

Judges' Retirement System II Actuarial Valuation as of June 30, 2025

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Overview

- Judges II System covers judges appointed or elected on or after **November 9, 1994**
- Actuarial valuation date is **June 30, 2025**
- Determines required employer and PEPRA employee contributions for **fiscal year 2026-27**
- No changes to actuarial assumptions since the previous valuation on June 30, 2024

Key Experience Since Prior Valuation

- Investment return for fiscal year 2024-25 was **11.5%**
- Impact of non-investment gains/losses was **< 0.1%** of Accrued Liability
- Overall experience during 2024-25 matched actuarial assumptions extremely well

2026 ALM Process

- Alternate asset allocations and discount rate assumptions presented in March 2026; second reading June 2026
- Proposed changes to actuarial assumptions (other than the discount rate) to be presented in April and June 2026
- Any adopted assumption changes will not be reflected until the June 30, 2026 actuarial valuation
- Assumption changes not expected to have a material impact on valuation results

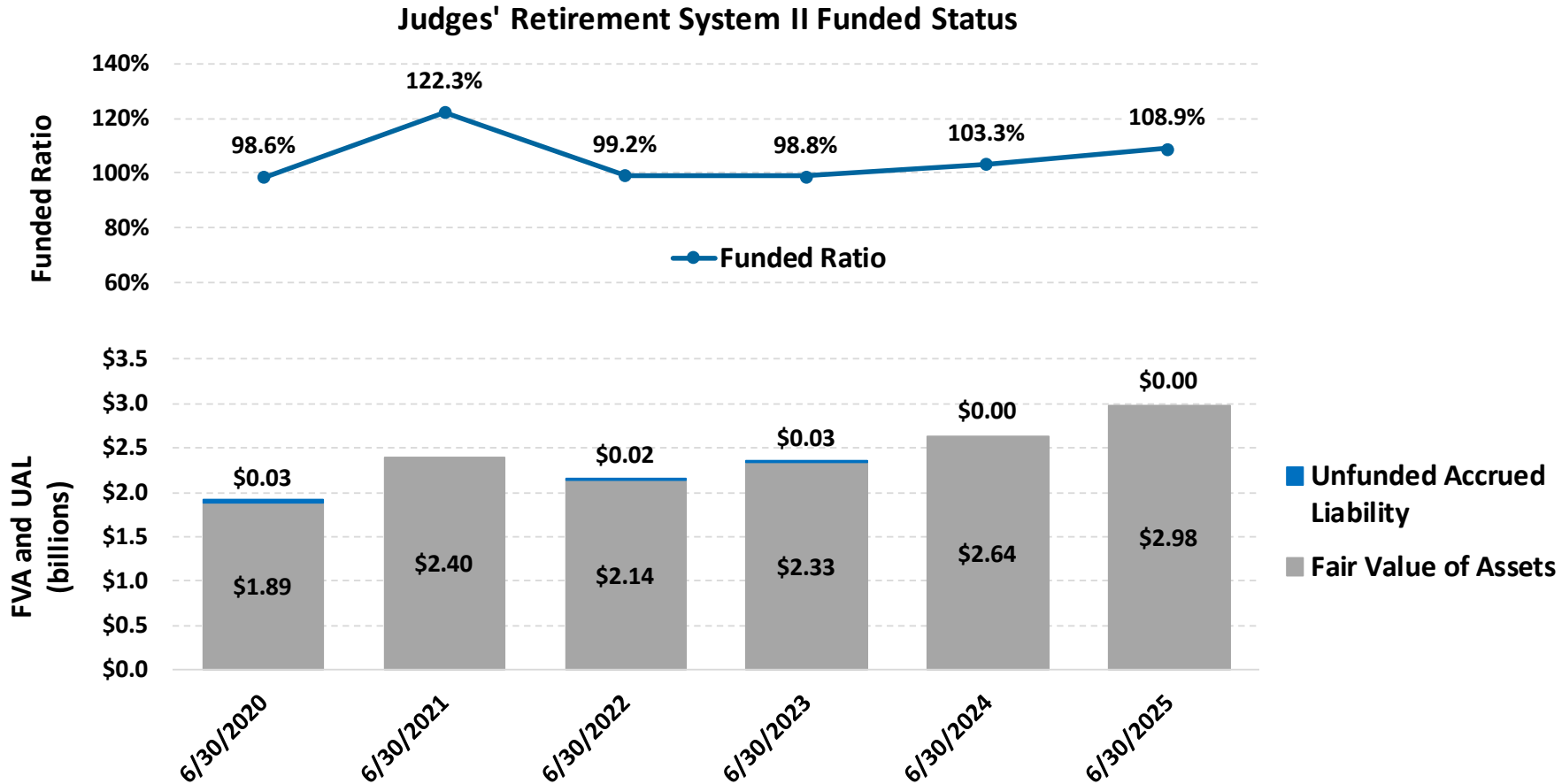
Funded Status Results (\$ in millions)

	June 30, 2024	June 30, 2025
Accrued Liability	\$ 2,533	\$ 2,739
Market Value of Assets	\$ 2,638	\$ 2,984
Unfunded Accrued Liability	(\$ 85)	(\$ 245)
Funded Ratio	103.3%	108.9%
Discount Rate	6.00%	6.00%

Employer Contributions (\$ in millions)

	Fiscal Year 2025-26	Fiscal Year 2026-27
Employer Contribution Rate (% of pay)		
Total Normal Cost	33.17%	33.23%
Member Contributions	<u>10.55%</u>	<u>11.05%</u>
Employer Normal Cost	22.62%	22.18%
Unfunded Liability Payment	\$ 0	\$ 0

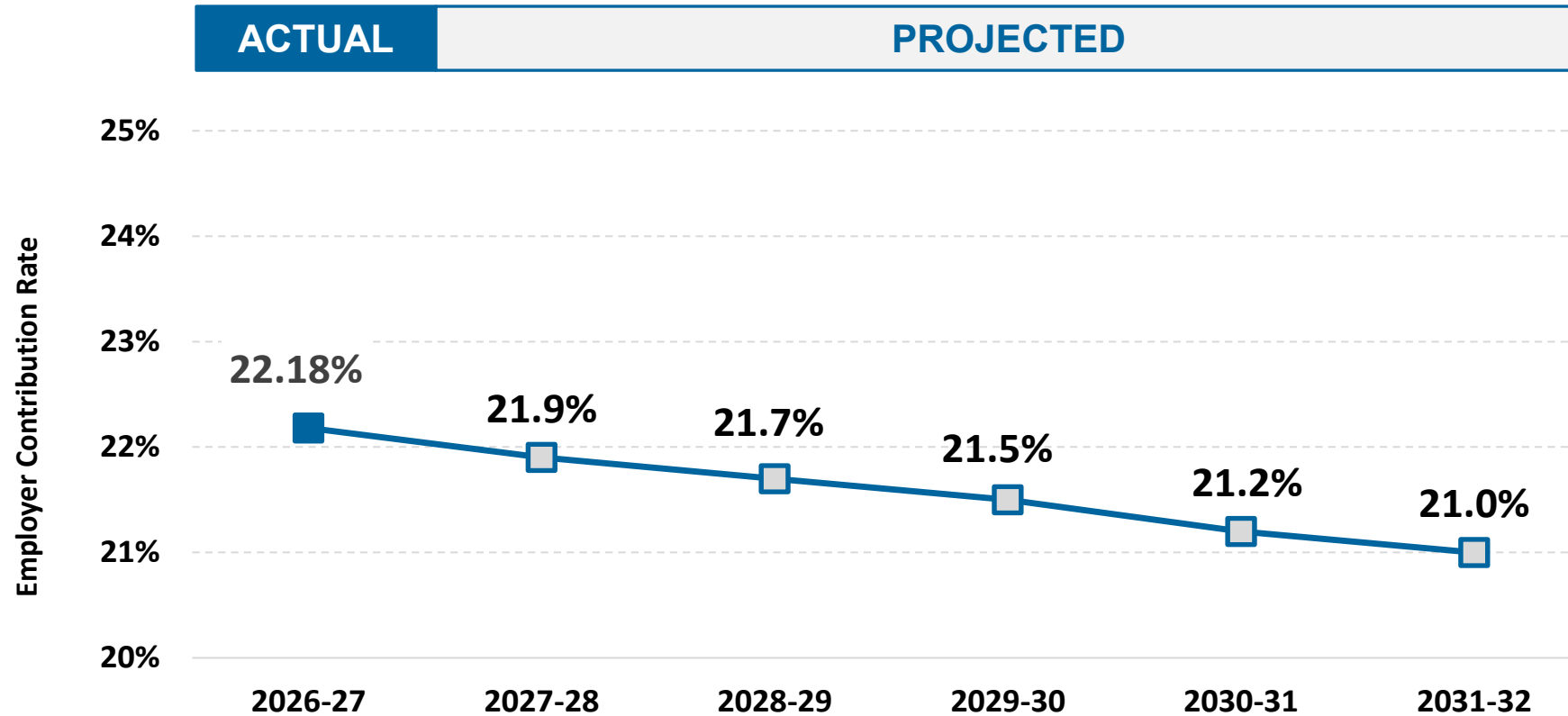
Funded Status Recent History



Member Contributions

- PEPRA members in the Judges II System are required to contribute 50% of normal cost
- Normal cost remained relatively stable since last year
- PEPRA member contribution rate will remain **16.75%** for fiscal year 2026-27
- The Classic member contribution rate is set by statute (8.00%)

Projected Employer Contribution Rate



Projected rates assume 6.0% investment return in FY 2025-26 and thereafter with no changes to benefits, assumptions, or methods during the projection period. All plan experience is assumed to match the actuarial assumptions, including the expectation that normal cost will continue to gradually decline over time as new employees enter the PEPRA benefit tier.