

County Employees' and Officers' Annuity and Benefit Fund of Cook County

A Component Unit of Cook County, Illinois



ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Years Ended December 31, 2025 and 2024



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(A Component Unit of Cook County, Illinois)

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December 31, 2025 and 2024

Prepared by the staff of the
County Employees' and Officers' Annuity and Benefit Fund of Cook County

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INTRODUCTORY Section

This section provides information regarding the County Employees' and Officers' Annuity and Benefit Fund of Cook County's Certificate of Achievement, Board of Trustees, consultants, and organizational structure, as well as a letter of transmittal.

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RETIREMENT BOARD

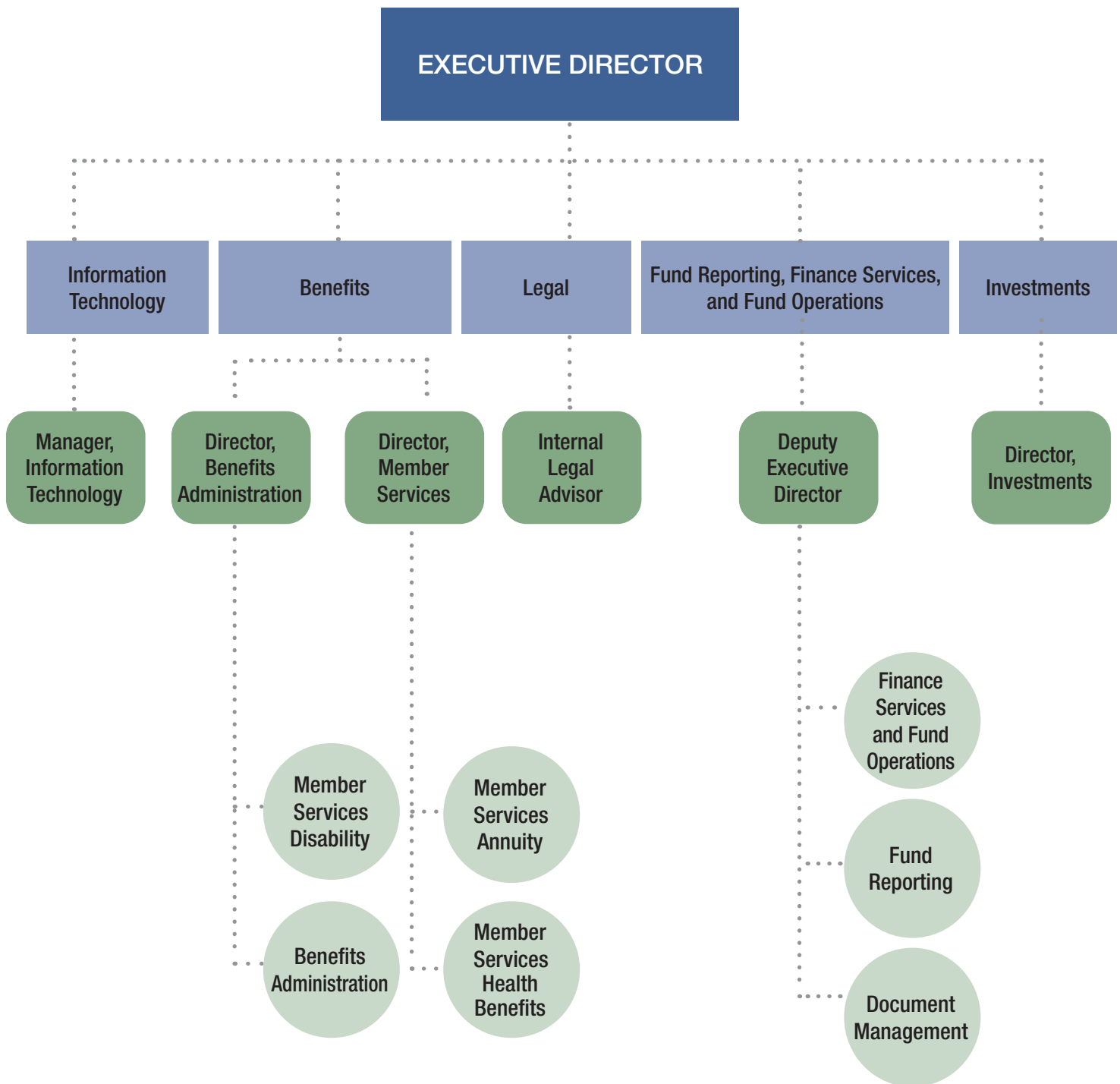
Kevin Ochalla President Elected Cook County Employee	
Tracy Reed Vice-President Elected Cook County Annuitant	Harold Dardick Secretary Ex Officio Cook County Treasurer (Designee)
Siobhain Martin Elected Cook County Employee	Thomas Monahan Elected Cook County Annuitant
Lakisha Marvel Elected Forest Preserve District Employee	Samuel Richardson, Jr Elected Forest Preserve District Annuitant
Patrick J. McFadden Elected Cook County Employee	Tonya Anthony Ex Officio Cook County CFO

PROFESSIONAL CONSULTANTS

Legal Counsel Burke Burns & Pinelli, Ltd.	Auditor RSM US LLP
Investment Consultant Callan LLC.	Consulting Actuary Cavanaugh Macdonald Consulting, LLC
Master Custodian BNY Mellon	Custodian Cook County Treasurer

Investment Managers are listed on pages 79-81.
Brokers used by Investment Managers are listed on pages 82-83.

As of December 31, 2025





June 3, 2026

Retirement Board
County Employees' and Officers' Annuity and Benefit Fund of Cook County
and *ex officio* for the Forest Preserve District Employees' Annuity and Benefit Fund of Cook County
70 West Madison St, Suite 1925
Chicago, IL 60602

To the Retirement Board and Our Members:

We are pleased to submit the Annual Comprehensive Financial Report ("ACFR") of the County Employees' and Officers' Annuity and Benefit Fund of Cook County ("Fund") for the calendar year ended December 31, 2025. The financial statements and their content are the responsibility of the Fund's management.

To the best of our knowledge and belief, the information contained in this report is complete and accurate in all material respects. This report is provided to allow the reader to gain an understanding of the Fund's financial position and operational activities as of December 31, 2025. Readers should review this report in conjunction with the Management's Discussion and Analysis (MD&A) found in the Financial Section of this report.

Fund Profile

Established in 1926 by an act of the Illinois General Assembly, the Fund is a defined benefit public pension fund that is governed by the Illinois Pension Code 40 ILCS 5/1-101 et seq. The Fund administers annuity, disability, death, and health benefits to employees of Cook County, Illinois and their beneficiaries. It is considered a component unit of Cook County and is included in the County's financial statements as a pension trust fund. As of December 31, 2025, the Fund's membership totaled 41,014, including 20,107 active employees, 17,793 retiree annuitants 3,114 survivor annuitants. In addition, the Fund has 18,897 inactive members.

The Fund is governed by a nine-member Retirement Board ("Board") that also administers the Forest Preserve District Fund. The nine Trustees are elected or appointed as follows: three are elected by the employees of Cook County; one is elected by employees of the Forest Preserve District, two are

elected by the annuitants of Cook County; one is elected by the annuitants of the Forest Preserve District, and two are ex officio members one of whom is appointed by the Comptroller and the other is appointed by the Treasurer of Cook County. Elected Trustees serve staggered three-year terms, resulting in no more than three positions being subject to election each year. The Fund has common trustees to administer the benefits provided to Cook County and Forest Preserve District employees in accordance with the Illinois Pension Code, Chapter 40, Articles 1, 9, 10, and 20.

Summary of Financial Experience

The following table illustrates the changes in the Fund’s net position between December 31, 2025 and December 31, 2024 (numbers in millions):

A more detailed analysis of the Fund’s financial information can be found in the Financial Section of this report.

Change in Net Position	2025	2024	\$ Change	% Change
Total additions	\$ 2,810.7	\$ 1946.5	\$ 864.2	44.4%
Total deductions	\$ 1,273.3	\$ 1,216.3	\$ 57.0	4.7%
Change in net position from prior year	\$ 1,537.4	\$ 730.2	\$ 807.2	110.5%

Funding

The Fund engages an independent actuary, Cavanaugh Macdonald Consulting, LLC, to perform an actuarial valuation on an annual basis pursuant to the provisions of the Illinois Pension Code.

As of December 31, 2025, the Fund’s combined actuarial accrued liability for pension and retiree health benefits was \$21.9 billion, and the actuarial value of assets was \$14.5 billion, resulting in unfunded actuarial accrued liability of \$7.4 billion. The funded ratio (ratio of assets to liabilities) for pension benefits and retiree health benefits combined was 66.32%, an increase from prior year’s funded ratio of 65.93%.

The Fund’s actuarial accrued liability for only pension benefits was \$21.1 billion and the actuarial value of assets was \$14.5 billion, resulting in an unfunded liability of \$6.6 billion and a funded ratio of approximately 69%. The Fund’s actuarial accrued liability for the retiree health benefit was 0.8 billion. As there are no dedicated assets for retiree health benefits, the actuarial value of assets was \$0, resulting in unfunded liability for retiree health benefits of \$0.8 billion.

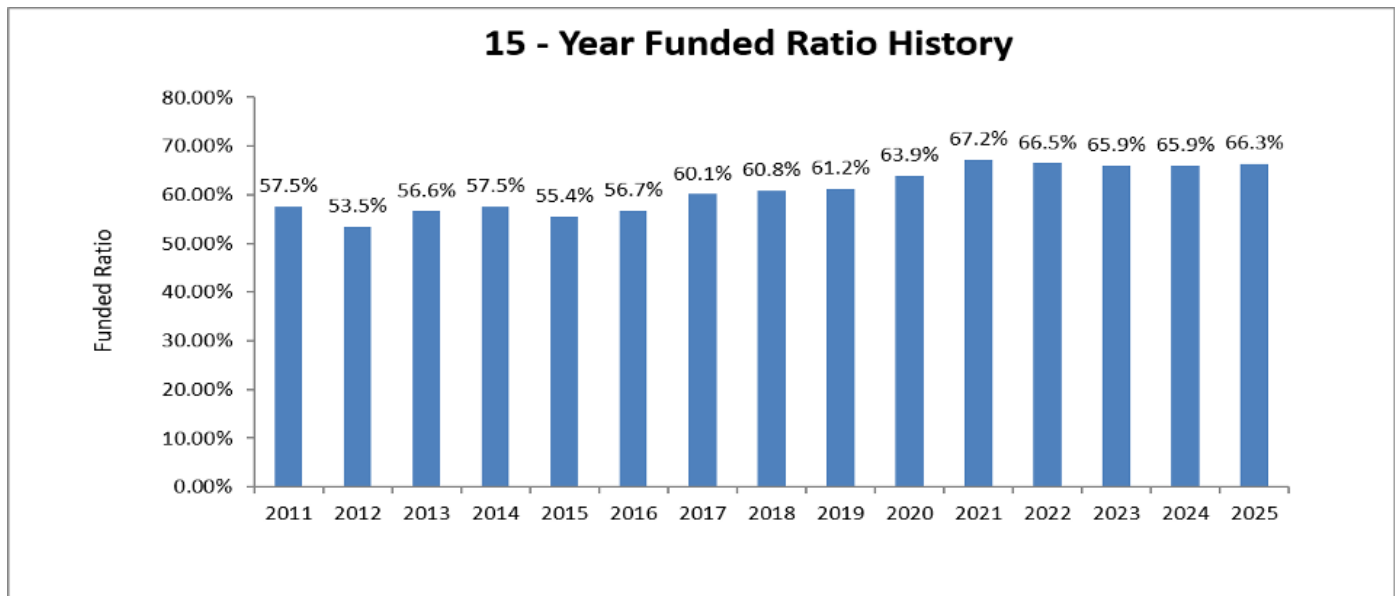
Employees contribute 8.5% of pensionable earnings to the Fund (9.0% for County police employees). Contributions from the employer, as required by Illinois Pension Code, are determined by the multiplier of the active employee contributions. Specifically, the County levies a tax annually equal to the total amount of contributions made by employees in the calendar year 2 years prior to the year of the levy, multiplied by 1.54. The funding policy based upon a fixed multiplier raised concerns about whether the Fund would be able to pay all future benefits.

In 2016, under the leadership of President Preckwinkle and the Cook County Board of Commissioners, the employer sought to address the downward funding trend experienced by the Fund by identifying and transmitting an additional source of contributions. This supplemental funding was contributed pursuant to a one-year Intergovernmental Agreement (IGA) that was renewed annually beginning in fiscal year 2016 and continuing through calendar year 2023. The supplemental contributions were funded through Home Rule Sales Tax revenues and represented an additional employer contribution to the Fund.

The employer has continued to make supplemental contributions through ordinance-authorized IGAs to support the Fund's long-term fiscal sustainability. In calendar years 2025 and 2024, the Fund received supplemental contributions of \$56,019,767 and \$53,821,185, respectively, by year-end.

Beginning in 2024, Public Act 103-0529 codified the process utilized in the one-year IGAs designed to achieve full funding of the Fund by 2047. Under Public Act 103-0529, employer contributions are determined by the Fund's actuary. The required employer contributions for calendar years 2025 and 2024 were \$516,958,851 and \$479,056,692, respectively.

The following chart depicts historical funding ratios for the Fund.



Investments

The Board's authority to invest the Fund's assets is governed by 40 ILCS 5/1-101 et seq. and 40 ILCS 5/9-101 et seq. The Fund's Investment Policy, which provides additional strategies and safeguards for the Fund's investment objectives, can be found on the Fund's website at: www.cookcountypension.com.

At year-end, the invested assets of the Fund were totaled \$14.9 billion compared with \$13.5 billion at the end of 2024, an increase of approximately \$1.4 billion. The Fund's investment rate of return for 2025 was 15.3%, which was more favorable than broad market indices. In aggregate, investments in fixed income, hedge funds, and infrastructure outperformed their respective benchmarks, while international equities and real estate trailed their benchmarks. U.S. equities performed in line with the benchmark. Private equity and private credit asset classes had positive returns.

The Board continues to work to maintain a diversified asset allocation within acceptable risk parameters. Additional information regarding performance and investment professionals who provide services to the Fund can be found in the Investment Section of this report or by referring to the periodic performance reviews on the website: www.cookcountypension.com.

2025 Initiatives

The Fund continues to advance strategic initiatives focused on enhancing member services, increasing organizational flexibility, strengthening systems, and improving liability and risk management. As the annuitant membership continues to grow, the Fund remains committed to regularly evaluating its strategic priorities and operational practices to ensure the delivery of high-quality, efficient, and responsive service to its members.

Benefits

Fund staff continues to process member needs through various service support platforms, including in-person counseling, email communications and phone call requests. The Fund staff provided prompt responses to members' questions.

Member applications for benefits continue at a steady pace. The following summarizes the benefits processed in 2025 for both the Cook County and Forest Preserve Funds:

- Made more than 263,000 annuity and disability payments to members
- Processed over 2,400 refund applications to terminated members or their survivors
- Calculated benefits for more than 740 new annuitants and their survivors.

In addition to processing member benefits, the Fund continued the member outreach project to update contact information, including obtaining notarized signatures, for all annuitants. These efforts were conducted in a series of mailings that began in May of 2021. Through these efforts Fund staff has been able to verify or obtain new contact information for its annuitants, including email addresses, as available. The Fund has updated its records and will utilize the information to mitigate fraud risks to the Fund and its members and to improve future means of communication.

Investments

In 2025, the Fund, in collaboration with its investment consultant, continued to focus on diversifying its assets to increase investment returns and income to meet liquidity needs in order to ensure the timely payment of member benefits.

To support these objectives, the Board approved its first commitments to the private credit asset class. These commitments totaled \$250 million, including \$125 million to Blue Owl, \$25 million to Entrust Global, and \$100 million to Pantheon. These commitments are intended to establish the Fund's private credit mandate and achieve its target allocation of 2% to the private credit asset class. The addition of private credit is expected to enhance diversification within the Fund's private markets portfolio, generate higher yields and total returns than hedge funds and traditional fixed income investments, expand opportunities to invest with minority, women, and disabled-owned businesses, and further diversify the portfolio across investment managers, strategies, and vintage years.

During 2025, the Board also expanded the Fund's exposure to international equities by increasing its allocation to actively managed international equity strategies. This initiative is designed to enhance the potential for excess returns while increasing opportunities to invest with minority, women, and disabled owned investment managers. As a result, the Board approved two new international equity mandates totaling \$450 million, awarding \$300 million to Acadian Asset Management and \$150 million to Arga Investment Management.

Looking ahead, the Fund plans to conduct an asset-liability study in 2026. Upon completion of the study, the Board will evaluate its findings and consider any recommended changes to the Fund's target asset allocation.

Administration

The Fund is administered under the direction of the Retirement Board, which is responsible for its oversight, management, and administration. To support these responsibilities, the Retirement Board appoints an Executive Director and engages consultants to provide investment, actuarial, audit, legal, and other professional services necessary for the Fund's operations. The Executive Director is responsible for the day-to-day administration of the Fund and reports directly to the Retirement Board.

In 2025, the Fund selected a vendor to modernize its more than 20-year-old pension administration system. This multi-year initiative to upgrade the pension benefit administration system is the culmination of a long-term effort that began in 2014 with an organizational risk assessment. The assessment identified the existing system as a high-risk asset due to its outdated technology and the limited availability of staff with the expertise to support and maintain it. Although the project was delayed for several years for a variety of reasons, it was relaunched in 2023. With the assistance of a vendor selection consultant, the Fund selected Proscenia to implement its IntelliPen pension administration system as part of the multi-year transition to a modernized pension administration platform. In addition, the Fund engaged Segal Consulting to provide project management services and help ensure smooth and successful implementation. This multi-year project begun in early 2026.

Trustee Elections

In 2025 three-member trustee positions were open for elections which were scheduled on October 29, 2025. Ms. Siobhain Martin was the sole candidate for the Cook County Employee Trustee position. Mr. Thomas Monahan was the sole candidate for the Cook County Annuitant Trustee position, and Mr. Samuel Richardson was the sole candidate for the Forest Preserve District Annuitant Trustee position. As the only candidates for their respective positions, all three trustees were declared elected by acclamation in accordance with the Board's rules. Their three-year terms will run from December 1, 2025, through November 30, 2028.

Legislation

The following Public Acts were enacted in calendar year 2025:

Public Act 104-0284 Provisions

- amends 5/10-179 to change the cost of purchasing up to 2 years of prior active-duty military services. Previously, interest was calculated from the date of military discharge whereas this amendment to the legislation requires interest calculated from date of employment.
- amends 5/1-107 to require the Fund to indemnify trustees and staff.

Accounting System and Internal Control

This report and the financial statements included within were prepared to conform to the principles of governmental accounting and reporting pronounced by the Governmental Accounting Standards Board and the American Institute of Certified Public Accountants.

The financial statements were prepared using the accrual basis of accounting. Under the accrual basis, revenues are recognized in the accounting period in which they are earned, without regard to the date of collection, and expenses are recognized when the corresponding liabilities are incurred, regardless of when payment is made.

The Fund maintains a system of internal controls to adequately safeguard its assets and assure the reliability of its financial records. The controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that first, the cost of the control should not exceed the benefits likely to be derived, and second that the valuation of the cost and benefits requires estimates and judgments by management. Management and the independent auditor continually review the controls for adequacy.

The financial statements included in this report were audited by RSM US LLP who has issued an unmodified opinion for calendar year ended December 31, 2025. A copy of their report is contained in the Financial Section of this report.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Fund for its ACFR for the fiscal year ended December 31, 2021. This was the twelfth year that the Fund has earned this prestigious award. For calendar year 2022, 2023, and 2024 the Fund did not submit its ACFR due to staffing changes in the Finance department. In order to be awarded a Certificate of Achievement, the Fund must publish an easily readable and efficiently organized comprehensive annual 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 this current ACFR 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

On behalf of the Board, I would like to thank the Fund's accounting and finance staff that worked diligently under the direction of the Board to prepare the 2025 financial statements and the compilation and production of this report. The favorable financial results included herein reflect many years of prudent dedication by the Board to a strategic investment plan and careful evaluation of many financial considerations. These results also reflect the efforts of Fund staff to execute Board directives, policies and procedures, with efficient utilization of Fund resources and professional consultants.

Finally, we extend our thanks to the members of the Fund for their hard work and dedication in providing vital support to Cook County during their years of service. We appreciate the members' interest and involvement in the Fund and we are always striving for cost effective ways to better serve the Fund's members. We welcome your comments or suggestions.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Brent Lewandowski", is enclosed within a thin black rectangular border.

Brent Lewandowski, Executive Director

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FINANCIAL Section

This section contains the report of the independent auditors, financial statements, analysis, and supplemental financial information.



RSM US LLP

Independent Auditor's Report

Board of Trustees
County Employees' and Officers' Annuity and Benefit Fund of Cook County

Opinion

We have audited the financial statements of the County Employees' and Officers' Annuity and Benefit Fund of Cook County (the Fund), a component unit of Cook County, Illinois, as of and for the years ended December 31, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Fund'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 Fund, as of December 31, 2025 and 2024, and the changes in its fiduciary net position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Fund, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 Fund's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 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, 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.

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- 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 Fund'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 Fund'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, the Pension Fund's Schedule of Changes in the Employer's Net Pension Liability and Related Ratios, Schedule of Employer Contributions and Related Notes, and Schedule of Investment Returns, the Postemployment Healthcare Fund's Schedule of Changes in the Employer's Net Postemployment Healthcare Liability and Related Ratios and the Schedule of Employer Contributions and Related Notes 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 consider 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 GAAS, 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 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 audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Fund's basic financial statements. The Schedules of Net Administrative Expenses and Professional and Consulting Fees, Schedules of Investment Expenses, Schedule of Additions by Source, Schedule of Deductions by Type, and the Schedule of Employer Contributions Receivable 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 GAAS. In our opinion, the Schedules of Net Administrative Expenses and Professional and Consulting Fees, Schedules of Investment Expenses, Schedule of Additions by Source, Schedule of Deductions by Type, and the Schedule of Employer Contributions Receivable 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 comprehensive financial report. The other information comprises the other sections of the annual comprehensive financial report, such as the introductory, investment, actuarial and statistical sections, 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.

RSM US LLP

Chicago, Illinois

June 3, 2026, except for the "Other Information",
for which the date is August 24, 2026

Management's Discussion and Analysis (Unaudited)

This section presents Management's Discussion and Analysis of the financial position and performance of the County Employees' and Officers' Annuity and Benefit Fund of Cook County (the Fund or the Plan) for the years ended December 31, 2025 and 2024. This discussion is presented as an overview of the financial activities of the Fund and should be read in conjunction with the Fund's financial statements.

Overview of the Basic Financial Statements

The following discussion and analysis is intended to serve as an introduction to the Fund's basic financial statements. The financial statements are prepared on an economic sources focus and accrual basis of accounting in accordance with Governmental Accounting Standards Board (GASB) pronouncements. The basic components of the financial package are described below:

Combining Statements of Pension Plan Fiduciary Net Position and Postemployment Healthcare Plan Net Position provides a snapshot of account balances and net position held in trust for future benefit payments and any liabilities as of the Fund's year end. Over time increases and decreases in net position may serve as a useful indicator of whether the financial position of the Fund is improving or deteriorating.

Combining Statements of Changes in Pension Plan Fiduciary Net Position and Postemployment Healthcare Plan Net Position shows the revenues (additions) and expenses (deductions) during the year, where additions less deductions equal net increase (decrease) in net position. The net increase (decrease) in net position reports the change in net position during the year.

Notes to the Financial Statements provide additional information that is essential to achieving a better understanding of the data provided in the basic financial statements.

Required Supplementary Information provides schedules and related notes concerning actuarial information, funding progress, employer contributions and investment returns.

Supplementary Information includes schedules of net administrative expenses, professional and consulting fees, investment expenses, additions by source, and deductions by type and employer contributions receivable.

Financial Highlights

Net position increased by \$1,537,398,823 or 11.2% from \$13,684,313,370 at December 31, 2024 to \$15,221,712,193 at December 31, 2025. Comparatively, net position increased by \$730,136,563 or 5.6% from \$12,954,176,807 at December 31, 2023 to \$13,684,313,370 at December 31, 2024. The increase in net position in 2025 and 2024 was primarily due to the increase in fair value of investment.

Rate of return of the Fund's investment portfolio was a gain of 15.31% (benchmark 15.09%) for 2025, 9.54% (benchmark 9.78%) for 2024, and 12.28% (benchmark 12.72%) for 2023.

Funded ratio for the Fund, based on the actuarial value of assets, was 66.32% in 2025, 65.93% in 2024, and 65.90% in 2023.

Net Position

The condensed Combining Statements of Pension Plan Fiduciary Net Position and Postemployment Healthcare Plan Net Position reflects the resources available to pay benefits to members. A summary of the Combining Statements of Pension Plan Fiduciary Net Position and Postemployment Plan Net Position is as follows:

Plan Net Position As of December 31,

	2025	2024	2023	Current Year Increase (Decrease) in	
				Dollars	Percent
Total assets	\$16,155,521,617	\$14,658,155,975	\$14,145,423,546	\$1,497,365,642	10.2%
Total liabilities	933,809,424	973,842,605	1,191,246,739	(40,033,181)	-4.1%
Net position	<u>\$15,221,712,193</u>	<u>\$13,684,313,370</u>	<u>\$12,954,176,807</u>	<u>\$1,537,398,823</u>	11.2%

The Fund had prepaid tax withholding related to 2026 as of December 31, 2025, resulting in a prepaid expense of \$10,369,159. There were no prepaid expenses in 2024 or 2023.

Total receivables increased to \$442,667,546 in 2025 from \$345,599,984 in 2024 and were \$453,730,736 in 2023. The increase in 2025 was a result of outstanding amount from employer tax levy contribution and increased earned investment income not yet paid. The decrease in 2024 was a result of decreased investment securities sold but not settled.

Total investments increased to \$14,934,036,353 in 2025 from \$13,464,380,318 in 2024 and were \$12,678,026,190 in 2023. The increase in 2025 was due to fair value increase in U.S. and international equities, fixed income (U.S. government and government agency obligations and commingled fixed income), hedge funds, and infrastructure. In addition, private credit asset class was added in 2025. The increase in 2024 was due to fair value increase in equities, fixed income (U.S. government and government agency obligations), exchange traded funds, commingled funds, and hedge funds. In addition, infrastructure asset class was added during the year.

Total liabilities decreased to \$933,809,424 in 2025 from \$973,842,605 in 2024 and were \$1,191,246,739 in 2023. The decrease in 2025 was due to less investment management fee outstanding at year-end and less securities collateralized. The decrease in 2024 was due to less unsettled investment securities purchased at year-end.

Changes in Net Position

The condensed Combining Statements of Changes in Pension Plan Fiduciary Net Position and Postemployment Healthcare Plan Net Position reflects the changes in the resources available to pay benefits to members. A summary of the Combining Statements of Changes in Pension Plan Fiduciary Net Position and Postemployment Healthcare Plan Net Position is as follows:

Changes in Plan Net Position For the Years Ended December 31,

	2025	2024	2023	Current Year Increase/(Decrease) in	
				Dollars	Percent
Additions:					
Employer contributions	\$ 558,011,684	\$ 537,544,151	\$ 472,739,426	\$ 20,467,533	3.8%
Employee contributions	168,255,206	161,066,018	148,019,071	7,189,188	4.5%
Net investment income (includes security lending activities)	2,015,004,114	1,188,715,858	1,428,290,720	826,288,256	69.5%
Other	69,379,882	59,135,592	48,850,696	10,244,290	17.3%
Total additions	2,810,650,886	1,946,461,619	2,097,899,913	864,189,267	44.4%
Deductions:					
Benefits	1,236,536,133	1,178,395,809	1,120,530,701	58,140,324	4.9%
Refunds and death benefits	30,429,786	33,136,511	37,052,977	(2,706,725)	-8.2%
Employee transfers to (from)	468,955	—	—	468,955	100.0%
Administrative expenses	5,405,761	4,792,736	4,869,256	613,025	12.8%
Miscellaneous	411,428	—	—	411,428	100.0%
Total deductions	1,273,252,063	1,216,325,056	1,162,452,934	56,927,007	4.7%
Net increase (decrease)	1,537,398,823	730,136,563	935,446,979	807,262,260	110.6%
Net position					
Beginning of year	13,684,313,370	12,954,176,807	12,018,729,828	730,136,563	5.6%
End of year	<u>\$ 15,221,712,193</u>	<u>\$ 13,684,313,370</u>	<u>\$ 12,954,176,807</u>	<u>\$ 1,537,398,823</u>	<u>11.2%</u>

Additions to Net Position

Total additions were \$2,810,650,886 in 2025, \$1,946,461,619 in 2024, and \$2,097,899,913 in 2023.

Employer contributions increased to \$558,011,684 in 2025 from \$537,544,151 in 2024. Comparatively, employer contributions increased to \$537,544,151 in 2024 from \$472,739,426 in 2023. Employer contributions are statutorily set at 1.54 times employee contributions collected two years prior and statutorily required additional contribution beginning in 2024. The County made supplemental contributions of \$56,019,767 in 2025, \$53,821,185 in 2024, and \$267,690,964 in 2023.

Employee contributions, including permissive service credit purchases, increased to \$168,255,206 in 2025 from \$161,066,018 in 2024. Comparatively, employee contribution increased to \$161,066,018 in 2024 from \$148,019,071 in 2023. Employees are required to contribute 8.5% (9% for sheriffs) of their pensionable salary to the Fund.

Net investment income totaled \$2,015,004,114 for 2025 compared to net investment income of \$1,188,715,858 for 2024 and net investment income of \$1,428,290,720 in 2023. Investment earnings fluctuate primarily from the overall performance of the financial markets from year to year.

Deductions to Net Position

Total deductions were \$1,273,252,063 in 2025, \$1,216,325,056 in 2024, and \$1,162,452,934 in 2023.

Benefits increased to \$1,236,536,133 in 2025 from \$1,178,395,809 in 2024, and from \$1,120,530,701 in 2023 due primarily to the 3% annual cost of living increases for annuitants and an increase in the number of retirees.

Refunds decreased to \$30,429,786 in 2025 from \$33,136,511 in 2024, and from \$37,052,977 in 2023. These changes are due to fluctuations in refund applications.

Employee transfers to (from) the Cook County Fund resulted from Forest Preserve District employees transferring employment to or (from) Cook County. The accumulated contributions and the accrued pension benefit obligation are transferred between the Forest Preserve Fund and the Cook County Fund.

The cost to administer the Fund increased to \$5,405,761 in 2025 from \$4,792,736 in 2024. Comparatively, the cost to administer the Fund decreased to \$4,792,736 in 2024 from \$4,869,256 in 2023.

Actuarial Information

Pension Benefits

Under GASB Statement No. 67, *Financial Reporting for Pension Plans*, the Fund's funding for pension benefits is as follows:

Funding for Pension Benefits For the Years Ended December 31,

	2025	2024	2023
Total pension liability	\$ 21,066,944,967	\$ 20,179,131,495	\$ 19,606,391,059
Plan fiduciary net position	15,221,712,193	13,684,313,370	12,954,176,807
Employer's net pension liability	\$ 5,845,232,774	\$ 6,494,818,125	\$ 6,652,214,252
Plan fiduciary net position as a percentage of the total pension liability	72.25%	67.81%	66.07%

Postemployment Healthcare Benefits

Under GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, the Fund's funding for postemployment healthcare benefits is as follows:

Funding for Healthcare Benefits For the Years Ended December 31,

	2025	2024	2023
Total other postemployment benefits liability	\$ 1,057,008,432	\$ 1,560,696,894	\$ 1,800,127,404
Plan fiduciary net position	—	—	—
Employer's net other postemployment benefits liability	\$ 1,057,008,432	\$ 1,560,696,894	\$ 1,800,127,404

Contributions for postemployment healthcare benefits are made on a "pay-as-you-go" basis, resulting in a 0.00% funded ratio.

Actuarial Information (continued)

Combined

The Fund actuary has performed a combined valuation of the pension and postemployment healthcare benefits provided by the Fund to measure the overall funded status and contribution requirements of the Fund. Such a valuation is required under Chapter 40, Article 5/9-199 of the Illinois Pension Code which provides that the Fund shall submit a report each year containing a detailed statement of the affairs of the Fund, its income and expenditures, and assets and liabilities. The combined valuation reflects the actuarial assumptions adopted by the Board based on the results of an actuarial experience study. These assumptions conform to the actuarial standards recommended by the Fund’s actuary and were used by the Fund’s actuary to present the combined funding status in accordance with Section 9-199. The Fund’s funding under the combined actuarial valuation is as follows:

Funding for Combined Pension and Postemployment Healthcare Benefits
For the Years Ended December 31,

	2025	2024	2023
Unfunded actuarial accrued liability	\$ 7,369,465,039	\$ 7,242,637,709	\$ 7,054,080,807
Funded ratio	66.32%	65.93%	65.90%

Contact Information

This financial report is designed to provide the employer, plan participants and others with a general overview of the Fund’s finances and show accountability for money it receives. Questions concerning any data provided in the report or requests for additional information should be addressed to:

County Employees’ and Officers’ Annuity
and Benefit Fund of Cook County
Attention: Executive Director
70 West Madison Street
Suite 1925
Chicago, Illinois 60602

Combining Statements of Pension Plan Fiduciary Net Position and Postemployment Healthcare Plan Net Position

December 31, 2025

Assets	Total	Pension	Postemployment Healthcare
PREPAID EXPENSE	\$ 10,369,159	\$ 10,369,159	\$ —
RECEIVABLES			
Employer contributions less allowance of \$13,618,470 in 2025	288,256,005	288,256,005	—
Employee contributions	896,690	896,690	—
Accrued investment income	51,486,285	51,486,285	—
Receivable for securities sold	90,194,915	90,194,915	—
EGWP/Medicare Part D subsidy & other	10,139,651	—	10,139,651
Imprest balance receivable	1,694,000	—	1,694,000
Other	—	—	—
Total receivables	442,667,546	430,833,895	11,833,651
INVESTMENTS			
U.S. and international equities	8,068,100,388	8,068,100,388	—
U.S. Government and government agency obligations	2,208,747,767	2,208,747,767	—
Corporate and foreign government obligations	1,061,515,944	1,061,515,944	—
Collective international equity fund	625,676,239	625,676,239	—
Commingled fixed income fund	34,917,049	34,917,049	—
Exchange traded funds	12,370,828	12,370,828	—
Private equities	712,572,792	712,572,792	—
Private credit	59,894,964	59,894,964	—
Hedge funds	688,571,760	688,571,760	—
Real estate funds	919,667,633	919,667,633	—
Infrastructure	239,266,738	239,266,738	—
Short-term investment	302,734,251	302,734,251	—
Total investments	14,934,036,353	14,934,036,353	—
Collateral held for securities on loan	768,448,559	768,448,559	—
Total assets	16,155,521,617	16,143,687,966	11,833,651
LIABILITIES			
Accounts payable & other	7,294,709	7,294,709	—
Healthcare & other benefits payable	14,184,748	2,351,097	11,833,651
Due to Forest Preserve District Employees' Annuity and Benefit Fund of Cook County	316,191	316,191	—
Payable for securities purchased	143,565,217	143,565,217	—
Securities lending collateral	768,448,559	768,448,559	—
Total liabilities	933,809,424	921,975,773	11,833,651
Net position			
Net position restricted for pensions	15,221,712,193	15,221,712,193	—
Net position held in trust for postemployment healthcare benefits	—	—	—
Total	\$ 15,221,712,193	\$ 15,221,712,193	\$ —

See accompanying notes to financial statements.

Combining Statements of Pension Plan Fiduciary Net Position and Postemployment Healthcare Plan Net Position (continued)

December 31, 2024

Assets	Total	Pension	Postemployment Healthcare
RECEIVABLES			
Employer contributions less allowance of \$8,877,194 in 2024	\$ 207,166,180	\$ 207,166,180	\$ —
Employee contributions	1,299,406	1,299,406	—
Accrued investment income	47,025,517	47,025,517	—
Receivable for securities sold	78,329,026	78,329,026	—
EGWP/Medicare Part D subsidy & other	10,072,588	—	10,072,588
Imprest balance receivable	1,694,000	—	1,694,000
Other	13,267	13,267	—
Total receivables	345,599,984	333,833,396	11,766,588
INVESTMENTS			
U.S. and international equities	7,583,937,237	7,583,937,237	—
U.S. Government and government agency obligations	1,899,028,509	1,899,028,509	—
Corporate and foreign government obligations	1,107,957,600	1,107,957,600	—
Collective international equity fund	109,493,858	109,493,858	—
Commingled fixed income fund	33,070,859	33,070,859	—
Exchange traded funds	14,283,950	14,283,950	—
Private equities	762,626,174	762,626,174	—
Private credit	—	—	—
Hedge funds	633,612,759	633,612,759	—
Real estate funds	917,564,998	917,564,998	—
Infrastructure	110,104,065	110,104,065	—
Short-term investment	292,700,309	292,700,309	—
Total investments	13,464,380,318	13,464,380,318	—
Collateral held for securities on loan	848,175,673	848,175,673	—
Total assets	14,658,155,975	14,646,389,387	11,766,588
LIABILITIES			
Accounts payable	10,431,601	10,431,601	—
Healthcare & other benefits payable	13,400,054	1,633,466	11,766,588
Due to Forest Preserve District Employees' Annuity and Benefit Fund of Cook County	—	—	—
Payable for securities purchased	101,835,277	101,835,277	—
Securities lending collateral	848,175,673	848,175,673	—
Total liabilities	973,842,605	962,076,017	11,766,588
Net position			
Net position restricted for pensions	13,684,313,370	13,684,313,370	—
Net position held in trust for postemployment healthcare benefits	—	—	—
Total	\$ 13,684,313,370	\$ 13,684,313,370	\$ —

See accompanying notes to financial statements.

Combining Statements of Changes in Pension Plan Fiduciary Net Position and Postemployment Healthcare Plan Net Position

Year Ended December 31, 2025

	Total	Pension	Postemployment Healthcare
ADDITIONS			
Employer contributions			
Statutory	\$ 501,991,917	\$ 501,991,917	\$ —
Supplemental	56,019,767	56,019,767	—
Allocation to postemployment healthcare	—	(44,479,271)	44,479,271
Total employer contributions	558,011,684	513,532,413	44,479,271
Employee contributions			
Salary deductions	162,436,012	162,436,012	—
Refund repayments	2,473,882	2,473,882	—
Former and miscellaneous service payments	1,051,476	1,051,476	—
Optional payments and deductions	54,938	54,938	—
Deductions in lieu of disability	2,238,898	2,238,898	—
Total employee contributions	168,255,206	168,255,206	—
Investment income			
Net appreciation in fair value of investments	1,769,895,944	1,769,895,944	—
Dividends	145,256,629	145,256,629	—
Interest	137,995,608	137,995,608	—
	2,053,148,181	2,053,148,181	—
Less investment expenses	(40,560,951)	(40,560,951)	—
Net investment income	2,012,587,230	2,012,587,230	—
Securities lending			
Income	2,948,304	2,948,304	—
Expenses	(531,420)	(531,420)	—
Net securities lending income	2,416,884	2,416,884	—
Other			
Employer federal subsidized programs	4,998,292	4,998,292	—
EGWP/Medicare Part D subsidy	58,085,779	—	58,085,779
Prescription plan rebates	6,295,811	—	6,295,811
Employee transfer from Forest Preserve District			
Employees' Annuity and Benefit Fund of Cook County	—	—	—
Miscellaneous	—	—	—
Total other additions	69,379,882	4,998,292	64,381,590
Total additions	2,810,650,886	2,701,790,025	108,860,861
DEDUCTIONS			
Benefits			
Annuity			
Employee	1,028,375,082	1,028,375,082	—
Spouse and children	89,629,781	89,629,781	—
Disability			
Ordinary	8,649,499	8,649,499	—
Duty	1,020,910	1,020,910	—
Healthcare less annuitant contributions of \$50,924,092 in 2025	108,860,861	—	108,860,861
Total benefits	1,236,536,133	1,127,675,272	108,860,861
Refunds and death benefits	30,429,786	30,429,786	—
Employee transfer to Forest Preserve District			
Employees' Annuity and Benefit Fund of Cook County	468,955	468,955	—
Net administrative expenses	5,405,761	5,405,761	—
Miscellaneous	411,428	411,428	—
Total deductions	1,273,252,063	1,164,391,202	108,860,861
Net increase (decrease)	1,537,398,823	1,537,398,823	—
Net position			
Beginning of year	13,684,313,370	13,684,313,370	—
End of year	\$ 15,221,712,193	\$ 15,221,712,193	\$ —
See accompanying notes to financial statements.			

Combining Statements of Changes in Pension Plan Fiduciary Net Position and Postemployment Healthcare Plan Net Position (continued)

Year Ended December 31, 2024

	Total	Pension	Postemployment Healthcare
ADDITIONS			
Employer contributions			
Statutory	\$ 483,722,966	\$ 483,722,966	\$ —
Supplemental	53,821,185	53,821,185	—
Allocation to postemployment healthcare	—	(44,634,128)	44,634,128
Total employer contributions	537,544,151	492,910,023	44,634,128
Employee contributions			
Salary deductions	154,194,052	154,194,052	—
Refund repayments	3,026,572	3,026,572	—
Former and miscellaneous service payments	1,313,097	1,313,097	—
Optional payments and deductions	98,715	98,715	—
Deductions in lieu of disability	2,433,582	2,433,582	—
Total employee contributions	161,066,018	161,066,018	—
Investment income			
Net appreciation in fair value of investments	963,029,514	963,029,514	—
Dividends	138,113,907	138,113,907	—
Interest	124,091,998	124,091,998	—
	1,225,235,419	1,225,235,419	—
Less investment expenses	(39,828,188)	(39,828,188)	—
Net investment income	1,185,407,231	1,185,407,231	—
Securities lending			
Income	3,970,377	3,970,377	—
Expenses	(661,750)	(661,750)	—
Net securities lending income	3,308,627	3,308,627	—
Other			
Employer federal subsidized programs	5,176,621	5,176,621	—
EGWP/Medicare Part D subsidy	46,568,972	—	46,568,972
Prescription plan rebates	7,250,864	—	7,250,864
Employee transfer from Forest Preserve District			
Employees' Annuity and Benefit Fund of Cook County	112,394	112,394	—
Miscellaneous	26,741	26,741	—
Total other additions	59,135,592	5,315,756	53,819,836
Total additions	1,946,461,619	1,848,007,655	98,453,964
DEDUCTIONS			
Benefits			
Annuity			
Employee	985,067,735	985,067,735	—
Spouse and children	84,429,422	84,429,422	—
Disability			
Ordinary	9,295,597	9,295,597	—
Duty	1,149,091	1,149,091	—
Healthcare less annuitant contributions of \$50,625,722 in 2024	98,453,964	—	98,453,964
Total benefits	1,178,395,809	1,079,941,845	98,453,964
Refunds and death benefits	33,136,511	33,136,511	—
Employee transfer to Forest Preserve District			
Employees' Annuity and Benefit Fund of Cook County	—	—	—
Net administrative expenses	4,792,736	4,792,736	—
Miscellaneous	—	—	—
Total deductions	1,216,325,056	1,117,871,092	98,453,964
Net increase (decrease)	730,136,563	730,136,563	—
Net position			
Beginning of year	12,954,176,807	12,954,176,807	—
End of year	\$ 13,684,313,370	\$ 13,684,313,370	\$ —

See accompanying notes to financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

County Employees' and Officers' Annuity and Benefit Fund of Cook County (the Fund or Plan) is administered in accordance with Chapter 40, Article 5/9 of the Illinois Compiled Statutes (the Statutes).

Financial Reporting Entity – Accounting principles generally accepted in the United States of America define a financial reporting entity as consisting of the primary government and its component units for which the primary government is financially accountable. Financial accountability includes appointing a voting majority of a component unit's governing board, the ability of a primary government to impose its will on the component unit, or a potential for a component unit to provide specific financial benefits to or impose specific financial burdens on the primary government. The Fund has determined that no other outside entity meets the above criteria and, therefore, no other entity has been included as a component unit in the Fund's financial statements.

Based on the above criteria, the Fund is considered to be a fiduciary component unit of Cook County, Illinois (the County) and is included in the County's financial statements.

Method of Accounting – The financial statements are prepared using the accrual basis of accounting. Employer contributions are recognized as income pursuant to legal requirements as specified by the Illinois Compiled Statutes. Employee contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the Fund.

Investments – Investments are reported at fair value, which generally represents reported market value as of the last business day of the year. Where less than an entire investment holding is sold, average value is used to determine realized gain or loss. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) in fair value of investments includes gains and losses on investments bought and sold, as well as held during the year.

Allocated Expenses – Administrative expenses are initially paid by the Fund. These expenses are allocated between the Fund and the Forest Preserve District Employees' Annuity and Benefit Fund of Cook County (the Forest Fund) on a pro rata basis, as applicable.

Capital Assets – The Fund has set a capitalization threshold of \$100,000 for all capital asset types. As of December 31, 2025 and 2024, the Fund does not have any capital assets.

Estimates – The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

Subsequent Events – Subsequent events have been evaluated through the auditor's report date, which is the date the financial statements were available to be issued.

NOTE 2. PLAN DESCRIPTION

The Fund was established on January 1, 1926, and is governed by legislation contained in the Illinois Compiled Statutes (the Statutes), particularly Chapter 40, Articles 5/1; 5/9 and 5/20. Effective with the signing of Public Act 96-0889 into law on April 14, 2010, participants that first became contributors on or after January 1, 2011 are Tier 2 participants. All other participants that were contributing prior to January 1, 2011 are Tier 1 participants. The pension plan provisions can be amended only by the Illinois Legislature. The pension plan is a single employer defined benefit pension plan with a defined contribution minimum. The pension plan was established for the purpose of providing retirement, death and disability benefits for full-time employees of the County and the eligible dependents of such employees.

NOTE 2. PLAN DESCRIPTION (CONTINUED)

The Statutes authorize a Board of Trustees (the Board) of nine members to carry out the provisions of the Article. According to the Article, two members of the Board are ex officio, four are elected by the employee members of the Fund and three are elected by the annuitants of the Fund. The two ex officio members are the Comptroller of Cook County, or someone chosen by the Comptroller, and the Treasurer of Cook County, or someone chosen by the Treasurer. All members of the Board are fiduciaries with respect to the Fund and are statutorily mandated to discharge their duties, as such, solely in the interest of the Fund’s participants and beneficiaries.

The Board has the powers and duties required in the Article to collect all contributions due to the Fund, to invest the Fund’s reserves, to have an annual audit, to appoint employees, to authorize or suspend payment of any benefit and to have exclusive original jurisdiction in all matters relating to or affecting the Fund. The Board approves its own budget which is prepared by the administrative staff of the Fund. The Board is required annually to submit to the County Board of Cook County a detailed report of the financial affairs and status of the Fund. Provisions in other articles of Chapter 40 require the Board to submit its annual audit and actuarial valuation reports to the State of Illinois Department of Insurance, as well as another detailed annual report, the form and content of which is specified by the Department of Insurance.

Covered employees are required to contribute 8.5% (9% for sheriffs) of their salary to the Fund, subject to the salary limitations for Tier 2 participants in Article 5/1-160. If an employee leaves covered employment without qualifying for an annuity, accumulated contributions are refunded with interest (3% or 4% depending on when the employee became a participant). The County’s contribution is the amount of contributions made by the employees to the Fund in the calendar year two years prior to the year for which the annual applicable tax is levied, multiplied by 1.54. In addition, beginning in the year 2024, the County is required to pay additional contribution from any other lawfully available funds to arrive at the minimum required employer contribution per Section 9-169.2.

The Fund provides retirement as well as death and disability benefits. Tier 1 employees age 50 or older and Tier 2 employees age 62 or older are entitled to receive a minimum formula annuity of 2.4% for each year of credited service if they have at least 10 years of service. The maximum benefit is 80% of the final average monthly salary. For Tier 1 employees under age 60 and Tier 2 employees under age 67, the monthly retirement benefit is reduced by ½% for each month the participant is below that age. The reduction is waived for Tier 1 participants having 30 or more years of credited service.

Participants should refer to the applicable Articles for more complete information.

At December 31, 2025 and 2024, participants consisted of the following:

	2025	2024
Active members	20,107	19,370
Retired members	17,793	17,658
Beneficiaries	3,114	3,082
Inactive members	18,897	18,746
Total	59,911	58,856

NOTE 3. EMPLOYER’S PENSION LIABILITY

Net Pension Liability

The components of the employer’s net pension liability of the Fund for the years ended December 31, 2025 and 2024 are as follows:

	2025	2024
Total pension liability	\$ 21,066,944,967	\$ 20,179,131,495
Plan fiduciary net position	15,221,712,193	13,684,313,370
Employer’s net pension liability	\$5,845,232,774	\$6,494,818,125
Plan fiduciary net position as a percentage of the total pension liability	72.25%	67.81%

Refer to the schedule of changes in the employer’s net pension liability and related ratios in the required supplementary information for additional information related to the funded status of the Fund.

The net pension liability was determined by actuarial valuations performed as of December 31, 2025 and 2024 using the following actuarial methods and assumptions:

Actuarial valuation dates	December 31, 2025	December 31, 2024
Actuarial cost method	Entry Age Normal	Entry Age Normal
Actuarial assumptions:		
Inflation	2.50% per year, compounded annually	2.50% per year, compounded annually
Salary increases	3.25% to 6.50%, based on service	3.00% to 5.00%, based on service
Investment rate of return	7.00% per year, compounded annually	7.00% per year, compounded annually
Retirement age	Rates of retirement for each age from 50 to 80 based on recent experience of the Plan where all employees are assumed to retire by age 80	Rates of retirement for each age from 50 to 80 based on recent experience of the Plan where all employees are assumed to retire by age 80
Mortality	Pub-2016 general amount-weighted tables projected from 2016 using generational improvement with Scale MP-2021	Pub-2010 amount-weighted tables projected from 2010 using generational improvement with Scale MP-2021
Postretirement annuity increase	Tier 1 participants - 3.0% compounded annually Tier 2 participants - the lesser of 3.0% or one half of the increase in the Consumer Price Index	Tier 1 participants - 3.0% compounded annually Tier 2 participants - the lesser of 3.0% or one half of the increase in the Consumer Price Index

NOTE 3. EMPLOYER'S PENSION LIABILITY (CONTINUED)

The actuarial assumptions used in the December 31, 2025 valuations were based on the results of an actuarial experience study completed in February 2026, covering a four-year period ending December 31, 2024. The actuarial assumptions used in the December 31, 2024 valuations were based on the results of an actuarial experience study completed in March 2022, covering a four-year period ending December 31, 2020. The experience studies were conducted by Cavanaugh Macdonald Consulting.

Changes in the actuarial assumptions in 2025 from 2024 include:

- The real wage growth assumption increased from 0.50% to 0.75%.
- The general wage inflation assumption increased from 3.00% to 3.25%.
- The payroll growth social security wage base assumption was increased from 2.50% to 3.50%.
- The Tier 2 Cost of Living Adjustment assumption decreased from 1.25% to 1.20%.
- An assumption was added for election of immediate or deferred retirement for early retirees.
- The withdrawal rates, retirement rates, mortality and annual rate of salary increase assumptions were modified to partially reflect recent experience.
- The marriage assumption was changed from assuming spouses of male employees were four years younger than male employees to three years younger.
- The marital status assumption for female members increased from 40% to 45% assumed to be married.

Discount Rate

The discount rate used to measure the total pension liability at December 31, 2025 and 2024 was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions will follow the funding policy, which is the sum of the projected normal cost, projected unfunded actuarial accrued liability amortization payment, projected expense, and interest to adjust for payment pattern less projected employee contributions for the fiscal year. The minimum required employer contribution is based on the entry-age normal cost method, a 5-year smoothed actuarial value of assets, and a 30-year layered amortization of unfunded actuarial accrued liability with payments increasing 2% per year. Based on this assumption, the Fund's fiduciary net position was projected to be sufficient to make all projected future benefit payments of current fund members. As a result, the single discount rate is equal to the long-term expected rate of return, 7.00%.

NOTE 3. EMPLOYER’S PENSION LIABILITY (CONTINUED)

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

The following is an analysis of the net pension liability’s sensitivity to changes in the discount rate at December 31, 2025 and 2024. The following table presents the net pension liability of the employer using the long-term rated of return as well as the employer’s net pension liability calculated using a discount rate 1% lower and 1% higher than the current discount rate:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Net Pension Liability - December 31, 2025	\$ 8,415,887,613	\$ 5,845,232,774	\$ 3,701,346,183
	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Net Pension Liability - December 31, 2024	\$ 8,975,856,381	\$ 6,494,818,125	\$ 4,428,302,781

NOTE 4. SUMMARY OF EMPLOYER FUNDING POLICIES

Statutory Funding

Employer contributions are funded primarily through a tax levied by Cook County, Illinois. The employer contributions to be remitted to the Fund are equal to the total contributions made by the employees to the Fund in the calendar year two years prior, multiplied by 1.54.

Pursuant to Public Act 103-0529, effective August 11, 2023, the funding policy was amended to increase the annual contribution to the County for payment years 2024 through 2047 (continuing with a non-statutory “IGA” plan originally begun in 2017). The County’s required annual contribution, determined on an actuarial basis, is the sum of the projected normal cost, projected unfunded actuarial accrued liability amortization payment, projected expense, and interest to adjust for payment pattern less projected employee contributions for the fiscal year. The minimum required employer contribution is based on the entry-age normal cost method, a 5-year smoothed actuarial value of assets, and a 30-year layered amortization of unfunded actuarial accrued liability with payments increasing 2% per year. This funding mechanism is sufficient to meet the needs of the Fund. It is projected that the initial unfunded pension liabilities established with the non-statutory “IGA” plan originally begun in 2017, will be fully funded by 2047. Subsequent unfunded liabilities, which are small in comparison, are expected to be fully funded in 30 years from establishment.

NOTE 4. SUMMARY OF EMPLOYER FUNDING POLICIES (CONTINUED)**Supplemental Funding**

Per Ordinance 24-5491 Intergovernmental Agreement between Cook County and the County Pension Fund, the County is required to make supplemental payments totaling \$56,019,767 by November 30, 2025, to promote the long-term fiscal sustainability of the Fund. The balance was received during the year ended December 31, 2025.

Per Ordinance 24-0010 Intergovernmental Agreement between Cook County and the County Pension Fund, the County is required to make supplemental payments totaling \$53,821,185 by November 30, 2024, to promote the long-term fiscal sustainability of the Fund. The balance was received during the year ended December 31, 2024.

NOTE 5. INVESTMENTS**Investment Policy**

The Board of Trustees is responsible for establishing reasonable and consistent investment objectives, policies, and guidelines governing the investment of Fund assets in accordance with the Illinois Compiled Statutes. The Fund is authorized to invest in bonds, notes, certificates of indebtedness, mortgage notes, real estate, stocks, shares, debentures, or other obligations or securities as set forth in the “prudent person” provisions of the state statutes. All of the Fund’s financial instruments are consistent with the permissible investments outlined in the state statutes and any index-linked financial instruments are limited to those indices that replicate the permissible investments outlined in the State Statutes. The investment policy was updated to conform with new legislation (PA 1001-473), also known as Sustainable Investing Principles Act.

The Fund’s investment policy in accordance with the Statutes establishes the following target allocation across asset classes for the years ended December 31, 2025 and 2024:

Asset Class	2025		2024	
	Target Allocation %	Long-term Expected Real Rate of Return	Target Allocation %	Long-term Expected Real Rate of Return
Domestic equities	32.00%	5.40%	32.00%	5.40%
International equities	20.00%	5.50%	20.00%	5.50%
Broad Fixed Income	23.50%	2.55%	23.50%	2.55%
Short-Duration Fixed Income	2.50%	1.75%	2.50%	1.80%
Private Credit	2.00%	4.95%	2.00%	4.95%
Real estate funds	9.00%	4.30%	9.00%	4.30%
Private Infrastructure	2.00%	4.50%	2.00%	4.50%
Private equity	5.00%	6.55%	5.00%	6.55%
Hedge funds	3.00%	3.55%	3.00%	3.55%
Short-term investment	1.00%	0.65%	1.00%	0.65%
Total investments	<u>100.00%</u>		<u>100.00%</u>	

NOTE 5. INVESTMENTS (CONTINUED)**Long-Term Expected Real Rate of Return**

The long-term expected real rates of return are the nominal expected returns for various asset classes net of the long-term inflation assumption of 2.35% for 2025 and 2024. The nominal expected return is expressed as the annualized growth rate over 30 years (i.e., geometric or compounded return). A building block methodology is employed to develop long-term return expectations. Building block includes a long-term estimate of the short-term real rate, inflation, term premium, credit premium, and equity risk premium among others. Current economic conditions (inflation, yields, valuation) serve as a starting point for development; however, over a 30-year horizon, risk premiums are largely influenced by long-term history. The 30-year geometric long-term expected real rate of return for each major asset class included with the Fund's target asset allocation as of December 31, 2025 and 2024 are listed in the table above.

Annual Money-Weighted Rate of Return

The annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 15.27% and 9.59% for the years ended December 31, 2025 and 2024, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Custodial Credit Risk — Deposits

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to cover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The fund did not have uncollateralized cash balances as of December 31, 2025 and 2024.

Custodial Credit Risk — Investments

Custodial credit risk for investments is the risk that, in the event of failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. None of the Fund's investments are exposed to custodial credit risk as they are held by the custodian in the name of the Fund as of December 31, 2025 and 2024.

NOTE 5. INVESTMENTS (CONTINUED)**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. The Fund did not have any issuer investment that exceeded 5% of the total investments of the fund as of December 31, 2025 and 2024.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Fund's investment policy is an average credit quality for each manager's total fixed income portfolio (Corporate and U.S. Government holdings) of not less than A- by two out of three credit agencies (Moody's Investor Service, Standard & Poor's and/or Fitch). The following table presents a summarization of the Fund's credit quality ratings of investments at December 31, 2025 and 2024 valued by Moody's Investors Service::

Type of Investment	Rating	2025	2024
U.S. Government and government agency obligations	Aaa	\$ 1,144,918	\$ 1,873,541,070
	Aa	2,124,720,647	4,450,600
	A	1,354,884	1,513,315
	Baa	43,040,874	—
	Not Rated	38,486,444	19,523,524
		<u>\$2,208,747,767</u>	<u>\$1,899,028,509</u>
Corporate and foreign government obligations	Aaa	\$ 98,086,769	\$ 115,791,671
	Aa	55,582,897	42,219,674
	A	270,349,925	271,120,215
	Baa	353,963,279	416,143,673
	Ba	60,733,606	53,570,130
	B	24,748,986	27,052,807
	Caa	2,574,433	2,388,716
	Ca	39,375	30,575
	Not Rated	195,436,674	179,640,139
		<u>\$ 1,061,515,944</u>	<u>\$ 1,107,957,600</u>
Commingled fixed income fund	Not Rated	<u>\$ 34,917,049</u>	<u>\$ 33,070,859</u>
Short-term investment	Not Rated	<u>\$ 302,734,251</u>	<u>\$ 292,700,309</u>

NOTE 5. INVESTMENTS (CONTINUED)**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments with longer maturities are subject to increased risk of adverse interest rate changes. In an effort to mitigate this risk, the Fund's investment policy states that the duration for each manager's total fixed income portfolio shall not exceed 30% of the duration of its respective fixed income performance benchmark (Bloomberg Barclays US Aggregate Fixed Income Index, Bloomberg Barclays US 1-3 Year Government/Credit Index, which was 5.98 years at December 31, 2025 and 6.08 years at December 31, 2024). The following table presents a summarization of the Fund's debt investments at December 31, 2025 and 2024, using the segmented time distribution method:

Type of Investment	Maturity	2025	2024
U.S. Government and government agency obligations	Less than 1 year	\$ 18,740,825	\$ 392,004
	1—5 years	618,499,779	560,968,309
	5—10 years	427,898,136	298,949,320
	Over 10 years	1,143,609,027	1,038,718,876
		<u>\$ 2,208,747,767</u>	<u>\$ 1,899,028,509</u>
Corporate and foreign government obligations	Less than 1 year	\$ 17,324,983	\$ 26,674,807
	1—5 years	371,912,961	320,000,216
	5—10 years	270,156,763	327,051,327
	Over 10 years	402,121,237	434,231,250
		<u>\$ 1,061,515,944</u>	<u>\$ 1,107,957,600</u>
Commingled fixed income fund	1—5 years	<u>\$ 34,917,049</u>	<u>\$ 33,070,859</u>
Short-term investment	Less than 1 year	<u>\$ 302,734,251</u>	<u>\$ 292,700,309</u>

NOTE 5. INVESTMENTS (CONTINUED)**Foreign Currency Risk**

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The Fund's exposure to foreign currency risk at December 31, 2025 and 2024 is as follows:

Type of Investment	Fair Value (USD) 2025	Fair Value (USD) 2024
U.S. and international equities		
Australian dollar	\$ 62,435,024	\$ 79,390,325
Brazil real	33,704,893	30,563,670
British pound sterling	253,545,334	253,590,714
Canadian dollar	175,984,423	150,847,988
Chilean peso	3,516,554	3,518,396
Colombian Peso	704,532	—
Czech Koruna	1,400,814	951,108
Danish krone	27,216,387	55,684,954
Egyptian Pound	1,620,948	661,063
European euro	653,053,424	585,457,292
Hong Kong dollar	228,635,316	183,459,853
Hungarian forint	3,597,807	1,382,783
Indian rupee	52,654,461	68,665,345
Indonesian rupiah	15,516,783	17,030,835
Israeli shekel	46,816,883	26,582,878
Japanese yen	373,681,889	401,452,074
Malaysian ringgit	7,557,391	7,008,885
Mexican peso	11,391,118	12,076,943
New Taiwan dollar	142,079,216	111,779,993
New Zealand dollar	3,270,229	8,634,912
Norwegian krone	6,656,578	14,088,065
Philippines peso	5,008,516	16,710,946
Polish zloty	12,508,539	4,616,728
Singapore dollar	37,312,916	25,874,393
South African rand	28,856,443	19,225,202
South Korean won	127,071,043	71,503,286
Swedish krona	51,680,989	50,537,927
Swiss franc	169,238,077	136,048,450
Thailand baht	19,241,910	17,730,218
Turkish lira	2,263,000	3,048,326
United Arab Emirates dirham	22,969,268	10,152,451
U.S. dollar	5,486,909,683	5,215,661,234
Total U.S. and international equities	<u>\$ 8,068,100,388</u>	<u>\$ 7,583,937,237</u>

NOTE 5. INVESTMENTS (CONTINUED)**Foreign Currency Risk (continued)**

Type of Investment	Fair Value (USD) 2025	Fair Value (USD) 2024
Corporate and foreign government obligations		
British pound sterling	\$ 1,874,004	\$ 4,061,382
Canadian dollar	—	344,793
European euro	19,373,471	16,448,250
Polish zloty	2,496	2,174
U.S. dollar	1,040,265,973	1,087,101,001
Total corporate and foreign government obligations	<u>\$ 1,061,515,944</u>	<u>\$ 1,107,957,600</u>
Private equities		
European euro	\$ 63,676,042	\$ 68,697,209
U.S. dollar	648,896,750	693,928,965
Total private equities	<u>\$ 712,572,792</u>	<u>\$ 762,626,174</u>

Corporate and foreign government obligations include Fixed Income Swap derivative instruments

Investment Activity

The calculation of realized gains and losses is independent of the calculation of net appreciation in the fair value of plan investments. Investments purchased in the previous year and sold in the current year result in their realized gains and losses being reported in the current year and their net appreciation in Fund assets being reported in both the current year and the previous years.

NOTE 6. DERIVATIVES

Derivative transactions involve, to varying degrees, credit risk, interest rate risk and market risk. Credit risk is the possibility that a loss may occur because a party to a transaction fails to perform according to the previously agreed upon terms. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Market risk is the possibility that a change in interest or currency rates will cause the value of a financial instrument to decrease or become more costly to settle. The following table summarizes the derivatives held within the Fund's investment portfolio as of December 31, 2025 and 2024

	<u>Notional Amounts</u>		<u>Fair Value</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Hedging derivative instruments				
Foreign currency contracts purchased	\$ —	\$ —	\$ (62,491,870)	\$ (53,073,269)
Foreign currency contracts sold	—	—	62,198,193	53,966,506
Futures				
Equity	—	—	—	—
Fixed Income	80,720,901	83,985,405	(165,806)	(515,140)
Options				
Purchased	—	—	(25,671)	(16,537)
Written	—	—	(41,366)	(44,534)
Swaps				
Credit default swaps	—	—	1,829,921	1,080,140
Interest rate swaps	—	—	384,831	160,443
Return swaps	—	—	246,512	804,655
Credit default swaps	—	—	28,915	—
Zero coupon swaps	—	—	739,102	626,521

Foreign Currency Forward Contracts

Forward currency contracts are used to hedge against fluctuations in foreign currency-denominated assets used primarily in portfolio trade settlements. These contracts are a cash contract in which a seller agrees to deliver a specific cash commodity to a buyer sometime in the future. Forward agreements are subject to the creditworthiness of the counterparties, which are principally large financial institutions. Forward currency contracts are reported at fair value within the combining statement of pension plan fiduciary net position and postemployment healthcare plan net position included in investments. The gain or loss on forward currency contracts is recognized and recorded on the combining statement of changes in pension plan fiduciary net position and postemployment healthcare plan net position as part of investment income. The foreign currency contracts are short-term in nature.

NOTE 6. DERIVATIVES (CONTINUED)**Foreign Currency Forward Contracts (continued)**

The Fund's exposure to foreign currency risk at December 31, 2025 and 2024 is as follows:

	2025	2024
Foreign currency exchange sales		
Currency		
Brazil real	\$ 2,193,227	\$ 1,736,810
British pound sterling	282,674	—
Chilean peso	183,226	—
Chinese yuan renminbi	164,725	—
Colombian peso	788,552	—
Czech koruna	332,543	633,493
Danish krone	284,714	—
European euro	3,142,529	3,331,269
Hong Kong dollar	385,851	126,107
Hungarian forint	595,401	423,338
Indian rupee	6,531,712	3,207,216
Indonesian rupiah	922,856	1,582,503
Israeli shekel	27,999	—
Japanese yen	972,754	—
Mexican peso	—	643,648
New Taiwan dollar	1,646,130	1,399,589
Philippine peso	603,496	1,317,759
Peruvian sol	479,255	—
Polish zloty	—	296,768
Singapore dollar	761,080	—
South Korean won	1,010,283	288,531
South African rand	173,315	1,003,975
Swedish krona	971,426	6,719
Thailand baht	—	714,836
Turkish lira	1,437,801	1,433,196
UAE dirham	88,412	—
U.S. dollar	38,218,232	35,820,749
Total	<u>\$ 62,198,193</u>	<u>\$ 53,966,506</u>

NOTE 6. DERIVATIVES (CONTINUED)**Forward Currency Forward Contracts (continued)**

	2025	2024
Foreign currency exchange purchases		
Currency		
Brazil real	\$ (224,629)	\$ (116,572)
British pound sterling	(2,467,172)	(3,973,595)
Canadian dollar	—	(12,898)
Chilean peso	(1,272,836)	(186,064)
Chinese yuan renminbi	—	(1,004,564)
Colombian peso	(201,926)	(316,426)
Czech koruna	(1,910,267)	(2,282,776)
European euro	(20,405,362)	(15,015,252)
Hong Kong dollar	—	(60,331)
Hungarian forint	(596,321)	(613,387)
Indonesian rupiah	—	(293,529)
Mexican peso	(194,226)	(36,373)
New Taiwan dollar	—	(2,913,323)
Peruvian sol	(518,876)	(293,121)
Polish zloty	(1,639,284)	(819,513)
Singapore dollar	(5,756,013)	(1,841,875)
South African rand	(342,813)	(724,361)
South Korean won	(1,660,780)	(2,500,798)
Thailand baht	(278,439)	(1,811,111)
Turkish lira	(1,067,888)	(348,105)
U.S. dollar	(23,955,038)	(17,909,295)
Total	\$ (62,491,870)	\$ (53,073,269)

Futures, Swaps, and Options

Futures are agreements to purchase or sell a specific amount of an asset at a specified maturity for an agreed-upon price. Swaps are arrangements to exchange currency or assets. Options are contracts that give its holder the right but not the obligation to buy or sell a financial instrument or commodity at a certain price for a period of time.

Futures contracts, swaps, and options are reported at fair value in the fixed income investments on the combining statement of pension plan fiduciary net position and postemployment healthcare plan net position. The gain or loss on futures contracts, swaps, and options are reported as part of investment income on the combining statement of changes in pension plan fiduciary net position and postemployment healthcare plan net position. These instruments are not rated by the credit rating agencies.

NOTE 6. DERIVATIVES (CONTINUED)

The following table presents a summarization of the Fund's Futures and Swaps investments' interest rate risk exposure at December 31, 2025 and 2024, using the segmented time distribution method:

Derivative Type	Maturity	2025	2024
Futures	Less than 1 Year	\$ (165,806)	\$ (515,140)
Options	Less than 1 Year	\$ (67,037)	\$ (61,071)
Swaps	Less than 1 Year	\$ 322,403	\$ 811,972
	1 - 5 years	1,869,728	1,433,221
	5 - 10 years	54,734	71,051
	Over 10 years	953,501	355,515
		<u>\$ 3,200,366</u>	<u>\$ 2,671,759</u>

NOTE 7. WHEN-ISSUED TRANSACTIONS

The Fund may purchase securities on a when-issued basis, that is, obligate itself to purchase securities with delivery and payment to occur at a later date. At the time the Fund enters into a commitment to purchase the security, the transaction is recorded at the purchase price which equals fair value. The value at delivery may be more or less than the purchase price. No interest accrues to the Fund until delivery and payment takes place. As of December 31, 2025 and 2024, the Fund contracted to acquire securities on a when-issued basis with a total principal amount of approximately \$38,084,174 and \$18,108,362, respectively.

NOTE 8. FAIR VALUE MEASUREMENTS

GASB Statement No. 72, Fair Value Measurement and Application, established a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Basis of Fair Value Measurement

- Level 1 Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities
- Level 2 Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly
- Level 3 Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

The Fund categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Fund has the following recurring fair value measurements as of December 31, 2025 and 2024:

NOTE 8. FAIR VALUE MEASUREMENTS (CONTINUED)

		Fair Value Measurements at 12/31/2025 Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	Total			
Investments by fair value level				
U.S. and international equities	\$ 8,068,100,388	\$ 8,068,100,388	\$ —	\$ —
U.S. Government and government agency obligations	2,208,747,767	1,324,987,066	883,760,701	—
Corporate and foreign government obligations	1,061,515,944	—	1,061,515,944	—
Exchange traded funds	12,370,828	12,370,828	—	—
Total investments by fair value level	11,350,734,927	\$ 9,405,458,282	\$ 1,945,276,645	\$ —
Investments measured at net asset value	3,583,301,426			
Total investments at fair value	\$ 14,934,036,353			

		Fair Value Measurements at 12/31/2024 Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	Total			
Investments by fair value level				
U.S. and international equities	\$ 7,583,937,237	\$ 7,583,937,237	\$ —	\$ —
U.S. Government and government agency obligations	1,899,028,509	1,060,462,793	838,565,716	—
Corporate and foreign government obligations	1,107,957,600	—	1,107,957,600	—
Exchange traded funds	14,283,950	14,283,950	—	—
Total investments by fair value level	10,605,207,296	\$ 8,658,683,980	\$ 1,946,523,316	\$ —
Investments measured at net asset value	2,859,173,022			
Total investments at fair value	\$ 13,464,380,318			

Level 1 Measurements

U.S. Government obligations, U.S. and international equities and exchange traded funds are traded in active markets on national and international securities exchanges and are valued at closing prices on the measurement date.

Level 2 Measurements

U.S. Government and government agency obligations and corporate and foreign government obligations are generally valued by benchmarking model-derived prices to quoted market prices and trade data for identical or comparable securities. To the extent that quoted prices are not available, fair value is determined based on a valuation model that include inputs such as interest rate yield curves and credit spreads. Securities traded in markets that are not considered active are valued based on quoted market prices, broker to dealer quotations, or alternative pricing sources with reasonable levels of price transparency. Securities that trade infrequently and therefore have little or no price transparency are valued using the investment manager's best estimates.

NOTE 8. FAIR VALUE MEASUREMENTS (CONTINUED)

The valuation methods for investment measured at net asset value (NAV) are presented on the following table:

	Fair Value		Unfunded Commitments	Redemption Frequency (If Eligible)	Redemption Notice Period
	12/31/2025	12/31/2024			
Investments measured at net asset value:					
Collective international equity fund (1)					
Lazard/Wilmington Emerging Markets Sudan Free Portfolio	\$ 178,242,110	\$ 109,493,858	\$ —	Daily	N/A
SSGA Small Cap	447,434,130	—	—	Daily	N/A
Commingled fixed income fund (2)					
MacKay Shields Defensive Bond Arbitrage Fund Ltd.	34,917,049	33,070,859	—	Daily	5 days
Private credit (3)					
Blue Owl	29,754,302	—	95,437,500	12/31/2028	180 days
Entrust Global	4,854,043	—	20,057,191	N/A	N/A
Pantheon Private Credit	25,286,619	—	79,362,835	N/A	N/A
Private equities (4)	712,572,792	762,626,174	291,523,361	Closed Ended	N/A
Hedge funds (5)					
Burnham Harbor Fund Ltd.	481,026,763	448,510,844	—	Monthly	95 days
RC Kenwood Fund Ltd.	207,544,997	185,101,915	—	Quarterly	90 days
Real estate funds (6)					
JPMCB Strategic Property Fund	188,579,834	225,783,928	—	Quarterly	45 days
PRISA Separate Account	262,203,218	257,510,330	—	Quarterly	90 days
Artemis Real Estate Partners	75,053,614	54,791,542	95,723,740	Closed Ended	N/A
Others	393,830,966	379,479,198	133,082,904	Quarterly	90 days
Infrastructure (7)					
Brookfield Supercore	51,710,894	14,155,524	50,000,000	Quarterly	90 days
IFM Global Infrastructure	56,032,631	—	—	Quarterly	90 days
PGIF IV Feeder	131,523,213	95,948,541	32,098,828	Closed Ended	N/A
Short-term investment (8)					
BNY Mellon EB Temporary Investment Fund	302,734,251	292,700,309	—	Daily	N/A
Total investments measured at net asset value	\$ 3,583,301,426	\$ 2,859,173,022			

- (1) Collective international equity fund — The fund's investment objective is to achieve long-term capital appreciation by investing primarily in equity and equity-related securities of issuers that are located, or do significant business, in emerging market countries. The fair value of the investment in the fund has been determined using the NAV per share of the investment.
- (2) Commingled fixed income fund — The fund's investment objective is to track the performance of the Barclays U.S. Aggregate Index. The fair value of the investment in the fund has been determined using the NAV per share of the investment.
- (3) Private Credit — The investment objective of private credit is to diversify private market portfolio, provide higher yield and total return than hedge funds and traditional fixed income, as well as diversifying by manager, strategy, and vintage year. The investment targets prioritizing strategies that generate excess returns regardless of macroeconomic cycles and preserve capital during cyclical downturns. The fair value of the investment in the hedge funds has been determined using the NAV per share (or its equivalent) of the investment.
- (4) Private equities — This investment consists of 114 limited partnership investments in 2025 and 97 in 2024, with an investment objective to achieve long-term capital appreciation and capital preservation through investments in limited partnerships, privately issued securities, private equity funds, and other pooled investments. Closed-end limited partnership interests are generally illiquid and cannot be redeemed. It is expected that liquidation of the limited partnership interests will generally coincide with the terms of the various underlying partnership agreements. These underlying private equity partnerships generally have a fund life per the Limited Partnership Agreements of approximately 10 to 12 years plus 2 to 3 one-year extensions. However, the underlying general partners may extend their funds indefinitely to facilitate an orderly liquidation of the underlying assets. The fair value of the investments in this type has been determined using the NAV per share (or its equivalent) of the investments.
- (5) Hedge funds — The investment objective of the hedge funds is to invest in non-traditional portfolio managers, diversified portfolios of hedge funds having a low correlation with major investment markets, and diversified groups of alternative investment funds that invest or trade in a wide variety of financial instruments and strategies. The fair value of the investment in the hedge funds has been determined using the NAV per share (or its equivalent) of the investment.
- (6) Real estate funds — These investments include a commingled pension trust fund, an insurance company separate account, and other real estate funds that are designed as funding vehicles for tax-qualified pension plans. Their investments are comprised primarily of real estate investments either directly owned or through partnership interests and mortgage and other loans on income producing real estate. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the investments. Due to the nature of the investments and available cash on hand, significant redemptions in this type of investment may at times be subject to additional restrictions.
- (7) Infrastructure — The investment objective of private infrastructure is to enhance the diversification of the Fund's overall investment portfolio due to the infrastructure's lower correlation with stocks, bonds and other asset classes in the Fund's portfolio. Infrastructure also provides hedge against unanticipated inflation. The investment targets transportation, utilities, energy and power, and data center sectors. The fair value of the investment in the hedge funds has been determined using the NAV per share (or its equivalent) of the investment.
- (8) Short-term investment — This investment's objective is to invest in short-term investments of high quality and low risk to protect capital while achieving investment returns. The fair value of the investment in the fund has been determined using the NAV per share of the investment.

NOTE 9. SECURITIES LENDING

State Statutes and the investment policy permit the Fund to lend its securities to broker-dealers and other entities with a simultaneous agreement to return collateral for the same securities in the future. The Fund's custodian, acting as the lending agent, lends securities for collateral in the form of cash, U.S. Government obligations and irrevocable letters of credit equal to 102% of the fair value of domestic securities plus accrued interest and 105% of the fair value of foreign securities plus accrued interest.

The Fund does not have the right to sell or pledge securities received as collateral unless the borrower defaults. The average term of securities loaned was 57 days for 2025 and 75 days for 2024; however, any loan may be terminated on demand by either the Fund or the borrower. Cash collateral was invested in a separately managed portfolio, which had an average weighted maturity of 103 days at December 31, 2025 and 117 days at December 31, 2024.

As of December 31, 2025 and 2024, the fair value (carrying amount) of loaned securities was \$1,171,239,682 and \$1,121,353,873, respectively. As of December 31, 2025 and 2024, the fair value (carrying amount) of cash collateral received by the Fund was \$768,448,559 and \$848,175,673, respectively. The cash collateral is included as an asset and a corresponding liability on the combining statements of pension plan fiduciary net position and postemployment healthcare plan net position. As of December 31, 2025 and 2024, the fair value (carrying amount) of non-cash collateral received by the Fund was \$433,429,424 and \$305,319,205, respectively.

Although the Fund's securities lending activities are collateralized as described above, they involve both market and credit risk. In this context, market risk refers to the possibility that the borrower of securities will be unable to collateralize the loan upon a sudden material change in the fair value of the loaned securities. Credit risk refers to the possibility that counterparties involved in the securities lending program may fail to perform in accordance with the terms of their contracts.

Indemnification deals with the situation in which a client's securities are not returned due to the insolvency of a borrower. The contract with the lending agent requires indemnification to the Fund if borrowers fail to return the securities or fail to pay the Fund for income distributions by the issuers of securities while the securities are on loan.

A summary of securities loaned at fair value as of December 31, 2025 and 2024 is as follows

	2025	2024
Securities loaned - backed by cash collateral		
U.S. and international equities	\$ 484,699,020	\$ 339,831,716
U.S. Government and government agency obligations	111,024,540	293,903,814
Exchange traded funds	9,977,398	14,211,367
Corporate and foreign government obligations	143,484,773	176,888,830
Total securities loaned backed by cash collateral	749,185,731	824,835,727
Securities loaned - backed by non-cash collateral		
U.S. and international equities	238,414,137	198,279,607
U.S. Government and government agency obligations	165,856,413	97,452,745
Exchange traded funds	1,502	—
Corporate and foreign government obligations	17,781,899	785,794
Total securities loaned — backed by non-cash collateral	422,053,951	296,518,146
Total	\$ 1,171,239,682	\$ 1,121,353,873

NOTE 10. EMPLOYER'S POSTEMPLOYMENT HEALTHCARE LIABILITY**Plan Description**

The Fund administers a Postemployment Group Healthcare Benefit Plan (PGHBP), a single-employer defined benefit postemployment healthcare plan. The PGHBP is administered in accordance with Chapter 40, Article 5/10 of the Illinois Compiled Statutes, which assigns the authority to establish and amend benefit provisions to the Fund's Board of Trustees. PGHBP provides a healthcare benefit to annuitants of Cook County, Illinois (the employer) who elect to participate in the PGHBP.

At December 31, 2025 and 2024, participants consisted of the following:

	2025	2024
Active members	20,107	19,370
Retired plan members or beneficiaries currently receiving benefit payments	10,936	11,149
Inactive plan members entitled to but not yet receiving benefit payments	1,471	1,538
Total	32,514	32,057

Benefits provided – The PGHBP provides healthcare and vision benefits for annuitants and their dependents.

Contributions – The PGHBP is funded on a “pay-as-you-go” basis. For the valuation of the obligation as of December 31, 2025 and 2024 the employee and spouse annuitants are expected to pay 55% and 56%, respectively of the annual costs. The remaining costs are funded by an allocation from the Fund.

Method of Accounting – The PGHBP's financial statements have been combined with the Fund's financial statements and are presented using the accrual basis of accounting. Healthcare expenses are recognized when incurred and estimable.

Employer's Net Postemployment Healthcare Liability

The components of the employer's net postemployment healthcare liability at December 31, 2025 and 2024 were as follows:

	2025	2024
Total postemployment healthcare liability	\$ 1,057,008,432	\$ 1,560,696,894
Plan fiduciary net position	—	—
Employer's net postemployment healthcare liability	\$ 1,057,008,432	\$ 1,560,696,894
Plan fiduciary net position as a percentage of the total postemployment healthcare liability	0.00%	0.00%

NOTE 10. EMPLOYER’S POSTEMPLOYMENT HEALTHCARE LIABILITY (CONTINUED)

Employer’s Net Postemployment Healthcare Liability (continued)

Contributions for postemployment healthcare benefits are made on a “pay-as-you-go” basis. There are no dedicated assets for healthcare benefits resulting in a 0.00% funded ratio.

Refer to the schedule of changes in the employer’s net postemployment healthcare liability and related ratios in the required supplementary information for additional information related to the funded status of the PGHBP.

The net postemployment healthcare liability was determined by actuarial valuations performed as of December 31, 2025 and 2024 using the following actuarial methods and assumptions:

Actuarial valuation date	December 31, 2025	December 31, 2024
Actuarial cost method	Entry Age Normal	Entry Age Normal
Actuarial assumptions:		
Inflation	2.50% per year	2.50% per year
Salary increases	3.25% to 6.50%, based on service	3.00% to 5.00%, based on service
Health care cost trend rates	7.000% in the first year, decreasing by .250% per year until an ultimate rate of 4.500% is reached for pre-Medicare. 5.750% in the first year, decreasing by .125% per year until an ultimate rate of 4.500% is reached for post-Medicare.	7.000% in the first year, decreasing by .250% per year until an ultimate rate of 4.500% is reached for pre-Medicare. 5.750% in the first year, decreasing by .125% per year until an ultimate rate of 4.500% is reached for post-Medicare.
Mortality	Pub-2016 general amount weighed tables projected from 2016 using generational improvement with Scale MP-2021	Pub-2010 amount weighed tables projected from 2010 using generational improvement with Scale MP-2021

The actuarial assumptions used in the December 31, 2025 valuations were based on the results of an actuarial experience study dated February 2026, covering a four-year period ended December 31, 2024. The actuarial assumptions used in the December 31, 2024 valuations were based on the results of an actuarial experience study dated March 2022, covering a four-year period ended December 31, 2020. The experience studies were conducted by Cavanaugh Macdonald Consulting.

NOTE 10. EMPLOYER'S POSTEMPLOYMENT HEALTHCARE LIABILITY (CONTINUED)

Changes in the actuarial assumptions in 2025 include:

- Mortality rates were updated to the Pub-2016 General Amount Weighted Median Mortality Tables.
- General wage inflation increased from 3.00% to 3.25%.
- The annual rates of salary increase were updated to partially reflect actual experience.
- Retirement rates for Tier 1 and Tier 2 were modified to partially reflect actual experience.
- Termination rates for Tier 2 members were updated.
- The spouses age assumption for active members at retirement decreased from four years younger to three years younger for male members' spouses.
- Retiree health care plan participation rates for active members upon retirement was reduced from 60% to 45%. Deferred vested member retiree plan participation was reduced from 35% to 30%.
- The assumption regarding continuance of spousal coverage upon death of the retiree was reduced from 35% to 30%.
- Health care plan election for active members at retirement on a pre and post-Medicare basis was updated to reflect recent experience.
- Initial year health cost trend rates that apply to expected claims, premiums and retiree contributions were updated for pre-and post-Medicare based on the most recent national average trend surveys.
- The discount rate used to measure the Total OPEB Liability was changed from 4.08% to 4.83% based on the Municipal Bond 20-year Index Rate

Discount Rate

The blended discount rate used to measure the total postemployment healthcare liability at December 31, 2025 and 2024 was 4.83% and 4.08%, respectively. The projection of cash flows used to determine the discount rate assumed that the employer's contributions will continue to follow the current funding policy. Based on this assumption, the Fund's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current plan members. Municipal bond rates of 4.83% and 4.08% at December 31, 2025 and 2024, respectively, and the long-term investment rate of return of 0% were used in the development of the blended discount rates. The municipal bond rates for 2025 and 2024 are based on the S&P Municipal Bond 20 Year High Grade Rate Index.

NOTE 10. EMPLOYER'S POSTEMPLOYMENT HEALTHCARE LIABILITY (CONTINUED)**Sensitivity of the Net Postemployment Healthcare Liability to Changes in the Discount Rate**

The following is an analysis of the net postemployment healthcare liability's sensitivity to changes in the discount rate at December 31, 2025 and 2024. The following table presents the net postemployment healthcare liability of the employer using the blended discount rate as well as the employer's net postemployment healthcare liability calculated using a discount rate 1% lower and 1% higher than the current discount rate:

	1% Decrease 3.83%	Current Discount Rate 4.83%	1% Increase 5.83%
Net postemployment healthcare liability as of December 31, 2025	<u>\$ 1,207,211,836</u>	<u>\$ 1,057,008,432</u>	<u>\$ 933,554,400</u>
	1% Decrease 3.08%	Current Discount Rate 4.08%	1% Increase 5.08%
Net postemployment healthcare liability as of December 31, 2024	<u>\$ 1,803,815,871</u>	<u>\$ 1,560,696,894</u>	<u>\$ 1,363,206,097</u>

Sensitivity of the Net Postemployment Healthcare Liability to Changes in the Health Care Cost Trend Rate

The following is an analysis of the net postemployment healthcare liability's sensitivity to changes in the health care cost trend rate at December 31, 2025 and 2024. The following table presents the net postemployment healthcare liability of the employer using the health care cost trend rate as well as the employer's net postemployment healthcare liability calculated using a health care cost trend rate 1% lower and 1% higher than the current health care cost trend rate:

	1% Decrease	Health Care Cost Trend Rate	1% Increase
Net postemployment healthcare liability as of December 31, 2025	<u>\$ 921,488,687</u>	<u>\$ 1,057,008,432</u>	<u>\$ 1,226,637,921</u>
	1% Decrease	Health Care Cost Trend Rate	1% Increase
Net postemployment healthcare liability as of December 31, 2024	<u>\$ 1,341,220,838</u>	<u>\$ 1,560,696,894</u>	<u>\$ 1,839,445,189</u>

NOTE 11. RELATED PARTY TRANSACTIONS

The Fund has common Trustees and shares office space with the Forest Preserve District Employees' Annuity and Benefit Fund of Cook County (Forest Fund) who reimburses the Fund for shared administrative services provided by the Fund. During the years ended December 31, 2025 and 2024, the Fund allocated administrative expenditures of \$123,300 and \$110,348, respectively, to the Forest Fund.

As of December 31, 2025 the Fund owed \$316,191 to the Forest Fund. As of December 31, 2024, the Fund is owed \$13,267 to the Forest Fund. These amounts include plan transfers from Fund members transferring from one fund to the other.

NOTE 12. PRONOUNCEMENTS ISSUED EFFECTIVE FISCAL YEAR ENDED DECEMBER 31, 2025

GASB Statement No. 102, Certain Risk Disclosures. Statement 102 was issued to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentration or constraints. Requirements of Statement No. 102 are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Fund staff evaluated Statement No. 100 and have concluded that the requirements of the statement do not materially impact the Fund's financial statements and related disclosures.

NOTE 13. PRONOUNCEMENTS ISSUED NOT YET EFFECTIVE

GASB Statement No. 103, Financial Reporting Model Improvements. Statement No. 103 was issued to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This statement also addresses certain application issues. The requirements of this statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

GASB Statement No. 104, Disclosure of Certain Capital Assets, provides users of government financial statements with essential information about certain types of capital assets by requiring certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. The requirements of this statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

GASB Statement No. 105, Subsequent Events, improves the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users. The requirements of this statement are effective for fiscal years beginning after June 15, 2026, and all reporting periods thereafter.

Unless stated otherwise, management has not currently determined what impact, if any, these statements may have on its financial statements.

NOTE 14. SUBSEQUENT EVENTS

The Fund has evaluated events subsequent to December 31, 2025 through the date of issuance of the financial statement and determined that no additional disclosure was necessary in the financial statements.

Schedule of Changes in the Employer's Net Pension Liability and Related Ratios

	2025	2024	2023	2022	2021
Total pension liability					
Service cost	\$ 214,018,368	\$ 205,471,467	\$ 360,989,012	\$ 380,927,496	\$ 522,496,743
Interest	1,387,672,361	1,348,531,529	1,142,886,849	1,094,942,781	1,018,513,289
Benefit changes	—	—	42,864,033	—	—
Difference between expected and actual experience	285,837,895	131,815,796	1,158,288,500	122,597,765	(54,518,860)
Changes of assumptions	158,389,906	—	(6,882,543,573)	(853,548,421)	(3,033,418,725)
Expected benefit payments, including refunds of employee contributions	(1,158,105,058)	(1,113,078,356)	(1,066,900,364)	(1,012,903,472)	(968,800,978)
Net change in total pension liability	887,813,472	572,740,436	(5,244,415,543)	(267,983,851)	(2,515,728,531)
Total pension liability					
Beginning of year	20,179,131,495	19,606,391,059	24,850,806,602	25,118,790,453	27,634,518,984
End of year	<u>\$ 21,066,944,967</u>	<u>\$ 20,179,131,495</u>	<u>\$ 19,606,391,059</u>	<u>\$ 24,850,806,602</u>	<u>\$ 25,118,790,453</u>
Plan fiduciary net position					
Contributions - employer	\$ 513,532,413	\$ 492,910,023	\$ 425,540,815	\$ 480,941,192	\$ 507,070,170
Contributions - employee	168,255,206	161,066,018	148,019,071	136,293,311	133,368,302
Net investment income	2,015,004,114	1,188,715,858	1,428,290,720	(1,867,355,079)	1,960,919,641
Expected benefit payments, including refunds of employee contributions	(1,158,105,058)	(1,113,078,356)	(1,066,900,364)	(1,012,903,472)	(968,800,978)
Administrative expenses	(5,405,761)	(4,792,736)	(4,869,256)	(4,720,167)	(5,107,805)
Other	4,117,909	5,315,756	5,365,993	4,946,481	4,467,794
Net change in plan fiduciary net position	1,537,398,823	730,136,563	935,446,979	(2,262,797,734)	1,631,917,124
Plan fiduciary net position					
Beginning of year	13,684,313,370	12,954,176,807	12,018,729,828	14,281,527,562	12,649,610,438
End of year	<u>\$ 15,221,712,193</u>	<u>\$ 13,684,313,370</u>	<u>\$ 12,954,176,807</u>	<u>\$ 12,018,729,828</u>	<u>\$ 14,281,527,562</u>
Employer's net pension liability	<u>\$ 5,845,232,774</u>	<u>\$ 6,494,818,125</u>	<u>\$ 6,652,214,252</u>	<u>\$ 12,832,076,774</u>	<u>\$ 10,837,262,891</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>72.25%</u>	<u>67.81%</u>	<u>66.07%</u>	<u>48.36%</u>	<u>56.86%</u>
Covered payroll	<u>\$ 2,029,355,819</u>	<u>\$ 1,858,124,989</u>	<u>\$ 1,753,795,899</u>	<u>\$ 1,577,093,973</u>	<u>\$ 1,520,619,855</u>
Employer's net pension liability as a percentage of covered payroll	<u>288.03%</u>	<u>349.54%</u>	<u>379.30%</u>	<u>813.65%</u>	<u>712.69%</u>

Notes:

Changes in Benefit in 2025 versus 2024: None noted in 2025 versus 2024.

Changes of Assumptions - CY 2025 versus 2024

The discount rate in 2024 is 7.00%, same as in 2025.

The mortality table used Pub-2016 General Amount Weighted Median Tables.

Mortality projections projected from 2016 using generational improvement with Scale MP-2021.

Investment rate of return was 7.00%, same as in 2024.

Projected salary increase was 3.25%-6.50% based on services

Inflation rate was 2.50%, same as in 2024.

Rates of retirement remained the same as in 2024, employees are assumed to retire by age 80.

Post retirement annuity increase remained the same as in 2024,

Tier 1 participants 3.0% compounded annually;

Tier 2 participants lesser of 3.0% or one half of the increase in the CPI.

Changes in Benefit in 2024 versus 2023: None noted in 2024 versus 2023.

Changes of Assumptions - CY 2024 versus 2023

The discount rate in 2024 is 7.00%, same as in 2023.

The mortality table used Pub-2010 General Amount Weighted Median Tables, same as in 2023.

Mortality projections projected from 2010 using generational improvement with Scale MP-2021, same as in 2023.

Investment rate of return was 7.00%, same as in 2023.

Projected salary increase was 3.00%-5.00% based on services, same as in 2023.

Inflation rate was 2.50%, same as in 2023.

Rates of retirement remained the same as in 2023, employees are assumed to retire by age 80.

Post retirement annuity increase remained the same as in 2023,

Tier 1 participants 3.0% compounded annually;

Tier 2 participants lesser of 3.0% or one half of the increase in the CPI.

Changes in Benefit in 2023 versus 2022: A contributing employee may apply for creditable service for up to two years of military service whether or not the military service followed service as a county employee.

Changes of Assumptions - CY 2023 versus 2022

The discount rate in 2023 is 7.00%, which changed from 4.63% in 2022.

The mortality table used Pub-2010 General Amount Weighted Median Tables, same as in 2022.

Mortality projections projected from 2010 using generational improvement with Scale MP-2021, same as in 2022.

Investment rate of return was 7.00%, same as in 2022.

Projected salary increase was 3.00%-5.00% based on services, same as in 2022.

See Report of Independent Auditors.

Schedule of Changes in the Employer's Net Pension Liability and Related Ratios (continued)

	2020	2019	2018	2017	2016
Total pension liability					
Service cost	\$ 469,652,001	\$ 367,986,188	\$ 440,682,868	\$ 478,904,097	\$ 559,176,234
Interest	1,038,868,271	1,078,970,836	1,027,348,255	1,082,982,064	1,002,950,495
Benefit changes	—	—	—	—	—
Difference between expected and actual experience	192,731,447	1,775,621	(278,982,116)	(152,859,373)	318,014,746
Changes of assumptions	1,766,822,859	2,760,713,592	(1,601,212,188)	(950,493,320)	(1,893,474,930)
Expected benefit payments, including refunds of employee contributions	(905,497,405)	(860,741,164)	(805,394,705)	(757,930,854)	(709,560,225)
Net change in total pension liability	2,562,577,173	3,348,705,073	(1,217,557,886)	(299,397,386)	(722,893,680)
Total pension liability					
Beginning of year	25,071,941,811	21,723,236,738	22,940,794,624	23,240,192,010	23,963,085,690
End of year	<u>\$ 27,634,518,984</u>	<u>\$ 25,071,941,811</u>	<u>\$ 21,723,236,738</u>	<u>\$ 22,940,794,624</u>	<u>\$ 23,240,192,010</u>
Plan fiduciary net position					
Contributions - employer	\$ 465,778,715	\$ 488,003,692	\$ 549,437,252	\$ 511,750,985	\$ 414,703,155
Contributions - employee	134,157,866	134,837,512	134,159,171	138,826,184	139,355,592
Net investment income	1,465,457,845	1,865,645,039	(424,787,945)	1,399,625,874	629,442,470
Expected benefit payments, including refunds of employee contributions	(905,497,405)	(860,741,164)	(805,394,705)	(757,930,854)	(709,560,225)
Administrative expenses	(5,000,609)	(5,085,445)	(5,134,047)	(5,406,034)	(5,373,555)
Other	3,754,806	6,275,804	5,860,613	5,359,418	4,046,158
Net change in plan fiduciary net position	1,158,651,218	1,628,935,438	(545,859,661)	1,292,225,573	472,613,595
Plan fiduciary net position					
Beginning of year	11,490,959,220	9,862,023,782	10,407,883,443	9,115,657,870	8,643,044,275
End of year	<u>\$ 12,649,610,438</u>	<u>\$ 11,490,959,220</u>	<u>\$ 9,862,023,782</u>	<u>\$ 10,407,883,443</u>	<u>\$ 9,115,657,870</u>
Employer's net pension liability	<u>\$ 14,984,908,546</u>	<u>\$ 13,580,982,591</u>	<u>\$ 11,861,212,956</u>	<u>\$ 12,532,911,181</u>	<u>\$ 14,124,534,140</u>
Plan fiduciary net position as a percent- age of the total pension liability	<u>45.77%</u>	<u>45.83%</u>	<u>45.40%</u>	<u>45.37%</u>	<u>39.22%</u>
Covered payroll	<u>\$ 1,532,744,306</u>	<u>\$ 1,553,498,503</u>	<u>\$ 1,533,721,507</u>	<u>\$ 1,567,480,401</u>	<u>\$ 1,580,251,254</u>
Employer's net pension liability as a percentage of covered payroll	<u>977.65%</u>	<u>874.22%</u>	<u>773.36%</u>	<u>799.56%</u>	<u>893.82%</u>

Inflation rate was 2.50%, same as in 2022.

Rates of retirement remained the same as in 2022, employees are assumed to retire by age 80.

Post retirement annuity increase remained the same as in 2022,

Tier 1 participants 3.0% compounded annually;

Tier 2 participants lesser of 3.0% or one half of the increase in the CPI.

Changes in Benefit 2022 versus 2021: None noted in 2022 versus 2021.

Changes of Assumptions CY 2022 versus 2021

The blended discount rate used changed to 4.63% in 2022 from 4.38% in 2021.

The mortality table used Pub-2010 General Amount Weighted Median Tables, same as in 2021.

Mortality projections projected from 2010 using generational improvement with Scale

MP-2021, same as in 2021.

Investment rate of return was 7.00%, same as in 2021.

Projected salary increase was 3.00%-5.00% based on services, same as in 2021.

Inflation rate was 2.50%, same as in 2021.

Rates of retirement remained the same as in 2021, employees are assumed to retire by age 80.

Post retirement annuity increase remained the same as in 2021,

Tier 1 participants 3.0% compounded annually;

Tier 2 participants lesser of 3.0% or one half of the increase in the CPI.

Changes in Benefit 2021 versus 2020: None noted in 2021 versus 2020

Changes of Assumptions: CY 2021 and 2020

The blended discount rate used changed from 3.68% in 2020 to 4.38% in 2021.

The mortality table used changed from RP-2014 Blue Collar in 2020 to Pub-2010

amount-weighted in 2021.

Mortality projections in 2021 are projected from 2010 using generational improvement with

Scale MP-2021, and were projected from 2006 base year using Buck Modified MP-2017

scale in 2020.

The investment rate of return changed from 7.25% in 2020 to 7.00% in 2021.

Projected salary increases changed from 3.50%-8.00% based on age in 2020 to 3.00%-5.00% in

2021 based on service.

Inflation rate changed from 2.75% in 2020 to 2.50% in 2021.

Rates of retirement remained the same as in 2020, employees are assumed to retire by age 80.

Post retirement annuity increase remained the same,

Tier 1 participants 3.0% compounded annually;

Tier 2 participants lesser of 3.0% or one half of the increase in the CPI.

See Report of Independent Auditors.

Schedule of Employer Contributions and Related Notes Last Ten Fiscal Years

	2025	2024	2023	2022	2021
Actuarially determined contribution	\$ 516,958,851	\$ 479,056,692	\$ 478,770,411	\$ 522,467,203	\$ 650,512,479
Contributions in relation to the actuarially determined contribution	(513,532,413)	(492,910,023)	(425,540,815)	(480,941,192)	(507,070,170)
Contribution deficiency	<u>\$ 3,426,438</u>	<u>\$ (13,853,331)</u>	<u>\$ 53,229,596</u>	<u>\$ 41,526,011</u>	<u>\$ 143,442,309</u>
Covered payroll	<u>\$ 2,029,355,819</u>	<u>\$ 1,858,124,989</u>	<u>\$ 1,753,795,899</u>	<u>\$ 1,577,093,973</u>	<u>\$ 1,520,619,855</u>
Contributions as a percentage of covered payroll	<u>25.31%</u>	<u>26.53%</u>	<u>24.26%</u>	<u>30.50%</u>	<u>33.35%</u>

Notes to Schedule of Employer Contributions

Actuarially determined contribution rates are calculated as of December 31, one year prior to the fiscal year in which contributions are reported.

Valuation Date December 31, 2024

Methods and assumptions used to determine contribution rates:

Actuarial cost method Entry Age Normal

Amortization method Level Dollar - Open

Remaining amortization period 30 years

Asset valuation method Five Year Smoothed Average Market

Inflation 2.50% per year, compounded annually

Salary increases 3.00% to 5.00%, based on service

Investment rate of return 7.00% per year, compounded annually

Retirement age Based on actual past experience, assume all employees retire by age 80 (Tier 1 participants) and 75 (Tier 2 participants)

Mortality Pub-2010 amount-weighted tables projected from 2010 using generational improvement with Scale MP-2021

Postretirement annuity increases Tier 1 participants — 3.0% compounded annually
Tier 2 participants — the lesser of 3.0% or one half of the increase in the Consumer Price Index

See Report of Independent Auditors.

Schedule of Employer Contributions and Related Notes Last Ten Fiscal Years (continued)

	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 536,955,558	\$ 523,625,965	\$ 562,815,816	\$ 514,888,487	\$ 519,642,931
Contributions in relation to the actuarially determined contribution	(465,778,715)	(488,003,692)	(549,437,252)	(511,750,985)	(414,703,155)
Contribution deficiency	<u>\$ 71,176,843</u>	<u>\$ 35,622,273</u>	<u>\$ 13,378,564</u>	<u>\$ 3,137,502</u>	<u>\$ 104,939,776</u>
Covered payroll	<u>\$ 1,532,744,306</u>	<u>\$ 1,553,498,503</u>	<u>\$ 1,533,721,507</u>	<u>\$ 1,567,480,401</u>	<u>\$ 1,580,251,254</u>
Contributions as a percentage of covered payroll	<u>30.39%</u>	<u>31.41%</u>	<u>35.82%</u>	<u>32.65%</u>	<u>26.24%</u>

Schedule of Investment Returns

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Annual money-weighted rate return, net of investment expense	15.27%	9.59%	12.27%	-13.01%	17.13%	12.50%	19.07%	-3.79%	15.35%	7.67%

See Report of Independent Auditors.

Schedule of Changes in the Employer's Net Postemployment Healthcare Liability and Related Ratios

	2025	2024	2023	2022
Total postemployment healthcare liability				
Service cost	\$ 49,533,934	\$ 60,197,725	\$ 48,872,525	\$ 72,409,061
Interest	64,799,112	59,924,898	61,563,999	41,582,968
Benefit changes	27,273,013	—	—	—
Changes in benefit terms	—	—	—	—
Difference between expected and actual experience	(143,264,097)	(140,122,101)	(47,736,125)	15,151,444
Changes of assumptions	(457,551,153)	(174,796,904)	123,425,446	(401,713,051)
Benefit payments	(44,479,271)	(44,634,128)	(47,198,611)	(44,292,643)
Net change in total postemployment healthcare liability	(503,688,462)	(239,430,510)	138,927,234	(316,862,221)
Total postemployment healthcare liability				
Beginning of year	1,560,696,894	1,800,127,404	1,661,200,170	1,978,062,391
End of year	<u>\$ 1,057,008,432</u>	<u>\$ 1,560,696,894</u>	<u>\$ 1,800,127,404</u>	<u>\$ 1,661,200,170</u>
Plan fiduciary net position				
Contributions — employer	\$ 44,479,271	\$ 44,634,128	\$ 47,198,611	\$ 44,292,643
Benefit payments — net	(44,479,271)	(44,634,128)	(47,198,611)	(44,292,643)
Net change in plan fiduciary net position	—	—	—	—
Plan fiduciary net position				
Beginning of year	—	—	—	—
End of year	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Employer's net postemployment healthcare liability	<u>\$ 1,057,008,432</u>	<u>\$ 1,560,696,894</u>	<u>\$ 1,800,127,404</u>	<u>\$ 1,661,200,170</u>
Plan fiduciary net position as a percentage of the total postemployment healthcare liability	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Covered payroll	<u>\$ 2,101,368,787</u>	<u>\$ 1,916,226,538</u>	<u>\$ 1,806,600,924</u>	<u>\$ 1,632,797,650</u>
Employer's net postemployment healthcare liability as a percentage of covered payroll	<u>50.3%</u>	<u>81.45%</u>	<u>99.64%</u>	<u>101.74%</u>

Notes to Schedule

There are no assets accumulated in a Trust that meets the criteria of GASB Codification P52.101 to pay related benefits for the OPEB plan.

Changes in Benefit Terms CY 2024 versus 2023

Subsidy percentages for member health benefits remained the same as 2023:

Choice and Choice Plus Plans:**Changes of Assumptions:**

The discount rate used changed from 3.65% in 2023 to 4.08% in 2024

The mortality table used Pub-2010 General Amount Weighted Median Tables, same as in 2023.

Mortality projections projected from 2010 using generational improvement with Scale MP-2021, same as in 2023.

Healthcare cost trend rates remained the same for pre-Medicare, 7.000% in the first year, decreasing by .25% per year until an ultimate rate of 4.500% is reached.

Healthcare cost trend rates remained the same for post-Medicare, 5.750% in the first year, decreasing by .125% per year until an ultimate rate of 4.500% is reached.

Projected salary increases remained the same as 2023; 3.00%-5.00% in 2023 based on service.

Inflation rate remained the same as 2023; 2.50% in 2024.

There are no assets accumulated in a Trust that meets the criteria of GASB Codification P52.101 to pay related benefits for the OPEB plan.

Changes in Benefit Terms CY 2023 versus 2022

Subsidy percentages for member health benefits remained the same as 2022:

Choice and Choice Plus Plans:

Annuity with and without Medicare 44%. Survivors with and without Medicare 44%.

Changes of Assumptions:

The discount rate used changed from 3.65% in 2022 to 3.26% in 2023.

The mortality table used Pub-2010 General Amount Weighted Median Tables, same as in 2022.

Mortality projections projected from 2010 using generational improvement with Scale MP-2021, same as in 2022.

Healthcare cost trend rates remained the same for pre-Medicare, 7.000% in the first year, decreasing by .25% per year until an ultimate rate of 4.500% is reached.

Healthcare cost trend rates remained the same for post-Medicare, 5.750% in the first year, decreasing by .125% per year until an ultimate rate of 4.500% is reached.

Projected salary increases remained the same as 2022; 3.00%-5.00% in 2023

See Report of Independent Auditors.

Schedule of Changes in the Employer's Net Postemployment Healthcare Liability and Related Ratios

	2021	2020	2019	2018
Total postemployment healthcare liability				
Service cost	\$ 79,427,382	\$ 66,338,671	\$ 46,682,354	\$ 40,557,095
Interest	45,952,201	53,508,403	64,502,784	68,565,681
Benefit changes	—	—	—	—
Changes in benefit terms	166,241,145	(65,649,811)	(81,634,771)	(292,725,744)
Difference between expected and actual experience	(275,500,153)	(15,827,767)	(9,467,033)	(92,253,919)
Changes of assumptions	(108,982,699)	209,226,099	385,089,639	(300,028,016)
Benefit payments	(34,230,005)	(43,430,445)	(38,237,172)	(38,310,969)
Net change in total postemployment healthcare liability	(127,092,129)	204,165,150	366,935,801	(614,195,872)
Total postemployment healthcare liability				
Beginning of year	2,105,154,520	1,900,989,370	1,534,053,569	2,148,249,441
End of year	<u>\$ 1,978,062,391</u>	<u>\$ 2,105,154,520</u>	<u>\$ 1,900,989,370</u>	<u>\$ 1,534,053,569</u>
Plan fiduciary net position				
Contributions — employer	\$ 34,230,005	\$ 43,430,445	\$ 38,237,172	\$ 38,310,969
Benefit payments — net	(34,230,005)	(43,430,445)	(38,237,172)	(38,310,969)
Net change in plan fiduciary net position	—	—	—	—
Plan fiduciary net position				
Beginning of year	—	—	—	—
End of year	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Employer's net postemployment healthcare liability	<u>\$ 1,978,062,391</u>	<u>\$ 2,105,154,520</u>	<u>\$ 1,900,989,370</u>	<u>\$ 1,534,053,569</u>
Plan fiduciary net position as a percentage of the total postemployment healthcare liability	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Covered payroll	<u>\$ 1,572,958,479</u>	<u>\$ 1,583,198,305</u>	<u>\$ 1,603,347,918</u>	<u>\$ 1,576,658,158</u>
Employer's net postemployment healthcare liability as a percentage of covered payroll	<u>125.75%</u>	<u>132.97%</u>	<u>118.56%</u>	<u>97.30%</u>

Notes to Schedule

based on service.	year, decreasing by .25% per year until an ultimate rate of 4.500% is reached.
Inflation rate remained the same as 2022; 2.50% in 2023.	Healthcare cost trend rates changed for post-Medicare from 5.500% in the first year, decreasing by .25% in the second year, decreasing by .125% in the third and fourth year, and decreasing by .25% in the fifth year until an ultimate rate of 4.500% is reached to 5.750% decreasing by 0.125% per year until an ultimate rate of 4.500% is reached.
There are no assets accumulated in a Trust that meets the criteria of GASB Codification P52.101 to pay related benefits for the OPEB plan.	Projected salary increases remained the same as in 2021; 3.00%-5.00% based on service.
Changes in Benefit Terms CY 2022 versus 2021	Inflation rate was 2.50%, same as in 2022.
Subsidy percentages for member health benefits remained the same as in 2021:	
Choice and Choice Plus Plans:	
Annuity holders with and without Medicare 44%. Survivors with and without Medicare 44%.	
Changes of Assumptions:	
The discount rate used changed from 2.05% in 2021 to 3.65% in 2022.	
The mortality table used Pub-2010 General Amount Weighted Median Tables, same as in 2021.	
Mortality projections projected from 2010 using generational improvement with Scale MP-2021, same as in 2021.	
Healthcare cost trend rates remained the same for pre-Medicare, 7.000% in the first	

See Report of Independent Auditors.

Schedule of Employer Contributions and Related Notes Last Ten Fiscal Years

	2025	2024	2023	2022	2021
Actuarially determined contribution	\$ 91,686,429	\$ 137,095,415	\$ 152,154,466	\$ 137,658,885	\$ 159,551,340
Contributions in relation to the actuarially determined contribution	(44,479,271)	(44,634,128)	(47,198,611)	(44,292,643)	(34,230,005)
Contribution deficiency	<u>\$ 47,207,158</u>	<u>\$ 92,461,287</u>	<u>\$ 104,955,855</u>	<u>\$ 93,366,242</u>	<u>\$ 125,321,335</u>
Covered payroll	<u>\$ 2,101,368,787</u>	<u>\$ 1,916,226,538</u>	<u>\$ 1,806,600,924</u>	<u>\$ 1,632,797,650</u>	<u>\$ 1,572,958,479</u>
Contributions as a percentage of covered payroll	<u>2.12%</u>	<u>2.33%</u>	<u>2.61%</u>	<u>2.71%</u>	<u>2.18%</u>

Notes to Schedule of Employer Contributions

Valuation Date	December 31, 2025
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar - Open
Remaining amortization period	30 years
Inflation	2.50% per year
Salary increases	3.25% to 6.50%, based on service
Health care cost trend rate	7.000% in the first year, decreasing by .25% per year until an ultimate rate of 4.500% is reached for pre-Medicare 5.750% decreasing by 0.125% per year until an ultimate rate of 4.500% is reached for post-Medicare
Retirement age	Based on actual past experience, assume all employees retire by age 80 (Tier 1 participants) and 75 (Tier 2 participants)
Mortality	Pub-2016 amount-weighted tables projected from 2016 using generational improvement with Scale MP-2021

See Report of Independent Auditors.

Schedule of Employer Contributions and Related Notes Last Ten Fiscal Years (continued)

	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 172,996,709	\$ 157,705,345	\$ 133,228,086	\$ 187,348,423	\$ 206,678,514
Contributions in relation to the actuarially determined contribution	(43,430,445)	(38,237,172)	(38,310,969)	(47,454,621)	(49,565,249)
Contribution deficiency	<u>\$ 129,566,264</u>	<u>\$ 119,468,173</u>	<u>\$ 94,917,117</u>	<u>\$ 139,893,802</u>	<u>\$ 157,113,265</u>
Covered payroll	<u>\$ 1,583,198,305</u>	<u>\$ 1,603,347,918</u>	<u>\$ 1,576,658,158</u>	<u>\$ 1,602,986,483</u>	<u>\$ 1,609,559,234</u>
Contributions as a percentage of covered payroll	<u>2.74%</u>	<u>2.38%</u>	<u>2.43%</u>	<u>2.96%</u>	<u>3.08%</u>

See Report of Independent Auditors.

Schedule of Net Administrative Expenses and Professional and Consulting Fees

Years Ended December 31, 2025 and 2024			
	2025	2024	
Administrative expenses			
Bank charges	\$ 33,768	\$ 34,784	
Election expense	2,451	70,204	
Employee benefits	510,930	404,895	
Insurance — fidelity, fiduciary and liability	174,781	171,968	
Maintenance of equipment, systems, software and support	231,482	284,648	
Membership, conferences and training	60,290	42,057	
Office expense	47,984	50,086	
Postage	118,554	117,325	
Printing and stationery	71,269	58,900	
Professional and consulting fees	570,581	446,306	
Disaster recovery	36,741	37,140	
Regulatory filing fees	8,000	8,000	
Rent	579,224	570,439	
Salaries	3,083,006	2,606,332	
Total	5,529,061	4,903,084	
Less administrative expenses allocated to Forest Preserve District Employees' Annuity and Benefit Fund of Cook County	(123,300)	(110,348)	
Net administrative expenses	\$ 5,405,761	\$ 4,792,736	
Professional and consulting fees			
Actuarial service	\$ 70,711	\$ 69,537	
Audit	90,095	60,000	
Consulting	252,040	170,814	
Legal	125,549	113,790	
Lobbyist	32,186	32,165	
Total	\$ 570,581	\$ 446,306	

Schedule of Investment Expenses

Years Ended December 31, 2025 and 2024			
	2025	2024	
Investment manager expense			
1SP Seeding Start *	\$ 150,685	\$ —	
Acadian Asset Management LLC *	226,745	—	
Adelante Capital Management	752,468	707,095	
Allspring Global Investments	1,658,410	1,495,904	
Angelo Gordon	117,719	141,980	
Arga Investment Management LP *	155,261	—	
Artemis Real Estate Partners	1,288,483	1,252,433	
Basis Investment Group	614,282	375,000	
Blackstone Alternative Asset Management	5,566,606	5,287,499	
Blue Owl *	11,490	—	
Boston Common Asset Management	558,198	825,788	
Brasa Real Estate Fund *	300,000	—	
Brookfield Super-Core Infrastructure Partners	232,824	26,905	
CastleArk Management	1,130,978	1,025,708	
CBRE Global Investors	180,929	249,997	
Channing Capital Management	1,724,517	1,675,885	
Clarion Partners	1,778,096	1,866,388	
Entrust Global *	88,766	—	
Franklin Templeton Investments	1,075,129	2,232,224	
Frontier Capital Management	1,897,335	1,829,103	
Garcia Hamilton	230,826	146,698	
Great Lakes Advisors, Inc.	661,360	699,400	
IFM Investors *	372,259	—	
J.P. Morgan Asset Management	1,645,209	1,901,284	
LaSalle Investment Management	258,240	272,384	
Lazard Asset Management, LLC	760,814	831,760	
LM Capital Group, LLC	651,699	590,189	
MacKay Shields	1,028,369	1,009,747	
Mellon Capital	191,565	135,794	
Mesirow Financial	4,337,466	4,325,693	
Mondrian Investment Partners, Ltd.	313,034	617,239	
Muller and Monroe Asset Management	113,037	148,077	
New Century Investment Management	503,877	482,490	
Pantheon Global Infrastructure Fund	1,312,500	1,312,500	
Pantheon Credit Fund *	426,642	—	
PGIM Investments	965,756	911,670	
Prudential Real Estate Investors	2,069,927	2,088,640	

Schedule of Investment Expenses (continued)

Years Ended December 31, 2025 and 2024		
	2025	2024
Investment manager expense		
RhumbLine Advisers	\$ 300,817	\$ 290,443
Russell Investments **	—	164,883
SPC Capital Management	3,443	5,614
Strategic Global Advisors	925,715	867,732
State Street Global Advisors	547,537	561,959
The Rock Creek Group	1,488,190	1,418,410
William Blair & Company	1,159,680	1,156,563
Xponance **	—	88,051
Investment management expenses	39,776,883	39,019,129
Callan LLC	414,068	407,684
Investment custodian fees		
BNY Mellon	370,000	401,375
Total investment expenses	\$ 40,560,951	\$ 39,828,188

* New managers added in 2025.

** Managers terminated in 2025.

Schedule of Additions by Source

Year Ended December 31,	Employer Contributions	Employee Contributions	Net Investment and Net Securities Lending Income ⁽¹⁾	Other ⁽²⁾⁽³⁾	Total Additions
2020	\$ 509,209,160	\$ 134,157,866	\$ 1,465,457,845	\$ 36,669,560	\$ 2,145,494,431
2021	541,300,175	133,368,302	1,960,919,641	39,562,675	2,675,150,793
2022	525,233,835	136,293,311	(1,867,355,079)	42,907,044	(1,162,920,889)
2023	472,739,426	148,019,071	1,428,290,720	48,850,696	2,097,899,913
2024	537,544,151	161,066,018	1,188,715,858	59,135,592	1,946,461,619
2025	558,011,684	168,255,206	2,015,004,114	69,379,882	2,810,650,886

Schedule of Deductions by Type

Year Ended December 31,	Benefits	Refunds	Employee Transfers to Forest Preserve Fund	Net Administrative Expenses	Total Deductions
2020	\$ 950,137,294	\$ 30,990,651	\$ 714,659	\$ 5,000,609	\$ 986,843,213
2021	1,001,104,106	36,979,751	42,007	5,107,805	1,043,233,669
2022	1,061,568,488	33,588,190	—	4,720,167	1,099,876,845
2023	1,120,530,701	37,052,977	—	4,869,256	1,162,452,934
2024	1,178,395,809	33,136,511	—	4,792,736	1,216,325,056
2025	1,236,947,561	30,429,786	468,955	5,405,761	1,273,252,063

¹ Includes realized and unrealized net gain or loss on investments and net securities lending income.

² Includes employer federal subsidized programs, EGWP/Medicare Part D, prescription/repayment plan rebates and miscellaneous income.

³ Employee transfers were added under “Other” in Schedule of Additions by Source above.

Schedule of Employer Contributions Receivable December 31, 2025

Contribution Year	Contributions Receivable	Uncollected Balance	Reserved	Net Contributions Receivable
2024	\$ 205,171,383	\$ 78,571,358	\$ 5,579,407	\$ 72,991,951
2025	223,303,118	223,303,118	8,039,064	215,264,054
		<u>\$ 301,874,476</u>	<u>\$ 13,618,471</u>	<u>\$ 288,256,005</u>

Notes:

Employer contributions are funded primarily through property taxes levied by Cook County, Illinois.

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INVESTMENT Section

This section includes an Investment Report, Investment Consultant's Commentary, the Master Custodian's Certification, Summary of Investment Policy, asset allocation and historical investment returns, and summary tables of investment data.



June 3, 2026

To the Retirement Board and Fund Members:

The County Employees' and Officers' Annuity and Benefit Fund of Cook County ("the Fund") employs a prudent investment strategy to meet its long-term actuarial objective of growing fund assets to support member benefits. Together with Fund staff and the investment consultant, Callan LLC, the Retirement Board oversees the investment strategy through ongoing study of the portfolio structure, return assumptions, and projected funding needs to support member benefits.

In 2025, the Fund returned a very strong +15.3%, net of investment fees, and with continuing momentum from 2024, attained investment income surpassing \$2.0 billion. Invested assets increased from \$13.5 billion at the end of 2024 to just over \$14.9 billion as of December 31, 2025. The Fund's 2025 portfolio returns exceeded its policy benchmark and have generated positive returns on a 3, 5 and 10-year annualized basis.

All asset classes had a positive return for the year. Strong absolute returns in International Equity and Domestic Equity, up 29.3% and 17.1% respectively, drove overall portfolio returns. Of particular note, the Fund's Real Estate portfolio rebounded, up 2.6% for the year after a few very challenging years post the pandemic. The Fund is starting to see stabilization in the office segment of the Real Estate portfolio.

Pursuant to Public Act 103-0529 in 2023, the Fund will continue to receive substantially higher contributions from the employer and is now on track to be fully funded by 2047. This path to long-term financial stability allows the Fund to continue to make prudent investments to increase risk-adjusted returns over time.

The Consultant's Commentary; Master Custodian's certification letter; Summary of the Fund's Investment Policy; and selected investment schedules follow for your review.

Sincerely,

Brent Lewandowski
Executive Director

Data provided to the Fund by its investment consultant form the basis of the information that is presented throughout the Investment Section. All portfolio rates of return are presented using time and asset-weighted returns. Returns are calculated net of investment manager fees, unless otherwise noted.



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June 3, 2026

Board of Trustees
County Employees' and Officers' Annuity and Benefit Fund of Cook County
70 W. Madison Street, Suite 1925
Chicago, IL 60602

Dear Trustees:

Callan LLC is pleased to present the County Employees' and Officers' Annuity and Benefit Fund of Cook County ("Fund") summary for fiscal year ended December 31, 2025. As of year-end, the Fund reported a fair value of \$14.9 billion in investment assets, an increase of approximately \$1.5 billion since December 31, 2024. This increase in value included approximately \$614.8 million in net withdrawals and investment returns of \$2.1 billion.

In a year defined by shifting policy signals, fiscal negotiations, central bank actions, and uneven global growth, risk assets generally extended gains, and unexpectedly resilient markets closed out a volatile year on a constructive note. U.S. equities notched their third consecutive year of double-digit returns, overcoming a severe spring correction and tariff uncertainties to finish the year near all-time highs. Global markets delivered stellar performance, driven by favorable monetary easing and sustained AI infrastructure spending. As the year ended, investors were left balancing strong performance against an increasingly complex policy environment.

The Federal Reserve shifted toward a dovish monetary policy to finish the year. At the three final meetings in 2025, the Fed cut the benchmark federal funds rate by a cumulative .75% to a range between 3.50%–3.75%. Facing a complex economic landscape defined by new tariff policies, a multi-week fall government shutdown, and an increasingly split committee, the Fed prioritized shielding a softening labor market from deepening downside risks.

The S&P 500 finished the year up 17.9%, thus completing a historic recovery following the volatility of the first half of 2025 when tariff announcements around Liberation Day weighed heavily on sentiment. Growth stocks (Russell 3000 Growth: +18.2%) outperformed Value stocks (Russell 3000 Value: +15.7%); however, late in the year, performance leadership shifted as losses in technology stocks reflected growing scrutiny of AI-related valuations. Large cap equities (Russell 1000: +17.4%) continued to outpace small caps for the year (Russell 2000: +12.8%).

Non-U.S. stocks significantly outperformed the U.S. market in calendar year 2025, driven by global artificial intelligence (AI) enthusiasm, easing inflation, and U.S. dollar weakness. Non-U.S. equities posted their strongest annual performance relative to U.S. stocks since 2009 (MSCI ACWI ex U.S.: +32.4%). Emerging market equities also delivered a solid performance in 2025 (MSCI EM: +33.6%). The U.S. dollar was meaningfully lower for the year to date (DXY: -9.4%), marking its worst annual performance since 2017. This resulted in a significant tailwind for U.S. investors.

U.S. fixed income delivered its strongest performance since 2020, with the Bloomberg U.S. Aggregate Bond Index returning 7.3% for calendar year 2025. This robust showing was primarily driven by the Federal Reserve's interest rate-cutting cycle. Investment-grade bonds rallied with yield spreads tightening as corporate fundamentals proved resilient. Mortgage-backed securities flourished as the top-performing investment-grade sector with its best total return since 2002.

U.S. high-yield bonds delivered a robust +8.6% during the year, marking their third consecutive year of gains exceeding 8%. Performance was primarily driven by attractive starting yields, coupon return, modest spread tightening, and the Federal Reserve's rate-cutting cycle. Higher rated credits led the rally, benefiting from their more defensive profiles during periods of macroeconomic volatility.

The NCREIF ODCE Value-weighted Net Index, which tracks the performance of core U.S. open-end private real estate funds, increased 2.9% in 2025. The market successfully transitioned from a valuation reset to a stabilization and recovery phase. Valuations appear to have bottomed out. By the end of 2025, transaction volumes began creeping up toward historical benchmarks, and persistent fund-level redemption queues steadily decreased as private real estate fundamentals stabilized. Institutional strategies shifted away from broad market plays toward highly specialized, demographic-driven sectors and operational real estate. Income returns were positive across sectors and regions. Property sector results were mixed.

Hedge funds delivered strong performance across all major strategies in 2025, with the HFRI Fund of Fund Index up 9.2%. Within the HFRI indices, Macro strategies ended 2025 with continued strong performance, as managers were able to profit from interest rates, FX, and commodities trading. Equity hedge strategies saw momentum going into year-end, as long exposure to large-cap Technology and Industrial sectors drove performance. Event-driven strategies wrapped up the year in positive territory, as M&A deals continued to pick up during the fourth quarter. Relative value strategies also ended higher, as managers profited from arbitrage opportunities across fixed income securities. Fund-of-funds (FOFs) with more equity beta saw outperformance compared to those with less. FOFs with more diversification across credit strategies, in addition to more defensive equity managers, saw performance that slightly lagged.

Despite steady gains, private equity continues to lag strong public equity returns. Over the short-term, private equity's often more conservative valuation policies means that the asset class does not keep up when public equity posts such outsized returns. By strategy type, venture capital led performance, reflecting improved market conditions for growth assets and strong valuations within late-stage exposure. The AI boom continues to drive venture capital activity, with deal volume and valuations pointing to a bull phase in venture's typically cyclical market. Deal volume has rebounded sharply. The divergence between rising deal volume and declining deal count has persisted throughout the year, reflecting the continued concentration of capital in larger transactions.

The calendar year 2025 will likely be remembered as a year defined by constant crosscurrents. Markets absorbed a steady flow of policy shifts, tariff announcements, monetary easing, AI enthusiasm, geopolitical conflict, fiscal strain, and even a government shutdown that disrupted key economic data. Despite these challenges, markets remained resilient and delivered strong returns across most asset classes. Uncertainty remains elevated, and Callan encourages investors to maintain a long-term perspective and a prudent asset allocation with appropriate levels of diversification.

Total Fund Fiscal Year End Performance (Net of Fees)

The Fund returned 15.31% for the year ended December 31, 2025 and outperformed the Policy Target return of 15.09%. The Fund also ranked in the top quartile of its peer universe, which includes comparable public funds with assets exceeding \$1 billion.

Over the three-year period, the Fund achieved a 12.35% return versus the Policy Target return of 12.51%, yet the Fund outperformed more than 80% of peers, ranking in the 18th percentile. For the five-year period, the Fund returned 7.67% versus the Policy Target return of 7.39% and ranked in the 40th percentile of peers. Over the last ten years, the Fund returned 8.79% and outperformed the Policy Target return of 8.62%. The Fund's ten-year return ranked in the 27th percentile of peers.

Asset Class Fiscal Year End Performance (Net of Fees)

The Fund's Domestic Equity portfolio recorded a 17.11% return for the year ending December 31, 2025, in line with the Domestic Equity Benchmark (Russell 3000 Index) return of 17.15%. For the three-year period, the Domestic Equity portfolio returned 21.15% and trailed the benchmark return of 22.25%. For the last five years, Domestic Equity added 12.82% but underperformed the benchmark return of 13.15%. Domestic Equity returned 13.77% over the last ten years and trailed the benchmark return of 14.29%.

The Fund's International Equity portfolio returned 29.32% for the year ending December 31, 2025, but trailed the benchmark (MSCI ACWI ex US IMI) return of 31.96%. For the three-year period, the International Equity portfolio returned 15.41% and trailed the benchmark return of 17.10%. For the last five years, International Equity returned 6.17% and underperformed the benchmark return of 7.77%. International Equity returned 7.67% over the last ten years and lagged the benchmark return of 8.33%.

The Fund's Fixed Income portfolio returned 7.27% for the year ending December 31, 2025, and outperformed the 7.12% return of the custom fixed income benchmark. Over the past three years, Fixed Income added a 5.06% return and outpaced the benchmark return of 4.68%. Fixed Income outperformed over the past five years, returning 0.01% vs the -0.12% return of the benchmark. Over the trailing ten-year period, the Fixed Income portfolio returned 2.23% and outperformed the benchmark return of 2.09%.

Within the Real Estate portfolio, public REITS returned 2.56% for the year ending December 31, 2025 and underperformed the benchmark return (NAREIT Equity Index) of 2.88%. The Fund's Private Real Estate allocation gained 2.64% over the past year and underperformed the benchmark (NFI-ODCE Value Weight Net Index) return of 2.92%. Both allocations added positive relative performance over longer periods, with the REITS allocation outperforming its benchmark over the trailing three- (9.54% vs. 8.36%), five- (7.14% vs 6.63%), and ten-year (6.25% vs 5.70%) periods. Private Real Estate declined 3.64% over the last three years but fared better than the benchmark return (-4.25%). Over the past five years, Private Real Estate gained 4.21% (versus 2.51% for the benchmark), and over the past ten years, Private Real Estate added a 5.40% return and outpaced the benchmark return of 3.88%.

The Fund's Private Equity portfolio recorded returns of 7.99% over the past year, 4.89% over the last three years, 14.12% over the last five years, and 17.73% over the last ten years. Approximately 98% of the portfolio is invested in a single fund of funds program that has generated above median performance measures in the Refinitiv/Cambridge Private Equity database since Cook County's first investment in 2013.

The Fund's Hedge Fund portfolio returned 10.21% over the last year and outperformed the 90-Day SOFR +4% benchmark (8.53%). For the three-year period, the Hedge Fund portfolio returned 9.54% and outperformed the benchmark return of 9.00%. For the last five years, Hedge Funds returned 7.39% and slightly trailed the benchmark return of 7.47%. Hedge Funds finished with a 5.80% return over the trailing ten-year period and underperformed the benchmark return of 6.48%.

The Fund's Infrastructure portfolio added an 11.20% return for the year ending December 31, 2025 and underperformed the benchmark return of 14.44%. The Infrastructure allocation was funded in Q1 2024. Since inception, the Infrastructure portfolio has returned 14.04% versus the benchmark return of 13.20%.

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The Fund's allocation to Private Credit was initially funded in Q2 2025.

Note: Returns greater than one year are annualized. Returns presented are net of investment management fees. Peer rankings are compared against comparable fund returns.

Investment Manager Changes

The following accounts were added in 2025:

- ARGA International Equity
- Acadian All Country World ex-U.S. Equity
- SSGA International Small Cap Equity
- 1 Seed Partners Seeding and Strategic Capital Fund III
- Artemis Income & Growth Fund II
- Basis BIG Real Estate Fund III
- Pantheon Credit Opportunities Fund III
- Blue Owl Unlevered Diversified Lending Fund
- EnTrust Global – Blue Ocean Onshore Fund II
- IFM Global Infrastructure Fund

Methodology

All performance returns for the Fund presented in this report have been calculated by Callan LLC using a time-weighted rate of return calculation for accounts with daily pricing and a modified BAI calculation for accounts without daily pricing.

Sincerely,



John P. Jackson, CFA
Senior Vice President, Callan LLC



June 17, 2026

To the Board of Trustees and the Executive Director of the Cook County Annuity and Benefit Fund:

BNY as custodian of the Cook County Annuity and Benefit Fund (the "client") has established an "Account" that holds the client's property in safekeeping facilities of the Custodian (or other custodian banks or clearing operations), provided the recordkeeping of certain property of the client and completed the annual accounting certification for the year January 1, 2025, through December 31, 2025.

In addition, in accordance with the terms of the Amended Custody Agreement dated January 20, 2022, BNY Mellon also provides the following services as Custodian:

- Market settlement of purchases and sales and engage in other transactions, including free receipts and deliveries, exchanges and other voluntary corporate actions, with respect to securities or property received by the Custodian
- Take actions necessary to settle transactions in futures and/or options contracts, short selling programs, foreign exchange or foreign exchange contracts, swaps and other derivative investments with third parties
- Lend the assets of the Account in accordance with a separate Securities Lending Agreement.
- Invest available cash in any collective fund, including a collective investment fund maintained by the Custodian or an affiliate of the Custodian for collective investment of employee benefit trusts or deposit in an interest-bearing account of banking department of Custodian.
- Appoint subcustodians, including affiliates of the custodian, as to part or all of the Account.
- Hold property in nominee name, in bearer form or in book entry form, in a clearinghouse corporation or in a depository.
- Take all action necessary to pay for and settle authorized transactions.
- Collect income payable to and distributions due to the Account.
- Collect all proceeds from securities, certificates of deposit or other investments which may mature or be called.
- Forward to the authorized party as designated by the client, proxies or ballots that are to be a voted by the authorized party.
- Attend to corporate actions that have no discretionary decision requirement
- Report the value of the Account as agreed upon by the client and custodian.
- Credit the account with income and maturity proceeds on securities contractual payment date.

Sincerely,

A handwritten signature in blue ink, appearing to read "Charlie DeFrancesco", written over a light blue horizontal line.

Charlie DeFrancesco

Account Manager

135 Santilli Highway

Everett, MA 02149

T: (617)-382-9148

Charles.defrancesco@bny.com

Introduction

The County Employees' and Officers' Annuity and Benefit Fund of Cook County ("Fund") is a statutorily created public defined benefit plan. The Fund was established on January 1, 1926, and is governed by the Illinois Pension Code [40 ILCS 5] (Code). The Fund was designed to provide retirement, death and disability benefits for Cook County employees and their surviving spouses, children and certain other dependents.

Purpose

Under the guidance and direction of the Board and governed by the "prudent man rule," it is the mission of the Fund and the Investment Staff to optimize the total return of the Fund's investment portfolio through a policy of diversified investments using parameters of prudent risk management as measured on the total portfolio, acting at all times in the exclusive interest of the participants and beneficiaries of the Fund. Investments made by the Fund shall satisfy the conditions of the Illinois Pension Code and applicable Illinois law and, in particular, the "prudent man" fiduciary standard set forth in section 1-109 of the code [40 ILCS 5/1-109].

Subject to these fiduciary standards, the Board of Trustees ("Board") and Investment Staff shall endeavor at all times to execute their responsibilities in a manner consistent with the stated mission of the Fund, while ensuring transparency and compliance with all applicable laws and regulations:

- Establish a clear understanding of all involved parties of the investment goals and objectives of the Fund
- Define and assign the responsibilities of all parties involved
- Establish the relevant investment horizon for which the Fund assets will be managed
- Establish risk parameters governing assets of the Fund
- Establish target asset allocation and re-balancing procedures
- Establish a methodology and criteria for selecting, retaining and terminating Investment Service Providers
- Offer specific guidance to and define limitations for all Investment Managers regarding the investment of Fund assets

In summary, the purpose of the Investment Policy Statement ("IPS") is to formalize the Board's investment objectives, policies and procedures and to define the duties and responsibilities of the various entities involved in the investment process. The IPS is intended to serve as a guide, reference tool and a communications link between the Board, Investment Staff and Investment Service Providers.

Roles and Responsibilities

Board of Trustees

The Board is a fiduciary and has original and exclusive jurisdiction over all matters relating to the Fund, including benefits administration and the investment of the assets. As a fiduciary, the Board will discharge its duties in the sole interest of the participants and beneficiaries of the Fund.

Investment Committee

The Board has established an Investment Committee (“IC”), which is a committee of the whole. The IC reviews and makes recommendations of investment-related policies to the Board for approval. The IC works with Investment Staff and Investment Consultant(s) to implement all Board approved investment policies, evaluate investment performance, and comply with the IPS.

Investment Staff

The Executive Director (“ED”) along with other staff are responsible for the implementation of investment strategy approved by the Board, making recommendations to the Board and Investment Committee as appropriate and for the coordination of all investment activities on behalf of the Fund.

Investment Consultant

The Board may hire an Investment Consultant(s) to assist the Board, its Committees and Staff in developing and implementing a prudent process for establishing, monitoring, and evaluating the Fund’s investment policy.

Investment Managers

The Investment managers will manage assets in accordance with the guidelines and objectives and consistent with each investment manager’s stated investment philosophy and style.

Objectives

The Fund’s assets will be invested in the sole interests of the participants and beneficiaries of the Fund and in accordance with the following objectives:

- Ensure that the current and future obligations of the Fund are met when due
- Ensure the assets of the Fund are invested with the care, skill, and diligence that a prudent person acting in a like capacity would undertake
- Ensure the assets of the Fund are invested in a manner that manages and controls the costs incurred in administering and managing the assets
- Diversify the investment of the assets to minimize the risk of large losses
- Attain the actuarial assumed annual rate of return over a long-term time horizon
- Exceed an asset policy weighted composite benchmark (Policy Target) over a market cycle (typically, 5 to 10 years)

In establishing the asset allocation policy, the Board takes into consideration the actuarial rate of return, the nature of the Fund’s liabilities, the cash flow needs, the return and risk expectations for the capital markets, as well as any applicable legislation and statutes governing the Fund. The asset allocation policy reflects the Board’s return objectives at a prudent level of risk.

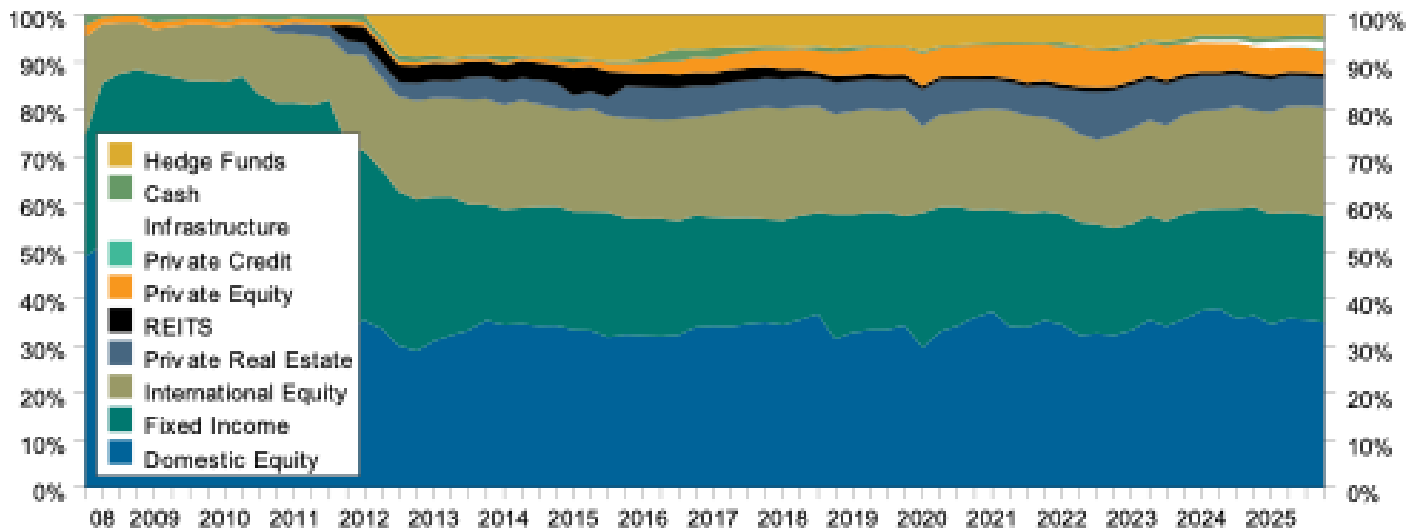
2025 Asset Allocation

As of December 31, 2025, the Fund's allocation was in line within its policy target ranges. Trustees approved a revised target allocation at the June Board 2022 meeting, which included new allocations to Infrastructure and Private Credit. Managers for these new asset classes have been selected, and the implementation of this policy is expected to be completed when the capital commitments for the newer strategies have been realized. The Total Fund benchmark will be modified in accordance with the actual implementation. This process reflects the practical implementation of non-publicly traded investments. The Fund's asset allocation as of December 31, 2025 is shown below.



Historical Allocation by Asset Class

The chart below illustrates the historical asset allocation of the Fund



Investment Results

(compiled by Callan LLC, Investment Consultant to the Fund)

INVESTMENT SECTION

Below is a detailed analysis of the Fund's net of fee investments performance as of December 31, 2025, on a trailing calendar year basis. Calculations were prepared utilizing a time-weighted rate of return.

Historical Calendar Year Investment Returns (Net of Fees)

Asset Class	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Net of Fee Returns										
Domestic Equity	17.11%	22.03%	24.45%	-18.04%	25.40%	19.16%	30.42%	-6.78%	19.78%	14.57%
Domestic Equity Benchmark ⁽²⁾	17.15%	23.81%	25.96%	-19.21%	25.66%	20.89%	31.02%	-5.24%	21.13%	12.74%
International Equity	29.32%	3.00%	15.40%	-17.20%	6.00%	10.86%	22.33%	-13.59%	28.67%	2.92%
International Equity Benchmark ⁽³⁾	31.96%	5.23%	15.62%	-16.58%	8.53%	11.12%	21.63%	-14.76%	27.19%	4.50%
Fixed Income	7.27%	2.01%	5.97%	-13.32%	-0.47%	6.73%	8.25%	-0.49%	4.13%	4.11%
Fixed Income Benchmark ⁽⁴⁾	7.12%	1.55%	5.46%	-12.10%	-1.43%	7.09%	8.72%	0.01%	3.54%	2.65%
REITS	2.56%	10.01%	16.50%	-27.17%	47.47%	-5.16%	27.29%	-6.21%	7.90%	6.33%
NAREIT Equity Index	2.88%	8.73%	13.73%	-24.37%	43.24%	-8.00%	26.00%	-4.62%	5.23%	8.52%
Private Real Estate	2.64%	-3.11%	-10.04%	9.40%	25.59%	3.26%	5.95%	8.68%	5.24%	9.97%
NCREIF NFI-ODCE Value Weight Net*	2.92%	-2.27%	-12.73%	6.55%	21.02%	0.34%	4.39%	7.36%	6.66%	7.79%
Private Equity**	7.99%	3.94%	2.81%	-8.74%	83.76%	31.60%	22.81%	29.77%	13.07%	11.49%
Hedge Funds	10.21%	10.94%	7.49%	2.10%	6.42%	3.42%	6.35%	1.75%	7.06%	2.68%
90-Day Average SOFR + 4% ⁽⁵⁾	8.53%	9.52%	8.95%	6.25%	4.17%	4.78%	6.43%	6.32%	5.26%	4.75%
HFRI Fund of Funds Index ⁽⁶⁾	9.15%	11.44%	4.32%	-5.32%	9.74%	8.65%	4.90%	-1.52%	7.74%	-0.79%
Infrastructure	11.20%	—	—	—	—	—	—	—	—	—
FTSE Dev Core Inf 50/50 Net	14.44%	—	—	—	—	—	—	—	—	—
Cash Equivalents	4.40%	5.27%	5.19%	1.61%	0.25%	0.65%	2.53%	2.33%	1.30%	0.54%
3-Month Treasury Bill	4.18%	5.25%	5.01%	1.46%	0.05%	0.67%	2.28%	1.87%	0.86%	0.33%
Total Cook County Fund	15.31%	9.54%	12.28%	-12.90%	17.15%	12.74%	19.07%	-3.79%	15.35%	7.67%
Policy Target ⁽¹⁾	15.09%	9.78%	12.72%	-12.53%	14.68%	13.28%	19.00%	-2.93%	14.40%	6.88%

Investment results are calculated and presented using standard performance evaluation methods in a manner consistent with the investment industry in general and public pension funds in particular. Rates of return were determined using a modified time-weighted return calculation.

1. Policy Target: Blend of asset class benchmarks at policy weights. The Target allocation was established in June 2022; however, the benchmark will be modified in accordance with the actual implementation. This process reflects the practical implementation of non-publicly traded investments.

10/1/24 - Present: 34.0% Russell 3000 Index, 20.3% MSCI ACWI ex U.S. IMI, 24.5% Blmbg Aggregate, 2.5% Blmbg Govt/Credit 1-3 Year; 9% Real Estate Benchmark*, 4.0% Private Equity Benchmark**, 3% 90-Day Avg. SOFR + 4%, 1% U.S. 90 Day T-Bill, 0.7% FTSE Dev Core 50/50 Net

2020-6/30/24: 33.0% Russell 3000 Index, 21.0% MSCI ACWI ex U.S. IMI, 23.4% Blmbg Aggregate, 2.6% Blmbg Govt/Credit 1-3 Year; 9% Real Estate Benchmark*, 6% Hedge Funds Benchmark, 4.0% Private Equity Benchmark**, 1% U.S. 90 Day T-Bill.

2017-2019: 33.0% Russell 3000 Index, 21.0% MSCI ACWI ex U.S. IMI, 26% Blmbg Aggregate, 9% Real Estate Benchmark*, 6% (3 Month Libor+ 4.0%), 4.0% Private Equity Benchmark**, 1% U.S. 90 Day T-Bill.

2015-2016: 25% Russell 3000 Index, 20% MSCI ACWI ex U.S. Index, 32% Blmbg Aggregate Index, 8% Real Estate Benchmark*, 9% (3 Month Libor+ 4.0%), 6% Private Equity Benchmark**.

2. Domestic Equity Benchmark: 2014 - Present: Russell 3000 Index.

3. International Benchmark 2018 - Present: MSCI ACWI ex-US IMI Index.
2015-2017: MSCI ACWI ex-U.S. Index.

4. Fixed Income Benchmark: 2020 - Present: 90% Bloomberg Aggregate Index and 10% Bloomberg Gov/Credit 1-3 Year Index.
2015-2019: Bloomberg Aggregate Index.

5. Hedge Funds Benchmark: 2023 - Present: 90-Day Average SOFR +4%
2015-2022: LIBOR + 4%

6. HFRI Fund of Funds Composite Index: Returns are lagged 1 month.

*Real Estate Benchmark: Returns are calculated by weighting the benchmark return for each asset class (i.e. Private RE and Public RE). The Private RE benchmark is the NCREIF NFI-ODCE Value Weight Net Index and the Public RE benchmark is the FTSE REIT Equity Index.

**Private Equity Benchmark: is set equal to actual returns

Investment Returns (Net of Fees) for Period Ended December 31, 2025

Asset Class	For the Year Ended December 31, 2025	Annualized Returns		
		Last 3 Yrs (%)	Last 5 Yrs (%)	Last 10 Yrs (%)
Net of Fee Returns				
Domestic Equity	17.11%	21.15%	12.82%	13.77%
Domestic Equity Benchmark ⁽²⁾	17.15%	22.25%	13.15%	14.29%
International Equity	29.32%	15.41%	6.17%	7.67%
International Equity Benchmark ⁽³⁾	31.96%	17.10%	7.77%	8.33%
Fixed Income	7.27%	5.06%	0.01%	2.23%
Fixed Income Benchmark ⁽⁴⁾	7.12%	4.68%	(0.12%)	2.09%
REITS	2.56%	9.54%	7.14%	6.25%
NAREIT Equity Index	2.88%	8.36%	6.63%	5.70%
Private Real Estate	2.64%	(3.64%)	4.21%	5.40%
NCREIF NFI-ODCE Value Weight Net	2.92%	(4.25%)	2.51%	3.88%
Private Equity	7.99%	4.89%	14.12%	17.73%
Hedge Funds	10.21%	9.54%	7.39%	5.80%
90-Day Average SOFR + 4% ⁽⁵⁾	8.53%	9.00%	7.47%	6.48%
HFRI Fund of Funds Index ⁽⁶⁾	9.15%	8.22%	5.66%	4.68%
Infrastructure	11.20%	—	—	—
FTSE Dev Core Inf 50/50 Net	14.44%	—	—	—
Cash Equivalents	4.40%	4.95%	3.32%	2.39%
3-Month Treasury Bill	4.18%	4.81%	3.17%	2.18%
Total Cook County Fund	15.31%	12.35%	7.67%	8.79%
Policy Target ⁽¹⁾	15.09%	12.51%	7.39%	8.62%

Investment results are calculated and presented using standard performance evaluation methods in a manner consistent with the investment industry in general and public pension funds in particular. Rates of return were determined using a modified time-weighted return calculation.

1. Policy Target: Blend of asset class benchmarks at policy weights. The Target allocation was established in June 2022; however, the benchmark will be modified in accordance with the actual implementation. This process reflects the practical implementation of non-publicly traded investments.

10/1/24 - Present: 34.0% Russell 3000 Index, 20.3% MSCI ACWI ex U.S. IMI, 24.5% Blmbg Aggregate, 2.5% Blmbg Govt/Credit 1-3 Year; 9% Real Estate Benchmark*, 4.0% Private Equity Benchmark**, 3% 90-Day Avg. SOFR + 4%, 1% U.S. 90 Day T-Bill, 0.7% FTSE Dev Core 50/50 Net

2020-6/30/24: 33.0% Russell 3000 Index, 21.0% MSCI ACWI ex U.S. IMI, 23.4% Blmbg Aggregate, 2.6% Blmbg Govt/Credit 1-3 Year; 9% Real Estate Benchmark*, 6% Hedge Funds Benchmark, 4.0% Private Equity Benchmark**, 1% U.S. 90 Day T-Bill.

2017-2019: 33.0% Russell 3000 Index, 21.0% MSCI ACWI ex U.S. IMI, 26% Blmbg Aggregate, 9% Real Estate Benchmark*, 6% (3 Month Libor+ 4.0%), 4.0% Private Equity Benchmark**, 1% U.S. 90 Day T-Bill.

2015-2016: 25% Russell 3000 Index, 20% MSCI ACWI ex U.S. Index, 32% Blmbg Aggregate Index, 8% Real Estate Benchmark*, 9% (3 Month Libor+ 4.0%), 6% Private Equity Benchmark**.

2. Domestic Equity Benchmark: 2014 - Present:: Russell 3000 Index.

3. International Benchmark: 2018 - Present: MSCI ACWI ex-US IMI Index.

2015-2017: MSCI ACWI ex-U.S. Index.

4. Fixed Income Benchmark: 2020 - Present: 90% Bloomberg Aggregate Index and 10% Bloomberg Gov/Credit 1-3 Year Index.

2015-2019: Bloomberg Aggregate Index.

5. Hedge Funds Benchmark: 2023 - Present: 90-Day Average SOFR +4%

2015-2022: LIBOR +4%

6. HFRI Fund of Funds Composite Index: Returns are lagged 1 month.

*Real Estate Benchmark: Returns are calculated by weighting the benchmark return for each asset class (i.e. Private RE and Public RE). The Private RE benchmark is the NCREIF NFI-ODCE Value Weight Net Index and the Public RE benchmark is the FTSE NAREIT Equity Index.

**Private Equity Benchmark: is set equal to actual returns

Schedule of Investment Summary and Asset Allocation

Asset Class	For Year Ended December 31, 2025			For Year Ended December 31, 2024		
	Fair Value	Percent of Total	Target	Fair Value	Percent of Total	Target
Domestic Equity	\$ 5,499,280,510	36.83%	32.00%	\$ 5,229,945,185	38.85%	32.00%
International Equity	3,206,866,945	21.47%	20.00%	2,477,769,860	18.40%	20.00%
Broad Fixed Income	3,028,526,365	20.28%	23.50%	2,779,271,565	20.64%	23.50%
Short-Duration Fixed Income	276,654,395	1.85%	2.50%	260,785,403	1.94%	2.50%
Private Credit	59,894,964	0.40%	2.00%	—	0.00%	2.00%
Real Estate Funds	919,667,633	6.16%	9.00%	917,564,998	6.81%	9.00%
Private Infrastructure	239,266,738	1.60%	2.00%	110,104,065	0.82%	2.00%
Private Equity	712,572,792	4.77%	5.00%	762,626,174	5.66%	5.00%
Hedge Funds	688,571,760	4.61%	3.00%	633,612,759	4.71%	3.00%
Short-Term Investments	302,734,251	2.03%	1.00%	292,700,309	2.17%	1.00%
Total Investments	<u>\$ 14,934,036,353</u>	<u>100.00%</u>	<u>100.00%</u>	<u>\$ 13,464,380,318</u>	<u>100.00%</u>	<u>100.00%</u>

Schedule of Top Ten Largest Holdings (Excludes Investments Held at Net Asset Value)

For year ended December 31, 2025

Top 10 Domestic Equity Holdings	Sector	Shares	Fair Value	% of Total
NVIDIA Corp	Semiconductors	1,580,375	\$ 294,739,938	5.4%
Apple Inc	Technology	969,615	263,599,534	4.8%
Microsoft Corp	Software	491,452	237,676,016	4.3%
Alphabet Inc	Communication	711,268	222,874,453	4.1%
Amazon.com Inc	Consumer Discretionary	592,392	136,735,921	2.5%
Broadcom Inc	Semiconductors	313,675	108,562,918	2.0%
Meta Platforms Inc	Communication	139,526	92,099,717	1.7%
Tesla Inc	Automotive	188,217	84,644,949	1.5%
Berkshire Hathaway Inc	Insurance	132,656	66,679,538	1.2%
Eli Lilly & Co	Medical Supply	54,836	58,931,152	1.1%
Total Top 10 Domestic Equity Holdings		5,174,012	\$ 1,566,544,136	28.6%
Total Domestic Equity			\$ 5,499,280,510	100.0%
Top 10 International Equity Holdings	Sector	Shares	Fair Value	% of Total
Taiwan Semiconductor Manufacturing Co Ltd (Taiwan)	Semiconductors	1,646,389	81,217,769	2.5%
Samsung Electronics Co Ltd (South Korea)	Semiconductors	621,076	51,058,019	1.6%
Tencent Holdings LTD (China)	Internet	905,597	37,986,713	1.2%
Roche Holding AG (Switzerland)	Pharmacies	100,538	33,044,517	1.0%
ASML Holding NV (Netherlands)	Semiconductors	29,870	32,323,469	1.0%
Novartis AG (Switzerland)	Pharmacies	215,102	29,757,247	0.9%
SK Hynix Inc (South Korea)	Semiconductors	64,234	29,028,021	0.9%
People's Republic of China (China)	Wholesale	25,694,806	27,148,304	0.8%
Banco Santander SA (Chile)	Banks	6,020,020	23,172,924	0.7%
Alibaba Group Holding Ltd (China)	Retail	4,752,647	22,416,847	0.7%
Total Top 10 International Equity Holdings		40,050,279	\$ 367,153,830	11.3%
Total International Equity			\$ 3,206,866,944	100.0%
Top 10 Fixed Income Holdings	Sector	Par	Fair Value	% of Total
U.S. Treasury Note 3.750% 10/31/2032	US Governments	41,110,000	\$ 40,718,222	1.2%
U.S. Treasury Bond 4.625% 11/15/2045	US Governments	37,010,000	36,298,668	1.1%
U.S. Treasury Bond 4.625% 11/15/2055	US Governments	34,110,000	33,006,883	1.0%
U.S. Treasury Note 2.250% 11/15/2027	US Governments	30,540,000	29,865,982	0.9%
U.S. Treasury Note 3.625% 03/31/2028	US Governments	24,105,000	24,173,699	0.7%
U.S. Treasury Note 3.500% 01/31/2028	US Governments	24,065,000	24,073,423	0.7%
U.S. Treasury Note 4.125% 07/31/2028	US Governments	23,195,000	23,547,564	0.7%
U.S. Treasury Note 4.625% 09/30/2028	US Governments	21,250,000	21,857,538	0.7%
U.S. Treasury Note 4.000% 11/15/2035	US Governments	22,060,000	21,791,089	0.7%
U.S. Treasury Bond 4.625% 05/15/2044	US Governments	21,800,000	21,480,630	0.6%
Total Top 10 Fixed Income Holdings		279,245,000	\$ 276,813,698	8.3%
Total Fixed Income			\$ 3,305,180,760	100.0%

A complete list of the portfolio holdings is available for review upon request.

Schedule of Investment Manager Fees and Assets Under Management

For year ended December 31, 2025

Asset Category	Investment Manager Fees	Assets Under Management
Equity		
Acadian Intl Equity	\$ 226,745	\$ 316,224,221
Adelante Capital Management	752,468	136,379,208
Allspring Global Investments	1,658,410	294,177,283
Ariel Investments *	—	13,726
Boston Common Asset Management	558,198	234,850,334
CastleArk Management	1,130,978	195,678,682
Channing Capital Management	1,724,517	340,586,304
Franklin Templeton Investments	1,075,129	397,292
Frontier Capital Management	1,897,335	331,877,517
Mesirow Financial	488,921	94,617,254
Great Lakes Advisors, Inc.	661,360	623,872,165
Lazard Asset Management, LLC	760,814	567,653,191
ARGA Investment Management	155,261	158,513,501
Mondrian Investment Partners, Ltd.	313,034	29,574
Strategic Global Advisors	925,715	199,701,943
RhumbLine Advisers	300,817	3,452,541,966
Russell Investments *	—	3,978
State Street Global Advisors	547,537	1,667,643,820
William Blair & Company	1,159,680	171,548,673
Total Equity	\$ 14,336,919	\$ 8,786,310,632
Fixed Income		
Garcia Hamilton	\$ 230,826	\$ 280,729,575
LM Capital Group, LLC	651,699	533,503,256
MacKay Shields	1,028,369	578,890,264
Mellon Capital	191,564	1,143,644,349
New Century Investment Management	503,877	285,739,716
PGIM Investments	965,756	549,775,906
Xponance (Formerly Piedmont Investment Advisors) *	—	790
Total Fixed Income	\$ 3,572,091	\$ 3,372,283,856

Schedule of Investment Manager Fees and Assets Under Management (continued)

For year ended December 31, 2025

Asset Category	Investment Manager Fees	Assets Under Management
Real Estate		
1Seed Partners	\$ 150,685	\$ 8,017,299
Angelo Gordon & Co.	117,719	4,761,212
Artemis Real Estate Partners	1,288,483	75,053,614
Basis Investment Group	614,282	21,854,765
Blackstone Alternative Asset Management	1,035,099	57,500,965
CBRE Global Investors	180,929	11,303,016
Clarion Partners	1,778,096	177,941,471
Brasa Real Estate	300,000	4,061,662
J.P. Morgan Asset Management	1,645,209	188,579,834
LaSalle Investment Management	258,240	21,317,153
Mesirow Financial	855,152	87,038,876
Prudential Real Estate Investors	2,069,927	262,203,218
Total Real Estate	\$ 10,293,820	\$ 919,633,085
Private Infrastructure		
Pantheon	\$ 1,312,500	\$ 131,523,213
IFM Global Infrastructure	372,259	56,032,631
Brookfield Core Infrastructure	232,824	51,710,894
Total Private Infrastructure	\$ 1,917,583	\$ 239,266,738
Hedge Funds of Funds		
Blackstone Alternative Asset Management	\$ 4,531,507	\$ 481,026,763
The Rock Creek Group	1,488,190	207,544,997
Total Hedge Funds of Funds	\$ 6,019,697	\$ 688,571,760

Schedule of Investment Manager Fees and Assets Under Management (continued)

For year ended December 31, 2025

Asset Category	Investment Manager Fees	Assets Under Management
Private Credit		
Entrust Global	\$ 88,766	\$ 4,854,043
Blue Owl	11,490	29,754,302
Pantheon	426,642	25,286,619
Total Private Credit	\$ 526,898	\$ 59,894,964
Private Equity		
Legacy Direct *	\$ —	\$ 6,024,189
Mesirow Financial	2,993,394	719,039,062
Muller and Monroe Asset Management	113,037	10,084,586
SPC Capital Management	3,443	378,084
Total Private Equity	\$ 3,109,874	\$ 735,525,921
Short-Term Investment		
BNY Mellon ***	\$ —	\$ 132,549,397
Total	\$ 39,776,883	\$ 14,934,036,353

* Residual balance from terminated and/or dissolved managers.

** Fees shown are for fund-of-fund managers and do not reflect fees of underlying managers of investments, which are reflected in the net income from the related investment.

*** Investments are held in commingled funds and/or publicly traded funds, and related investment returns are net of fees.

Schedule of Brokerage Commissions

For Year Ended December 31, 2025

Broker Name	Number of Shares	Commissions	Cost per Share
Domestic Equity Commissions			
Loop Capital Markets*	8,417,781	\$ 276,762	\$ 0.033
J.P. Morgan	2,384,451	66,237	0.028
Piper Jaffray	1,606,149	56,625	0.035
Penserra Securities*	4,776,400	46,162	0.010
Cabrera Capital Markets*	2,041,256	43,764	0.021
Liquidnet	2,135,016	40,178	0.019
Jefferies	1,666,168	36,963	0.022
Siebert William Shank & Co*	2,625,113	35,326	0.013
Robert W Baird	1,144,088	31,425	0.027
William Blair & Co	946,647	31,087	0.033
Stifel Nicolaus	932,466	27,498	0.029
Raymond James	923,711	25,507	0.028
Pershing	1,268,715	25,454	0.020
Goldman Sachs	894,257	23,610	0.026
National Finl Svcs Corp	663,918	22,431	0.034
ISI Group	638,452	20,436	0.032
RBC Capital Markets	752,333	19,432	0.026
Instinet	739,329	18,517	0.025
Blaylock & Co*	666,635	18,157	0.027
Oppenheimer	549,656	17,847	0.032
Citigroup Global Markets	441,990	15,072	0.034
Bank Of America	436,978	13,488	0.031
Wells Fargo	343,355	12,412	0.036
Suntrust	302,354	11,666	0.039
Brokers with <\$10,000 of Commission	3,992,037	109,579	0.027
Total Domestic Equity Commissions	41,289,255	\$ 1,045,635	\$ 0.025

* Women/minority-owned brokerage firm. The Retirement Board's brokerage policy encourages investment manager, as they search for best possible trade execution, to utilize women/minority-owned enterprises, specifically firms headquartered in the State of Illinois.

Schedule of Brokerage Commissions (continued)

For Year Ended December 31, 2025			
Broker Name	Number of Shares	Commissions	Cost per Share
International Equity Commissions			
Citigroup	162,070,644	\$ 189,992	\$ 0.001
UBS	30,472,586	99,021	0.003
Goldman Sachs	22,403,072	89,763	0.004
Loop Capital*	24,462,357	84,342	0.003
JP Morgan	19,872,565	69,319	0.003
Barclays	7,699,269	65,688	0.009
Penserra*	13,302,692	63,533	0.005
Morgan Stanley	16,638,124	52,749	0.003
Jefferies	16,916,769	40,190	0.002
Bank of America	30,482,271	38,106	0.001
Merrill Lynch	3,422,226	37,239	0.011
Cowen	879,099	28,125	0.032
Castle Oak*	2,918,754	27,548	0.009
CLSA	15,015,029	26,397	0.002
BNP Paribas	5,480,774	24,543	0.004
Macquarie	23,913,802	17,949	0.001
Bernstein	13,097,857	17,592	0.001
Liquidnet	4,312,838	15,825	0.004
Northern Trust	1,817,071	14,012	0.008
RBC	1,108,247	12,554	0.011
Mizuho	372,151	12,231	0.033
Virtu	542,012	11,325	0.021
Instinet	7,177,123	11,291	0.002
HSBC	8,189,518	10,790	0.001
Daiwa	282,700	10,617	0.038
Santander	7,990,510	6,641	0.001
Cabrera*	12,495,209	6,125	0.000
ITG	697,752	5,132	0.007
Brokers with <\$5,000 of Commission	24,496,681	44,000	0.002
Total International Equity Commissions	478,529,702	\$ 1,132,639	\$ 0.002

* Women/minority-owned brokerage firm. The Retirement Board's brokerage policy encourages investment manager, as they search for best possible trade execution, to utilize women/minority-owned enterprises, specifically firms headquartered in the State of Illinois.

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ACTUARIAL Section

This section includes the actuarial reports and summarizes actuarial liability and unfunded actuarial liability. Schedules of data summarizing information about members and beneficiaries, actuarial assumptions, and principal provisions, and a glossary of terms are also included.



June 3, 2026

Board of Trustees
County Employees' and Officers' Annuity and Benefit Fund of Cook County
Chicago, Illinois

RE: December 31, 2025 Actuarial Valuation

Ladies and Gentlemen:

In accordance with your request, we have completed an actuarial valuation of the County Employees' and Officers' Annuity and Benefit Fund of Cook County ("CEABF" or "the Fund") as of December 31, 2025. The major findings of the valuation are contained in this report.

In preparing this report, we relied, without audit by us, on information (some oral and some in writing) supplied by the CEABF's staff. This information includes, but is not limited to, statutory provisions, employee data, and financial information. We found this information to be reasonably consistent and comparable with information provided in prior years. The valuation results depend on the integrity of this information. The benefits considered are those delineated in the Fund. The CEABF was established on July 1, 1926 and is governed by legislation contained in the Illinois Compiled statutes, particularly Chapter 40, as amended and restated effective December 31, 2025. If any of this information is inaccurate or incomplete our results may be different and our calculations may need to be revised. This report was prepared at the request of the Board and is intended for use by the Fund and those designated or approved by the Board. This report may be provided to parties other than the Fund only in its entirety and only with the permission of the Board. Cavanaugh Macdonald ("CavMac") is not responsible for unauthorized use of this report.

CavMac performs the actuarial valuation annually. All exhibits, except Summary of Fair Value of Assets and Changes in Fair Value of Assets were prepared by the actuary.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: experience differing from that anticipated by the economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the CEABF's funded status); and changes in fund provisions or applicable law. Due to the limited scope of our assignment, we did not perform an analysis of the potential range of future measurements.

The CEABF is funded by Employer and Member Contributions. Pursuant to Public Act 103-0529, effective August 11, 2023, the funding policy was amended to increase the annual contribution to the County for payment years 2024 through 2047 (continuing with a non-statutory “IGA” plan originally begun in 2017). The County’s required annual contribution is determined on an actuarial basis and is the sum of (1) the projected normal cost for pensions for the fiscal year, plus (2) a projected unfunded actuarial accrued liability amortization payment for pensions for the fiscal year, plus (3) projected expenses for the fiscal year, plus (4) interest to adjust for payment pattern during the fiscal year, minus (5) projected employee contributions for the fiscal year. The minimum required employer contribution is based on the entry-age normal cost method, a 5-year smoothed actuarial value of assets, and a 30-year layered amortization of unfunded actuarial accrued liability with payments increasing 2% per year. The amortization schedule that was established with the December 31, 2016 actuarial valuation under the IGA are maintained under the provisions of Public Act 103-0529. This funding mechanism is sufficient to meet the needs of the CEABF. We project that the initial CEABF unfunded pension liabilities established with the non-statutory “IGA” plan originally begun in 2017, will be fully funded by 2047. Subsequent unfunded liabilities, which are small in comparison, are expected to be fully funded in 30 years from establishment. Contributions are expected to decrease the UAAL on December 31, 2027.

The economic and demographic assumptions used in the valuation were adopted by the Board and first reflected in the December 31, 2025 valuation. The Board’s recent practice is to review the experience of the CEABF every four years to determine if any changes to the valuation assumptions are warranted. The assumptions used in the valuation meet the parameters set by the Actuarial Standards of Practice and are based on recommendations made and approved by the Board as part of an Experience Study covering plan years from January 1, 2021 through December 31, 2024. We recommend performing an Experience Study covering plan years from January 1, 2025 through December 31, 2028 to compare economic and demographic experience against the actuarial assumptions used in the valuation. The implementation of updated assumptions would occur during the December 31, 2029 valuation. A summary of the actuarial assumptions and methods used in this actuarial valuation begins on page 115.

Actuarial computations presented in this report are for purposes of determining the actuarial contribution rates for funding the Fund based on the Board’s funding policy report and all supporting schedules to meet the parameters and requirements for disclosure of Governmental Accounting Standards Board (GASB) Statement No. 67 and No. 68. The calculations in the enclosed report have been made on a basis consistent with our understanding of the Fund’s funding requirements and goals. Determinations for purposes other than meeting these requirements may be significantly different from the results contained in this report. Accordingly, additional determinations may be needed for other purposes.

In order to prepare the results in this report, we have utilized actuarial models that were developed to measure liabilities and develop actuarial costs. These models include tools that we have produced and tested, along with commercially available valuation software that we have reviewed to confirm the appropriateness and accuracy of the output. In utilizing these models, we develop and use input parameters and assumptions about future contingent events along with recognized actuarial approaches to develop the needed results.

We have prepared required accounting information for GASB Statement Nos. 67 and 68 for the measurement year ending December 31, 2025, based on a valuation date of December 31, 2025.

The actuary prepared, or assisted in preparing, the following supporting information for the actuarial valuation:

- Comparative Summary of Principal Actuarial Valuation Results
- Actuarial Liabilities and Normal Cost
- Actuarial Contributions
- Calculation of Actuarial (Gain)/Loss
- Analysis of Experience
- Actuarial Balance Sheet
- History of UAAL and Funded Ratio
- Solvency Test
- Reconciliation of Change in Unfunded Actuarial Liability
- Determination of Actuarial Value of Assets
- GASB 67 Schedule of Changes in Net Pension Liability
- GASB 67 Net Pension Liability (Asset)
- GASB 67 Sensitivity of Net Pension Liability
- GASB 67 and 68 Actuarial Assumptions and Methods
- Membership Data
- Summary of Benefit Provisions
- Description of Actuarial Methods and Valuation Procedures
 - Actuarial Cost Method
 - Asset Valuation Method
 - Valuation Procedures
- Summary of Actuarial Assumptions

The actuaries who worked on this assignment are pension actuaries. CavMac's advice is not intended to be a substitute for qualified legal or accounting counsel.

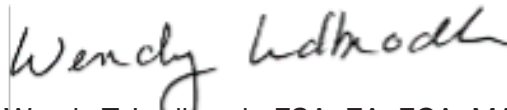
This is to certify that Larry Langer and Wendy Ludbrook are members of the American Academy of Actuaries, have experience in performing valuations for public retirement plans, and meet the qualification standards of the American Academy of Actuaries to render the actuarial opinion contained herein. The

valuation was prepared in accordance with principles of practice prescribed by the Actuarial Standards Board and the actuarial calculations were performed by qualified actuaries in accordance with accepted actuarial procedures, based on the current provisions of the retirement fund and on actuarial assumptions that are internally consistent and reasonable based on the actual experience of the Fund and future expectations. However, the Board of Trustees has the final decision regarding the selection of the assumptions and adopted them as indicated beginning on page 115.

Respectfully submitted,



Larry Langer, ASA, EA, FCA, MAAA
Consulting Actuary



Wendy T. Ludbrook, FSA, EA, FCA, MAAA
Principal and Consulting Actuary



Ryan Gundersen
Senior Consultant

Overview

The County Employees’ and Officers’ Annuity and Benefit Fund of Cook County (“CEABF” or “the Fund”) provides pension and ancillary benefit payments to the active, retired and separated employees of Cook County. A Retirement Board comprised of retiree, employee, and appointed representatives is responsible for administering the Fund and providing oversight of the investment policy. This report presents the results of the actuarial valuation of the Fund benefits as of the valuation date of December 31, 2025.

Purpose

An actuarial valuation is performed on the Fund annually as of the end of the fiscal year. The primary purposes of performing the valuation are:

- to estimate the liabilities for the future benefits expected to be provided by the Fund;
- to determine the actuarial contribution rate, based on the Fund’s funding policy;
- to measure and disclose various asset and liability measures;
- to monitor any deviation between actual Fund experience and experience predicted by the actuarial assumptions so that recommendations for assumption changes can be made when appropriate; and
- to analyze and report on any significant trends in contributions, assets and liabilities over the past several years.

Membership

Actives: As of December 31, 2025, there were 20,107 employees in active service (including 130 on disability) covered under the provisions of the Fund. The significant age, service, salary and accumulated contribution information for these employees is summarized below, along with comparative figures from the last actuarial valuation one year earlier.

	December 31, 2025	December 31, 2024
Number of active employees	20,107	19,370
Average age	46.8	47.1
Average years of service	11.8	12.2
Total annual payroll for year ended	\$ 2,029,355,819	\$ 1,858,124,989
Average annual salary	\$ 100,928	\$ 95,928
Total accumulated contributions	\$ 1,880,006,977	\$ 1,815,326,428
Average accumulated contributions	\$ 93,500	\$ 93,718

The number of active members increased by 3.8% from the previous valuation date. The average age of the active members decreased by 0.3 years, and the average service decreased by 0.4 years. The total annual salary increased by 9.2%. The average salary increased by 5.2% from the previous valuation.

Disabilities: There were 130 disabled members (included in the active data). There were 142 disabilities in the prior year.

Retirees and Beneficiaries: In addition to the active members, there were 17,793 retired members and 3,114 beneficiaries who are receiving monthly benefit payments on the valuation date. The significant age and annual benefit information for these members are summarized below with comparative figures from the last actuarial valuation performed one year earlier.

Membership (continued)

	December 31, 2025	December 31, 2024
Number of members receiving payments		
Retirees	17,793	17,658
Beneficiaries	3,114	3,082
Total	20,907	20,740
Average age	73.5	73.2
Annual benefit amounts		
Retirees	\$ 1,056,977,954	\$ 1,014,284,184
Beneficiaries	91,804,744	86,643,651
Total	\$ 1,148,782,698	\$ 1,100,927,835
Average annual benefit payments	\$ 54,947	\$ 53,082

The number of retired members and beneficiaries increased by 0.8% from the previous valuation date. The average age of the retired members increased by 0.3 years. The total annual benefit payments for these members increased by 4.3% from the previous valuation date.

Inactives: In addition to the active and retired members, there were 18,897 inactive members who did not elect to receive their accumulated contributions when they left covered employment. The age information for these inactive members is summarized below with comparative figures from the last actuarial valuation one year earlier.

	December 31, 2025	December 31, 2024
Number of inactive members	18,897	18,746
Average age	51.5	51.3

The number of inactive members increased by 0.8% from the previous valuation. The average age of the inactive members increased by 0.2 years.

In our opinion, the membership data collected and prepared for use in this actuarial valuation meets the data quality standards required under Actuarial Standards of Practice No. 23.

Fund Assets

The Fund's assets are held in trust and invested for the exclusive benefit of Fund members. The trust is funded by member and employer contributions and pays benefits directly to eligible members in accordance with Fund provisions. The assets are audited annually and are reported at fair value. On a fair value basis, the Fund has a Net Position Available for Benefits of \$15.2 billion as of December 31, 2025. This includes an increase of \$1.5 billion from the Net Position Available for Benefits of \$13.7 billion as of December 31, 2024. During the prior year, the fair value of assets experienced an investment rate of return of 15.3% (net of investment expenses), as reported by the investment consultant.

In order to reduce the volatility investment gains and losses can have on the Fund's actuarially required contribution and funded status, the Board has adopted a five-year smoothing method as provided for in Public Act 103-0529 to determine the actuarial value of assets used for funding purposes. This method recognizes gains and losses, i.e. the difference between actual investment return during the year and the expected return based on the valuation interest rate, on a level basis over a five-year period. In our opinion, this method complies with Actuarial Standards of Practice No. 44.

As of December 31, 2025, the assets available for benefits on an actuarial value basis were \$14.5 billion. This includes an increase of \$0.5 billion over the actuarial value of assets of \$14.0 billion as of December 31, 2024. During 2025, the actuarial value of assets experienced an actuarial rate of return of 7.1% which is based on a five-year averaging of investment returns.

A summary of the assets held for investment, a summary of changes in assets, and the development of the actuarial value of assets is shown beginning on page 102.

Actuarial Experience

Differences between the expected experience based on the actuarial assumptions and the actual experience create changes in the actuarial accrued liability, actuarial value of assets, and the unfunded actuarial accrued liability from one year to the next. These changes create an actuarial gain if the experience is favorable and an actuarial loss if the experience is unfavorable. The Fund experienced a total net actuarial loss of \$258.3 million during the prior year. This net loss is about 1.3% of the Fund's prior year actuarial accrued liability. The net loss is a combination of two principal factors, demographic experience and investment performance under actuarial smoothing. Below is a more detailed discussion.

The demographic experience tracks actual changes in the Fund's population compared to the assumptions for decrements such as mortality, turnover, and retirement, as well as pay increases. The Fund experienced a demographic loss of \$270.7 million during the year ending December 31, 2025. This loss increased the unfunded actuarial accrued liability by \$270.7 million and decreased the funded ratio by 0.9%.

There were 17,531 active members who were also reported active in the December 31, 2024 actuarial valuation. The total pensionable salary for this group increased by 7.7%, which was higher than the 3.6% increase that was expected.

Continued tracking of the demographic experience is warranted in order to confirm the appropriateness of the actuarial assumptions. Details of the demographic, economic, and other assumptions used to value the Fund liabilities and normal cost can be found beginning on page 114. In our opinion, the economic assumptions comply with Actuarial Standards of Practice No. 27 – Selection of Assumptions for Measuring Pension Obligations.

On the asset side, the rate of return on the fair value of assets for the year ending December 31, 2025 was reported to be 15.3%, which was higher than the assumed rate of 7.0%.

The Fund experienced a gain on an actuarial value of assets basis. The rate of return on the actuarial value of Fund assets for the year ending December 31, 2025 was approximately 7.1% compared to the assumption of 7.0%, resulting in an asset gain of \$12.4 million. This gain decreased the unfunded actuarial accrued liability by \$12.4 million and increased the funded ratio by 0.1%.

The rate of return on the fair value of assets for the year ending December 31, 2025 was higher than the assumed rate of 7.0%. The actuarial value of the assets recognizes only 20% of the 2025 unexpected change in fair value, delaying the recognition of the remaining 80% over the next four years. Moreover, the actuarial value of assets also recognizes deferred portions of prior years' gains and losses on fair value. The investment gain recognized this year is primarily due to cumulative unrecognized returns over the past five years. It should be noted that the Fund's assumed asset return of 7.0% during 2025 is a long-term rate and short-term performance is not necessarily indicative of expected long-term future returns.

A summary of the actuarial gains and losses experienced during the prior year is shown on page 99.

Actuarial Contributions

The CEABF is funded by Employer and Member Contributions. Pursuant to Public Act 103-0529, effective August 11, 2023, the funding policy was amended to increase the annual contribution to the County for payment years 2024 through 2047 (continuing with a non-statutory “IGA” plan originally begun in 2017). The County’s required annual contribution is determined on an actuarial basis and is the sum of (1) the projected normal cost for pensions for the fiscal year, plus (2) a projected unfunded actuarial accrued liability amortization payment for pensions for the fiscal year, plus (3) projected expenses for the fiscal year, plus (4) interest to adjust for payment pattern during the fiscal year, minus (5) projected employee contributions for the fiscal year. The minimum required employer contribution is based on the entry-age normal cost method, a 5-year smoothed actuarial value of assets, and a 30-year layered amortization of unfunded actuarial accrued liability with payments increasing 2% per year. This funding mechanism is sufficient to meet the needs of the CEABF. We project that the initial CEABF unfunded pension liabilities established with the non-statutory “IGA” plan originally begun in 2017, will be fully funded by 2047. Subsequent unfunded liabilities, which are small in comparison, are expected to be fully funded in 30 years from establishment.

The normal cost represents the cost of the benefits that accrue during the year for active members under the Entry Age Actuarial Cost Method. It is determined as a level percentage of pay which, if paid from entry age to the assumed retirement age, assuming all the actuarial assumptions are exactly met by experience, would accumulate to a fund sufficient to pay all benefits provided by the Fund. The expected member contributions are subtracted from this amount to determine the employer normal cost. The employer normal cost for 2026 has been determined to be \$92.3 million, or 4.43% of pay. This represents an increase in the employer normal cost rate of 0.70% of pay from last year’s employer normal cost rate of 3.73%.

The cost method also determines the actuarial accrued liability which represents the value of all accumulated past normal cost payments. This amount is compared to the actuarial value of assets to determine if the Fund is ahead or behind in funding as of the valuation date. The difference between the total actuarial accrued liability and the actuarial value of assets equals the amount of unfunded actuarial accrued liability or surplus (if negative) on the valuation date. This amount is amortized and added to the employer normal cost plus Fund expenses to determine the annual actuarially required employer contribution for the year.

The unfunded actuarial accrued liability as of December 31, 2025 is \$6.6 billion. This represents an increase of \$0.4 billion in the unfunded actuarial accrued liability from last year’s amount of \$6.2 billion.

The annual actuarially required employer contribution for fiscal year ending December 31, 2027 is \$598.3 million, or 28.0% of pay. The employer contribution for fiscal year ending December 31, 2027 is an increase of \$61.5 million from last year’s statutory contribution of \$536.8 million.

The actuarial liabilities and development of the annual actuarial employer contribution is shown beginning on page 97.

In our opinion, the measurement of the benefit obligations and determination of the actuarial cost of the Fund is performed in compliance with Actuarial Standards of Practice No. 4.

Funded Status

The funded status is a measure of the progress that has been made in funding the Fund as of the valuation date. It is determined as a ratio of the actuarial value of assets divided by the total actuarial accrued liability on the valuation date. A ratio of over 100% represents a Fund that is ahead in funding, and a ratio of less than 100% represents a Fund that is behind in funding on the valuation date.

As of December 31, 2025 the funded ratio of the Fund is 68.89%. This represents a decrease of 0.56% from last year's funded ratio of 69.45% as of December 31, 2024.

Where presented, references to “funded ratio” and “unfunded accrued liability” are typically measured on an actuarial value of assets basis. It should be noted that the same measurements using market value of assets would result in different funded ratios and unfunded accrued liabilities. Moreover, the funded ratio presented is appropriate for evaluating the need and level of future contributions but makes no assessment regarding the funded status of the Fund if the plan were to settle (i.e. purchase annuities) for a portion or all of its liabilities.

A history of the unfunded actuarial accrued liability and the funded ratio is shown beginning on page 100.

Accounting Information

The Governmental Accounting Standards Board (GASB) issues statements which establish financial reporting standards for defined benefit pension Funds and accounting for the pension expenditures and expenses for governmental employers. The required financial reporting information for the Fund and the Employer under GASB No. 67 and 68 can be found in Exhibit 3 beginning on page 106. Beginning with the financial reporting information for December 31, 2023 the data and liabilities used are based on the current valuation information and not a roll forward of the prior year's information.

Changes in Fund Provisions

None, there were no changes in benefits or other Fund provisions considered in this actuarial valuation since the last valuation.

Changes in Actuarial Assumptions, Methods, or Procedures

The assumptions used in this valuation were developed as part of an Experience Study covering plan years from January 1, 2021 through December 31, 2024 and first used in the December 31, 2025 actuarial valuation. A description of these assumptions can be found in the report beginning on page 114. The changes include:

- The real wage growth assumption was increased from 0.50% to 0.75%.
- The general wage inflation assumption was increased from 3.00% to 3.25%.
- The payroll growth social security wage base assumption was increased from 2.50% to 3.50%.
- The Tier 2 Cost of Living Adjustment assumption was decreased from 1.25% to 1.20%.
- An assumption was added for election of immediate or deferred retirement for early retirees.
- The withdrawal rates, retirement rates, mortality and annual rate of salary increase assumptions were updated to partially reflect recent experience.
- The marriage assumption was changed from assuming spouses of male employees were four years younger than male employees to assume that spouses of male employees were three years younger than male employees.
- The marital status assumption for female members was increased from 40% assumed to be married to 45% assumed to be married.

The impact of these assumption changes was to increase the Actuarial Accrued Liability by \$158 million.

Methods: For GASB purposes, beginning with the financial reporting information for December 31, 2023 the data and liabilities used are based on the current valuation information and not a roll forward of the prior year's information.

Procedures: None.

All results presented in this report for years prior to December 31, 2018 were performed by the prior actuary(s).

Comparative Summary of Principal Actuarial Valuation Results

Principal Actuarial Valuation Results

Actuarial Valuation as of	December 31, 2025	December 31, 2024
Summary of Member Data		
Number of Members Included in the Valuation:		
Active Members	20,107	19,370
Retirees and Beneficiaries	20,907	20,740
Inactive Members	18,897	18,746
Total	59,911	58,856
Annual Payroll		
Average	\$ 100,928	\$ 95,928
Annual Benefit Payments		
Retirees and Beneficiaries (Average) ¹	\$ 54,947	\$ 53,082
Investment Returns		
Fair Value Rate of Return (net of investment expenses) ²	15.31%	9.54%
Actuarial Value Rate of Return	7.09%	6.27%
Summary of Assets and Liabilities		
Total Actuarial Accrued Liability	\$ 21,066,944,967	\$ 20,179,131,495
Actuarial Value of Assets	14,513,378,452	14,014,063,208
Unfunded Actuarial Accrued Liability	\$ 6,553,566,515	\$ 6,165,068,287
Funded Ratio	68.89%	69.45%
Fiscal Year Ending	2027	2026
Employer Actuarial Required Contribution ³		
Employer Normal Cost including Administrative Expenses	\$ 96,277,193	\$ 73,717,813
Amortization of Unfunded Actuarial Accrued Liability (Surplus)	502,046,257	463,115,128
Employer Actuarial Required Contribution	\$ 598,323,450	\$ 536,832,941

¹ The average annual benefit payments for retirees only is \$59,404 as of December 31, 2025 and \$57,440 as of December 31, 2024.

² Rate of return provided by the CCPF.

³ The funding policy was changed per Public Act 103-0529 to increase the annual contribution for payment years 2024 through 2047.

Actuarial Liabilities and Normal Cost

Actuarial Liabilities	Tier 1	Tier 2	Total	December 31, 2024 Total
1. Present Value of Projected Benefits				
a. Retirement Benefits	\$ 7,052,405,057	\$ 1,286,747,693	\$ 8,339,152,750	\$ 7,732,520,903
b. Withdrawal Benefits	117,596,829	467,949,519	585,546,348	512,442,987
c. Death Benefits	60,552,992	29,564,070	90,117,062	71,612,956
Total	\$ 7,230,554,878	\$ 1,784,261,282	\$ 9,014,816,160	\$ 8,316,576,846
2. Retired Members and Beneficiaries Receiving Benefits	13,219,933,236	14,913,956	13,234,847,192	12,772,372,797
3. Inactive Members with Deferred Benefits	653,427,298	49,912,337	703,339,635	696,122,978
4. Total Present Value of Projected Benefits (1. + 2. + 3.)	\$ 21,103,915,412	\$ 1,849,087,575	\$ 22,953,002,987	\$ 21,785,072,621
5. Present Value of Future Normal Costs	948,674,878	937,383,142	1,886,058,020	1,605,941,126
6. Total Actuarial Accrued Liability	\$ 20,155,240,534	\$ 911,704,433	\$ 21,066,944,967	\$ 20,179,131,495
a. Active Members	6,281,880,000	846,878,140	7,128,758,140	6,710,635,720
b. Retired Members and Beneficiaries Receiving Benefits	13,219,933,236	14,913,956	13,234,847,192	12,772,372,797
c. Inactive Members with Deferred Benefits	653,427,298	49,912,337	703,339,635	696,122,978

Normal Cost as of December 31, 2025	Tier 1		Tier 2		Total		December 31, 2024 Total	
Projected Capped Payroll for Fiscal Year 2026	\$ 1,006,706,972		\$ 1,080,984,730		\$ 2,087,691,702		\$ 1,903,485,478	
1. Total Normal Cost	Amount	% of Pay	Amount	% of Pay	Amount	% of Pay	Amount	% of Pay
a. Retirement Benefits	\$ 132,212,955	13.13%	\$ 77,754,802	7.19%	\$ 209,967,757	10.06%	\$ 178,073,716	9.36%
b. Withdrawal Benefits	16,919,837	1.68%	26,915,565	2.49%	43,835,402	2.10%	39,410,606	2.07%
c. Duty Disability Benefits	47,087	0.00%	17,191	0.00%	64,278	0.00%	74,384	0.00%
d. Ordinary Disability Benefits	5,946,188	0.59%	1,508,428	0.14%	7,454,616	0.36%	8,002,941	0.42%
e. Death Benefits	1,731,871	0.17%	1,756,044	0.16%	3,487,915	0.17%	2,626,854	0.14%
f. Administrative Expenses	2,583,007	0.26%	2,773,588	0.26%	5,356,595	0.26%	4,749,146	0.25%
Total	\$ 159,440,945	15.83%	\$ 110,725,618	10.24%	\$ 270,166,563	12.95%	\$ 232,937,647	12.24%
2. Expected Member Contributions	\$ 85,790,842	8.52%	\$ 92,046,017	8.52%	\$ 177,836,859	8.52%	\$ 162,162,724	8.52%
3. Employer Normal Cost (1. - 2.)	\$ 73,650,103	7.32%	\$ 18,679,601	1.72%	\$ 92,329,704	4.43%	\$ 70,774,923	3.73%

Actuarial Contributions

Development of Funding Policy Employer Contribution	Fiscal Year Ending December 31, 2027	Fiscal Year Ending December 31, 2026
Projected Unfunded Actuarial Accrued Liability		
1. Pension Actuarial Accrued Liability Beginning of Fiscal Year	\$ 21,066,944,967	\$ 20,179,131,495
2. Actuarial Value of Assets Beginning of Fiscal Year	14,513,378,452	14,014,063,208
3. Unfunded Actuarial Accrued Liability (UAAL) (1. - 2.)	\$ 6,553,566,515	\$ 6,165,068,287
4. Total Normal Cost	264,809,968	228,188,501
5. Expenses	5,356,595	4,749,146
6. Proposed Contributions for the Fiscal Year	(714,699,800)	(679,121,575)
7. Interest		
a. Unfunded Actuarial Accrued Liability	\$ 458,749,656	\$ 431,554,781
b. Total Normal Cost	18,536,698	15,973,195
c. Expenses	374,962	332,440
d. Proposed Contributions for the Fiscal Year	(24,591,422)	(23,367,245)
e. Total	\$ 453,069,894	\$ 424,493,171
8. Projected Unfunded Actuarial Accrued Liability as of FYE (3. + 4. + 5. + 6. + 7.e.)	\$ 6,562,103,172	\$ 6,143,377,530
Amortization		
9. Previous Outstanding Balance	\$ 6,094,363,948	\$ 5,941,531,496
Previous Charge/(Credit) Amortizations	456,664,500	435,333,022
10. New Charge/(Credit) Base	\$ 298,262,025	\$ 201,846,039
New Charge/(Credit) Amortizations	18,289,534	12,377,271
11. New Charge/(Credit) Base - Plan Changes	\$ 169,477,199	\$ —
New Charge/(Credit) Amortization - Plan Changes	10,392,402	—
Total Plan Contribution		
12. Normal Cost Projected to Beginning of the Fiscal Year	\$ 262,867,555	\$ 225,535,861
13. Amortization Payments	485,346,436	447,710,293
14. Expenses Expected to be Paid During the Fiscal Year	5,490,510	4,867,874
15. Interest	25,933,497	23,332,577
16. Total Contribution for the Fiscal Year	\$ 779,637,998	\$ 701,446,605
Employee Contribution		
17. Expected Fiscal Year Tier 1 Payroll	\$ 1,006,706,972	\$ 994,046,312
18. Expected Fiscal Year Tier 2 Payroll	1,080,984,730	909,439,166
19. Expected Fiscal Year Employee Contributions	\$ 181,314,548	\$ 164,613,664
Employer Pension Contribution (16. - 19.)	\$ 598,323,450	\$ 536,832,941

Calculation of Actuarial (Gain)/Loss

Development of Actuarial (Gain) / Loss	Amount
1. Expected Actuarial Accrued Liability	
a. Actuarial Accrued Liability at December 31, 2024	\$ 20,179,131,495
b. Normal Cost at December 31, 2024	228,188,501
c. Interest on a. + b. to End of Year	1,428,512,400
d. Benefit Payments and Refunds, with Interest to End of Year	1,197,953,187
e. Expected Actuarial Accrued Liability Before Changes (a. + b. + c. - d.)	\$ 20,637,879,209
f. Change in Actuarial Accrued Liability at December 31, 2025 due to:	
i. Change in Actuarial Assumptions	158,389,906
ii. Change in Actuarial Methods	—
iii. Change in Plan Benefits	—
g. Expected Actuarial Accrued Liability at December 31, 2025 (e. + f.i. + f.ii. + f.iii.)	\$ 20,796,269,115
2. Actuarial Accrued Liability at December 31, 2025	21,066,944,967
3. Liability (Gain) / Loss (2. - 1.g.)	\$ 270,675,852
4. Expected Actuarial Value of Assets	
a. Actuarial Value of Assets at December 31, 2024	\$ 14,014,063,208
b. Interest on a. to End of Year	980,984,425
c. Contributions Paid During 2025	685,905,528
d. Interest on c. to End of Year	23,600,667
e. Benefit Payments, Refunds and Administrative Expenses, with Interest to End of Year	1,203,544,950
f. Change in Actuarial Value of Assets at December 31, 2025 due to:	
i. Change in Asset Method	—
g. Expected Actuarial Value of Assets at December 31, 2025 (a. + b. + c. + d. - e. - f.i.)	\$ 14,501,008,878
5. Actuarial Value of Assets as of December 31, 2025	14,513,378,452
6. Actuarial Asset (Gain) / Loss (4.g. - 5.)	\$ (12,369,574)
7. Actuarial (Gain) / Loss (3. + 6.)	\$ 258,306,278

Analysis of Experience

Type of (Gain) or Loss	Year Ending December 31, 2025	As a % of Last Year's AAL
1. (Gain) or Loss During the Year from Experience:		
a. Salary	\$ 215,954,019	1.07%
b. Investment	(12,369,574)	-0.06%
c. Retiree Mortality	(122,107)	0.00%
d. Other (turnover, retirement ages, service purchase, etc.)	54,843,940	0.27%
e. Total Experience (Gain) or Loss (a. + b. + c. + d.)	\$ 258,306,278	1.28%
2. Assumption and Method Changes	158,389,906	0.78%
3. Total (Gain) or Loss During Year (1.e. + 2.)	\$ 416,696,184	2.06%

Actuarial Balance Sheet

Financial Resources	December 31, 2025
1. Actuarial Value of Assets	\$ 14,513,378,452
2. Present Value of Future Contributions	
a. Expected Member Contributions	1,241,495,729
b. Employer Normal Cost	644,562,291
c. Total	\$ 1,886,058,020
3. Unfunded Actuarial Accrued Liability/(Reserve)	\$ 6,553,566,515
4. Total Assets (1. + 2.c. + 3.)	\$ 22,953,002,987

Benefit Obligations	December 31, 2025
1. Present Value of Future Benefits	
a. Active Members	\$ 9,014,816,160
b. Retirees and Beneficiaries	13,234,847,192
c. Inactive Members	703,339,635
d. Total	\$ 22,953,002,987

History of UAAL and Funded Ratio

Valuation Date	Actuarial Accrued Liability (AAL)	Actuarial Value of Assets (AVA)	Funded Ratio (AVA as a % of AAL)	Unfunded Actuarial Accrued Liability (UAAL)
December 31, 2016	\$ 15,456,773,985	\$ 9,488,223,349	61.39%	\$ 5,968,550,636
December 31, 2017	15,671,756,443	10,148,203,834	64.75%	5,523,552,609
December 31, 2018	16,314,389,047	10,512,756,514	64.44%	5,801,632,533
December 31, 2019	16,941,207,568	10,983,364,279	64.83%	5,957,843,289
December 31, 2020	17,410,026,961	11,765,568,459	67.58%	5,644,458,502
December 31, 2021	18,138,658,517	12,822,498,767	70.69%	5,316,159,750
December 31, 2022	18,774,047,123	13,179,038,012	70.20%	5,595,009,111
December 31, 2023	19,606,391,059	13,632,225,917	69.53%	5,974,165,142
December 31, 2024	20,179,131,495	14,014,063,208	69.45%	6,165,068,287
December 31, 2025	21,066,944,967	14,513,378,452	68.89%	6,553,566,515

Reconciliation of Change in Unfunded Actuarial Liability

Development of Unfunded Actuarial Liability	Amount
1. Unfunded Actuarial Accrued Liability as of December 31, 2024	\$ 6,165,068,287
2. Total Normal Cost Paid (including Administrative Expenses) During 2025	241,445,782
3. Interest on 1. and 2.	439,862,457
4. Employer Contribution Requirement of Normal Cost Plus Interest on Unfunded Liability for Period January 1, 2025 to December 31, 2025	681,308,239
5. Total Contribution for the Year (Includes Misc. Contribution)	685,905,528
6. Interest on 5.	23,600,667
7. Increase/(Decrease) in Unfunded Liability Due to Employer Contribution Plus Interest Being Greater Than Normal Cost Plus Interest on Unfunded Liability (4. - (5.+6.))	(28,197,956)
8. Increase/(Decrease) in Unfunded Liability Due to:	
a. Investment Return Lower/(Higher) Than Assumed	(12,369,574)
b. Salary Increases Higher/(Lower) Than Assumed	215,954,019
c. Retiree Mortality Lower/(Higher) Than Assumed	(122,107)
d. Assumption, Method or Plan changes	158,389,906
e. Other Sources	54,843,940
9. Net Increase/(Decrease) in Unfunded Liability for the Year (7. + 8a. + 8b. + 8c. + 8d. + 8e.)	388,498,228
10. Unfunded Actuarial Accrued Liability as of December 31, 2025 (1. + 9.)	\$ 6,553,566,515

Summary of Fair Value of Assets

Asset Category	Fair Value as of December 31, 2025		Fair Value as of December 31, 2024	
	Amount	%	Amount	%
1. Short-Term Investments	\$ 302,734,251	1.93%	\$ 292,700,309	2.05%
2. Investments at Fair Value				
a. U.S. and International Equities	\$ 8,068,100,388	51.38%	\$ 7,583,937,237	52.97%
b. U.S. Government and Government Agency Obligations	2,208,747,767	14.07%	1,899,028,509	13.27%
c. Corporate Bonds	1,061,515,944	6.76%	1,107,957,600	7.74%
d. Collective International Equity Fund	625,676,239	3.98%	109,493,858	0.77%
e. Commingled Fixed Income Fund	34,917,049	0.22%	33,070,859	0.23%
f. Exchange Traded Funds	12,370,828	0.08%	14,283,950	0.10%
g. Private Equities	712,572,792	4.54%	762,626,174	5.33%
h. Private Credit	59,894,964	0.38%	—	0.00%
i. Hedge Funds	688,571,760	4.39%	633,612,759	4.43%
j. Real Estate	919,667,633	5.86%	917,564,998	6.41%
k. Infrastructure	239,266,738	1.52%	110,104,065	0.77%
l. Total	\$ 14,631,302,102	93.18%	\$ 13,171,680,009	92.02%
3. Collateral Held for Securities Lending	\$ 768,448,559	4.89%	\$ 848,175,673	5.93%
4. Total Assets (1. + 2.l + 3.)	\$ 15,702,484,912	100.00%	\$ 14,312,555,991	100.00%
5. Prepaid Expenses	\$ 10,369,159		\$ —	
6. Receivables				
a. Interest and Dividends	\$ 51,486,285		\$ 47,025,517	
b. Investments Sold	90,194,915		78,329,026	
c. Other Receivables	289,152,695		208,478,853	
d. Total	\$ 430,833,895		\$ 333,833,396	
7. Payables				
a. Investments Purchased	\$ 143,565,217		\$ 101,835,277	
b. Securities Lending Collateral	768,448,559		848,175,673	
c. Other Payables	9,961,997		12,065,067	
d. Total	\$ 921,975,773		\$ 962,076,017	
8. Net Position for Pension Benefits (4. + 5. + 6.d. – 7.d.)	<u>\$ 15,221,712,193</u>		<u>\$ 13,684,313,370</u>	

Changes in Fair Value of Assets

Transactions	December 31, 2025	December 31, 2024
Additions		
1. Contributions		
a. Contributions from Employers	\$ 513,532,413	\$ 492,910,023
b. Contributions from Plan Members	168,255,206	161,066,018
c. Total	\$ 681,787,619	\$ 653,976,041
2. Net Investment Income		
a. Interest and Dividends	\$ 283,252,237	262,205,905
b. Net Appreciation	1,769,895,944	963,029,514
c. Net Securities Lending Income	2,416,884	3,308,627
d. Total	\$ 2,055,565,065	\$ 1,228,544,046
e. Less Investment Expense	40,560,951	39,828,188
f. Net Investment Income (Loss)	\$ 2,015,004,114	\$ 1,188,715,858
g. Miscellaneous	4,586,864	5,203,362
h. Employee Transfers	—	112,394
3. Total Additions (1c. + 2f. + 2g. + 2.h)	\$ 2,701,378,597	\$ 1,848,007,655
Deductions		
4. Benefits and Expenses		
a. Retirement Benefits	\$ 1,127,675,272	\$ 1,079,941,845
b. Refund of Contributions	30,429,786	33,136,511
c. Administrative Expenses	5,405,761	4,792,736
d. Employee Transfers	468,955	—
e. Total Deductions	\$ 1,163,979,774	\$ 1,117,871,092
5. Net Increase (3. - 4e.)	\$ 1,537,398,823	\$ 730,136,563
Net Position Held in Trust for Pension Benefits		
a. Beginning of Year	\$ 13,684,313,370	\$ 12,954,176,807
b. End of Year	\$ 15,221,712,193	\$ 13,684,313,370

Development of Actuarial Value of Assets

* Annual Return to be Spread calculation is based on assumed 7.00% investment return which includes an assumption that all expenses and revenues are paid mid-year on average.

Schedule of Funding Progress

The liabilities and assets resulting from the last ten actuarial valuations are as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (Actuarial Value)	Funded Ratio (Actuarial Value)	Covered Payroll	UAAL as a Percentage of Covered Payroll (Fair Value)
	(a)	(b)	(b-a)	(a/b)	(c)	(b-a)/(c)
2016	\$ 9,488,223,349	\$ 15,456,773,985	\$ 5,968,550,636	61.39%	\$ 1,580,251,254	377.7%
2017	10,148,203,834	15,671,756,443	5,523,552,609	64.75%	1,567,480,401	352.4%
2018	10,512,756,514	16,314,389,047	5,801,632,533	64.44%	1,533,721,507	378.3%
2019	10,983,364,279	16,941,207,568	5,957,843,289	64.83%	1,553,498,503	383.5%
2020	11,765,568,459	17,410,026,961	5,644,458,502	67.58%	1,532,744,306	368.3%
2021	12,822,498,767	18,138,658,517	5,316,159,750	70.69%	1,520,619,855	349.6%
2022	13,179,038,012	18,774,047,123	5,595,009,111	70.20%	1,577,093,973	354.8%
2023	13,632,225,917	19,606,391,059	5,974,165,142	69.53%	1,753,795,899	340.6%
2024	14,014,063,208	20,179,131,495	6,165,068,287	69.45%	1,858,124,989	331.8%
2025	14,513,378,452	21,066,944,967	6,553,566,515	68.89%	2,029,355,819	322.9%

Schedule of Employer Contributions

The required contributions and actual percentages contributed over the last ten years are as follows:

Fiscal year Ended December 31,	Actuarially Determined Contribution (ADC)	Employer Contribution	Percentage Contributed
2016	\$ 519,642,931	\$ 414,703,155	79.81%
2017	514,888,487	511,750,985	99.39%
2018	562,815,816	549,437,252	97.62%
2019	523,625,965	488,003,692	93.20%
2020	536,955,558	465,778,715	86.74%
2021	650,512,479	507,070,170	77.95%
2022	522,467,203	480,941,192	92.05%
2023	478,770,411	425,540,815	88.88%
2024	479,056,692	492,910,023	102.89%
2025	516,958,851	513,532,413	99.34%

GASB 67 Schedule of Changes in Net Pension Liability

	2025	2024	2023	2022	2021
Total Pension Liability					
Service Cost	\$ 214,018,368	\$ 205,471,467	\$ 360,989,012	\$ 380,927,496	\$ 522,496,743
Interest	1,387,672,361	1,348,531,529	1,142,886,849	1,094,942,781	1,018,513,289
Benefit changes	—	—	42,864,033	—	—
Difference between expected and actual experience	285,837,895	131,815,796	1,158,288,500	122,597,765	(54,518,860)
Changes of assumptions	158,389,906	—	(6,882,543,573)	(853,548,421)	(3,033,418,725)
Benefit payments, including refund of contributions	(1,158,105,058)	(1,113,078,356)	(1,066,900,364)	(1,012,903,472)	(968,800,978)
Net change in Total Pension Liability	887,813,472	572,740,436	(5,244,415,543)	(267,983,851)	(2,515,728,531)
Total Pension Liability — beginning	20,179,131,495	19,606,391,059	24,850,806,602	25,118,790,453	27,634,518,984
Total Pension Liability — ending (a)	\$ 21,066,944,967	\$ 20,179,131,495	\$ 19,606,391,059	\$ 24,850,806,602	\$ 25,118,790,453
Plan Fiduciary Net Position					
Contributions — employer	\$ 513,532,413	\$ 492,910,023	\$ 425,540,815	\$ 480,941,192	\$ 507,070,170
Contributions — member	168,255,206	161,066,018	148,019,071	136,293,311	133,368,302
Net investment income	2,015,004,114	1,188,715,858	1,428,290,720	(1,867,355,079)	1,960,919,641
Benefit payments, including refund of contributions	(1,158,105,058)	(1,113,078,356)	(1,066,900,364)	(1,012,903,472)	(968,800,978)
Administrative expense	(5,405,761)	(4,792,736)	(4,869,256)	(4,720,167)	(5,107,805)
Other	4,117,909	5,315,756	5,365,993	4,946,481	4,467,794
Net change in Plan Fiduciary Net Position	1,537,398,823	730,136,563	935,446,979	(2,262,797,734)	1,631,917,124
Plan Fiduciary Net Position — beginning	\$ 13,684,313,370	\$ 12,954,176,807	\$ 12,018,729,828	\$ 14,281,527,562	\$ 12,649,610,438
Plan Fiduciary Net Position — ending (b)	15,221,712,193	13,684,313,370	12,954,176,807	12,018,729,828	14,281,527,562
Net Pension Liability — ending (a) – (b)	\$ 5,845,232,774	\$ 6,494,818,125	\$ 6,652,214,252	\$ 12,832,076,774	\$ 10,837,262,891

GASB 67 Net Pension Liability (Asset)

	2025	2024	2023	2022	2021
Total Pension Liability	\$ 21,066,944,967	\$ 20,179,131,495	\$ 19,606,391,059	\$ 24,850,806,602	\$ 25,118,790,453
Plan Fiduciary Net Position	15,221,712,193	13,684,313,370	12,954,176,807	12,018,729,828	14,281,527,562
Net Pension Liability	\$ 5,845,232,774	\$ 6,494,818,125	\$ 6,652,214,252	\$ 12,832,076,774	\$ 10,837,262,891
Ratio of Plan Fiduciary Net Position to Total Pension Liability	72.25%	67.81%	66.07%	48.36%	56.86%
Covered employee payroll	\$ 2,029,355,819	\$ 1,858,124,989	\$ 1,753,795,899	\$ 1,577,093,973	\$ 1,520,619,855
Net Pension Liability as a percentage of covered employee payroll	288.03%	349.54%	379.30%	813.65%	712.69%

GASB 67 Schedule of Changes in Net Pension Liability (continued)

	2020	2019	2018	2017	2016
Total Pension Liability					
Service Cost	\$ 469,652,001	\$ 367,986,188	\$ 440,682,868	\$ 478,904,097	\$ 559,176,234
Interest	1,038,868,271	1,078,970,836	1,027,348,255	1,082,982,064	1,002,950,495
Benefit changes	—	—	—	—	—
Difference between expected and actual experience	192,731,447	1,775,621	(278,982,116)	(152,859,373)	318,014,746
Changes of assumptions	1,766,822,859	2,760,713,592	(1,601,212,188)	(950,493,320)	(1,893,474,930)
Benefit payments, including refund of contributions	(905,497,405)	(860,741,164)	(805,394,705)	(757,930,854)	(709,560,225)
Net change in Total Pension Liability	2,562,577,173	3,348,705,073	(1,217,557,886)	(299,397,386)	(722,893,680)
Total Pension Liability — beginning	25,071,941,811	21,723,236,738	22,940,794,624	23,240,192,010	23,963,085,690
Total Pension Liability — ending (a)	\$ 27,634,518,984	\$ 25,071,941,811	\$ 21,723,236,738	\$ 22,940,794,624	\$ 23,240,192,010
Plan Fiduciary Net Position					
Contributions — employer	\$ 465,778,715	\$ 488,003,692	\$ 549,437,252	\$ 511,750,985	\$ 414,703,166
Contributions — member	134,157,866	134,837,512	134,159,171	138,826,184	139,355,592
Net investment income	1,465,457,845	1,865,645,039	(424,787,945)	1,399,625,874	629,442,470
Benefit payments, including refund of contributions	(905,497,405)	(860,741,164)	(805,394,705)	(757,930,854)	(709,560,225)
Administrative expense	(5,000,609)	(5,085,445)	(5,134,047)	(5,406,034)	(5,373,555)
Other	3,754,806	6,275,804	5,860,613	5,359,418	4,046,147
Net change in Plan Fiduciary Net Position	1,158,651,218	1,628,935,438	(545,859,661)	1,292,225,573	472,613,595
Plan Fiduciary Net Position — beginning	\$ 11,490,959,220	\$ 9,862,023,782	\$ 10,407,883,443	\$ 9,115,657,870	\$ 8,643,044,275
Plan Fiduciary Net Position — ending (b)	12,649,610,438	11,490,959,220	9,862,023,782	10,407,883,443	9,115,657,870
Net Pension Liability — ending (a) – (b)	\$ 14,984,908,546	\$ 13,580,982,591	\$ 11,861,212,956	\$ 12,532,911,181	\$ 14,124,534,140

GASB 67 Net Pension Liability (Asset) (continued)

	2020	2019	2018	2017	2016
Total Pension Liability	\$ 27,634,518,984	\$ 25,071,941,811	\$ 21,723,236,738	\$ 22,940,794,624	\$ 23,240,192,010
Plan Fiduciary Net Position	12,649,610,438	11,490,959,220	9,862,023,782	10,407,883,443	9,115,657,870
Net Pension Liability	\$ 14,984,908,546	\$ 13,580,982,591	\$ 11,861,212,956	\$ 12,532,911,181	\$ 14,124,534,140
Ratio of Plan Fiduciary Net Position to Total Pension Liability	45.77%	45.83%	45.40%	45.37%	39.22%
Covered employee payroll	\$ 1,532,744,306	\$ 1,553,498,503	\$ 1,533,721,507	\$ 1,567,480,401	\$ 1,580,251,254
Net Pension Liability as a percentage of covered employee payroll	977.65%	874.22%	773.36%	799.56%	893.82%

GASB 67 Sensitivity of Net Pension Liability

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Total Pension Liability	\$ 23,637,599,806	\$ 21,066,944,967	\$ 18,923,058,376
Fiduciary Net Position	15,221,712,193	15,221,712,193	15,221,712,193
Net Pension Liability	\$ 8,415,887,613	\$ 5,845,232,774	\$ 3,701,346,183

The discount rate used to measure the total pension liability was 7.00%. The discount rate used to measure the total pension liability at December 31, 2024 was 7.00%. The projection of cash flows used to determine the discount rate assumed that CEABF contributions will follow the funding policy, which is determined on an actuarial basis annually and is the sum of (1) the projected normal cost for pensions for the fiscal year, plus (2) a projected unfunded actuarial accrued liability amortization payment for pensions for the fiscal year, plus (3) projected expenses for the fiscal year, plus (4) interest to adjust for payment pattern during the fiscal year, minus (5) projected employee contributions for the fiscal year. The minimum required employer contribution is based on the entry-age normal cost method, a 5-year smoothed actuarial value of assets, and a 30-year layered amortization of unfunded actuarial accrued liability with payments increasing 2% per year. Based on this assumption, the Fund's fiduciary net position was projected to be sufficient to make all projected future benefit payments of current fund members. Please see the supporting exhibits for additional detail.

GASB 67 and 68 Actuarial Assumptions and Methods

Measurement Date:	December 31, 2025	December 31, 2024
Valuation Date (VD):	December 31, 2025	December 31, 2024
Membership Data:		
Retirees	17,793	17,658
Beneficiaries	3,114	3,082
Inactive Vested Members	18,897	18,746
Active Employees	20,107	19,370
Total	59,911	58,856
Single Equivalent Interest Rate (SEIR):		
Long-Term Expected Rate of Return	7.00%	7.00%
Municipal Bond Index Rate at Measurement Date	4.83%	4.08%
Fiscal Year in which Fiduciary Net Position is Projected to be Depleted	N/A	N/A
Single Equivalent Interest Rate at Measurement Date	7.00%	7.00%
Actuarial Assumptions:		
- Projected Salary Increases	3.25%-6.50%	3.00%-5.00%
- Inflation Assumption	2.50%	2.50%

GASB 67 AND 68 Actuarial Assumptions and Methods (continued)

The projection of cash flows used to determine the discount rate assumes that CEABF contributions will continue to follow the current funding policy. Based on this assumption, the Fund's fiduciary net position is projected to be sufficient to make all projected future benefit payments of current fund members. See the preceding exhibits for more detail.

Investment Rate of Return Detail

The long-term expected rate of return on the Fund's investments was determined based on the results of an experience review. The results of the experience review were adopted by the Board at the Board's March 2026 Meeting. The rate of return assumption was based on the target asset allocation of the fund. In the experience review, best estimate ranges of expected future real rates of return (net of inflation) for the portfolio were developed, based on the expected returns of each major asset class and their weights in the portfolio. An econometric model that forecasts a variety of economic environments and then calculates asset class returns based on functional relationships between the economic variables and the asset classes was then used. Expected investment expenses were subtracted and expected inflation was added to arrive at the long term expected nominal return. A value for the expected long term expected return was selected for the portfolio such that there was a better than 50% likelihood of the emerging returns exceeding the expected return.

Best estimates of arithmetic real rates of return (net of inflation) for each major asset class included in the Fund's target asset allocation as of December 31, 2025 are listed in the table below:

Asset Category	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equities	32.00%	5.40%
International Equity	20.00%	5.50%
Broad Fixed Income	23.50%	2.55%
Short-Duration Fixed Income	2.50%	1.75%
Private Credit	2.00%	4.95%
Real Estate Funds	9.00%	4.30%
Private Infrastructure	2.00%	4.50%
Private Equity	5.00%	6.55%
Hedge Funds	3.00%	3.55%
Short-term Investment	1.00%	0.65%
Total	100.00%	

Summary of Benefit Provisions

Participant. A person employed by Cook County whose salary or wages is paid in whole or in part by Cook County. An employee in service on or after January 1, 1984 shall be deemed as a participant regardless of when he or she became an employee.

Service. For all purposes except the minimum retirement annuity and ordinary disability benefit, service during four months in any calendar year constitutes one year of service. For the minimum retirement annuity, all service is computed in whole calendar months. Service for any 15 days in a calendar month shall constitute a month of service.

For purposes of the minimum retirement annuity, service shall include:

- a. Any time during which the employee performed the duties of his or her position and contributed to the Fund
- b. Vacations and leaves of absence with whole or part pay
- c. Periods during which the employee receives a disability benefit from the Fund, and
- d. Certain periods of accumulated sick leave.

Retirement Annuity – Eligibility (Tier 1). An employee who withdraws from service with 10 or more years of service is entitled to a retirement annuity upon attainment of age 50.

Retirement Annuity – Amount (Tier 1)

Money Purchase Annuity (Tier 1). The amount of annuity based on the sum accumulated from the employee's salary deductions for age and service annuity plus 1/10 of the sum accumulated from the contributions by the County for age and service annuity for each completed year of service after the first 10. Except that when the employee retires after age 60, the full amount of contributions by the Employer are used.

Minimum Formula Annuity (Tier 1). The amount of annuity provided is equal to 2.4% of final average salary for each year of service. Final average salary is the highest average monthly salary for any 48 consecutive months within the last 10 years of service. Salary for pension purposes is actual salary earned exclusive of overtime or extra salary. The maximum amount of annuity is 80% of final average salary.

If an employee retires before age 60, the annuity is reduced by .5% for each full month or fraction thereof that the employee is under age 60 when the annuity begins, unless the employee has 30 or more years of service, in which case there is no reduction for retirement before age 60.

If the Minimum Formula Annuity is greater than the Money Purchase Annuity, the employee is entitled to receive the Minimum Formula Annuity.

Automatic Increase in Retirement Annuity (Tier 1). Employees who retire from service having attained age 60 or more, or, if retirement occurs on or after January 1, 1991, with at least 30 years of service, 3% of the annuity beginning January of the year following the year in which the first anniversary of retirement occurs. If retirement is before age 60 with less than 30 years of service, increases begin in January of the year immediately following the year in which age 60 is attained. Beginning January 1, 1998, increases are calculated as 3% of the monthly annuity payable at the time of the increase.

Optional Plan of Contributions and Benefits (Tier 1). During the period through June 30, 2005, an employee may establish optional credit for additional benefits by making additional contributions of 3% of salary. The additional benefit is equal to 1% of final average salary for each year of service for which optional contributions have been paid. The additional benefit shall be included in the calculation of the automatic annual increase and the calculation of the survivor's annuity.

Summary of Benefit Provisions (continued)

Alternate Annuity for County Officers (Tier 1). An alternate annuity is available for county officers elected on or before January 1, 2008. The amount of this alternate annuity is equal to 3% of final salary for the first 8 years of service, 4% for the next 4 years of service, and 5% thereafter, subject to a maximum of 80% of final salary. The elected county officer is required to contribute an additional 3% of salary to be eligible for the alternate annuity. The alternate survivor's annuity for survivors of elected county officers is 66-2/3% of the amount of the elected county officer's earned retirement annuity on the date of death, subject to a minimum payment of 10% of salary.

Annuities for Members of the Cook County Police Department (Tier 1). In lieu of the regular minimum retirement annuity, a deputy sheriff who is a member of the County Police Department may be entitled to the following annuity:

Upon withdrawal from service after having attained age 50 in service with 20 or more years of service credit as a police officer, the officer shall be entitled to an annuity computed as follows: 50% of final average salary, plus 2% of final average salary for each year of service in excess of 20 years, subject to a maximum of 80% of final average salary.

Surviving Spouse's Annuity - Death in Service (Tier 1)

Money Purchase Annuity (Tier 1). The amount of annuity based on the accumulated salary deductions and County contributions for both the employee and the spouse.

Minimum Formula Annuity (Tier 1). A minimum annuity is provided for the eligible surviving spouse of an employee who dies in service with any number of years of service. The amount of such minimum spouse's annuity is equal to 65% of the annuity the employee would have been entitled to as of the date of death, provided the spouse on such date is age 55 or older, or that the employee had 30 or more years of service. If the spouse is under age 55 and the employee had less than 30 years of service, the amount of the spouse's annuity shall be discounted by .5% for each month that the spouse is less than age 55 on the date of the employee's death. The amount of the surviving spouse's annuity shall not be less than 10% of the employee's final average salary as of the date of death.

If the Minimum Formula Annuity is greater than the Money Purchase Annuity, the surviving spouse shall be entitled to receive the Minimum Formula Annuity.

Surviving Spouse's Annuity - Death after Retirement (Tier 1). The amount of the annuity is the greater of the money purchase annuity or the minimum formula annuity. The surviving spouse of an annuitant who dies on or after July 1, 2002 shall be entitled to an annuity of 65% of the employee's annuity at the time of death if the employee had at least 10 years of service, reduced by .5% per month that the spouse is under age 55 at the time of the employee's death. There is no reduction for age if the employee had at least 30 years of service.

Automatic Annual Increase in Surviving Spouse's Annuity (Tier 1). On the January 1 occurring on or immediately after the first anniversary of the deceased employee's death, the surviving spouse's annuity shall be increased by 3% of the amount of annuity payable at the time of the increase. On each January 1, thereafter, the annuity shall be increased by an additional 3% of the amount of annuity payable at the time of the increase.

Child's Annuity. Annuities are provided for unmarried children of a deceased employee who are under age 18. An adopted child is entitled to the child's annuity if such child was legally adopted at least one year before the child's annuity becomes payable. The child's annuity is payable under the following conditions:

Summary of Benefit Provisions (continued)

(a) the death of the employee was a duty related death; or (b) if the death is not a duty related death, the employee died while in service and had completed at least four years of service from the date of his or her original entrance in service and at least two years from the latest re-entrances; or (c) if the employee died while in receipt of an annuity, he or she must have withdrawn from service after attainment of age 50.

The amount of the annuity is the greater of 10% of the employee's final salary at the date of death or \$140 per month for each child.

Duty Disability Benefits. Duty disability benefits are payable to an employee who becomes disabled as a result of an accidental injury incurred while in the performance of an act of duty. Benefits begin on the first regular and normal work date for which the employee does not receive a salary. The amount of the duty disability benefit is equal to 75% of the employee's salary at the date of injury, reduced by the amount the employee receives from Workers' Compensation. However, if the disability, in any measure has resulted from any physical defect or disease that existed at the time such injury was sustained, the duty disability benefit shall be 50% of salary. The 8.5% (9% for County Police) of salary normally contributed by the employee for pension purposes is contributed on their behalf during the period of approved disability.

If the disability commences prior to age 60, duty disability benefits are payable during disability until the employee attains age 65. If the disability begins after age 60, the benefit is payable during disability for a period of 5 years.

Recipients of duty disability benefits also have a right to receive child's disability benefits of \$10 per month on account of each unmarried child less than age 18. Total children's disability benefits shall not exceed 15% of the employee's salary.

Ordinary Disability Benefits. Ordinary disability benefits are provided for employees who become disabled as the result of any cause other than injury incurred in the performance of an act of duty. The amount of the benefit is 50% of the employee's annual salary at the time of disability. The 8.5% (9% for County Police) of salary normally contributed by the employee for pension purposes is contributed on their behalf during the period of approved disability.

Ordinary disability benefits are payable after the first 30 days of disability provided the employee is not then in receipt of salary. Ordinary disability benefits are payable until the first of the following shall occur:

- a. the disability ceases; or
- b. the date that total payments equal the lesser of (1) 1/4 of the total service rendered prior to disability, and (2) five years.

An employee unable to return to work at the expiration of ordinary disability benefit is entitled to an annuity beginning on the date of the employee's withdrawal from service regardless of age on such date.

Death Benefit. Upon the death of an active or retired employee, a death benefit of \$1,000 is payable to the employee's designated beneficiary or to the employee's estate if no beneficiary has been designated.

Refund to Employee upon Withdrawal From Service. Upon withdrawal from service, an employee under the age of 55 (or age 62 if Tier 2), or anyone with less than 10 years of service is eligible for a refund. The employee is entitled to a refund of the amount accumulated to his or her credit for age and service annuity and the survivor's annuity together with the total amount contributed for the automatic annual increase, without interest. Upon receipt of such refund, the employee forfeits all rights to benefits from the Fund.

Election of Refund in Lieu of Annuity. If an employee's annuity or spouse's annuity is less than \$150.00 per month, such employee or spouse annuitant may elect a refund of the employee's accumulated contributions in lieu of a monthly annuity.

Summary of Benefit Provisions (continued)

Refund For Surviving Spouse's Annuity. If an employee is unmarried at the time of retirement, all contributions for surviving spouse's annuity will be refunded with interest at the rate of 3% per year, compounded annually.

Refund of Remaining Amounts. In the event that the total amount accumulated to the account of an employee from employee contributions for annuity purposes has not been paid to the employee and surviving spouse as a retirement or surviving spouse's annuity before the death of the survivor(s) of the employee, a refund of any excess amount shall be paid to the children of the employee, in equal parts, or if there are no children, to the beneficiaries of the employee or the administrator of the estate.

Employee Contributions. Employees contribute through salary deductions 8.5% (9% for County Police) of salary to the Fund, 6.5% (7% for County Police) being for the retirement annuity. 1.5% being for the surviving spouse's annuity, and .5% being for the automatic increase in retirement annuity.

Military Service Credit. A contributing employee may apply for creditable service for up to two years of military service whether or not the military service followed service as a county employee.

Employer Contributions. Pursuant to Public Act 103-0529, the County's required annual contribution is determined on an actuarial basis and is the sum of (1) the projected normal cost for pensions for the fiscal year, plus (2) a projected unfunded actuarial accrued liability amortization payment for pensions for the fiscal year, plus (3) projected expenses for the fiscal year, plus (4) interest to adjust for payment pattern during the fiscal year, minus (5) projected employee contributions for the fiscal year. The minimum required employer contribution is based on the entry-age normal cost method, a 5-year smoothed actuarial value of assets, and a 30-year layered amortization of unfunded actuarial accrued liability with payments increasing 2% per year. The amortization schedule that was established with the December 31, 2016 actuarial valuation under the IGA are maintained under the provisions of Public Act 103-0529.

Employer Pick-up of Employee Contributions. Since April 15, 1982, regular employee contributions have been designated for federal income tax purposes as being made by the employer. The employee's W-2 salary is therefore reduced by the amount of contribution. For pension purposes, the salary remains unchanged. For purposes of benefits, refunds, and financing, these contributions are treated as employee contributions.

Persons Who First Become Participants On or After January 1, 2011 (Tier 2)

The following changes to the aforementioned provisions apply to persons who first become participants on or after January 1, 2011:

1. The highest salary for annuity purposes is equal to the average monthly salary obtained by dividing the participant's total salary during the 96 consecutive months of service within the last 120 months of service in which the total compensation was the highest by the number of months in that period.
2. For 2011, the annual salary is limited to the Social Security wage base of \$106,800. Limitations for future years shall automatically be increased by the lesser of 3% or one-half of percentage change in the Consumer Price Index-U for the 12 months ending in September.
3. A participant is eligible to retire with unreduced benefits at age 67 with at least 10 years of service credit. However, a participant may elect to retire at age 62 with at least 10 years of service credit and receive a retirement annuity reduced by one-half of 1% for each month that his or her age is under 67.

Summary of Benefit Provisions (continued)

4. The initial survivor's annuity is equal to 66-2/3% of the participant's earned retirement annuity at the date of death, subject to automatic annual increases of the lesser of 3% or one-half of the increase in the Consumer Price Index-U for the 12 months ending in September, based on the originally granted survivor's annuity.
5. Automatic annual increases in the retirement annuity then being paid are equal to the lesser of 3% or one-half the annual change in the Consumer Price Index-U, whichever is less, based on the originally granted retirement annuity.
6. Refund upon withdrawal from service. Upon withdrawal from service, an employee who withdraws from service before age 62 regardless of length of service or withdraws with less than 10 years of service regardless of age is entitled to a refund of total contributions made by the employee without interest.

Description of Actuarial Methods and Valuation Procedures

Actuarial Cost Method

Liabilities and contributions shown in this report are computed using the **Entry Age Actuarial Cost Method** of funding.

Sometimes called a "funding method," this is a particular technique used by actuaries for establishing the amount and incidence of the annual actuarial cost of pension Fund benefits, or normal cost, and the related unfunded actuarial accrued liability. Ordinarily the annual contribution to the Fund is comprised of (1) the normal cost and (2) an amortization payment on the unfunded actuarial accrued liability.

Under the Entry Age Actuarial Cost Method, the **Normal Cost** is computed as the level percentage of pay which, if paid from the earliest time each Member would have been eligible to join the Fund if it then existed (thus, entry age) until his retirement or termination, would accumulate with interest at the rate assumed in the valuation to a fund sufficient to pay all benefits under the Fund.

The Normal Cost for the Fund is determined by summing individual results for each active Member and determining an average normal cost rate by dividing the summed individual normal costs by the total payroll of Members before assumed retirement age.

The **Actuarial Accrued Liability** under this method at any point in time is the theoretical amount of the fund that would have accumulated had annual contributions equal to the Normal Cost been made in prior years (it does not represent the liability for benefits accrued to the valuation date.)

The **Unfunded Actuarial Accrued Liability** is the excess of the Actuarial Accrued Liability over the Actuarial Value of Fund Assets actually on hand on the valuation date. The Unfunded Actuarial Accrued Liability is amortized as a level percent of payroll over an open 30-year period.

Under this method experience gains or losses, i.e. decreases or increases in accrued liabilities attributable to deviations in experience from the actuarial assumptions, adjust the Unfunded Actuarial Accrued Liability.

Description of Actuarial Methods and Valuation Procedures (continued)

Asset Valuation Method

The actuarial value of assets is based on a five-year smoothing method and is determined by spreading the effect of each year's investment return in excess of or below the expected return. The Fair Value of assets at the valuation date is reduced by the sum of the following:

- (i) 80% of the return to be spread during the first year preceding the valuation date,
- (ii) 60% of the return to be spread during the second year preceding the valuation date,
- (iii) 40% of the return to be spread during the third year preceding the valuation date, and
- (iv) 20% of the return to be spread during the fourth year preceding the valuation date.

The return to be spread is the difference between (1) the actual investment return on Fair Value and (2) the expected return on Fair Value.

Valuation Procedures

No actuarial liability is included for members who terminated non-vested prior to the valuation date, except those due a refund of contributions.

Annual increases in salary were limited to the dollar amount defined under Internal Revenue Code Section 401(a)(17) for affected members.

Summary of Actuarial Assumptions

The actuarial assumptions used for the December 31, 2025 actuarial valuation are summarized below.

The mortality rate, termination rate, retirement rate, and salary assumptions are based on an experience analysis of the Fund over the period 2021 through 2024. These assumptions were adopted by the Board as of December 31, 2025, based on the recommendation from the actuary.

Interest Rate. 7.00% per year, compounded annually.

Price Inflation Rate. 2.50% per year, compounded annually.

Real Wage Growth. 0.75% per year, compounded annually

General Wage Growth. 3.25% per year, compounded annually

Mortality Rates. All mortality rates use Pub-2016 General Amount Weighted Median Mortality Tables.

Mortality Projections. All mortality rates are projected from 2016 using generational improvement with Scale MP-2021.

Deaths After Retirement. Mortality rates are based on the Pub-2016 General Amount Weighted Median Mortality Table for Retirees. Rates for male members are set forward one year and multiplied by 104% at all ages. Rates for female members are set forward one year and multiplied by 110% at all ages. Because the retiree tables have no rates prior to age 50, the Pub-2010 General Amount Weighted Median Mortality Table for Employees is used for ages less than 50.

Deaths After Retirement (Survivors of Deceased members). Pub-2016 General Amount Weighted Median Mortality Table for Contingent Survivors. Because the contingent survivor tables have no rates prior to age 45, the Pub-2016 General Amount Weighted Median Mortality Table for Employees is used for ages less than 45.

Summary of Actuarial Assumptions (continued)

Deaths Prior to Retirement. Mortality rates are based on the Pub-2016 General Amount Weighted Median Mortality Table for Employees for all employees.

Termination Rates for Tier 1 Members. For persons who became participants prior to January 1, 2011, termination rates based on the recent experience of the Fund were used. The following is a sample of the termination rates used:

Service at Termination	Rate
0	15.0%
5	8.0%
10	6.0%
15	3.5%
20	3.5%
25+	2.5%

Termination Rates for Tier II Members. For persons who became or will become participants on or after January 1, 2011, termination rates based on the recent experience of the Fund were used. The following is a sample of the termination rates used:

Service at Termination	Rate
0	17.0%
5	8.0%
10	5.0%
15	3.5%
20	3.0%
25+	2.5%

Retirement Rates for Tier I Members. For persons who became participants prior to January 1, 2011, rates of retirement for each age from 50 to 80 based on the recent experience of the Fund. The following are samples of the rates of retirement used:

Age	With Less than 30 Years of Service at Retirement	With 30 or More Years of Service at Retirement
<50	0.0%	32.0%
50	7.0%	32.0%
51-58	7.0%	25.0%
59	15.0%	20.0%
60-64	15.0%	20.0%
65-66	21.0%	20.0%
67-76	21.0%	25.0%
77-79	28.0%	25.0%
80+	100.0%	100.0%

Summary of Actuarial Assumptions (continued)

Retirement Rates for Deputy Sheriffs. For Cook County Deputy Sheriffs, rates of retirement for each age from 50 to 80 based on the recent experience of the Fund. The following are samples of the rates of retirement that were used:

Age	Males		Females	
	With Less than 20 Years Of Service at Retirement	With 20 or More Years of Service at Retirement	With Less than 20 Years Of Service at Retirement	With 20 or More Years of Service at Retirement
50	4.5%	8.0%	4.5%	8.0%
51-53	4.5%	8.0%	4.5%	8.0%
54	4.5%	8.0%	4.5%	8.0%
55-58	4.5%	12.0%	4.5%	12.0%
59	12.0%	25.0%	12.0%	25.0%
60	12.0%	25.0%	12.0%	25.0%
61-63	12.0%	25.0%	12.0%	25.0%
64	12.0%	25.0%	12.0%	25.0%
65	12.0%	100.0%	12.0%	100.0%
66	12.0%	100.0%	12.0%	100.0%
67-74	20.0%	100.0%	20.0%	100.0%
75-79	30.0%	100.0%	30.0%	100.0%
80+	100.0%	100.0%	100.0%	100.0%

Retirement Rates for Tier II Deputy Sheriffs. For Cook County Deputy Sheriffs who became or will become participants on or after June 1, 2011, rates of retirement for each age from 50 to 80 based on the recent experience of the Fund. The following are samples of the rates of retirement that were used:

Age	Males		Females	
	With Less than 20 Years Of Service at Retirement	With 20 or More Years of Service at Retirement	With Less than 20 Years Of Service at Retirement	With 20 or More Years of Service at Retirement
55-58	0.0%	12.0%	0.0%	12.0%
59-61	0.0%	25.0%	0.0%	25.0%
62-64	15.0%	25.0%	15.0%	25.0%
65-66	15.0%	100.0%	15.0%	100.0%
67	40.0%	100.0%	35.0%	100.0%
68-70	40.0%	100.0%	30.0%	100.0%
71-74	40.0%	100.0%	40.0%	100.0%
75+	100.0%	100.0%	100.0%	100.0%

Summary of Actuarial Assumptions (continued)

Retirement Rates for Tier II Members. For persons who became or will become participants on or after January 1, 2011, rates of retirement for each age from 62 to 75 were used. The followings are samples of the rates of retirement that were used:

Age	Rates of Retirement	
	Males	Females
62	15.0%	15.0%
64	15.0%	15.0%
67	40.0%	35.0%
70	40.0%	30.0%
75	100.0%	100.0%

Salary Increases.

Service	Wage Growth	Merit and Longevity	Total
0	3.25%	3.25%	6.50%
1	3.25%	3.25%	6.50%
2	3.25%	3.25%	6.50%
3	3.25%	3.25%	6.50%
4	3.25%	3.25%	6.50%
5	3.25%	1.75%	5.00%
6	3.25%	1.75%	5.00%
7	3.25%	1.25%	4.50%
8	3.25%	1.25%	4.50%
9	3.25%	1.25%	4.50%
10	3.25%	1.00%	4.25%
11	3.25%	1.00%	4.25%
12	3.25%	0.75%	4.00%
13	3.25%	0.75%	4.00%
14	3.25%	0.50%	3.75%
15	3.25%	0.50%	3.75%
16	3.25%	0.50%	3.75%
17	3.25%	0.25%	3.50%
18	3.25%	0.25%	3.50%
19	3.25%	0.25%	3.50%
20	3.25%	0.25%	3.50%
21	3.25%	0.25%	3.50%
22	3.25%	0.25%	3.50%
23	3.25%	0.25%	3.50%
24	3.25%	0.25%	3.50%
25	3.25%	0.25%	3.50%
26+	3.25%	0.00%	3.25%

Summary of Actuarial Assumptions (continued)

Projected Salary Increase Rate for New Entrants. 3.25% per year (for projection in Section III)

Loading for Reciprocal Benefits. Costs and liabilities of active employees were loaded by 1% for reciprocal annuities where the County is the last employer. It was assumed that 50% of inactive members with one or more year of service would receive a reciprocal annuity where the County is not the last employer. These reciprocal annuities were valued as of the member's retirement date as 10 times an inactive member's accumulated contributions.

Marital Status. 70% of male members are assumed to be married. 40% of female members are assumed to be married.

Spouse's Age. The spouse of a male employee is assumed to be four years younger than the employee. The spouse of a female employee is assumed to be two years older than the age of the employee.

Inactives. For Tier 1 inactives with 10 or more years of service, benefits were estimated based on service and pay and valued as deferred to age 62 annuities. For Tier 2 inactives with 10 or more years of service, benefits were estimated based on service and pay and valued as deferred to age 67 annuities.

Annual Increase in Administrative Expenses. 2.50% per year, compounded annually. Future administrative expenses are based on the actual expenses during the previous year, increase with inflation at 2.50% per year to each future year and discounted back to the beginning of the year with interest.

Timing of Assumptions. All withdrawals, deaths, retirements and salary increases are assumed to occur July 1 of each year. The timing of retirement changes from mid-year to beginning of year at and after 100% retirement age.

Reported Compensation. Compensation as of the valuation date as furnished by the Fund's office.

Valuation Compensation. Reported compensation adjusted to reflect the pay increases and the probability of decrement during the year.

Normal Cost. Normal cost rate reflects the impact of new entrants during the year.

Changes Since Prior Valuation:

The assumptions used in this valuation were developed as part of an Experience Study covering plan years from January 1, 2011 through December 31, 2024 and first used in the December 31, 2025 actuarial valuation. The changes include:

- The real wage growth assumption was increased from 0.50% to 0.75%.
- The general wage inflation assumption was increased from 3.00% to 3.25%.
- The payroll growth social security wage base assumption was increased from 2.50% to 3.50%.
- The Tier 2 Cost of Living Adjustment assumption was decreased from 1.25% to 1.20%.
- An assumption was added for election of immediate or deferred retirement for early retirees.
- The withdrawal rates, retirement rates, mortality and annual rate of salary increase assumptions were updated to partially reflect recent experience.
- The marriage assumption was changed from assuming spouses of male employees were four years younger than male employees to assume that spouses of male employees were three years younger than male employees.
- The marital status assumption for female members was increased from 40% assumed to be married to 45% assumed to be married.

Glossary of Terms

<i>Actuarial Accrued Liability</i>	Total accumulated cost to fund pension benefits arising from service in all prior years.
<i>Actuarial Cost Method</i>	Technique used to assign or allocate, in a systematic and consistent manner, the expected cost of a pension Fund for a group of Fund members to the years of service that give rise to that cost.
<i>Actuarial Present Value of Future Benefits</i>	Amount which, together with future interest, is expected to be sufficient to pay all future benefits.
<i>Actuarial Valuation</i>	Study of probable amounts of future pension benefits and the necessary amount of contributions to fund those benefits.
<i>Actuary</i>	Person who performs mathematical calculations pertaining to pension and insurance benefits based on specific procedures and assumptions.
<i>Annual Determined Contribution</i>	Disclosure measure of annual pension cost.
<i>GASB 67</i>	Governmental Accounting Standards Board Statement Number 67
<i>Maturity Ratio</i>	The ratio of the actuarial accrued liability for members who are no longer active to the total actuarial accrued liability. A ratio of over 50% indicates a mature Fund. The higher the maturity ratio, the more volatile the contribution rate will be from year to year given actuarial gains and losses.
<i>Normal Cost</i>	That portion of the actuarial present value of benefits assigned to a particular year in respect to an individual participant or the Fund as a whole.
<i>Vested Benefits</i>	Benefits which are unconditionally guaranteed regardless of employment status.

June 3, 2026



Board of Trustees
County Employees' and Officers' Annuity and Benefit Fund of Cook County
Chicago, Illinois

Ladies and Gentlemen:

Presented in this report is information to assist the County Employees' and Officers' Annuity and Benefit Fund of Cook County ("CEABF" or "the Fund" or "the Plan") in meeting the requirements of the Governmental Accounting Standards Board (GASB) Statements No. 74 and 75 for the December 31, 2025 Measurement Date. The calculations in this report have been made on a basis that is consistent with our understanding of this accounting standard (GASB 74 and 75). Please note that the discount rate used to determine the Total OPEB Liability (TOL) changed from 4.08% at the Prior Measurement Date to 4.83% at the current Measurement Date.

The information is based on an actuarial valuation performed by Cavanaugh Macdonald (CavMac) as of December 31, 2025, with plan asset information provided by CEABF for its fiscal year ended December 31, 2025. CavMac performs the actuarial valuation annually.

The valuation was based upon data, furnished by CEABF staff, concerning active, inactive and retired members along with pertinent financial information. This information was reviewed for completeness and internal consistency but was not audited by us. The valuation results depend on the integrity of the data. If any of the information is inaccurate or incomplete our results may be different, and our calculations may need to be revised. Please see the actuarial valuation for additional details on the funding requirements for CEABF including actuarial assumptions and methods and the funding policy.

The economic and demographic assumptions used in the valuation were adopted by the Board and first reflected in the December 31, 2025 valuation. The Board's recent practice is to review the experience of the CEABF every four years to determine if any changes to the valuation assumptions are warranted. The assumptions used in the valuation meet the parameters set by the Actuarial Standards of Practice and are based on recommendations made and approved by the Board as part of an Experience Study covering plan years from January 1, 2021 through December 31, 2024. Per capita cost and medical trend rate assumptions are revisited annually. The next experience analysis is scheduled to occur after the December 31, 2028 actuarial valuation, with expected implementation of updated assumptions beginning with the December 31, 2029 actuarial valuation. This analysis will cover the four-year period from 2025 through 2028.

A summary of the actuarial assumptions and methods used in this actuarial valuation are shown in Section IV beginning on page 131.

To the best of our knowledge, the information contained in this report is complete and accurate. The calculations were performed by qualified actuaries according to generally accepted actuarial principles and practices, as well as in conformity with Actuarial Standards of Practice issued by the Actuarial Standards Board. The calculations are based on the current provisions of CEABF, and on actuarial assumptions that are internally consistent and individually reasonable based on the actual experience of CEABF. In addition, the calculations were completed in compliance with applicable law and, in our opinion, meet the requirements of GASB 74 and 75.

These results are only for financial reporting and may not be appropriate for funding purposes or other types of analysis. Calculations for purposes other than satisfying the requirements of GASB 74 and 75 may produce significantly different results. Future actuarial results may differ significantly from the current results presented in this report due to such factors as changes in plan experience or changes in economic or demographic assumptions.

In order to prepare the results in this report, we have utilized actuarial models that were developed to measure liabilities and develop actuarial costs. These models include tools that we have produced and tested, along with commercially available valuation software that we have reviewed to confirm the appropriateness and accuracy of the output. In utilizing these models, we develop and use input parameters and assumptions about future contingent events along with recognized actuarial approaches to develop the needed results.

The impacts of the Affordable Care Act (ACA) and the Inflation Reduction Act (IRA) were addressed in this valuation. Review of the ACA information currently available did not identify any specific provisions of the legislation that are anticipated to directly impact results at this time other than plan design features and fees currently mandated and incorporated in the plan designs, which are included in the current baseline claims costs and trend assumption. For the IRA, we considered the impact of the IRA in baseline claims but did not make any explicit changes to the trend assumption from 2026 on. Continued monitoring of the impact of both acts and other legislation, if applicable, on the Plan's liability will be required.

The actuary prepared, or assisted in preparing, the following supporting information for the actuarial valuation:

- Changes in the GASB 74/75 Total OPEB Liability (TOL)
- GASB 74 Components of the Net OPEB Liability
- GASB 74 Schedule of Employer Contributions
- GASB 74 Schedule of Changes in Net OPEB Liability
- GASB 74 Schedule of the Net OPEB Liability
- GASB 74 Sensitivity of the Net OPEB Liability
- Membership Data
- Solvency Test
- Summary of Substantive Plan Provisions
- Summary of Assumptions and Methods
- Description of Actuarial Methods

We, Larry F. Langer, ASA, Alisa Bennett, FSA, and Wendy T. Ludbrook, FSA are members of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein. We are available to answer any questions on the material contained in this report or to provide explanations or further details as may be appropriate.

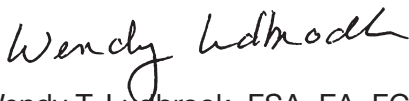
Respectfully submitted,



Larry Langer, ASA, EA, FCA, MAAA
Principal and Consulting Actuary



Alisa Bennett, FSA, EA, FCA, MAAA
President



Wendy T. Ludbrook, FSA, EA, FCA, MAAA
Consulting Actuary



Ryan Gundersen
Senior Consultant

Overview

The County Employees’ and Officers’ Annuity and Benefit Fund of Cook County (“CEABF” or “the Fund” or “the Plan”) offers health benefits to retired employees of Cook County and their eligible dependents. This report presents the results of the actuarial valuation of the Fund benefits as of the valuation date of December 31, 2025.

Purpose

This report had been prepared at the request of the Fund for use in financial reporting of CEABF under GASB 74 and GASB 75. It may not be appropriate for other purposes, such as analyzing proposed design alternatives, funding, pricing or option evaluation. Use of this report for any other purpose may not be appropriate and may result in mistaken conclusions due to failure to understand applicable assumptions, methodologies or inapplicability of the report for that purpose. No one may make any representations or warranties based on any statements or conclusions contained in this report without the written consent of Cavanaugh Macdonald.

Membership

Summary of Membership Data	Year Ended December 31,	
	2025	2024
Annuitants Currently Receiving Benefits	8,517	8,641
Covered Spouses of Annuitants Currently Receiving Benefits	2,419	2,508
Separated Employees Entitled To Benefits But Not Yet Receiving Them	1,471	1,538
Active Employees	20,107	19,370
Total Number of Members	32,514	32,057

Changes in Plan Provisions

The following changes in benefits and other plan provisions in the Retiree Health Insurance actuarial valuation have been made since the last valuation performed as of December 31, 2024 and are effective with the December 31, 2025 valuation:

- The 2026 subsidy percentages for member health benefits were changed as follows:
- Choice Plan: Annuitants and Survivors with and without Medicare changed from 44% to 45%.
 - Choice Plus Plan: Annuitants and Survivors with and without Medicare changed from 44% to 45%.

Changes in Actuarial Assumptions, Methods, or Procedures

The following changes in the actuarial assumptions or valuation procedures in the Retiree Health Insurance actuarial valuation have been made since the last valuation performed as of December 31, 2024 and are effective with the December 31, 2025 valuation:

- Mortality rates were updated to the Pub-2016 General Amount Weighted Median Mortality Tables and the Mortality Improvement Scale was updated to SOA MP-2021:

Changes in Actuarial Assumptions, Methods, or Procedures (continued)

- Deaths after retirement are based on the Pub-2016 General Amount Weighted Median Mortality Table for Retirees. Rates for male members are set forward one year and multiplied by 104% at all ages. Rates for female members are set forward one year and multiplied by 110% at all ages. Because the retiree tables have no rates prior to age 50, the Pub-2016 General Amount Weighted Median Mortality Table for Employees is used for ages less than 50;
- Deaths after retirement (survivors of deceased members): Mortality rates are based on the Pub-2016 General Amount Weighted Median Mortality Table for Contingent Survivors. Because the contingent survivor tables have no rates prior to age 45, the Pub-2016 General Amount Weighted Median Mortality Table for Employees is used for ages less than 45;
- Deaths prior to retirement: Mortality rates are based on the Pub-2016 General Amount Weighted Median Mortality Table for Employees for all employees. Rates for male members are set forward one year and multiplied by 104% at all ages. Rates for female members are set forward one year and multiplied by 110% at all ages;
- General wage inflation was increased from 3.00% to 3.25%;
- The annual rates of salary increase were updated to partially reflect actual experience;
- Retirement rates for Tier 1, Tier 2 and Deputy Sheriffs were modified to partially reflect actual experience;
- Termination rates for Tier 2 members were updated;
- The spouse's age assumption for active members at retirement decreased from four years younger to three years younger for male members' spouses. Female members' spouse's age difference remained unchanged;
- Retiree health care plan participation rates for active members upon retirement was reduced from 60% to 45%. Deferred vested member retiree plan participation was reduced from 35% to 30%. Actual observed experience was 42% for active members who retired during the study period and 27% for deferred vested members who retired during the study period. Additionally, total enrollments have been declining at an average rate of 2% per year since December 31, 2020 with an overall reduction in enrollments of 10% as of December 31, 2025;
- The assumption regarding continuance of spousal coverage upon death of the retiree was reduced from 35% to 30%;
- Health care plan election for active members at retirement on a pre and post-Medicare basis was updated to reflect recent experience. Current plan election rates on a pre-Medicare basis are 93% Choice and 7% Choice Plus. On a post-Medicare basis the plan election rates are 65% Choice and 35% Choice Plus. Plan election for current retirees and survivors is based on actual elections;
- The per capita plan costs were updated to reflect the claims, premiums, enrollment, drug rebates, and Employer Group Waiver Plan (EGWP) subsidies (post-Medicare Only) for the period from January 1, 2024 through December 31, 2025 for pre-Medicare and from January 1, 2025 through December 31, 2025 for post-Medicare. Additionally, working premium rates were updated for 2026;
- The age-based morbidity factors used to adjust per capita costs to reflect expected cost changes related to age were updated as follows:
 - Pre-65 relative value factors were developed from the Society of Actuaries' June 2013 research report "Health Care Costs—From Birth to Death" by Dale Yamamoto;

- Post-65 relative value factors were developed from the report entitled “Aging Curves for Health Care Costs in Retirement” by Jeffrey P. Petertil, ASA, MAAA, FCA, published August 1, 2003. The unisex Petertil factors for Medicare eligible retirees were adjusted for gender differences using over 65 gender specific factors from the Yamamoto report, with adjustment for ages 65-68;
- Initial year health care cost trend rates that apply to expected claims, premiums and retiree contributions were updated for pre and post-Medicare based on the most recent national average trend surveys. Due to provisions of the Inflation Reduction Act, the standard Medicare Part D prescription drug plan design underwent significant changes, including a \$2,000 out of pocket maximum on Medicare-eligible drug costs and revised catastrophic coverage cost sharing between the plan, the Federal government and the drug manufacturers. In addition, the Department of Health and Human Services (HHS) will begin price negotiation on certain Medicare covered drugs starting in 2026. Because of uncertainty around the cost impact going forward, we have made no explicit changes to the Medicare health care cost trend rates for 2026 and forward at this time, but continued monitoring of these costs will be required; and
- The discount rate used to measure the Total OPEB Liability was changed from 4.08% as of the December 31, 2024 valuation to 4.83% as of the December 31, 2025 valuation, based on the Municipal Bond 20-year Index Rate as of December 31, 2025. The 4.83% rate is based on the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2025. The rate used for this purpose is the date closest to the measurement date of the Bond Buyers General Obligation 20-year Municipal Bond Index Rate (formerly published monthly by the Board of Governors of the Federal Reserve System).

The impact on the December 31, 2025 Total OPEB Liability due to the changes in provisions and assumptions is shown below.

Changes in the GASB 74/75 Total OPEB Liability (TOL)

	TOL	% Change
December 31, 2024	\$ 1,560,696,894	
Expected Growth Due to Passage of Time	69,853,775	4.5%
Demographic Experience	(45,013,935)	-2.9%
Updated Per Capita Health Plan Experience	(98,250,162)	-6.3%
Change in Plan Provisions	27,273,013	1.7%
Change in Assumptions Due to Experience Study	(360,520,983)	-23.1%
Change in Trend Assumption	12,941,792	0.8%
Change in Discount Rate	(109,971,962)	-7.0%
Total Change in TOL	\$ (503,688,462)	-32.3%
 December 31, 2025	 \$ 1,057,008,432	 -32.3%

GASB 74 Components of the Net OPEB Liability

Valuation Date (VD):	December 31, 2025
Prior Measurement Date:	December 31, 2024
Measurement Date (MD):	December 31, 2025
Membership Data:	
Retirees and Beneficiaries	8,517
Inactive Members Eligible for Allowances	1,471
Active Employees	20,107
Total	30,095
Single Equivalent Interest Rate (SEIR):	
Long-Term Expected Rate of Return	7.00%
Municipal Bond Index Rate at Prior Measurement Date	4.08%
Municipal Bond Index Rate at Measurement Date	4.83%
Year in which Fiduciary Net Position is Projected to be Depleted	2025
Single Equivalent Interest Rate at Prior Measurement Date	4.08%
Single Equivalent Interest Rate at Measurement Date	4.83%
Net OPEB Liability:	
Total OPEB Liability (TOL)	\$ 1,057,008,432
Fiduciary Net Position (FNP)	—
Net OPEB Liability (NOL = TOL – FNP)	\$ 1,057,008,432
FNP as a percentage of TOL	0.00%

Fiscal Year Ending December 31, 2025

Total OPEB Liability	\$ 1,057,008,432
Fiduciary Net Position	—
Net OPEB Liability	\$ 1,057,008,432
Ratio of Fiduciary Net Position to Total OPEB Liability	0.00%

GASB 74 Schedule of Employer Contributions

	2025	2024	2023	2022	2021
Actuarially determined employer contribution	\$ 91,686,429	\$ 137,095,415	\$ 152,154,466	\$ 137,658,885	\$ 159,551,340
Actual employer contributions	44,479,271	44,634,128	47,198,611	44,292,643	34,230,005
Annual contribution deficiency (excess)	\$ 47,207,158	\$ 92,461,287	\$ 104,955,855	\$ 93,366,242	\$ 125,321,335
Covered employee payroll	\$2,101,368,787	\$1,916,226,538	\$1,806,600,924	\$1,632,797,650	\$1,572,958,479
Actual contributions as percentage of covered payroll	2.12%	2.33%	2.61%	2.71%	2.18%

GASB 74 Schedule of Changes in Net OPEB Liability

	2025	2024	2023	2022	2021
Total OPEB Liability					
Service Cost	\$ 49,533,934	\$ 60,197,725	\$ 48,872,525	\$ 72,409,061	\$ 79,427,382
Interest	64,799,112	59,924,898	61,563,999	41,582,968	45,952,201
Benefit changes	27,273,013	—	—	—	166,241,145
Difference between expected and actual experience	(143,264,097)	(140,122,101)	(47,736,125)	15,151,444	(275,500,153)
Changes of assumptions	(457,551,153)	(174,796,904)	123,425,446	(401,713,051)	(108,982,699)
Benefit payments	(44,479,271)	(44,634,128)	(47,198,611)	(44,292,643)	(34,230,005)
Net change in Total OPEB Liability	\$ (503,688,462)	\$ (239,430,510)	\$ 138,927,234	\$ (316,862,221)	\$ (127,092,129)
Total OPEB Liability – beginning	\$1,560,696,894	\$1,800,127,404	\$1,661,200,170	\$1,978,062,391	\$2,105,154,520
Total OPEB Liability – ending (a)	\$1,057,008,432	\$1,560,696,894	\$1,800,127,404	\$1,661,200,170	\$1,978,062,391
Plan Fiduciary Net Position					
Employer contributions	\$ 44,479,271	\$ 44,634,128	\$ 47,198,611	\$ 44,292,643	\$ 34,230,005
Net investment income	—	—	—	—	—
Net Benefit payments	(44,479,271)	(44,634,128)	(47,198,611)	(44,292,643)	(34,230,005)
Administrative expense	—	—	—	—	—
Other	—	—	—	—	—
Net change in Plan Fiduciary Net Position	\$ —	\$ —	\$ —	\$ —	\$ —
Plan Fiduciary Net Position – beginning	\$ —	\$ —	\$ —	\$ —	\$ —
Plan Fiduciary Net Position – ending (b)	\$ —	\$ —	\$ —	\$ —	\$ —
Net OPEB Liability – ending (a) – (b)	\$1,057,008,432	\$1,560,696,894	\$1,800,127,404	\$1,661,200,170	\$1,978,062,391

GASB 74 Schedule of the Net OPEB Liability

	2025	2024	2023	2022	2021
Total OPEB Liability	\$1,057,008,432	\$1,560,696,894	\$1,800,127,404	\$1,661,200,170	\$1,978,062,391
Plan Fiduciary Net Position	—	—	—	—	—
Net OPEB Liability	\$1,057,008,432	\$1,560,696,894	\$1,800,127,404	\$1,661,200,170	\$1,978,062,391
Ratio of Plan Fiduciary Net Position to Total OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%
Covered employee payroll	\$2,101,368,787	\$1,916,226,538	\$1,806,600,924	\$1,632,797,650	\$1,572,958,479
Net OPEB Liability as a percentage of covered employee payroll	50.30%	81.45%	99.64%	101.74%	125.75%

GASB 74 Schedule of Employer Contributions (continued)

	2020	2019	2018	2017
Actuarially determined employer contribution	\$ 172,996,709	\$ 157,705,345	\$ 133,228,086	\$ 187,348,423
Actual employer contributions	43,430,445	38,237,172	38,310,969	47,454,621
Annual contribution deficiency (excess)	\$ 129,566,264	\$ 119,468,173	\$ 94,917,117	\$ 139,893,802
Covered employee payroll	\$1,583,198,305	\$1,603,347,918	\$1,576,658,158	\$1,602,986,483
Actual contributions as percentage of covered payroll	2.74%	2.38%	2.43%	2.96%

GASB 74 Schedule of Changes in Net OPEB Liability (continued)

	2020	2019	2018	2017
Total OPEB Liability				
Service Cost	\$ 66,338,671	\$ 46,682,354	\$ 40,557,095	\$ 82,344,830
Interest	53,508,403	64,502,784	68,565,681	84,911,522
Benefit changes	(65,649,811)	(81,634,771)	(292,725,744)	(79,293,990)
Difference between expected and actual experience	(15,827,767)	(9,467,033)	(92,253,919)	(55,814,160)
Changes of assumptions	209,226,099	385,089,639	(300,028,016)	(66,330,809)
Benefit payments	(43,430,445)	(38,237,172)	(38,310,969)	(47,454,621)
Net change in Total OPEB Liability	\$ 204,165,150	\$ 366,935,801	\$ (614,195,872)	\$ (81,637,228)
Total OPEB Liability – beginning	\$1,900,989,370	\$1,534,053,569	\$2,148,249,441	\$2,229,886,669
Total OPEB Liability – ending (a)	\$2,105,154,520	\$1,900,989,370	\$1,534,053,569	\$2,148,249,441
Plan Fiduciary Net Position				
Employer contributions	\$ 43,430,445	\$ 38,237,172	\$ 38,310,969	\$ 47,454,621
Net investment income	—	—	—	—
Net Benefit payments	(43,430,445)	(38,237,172)	(38,310,969)	(47,454,621)
Administrative expense	—	—	—	—
Other	—	—	—	—
Net change in Plan Fiduciary Net Position	\$ —	\$ —	\$ —	\$ —
Plan Fiduciary Net Position – beginning	\$ —	\$ —	\$ —	\$ —
Plan Fiduciary Net Position – ending (b)	\$ —	\$ —	\$ —	\$ —
Net OPEB Liability – ending (a) – (b)	\$2,105,154,520	\$1,900,989,370	\$1,534,053,569	\$2,148,249,441

GASB 74 Schedule of the Net OPEB Liability (continued)

	2020	2019	2018	2017
Total OPEB Liability	\$2,105,154,520	\$1,900,989,370	\$1,534,053,569	\$2,148,249,441
Plan Fiduciary Net Position	—	—	—	—
Net OPEB Liability	\$2,105,154,520	\$1,900,989,370	\$1,534,053,569	\$2,148,249,441
Ratio of Plan Fiduciary Net Position to Total OPEB Liability	0.00%	0.00%	0.00%	0.00%
Covered employee payroll	\$1,583,198,305	\$1,603,347,918	\$1,576,658,158	\$1,602,986,483
Net OPEB Liability as a percentage of covered employee payroll	132.97%	118.56%	97.30%	134.02%

GASB 74 Sensitivity of the Net OPEB Liability

Sensitivity of the Net OPEB Liability to changes in the discount rate. The following presents the Net OPEB Liability as of December 31, 2025, calculated using the discount rate of 4.83%, as well as what the Plan's Net OPEB Liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.83%) or 1-percentage-point higher (5.83%) than the current rate:

	1% Decrease (3.83%)	Current Discount Rate (4.83%)	1% Increase (5.83%)
Total OPEB Liability	\$ 1,207,511,836	\$ 1,057,008,432	\$ 933,554,400
Fiduciary Net Position	—	—	—
Net OPEB Liability	\$ 1,207,511,836	\$ 1,057,008,432	\$ 933,554,400

Sensitivity of the Net OPEB Liability to changes in the healthcare cost trend rates. The following presents the Net OPEB Liability as of December 31, 2025, calculated using the healthcare cost trend rates as summarized in this report, as well as what the Plan's Net OPEB Liability would be if it were calculated using trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability	\$ 921,488,687	\$ 1,057,008,432	\$ 1,226,637,921
Fiduciary Net Position	—	—	—
Net OPEB Liability	\$ 921,488,687	\$ 1,057,008,432	\$ 1,226,637,921

Summary of Substantive Plan Provisions

Eligibility.

Tier 1 retirement (hired before January 1, 2011)

- Age 50 and 10 years of service

Tier 2 retirement (hired on or after January 1, 2011)

- Age 62 and 10 years of service

All active employee members who separate with 10 or more years of service can receive postretirement health benefits under the Plan upon receipt of annuity benefits. In some cases employees that retire with less than 10 years of service with Cook County may be eligible for Health Benefits due to reciprocity or if they are Tier 1 and qualify for Money Purchase annuity benefits.

Surviving dependents of actively employed members and surviving dependents of annuitants are eligible for postretirement health benefits under the Plan upon receipt of annuity benefits.

Annuitants may cover their spouses and dependent children under the age of 26 and all disabled children (no age limitation if enrolled in the Plan prior to age 26). Eligible dependents that are between ages of 25 and 30 can be in the Plan if he/she is on active duty with the United States Armed Forces.

Effective January 1, 2019, all future plan participants who are ineligible for free Medicare Part A must purchase Medicare Part A and Part B in order to receive coverage under the health plan administered by CEABF. CEABF will provide a reduced monthly premium for annuitants and spouses who are ineligible for premium free Medicare Part A.

Summary of Substantive Plan Provisions (continued)

Medical Plans.

Non-Medicare retirees can choose from:

- United Healthcare Choice
- United Healthcare Choice Plus

Medicare eligible retirees can choose from:

- United Healthcare Choice
- United Healthcare Choice Plus

When Medicare is primary, the medical benefits coordinate by reducing the plan allowed charge amount by Medicare's payment, and then subsequently applying any applicable plan copays, coinsurances or deductibles to the remainder. A retail and mail pharmacy benefit through CVS/Caremark is included with the election of any medical plan. For Medicare primary participants, prescriptions are provided via an Employer Group Waiver Plan, with the same copays as the commercial prescription plan.

Contributions

CEABF pays the following percentage subsidies of the total premium, including the cost of family coverage.

	<u>Participant</u>		<u>Fund</u>	
	Choice	Choice Plus	Choice	Choice Plus
Retiree Annuitant w/o Medicare	55%	55%	45%	45%
Retiree Annuitant with Medicare	55%	55%	45%	45%
Survivor Annuitant w/o Medicare	55%	55%	45%	45%
Survivor Annuitant with Medicare	55%	55%	45%	45%

The following are the annual working rates effective January 1, 2026. These rates represent an estimated cost of self-insured coverage and include administrative expenses.

	<u>Choice</u>	<u>Choice Plus</u>
Single w/o Medicare	\$ 22,167	\$ 28,342
Two w/o Medicare	\$ 44,335	\$ 56,684
Single with Medicare	\$ 5,804	\$ 4,996
Two with Medicare	\$ 11,607	\$ 9,993

Summary of Assumptions and Methods

The actuarial assumptions used for the December 31, 2025 actuarial valuation are summarized below. The mortality rates, termination rates, retirement rates, salary, inflation, participation, and Medicare primary assumptions are based on an experience analysis of CEABF over the period 2021 through 2024. These assumptions were adopted by the Board on March 5, 2026. Per capita cost and medical trend rate assumptions are revisited annually. The next experience analysis is scheduled to occur after the December 31, 2028 actuarial valuation, with expected implementation of updated assumptions beginning with the December 31, 2029 actuarial valuation. This analysis will cover the four-year period from 2025 through 2028.

Summary of Assumptions and Methods (continued)

Valuation Date. December 31, 2025

Measurement Date. December 31, 2025

Discount Rate. 4.83% at December 31, 2025 (Municipal Bond Index Rate)
4.08% at December 31, 2024 (Municipal Bond Index Rate)

Benefit payments are funded on a pay-as-you-go basis. The discount rate is the single equivalent rate which results in the same present value as discounting future benefit payments made from assets at the long term expected rate of return and discounting future benefit payments funded on a pay-as-you-go basis on the Municipal Bond 20-year Index Rate.

Mortality Rates. All mortality rates use Pub-2016 General Amount Weighted Median Mortality Tables.

Mortality Projections. All mortality rates are projected from 2016 using generational mortality improvement with Scale MP-2021.

Deaths After Retirement. Mortality rates are based on the Pub-2016 General Amount Weighted Median Mortality Table for Retirees. Rates for male members are set forward one year and multiplied by 104% at all ages. Rates for female members are set forward one year and multiplied by 110% at all ages. Because the retiree tables have no rates prior to age 50, the Pub-2016 General Amount Weighted Median Mortality Table for Employees is used for ages less than 50.

Deaths After Retirement (Survivors of Deceased members). Mortality rates are based on the Pub-2016 General Amount Weighted Median Mortality Table for Contingent Survivors. Because the contingent survivor tables have no rates prior to age 45, the Pub-2016 General Amount Weighted Median Mortality Table for Employees is used for ages less than 45.

Deaths Prior to Retirement. Mortality rates are based on the Pub-2016 General Amount Weighted Median Mortality Table for Employees for all employees. Rates for male members are set forward one year and multiplied by 104% at all ages. Rates for female members are set forward one year and multiplied by 110% at all ages.

Termination Rates for Tier I Members. For persons who became participants prior to January 1, 2011, termination rates based on the recent experience of the Fund were used. The following is a sample of the termination rates used:

Services at Termination	Rate
0	15.0%
5	8.0%
10	6.0%
15	3.5%
20	3.5%
25+	2.5%

Summary of Assumptions and Methods (continued)

Termination Rates for Tier II Members. For persons who became or will become participants on or after January 1, 2011, termination rates based on the recent experience of the Fund were used. The following is a sample of the termination rates used:

Services at Termination	Rate
0	17.0%
5	8.0%
10	5.0%
15	3.5%
20	3.0%
25+	2.5%

Retirement Rates for Tier I Members. For persons who became participants prior to January 1, 2011, rates of retirement for each age from 50 to 80 based on the recent experience of the Fund. The following are samples of the rates of retirement used:

Age	With Less than 30 Years of Service at Retirement	With 30 or More Years of Service at Retirement
<50	0.0%	32.0%
50	7.0%	32.0%
51-58	7.0%	25.0%
59	15.0%	20.0%
60-64	15.0%	20.0%
65-66	21.0%	20.0%
67-76	21.0%	25.0%
77-79	28.0%	25.0%
80+	100.0%	100.0%

Summary of Assumptions and Methods (continued)

Retirement Rates For Tier I Deputy Sheriffs. For Cook County Deputy Sheriffs who became participants prior to January 1, 2011, rates of retirement for each age from 50 to 80 based on the recent experience of the Fund. The following are samples of the rates of retirement that were used:

Age	Males		Females	
	With Less Than 20 Years of Service at Retirement	With 20 Or More Years of Service at Retirement	Less Than 20 Years of Service at Retirement	With 20 Or More Years of Service at Retirement
50	4.5%	8.0%	4.5%	8.0%
51-53	4.5%	8.0%	4.5%	8.0%
54	4.5%	8.0%	4.5%	8.0%
55-58	4.5%	12.0%	4.5%	12.0%
59	12.0%	25.0%	12.0%	25.0%
60	12.0%	25.0%	12.0%	25.0%
61-63	12.0%	25.0%	12.0%	25.0%
64	12.0%	25.0%	12.0%	25.0%
65	12.0%	100.0%	12.0%	100.0%
66	12.0%	100.0%	12.0%	100.0%
67-74	20.0%	100.0%	20.0%	100.0%
75-79	30.0%	100.0%	30.0%	100.0%
80+	100.0%	100.0%	100.0%	100.0%

Retirement Rates For Tier II Deputy Sheriffs. For Cook County Deputy Sheriffs who became participants on or after January 1, 2011, rates of retirement for each age from 50 to 80 based on the recent experience of the Fund. The following are samples of the rates of retirement that were used:

Age	Males		Females	
	With Less Than 20 Years of Service at Retirement	With 20 Or More Years of Service at Retirement	Less Than 20 Years of Service at Retirement	With 20 Or More Years of Service at Retirement
50-58	0.0%	12.0%	0.0%	12.0%
59-61	0.0%	25.0%	0.0%	25.0%
62-64	15.0%	25.0%	15.0%	25.0%
65-66	15.0%	100.0%	15.0%	100.0%
67	40.0%	100.0%	35.0%	100.0%
68-70	40.0%	100.0%	30.0%	100.0%
71-74	40.0%	100.0%	40.0%	100.0%
75+	100.0%	100.0%	100.0%	100.0%

Summary of Assumptions and Methods (continued)

Retirement Rates for Tier II Members. For persons who became or will become participants on or after January 1, 2011, rates of retirement for each age from 62 to 75 were used. The following are samples of the rates of retirement that were used:

Age	Rates of Retirement	
	Males	Females
62	15.0%	15.0%
64	15.0%	15.0%
67	40.0%	35.0%
70	40.0%	30.0%
75	100.0%	100.0%

Inflation Rate. 2.50% per year, compounded annually.

Salary Increases.

Service	Wage Growth	Merit and Longevity	Total
0	3.25%	3.25%	6.50%
1	3.25%	3.25%	6.50%
2	3.25%	3.25%	6.50%
3	3.25%	3.25%	6.50%
4	3.25%	3.25%	6.50%
5	3.25%	1.75%	5.00%
6	3.25%	1.75%	5.00%
7	3.25%	1.25%	4.50%
8	3.25%	1.25%	4.50%
9	3.25%	1.25%	4.50%
10	3.25%	1.00%	4.25%
11	3.25%	1.00%	4.25%
12	3.25%	0.75%	4.00%
13	3.25%	0.75%	4.00%
14	3.25%	0.50%	3.75%
15	3.25%	0.50%	3.75%
16	3.25%	0.50%	3.75%
17	3.25%	0.25%	3.50%
18	3.25%	0.25%	3.50%
19	3.25%	0.25%	3.50%
20	3.25%	0.25%	3.50%
21	3.25%	0.25%	3.50%
22	3.25%	0.25%	3.50%
23	3.25%	0.25%	3.50%
24	3.25%	0.25%	3.50%
25	3.25%	0.25%	3.50%
>26	3.25%	0.00%	3.25%

Summary of Assumptions and Methods (continued)

Disability Rates. Included in termination and retirement rates.

Anticipated Plan Participation.

45% of eligible employees are assumed to elect retiree health benefits. Of those who elect retiree medical benefits, 100% are assumed to be eligible for free Medicare Part A. 30% of vested terminated employees are assumed to elect retiree medical benefits upon retirement and are assumed to retire at age 61.

Based on recent experience, future annuitants are assumed to elect from among the available plans as follows:

% Who Elect	Choice	Choice Plus
Pre-Medicare	93%	7%
Post-Medicare	65%	35%

Current annuitants who elect coverage are assumed to remain in coverage. Current annuitants who have waived or deferred coverage are not assumed to participate in the future.

Dependent Coverage.

35% of future annuitants are assumed to cover a dependent. 30% of surviving dependents are assumed to elect coverage upon the death of an actively employed member and are assumed to commence benefits when the actively employed member would have reached age 61. Male members are assumed to be 3 years older than female spouses and female members are assumed to be 2 years younger than male spouses. Actual ages were used for dependents of current annuitants.

Medicare Coordination.

Medicare is assumed to remain the primary payer for current and future retirees and spouses who are at least age 65 and who are currently on Medicare. Medicare is assumed to become primary for 100% of retirees and spouses who retired before January 1, 2019 and who are not yet age 65, when they attain that age.

Per Capita Health Plan Costs.

Estimated net annual per capita incurred claim costs per covered adult for fiscal year 2026 at age 65, reflecting administrative expenses, drug rebates and EGWP subsidies.

	Choice	Choice Plus
Not Medicare Eligible	\$ 25,335	\$ 30,239
Medicare Eligible	\$ 4,525	\$ 3,890

Per capita medical costs were developed using claims, premiums, enrollment, drug rebates and EGWP subsidies (post-Medicare Only) for the period from January 1, 2024 through December 31, 2025 for pre-Medicare and from January 1, 2025 through December 31, 2025 for Medicare. The resulting costs were adjusted for age morbidity.

The valuation relies on the accuracy of the rate calculations. We understand that the rates represent only medical and prescription drug benefit costs for annuitants under the Fund.

Summary of Assumptions and Methods (continued)**Age-based Morbidity.**

Per capita costs are adjusted to reflect expected cost changes related to age. The relative value factors used were developed from the Society of Actuaries' June 2013 research report "Health Care Costs—From Birth to Death" by Dale Yamamoto for pre-Medicare retirees and from the report entitled "Aging Curves for Health Care Costs in Retirement" by Jeffrey P. Petertil, ASA, MAAA, FCA, published August 1, 2003 for Medicare eligible retirees. The unisex Petertil factors for Medicare eligible retirees were adjusted for gender differences using over 65 gender specific factors from the Yamamoto report, with adjustment for ages 65-68. Representative values of the expected annual claims are as follows:

Age	Male	Female
40	\$ 7,401	\$ 12,077
45	\$ 9,172	\$ 12,785
50	\$ 11,979	\$ 14,896
55	\$ 15,718	\$ 17,353
60	\$ 20,247	\$ 20,240
64	\$ 24,728	\$ 23,696

* Expected annual claims above assume a split of 93% selecting the Choice plan and 7% selecting the Choice Plus Plan. These percentages will be reviewed with the next experience study.

Age	Male	Female
65	\$ 4,303	\$ 4,045
70	\$ 4,988	\$ 4,661
75	\$ 5,644	\$ 5,317
80	\$ 6,231	\$ 5,911
85	\$ 6,549	\$ 6,398
90	\$ 6,714	\$ 6,750

* Expected annual claims above assume a split of 65% selecting the Choice plan and 35% selecting the Choice Plus Plan. These percentages will be reviewed with the next experience study.

Summary of Assumptions and Methods (continued)**Health Care Cost Trend Rates.**

Health care cost trend rates apply to expected claims, premiums and retiree contributions:

<u>Year</u>	<u>Pre-Medicare</u>	<u>Post-Medicare</u>
2026	7.000%	5.750%
2027	6.750%	5.625%
2028	6.500%	5.500%
2029	6.250%	5.375%
2030	6.000%	5.250%
2031	5.750%	5.125%
2032	5.500%	5.000%
2033	5.250%	4.875%
2034	5.000%	4.750%
2035	4.750%	4.625%
2036+	4.500%	4.500%

Census Data. The active, deferred vested and retire census were provided by the Fund.

Actuarial Cost Method. The entry age actuarial cost as a percentage of earnings was used.

Amortization Method. 30 years open, level dollar.

Assets. The valuation assumes CEABF or the County has not set aside any assets to prefund its retiree medical liabilities.

Retiree Drug Subsidy and Employer Group Waiver Plan. CEABF will no longer be receiving the Retiree Drug Subsidy due to their switch to an EGWP plan effective January 1, 2017. Per capita claims costs for fiscal year 2022 include approximately 28% savings due to drug rebates and EGWP subsidies.

IBNR. The calculations do not include any explicit amount for incurred but not reported claims (IBNR).

Miscellaneous. The valuation was prepared on an on-going plan basis. This assumption does not imply that an obligation to continue the plan actually exists.

COVID-19. The impact of the COVID-19 pandemic was considered in this valuation; however, no changes were incorporated at this time due to the level of uncertainty regarding the impact on both plan costs and contribution levels going forward. Given the uncertainty regarding COVID-19 (e.g., the impact of routine care being deferred, direct COVID-19 treatment and prevention costs, changes in contribution and budget projections), continued monitoring of the impact on the Plan's liability will be required.

Benefits Not Valued. On May 21, 2020, the Levin case was decided in the plaintiff's favor. As of the date of the report, a minimum number have enrolled in FPEABF and CEABF retiree health care plan as a result of the Levin case. Given the limited amount of elections, we have not included additional cost impact of the Levin case beyond those in the census data submitted for the valuation.

Description of Actuarial Methods

Actuarial Cost Method

Liabilities and contributions shown in this report are computed using the **Entry Age Actuarial Cost Method of funding**.

Sometimes called a “funding method,” this is a particular technique used by actuaries for establishing the amount and incidence of the annual actuarial cost of pension plan benefits, or normal cost, and the related unfunded actuarial accrued liability. Ordinarily the annual contribution to the plan is comprised of (1) the normal cost and (2) an amortization payment on the unfunded actuarial accrued liability.

Under the Entry Age Actuarial Cost Method, the **Normal Cost** is computed as the level percentage of pay which, if paid from the earliest time each Member would have been eligible to join the Plan if it then existed (thus, entry age) until his retirement or termination, would accumulate with interest at the rate assumed in the valuation to a fund sufficient to pay all benefits under the Plan.

The **Actuarial Accrued Liability** under this method at any point in time is the theoretical amount of funding that would have accumulated had annual contributions equal to the Normal Cost been made in prior years (it does not represent the liability for benefits accrued to the valuation date).

The **Unfunded Actuarial Accrued Liability** is the excess of the Actuarial Accrued Liability over the Actuarial Value of Plan Assets on hand on the valuation date. The Unfunded Actuarial Accrued Liability is amortized as a level dollar amount over an open 30-year period.

Under this method experience gains or losses, i.e., decreases or increases in accrued liabilities attributable to deviations in experience from the actuarial assumptions, adjust the Unfunded Actuarial Accrued Liability.

Glossary of Terms

<i>Actuarially determined contribution</i>	A target or recommended contribution to a defined benefit OPEB plan for the reporting period, determined in conformity with Actuarial Standards of Practice based on the most recent measurement available when the contribution for the reporting period was adopted.
<i>Actuarial present value of projected benefit payments</i>	Projected benefit payments discounted to reflect the expected effects of the time value (present value) of money and the probabilities of payment.
<i>Actuarial valuation</i>	The determination, as of a point in time (the actuarial valuation date), of the service cost, total OPEB liability, and related actuarial present value of projected benefit payments for OPEB performed in conformity with Actuarial Standards of Practice unless otherwise specified by the GASB.
<i>Actuarial valuation date</i>	The date as of which an actuarial valuation is performed.
<i>Ad hoc postemployment benefit changes</i>	Postemployment benefit changes that require a decision to grant by the authority responsible for making such decisions.
<i>Automatic hoc postemployment benefit changes</i>	Postemployment benefit changes that occur without a requirement for a decision to grant by a responsible authority.
<i>Covered-employee payroll</i>	The payroll for employees that are provided with OPEB through the OPEB plan.
<i>Discount rate</i>	The single rate of return that, when applied to all projected benefit payments, results in an actuarial present value of projected benefit payments equal to the total of the following: - The actuarial present value of benefit payments projected to be made in future periods in which (1) the amount of the OPEB plan's fiduciary net position is projected (under the requirements of this Statement) to be greater than the benefit payments that are projected to be made in that period and (2) OPEB plan assets up to that point are expected to be invested using a strategy to achieve the long-term expected rate of return, calculated using the long-term expected rate of return on OPEB plan investments. - The actuarial present value of projected benefit payments not included in (a), calculated using a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale).

Glossary of Terms (continued)

<i>Entry age actuarial cost method</i>	A method under which the actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis over the earnings or service of the individual between entry age and assumed exit age(s). The portion of this actuarial present value allocated to a valuation year is called the normal cost. The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future normal costs is called the Actuarial accrued liability.
<i>Healthcare cost trend rates</i>	The rates of change in per capita health claims costs over time as a result of factors such as medical inflation, utilization of healthcare services, plan design, and technological developments.
<i>Inactive employees</i>	Individuals no longer employed by an employer in the OPEB plan, or the beneficiaries of those individuals. Inactive employees include individuals who have accumulated benefits under the terms of an OPEB plan but are not yet receiving benefit payments.
<i>Measurement period</i>	The period between the prior and the current measurement dates.
<i>Net OPEB liability</i>	The liability of employers and non-employer contributing entities to employees for benefits provided through a defined benefit OPEB plan that meets the criteria in paragraph 4 of GASB Statement Nos. 74 and 75. Other postemployment benefits (OPEB) (such as death benefits, life insurance, disability, and long-term care) that are paid in the period after employment and that are provided separately from a pension plan, as well as healthcare benefits paid in the period after employment, regardless of the manner in which they are provided. OPEB does not include termination benefits or termination payments for sick leave.
<i>Projected benefit payments</i>	All benefits estimated to be payable through the OPEB plan (including amounts to be paid by employers or non-employer contributing entities as the benefits come due) to current active and inactive employees as a result of their past service and their expected future service.
<i>Real rate of return</i>	The rate of return on an investment after adjustment to eliminate inflation.
<i>Service costs</i>	The portions of the actuarial present value of projected benefit payments that are attributed to valuation years.
<i>Total OPEB liability</i>	The portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service.

Schedule of Active Member Valuation Data — Pension Benefits

Valuation Date	Number	Annual Payroll	Annual Average Pay	% Increase In Average Pay
12/31/16	20,969	1,580,251,254	75,361	3.5%
12/31/17	20,349	1,567,480,401	77,030	2.2%
12/31/18	19,671	1,533,721,507	77,969	1.2%
12/31/19	19,551	1,553,498,503	79,459	1.9%
12/31/20	19,102	1,532,744,306	80,240	1.0%
12/31/21	18,320	1,520,619,855	83,003	3.4%
12/31/22	18,107	1,577,093,973	87,099	4.9%
12/31/23	18,686	1,753,795,899	93,856	7.8%
12/31/24	19,370	1,858,124,989	95,928	2.2%
12/31/25	20,107	2,029,355,819	100,928	5.2%

Schedule of Retirees and Beneficiaries Added To and Removed From Rolls — Pension Benefits

Year Ended	Added-To-Rolls		Removed-From-Rolls		Rolls-End-of-Year		Average Annual Benefit	% Increase in Average Annual Benefit
	Number	Annual Benefits	Number	Annual Benefits	Number	Annual Benefits		
2016	968	\$ 58,252,392	656	\$ 18,067,979	17,909	\$ 695,177,149	\$ 38,817	4.3%
2017	902	57,971,733	594	16,538,820	18,217	736,610,062	40,435	4.2%
2018	1,109	68,372,858	724	22,268,886	18,602	782,714,034	42,077	4.1%
2019	1,223	78,654,100	682	20,981,568	19,143	840,386,566	43,900	4.3%
2020	1,142	78,187,840	843	29,427,349	19,442	889,147,057	45,733	4.2%
2021	1,210	87,049,235	796	29,293,796	19,856	946,902,496	47,688	4.3%
2022	1,058	77,347,913	776	30,070,309	20,138	994,180,100	49,368	3.5%
2023	1,061	81,481,737	695	27,549,042	20,504	1,048,112,795	51,117	3.5%
2024	1,039	84,911,617	803	32,096,577	20,740	1,100,927,835	53,082	3.8%
2025	919	79,659,029	752	31,804,166	20,907	1,148,782,698	54,947	3.5%

Schedule of Retirees and Beneficiaries Added To and Removed From Rolls — Postemployment Healthcare

Year Ended	Added-To-Rolls		Removed-From-Rolls		Rolls-End-of-Year		Average Annual Benefit	% Increase in Average Annual Benefit
	Number	Annual Benefits	Number	Annual Benefits	Number	Annual Benefits		
2016	570	\$ 989,701	399	\$ 1,962,607	8,954	\$ 53,656,038	\$ 5,992	-3.7%
2017	540	(3,945,464)*	497	2,255,953	8,997	47,454,621	5,275	-12.0%
2018	567	(6,942,823)*	479	2,200,829	9,085	38,310,969	4,217	-20.1%
2019	591	1,748,045	466	1,821,842	9,210	38,310,969	4,152	-1.5%
2020	602	7,791,538	614	2,598,265	9,198	43,430,445	4,722	13.7%
2021	521	(6,615,309)*	622	2,585,131	9,097	34,230,005	3,763	-20.3%
2022	398	12,542,000	562	2,479,362	8,933	44,292,643	4,958	31.8%
2023	384	5,567,847	512	2,661,879	8,805	47,198,611	5,360	8.1%
2024	339	(218,974)*	503	2,345,509	8,641	44,634,128	5,165	-3.6%
2025	316	2,172,435	440	2,327,292	8,517	44,479,271	5,222	1.1%

*Employer contribution decreased, resulting in reduction of employer paid benefits from the level in prior years.

Solvency Test — Pension Benefits

Fiscal Year	Accrued Liabilities For				Percent of Accrued Liabilities Covered By Assets		
	(1) Active and Inactive Member Accumulated Contributions	(2) Member Currently Receiving Benefits	(3) Active and Inactive Member Employer Portion	Actuarial Value of Assets	(1)	(2)	(3)
2016	\$ 1,967,965,799	\$ 8,305,339,574	\$ 5,183,468,612	\$ 9,488,223,349	100%	91%	0%
2017	2,001,714,112	8,583,373,041	5,086,669,289	10,148,203,834	100%	95%	0%
2018	2,020,570,657	9,050,032,658	5,243,785,732	10,512,756,514	100%	94%	0%
2019	2,016,337,278	9,685,006,939	5,239,863,351	10,983,364,279	100%	93%	0%
2020	2,013,381,600	10,188,823,794	5,207,821,567	11,765,568,459	100%	96%	0%
2021	1,992,402,320	11,218,670,299	4,927,585,898	12,822,498,767	100%	97%	0%
2022	2,005,650,627	11,699,125,921	5,069,270,575	13,179,038,012	100%	96%	0%
2023	2,022,047,893	12,235,952,263	5,348,390,903	13,632,225,917	100%	95%	0%
2024	2,050,054,324	12,772,372,797	5,356,704,374	14,014,063,208	100%	94%	0%
2025	2,113,995,898	13,234,847,192	5,718,101,877	14,513,378,452	100%	94%	0%

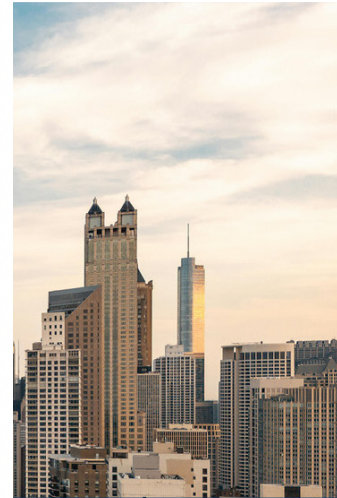
Solvency Test — Postemployment Healthcare

Fiscal Year	Accrued Liabilities For				Percent of Accrued Liabilities Covered By Assets		
	(1) Active and Inactive Member Accumulated Contributions	(2) Member Currently Receiving Benefits	(3) Active and Inactive Member Employer Portion	Actuarial Value of Assets	(1)	(2)	(3)
2016	\$ —	\$ 825,328,625	\$ 1,132,476,063	\$ —	0%	0%	0%
2017	—	811,486,860	1,075,129,583	—	0%	0%	0%
2018	—	701,048,505	833,005,063	—	0%	0%	0%
2019	—	898,168,059	1,002,821,312	—	0%	0%	0%
2020	—	1,008,020,323	1,097,134,196	—	0%	0%	0%
2021	—	993,469,986	984,592,405	—	0%	0%	0%
2022	—	868,954,905	792,245,265	—	0%	0%	0%
2023	—	921,697,451	878,429,954	—	0%	0%	0%
2024	—	799,866,831	760,830,063	—	0%	0%	0%
2025	—	656,412,119	400,596,313	—	0%	0%	0%

Fiscal Year	Active and Inactive Member Accumulated Contributions	(2) Member Currently Receiving Benefits	Active and Inactive Member Employer Portion	Actuarial Value of Assets	(1)	(2)	(3)
2016	\$ 1,967,965,799	\$ 8,305,339,574	\$ 5,183,468,612	\$ 9,488,223,349	100%	91%	0%
2017	2,001,714,112	8,583,373,041	5,086,669,289	10,148,203,834	100%	95%	0%
2018	2,020,570,657	9,050,032,658	5,243,785,732	10,512,756,514	100%	94%	0%
2019	2,016,337,278	9,685,006,939	5,239,863,351	10,983,364,279	100%	93%	0%
2020	2,013,381,600	10,198,823,794	5,207,821,567	11,765,568,459	100%	96%	0%
2021	1,992,402,320	11,218,670,299	4,927,585,898	12,822,498,767	100%	97%	0%
2022	2,005,650,627	11,699,125,921	5,069,270,575	13,179,088,012	100%	96%	0%
2023	2,022,047,893	12,235,952,263	5,348,390,903	13,632,225,917	100%	95%	0%
2024	2,050,054,324	12,772,372,797	5,356,704,374	14,014,063,208	100%	94%	0%
2025	2,113,995,898	13,234,847,192	5,718,101,877	14,513,378,452	100%	94%	0%

Solvency Test — Postemployment Healthcare

Accrued Liabilities For					Percent of Accrued Liabilities Covered By Assets		
Fiscal Year	(1) Active and Inactive Member Accumulated Contributions	(2) Member Currently Receiving Benefits	(3) Active and Inactive Member Employer Portion	Actuarial Value of Assets	(1)	(2)	(3)
2016	\$ —	\$ 825,328,625	\$ 1,132,476,063	\$ —	0%	0%	0%
2017	—	811,486,860	1,075,129,583	—	0%	0%	0%
2018	—	701,048,505	833,005,063	—	0%	0%	0%
2019	—	898,168,059	1,002,821,312	—	0%	0%	0%
2020	—	1,068,020,323	1,097,134,196	—	0%	0%	0%
2021	—	993,469,986	984,592,405	—	0%	0%	0%
2022	—	868,954,905	792,245,265	—	0%	0%	0%



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This section contains additional schedules that are designed to supplement the information in the Annual Comprehensive Financial Report:

Statements of Changes in Plan Net Position — Pension and Postemployment Healthcare provide details on the specific sources and uses of funds.

Schedules of Retired Members by Benefit Type — Pension and Postemployment Healthcare provide details on the monthly pension amounts for retirement and survivor members, including those with postemployment healthcare.

Schedules of Average Benefit Payments — Pension Benefits and Postemployment Healthcare provide details on years of credited service, average monthly pension, average monthly final average salary, and the number of new retirees, including those with postemployment healthcare.

Schedule of Principal Participating Employers — Pension Benefits and Postemployment Healthcare provides details on employers who participate in the Plan.

Additional Schedules Required by Employer provide details on historical financial, investment and actuarial performance.

For year ended December 31, 2025, with comparative totals for 9 years

	2025	2024	2023	2022	2021
Additions:					
Employer contributions	\$ 513,532,413	\$ 492,910,023	\$ 425,540,815	\$ 480,941,192	\$ 507,070,170
Employee contributions	168,255,206	161,066,018	148,019,071	136,293,311	133,368,302
Net investment and net securities lending income (loss)	2,015,004,114	1,188,715,858	1,428,290,720	(1,867,355,079)	1,960,919,641
Other	4,998,292	5,315,756	5,365,993	4,946,481	4,509,801
Total additions	2,701,790,025	1,848,007,655	2,007,216,599	(1,245,174,095)	2,605,867,914
Deductions:					
Benefits					
Retirement	1,028,375,082	985,067,735	938,356,485	892,501,083	849,658,684
Survivors	89,629,781	84,429,422	79,671,785	74,497,309	69,428,345
Disability	9,670,409	10,444,688	11,819,117	12,316,890	12,734,198
Refunds					
Death	4,095,822	4,326,324	3,907,026	4,407,282	6,463,295
Separation	15,105,511	15,712,424	19,735,701	17,861,810	16,308,816
Other	11,228,453	13,097,763	13,410,250	11,319,098	14,207,640
Net administrative and miscellaneous expenses	6,286,144	4,792,736	4,869,256	4,720,167	5,149,812
Total deductions	1,164,391,202	1,117,871,092	1,071,769,620	1,017,623,639	973,950,790
Net increase (decrease)	1,537,398,823	730,136,563	935,446,979	(2,262,797,734)	1,631,917,124
Net Position:					
Beginning of period	13,684,313,370	12,954,176,807	12,018,729,828	14,281,527,562	12,649,610,438
End of period	<u>\$ 15,221,712,193</u>	<u>\$ 13,684,313,370</u>	<u>\$ 12,954,176,807</u>	<u>\$ 12,018,729,828</u>	<u>\$ 14,281,527,562</u>

For year ended December 31, 2025, with comparative totals for 9 years (continued)

	2020	2019	2018	2017	2016
Additions:					
Employer contributions	\$ 465,778,715	\$ 488,003,692	\$ 549,437,252	\$ 511,750,985	\$ 414,703,155
Employee contributions	134,157,866	134,837,512	134,159,171	138,826,184	139,355,592
Net investment and net securities lending income (loss)	1,465,457,845	1,865,645,039	(424,787,945)	1,399,625,874	629,442,470
Other	4,469,465	6,275,804	5,860,613	5,359,418	4,046,158
Total additions	2,069,863,891	2,494,762,047	264,669,091	2,055,562,461	1,187,547,375
Deductions:					
Benefits					
Retirement	799,105,038	751,788,339	704,246,643	661,594,080	624,231,419
Survivors	64,617,964	60,115,798	55,983,104	51,874,102	47,919,324
Disability	10,783,752	11,091,076	11,502,437	11,467,308	10,707,260
Refunds					
Death	4,151,318	4,884,365	3,961,280	4,511,674	2,792,846
Separation	12,737,441	17,610,985	16,909,520	16,792,901	13,967,392
Other	14,101,892	15,250,601	12,791,721	11,690,790	9,941,984
Net administrative and miscellaneous expenses	5,715,268	5,085,445	5,134,047	5,406,033	5,373,555
Total deductions	911,212,673	865,826,609	810,528,752	763,336,888	714,933,780
Net increase (decrease)	1,158,651,218	1,628,935,438	(545,859,661)	1,292,225,573	472,613,595
Net Position:					
Beginning of period	11,490,959,220	9,862,023,782	10,407,883,443	9,115,657,870	8,643,044,275
End of period	<u>\$ 12,649,610,438</u>	<u>\$ 11,490,959,220</u>	<u>\$ 9,862,023,782</u>	<u>\$ 10,407,883,443</u>	<u>\$ 9,115,657,870</u>

For year ended December 31, 2025, with comparative totals for 9 years

	2025	2024	2023	2022	2021
Additions:					
Employer contributions	\$ 44,479,271	\$ 44,634,128	\$ 47,198,611	\$ 44,292,643	\$ 34,230,005
Annuitant healthcare benefits contributions*	—	—	—	—	—
Other	64,381,590	53,819,836	43,484,703	37,960,563	35,052,874
Total additions	108,860,861	98,453,964	90,683,314	82,253,206	69,282,879
Deductions:					
Healthcare Benefits	108,860,861	98,453,964	90,683,314	82,253,206	69,282,879
Net increase (decrease)	—	—	—	—	—
Net Position:					
Beginning of period	—	—	—	—	—
End of period	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

*Beginning 2017, the annuitants Healthcare contribution is netted against Healthcare benefits expense.

For year ended December 31, 2025, with comparative totals for 9 years (continued)

	2020	2019	2018	2017	2016
Additions:					
Employer contributions	\$ 43,430,445	\$ 38,237,172	\$ 38,310,969	\$ 47,454,641	\$ 49,565,249
Annuitant healthcare benefits contributions	—	—	—	—	41,650,333
Other	32,200,095	28,882,910	21,618,592	17,962,395	9,973,182
Total additions	75,630,540	67,120,082	59,929,561	65,417,036	101,188,764
Deductions:					
Healthcare Benefits	75,630,540	67,120,082	59,929,561	65,417,036	101,188,764
Net increase (decrease)	—	—	—	—	—
Net Position:					
Beginning of period	—	—	—	—	—
End of period	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

. *Beginning 2017, the annuitants Healthcare contribution is netted against Healthcare benefits expense.

As of December 31, 2025

Amount of Monthly Pension Benefit				Number of Recipients	Type of Pension Benefit		Benefit Payment Form		
					1	2	1	2	3
\$	1	—	500	1,165	819	346	722	420	23
	501	—	1,000	1,448	959	489	918	491	39
	1,001	—	1,500	1,251	833	418	844	405	2
	1,501	—	2,000	1,181	881	300	781	399	1
	2,001	—	2,500	1,116	864	252	695	421	0
	2,501	—	3,000	1,173	892	281	748	425	0
	3,001	—	3,500	1,285	1,068	217	799	486	0
	3,501	—	4,000	1,327	1,102	225	837	490	0
	4,001	—	4,500	1,292	1,117	175	827	465	0
	4,501	—	5,000	1,289	1,172	117	774	515	0
	5,001	—	5,500	1,148	1,032	116	656	492	0
	5,501	—	6,000	1,210	1,158	52	610	600	0
	6,001	—	6,500	1,153	1,107	46	554	599	0
	6,501	—	7,000	912	897	15	407	505	0
	7,001	—	7,500	732	717	15	296	436	0
	7,501	—	8,000	723	717	6	311	412	0
	8,001	—	8,500	621	614	7	218	403	0
	8,501	—	9,000	460	454	6	195	265	0
	9,001	—	9,500	306	300	6	125	181	0
	9,501	—	10,000	247	246	1	97	150	0
	10,001	—	10,500	169	166	3	59	110	0
	10,501	—	11,000	135	135	0	45	90	0
	11,001	—	11,500	90	85	5	38	52	0
	11,501	—	12,000	48	48	0	14	34	0
	12,001	—	12,500	31	28	3	11	20	0
	12,501	—	13,000	36	34	2	11	25	0
	13,001	—	13,500	20	19	1	5	15	0
	13,501	—	14,000	16	15	1	2	14	0
	14,001	—	14,500	19	17	2	5	14	0
	14,501	—	15,000	18	16	2	5	13	0
	Over \$15,000		286	281	5	83	203	0	
Totals				20,907	17,793	3,114	11,692	9,150	65

Type of Pension Benefit

1. Regular Retirement
2. Survivor Payment

Form of Benefit

1. Whole Life Annuity
2. Joint and Contingent Annuity
3. Temporary Annuity

Schedule of Retired Members by Benefit Type — Postemployment Healthcare

STATISTICAL SECTION

As of December 31, 2025

Amount of Monthly Pension Benefit			Number of Recipients	Type of Pension Benefit		Benefit Payment Form			
				1	2	1	2	3	
\$	1	—	500	49	20	29	39	9	1
	501	—	1,000	129	49	80	102	27	0
	1,001	—	1,500	229	119	110	182	47	0
	1,501	—	2,000	279	192	87	212	67	0
	2,001	—	2,500	331	234	97	236	95	0
	2,501	—	3,000	424	309	115	307	117	0
	3,001	—	3,500	504	402	102	362	142	0
	3,501	—	4,000	541	441	100	380	161	0
	4,001	—	4,500	604	506	98	442	162	0
	4,501	—	5,000	685	613	72	483	202	0
	5,001	—	5,500	588	522	66	390	198	0
	5,501	—	6,000	613	582	31	386	227	0
	6,001	—	6,500	631	599	32	382	249	0
	6,501	—	7,000	527	517	10	281	246	0
	7,001	—	7,500	391	382	9	199	192	0
	7,501	—	8,000	405	401	4	229	176	0
	8,001	—	8,500	396	392	4	166	230	0
	8,501	—	9,000	279	275	4	156	123	0
	9,001	—	9,500	193	188	5	96	97	0
	9,501	—	10,000	162	161	1	78	84	0
	10,001	—	10,500	118	115	3	49	69	0
	10,501	—	11,000	85	85	0	36	49	0
	11,001	—	11,500	53	51	2	23	30	0
	11,501	—	12,000	30	30	0	11	19	0
	12,001	—	12,500	18	17	1	8	10	0
	12,501	—	13,000	26	25	1	8	18	0
	13,001	—	13,500	12	12	0	2	10	0
	13,501	—	14,000	11	10	1	2	9	0
	14,001	—	14,500	11	10	1	3	8	0
	14,501	—	15,000	12	11	1	3	9	0
	Over \$15,000		181	177	4	54	127	0	
Totals			8,517	7,447	1,070	5,307	3,209	1	

Type of Pension Benefit

1. Regular Retirement
2. Survivor Payment

Form of Benefit

1. Whole Life Annuity
2. Joint and Contingent Annuity
3. Temporary Annuity

Schedule of Average Benefit Payments — Pension Benefits Years of Credited Service

		0-4	5-9	10-14	15-19	20-24	25-29	30+
2016	Average Monthly Pension	\$ 466	\$ 1,255	\$ 2,105	\$ 2,838	\$ 3,683	\$ 4,772	\$ 4,977
	Average Monthly Final Average Salary	\$ 7,292	\$ 8,242	\$ 6,926	\$ 6,393	\$ 6,256	\$ 6,887	\$ 6,339
	Number of New Retirees	44	31	101	108	131	128	233
2017	Average Monthly Pension	\$ 431	\$ 1,315	\$ 2,133	\$ 2,875	\$ 3,796	\$ 4,577	\$ 5,106
	Average Monthly Final Average Salary	\$ 7,456	\$ 7,640	\$ 6,952	\$ 6,696	\$ 6,670	\$ 6,508	\$ 6,518
	Number of New Retirees	49	35	84	100	136	173	261
2018	Average Monthly Pension	\$ 524	\$ 1,151	\$ 2,236	\$ 2,813	\$ 3,701	\$ 4,561	\$ 5,028
	Average Monthly Final Average Salary	\$ 8,557	\$ 7,697	\$ 7,602	\$ 6,616	\$ 6,414	\$ 6,583	\$ 6,457
	Number of New Retirees	34	31	91	111	134	175	312
2019	Average Monthly Pension	\$ 482	\$ 1,424	\$ 2,266	\$ 2,961	\$ 3,639	\$ 4,846	\$ 5,379
	Average Monthly Final Average Salary	\$ 7,968	\$ 9,015	\$ 7,718	\$ 7,201	\$ 6,481	\$ 6,916	\$ 6,902
	Number of New Retirees	38	39	83	112	140	210	379
2020	Average Monthly Pension	\$ 571	\$ 1,451	\$ 2,022	\$ 2,888	\$ 3,921	\$ 5,024	\$ 5,278
	Average Monthly Final Average Salary	\$ 8,172	\$ 8,708	\$ 7,117	\$ 6,702	\$ 7,128	\$ 7,219	\$ 6,785
	Number of New Retirees	36	28	71	91	122	198	375
2021	Average Monthly Pension	\$ 619	\$ 1,486	\$ 2,311	\$ 2,917	\$ 3,859	\$ 5,319	\$ 5,549
	Average Monthly Final Average Salary	\$ 9,526	\$ 8,946	\$ 7,841	\$ 6,999	\$ 7,010	\$ 7,596	\$ 7,194
	Number of New Retirees	35	26	70	87	146	209	417
2022	Average Monthly Pension	\$ 600	\$ 1,469	\$ 2,313	\$ 2,919	\$ 3,965	\$ 5,704	\$ 5,692
	Average Monthly Final Average Salary	\$ 9,867	\$ 9,099	\$ 7,786	\$ 6,923	\$ 7,206	\$ 8,180	\$ 7,363
	Number of New Retirees	41	41	79	97	114	153	297
2023	Average Monthly Pension	\$ 660	\$ 1,613	\$ 2,089	\$ 3,101	\$ 4,397	\$ 5,466	\$ 5,692
	Average Monthly Final Average Salary	\$ 9,949	\$ 9,942	\$ 7,495	\$ 9,250	\$ 8,334	\$ 8,136	\$ 7,360
	Number of New Retirees	44	27	72	85	129	156	337
2024	Average Monthly Pension	\$ 599	\$ 1,204	\$ 1,855	\$ 2,868	\$ 4,422	\$ 5,897	\$ 6,145
	Average Monthly Final Average Salary	\$ 7,712	\$ 8,012	\$ 6,799	\$ 6,785	\$ 8,405	\$ 8,562	\$ 7,964
	Number of New Retirees	35	16	67	70	104	129	378
2025	Average Monthly Pension	\$ 755	\$ 1,714	\$ 2,337	\$ 3,214	\$ 4,348	\$ 5,305	\$ 6,234
	Average Monthly Final Average Salary	\$ 10,058	\$ 10,606	\$ 8,233	\$ 7,796	\$ 8,187	\$ 7,867	\$ 8,073
	Number of New Retirees	27	24	85	70	89	115	305

Schedule of Average Benefit Payments — Postemployment Healthcare Years of Credited Service

STATISTICAL SECTION

		0-4	5-9	10-14	15-19	20-24	25-29	30+
2016	Average Monthly Pension	\$ 257	\$ 1,148	\$ 2,236	\$ 3,009	\$ 3,860	\$ 5,242	\$ 4,893
	Average Monthly Final Average Salary	\$ 4,469	\$ 6,816	\$ 7,156	\$ 6,548	\$ 6,363	\$ 7,282	\$ 6,219
	Number of New Retirees	1	5	36	54	72	80	154
2017	Average Monthly Pension	\$ 0	\$ 1,693	\$ 2,013	\$ 2,873	\$ 4,136	\$ 4,729	\$ 5,047
	Average Monthly Final Average Salary	\$ 0	\$ 13,707	\$ 6,838	\$ 6,506	\$ 7,098	\$ 6,615	\$ 6,441
	Number of New Retirees	0	3	18	41	77	106	157
2018	Average Monthly Pension	\$ 0	\$ 1,247	\$ 2,543	\$ 3,098	\$ 3,813	\$ 4,941	\$ 4,967
	Average Monthly Final Average Salary	\$ 0	\$ 7,320	\$ 8,545	\$ 7,260	\$ 6,338	\$ 6,943	\$ 6,343
	Number of New Retirees	0	2	33	52	70	105	189
2019	Average Monthly Pension	\$ 0	\$ 1,268	\$ 2,302	\$ 3,753	\$ 3,762	\$ 5,010	\$ 5,482
	Average Monthly Final Average Salary	\$ 0	\$ 6,491	\$ 7,534	\$ 9,032	\$ 6,538	\$ 7,060	\$ 7,004
	Number of New Retirees	0	2	26	44	67	114	223
2020	Average Monthly Pension	\$ 464	\$ 2,362	\$ 2,282	\$ 3,172	\$ 4,085	\$ 5,109	\$ 5,289
	Average Monthly Final Average Salary	\$ 8,070	\$ 8,572	\$ 8,067	\$ 7,249	\$ 7,204	\$ 7,258	\$ 6,809
	Number of New Retirees	1	3	20	37	50	112	215
2021	Average Monthly Pension	\$ 0	\$ 2,149	\$ 2,250	\$ 2,957	\$ 3,995	\$ 5,349	\$ 5,646
	Average Monthly Final Average Salary	\$ 0	\$ 9,508	\$ 7,860	\$ 6,937	\$ 6,876	\$ 7,512	\$ 7,291
	Number of New Retirees	0	1	17	25	54	110	209
2022	Average Monthly Pension	\$ 527	\$ 1,435	\$ 1,924	\$ 3,404	\$ 4,189	\$ 6,188	\$ 5,930
	Average Monthly Final Average Salary	\$ 6,425	\$ 8,255	\$ 6,818	\$ 7,851	\$ 7,491	\$ 8,595	\$ 7,631
	Number of New Retirees	1	4	21	35	48	65	125
2023	Average Monthly Pension	\$ 0	\$ 1,536	\$ 2,024	\$ 3,315	\$ 5,308	\$ 6,457	\$ 5,903
	Average Monthly Final Average Salary	\$ 0	\$ 8,904	\$ 7,392	\$ 7,572	\$ 9,753	\$ 9,262	\$ 7,621
	Number of New Retirees	0	1	7	20	45	63	136
2024	Average Monthly Pension	\$ 1,003	\$ 635	\$ 1,821	\$ 3,826	\$ 4,986	\$ 6,218	\$ 6,194
	Average Monthly Final Average Salary	\$ 7,970	\$ 5,250	\$ 6,770	\$ 9,546	\$ 9,723	\$ 8,686	\$ 7,980
	Number of New Retirees	1	2	11	9	35	47	140
2025	Average Monthly Pension	\$ 0	\$ 1,728	\$ 1,925	\$ 3,710	\$ 5,614	\$ 5,547	\$ 6,451
	Average Monthly Final Average Salary	\$ 0	\$ 11,007	\$ 6,694	\$ 9,965	\$ 10,591	\$ 8,041	\$ 8,292
	Number of New Retirees	0	3	19	9	29	48	115

Schedule of Principal Participating Employers — Pension
Benefits and Postemployment Healthcare Combined

Participating Employer	As of December 31, 2025 and 2016			
	2025		2016	
	Covered Employees	Percentage of Total Covered Employees	Covered Employees	Percentage of Total Covered Employees
Cook County	20,077	99.85%	20,938	99.85%
County Employees' and Officers' Annuity and Benefit Fund of Cook County	30	0.15%	31	0.15%
Total	20,107	100.00%	20,969	100.00%

Schedule of Investment Rate of Return — Pension and Postemployment Healthcare Benefits Combined

Year Ended December 31,	Investment Rate of Return (Net of Fees)
2016	7.7%
2017	15.4%
2018	-3.8%
2019	19.1%
2020	12.7%
2021	17.2%
2022	-12.9%
2023	12.3%
2024	9.5%
2025	15.3%

Schedule of Actuarial Value of Assets vs. Fair Value of Assets — Pension and Postemployment Healthcare Benefits Combined

Year Ended December 31,	Actuarial Value of Assets	Fair Value of Assets	Actuarial Value as a Percentage of Fair Value
2016	\$ 9,488,223,349	\$ 9,115,657,870	104.1%
2017	10,148,203,834	10,407,883,443	97.5%
2018	10,512,756,514	9,862,023,782	106.6%
2019	10,983,364,279	11,490,959,220	95.6%
2020	11,765,568,459	12,649,610,438	93.0%
2021	12,822,498,767	14,281,527,562	89.8%
2022	13,179,038,012	12,018,729,828	109.7%
2023	13,632,225,917	12,954,176,807	105.2%
2024	14,014,063,208	13,684,313,370	102.4%
2025	14,513,378,452	15,221,712,193	95.3%

Schedule of Employer Contributions — Pension and Postemployment Healthcare Benefits Combined

Year Ended December 31,	Actuarially Required Contribution (ARC)	Contribution Requested	Actual Employer Contribution ¹	Percentage of ARC Contributed
2016	\$ 639,794,759	\$ 195,653,930*	\$ 464,268,404	72.6%
2017	696,007,249	208,226,206*	559,205,626	80.3%
2018	691,620,570	211,449,244*	587,748,221	85.0%
2019	643,433,440	209,506,965*	526,240,864	81.8%
2020	636,336,154	200,939,168*	509,209,160	80.0%
2021	650,512,479	201,879,823*	541,300,175	83.2%
2022	622,722,468	202,168,959*	525,233,835	84.3%
2023	570,091,669	201,065,759**	472,739,426	82.9%
2024	479,056,692	479,056,692**	537,544,151	112.2%
2025	516,958,851	516,958,851**	558,011,684	107.9%

¹. Includes supplemental employer contribution.

* Amount requested was tax levy

** Beginning in 2024: the employer's required annual contribution to the Fund is determined by the Fund's actuary pursuant to Public Act 103-0529

Schedule of Financial Condition — Pension and Postemployment Healthcare Benefits Combined

For year ended December 31, 2025, with comparative totals for 9 years					
	2025	2024	2023	2022	2021
Beginning Net Position (Fair Value)	\$ 13,684,313,370	\$ 12,954,176,807	\$ 12,018,729,828	\$ 14,281,527,562	\$ 12,649,610,438
Additions:					
Employer contributions	558,011,684	537,544,151	472,739,426	525,233,835	541,300,175
Employee contributions	168,255,206	161,066,018	148,019,071	136,293,311	133,368,302
Annuitant Health Benefit Contributions*	—	—	—	—	—
Net investment income (loss)	2,015,004,114	1,188,715,858	1,428,290,720	(1,867,355,079)	1,960,919,641
Other	69,379,882	59,135,592	48,850,696	42,907,044	39,562,675
Total additions	2,810,650,886	1,946,461,619	2,097,899,913	(1,162,920,889)	2,675,150,793
Deductions:					
Benefits	1,236,536,133	1,178,395,809	1,120,530,701	1,061,568,488	1,001,104,106
Refunds	30,429,786	33,136,511	37,052,977	33,588,190	36,979,751
Administrative Expenses	6,286,144	4,792,736	4,869,256	4,720,167	5,149,812
Total deductions	1,273,252,063	1,216,325,056	1,162,452,934	1,099,876,845	1,043,233,669
Ending Net Position (Fair Value)	\$ 15,221,712,193	\$ 13,684,313,370	\$ 12,954,176,807	\$ 12,018,729,828	\$ 14,281,527,562
Actuarial Value of Assets	\$ 14,513,378,452	\$ 14,014,063,208	\$ 13,632,225,917	\$ 13,179,038,012	\$ 12,822,498,767
Actuarial Accrued Liabilities (AAL)	21,882,843,491	21,256,700,917	20,686,306,724	19,829,273,857	19,091,357,820
Unfunded AAL (UAAL) (Fair Value)	6,661,131,298	7,572,387,547	7,732,129,917	7,810,544,029	4,809,830,258
Unfunded AAL (UAAL) (Actuarial Value)	7,369,465,039	7,242,637,709	7,054,080,807	6,650,235,845	6,268,859,053
Funded Ratio (Fair Value)	69.6%	64.4%	62.6%	60.6%	74.8%
Funded Ratio (Actuarial Value)	66.3%	65.9%	65.9%	66.5%	67.2%

* Beginning 2017, the annuitant's Healthcare contribution is netted against Healthcare benefits expense.

Schedule of Financial Condition — Pension and Postemployment Healthcare Benefits Combined (continued)

For year ended December 31, 2025, with comparative totals for 9 years					
	2020	2019	2018	2017	2016
Beginning Net Position (Fair Value)	\$ 11,490,959,220	\$ 9,862,023,782	\$ 10,407,883,443	\$ 9,115,657,870	\$ 8,643,044,275
Additions:					
Employer contributions	509,209,160	526,240,864	587,748,221	559,205,626	464,268,404
Employee contributions	134,157,866	134,837,512	134,159,171	138,826,184	139,355,592
Annuitant Health Benefit Contributions*	—	—	—	—	41,650,333
Net investment income (loss)	1,465,457,845	1,865,645,039	(424,787,945)	1,399,625,874	629,442,470
Other	36,669,560	35,158,714	27,479,205	23,321,813	14,019,340
Total additions	2,145,494,431	2,561,882,129	324,598,652	2,120,979,497	1,288,736,139
Deductions:					
Benefits	950,137,294	890,115,295	831,661,745	790,352,526	784,046,767
Refunds	30,990,651	37,745,951	33,662,521	32,995,364	26,702,222
Administrative Expenses	5,715,268	5,085,445	5,134,047	5,406,034	5,373,555
Total deductions	986,843,213	932,946,691	870,458,313	828,753,924	816,122,544
Ending Net Position (Fair Value)	\$ 12,649,610,438	\$ 11,490,959,220	\$ 9,862,023,782	\$ 10,407,883,443	\$ 9,115,657,870
Actuarial Value of Assets	\$ 11,765,568,459	\$ 10,983,364,279	\$ 10,512,756,514	\$ 10,148,203,834	\$ 9,488,223,349
Actuarial Accrued Liabilities (AAL)	18,421,022,810	17,949,663,806	17,303,773,833	16,889,499,662	16,726,457,108
Unfunded AAL (UAAL) (Fair Value)	5,771,412,372	6,458,704,586	7,441,750,051	6,481,616,219	7,610,799,238
Unfunded AAL (UAAL) (Actuarial Value)	6,655,454,351	6,966,299,527	6,791,017,319	6,741,295,828	7,238,233,759
Funded Ratio (Fair Value)	68.7%	64.0%	57.0%	61.6%	54.5%
Funded Ratio (Actuarial Value)	63.9%	61.2%	60.8%	60.1%	56.7%

* Beginning 2017, the annuitant's Healthcare contribution is netted against Healthcare benefits expense.

Schedule of Funding Progress — Pension and Postemployment Healthcare Benefits

Year Ended December 31,	Actuarial Accrued Liabilities (AAL)*	Actuarial Value of Assets	Fair Value of Net Position	Unfunded AAL (UAAL) (Actuarial Value)	Unfunded AAL (UAAL) (Fair Value)
2016	\$ 16,726,457,108	\$ 9,488,223,349	\$ 9,115,657,870	\$ 7,238,233,759	\$ 7,610,799,238
2017	16,889,499,662	10,148,203,834	10,407,883,443	6,741,295,828	6,481,616,219
2018	17,303,773,833	10,512,756,514	9,862,023,782	6,791,017,319	7,441,750,051
2019	17,949,663,806	10,983,364,279	11,490,959,220	6,966,299,527	6,458,704,586
2020	18,421,022,810	11,765,568,459	12,649,610,438	6,655,454,351	5,771,412,372
2021	19,091,357,820	12,822,498,767	14,281,527,562	6,268,859,053	4,809,830,258
2022	19,829,273,857	13,179,038,012	12,018,729,828	6,650,235,845	7,810,544,029
2023	20,686,306,724	13,632,225,917	12,954,176,807	7,054,080,807	7,732,129,917
2024	21,256,700,917	14,014,063,208	13,684,313,370	7,242,637,709	7,572,387,547
2025	21,882,843,491	14,513,378,452	15,221,712,193	7,369,465,039	6,661,131,298

Schedule of Funding Progress — Pension Benefits

Year Ended December 31,	Actuarial Accrued Liabilities (AAL)*	Actuarial Value of Assets	Fair Value of Net Position	Unfunded AAL (UAAL) (Actuarial Value)	Unfunded AAL (UAAL) (Fair Value)
2016	\$ 15,456,773,985	\$ 9,488,223,349	\$ 9,115,657,870	\$ 5,968,550,636	\$ 6,341,116,115
2017	15,671,756,443	10,148,203,834	10,407,883,443	5,523,552,609	5,263,873,000
2018	16,314,389,047	10,512,756,514	9,862,023,782	5,801,632,533	6,452,365,265
2019	16,941,207,568	10,983,364,279	11,490,959,220	5,957,843,289	5,450,248,348
2020	17,410,026,961	11,765,568,459	12,649,610,438	5,644,458,502	4,760,416,523
2021	18,138,658,517	12,822,498,767	14,281,527,562	5,316,159,750	3,857,130,955
2022	18,774,047,123	13,179,038,012	12,018,729,828	5,595,009,111	6,755,317,295
2023	19,606,391,059	13,632,225,917	12,954,176,807	5,974,165,142	6,652,214,252
2024	20,179,131,495	14,014,063,208	13,684,313,370	6,165,068,287	6,494,818,125
2025	21,066,944,967	14,513,378,452	15,221,712,193	6,553,566,515	5,845,232,774

* These amounts are determined using the assumed discount rate for the actuarial funding calculations. These discount rates differ from the GASB accounting rates assumptions utilized in the AAL detailed in the OPEB tables on pages 160 and 161.

Schedule of Funding Progress—Pension and Postemployment Healthcare Benefits (continued)

Unfunded AAL (UAAL) (Fair Value)	Funded Ratio (Actuarial Value)	Funded Ratio (Fair Value)	Covered Payroll	UAAL as a Percentage of Covered Payroll (Actuarial Value)	UAAL as a Percentage of Covered Payroll (Fair Value)
\$ 7,610,799,238	56.7%	54.5%	\$ 1,580,251,254	460.5%	481.6%
6,481,616,219	60.1%	61.6%	1,567,480,401	458.0%	413.5%
7,441,750,051	60.8%	57.0%	1,533,721,507	430.1%	485.2%
6,458,704,586	61.2%	64.0%	1,553,498,503	442.8%	415.8%
5,771,412,372	63.9%	68.7%	1,532,744,306	448.4%	376.5%
4,809,830,258	67.2%	74.8%	1,520,619,855	434.2%	316.3%
7,810,544,029	66.5%	60.6%	1,577,093,973	421.7%	495.2%
7,732,129,917	65.9%	62.6%	1,753,795,899	402.2%	440.9%
7,572,387,547	65.9%	64.4%	1,858,124,989	389.8%	407.5%
6,661,131,298	66.3%	69.6%	2,029,355,819	363.1%	328.2%

Schedule of Funding Progress — Pension Benefits (continued)

Unfunded AAL (UAAL) (Fair Value)	Funded Ratio (Actuarial Value)	Funded Ratio (Fair Value)	Covered Payroll	UAAL as a Percentage of Covered Payroll (Actuarial Value)	UAAL as a Percentage of Covered Payroll (Fair Value)
\$ 6,341,116,115	61.4%	57.9%	\$ 1,580,251,254	378.1%	400.2%
5,263,873,000	64.8%	59.0%	1,567,480,401	377.7%	401.3%
6,452,365,265	64.4%	66.4%	1,533,721,507	352.4%	335.8%
5,450,248,348	64.8%	60.4%	1,553,498,503	378.3%	420.7%
4,760,416,523	67.6%	67.8%	1,532,744,306	383.5%	350.8%
3,857,130,955	70.7%	72.7%	1,520,619,855	368.3%	253.7%
6,755,317,295	70.2%	64.0%	1,577,093,973	354.8%	428.3%
6,652,214,252	69.5%	66.1%	1,753,795,899	340.6%	379.3%
6,494,818,125	69.4%	67.8%	1,858,124,989	331.8%	349.5%
5,845,232,774	68.9%	72.3%	2,029,355,819	322.9%	288.0%

Schedule of Funding Progress — Postemployment Healthcare

Year Ended December 31,	Actuarial Accrued Liabilities (AAL)	Actuarial Value of Assets	Fair Value of Net Position	Unfunded AAL (UAAL) (Actuarial Value)
2016	\$ 1,957,804,688	\$ —	\$ —	\$ 1,957,804,688
2017	1,886,616,443	—	—	1,886,616,443
2018	1,534,053,569	—	—	1,534,053,569
2019	1,900,989,370	—	—	1,900,989,370
2020	2,105,154,520	—	—	2,105,154,520
2021	1,978,062,391	—	—	1,978,062,391
2022	1,661,200,170	—	—	1,661,200,170
2023	1,800,127,404	—	—	1,800,127,404
2024	1,560,696,894	—	—	1,560,696,894
2025	1,057,008,432	—	—	1,057,008,432

Schedule of Funding Progress — Postemployment Healthcare (continued)

Unfunded AAL (UAAL) (Fair Value)	Funded Ratio (Actuarial Value)	Funded Ratio (Fair Value)	Covered Payroll	UAAL as a Percentage of Covered Payroll (Actuarial Value)	UAAL as a Percentage of Covered Payroll (Fair Value)
\$ 1,957,804,688	0.0%	0.0%	\$ 1,609,559,234	133.6%	133.6%
1,886,616,443	0.0%	0.0%	1,602,986,483	121.6%	121.6%
1,534,053,569	0.0%	0.0%	1,576,658,158	117.7%	117.7%
1,900,989,370	0.0%	0.0%	1,603,347,918	97.3%	97.3%
2,105,154,520	0.0%	0.0%	1,583,198,305	118.6%	118.6%
1,978,062,391	0.0%	0.0%	1,572,958,479	125.8%	125.8%
1,661,200,170	0.0%	0.0%	1,632,797,650	101.7%	101.7%
1,800,127,404	0.0%	0.0%	1,806,600,924	99.6%	99.6%
1,560,696,894	0.0%	0.0%	1,916,226,538	81.4%	81.4%
1,057,008,432	0.0%	0.0%	2,101,368,787	50.3%	50.3%

Schedule of Components of Change in Unfunded Actuarial Accrued Liability — Pension Benefits and Postemployment Healthcare Combined

Year Ended December 31,	Salary Increase Higher / (Lower) than Assumed	Investment Returns (Higher) / Lower than Assumed	Employer Contributions Higher / (Lower) than Normal Cost Plus Interest	Legislative Amendments
2016	\$ 2,613,304	\$ 14,518,350	\$ 196,813,036	\$ —
2017	(78,486,650)	(59,718,736)	93,692,715	—
2018	(144,455,926)	245,808,320	13,181,699	—
2019	(21,547,203)	46,426,889	48,781,707	—
2020	(48,554,330)	(303,644,048)	49,252,170	—
2021	(11,456,711)	(544,646,786)	(13,806,126)	—
2022	152,634,570	131,986,606	(61,174,836)	—
2023	278,393,953	(40,456,773)	13,087,786	—
2024	32,988,928	98,060,412	(26,185,171)	—
2025	215,954,019	(12,369,574)	(40,523,683)	—

Schedule of Components of Change in Unfunded Actuarial Accrued Liability — Pension Benefits and Postemployment Healthcare Combined (continued)

Year Ended December 31,	Changes in Actuarial Assumptions	Plan Changes	Other Sources ⁽¹⁾	Total Change in Unfunded Liability
2016	\$ —	\$ —	\$ (216,877,547)	\$ (2,932,857)
2017	(323,327,660)	(50,292,826)	(78,804,774)	(496,937,931)
2018	(24,987,447)	(164,731,446)	124,906,290	49,721,490
2019	10,343,906	(49,424,951)	140,701,859	175,282,207
2020	—	(38,192,819)	30,293,851	(310,845,176)
2021	197,695,368	69,352,100	(83,733,143)	(386,595,298)
2022	34,286,546	—	123,643,906	381,376,792
2023	11,628,110	42,864,033	98,327,853	403,844,962
2024	11,934,769	—	71,757,964	188,556,902
2025	(80,902,145)	19,118,826	25,549,887	126,827,330

⁽¹⁾ Includes but is not limited to health insurance, optional retirement experience and death, retirement and withdrawal experience.



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