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City of Rockford
2026 Police and Fire Pension Review

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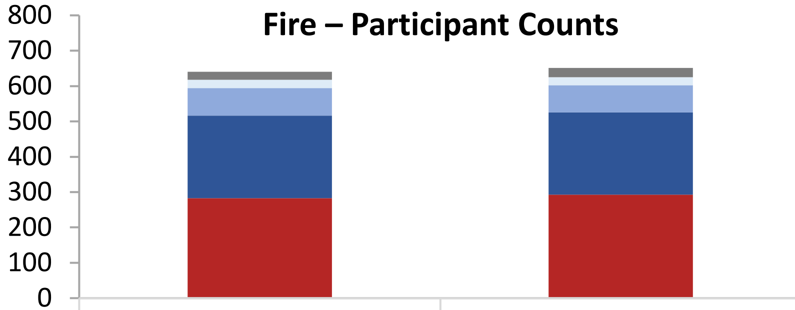
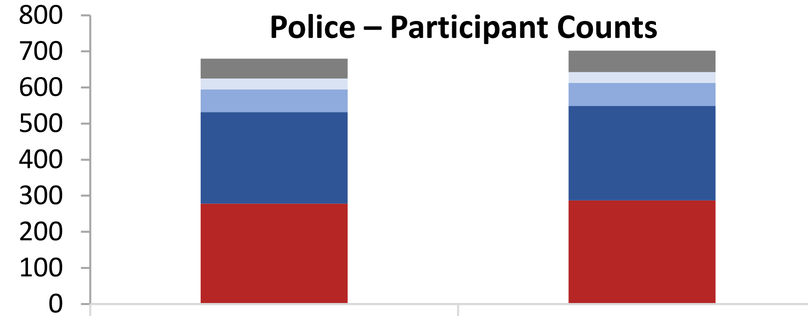
1/1/2026 Valuation Highlights

Prior Year Activity	***Assets performed better than expected 7.10%*** • Return on Market Value 17.3% Fire, 17.8% Police • Return on Actuarial Value 7.4% Fire, 7.8% Police ***Demographic Changes*** • Participant counts increased marginally for Fire and slightly more for Police • Salary increases slightly lower than expected for Fire and slightly higher than expected for Police
Current Year	***Plan funding percentages improved and contributions increased*** • Funded percentages increased 1.3% for Fire and 0.3% for Police • Contributions increased 5% for Fire and 8% for Police • Payroll Growth assumption was lowered from 4.00% to 3.75% which contributes to the increase in ADC
Looking Ahead	***Significant projected contribution increases between now and 2040*** • Review payroll growth assumption • Consolidated fund experience studies

Demographic Summary



	2025	2026
Term Vested	22	26
Disabled	24	23
Beneficiaries	78	77
Retirees	233	232
Actives	283	293
Total	640	651

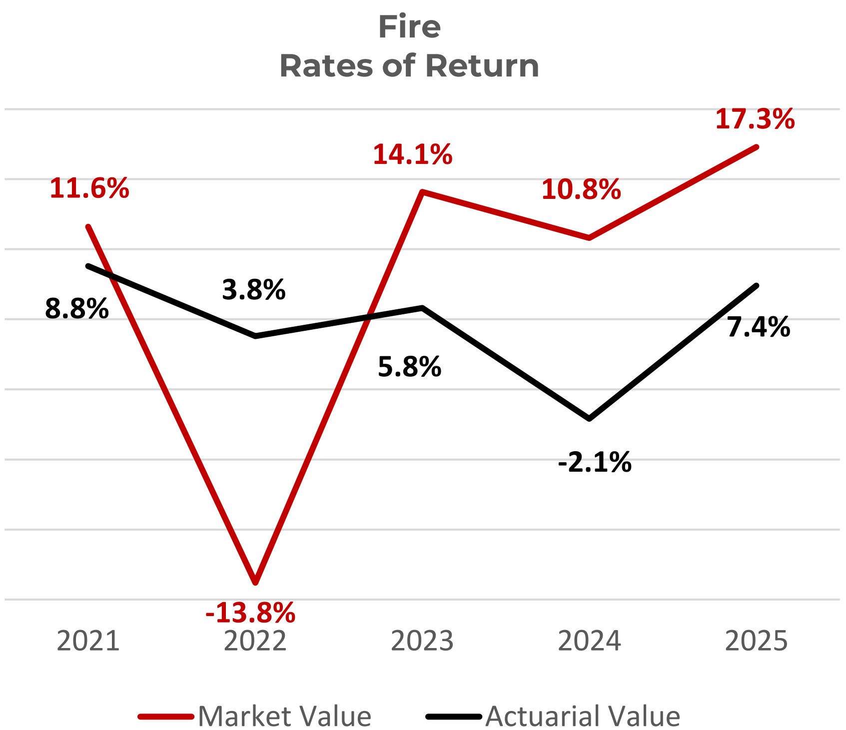


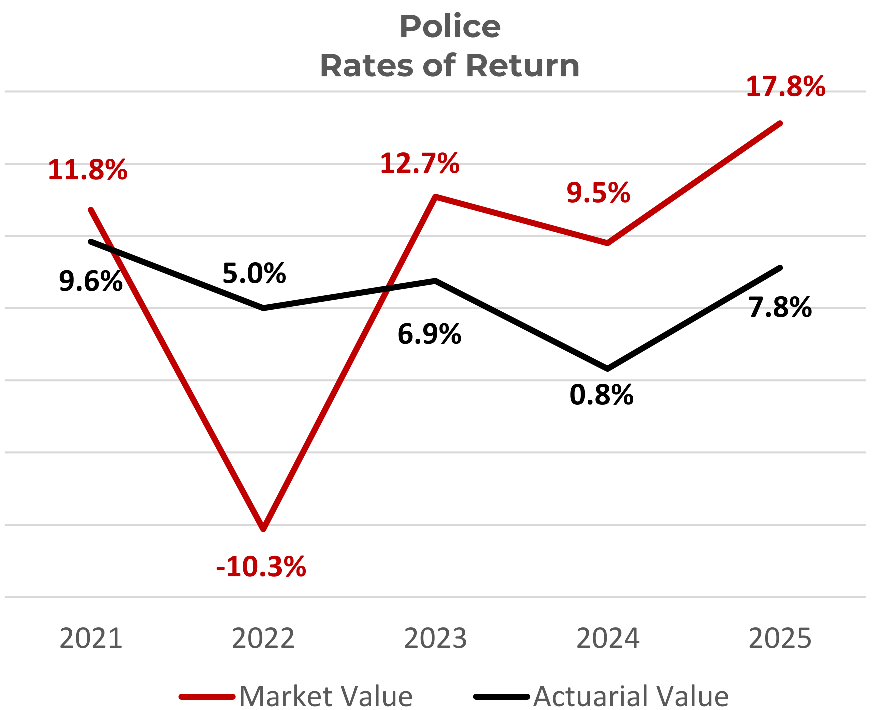
	2025	2026
Term Vested	55	59
Disabled	30	30
Beneficiaries	63	64
Retirees	254	262
Actives	278	287
Total	680	702

Fire – Benefit and Salary Information	2025	2026
Deferred Vested - Averages		
• Age	35.8	36.2
• Monthly Benefit	$1,435	$1,435
In Pay - Averages		
• Age	70.7	71.1
• Monthly Benefit	$6,082	$6,349
Actives - Averages		
• Age	39.6	39.6
• Service	12.6	12.6
• Salary	$100,780	$100,905

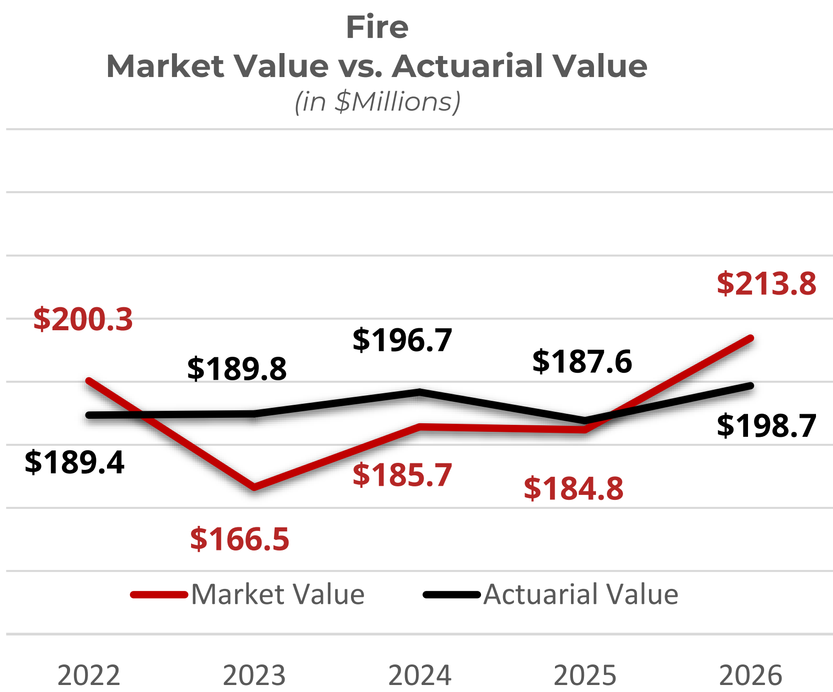
Police– Benefit and Salary Information	2025	2026
Deferred Vested - Averages		
• Age	36.9	37.8
• Monthly Benefit	$2,710	$3,244
In Pay - Averages		
• Age	68.5	68.5
• Monthly Benefit	$6,157	$6,353
Actives - Averages		
• Age	38.7	37.7
• Service	12.4	11.4
• Salary	$98,932	$99,159

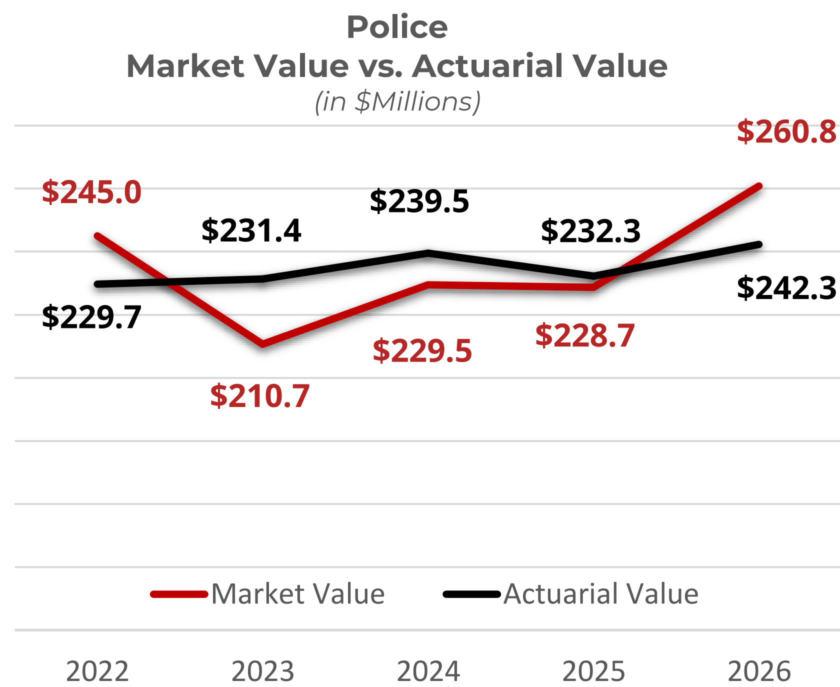
Assets – 5 Year Summary





Assets – 5 Year Summary





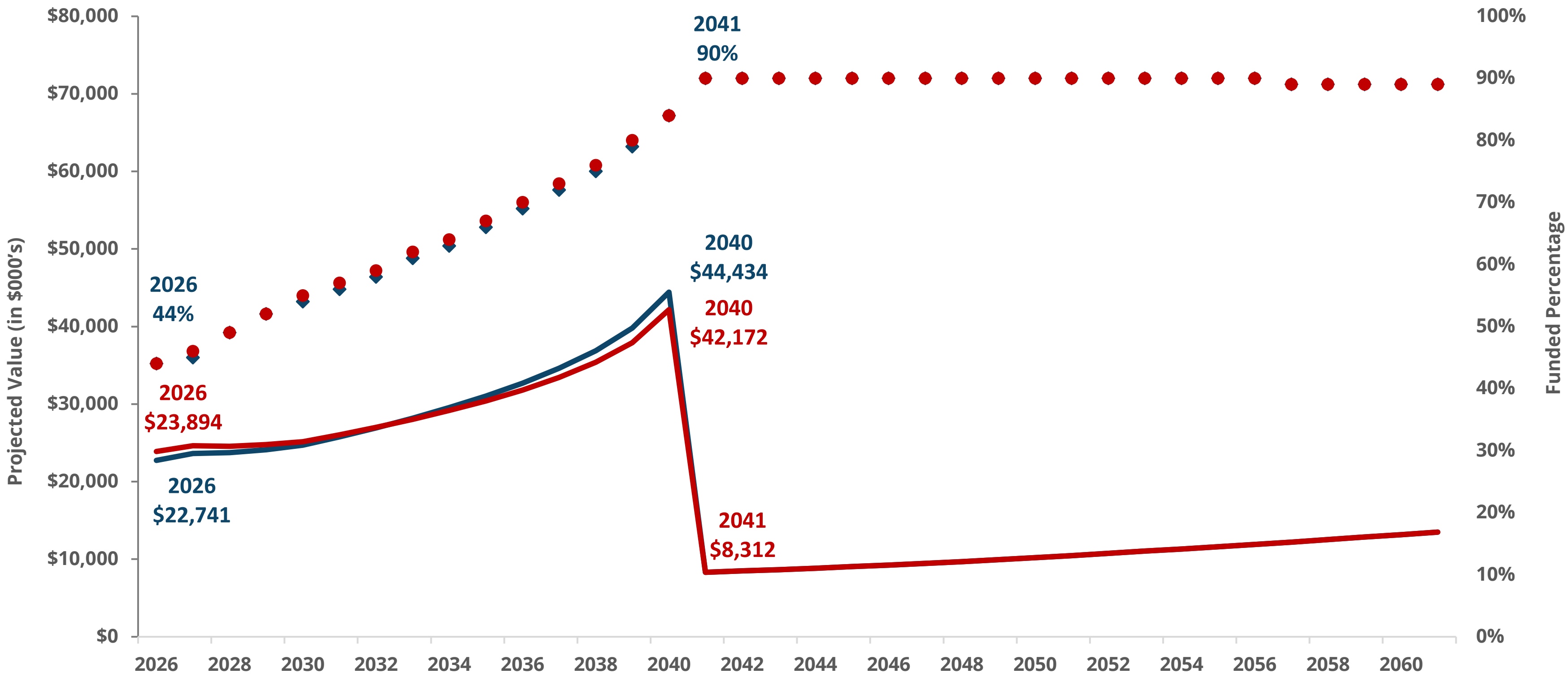
2026 Fire Valuation Results

	2025 Valuation (2026 Contribution)	2026 Same as 2025 (4.00% Payroll)	2026 3.75% Payroll	2026 3.50% Payroll
Total Payroll	$28,520,747	$29,565,030	$29,565,030	$29,565,030
Market Assets	$184,757,559	$213,811,954	$213,811,954	$213,811,954
Actuarial Assets	$187,633,301	$198,710,687	$198,710,687	$198,710,687
Recommended Contribution				
Funding Policy by 2040	90%	90%	90%	90%
Accrued Liability	$441,959,747	$453,188,175	$453,188,175	$453,188,175
Actuarial Assets	$187,633,301	$198,710,687	$198,710,687	$198,710,687
Unfunded Liability	$254,326,446	$254,477,488	$254,477,488	$254,477,488
Funded Percentage	42.5%	43.8%	43.8%	43.8%
Unfunded Liability to Amortize	$210,130,471	$209,158,671	$209,158,671	$209,158,671
Total Normal Cost	$6,415,298	$6,599,645	$6,599,645	$6,599,645
Employee Contributions	($2,696,637)	($2,795,374)	($2,795,374)	($2,795,374)
Expenses	$196,342	$162,161	$162,161	$162,161
Amortization	$16,220,583	$16,989,721	$17,254,740	$17,522,667
Interest	$1,429,627	$1,487,886	$1,506,703	$1,525,726
Net City Contribution	$21,631,364	$22,464,302	$22,740,531	$23,019,791
- as a % of Payroll	75.8%	76.0%	76.9%	77.9%
Normal Cost + Interest on UAL	$22,039,864	$22,142,276	$22,142,276	$22,142,276
2025 Recommended Contribution	$19,020,452			
Actual City Contribution	$20,020,452			

2026 Police Valuation Results

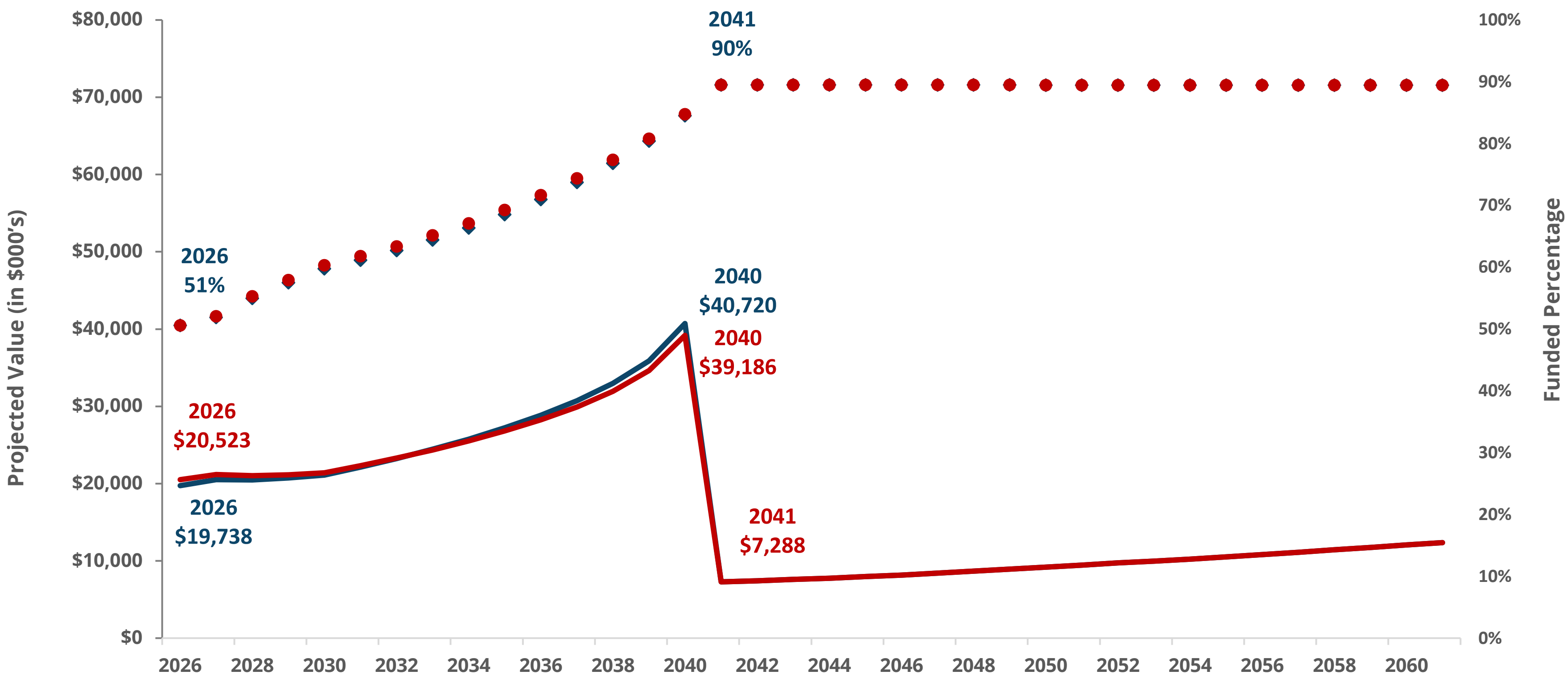
	2025 Valuation (2026 Contribution)	2026 Same as 2025 (4.00% Payroll)	2026 3.75% Payroll	2026 3.50% Payroll
Total Payroll	$27,503,202	$28,458,578	$28,458,578	$28,458,578
Market Assets	$228,710,401	$260,817,247	$260,817,247	$260,817,247
Actuarial Assets	$232,266,989	$242,304,194	$242,304,194	$242,304,194
Recommended Contribution				
Funding Policy by 2040	90%	90%	90%	90%
Accrued Liability	$461,638,790	$478,871,853	$478,871,853	$478,871,853
Actuarial Assets	$232,266,989	$242,304,194	$242,304,194	$242,304,194
Unfunded Liability	$229,371,801	$236,567,659	$236,567,659	$236,567,659
Funded Percentage	50.3%	50.6%	50.6%	50.6%
Unfunded Liability to Amortize	$183,207,922	$188,680,474	$188,680,474	$188,680,474
Total Normal Cost	$5,457,813	$5,515,686	$5,515,686	$5,515,686
Employee Contributions	($2,725,567)	($2,820,245)	($2,820,245)	($2,820,245)
Expenses	$165,023	$169,141	$169,141	$169,141
Amortization	$14,142,353	$15,326,300	$15,565,372	$15,807,067
Interest	$1,209,813	$1,291,553	$1,308,527	$1,325,687
Net City Contribution	$18,249,435	$19,482,435	$19,738,481	$19,997,336
- as a % of Payroll	66.4%	68.5%	69.4%	70.3%
Normal Cost + Interest on UAL	$19,211,633	$19,683,121	$19,683,121	$19,683,121
2025 Recommended Contribution	$15,721,966			
Actual City Contribution	$16,721,965			

Projections: Fire Contributions and Funded Ratios



	Funding Policy Contribution 90% by 2040	Alternative Contribution 90% by 2040
Funding Target	90% by 2040	90% by 2040
Investment Return	7.10%	7.10%
Payroll Growth	3.75%	2.75%
Amortization	15-Year Level Percent of Pay	15-Year Level Percent of Pay
Funded %	◆	●

Projections: Police Contributions and Funded Ratios



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Payroll Growth	3.75%	3.00%
Amortization	15-Year Level Percent of Pay	15-Year Level Percent of Pay
Funded %	◆	●

Consolidate Funds
Actuarial Experience Study

The actuary for the Consolidated Firefighters' Fund prepared an updated actuarial experience study based on a review of plan experience from 2020 through 2023, which has been approved by the IFPIF Board of Trustees.

The actuary for the Consolidated Police Fund prepared an updated actuarial experience study based on a review of plan experience from 2021 through 2024. The experience study was presented to the IPOPIF Board of Trustees at the April 17th meeting but has not yet been approved, though we anticipate it will be approved this year.

Fire Recommendations

- Economic Assumptions
  - Inflation: Increase to 2.50%
  - Salary Increases: Reduced rates for service under 6 years and increased rates for service over 6 years
- Demographic Assumptions
  - Retirement Rates: Generally higher rates for Tier I members at most ages
  - Withdrawal Rates: Higher rates for ages 21 through 32, lower rates for ages 33 through 43
  - Spousal age difference: Change to assumed age difference of 2 years

We recommend that the updated assumptions be considered for the 12/31/2026 valuation. We've tested the impact on a sample of Illinois Fire Funds:

- **Active liabilities: 2-5% increase**
- **Inactive liabilities: Limited impact**
- **Normal costs: 4-9% increase**

Police Recommendations

- Economic Assumptions
  - Salary Increases: Minor adjustments, generally higher rates
- Demographic Assumptions
  - Retirement Rates: Minor adjustments, generally higher prior to age 65 and lower after age 65
  - Withdrawal Rates: Higher rates for service prior to 15 years of service
  - Disability Rates: Higher disability rates for all ages, and increase service-related probability to 70%

We recommend that the updated assumptions be considered for the 12/31/2026 valuation. We've tested the impact on a sample of Illinois Police Funds:

- **Active liabilities: 3-5% increase**
- **Inactive liabilities: No impact**
- **Normal costs: 2-7% increase**

Assumptions and Methods

Assumption/Method*	Description
Funding Interest Rate	7.10% (net of investment expenses)
Annual Pay Increases	Varies by service
Mortality Rates	Pub-2010 Mortality with adjustments and generational mortality improvement scale MP-2021 from 2010
Retirement Rates	Varies by age and Tier I or II; 100% at age 70
Withdrawal Rates	Varies by age or service
Disability	Varies by age; 60% (Police) / 80% (Fire) are assumed to be in the line of duty
Valuation Method	Entry Age Normal Cost Method
Asset Method	5-year smoothing of asset gains and losses
Amortization Method	Closed level percentage of payroll amortization • 90% of the Unfunded Actuarial Accrued Liability • 3.75% payroll growth assumption over the period ending on December 31, 2040 (15-year amortization in 2026)

* Assumptions based on prior experience study completed in December 2021 and March 2022.

Certification

This report has been prepared for the primary purpose of summarizing the actuarial valuation for the City of Rockford Police and Firefighters' Pension Fund as of January 1, 2026. To the best of our knowledge, the reports summarized herein present fair positions of the funded status of the plan in accordance with the Actuarial Standards of Practice as described by the American Academy of Actuaries and are based on the plan provisions and assumptions summarized within each report.

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

Neither Nyhart nor any of its employees have any relationship with the plan or its sponsor which could impair or appear to impair the objectivity of this report. To the extent that this report or any attachment concerns tax matters, it is not intended to be used and cannot be used by a taxpayer for the purpose of avoiding penalties that may be imposed by law.

The undersigned are compliant with the continuing education requirements of the Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States.

To our knowledge there have been no significant events prior to the current year's measurement date or as of the date of this report which could materially affect the results contained herein.

Nyhart

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August 3, 2026
Date