

**MINUTES OF THE  
WV CONSOLIDATED PUBLIC RETIREMENT BOARD  
ACTUARIAL ASSUMPTIONS REVIEW COMMITTEE  
MEETING OF AUGUST 19, 2025**

A meeting of the West Virginia Consolidated Public Retirement Board's Actuarial Assumptions Review Committee was held on Monday, August 19, 2025 at 601 57<sup>th</sup> Street SE, Charleston, WV 25304. Due notice had been published.

**Call to Order**

The meeting was called to order at 10:03 a.m. by Mike McKown, Chair.

**Roll Call**

**Members present were:**

Mike McKown, Chair

Peter Shirley, *representing Governor Patrick Morrisey*

Lindsay Marchio, Esquire, *representing State Treasurer (via Google meet)*

Bill Barker(via Google meet)

**Committee Members absent:**

Jeffrey Vallet

**A quorum was present.**

**Also present at the CPRB Office or participating via telephone were:**

Jeffrey Fleck, Executive Director

Terasa Miller, Deputy Director

Kim Pauley, CPRB Executive Assistant

Kenneth Woodson, CPRB Actuary

Calvin Long, CPRB Actuarial Analyst

Craig Slaughter, WVIMB (via Google meet)

David Driscoll, Gallegher Consulting

Elizabeth Hoalt, Gallegher consulting

**Item #1: Approval of August 26, 2024 Minutes**

Chairman McKown stated that he would entertain a motion to approve the Actuarial Assumptions Committee meeting minutes of August 24, 2024.

**Peter Shirley made a motion to approve the August 26, 2024 meeting minutes. The motion was seconded by Bill Barker. The motion was adopted.**

**Item #2: Annual interest rate review for all plans – Kenneth Woodson**

Chairman McKown recognized Kenneth Woodson, CPRB Actuary. Mr. Woodson began by explaining to the Committee that this is his annual review in which he presents the actuarial valuation interest rate assumption and that this includes an experience review of the interest rate return for the PERS trust fund, expected returns based upon projections by investment professionals, and national public plan practices.

He also reviewed the 2025 TRS Experience Study Report which summarizes the interest rate review results and the assumption recommendation effective with the July 1, 2025 actuarial valuations applicable to each of the nine defined benefit plans administer by the Board. Mr. Woodson informed the Board that all defined benefit plans trust fund assets are invested similarly by the WVIMB. Therefore, a single interest rate is applied to all nine plans administered by the Board. Mr. Woodson reviewed all the material for the committee, and he informed them that there are three motions that require Board action.

**Item #3: 2025 TRS Experience Study – Kenneth Woodson Jr.**

Chairman McKown recognized Kenneth Woodson, CPRB Actuary, he gave an overview and summarized everything for the committee. He began by informing the committee that the summary is intended to provide a brief overview of the 2025 TRS Experience Study results. Mr. Woodson began by explaining that changes in actuarial assumptions based on the experience study are jointly recommended by the Board Actuary and David Driscoll, lead actuary with Gallagher Benefit Services, Inc (Gallagher.) The Consolidated Public Retirement Board (CPRB) Actuary completes an experience study for the WV Teachers' Retirement System (TRS) at least once every five years. The study must develop experience based actuarial assumptions including, but not limited to, mortality, withdrawal, regular retirement, disability retirement, and salary scale. The 2025 TRS Experience Study is intended to meet this requirement. The last comprehensive TRS experience study was completed in 2020. He reviewed the annual long-term inflation rate assumption, and the annual long-term interest rate assumption for discounting TRS liabilities, were updated during the economic TRS Experience Study performed in 2021.

Mr. Woodson stated that the 2025 TRS Experience Study develops actuarial assumptions to be effective starting with the July 1, 2025 TRS Actuarial Valuation for funding and will be effective June 30, 2025 for TRS financial disclosure purposes under GASB 67 and 68. He explained that this summary is intended to provide a brief overview of the 2025 TRS Experience Study results. Mr. Woodson noted that changes in actuarial assumptions based

on the experience study are jointly recommended by the Board Actuary and David Driscoll, lead actuary with Gallagher Benefit Services, Inc. (hereafter referred to as Gallagher). He stated that the development of the jointly recommended assumptions provides both a peer review of the study and its results as well as the ability for either actuary to certify the reasonableness of the TRS assumptions as recommended.

He reviewed the details of the statistical results from the TRS Experience Study that are available in the 2025 TRS Experience Study Report which contains tables and graphs developed by either CPRB staff or Gallagher depending upon the assumption being reviewed. He stated that generally, economic, and additional service assumptions were reviewed by the CPRB, and Gallagher reviewed demographic assumptions based on annual valuation data. The recommended assumptions are developed jointly. Mr. Woodson stated that the study period included actuarial valuation data from July 1, 2019, through June 30, 2024.

A summary of the experience results and the recommended actuarial assumptions were provided to the committee for review. He noted that the assumptions submitted for Board adoption are briefly summarized as follows:

**Interest Rate Assumption, Net of Expenses**

No change from 7.25% per year return.

**Inflation Rate Assumption**

No change from 2.75% per year.

**Mr. Shirley made a motion to adopt the recommendation of the Board Actuary, Mr. Woodson, to keep the interest rate of 7.25% regarding the Teachers Retirement System and the Actuarial Equivalence for the Nine Defined Benefit Plans Administered by the CPRB effective with the July 1, 2025 actuarial valuations. Mr. Barker seconded the motion. The motion was adopted.**

Chairman McKown stated that he would entertain a motion to adopt the recommendation of Mr. Woodson

**Mr. Shirley made a motion to adopt the recommendation of the Actuary to keep the inflation rate of 2.75% regarding the Teachers Retirement System for the Nine Defined Benefit Plans Administered by the CPRB effective with the July 1, 2025 actuarial valuations. Ms. Marchio seconded the motion. The motion was adopted.**

Mr. Woodson explained that the Actuarial Assumptions Review Committee is requested to recommend to the Board approval to adopt all the proposed TRS assumptions outlined in the 2025 TRS Experience Study Report, effective June 30, 2025, for TRS financial disclosure purposes and effective July 1, 2025, for the TRS actuarial valuation for funding. Chairman McKown stated that he would entertain a motion to adopt the recommendation of Mr. Woodson.

**Mr. Shirley made a motion to adopt the recommendation of the Actuary to adopt all the proposed TRS assumptions outlined in the 2025 TRS Experience Study Report, effective June 30, 2025, for TRS financial disclosure purposes and effective July 1, 2025, for the TRS actuarial valuation for funding.**

**Mr. Barker seconded the motion. The motion was adopted.**

**Item #4: Actuarial Equivalence for TRS – Kenneth Woodson Jr.**

Chairman McKown recognized Kenneth Woodson, CPRB Actuary, to discuss his overview of the TRS Actuarial equivalence review. He began by explaining that actuarial assumptions for the TRS impact individual benefit calculations upon member retirement. They define the actuarial factors that are required to determine the adjustment to the regular retirement benefit due to the early retirement of a member, or for optional payment forms that are available (for example, different Joint & Survivor options).

He continued to explain that the actuarial reduction factors for early retirement and converting the normal form of payment (a life annuity for the member) into an optional form of payment requires an interest rate assumption, mortality assumption, an assumption regarding mortality improvements into the future, and a percent male and female to blend the actuarial reduction factors according to gender.

Mr. Woodson stated that typically, these assumptions are set to approximate the current assumptions used in the actuarial funding valuations and male/female percentages are determined from historical plan retirement data.

He noted that the Board requires a review of the administrative factors following each experience study. As part of the 2025 TRS Experience Study we have reviewed the TRS administrative factors by comparing the potential TRS administrative factors, based on the proposed mortality and interest rate assumptions from the 2025 TRS Experience Study, to the current TRS administrative factors. He stated that based on this comparison, the potential TRS administrative factors are sufficiently different from the current TRS administrative factors, therefore, we recommend changing the administrative factors.

Mr. Woodson mentioned that this change will be formally presented to the Board at the January 2026 Board meeting. Pending approval of the Board at that time, the Consolidated Public Retirement Board (CPRB) IT staff will require time to implement the new TRS administrative factors into the CPRB administration system and time to review the reduction factors produced by the CPRB administrative system. Therefore, if new TRS administrative factors are approved by the Board, the Board Actuary recommends that the new administrative factors apply to TRS retirements on or after July 1, 2026.

**Recommendation:** Based on the review of the TRS administrative factors, the Board Actuary recommends changing the TRS administrative factors to the proposed factors outlined  
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below. Pending formal approval by the Board at the January 2026 Board meeting, the new TRS administrative factors would apply to TRS retirements on or after July 1, 2026.

Chairman McKown stated that he would entertain a motion to adopt the recommendation of Mr. Woodson and to bring this to the full Board in Januarys Board meeting for approval.

**Mr. Shirley made a motion to bring these recommendations by the Board actuary at the January 2026 Board meeting for approval. Mr. Barker seconded the motion. The motion was adopted.**

**Item #5: Old Business**

Mr. McKown inquired to old business. None was heard.

**Item #6: New Business**

Mr. McKown inquired as to new business. None was heard.

**Adjournment**

Chairman McKown stated that with no further business to come before the Committee, the meeting was adjourned at 12:13 p.m.

Respectfully submitted,



Mike McKown, Chair



Jeffrey E. Fleck, Executive Director