

City of Detroit Police and Fire Retiree Health Care Trust

Actuarial Valuation Report
as of December 31, 2025





August 27, 2026

VEBA Board of Trustees
City of Detroit Police and Fire
Retiree Health Care Trust

Re: Revised VEBA Valuation/Benefit Modeling as of December 31, 2025

Dear Trustees:

Gabriel, Roeder, Smith & Company ("GRS") has performed an actuarial valuation of the City of Detroit Police and Fire Retiree Health Care Trust as of December 31, 2025. The purpose of this actuarial valuation is to evaluate the financial status of the program as of December 31, 2025 and model the estimated solvency under benefit levels set by the Board for calendar year 2026.

This report is structured as follows:

- Background and Plan Structure
- Participant Data and Plan Description
- Valuation Results and Baseline Benefit Model
- Asset Information
- Methods and Assumptions
- Sensitivity Testing

This report was prepared at the request of the Board and is intended for use by the Board and those designated or approved by the Board. This report may be provided to parties other than the Board only in its entirety and only with the permission of the Board. This report should not be relied on for any purpose other than the purpose described above. GRS is not responsible for unauthorized use of this report.

The valuation results set forth in this report are based upon data and information, furnished by the Trust (or their designees), concerning Plan benefits, financial transactions, and beneficiaries of the VEBA. We reviewed this information for internal and year-to-year consistency, but did not audit the data. We are not responsible for the accuracy or completeness of the information provided by the VEBA.

The valuation results summarized in this report involve actuarial calculations that require assumptions about future events. The mortality rate assumptions were chosen to be consistent with the rates of mortality used by the City of Detroit Police and Fire Retirement System. The assumed rate of investment return was selected by the Board to be 5.0% per annum. The 5.0% rate of investment return (net of investment and gross administrative expenses) does not significantly conflict with what, in our professional judgment, is reasonable for the purpose of the measurement. Based on the current asset allocation and capital market expectations, we believe the assumption includes an adjustment to provide for adverse deviation, as permitted by the actuarial standards of practice. Users of this report are encouraged to consider the sensitivity of results to all the actuarial assumptions before making decisions regarding benefit levels.

Future actuarial measurements may differ significantly from the current measurements presented in this report 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. We have performed an analysis of the sensitivity of certain changes in the assumptions in this report.

We believe that the actuarial methods used in this report are reasonable and appropriate for the purpose for which they have been used. In addition, because it is not possible or practical to consider every possible contingency, we may use summary information, estimates or simplifications of calculations to facilitate the modeling of future events. We may also exclude factors or data that are deemed to be immaterial.

This report was prepared using assumptions adopted by the Board. All actuarial assumptions used in this report are reasonable for the purposes of this valuation. The combined effect of the assumptions is expected to have no significant bias (i.e., not significantly optimistic or pessimistic). All actuarial assumptions and methods used in the valuation follow the guidance in the applicable Actuarial Standards of Practice.

This report is not a recommendation to anyone to participate in the VEBA. GRS makes no representations or warranties to any person participating in or considering participation in the program.

This program is similar to a defined contribution plan. Benefits can be paid from this plan to the extent that the plan continues to be solvent. While the modeling in this report is intended to estimate how long the benefits can be paid (given a specific level of benefits), there are no guarantees that future events will unfold as modeled. We understand that the Board's intent is to annually model solvency and adjust benefits as they deem necessary.



To the best of our knowledge, the information contained in this report is accurate and fairly presents the actuarial position of the City of Detroit Police and Fire Retiree Health Care Trust as of December 31, 2025. No adjustments were made for investment activity occurring after December 31, 2025 in the measurement of the liabilities.

This report is not intended to establish rates of future contributions to the Trust. It is our understanding that the amount of all future Trust contributions has been established and that the Board will set benefit levels annually until such time as the Trust is depleted or until all participants have died, whichever comes first.

This report was prepared using our proprietary valuation model and related software which, in our professional judgment, has the capability to provide results that are consistent with the purposes of the valuation, and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.

Abra D. Hill and Heidi G. Barry are Members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

The signing actuaries are independent of the plan sponsor.

This final report includes the 2026 benefit levels.

Respectfully submitted,
Gabriel, Roeder, Smith & Company



Abra D. Hill, ASA, FCA, MAAA



Heidi G. Barry, ASA, FCA, MAAA

ADH/HGB:rl

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SECTION A

BACKGROUND AND PLAN STRUCTURE

Background and Plan Structure

The VEBA Trust was created during the Bankruptcy of the City of Detroit. It was funded with B-notes from the City of Detroit as well as (pre-established) contributions from the Foundations through 2034. The VEBA Board of Trustees is charged with determining the benefits that can be paid from the Trust. Benefits are payable to the participants only to the extent the Trust still has assets to fund the benefits. At the inception of the plan, the benefits were initially set at 1) \$120 per month toward the premiums for a Medicare Advantage plan from Blue Cross Blue Shield or HAP, or 2) an HRA monthly benefit ranging from \$120 per month to \$395 per month depending on age, retirement type (normal or disabled) and Medicare eligibility. Historically, through a competitive bid process, the Trust has been able to manage the cost of the Medicare Advantage premiums and have adjusted benefits accordingly. The benefit levels payable for 2025 and 2026 are shown on page B-1.

The plan operates much like a group defined contribution plan in pay status. The participants of the plan are a closed group and all retired. As of December 31, 2025, there were 7,668 reported eligible participants. Of those, 6,822 were reported to have opted to actively participate. Of the 6,822 participants actively participating, 3,600 participants are receiving coverage under a Medicare Advantage plan, 2,238 have Opt-Out HRA's and 984 are covered by other HRA benefits. During 2025, approximately 54% of the potential HRA payments that could have been made were utilized. The eligible (potential) and current (actually participating) participants are shown in greater detail on page B-1.

Liability of the Plan

Since benefits are limited to the available assets, the true liabilities of the plan are equal to the value of the assets and the plan is always 100% funded. For purposes of this report; however, we have computed a theoretical liability based on the benefit targets established by the Board. In that context, an unfunded liability (funded status less than 100%) indicates that benefits will likely need to be lowered below the Board's established benefit targets unless experience is more favorable than assumed (generating experience gains). It is important to note that in determining the unfunded liability, we have used the reported market value of assets. Funded status greater than 100% indicates that the Trust is expected to be able to pay benefits in excess of those currently assumed. Experience less favorable than assumed could still result in less benefits being paid.

Sensitivity Testing and Results

This report was presented to the Board at the July 13 Administrative Committee meeting, based on the 2026 benefit levels.

SECTION B

PARTICIPANT DATA AND PLAN DESCRIPTION

Retired Member Summary as of December 31, 2025

Benefit Type	Monthly Benefit Paid by the Trust		Age Range		Total Lives
	2025	2026	Pre-65	Post-65	
Medicare Advantage PPO					
Single	\$ 240.00	\$ 300.00	21	3,460	3,481
Medicare Advantage HMO					
Single	\$ 240.00	\$ 300.00	1	118	119
Total MA Participants			22	3,578	3,600
Opt-Out of MA	\$ 225.00	\$ 275.00	1	2,237	2,238
Retiree HRA					
Income Level Purchased on State Exchange	\$ 275.00	\$ 325.00	10	1	11
Non-Medicare Eligible Duty Disabled Police and Fire	\$ 400.00	\$ 400.00	229	9	238
Non-Medicare Eligible Stipend	\$ 225.00	\$ 275.00	394	-	394
Over Age 65 Non-Medicare Eligible	\$ 400.00	\$ 400.00	-	62	62
Spouse HRA					
Income Level Purchased on State Exchange	\$ 275.00	\$ 325.00	5	-	5
Non-Medicare Eligible Spouse	\$ 225.00	\$ 275.00	271	-	271
Over Age 65 Non-Medicare Eligible	\$ 400.00	\$ 400.00	-	3	3
Total HRA Members (No Opt-Out)			909	75	984
Total Current Participants			932	5,890	6,822
Total Potential Participants					
Spouse Not Receiving			102	497	599
Employees Waiving, no MA, no HRA			29	218	247
Total Potential Participants			131	715	846
Grand Total			1,063	6,605	7,668

Amounts shown are net amounts paid by the Trust (after reflecting amounts charged to participants).

Participants under age 65 will be eligible for the MA benefit (up to \$240 in 2025 and \$300 in 2026) or the Opt-Out HRA (\$225 in 2025 and \$275 in 2026) upon reaching age 65.



Retired Member Age Summary as of December 31, 2025

Age	MA PPO	MA HMO	Opt-Out HRA	Retiree HRA				Spouse HRA		
				Income Level	Non-Med Duty Dis	Non-Med Elig	Over 65 Non-Med Elig	Income Level	Non-Med Elig	Over 65 Non-Med Elig
Under 30	-	-	-	-	-	-	-	-	-	-
30 - 34	-	-	-	-	-	-	-	-	1	-
35 - 39	-	-	-	-	-	-	-	-	-	-
40 - 44	-	-	-	-	5	1	-	-	6	-
45 - 49	-	-	-	-	46	7	-	-	13	-
50 - 54	1	-	-	-	57	24	-	-	37	-
55 - 59	6	-	-	4	70	107	-	1	100	-
60 - 64	14	1	1	6	51	255	-	4	114	-
65 - 69	221	10	430	1	8	-	6	-	-	1
70 - 74	597	34	726	-	1	-	16	-	-	-
75 - 79	1,176	44	746	-	-	-	24	-	-	2
80 - 84	845	18	206	-	-	-	9	-	-	-
85 - 89	392	3	76	-	-	-	3	-	-	-
90 - 94	151	7	32	-	-	-	1	-	-	-
95 and Over	78	2	21	-	-	-	3	-	-	-
TOTAL	3,481	119	2,238	11	238	394	62	5	271	3
Avg Age	79	77	75	62	55	61	78	61	58	73

SECTION C

VALUATION RESULTS AND BASELINE BENEFIT MODEL

Summary of Results

Principal Valuation Results

Valuation Date:	December 31, 2025
Non-Medicare Utilization	70%
A) Market Value of Assets	\$ 225,332,742
B) Present Value of Future Contributions	\$ 318,647
C) Present Value of Future	
1) Benefits	\$ 184,162,830
2) Expenses	7,372,441
3) Total Liability	\$ 191,535,271
D) Asset Surplus/(Deficit) [A+B-C.3]	\$ 34,116,118
E) Funded Ratio [(A+B)/C.3]	117.8%

Discussion

Actuarial Valuation

This section contains the results of an actuarial valuation of the City of Detroit Police and Fire Retiree Health Care Trust as of December 31, 2025.

The primary purposes of the actuarial valuation are to:

- Provide data to the Board so that they can make informed decisions in establishing future benefit levels paid by the Trust;
- Compare the actuarial present value of the obligations for retiree health care as of December 31, 2025, with the value of the assets associated with the Program as of that same date; and
- Compare the actuarial present value of the obligations for retiree health care as of December 31, 2025, with the value of the assets associated with the Program as of that same date under certain alternate assumptions to show sensitivity to those assumptions.

In addition, the report provides summaries of the member data, financial data, plan provisions valued, and actuarial assumptions and methods.

Financial Status of Plan

As of December 31, 2025, the Present Value of all Future Obligations (PVFO) at that date is \$191.54 million. Plan assets as of December 31, 2025, based on the market value of trust assets plus future contributions, are \$225.65 million.

The difference between the market value of assets (plus future contributions) of \$225.65 million and PVFO of \$191.54 million represents a Plan surplus of \$34.12 million. The Plan is 117.8% funded after consideration of \$318,647 (present value) in future scheduled contributions. A funded percent of over 100% implies that the Trust will still have money after the last participant dies, if experience is similar or more favorable than assumed.

The Board monetized all but \$5 million of the Detroit Bonds at a monetization rate of between 92% and 95% of face value.

The funded status may not be appropriate for determining the settlement cost of the Plan. The funded status is appropriate for determining the need for future contributions. However, since there are no future contributions other than those already accounted for in the valuation assets, the funded status is appropriate for determining the long-term solvency of the Plan and/or the need to adjust benefits.

Discussion (Continued)

Plan Status

The Plan benefits are not vested and may be reduced or increased in the future. The Board is expected to decide annually on the level of benefits that will be paid each year. Future valuations will take into consideration these decisions as they occur. While the Plan is closed to new members, not all members of the Plan have chosen to participate. However, we understand that members not currently participating can choose to participate in the future. See additional participation comments below.

Participation

Currently, there are 846 members who have not elected to actively participate (the potential participants). The liabilities shown in the valuation results section of this report do not include the potential benefits to these members. However, we show the possible impact of these members choosing to participate in the sensitivity section of this report and/or in the live modeling performed for the Board.

Members who are under age 65 and receiving an HRA payment were assumed to elect a Medicare Advantage plan upon attaining age 65.

Please see Section F to see how changes in assumptions (sensitivity) affect the funded status and solvency.

Projection with Alternate HRA Utilization Assumption

This is the estimated employer benefit payments from 2026-2036 using a 70% pre-65 HRA utilization assumption with no potential future spouses and no future benefit increases. Expenses are not included.

2026	\$ 20,306,310
2027	\$ 19,430,279
2028	\$ 18,565,015
2029	\$ 17,696,772
2030	\$ 16,829,562
2031	\$ 15,948,488
2032	\$ 15,073,018
2033	\$ 14,180,659
2034	\$ 13,291,585
2035	\$ 12,410,459
2036	\$ 11,539,865

Discussion (Continued)

Utilization

Experience during 2025 shows that members electing HRA benefits are utilizing approximately 54% of their annual benefits, on average. The current Board adopted utilization assumptions are shown below:

Utilization Assumption		
Non-Medicare Benefit	Future Medicare Eligible	Benefit Group
100%	100%	Medicare Advantage PPO
100%	100%	Medicare Advantage HMO
70%	70%	Opt-Out of MA
70%	100%	Below FPL in a Non Medicaid Exp. State
70%	100%	Income Level and Purchased on State Exchange
70%	100%	Non-Medicare Eligible Duty Disabled Police and Fire
70%	100%	Non-Medicare Eligible Stipend
70%	70%	Over Age 65 Non Medicare Eligible
70%	100%	Non-Medicare Eligible Spouse
0%	0%	Spouse Not Receiving
0%	0%	Actively Waiving
0%	0%	No Enrollment Elected

HRA Utilization History

Valuation Date	100% of Expected HRA [^]	Estimated HRA Benefits*	Census	HRA Count*	Utilization
12/31/2025	\$ 9,542,700	\$ 5,113,651	12/31/2025	3,292	54%
12/31/2024	\$ 8,805,900	\$ 4,961,518	12/31/2024	3,429	56%
12/31/2023	\$ 8,576,700	\$ 5,335,140	12/31/2023	3,592	62%
12/31/2022	\$ 9,664,200	\$ 5,127,126	12/31/2022	3,770	53%
12/31/2021	\$ 6,902,580	\$ 4,113,477	12/31/2021	3,737	60%

[^] Expected HRA represents the sums of the mid-point between the BOY and EOY valuation number counts for each HRA benefit type multiplied by the maximum HRA amount for that benefit type.

* Estimated by averaging BOY and EOY census counts.

Discussion (Continued)

Asset Data

Prior to 2019, we received unaudited asset information to perform the valuations. Since 2019, we also received the audited financial report for the final report. This report uses audited asset information.

Member Data

Overall, there were 7,668 total current and potential participants reported for the 2025 valuation; this is down approximately 3% from the 7,869 current and potential participants in the 2024 valuation. Over the last five years we have seen an approximately 4% decrease per year. Since this is a closed group, we would expect an annual decline of membership in the 2% to 4% range, based on our current mortality assumption.

Assumptions and Methods

There were no assumption changes for this valuation.

We believe the assumptions currently in use for the valuation, as adopted by the Board, are reasonable based on general market conditions. Note, we have not evaluated the specific default risk associated with any specific investment (including the City of Detroit bonds). Please see comments on Future Outlook regarding such risks.

As of the valuation date, the remaining Detroit bonds represent approximately 1% of total assets using the market value of the bonds. As such, the asset allocation is more important for determining the assumed rate of return for future valuations and modeling. We will continue to review the assumed rate of return assumption with each future valuation. Based on the current asset allocation and capital market expectations, we believe the assumed rate of return assumption includes an adjustment to provide for adverse deviation, as permitted by the actuarial standards of practice.

Benefit Changes

Benefits were increased for most HRA recipients and Medicare Advantage premiums increased. Please see the table on page B-1 for more detail.

Discussion (Concluded)

Experience

Experience during the year was more favorable than assumed, in aggregate. The main source of favorable experience is the higher than expected investment return.

Recommendation

We recommend that the administrator separately track the HRA benefit payments for Non-Medicare Advantage members and Medicare Advantage members. This will enable us to develop a more precise utilization assumption in future valuations once sufficient Medicare Advantage HRA experience emerges.

Future Outlook

This report does not consider the impact of demographic or investment experience after the valuation date of December 31, 2025.

Solvency Projection Assumptions Baseline

The solvency scenarios are based on the following:

- 1) The 2026 and beyond benefit payments are based on the 2026 benefit levels set by the Board.
- 2) No future increases in benefit levels were assumed.
- 3) Members not currently participating were assumed NOT to participate in the future.
- 4) Members over age 65 and currently receiving benefits were assumed to continue to receive the benefit indicated on the data file for life (or until insolvency).
- 5) Members under age 65 were assumed to select the PPO Medicare Advantage plan upon reaching age 65.
- 6) Market value of the bond was used in determination of valuation assets. Actual redemption of the remaining \$4.97 million was assumed to occur according to the redemption schedule.
- 7) Investment return was assumed to be 5.0%, net of investment expenses. This implicitly assumes that investment expenses are covered by asset returns above the assumed 5%.
- 8) Members receiving HRA benefits were assumed to utilize 70% of available benefits prior to age 65 and 100% of benefits at and after age 65.

City of Detroit Police and Fire Retiree Health Care Trust

Baseline

Current Participants								Potential Participants		Group Description
MA PPO	MA HMO	Opt-Out HRA	Retiree HRA				Spouse HRA (Non-Med Elig)	Spouse Not Receiving	Actively Waived	
			Income Level	Non-Med Duty Dis	Non-Med Elig	Over 65 Non-Med Elig				
\$ 240.00	\$ 240.00	\$ 225.00	\$ 275.00	\$ 400.00	\$ 225.00	\$ 400.00	\$ 225.00	n/a	n/a	2025 Monthly Amount
\$ 300.00	\$ 300.00	\$ 275.00	\$ 325.00	\$ 400.00	\$ 275.00	\$ 400.00	\$ 275.00	n/a	n/a	2026 Monthly Amount
3,481	119	2,238	16	238	394	65	271	599	247	Number in Group 12/31/2025
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Include Group
\$ -	\$ -	\$ 275.00	\$ 325.00	\$ 400.00	\$ 275.00	\$ 400.00	\$ 275.00			Flat \$ Life Benefit (per person) Pre-65
\$ 300.00	\$ 300.00	\$ 275.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 400.00	\$ 300.00			Flat \$ Life Benefit (per person) Post-65
100%	100%	70%	70%	70%	70%	70%	70%			Utilization Percentage Pre-65
100%	100%	70%	100%	100%	100%	70%	100%			Utilization Percentage Post-65

5%	-Average Yield
5%	-Year 2 only asset return
0%	-Benefit % Increases
\$0.00	-Year 1 \$ increase for all, \$400 cap
Never	-Year of Insolvency

Present Value of Benefits	\$ 184,162,830
Present Value of Expenses	7,372,441
Total	191,535,271
less Market Value of Assets	225,332,742
Unfunded Actuarial Accrued Liability (UAAL)	(33,797,471)
less Present Value of Future Contributions	318,647
Asset Deficit/ (Surplus)	(34,116,118)
Funded %	117.8%

Year	Ad-Hoc Benefit Increase	Ad-Hoc Investment Return	Jan. 1 Net Assets	Trust Benefit Payments	Admin. Expenses	Grant / (Due City)	Investment Return			Dec. 31 Assets	% Contracts Remaining
							Invested Assets	Ben./ Expen./ Grant	SubTotal		
2026	N/A	5.00%	\$225,332,742	\$(20,306,310)	\$(660,471)	\$ 43,750	\$ 11,266,637	\$(523,076)	\$10,743,561	\$ 215,153,272	98%
2027	0.00%	5.00%	215,153,272	(19,430,279)	(649,753)	43,750	10,757,664	(500,907)	10,256,757	205,373,747	93%
2028	0.00%	5.00%	205,373,747	(18,565,015)	(637,780)	43,750	10,268,687	(478,976)	9,789,711	196,004,414	89%
2029	0.00%	5.00%	196,004,414	(17,696,772)	(624,476)	43,750	9,800,221	(456,937)	9,343,283	187,070,199	85%
2030	0.00%	5.00%	187,070,199	(16,829,562)	(609,784)	43,750	9,353,510	(434,890)	8,918,620	178,593,222	80%
2031	0.00%	5.00%	178,593,222	(15,948,488)	(593,673)	43,750	8,929,661	(412,460)	8,517,201	170,612,011	76%
2032	0.00%	5.00%	170,612,011	(15,073,018)	(576,141)	43,750	8,530,601	(390,135)	8,140,465	163,147,067	71%
2033	0.00%	5.00%	163,147,067	(14,180,659)	(557,220)	43,750	8,157,353	(367,353)	7,790,000	156,242,938	67%
2034	0.00%	5.00%	156,242,938	(13,291,585)	(536,978)	43,750	7,812,147	(344,620)	7,467,527	149,925,652	63%
2035	0.00%	5.00%	149,925,652	(12,410,459)	(515,521)	-	7,496,283	(323,150)	7,173,133	144,172,805	59%
2036	0.00%	5.00%	144,172,805	(11,539,865)	(492,988)	-	7,208,640	(300,821)	6,907,819	139,047,770	54%
2037	0.00%	5.00%	139,047,770	(10,685,585)	(469,552)	-	6,952,389	(278,878)	6,673,510	134,566,143	50%
2038	0.00%	5.00%	134,566,143	(9,855,631)	(445,416)	-	6,728,307	(257,526)	6,470,781	130,735,878	46%
2039	0.00%	5.00%	130,735,878	(9,055,534)	(420,806)	-	6,536,794	(236,908)	6,299,885	127,559,424	42%
2040	0.00%	5.00%	127,559,424	(8,296,583)	(395,968)	-	6,377,971	(217,314)	6,160,657	125,027,530	39%
2060	0.00%	5.00%	183,739,897	(877,367)	(66,757)	-	9,186,995	(23,603)	9,163,392	191,959,166	4%
2080	0.00%	5.00%	474,784,608	(13,883)	-	-	23,739,230	(347)	23,738,883	498,509,608	0%



SECTION D

ASSET INFORMATION

Bond Information

The municipal bond backing the retiree medical benefits had an initial par value of \$253,900,999 at December 10, 2014. The Trust holds a bond with a face value of \$4,971,589 as of the valuation date. This bond pays a coupon of 4% per annum, two times per year and 6% per annum for years 2035-2044. Principal is repaid in 20 equal annual installments beginning April 2025.

The mandatory repayment schedule was adjusted in 2018. Please see page D-5 for information on the revised redemption requirements.

Contributions of \$43,750 will also continue to be made annually until 2034 under an agreement with the Foundation for Detroit's Future.

Reported Bond Sales

Date	Bonds Sold	Percent of Face Value	Type of Bond Sold
01/24/2018	\$ 20,000,000	81.05875%	Series A
05/31/2019	\$ 20,000,000	86.50000%	Series A
10/22/2019	\$ 15,000,000	87.37500%	Series A
02/04/2021	\$ 50,000,000	95.00000%	Series A
05/06/2021	\$119,000,000	92.50000%	Series A
05/25/2021	\$ 24,900,999	94.50000%	Series A and Series B
4/1/2025	\$ 28,411	100.00000%	Redemption

Reported Revenues and Expenditures

December 31, 2025

(from Audited Assets)

Income Statement

	<u>Market Value</u>
Additions	
Investment Income:	
Interest and Dividends	\$ 8,513,723
Net Increase in Fair Value of Investments	14,634,641
Investment Related Expenses	<u>(508,338)</u>
Net Investment Income	\$ 22,640,026
Contributions - Foundation for Detroit's Future	<u>43,750</u>
Total Additions	\$ 22,683,776
 Deductions	
Premium Payments - Net of Retiree Contributions	\$ 10,759,223
Health Reimbursement Account Reimbursements	5,113,651
Administrative Expenses	<u>674,842</u>
Total Deductions	\$ 16,547,716
 Net Increase/(Decrease) in Fiduciary Net Position	\$ 6,136,060
Net Position - Beginning of Year	<u>219,196,682</u>
Net Position - End of Year	<u>\$ 225,332,742</u>

Reported Plan Assets at Market Value

December 31, 2025

(from Audited Assets)

Balance Sheet

ASSETS

Current Assets:

Cash and cash equivalents	\$ 11,856,395
Total Current Assets	\$ 11,856,395

Investments:

Equities	\$ 69,692,845
Limited Partnership	29,967,355
Fixed income	111,833,443
City of Detroit Bonds Financial Recovery Bonds	3,892,208
Investment at Cost	\$ 215,385,851
Investment Market Value	\$ 215,385,851

Other Assets:

Accrued investment income receivable	\$ 141,808
Other receivables	-
Prepaid Expenses	13,822
Total Other Assets	\$ 155,630

Total Assets	\$ 227,397,876
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LIABILITIES

Current Liabilities:

Accounts Payable	\$ 2,065,134
Due to City of Detroit General Retiree Health Care Trust	-
Total Current Liabilities	\$ 2,065,134

Total Liabilities	\$ 2,065,134
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Net Fund Balance	\$ 225,332,742
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Expense History December 31, 2025

Year	Total Expenses
2016	\$ 1,281,137
2017	\$ 1,095,132
2018	\$ 802,075
2019*	\$ 868,534
2020*	\$ 844,468
2021*	\$ 924,464
2022*	\$ 1,166,364
2023*	\$ 1,105,861
2024*	\$ 1,345,528
2025*	\$ 1,183,180

** From Financial Report (audited Asset data).*

Revised Mandatory Bond Redemption Schedule

Series 2014(A)					
Mandatory Redemption Date (Apr 1)	Redemption Requirements			Remaining Face BOY	12/31/2018 PF Mandatory Monetization
	Outstanding Prior to Tender/Purchase	Reduced	Remaining/ Outstanding		
2026	\$ 30,828,003	\$ 28,571,017	\$ 2,256,986	\$ 421,921,527	\$ 26,595
2027	30,828,003	28,699,820	2,128,183	419,664,541	25,077
2028	30,828,003	28,850,233	1,977,770	417,536,358	23,304
2029	30,828,003	29,020,015	1,807,988	415,558,588	21,304
2030	30,828,003	29,211,542	1,616,461	413,750,600	19,047
2031	30,828,003	6,953,898	23,874,105	412,134,139	281,314
2032	30,828,003	6,732,253	24,095,750	388,260,034	283,925
2033	30,828,003	5,771,739	25,056,264	364,164,284	295,243
2034	30,828,003		30,828,003	339,108,020	363,253
2035	30,828,003		30,828,003	308,280,017	363,253
2036	30,828,003		30,828,003	277,452,014	363,253
2037	30,828,003		30,828,003	246,624,011	363,253
2038	30,828,003		30,828,003	215,796,008	363,253
2039	30,828,003		30,828,003	184,968,005	363,253
2040	30,828,003		30,828,003	154,140,002	363,253
2041	30,828,003		30,828,003	123,311,999	363,253
2042	30,828,003		30,828,003	92,483,996	363,253
2043	30,828,003		30,828,003	61,655,993	363,253
2044*	30,827,990		30,827,990	30,827,990	363,250
	\$585,732,044	\$163,810,517	\$421,921,527	\$ -	\$4,971,589

* Maturity.

Revised redemption schedule was provided by legal counsel. GRS pro-rated the “Remaining Redemption Requirements Outstanding” based on the amount of bonds held by the VEBA as of the valuation date.

SECTION E

VALUATION METHODS AND ASSUMPTIONS

Valuation Methods and Assumptions

Data Related Assumptions

1. Those opting-out of Medicare Advantage plans were assumed to continue opting-out.
2. Retirees over the age of 65 who are receiving an HRA payment were assumed not to be Medicare eligible.
3. Retirees under the age of 65 who are indicated as receiving a Medicare health care plan were assumed to be disabled.
4. Retirees under age 65 receiving an HRA payment were assumed to be eligible for Medicare at age 65 and choose a single coverage Aetna MA plan when Medicare eligible.
5. In cases where the HRA information differed from the “MedicalPlan” information, it was assumed that the “MedicalPlan” information superseded the HRA information.

Data Processing

Raw data included a field “MedicalPlan” which was used to assign members into MA PPO, MA HMO, MA Opt-Out, or HRA. Spouses were assigned benefits first using the “ClassCodeDescription” information to see if they were included under the retiree’s MA benefit then using the HRA benefit if they were not. Since the raw data included a separate HRA benefit this year for the retiree and spouse, the members indicated as having an HRA were assigned into benefit groups using the retiree HRA benefits, and spouses without a MA benefit were assigned to benefit groups using their HRA benefit. For spouses who received a \$225 benefit, if they were over 65 they were assumed to be receiving a Medicare Advantage Opt-Out benefit otherwise they were assumed to be receiving a Non-Medicare Eligible Stipend.

Valuation Method: Present Value of Future Benefits compared to current valuation assets.

Rates of Investment Return. 5.0% per year, compounded annually, net of investment expenses. This is the rate selected by the Board. This assumption is used to equate the value of payments due at different points in time. In the cash flow analysis, this rate of return is applied to assets in the Trust. The 5% rate of investment return (net of investment and gross of administrative expenses) does not significantly conflict with what, in our professional judgment, is reasonable for the purpose of the measurement. Based on the current asset allocation and capital market expectations, we believe the assumption includes an adjustment to provide for adverse deviation, as permitted by the actuarial standards of practice.

Valuation Assets: Market value of assets plus present value of future Grant Money (contributions). The market value of assets includes the market value of the remaining City bonds.

Valuation Methods and Assumptions (Continued)

Mortality Assumptions

2025 Attained Ages	Sample Rates		Expected Lifetime	
	PubS-2010 MP-2021 Male	PubS-2010 MP-2021 Female	Male	Female
40	0.1023%	0.0772%	44.79	46.21
45	0.1555	0.1062	39.61	40.96
50	0.2087	0.1674	34.50	35.77
55	0.3305	0.3104	29.47	30.70
60	0.5867	0.5648	24.62	25.84
65	1.0043	0.9036	20.06	21.27
70	1.6465	1.4312	15.84	16.99
75	2.8319	2.4574	12.02	13.06
80	5.1329	4.4089	8.70	9.62
85	9.4515	7.9042	6.02	6.80
90	16.8394	13.9262	4.09	4.65
95	25.4769	22.3784	2.91	3.18

PubS-2010 Public Safety Retiree table for males and females with male rates multiplied by 115% and female rates multiplied by 125%. The tables are projected to be fully generational, based on the 2-dimensional, sex distinct mortality improvement scale MP-2021.

Valuation Methods and Assumptions (Concluded)

Health Care Trend Assumptions applied to Trust payment toward Medicare Advantage (cost of premium in excess of Trust payment is paid by participant): None assumed.

HRA benefit levels were assumed to be fixed at current levels.

Administrative Expenses: Administrative expenses (\$674,842 in 2025 according to audited assets) are assumed to increase by 3.0% per year pro-rated by the number of remaining participants. All expenses are assumed to be \$0 when less than 0.50% of valuation population remains.

The rationale for these assumptions is as follows:

Investment Return Assumption: The rate specified by the Board. The 5% rate of investment return (net of investment and gross of administrative expenses) does not significantly conflict with what, in our professional judgement, is reasonable for the purpose of the measurement. Based on the current asset allocation and capital market expectations, we believe the assumption includes an adjustment to provide for adverse deviation, as permitted by the actuarial standards of practice.

Mortality: The underlying table used in the Police and Fire Retirement System.

Health Care Trend: Based on current Plan design and Plan limited experience of not providing benefit increases.

HRA Utilization Assumptions: Observed rates of HRA utilization, professional judgement, and a margin for conservatism.

Other: Professional judgment.

SECTION F

SENSITIVITY TESTING

Sensitivity Testing Results

Sensitivity testing is an important component of the services GRS provides to the Board of Trustees. We have developed a modeling tool that allows for the plan solvency to be tested under different parameters, such as different benefit levels, different levels of utilization, etc. The model has been demonstrated to the Board, interactively.

Therefore, we have projected the Plan's results under alternative assumptions for future investment income as follows:

- O. Baseline: Current valuation assumed rate of return (5.00% investment return net of investment expenses and 70% pre-65 utilization).
- A. Assumed rate of return (6.00% investment return net of investment expenses).
- B. Assumed rate of return (4.00% investment return net of investment expense).
- C. Current valuation assumed rate of return (5.00% investment return net of investment expenses and 80% pre-65 utilization).
- D. Current valuation assumed rate of return (5.00% investment return net of investment expenses and 60% pre-65 utilization).
- E. 15% Year 2 asset shock (5.00% investment return net of investment expenses and 70% pre-65 utilization, 15% year 2 asset loss, 2% benefit increases).
- F. Sample worst case 1 (4.00% investment return net of investment expenses and 100% utilization, all potential participants included, 15% year 2 asset loss, no benefit increases).

The summary of each of these scenarios on the principal valuation results is presented on the following page.

Sensitivity Testing Results

\$ in Millions[^]

	Current Valuation Assumptions	6% Return, 70% Utilization	4% Return, 70% Utilization	5% Return, 80% Utilization	5% Return, 60% Utilization	15% Asset Loss Year 2, 2% Ben. Increases	4% Return, 15% Asset Loss Yr. 2, All Potential Participants Included, 100% Utilization
	0	A	B	C	D	E	F
Assumed Investment Return	5.0%	6.0%	4.0%	5.0%	5.0%	5.0%	4.0%
Utilization	70.0%	70.0%	70.0%	80.0%	60.0%	70.0%	100.0%
Annual Benefit Increases	0.0%	0.0%	0.0%	0.0%	0.0%	2.0%	0.0%
Asset Return in Year 2	5.0%	6.0%	4.0%	5.0%	5.0%	-15.0%	-15.0%
A) Market Value of Assets	\$225.3	\$225.3	\$225.3	\$225.3	\$225.3	\$225.3	\$225.3
B) Present Value of Future Contributions	\$0.3	\$0.3	\$0.3	\$0.3	\$0.3	\$0.3	\$0.3
C) Actuarial Results							
1) Liabilities - Present Value of Benefits	184.2	171.7	198.5	191.7	176.6	214.1	247.7
2) Liabilities - PV of Future Expenses	7.4	6.8	8.1	7.4	7.4	7.4	8.1
3) Present Value of Benefits/Expenses	\$191.5	\$178.5	\$206.6	\$199.1	\$184.0	\$221.4	\$255.8
D) Asset Surplus/(Deficit) [A+B-C.3]	\$34.1	\$47.2	\$19.1	\$26.6	\$41.6	\$4.2	\$(30.2)
E) Funded Ratio [(A+B)/C.3]	117.8%	126.4%	109.2%	113.4%	122.6%	101.9%	88.2%
F) Projected Insolvency Date	Never	Never	Never	Never	Never	2040	2038
Increase/(Decrease) from Baseline in							
G) Surplus/(Deficit)	\$0.0	\$13.1	\$(15.0)	\$(7.5)	\$7.5	\$(29.9)	\$(64.3)
H) Funded Ratio	0.0%	8.6%	(8.6)%	(4.4)%	4.8%	(15.9)%	(29.6)%

[^] Totals may not add due to rounding.

Sensitivity Testing Baseline History

Valuation Date	Return	Baseline			
		Market Value of Bond	Pre-65 Utilization	Benefit Increases	Funded Ratio
12/31/2020	4%	55%	50%	0%	122%
12/31/2021 ^(a, b)	4%	55%	50%	0%	137%
12/31/2022 ^(b)	4%	80%	60%	0%	115%
12/31/2023	5%	80%	70%	0%	124%
12/31/2024 ^(b)	5%	N/A	70%	0%	110%
12/31/2025	5%	N/A	70%	0%	118%

^(a) After changes in actuarial assumptions or methods.

^(b) After changes in benefit provisions.

City of Detroit Police and Fire Retiree Health Care Trust

Scenario 0 Baseline (5.0% Return with 70% Utilization)

Current Participants								Potential Participants		Group Description
MA PPO	MA HMO	Opt-Out HRA	Retiree HRA				Spouse HRA (Non-Med Elig)	Spouse Not Receiving	Actively Waived	
			Income Level	Non-Med Duty Dis	Non-Med Elig	Over 65 Non-Med Elig				
\$ 240.00	\$ 240.00	\$ 225.00	\$ 275.00	\$ 400.00	\$ 225.00	\$ 400.00	\$ 225.00	n/a	n/a	2025 Monthly Amount
\$ 300.00	\$ 300.00	\$ 275.00	\$ 325.00	\$ 400.00	\$ 275.00	\$ 400.00	\$ 275.00	n/a	n/a	2026 Monthly Amount
3,481	119	2,238	16	238	394	65	271	599	247	Number in Group 12/31/2025
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Include Group
\$ -	\$ -	\$ 275.00	\$ 325.00	\$ 400.00	\$ 275.00	\$ 400.00	\$ 275.00			Flat \$ Life Benefit (per person) Pre-65
\$ 300.00	\$ 300.00	\$ 275.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 400.00	\$ 300.00			Flat \$ Life Benefit (per person) Post-65
100%	100%	70%	70%	70%	70%	70%	70%			Utilization Percentage Pre-65
100%	100%	70%	100%	100%	100%	70%	100%			Utilization Percentage Post-65

5%	-Average Yield
5%	-Year 2 only asset return
0%	-Benefit % Increases
\$0.00	-Year 1 \$ increase for all, \$400 cap
Never	-Year of Insolvency

Present Value of Benefits	\$ 184,162,830
Present Value of Expenses	7,372,441
Total	191,535,271
less Market Value of Assets	225,332,742
Unfunded Actuarial Accrued Liability (UAAL)	(33,797,471)
less Present Value of Future Contributions	318,647
Asset Deficit/ (Surplus)	(34,116,118)
Funded %	117.8%

Year	Ad-Hoc Benefit Increase	Ad-Hoc Investment Return	Jan. 1 Net Assets	Trust Benefit Payments	Admin. Expenses	Grant / (Due City)	Investment Return			Dec. 31 Assets	% Contracts Remaining
							Invested Assets	Ben./ Expen./ Grant	SubTotal		
2026	N/A	5.00%	\$225,332,742	\$(20,306,310)	\$(660,471)	\$ 43,750	\$ 11,266,637	\$(523,076)	\$10,743,561	\$ 215,153,272	98%
2027	0.00%	5.00%	215,153,272	(19,430,279)	(649,753)	43,750	10,757,664	(500,907)	10,256,757	205,373,747	93%
2028	0.00%	5.00%	205,373,747	(18,565,015)	(637,780)	43,750	10,268,687	(478,976)	9,789,711	196,004,414	89%
2029	0.00%	5.00%	196,004,414	(17,696,772)	(624,476)	43,750	9,800,221	(456,937)	9,343,283	187,070,199	85%
2030	0.00%	5.00%	187,070,199	(16,829,562)	(609,784)	43,750	9,353,510	(434,890)	8,918,620	178,593,222	80%
2031	0.00%	5.00%	178,593,222	(15,948,488)	(593,673)	43,750	8,929,661	(412,460)	8,517,201	170,612,011	76%
2032	0.00%	5.00%	170,612,011	(15,073,018)	(576,141)	43,750	8,530,601	(390,135)	8,140,465	163,147,067	71%
2033	0.00%	5.00%	163,147,067	(14,180,659)	(557,220)	43,750	8,157,353	(367,353)	7,790,000	156,242,938	67%
2034	0.00%	5.00%	156,242,938	(13,291,585)	(536,978)	43,750	7,812,147	(344,620)	7,467,527	149,925,652	63%
2035	0.00%	5.00%	149,925,652	(12,410,459)	(515,521)	-	7,496,283	(323,150)	7,173,133	144,172,805	59%
2036	0.00%	5.00%	144,172,805	(11,539,865)	(492,988)	-	7,208,640	(300,821)	6,907,819	139,047,770	54%
2037	0.00%	5.00%	139,047,770	(10,685,585)	(469,552)	-	6,952,389	(278,878)	6,673,510	134,566,143	50%
2038	0.00%	5.00%	134,566,143	(9,855,631)	(445,416)	-	6,728,307	(257,526)	6,470,781	130,735,878	46%
2039	0.00%	5.00%	130,735,878	(9,055,534)	(420,806)	-	6,536,794	(236,908)	6,299,885	127,559,424	42%
2040	0.00%	5.00%	127,559,424	(8,296,583)	(395,968)	-	6,377,971	(217,314)	6,160,657	125,027,530	39%
2060	0.00%	5.00%	183,739,897	(877,367)	(66,757)	-	9,186,995	(23,603)	9,163,392	191,959,166	4%
2080	0.00%	5.00%	474,784,608	(13,883)	-	-	23,739,230	(347)	23,738,883	498,509,608	0%



City of Detroit Police and Fire Retiree Health Care Trust

Scenario A (6.0% Return with 70% Utilization)

Current Participants								Potential Participants		Group Description
MA PPO	MA HMO	Opt-Out HRA	Retiree HRA				Spouse HRA (Non-Med Elig)	Spouse Not Receiving	Actively Waived	
			Income Level	Non-Med Duty Dis	Non-Med Elig	Over 65 Non-Med Elig				
\$ 240.00	\$ 240.00	\$ 225.00	\$ 275.00	\$ 400.00	\$ 225.00	\$ 400.00	\$ 225.00	n/a	n/a	2025 Monthly Amount
\$ 300.00	\$ 300.00	\$ 275.00	\$ 325.00	\$ 400.00	\$ 275.00	\$ 400.00	\$ 275.00	n/a	n/a	2026 Monthly Amount
3,481	119	2,238	16	238	394	65	271	599	247	Number in Group 12/31/2025
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Include Group
\$ -	\$ -	\$ 275.00	\$ 325.00	\$ 400.00	\$ 275.00	\$ 400.00	\$ 275.00			Flat \$ Life Benefit (per person) Pre-65
\$ 300.00	\$ 300.00	\$ 275.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 400.00	\$ 300.00			Flat \$ Life Benefit (per person) Post-65
100%	100%	70%	70%	70%	70%	70%	70%			Utilization Percentage Pre-65
100%	100%	70%	100%	100%	100%	70%	100%			Utilization Percentage Post-65

6%	-Average Yield
6%	-Year 2 only asset return
0%	-Benefit % Increases
\$0.00	-Year 1 \$ increase for all, \$400 cap
Never	-Year of Insolvency

Present Value of Benefits	\$ 171,677,600
Present Value of Expenses	6,790,337
Total	178,467,937
less Market Value of Assets	225,332,742
Unfunded Actuarial Accrued Liability (UAAL)	(46,864,805)
less Present Value of Future Contributions	306,371
Asset Deficit/ (Surplus)	(47,171,176)
Funded %	126.4%

Year	Ad-Hoc Benefit Increase	Ad-Hoc Investment Return	Jan. 1 Net Assets	Trust Benefit Payments	Expenses	Grant / (Due City)	Investment Return			Dec. 31 Assets	% Contracts Remaining
							Invested Assets	Ben./ Expen./ Grant	SubTotal		
2026	N/A	6.00%	\$225,332,742	\$(20,306,310)	\$(660,471)	\$ 43,750	\$ 13,519,965	\$ (627,691)	\$12,892,274	\$ 217,301,985	98%
2027	0.00%	6.00%	217,301,985	(19,430,279)	(649,753)	43,750	13,038,119	(601,088)	12,437,031	209,702,734	93%
2028	0.00%	6.00%	209,702,734	(18,565,015)	(637,780)	43,750	12,582,164	(574,771)	12,007,393	202,551,081	89%
2029	0.00%	6.00%	202,551,081	(17,696,772)	(624,476)	43,750	12,153,065	(548,325)	11,604,740	195,878,323	85%
2030	0.00%	6.00%	195,878,323	(16,829,562)	(609,784)	43,750	11,752,699	(521,868)	11,230,831	189,713,558	80%
2031	0.00%	6.00%	189,713,558	(15,948,488)	(593,673)	43,750	11,382,813	(494,952)	10,887,861	184,103,007	76%
2032	0.00%	6.00%	184,103,007	(15,073,018)	(576,141)	43,750	11,046,180	(468,162)	10,578,018	179,075,616	71%
2033	0.00%	6.00%	179,075,616	(14,180,659)	(557,220)	43,750	10,744,537	(440,824)	10,303,713	174,685,200	67%
2034	0.00%	6.00%	174,685,200	(13,291,585)	(536,978)	43,750	10,481,112	(413,544)	10,067,568	170,967,955	63%
2035	0.00%	6.00%	170,967,955	(12,410,459)	(515,521)	-	10,258,077	(387,779)	9,870,298	167,912,273	59%
2036	0.00%	6.00%	167,912,273	(11,539,865)	(492,988)	-	10,074,736	(360,986)	9,713,751	165,593,170	54%
2037	0.00%	6.00%	165,593,170	(10,685,585)	(469,552)	-	9,935,590	(334,654)	9,600,936	164,038,969	50%
2038	0.00%	6.00%	164,038,969	(9,855,631)	(445,416)	-	9,842,338	(309,031)	9,533,307	163,271,229	46%
2039	0.00%	6.00%	163,271,229	(9,055,534)	(420,806)	-	9,796,274	(284,290)	9,511,984	163,306,873	42%
2040	0.00%	6.00%	163,306,873	(8,296,583)	(395,968)	-	9,798,412	(260,777)	9,537,636	164,151,958	39%
2060	0.00%	6.00%	346,118,564	(877,367)	(66,757)	-	20,767,114	(28,324)	20,738,790	365,913,231	4%
2080	0.00%	6.00%	#####	(13,883)	-	-	65,715,039	(417)	65,714,622	1,160,951,383	0%



City of Detroit Police and Fire Retiree Health Care Trust

Scenario B (4.0% Return with 70% Utilization)

Current Participants								Potential Participants		Group Description
MA PPO	MA HMO	Opt-Out HRA	Retiree HRA				Spouse HRA (Non-Med Elig)	Spouse Not Receiving	Actively Waived	
			Income Level	Non-Med Duty Dis	Non-Med Elig	Over 65 Non-Med				
\$ 240.00	\$ 240.00	\$ 225.00	\$ 275.00	\$ 400.00	\$ 225.00	\$ 400.00	\$ 225.00	n/a	n/a	2025 Monthly Amount
\$ 300.00	\$ 300.00	\$ 275.00	\$ 325.00	\$ 400.00	\$ 275.00	\$ 400.00	\$ 275.00	n/a	n/a	2026 Monthly Amount
3,481	119	2,238	16	238	394	65	271	599	247	Number in Group 12/31/2025
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Include Group
\$ -	\$ -	\$ 275.00	\$ 325.00	\$ 400.00	\$ 275.00	\$ 400.00	\$ 275.00			Flat \$ Life Benefit (per person) Pre-65
\$ 300.00	\$ 300.00	\$ 275.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 400.00	\$ 300.00			Flat \$ Life Benefit (per person) Post-65
100%	100%	70%	70%	70%	70%	70%	70%			Utilization Percentage Pre-65
100%	100%	70%	100%	100%	100%	70%	100%			Utilization Percentage Post-65

4%	-Average Yield
4%	-Year 2 only asset return
0%	-Benefit % Increases
\$0.00	-Year 1 \$ increase for all, \$400 cap
Never	-Year of Insolvency

Present Value of Benefits	\$ 198,512,658
Present Value of Expenses	8,053,061
Total	206,565,719
less Market Value of Assets	225,332,742
Unfunded Actuarial Accrued Liability (UAAL)	(18,767,023)
less Present Value of Future Contributions	331,738
Asset Deficit/ (Surplus)	(19,098,761)
Funded %	109.2%

Year	Ad-Hoc Benefit Increase	Ad-Hoc Investment Return	Jan. 1 Net Assets	Trust Benefit Payments	Expenses	Grant / (Due City)	Investment Return			Dec. 31 Assets	% Contracts Remaining
							Invested Assets	Ben./ Expen./ Grant	SubTotal		
2026	N/A	4.00%	\$ 225,332,742	\$(20,306,310)	\$(660,471)	\$ 43,750	\$ 9,013,310	\$ (418,461)	\$ 8,594,849	\$ 213,004,560	98%
2027	0.00%	4.00%	213,004,560	(19,430,279)	(649,753)	43,750	8,520,182	(400,726)	8,119,457	201,087,735	93%
2028	0.00%	4.00%	201,087,735	(18,565,015)	(637,780)	43,750	8,043,509	(383,181)	7,660,329	189,589,019	89%
2029	0.00%	4.00%	189,589,019	(17,696,772)	(624,476)	43,750	7,583,561	(365,550)	7,218,011	178,529,531	85%
2030	0.00%	4.00%	178,529,531	(16,829,562)	(609,784)	43,750	7,141,181	(347,912)	6,793,269	167,927,204	80%
2031	0.00%	4.00%	167,927,204	(15,948,488)	(593,673)	43,750	6,717,088	(329,968)	6,387,120	157,815,912	76%
2032	0.00%	4.00%	157,815,912	(15,073,018)	(576,141)	43,750	6,312,636	(312,108)	6,000,528	148,211,031	71%
2033	0.00%	4.00%	148,211,031	(14,180,659)	(557,220)	43,750	5,928,441	(293,883)	5,634,559	139,151,461	67%
2034	0.00%	4.00%	139,151,461	(13,291,585)	(536,978)	43,750	5,566,058	(275,696)	5,290,362	130,657,010	63%
2035	0.00%	4.00%	130,657,010	(12,410,459)	(515,521)	-	5,226,280	(258,520)	4,967,761	122,698,791	59%
2036	0.00%	4.00%	122,698,791	(11,539,865)	(492,988)	-	4,907,952	(240,657)	4,667,295	115,333,232	54%
2037	0.00%	4.00%	115,333,232	(10,685,585)	(469,552)	-	4,613,329	(223,103)	4,390,227	108,568,321	50%
2038	0.00%	4.00%	108,568,321	(9,855,631)	(445,416)	-	4,342,733	(206,021)	4,136,712	102,403,987	46%
2039	0.00%	4.00%	102,403,987	(9,055,534)	(420,806)	-	4,096,159	(189,527)	3,906,633	96,834,280	42%
2040	0.00%	4.00%	96,834,280	(8,296,583)	(395,968)	-	3,873,371	(173,851)	3,699,520	91,841,249	39%
2060	0.00%	4.00%	77,335,035	(877,367)	(66,757)	-	3,093,401	(18,882)	3,074,519	79,465,430	4%
2080	0.00%	4.00%	158,498,502	(13,883)	-	-	6,339,940	(278)	6,339,662	164,824,281	0%



City of Detroit Police and Fire Retiree Health Care Trust

Scenario C (5.0% Return with 80% Utilization)

Current Participants								Potential Participants		Group Description
MA PPO	MA HMO	Opt-Out HRA	Retiree HRA				Spouse HRA (Non-Med Elig)	Spouse Not Receiving	Actively Waived	
			Income Level	Non-Med Duty Dis	Non-Med Elig	Over 65 Non-Med Elig				
\$ 240.00	\$ 240.00	\$ 225.00	\$ 275.00	\$ 400.00	\$ 225.00	\$ 400.00	\$ 225.00	n/a	n/a	
\$ 300.00	\$ 300.00	\$ 275.00	\$ 325.00	\$ 400.00	\$ 275.00	\$ 400.00	\$ 275.00	n/a	n/a	
3,481	119	2,238	16	238	394	65	271	599	247	
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	
\$ -	\$ -	\$ 275.00	\$ 325.00	\$ 400.00	\$ 275.00	\$ 400.00	\$ 275.00			
\$ 300.00	\$ 300.00	\$ 275.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 400.00	\$ 300.00			
100%	100%	80%	80%	80%	80%	80%	80%			
100%	100%	80%	100%	100%	100%	80%	100%			

5%	-Average Yield
5%	-Year 2 only asset return
0%	-Benefit % Increases
\$0.00	-Year 1 \$ increase for all, \$400 cap
Never	-Year of Insolvency

Present Value of Benefits	\$ 191,692,270
Present Value of Expenses	7,372,441
Total	199,064,711
less Market Value of Assets	225,332,742
Unfunded Actuarial Accrued Liability (UAAL)	(26,268,031)
less Present Value of Future Contributions	318,647
Asset Deficit/ (Surplus)	(26,586,678)
Funded %	113.4%

Year	Ad-Hoc Benefit Increase	Ad-Hoc Investment Return	Jan. 1 Net Assets	Trust Benefit Payments	Expenses	Grant / (Due City)	Investment Return			Dec. 31 Assets	% Contracts Remaining
							Invested Assets	Ben./ Expen./ Grant	SubTotal		
2026	N/A	5.00%	\$225,332,742	\$(20,306,310)	\$(660,471)	\$ 43,750	\$ 11,266,637	\$ (523,076)	\$10,743,561	\$ 215,153,272	98%
2027	0.00%	5.00%	215,153,272	(20,451,574)	(649,753)	43,750	10,757,664	(526,439)	10,231,224	204,326,920	93%
2028	0.00%	5.00%	204,326,920	(19,526,581)	(637,780)	43,750	10,216,346	(503,015)	9,713,331	193,919,639	89%
2029	0.00%	5.00%	193,919,639	(18,597,216)	(624,476)	43,750	9,695,982	(479,449)	9,216,533	183,958,231	85%
2030	0.00%	5.00%	183,958,231	(17,668,840)	(609,784)	43,750	9,197,912	(455,872)	8,742,040	174,465,396	80%
2031	0.00%	5.00%	174,465,396	(16,730,515)	(593,673)	43,750	8,723,270	(432,011)	8,291,259	165,476,217	76%
2032	0.00%	5.00%	165,476,217	(15,798,167)	(576,141)	43,750	8,273,811	(408,264)	7,865,547	157,011,206	71%
2033	0.00%	5.00%	157,011,206	(14,853,199)	(557,220)	43,750	7,850,560	(384,167)	7,466,394	149,110,930	67%
2034	0.00%	5.00%	149,110,930	(13,912,879)	(536,978)	43,750	7,455,547	(360,153)	7,095,394	141,800,217	63%
2035	0.00%	5.00%	141,800,217	(12,980,050)	(515,521)	-	7,090,011	(337,389)	6,752,622	135,057,268	59%
2036	0.00%	5.00%	135,057,268	(12,059,715)	(492,988)	-	6,752,863	(313,818)	6,439,046	128,943,610	54%
2037	0.00%	5.00%	128,943,610	(11,159,055)	(469,552)	-	6,447,181	(290,715)	6,156,465	123,471,468	50%
2038	0.00%	5.00%	123,471,468	(10,287,070)	(445,416)	-	6,173,573	(268,312)	5,905,261	118,644,244	46%
2039	0.00%	5.00%	118,644,244	(9,445,569)	(420,806)	-	5,932,212	(246,659)	5,685,553	114,463,422	42%
2040	0.00%	5.00%	114,463,422	(8,644,344)	(395,968)	-	5,723,171	(226,008)	5,497,163	110,920,274	39%
2060	0.00%	5.00%	144,180,847	(880,484)	(66,757)	-	7,209,042	(23,681)	7,185,361	150,418,968	4%
2080	0.00%	5.00%	369,802,795	(13,883)	-	-	18,490,140	(347)	18,489,793	388,278,704	0%



City of Detroit Police and Fire Retiree Health Care Trust

Scenario D (5.0% Return with 60% Utilization)

Current Participants								Potential Participants		Group Description
MA PPO	MA HMO	Opt-Out HRA	Retiree HRA				Spouse HRA (Non-Med Elig)	Spouse Not Receiving	Actively Waived	
			Income Level	Non-Med Duty Dis	Non-Med Elig	Over 65 Non-Med Elig				
\$ 240.00	\$ 240.00	\$ 225.00	\$ 275.00	\$ 400.00	\$ 225.00	\$ 400.00	\$ 225.00	n/a	n/a	2025 Monthly Amount
\$ 300.00	\$ 300.00	\$ 275.00	\$ 325.00	\$ 400.00	\$ 275.00	\$ 400.00	\$ 275.00	n/a	n/a	2026 Monthly Amount
3,481	119	2,238	16	238	394	65	271	599	247	Number in Group 12/31/2025
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Include Group
\$ -	\$ -	\$ 275.00	\$ 325.00	\$ 400.00	\$ 275.00	\$ 400.00	\$ 275.00			Flat \$ Life Benefit (per person) Pre-65
\$ 300.00	\$ 300.00	\$ 275.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 400.00	\$ 300.00			Flat \$ Life Benefit (per person) Post-65
100%	100%	60%	60%	60%	60%	60%	60%			Utilization Percentage Pre-65
100%	100%	60%	100%	100%	100%	60%	100%			Utilization Percentage Post-65

5%	-Average Yield
5%	-Year 2 only asset return
0%	-Benefit % Increases
\$0.00	-Year 1 \$ increase for all, \$400 cap
Never	-Year of Insolvency

Present Value of Benefits	\$ 176,633,389
Present Value of Expenses	7,372,441
Total	184,005,830
less Market Value of Assets	225,332,742
Unfunded Actuarial Accrued Liability (UAAL)	(41,326,912)
less Present Value of Future Contributions	318,647
Asset Deficit/ (Surplus)	(41,645,559)
Funded %	122.6%

Year	Ad-Hoc Benefit Increase	Ad-Hoc Investment Return	Jan. 1 Net Assets	Trust Benefit Payments	Expenses	Grant / (Due City)	Investment Return			Dec. 31 Assets	% Contracts Remaining
							Invested Assets	Ben./ Expen./ Grant	SubTotal		
2026	N/A	5.00%	\$225,332,742	\$(20,306,310)	\$(660,471)	\$ 43,750	\$ 11,266,637	\$ (523,076)	\$10,743,561	\$ 215,153,272	98%
2027	0.00%	5.00%	215,153,272	(18,408,984)	(649,753)	43,750	10,757,664	(475,375)	10,282,289	206,420,575	93%
2028	0.00%	5.00%	206,420,575	(17,603,448)	(637,780)	43,750	10,321,029	(454,937)	9,866,092	198,089,188	89%
2029	0.00%	5.00%	198,089,188	(16,796,329)	(624,476)	43,750	9,904,459	(434,426)	9,470,033	190,182,166	85%
2030	0.00%	5.00%	190,182,166	(15,990,284)	(609,784)	43,750	9,509,108	(413,908)	9,095,200	182,721,048	80%
2031	0.00%	5.00%	182,721,048	(15,166,462)	(593,673)	43,750	9,136,052	(392,910)	8,743,143	175,747,805	76%
2032	0.00%	5.00%	175,747,805	(14,347,869)	(576,141)	43,750	8,787,390	(372,007)	8,415,384	169,282,929	71%
2033	0.00%	5.00%	169,282,929	(13,508,119)	(557,220)	43,750	8,464,146	(350,540)	8,113,607	163,374,947	67%
2034	0.00%	5.00%	163,374,947	(12,670,292)	(536,978)	43,750	8,168,747	(329,088)	7,839,659	158,051,087	63%
2035	0.00%	5.00%	158,051,087	(11,840,869)	(515,521)	-	7,902,554	(308,910)	7,593,645	153,288,341	59%
2036	0.00%	5.00%	153,288,341	(11,020,015)	(492,988)	-	7,664,417	(287,825)	7,376,592	149,151,930	54%
2037	0.00%	5.00%	149,151,930	(10,212,114)	(469,552)	-	7,457,596	(267,042)	7,190,555	145,660,818	50%
2038	0.00%	5.00%	145,660,818	(9,424,191)	(445,416)	-	7,283,041	(246,740)	7,036,301	142,827,511	46%
2039	0.00%	5.00%	142,827,511	(8,665,499)	(420,806)	-	7,141,376	(227,158)	6,914,218	140,655,425	42%
2040	0.00%	5.00%	140,655,425	(7,948,822)	(395,968)	-	7,032,771	(208,620)	6,824,151	139,134,786	39%
2060	0.00%	5.00%	223,298,946	(874,249)	(66,757)	-	11,164,947	(23,525)	11,141,422	233,499,362	4%
2080	0.00%	5.00%	579,766,420	(13,883)	-	-	28,988,321	(347)	28,987,974	608,740,511	0%



City of Detroit Police and Fire Retiree Health Care Trust

Scenario E (Base Scenario with 15% Asset Loss in Year 2 and 2% Premium Increases)

Current Participants								Potential Participants		Group Description
MA PPO	MA HMO	Opt-Out HRA	Retiree HRA				Spouse HRA (Non-Med Elig)	Spouse Not Receiving	Actively Waived	
			Income Level	Non-Med Duty Dis	Non-Med Elig	Over 65 Non-Med Elig				
\$ 240.00	\$ 240.00	\$ 225.00	\$ 275.00	\$ 400.00	\$ 225.00	\$ 400.00	\$ 225.00	n/a	n/a	2025 Monthly Amount
\$ 300.00	\$ 300.00	\$ 275.00	\$ 325.00	\$ 400.00	\$ 275.00	\$ 400.00	\$ 275.00	n/a	n/a	2026 Monthly Amount
3,481	119	2,238	16	238	394	65	271	599	247	Number in Group 12/31/2025
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Include Group
\$ -	\$ -	\$ 275.00	\$ 325.00	\$ 400.00	\$ 275.00	\$ 400.00	\$ 275.00			Flat \$ Life Benefit (per person) Pre-65
\$ 300.00	\$ 300.00	\$ 275.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 400.00	\$ 300.00			Flat \$ Life Benefit (per person) Post-65
100%	100%	70%	70%	70%	70%	70%	70%			Utilization Percentage Pre-65
100%	100%	70%	100%	100%	100%	70%	100%			Utilization Percentage Post-65

5% -Average Yield
-15% -Year 2 only asset return
2% -Benefit % Increases
\$0.00 -Year 1 \$ increase for all, \$400 cap
2,040 -Year of Insolvency

Present Value of Benefits	\$ 214,067,370
Present Value of Expenses	7,372,441
Total	221,439,811
less Market Value of Assets	225,332,742
Unfunded Actuarial Accrued Liability (UAAL)	(3,892,931)
less Present Value of Future Contributions	318,647
Asset Deficit/ (Surplus)	(4,211,578)
Funded %	101.9%

Year	Ad-Hoc Benefit Increase	Ad-Hoc Investment Return	Jan. 1 Net Assets	Trust Benefit Payments	Expenses	Grant / (Due City)	Investment Return			Dec. 31 Assets	% Contracts Remaining
							Invested Assets	Ben./ Expen./ Grant	SubTotal		
2026	N/A	5.00%	\$225,332,742	\$(20,306,310)	\$(660,471)	\$ 43,750	\$ 11,266,637	\$ (523,076)	\$10,743,561	\$ 215,153,272	98%
2027	2.00%	-15.00%	215,153,272	(19,818,884)	(649,753)	43,750	(32,272,991)	1,531,867	(30,741,124)	163,987,261	93%
2028	2.00%	5.00%	163,987,261	(19,315,041)	(637,780)	43,750	8,199,363	(497,727)	7,701,636	151,779,826	89%
2029	2.00%	5.00%	151,779,826	(18,779,956)	(624,476)	43,750	7,588,991	(484,017)	7,104,974	139,524,117	85%
2030	2.00%	5.00%	139,524,117	(18,216,859)	(609,784)	43,750	6,976,206	(469,572)	6,506,634	127,247,857	80%
2031	2.00%	5.00%	127,247,857	(17,608,420)	(593,673)	43,750	6,362,393	(453,959)	5,908,434	114,997,948	76%
2032	2.00%	5.00%	114,997,948	(16,974,667)	(576,141)	43,750	5,749,897	(437,676)	5,312,221	102,803,112	71%
2033	2.00%	5.00%	102,803,112	(16,289,120)	(557,220)	43,750	5,140,156	(420,065)	4,720,091	90,720,613	67%
2034	2.00%	5.00%	90,720,613	(15,573,211)	(536,978)	43,750	4,536,031	(401,661)	4,134,370	78,788,544	63%
2035	2.00%	5.00%	78,788,544	(14,831,648)	(515,521)	-	3,939,427	(383,679)	3,555,748	66,997,123	59%
2036	2.00%	5.00%	66,997,123	(14,067,031)	(492,988)	-	3,349,856	(364,000)	2,985,856	55,422,959	54%
2037	2.00%	5.00%	55,422,959	(13,286,181)	(469,552)	-	2,771,148	(343,893)	2,427,255	44,094,480	50%
2038	2.00%	5.00%	44,094,480	(12,499,323)	(445,416)	-	2,204,724	(323,618)	1,881,106	33,030,847	46%
2039	2.00%	5.00%	33,030,847	(11,714,299)	(420,806)	-	1,651,542	(303,378)	1,348,165	22,243,908	42%
2040	2.00%	5.00%	22,243,908	(10,947,165)	(395,968)	-	1,112,195	(283,578)	828,617	11,729,392	39%
2060	2.00%	5.00%	(94,699,618)	(1,720,232)	(66,757)	-	-	(49,857)	(49,857)	(96,536,464)	4%
2080	2.00%	5.00%	(107,436,589)	(40,448)	-	-	-	(1,129)	(1,129)	(107,478,166)	0%



City of Detroit Police and Fire Retiree Health Care Trust

Scenario F (Sample Worst Case, 4% Return, 15% Year 2 Asset Loss, All Potential Participants Included, 100% Utilization)

Current Participants								Potential Participants		Group Description
MA PPO	MA HMO	Opt-Out HRA	Retiree HRA				Spouse HRA (Non-Med Elig)	Spouse Not Receiving	Actively Waived	
			Income Level	Non-Med Duty Dis	Non-Med Elig	Over 65 Non-Med Elig				
\$ 240.00	\$ 240.00	\$ 225.00	\$ 275.00	\$ 400.00	\$ 225.00	\$ 400.00	\$ 225.00	n/a	n/a	2025 Monthly Amount
\$ 300.00	\$ 300.00	\$ 275.00	\$ 325.00	\$ 400.00	\$ 275.00	\$ 400.00	\$ 275.00	n/a	n/a	2026 Monthly Amount
3,481	119	2,238	16	238	394	65	271	599	247	Number in Group 12/31/2025
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Include Group
\$ -	\$ -	\$ 275.00	\$ 325.00	\$ 400.00	\$ 275.00	\$ 400.00	\$ 275.00			Flat \$ Life Benefit (per person) Pre-65
\$ 300.00	\$ 300.00	\$ 275.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 400.00	\$ 300.00			Flat \$ Life Benefit (per person) Post-65
100%	100%	100%	100%	100%	100%	100%	100%			Utilization Percentage Pre-65
100%	100%	100%	100%	100%	100%	100%	100%			Utilization Percentage Post-65

4%	-Average Yield
-15%	-Year 2 only asset return
0%	-Benefit % Increases
\$0.00	-Year 1 \$ increase for all, \$400 cap
2,038	-Year of Insolvency

Present Value of Benefits	\$ 247,739,890
Present Value of Expenses	8,099,611
Total	255,839,501
less Market Value of Assets	225,332,742
Unfunded Actuarial Accrued Liability (UAAL)	30,506,759
less Present Value of Future Contributions	331,738
Asset Deficit/ (Surplus)	30,175,021
Funded %	88.2%

Year	Ad-Hoc Benefit Increase	Ad-Hoc Investment Return	Jan. 1 Net Assets	Trust Benefit Payments	Expenses	Grant / (Due City)	Investment Return			Dec. 31 Assets	% Contracts Remaining
							Invested Assets	Ben./ Expen./ Grant	SubTotal		
2026	N/A	4.00%	\$ 225,332,742	\$(20,306,310)	\$(660,601)	\$ 43,750	\$ 9,013,310	\$(418,463)	\$ 8,594,846	\$ 213,004,428	98%
2027	0.00%	-15.00%	213,004,428	(25,123,196)	(650,142)	43,750	(31,950,664)	1,929,719	(30,020,945)	157,253,894	94%
2028	0.00%	4.00%	157,253,894	(23,969,384)	(638,415)	43,750	6,290,156	(491,281)	5,798,875	138,488,720	89%
2029	0.00%	4.00%	138,488,720	(22,806,617)	(625,348)	43,750	5,539,549	(467,764)	5,071,785	120,172,290	85%
2030	0.00%	4.00%	120,172,290	(21,643,476)	(610,888)	43,750	4,806,892	(444,212)	4,362,679	102,324,355	80%
2031	0.00%	4.00%	102,324,355	(20,477,579)	(595,007)	43,750	4,092,974	(420,577)	3,672,397	84,967,917	76%
2032	0.00%	4.00%	84,967,917	(19,316,002)	(577,703)	43,750	3,398,717	(396,999)	3,001,718	68,119,680	72%
2033	0.00%	4.00%	68,119,680	(18,150,537)	(559,009)	43,750	2,724,787	(373,316)	2,351,471	51,805,355	67%
2034	0.00%	4.00%	51,805,355	(16,993,596)	(538,994)	43,750	2,072,214	(349,777)	1,722,437	36,038,953	63%
2035	0.00%	4.00%	36,038,953	(15,844,750)	(517,761)	-	1,441,558	(327,250)	1,114,308	20,790,750	59%
2036	0.00%	4.00%	20,790,750	(14,713,297)	(495,451)	-	831,630	(304,175)	527,455	6,109,457	55%
2037	0.00%	4.00%	6,109,457	(13,610,079)	(472,232)	-	244,378	(281,646)	(37,268)	(8,010,122)	51%
2038	0.00%	4.00%	(8,010,122)	(12,546,525)	(448,305)	-	-	(362,556)	(362,556)	(21,367,508)	47%
2039	0.00%	4.00%	(21,367,508)	(11,518,350)	(423,893)	-	-	(333,189)	(333,189)	(33,642,940)	43%
2040	0.00%	4.00%	(33,642,940)	(10,531,966)	(399,235)	-	-	(304,981)	(304,981)	(44,879,122)	39%
2060	0.00%	4.00%	(132,730,404)	(1,026,014)	(68,743)	-	-	(30,544)	(30,544)	(133,855,703)	4%
2080	0.00%	4.00%	(140,013,179)	(21,572)	-	-	-	(602)	(602)	(140,035,353)	0%

