to 150% of Final Year Compensation, also known as the non-contributory group life insurance benefit, plus
- b. Accumulated Deductions with credited interest.

- (2) **Accidental Death Before Retirement:** Death of an active Member resulting from injuries received from an accident during performance of duty and not a result of willful negligence. Benefit is equal to:

- a. Lump sum payment equal to 150% of Final Year Compensation, also known as the non-contributory group life insurance benefit, plus
- b. Spouse life annuity of 50% of Final Year Compensation payable until spouse's death or remarriage. If there is no surviving spouse or upon death or remarriage, a total of 20% (35%, 50%) of Final Year Compensation payable to one (two, three or more) dependent child(ren). If there is no surviving spouse or dependent child(ren), 25% (40%) of Final Year Compensation to one (two) dependent parent(s). If there is no surviving spouse, dependent child(ren) or parent(s), the benefit is a refund of Accumulated Deductions with credited interest.

**APPENDIX C – SUMMARY OF PLAN PROVISIONS**

- (3) Death After Retirement: Death of a retired Member. Benefit is equal to:
- a. Lump sum payment equal to 3/16 of Final Year Compensation for a Member retired under service, early, veteran or deferred retirement with 10 Years of Service. For a Member receiving a disability benefit, lump sum payment of 150% of Final Year Compensation if death occurs prior to age 60 and 3/16 of Final Compensation if death occurs after age 60. This benefit is also known as the non-contributory group life insurance benefit, plus
  - b. Any survivor benefit due under the Member's optional form of payment election. Previously granted COLAs also apply to life annuities.

Members are also eligible for a voluntary, employee-paid life insurance policy, known as the contributory group life insurance policy. This benefit is not paid through the Fund and is not considered for valuation purposes.

g) Disability Retirement

- (1) Ordinary Disability Retirement: 10 Years of Service and totally and permanently incapacitated from the performance of normal or assigned duties. Only available to Tier 1, 2 and 3 Members.

Benefit is an annual retirement allowance comprised of a member annuity plus an employer pension which together will provide a total allowance of:

- a. 1.64% of Final Compensation for each Year of Service; or
- b. 43.6% of Final Compensation.

- (2) Accidental Disability Retirement: Total and permanent incapacitation as a direct result of a traumatic event occurring during and as a result of the performance of regular or assigned duties. Only available to Tier 1, 2 and 3 Members.

Benefit is an annual retirement allowance comprised of a member annuity plus an employer pension which together will provide a total allowance of 72.7% of the Compensation at the date of injury.

The pension portion of the benefit will be offset for any periodic Workers' Compensation benefits.

Tier 4 and Tier 5 Members are eligible for long-term disability coverage. This benefit is not paid through the Fund and is not considered for valuation purposes. Both Member and employer contributions to the Fund continue while on long-term disability, with the policy covering the Member portion. The long-term disability benefit equals 60% of Final Year Compensation and may be offset for other periodic benefits, such as Workers' Compensation, short-term disability or Social Security. The long-term disability benefit may continue through the earlier of age 70 or commencement of a retirement benefit under the Fund.

**APPENDIX C – SUMMARY OF PLAN PROVISIONS**

**11. Optional Forms of Payment**

The member may elect the following forms of payment.

- a) Maximum Option: Single life annuity with a return of the balance of the Accumulated Deductions with credited interest.
- b) Option 1: Single life annuity with a return of the balance of the initial reserve.
- c) Option 2: 100% joint and survivor annuity.
- d) Option 3: 50% joint and survivor annuity.
- e) Option 4: Other percentage joint and survivor annuity.
- f) Option A: 100% pop-up joint and survivor annuity.
- g) Option B: 75% pop-up joint and survivor annuity.
- h) Option C: 50% pop-up joint and survivor annuity.
- i) Option D: 25% pop-up joint and survivor annuity.

**12. Cost-of-Living Adjustments**

Also known as Pension Adjustments. Provided annually to retirees and survivors after 24 months of retirement prior to July 1, 2011. Chapter 78, P.L. 2011 eliminated future adjustments effective July 1, 2011. Adjustments may be reinstated in the future subject to certain conditions outlined in Chapter 78, P.L. 2011.

**13. Changes in Plan Provisions since Last Valuation**

None.

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**APPENDIX D – DETERMINATION OF DISCOUNT RATE**

**Table 1 - Projection of the Pension Plan's Fiduciary Net Position**  
(In Thousands)

Projections Commence June 30, 2025

Year	Projected Beginning Fiduciary Net Position	Projected Member Contributions	Projected Employer Contributions	Projected Lottery Contributions	Projected Benefit Payments	Projected Administrative Expenses	Projected Investment Earnings	Projected Ending Fiduciary Net Position
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h) = (a) + (b) + (c) + (d) - (e) - (f) + (g)
1	\$ 33,848,514	\$ 952,682	\$ 3,463,985	\$ 882,943	\$ 5,213,479	\$ 23,362	\$ 2,342,466	\$ 36,253,749
2	36,253,749	946,688	3,348,519	891,786	5,322,579	23,845	2,504,194	38,598,513
3	38,598,513	939,864	3,353,405	899,574	5,435,085	24,342	2,664,621	40,996,549
4	40,996,549	932,352	3,356,863	908,412	5,550,418	24,852	2,828,656	43,447,561
5	43,447,561	923,313	3,358,983	925,676	5,671,676	25,389	2,996,397	45,954,865
6	45,954,865	912,425	3,357,863	934,943	5,800,211	25,959	3,167,404	48,501,330
7	48,501,330	899,593	3,362,403	944,302	5,932,956	26,547	3,341,090	51,089,215
8	51,089,215	884,735	3,363,297	953,755	6,069,607	27,154	3,517,379	53,711,619
9	53,711,619	867,809	3,360,139	963,303	6,212,783	27,790	3,695,689	56,357,985
10	56,357,985	848,760	3,353,595	972,946	6,365,820	28,472	3,875,173	59,014,169
11	59,014,169	827,926	3,343,039	982,686	6,520,302	29,161	4,055,132	61,673,490
12	61,673,490	805,868	3,329,231	992,523	6,671,718	29,836	4,235,292	64,334,849
13	64,334,849	783,004	3,313,516	1,002,458	6,819,077	30,495	4,415,660	66,999,917
14	66,999,917	759,617	3,296,833	1,012,493	6,958,738	31,119	4,596,511	69,675,513
15	69,675,513	736,014	3,280,223	1,022,628	7,086,659	31,692	4,778,501	72,374,529
16	72,374,529	712,170	3,264,665	1,032,865	7,203,332	32,214	4,962,539	75,111,222
17	75,111,222	687,469	3,250,844	1,043,204	7,311,522	32,700	5,149,525	77,898,043
18	77,898,043	660,316	3,238,126	1,053,646	7,419,539	33,186	5,339,971	80,737,378
19	80,737,378	629,821	3,224,643	1,064,193	7,531,193	33,689	5,533,833	83,624,985
20	83,624,985	595,859	3,209,155	1,074,845	7,647,841	34,217	5,730,731	86,553,517
21	86,553,517	559,020	3,191,225	1,085,604	7,766,795	34,757	5,930,253	89,518,067
22	89,518,067	519,641	3,170,908	1,096,470	7,888,854	35,311	6,132,043	92,512,964
23	92,512,964	478,095	3,889,474	0	8,013,706	35,879	6,316,805	95,147,753
24	95,147,753	434,912	3,585,600	0	8,141,160	36,459	6,487,480	97,478,125
25	97,478,125	391,639	674,639	0	8,262,956	37,013	6,569,566	96,814,001
26	96,814,001	349,579	517,315	0	8,370,952	37,504	6,513,821	95,786,259
27	95,786,259	307,383	481,359	0	8,474,784	37,976	6,435,905	94,498,145
28	94,498,145	264,064	448,609	0	8,579,916	38,453	6,339,763	92,932,212
29	92,932,212	220,326	412,180	0	8,681,316	38,912	6,224,195	91,068,683
30	91,068,683	179,501	372,409	0	8,758,830	39,263	6,088,636	88,911,137
31	88,911,137	144,407	333,347	0	8,796,359	39,430	5,934,096	86,487,198
32	86,487,198	114,489	299,072	0	8,785,368	39,377	5,762,891	83,838,906
33	83,838,906	89,516	269,141	0	8,748,302	39,204	5,577,168	80,987,225
34	80,987,225	69,084	243,485	0	8,675,185	38,866	5,378,723	77,964,465
35	77,964,465	52,510	222,085	0	8,569,363	38,380	5,169,678	74,800,995
36	74,800,995	39,218	204,415	0	8,433,468	37,756	4,952,034	71,525,437
37	71,525,437	28,672	190,049	0	8,270,195	37,007	4,727,671	68,164,628
38	68,164,628	20,495	178,550	0	8,080,718	36,139	4,498,404	64,745,220
39	64,745,220	14,357	169,618	0	7,867,755	35,165	4,265,983	61,292,258
40	61,292,258	9,890	162,960	0	7,632,868	34,091	4,032,088	57,830,237
41	57,830,237	6,715	158,203	0	7,378,283	32,929	3,798,333	54,382,276
42	54,382,276	4,501	154,890	0	7,106,747	31,690	3,566,217	50,969,446
43	50,969,446	2,985	152,578	0	6,821,885	30,392	3,337,069	47,609,802
44	47,609,802	1,975	150,897	0	6,527,434	29,051	3,112,008	44,318,196
45	44,318,196	1,304	149,560	0	6,225,780	27,679	2,891,976	41,107,577
46	41,107,577	845	148,322	0	5,919,007	26,285	2,677,798	37,989,251
47	37,989,251	526	146,984	0	5,608,839	24,877	2,470,197	34,973,241
48	34,973,241	312	145,421	0	5,296,750	23,463	2,269,819	32,068,579
49	32,068,579	164	143,566	0	4,984,358	22,048	2,077,237	29,283,140
50	29,283,140	69	141,354	0	4,673,064	20,641	1,892,952	26,623,811
51	26,623,811	19	138,763	0	4,364,349	19,247	1,717,393	24,096,390
52	24,096,390	1	135,786	0	4,059,711	17,874	1,550,914	21,705,506
53	21,705,506	0	132,423	0	3,760,687	16,528	1,393,785	19,454,499
54	19,454,499	0	128,665	0	3,468,743	15,216	1,246,189	17,345,395
55	17,345,395	0	124,528	0	3,185,115	13,943	1,108,226	15,379,091
56	15,379,091	0	120,030	0	2,910,905	12,715	979,920	13,555,422
57	13,555,422	0	115,207	0	2,647,101	11,536	861,227	11,873,218
58	11,873,218	0	110,088	0	2,394,545	10,409	752,038	10,330,389
59	10,330,389	0	104,694	0	2,153,947	9,338	652,181	8,923,980
60	8,923,980	0	99,060	0	1,925,920	8,326	561,430	7,650,224

**TEACHERS' PENSION AND ANNUITY FUND OF NEW JERSEY  
GASB 67 REPORTING FOR JUNE 30, 2025 MEASUREMENT DATE**

**APPENDIX D – DETERMINATION OF DISCOUNT RATE**

**Table 1 - Projection of the Pension Plan's Fiduciary Net Position**  
(In Thousands)

Projections Commence June 30, 2025

Year	Projected Beginning Fiduciary Net Position	Projected Member Contributions	Projected Employer Contributions	Projected Lottery Contributions	Projected Benefit Payments	Projected Administrative Expenses	Projected Investment Earnings	Projected Ending Fiduciary Net Position
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h) = (a) + (b) + (c) + (d) - (e) - (f) + (g)
61	7,650,224	0	93,215	0	1,710,957	7,373	479,506	6,504,614
62	6,504,614	0	87,190	0	1,509,445	6,483	406,080	5,481,956
63	5,481,956	0	81,027	0	1,321,684	5,656	340,781	4,576,424
64	4,576,424	0	74,769	0	1,147,862	4,892	283,194	3,781,633
65	3,781,633	0	68,461	0	988,065	4,193	232,872	3,090,708
66	3,090,708	0	62,150	0	842,279	3,558	189,336	2,496,356
67	2,496,356	0	55,886	0	710,403	2,985	152,080	1,990,934
68	1,990,934	0	49,717	0	592,243	2,475	120,578	1,566,510
69	1,566,510	0	43,701	0	487,523	2,025	94,285	1,214,948
70	1,214,948	0	37,896	0	395,846	1,634	72,649	928,014
71	928,014	0	32,374	0	316,705	1,298	55,113	697,498
72	697,498	0	27,211	0	249,436	1,015	41,127	515,386
73	515,386	0	22,480	0	193,212	780	30,163	374,037
74	374,037	0	18,238	0	147,048	589	21,720	266,359
75	266,359	0	14,514	0	109,845	436	15,342	185,934
76	185,934	0	11,316	0	80,450	316	10,620	127,104
77	127,104	0	8,635	0	57,707	224	7,197	85,004
78	85,004	0	6,440	0	40,493	156	4,770	55,565
79	55,565	0	4,688	0	27,765	106	3,090	35,472
80	35,472	0	3,326	0	18,581	70	1,954	22,102
81	22,102	0	2,297	0	12,124	45	1,206	13,437
82	13,437	0	1,542	0	7,705	28	727	7,972
83	7,972	0	1,004	0	4,766	17	428	4,620
84	4,620	0	634	0	2,869	10	246	2,621
85	2,621	0	387	0	1,680	6	139	1,461
86	1,461	0	229	0	959	3	77	805
87	805	0	131	0	534	2	42	442
88	442	0	72	0	292	1	23	244
89	244	0	39	0	158	1	13	136
90	136	0	20	0	86	0	7	78
91	78	0	10	0	47	0	4	46
92	46	0	5	0	26	0	2	28
93	28	0	3	0	15	0	2	17
94	17	0	1	0	8	0	1	11
95	11	0	1	0	5	0	1	7
96	7	0	0	0	3	0	0	5
97	5	0	0	0	2	0	0	3
98	3	0	0	0	1	0	0	2
99	2	0	0	0	1	0	0	2
100	2	0	0	0	0	0	0	1
101	1	0	0	0	0	0	0	1
102	1	0	0	0	0	0	0	1
103	1	0	0	0	0	0	0	1
104	1	0	0	0	0	0	0	1
105	1	0	0	0	0	0	0	1
106	1	0	0	0	0	0	0	1
107	1	0	0	0	0	0	0	1
108	1	0	0	0	0	0	0	1
109	1	0	0	0	0	0	0	1
110	1	0	0	0	0	0	0	1
111	1	0	0	0	0	0	0	1
112	1	0	0	0	0	0	0	2
113	2	0	0	0	0	0	0	2
114	2	0	0	0	0	0	0	2
115	2	0	0	0	0	0	0	2

**TEACHERS' PENSION AND ANNUITY FUND OF NEW JERSEY  
GASB 67 REPORTING FOR JUNE 30, 2025 MEASUREMENT DATE**

**APPENDIX D – DETERMINATION OF DISCOUNT RATE**

**Table 2 - Actuarial Present Values of Projected Benefit Payments**  
(In Thousands)

Projections Commence June 30, 2025

\* From Table 1 - Projection of the Pension Plan's Fiduciary Net Position, column (a)

\*\* From Table 1 - Projection of the Pension Plan's Fiduciary Net Position, column (c)

Year	Projected Beginning Fiduciary Net Position*	Projected Benefit Payments for current Plan participants**	"Funded" Portion of Benefit Payments (d) = (c) if (b) >= (c)	"Unfunded" Portion of Benefit Payments (e) = (c) - (d)	Present Value of "Funded" Benefit Payments (f) = (d) / (1+7.00%) <sup>[(a) - .5]</sup>	Present Value of "Unfunded" Benefit Payments (g) = (e) / (1+5.20%) <sup>[(a) - .5]</sup>	Present Value of Benefit Payments Using the Single Discount Rate (h) = (c) / (1+7.00%) <sup>[(a) - .5]</sup>
a)	(b)	(c)	(d) = (c) if (b) >= (c)	(e) = (c) - (d)	(f) = (d) / (1+7.00%) <sup>[(a) - .5]</sup>	(g) = (e) / (1+5.20%) <sup>[(a) - .5]</sup>	(h) = (c) / (1+7.00%) <sup>[(a) - .5]</sup>
1	\$ 33,848,514	\$ 5,213,479	\$ 5,213,479	\$ 0	\$ 5,040,060	\$ 0	\$ 5,040,060
2	36,253,749	5,322,579	5,322,579	0	4,808,908	0	4,808,908
3	38,598,513	5,435,085	5,435,085	0	4,589,305	0	4,589,305
4	40,996,549	5,550,418	5,550,418	0	4,380,084	0	4,380,084
5	43,447,561	5,671,676	5,671,676	0	4,182,967	0	4,182,967
6	45,954,865	5,800,211	5,800,211	0	3,997,910	0	3,997,910
7	48,501,330	5,932,956	5,932,956	0	3,821,876	0	3,821,876
8	51,089,215	6,069,607	6,069,607	0	3,654,115	0	3,654,115
9	53,711,619	6,212,783	6,212,783	0	3,495,619	0	3,495,619
10	56,357,985	6,365,820	6,365,820	0	3,347,406	0	3,347,406
11	59,014,169	6,520,302	6,520,302	0	3,204,336	0	3,204,336
12	61,673,490	6,671,718	6,671,718	0	3,064,250	0	3,064,250
13	64,334,849	6,819,077	6,819,077	0	2,927,038	0	2,927,038
14	66,999,917	6,958,738	6,958,738	0	2,791,576	0	2,791,576
15	69,675,513	7,086,659	7,086,659	0	2,656,910	0	2,656,910
16	72,374,529	7,203,332	7,203,332	0	2,523,974	0	2,523,974
17	75,111,222	7,311,522	7,311,522	0	2,394,283	0	2,394,283
18	77,898,043	7,419,539	7,419,539	0	2,270,705	0	2,270,705
19	80,737,378	7,531,193	7,531,193	0	2,154,090	0	2,154,090
20	83,624,985	7,647,841	7,647,841	0	2,044,350	0	2,044,350
21	86,553,517	7,766,795	7,766,795	0	1,940,325	0	1,940,325
22	89,518,067	7,888,854	7,888,854	0	1,841,886	0	1,841,886
23	92,512,964	8,013,706	8,013,706	0	1,748,632	0	1,748,632
24	95,147,753	8,141,160	8,141,160	0	1,660,227	0	1,660,227
25	97,478,125	8,262,956	8,262,956	0	1,574,827	0	1,574,827
26	96,814,001	8,370,952	8,370,952	0	1,491,037	0	1,491,037
27	95,786,259	8,474,784	8,474,784	0	1,410,778	0	1,410,778
28	94,498,145	8,579,916	8,579,916	0	1,334,840	0	1,334,840
29	92,932,212	8,681,316	8,681,316	0	1,262,257	0	1,262,257
30	91,068,683	8,758,830	8,758,830	0	1,190,213	0	1,190,213
31	88,911,137	8,796,359	8,796,359	0	1,117,115	0	1,117,115
32	86,487,198	8,785,368	8,785,368	0	1,042,728	0	1,042,728
33	83,838,906	8,748,302	8,748,302	0	970,400	0	970,400
34	80,987,225	8,675,185	8,675,185	0	899,336	0	899,336
35	77,964,465	8,569,363	8,569,363	0	830,249	0	830,249
36	74,800,995	8,433,468	8,433,468	0	763,628	0	763,628
37	71,525,437	8,270,195	8,270,195	0	699,855	0	699,855
38	68,164,628	8,080,718	8,080,718	0	639,084	0	639,084
39	64,745,220	7,867,755	7,867,755	0	581,534	0	581,534
40	61,292,258	7,632,868	7,632,868	0	527,265	0	527,265
41	57,830,237	7,378,283	7,378,283	0	476,335	0	476,335
42	54,382,276	7,106,747	7,106,747	0	428,789	0	428,789
43	50,969,446	6,821,885	6,821,885	0	384,675	0	384,675
44	47,609,802	6,527,434	6,527,434	0	343,992	0	343,992
45	44,318,196	6,225,780	6,225,780	0	306,631	0	306,631
46	41,107,577	5,919,007	5,919,007	0	272,450	0	272,450
47	37,989,251	5,608,839	5,608,839	0	241,283	0	241,283
48	34,973,241	5,296,750	5,296,750	0	212,951	0	212,951
49	32,068,579	4,984,358	4,984,358	0	187,282	0	187,282
50	29,283,140	4,673,064	4,673,064	0	164,099	0	164,099
51	26,623,811	4,364,349	4,364,349	0	143,232	0	143,232
52	24,096,390	4,059,711	4,059,711	0	124,518	0	124,518
53	21,705,506	3,760,687	3,760,687	0	107,800	0	107,800
54	19,454,499	3,468,743	3,468,743	0	92,927	0	92,927
55	17,345,395	3,185,115	3,185,115	0	79,746	0	79,746
56	15,379,091	2,910,905	2,910,905	0	68,113	0	68,113
57	13,555,422	2,647,101	2,647,101	0	57,888	0	57,888
58	11,873,218	2,394,545	2,394,545	0	48,939	0	48,939
59	10,330,389	2,153,947	2,153,947	0	41,142	0	41,142
60	8,923,980	1,925,920	1,925,920	0	34,380	0	34,380

**TEACHERS' PENSION AND ANNUITY FUND OF NEW JERSEY  
GASB 67 REPORTING FOR JUNE 30, 2025 MEASUREMENT DATE**

**APPENDIX D – DETERMINATION OF DISCOUNT RATE**

**Table 2 - Actuarial Present Values of Projected Benefit Payments**

(In Thousands)

Projections Commence June 30, 2025

\* From Table 1 - Projection of the Pension Plan's Fiduciary Net Position, column (a)

\*\* From Table 1 - Projection of the Pension Plan's Fiduciary Net Position, column (c)

Year	Projected Beginning Fiduciary Net Position*	Projected Benefit Payments for current Plan participants**	"Funded" Portion of Benefit Payments	"Unfunded" Portion of Benefit Payments	Present Value of "Funded" Benefit Payments	Present Value of "Unfunded" Benefit Payments	Present Value of Benefit Payments Using the Single Discount Rate
(a)	(b)	(c)	(d) = (c) if (b) >= (c)	(e) = (c) - (d)	(f) = (d) / (1+7.00%)^[(a) - .5]	(g) = (e) / (1+5.20%)^[(a) - .5]	(h) = (c) / (1+7.00%)^[(a) - .5]
61	7,650,224	1,710,957	1,710,957	0	28,544	0	28,544
62	6,504,614	1,509,445	1,509,445	0	23,535	0	23,535
63	5,481,956	1,321,684	1,321,684	0	19,259	0	19,259
64	4,576,424	1,147,862	1,147,862	0	15,632	0	15,632
65	3,781,633	988,065	988,065	0	12,576	0	12,576
66	3,090,708	842,279	842,279	0	10,019	0	10,019
67	2,496,356	710,403	710,403	0	7,897	0	7,897
68	1,990,934	592,243	592,243	0	6,153	0	6,153
69	1,566,510	487,523	487,523	0	4,734	0	4,734
70	1,214,948	395,846	395,846	0	3,592	0	3,592
71	928,014	316,705	316,705	0	2,686	0	2,686
72	697,498	249,436	249,436	0	1,977	0	1,977
73	515,386	193,212	193,212	0	1,431	0	1,431
74	374,037	147,048	147,048	0	1,018	0	1,018
75	266,359	109,845	109,845	0	711	0	711
76	185,934	80,450	80,450	0	486	0	486
77	127,104	57,707	57,707	0	326	0	326
78	85,004	40,493	40,493	0	214	0	214
79	55,565	27,765	27,765	0	137	0	137
80	35,472	18,581	18,581	0	86	0	86
81	22,102	12,124	12,124	0	52	0	52
82	13,437	7,705	7,705	0	31	0	31
83	7,972	4,766	4,766	0	18	0	18
84	4,620	2,869	2,869	0	10	0	10
85	2,621	1,680	1,680	0	6	0	6
86	1,461	959	959	0	3	0	3
87	805	534	534	0	2	0	2
88	442	292	292	0	1	0	1
89	244	158	158	0	0	0	0
90	136	86	86	0	0	0	0
91	78	47	47	0	0	0	0
92	46	26	26	0	0	0	0
93	28	15	15	0	0	0	0
94	17	8	8	0	0	0	0
95	11	5	5	0	0	0	0
96	7	3	3	0	0	0	0
97	5	2	2	0	0	0	0
98	3	1	1	0	0	0	0
99	2	1	1	0	0	0	0
100	2	0	0	0	0	0	0
101	1	0	0	0	0	0	0
102	1	0	0	0	0	0	0
103	1	0	0	0	0	0	0
104	1	0	0	0	0	0	0
105	1	0	0	0	0	0	0
106	1	0	0	0	0	0	0
107	1	0	0	0	0	0	0
108	1	0	0	0	0	0	0
109	1	0	0	0	0	0	0
110	1	0	0	0	0	0	0
111	1	0	0	0	0	0	0
112	1	0	0	0	0	0	0
113	2	0	0	0	0	0	0
114	2	0	0	0	0	0	0
115	2	0	0	0	0	0	0
					\$ 94,834,286	\$ 0	\$ 94,834,286

**APPENDIX E – GLOSSARY OF TERMS**

**1. Actuarially Determined Contribution**

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

**2. Actuarial Valuation Date**

The date as of which an actuarial valuation is performed. This date may be up to 24 months prior to the measurement date and up to 30 months prior to the employer's reporting date.

**3. Entry Age Actuarial Cost Method**

The actuarial cost method required for GASB 67 calculations. Under this method, the actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis over the earnings of the individual between entry age and assumed exit ages. The portion of this actuarial present value allocated to a valuation year is called the Service Cost. The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future service costs is called the Total Pension Liability.

**4. Measurement Date**

The date as of which the Total Pension Liability and Plan Fiduciary Net Position are measured. The Total Pension Liability may be projected from the Actuarial Valuation Date to the Measurement Date. The Measurement Date must be the same as the Reporting Date for the plan.

**5. Net Pension Liability**

The liability of employers and nonemployer contributing entities for employees for benefits provided through a defined benefit pension plan. It is calculated as the Total Pension Liability less the Plan Fiduciary Net Position.

**6. Plan Fiduciary Net Position**

The fair or market value of assets.

**7. Reporting Date**

The last day of the plan or employer's fiscal year.

**APPENDIX E – GLOSSARY OF TERMS**

**8. Service Cost**

The portion of the actuarial present value of projected benefit payments that is attributed to the current period of employee service in conformity with the requirements of GASB 67. The Service Cost is the normal cost calculated under the entry age actuarial cost method.

**9. Total Pension Liability**

The portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service in conformity with the requirements of GASB 67. The Total Pension Liability is the actuarial liability calculated under the entry age actuarial cost method. This measurement generally is not appropriate for estimating the cost to settle the Plan's liabilities.