Classic Values, Innovative Advice

TriMet Defined Benefit Retirement Plan for Management and Staff Employees

Actuarial Valuation Report as of June 30, 2025

Produced by Cheiron

September 2025

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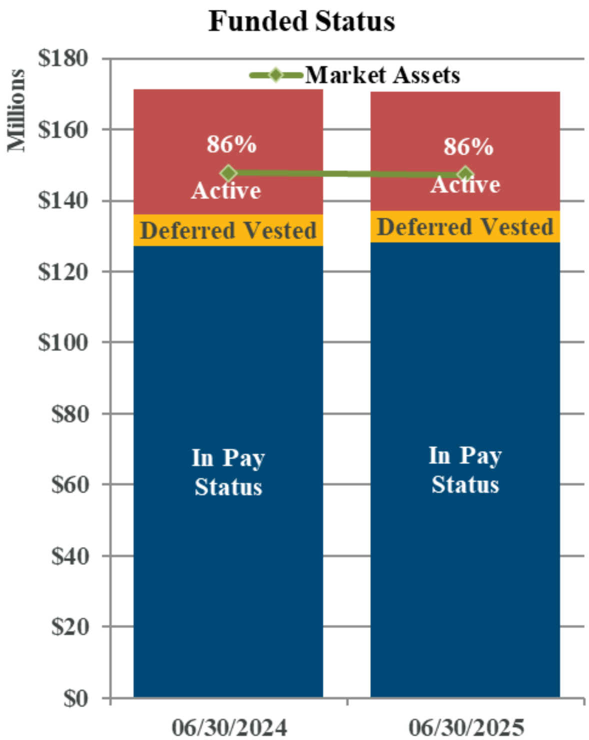
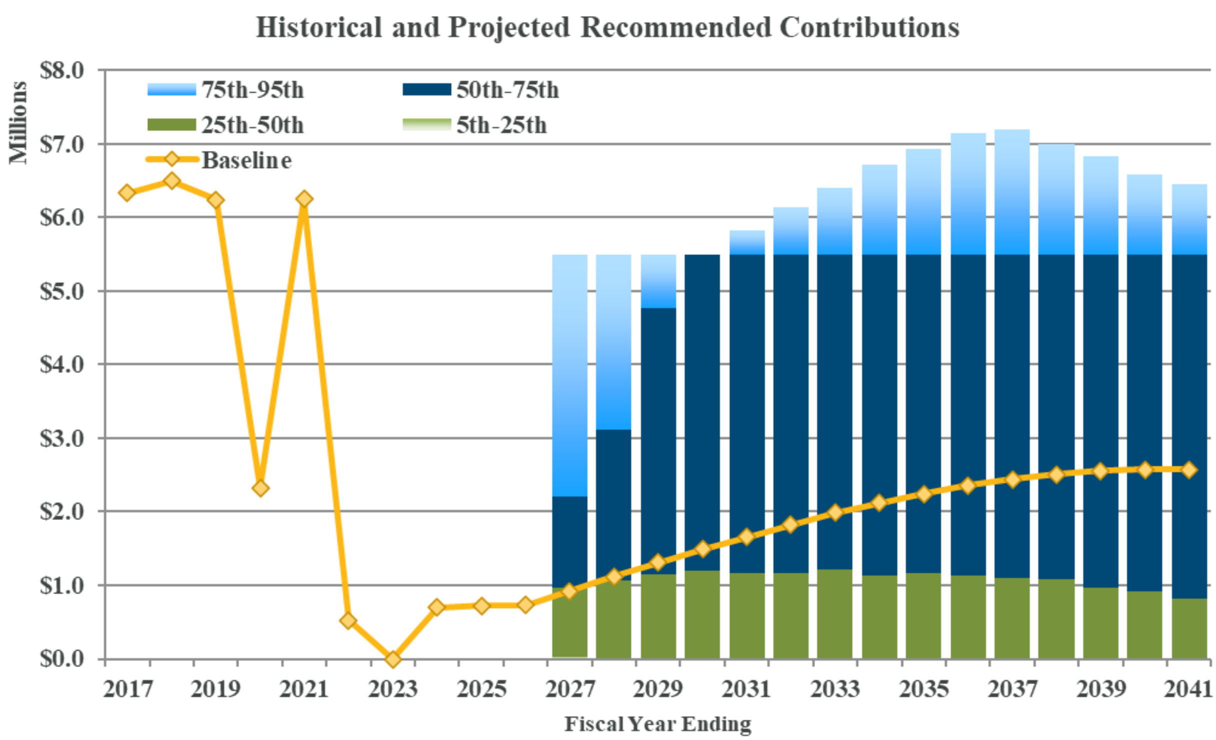




SECTION I – BOARD SUMMARY

Funded Status

The chart in the upper left corner of the dashboard on the prior page shows the assets, Actuarial Liability, and funded status for the current and prior valuations. These measures are to assess funding progress in a budgeting context. They are not appropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the plan's benefit obligations. For many pension plans, the liability measures for financial reporting under GASB 67 and 68 are different, but they are the same for TriMet.

The bars represent the Actuarial Liability (or Total Pension Liability), which is used as a funding target and is separated between the liability for members currently receiving benefits (dark blue), inactive members entitled to future benefits (gold), and active members (red). About 75% of the liability is for members currently receiving benefits. The green line shows the Market Value of Assets (or Fiduciary Net Position). The percentage at the top of the bar represents the funded status, which decreased slightly from 86.4% to 86.3%.

Table I-1 below summarizes the Actuarial Liability, assets, and funded status as of June 30, 2024 and 2025.

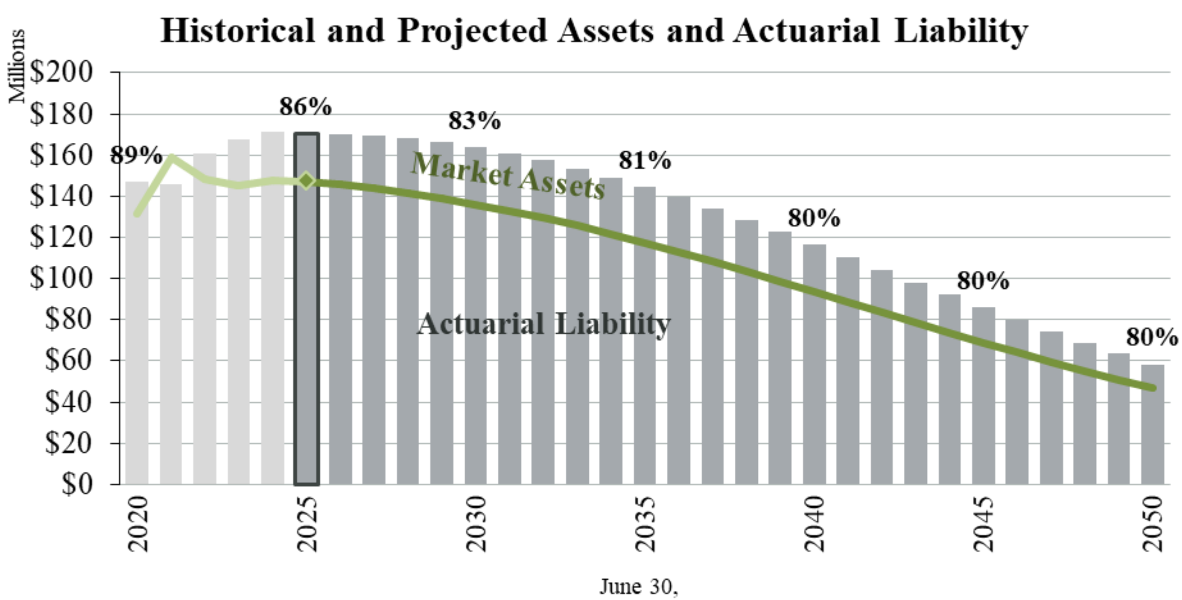
Table I-1

Summary of Funded Status	June 30, 2025	June 30, 2024	% Change
Actuarial Liability			
Actives	$ 33,444,107	$ 35,103,395	-4.7%
Deferred Vested	8,915,299	8,926,904	-0.1%
In Pay Status	128,284,119	127,102,435	0.9%
Total	$ 170,643,525	$ 171,132,734	-0.3%
Market Value of Assets	$ 147,237,295	$ 147,813,867	-0.4%
Unfunded Actuarial Liability	$ 23,406,230	$ 23,318,867	0.4%
Funding Ratio	86.3%	86.4%	-0.1%

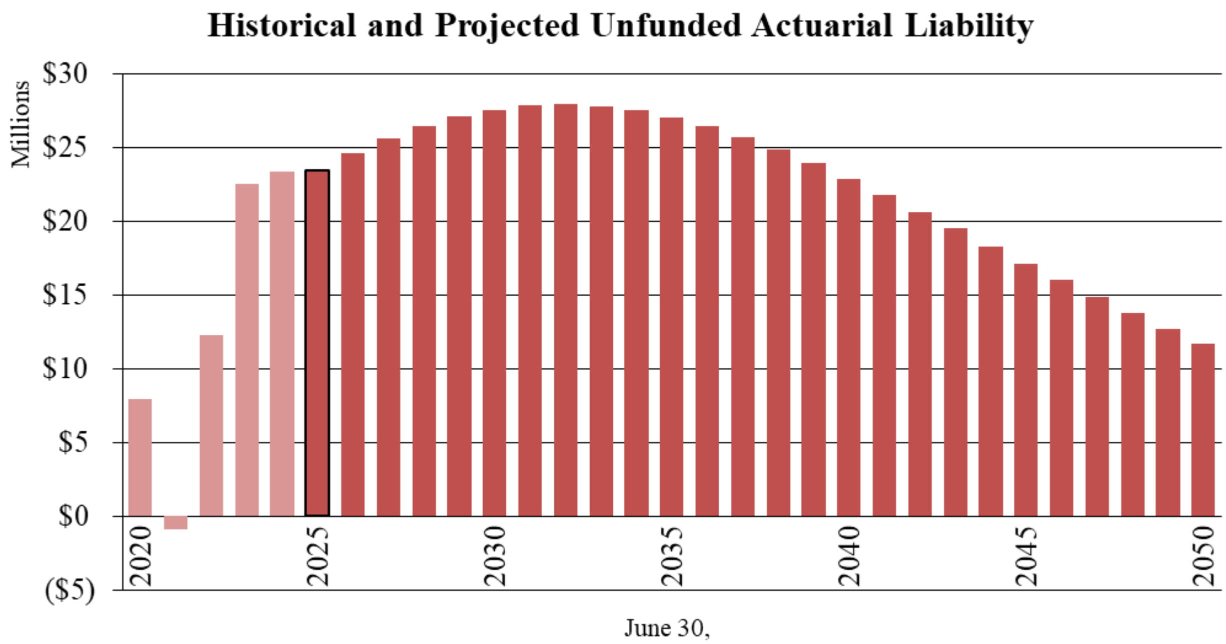
The Actuarial Liability represents the target amount of assets the Plan should have in the trust as of the valuation date based on the actuarial cost method. In aggregate, the Actuarial Liability decreased by 0.3%, primarily reflecting larger-than-expected salary and COLA increases as well as mortality and retirement losses. The Market Value of Assets decreased by 0.4% due to benefit payments and expenses more than offsetting investment returns and contributions. As a result, the Unfunded Actuarial Liability (UAL) increased from approximately $23.3 million to $23.4 million, and the funding ratio decreased slightly from 86.4% to 86.3%.

SECTION I – BOARD SUMMARY

Because the Plan has been closed to new entrants since April 27, 2003, and the Actuarial Liability is projected to begin declining as benefits are paid out, the Plan's funding policy differs significantly from what would be used for an ongoing pension plan. The funding policy adopted by the trustees seeks to maintain a well-funded pension plan without developing a surplus that could not be used efficiently until all benefits have been paid. The Recommended contributions under the funding policy will cause the funded ratio to converge to 80% and maintain that funded percentage level as benefits are paid out. The chart below shows the historical and projected trends for assets versus Actuarial Liability, assuming TriMet contributes the Recommended contribution and all other assumptions are met. The historical Actuarial Liability is in light gray, while the projected Actuarial Liability is in darker gray. The Actuarial Liability is projected to decline after reaching its peak in 2024, and the funded ratio, shown at the top of the bars, is expected to decrease gradually until it reaches 80%.



With the funded ratio gradually declining, the UAL is expected to increase in the short term. As shown in the chart on the next page, however, as the Actuarial Liability also declines, the UAL is expected to begin declining in 2033 even as the funded ratio continues to decrease to 80%. Once the funded ratio reaches 80%, the Recommended contribution includes a component to pay the unfunded portion of benefit payments during the year, so the funded ratio will be maintained, and the UAL will decline each year if all assumptions are met. After 25 years, the UAL is expected to decrease to about $12 million from the current $23 million.



Section IV of this report provides more detail on the assets, and Section V provides more detail on the liability measures.

Contributions and Pension Expense

Under the funding policy, three different Actuarially Determined Contributions (ADCs) are calculated in each actuarial valuation: the Minimum, the Maximum, and the Recommended contributions. As long as the plan remains above 80% funded, the Minimum contribution is $0. While the Plan's funded ratio is between 80% and 90%, the Maximum contribution is the amount needed to maintain the funded ratio if all assumptions are met. The Recommended contribution is a blend between the Minimum and Maximum contributions. At 80% funded, the Recommended contribution equals the Maximum; at 90% funded, the Recommended contribution equals the Minimum. For more details on the funding policy in different situations, please refer to Section VI and Appendix B.

The chart in the upper right corner of the dashboard on page 1 shows the range (gold bars) from the Minimum to Maximum and the Recommended contribution, assuming it is paid monthly throughout the year. For FYE 2026, the funded ratio was below 90% but remained above 80%. Consequently, under the funding policy, the Minimum contribution is still $0, and the Maximum contribution is $2.03 million – the amount needed to keep the same funded ratio if all assumptions are met. The Recommended contribution based on being 86.3% funded is $0.75 million.

The Tread Water Cost, $1.92 million for FYE 2026, equals the normal cost plus interest on the UAL or surplus. The normal cost represents the expected cost of the benefits attributed to the next year of service, and the interest on the UAL represents the amount that would need to be contributed to keep the UAL or surplus at the same dollar amount if all assumptions are met. To the extent actual contributions exceed the Tread Water Cost, the UAL is expected to decline, or the surplus is expected to increase.

While the Maximum contribution for FYE 2026 exceeds the Tread Water Cost, the Minimum and Recommended contributions do not. Assuming Recommended contributions are made each year, contributions are expected to exceed the Tread Water Cost beginning in 2033. We note that this is part of the design of the funding policy to limit the probability that a surplus develops. When the plan is well-funded, the Recommended contribution will be less than the Tread Water Cost. However, higher contributions that exceed the Tread Water Cost would be Recommended if the funding ratio drops. Under the funding policy, Recommended contributions ramp up quickly if the plan's funded ratio drops below 80%. Above 80%, the Recommended contributions aim to let the funded ratio gradually decline to 80% and maintain a funded ratio of 80% after that. At 80% funded, a component of the Recommended contribution is the unfunded portion (20%) of the next year's benefit payments, ensuring that there will always be sufficient assets to pay benefits. This approach limits the likelihood of developing surplus assets while reducing the amount of the UAL over time. However, it also means that the UAL is not expected to be completely paid off until the last benefit is paid.

Under GASB 68, the annual pension expense or income equals the Tread Water Cost plus the cost of any benefit changes and the recognized portion of prior experience gains and losses and assumption changes. Details of this calculation are shown in Section VII of the report.

Table I-2 compares the Recommended contribution under the Plan's funding policy to actual contribution amounts and pension expense for the fiscal years ending in 2024 and 2025. The pension expense decreased from \$4.4 million in FYE 2024 to \$0.2 million of income in FYE 2025. The Recommended contribution and actual contributions increased from the prior year.

Table I-2

Annual Contributions and Pension Expense

	FYE 2025	FYE 2024	% Change
Pension Expense ($ Amount)	$ (184,732)	$ 4,449,811	-104.2%
Recommended Contribution[1]	$ 726,636	$ 663,816	9.5%
Actual Contribution	727,000	700,000	3.9%
Contribution Deficiency/(Excess)	$ (364)	$ (36,184)	

[1] *Amounts assume monthly contributions made throughout the year*

SECTION I – BOARD SUMMARY

As shown by the chart at the bottom of the dashboard (page 1), actual contributions have exceeded $6 million for four of the last 10 years, but have been much lower for the last four years. For FYE 2026 and in the future, the projections in the chart assume that the Recommended contribution is made. The baseline represents the projected Recommended contribution if all assumptions are met, and it shows the Recommended contribution gradually increasing to about $2.6 million over the projection period. The range of the bars represents the range of the Recommended contribution based on the potential range of actual investment returns. We used an expected return of 6.0% and a standard deviation of 7.5%[1] for these projections. The dark blue bars show potential contributions in moderately poor investment scenarios, and the top of the dark blue bar for FYE 2030 through 2041 is the assumed TriMet budget amount of $5.5 million, which becomes the Recommended contribution as soon as the plan is less than 80% funded unless the Minimum is larger or the Maximum is smaller. The light blue bars show potential contributions under very poor investment return scenarios.

Section II of this report provides more detailed information on the risks to contribution amounts, and Section VI provides additional detail on the development of the range of contribution amounts.

[1] Standard deviation provided by Meketa.

SECTION I – BOARD SUMMARY

Changes

During FYE 2025, the UAL (or Net Pension Liability in GASB 67/68) increased by $0.1 million. Table I-3 below shows the breakdown of the changes in the UAL in the last year by source.

Table I-3

Changes in UAL or NPL		Amount
UAL/NPL, June 30, 2025	$	23,406,230
UAL/NPL, June 30, 2024		23,318,867
Change in UAL/NPL	**$**	**87,363**
Sources of Changes		
Plan Changes	$	0
Assumption Changes		0
Contributions vs. Tread Water Cost		1,265,183
Investment (gain) or loss		(1,725,745)
Liability (gain) or loss		
COLA	$	24,680
Salaries		169,474
Retirement		(288,534)
Termination		28,961
Mortality		813,412
Other		(200,067)
Total Liability (gain) or loss	$	547,925
Total Changes	**$**	**87,363**

The level of Recommended contributions increased the UAL by $1.3 million, which was offset by investment gains of $1.7 million. In addition, demographic experience increased the UAL by $0.5 million. The most significant source of demographic loss is mortality experience ($0.8 million).

SECTION I – BOARD SUMMARY

Table I-4 below summarizes the results of this valuation compared to the prior valuation.

Table I-4

Summary of Valuation Results	June 30, 2025	June 30, 2024	% Change
Membership			
Actives	40	45	-11.1%
Deferred	46	50	-8.0%
In Pay Status	365	361	1.1%
Total	451	456	-1.1%
Expected Active Member Payroll	$ 5,193,357	$ 5,757,470	-9.8%
Actuarial Liability or Total Pension Liability	$ 170,643,525	$ 171,132,734	-0.3%
Market Value of Assets or Fiduciary Net Position	147,237,295	147,813,867	-0.4%
Unfunded Actuarial Liability or Net Pension Liability	$ 23,406,230	$ 23,318,867	0.4%
Deferred Outflows of Resources	0	0	
Deferred Inflows of Resources	418,684	1,417,779	-70.5%
Net Impact on Statement of Net Position	$ 23,824,914	$ 24,736,646	-3.7%
Funding Ratio	86.3%	86.4%	-0.1%
	FYE 2026	**FYE 2025**	
Minimum Contribution	$ 0	$ 0	
Maximum Contribution	$ 2,026,776	$ 2,003,844	1.1%
Recommended Contribution	$ 753,240	$ 726,636	3.7%

Contribution amounts assume monthly contributions made throughout the year

SECTION II – ASSESSMENT AND DISCLOSURE OF RISK

Actuarial valuations are based on assumptions about future economic and demographic experience. These assumptions represent a reasonable estimate of future experience, but actual future experience will undoubtedly be different and may be significantly different. This section of the report is intended to identify the primary risks to the plan, provide some background information about those risks, and assess those risks.

Identification of Risks

The fundamental risk to a pension plan is that the contributions needed to pay the benefits become unaffordable. Given the size of the Plan compared to TriMet as a whole, we believe it is unlikely that the Plan by itself would become unaffordable. Nevertheless, the contributions needed to support the Plan may differ significantly from expectations. While there are several factors that could lead to contribution amounts deviating from expectations, we believe the primary sources are:

- Investment risk, and
- Inflation risk.

Other risks that we have not identified may also turn out to be important.

Investment Risk is the potential for investment returns to be different than expected. Lower investment returns than anticipated will increase the Unfunded Actuarial Liability, necessitating higher contributions in the future unless other gains offset these investment losses. In contrast, higher investment returns than anticipated may create a potentially significant surplus that could be difficult to use until all benefits have been paid. The Plan's asset allocation determines expected future investment returns and their potential volatility.

Inflation risk is the potential for actual inflation to be different than expected. Retirement benefits under the plan are increased yearly by 90% of inflation (CPI-W) up to a maximum of 7.00%. Higher inflation than expected will result in the payment of greater benefits, and lower inflation than expected will result in the payment of lower benefits.

The table on the next page shows a 10-year history of changes in the UAL by source.

SECTION II – ASSESSMENT AND DISCLOSURE OF RISK

Table II-1

UAL Change by Source						
FYE	**Plan Changes**	**Assumption Changes**	**Contributions vs. Tread Water**	**Investment Experience**	**Liability Experience**	**Total UAL Change**
2016	0	474	(4,668)	5,819	(1,293)	334
2017	0	0	(4,051)	(724)	1,441	(3,333)
2018	0	0	(4,674)	(293)	(29)	(4,996)
2019	0	0	(4,932)	4,511	397	(24)
2020	0	(959)	(928)	6,608	928	5,649
2021	(32)	0	(4,711)	(21,994)	(1,697)	(28,434)
2022	0	7,170	(625)	11,414	7,111	25,070
2023	0	0	1,436	2,649	6,096	10,182
2024	0	0	1,261	(3,968)	3,547	840
2025	0	0	1,265	(1,726)	548	87
Total	**$ (32)**	**$ 6,685**	**$ (20,627)**	**$ 2,298**	**$ 17,050**	**$ 5,375**

Amounts in Thousands

Over the last 10 years, the UAL has increased by approximately $5.4 million. Contributions reduced the UAL by $20.6 million, while assumption changes, investment experience, and liability experience increased the UAL by $6.7 million, $2.3 million, and $17.1 million, respectively. The losses for liability experience mostly occurred from 2022 to 2024 due to inflation's impact on the COLA and salary increases.

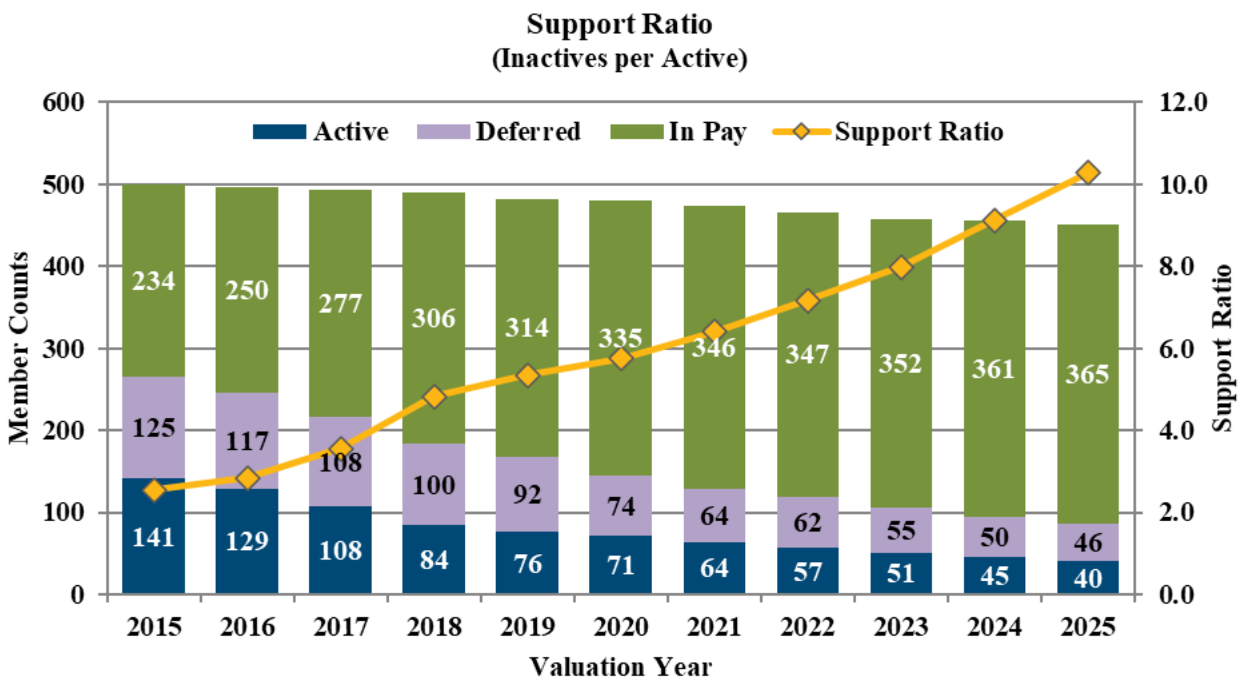
Plan Maturity Measures

Plan maturity can be measured in various ways, but there is one very important dynamic – the larger the plan is compared to the contribution or revenue base that supports it, the more sensitive the plan will be to risk. Given that the Plan has been closed to new entrants since 2003, maturity measures isolated on the Plan show significant increases in maturity.

SECTION II – ASSESSMENT AND DISCLOSURE OF RISK

Support Ratio (Inactives per Active)

One simple measure of plan maturity is the ratio of the number of inactive members (those receiving benefits or entitled to a deferred benefit) to the number of active members. For a closed plan, the Support Ratio is expected to increase significantly unless active employees who are not covered by the Plan are included. The chart below shows the growth in the Support Ratio for the closed Plan for the current and prior 10 years.

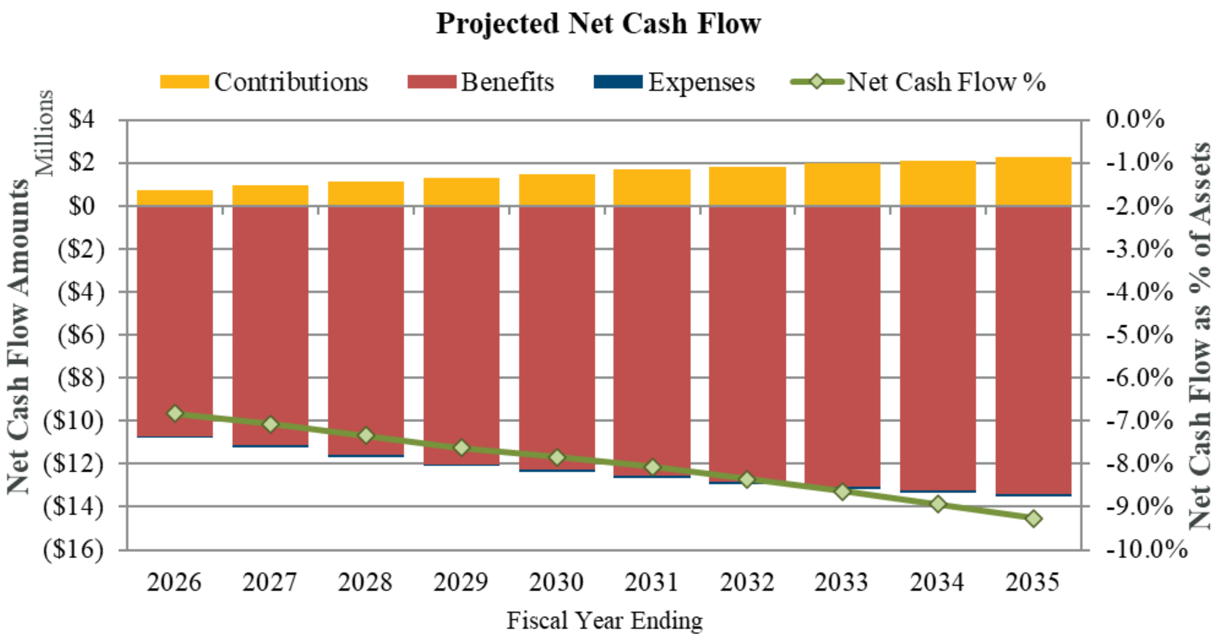


SECTION II – ASSESSMENT AND DISCLOSURE OF RISK

Net Cash Flow

The plan's net cash flow as a percentage of the beginning-of-year assets indicates the sensitivity of the plan to short-term investment returns. Net cash flow is equal to contributions minus benefit payments and administrative expenses. Mature plans can have large amounts of benefit payments compared to contributions, particularly if they are well-funded.

The chart below shows the projected net cash flow for the next 10 fiscal years. The bars represent the dollar amounts of the different components of the projected net cash flow, and the line represents the net cash flow as a percentage of the assets as of the beginning of the fiscal year.



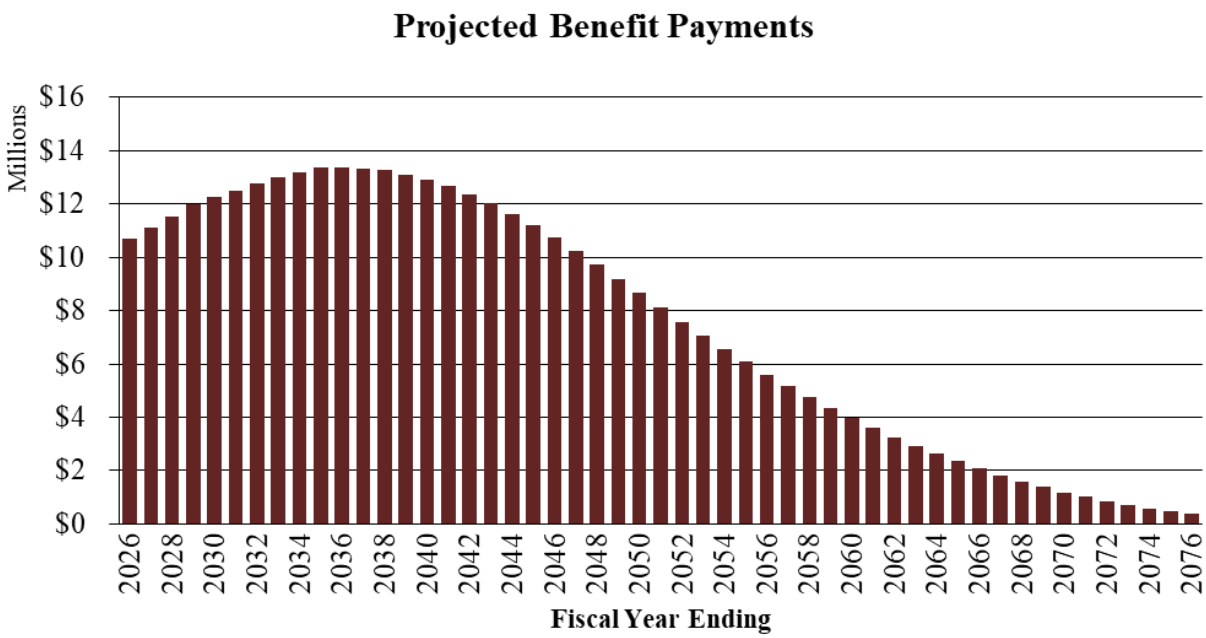
When TriMet contributed larger amounts to improve the Plan's funded status, the net cash flow was positive. Future contributions are projected to be much smaller even as benefit payments continue to grow. As a result, the net cash flow is expected to become increasingly negative. To the extent that benefit payments exceed the cash income generated by the investment portfolio, investments must be liquidated. Benefit payments are expected to grow, further increasing the need for liquidity. The negative cash flow can be exacerbated in any given year by lump sum payments, and any volatility in contributions can cause significant variation in net cash flow from year to year. Managing the varying liquidity requirements may become challenging.

The sensitivity to short-term investment returns is another potential issue related to large negative net cash flow. Investment losses in the short term are compounded by the net withdrawal from the plan, leaving a smaller asset base to try to recover from the investment losses. On the other hand, large investment gains in the short term also tend to have a longer beneficial effect, as any future losses are relative to a smaller liability base due to the negative cash flow.

Assessing Costs and Risks

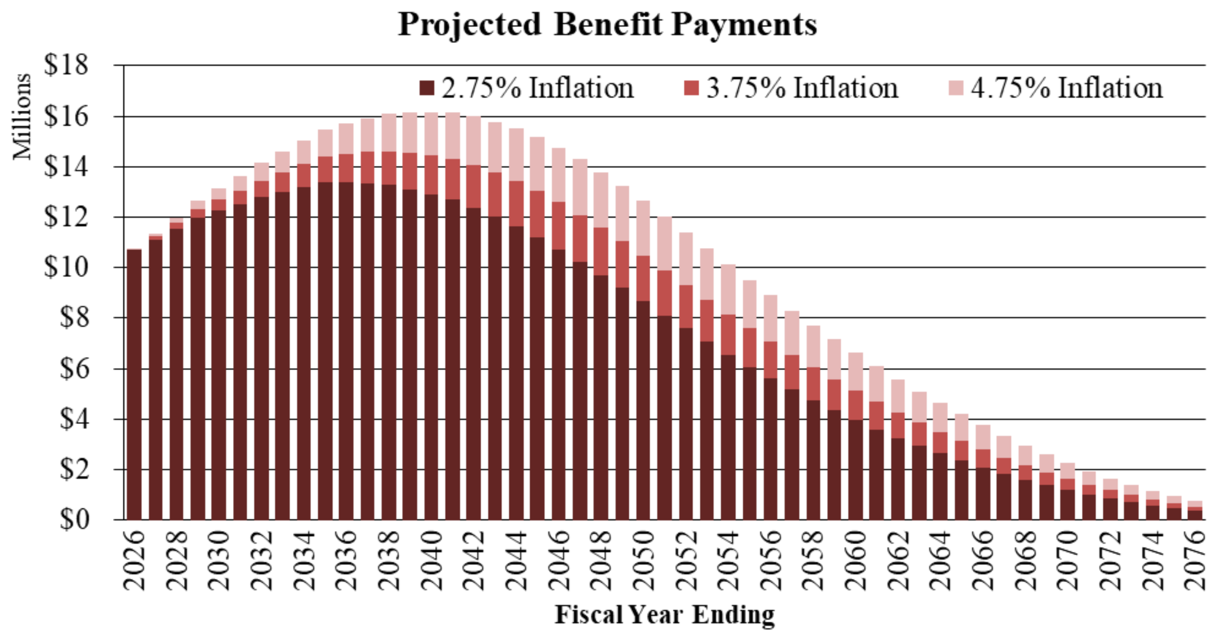
A closed pension plan will ultimately either end up with excess assets after all benefits have been paid or run out of assets before all benefits have been paid. If the Plan develops surplus assets, it may be able to reduce the risk in its investment portfolio, immunize investments, or purchase annuities to settle the remaining obligation. If the surplus assets exceed the additional amounts needed to buy annuities or immunize the portfolio, it is unclear how they could be used until after all benefits have been paid.

If the Plan, on the other hand, ran out of assets, TriMet would be forced to pay benefits directly on a pay-as-you-go basis. As long as TriMet can afford the pay-as-you-go costs, benefits would remain unchanged. The chart below shows the projected expected benefit payments for the closed plan. The peak level of benefit payments is not expected to be reached until 2035.



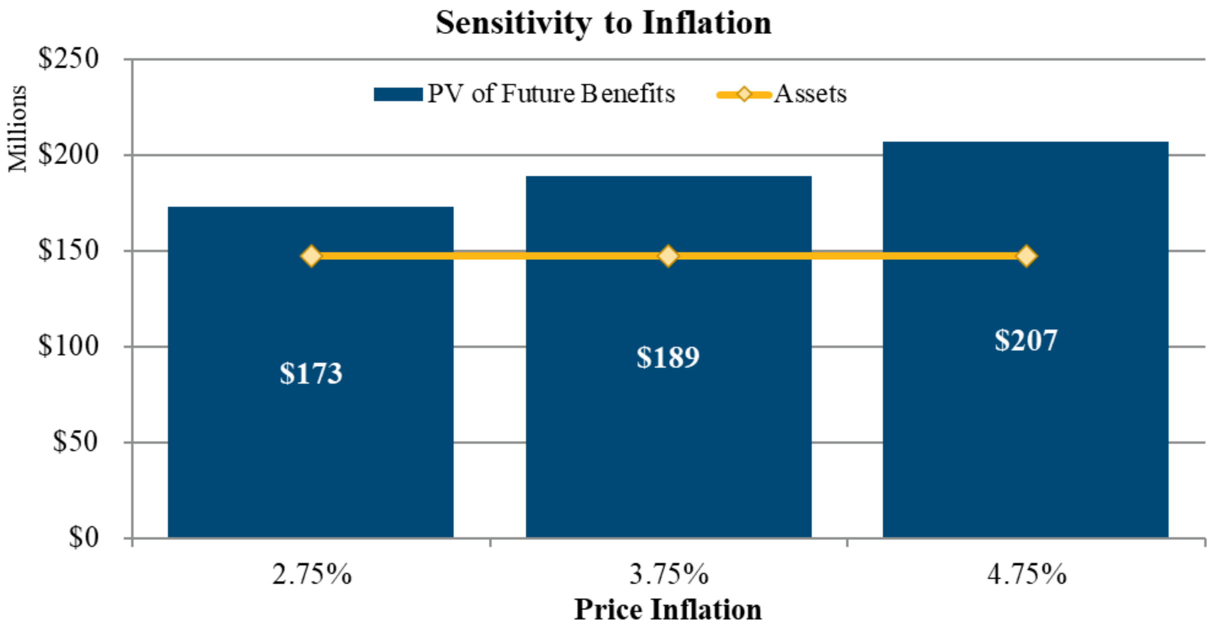
Sensitivity to Inflation

The chart below illustrates the sensitivity of projected benefit payments to inflation. The darkest bars show the projected benefit payments with the assumed inflation of 2.75%; the medium bars show the additional benefit payments if inflation is 3.75% each year; and the lightest bars show the additional benefit payments if inflation is 4.75% each year.



Higher inflation could result in materially higher benefit payments, requiring more assets in the plan. The chart on the next page compares the assets to the present value of all projected future benefit payments, assuming inflation of 2.75%, 3.75%, and 4.75%. The present value of future benefits is shown as a dark blue bar. The gold line shows the Market Value of Assets.

SECTION II – ASSESSMENT AND DISCLOSURE OF RISK

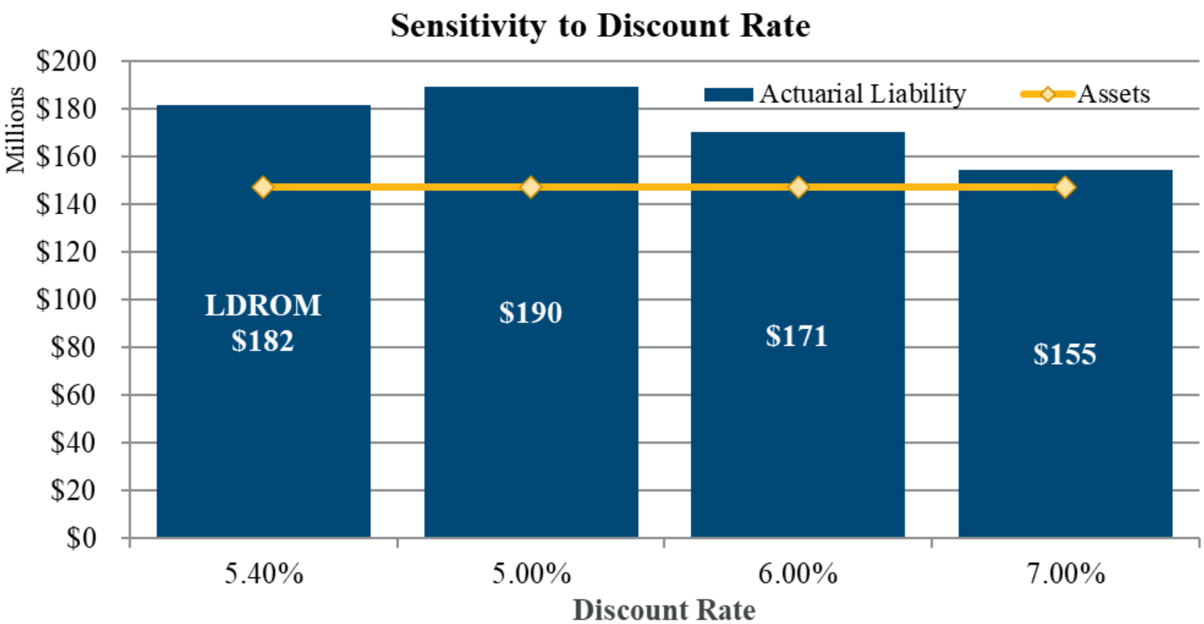


The COLA granted to retirees and beneficiaries receiving benefits equals 90 percent of the inflation rate. If inflation is 2.75%, annual COLAs would be 2.475%, and the Plan would need approximately $173 million in assets today to pay all projected benefits compared to current assets of $147 million. If inflation is 3.75%, annual COLAs would be 3.375%, and the Plan would need approximately $189 million in assets today. Finally, if inflation is 4.75%, annual COLAs would be 4.275%, and the Plan would need $207 million in assets to pay all projected benefits. These estimates assume that all other assumptions are met.

SECTION II – ASSESSMENT AND DISCLOSURE OF RISK

Sensitivity to Discount Rate

The chart below compares the Market Value of Assets (gold line) to the Actuarial Liability (blue bar) using discount rates equal to the current expected rate of return and 100 basis points above and below the expected rate of return. In addition, the chart shows the low-default-risk obligation measure (LDROM), which is the Actuarial Liability using a discount rate derived from low-default-risk fixed income securities that approximately match the benefit payments of the plan.



The Plan invests in a diversified portfolio with the objective of maximizing investment returns at a reasonable level of risk. If investments return 6.0% annually, the Plan would need approximately $171 million in assets today to pay all benefits attributable to past service, compared to current assets of $147 million. If investment returns are only 5.0%, the Plan would need approximately $190 million in assets today, and if investment returns are 7.0%, the Plan would only need $155 million in assets. The lowest-risk portfolio for a pension plan with fixed cash flows would be composed entirely of low-default-risk fixed income securities whose cash flows match the benefit cash flows of the Plan. As of June 30, 2025, we estimate that such a portfolio would have an expected return of 5.40%, and the Plan would need $182 million to pay all benefits attributed to past service. This amount is the LDROM. The $11 million difference between the LDROM and the Actuarial Liability at 6.00% represents the expected savings from bearing the risk of investing in the Plan's diversified portfolio. Alternatively, it also represents the cost of eliminating the investment risk.

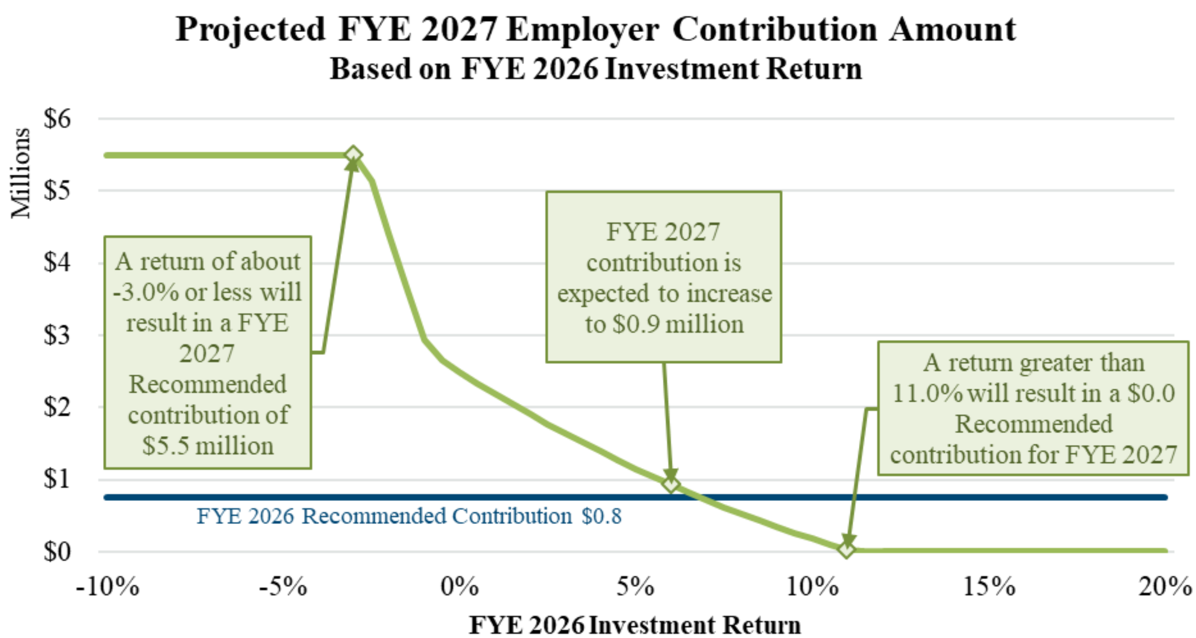
Because the Plan invests in a diversified portfolio, not the LDROM portfolio, the reported funded status is higher and expected employer contributions are lower. Benefit security for Plan members depends on the Plan's assets, the investment returns generated on those assets, and TriMet's ability to make any needed future contributions. An LDROM portfolio would generate more predictable but lower expected investment returns, potentially changing the level of reliance on future TriMet contributions to secure benefits.

SECTION II – ASSESSMENT AND DISCLOSURE OF RISK

However, the liability measures on page 16 assume an annual inflation of 2.75%. As noted, if annual inflation is higher, more assets would be needed to pay the benefits; if inflation is lower, fewer assets would be needed. In this case, it is better to think of the sensitivity based on the investment return in excess of inflation. The assumption of 6.0% nominal investment returns and 2.75% inflation equates to a real investment return assumption of 3.25%. Similarly, expected nominal investment returns of 5.0% and 7.0% equate to 2.25% and 4.25% real investment returns, respectively.

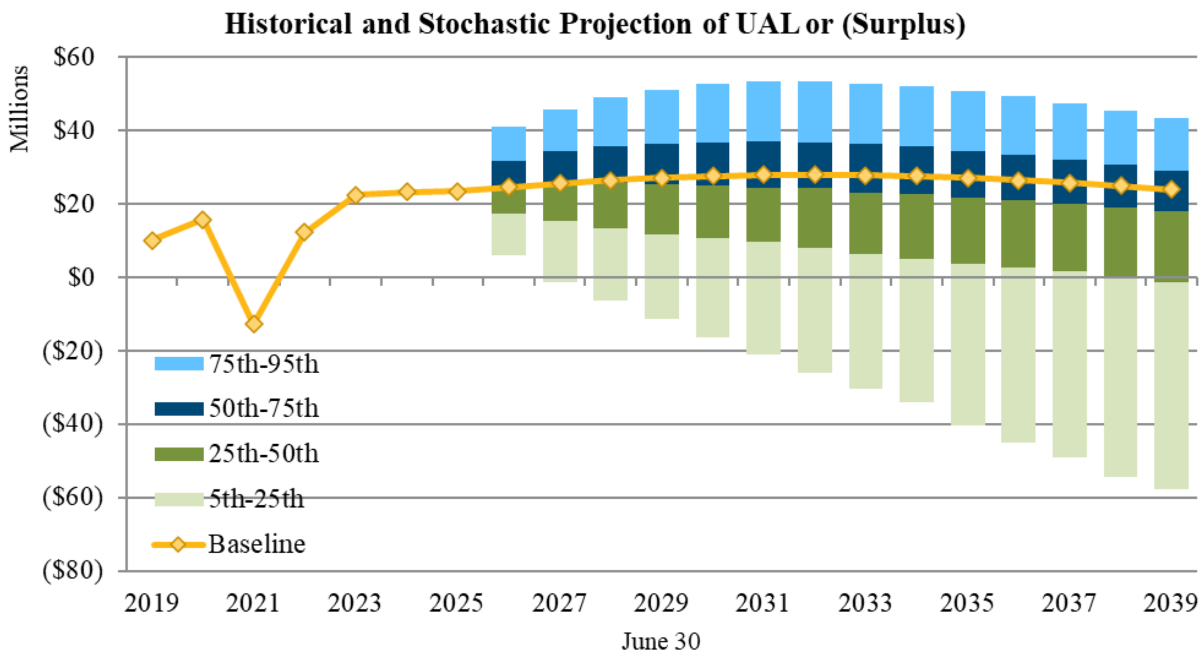
Sensitivity to Investment Returns

Contribution amounts are very sensitive to investment returns. The chart below shows the FYE 2027 contribution amount, depending on the investment return earned during FYE 2026, assuming all other assumptions are met. While the Recommended contribution is expected to increase from \$0.8 million in FYE 2026 to \$0.9 million in FYE 2027, it could range anywhere from \$0 to \$5.5 million, depending on investment returns for FYE 2026.



The stochastic projections of contributions shown at the bottom of the dashboard (page 1) show the range of potential future Recommended contributions. This range is driven by the volatility of investment returns. The chart on the following page shows the projected range of the UAL or surplus on the same basis. Surplus amounts are shown as negative numbers.

SECTION II – ASSESSMENT AND DISCLOSURE OF RISK



The UAL is projected to remain above $20 million for the next 15 years under the current funding policy if all assumptions are met. However, the range of potential outcomes depends on actual investment returns. Poor investment returns could increase the UAL, but the funding policy increases contributions to pay for the larger UAL. Good investment returns, however, can grow the surplus without limit once the minimum contribution is $0. The current funding policy shows a potential surplus of up to $58 million in 2039. On the other hand, in really poor investment scenarios under the current funding policy, the UAL in 2039 could reach $43 million. Both the UAL and surplus could be further constrained by managing the investment policy.

More Detailed Assessment

While a more detailed assessment of risk is always valuable to enhance the understanding of the risks identified above, given the small size of the closed plan compared to TriMet and regular asset-liability studies, the advantages of a more detailed assessment may not justify its costs at this time.

SECTION III – CERTIFICATION

The purpose of this report is to present the June 30, 2025 Actuarial Valuation of the TriMet Defined Benefit Retirement Plan for Management and Staff Employees ("Plan"). This report is for the use of the Plan and TriMet.

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

The Plan trustees selected most of the actuarial assumptions based on our analysis and recommendations at the May 6, 2020, trustee meeting. Based on further recommendations, the trustees adopted updated economic assumptions at their June 13, 2022, meeting. Please refer to the presentations of the analysis at those meetings for the rationale for the assumptions. Finally, the trustees adopted the Plan's current funding policy at their July 31, 2023, meeting.

The liability measures and funding ratios in this report are for the purpose of establishing contribution rates. These measures are not appropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the Plan's benefit obligations.

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

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

Deterministic projections in this report were developed using P-scan, a proprietary tool used to illustrate the impact of changes in assumptions, methods, plan provisions, or actual experience (particularly investment experience) on the future financial status of the Plan. P-scan uses standard roll-forward techniques that implicitly assume a stable active population.

Stochastic projections in this presentation were developed using R-scan, our proprietary tool for assessing the probability of different outcomes based on the range of potential investment returns.

This report and its contents have been prepared in accordance with generally recognized and accepted actuarial principles and practices and our understanding of the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board as well as applicable laws and regulations. Furthermore, as credentialed actuaries, we meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained

SECTION III – CERTIFICATION

in this report. This report does not address any contractual or legal issues. We are not attorneys, and our firm does not provide any legal services or advice.

This report was prepared for the Plan and TriMet for the purposes described herein. Other users of this report are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to any other user.

William R. Hallmark

William R. Hallmark, ASA, EA, MAAA, FCA
Consulting Actuary

Steven M Hastings

Steven M. Hastings, FSA, EA, MAAA, FCA
Consulting Actuary

SECTION IV – ASSETS

This section shows the changes in the Market Value of Assets and calculates the money-weighted investment return for GASB 67 and 68. The Actuarial Value of Assets is equal to the Market Value of Assets.

Statement of Change in Market Value of Assets

Table IV-1 shows the changes in the Market Value of Assets for the current and prior fiscal years.

Table IV-1

Change in Market Value of Assets	FYE 2025	FYE 2024
Market Value, Beginning of Year	$ 147,813,867	$ 145,162,348
Contributions	727,000	700,000
Net Investment Earnings	10,273,807	12,389,454
Benefit Payments	(11,498,864)	(10,351,782)
Administrative Expenses	(78,515)	(86,153)
Market Value, End of Year	**$ 147,237,295**	**$ 147,813,867**

The Market Value of Assets decreased from approximately $147.8 million as of June 30, 2024, to $147.2 million as of June 30, 2025. Contributions of $0.7 million were made, and benefit payments and administrative expenses exceeded investment earnings by approximately $1.3 million.

The rate of return during the year is calculated on a money-weighted basis, which reflects the effect of external cash flows (contributions less benefit payments and administrative expenses) on a monthly basis. Table IV-2 on the next page shows the external cash flows by month, the number of months each cash flow was considered invested, and the external cash flows with interest at the money-weighted rate of return of 7.20% to the end of the year. The sum of the external cash flows with interest equals the Market Value of Assets at the end of the year.

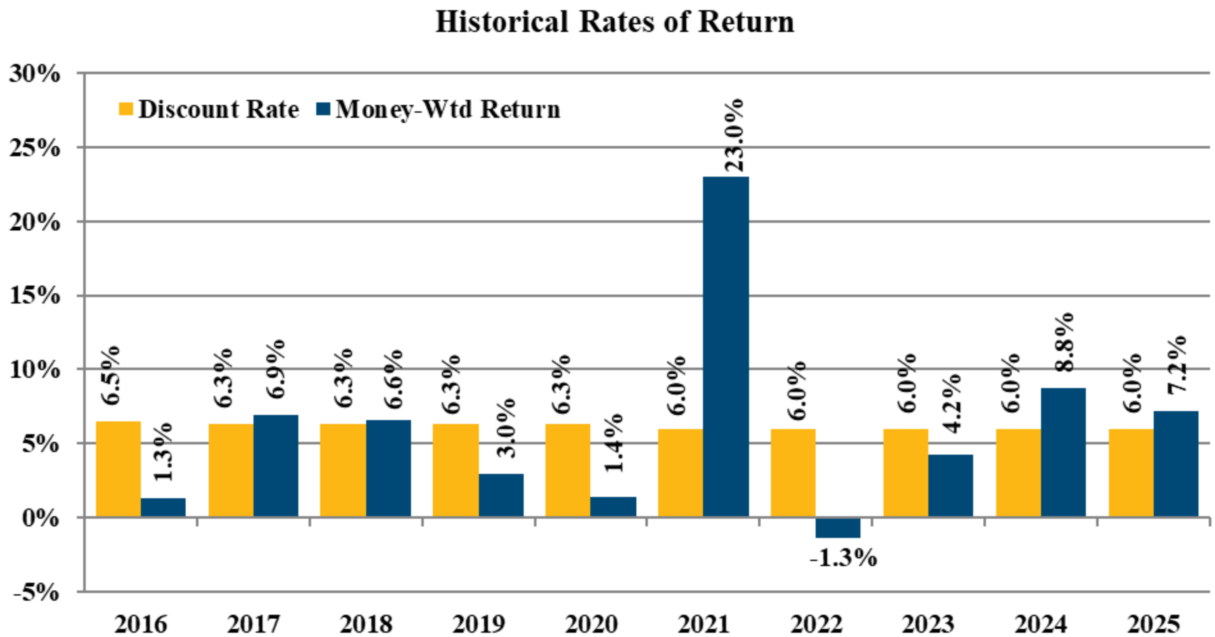
SECTION IV – ASSETS

Table IV-2

Money-Weighted Rate of Return Fiscal Year Ending June 30, 2025	Net External Cash Flows	Months Invested	Net External Cash Flows With Interest
Beginning Value, July 1, 2024	$ 147,813,867	12	$ 158,460,973
<u>Monthly Net External Cash Flows</u>			
July	(827,211)	11	(881,671)
August	(826,039)	10	(875,332)
September	(2,366,856)	9	(2,493,602)
October	(133,525)	8	(139,862)
November	(828,211)	7	(862,506)
December	(830,671)	6	(860,068)
January	(824,164)	5	(848,399)
February	(819,167)	4	(838,381)
March	(831,766)	3	(846,356)
April	(841,861)	2	(851,677)
May	(845,879)	1	(850,796)
June	(875,030)	0	(875,030)
Ending Value, June 30, 2025			$ 147,237,295
Money-Weighted Rate of Return	7.20%		

The money-weighted rate of return for the year ended June 30, 2025, was 7.20% compared to an expected return of 6.00%. As shown in the chart on the following page, over the last 10 years, the money-weighted rate of return has varied significantly from 22.95% in 2021 to -1.31% in 2022. For FYE 2025, the 7.20% return compared to the expected return of 6.00% produced an investment gain of approximately $1.7 million.

SECTION IV – ASSETS



SECTION V – MEASURES OF LIABILITY

This section presents detailed information on liability measures for the Plan for funding purposes, including:

- Present value of future benefits,
- Actuarial Liability, and
- Normal cost.

Present Value of Future Benefits: The present value of future benefits represents the expected amount of money needed today if all assumptions are met to pay for all benefits earned as of the valuation date and expected to be earned in the future by current plan members under the current plan provisions. Table V-1 below shows the present value of future benefits as of the current and prior valuations.

Table V-1

Present Value of Future Benefits	June 30, 2025	June 30, 2024	% Change
Actives	$ 35,535,790	$ 37,596,550	-5.5%
Deferred	8,915,299	8,926,904	-0.1%
In Pay Status	128,284,119	127,102,435	0.9%
Total	**$ 172,735,208**	**$ 173,625,889**	**-0.5%**

Actuarial Liability

The Actuarial Liability represents the expected amount of money needed today if all assumptions are met to pay for benefits attributed to service before the valuation date under the Entry Age Actuarial Cost Method. As such, it is the amount of assets targeted by the actuarial cost method for the Plan to hold as of the valuation date. It is not the amount necessary to settle the obligation. Under GASB 67 and 68, the Entry Age Actuarial Liability is referred to as the Total Pension Liability. Table V-2 below shows the Actuarial Liability as of the current and prior valuations.

Table V-2

Actuarial Liability	June 30, 2025	June 30, 2024	% Change
Actives			
Retirement	$ 33,493,360	$ 35,144,766	-4.7%
Termination	(49,253)	(41,371)	19.1%
Death	0	0	
Disability	0	0	
Total Actives	$ 33,444,107	$ 35,103,395	-4.7%
Deferred			
Vested Terminated	$ 8,193,927	$ 8,033,185	2.0%
Transfers	698,577	872,214	-19.9%
Leaves and Disabled	22,795	21,505	6.0%
Total Deferred	$ 8,915,299	$ 8,926,904	-0.1%
In Pay Status	$ 128,284,119	$ 127,102,435	0.9%
Total	**$ 170,643,525**	**$ 171,132,734**	**-0.3%**

SECTION V – MEASURES OF LIABILITY

The Actuarial Liability is expected to increase each year due to interest and the accrual of an additional year of service for active members. It is expected to decrease each year due to benefits that have been paid. Differences between the actual experience and assumed experience also contribute to the change in Actuarial Liability. Table V-3 provides a history of the experience gains and losses attributable to each primary demographic assumption. Consistent patterns of gains or losses provide an indication that an assumption may need to be updated.

Table V-3

History of Demographic (Gains) and Losses					
	Fiscal Year Ending				
	2021	2022	2023	2024	2025
Salary Increases	$ (187,263)	$ 2,626,921	$ 2,445,920	$ 1,596,608	$ 169,474
Retirement	(207,128)	120,990	(169,338)	679,255	(288,534)
Termination	(158,737)	(376,371)	31,091	(103,499)	28,961
Mortality	(759,665)	(118,313)	180,084	958,639	813,412
COLAs	(702,979)	5,047,751	3,539,640	608,982	24,680
Other	318,775	(189,618)	68,964	(193,073)	(200,068)
Total	$ (1,696,997)	$ 7,111,360	$ 6,096,361	$ 3,546,912	$ 547,925

Normal Cost

Under the Entry Age (EA) Actuarial Cost Method, the present value of future benefits for each individual is spread over the individual's expected working career under the Plan as a level percentage of the individual's expected pay. The normal cost rate is determined by taking the value, as of entry age into the Plan, of each member's projected future benefits divided by the present value, also at entry age, of each member's expected future salary. The normal cost rate is multiplied by the current salary to determine each member's normal cost. The Plan's normal cost is the sum of the normal costs for each individual. The normal cost represents the expected amount of money needed to fund the benefits attributed to the next year of service under the Entry Age Actuarial Cost Method. Under GASB 67 and 68, the EA normal cost is called the service cost. Table V-4 below shows the total normal cost as of the current and prior valuations.

Table V-4

Normal Cost			
	June 30, 2025	June 30, 2024	% Change
Retirement	$ 415,844	$ 465,311	-10.6%
Termination	34,340	38,186	-10.1%
Death	0	0	
Disability	0	0	
Total Normal Cost	**$ 450,184**	**$ 503,497**	**-10.6%**

SECTION VI – CONTRIBUTIONS

This section of the report develops Minimum, Maximum, and Recommended contribution amounts in accordance with the Plan's Funding Policy. Because the Plan has been closed to new entrants since April 27, 2003, and the Actuarial Liability is projected to begin declining as benefits are paid out, the Plan's funding policy differs significantly from what would be used for an ongoing pension plan. The objective is to maintain a well-funded pension plan without developing a surplus that could not be used efficiently until all benefits have been paid. Consequently, the funding policy targets maintaining a funded ratio between 80% and 90% rather than the normal target of 100%.

The Funding Policy is designed to protect benefit security while managing intergenerational equity. The year-to-year stability of pension contributions is not critical to TriMet as long as pension contributions do not exceed the combined budgets for contributions to the pension and OPEB trusts. Consequently, the Funding Policy does not attempt to control contribution volatility through asset smoothing, allowing contributions to adjust quickly to changes in funding levels to prevent surplus accumulation and rapidly restore funding levels if the funded ratio falls below 80%.

The Recommended contribution is designed to target and maintain a funded ratio of 80%. If the funded ratio falls below 80%, the Recommended contribution increases rapidly, taking advantage of the full sponsor budget for contributions to the pension and OPEB trusts and going even higher if needed to restore an 80% funded ratio within 10 years. If the funded ratio exceeds 80%, the Recommended contribution is reduced to allow the funded ratio to gradually decline to 80% over several years. At a funded ratio of 80%, the Recommended contribution is the amount needed to maintain an 80% funded ratio. As the Actuarial Liability of the closed plan decreases, the Recommended contribution reduces the UAL by contributing the full amount of the next year's unfunded benefit payments. This contribution also ensures that the plan will always accumulate sufficient assets to make benefit payments when due.

Minimum Contribution

If the funded percentage is less than 80%, the Minimum contribution is equal to the sum of:

- Normal cost,
- Assumed administrative expenses,
- 10-year layered amortization payment to reach 80% funded, and
- Any additional UAL payment amount needed to maintain the UAL or funded percentage at 80%.

If the funded percentage is greater than or equal to 80%, the Minimum contribution is $0. In the current and immediately prior valuations, the funded percentage was greater than 80%, and the minimum contribution was $0.

Maximum Contribution

Contributions greater than the Maximum are acceptable and could, in certain circumstances, be desirable. The Maximum contribution amount is designed to indicate when additional contributions may increase the probability of accumulating a surplus more than is needed to protect the security of benefits. However, judgment should be applied, weighing the circumstances at the time.

If the funded percentage is less than 80%, the Maximum contribution is the amount needed to raise it to 80% in one year.

If the funded percentage is greater than or equal to 90%, the Maximum contribution is $0 to limit the accumulation of any surplus.

If the funded percentage is greater than or equal to 80% and less than 90%, the Maximum contribution is the amount needed to "maintain funded status," which is the sum of:

- Normal cost,
- Assumed administrative expenses, and
- The UAL payment amount needed to "maintain funded status."

The UAL payment amount needed to "maintain funded status" is defined as the greater of the amount needed to keep the UAL from growing as a dollar amount (interest on the UAL) and the amount needed to keep the funded percentage from declining (benefit payments times (1 minus funded percentage)). Table VI-1 on the next page shows the calculation of the Maximum contribution for FYE 2026, as of the beginning of the fiscal year, and the same calculation from the previous valuation for FYE 2025.

SECTION VI – CONTRIBUTIONS

Table VI-1

Development of Maximum Contribution Payment Needed to Maintain Funded Status		FYE 2026	FYE 2025
1.	Normal Cost	$ 450,184	$ 503,497
2.	Administrative Expenses	97,129	97,129
3.	Unfunded Actuarial Liability	23,406,230	23,318,867
4.	Interest on (3)	1,324,881	1,319,936
5.	Expected Benefit Payments (One Year)	10,706,066	10,205,494
6.	Funded Percentage	86.3%	86.4%
7.	Unfunded Portion of Benefit Payments: (5) x [100% - (6)]	1,426,325	1,350,689
8.	Payment Needed to Maintain Funded Status (1) + (2) + [Maximum of (4) and (7)]	$ 1,973,638	$ 1,951,315

Recommended Contribution

If the funded percentage is less than 80%, the Recommended contribution is the greater of the Minimum contribution or TriMet's budgeted amount for pension and OPEB trust contributions but not more than the Maximum contribution. We understand that TriMet's current budgeted amount for the pension and currently unfunded OPEB trust contributions is $5.5 million.

If the funded percentage is greater than or equal to 90%, the Recommended contribution is $0 to limit the accumulation of any surplus.

If the funded percentage is between 80% and 90%, the Recommended contribution is prorated from the Maximum contribution if the plan is 80% funded to $0 if the plan is 90% funded. Table VI-2 on the following page shows the calculation of the Recommended contribution for FYE 2026 as of the beginning of the fiscal year.

SECTION VI – CONTRIBUTIONS

Table VI-2

FYE 2026 Recommended Contribution					
		Contribution	Weight		Weighted Contribution
Minimum	$	0	62.8%	$	0
Maximum		1,973,638	37.2%		733,492
Recommended				$	733,492

The FYE 2026 Recommended contribution is less than normal cost plus interest on the UAL, and continuing to make Recommended contributions is expected to result in a gradual decrease in the funded ratio until the plan is 80% funded. The Recommended contribution is expected to exceed normal cost plus interest on the UAL beginning in FYE 2033.

If Recommended contributions are made each year and all assumptions are met, the UAL is expected to decrease after 2033. However, the UAL is not expected to be completely paid off until shortly before the last benefit is paid. Since this plan is closed, the GASB 67/68 crossover test shown in Appendix D provides a full projection of the expected benefit payments, contributions, and asset levels until the final benefits are expected to be paid in 2102.

SECTION VI – CONTRIBUTIONS

Reasonable Actuarially Determined Contribution (Reasonable ADC)

The Plan's funding policy will not always satisfy the requirements for a Reasonable ADC under the newly issued Actuarial Standards of Practice No. 4, particularly when the Plan is relatively well funded. For purposes of disclosing a Reasonable ADC, it is defined as the greater of the Recommended contribution described above or the sum of:

- Normal cost,
- Assumed administrative expenses, and
- A payment on the UAL equal to a 24-year amortization with annual payments increasing with assumed inflation (level real dollar amortization).

The 24-year amortization period will decline by one year in each future valuation until the period reaches 20 years. Note that the effective amortization period becomes shorter when the plan is less well-funded due to the Recommended contribution. This structure was selected to balance generational equity with the predictability and stability of contributions while also minimizing the likelihood of a surplus and ensuring assets are available to pay benefits when due. Table VI-3 below shows the calculation of the Reasonable ADC as of the beginning of the fiscal year.

Table VI-3

Development of Reasonable Actuarially Determined Contribution					
		FYE 2026		FYE 2025	% Change
1. Recommended Contribution	$	733,492	$	707,583	3.7%
2. Normal Cost		450,184		503,497	-10.6%
3. Administrative Expenses		97,129		97,129	0.0%
4. Amortization Payment on UAL		1,363,338		1,321,786	3.1%
5. Minimum Reasonable ADC [(2) + (3) + (4)]	$	1,910,651	$	1,922,412	-0.6%
6. Reasonable ADC [Max of (1) and (5)]	$	1,910,651	$	1,922,412	-0.6%

SECTION VI – CONTRIBUTIONS

Table VI-4 summarizes each contribution amount for FYE 2026 and 2025. The amounts are shown assuming contributions are made at the beginning of the fiscal year or at the beginning of each month.

Table VI-4

Actuarially Determined Contribution Amounts					
		FYE 2026		FYE 2025	% Change
Funded Percentage		86.3%		86.4%	-0.1%
Minimum Contribution					
Beginning of Year	$	0	$	0	
Equivalent Monthly Contribution		0		0	
Annual Amount	$	0	$	0	
Maximum Contribution					
Beginning of Year	$	1,973,638	$	1,951,315	1.1%
Equivalent Monthly Contribution		168,898		166,987	1.1%
Annual Amount	$	2,026,776	$	2,003,844	1.1%
Recommended Contribution					
Beginning of Year	$	733,492	$	707,583	3.7%
Equivalent Monthly Contribution		62,770		60,553	3.7%
Annual Amount	$	753,240	$	726,636	3.7%
Reasonable ADC					
Beginning of Year	$	1,910,651	$	1,922,412	-0.6%
Equivalent Monthly Contribution		163,507		164,514	-0.6%
Annual Amount	$	1,962,084	$	1,974,168	-0.6%

Annual Amount equals Equivalent Monthly Contribution x 12

SECTION VII – GASB 67 AND 68 DISCLOSURES

This section of the report provides accounting and financial reporting information under Governmental Accounting Standards Board Statements 67 and 68 for the Plan and TriMet. This information includes:

- Determination of Discount Rate,
- Changes in the Net Pension Liability,
- Calculation of the Net Pension Liability at the discount rate as well as discount rates 1% higher and lower than the discount rate,
- Schedule of Employer Contributions,
- Disclosure of Deferred Inflows and Outflows, and
- Calculation of the Annual Pension Expense for TriMet.

Determination of Discount Rate

The discount rate used to measure the Total Pension Liability was 6.0%.

We have assumed that contributions to the Plan will follow the Recommended contribution in the Plan's Funding Policy.

We performed a formal cash flow projection as described under Paragraph 41 of GASB Statement 67, which can be found in Appendix D. All benefit payments in the projection are paid from the Fiduciary Net Position. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Note Disclosures

Table VII-1 below shows the changes in the Total Pension Liability, the Plan Fiduciary Net Position (i.e., fair value of Plan assets), and the Net Pension Liability during the Measurement Year.

Table VII-1

Change in Net Pension Liability			
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 6/30/2024	$ 171,132,734	$ 147,813,867	$ 23,318,867
Changes for the year:			
Service cost	503,497		503,497
Interest	9,958,233		9,958,233
Changes of benefits	0		0
Differences between expected and actual experience	547,925		547,925
Changes of assumptions	0		0
Contributions - employer		727,000	(727,000)
Contributions - member		0	0
Net investment income		10,273,807	(10,273,807)
Benefit payments	(11,498,864)	(11,498,864)	0
Administrative expense		(78,515)	78,515
Net changes	$ (489,209)	$ (576,572)	$ 87,363
Balances at 6/30/2025	$ 170,643,525	$ 147,237,295	$ 23,406,230

During the measurement year, the NPL increased by approximately $0.1 million. The service cost and interest cost increased the NPL by approximately $10.5 million. Liability experience losses also increased the NPL by approximately $0.5 million. Contributions and investment returns, net of administrative expenses, decreased the NPL by approximately $10.9 million.

SECTION VII – GASB 67 AND 68 DISCLOSURES

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

Table VII-2

Sensitivity of Net Pension Liability to Changes in Discount Rate			
	1% Decrease 5.00%	Discount Rate 6.00%	1% Increase 7.00%
Total Pension Liability	$ 189,536,610	$ 170,643,525	$ 154,694,220
Plan Fiduciary Net Position	147,237,295	147,237,295	147,237,295
Net Pension Liability	$ 42,299,315	$ 23,406,230	$ 7,456,925
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.7%	86.3%	95.2%

A one percent decrease in the discount rate increases the TPL by approximately 11% and the NPL by approximately 81%. A one percent increase in the discount rate decreases the TPL by approximately 9% and the NPL by approximately 68%.

SECTION VII – GASB 67 AND 68 DISCLOSURES

Required Supplementary Information

The schedules below and on the following page show the changes in NPL and related ratios required by GASB for the last 10 years.

Table VII-3a

Schedule of Changes in Net Pension Liability and Related Ratios

	FYE 2025	FYE 2024	FYE 2023	FYE 2022	FYE 2021
Total Pension Liability (TPL)					
Service cost	$ 503,497	$ 513,510	$ 553,735	$ 547,822	$ 633,466
Interest	9,958,233	9,783,232	9,401,566	8,531,083	8,603,520
Changes of benefit terms	0	0	0	0	(32,015)
Differences between expected and actual experience	547,925	3,546,912	6,096,361	7,111,360	(1,696,996)
Changes of assumptions	0	0	0	7,169,761	0
Benefit payments	(11,498,864)	(10,351,782)	(8,969,022)	(8,749,955)	(8,512,730)
Net change in TPL	**$ (489,209)**	**$ 3,491,872**	**$ 7,082,640**	**$ 14,610,071**	**$ (1,004,755)**
TPL - beginning	**171,132,734**	**167,640,862**	**160,558,222**	**145,948,151**	**146,952,906**
TPL - ending	**$170,643,525**	**$171,132,734**	**$167,640,862**	**$160,558,222**	**$145,948,151**
Plan fiduciary net position					
Contributions - employer	$ 727,000	$ 700,000	$ 0	$ 522,208	$ 6,250,264
Contributions - member	0	0	0	0	0
Net investment income	10,273,807	12,389,454	5,978,052	(2,136,569)	29,801,322
Benefit payments	(11,498,864)	(10,351,782)	(8,969,022)	(8,749,955)	(8,512,730)
Administrative expense	(78,515)	(86,153)	(108,116)	(95,356)	(109,851)
Net change in plan fiduciary net position	**$ (576,572)**	**$ 2,651,519**	**$ (3,099,086)**	**$ (10,459,672)**	**$ 27,429,005**
Plan fiduciary net position - beginning	**147,813,867**	**145,162,348**	**148,261,434**	**158,721,106**	**131,292,101**
Plan fiduciary net position - ending	**$147,237,295**	**$147,813,867**	**$145,162,348**	**$148,261,434**	**$158,721,106**
Net pension liability - ending	**$ 23,406,230**	**$ 23,318,867**	**$ 22,478,514**	**$ 12,296,788**	**$ (12,772,955)**
Plan fiduciary net position as a percentage of the TPL	86.3%	86.4%	86.6%	92.3%	108.8%
Covered payroll	$ 7,278,027	$ 7,403,935	$ 7,640,705	$ 7,462,831	$ 7,964,901
Net pension liability as a percentage of covered payroll	321.6%	315.0%	294.2%	164.8%	-160.4%

SECTION VII – GASB 67 AND 68 DISCLOSURES

Table VII-3b

Schedule of Changes in Net Pension Liability and Related Ratios

	FYE 2020	FYE 2019	FYE 2018	FYE 2017	FYE 2016
Total Pension Liability (TPL)					
Service cost	$ 650,713	$ 685,276	$ 919,497	$ 1,161,815	$ 1,224,152
Interest	8,938,724	8,784,109	8,621,492	8,308,518	8,326,815
Changes of benefit terms	0	0	0	0	0
Differences between expected and actual experience	927,815	396,899	(28,774)	1,441,063	(1,292,524)
Changes of assumptions	(958,655)	0	0	0	474,280
Benefit payments	(7,563,462)	(7,197,158)	(6,211,442)	(5,285,890)	(4,502,096)
Net change in TPL	**$ 1,995,135**	**$ 2,669,126**	**$ 3,300,773**	**$ 5,625,506**	**$ 4,230,627**
TPL - beginning	**144,957,771**	**142,288,645**	**138,987,872**	**133,362,366**	**129,131,739**
TPL - ending	**$146,952,906**	**$144,957,771**	**$142,288,645**	**$138,987,872**	**$133,362,366**
Plan fiduciary net position					
Contributions - employer	$ 2,327,160	$ 6,240,470	$ 6,496,842	$ 6,330,108	$ 7,036,203
Contributions - member	0	0	0	0	0
Net investment income	1,726,906	3,786,540	8,108,016	7,990,589	1,459,796
Benefit payments	(7,563,462)	(7,197,158)	(6,211,442)	(5,285,890)	(4,502,096)
Administrative expense	(144,268)	(136,675)	(96,686)	(76,230)	(96,799)
Net change in plan fiduciary net position	**$ (3,653,664)**	**$ 2,693,177**	**$ 8,296,730**	**$ 8,958,577**	**$ 3,897,104**
Plan fiduciary net position - beginning	**134,945,765**	**132,252,588**	**123,955,858**	**114,997,281**	**111,100,177**
Plan fiduciary net position - ending	**$131,292,101**	**$134,945,765**	**$132,252,588**	**$123,955,858**	**$114,997,281**
Net pension liability - ending	**$ 15,660,805**	**$ 10,012,006**	**$ 10,036,057**	**$ 15,032,014**	**$ 18,365,085**
Plan fiduciary net position as a percentage of the TPL	89.3%	93.1%	92.9%	89.2%	86.2%
Covered payroll	$ 8,104,672	$ 8,279,708	$ 9,445,518	$ 10,592,830	$ 12,722,153
Net pension liability as a percentage of covered payroll	193.2%	120.9%	106.3%	141.9%	144.4%

SECTION VII – GASB 67 AND 68 DISCLOSURES

The schedule below compares the Actuarially Determined Contribution (ADC) to actual contributions. After FYE 2023, the ADC shown in this exhibit is the Recommended contribution under the Plan's funding policy. By comparison, the Reasonable ADC calculated for FYE 2025 was $1,974,168.

Table VII-4

Schedule of Employer Contributions

	FYE 2025	FYE 2024	FYE 2023	FYE 2022	FYE 2021
Actuarially Determined Contribution	$ 726,636	$ 663,816	$ 0	$ 197,340	$ 3,569,676
Contributions in Relation to the Actuarially Determined Contribution	727,000	700,000	0	522,208	6,250,264
Contribution Deficiency/(Excess)	$ (364)	$ (36,184)	$ 0	$ (324,868)	$ (2,680,588)
Covered Payroll	$ 7,278,027	$ 7,403,935	$ 7,640,705	$ 7,462,831	$ 7,964,901
Contributions as a Percentage of Covered Payroll	9.99%	9.45%	0.00%	7.00%	78.47%
	FYE 2020	**FYE 2019**	**FYE 2018**	**FYE 2017**	**FYE 2016**
Actuarially Determined Contribution	$ 2,327,160	$ 2,442,684	$ 3,252,729	$ 3,734,975	$ 4,242,000
Contributions in Relation to the Actuarially Determined Contribution	2,327,160	6,240,470	6,496,842	6,330,108	7,036,203
Contribution Deficiency/(Excess)	$ 0	$ (3,797,786)	$ (3,244,113)	$ (2,595,133)	$ (2,794,203)
Covered Payroll	$ 8,104,672	$ 8,279,708	$ 9,445,518	$ 10,592,830	$ 12,722,153
Contributions as a Percentage of Covered Payroll	28.71%	75.37%	68.78%	59.76%	55.31%

SECTION VII – GASB 67 AND 68 DISCLOSURES

Key methods and assumptions used to determine the ADC for FYE 2025.

Actuarial Cost Method	Individual Entry Age as a level percent of pay
Asset Valuation Method	The Actuarial Value of Assets is equal to the market value.
Other	When the plan is 80% funded, payments on the unfunded liability equal the amount needed to maintain the funded status. Recommended contributions grade down to $0 when the funded ratio is 90% or higher.
Discount Rate	6.00%
Salary Increases	3.00%
Inflation	2.75%
Healthy Mortality	PubG-2010(A) Mortality Table with generational mortality projection using MP-2019

A complete description of the assumptions and the funding method can be found in the 2024 actuarial valuation report.

Employer Accounting

The schedules in this section are to be used by TriMet for its employer accounting for FYE 2025. These schedules develop the annual pension expense, including the amounts of deferred inflows and outflows. Experience gains and losses and assumption changes are recognized over the average future working life of active and inactive members, which is one year. Investment gains and losses are recognized over five years.

The table below summarizes the current balances of deferred outflows and deferred inflows of resources, along with the net recognition over the next five years.

Table VII-5

Schedule of Deferred Inflows and Outflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 0	$ 0
Changes in assumptions	0	0
Net difference between projected and actual earnings on pension plan investments	0	418,684
Total	**$ 0**	**$ 418,684**

Amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense as follows:

Measurement year ended June 30:	
2026	$ 1,673,944
2027	(608,810)
2028	(1,138,669)
2029	(345,149)
2030	0
Thereafter	$ 0

The tables on the following pages provide details on the current balances of deferred inflows and outflows of resources along with the recognition of each base for each of the current and following five years, as well as the total for any years thereafter.

SECTION VII – GASB 67 AND 68 DISCLOSURES

Table VII-6

Recognition of Experience (Gains) and Losses										
			Beginning	Ending						
Experience	Recognition	Total	Remaining	Remaining			Recognition Year			
Year	Period	Amount	Amount	Amount	2025	2026	2027	2028	2029	Thereafter
2025	1.0	$ 547,925	$ 547,925	$ 0	$ 547,925	$ 0	$ 0	$ 0	$ 0	$ 0
Deferred Outflows			547,925	0	547,925	0	0	0	0	0
Deferred (Inflows)			0	0	0	0	0	0	0	0
Net Change in Pension Expense			$ 547,925	$ 0	$ 547,925	$ 0	$ 0	$ 0	$ 0	$ 0

Table VII-7

Recognition of Investment (Gains) and Losses										
			Beginning	Ending						
Experience	Recognition	Total	Remaining	Remaining			Recognition Year			
Year	Period	Amount	Amount	Amount	2025	2026	2027	2028	2029	Thereafter
2025	5.0	$ (1,725,745)	$ (1,725,745)	$ (1,380,596)	$ (345,149)	$ (345,149)	$ (345,149)	$ (345,149)	$ (345,149)	$ 0
2024	5.0	(3,967,596)	(3,174,077)	(2,380,558)	(793,519)	(793,519)	(793,519)	(793,520)	0	0
2023	5.0	2,649,286	1,589,572	1,059,715	529,857	529,857	529,858	0	0	0
2022	5.0	11,413,779	4,565,511	2,282,755	2,282,756	2,282,755	0	0	0	0
2021	5.0	(21,993,929)	(4,398,785)	0	(4,398,785)	0	0	0	0	0
Net Change in Pension Expense			$ (3,143,524)	$ (418,684)	$(2,724,840)	$ 1,673,944	$ (608,810)	$(1,138,669)	$ (345,149)	$ 0

SECTION VII – GASB 67 AND 68 DISCLOSURES

The annual pension expense recognized by TriMet can be calculated two different ways. First, it is the change in the amounts reported on TriMet's Statement of Net Position that relate to the Plan and are not attributable to employer contributions. That is, it is the change in NPL plus the changes in deferred outflows and inflows plus employer contributions.

Alternatively, annual pension expense can be calculated by component. While GASB does not require or suggest organizing the individual components shown in the table below, we believe it helps to understand the level and volatility of pension expense.

Table VII-8

Calculation of Pension Expense			
	Measurement Year Ending		
	2026	2025	2024
Change in Net Pension Liability	*$ 1,209,017*	$ 87,363	$ 840,353
Change in Deferred Outflows	*2,092,628*	0	1,491,679
Change in Deferred Inflows	*(418,684)*	(999,095)	1,417,779
Employer Contributions	*753,240*	727,000	700,000
Pension Expense	***$ 3,636,201***	**$ (184,732)**	**$ 4,449,811**
Operating Expenses			
Service cost	*$ 450,184*	$ 503,497	$ 513,510
Employee contributions	*0*	0	0
Administrative expenses	*100,000*	78,515	86,153
Total	*$ 550,184*	$ 582,012	$ 599,663
Financing Expenses			
Interest cost	*$ 9,949,119*	$ 9,958,233	$ 9,783,232
Expected return on assets	*(8,537,046)*	(8,548,062)	(8,421,858)
Total	*$ 1,412,073*	$ 1,410,171	$ 1,361,374
Changes			
Benefit changes	*$ 0*	$ 0	$ 0
Recognition of assumption changes	*0*	0	0
Recognition of liability gains and losses	*0*	547,925	3,546,912
Recognition of investment gains and losses	*1,673,944*	(2,724,840)	(1,058,138)
Total	*$ 1,673,944*	$ (2,176,915)	$ 2,488,774
Pension Expense	***$ 3,636,201***	**$ (184,732)**	**$ 4,449,811**

Figures for the 2026 measurement year are projected

SECTION VII – GASB 67 AND 68 DISCLOSURES

Operating expenses are items directly attributable to the operation of the plan during the measurement year. Service cost less employee contributions represents the increase in employer-provided benefits attributable to the year, and administrative expenses are the cost of operating the plan for the year.

Financing expenses equal the interest on the Total Pension Liability less the expected return on assets. Since the discount rate is equal to the long-term expected return on assets, the financing expense is primarily the interest on the Net Pension Liability with an adjustment for the difference between the interest on the service cost and contributions.

The recognition of changes drives most of the volatility in pension expense from year to year. Changes include any changes in benefits made during the year and the recognized amounts due to assumption changes, gains or losses on the TPL, and investment gains or losses.

The total pension expense decreased by about $4.6 million from the prior year. While operating expenses and financing expenses were stable, the recognition of changes decreased by $4.7 million due to the reduction in the recognition of liability losses and an increase in the recognition of investment gains.

The projected expense for FYE 2026 reflects a decrease in service cost as members are expected to retire, a slight increase in financing expenses, and an increase in recognition of changes as the 2021 investment gains are fully recognized this year. Actual experience during FYE 2026 may have a significant impact on this projection.

APPENDIX A – MEMBERSHIP INFORMATION

Data Assumptions and Methods

In preparing our data, we relied on information supplied by TriMet. This information includes, but is not limited to, plan provisions, employee data, and financial information. Our methodology for obtaining the data used for the valuation is based upon the following assumptions and practices:

- All active employees are assumed to accrue a full year of service in all future years.
- The most recent annual salary for actives is calculated as the "Hourly Rate" multiplied by 2,080.
- The annual benefit for inactives is set to be the accrued benefit provided. If an accrued benefit is not provided, then the annual benefit is calculated to be 1.75% of final compensation per year of credited service, plus one-half of the hours in their Sick Leave Bank, divided by 101.9, multiplied by their "Hourly Rate." The final compensation is adjusted for a three-year average.

Table A-1

Active Member Data	June 30, 2025	June 30, 2024	% Change
Count			
Accruing Service	29	32	-9.4%
Frozen Service	11	13	-15.4%
Total	40	45	-11.1%
Average Current Age	58.6	58.1	0.9%
Average Eligibility Service	28.8	28.5	1.1%
Average Benefit Service	20.5	20.0	2.5%
Annual Expected Pensionable Earnings	$ 6,329,673	$ 6,885,451	-8.1%
Average Expected Pensionable Earnings	$ 158,242	$ 153,010	3.4%

APPENDIX A – MEMBERSHIP INFORMATION

Table A-2

In Pay Status Member Data	June 30, 2025	June 30, 2024	% Change
Retired & Disabled			
Count	330	330	0.0%
Average Age	73.7	73.1	0.8%
Total Annualized Benefits	$ 9,751,640	$ 9,500,228	2.6%
Average Annual Benefit	$ 29,550	$ 28,789	2.6%
Beneficiaries & Alternate Payees			
Count	35	31	12.9%
Average Age	76.1	75.4	0.9%
Total Annualized Benefits	$ 453,845	$ 375,065	21.0%
Average Annual Benefit	$ 12,967	$ 12,099	7.2%
Total			
Count	365	361	1.1%
Average Age	73.9	73.3	0.8%
Total Annualized Benefits	$ 10,205,485	$ 9,875,292	3.3%
Average Annual Benefit	$ 27,960	$ 27,355	2.2%

APPENDIX A – MEMBERSHIP INFORMATION

Table A-3

Deferred Member Data	June 30, 2025	June 30, 2024	%Change
Vested Terminated Members			
Count	37	40	-7.5%
Average Age	59.9	59.1	1.3%
Total Annualized Benefits	$ 615,818	$ 630,105	-2.3%
Average Annual Benefit	$ 16,644	$ 15,753	5.7%
Transfers to Union			
Count	9	10	-10.0%
Average Age	56.7	56.9	-0.3%
Disability			
Count	0	0	N/A
Average Age			N/A
Deferred Beneficiaries			
Count	0	0	N/A
Average Age			N/A

APPENDIX A – MEMBERSHIP INFORMATION

Table A-4

Change in Plan Membership	Active	Active Frozen	Terminated Vested	Transfer to Union	Transfer to Union - Disabled	Retiree	Beneficiary	Alternate Payee	Totals
June 30, 2024	**32**	**13**	**40**	**9**	**1**	**330**	**26**	**5**	**456**
New Entrants	0	0	0	0	0	0	0	0	0
Rehires	0	0	0	0	0	0	0	0	0
Vested Terminations	0	0	0	0	0	0	0	0	0
Disabilities	0	0	0	0	0	0	0	0	0
Retirements	(2)	(2)	(3)	(1)	0	8	0	0	0
Deaths	0	0	0	0	0	(8)	0	0	(8)
New Beneficiaries	0	0	0	0	0	0	4	0	4
Benefit Ceased/Lump Sum	(1)	0	0	0	0	0	0	0	(1)
Transfers to Union	0	0	0	0	0	0	0	0	0
Adjustments	0	0	0	0	0	0	0	0	0
June 30, 2025	**29**	**11**	**37**	**8**	**1**	**330**	**30**	**5**	**451**

APPENDIX A – MEMBERSHIP INFORMATION

Table A-5

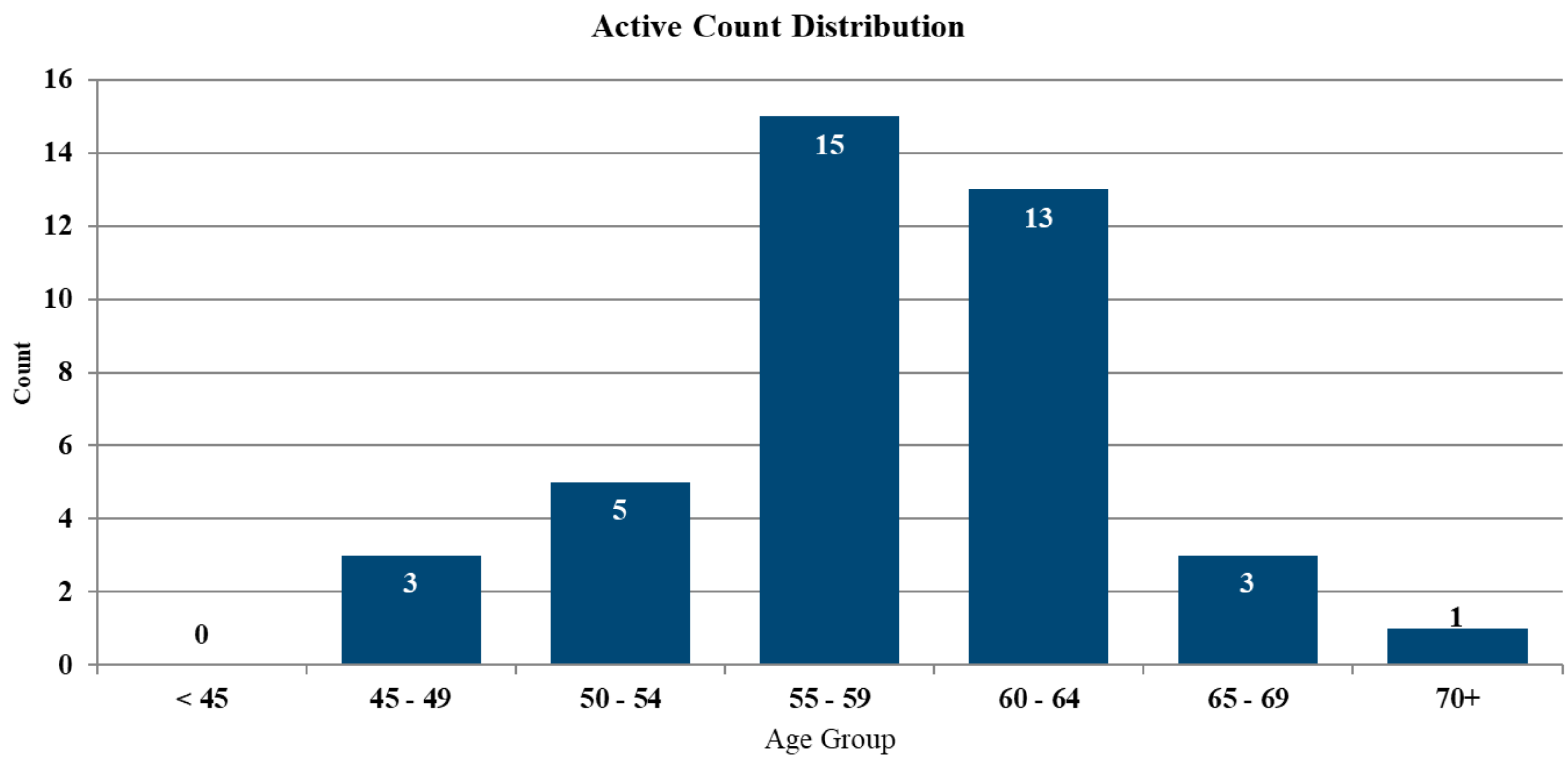
Distribution of Active Members as of June 30, 2025											
	Years of Service										
Age	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 and up	Total
Under 45	0	0	0	0	0	0	0	0	0	0	0
45 to 49	1	1	0	0	1	0	0	0	0	0	3
50 to 54	0	3	0	0	1	1	0	0	0	0	5
55 to 59	0	2	2	2	1	1	2	4	1	0	15
60 to 64	0	0	0	1	0	6	3	1	2	0	13
65 to 69	0	0	0	1	0	1	1	0	0	0	3
70 and up	0	0	0	0	0	0	0	0	0	1	1
Total Count	1	6	2	4	3	9	6	5	3	1	40

Table A-6

Distribution of Active Members Average Expected Salary as of June 30, 2025											
	Years of Service										
Age	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 and up	Total
Under 45	0	0	0	0	0	0	0	0	0	0	0
45 to 49	137,703	215,726	0	0	157,376	0	0	0	0	0	170,268
50 to 54	0	162,185	0	0	133,597	109,612	0	0	0	0	145,953
55 to 59	0	206,600	152,671	145,019	136,364	313,529	165,070	135,555	89,170	0	161,333
60 to 64	0	0	0	147,707	0	132,470	176,313	155,469	203,611	0	156,474
65 to 69	0	0	0	136,572	0	160,544	147,208	0	0	0	148,108
70 and up	0	0	0	0	0	0	0	0	0	190,624	190,624
Avg. Salary	$ 137,703	$ 185,914	$ 152,671	$ 143,579	$ 142,446	$ 153,167	$ 167,714	$ 139,538	$ 165,464	$ 190,624	$ 158,242

APPENDIX A – MEMBERSHIP INFORMATION

Chart A-1



APPENDIX A – MEMBERSHIP INFORMATION

Table A-7

Retirees and Beneficiaries by Attained Age and Benefit Effective Date as of June 30, 2025

FYE Benefit Effective	Under 55	55 to 59	60 to 64	65 to 69	70 to 74	75 to 79	80 to 84	85 to 89	90 Plus	Total
Prior to 1997	0	0	0	0	1	0	2	4	3	**10**
1998	0	0	0	0	0	0	1	0	1	**2**
1999	0	0	0	0	0	0	2	1	0	**3**
2000	0	0	0	0	0	0	0	1	0	**1**
2001	0	0	0	0	0	0	0	1	0	**1**
2002	0	0	0	0	0	1	1	1	0	**3**
2003	0	0	0	0	1	0	5	2	0	**8**
2004	0	0	0	0	1	1	10	0	1	**13**
2005	0	0	0	0	0	2	2	1	0	**5**
2006	0	0	0	0	2	2	3	0	0	**7**
2007	0	0	0	0	1	2	2	0	0	**5**
2008	0	0	0	0	3	11	2	0	0	**16**
2009	0	0	0	0	6	8	2	0	0	**16**
2010	0	0	0	0	3	8	0	0	0	**11**
2011	0	0	1	0	0	7	0	0	0	**8**
2012	0	0	0	0	10	13	0	0	0	**23**
2013	0	0	0	1	9	10	0	0	0	**20**
2014	0	0	0	2	17	5	0	0	0	**24**
2015	0	0	0	2	12	4	0	0	0	**18**
2016	0	0	0	0	13	2	1	0	0	**16**
2017	0	0	1	8	20	6	0	0	0	**35**
2018	0	0	3	14	7	5	0	0	0	**29**
2019	0	0	0	11	5	1	0	0	0	**17**
2020	0	0	2	13	4	0	0	1	0	**20**
2021	0	0	1	10	3	0	0	0	0	**14**
2022	0	0	3	5	1	0	0	0	1	**10**
2023	0	0	8	1	2	0	0	0	0	**11**
2024	0	0	3	2	2	1	0	1	0	**9**
2025	0	1	6	1	1	1	0	0	0	**10**
Total	**0**	**1**	**28**	**70**	**124**	**90**	**33**	**13**	**6**	**365**

Average Age at Retirement		62.3
Average Current Age		73.9
Average Annual Pension	$	27,960

APPENDIX A – MEMBERSHIP INFORMATION

Chart A-2

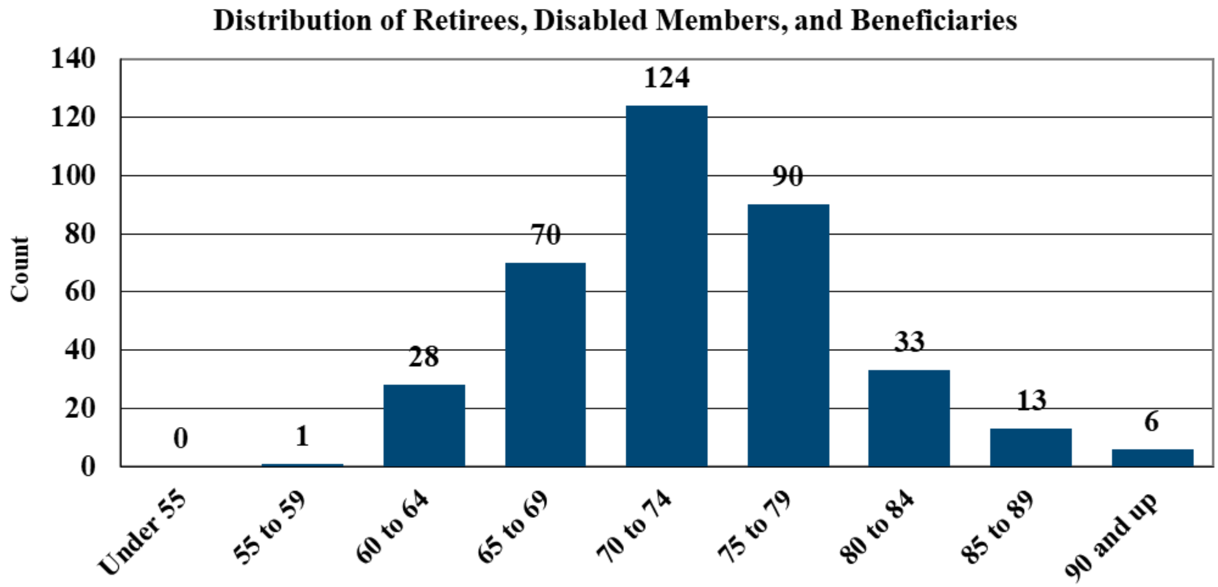
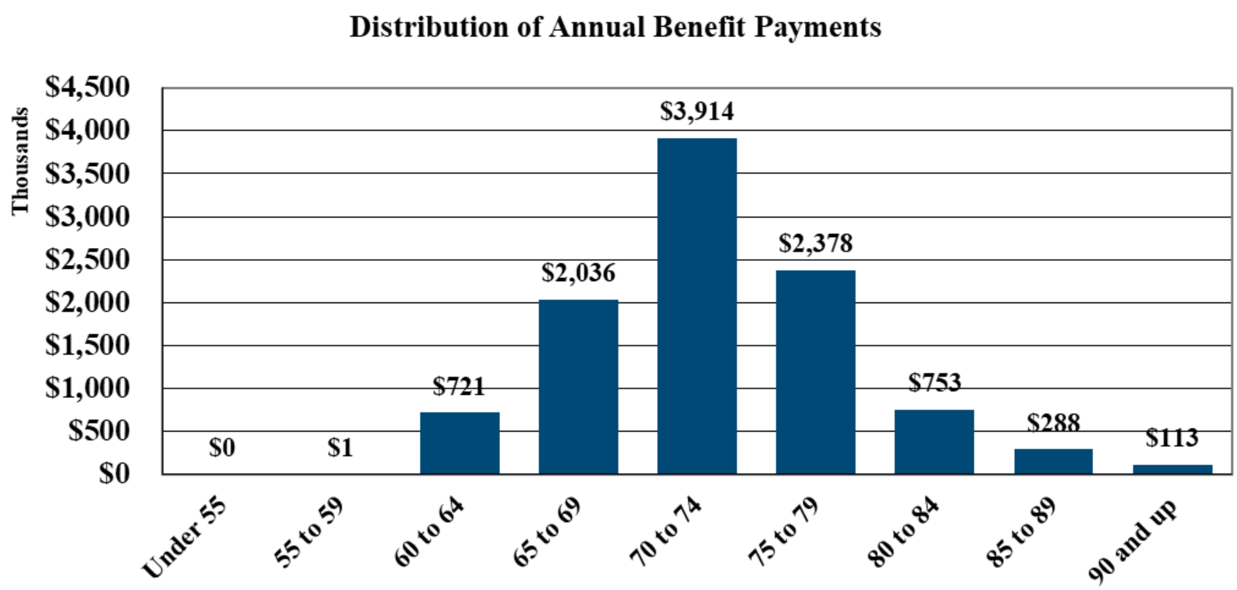


Chart A-3



APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS

Actuarial Assumptions

Based on our recommendations, the trustees adopted the inflation and salary increase assumptions at their June 13, 2022, meeting. Other actuarial assumptions were selected by the Plan trustees based on our analysis, review, and recommendations at the May 6, 2020, trustee meeting. Please refer to our presentations for the rationale for each assumption. More detail on the rationale for assumptions that were not changed can be found in the analyses performed by the prior actuary and communicated in letters dated May 14, 2015, February 18, 2016, and May 31, 2017.

1. **Long-Term Expected Return on Assets (effective June 30, 2020)**

   6.00% compounded annually net of investment management and custodial fees.

2. **Low-Default-Risk Obligation Measure Discount Rate (effective June 30, 2024)**

   The discount rate used to calculate the Low-Default-Risk Obligation Measure (LDROM) is calculated as the single equivalent rate (rounded to the nearest 10 basis points) from matching projected future benefit cash flows to the FTSE Pension Discount Curve as of June 30th. This curve was selected because it reflects the types of fixed income securities the Plan would likely invest in if the Trustees wanted to match cash flows. The single equivalent rate for this valuation is 5.40%.

3. **Salary Increases (effective June 30, 2022)**

   3.00%, compounded annually.

4. **Price Inflation (effective June 30, 2022)**

   2.75%, compounded annually.

5. **Post-Retirement Benefit Increases (effective June 30, 2022)**

   2.475% (90% of price inflation), compounded annually and effective each April 1.

6. **Administrative Expenses (effective June 30, 2016)**

   $100,000 per year, payable midyear.

7. **Mortality (effective June 30, 2020)**

   Pre-Retirement and Pre-Disability: None.

   Post-Retirement: PubG-2010(A) with generational projection using MP-2019.

APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS

8. Rates of Retirement (effective June 30, 2015)

All active and disabled participants are assumed to retire by age 67. The assumed annual rates of retirement from active status are as follows:

Active Rates of Retirement			
Age	Rate	Age	Rate
55 – 57	2.0%	62	35.0%
58 – 60	7.0	63 – 66	30.0
61	15.0	67	100.0

Terminated vested members are assumed to retire at age 62, or their present age if greater.

9. Form of Benefit (effective June 30, 2015)

Upon retirement, participants are assumed to elect the following form of payment:

Form of Payment	Election Rate
Single Life Annuity	50.0%
66 2/3% Joint & Survivor Annuity	50.0

10. Rates of Disability (effective June 30, 2015)

None.

11. Rates of Termination (effective June 30, 2015)

Participants are assumed to leave active employment for reasons other than retirement and death. Assumed termination rates are shown below:

Rates of Termination	
Years of Vesting Service	Rate
2 or less	12.0%
3 – 4	9.0
5 – 6	5.0
7 – 10	3.5
11 – 15	2.5
16 or more	1.0

APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS

12. Unused Sick Leave Benefits (effective June 30, 2020)

Active participants are assumed to increase their current bank of sick leave by 45 hours per year in future years. The schedule of maximum accumulated sick leave hours is shown in Appendix C. At retirement, active members are assumed to elect to convert their unused sick leave into a monthly annuity supplement.

13. Probability of Marriage/Domestic Partner (effective June 30, 2015)

85% of non-retired participants are assumed to be married or have a domestic partner.

14. Age of Spouse/Domestic Partner (effective June 30, 2015)

Spouses and domestic partners of male retirees are assumed to be female and three years younger than the retiree. Spouses and domestic partners of female retirees are assumed to be male and two years older than the retiree. Actual spouse demographic data is reflected following benefit commencement.

15. Changes Since the Last Valuation

The LDROM discount rate assumption changed from 5.30% to 5.40%.

APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS

Contribution Allocation Procedure (effective for FYE 2023 contributions)

The contribution allocation procedure determines a range of actuarially determined contribution amounts, including a Minimum contribution, a Maximum contribution, a Recommended contribution, and a Reasonable Actuarially Determined Contribution. Because the Plan has been closed to new entrants since April 27, 2003, and the Actuarial Liability is projected to begin declining as benefits are paid out, the Plan's funding policy differs significantly from what would be used for an ongoing pension plan. The objective of the funding policy is to maintain a well-funded pension plan without developing a surplus that could not be used efficiently until all benefits have been paid. Consequently, the funding policy targets maintaining a funded ratio between 80% and 90% rather than the normal target of 100%. The Recommended contribution is designed to target and maintain a funded ratio of 80%. Because the Actuarial Liability for the closed plan is expected to decline, the dollar amount of the UAL is also expected to decrease as the funded ratio remains at 80%. Because a component of the Recommended contribution is to contribute the unfunded portion of the next year's benefit payments, contributing the Recommended contribution ensures that sufficient assets will accumulate to pay benefits when due. However, the UAL is not expected to be completely paid off until just before the last benefit is paid. Please refer to the GASB 67/68 crossover test in Appendix D for the full projection of benefits, contributions, and asset levels.

The contribution allocation procedure uses various components, as described below. The Trustees adopted all components as part of the Plan's Funding Policy on July 31, 2023.

1. **Actuarial Cost Method**

   The Entry Age Actuarial Cost Method was used for active employees, whereby the normal cost is computed as the level annual percentage of pay required to fund all benefits between each member's date of hire and last assumed date of employment. The Actuarial Liability is the difference between the present value of future benefits and the present value of future normal costs. Or, equivalently, it is the accumulation of normal costs for all periods prior to the valuation date. The normal cost and Actuarial Liability are calculated on an individual basis. The sum of the individual amounts is the normal cost and Actuarial Liability for the Plan. The Actuarial Liability for the Plan represents the target amount of assets the Plan should have as of the valuation date according to the actuarial cost method. The assumed administrative expenses are added to the normal cost each year.

2. **Asset Valuation Method**

   The Actuarial Value of Assets is equal to the Market Value of Assets.

3. **Amortization Method**

   Amortization payments are developed separately for amounts needed to reach an 80% funded ratio. If the funded ratio is less than 80%, the difference between 80% of the Actuarial Liability and the Market Value of Assets is amortized using a 10-year layered amortization as

APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS

a level dollar amount. Once the Plan reaches 80% funded, all amortization layers are eliminated.

4. Payment to Maintain Funded Status

For any UAL amount between 80% and 100% funding levels, a payment to maintain the funded status is calculated equal to the greater of (1) interest on this portion of the UAL and (2) the benefit payments expected to be made during the year multiplied by one minus the funded percentage.

5. Adjustments to Outputs

Funding Level	Less than 80%	80% to 90%	90% or More
Minimum Contribution	• Normal cost, plus • Administrative expenses, plus • 10-year layered amortization payment to reach 80%, plus • The payment to maintain the funded status.	• $0.	• $0.
Maximum Contribution	• The amount necessary to reach 80% funded in one year if all assumptions are met.	• Normal cost, plus • Administrative expenses, plus • The payment to maintain the funded status.	• $0.
Recommended Contribution	• The greater of the Minimum Contribution or TriMet's budget for pension and OPEB trust contributions, but no greater than the Maximum Contribution.	• Prorated based on the funded percentage between the Maximum contribution at 80% funded and the Minimum Contribution at 90% funded.	• $0.

As noted above, these methods are not designed to fund the Plan completely to 100% until just before the final benefits are paid. As such, the payments on the UAL under the Plan's Funding Policy may not always comply with the amortization method requirements of Section 3.14 of Actuarial Standard of Practice No. 4.

APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS

6. Reasonable Actuarially Determined Contribution

The Reasonable Actuarially Determined Contribution equals the Recommended contribution but cannot be less than normal cost plus administrative expenses plus an amortization payment on the UAL based on a 25-year amortization as a level real dollar amount. After FYE 2025, the 25-year period decreases by one year in each future valuation until the period reaches 20 years. The amortization period is 24 years for FYE 2026.

7. Changes Since the Last Valuation

None.

APPENDIX C – SUMMARY OF PLAN PROVISIONS

1. Eligibility

Prior to April 27, 2003, an employee became a participant upon being employed as an eligible employee and was regularly scheduled to work at least 20 hours per week.

On and after April 27, 2003: Employees hired on or after April 27, 2003, are not eligible to participate in this Plan. Active participants on April 27, 2003, with credited service prior to that date made an irrevocable election to either (1) continue earning benefits under this Plan after April 26, 2003, and not earn benefits under the Defined Contribution Plan, or (2) cease earning benefits under this Plan as of April 27, 2003, and earn future benefits under the Defined Contribution Plan.

Inactive participants who are rehired after April 26, 2003, may resume participation in the Plan if certain requirements are met. Employees hired prior to April 27, 2003, who are participants in the Pension Plan for Bargaining Unit Employees of TriMet ("Union Plan") may become participants in this Plan if they transfer to a management position.

An eligible employee is any management or staff (non-bargaining) common-law employee except those covered by a collective bargaining agreement that does not provide for participation in this Plan, leased employees, employees classified to work less than half time, employees hired on or after April 27, 2003, and employees who transferred their accrued benefit to the Defined Contribution Plan.

2. Credited Service

Credited service includes all periods of service while a participant in the Plan, including military service, authorized vacation, periods of disability (if entitled to benefits under the TriMet Long-Term Disability Policy), periods of service in the Oregon State Legislative Assembly, authorized leave of absence (subject to return to work rules), part time work (i.e., at least 20 but less than 40 hours per week), and work for predecessor employers.

Credited service does not include periods in which TriMet is required to make contributions to Oregon PERS or to any other state mandated retirement program, periods in which the employee is covered by another TriMet retirement plan (including the Defined Contribution Plan and the Union Plan), and service prior to a break in service.

Periods of service are measured in years and whole months. Each twelve month period of credited service equals one year of credited service and partial years are based on the number of complete months worked divided by 12. Part-time employees earn partial credited service based on the percentage of full-time employment.

APPENDIX C – SUMMARY OF PLAN PROVISIONS

3. Vesting Service

All credited service plus any period of service (not already counted as credited service) when an employee is entitled to payment for services rendered to TriMet, excluding service preceding a permanent break in service.

Periods of service are measured in years and whole months. Each twelve-month period of vesting service equals one year of vesting service and partial years are based on the number of complete months worked divided by 12.

4. Contributions

Member

There are no member contributions.

Employer

TriMet makes contributions in accordance with its funding policy which is to be determined in accordance with accepted actuarial principles.

5. Normal Retirement

Eligibility

Age 62

Basic Benefit

The basic benefit is a monthly benefit payable for life equal to 1/12 of 1.75% of final average salary multiplied by credited service. Certain executives who became participants on or before July 1, 2008, receive a different percentage of final average earnings.

Final average salary means 1/3 of the 36 highest consecutive months of base earnings. If the employee is totally disabled, final average salary includes only base earnings paid prior to the onset of disability. Final average salary during a period when an employee is part-time is the employee's salary during the period divided by the percentage of time the part-time employee worked relative to a full-time employee.

Sick Leave Supplement

For participants who retire on or after July 1, 2000, hours of unused sick leave are converted to either a monthly annuity supplement or a lump sum distribution.

APPENDIX C – SUMMARY OF PLAN PROVISIONS

- The monthly annuity supplement is equal to 50% of hours of sick leave multiplied by the final average hourly rate, divided by 101.9.
- The lump sum distribution is equal to 50% of hours of sick leave multiplied by the final average hourly rate, multiplied by 1.107.

The final average hourly rate is the participant's final average salary divided by 2,080.

Hours of sick leave are the lesser of the participant's hours of unused sick leave or the maximum hours of sick leave from the table below.

Effective	Maximum Hours of Sick Leave
July 1, 2000	1,400 hours
March 22, 2005	1,500 hours
December 1, 2005	1,550 hours
December 1, 2006	1,600 hours
December 1, 2007	1,650 hours
December 1, 2008	1,700 hours

6. Early Retirement

Eligibility

Age 55 and 5 years of vesting service.

Benefit

The normal retirement benefit is actuarially reduced.

7. Disability Retirement

The Plan does not provide for a disability benefit. However, participants who become entitled to receive disability benefits under the TriMet Long-Term Disability Policy continue to earn credited service toward their normal retirement benefit while disabled.

8. Termination Benefit

Eligibility

5 Years of vesting service.

APPENDIX C – SUMMARY OF PLAN PROVISIONS

Benefit

Normal retirement benefit commencing at age 62 or early retirement benefit commencing as early as age 55.

9. Forms of Payment

The following forms of payment are available:

- Single Life Annuity
- 66-2/3% Joint and Survivor Annuity
- Lump Sum

10. Pre-Retirement Death Benefit

The monthly payment payable to the surviving spouse or domestic partner of a vested participant is equal to the survivor portion of the 66 2/3% joint and survivor annuity which the spouse or domestic partner would have received had the participant retired at the time of his or her death (if eligible for retirement), otherwise as if the participant terminated employment on his or her date of death (if not already terminated), survived to the earliest age at which he or she could have elected to retire, retired with a 66 2/3% joint and survivor annuity, and died the following day.

The payment to the surviving spouse commences on the later of the participant's normal retirement date, or the participant's date of death. However, the spouse may commence actuarially reduced benefits following the earliest date the participant could have elected early retirement.

The payment to the domestic partner must commence no later than December 31 of the calendar year following the participant's death. If the commencement date is earlier than the participant's age 55, the survivor benefit will be actuarially reduced to the commencement date.

11. Post-retirement Cost-of-Living Benefit

Post-retirement benefits for participants who retire after May 31, 1984, are increased each April 1 by 90% of the percentage increase in the U.S. Urban Wage Earners and Clerical Workers Consumer Price Index (CPI-W) (annual average) for the previous calendar year. Annual increases will not be more than 7% per year and benefits will not be decreased if the annual CPI decreases.

12. Changes Since the Last Valuation

None.

APPENDIX C – SUMMARY OF PLAN PROVISIONS

Note: The summary of major plan provisions is designed to outline principal plan benefits. If TriMet should find the plan summary not in accordance with the actual provisions, the actuary should immediately be alerted so that the proper plan provisions are valued.

APPENDIX D – GASB 67/68 CROSSOVER TEST

FYE	Projected Beginning Fiduciary Net Position	Projected Contribution	Projected Admin Expenses	Projected Benefit Payments	Projected Investment Earnings	Projected Ending Fiduciary Net Position	"Funded" Portion of Benefit Payments	"Unfunded" Portion of Benefit Payments
2026	147,237,295	755,177	100,000	10,706,067	8,537,103	145,723,507	10,706,067	0
2027	145,723,507	938,658	102,750	11,147,793	8,438,560	143,850,182	11,147,793	0
2028	143,850,182	1,123,737	105,577	11,579,733	8,318,779	141,607,388	11,579,733	0
2029	141,607,388	1,312,528	108,480	12,009,887	8,176,990	138,978,539	12,009,887	0
2030	138,978,539	1,494,559	111,464	12,282,748	8,016,486	136,095,373	12,282,748	0
2031	136,095,373	1,673,006	114,529	12,543,761	7,840,964	132,951,053	12,543,761	0
2032	132,951,053	1,834,919	117,678	12,830,556	7,648,520	129,486,259	12,830,556	0
2033	129,486,259	1,979,223	120,914	13,044,124	7,438,489	125,738,933	13,044,124	0
2034	125,738,933	2,121,264	124,239	13,235,513	7,212,092	121,712,536	13,235,513	0
2035	121,712,536	2,256,445	127,656	13,412,151	6,969,182	117,398,357	13,412,151	0
2036	117,398,357	2,353,990	127,643	13,410,875	6,713,253	112,927,081	13,410,875	0
2037	112,927,081	2,429,437	127,289	13,373,623	6,448,319	108,303,925	13,373,623	0
2038	108,303,925	2,481,988	126,684	13,310,066	6,174,380	103,523,543	13,310,066	0
2039	103,523,543	2,512,763	125,206	13,154,853	5,893,099	98,649,345	13,154,853	0
2040	98,649,345	2,523,738	123,178	12,941,709	5,607,333	93,715,529	12,941,709	0
2041	93,715,529	2,521,874	121,101	12,723,554	5,317,759	88,710,507	12,723,554	0
2042	88,710,507	2,492,883	118,145	12,413,004	5,025,869	83,698,110	12,413,004	0
2043	83,698,110	2,446,275	114,711	12,052,187	4,734,516	78,712,003	12,052,187	0
2044	78,712,003	2,387,262	111,109	11,673,850	4,444,896	73,759,201	11,673,850	0
2045	73,759,201	2,311,984	106,896	11,231,177	4,158,714	68,891,825	11,231,177	0
2046	68,891,825	2,225,765	102,401	10,758,868	3,878,218	64,134,538	10,758,868	0
2047	64,134,538	2,130,754	97,672	10,261,890	3,604,804	59,510,534	10,261,890	0
2048	59,510,534	2,029,027	92,760	9,745,799	3,339,759	55,040,761	9,745,799	0
2049	55,040,761	1,922,548	87,722	9,216,517	3,084,221	50,743,291	9,216,517	0
2050	50,743,291	1,813,185	82,618	8,680,266	2,839,143	46,632,736	8,680,266	0
2051	46,632,736	1,702,657	77,507	8,143,229	2,605,270	42,719,928	8,143,229	0
2052	42,719,928	1,592,493	72,443	7,611,218	2,383,122	39,011,882	7,611,218	0
2053	39,011,882	1,484,008	67,477	7,089,432	2,173,005	35,511,987	7,089,432	0
2054	35,511,987	1,378,266	62,649	6,582,206	1,975,023	32,220,421	6,582,206	0
2055	32,220,421	1,276,091	57,992	6,092,966	1,789,109	29,134,663	6,092,966	0

APPENDIX D – GASB 67/68 CROSSOVER TEST

FYE	Projected Beginning Fiduciary Net Position	Projected Contribution	Projected Admin Expenses	Projected Benefit Payments	Projected Investment Earnings	Projected Ending Fiduciary Net Position	"Funded" Portion of Benefit Payments	"Unfunded" Portion of Benefit Payments
2056	29,134,663	1,178,065	53,530	5,624,134	1,615,058	26,250,121	5,624,134	0
2057	26,250,121	1,084,561	49,277	5,177,267	1,452,558	23,560,697	5,177,267	0
2058	23,560,697	995,726	45,238	4,752,931	1,301,230	21,059,485	4,752,931	0
2059	21,059,485	911,550	41,412	4,350,958	1,160,666	18,739,330	4,350,958	0
2060	18,739,330	831,920	37,793	3,970,781	1,030,448	16,593,124	3,970,781	0
2061	16,593,124	756,626	34,372	3,611,345	910,177	14,614,210	3,611,345	0
2062	14,614,210	685,445	31,138	3,271,580	799,478	12,796,415	3,271,580	0
2063	12,796,415	618,197	28,083	2,950,591	698,002	11,133,939	2,950,591	0
2064	11,133,939	554,714	25,200	2,647,581	605,420	9,621,292	2,647,581	0
2065	9,621,292	494,894	22,482	2,362,063	521,414	8,253,056	2,362,063	0
2066	8,253,056	438,685	19,928	2,093,794	445,664	7,023,683	2,093,794	0
2067	7,023,683	382,553	17,538	1,842,611	377,739	5,923,826	1,842,611	0
2068	5,923,826	337,685	15,311	1,608,595	317,405	4,955,010	1,608,595	0
2069	4,955,010	292,268	13,250	1,392,108	264,394	4,106,315	1,392,108	0
2070	4,106,315	250,596	11,360	1,193,494	218,168	3,370,224	1,193,494	0
2071	3,370,224	212,732	9,643	1,013,048	178,269	2,738,534	1,013,048	0
2072	2,738,534	178,712	8,100	850,938	144,200	2,202,407	850,938	0
2073	2,202,407	148,503	6,729	707,013	115,434	1,752,603	707,013	0
2074	1,752,603	122,021	5,529	580,855	91,428	1,379,668	580,855	0
2075	1,379,668	99,121	4,491	471,786	71,630	1,074,143	471,786	0
2076	1,074,143	79,587	3,606	378,751	55,498	826,871	378,751	0
2077	826,871	63,154	2,861	300,504	42,511	629,172	300,504	0
2078	629,172	49,522	2,243	235,604	32,183	473,028	235,604	0
2079	473,028	38,368	1,738	182,511	24,069	351,217	182,511	0
2080	351,217	29,366	1,330	139,667	17,773	257,358	139,667	0
2081	257,358	22,197	1,005	105,558	12,947	185,940	105,558	0
2082	185,940	16,562	750	78,742	9,296	132,305	78,742	0
2083	132,305	12,182	551	57,914	6,570	92,592	57,914	0
2084	92,592	8,823	398	41,939	4,565	63,643	41,939	0
2085	63,643	6,284	284	29,863	3,113	42,894	29,863	0

APPENDIX D – GASB 67/68 CROSSOVER TEST

FYE	Projected Beginning Fiduciary Net Position	Projected Contribution	Projected Admin Expenses	Projected Benefit Payments	Projected Investment Earnings	Projected Ending Fiduciary Net Position	"Funded" Portion of Benefit Payments	"Unfunded" Portion of Benefit Payments
2086	42,894	4,393	199	20,870	2,081	28,298	20,870	0
2087	28,298	3,010	136	14,296	1,360	18,237	14,296	0
2088	18,237	2,016	91	9,571	868	11,459	9,571	0
2089	11,459	1,313	59	6,237	540	7,016	6,237	0
2090	7,016	834	37	3,957	328	4,183	3,957	0
2091	4,183	514	23	2,440	193	2,427	2,440	0
2092	2,427	308	13	1,460	111	1,373	1,460	0
2093	1,373	180	8	853	62	754	853	0
2094	754	102	5	482	34	402	482	0
2095	402	57	3	264	18	210	264	0
2096	210	31	2	141	9	107	141	0
2097	107	15	1	74	5	52	74	0
2098	52	9	1	38	2	24	38	0
2099	24	5	1	20	1	10	20	0
2100	10	1	0	9	0	2	9	0
2101	2	1	0	3	0	1	2	0
2102	1	0	0	1	0	0	1	0
2103	0	0	0	0	0	0	0	0
2104	0	0	0	0	0	0	0	0

APPENDIX E – GLOSSARY OF TERMS

1. **Actuarial Liability**

   The Actuarial Liability is the difference between the present value of future benefits and the present value of total future normal costs. This is also referred to as the “accrued liability” or “actuarial accrued liability.” The Actuarial Liability represents the targeted amount of assets a plan should have as of a valuation date according to the actuarial cost method.

2. **Actuarial Assumptions**

   Estimates of future experience with respect to rates of mortality, disability, turnover, retirement rate or rates of investment income, and salary increases. Demographic actuarial assumptions (rates of mortality, disability, turnover, and retirement) are generally based on past experience, often modified for projected changes in conditions. Economic assumptions (price inflation, wage inflation, and investment income) are generally based on expectations for the future that may differ from the Plan’s past experience.

3. **Actuarial Cost Method**

   A mathematical budgeting procedure for allocating the dollar amount of the present value of future benefits between future normal cost and Actuarial Liability.

4. **Actuarial Gain (Loss)**

   The difference between actual experience and the anticipated experience based on the actuarial assumptions during the period between two actuarial valuation dates.

5. **Actuarial Present Value**

   The amount of funds currently required to provide a payment or series of payments in the future. It is determined by discounting future payments at the discount rate and by probabilities of payment.

6. **Actuarial Valuation Date**

   The date as of which an actuarial valuation is performed. For GASB purposes, this date may be up to 24 months prior to the GASB 67/68 measurement date and up to 30 months prior to the employer’s financial reporting date.

7. **Actuarially Determined Contribution**

   The payment to the Plan as determined by the actuary using a contribution allocation procedure. It may or may not be the actual amount contributed to the Plan.

APPENDIX E – GLOSSARY OF TERMS

8. Amortization Method

A method for determining the amount, timing, and pattern of payments on the Unfunded Actuarial Liability.

9. Asset Valuation Method

The method used to develop the Actuarial Value of Assets from the Market Value of Assets typically by smoothing investment returns above or below the assumed rate of return over a period of time.

10. Contribution Allocation Procedure

A procedure typically using an actuarial cost method, an asset valuation method, and an amortization method to develop the Actuarially Determined Contribution.

11. Deferred Inflow of Resources

An acquisition of net assets by a government employer that is applicable to a future reporting period. In the context of GASB 68, these are experience gains on the Total Pension Liability, assumption changes reducing the Total Pension Liability, or investment gains that are recognized in future reporting periods.

12. Deferred Outflow of Resources

A consumption of net assets by a government employer that is applicable to a future reporting period. In the context of GASB 68, these are experience losses on the Total Pension Liability, assumption changes increasing the Total Pension Liability, or investment losses that are recognized in future reporting periods.

13. Discount Rate

The rate of interest used to discount future benefit payments to determine the actuarial present value. For purposes of determining an Actuarially Determined Contribution, the discount rate is typically based on the long-term expected return on assets.

14. Entry Age Actuarial Cost Method

The actuarial cost method required for GASB 67 and 68 calculations. Under this method, the actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis over the earnings of the individual between entry age and assumed exit ages. The portion of this actuarial present value allocated to a valuation year is called the service cost. The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future service costs is called the Total Pension Liability.

APPENDIX E – GLOSSARY OF TERMS

15. Funded Status or Funding Ratio

The Market or Actuarial Value of Assets divided by the Actuarial Liability. For purposes of this report, the funded status represents the proportion of the actual assets compared to the target established by the actuarial cost method as of the valuation date. These measures are for contribution budgeting purposes and are not appropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the plan's benefit obligations.

16. Measurement Date

The date as of which the Total Pension Liability and Plan Fiduciary Net Position are measured. The Total Pension Liability may be projected from the actuarial valuation date to the measurement date. The measurement date must be the same as the reporting date for the plan.

17. Net Pension Liability

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

18. Normal Cost

The portion of the present value of future benefits allocated to the current year by the actuarial cost method.

19. Plan Fiduciary Net Position

The fair or Market Value of Assets.

20. Present Value of Future Benefits

The actuarial present value of all benefits both earned as of the valuation date and expected to be earned in the future by current plan members, based on current plan provisions and actuarial assumptions.

21. Reporting Date

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

22. Service Cost

The portion of the actuarial present value of projected benefit payments that is attributed to the current period of employee service in conformity with the requirements of GASB 67 and

APPENDIX E – GLOSSARY OF TERMS

68. The service cost is the normal cost calculated under the Entry Age Actuarial Cost Method.

23. Total Pension Liability

The portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service in conformity with the requirements of GASB 67 and 68. The Total Pension Liability is the Actuarial Liability calculated under the Entry Age Actuarial Cost Method.

24. Unfunded Actuarial Liability (UAL)

The Unfunded Actuarial Liability is the difference between Actuarial Liability and either the Market or the Actuarial Value of Assets. This value is sometimes referred to as “unfunded actuarial accrued liability.” It represents the difference between the actual assets and the amount of assets expected by the actuarial cost method as of the valuation date.

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