CITY OF MIAMI BEACH
EMPLOYEES' RETIREMENT PLAN

ACTUARIAL VALUATION
AS OF OCTOBER 1, 2023

CONTRIBUTIONS APPLICABLE TO THE
PLAN/FISCAL YEAR ENDING SEPTEMBER 30, 2025

FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

March 29, 2024

Board of Trustees
City of Miami Beach
General Employees' Pension Board

Re: City of Miami Beach Employees' Retirement Plan

Dear Board:

We are pleased to present to the Board this report of the annual actuarial valuation of the City of Miami Beach Employees' Retirement Plan. The valuation was performed to determine whether the assets and contributions are sufficient to provide the prescribed benefits and to develop the appropriate funding requirements for the applicable plan year. Use of the results for other purposes may not be applicable and may produce significantly different results.

The valuation has been conducted in accordance with generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board, and reflects laws and regulations issued to date pursuant to the provisions of Chapter 112, Florida Statutes, as well as applicable federal laws and regulations. In our opinion, the assumptions used in the valuation, as adopted by the Board of Trustees, represent reasonable expectations of anticipated plan experience.

The funding percentages and unfunded accrued liability as measured based on the actuarial value of assets will differ from similar measures based on the market value of assets. These measures, as provided, are appropriate for determining the adequacy of future contributions, but may not be appropriate for the purpose of settling a portion or all of its liabilities. Future actuarial measurements may differ significantly from the current measurements presented in this report for a variety of reasons including: changes in applicable laws, changes in plan provisions, changes in assumptions, or plan experience differing from expectations. Due to the limited scope of the valuation, we did not perform an analysis of the potential range of such future measurements.

In conducting the valuation, we have relied on personnel, plan design, and asset information supplied by the City of Miami Beach, financial reports prepared by the custodian bank, and the actuarial assumptions and methods described in the Actuarial Assumptions section of this report. While we cannot verify the accuracy of all this information, the supplied information was reviewed for consistency and reasonableness. As a result of this review, we have no reason to doubt the substantial accuracy of the information and believe that it has produced appropriate results. This information, along with any adjustments or modifications, is summarized in various sections of this report.

Additionally, we used third-party software to model (calculate) the underlying liabilities and costs. These results are reviewed in the aggregate and for individual sample lives. The output from the software is either used directly or input into internally developed models that apply the funding rules to generate the results. All internally developed models are reviewed as part of the valuation process. As a result of this review, we believe that the models have produced reasonable results. We do not believe there are any material inconsistencies among assumptions or unreasonable output produced due to the aggregation of assumptions.

In our opinion, the Minimum Required Contribution set forth in this report constitutes a reasonable actuarially determined contribution under Actuarial Standard of Practice No. 4.

The undersigned are familiar with the immediate and long-term aspects of pension valuations, and meet the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. All of the sections of this report are considered an integral part of the actuarial opinions.

To our knowledge, no associate of Foster & Foster, Inc. working on valuations of the program has any direct financial interest or indirect material interest in the City of Miami Beach, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the Employees' Retirement Plan. Thus, there is no relationship existing that might affect our capacity to prepare and certify this actuarial report.

If there are any questions, concerns, or comments about any of the items contained in this report, please contact us at 239-433-5500.

Respectfully submitted,

Foster & Foster, Inc.

By: ______________________________

Bradley R. Heinrichs, FSA, EA, MAAA
Enrolled Actuary #23-6901

By: ______________________________

Sara E. Carlson, ASA, EA, MAAA
Enrolled Actuary #23-8546

By: ______________________________

Tyler A. Koftan, EA, MAAA
Enrolled Actuary #23-8685

Enclosures

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SUMMARY OF REPORT

The regular annual actuarial valuation of the City of Miami Beach Employees' Retirement Plan, performed as of October 1, 2023, has been completed and the results are presented in this Report. The contribution amounts set forth herein are applicable to the plan/fiscal year ending September 30, 2025.

The contribution requirements, compared with those set forth in the June 9, 2023 actuarial impact statement, are as follows:

Valuation Date	10/1/2023	10/1/2022
Applicable to Fiscal Year Ending	9/30/2025	9/30/2024
Minimum Required Contribution	$44,224,862	$39,107,003
Member Contributions (Est.)	10,382,624	9,288,900
City Required Contribution	$33,842,238	$29,818,103

As you can see, the Minimum Required Contribution shows an increase when compared to the results set forth in the June 9, 2023 actuarial impact statement. The increase is attributable to unfavorable actuarial experience, as described below.

Plan experience was unfavorable overall on the basis of the plan's actuarial assumptions. The primary source of actuarial loss was an investment return on the smoothed Actuarial Value of Assets which fell short of the 7.20% assumption. The return on the Actuarial Value of Assets was 4.52% and the return on the Market Value of Assets was 9.60%. Additional unfavorable actuarial experience included an average salary increase of 11.77% which exceeded the 5.10% assumption and inactive mortality experience. There were no significant sources of actuarial gain.

As requested, we have also provided a projection of the estimated City's contribution requirements over the next five years:

Valuation Date	10/1/2023	10/1/2024	10/1/2025	10/1/2026	10/1/2027
Applicable to Fiscal Year Ending	9/30/2025	9/30/2026	9/30/2027	9/30/2028	9/30/2029
City Required Contribution (est.)	**33,840,000**	**35,320,000**	**36,920,000**	**40,150,000**	**40,260,000**

Please note that these projections are based on the same assumptions and methods as utilized in this actuarial valuation, except for a 4.58% payroll growth assumption applied to the Normal Cost and Member Contributions (as supported on page 14 of the report). The projection also assumes no future gains or losses other than the recognition of prior investment experience.

The Board utilizes a five-year smoothing technique for the Actuarial Value of Assets, under which all assets are valued at market value with an adjustment to uniformly spread actuarial investment gains and losses (as measured by actual market value investment return against expected market value investment return) over a five-year period. As shown on page 31, the investment loss in fiscal year 2022 was larger than the accumulated gains and losses in fiscal years 2019, 2020, 2021 and 2023. Therefore, absent any future investment gains or losses, there will be a recognition of net deferred losses over the next three years.

CHANGES SINCE PRIOR VALUATION

<u>Plan Changes</u>

Since the prior valuation, the plan was amended by Ordinance 2023-4549 to provide for the following benefit changes. The impact of these changes was determined in the Actuarial Impact Statement dated June 9, 2023.

- Effective January 1, 2023, for Members who have served as an Elected Official or Charter Officer and terminate employment, retire, or enter DROP, "Final Average Monthly Earnings" means the average of the best 5 years of earnings, or if such Member's period of creditable service is less than 5 years, the average of the Member's years of creditable service.

- For Members who have served as an Elected Official or Charter Officer on and after December 12, 2012, benefits earned as an Elected Official or Charter Officer are determined as 4% of final average monthly earnings multiplied by years of creditable service as an Elected Official or Charter Officer. Benefits for service in other roles are calculated separately based on the benefit multiplier, final average monthly earnings, and creditable service applicable to the service in that role.

- Members who have served as an Elected Official or Charter Officer become 100% vested at 4 years of creditable service.

- For Members who terminated vested under Tier B provisions and were re-hired under Tier C provisions,

    - The benefit for the Tier B service is based on the Tier B benefit multiplier (3.0%) and receives the Tier B COLA (2.5%)

    - The benefit for the Tier C service is based on the Tier C benefit multiplier (2.5%) and receives the Tier C COLA (1.5%).

    - Eligibility for both benefits is based on Tier B provisions (e.g. Normal Retirement Date of age 55 with 5 years of creditable service).

- For Members who terminated non-vested under Tier B provisions, did not receive a refund of contributions, and were re-hired under Tier C provisions,
    - The benefit for the Tier B service is based on the Tier B benefit multiplier (3.0%).
    - The benefit for the Tier C service is based on the Tier C benefit multiplier (2.5%).
    - Eligibility for both benefits is based on Tier C provisions (e.g. Normal Retirement Date of age 55 with 30 years of creditable service or age 62 with 5 years of creditable service) and both benefits are subject to the Tier C COLA (1.5%).
- For Tier C Members who terminate employment and are re-employed, the service from the initial period is included when calculating benefits and the benefit is based on the benefit rate applicable to initial period of service.

<u>Actuarial Assumption/Method Changes</u>

There have been no assumption or method changes since the prior valuation.

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

	10/1/2023	10/1/2022
A. Participant Data		
Actives	1,286	1,223
Service Retirees	970	953
DROP Retirees	89	102
Beneficiaries	173	170
Disability Retirees	22	22
Terminated Vested	210	175
Total	2,750	2,645
Projected Annual Payroll	99,438,227	88,148,710
Annual Rate of Payments to:		
Service Retirees	50,633,830	48,767,743
DROP Retirees	4,497,080	4,988,222
Beneficiaries	4,518,931	4,065,704
Disability Retirees	844,458	823,862
Terminated Vested	3,463,743	3,412,477
B. Assets		
Actuarial Value (AVA) [1]	790,477,876	778,754,175
Market Value (MVA) [1]	740,730,657	697,812,937
C. Liabilities		
Present Value of Benefits		
Actives		
Retirement Benefits	351,369,763	313,605,191
Disability Benefits	16,092,812	14,394,640
Death Benefits	5,782,708	5,296,650
Vested Benefits	31,163,492	29,276,234
Refund of Contributions	2,083,726	1,916,832
Service Retirees	614,151,771	597,185,742
DROP Retirees [1]	67,794,796	75,145,007
Beneficiaries	40,880,948	36,631,785
Disability Retirees	8,867,547	8,856,245
Terminated Vested	32,281,100	32,663,622
Total	1,170,468,663	1,114,971,948

C. Liabilities - (Continued)	10/1/2023	10/1/2022
Present Value of Future Salaries	891,255,430	799,370,400
Present Value of Future Member Contributions	86,808,279	78,578,110
Normal Cost (Retirement)	12,621,870	11,322,916
Normal Cost (Disability)	1,090,289	978,988
Normal Cost (Death)	397,324	366,734
Normal Cost (Vesting)	2,163,873	2,021,143
Normal Cost (Refunds)	769,232	716,027
Total Normal Cost	17,042,588	15,405,808
Present Value of Future Normal Costs	140,224,215	128,839,029
Accrued Liability (Retirement)	248,624,668	219,752,757
Accrued Liability (Disability)	6,663,614	5,828,083
Accrued Liability (Death)	2,552,893	2,288,819
Accrued Liability (Vesting)	7,062,190	6,541,585
Accrued Liability (Refunds)	1,364,921	1,239,274
Accrued Liability (Inactives) [1]	763,976,162	750,482,401
Total Actuarial Accrued Liability (EAN AL)	1,030,244,448	986,132,919
Unfunded Actuarial Accrued Liability (UAAL)	239,766,572	207,378,744
Funded Ratio (AVA / EAN AL)	76.7%	79.0%

D. Actuarial Present Value of Accrued Benefits

	10/1/2023	10/1/2022
Vested Accrued Benefits		
Inactives [1]	763,976,162	750,482,401
Actives	113,896,080	102,061,286
Member Contributions	78,128,407	74,281,251
Total	956,000,649	926,824,938
Non-vested Accrued Benefits	4,388,864	4,468,805
Total Present Value Accrued Benefits (PVAB)	960,389,513	931,293,743
Funded Ratio (MVA / PVAB)	77.1%	74.9%
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:		
Plan Amendments	0	
Assumption Changes	0	
Plan Experience	24,954,682	
Benefits Paid	(60,725,928)	
Interest	64,867,016	
Other	0	
Total	29,095,770	

Valuation Date	10/1/2023	10/1/2022
Applicable to Fiscal Year Ending	9/30/2025	9/30/2024
E. Pension Cost		
Normal Cost	$17,042,588	$15,405,808
% of Projected Annual Payroll	17.1	17.5
Administrative Expenses	823,429	729,959
% of Projected Annual Payroll	0.8	0.8
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 28 years (as of 10/1/2023)	23,388,518	20,344,646
% of Projected Annual Payroll	23.5	23.1
Interest from 10/1/2023 to 10/1/2024	2,970,327	2,626,590
Minimum Required Contribution	44,224,862	39,107,003
% of Projected Annual Payroll	44.4	44.4
Expected Member Contributions	10,382,624	9,288,900
% of Projected Annual Payroll	9.7	9.8
Expected City Contribution	33,842,238	29,818,103
% of Projected Annual Payroll	34.7	34.6
F. Past Contributions		
Plan Years Ending:	9/30/2023	
City Requirement	29,103,019	
Actual Contributions Made:		
City	29,103,019	
G. Net Actuarial (Gain)/Loss	40,672,630	

[1] The asset values and liabilities exclude accumulated DROP Plan Balances and outstanding DROP loans as of 9/30/2023 and 9/30/2022.

H. Schedule Illustrating the Amortization of the Total Unfunded Actuarial Accrued Liability as of:

Year	Projected Unfunded Actuarial Accrued Liability
2023	239,766,572
2024	231,957,273
2025	223,585,704
2032	145,445,554
2038	73,420,965
2045	22,391,208
2051	0

I. (i) 5 Year Comparison of Actual and Assumed Salary Increases

		Actual	Assumed
Year Ended	9/30/2023	11.77%	5.10%
Year Ended	9/30/2022	1.59%	5.10%
Year Ended	9/30/2021	4.60%	5.10%
Year Ended	9/30/2020	4.40%	5.10%
Year Ended	9/30/2019	3.60%	5.10%

(ii) 5 Year Comparison of Investment Return on Market Value and Actuarial Value

		Market Value	Actuarial Value	Assumed
Year Ended	9/30/2023	9.60%	4.52%	7.20%
Year Ended	9/30/2022	-13.65%	5.69%	7.20%
Year Ended	9/30/2021	21.30%	10.70%	7.40%
Year Ended	9/30/2020	8.90%	8.30%	7.40%
Year Ended	9/30/2019	3.50%	6.90%	7.50%

(iii) Average Annual Payroll Growth

(a) Payroll as of:	10/1/2023	$99,438,227
	10/1/2013	63,526,903
(b) Total Increase		56.53%
(c) Number of Years		10.00
(d) Average Annual Rate		4.58%

STATEMENT BY ENROLLED ACTUARY

This actuarial valuation was prepared and completed by me or under my direct supervision, and I acknowledge responsibility for the results. To the best of my knowledge, the results are complete and accurate, and in my opinion, the techniques and assumptions used are reasonable and meet the requirements and intent of Part VII, Chapter 112, Florida Statutes. There is no benefit or expense to be provided by the plan and/or paid from the plan's assets for which liabilities or current costs have not been established or otherwise taken into account in the valuation. All known events or trends which may require a material increase in plan costs or required contribution rates have been taken into account in the valuation.

Bradley R. Heinrichs, FSA, EA, MAAA
Enrolled Actuary #23-6901

Please let us know when the report is approved by the Board and unless otherwise directed we will provide copies of the report to the following offices to comply with Chapter 112 Florida Statutes:

Mr. Keith Brinkman
Bureau of Local
Retirement Systems
Post Office Box 9000
Tallahassee, FL 32315-9000

RECONCILIATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES

(1)	Unfunded Actuarial Accrued Liability as of October 1, 2022	$207,378,744
(2)	Sponsor Normal Cost developed as of October 1, 2022	6,740,790
(3)	Expected administrative expenses for the year ended September 30, 2023	729,959
(4)	Expected interest on (1), (2) and (3)	15,442,885
(5)	Sponsor contributions to the System during the year ended September 30, 2023	29,103,019
(6)	Expected interest on (5)	2,095,417
(7)	Expected Unfunded Actuarial Accrued Liability as of September 30, 2023 (1)+(2)+(3)+(4)-(5)-(6)	199,093,942
(8)	Change to UAAL due to Assumption Change	0
(9)	Change to UAAL due to Actuarial (Gain)/Loss	40,672,630
(10)	Unfunded Actuarial Accrued Liability as of October 1, 2023	239,766,572

Type of Base	Date Established	Years Remaining	10/1/2023 Amount	Amortization Amount
Actuarial Loss	10/1/2002	9	12,060,649	1,741,536
Actuarial Loss	10/1/2003	10	9,999,163	1,340,341
Actuarial Loss	10/1/2004	11	5,839,411	733,677
Loss / Assump.	10/1/2005	12	5,718,213	678,757
Actuarial Loss	10/1/2006	13	7,454,834	841,526
Actuarial Loss	10/1/2006	13	21,957,860	2,478,674
Actuarial Gain	10/1/2007	14	(9,242,643)	(997,724)
Assump/Mthd Change	10/1/2007	14	(7,996,206)	(863,174)
Actuarial Loss	10/1/2008	15	21,355,511	2,214,950
Assump. Change	10/1/2008	15	5,888,366	610,729
Actuarial Loss	10/1/2009	16	20,628,262	2,064,071
Assump. Change	10/1/2009	16	6,544,123	654,807
Assump. Change	10/1/2009	16	(5,810,273)	(581,378)
Plan Change	10/1/2009	16	(4,492,413)	(449,512)
Actuarial Loss	10/1/2010	17	11,575,226	1,121,334
Assump. Change	10/1/2010	17	6,170,434	597,752
Actuarial Loss	10/1/2011	18	17,260,962	1,623,887
Assump. Change	10/1/2011	18	1,291,792	121,530
See Below[1]	10/1/2012	18	669,559	62,991

Type of Base	Date Established	Years Remaining	10/1/2023 Amount	Amortization Amount
Actuarial Loss	10/1/2012	19	18,661,909	1,709,671
Assump. Change	10/1/2012	19	7,947,331	728,078
Plan Change	10/1/2012	19	(4,036,033)	(369,753)
Actuarial Gain	10/1/2013	20	(2,653,464)	(237,290)
Plan Change	10/1/2013	20	(832,609)	(74,457)
Actuarial Gain	10/1/2014	21	(2,622,140)	(229,382)
Assump. Change	10/1/2014	21	8,734,013	764,043
Actuarial Gain	10/1/2015	22	(550,128)	(47,166)
Assump. Change	10/1/2015	22	9,450,770	810,283
Actuarial Gain	10/1/2016	23	(11,353,169)	(955,641)
Assump. Change	10/1/2016	23	40,631,092	3,420,078
Actuarial Gain	10/1/2017	24	(5,362,631)	(443,844)
Assump. Change	10/1/2017	24	4,007,042	331,647
Actuarial Gain	10/1/2018	25	(2,608,207)	(212,555)
Assump. Change	10/1/2018	25	9,761,700	795,526
Actuarial Loss	10/1/2019	25	526,945	42,943
Assump. Change	10/1/2019	25	(6,566,106)	(535,102)
Actuarial Gain	10/1/2020	26	(6,941,571)	(557,708)
Plan Change	10/1/2020	26	392,715	31,552
Actuarial Gain	10/1/2021	26	(23,384,990)	(1,878,826)
Assump. Change	10/1/2021	26	20,037,347	1,609,866
Actuarial Loss	10/1/2022	27	17,997,712	1,427,186
Benefits Change	10/1/2022	27	983,584	77,996
Actuarial Loss	10/1/2023	28	40,672,630	3,186,599
			239,766,572	23,388,518

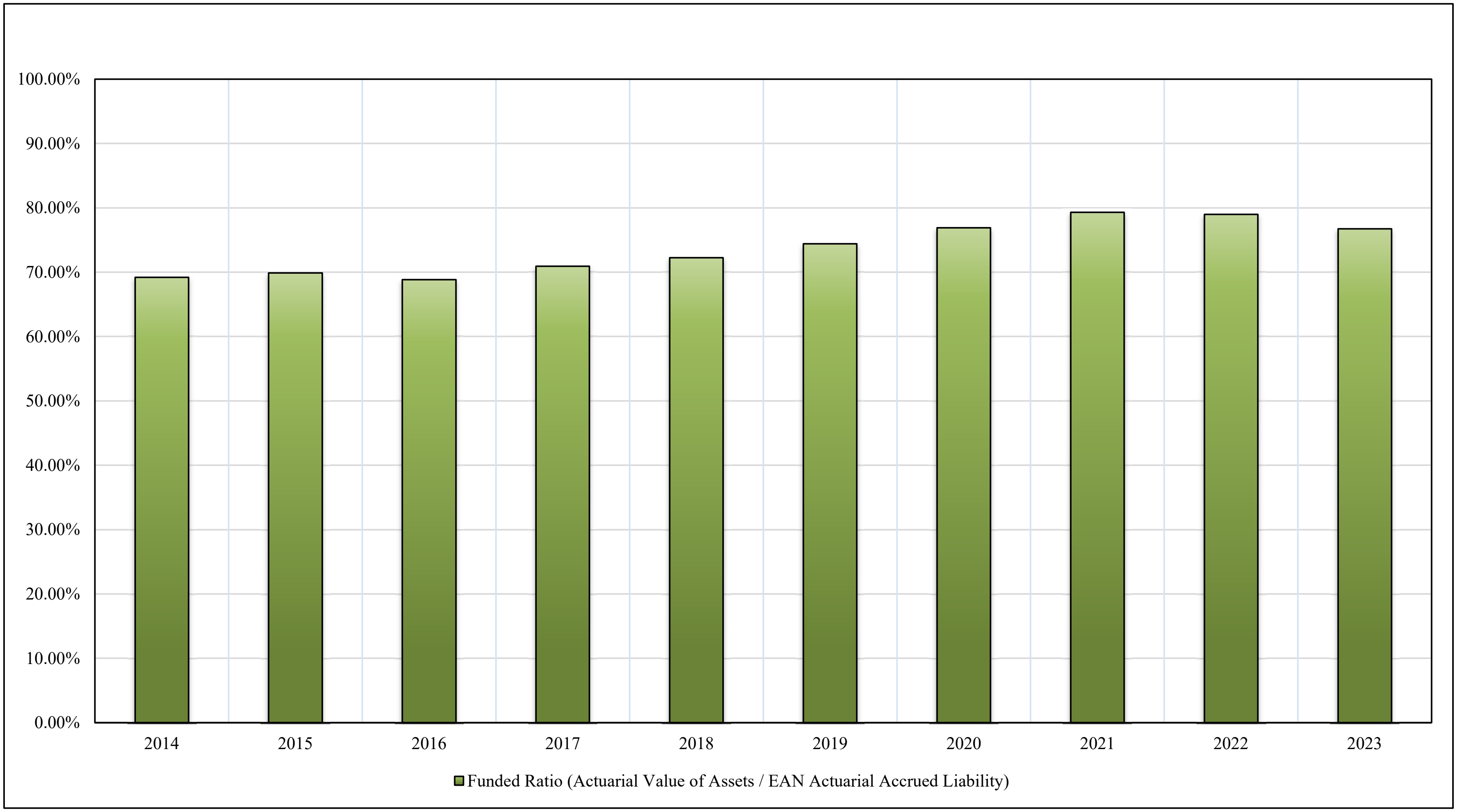
[1] Charge base established to reflect excess contribution for fiscal year ended 9/30/2011 that was included in assets. This base was established as of 10/1/2012.

DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS

(1)	Unfunded Actuarial Accrued Liability (UAAL) as of October 1, 2022	$207,378,744
(2)	Expected UAAL as of October 1, 2023	199,093,942
(3)	Summary of Actuarial (Gain)/Loss, by component:	
	Investment Return (Actuarial Asset Basis)	20,563,483
	Salary Increases	15,395,982
	Active Decrements	(2,533,098)
	Inactive Mortality	3,925,733
	Other [1]	3,320,530
	Increase in UAAL due to (Gain)/Loss	40,672,630
	Assumption Changes	0
(4)	Actual UAAL as of October 1, 2023	$239,766,572

[1] Includes change in retiree benefit amounts due to annual 415(b) limit calculations.

HISTORY OF FUNDING PROGRESS [1]



[1] Actuarial Value of Assets and Actuarial Accrued Liabilities exclude DROP balances.

ACTUARIAL ASSUMPTIONS AND METHODS

Mortality Rate	*Healthy Active Lives:* **Female:** PubG.H-2010 (Below Median) for Employees. **Male:** PubG.H-2010 (Below Median) for Employees, set back one year. *Healthy Retiree Lives:* **Female:** PubG.H-2010 (Below Median) for Healthy Retirees. **Male:** PubG.H-2010 (Below Median) for Healthy Retirees, set back one year. *Beneficiary Lives:* **Female:** PubG.H-2010 (Below Median) for Healthy Retirees. **Male:** PubG.H-2010 (Below Median) for Healthy Retirees, set back one year. *Disabled Lives:* PubG.H-2010 for Disabled Retirees, set forward three years. All rates for healthy lives are projected generationally with Mortality Improvement Scale MP-2018. We feel this assumption sufficiently accommodates future mortality improvements. The previously described mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman's July 1, 2021 FRS valuation report for non-special-risk employees.
Interest Rate	7.20% per year compounded annually, net of investment related expenses. This is supported by the target asset allocation of the trust and the expected long-term return by asset class.

Salary Increases	See table later in this section. Assumed salary increases were developed based on a wage inflation assumption of 2.50% per year. Salaries during the valuation year are determined as the prior year's salary with a half-year salary increase. This assumption was used by the prior actuary and will be evaluated in the next experience study.
Early Retirement	5% per year. This assumption was used by the prior actuary and will be evaluated in the next experience study.
Normal Retirement	See table later in this section. This assumption was used by the prior actuary and will be evaluated in the next experience study.
DROP Participation	80% of retirees are assumed to enter the DROP, and these retirees are assumed to participate in DROP for 5 years. Since COLAs are not payable in DROP, COLAs are assumed to occur 4 years after retirement.
Termination Rates	See table later in this section. This assumption was used by the prior actuary and will be evaluated in the next experience study.
Disability Rates	See table of sample rates later in this section. 50% of disabilities are assumed to be service connected. This assumption was used by the prior actuary and will be evaluated in the next experience study.
Marriage Assumption	85% of participants are assumed to be married for purposes of death-in-service benefits. Husbands are assumed to be three years older than wives.
Normal Form of Benefit	50% joint and survivor annuity; life annuity for members hired after September 30, 2010.
Payroll Growth	0.00% for purposes of amortizing the Unfunded Actuarial Accrued Liability. This assumption cannot exceed the ten-year average payroll growth, in compliance with Part VII of Chapter 112, Florida Statutes.
Administrative Expenses	$823,429 annually, based on the average of actual expenses incurred in the prior two fiscal years.
Maximum Benefits	Based on an 415(b) limit of $265,000 per year as a life annuity beginning between ages 62 and 65, with adjustments for other forms of benefit and ages. This limit is assumed to increase at 2.5% (previously 3%) per year.

<u>Amortization Method</u>	New UAAL amortization bases are amortized over 28 years. The amortization payment is subject to a minimum based on a 30-year amortization of the UAAL, if the UAAL is positive, in order to comply with Actuarial Standard of Practice No. 4. Bases established prior to the valuation date are adjusted proportionally to match the Expected Unfunded Actuarial Accrued Liability as of the valuation date, in order to align prior year bases with the portion of the current year UAAL associated with prior year sources.
<u>Funding Method</u>	Entry Age Normal Actuarial Cost Method. The following loads are applied for determining the minimum required contribution: Interest - A full year, based on current 7.20% assumption. Salary - None.
<u>Actuarial Asset Method</u>	All assets are valued at market value with an adjustment to uniformly spread actuarial investment gains and losses (as measured by actual market value investment return against expected market value investment return) over a five-year period.
<u>Low-Default-Risk Obligation Measure</u>	Based on the Entry Age Normal Actuarial Cost Method and an interest rate of 4.87% per year compounded annually, net of investment related expenses. This rate is consistent with the Yield to Maturity of the S&P Municipal Bond 20-Year High Grade Rate Index as of September 30, 2023. All other assumptions for the Low-Default-Risk Obligation Measure are consistent with the assumptions shown in this section unless otherwise noted.

Assumption Tables

% Terminating During the Year (0-4 Years of Service)	
Service	Rate
0	12.50%
1	12.00%
2	10.00%
3	8.50%
4	6.00%

% Terminating During the Year (5+ Years of Service)	
Age	Rate
18-29	6.75%
30-39	4.75%
40-44	3.25%
45+	2.50%

% Becoming Disabled During the Year	
Age	Rate
20	0.02%
30	0.03%
40	0.07%
50	0.17%
60	0.37%

Salary Scale	
Service	Rate
0-5	6.10%
6-10	5.00%
11-15	4.50%
16-20	4.25%
21+	3.75%

Normal Retirement Rates		
Service	Age	Rate
5-9	50-54	5%
	55-59	7%
	60-64	10%
	65-69	20%
	70-74	50%
	75+	100%
10-14	50-54	5%
	55-59	10%
	60-64	20%
	65-69	20%
	70-74	50%
	75+	100%
15-19	50-54	20%
	55-59	15%
	60-64	20%
	65-69	25%
	70-74	50%
	75+	100%

Normal Retirement Rates		
Service	Age	Rate
20-24	50-54	30%
	55-59	30%
	60-64	25%
	65-69	50%
	70-74	50%
	75+	100%
25-29	50-54	70%
	55-59	60%
	60-64	50%
	65-69	50%
	70-74	50%
	75+	100%
30+	50-54	100%
	55-59	100%
	60-64	100%
	65-69	100%
	70-74	100%
	75+	100%

GLOSSARY

Actuarial Value of Assets is the asset value used in the valuation to determine contribution requirements. It represents the plan's Market Value of Assets (see below), with adjustments according to the plan's Actuarial Asset Method. These adjustments produce a "smoothed" value that is likely to be less volatile from year to year than the Market Value of Assets.

Entry Age Normal Cost Method - Under this method, the normal cost is the sum of the individual normal costs for all active participants. For an active participant, the normal cost is the participant's normal cost accrual rate, multiplied by the participant's current compensation.

(a) The normal cost accrual rate equals:

(i) the present value of future benefits for the participant, determined as of the participant's entry age, divided by

(ii) the present value of the compensation expected to be paid to the participant for each year of the participant's anticipated future service, determined as of the participant's entry age.

(b) In calculating the present value of future compensation, the salary scale is applied both retrospectively and prospectively to estimate compensation in years prior to and subsequent to the valuation year based on the compensation used for the valuation.

(c) The accrued liability is the sum of the individual accrued liabilities for all participants and beneficiaries. A participant's accrued liability equals the present value, at the participant's attained age, of future benefits less the present value at the participant's attained age of the individual normal costs payable in the future. A beneficiary's accrued liability equals the present value, at the beneficiary's attained age, of future benefits. The unfunded accrued liability equals the total accrued liability less the actuarial value of assets.

(d) Under this method, the entry age used for each active participant is the participant's age at the time he or she would have commenced participation if the plan had always been in existence under current terms, or the age as of which he or she first earns service credits for purposes of benefit accrual under the current terms of the plan.

Market Value of Assets is the fair market value of plan assets as of the valuation date. This amount may be adjusted to produce an Actuarial Value of Assets for plan funding purposes.

Normal (Current Year's) Cost is the current year's cost for benefits yet to be funded. Under the Entry Age Normal cost method, it is determined for each participant as the present value of future benefits, determined as of the Member's entry age, amortized as a level percentage of compensation over the anticipated number of years of participation, determined as of the entry age.

Payroll Under Assumed Ret. Age is the projected annual rate of pay for the fiscal year beginning on the valuation date of all covered Members, excluding any Members who are assumed to retire with 100% probability on the valuation date.

Projected Annual Payroll is the projected annual rate of pay for the fiscal year following the fiscal year beginning on the valuation date of all covered Members.

Present Value of Benefits is the single sum value on the valuation date of all future benefits to be paid to current plan participants.

Total Annual Payroll is the projected annual rate of pay for the fiscal year beginning on the valuation date of all covered Members.

Total Required Contribution is equal to the Normal Cost plus an amount sufficient to amortize the Unfunded Accrued Liability over no more than 30 years. The required amount is adjusted for interest according to the timing of contributions during the year.

Unfunded Actuarial Accrued Liability (UAAL) is the difference between the actuarial accrued liability (described above) and the Actuarial Value of Assets. Under the Entry Age Normal Actuarial Cost Method, an actuarial gain or loss, based on actual versus expected UAAL, is determined in conjunction with each valuation of the plan.

DISCUSSION OF RISK

ASOP No. 51, Assessment and Disclosure of Risk Associated with Measuring Pension Obligations and Determining Pension Plan Contributions, states that the actuary should identify risks that, in the actuary's professional judgment, may reasonably be anticipated to significantly affect the plan's future financial condition.

Throughout this report, actuarial results are determined using various actuarial assumptions. These results are based on the premise that all future plan experience will align with the plan's actuarial assumptions; however, there is no guarantee that actual plan experience will align with the plan's assumptions. It is possible that actual plan experience will differ from anticipated experience in an unfavorable manner that will negatively impact the plan's funded position.

Below are examples of ways in which plan experience can deviate from assumptions and the potential impact of that deviation. Typically, this results in an actuarial gain or loss representing the current-year financial impact on the plan's unfunded liability of the experience differing from assumptions; this gain or loss is amortized over a period of time determined by the plan's amortization method. When assumptions are selected that adequately reflect plan experience, gains and losses typically offset one another in the long term, resulting in a relatively low impact on the plan's contribution requirements associated with plan experience. When assumptions are too optimistic, losses can accumulate over time and the plan's amortization payment could potentially grow to an unmanageable level.

- <u>Investment Return</u>: When the rate of return on the Actuarial Value of Assets falls short of the assumption, this produces a loss representing assumed investment earnings that were not realized. Further, it is unlikely that the plan will experience a scenario that matches the assumed return in each year as capital markets can be volatile from year to year. Therefore, contribution amounts can vary in the future.

- <u>Salary Increases</u>: When a plan participant experiences a salary increase that was greater than assumed, this produces a loss representing the cost of an increase in anticipated plan benefits for the participant as compared to the previous year. The total gain or loss associated with salary increases for the plan is the sum of salary gains and losses for all active participants.

- <u>Demographic Assumptions:</u> Actuarial results take into account various potential events that could happen to a plan participant, such as retirement, termination, disability, and death. Each of these potential events is assigned a liability based on the likelihood of the event and the financial consequence of the event for the plan. Accordingly, actuarial liabilities reflect a blend of financial consequences associated with various possible outcomes (such as retirement at one of various possible ages). Once the outcome is known (e.g. the participant retires) the liability is adjusted to reflect the known outcome. This adjustment produces a gain or loss depending on whether the outcome was more or less favorable than other outcomes that could have occurred.

Impact of Plan Maturity on Risk

For newer pension plans, most of the participants and associated liabilities are related to active members who have not yet reached retirement age. As pension plans continue in operation and active members reach retirement ages, liabilities begin to shift from being primarily related to active members to being shared amongst active and retired members. Plan maturity is a measure of the extent to which this shift has occurred. It is important to understand that plan maturity can have an impact on risk tolerance and the overall risk characteristics of the plan. For example, closed plans with a large amount of retired liability do not have as long of a time horizon to recover from losses (such as losses on investments due to lower than expected investment returns) as plans where the majority of the liability is attributable to active members. For this reason, less tolerance for investment risk may be warranted for highly mature closed plans with a substantial inactive liability. Similarly, mature closed plans paying substantial retirement benefits resulting in a small positive or net negative cash flow can be more sensitive to near term investment volatility, particularly if the size of the fund is shrinking, which can result in less assets being available for investment in the market.

To assist with determining the maturity of the plan, we have provided some relevant metrics in the table following titled “Plan Maturity Measures and Other Risk Metrics”. Highlights of this information are discussed below:

- The Support Ratio, determined as the ratio of active to inactive members, has stayed about the same from October 1, 2021 to October 1, 2023, indicating that the plan's maturity level has not significantly changed during the period.

- The Accrued Liability Ratio, determined as the ratio of the Inactive Accrued Liability, which is the liability associated with members who are no longer employed but are due a benefit from the plan, to the Total Accrued Liability, is 74.2%. With a plan of this maturity, losses due to lower than expected investment returns or demographic factors may result in larger increases in contribution requirements than would be needed for a less mature plan. Please note Chapter 112, Florida Statutes, requires that the plan sponsor contributes the minimum required contribution; thus, there is minimal solvency risk to the plan.

- The Funded Ratio, determined as the ratio of the Actuarial Value of Assets to the Total Accrued Liability, has decreased from 79.3% on October 1, 2021 to 76.7% on October 1, 2023.

- The Net Cash Flow Ratio, determined as the ratio of the Net Cash Flow (contributions minus benefit payments and administrative expenses) to the Market Value of Assets, decreased from -2.1% on October 1, 2021 to -3.1% on October 1, 2023. The current Net Cash Flow Ratio of -3.1% indicates that contributions are not currently covering the plan's benefit payments and administrative expenses.

Low Default-Risk Obligation Measure

ASOP No. 4, Measuring Pension Obligations and Determining Pension Plan Costs or Contributions, was revised as of December 2021 to include a “low-default-risk obligation measure” (LDROM). This liability measure is consistent with the determination of the actuarial accrued liability shown on page 11 in terms of member data, plan provisions, and assumptions/methods, under the Entry Age Normal Cost Method, except that the interest rate is tied to low-default-risk fixed income securities. The S&P Municipal Bond 20 Year High Grade Rate Index (daily rate closest to, but not later than, the measurement date) was selected to represent a current market rate of low risk but longer-term investments that could be included in a low-risk asset portfolio. The interest rate used in this valuation was 4.87%, resulting in an LDROM of $1,375,856,938. The LDROM should not be considered the “correct” liability measurement; it simply shows a possible outcome if the Board elected to hold a very low risk asset portfolio. The Board actually invests the pension plan’s contributions in a diversified portfolio of stocks and bonds and other investments with the objective of maximizing investment returns at a reasonable level of risk. Consequently, the difference between the plan’s Actuarial Accrued Liability disclosed earlier in this section and the LDROM can be thought of as representing the expected taxpayer savings from investing in the plan’s diversified portfolio compared to investing only in high quality bonds.

The actuarial valuation reports the funded status and develops contributions based on the expected return of the plan’s investment portfolio. If instead, the plan switched to investing exclusively in high quality bonds, the LDROM illustrates that reported funded status would be lower (which also implies that the Actuarially Determined Contributions would be higher), perhaps significantly. Unnecessarily high contribution requirements in the near term may not be affordable and could imperil plan sustainability and benefit security.

It is important to note that the actuary has identified the risks above as the most significant risks based on the characteristics of the plan and the nature of the project, however, it is not an exhaustive list of potential risks that could be considered. Additional advanced modeling, as well as the identification of additional risks, can be provided at the request of the audience addressed on page 2 of this report.

PLAN MATURITY MEASURES AND OTHER RISK METRICS

	10/1/2023	10/1/2022	10/1/2021
Support Ratio			
Total Actives	1,286	1,223	1,185
Total Inactives [1]	1,399	1,386	1,335
Actives / Inactives [1]	91.9%	88.2%	88.8%
Asset Volatility Ratio			
Market Value of Assets (MVA) [3]	740,730,657	697,812,937	831,931,524
Total Annual Payroll [2]	99,534,600	88,501,846	88,213,744
MVA / Total Annual Payroll	744.2%	788.5%	943.1%
Accrued Liability (AL) Ratio			
Inactive Accrued Liability [3]	763,976,162	750,482,401	711,089,875
Total Accrued Liability (EAN) [3]	1,030,244,448	986,132,919	951,913,782
Inactive AL / Total AL	74.2%	76.1%	74.7%
Funded Ratio			
Actuarial Value of Assets (AVA) [3]	790,477,876	778,754,175	754,950,350
Total Accrued Liability (EAN) [3]	1,030,244,448	986,132,919	951,913,782
AVA / Total Accrued Liability (EAN)	76.7%	79.0%	79.3%
Net Cash Flow Ratio			
Net Cash Flow [4]	(22,956,676)	(19,007,588)	(17,155,794)
Market Value of Assets (MVA) [3]	740,730,657	697,812,937	831,931,524
Ratio	-3.1%	-2.7%	-2.1%

[1] Excludes terminated participants awaiting a refund of member contributions.

[2] As of 10/1/2021, represents Covered Non-DROP Payroll.

[3] Excludes DROP balances and outstanding DROP loans.

[4] Determined as total contributions minus benefit payments and administrative expenses.

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2023

ASSETS	MARKET VALUE
Cash and Cash Equivalents:	
Short Term Investments	32,956,103
Prepaid Benefits	4,396,405
Cash	1,319,931
Total Cash and Equivalents	38,672,439
Receivables:	
Investment Income	210,147
Total Receivable	210,147
Investments:	
Bond Funds	156,850,053
Equities	379,681,730
Pooled/Common/Commingled Funds:	
Infrastructure Fund	63,804,203
Real Estate	101,721,698
Total Investments	702,057,684
Total Assets	740,940,270
LIABILITIES	
Payables:	
Accounts Payable and Accrued Liabilities	209,613
Total Liabilities	209,613
NET POSITION RESTRICTED FOR PENSIONS	740,730,657

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2023
Market Value Basis

ADDITIONS		
Contributions:		
Member	9,521,972	
Buy-Back	29,163	
City	29,103,019	
Total Contributions		38,654,154
Investment Income:		
Net Increase in Fair Value of Investments	52,707,395	
Interest & Dividends	16,334,291	
Less Investment Expense[1]	(3,167,290)	
Net Investment Income		65,874,396
Total Additions		104,528,550
DEDUCTIONS		
Distributions to Members:		
Benefit Payments	53,971,905	
Payments to Self-Directed DROP	4,967,005	
Refunds of Member Contributions	1,787,018	
Total Distributions		60,725,928
Administrative Expense		884,902
Total Deductions		61,610,830
Net Increase in Net Position		42,917,720
NET POSITION RESTRICTED FOR PENSIONS		
Beginning of the Year		715,204,642
Prior Period Adjustment, exclude Self Directed DROP		(17,391,705)
End of the Year		740,730,657

[1]Investment related expenses include investment advisory, custodial and performance monitoring fees.

ACTUARIAL ASSET VALUATION
September 30, 2023

Actuarial Assets for funding purposes are developed by recognizing the total actuarial investment gain or loss for each Plan Year over a five year period. In the first year, 20% of the gain or loss is recognized. In the second year 40%, in the third year 60%, in the fourth year 80%, and in the fifth year 100% of the gain or loss is recognized. The actuarial investment gain or loss is defined as the actual return on investments minus the actuarial assumed investment return. Actuarial Assets shall not be less than 80% nor greater than 120% of Market Value of Assets.

Gains/Losses Not Yet Recognized

Plan Year Ending	Gain/(Loss)	Amounts Not Yet Recognized by Valuation Year 2023	2024	2025	2026	2027
09/30/2019	(25,254,380)	0	0	0	0	0
09/30/2020	9,845,681	1,969,137	0	0	0	0
09/30/2021	100,230,470	40,092,188	20,046,094	0	0	0
09/30/2022	(174,958,646)	(104,975,188)	(69,983,459)	(34,991,730)	0	0
09/30/2023	16,458,305	13,166,644	9,874,983	6,583,322	3,291,661	0
Total		(49,747,219)	(40,062,382)	(28,408,408)	3,291,661	0

Development of Investment Gain/Loss

Market Value of Assets, 09/30/2022	697,812,937
Contributions Less Benefit Payments & Admin Expenses	(22,956,676)
Expected Investment Earnings*	49,416,091
Actual Net Investment Earnings	65,874,396
2023 Actuarial Investment Gain/(Loss)	16,458,305

*Expected Investment Earnings = 0.072 * (697,812,937 - 0.5 * 22,956,676)

Development of Actuarial Value of Assets

(1) Market Value of Assets, 09/30/2023	740,730,657
(2) Gains/(Losses) Not Yet Recognized	(49,747,219)
(3) Actuarial Value of Assets, 09/30/2023, (1) - (2)	790,477,876
(4) Limited Actuarial Value of Assets, 09/30/2023	790,477,876
(A) 09/30/2022 Actuarial Assets:	778,754,175
(I) Net Investment Income:	
1. Interest and Dividends	16,334,291
2. Unrealized Gain (Loss)	52,707,395
3. Change in Actuarial Value	(31,194,019)
4. Investment Expenses	(3,167,290)
Total	34,680,377
(B) 09/30/2023 Actuarial Assets:	790,477,876
Actuarial Assets Rate of Return = 2I/(A+B-I):	4.52%
Market Value of Assets Rate of Return:	9.60%
Actuarial Gain/(Loss) due to Investment Return (Actuarial Asset Basis)	(20,563,483)

CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
SEPTEMBER 30, 2023
Actuarial Asset Basis

REVENUES		
Contributions:		
Member	9,521,972	
Buy-Back	29,163	
City	29,103,019	
Total Contributions		38,654,154
Earnings from Investments:		
Interest & Dividends	16,334,291	
Net Increase in Fair Value of Investments	52,707,395	
Change in Actuarial Value	(31,194,019)	
Total Earnings and Investment Gains		37,847,667
EXPENDITURES		
Distributions to Members:		
Benefit Payments	53,971,905	
Payments to Self-Directed DROP	4,967,005	
Refunds of Member Contributions	1,787,018	
Total Distributions		60,725,928
Expenses:		
Investment related[1]	3,167,290	
Administrative	884,902	
Total Expenses		4,052,192
Change in Net Assets for the Year		11,723,701
Net Assets Beginning of the Year		796,145,880
Prior Period Adjustment, exclude Self Directed DROP		(17,391,705)
Net Assets End of the Year[2]		790,477,876

[1]Investment related expenses include investment advisory, custodial and performance monitoring fees.
[2]Net Assets may be limited for actuarial consideration.

DEFERRED RETIREMENT OPTION PLAN ACTIVITY
October 1, 2022 to September 30, 2023

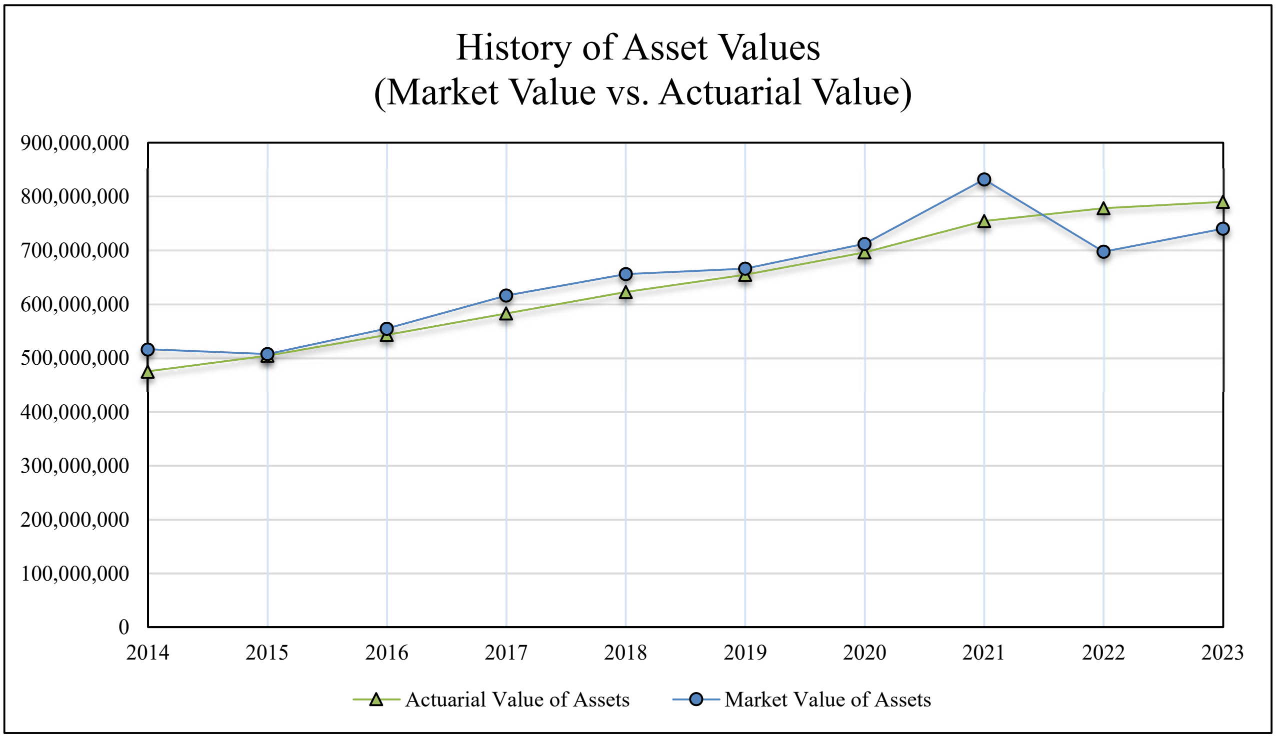
Beginning of the Year Balance*	17,230,942.42
Plus Additions	4,985,510.10
Investment Return Earned	1,120,468.48
Less Distributions	(4,453,952.00)
End of the Year Balance*	18,882,969.00

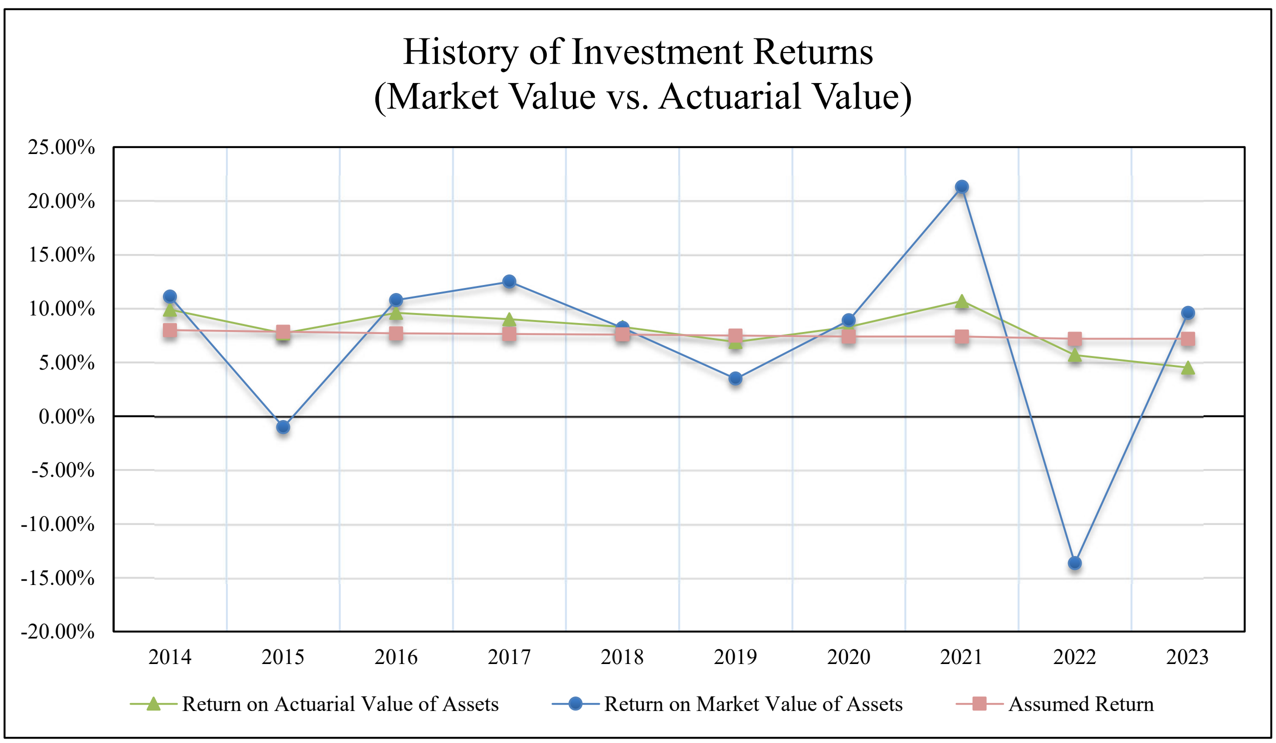
*Does not include DROP loans outstanding, approximately $161,000 at 10/1/2022 and $137,510 at 10/1/2023.

RECONCILIATION OF CITY SHORTFALL/(PREPAID) CONTRIBUTION
FOR THE FISCAL YEAR ENDED (FYE) SEPTEMBER 30, 2023

(1)	Required City Contributions	$29,103,019.00
(2)	Less 2022 Prepaid Contribution	0.00
(3)	Less Actual City Contributions	(29,103,019.00)
(4)	Equals City's Shortfall/(Prepaid) Contribution as of September 30, 2023	$0.00

HISTORY OF ASSET VALUES AND INVESTMENT RETURNS [1]





[1] Market Value of Assets and Actuarial Value of Assets exclude DROP balances.

STATISTICAL DATA

	10/1/2023	10/1/2022	10/1/2021
Actives			
Number	1,286	1,223	1,185
Average Current Age	43.9	43.8	44.4
Average Age at Employment	35.1	35.0	35.6
Average Past Service	8.8	8.8	8.8
Average Annual Salary	$77,399	$72,365	$74,442
Service Retirees			
Number	970	953	933
Average Current Age	70.7	70.2	Not Available
Average Annual Benefit	$52,200	$51,173	$49,422
DROP Retirees			
Number	89	102	101
Average Current Age	61.4	60.4	60.3
Average Annual Benefit	$50,529	$48,904	$49,164
Beneficiaries			
Number	173	170	166
Average Current Age	77.8	77.5	Not Available
Average Annual Benefit	$26,121	$23,916	$22,483
Disability Retirees			
Number	22	22	25
Average Current Age	65.5	64.5	65.6
Average Annual Benefit	$38,384	$37,448	$35,141
Terminated Vested			
Number	210	175	110
Average Current Age [1]	46.7	46.1	46.3
Average Annual Benefit [1]	$23,888	$24,550	$25,394

[1] The Average Current Age and Average Annual Benefit exclude participants awaiting a refund of contributions. The Number as of 10/1/2021 also excludes participants awaiting a refund of contributions.

AGE AND SERVICE DISTRIBUTION

PAST SERVICE

AGE	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30+	Total
15 - 19	1											1
20 - 24	14	13	3	1								31
25 - 29	38	23	11	8	4	10						94
30 - 34	44	32	16	14	22	56	4					188
35 - 39	20	26	17	10	18	67	21	18				197
40 - 44	16	17	4	5	13	36	18	41	6			156
45 - 49	13	9	12	9	13	40	10	45	14	9		174
50 - 54	13	10	5	2	6	53	15	34	38	26		202
55 - 59	11	8	6	3	4	35	16	23	13	3		122
60 - 64	6	6	3	6	6	29	9	16	7	1		89
65+	2	2	3	3	2	17		2	1			32
Total	178	146	80	61	88	343	93	179	79	39	0	1,286

VALUATION PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 10/1/2022	1,223
b. Terminations	
i. Vested (partial or full) with deferred annuity	(23)
ii. Vested in refund of member contributions only	(27)
iii. Refund of member contributions or full lump sum distribution	(40)
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	0
e. Retired	(8)
f. DROP	(8)
g. Continuing participants	1,117
h. New entrants / Rehires	169
i. Total active life participants in valuation	1,286

2. Non-Active lives (including beneficiaries receiving benefits)

	Service Retirees, Vested Receiving Benefits	DROP Benefits	Receiving Death Benefits	Receiving Disability Benefits	Vested (Deferred Annuity)	Vested (Due Refund)	Total
a. Number prior valuation	953	102	170	22	139	36	1,422
Retired	35	(20)			(7)		8
DROP		8					8
Vested (Deferred Annuity)					23		23
Vested (Due Refund)						27	27
Hired/Terminated in Same Year						17	17
Death, With Survivor	(9)	(1)	10				0
Death, No Survivor	(9)		(6)				(15)
Disabled							0
Refund of Contributions					(9)	(14)	(23)
Rehires						(1)	(1)
Expired Annuities			(1)				(1)
Data Corrections					(1)		(1)
b. Number current valuation	970	89	173	22	145	65	1,464

SUMMARY OF CURRENT PLAN
(Through Ordinance 2023-4549)

Eligibility	Each general employee who works more than 30 hours per week is eligible for membership on his date of employment.
Creditable Service	Service credited under the predecessor system plus service after such date with respect to which member contributions are made.
Tiers of Employees	Tier C – All members hired on or after September 30, 2010 (October 27, 2010 for members of CWA). Tier B – Members of AFSCME hired on or after April 30, 1993; members classified as GSA or "Other" hired on or after August 1, 1993; members of CWA hired on or after February 21, 1994; and Unclassified members hired on or after October 18, 1992. Tier A – All other members.
Earnings	For Tier B and C members, base pay including longevity, but excluding overtime, shift differential or extra compensation allowances. For Tier A members, actual salary or wages received. Earnings do not include lump sum payments of unused sick or vacation time. Overtime pay for Classified Tier A members is limited to 10% of regular pay.
Final Average Monthly Earnings (FAME)	One-twelfth of average annual Earnings during the two highest paid years of Creditable Service, not less than the average monthly earnings for the 12 months as of March 8, 2006 for Unclassified Tier A members Effective September 30, 2010 averaging period is five years except for members who are less than five years away from normal retirement eligibility. Members who are eligible for normal retirement within two years or less as of September 30, 2010 will have average earnings of two years. Members who are eligible for normal retirement in within three years as of September 30, 2010 will have average earnings of three years. Members who are eligible for normal retirement within four years as of September 30, 2010 will have average earnings of four years.

Effective January 1, 2023, for Members who have served as an Elected Official or Charter Officer and terminate employment, retire, or enter DROP, averaging period is five years, or if such Member's period of creditable service is less than 5 years, averaging period is the Member's years of creditable service.

Normal Retirement

Eligibility

Tier A – Age 50 with 5 years of Creditable Service

Tier B – Age 55 with 5 years of Creditable Service

Tier C – Earlier of 1) Age 55 with 30 years of Creditable Service or 2) Age 62 with 5 years of Creditable Service.

Benefit

3% of FAME multiplied by years of Creditable Service with the total not to exceed 80% of FAME. There is a 90% cap for certain Tier A members.

2.5% of FAME multiplied by years of Creditable Service with the total not to exceed 80% of FAME for Tier C members.

Benefits earned as an Elected Official or Charter Officer are determined as 4% of FAME multiplied by years of Creditable Service as an Elected Official or Charter Officer. Benefits for service in other roles are calculated separately based on the benefit multiplier, FAME, and creditable service applicable to the service in that role.

Form of Benefit

Tiers A and B - 50% joint and survivor annuity payable only to the spouse or, if no spouse, to the surviving children until age 21; other options are also available. Spouse's benefits cease upon remarriage.

Tier C – Life Annuity.

Early Retirement

Eligibility

Tier A – None.

Tier B – total of age plus service is 75, but not earlier than age 50.

	Tier C – total of age plus service is 75, but not earlier than age 55.
Benefit	Accrued benefit, actuarially reduced from the Normal Retirement Date.
Form of Benefit	Tiers A and B - 50% joint and survivor annuity payable only to the spouse or, if no spouse, to the surviving children until age 21; other options are also available. Spouse's benefits cease upon remarriage. Tier C – Life Annuity.

<u>Disability</u>

Eligibility	A total and permanent disability which renders a member incapacitated for the further performance of duty. Five years of Creditable Service is also required unless the disability is service-connected.
Benefit	Ordinary Disability – Accrued retirement benefit, without reduction, with a minimum of 35% of FAME. Service-Connected Disability – Accrued retirement benefit without reduction, with a minimum of 65% of FAME; 75% of FAME minimum for General Tier A members. Such amounts are reduced by workers' compensation benefits and, in certain cases, earned income will be considered in offsetting the benefit. The period of disability shall be included in Creditable Service for purposes of computing normal retirement benefits when a disability retiree reaches normal retirement age.
Form of Benefit	Tiers A and B - 50% joint and survivor annuity payable only to the spouse or, if no spouse, to the surviving children until age 21; other options are also available. Spouse's benefits cease upon remarriage. Tier C – Life Annuity.

Pre-Retirement Death	For a member who has at least three years of Creditable Service but who dies before commencement of retirement benefits, a monthly benefit is payable to the spouse or, if no spouse, to the children until age 21. The benefit is equal to 50% of the accrued normal retirement benefit without reduction with the result being a minimum of 30% of FAME and a maximum of 40% of FAME for General members.
Vesting	
Schedule	100% after 5 years of Creditable Service. Members who have served as an Elected Official or Charter Officer become 100% vested after 4 years of Creditable Service.
Benefit Amount	Member will receive the vested portion of the accrued benefit payable at the otherwise Normal Retirement Date.
Member Contributions	Tier A – 12% of Earnings. Tiers B and C – 10% of Earnings. Employees who have reached the applicable benefit accrual cap (90% for General Tier A employees and 80% for all others) but have not yet reached retirement age will continue to contribute to the pension Plan, but only on the amount by which pay increases after reaching the cap.
Cost-of-Living Adjustments (COLAs)	2.5% (1.5% for Tier C) on each October 1st following one year of retirement. No COLAs apply during DROP.
Deferred Retirement Option Plan (DROP)	
Eligibility	Satisfaction of Normal Retirement requirements.
Participation	Not to exceed 60 months.
Rate of Return	Determined by self-directed investments.
Form of Distribution	Cash lump sum at termination of employment.