

**RESOLUTION FOR CONSIDERATION BY THE
PACT BOARD OF TRUSTEES AT ITS MEETING ON AUGUST 4, 2026**

WHEREAS, the Legislature has created the Wallace-Folsom College Savings Investment Plan (the “Plan”) pursuant to Title 16, Chapter 33C of the *Code of Alabama*, 1975 (the “Act”); and,

WHEREAS, the Board of Trustees (“Board”) is created and charged with the oversight of the Prepaid Affordable College Tuition (“PACT”) Trust Fund; and,

WHEREAS, the Board’s professional actuary, Sherman Actuarial, has provided the annual actuarial assumptions to be used for the 2027 actuarial valuations of the PACT program for the Board’s review and consideration;

WHEREAS, based on updated market projections provided by Regions Bank, the Board’s Investment Manager, Sherman Actuarial, recommends the following change in the assumptions regarding the rates of return;

<u>Year Ending</u>	<u>Current Assumptions</u>	<u>Proposed Assumptions</u>	<u>Regions Assumptions</u>
2027	3.50%	3.25%	3.25%
2028	3.50%	3.25%	3.25%
2029	3.50%	3.25%	3.25%
2030+	3.50%	3.25%	3.25%

WHEREAS, Sherman Actuarial recommends the below assumptions remain unchanged;

- **Discount Rate:** 3.5%
- **Tuition Inflation:** 0.0%
- **Expenses:**

2027	\$525,000
2028	\$400,000
2029	\$300,000
2030	\$200,000
2031+	\$100,000
- **Enrollment of PACT Beneficiaries:**

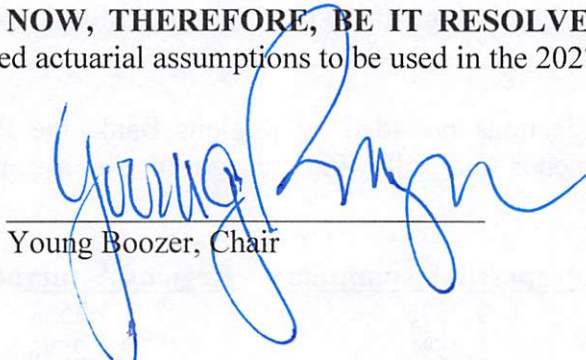
Private/Out of State	17%
Community College	15%
Alabama/Auburn	53%
Other Alabama Schools	15%
- **Early Voluntary Surrender of Contract:**

Age 0 – 9 th grade	0%
10 th grade	1%
11 th grade	1%

12th grade 1%

- **Mortality and Disability:** No Provision
- **Utilization of Credits:** 128 Credit Hours
- **Timing of Education Trust Fund Payments:** October 1, January 1, April 1, July 1
- **Matriculation Percent:** Matriculates at Projected Enrollment Year

NOW, THEREFORE, BE IT RESOLVED, in its sole discretion, the Board approves the proposed actuarial assumptions to be used in the 2027 actuarial valuations by Sherman Actuarial.



Young Boozer, Chair