

# City of Hialeah Gardens Police Pension Trust Fund

ACTUARIAL VALUATION REPORT  
AS OF OCTOBER 1, 2021

ANNUAL EMPLOYER CONTRIBUTION FOR THE FISCAL YEAR  
ENDING SEPTEMBER 30, 2023







October 7, 2022

Board of Trustees  
Hialeah Gardens Police  
Pension Trust Fund  
Hialeah Gardens, Florida

**Re: Hialeah Gardens Police Pension Trust Fund  
Actuarial Valuation as of October 1, 2021**

Dear Board Members:

The results of the October 1, 2021 Annual Actuarial Valuation of the City of Hialeah Gardens Police Pension Trust Fund are presented in this report.

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

The purposes of the valuation are to measure the System's funding progress, to determine the employer contribution rate for the fiscal year ending September 30, 2023, and to determine the actuarial information for Governmental Accounting Standards Board (GASB) Statement No. 67. This report also includes estimated GASB Statement No. 67 information for the fiscal year ending September 30, 2022. This report should not be relied on for any purpose other than the purposes described herein. Determinations of financial results, associated with the benefits described in this report, for purposes other than those identified above may be significantly different.

The contribution rate in this report is determined using the actuarial assumptions and methods disclosed in Section B of this report. This report includes risk metrics on page 4 but does not include a more robust assessment of the risks of future experience not meeting the actuarial assumptions. Additional assessment of risks was outside the scope of this assignment.

This valuation assumed the continuing ability of the plan sponsor to make the contributions necessary to fund this plan. A determination regarding whether or not the plan sponsor is actually able to do so is outside our scope of expertise and was not performed.

The findings in this report are based on data and other information through October 1, 2021. The valuation was based upon information furnished by the Plan Administrator concerning Retirement System benefits, financial transactions, plan provisions and active members, terminated members, retirees and beneficiaries. We checked for internal reasonability 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 Plan Administrator.

This report was prepared using certain assumptions approved by the Board as authorized under Florida Statutes and prescribed by the Florida Statutes as described in the section of this report entitled Actuarial Assumptions and Cost Method. The assumed mortality rates detailed in the Actuarial Assumptions and Cost Method section were prescribed by Chapter 112.63, Florida Statutes. All actuarial assumptions used in this report are reasonable for purposes of this valuation.

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.

This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. To the best of our knowledge the information contained in this report is accurate and fairly presents the actuarial position of the Retirement System as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, with the Actuarial Standards of Practice issued by the Actuarial Standards Board, and with applicable statutes.

Jeffrey Amrose and Trisha Amrose are members of the American Academy of Actuaries. These actuaries meet the Academy's Qualification Standards to render the actuarial opinions contained herein.

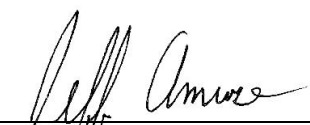
The signing actuaries are independent of the plan sponsor.

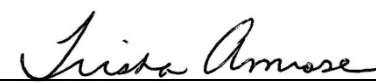
This actuarial valuation and/or cost determination was prepared and completed by us or under our direct supervision, and we acknowledge responsibility for the results. To the best of our knowledge, the results are complete and accurate. In our opinion, the techniques and assumptions used are reasonable, meet the requirements and intent of Part VII, Chapter 112, Florida Statutes, and are based on generally accepted actuarial principles and practices. 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.

Gabriel, Roeder, Smith & Company will be pleased to review this valuation and Report with the Board of Trustees and to answer any questions pertaining to the valuation.

Respectfully submitted,

GABRIEL, ROEDER, SMITH AND COMPANY

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## **SECTION A**

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### **DISCUSSION OF VALUATION RESULTS**

## DISCUSSION OF VALUATION RESULTS

### Comparison of Required Employer Contributions

	For FYE 9/30/2023 Based on 10/1/2021 Valuation	For FYE 9/30/2022 Based on 10/1/2020 Valuation	Increase (Decrease)
Required Employer/State Contribution	\$ 518,980	\$ 683,796	\$ (164,816)
As % of Covered Payroll	16.59 %	21.62 %	(5.03) %
Estimated State Contribution	175,536	175,536 **	0
As % of Covered Payroll	5.61 %	5.55 %	0.06 %
Required Employer Contribution*	343,444	508,260	(164,816)
As % of Covered Payroll	10.98 %	16.07 %	(5.09) %

\* This amount may be offset by the \$56,769 prepaid City contribution as of September 30, 2021.

\*\* The amount previously shown in the October 1, 2020 Actuarial Valuation Report was updated to be based on the most up to date State contribution received for 2021.

### Payment of the Required Contribution

The required employer contribution has been adjusted for interest on the basis that contributions are made in equal payments biweekly.

The contribution has also been computed under the assumption that the amount of Chapter revenue received in 2021 and 2022 will be equal to \$244,949. If the actual Chapter revenue credit falls below \$244,949, then the City must increase its contribution by 50% of the difference. The actual offset to the required contribution will be equal to the first \$106,124 of the Chapter revenue amount plus 50% of the Chapter revenue above this amount.

The actual Employer and State contributions for the year ending September 30, 2021 were \$567,147 and \$175,536, respectively, for a total of \$742,683, or 25.53% of payroll based on a payroll amount of \$2,909,060. The required contribution was 25.53% of payroll.

### Revisions in Benefits

There were no changes in benefit provisions since the previous valuation.

### **Revision in Actuarial Assumptions or Methods**

There were no changes in assumptions or methods since the previous valuation.

### **Actuarial Experience**

There was a net actuarial gain of \$1,036,057 since the last valuation which means that actual experience was more favorable than expected. The gain is primarily due to more terminations than expected and fewer retirements than expected, and recognized investment earnings above the assumed rate of 7.25%. The investment return was 9.6% based on the actuarial value of assets and 19.7% based on the market value of assets. The net gain caused the required employer contribution to decrease by 5.26% of covered payroll.

### **Analysis of Change in Employer Contribution**

The components of change in the required employer contribution are as follows:

Contribution Rate Last Year	16.07 %
Change in Benefits	0.00
Change in Assumptions	0.00
Experience Gain/Loss	(5.26)
Change in Administrative Expense	0.23
Change in State Revenue	<u>(0.06)</u>
Contribution Rate This Year	10.98 %

### **Funded Ratio**

The funded ratio this year is 104.2% compared to 99.0% last year. The funded ratio is equal to the actuarial value of assets divided by the actuarial accrued (past service) liability.

### **Variability of Future Contribution Rates**

The Market Value of Assets exceeds the Actuarial Value of Assets by \$1,458,981 as of the valuation date (see Section C). This difference will be gradually recognized over the next five years in the absence of offsetting gains or losses. In turn, the computed employer contribution rate will decrease by approximately 7.42% of covered payroll over the same period.

### **Relationship to Market Value**

If Market Value had been the basis for the valuation, the contribution rate would have been 3.56% of payroll and the funded ratio would have been 111.5%. In the absence of other gains and losses, the City contribution rate should decrease to that level over the next several years.





## **Conclusion**

The remainder of this Report includes detailed actuarial valuation results, pension fund information, miscellaneous information and statistics, and a summary of plan provisions.

## **RISKS ASSOCIATED WITH MEASURING THE ACCRUED LIABILITY AND ACTUARIALLY DETERMINED CONTRIBUTION**

The determination of the accrued liability and the actuarially determined contribution requires the use of assumptions regarding future economic and demographic experience. Risk measures, as illustrated in this report, are intended to aid in the understanding of the effects of future experience differing from the assumptions used in the course of the actuarial valuation. Risk measures may also help with illustrating the potential volatility in the accrued liability and the actuarially determined contribution that result from the differences between actual experience and the actuarial assumptions.

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 due to changing conditions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period, or additional cost or contribution requirements based on the Plan's funded status); and changes in plan provisions or applicable law. The scope of an actuarial valuation does not include an analysis of the potential range of such future measurements.

Examples of risk that may reasonably be anticipated to significantly affect the plan's future financial condition include:

1. Investment risk – actual investment returns may differ from the expected returns;
2. Contribution risk – actual contributions may differ from expected future contributions. For example, actual contributions may not be made in accordance with the plan's funding policy or material changes may occur in the anticipated number of covered employees, covered payroll, or other relevant contribution base;
3. Salary and Payroll risk – actual salaries and total payroll may differ from expected, resulting in actual future accrued liability and contributions differing from expected;
4. Longevity risk – members may live longer or shorter than expected and receive pensions for a period of time other than assumed; and
5. Other demographic risks – members may terminate, retire or become disabled at times or with benefits other than assumed resulting in actual future accrued liability and contributions differing from expected.

The effects of certain trends in experience can generally be anticipated. For example if the investment return since the most recent actuarial valuation is less (or more) than the assumed rate, the cost of the plan can be expected to increase (or decrease). Likewise if longevity is improving (or worsening), increases (or decreases) in cost can be anticipated.

The computed contribution rate shown on page 1 may be considered as a minimum contribution rate that complies with the Board's funding policy. The timely receipt of the actuarially determined contributions is critical to support the financial health of the plan. Users of this report should be aware that contributions made at the actuarially determined rate do not necessarily guarantee benefit security.

## **PLAN MATURITY MEASURES**

Risks facing a pension plan evolve over time. A young plan with virtually no investments and paying few benefits may experience little investment risk. An older plan with a large number of members in pay status and a significant trust may be much more exposed to investment risk. Generally accepted plan maturity measures include the following:

	<b><u>2021</u></b>	<b><u>2020</u></b>
Ratio of the market value of assets to payroll	7.36	6.11
Ratio of actuarial accrued liability to payroll	6.60	6.32
Ratio of actives to retirees and beneficiaries	2.05	2.05
Ratio of net cash flow to market value of assets	0.18 %	0.23 %

### **RATIO OF MARKET VALUE OF ASSETS TO PAYROLL**

The relationship between assets and payroll is a useful indicator of the potential volatility of contributions. For example, if the market value of assets is 2.0 times the payroll, a return on assets 5% different than assumed would equal 10% of payroll. A higher (lower) or increasing (decreasing) level of this maturity measure generally indicates a higher (lower) or increasing (decreasing) volatility in plan sponsor contributions as a percentage of payroll.

### **RATIO OF ACTUARIAL ACCRUED LIABILITY TO PAYROLL**

The relationship between actuarial accrued liability and payroll is a useful indicator of the potential volatility of contributions for a fully funded plan. A funding policy that targets a funded ratio of 100% is expected to result in the ratio of assets to payroll and the ratio of liability to payroll converging over time.

The ratio of liability to payroll may also be used as a measure of sensitivity of the liability itself. For example, if the actuarial accrued liability is 2.5 times the payroll, a change in liability 2% other than assumed would equal 5% of payroll. A higher (lower) or increasing (decreasing) level of this maturity measure generally indicates a higher (lower) or increasing (decreasing) volatility in liability (and also plan sponsor contributions) as a percentage of payroll.

### **RATIO OF ACTIVES TO RETIREES AND BENEFICIARIES**

A young plan with many active members and few retirees will have a high ratio of active to retirees. A mature open plan may have close to the same number of actives to retirees resulting in a ratio near 1.0. A super-mature or closed plan may have significantly more retirees than actives resulting in a ratio below 1.0.

### **RATIO OF NET CASH FLOW TO MARKET VALUE OF ASSETS**

A positive net cash flow means contributions exceed benefits and expenses. A negative cash flow means existing funds are being used to make payments. A certain amount of negative net cash flow is generally expected to occur when benefits are prefunded through a qualified trust. Large negative net cash flows as a percent of assets may indicate a super-mature plan or a need for additional contributions.



## **ADDITIONAL RISK ASSESSMENT**

Additional risk assessment is outside the scope of the annual actuarial valuation. Additional assessment may include scenario tests, sensitivity tests, stochastic modeling, stress tests, and a comparison of the present value of accrued benefits at low-risk discount rates with the actuarial accrued liability.

## CHAPTER REVENUE

Since there was no mutual consent on the treatment of Chapter 185 revenue in the most recent collective bargaining agreement, the default rules of Senate Bill 172, which is described in the legislation (codified in Chapter 2015-39), apply beginning October 1, 2016.

The Base Amount is the amount of Insurance Premium Tax Revenue (IPTR) received for calendar year 2002. This amount must be used to fund Chapter minimum benefits. The Gap Amount is the difference between the amounts of IPTR received for calendar year 2002 and calendar year 2012. This amount must be used to fund the cost of benefits that are in excess of Chapter minimum benefits. Since both of these conditions have been satisfied, the City may use the full IPTR for 2012 to offset the required contribution. The Growth Amount is revenue in excess of the amount received for calendar year 2012. This amount must be shared 50% - 50% between Share Plan accounts and the cost to fund the Plan.

Actuarial Confirmation of the Use of State Chapter Money	
1. Base Amount (2002 Premium Tax Revenue (PTR))	\$ 77,721
2. PTR Received for Calendar year 2012	106,124
3. Gap Amount: (2) - (1)	28,403
4. PTR Received for Previous Plan Year	244,949
5. Growth Amount for Previous Plan Year: (4) - (2)	138,825
6. Accumulated Excess at Beginning of Previous Year	0
7. Prior Excess Used to Reduce UAAL: 50% of (6)	0
8. Amount Used to Fund Share plan Accounts: 50% of [(5) + (6)]	69,413
9. Amount Used to Fund Plan: (1) + (3) + 50% of (5)	175,536
10. Accumulated Excess as of Valuation Date	0

**SECTION B**

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**VALUATION RESULTS**

<b>PARTICIPANT DATA</b>		
	<b>October 1, 2021</b>	<b>October 1, 2020</b>
<b>ACTIVE MEMBERS</b>		
Number	41	41
Covered Annual Payroll	\$ 3,007,953	\$ 3,041,150
Average Annual Payroll	\$ 73,365	\$ 74,174
Average Age	39.5	38.8
Average Past Service	9.2	8.6
Average Age at Hire	30.3	30.2
<b>RETIREES, BENEFICIARIES &amp; DROP</b>		
Number	19	19
Annual Benefits	\$ 898,019	\$ 898,019
Average Annual Benefit	\$ 47,264	\$ 47,264
Average Age	66.2	65.2
<b>DISABILITY RETIREES</b>		
Number	1	1
Annual Benefits	\$ 22,931	\$ 22,931
Average Annual Benefit	\$ 22,931	\$ 22,931
Average Age	74.6	73.6
<b>TERMINATED VESTED MEMBERS</b>		
Number	2	2
Annual Benefits	\$ 36,600	\$ 36,600
Average Annual Benefit	\$ 18,300	\$ 18,300
Average Age	37.7	36.7



<b>ACTUARIALLY DETERMINED CONTRIBUTION (ADC)</b>		
A. Valuation Date	October 1, 2021	October 1, 2020
B. ADC to Be Paid During Fiscal Year Ending	9/30/2023	9/30/2022
C. Assumed Date of Employer Contrib.	Biweekly	Biweekly
D. Annual Payment to Amortize Unfunded Actuarial Liability	\$ 0	\$ 0
E. Employer Normal Cost	481,650	634,452
F. ADC if Paid on the Valuation Date: D+E	481,650	634,452
G. ADC Adjusted for Frequency of Payments	499,110	657,451
H. ADC as % of Covered Payroll	16.59 %	21.62 %
I. Assumed Rate of Increase in Covered Payroll to Contribution Year	4.00 %	4.00 %
J. Covered Payroll for Contribution Year	3,128,271	3,162,796
K. ADC for Contribution Year: H x J	518,980	683,796
L. Estimate of State Revenue in Contribution Year	175,536	175,536 *
M. Required Employer Contribution (REC) in Contribution Year	343,444	508,260
N. REC as % of Covered Payroll in Contribution Year: M ÷ J	10.98 %	16.07 %

\* The amount previously shown in the October 1, 2020 Actuarial Valuation Report was updated to be based on the most up to date State contribution received for 2021.



**ACTUARIAL VALUE OF BENEFITS AND ASSETS**

A. Valuation Date	October 1, 2021	October 1, 2020
B. Actuarial Present Value of All Projected Benefits for		
1. Active Members		
a. Service Retirement Benefits	\$ 13,347,671	\$ 12,845,772
b. Vesting Benefits	522,341	559,224
c. Disability Benefits	412,177	428,879
d. Preretirement Death Benefits	70,720	72,583
e. Return of Member Contributions	56,951	58,143
f. Total	<u>14,409,860</u>	<u>13,964,601</u>
2. Inactive Members		
a. Service Retirees & Beneficiaries	9,692,497	9,834,348
b. Disability Retirees	148,393	153,229
c. Terminated Vested Members	266,889	248,608
d. Total	<u>10,107,779</u>	<u>10,236,185</u>
3. Total for All Members	24,517,639	24,200,786
C. Actuarial Accrued (Past Service) Liability under Entry Age Normal	19,855,834	19,223,449
D. Actuarial Value of Accumulated Plan Benefits per FASB No. 35	18,537,757	17,799,968
E. Plan Assets		
1. Market Value	22,146,984	18,595,613
2. Actuarial Value	20,688,003	19,034,079
F. Actuarial Present Value of Projected Covered Payroll	20,394,829	21,651,880
G. Actuarial Present Value of Projected Member Contributions	1,019,742	1,082,594
H. Accumulated Contributions of Active Members	1,200,442	1,106,008

<b>CALCULATION OF EMPLOYER NORMAL COST</b>		
A. Valuation Date	October 1, 2021	October 1, 2020
B. Actuarial Present Value of Projected Benefits	\$ 24,517,639	\$ 24,200,786
C. Actuarial Value of Assets	20,688,003	19,034,079
D. Actuarial Present Value of Projected Member Contributions	1,019,742	1,082,594
E. Actuarial Present Value of Projected Employer Normal Costs: B-C-D	2,809,894	4,084,113
F. Actuarial Present Value of Projected Covered Payroll	20,394,829	21,651,880
G. Employer Normal Cost Rate: E/F	13.78 %	18.86 %
H. Covered Annual Payroll	3,007,953	3,041,150
I. Employer Normal Cost: G x H	414,496	573,561
J. Assumed Amount of Administrative Expenses	67,154	60,891
K. Total Employer Normal Cost: I+J	481,650	634,452
L. Employer Normal Cost as % of Covered Payroll	16.01 %	20.86 %

## ACTUARIAL GAINS AND LOSSES

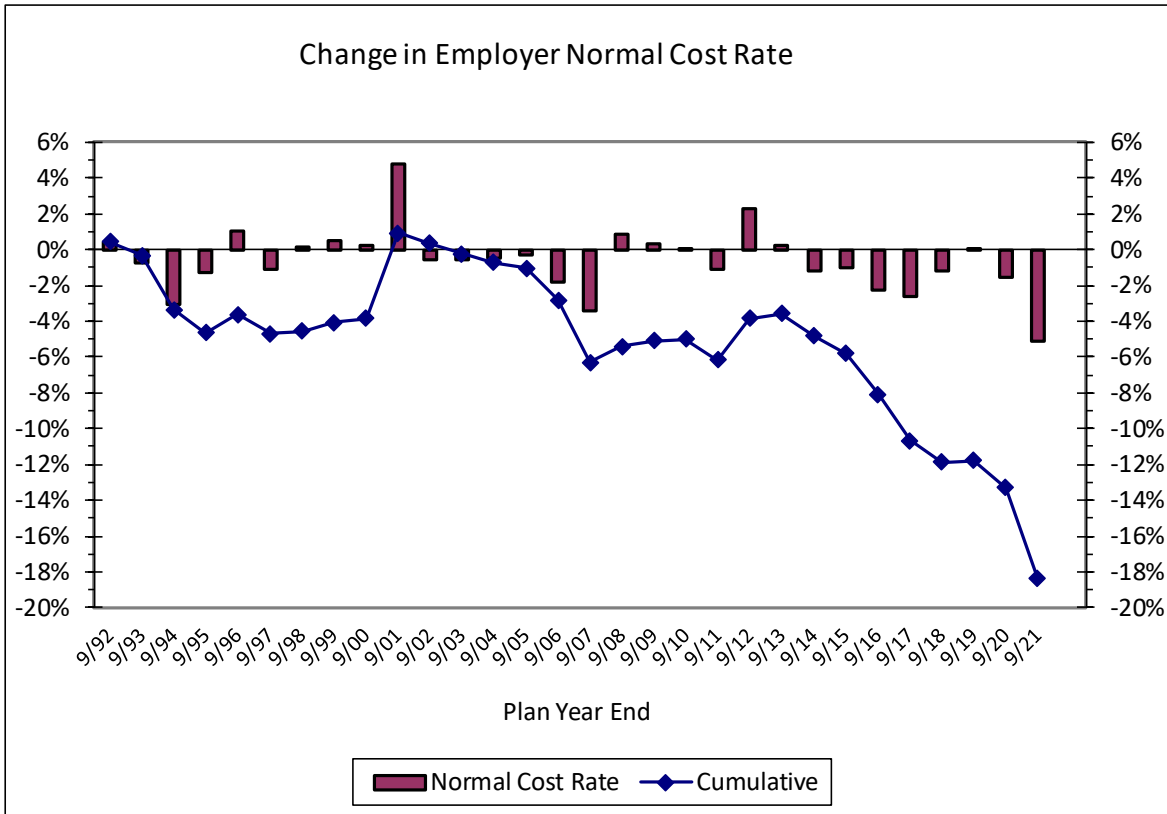
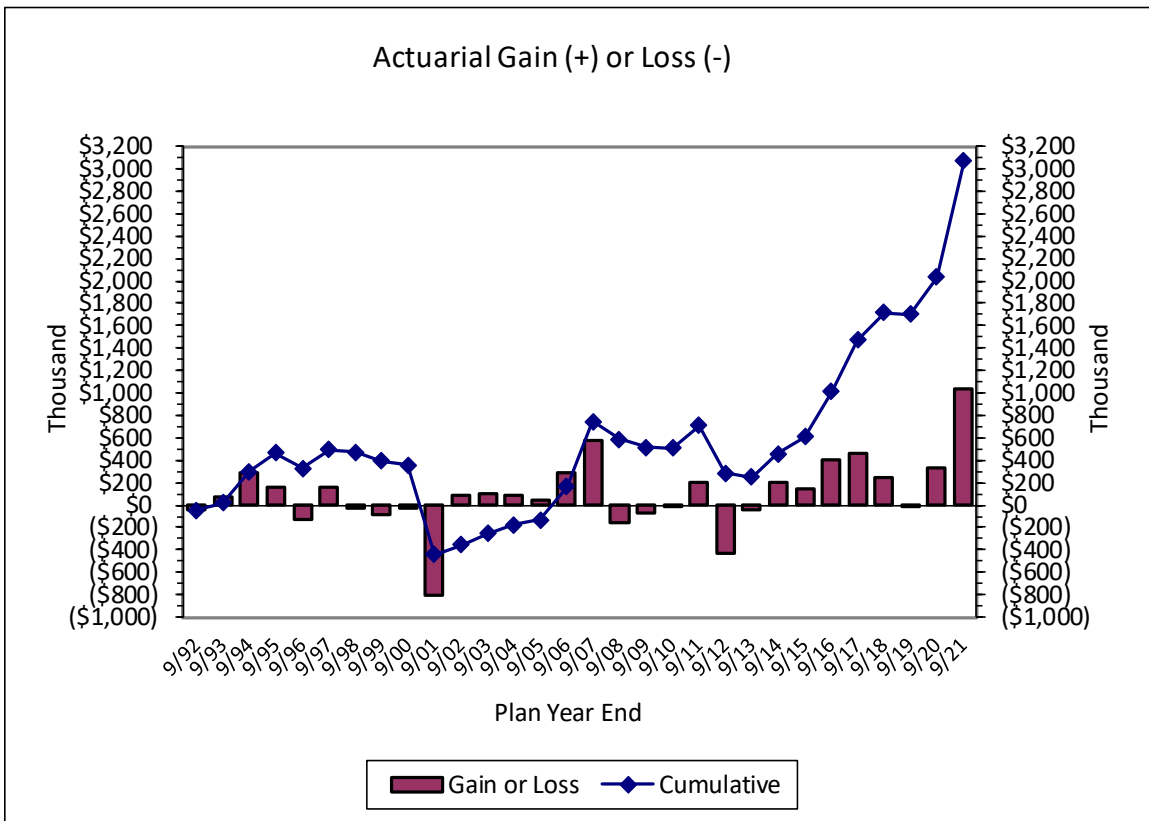
The assumptions used to anticipate mortality, employment turnover, investment income, expenses, salary increases, and other factors have been based on long range trends and expectations. Actual experience can vary from these expectations. The variance is measured by the gain and loss for the period involved. If significant long term experience reveals consistent deviation from what has been expected and that deviation is expected to continue, the assumptions should be modified. The net actuarial gain (loss) for the past year is computed as follows:

A. Employer Normal Cost as a Percentage of Covered Payroll	
1. Last Valuation	18.86 %
2. Current Valuation	<u>13.78</u>
3. Difference: 1 - 2	5.08
B. Actuarial Present Value of Projected Covered Payroll	\$ 20,394,829
C. Net Actuarial Gain (Loss): A3 x B	1,036,057
D. Gain (Loss) due to Investments	451,909
E. Gain (Loss) due to other sources	584,148

Net actuarial gains in previous years have been as follows:

Year Ended	Change in Employer Normal Cost Rate	Gain (Loss)
9/30/92	0.42 %	\$ (47,396)
9/30/93	(0.73)	66,472
9/30/94	(3.05)	283,299
9/30/95	(1.28)	161,364
9/30/96	1.02	(134,873)
9/30/97	(1.09)	163,079
9/30/98	0.14	(21,698)
9/30/99	0.51	(79,891)
9/30/00	0.20	(32,203)
9/30/01	4.77	(801,770)
9/30/02	(0.55)	90,424
9/30/03	(0.60)	96,380
9/30/04	(0.49)	80,180
9/30/05	(0.30)	44,729
9/30/06	(1.79)	293,982
9/30/07	(3.46)	581,287
9/30/08	0.86	(155,615)
9/30/09	0.35	(71,133)
9/30/10	0.05	(10,545)
9/30/11	(1.14)	205,473
9/30/12	2.33	(424,166)
9/30/13	0.25	(35,704)
9/30/14	(1.23)	206,278
9/30/15	(0.98)	149,212
9/30/16	(2.30)	403,644
9/30/17	(2.57)	458,997
9/30/18	(1.20)	246,725
9/30/19	0.06	(12,537)
9/30/20	(1.51)	326,750
9/30/21	(5.08)	1,036,057





The fund earnings and salary increase assumptions have considerable impact on the cost of the Plan so it is important that they are in line with the actual experience. The following table shows the actual fund earnings and salary increase rates compared to the assumed rates for the last few years:

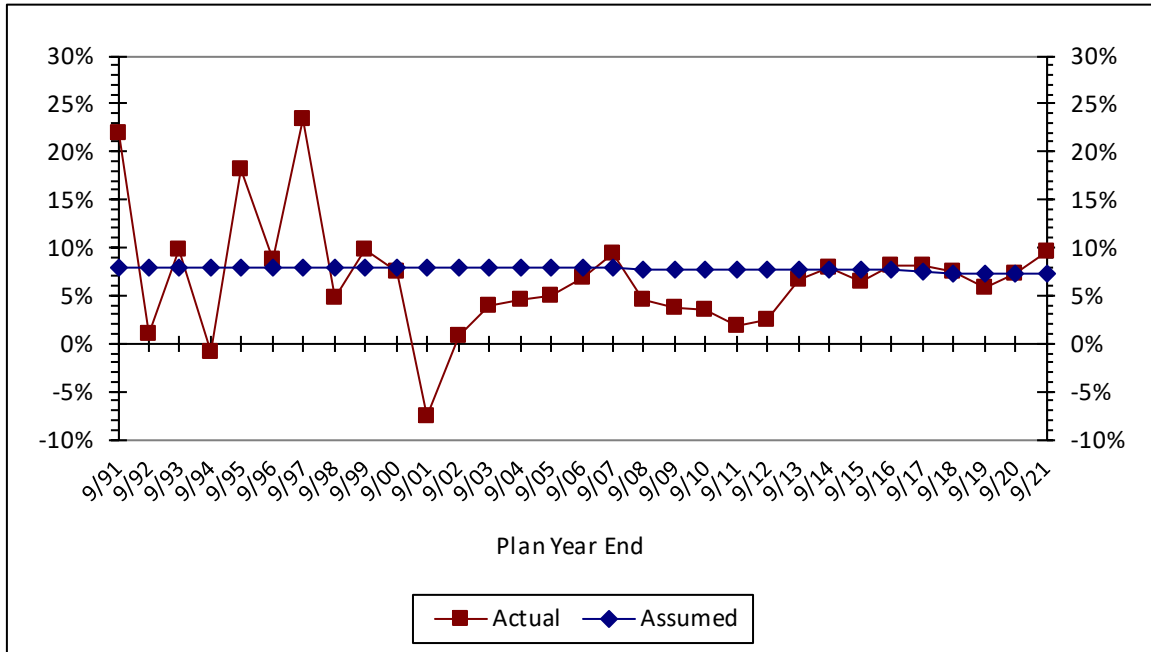
Year Ending	Investment Return		Salary Increases	
	Actual	Assumed	Actual	Assumed
9/30/1991	22.0 %	8.0 %	N/A	7.5 %
9/30/1992	0.9	8.0	18.5 %	7.0
9/30/1993	9.8	8.0	3.8	7.0
9/30/1994	(0.8)	8.0	7.0	7.0
9/30/1995	18.2	8.0	13.4	7.0
9/30/1996	8.7	8.0	18.2	7.0
9/30/1997	23.5	8.0	12.0	7.0
9/30/1998	4.7	8.0	8.5	7.0
9/30/1999	9.7	8.0	8.1	7.0
9/30/2000	7.5	8.0	12.4	7.0
9/30/2001	(7.6) *	8.0	8.2	7.0
9/30/2002	0.7	8.0	4.6	7.0
9/30/2003	3.9	8.0	6.1	8.5
9/30/2004	4.5	8.0	8.7	8.5
9/30/2005	5.0	8.0	3.0	8.5
9/30/2006	6.8	8.0	11.4	8.5
9/30/2007	9.4	8.0	0.7	9.7
9/30/2008	4.6	7.75	5.3	9.5
9/30/2009	3.7	7.75	7.9	8.8
9/30/2010	3.5	7.75	2.0	9.6
9/30/2011	1.8	7.75	(0.2)	10.7
9/30/2012	2.5	7.75	7.0	10.5
9/30/2013	6.6	7.64	(0.8)	5.6
9/30/2014	7.9	7.64	3.5	5.3
9/30/2015	6.4	7.64	2.6	5.4
9/30/2016	8.1	7.64	2.0	5.4
9/30/2017	8.1	7.50	7.3	6.3
9/30/2018	7.4	7.25	3.1	5.5
9/30/2019	5.9	7.25	5.2	5.9
9/30/2020	7.2	7.25	7.8	5.3
9/30/2021	9.6	7.25	2.4	5.3
Averages	6.6 %	---	6.6 %	---

\* After revision of Actuarial Value of Assets.

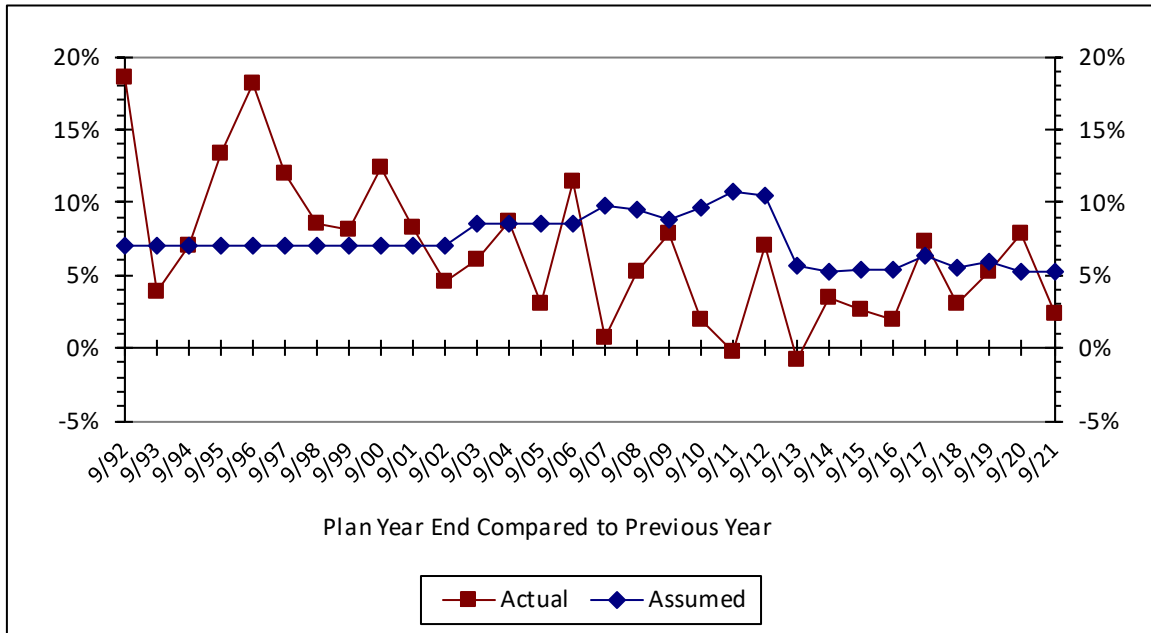
The actual investment return rates shown above are based on the actuarial value of assets. The actual salary increase rates shown above are the increases received by those active members who were included in the actuarial valuations both at the beginning and the end of each year.



### History of Investment Return Based on Actuarial Value of Assets



### History of Salary Increases



**Actual (A) Compared to Expected (E) Decrements  
Among Active Employees**

Year Ended	Number Added During Year		Service & DROP Retirement		Disability Retirement		Death		Terminations				Active Members End of Year
	A	E	A	E	A	E	A	E	Vested	Other	Totals		
									A	A	A	E	
9/30/2002	2	3	1	2	0	0	0	0	0	2	2	1	<b>34</b>
9/30/2003	2	5	0	2	1	0	0	0	1	3	4	1	<b>31</b>
9/30/2004	1	1	0	2	0	0	0	0	0	1	1	1	<b>31</b>
9/30/2005	3	4	1	2	0	0	0	0	1	2	3	1	<b>30</b>
9/30/2006	6	5	0	2	0	0	1	0	1	3	4	1	<b>31</b>
9/30/2007	4	1	0	2	0	0	0	0	0	1	1	1	<b>34</b>
9/30/2008	6	6	1	4	0	0	0	0	0	5	5	1	<b>34</b>
9/30/2009	4	2	1	4	0	0	0	0	0	1	1	1	<b>36</b>
9/30/2010	4	2	0	3	0	0	0	0	0	2	2	1	<b>38</b>
9/30/2011	4	11	6	4	0	0	0	0	2	3	5	1	<b>31</b>
9/30/2012	2	1	0	0	0	0	0	0	0	1	1	1	<b>32</b>
9/30/2013	1	1	0	0	0	0	0	0	1	0	1	1	<b>32</b>
9/30/2014	3	1	1	3	0	0	0	0	0	0	0	1	<b>34</b>
9/30/2015	2	3	0	1	0	0	0	0	0	3	3	1	<b>33</b>
9/30/2016	6	2	0	2	0	0	0	0	1	1	2	1	<b>37</b>
9/30/2017	2	1	0	3	0	0	0	0	0	1	1	1	<b>38</b>
9/30/2018	6	3	2	4	0	0	0	0	0	1	1	1	<b>41</b>
9/30/2019	5	3	0	3	0	0	0	0	0	3	3	1	<b>43</b>
9/30/2020	7	9	1	6	0	0	0	0	2	6	8	1	<b>41</b>
9/30/2021	4	4	0	6	0	0	0	0	1	3	4	1	<b>41</b>
9/30/2022				7		0		0				1	
20 Yr Totals *	74	68	14	55	1	0	1	0	10	42	52	20	

\* Totals are through current Plan Year only.



RECENT HISTORY OF VALUATION RESULTS							
Valuation Date	Number of		Covered Annual Payroll	Actuarial Value of Assets	Unfunded Actuarial Liability	Employer Normal Cost	
	Active Members	Inactive Members				Amount	% of Payroll
10/1/91	21	0	\$ 824,978	\$ 500,460	\$ 0	\$ 112,175	13.60 %
10/1/92	23	0	1,025,283	667,205	0	138,608	13.52
10/1/93	20	0	870,036	820,821	0	114,508	13.16
10/1/94	21	0	871,178	851,199	0	89,183	10.24
10/1/95	29	0	1,158,114	1,161,856	0	104,375	9.01
10/1/96	27	0	1,265,110	1,379,618	0	135,194	10.69
10/1/97	30	0	1,469,613	1,854,157	0	205,533	9.97
10/1/98	31	1	1,574,452	2,137,944	0	289,963	18.42
10/1/99	31	0	1,674,259	2,556,713	0	445,399	27.72
10/1/00	35	1	1,945,685	3,093,443	0	544,699	28.00
10/1/01 *	35	3	2,042,725	3,729,002	0	605,578	29.65
10/1/02	34	4	2,037,249	4,300,250	0	575,074	28.23
10/1/03	31	6	1,915,415	5,048,998	0	526,971	27.51
10/1/04	31	6	2,072,905	5,833,074	0	552,007	26.63
10/1/05	30	7	1,960,614	6,574,621	0	519,687	26.51
10/1/06	31	8	2,169,881	7,397,389	0	531,544	24.50
10/1/07	34	8	2,297,274	8,560,889	0	481,295	20.95
10/1/08	34	9	2,385,136	9,325,366	0	613,284	25.71
10/1/09	36	9	2,603,571	10,015,756	0	681,562	26.18
10/1/10 **	32	15	2,182,526	10,753,040	0	547,744	25.10
10/1/11	31	17	2,012,405	11,379,563	0	490,949	24.40
10/1/12	32	16	2,112,481	11,463,303	0	566,109	26.80
10/1/13	32	17	2,038,640	12,017,967	0	549,541	26.96
10/1/14	34	17	2,264,932	12,862,931	0	577,108	25.48
10/1/15	33	17	2,246,804	13,685,282	0	554,441	24.68
10/1/16	37	18	2,486,267	14,634,046	0	627,703	25.25
10/1/17	38	17	2,656,997	15,861,735	0	702,261	26.43
10/1/18	41	19	2,797,717	16,893,073	0	697,131	24.92
10/1/19	43	19	2,997,303	17,845,600	0	738,461	24.64
10/1/20	41	22	3,041,150	19,034,079	0	634,452	20.86
10/1/21	41	22	3,007,953	20,688,003	0	481,650	16.01

\*After revision of Actuarial Value of Assets

\*\* From 10/18/2011 Actuarial Impact Statement





**RECENT HISTORY OF UAAL AND FUNDED RATIO**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) - Entry Age (b) - (a)	Funded Ratio (a) / (b)	Covered Payroll (c)	UAAL As % of Covered Payroll (b - a) / c
10/1/1991	\$ 500,460	\$ 689,315	\$ 188,855	72.6 %	\$ 824,978	22.9 %
10/1/1992	667,205	947,477	280,272	70.4	1,025,283	27.3
10/1/1993	820,821	910,823	90,002	90.1	870,036	10.3
10/1/1994	851,199	820,934	(30,265)	103.7	871,178	(3.5)
10/1/1995	1,161,856	1,022,489	(139,367)	113.6	1,158,114	(12.0)
10/1/1996	1,379,618	1,303,888	(75,730)	105.8	1,265,110	(6.0)
10/1/1997	1,854,157	1,843,422	(10,735)	100.6	1,469,613	(0.7)
10/1/1998	2,137,944	2,100,509	(37,435)	101.8	1,574,452	(2.4)
10/1/1999	2,556,713	2,874,352	317,639	88.9	1,674,259	19.0
10/1/2000	3,093,443	4,225,976	1,132,533	73.2	1,945,685	58.2
10/1/2001	3,729,002	5,433,297	1,704,295	68.6	2,042,725	83.4
10/1/2002	4,300,250	5,689,576	1,389,280	75.6	2,037,249	68.2
10/1/2003	5,048,998	6,263,615	1,214,617	80.6	1,915,415	63.4
10/1/2004	5,833,074	6,974,747	1,141,673	83.6	2,072,905	55.1
10/1/2005	6,574,621	7,522,019	947,398	87.4	1,960,614	48.3
10/1/2006	7,397,389	8,115,331	717,942	91.2	2,169,881	33.1
10/1/2007	8,560,889	9,148,296	587,407	93.6	2,297,274	25.6
10/1/2008	9,325,366	10,005,680	680,314	93.2	2,385,136	28.5
10/1/2009	10,015,756	10,755,897	740,141	93.1	2,603,571	28.4
10/1/2010	10,753,040	11,743,426	990,386	91.6	2,182,526	45.4
10/1/2011	11,379,563	12,026,339	646,776	94.6	2,012,405	32.1
10/1/2012	11,463,303	12,782,644	1,319,341	89.7	2,112,481	62.5
10/1/2013	12,017,967	13,259,016	1,241,049	90.6	2,038,640	60.9
10/1/2014	12,862,931	14,055,242	1,192,311	91.5	2,264,932	52.6
10/1/2015	13,685,282	14,613,225	927,943	93.6	2,246,804	41.3
10/1/2016	14,634,046	15,624,970	990,924	93.7	2,486,267	39.9
10/1/2017	15,861,735	16,861,302	999,567	94.1	2,656,997	37.6
10/1/2018	16,893,073	17,772,684	879,611	95.1	2,797,717	31.4
10/1/2019	17,845,600	18,811,363	965,763	94.9	2,997,303	32.2
10/1/2020	19,034,079	19,223,449	189,370	99.0	3,041,150	6.2
10/1/2021	20,688,003	19,855,834	(832,169)	104.2	3,007,953	(27.7)

RECENT HISTORY OF REQUIRED AND ACTUAL CONTRIBUTIONS										
Valuation	End of Year To Which Valuation Applies	Required Contributions						Actual Contributions		
		Employer & State		Estimated State		Net Employer		Employer	State	Total
		Amount	% of Payroll	Amount	% of Payroll	Amount	% of Payroll			
10/1/91	9/30/92	\$ 116,864	14.17 %	\$ 28,893	3.50 %	\$ 87,971	10.66 %	\$ 95,559	\$ 21,305	\$ 116,864
10/1/91	9/30/93	126,213	15.30	21,305	2.58	104,908	12.72	102,552	23,661	126,213
10/1/92	9/30/94	155,454	15.16	21,305	2.08	134,149	13.08	137,426	22,008	159,434
10/1/93	9/30/95	128,426	14.76	23,661	2.72	104,765	12.04	130,772	24,482	155,254
10/1/94	9/30/96	100,023	11.48	20,393	2.34	79,630	9.14	65,391	34,632	100,023
10/1/95	9/30/97	117,061	10.11	24,482	2.11	92,579	7.99	82,197	34,864	117,061
10/1/96	9/30/98	151,625	11.99	34,632	2.74	116,993	9.25	121,061	34,323	155,384
10/1/97	9/30/99	230,513	15.68	34,864	2.37	195,649	13.31	195,259	35,866	231,125
10/1/98	9/30/00	325,204	20.66	34,323	2.18	290,881	18.48	289,210	40,774	329,984
10/1/99	9/30/01	499,532	31.08	34,323	2.13	465,209	28.95	464,849	48,912	513,761
10/1/00	9/30/02	610,898	31.40	40,774	2.10	570,124	29.30	587,528	58,588	646,116
10/1/01	9/30/03	679,176	33.25	48,912	2.39	630,264	30.86	601,455	77,721	679,176
10/1/02	9/30/04	644,964	31.66	58,588	2.88	586,376	28.78	589,280	93,960	683,240
10/1/03	9/30/05	569,920	28.61	77,721	3.90	492,199	24.71	507,427	99,818	607,245
10/1/04	9/30/06	596,947	27.69	93,960	4.36	502,987	23.33	596,947	0	596,947
10/1/05	9/30/07	562,163	27.57	99,818	4.90	462,345	22.67	462,345	200,089	662,434
10/1/06	9/30/08	575,001	25.48	99,818	4.42	475,183	21.06	475,605	99,849	575,454
10/1/07	9/30/09	612,821	25.65	100,271	4.20	512,550	21.45	496,154	116,667	612,821
10/1/08	9/30/10	662,553	26.71	116,667	4.70	545,886	22.01	550,671	102,914	653,585
10/1/09	9/30/11	736,067	27.19	102,914	3.80	633,153	23.39	645,672	90,395	736,067
10/1/10 *	9/30/12	591,744	26.07	90,395	3.98	501,349	22.09	413,983	98,801	512,784
10/1/11	9/30/13	530,341	25.34	98,801	4.72	431,540	20.62	387,396	106,124	493,520
10/1/12	9/30/14	611,200	27.82	106,124	4.83	505,076	22.99	470,955	106,487	577,442
10/1/13	9/30/15	593,440	27.99	106,487	5.02	486,953	22.97	505,211	106,487	611,698
10/1/14	9/30/16	623,037	26.45	106,487	4.52	516,550	21.93	483,462	106,487	589,949
10/1/15	9/30/17	598,656	25.62	131,292	5.62	467,364	20.00	541,601	158,699	700,300
10/1/16	9/30/18	677,200	26.19	158,699	6.14	518,501	20.05	523,208	165,828	689,036
10/1/17	9/30/19	756,862	27.39	165,828	6.00	591,034	21.39	584,363	164,677	749,040
10/1/18	9/30/20	751,265	25.82	164,677	5.66	586,588	20.16	592,089	157,997	750,086
10/1/19	9/30/21	795,820	25.53	157,997	5.07	637,823	20.46	567,147	175,536	742,683
10/1/20	9/30/22	683,796	21.62	175,536	5.55	508,260	16.07	---	---	---
10/1/21	9/30/23	518,980	16.59	175,536	5.61	343,444	10.98	---	---	---

\*From 10/18/2011 Actuarial Impact Statement

Note: The required contribution dollar amounts shown above are estimates only. The contribution is based on the percentage of the actual payroll amount for the fiscal year.



## ACTUARIAL ASSUMPTIONS AND COST METHOD

### Valuation Methods

**Actuarial Cost Method** - Normal cost and the allocation of benefit values between service rendered before and after the valuation date were determined using the **Aggregate Method**. The excess of the Actuarial Present Value of Projected Benefits of the group included in the valuation, over the sum of the Actuarial Value of Assets and the Actuarial Present Value of Future Member Contributions (if any) is allocated as a level percentage of earnings of the group between the valuation date and the assumed retirement age. This allocation is performed for the group as a whole, not as a sum of individual allocations. The portion of this Actuarial Present Value allocated to a specific year is called the Employer Normal Cost.

Under this method, actuarial gains and losses, plan amendments, and changes in actuarial assumptions and methods reduce or increase future Normal Costs.

**Actuarial Value of Assets** - The Actuarial Value of Assets phase in the difference between the expected actuarial value and actual market value of assets at the rate of 20% per year. The Actuarial Value of Assets will be further adjusted to the extent necessary to fall within the corridor whose lower limit is 80% of the Market Value of plan assets and whose upper limit is 120% of the Market Value of plan assets. During periods when investment performance exceeds the assumed rate, Actuarial Value of Assets will tend to be less than Market Value. During periods when investment performance is less than assumed rate, Actuarial Value of Assets will tend to be greater than Market Value.

### Valuation Assumptions

**The actuarial assumptions used** in the valuation are shown in this Section. The active group is too small to provide statistically significant experience on which to base certain demographic assumptions. Mortality is based on a commonly used fully generational mortality table and projection scale that is mandated by Florida Statutes. The investment return assumption was updated in years 2007, 2012, 2016, and 2017.

### Economic Assumptions

**The investment return rate** assumed in the valuations is 7.25% per year, per direction from the Board of Trustees based on information from their Investment Consultant. The 7.25% rate is compounded annually, net after investment expenses.

The **Inflation Rate** assumed in this valuation is 2.5% per year. The Inflation Rate is defined to be the expected long-term rate of increases in the prices of goods and services.

The assumed **real rate of return** over inflation is defined to be the portion of total investment return that is more than the assumed inflation rate. Considering other economic assumptions, the 7.25% investment return rate translates to an assumed real rate of return over inflation of 4.75%.



**Pay increase assumptions** for individual active members are shown below. Part of the assumption for each age is for merit and/or seniority increase, and the other 2.5% recognizes wage inflation, including price inflation, productivity increases, and other macroeconomic forces.

**The rates of salary increase** used for individual members are in accordance with the following table. This assumption is used to project a member’s current salary to the salaries upon which benefits will be based.

Years of Service	% Increase in Salary		
	Merit and Seniority	Base (Economic)	Total Increase
1	15.0%	2.5%	17.5%
2	6.9%	2.5%	9.4%
3	5.7%	2.5%	8.2%
4 +	2.5%	2.5%	5.0%

Retirement benefits are increased by an additional 8% to allow for lump sum unused leave pay in the calculation of final average earnings.

### Demographic Assumptions

**The mortality tables** used in the valuation are based on the PUB-2010 Headcount Weighted Mortality Tables described below, with mortality improvements projected for healthy lives to all future years after 2010 using Scale MP-2018. No mortality improvement is projected for disabled lives.

	Pre-Retirement PUB-2010 Table	Post-Retirement PUB-2010 Table
Female Healthy	Headcount Weighted Safety Employee Female Table, set forward 1 year	Headcount Weighted Safety Healthy Retiree Female Table, set forward 1 year
Male Healthy	Headcount Weighted Safety Below Median Employee Male Table, set forward 1 year	Headcount Weighted Safety Below Median Healthy Retiree Male Table, set forward 1 year
Female Disabled	N/A	80% Headcount Weighted General Disabled Retiree Female Table; 20% Headcount Weighted Safety Disabled Retiree Female Table
Male Disabled	N/A	80% Headcount Weighted General Disabled Retiree Male Table; 20% Headcount Weighted Safety Disabled Retiree Male Table

These are the same rates as used for Special Risk Class members in the July 1, 2020 Actuarial Valuation of the Florida Retirement System (FRS). Florida Statutes Chapter 112.63(1)(f) mandates the use of the mortality tables used in either of the two most recently published actuarial valuation reports of FRS.

The following table presents post-retirement mortality rates and life expectancies at illustrative ages. These assumptions are used to measure the probabilities of each benefit payment being made after retirement.

**FRS Healthy Post-Retirement Mortality for Special Risk Class Members**

Sample Attained Ages (in 2021)	Probability of Dying Next Year		Future Life Expectancy (years)	
	Men	Women	Men	Women
50	0.42 %	0.20 %	32.50	36.33
55	0.56	0.36	27.73	31.30
60	0.92	0.61	23.14	26.51
65	1.32	0.92	18.87	22.00
70	2.08	1.45	14.86	17.74
75	3.54	2.42	11.27	13.82
80	6.30	4.16	8.19	10.35

The following table presents disabled post-retirement mortality rates and life expectancies at illustrative ages.

**FRS Disabled Mortality for Special Risk Class Members**

Sample Attained Ages (in 2021)	Probability of Dying Next Year		Future Life Expectancy (years)	
	Men	Women	Men	Women
50	1.45 %	1.25 %	24.04	26.84
55	1.91	1.50	20.88	23.54
60	2.37	1.81	17.92	20.32
65	3.00	2.22	15.07	17.17
70	3.91	2.90	12.39	14.10
75	5.30	4.13	9.87	11.22
80	7.66	6.21	7.60	8.67

**The rates of retirement** used to measure the probability of eligible members retiring during the next year were as follows:

Number of Years After First Eligibility for Normal Retirement	Probability of Normal Retirement	
	20 And Out Condition	Age 55 and 10 Condition
0	60 %	100 %
1	40	100
2	40	100
3	40	100
4	40	100
5	100	100

The rate of retirement is 5% for each year of eligibility for early retirement.

**Rates of separation from active membership** were as shown below (rates do not apply to members eligible to retire and do not include separation on account of death or disability). This assumption measures the probabilities of members remaining in employment.

Sample Ages	% of Active Members Separating Within Next Year
20	6.0 %
25	5.7
30	5.0
35	3.8
40	2.6
45	1.6
50	0.8
55	0.3
60	0.2

**Rates of disability** among active members (75% of disabilities are assumed to be service-connected):

Sample Ages	% Becoming Disabled within Next Year
20	0.14 %
25	0.15
30	0.18
35	0.23
40	0.30
45	0.51
50	1.00
55	1.55

## Miscellaneous and Technical Assumptions

<b><i>Administrative &amp; Investment Expenses</i></b>	The investment return assumption is intended to be the return net of investment expenses. Annual administrative expenses are assumed to be equal to the average of the expenses over the previous two years. Assumed administrative expenses are added to the Normal Cost.
<b><i>Benefit Service</i></b>	Fractional service based on years and completed months is used to determine the amount of benefit payable.
<b><i>Decrement Operation</i></b>	Disability and mortality decrements operate during retirement eligibility.
<b><i>Decrement Timing</i></b>	Decrements of all types are assumed to occur at the beginning of the year.
<b><i>Eligibility Testing</i></b>	Eligibility for benefits is determined based upon the age nearest birthday and service nearest whole year on the date the decrement is assumed to occur.
<b><i>Forfeitures</i></b>	For vested separations from service, it is assumed that 0% of members separating will withdraw their contributions and forfeit an employer financed benefit. It was further assumed that the liability at termination is the greater of the vested deferred benefit (if any) or the member's accumulated contributions.
<b><i>Incidence of Contributions</i></b>	Employer contributions are assumed to be made biweekly. Member contributions are assumed to be received continuously throughout the year based upon the computed percent of payroll shown in this report, and the actual payroll payable at the time contributions are made.
<b><i>Marriage Assumption</i></b>	100% of males and 100% of females are assumed to be married for purposes of death-in-service benefits. Male spouses are assumed to be three years older than female spouses for active member valuation purposes.
<b><i>Normal Form of Benefit</i></b>	A life annuity with 10 years certain is the normal form of benefit.
<b><i>Pay Increase Timing</i></b>	Beginning of fiscal year. This is equivalent to assuming that reported pays represent amounts paid to members during the year ended on the valuation date.
<b><i>Service Credit Accruals</i></b>	It is assumed that members accrue one year of service credit per year.

## GLOSSARY OF TERMS

<b><i>Actuarial Accrued Liability (AAL)</i></b>	The difference between the Actuarial Present Value of Future Benefits, and the Actuarial Present Value of Future Normal Costs.
<b><i>Actuarial Assumptions</i></b>	Assumptions about future plan experience that affect costs or liabilities, such as: mortality, withdrawal, disablement, and retirement; future increases in salary; future rates of investment earnings; future investment and administrative expenses; characteristics of members not specified in the data, such as marital status; characteristics of future members; future elections made by members; and other items.
<b><i>Actuarial Cost Method</i></b>	A procedure for allocating the Actuarial Present Value of Future Benefits between the Actuarial Present Value of Future Normal Costs and the Actuarial Accrued Liability.
<b><i>Actuarial Equivalent</i></b>	Of equal Actuarial Present Value, determined as of a given date and based on a given set of Actuarial Assumptions.
<b><i>Actuarial Present Value (APV)</i></b>	The amount of funds required to provide a payment or series of payments in the future. It is determined by discounting the future payments with an assumed interest rate and with the assumed probability each payment will be made.
<b><i>Actuarial Present Value of Future Benefits (APVFB)</i></b>	The Actuarial Present Value of amounts which are expected to be paid at various future times to active members, retired members, beneficiaries receiving benefits, and inactive, nonretired members entitled to either a refund or a future retirement benefit. Expressed another way, it is the value that would have to be invested on the valuation date so that the amount invested plus investment earnings would provide sufficient assets to pay all projected benefits and expenses when due.
<b><i>Actuarial Valuation</i></b>	The determination, as of a valuation date, of the Normal Cost, Actuarial Accrued Liability, Actuarial Value of Assets, and related Actuarial Present Values for a plan. An Actuarial Valuation for a governmental retirement system typically also includes calculations of items needed for compliance with GASB No. 67.
<b><i>Actuarial Value of Assets</i></b>	The value of the assets as of a given date, used by the actuary for valuation purposes. This may be the market or fair value of plan assets or a smoothed value in order to reduce the year-to-year volatility of calculated results, such as the funded ratio and the actuarially determined contribution (ADC).



<b><i>Amortization Method</i></b>	A method for determining the Amortization Payment. The most common methods used are level dollar and level percentage of payroll. Under the Level Dollar method, the Amortization Payment is one of a stream of payments, all equal, whose Actuarial Present Value is equal to the UAAL. Under the Level Percentage of Pay method, the Amortization Payment is one of a stream of increasing payments, whose Actuarial Present Value is equal to the UAAL. Under the Level Percentage of Pay method, the stream of payments increases at the rate at which total covered payroll of all active members is assumed to increase.
<b><i>Amortization Payment</i></b>	That portion of the plan contribution or ADC which is designed to pay interest on and to amortize the Unfunded Actuarial Accrued Liability.
<b><i>Amortization Period</i></b>	The period used in calculating the Amortization Payment.
<b><i>Actuarially Determined Contribution (ADC)</i></b>	The employer's periodic required contributions, expressed as a dollar amount or a percentage of covered plan compensation. The ADC consists of the Employer Normal Cost and Amortization Payment.
<b><i>Closed Amortization Period</i></b>	A specific number of years that is reduced by one each year, and declines to zero with the passage of time. For example if the amortization period is initially set at 30 years, it is 29 years at the end of one year, 28 years at the end of two years, etc.
<b><i>Employer Normal Cost</i></b>	The portion of the Normal Cost to be paid by the employer. This is equal to the Normal Cost less expected member contributions.
<b><i>Equivalent Single Amortization Period</i></b>	For plans that do not establish separate amortization bases (separate components of the UAAL), this is the same as the Amortization Period. For plans that do establish separate amortization bases, this is the period over which the UAAL would be amortized if all amortization bases were combined upon the current UAAL payment.
<b><i>Experience Gain/Loss</i></b>	A measure of the difference between actual experience and that expected based upon a set of Actuarial Assumptions, during the period between two actuarial valuations. To the extent that actual experience differs from that assumed, Unfunded Actuarial Accrued Liabilities emerge which may be larger or smaller than projected. Gains are due to favorable experience, e.g., the assets earn more than projected, salaries do not increase as fast as assumed, members retire later than assumed, etc. Favorable experience means actual results produce actuarial liabilities not as large as projected by the actuarial assumptions. On the other hand, losses are the result of unfavorable experience, i.e., actual results that produce Unfunded Actuarial Accrued Liabilities which are larger than projected.

<b><i>Funded Ratio</i></b>	The ratio of the Actuarial Value of Assets to the Actuarial Accrued Liability.
<b><i>GASB</i></b>	Governmental Accounting Standards Board.
<b><i>GASB No. 67 and GASB No. 68</i></b>	These are the governmental accounting standards that set the accounting rules for public retirement systems and the employers that sponsor or contribute to them. Statement No. 68 sets the accounting rules for the employers that sponsor or contribute to public retirement systems, while Statement No. 67 sets the rules for the systems themselves.
<b><i>Normal Cost</i></b>	The annual cost assigned, under the Actuarial Cost Method, to the current plan year.
<b><i>Open Amortization Period</i></b>	An open amortization period is one which is used to determine the Amortization Payment but which does not change over time. In other words, if the initial period is set as 30 years, the same 30-year period is used in determining the Amortization Period each year. In theory, if an Open Amortization Period is used to amortize the Unfunded Actuarial Accrued Liability, the UAAL will never completely disappear, but will become smaller each year, either as a dollar amount or in relation to covered payroll.
<b><i>Unfunded Actuarial Accrued Liability</i></b>	The difference between the Actuarial Accrued Liability and Actuarial Value of Assets.
<b><i>Valuation Date</i></b>	The date as of which the Actuarial Present Value of Future Benefits are determined. The benefits expected to be paid in the future are discounted to this date.

## SECTION C

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### PENSION FUND INFORMATION

## Statement of Plan Assets at Market Value

Item	September 30	
	2021	2020
A. Cash and Cash Equivalents (Operating Cash)	\$ 641,106	\$ 602,532
B. Receivables		
1. Member Contributions	\$ 5,457	\$ 11,455
2. Employer Contributions	22,986	48,247
3. State Contributions	244,949	209,871
4. Investment Income and Other Receivables	73,741	28,355
5. Total Receivables	\$ 347,133	\$ 297,928
C. Investments		
1. Short Term Investments	\$ -	\$ -
2. Domestic Equities	11,249,517	9,574,300
3. International Equities	2,719,179	1,992,805
4. Domestic Fixed Income	5,628,339	5,128,838
5. International Fixed Income	-	-
6. Real Estate	2,390,648	1,549,940
7. Private Equity	-	-
8. Total Investments	\$ 21,987,683	\$ 18,245,883
D. Liabilities		
1. Benefits Payable	\$ -	\$ -
2. Prepaid City Contribution	(56,769)	(11,273)
3. Accrued Expenses and Other Payables	(55,955)	(72,192)
4. Total Liabilities	\$ (112,724)	\$ (83,465)
E. Total Market Value of Assets Available for Benefits	\$ 22,863,198	\$ 19,062,878
F. Reserves		
1. Share Plan / State Contribution Reserve	\$ (379,961)	\$ (275,248)
2. DROP Accounts	(336,253)	(192,017)
3. Total Reserves	\$ (716,214)	\$ (467,265)
G. Market Value Net of Reserves	\$ 22,146,984	\$ 18,595,613
H. Allocation of Investments		
1. Short Term Investments	0.0%	0.0%
2. Domestic Equities	51.1%	52.5%
3. International Equities	12.4%	10.9%
4. Domestic Fixed Income	25.6%	28.1%
5. International Fixed Income	0.0%	0.0%
6. Real Estate	10.9%	8.5%
7. Private Equity	0.0%	0.0%
8. Total Investments	100.0%	100.0%

## Reconciliation of Plan Assets

Item	September 30	
	2021	2020
A. Market Value of Assets at Beginning of Year	\$ 19,062,878	\$ 17,863,693
B. Revenues and Expenditures		
1. Contributions		
a. Employee Contributions	\$ 145,453	\$ 145,253
b. Employer Contributions	567,147	592,089
c. State Contributions	244,949	209,871
d. Purchased Service Credit	-	-
e. Total	<u>\$ 957,549</u>	<u>\$ 947,213</u>
2. Investment Income		
a. Interest, Dividends, and Other Income	\$ 580,128	\$ 490,085
b. Net Realized/Unrealized Gains/(Losses)*	3,261,340	743,471
c. Investment Expenses	<u>(76,966)</u>	<u>(75,984)</u>
d. Net Investment Income	\$ 3,764,502	\$ 1,157,572
3. Benefits and Refunds		
a. Regular Monthly Benefits	\$ (825,696)	\$ (829,933)
b. Refunds	(15,643)	(21,751)
c. Lump Sum Benefits	-	-
d. DROP Distributions	-	-
e. Total	<u>\$ (841,339)</u>	<u>\$ (851,684)</u>
4. Administrative and Miscellaneous Expenses	\$ (80,392)	\$ (53,916)
5. Transfers	\$ -	\$ -
C. Market Value of Assets at End of Year	\$ 22,863,198	\$ 19,062,878
D. Reserves		
1. Share Plan / State Contribution Reserve	\$ (379,961)	\$ (275,248)
2. DROP Accounts	<u>(336,253)</u>	<u>(192,017)</u>
3. Total Reserves	\$ (716,214)	\$ (467,265)
E. Market Value Net of Reserves	\$ 22,146,984	\$ 18,595,613

\* The breakdown of this amount between realized and unrealized gains/(losses) was not provided.



### Reconciliation of DROP Accounts

Year Ended 9/30	Balance at Beginning of Year	Credits	Interest	Distributions	Adjustments	Balance at End of Year
2011	\$ -	\$ 85,115	\$ (5,837)	\$ -	\$ -	\$ 79,278
2012	79,278	340,459	33,359	-	-	453,096
2013	453,096	340,460	87,212	-	-	880,768
2014	880,768	259,093	79,628	(406,742)	-	812,747
2015	812,747	210,231	(15,634)	-	-	1,007,344
2016	1,007,344	157,673	77,934	(647,373)	-	595,578
2017	595,578	-	-	(595,578)	-	-
2018	-	36,323	1,703	-	-	38,026
2019	38,026	43,587	2,771	-	-	84,384
2020	84,384	93,707	13,926	-	-	192,017
2021	192,017	98,263	45,973	-	-	336,253

### Reconciliation of Share Plan Accounts

Year Ended 9/30	Balance at Beginning of Year	Credits	Interest	Distributions/ Expenses	Adjustments	Balance at End of Year
2019	\$ 164,926	\$ 58,553	\$ 2,382	\$ (2,000)	\$ (1,459)	\$ 222,402
2020	\$ 222,402	\$ 51,874	\$ 13,005	\$ (12,253)	\$ 220	\$ 275,248
2021	\$ 275,248	\$ 69,413	\$ 51,700	\$ (17,453)	\$ 1,053	\$ 379,961



### Development of Actuarial Value of Assets

Valuation Date – September 30	2020	2021	2022	2023	2024	2025
A. Actuarial Value of Assets Beginning of Year	\$ 18,152,386	\$ 19,501,344				
B. Market Value End of Year	19,062,878	22,863,198				
C. Market Value Beginning of Year	17,863,693	19,062,878				
D. Non-Investment/Administrative Net Cash Flow	41,613	35,818				
E. Investment Income						
E1. Actual Market Total: B-C-D	1,157,572	3,764,502				
E2. Assumed Rate of Return	7.25%	7.25%				
E3. Assumed Amount of Return	1,317,556	1,415,146				
E4. Amount Subject to Phase-In: E1–E3	(159,984)	2,349,356				
F. Phased-In Recognition of Investment Income						
F1. Current Year: 0.2 x E4	(31,997)	469,871				
F2. First Prior Year	(195,689)	(31,997)	\$ 469,871			
F3. Second Prior Year	66,864	(195,689)	(31,997)	\$ 469,871		
F4. Third Prior Year	142,860	66,864	(195,689)	(31,997)	\$ 469,871	
F5. Fourth Prior Year	7,751	142,860	66,864	(195,689)	(31,997)	\$ 469,871
F6. Total Phase-Ins	(10,211)	451,909	309,049	242,185	437,874	469,871
<b>G. Actuarial Value of Assets End of Year</b>						
G1. Preliminary Actuarial Value of Assets End of Year: A+D+E3+F6	\$ 19,501,344	\$ 21,404,217				
G2. Upper Corridor Limit: 120%*B	22,875,454	27,435,838				
G3. Lower Corridor Limit: 80%*B	15,250,302	18,290,558				
G4. Actuarial Value of Assets End of Year	19,501,344	21,404,217				
G5. DROP Accounts	192,017	336,253				
G6. Share Plan / State Contribution Reserve	275,248	379,961				
G7. Final Actuarial Value of Assets End of Year	19,034,079	20,688,003				
H. Difference between Market & Actuarial Value of Assets	(438,466)	1,458,981				
<b>I. Actuarial Rate of Return</b>	7.19%	9.57%				
<b>J. Market Value Rate of Return</b>	6.47%	19.73%				
<b>K. Ratio of Actuarial Value of Assets to Market Value</b>	102.30%	93.62%				

The Actuarial Value of Assets recognizes assumed investment return (line E3) fully each year. Differences between actual and assumed investment income (Line E4) are phased-in over a closed 5-year period. During periods when investment performance exceeds the assumed rate, Actuarial Value of Assets will tend to be less than Market Value. During periods when investment performance is less than the assumed rate, Actuarial Value of Assets will tend to be greater than Market Value. If assumed rates are exactly realized for 5 consecutive years, Actuarial Value of Assets will become equal to Market Value.

## Investment Rate of Return

Year Ended September 30	Market*	Actuarial
1991	22.0 %	22.0 %
1992	0.9	0.9
1993	9.8	9.8
1994	(0.8)	(0.8)
1995	18.2	18.2
1996	8.7	8.7
1997	23.5	23.5
1998	4.7	4.7
1999	9.7	9.7
2000	7.5	7.5
2001	(7.6)	(7.6)
2002	(6.7)	0.7
2003	14.7	3.9
2004	8.9	4.5
2005	9.8	5.0
2006	7.6	6.8
2007	12.6	9.4
2008	(12.0)	4.6
2009	2.4	3.7
2010	6.8	3.5
2011	(2.9)	1.8
2012	14.8	2.5
2013	13.6	6.6
2014	9.4	7.9
2015	(1.2)	6.4
2016	8.2	8.1
2017	12.6	8.1
2018	9.3	7.4
2019	1.5	5.9
2020	6.5	7.2
2021	19.7	9.6
<b>Average returns:</b>		
Last five years:	9.8 %	7.6 %
Last ten years:	9.3 %	7.0 %
All years:	7.2 %	6.6 %

\* Net of investment expenses after 2005.

The above rates are based on the retirement system's financial information reported to the actuary. They may differ from figures that the investment consultant reports, in part because of differences in the handling of administrative and investment expenses, and in part because of differences in the handling of cash flows.





## **SECTION D**

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### **FINANCIAL ACCOUNTING INFORMATION**

**FASB NO. 35 INFORMATION**

	October 1, 2021	October 1, 2020
A. Valuation Date		
B. Actuarial Present Value of Accumulated Plan Benefits		
1. Vested Benefits		
a. Members Currently Receiving Payments	\$ 9,840,890	\$ 9,987,577
b. Terminated Vested Members	266,889	248,608
c. Other Members	7,813,923	6,633,094
d. Total	<u>17,921,702</u>	<u>16,869,279</u>
2. Non-Vested Benefits	616,055	930,689
3. Total Actuarial Present Value of Accumulated Plan Benefits: 1d + 2	18,537,757	17,799,968
4. Accumulated Contributions of Active Members	1,200,442	1,106,008
C. Changes in the Actuarial Present Value of Accumulated Plan Benefits		
1. Total Value at Beginning of Year	17,799,968	17,427,259
2. Increase (Decrease) During the Period Attributable to:		
a. Plan Amendment	0	0
b. Change in Actuarial Assumptions	0	(411,987)
c. Latest Member Data, Benefits Accumulated and Decrease in the Discount Period	1,677,391	1,730,087
d. Benefits Paid	<u>(939,602)</u>	<u>(945,391)</u>
e. Net Increase	737,789	372,709
3. Total Value at End of Period	18,537,757	17,799,968
D. Market Value of Assets	22,146,984	18,595,613
E. Actuarial Assumptions - See page entitled Actuarial Assumptions and Methods		

**SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS**  
**GASB Statement No. 67**

Fiscal year ending September 30,	2022*	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>									
Service Cost	\$ 700,608	\$ 714,815	\$ 699,725	\$ 656,877	\$ 595,447	\$ 538,779	\$ 490,341	\$ 491,321	\$ 435,930
Interest on the Total Pension Liability	1,525,171	1,498,503	1,410,004	1,324,351	1,265,945	1,220,303	1,213,413	1,149,899	1,080,398
Benefit Changes	-	-	-	-	-	163,585	-	-	-
Difference between actual and expected experience	(431,820)	(320,021)	(60,375)	(56,808)	(201,103)	(106,482)	(392,758)	67,419	17,978
Assumption Changes	-	(472,418)	-	-	453,086	141,624	-	-	-
Benefit Payments	(1,269,741)	(923,959)	(829,933)	(822,688)	(832,824)	(1,376,619)	(1,229,360)	(521,971)	(868,735)
Refunds	(7,135)	(15,643)	(21,751)	(14,446)	(23,765)	-	(32,469)	(6,573)	-
Other (Increase in Share Plan or State Contrib. Reserve)	69,413	69,413	51,874	58,553	59,704	8,844	49,973	18,856	18,634
<b>Net Change in Total Pension Liability</b>	586,496	550,690	1,249,544	1,145,839	1,316,490	590,034	99,140	1,198,951	684,205
<b>Total Pension Liability - Beginning</b>	20,974,677	20,423,987	19,174,443	18,028,604	16,712,114	16,122,080	16,022,940	14,823,989	14,139,784
<b>Total Pension Liability - Ending (a)</b>	<u>\$21,561,173</u>	<u>\$20,974,677</u>	<u>\$20,423,987</u>	<u>\$19,174,443</u>	<u>\$18,028,604</u>	<u>\$16,712,114</u>	<u>\$16,122,080</u>	<u>\$16,022,940</u>	<u>\$14,823,989</u>
<b>Plan Fiduciary Net Position</b>									
Contributions - Employer	\$ 508,260	\$ 612,643	\$ 611,800	\$ 575,925	\$ 523,208	\$ 541,601	\$ 483,462	\$ 505,211	\$ 470,955
Contributions - Employer (From State)	244,949	244,949	209,871	223,230	225,532	211,274	156,460	125,343	125,121
Contributions - Non-Employer Contributing Entity	-	-	-	-	-	-	-	-	-
Contributions - Member	150,398	145,453	145,253	136,736	124,219	126,886	111,522	109,271	103,782
Net Investment Income	1,645,732	3,862,765	1,157,572	262,445	1,489,774	1,841,503	1,142,054	(175,980)	1,238,189
Benefit Payments	(1,269,741)	(923,959)	(829,933)	(822,688)	(832,824)	(1,376,619)	(1,229,360)	(521,971)	(868,735)
Refunds	(7,135)	(15,643)	(21,751)	(14,446)	(23,765)	-	(32,469)	(6,573)	-
Administrative Expense	(67,154)	(80,392)	(53,916)	(67,865)	(57,873)	(78,535)	(67,632)	(54,534)	(47,780)
Other	-	-	-	-	-	-	-	-	-
<b>Net Change in Plan Fiduciary Net Position</b>	1,205,309	3,845,816	1,218,896	293,337	1,448,271	1,266,110	564,037	(19,233)	1,021,532
<b>Plan Fiduciary Net Position - Beginning</b>	22,919,967	19,074,151	17,855,255	17,561,918	16,113,647	14,847,537	14,283,500	14,302,733	13,281,201
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u>\$24,125,276</u>	<u>\$22,919,967</u>	<u>\$19,074,151</u>	<u>\$17,855,255</u>	<u>\$17,561,918</u>	<u>\$16,113,647</u>	<u>\$14,847,537</u>	<u>\$14,283,500</u>	<u>\$14,302,733</u>
<b>Net Pension Liability - Ending (a) - (b)</b>	(2,564,103)	(1,945,290)	1,349,836	1,319,188	466,686	598,467	1,274,543	1,739,440	521,256
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	111.89 %	109.27 %	93.39 %	93.12 %	97.41 %	96.42 %	92.09 %	89.14 %	96.48 %
<b>Covered Payroll</b>	\$ 3,007,953	\$ 2,909,060	\$ 2,905,060	\$ 2,734,720	\$ 2,484,380	\$ 2,537,728	\$ 2,230,433	\$ 2,185,416	\$ 2,075,635
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	(85.24)%	(66.87)%	46.46 %	48.24 %	18.78 %	23.58 %	57.14 %	79.59 %	25.11 %

\* These figures are estimates only. Actual figures will be provided after the end of the fiscal year.



**SCHEDULE OF THE EMPLOYER'S NET PENSION LIABILITY**  
**GASB Statement No. 67**

FY Ending September 30,	Total Pension Liability	Plan Net Position	Net Pension Liability	Plan Net Position as a % of Total Pension Liability	Covered Payroll	Net Pension Liability as a % of Covered Payroll
2014	\$ 14,823,989	\$ 14,302,733	\$ 521,256	96.48%	\$ 2,075,635	25.11%
2015	16,022,940	14,283,500	1,739,440	89.14%	2,185,416	79.59%
2016	16,122,080	14,847,537	1,274,543	92.09%	2,230,433	57.14%
2017	16,712,114	16,113,647	598,467	96.42%	2,537,728	23.58%
2018	18,028,604	17,561,918	466,686	97.41%	2,484,380	18.78%
2019	19,174,443	17,855,255	1,319,188	93.12%	2,734,720	48.24%
2020	20,423,987	19,074,151	1,349,836	93.39%	2,905,060	46.46%
2021	21,076,502	22,919,967	(1,843,465)	108.75%	2,909,060	-63.37%
2022*	21,561,173	24,125,276	(2,564,103)	111.89%	3,007,953	-85.24%

\* These figures are estimates only. Actual figures will be provided after the end of the fiscal year.

**NOTES TO SCHEDULE OF THE EMPLOYER'S NET PENSION LIABILITY**  
**GASB Statement No. 67**

Valuation Date: October 1, 2021  
Measurement Date: September 30, 2022

**Methods and Assumptions Used to Determine Net Pension Liability:**

Actuarial Cost Method	Entry Age Normal
Inflation	2.50%
Salary Increases	5% to 17.5%, depending on service.
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	The same versions of PUB-2010 Headcount-Weighted Mortality Tables as used by the Florida Retirement System (FRS) for Special Risk Class Members in the July 1, 2020 actuarial valuation (with mortality improvements projected for non-disabled lives to all future years after 2010 using Scale MP-2018). Florida Statutes Chapter 112.63(1)(f) mandates the use of mortality tables from one of the two most recently published FRS actuarial valuation reports.

**Other Information:**

Notes See Discussion of Valuation Results on page 1.

**SCHEDULE OF CONTRIBUTIONS**  
**GASB Statement No. 67**

<u>FY Ending September 30,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Actual Contribution as a % of Covered Payroll</u>
2014	\$ 577,442	\$ 577,442	\$ -	\$ 2,075,635	27.82%
2015	611,698	611,698	-	2,185,416	27.99%
2016	589,949	589,949	-	2,230,433	26.45%
2017	650,166	700,300	(50,134)	2,537,728	27.60%
2018	650,659	689,036	(38,377)	2,484,380	27.73%
2019	749,040	740,602	8,438	2,734,720	27.08%
2020	750,086	769,797	(19,711)	2,905,060	26.50%
2021	742,683	788,179	(45,496)	2,909,060	27.09%
2022*	683,796	683,796	-	3,007,953	22.73%

\* These figures are estimates only. Actual figures will be provided after the end of the fiscal year.

**NOTES TO SCHEDULE OF CONTRIBUTIONS**  
**GASB Statement No. 67**

**Valuation Date:** October 1, 2020  
**Notes** Actuarially determined contribution rates are calculated as of October 1, which is two years prior to the end of the fiscal year in which contributions are reported.

**Methods and Assumptions Used to Determine Contribution Rates:**

Actuarial Cost Method	Aggregate
Amortization Method	N/A
Remaining Amortization Period	N/A
Asset Valuation Method	5-year smoothed market
Inflation	2.50%
Salary Increases	5% to 17.5%, depending on service.
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	The same versions of PUB-2010 Headcount-Weighted Mortality Tables as used by the Florida Retirement System (FRS) for Special Risk Class Members in the July 1, 2019 actuarial valuation (with mortality improvements projected for non-disabled lives to all future years after 2010 using Scale MP-2018). Florida Statutes Chapter 112.63(1)(f) mandates the use of mortality tables from one of the two most recently published FRS actuarial valuation reports.

**Other Information:**  
**Notes** See Discussion of Valuation Results from the October 1, 2020 Actuarial Valuation Report.

**SINGLE DISCOUNT RATE  
GASB Statement No. 67**

A single discount rate of 7.25% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.25%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments (7.25%) was applied to all periods of projected benefit payments to determine the total pension liability.

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan’s net pension liability, calculated using a single discount rate of 7.25%, as well as what the plan’s net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher:

**Sensitivity of the Net Pension Liability to the Single Discount Rate Assumption\***

1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
(\$283,182)	(\$2,564,103)	(\$4,480,907)

\* These figures are estimates projected to September 30, 2022. Actual figures will be provided after the end of the fiscal year.



## SECTION E

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### MISCELLANEOUS INFORMATION

<b>RECONCILIATION OF MEMBERSHIP DATA</b>		
	<b>From 10/1/20 To 10/1/21</b>	<b>From 10/1/19 To 10/1/20</b>
<b>A. Active Members</b>		
1. Number Included in Last Valuation	41	43
2. New Members Included in Current Valuation	4	7
3. Non-Vested Employment Terminations	(3)	(6)
4. Vested Employment Terminations	(1)	(2)
5. DROP Participation	0	(1)
6. Service Retirements	0	0
7. Disability Retirements	0	0
8. Deaths	0	0
9. Other - Reinstatement	0	0
10. Number Included in This Valuation	<u>41</u>	<u>41</u>
<b>B. Terminated Vested Members</b>		
1. Number Included in Last Valuation	2	0
2. Additions from Active Members	1	2
3. Lump Sum Payments/Refund of Contributions	(1)	0
4. Payments Commenced	0	0
5. Deaths	0	0
6. Other--Return to Actives	0	0
7. Number Included in This Valuation	<u>2</u>	<u>2</u>
<b>C. DROP Plan Members</b>		
1. Number Included in Last Valuation	2	1
2. Additions from Active Members	0	1
3. Retirements	0	0
4. Deaths Resulting in No Further Payments	0	0
5. Other	0	0
6. Number Included in This Valuation	<u>2</u>	<u>2</u>
<b>D. Service Retirees, Disability Retirees and Beneficiaries</b>		
1. Number Included in Last Valuation	18	18
2. Additions from Active Members	0	0
3. Additions from Terminated Vested Members	0	0
4. Additions from DROP Plan	0	0
5. Deaths Resulting in No Further Payments	0	0
6. Deaths Resulting in New Survivor Benefits	0	0
7. End of Certain Period - No Further Payments	0	0
8. Other -- Lump Sum Distributions	0	0
9. Number Included in This Valuation	<u>18</u>	<u>18</u>

### ACTIVE PARTICIPANT DISTRIBUTION

Age Group	Years of Service to Valuation Date										Totals
	0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25+	
20-24 NO.	1	0	0	0	0	0	0	0	0	0	1
TOT PAY	52,677	0	0	0	0	0	0	0	0	0	52,677
AVG PAY	52,677	0	0	0	0	0	0	0	0	0	52,677
25-29 NO.	2	2	2	3	1	0	0	0	0	0	10
TOT PAY	111,281	98,383	99,634	166,863	55,510	0	0	0	0	0	531,671
AVG PAY	55,641	49,192	49,817	55,621	55,510	0	0	0	0	0	53,167
30-34 NO.	1	3	0	0	0	1	0	0	0	0	5
TOT PAY	55,411	148,617	0	0	0	63,851	0	0	0	0	267,879
AVG PAY	55,411	49,539	0	0	0	63,851	0	0	0	0	53,576
35-39 NO.	0	1	0	0	0	1	3	0	0	0	5
TOT PAY	0	47,906	0	0	0	61,926	259,673	0	0	0	369,505
AVG PAY	0	47,906	0	0	0	61,926	86,558	0	0	0	73,901
40-44 NO.	0	0	0	0	0	1	3	0	0	0	4
TOT PAY	0	0	0	0	0	63,338	199,547	0	0	0	262,885
AVG PAY	0	0	0	0	0	63,338	66,516	0	0	0	65,721
45-49 NO.	0	0	0	0	0	1	3	1	3	0	8
TOT PAY	0	0	0	0	0	62,391	238,510	65,107	240,307	0	606,315
AVG PAY	0	0	0	0	0	62,391	79,503	65,107	80,102	0	75,789
50-54 NO.	0	0	0	0	0	1	1	1	1	1	5
TOT PAY	0	0	0	0	0	102,352	66,173	78,077	86,955	84,472	418,029
AVG PAY	0	0	0	0	0	102,352	66,173	78,077	86,955	84,472	83,606
55-59 NO.	0	0	0	0	0	0	2	0	0	0	2
TOT PAY	0	0	0	0	0	0	201,857	0	0	0	201,857
AVG PAY	0	0	0	0	0	0	100,929	0	0	0	100,929
60+ NO.	0	0	0	0	0	0	0	1	0	0	1
TOT PAY	0	0	0	0	0	0	0	133,487	0	0	133,487
AVG PAY	0	0	0	0	0	0	0	133,487	0	0	133,487
TOT NO.	4	6	2	3	1	5	12	3	4	1	41
TOT AMT	219,369	294,906	99,634	166,863	55,510	353,858	965,760	276,671	327,262	84,472	2,844,305
AVG AMT	54,842	49,151	49,817	55,621	55,510	70,772	80,480	92,224	81,816	84,472	69,373



### INACTIVE PARTICIPANT DISTRIBUTION

Age Group	Terminated Vested		Disabled		Retired		Deceased with Beneficiary	
	Number	Total Benefits	Number	Total Benefits	Number	Total Benefits	Number	Total Benefits
Under 20	-	-	-	-	-	-	-	-
20-24	-	-	-	-	-	-	-	-
25-29	-	-	-	-	-	-	-	-
30-34	-	-	-	-	-	-	-	-
35-39	2	36,600	-	-	-	-	-	-
40-44	-	-	-	-	-	-	-	-
45-49	-	-	-	-	-	-	-	-
50-54	-	-	-	-	2	58,804	-	-
55-59	-	-	-	-	4	201,944	-	-
60-64	-	-	-	-	4	227,054	-	-
65-69	-	-	-	-	3	168,609	-	-
70-74	-	-	1	22,931	2	84,821	-	-
75-79	-	-	-	-	3	98,527	-	-
80-84	-	-	-	-	-	-	-	-
85-89	-	-	-	-	1	58,260	-	-
90-94	-	-	-	-	-	-	-	-
95-99	-	-	-	-	-	-	-	-
100 & Over	-	-	-	-	-	-	-	-
<b>Total</b>	<b>2</b>	<b>36,600</b>	<b>1</b>	<b>22,931</b>	<b>19</b>	<b>898,019</b>	<b>-</b>	<b>-</b>
<b>Average Age</b>		N/A		75		66		N/A

## **SECTION F**

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### **SUMMARY OF PLAN PROVISIONS**

## SUMMARY OF PLAN PROVISIONS

### A. Ordinances

The Plan was established under the Code of Ordinances for the City of Hialeah Gardens, Florida, Chapter 40, Article II, and was most recently amended under Ordinance No. 2017-05 passed and adopted on April 4, 2017. The Plan is also governed by certain provisions of Chapter 185, Florida Statutes, Part VII, Chapter 112, Florida Statutes and the Internal Revenue Code.

### B. Effective Date

October 1, 1990

### C. Plan Year

October 1 through September 30

### D. Type of Plan

Qualified, governmental defined benefit retirement plan; for GASB purposes it is a single employer plan.

### E. Eligibility Requirements

All actively employed full-time police officers are eligible to participate in the plan on the date of employment.

### F. Credited Service

Service is measured as the total number of years and completed months of continuous employment. No service is credited for any periods of employment for which the member received a refund of their contributions.

### G. Compensation

The total cash remuneration for services rendered to the City by a police officer including lump sum payments of unused accumulated leave upon termination of employment.

### H. Average Final Compensation (AFC)

One twelfth of the average Compensation for the highest 5 years of Credited Service prior to termination or retirement.



## **I. Normal Retirement**

- Eligibility:** A member may retire on the first day of the month coincident with or next following the earlier of:
- (1) age 55 and 10 years of Credited Service, or
  - (2) 20 years of Credited Service regardless of age.
- Benefit:** 3.0% of AFC multiplied by years of Credited Service before October 1, 2011 plus 2.75% of AFC multiplied by years of Credited Service after September 30, 2011 and before March 1, 2017 plus 3.0% of AFC multiplied by years of Credited Service after February 28, 2017.
- Normal Form of Benefit:** 10 Years Certain and Life thereafter; other options are also available.
- COLA:** None

## **J. Early Retirement**

- Eligibility:** A member may retire on the first day of the month coincident with or next following age 45 and 10 years of Credited Service.
- Benefit:** The Normal Retirement Benefit is actuarially reduced by 3.0% for each year by which the Early Retirement date precedes the Normal Retirement date.
- Normal Form of Benefit:** 10 Years Certain and Life thereafter; other options are also available.
- COLA:** None

## **K. Delayed Retirement**

Same as Normal Retirement taking into account compensation earned and service credited until the date of actual retirement.

## **L. Service Connected Disability**

- Eligibility:** Any member who becomes totally and permanently disabled as a result from an act occurring in the performance of service for the City is immediately eligible for a disability benefit.
- Benefit:** Accrued Normal Retirement Benefit taking into account compensation earned and service credited until the date of disability with a minimum equal to 42% of AFC.
- Normal Form of Benefit:** 10 Years Certain and Life thereafter
- COLA:** None



### **M. Non-Service Connected Disability**

Eligibility: Any member who has 10 years of Credited Service and becomes totally and permanently disabled is immediately eligible for a disability benefit.

Benefit: Accrued Normal Retirement Benefit taking into account compensation earned and service credited until the date of disability with a minimum equal to 25% of AFC.

Normal Form  
of Benefit: 10 Years Certain and Life thereafter

COLA: None

### **N. Death in the Line of Duty**

Eligibility: All vested members are eligible for survivor benefits.

Benefit: Beneficiary will receive the member's accrued Normal Retirement Benefit based upon Credited Service and AFC as of the date of death. The benefit is payable beginning on the member's Early or Normal Retirement date as elected by the beneficiary.

Normal Form  
of Benefit: 10 Years Certain

COLA: None

The beneficiary of any non-vested plan member who dies will receive a refund of the member's accumulated contributions.

### **O. Other Pre-Retirement Death**

Eligibility: All vested members are eligible for survivor benefits.

Benefit: Beneficiary will receive the member's accrued Normal Retirement Benefit based upon Credited Service and AFC as of the date of death. The benefit is payable beginning on the member's Early or Normal Retirement date as elected by the beneficiary.

Normal Form  
of Benefit: 10 Years Certain

COLA: None

The beneficiary of any non-vested plan member who dies will receive a refund of the member's accumulated contributions.



**P. Post Retirement Death**

Benefit determined by the form of benefit elected upon retirement.

**Q. Optional Forms**

In lieu of electing the Normal Form of benefit, the optional forms of benefits available to all retirees are a Single Life Annuity or the 50%, 66 2/3%, 75% and 100% Joint and Survivor options. Lump sum payments may be made for benefits that are less than \$100 per month or the actuarial present value of the benefit is \$2,500 or less.

**R. Vested Termination**

Eligibility: Depending on the member’s date of hire, a member has earned a non-forfeitable right to Plan benefits after the completion of 5 or 10 years of Credited Service (See vesting table below).

Benefit: The benefit is the member’s accrued Normal Retirement Benefit as of the date of termination. Benefit begins at the member’s Normal Retirement age.

Normal Form of Benefit: 10 Years Certain and Life thereafter; other options are also available.

COLA: None

Vesting is determined in accordance with the following table.

If Date of Hire is Before 10/1/90		If Date of Hire is After 9/30/90	
Years of Credited Service	Vested %	Years of Credited Service	Vested %
Under 5	0%	Under 10	0%
5 or more	100	10 or more	100

Non-vested members terminating employment will receive a refund of their own accumulated contributions in addition to any amount that may have been transferred from the prior plan with interest, if applicable.

**S. Refunds**

Eligibility: All non-vested members terminating employment are eligible. Optionally, vested members may elect a refund in lieu of the vested benefits otherwise due.

Benefit: Refund of the member’s contributions in addition to any amount that may have been transferred from the prior plan with interest, if applicable. Interest is currently credited on any transfers from the prior plan that exceeded a 3% contribution rate. Interest is credited at a rate equal to the net investment return earned by the pension trust fund.



**T. Member Contributions**

5.0% of Compensation

**U. State Contributions**

Chapter 185 Premium Tax Refunds

**V. Employer Contributions**

Any additional amount determined by the actuary needed to fund the plan properly according to State laws.

**W. Cost of Living Increases**

Not Applicable

**X. 13<sup>th</sup> Check**

Not Applicable

**Y. Deferred Retirement Option Plan**

Eligibility: A member may retire on the first day of the month coincident with or next following the earlier of:

- (1) age 55 and 10 years of Credited Service, or
- (2) 20 years of Credited Service regardless of age.

Members who meet eligibility must submit a written election to participate in the DROP.

Benefit: The member's Credited Service and FAC are frozen upon entry into the DROP. The monthly retirement benefit as described under Normal Retirement is calculated based upon the frozen Credited Service and FAC.

Maximum  
DROP Period: 60 months

Interest  
Credited: Unless the member elects a self-directed DROP, the member's DROP account is credited with interest on a quarterly basis at a rate equal to the Trust Fund's net investment return for the year.

Normal Form  
of Benefit: Lump Sum, an annuity, or any other method of payment if approved by the Board of Trustees.

COLA: None



**Z. Other Ancillary Benefits**

There are no ancillary retirement type benefits not required by statutes but which might be deemed a City of Hialeah Gardens Police Pension Trust Fund liability if continued beyond the availability of funding by the current funding source.

**AA. Changes from Previous Valuation**

None