

TACOMA EMPLOYEES' RETIREMENT SYSTEM (TERS) ANNUAL FINANCIAL REPORT, AS OF 12/31/2023

This report has been designed to provide a summary of information for the Tacoma Employees' Retirement System (TERS) as of December 31, 2023.

It includes a summary of the System, financial and actuarial information, asset allocation, as well as the administrative organization.

Further details on the plan and its financial and actuarial status can be found in the Annual Comprehensive Financial Report, available at the website www.cityoftacoma.org/ters.

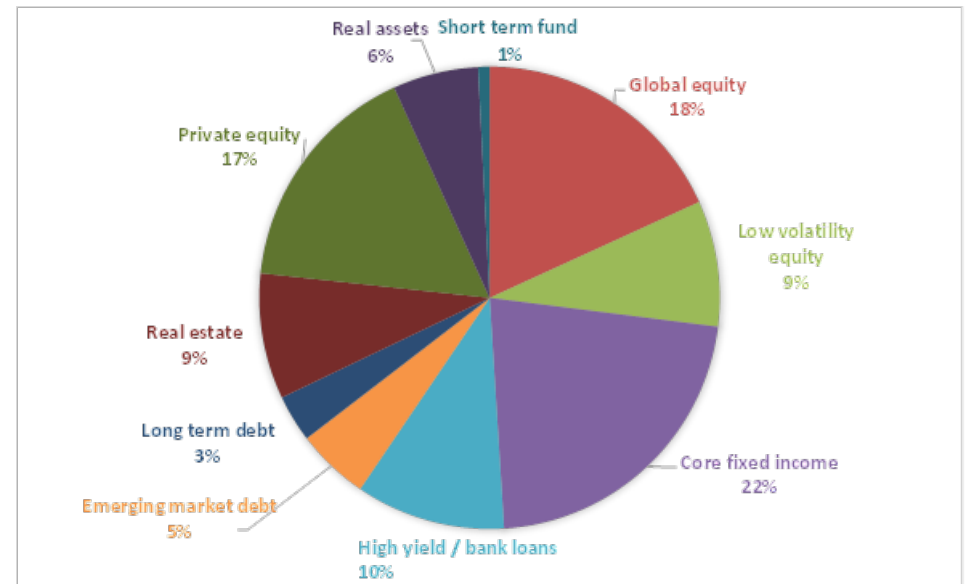
The Board of Administration conducts its monthly meeting on the second Thursday of the month. These meetings are open to the public, and held at the Tacoma Public Utilities Building, Room ABN-LT1. Please see the TERS website for information about the date and time of the next meeting.

If you have any questions regarding the Retirement System, please feel free to contact the Retirement Office at (253) 502-8200, or by email at TERSretirement@cityoftacoma.org.

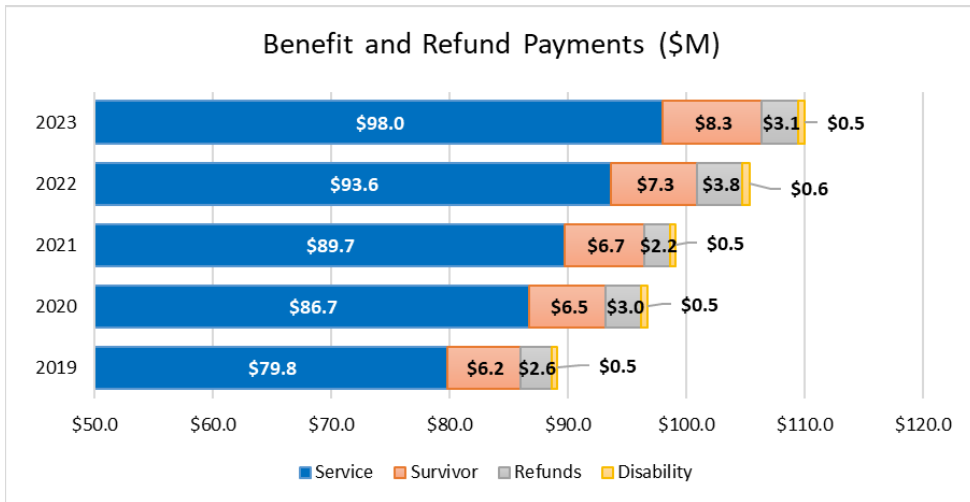
2023 Key Statistics

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|------------------------------|----------------------------------|------------------|
| Membership | Active Members | 3,325 |
| | Benefit Recipients | 2,836 |
| | Terminated | 948 |
| Plan Assets | Fiduciary Net Position | \$2.1 B |
| Inflows/ Outflows | Benefits Paid | \$106.9 M |
| | Refund of Contributions | \$3.1 M |
| | Administrative Expenses | \$2.2 M |
| | Member Contributions | \$32.2 M |
| | Employer Contributions | \$37.1 M |
| Financial | Funded Ratio | 97.2% |
| | Investment Rate of Return | 7.7% |

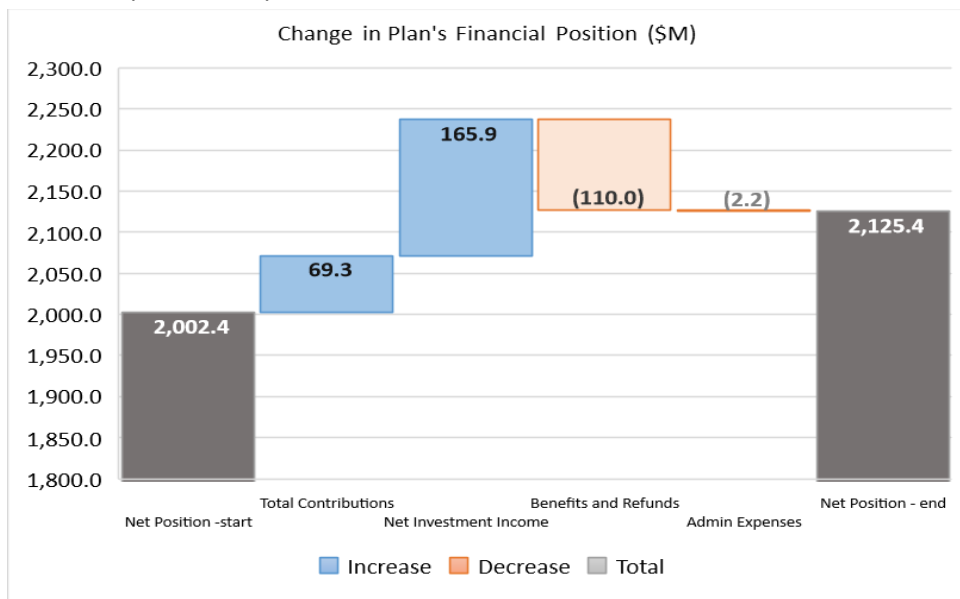
2023 Asset Allocation



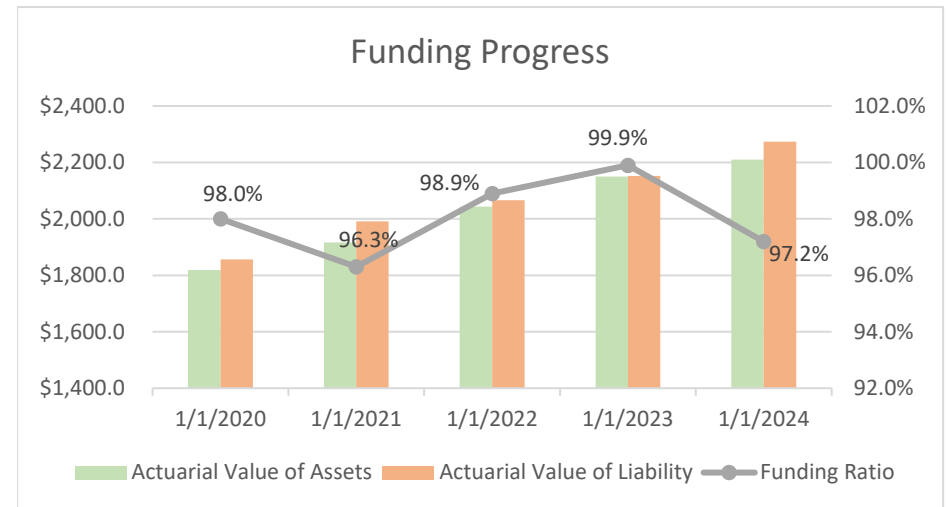
1. The below chart shows payments made by TERS in the past five calendar years, broken out by category. As can be seen, payments have grown significantly over this timeframe.



2. The next chart shows the net change in the TERS's asset base, by showing contributions and investment increases (in blue), benefits and administrative expenses (in orange). In 2023, increases outweighed decreases and the plan's financial position improved.



3. The final chart shows the actuarial liabilities and assets of the plan, as well as the funding ratio, which is actuarial assets divided by actuarial liabilities. A pension fund is considered well-funded when its assets are projected to meet future benefit payments, but this is dependent upon assumptions in the actuarial projections being accurate.



4. Finally, it is important to note the Tacoma Employees' Retirement System is organized under the Municipal Code of the City of Tacoma for the purpose of providing a uniform program of retirement, disability, and death benefits. The System is administered by the Board of Administration.

Board of Administration

| | |
|--------------------------|---------------------|
| Mayor and Chair | Victoria Woodards |
| Director of Finance | Andrew Cherullo |
| Designee of City Manager | Kathryn Johnston |
| Designee of TPU Director | Tosha Siebert |
| Employee Representatives | Justin Angove |
| | Samuel Benscoter |
| | Gordon Cavanaugh |
| Retiree Representative | Kim Moore |
| Alternate Board Member | Tammy Liddle Lobban |
| Resident Representative | Michael Hall |