

City of Sunrise Police Officers' Retirement System

ACTUARIAL VALUATION REPORT
AS OF OCTOBER 1, 2024

ANNUAL EMPLOYER CONTRIBUTION FOR THE FISCAL YEAR
ENDING SEPTEMBER 30, 2026





April 9, 2025

Board of Trustees
City of Sunrise Police Officers'
Retirement System
Sunrise, Florida

Dear Board Members:

The results of the October 1, 2024 Annual Actuarial Valuation of the City of Sunrise Police Officers' Retirement System 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, 2026, and to provide the actuarial information for GASB Statement No. 67 for the fiscal year ending September 30, 2024. This report also includes estimated GASB Statement No. 67 information for the fiscal year ending September 30, 2025. 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 or other information through September 30, 2024. 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 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 investment return assumption was prescribed by the Board and the assumed mortality rates detailed in the Actuarial Assumptions and Methods section were prescribed by Chapter 112.63, Florida Statutes. All actuarial assumptions used in this report are reasonable for purposes of this valuation. The combined effect of the assumptions, excluding prescribed assumptions or methods set by law, is expected to have no significant bias (i.e. not significantly optimistic or pessimistic).

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.

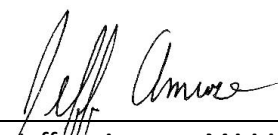
Jeffrey Amrose and Trisha Amrose are members of the American Academy of Actuaries. These actuaries meet the Academy's Qualification Standards to render the actuarial opinions contained herein.

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 & COMPANY

By: 
Jeffrey Amrose, MAAA
Enrolled Actuary No. 23-6599
Senior Consultant & Actuary

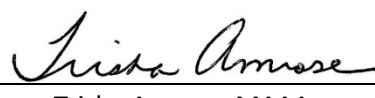
By: 
Trisha Amrose, MAAA
Enrolled Actuary No. 23-8010
Consultant & Actuary



TABLE OF CONTENTS

| Section | Title | Page |
|----------|---|------|
| A | Discussion of Valuation Results | |
| | 1. Discussion of Valuation Results | 1 |
| | 2. Risks Associated with Measuring the Accrued Liability and Actuarially Determined Contribution | 4 |
| | 3. Low-Default-Risk Obligation Measure | 7 |
| | 4. Chapter Revenue | 8 |
| B | Valuation Results | |
| | 1. Participant Data | 9 |
| | 2. Actuarially Determined Contribution (ADC) | 10 |
| | 3. Actuarial Value of Benefits and Assets | 11 |
| | 4. Calculation of Employer Normal Cost | 12 |
| | 5. Unfunded Actuarial Accrued Liability | 13 |
| | 6. Actuarial Gains and Losses | 15 |
| | 7. Recent History of Valuation Results | 22 |
| | 8. Recent History of Required and Actual Contributions | 23 |
| | 9. Actuarial Assumptions and Cost Method | 25 |
| | 10. Glossary of Terms | 32 |
| C | Pension Fund Information | |
| | 1. Statement of Plan Assets at Market Value | 35 |
| | 2. Reconciliation of Plan Assets | 36 |
| | 3. Reconciliation of DROP Accounts | 37 |
| | 4. Actuarial Value of Assets | 38 |
| | 5. Investment Rate of Return | 39 |
| | 6. History of Premium Tax Refunds | 40 |
| D | Financial Accounting Information | |
| | 1. FASB No. 35 | 41 |
| | 2. GASB No. 67 | 42 |
| E | Miscellaneous Information | |
| | 1. Reconciliation of Membership Data | 48 |
| | 2. Age/Service/Salary Distributions | 49 |
| F | Summary of Plan Provisions | 51 |

SECTION A

DISCUSSION OF VALUATION RESULTS

DISCUSSION OF VALUATION RESULTS

Comparison of Required Employer Contributions

The required employer contribution this year compared with the preceding year is as follows:

| | For FYE 9/30/2026 Based on 10/1/2024 Valuation | For FYE 9/30/2025 Based on 10/1/2023 Valuation | Increase (Decrease) |
|--|--|--|------------------------|
| Required Contribution | \$ 17,347,322 | \$ 15,876,642 | \$ 1,470,680 |
| As % of Contr. Year Payroll | 110.77 % | 110.97 % | (0.20) % |
| Estimated State Contribution | 1,206,796 | 1,206,796 * | 0 |
| As % of Contr. Year Payroll | 7.71 % | 8.43 % | (0.72) % |
| Net Employer Contribution if Paid Biweekly | 16,140,526 | 14,669,846 | 1,470,680 |
| As % of Contr. Year Payroll | 103.06 % | 102.54 % | 0.52 % |
| Net Employer Contribution if Paid on First Day of Fiscal Year | 15,586,138 | 14,151,927 | 1,434,211 |
| As % of Contr. Year Payroll | 99.52 % | 98.92 % | 0.60 % |

* Updated from the prior year valuation report to reflect the state contribution received for the fiscal year ending September 30, 2024.

Required Contribution Expressed as a Percentage of Payroll Including DROP Members

The following table shows the required contribution developed in this valuation as a percentage of payroll including the salaries of members who are participating in the DROP as of October 1, 2024.

| | 2024 Valuation | 2023 Valuation |
|------------------------------|-------------------|-------------------|
| Required Contribution | 74.83 % | 70.16 % |
| Estimated State Contribution | 5.21 % | 5.33 % |
| Net Employer Contribution | 69.62 % | 64.83 % |

Payment of Required Contribution

The contribution developed in this valuation has been calculated as though payments are made at the end of each biweekly pay period. Also shown is the required amount if the full contribution for the fiscal year ending September 30, 2026 is paid on October 1, 2025.

Further, the required Employer contribution has been computed with the assumption that the amount to be received from the State in 2025 and 2026 will be equal to the amount received in 2024 of \$1,206,796. If the actual payment from the State falls below this amount, then the Employer must increase its contribution by the difference.

Actual contributions for the last year were \$11,845,866 from the City plus \$1,206,796 of annual State revenue, for a total of \$13,052,662. The total annual required contribution was \$13,052,662 reflecting an expedited payment schedule.

Revisions in Benefits

There were no revisions in benefits in the current valuation.

Revisions in Actuarial Assumptions and Methods

The investment return assumption has been lowered from 6.72% to 6.55% in the current valuation. The investment return assumption will be lowered to 6.50% as of October 1, 2025.

This change increased the City's required contribution by approximately \$711,000 or 4.54% of payroll.

Actuarial Experience

There was a net actuarial loss of \$2,820,874 since the last valuation which means that actual experience was less favorable than expected. The loss was primarily due to average salary increases from FY 2023 to FY 2024 being higher than expected (averaging 8.8% versus 5.4% expected) and mortality experience among retirees being lower than expected (0 deaths versus 5 deaths expected). In addition, the recognized investment return was less than the assumed rate of 6.72%. The investment return was 19.7% based on the market valued of assets and 6.4% based on actuarial value of assets. The net loss caused the required contribution to increase by approximately \$260,000 or 1.66% of payroll.

Funded Ratio

This year's funded ratio remains at 68.2% when compared to last year. The funded ratio before the change in assumption was 69.7%. The ratio is equal to the actuarial value of assets divided by the actuarial accrued (past service) liability.



Analysis of Change in Employer Contribution

The components of change in the required Employer contribution assuming biweekly payments are as follows:

| | |
|-----------------------------------|-----------------|
| Contribution Rate Last Year | 102.54 % |
| Experience (Gains) or Losses | 1.66 |
| Revision in Assumptions/Methods | 4.54 |
| Amortization Payment on UAAL | (5.25) |
| Normal Cost Rate | (1.08) |
| Administrative Expense | (0.07) |
| Benefit Changes | 0.00 |
| Change in State Contribution Rate | 0.72 |
| Contribution Rate This Year | <u>103.06 %</u> |

Variability of Future Contribution Rates

The Actuarial Cost Method used to determine the required contribution is intended to produce contribution rates which are generally level as a percent of payroll. Even so, when experience differs from the assumptions, as it often does, the employer's contribution rate can vary significantly from year-to-year. Over time, if the year-to-year gains and losses offset each other, the contribution rate would be expected to return to the current level, but this does not always happen.

The Market Value of Assets exceeds the Actuarial Value of Assets by \$3,818,301 as of the valuation date (see Section C). This difference will be gradually recognized in the absence of offsetting gains and losses. In turn, the computed employer contribution rate will decrease by about 2.22% of covered payroll.

Relationship to Market Value

If Market Value had been the basis for the valuation, the City contribution rate would have been 100.84% assuming biweekly payments and the funded ratio would have been 69.4%. In the absence of other gains and losses, the City contribution rate should decrease to that level over the next several years.

Conclusion

It is important to note that the funded ratio has dropped from over 85% in 2004 to the current level of 68.2%. The plan assets are not sufficient to cover the liabilities for current retirees. Some steps have been taken to address these issues, such as strengthening the actuarial assumptions and shortening the amortization period. For each additional \$5 million contributed, the funded ratio will increase by 1.6%.

The remainder of this Report includes detailed actuarial valuation results, information relating to the pension fund, financial accounting information, miscellaneous employee data 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;
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:

| | <u>2024</u> | <u>2023</u> |
|--|-------------|-------------|
| Ratio of the market value of assets to payroll | 14.31 | 12.96 |
| Ratio of actuarial accrued liability to payroll | 20.61 | 21.26 |
| Ratio of actives to retirees and beneficiaries | 0.6 | 0.6 |
| Ratio of net cash flow to market value of assets | -1.36 % | -1.08 % |

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.

LOW-DEFAULT-RISK OBLIGATION MEASURE

Actuarial Standards of Practice No. 4 (ASOP No. 4) was revised and reissued in December 2021 by the Actuarial Standards Board (ASB). It includes a calculation called a low-default-risk obligation measure (LDROM) to be prepared and issued annually for defined benefit pension plans. The transmittal memorandum for ASOP No. 4 includes the following explanation:

“The ASB believes that the calculation and disclosure of this measure provides appropriate, useful information for the intended user regarding the funded status of a pension plan. The calculation and disclosure of this additional measure is not intended to suggest that this is the “right” liability measure for a pension plan. However, the ASB does believe that this additional disclosure provides a more complete assessment of a plan’s funded status and provides additional information regarding the security of benefits that members have earned as of the measurement date.”

The following information has been prepared in compliance with this requirement. Unless otherwise noted, the measurement date, actuarial cost methods, and assumptions used are the same as for the funding valuation covered in this actuarial valuation report.

A. Low-default-risk Obligation Measure of benefits earned as of the measurement date: \$466,357,146

B. Discount rate used to calculate the LDROM: 3.81% based on Bond Buyer “20-Bond GO Index” as of September 26, 2024

C. Other significant assumptions that differ from those used for the funding valuation: none

D. Actuarial cost method used to calculate the LDROM: Individual Entry-Age Actuarial Cost Method

E. Valuation procedures to value any significant plan provisions that are difficult to measure using traditional valuation procedures, and that differ from the procedures used in the funding valuation: none

F. Commentary to help the intended user understand the significance of the LDROM with respect to the funded status of the plan, plan contributions, and the security of participant benefits: The LDROM is a market-based measurement of the pension obligation. It estimates the amount the plan would need to invest in low risk securities to provide the benefits with greater certainty. This measure may not be appropriate for assessing the need for or amount of future contributions. This measure may not be appropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the plan’s benefit obligation.

The difference between the two measures (Valuation and LDROM) is one illustration of the savings the sponsor anticipates by taking on the risk in a diversified portfolio.

CHAPTER REVENUE

Under the most recent collective bargaining agreement, the City and Union have reached mutual consent regarding the treatment of Chapter 185 revenue. Based on this, the City may use the full amount of the Chapter 185 revenue, up to \$2,137,895, as an offset to the required contribution.

| Actuarial Confirmation of the Use of State Chapter Money | |
|---|--------------|
| 1. Base Amount Previous Plan Year | \$ 1,077,893 |
| 2. Amount Received for Previous Plan Year | 1,206,796 |
| 3. Benefit Improvements | 0 |
| 4. Excess Funds for Previous Plan Year | 0 |
| 5. Accumulated Excess at Beginning of Previous Year | 0 |
| 6. Prior Excess Used in Previous Plan Year | 0 |
| 7. Accumulated Excess as of Valuation Date (Available for Benefit Improvements): (4) + (5) - (6) | 0 |
| 8. Base Amount This Plan Year | 1,206,796 |

The Accumulated Excess shown in line 7 is being held in reserve and is subtracted from Plan assets (see Section C of this Report). The Base Amount in line 8 is the amount the employer may take as a credit against its required contribution; however, in no event may the employer take credit for more than the actual amount of Chapter revenue received.

SECTION B

VALUATION RESULTS

| PARTICIPANT DATA | | |
|---|-----------------|-----------------|
| | October 1, 2024 | October 1, 2023 |
| ACTIVE MEMBERS | | |
| Number of non-DROP members | 135 | 125 |
| Number of DROP members | 40 | 47 |
| Covered Annual Non-DROP Payroll | \$ 15,204,532 | \$ 13,890,435 |
| Average Annual Non-DROP Salary | \$ 112,626 | \$ 111,123 |
| Total Payroll Including DROP Members | \$ 22,722,685 | \$ 22,213,900 |
| Average Age (Non-DROP Members) | 36.1 | 36.7 |
| Average Past Service (Non-DROP Members) | 8.6 | 9.4 |
| Average Age at Hire (Non-DROP Members) | 27.5 | 27.3 |
| RETIREES, BENEFICIARIES & DROP | | |
| Number | 199 | 195 |
| Annual Benefits* | \$ 14,626,774 | \$ 13,950,982 |
| Average Annual Benefit | \$ 73,501 | \$ 71,543 |
| Average Age | 61.7 | 61.0 |
| DISABILITY RETIREES | | |
| Number | 12 | 12 |
| Annual Benefits | \$ 686,504 | \$ 685,873 |
| Average Annual Benefit | \$ 57,209 | \$ 57,156 |
| Average Age | 57.2 | 56.2 |
| TERMINATED VESTED MEMBERS | | |
| Number | 1 | 0 |
| Annual Benefits | \$ 91,001 | \$ 0 |
| Average Annual Benefit | \$ 91,001 | \$ 0 |
| Average Age | 44.7 | 0.0 |

* Does not include deferred supplemental benefits for DROP members.

ACTUARIALLY DETERMINED CONTRIBUTION (ADC)

| A. Valuation Date | October 1, 2024 <i>After Assumption Change</i> | October 1, 2024 <i>Before Assumption Change</i> | October 1, 2023 |
|--|---|--|-----------------|
| B. ADC to Be Paid During Fiscal Year Ending | 9/30/2026 | 9/30/2026 | 9/30/2025 |
| C. Assumed Dates of Employer Contributions | Biweekly | Biweekly | Biweekly |
| D. Annual Payment to Amortize Unfunded Actuarial Liability | \$ 12,482,966 | \$ 11,990,443 | \$ 11,437,701 |
| E. Employer Normal Cost | 3,820,972 | 3,632,852 | 3,473,038 |
| F. ADC if Paid on the Valuation Date: D+E | 16,303,938 | 15,623,295 | 14,910,739 |
| G. ADC Adjusted for Frequency of Payments | 16,841,479 | 16,151,362 | 15,414,722 |
| H. ADC as % of Covered Payroll | 110.77 % | 106.23 % | 110.97 % |
| I. Assumed Rate of Increase in Covered Payroll to Contribution Year | 3.00 % | 3.00 % | 3.00 % |
| J. Covered Payroll for Contribution Year | 15,660,668 | 15,660,668 | 14,307,148 |
| K. ADC for Contribution Year: H x J | 17,347,322 | 16,636,328 | 15,876,642 |
| L. Estimated Credit for State Revenue in Contribution Year | 1,206,796 | 1,206,796 | 1,206,796 |
| M. Required Employer Contribution (REC) in Contribution Year | 16,140,526 | 15,429,532 | 14,669,846 |
| N. REC as % of Covered Payroll in Contribution Year: M/J | 103.06 % | 98.52 % | 102.54 % |
| O. REC (Line M) as % of Total Payroll Including DROP Members | 69.63 % | 66.57 % | 64.83 % |
| P. REC if Paid on First Day of Next Fiscal Year | 15,586,138 | 14,884,540 | 14,151,927 |
| Q. REC as % of Covered Payroll if Paid on First Day of Next Fiscal Year | 99.52 % | 95.04 % | 98.92 % |

| ACTUARIAL VALUE OF BENEFITS AND ASSETS | | | |
|--|---|--|-----------------|
| A. Valuation Date | October 1, 2024 <i>After Assumption Change</i> | October 1, 2024 <i>Before Assumption Change</i> | October 1, 2023 |
| B. Actuarial Present Value of All Projected Benefits for | | | |
| 1. Active Members | | | |
| a. Service Retirement Benefits | \$ 99,880,689 | \$ 96,508,088 | \$ 92,892,177 |
| b. Vesting Benefits | 4,499,299 | 4,282,245 | 4,036,104 |
| c. Disability Benefits | 4,784,344 | 4,652,374 | 4,178,676 |
| d. Preretirement Death Benefits | 867,949 | 840,890 | 820,219 |
| e. Return of Member Contributions | 513,616 | 510,983 | 440,196 |
| f. Total | 110,545,897 | 106,794,580 | 102,367,372 |
| 2. Inactive Members | | | |
| a. Service Retirees & Beneficiaries | 232,808,573 | 228,163,323 | 219,371,904 |
| b. Disability Retirees | 8,640,668 | 8,487,158 | 8,528,944 |
| c. Terminated Vested Members | 818,453 | 791,751 | - |
| d. Total | 242,267,694 | 237,442,232 | 227,900,848 |
| 3. Total for All Members | 352,813,591 | 344,236,812 | 330,268,220 |
| C. Actuarial Accrued (Past Service) Liability under Entry Age Normal | 313,335,422 | 306,617,354 | 295,292,084 |
| D. Actuarial Value of Accumulated Plan Benefits per FASB No. 35 | 300,017,625 | 293,561,142 | 281,579,171 |
| E. Plan Assets | | | |
| 1. Market Value | 217,531,829 | 217,531,829 | 179,992,859 |
| 2. Actuarial Value | 213,713,528 | 213,713,528 | 201,369,596 |
| F. Unfunded Actuarial Accrued Liability | 99,621,894 | 92,903,826 | 93,922,488 |
| G. Actuarial Present Value of Projected Covered Payroll | 135,397,017 | 134,007,149 | 118,125,499 |
| H. Actuarial Present Value of Projected Member Contributions | 12,209,789 | 12,087,657 | 10,829,894 |
| I. Accumulated Contributions of Active Members | 10,608,796 | 10,608,796 | 10,470,373 |

| CALCULATION OF EMPLOYER NORMAL COST | | | |
|---|---|--|-----------------|
| A. Valuation Date | October 1, 2024 <i>After Assumption Change</i> | October 1, 2024 <i>Before Assumption Change</i> | October 1, 2023 |
| B. Normal Cost for | | | |
| 1. Service Retirement Benefits | \$ 4,033,471 | \$ 3,869,975 | \$ 3,687,942 |
| 2. Vesting Benefits | 304,194 | 289,424 | 273,175 |
| 3. Disability Benefits | 383,471 | 375,073 | 333,741 |
| 4. Preretirement Death Benefits | 79,233 | 77,217 | 75,694 |
| 5. Return of Member Contributions | <u>113,810</u> | <u>114,370</u> | <u>107,732</u> |
| 6. Total for Future Benefits | 4,914,179 | 4,726,059 | 4,478,284 |
| 7. Assumed Amount for Administrative Expenses | <u>318,874</u> | <u>318,874</u> | <u>301,201</u> |
| 8. Total Normal Cost | 5,233,053 | 5,044,933 | 4,779,485 |
| C. Expected Member Contribution | 1,412,081 | 1,412,081 | 1,306,447 |
| D. Employer Normal Cost: B8-C | 3,820,972 | 3,632,852 | 3,473,038 |
| E. Employer Normal Cost as a % of Covered Payroll | 25.13% | 23.89% | 25.00% |

| A. UAAL AMORTIZATION PERIOD AND PAYMENTS | | | | | | |
|--|-----------------------------|----------------|-----------------|----------------|----------------------|-----------------------|
| Original UAAL | | | Current UAAL | | | |
| Date Established | Amortization Period (Years) | Amount | Years Remaining | Amount | Payment After Change | Payment Before Change |
| 10/1/2003 | 30 | \$ (1,528,469) | 9 | \$ (1,482,025) | \$ (209,419) | \$ (210,616) |
| 10/1/2005 | 30 | 7,739,078 | 11 | 7,895,504 | 966,161 | 972,904 |
| 10/1/2006 | 30 | 736,681 | 12 | 747,478 | 86,218 | 86,872 |
| 10/1/2008 | 30 | 1,493,880 | 14 | 1,568,468 | 163,808 | 165,242 |
| 10/1/2009 | 20 | 29,172,763 | 5 | 16,613,404 | 3,757,067 | 3,768,295 |
| 10/1/2010 | 20 | 912,239 | 6 | 575,369 | 111,720 | 112,133 |
| 10/1/2010 | 20 | 2,344,741 | 6 | 1,478,874 | 287,156 | 288,217 |
| 10/1/2010 | 20 | (773,531) | 6 | (487,881) | (94,733) | (95,083) |
| 10/1/2011 | 20 | 3,495,369 | 7 | 2,402,200 | 411,795 | 413,600 |
| 10/1/2011 | 20 | 2,623,230 | 7 | 1,802,818 | 309,047 | 310,401 |
| 10/1/2012 | 20 | 247,206 | 8 | 180,386 | 27,859 | 28,000 |
| 10/1/2012 | 20 | 2,912,111 | 8 | 2,124,949 | 328,184 | 329,843 |
| 10/1/2013 | 20 | (1,666,097) | 9 | (1,280,513) | (180,944) | (181,978) |
| 10/1/2013 | 20 | 3,211,480 | 9 | 2,468,254 | 348,779 | 350,772 |
| 10/1/2014 | 20 | (1,812,870) | 10 | (1,459,289) | (190,961) | (192,175) |
| 10/1/2014 | 20 | 6,666,275 | 10 | 5,366,087 | 702,201 | 706,664 |
| 10/1/2015 | 20 | 749,184 | 11 | 626,666 | 76,684 | 77,219 |
| 10/1/2016 | 20 | 700,203 | 12 | 605,067 | 69,791 | 70,321 |
| 10/1/2016 | 20 | (1,161,687) | 12 | (1,003,847) | (115,788) | (116,667) |
| 10/1/2017 | 20 | 3,374,172 | 13 | 2,996,967 | 328,013 | 330,697 |
| 10/1/2017 | 20 | 1,213,117 | 13 | 1,077,501 | 117,931 | 118,896 |
| 10/1/2018 | 20 | 3,089,041 | 14 | 2,789,361 | 291,315 | 293,867 |
| 10/1/2018 | 20 | 1,453,219 | 14 | 1,312,238 | 137,048 | 138,248 |
| 10/1/2018 | 20 | 1,314,125 | 14 | 1,186,637 | 123,930 | 125,015 |
| 10/1/2019 | 20 | 1,692,495 | 15 | 1,544,459 | 154,656 | 156,097 |
| 10/1/2019 | 20 | 3,201,009 | 15 | 2,921,032 | 292,500 | 295,226 |
| 10/1/2019 | 20 | 73,157 | 15 | 66,756 | 6,685 | 6,747 |
| 10/1/2020 | 20 | 1,581,373 | 16 | 1,485,221 | 143,188 | 144,600 |
| 10/1/2020 | 20 | 2,967,384 | 16 | 2,786,957 | 268,686 | 271,337 |
| 10/1/2021 | 20 | (2,665,896) | 17 | (2,551,912) | (237,721) | (240,193) |
| 10/1/2021 | 20 | 3,181,867 | 17 | 3,045,822 | 283,731 | 286,681 |
| 10/1/2022 | 20 | 8,874,926 | 18 | 8,672,736 | 783,092 | 791,638 |
| 10/1/2022 | 20 | 5,091,028 | 18 | 4,975,043 | 449,214 | 454,116 |
| 10/1/2023 | 20 | 7,467,538 | 19 | 7,395,851 | 649,091 | 656,499 |
| 10/1/2023 | 20 | 117,805 | 19 | 116,674 | 10,240 | 10,357 |
| 10/1/2023 | 20 | 11,631,299 | 19 | 11,519,640 | 1,011,011 | 1,022,551 |
| 10/1/2024 | 20 | 2,820,874 | 20 | 2,820,874 | 241,230 | 244,100 |
| 10/1/2024 | 20 | 6,718,068 | 20 | 6,718,068 | 574,501 | N/A |
| | | \$ 126,740,870 | | \$ 99,621,894 | \$ 12,482,966 | \$ 11,990,443 |

B. Amortization Schedule

The UAAL is being amortized as a level dollar payment over the number of years remaining in the amortization period. The following schedule illustrates the expected amortization of the UAAL:

| Amortization Schedule | |
|------------------------------|----------------------|
| Year | Expected UAAL |
| 2024 | \$ 99,621,894 |
| 2025 | 92,846,555 |
| 2026 | 85,627,404 |
| 2027 | 77,935,398 |
| 2028 | 69,739,567 |
| 2029 | 61,006,908 |
| 2034 | 35,418,897 |
| 2039 | 13,672,604 |
| 2044 | - |

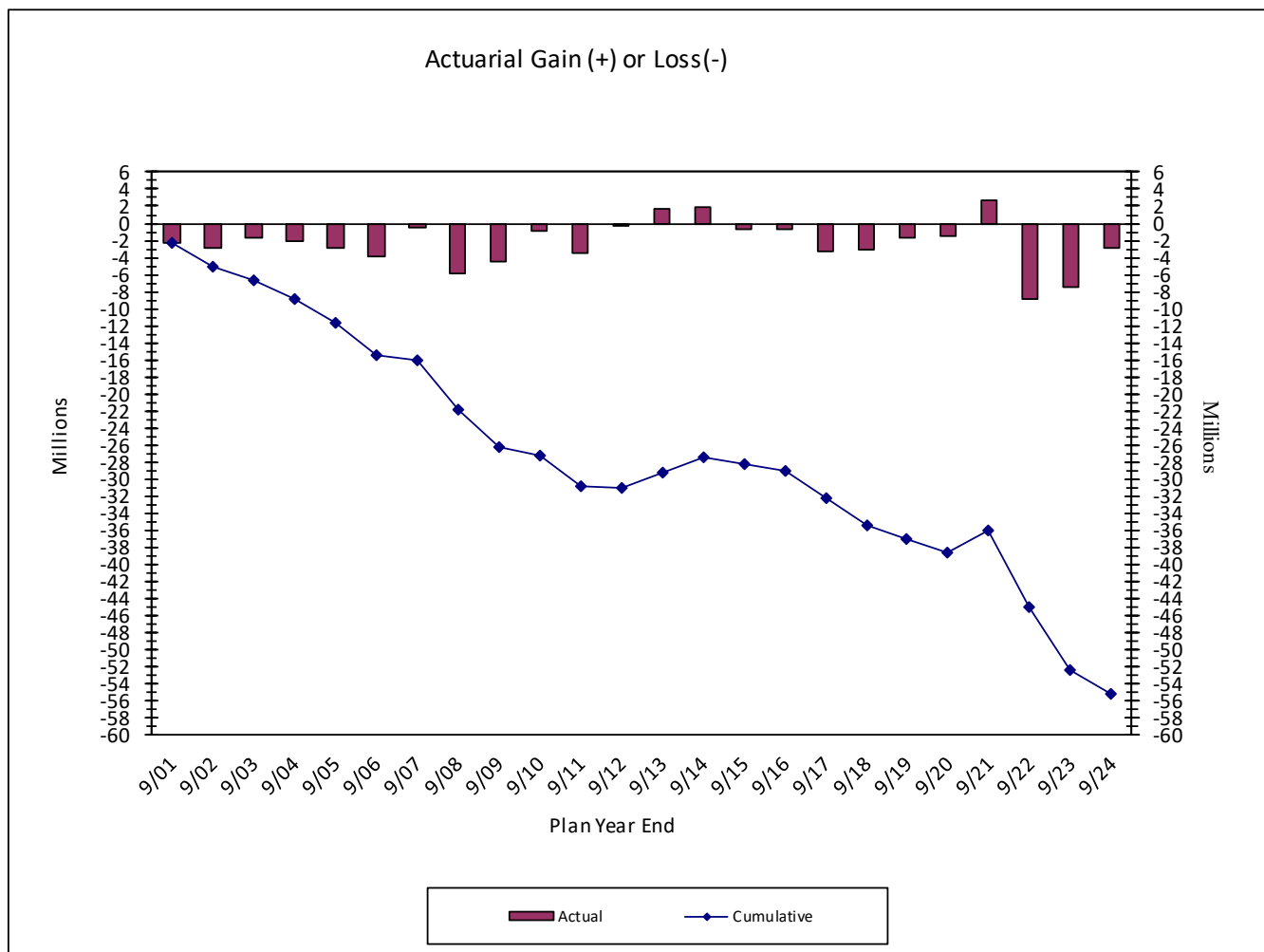
ACTUARIAL GAINS AND LOSSES

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:

| | |
|---|-------------|
| 1. Last Year's UAAL | 93,922,488 |
| 2. Last Year's Employer Normal Cost | 3,473,038 |
| 3. Last Year's Contributions | 13,052,662 |
| 4. Interest at the Assumed Rate on: | |
| a. 1 and 2 for one year | 6,544,979 |
| b. 3 from dates paid | 804,891 |
| c. a - b | 5,740,088 |
| 5. This Year's Expected UAAL Prior to Revision: 1 + 2 - 3 + 4c | 90,082,952 |
| 6. Change in UAAL Due to Plan Amendments and/or Changes in Actuarial Assumptions | 6,718,068 |
| 7. This Year's Expected UAAL (after changes): 5 + 6 | 96,801,020 |
| 8. This Year's Actual UAAL (after changes) | 99,621,894 |
| 9. Net Actuarial Gain/(Loss): 7 - 8 | (2,820,874) |
| 10. Gain/(Loss) Due to Investment | (628,160) |
| 11. Gain/(Loss) Due to Other Sources | (2,192,714) |

Net actuarial gains/(losses) in previous years have been as follows:

| Year Ending | Actuarial Gain / (Loss) |
|-------------|----------------------------|
| 9/92 | 300,204 |
| 9/93 | 349,769 |
| 9/94 | (235,263) |
| 9/96 | 2,828,948 |
| 9/97 | 274,306 |
| 9/98 | 1,198,126 |
| 9/99 | 1,434,197 |
| 9/00 | 1,589,573 |
| 9/01 | (2,225,048) |
| 9/02 | (2,912,478) |
| 9/03 | (1,617,825) |
| 9/04 | (2,097,257) |
| 9/05 | (2,791,395) |
| 9/06 | (3,884,844) |
| 9/07 | (445,973) |
| 9/08 | (5,873,241) |
| 9/09 | (4,445,762) |
| 9/10 | (912,239) |
| 9/11 | (3,495,369) |
| 9/12 | (247,206) |
| 9/13 | 1,666,097 |
| 9/14 | 1,812,870 |
| 9/15 | (749,184) |
| 9/16 | (700,203) |
| 9/17 | (3,374,172) |
| 9/18 | (3,089,041) |
| 9/19 | (1,692,495) |
| 9/20 | (1,581,373) |
| 9/21 | 2,665,896 |
| 9/22 | (8,874,926) |
| 9/23 | (7,467,538) |
| 9/24 | (2,820,874) |



13th and/or 14th Checks are payable during years which there is a net actuarial gain and cumulative actuarial gains since October 1, 2000. The table below shows the net actuarial gains/(losses) since October 1, 2000:

| Year Ending | Actuarial Gain / (Loss) | Cumulative Gain / (Loss) |
|--------------------|------------------------------------|-------------------------------------|
| 9/01 | (2,225,048) | (2,225,048) |
| 9/02 | (2,912,478) | (5,137,526) |
| 9/03 | (1,617,825) | (6,755,351) |
| 9/04 | (2,097,257) | (8,852,608) |
| 9/05 | (2,791,395) | (11,644,003) |
| 9/06 | (3,884,844) | (15,528,847) |
| 9/07 | (445,973) | (15,974,820) |
| 9/08 | (5,873,241) | (21,848,061) |
| 9/09 | (4,445,762) | (26,293,824) |
| 9/10 | (912,239) | (27,206,063) |
| 9/11 | (3,495,369) | (30,701,432) |
| 9/12 | (247,206) | (30,948,638) |
| 9/13 | 1,666,097 | (29,282,541) |
| 9/14 | 1,812,870 | (27,469,671) |
| 9/15 | (749,184) | (28,218,855) |
| 9/16 | (700,203) | (28,919,058) |
| 9/17 | (3,374,172) | (32,293,230) |
| 9/18 | (3,089,041) | (35,382,271) |
| 9/19 | (1,692,495) | (37,074,766) |
| 9/20 | (1,581,373) | (38,656,139) |
| 9/21 | 2,665,896 | (35,990,243) |
| 9/22 | (8,847,926) | (44,865,169) |
| 9/23 | (7,467,538) | (52,332,707) |
| 9/24 | (2,820,874) | (55,153,581) |

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:

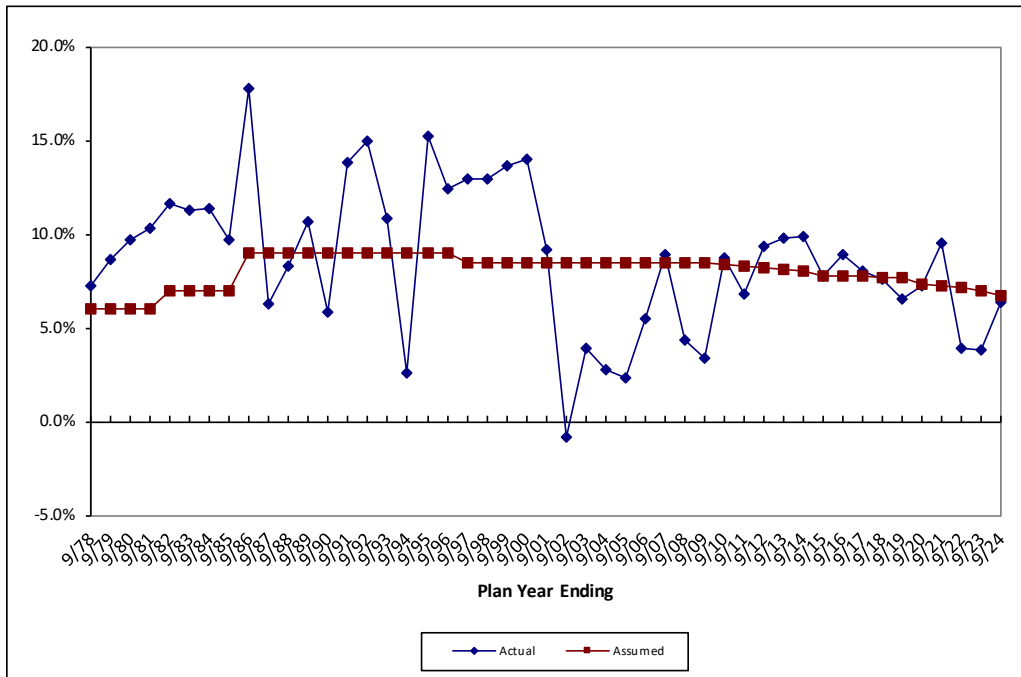
| Year Ending | Investment Return | | Salary Increases | |
|-------------|-------------------|---------|------------------|---------|
| | Actual* | Assumed | Actual | Assumed |
| 9/30/1978 | 7.2 % | 6.0 % | --- | --- |
| 9/30/1979 | 8.6 | 6.0 | --- | --- |
| 9/30/1980 | 9.7 | 6.0 | --- | --- |
| 9/30/1981 | 10.3 | 6.0 | --- | --- |
| 9/30/1982 | 11.6 | 7.0 | --- | --- |
| 9/30/1983 | 11.3 | 7.0 | --- | --- |
| 9/30/1984 | 11.4 | 7.0 | --- | --- |
| 9/30/1985 | 9.7 | 7.0 | --- | --- |
| 9/30/1986 | 17.8 | 9.0 | (1.8) % | 9.0 % |
| 9/30/1987 | 6.3 | 9.0 | 16.1 | 9.0 |
| 9/30/1988 | 8.3 | 9.0 | 24.6 | 9.0 |
| 9/30/1989 | 10.7 | 9.0 | 0.5 | 9.0 |
| 9/30/1990 | 5.8 | 9.0 | 9.4 | 9.0 |
| 9/30/1991 | 13.8 | 9.0 | 9.6 | 9.0 |
| 9/30/1992 | 15.0 | 9.0 | 8.4 | 9.0 |
| 9/30/1993 | 10.8 | 9.0 | 5.6 | 9.0 |
| 9/30/1994 | 2.6 | 9.0 | 6.5 | 9.0 |
| 9/30/1995 | 15.2 | 9.0 | 4.5 | 9.0 |
| 9/30/1996 | 12.4 | 9.0 | 4.8 | 9.0 |
| 9/30/1997 | 12.9 | 8.5 | 5.8 | 7.1 |
| 9/30/1998 | 12.9 | 8.5 | 4.9 | 6.8 |
| 9/30/1999 | 13.6 | 8.5 | 12.2 ** | 7.4 |
| 9/30/2000 | 14.0 | 8.5 | 6.9 | 7.1 |
| 9/30/2001 | 9.2 | 8.5 | 11.0 | 7.1 |
| 9/30/2002 | (0.8) | 8.5 | 5.1 | 7.1 |
| 9/30/2003 | 3.9 | 8.5 | 8.3 | 7.0 |
| 9/30/2004 | 2.8 | 8.5 | 7.1 | 7.0 |
| 9/30/2005 | 2.3 | 8.5 | 7.7 | 6.8 |
| 9/30/2006 | 5.5 | 8.5 | 10.7 | 6.7 |
| 9/30/2007 | 8.9 | 8.5 | 5.3 | 6.4 |
| 9/30/2008 | 4.3 | 8.5 | 12.8 | 6.6 |
| 9/30/2009 | 3.4 | 8.5 | 8.3 | 6.5 |
| 9/30/2010 | 8.7 | 8.4 | 5.4 | 6.5 |
| 9/30/2011 | 6.8 | 8.3 | 6.4 | 6.4 |
| 9/30/2012 | 9.3 | 8.2 | 3.2 | 6.4 |
| 9/30/2013 | 9.8 | 8.1 | 3.8 | 6.3 |
| 9/30/2014 | 9.9 | 8.0 | 3.2 | 6.2 |
| 9/30/2015 | 7.8 | 7.8 | 6.3 | 5.2 |
| 9/30/2016 | 8.9 | 7.8 | 7.6 | 5.2 |
| 9/30/2017 | 8.0 | 7.75 | 7.6 | 5.2 |
| 9/30/2018 | 7.6 | 7.70 | 7.1 | 5.2 |
| 9/30/2019 | 6.5 | 7.65 | 4.0 | 5.2 |
| 9/30/2020 | 7.2 | 7.35 | 2.3 | 5.4 |
| 9/30/2021 | 9.5 | 7.25 | 4.8 | 5.5 |
| 9/30/2022 | 3.9 | 7.15 | 2.2 | 5.5 |
| 9/30/2023 | 3.8 | 7.00 | 2.7 | 5.5 |
| 9/30/2024 | 6.4 | 6.72 | 8.8 | 5.4 |
| Average | 8.6 % | --- | 6.8 % | --- |

* Figures through 1989 reflect the entire fund before separation of plans.

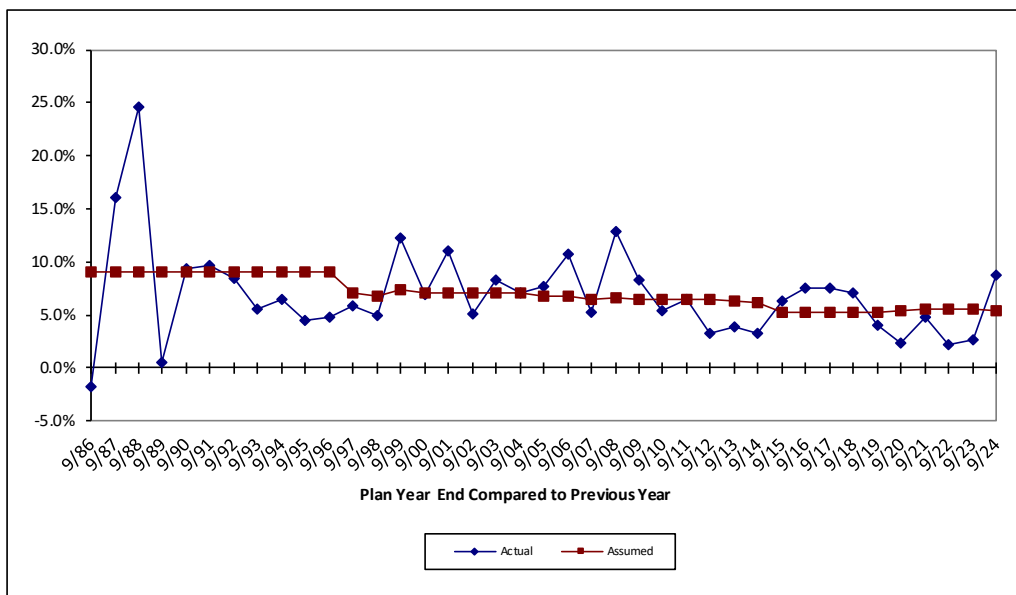
** Includes retroactive payments of salary increases per the collective bargaining agreement.

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

History of Investment Return Based on Actuarial Value of Assets



History of Salary Increases



Number Added To and Removed from Active Participation

| Year Ended | Number Added During Year | | Service & DROP Retirement | | Disability Retirement | | Died In Service | | Terminations | | | | Active Members End of Year |
|-----------------------------|-----------------------------------|-----|---------------------------------|----|--------------------------|----|--------------------|---|--------------|-------|--------|-----|-------------------------------------|
| | A | E | A | E | A | E | A | E | Vested | Other | Totals | | |
| | | | | | | | | | A | A | A | E | |
| 9/30/2002 | 15 | 16 | 5 | 3 | 0 | 1 | 0 | 0 | 1 | 10 | 11 | 6 | 159 |
| 9/30/2003 | 9 | 6 | 1 | 3 | 1 | 1 | 0 | 0 | 0 | 4 | 4 | 6 | 162 |
| 9/30/2004 | 6 | 5 | 0 | 1 | 0 | 1 | 0 | 0 | 0 | 5 | 5 | 6 | 163 |
| 9/30/2005 | 6 | 11 | 1 | 4 | 0 | 1 | 0 | 0 | 1 | 9 | 10 | 6 | 158 |
| 9/30/2006 | 17 | 21 | 10 | 3 | 0 | 1 | 0 | 0 | 1 | 10 | 11 | 5 | 154 |
| 9/30/2007 | 15 | 11 | 4 | 2 | 1 | 0 | 0 | 0 | 0 | 6 | 6 | 5 | 158 |
| 9/30/2008 | 11 | 12 | 9 | 2 | 0 | 1 | 0 | 0 | 0 | 3 | 3 | 5 | 157 |
| 9/30/2009 | 5 | 8 | 5 | 1 | 0 | 0 | 0 | 0 | 1 | 2 | 3 | 5 | 154 |
| 9/30/2010 | 0 | 12 | 11 | 2 | 0 | 0 | 0 | 0 | 0 | 1 | 1 | 5 | 142 |
| 9/30/2011 | 4 | 7 | 6 | 2 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 5 | 139 |
| 9/30/2012 | 12 | 12 | 8 | 2 | 1 | 0 | 0 | 0 | 0 | 3 | 3 | 4 | 139 |
| 9/30/2013 | 3 | 7 | 4 | 1 | 0 | 0 | 0 | 0 | 0 | 3 | 3 | 4 | 135 |
| 9/30/2014 | 12 | 2 | 1 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 4 | 145 |
| 9/30/2015 | 8 | 3 | 1 | 3 | 0 | 0 | 0 | 0 | 0 | 2 | 2 | 4 | 150 |
| 9/30/2016 | 12 | 9 | 5 | 4 | 1 | 0 | 1 | 0 | 0 | 2 | 2 | 4 | 153 |
| 9/30/2017 | 8 | 6 | 5 | 5 | 0 | 1 | 0 | 0 | 0 | 1 | 1 | 4 | 155 |
| 9/30/2018 | 15 | 12 | 10 | 8 | 0 | 1 | 0 | 0 | 0 | 2 | 2 | 4 | 158 |
| 9/30/2019 | 11 | 10 | 4 | 4 | 0 | 1 | 0 | 0 | 1 | 5 | 6 | 5 | 159 |
| 9/30/2020 | 8 | 26 | 22 | 9 | 0 | 1 | 0 | 0 | 0 | 4 | 4 | 5 | 141 |
| 9/30/2021 | 4 | 13 | 11 | 6 | 1 | 0 | 0 | 0 | 1 | 0 | 1 | 4 | 132 |
| 9/30/2022 | 8 | 13 | 11 | 5 | 1 | 0 | 0 | 0 | 0 | 1 | 1 | 4 | 127 |
| 9/30/2023 | 8 | 10 | 4 | 4 | 1 | 0 | 0 | 0 | 0 | 5 | 5 | 4 | 125 |
| 9/30/2024 | 22 | 12 | 4 | 1 | 0 | 0 | 0 | 0 | 1 | 7 | 8 | 4 | 135 |
| 9/30/2025 | | | | 3 | | 0 | | 0 | | | | 5 | |
| 23 Yr Totals 2002 - 2024 | 219 | 244 | 142 | 76 | 9 | 10 | 1 | 0 | 7 | 85 | 92 | 108 | |

**Totals are through current plan year only.*



RECENT HISTORY OF VALUATION RESULTS

| Valuation Date | Number of | | Covered Annual Payroll | Actuarial Value of Assets | Accrued Liability | Unfunded Accrued Liability | Funded Ratio | Employer Normal Cost | |
|------------------------|----------------|------------------|------------------------|---------------------------|-------------------|----------------------------|--------------|----------------------|--------------|
| | Active Members | Inactive Members | | | | | | Amount | % of Payroll |
| 10/1/1993 | 136 | 20 | \$6,267,523 | \$16,851,657 | \$18,823,880 | \$1,972,223 | 89.5 % | \$627,218 | 10.01 % |
| 10/1/1994 | 135 | 23 | 6,529,063 | 18,112,244 | 20,093,126 | 1,980,882 | 90.1 | 671,749 | 10.29 |
| 10/1/1996 | 132 | 30 | 6,613,181 | 24,322,087 | 26,135,593 | 1,813,506 | 93.1 | 475,798 | 7.19 |
| 10/1/1997 | 141 | 35 | 7,170,493 | 27,830,337 | 29,616,974 | 1,786,637 | 94.0 | 570,529 | 7.96 |
| 10/1/1998 | 153 | 36 | 7,837,902 | 31,671,180 | 32,769,924 | 1,098,744 | 96.6 | 471,685 | 6.02 |
| 10/1/1999 | 145 | 67 | 7,357,096 | 35,269,226 | 41,748,203 | 6,478,977 | 84.5 | 364,562 | 4.96 |
| 10/1/2000 ¹ | 143 | 68 | 7,770,678 | 37,512,699 | 45,644,494 | 8,131,795 | 82.2 | 305,271 | 3.93 |
| 10/1/2001 | 160 | 68 | 9,295,368 | 40,151,353 | 48,341,005 | 8,189,652 | 83.1 | 616,612 | 6.63 |
| 10/1/2002 | 159 | 72 | 9,383,281 | 39,137,722 | 47,650,933 | 8,513,211 | 82.1 | 966,444 | 10.30 |
| 10/1/2003 ² | 162 | 73 | 10,210,382 | 40,274,122 | 47,662,496 | 7,388,374 | 84.5 | 1,008,913 | 9.88 |
| 10/1/2004 | 163 | 73 | 10,894,352 | 41,494,126 | 48,949,314 | 7,455,188 | 84.8 | 1,328,531 | 12.19 |
| 10/1/2005 | 158 | 75 | 11,323,389 | 42,540,854 | 57,715,082 | 15,174,228 | 73.7 | 1,983,928 | 17.52 |
| 10/1/2006 ³ | 154 | 86 | 11,686,231 | 45,227,418 | 61,786,401 | 16,558,983 | 73.2 | 2,556,952 | 21.88 |
| 10/1/2007 | 158 | 90 | 12,497,032 | 50,977,275 | 67,462,013 | 16,484,738 | 75.6 | 2,800,876 | 22.41 |
| 10/1/2008 | 157 | 97 | 13,475,617 | 54,724,468 | 72,562,321 | 17,837,853 | 75.4 | 3,738,725 | 27.74 |
| 10/1/2009 | 154 | 103 | 13,936,365 | 50,805,922 | 97,672,897 | 46,866,975 | 52.0 | 2,287,840 | 16.42 |
| 10/1/2010 ⁴ | 142 | 112 | 13,027,405 | 57,735,928 | 107,600,348 | 49,864,420 | 53.7 | 2,265,775 | 17.39 |
| 10/1/2011 | 139 | 118 | 13,521,139 | 64,270,627 | 120,138,527 | 55,867,900 | 53.5 | 2,486,192 | 18.39 |
| 10/1/2012 | 139 | 127 | 13,359,510 | 72,267,056 | 131,526,358 | 59,259,302 | 54.9 | 2,609,560 | 19.53 |
| 10/1/2013 | 135 | 131 | 13,292,908 | 81,989,315 | 142,425,301 | 60,435,986 | 57.6 | 2,703,037 | 20.33 |
| 10/1/2014 | 145 | 133 | 14,122,280 | 92,954,855 | 157,303,477 | 64,348,622 | 59.1 | 2,925,989 | 20.72 |
| 10/1/2015 | 150 | 133 | 15,202,411 | 103,842,431 | 167,636,562 | 63,794,131 | 61.9 | 3,146,299 | 20.70 |
| 10/1/2016 ⁵ | 153 | 140 | 16,027,155 | 117,355,366 | 178,760,380 | 61,405,014 | 65.6 | 3,271,107 | 20.41 |
| 10/1/2017 | 155 | 144 | 17,307,895 | 131,075,199 | 194,787,079 | 63,711,880 | 67.3 | 3,555,123 | 20.54 |
| 10/1/2018 | 158 | 157 | 17,956,093 | 144,174,690 | 211,527,397 | 67,352,707 | 68.2 | 3,663,076 | 20.40 |
| 10/1/2019 ⁶ | 159 | 162 | 18,331,019 | 157,265,348 | 226,826,514 | 69,561,166 | 69.3 | 3,983,376 | 21.73 |
| 10/1/2020 | 141 | 184 | 15,931,699 | 171,881,387 | 242,507,977 | 70,626,590 | 70.9 | 3,506,777 | 22.01 |
| 10/1/2021 | 132 | 194 | 15,053,918 | 189,428,289 | 257,457,454 | 68,029,165 | 73.6 | 3,350,321 | 22.25 |
| 10/1/2022 | 127 | 206 | 14,061,792 | 195,892,009 | 274,186,579 | 78,294,570 | 71.4 | 3,198,508 | 22.75 |
| 10/1/2023 | 125 | 207 | 13,890,435 | 201,369,596 | 295,292,084 | 93,922,488 | 68.2 | 3,473,038 | 25.00 |
| 10/1/2024 | 135 | 212 | 15,204,532 | 213,713,528 | 313,335,422 | 99,621,894 | 68.2 | 3,820,972 | 25.13 |

- ¹ From 6/30/2001 Actuarial Impact Statement
² From 12/10/2004 Actuarial Impact Statement
³ From 1/10/2008 Actuarial Impact Statement
⁴ From 7/27/2011 Actuarial Impact Statement
⁵ From 9/6/2017 Actuarial Impact Statement
⁶ From 9/16/2020 Actuarial Impact Statement



RECENT HISTORY OF REQUIRED AND ACTUAL CONTRIBUTIONS

| Valuation Date | End of Year To Which Valuation Applies | Required Contributions | | | | | | Actual Contributions | | |
|------------------------|--|------------------------|--------------|-----------------|--------------|--------------|--------------|----------------------|-----------|------------|
| | | Employer & State | | Estimated State | | Net Employer | | | | |
| | | Amount | % of Payroll | Amount | % of Payroll | Amount | % of Payroll | Employer | State | Total |
| 10/1/1985 | 9/30/1986 | \$407,519 | 13.22 % | \$103,616 | 3.36 % | \$303,903 | 9.86 % | \$387,854 | \$124,762 | \$512,616 |
| 10/1/1985 | 9/30/1987 | 407,519 | 13.22 | 103,616 | 3.36 | 303,903 | 9.86 | 358,170 | 152,810 | 510,980 |
| 10/1/1987 | 9/30/1988 | 385,876 | 12.07 | 152,810 | 4.78 | 233,066 | 7.29 | 280,715 | 172,641 | 453,356 |
| 10/1/1987 | 9/30/1989 | 385,876 | 12.07 | 152,810 | 4.78 | 233,066 | 7.29 | 307,860 | 184,331 | 492,191 |
| 10/1/1989 | 9/30/1990 | 615,410 | 13.73 | 184,331 | 4.11 | 431,079 | 9.62 | 426,236 | 198,379 | 624,615 |
| 10/1/1989 | 9/30/1991 | 615,410 | 13.73 | 184,331 | 4.11 | 431,079 | 9.62 | 480,918 | 205,525 | 686,443 |
| 10/1/1991 | 9/30/1992 | 730,550 | 13.74 | 205,525 | 3.87 | 525,025 | 9.88 | 533,717 | 215,510 | 749,227 |
| 10/1/1992 | 9/30/1993 | 796,196 | 13.63 | 215,510 | 3.69 | 580,686 | 9.94 | 580,815 | 222,772 | 803,587 |
| 10/1/1993 | 9/30/1994 | 814,782 | 13.00 | 222,772 | 3.55 | 592,010 | 9.45 | 588,409 | 235,414 | 823,823 |
| 10/1/1994 | 9/30/1995 | 828,505 | 12.69 | 226,212 | 3.46 | 602,293 | 9.22 | 580,795 | 257,223 | 838,018 |
| 10/1/1995 ¹ | 9/30/1996 | 860,550 | 12.69 | 257,223 | 3.79 | 603,327 | 9.22 | 597,981 | 281,695 | 879,676 |
| 10/1/1996 | 9/30/1997 | 623,056 | 9.42 | 281,695 | 4.26 | 341,361 | 5.16 | 343,282 | 311,098 | 654,380 |
| 10/1/1997 | 9/30/1998 | 723,467 | 10.09 | 311,098 | 4.34 | 412,369 | 5.75 | 413,775 | 307,312 | 721,087 |
| 10/1/1998 | 9/30/1999 | 573,363 | 7.32 | 307,312 | 3.92 | 266,051 | 3.40 | 277,685 | 295,625 | 573,310 |
| 10/1/1998 | 9/30/2000 | 1,010,905 | 13.33 | 307,312 | 4.05 | 703,593 | 9.28 | 746,594 | 264,311 | 1,010,905 |
| 10/1/1999 | 9/30/2001 | 916,278 | 11.85 | 295,625 | 3.82 | 620,653 | 8.03 | 652,379 | 280,803 | 933,182 |
| 10/1/2000 ² | 9/30/2002 | 1,000,716 | 12.30 | 264,311 | 3.25 | 736,405 | 9.05 | 700,913 | 307,312 | 1,008,225 |
| 10/1/2001 | 9/30/2003 | 1,317,632 | 13.63 | 307,312 | 3.18 | 1,010,320 | 10.45 | 1,019,184 | 307,312 | 1,326,496 |
| 10/1/2002 | 9/30/2004 | 1,539,895 | 15.78 | 307,312 | 3.15 | 1,232,583 | 12.63 | 1,252,491 | 307,312 | 1,559,803 |
| 10/1/2003 ³ | 9/30/2005 | 1,694,795 | 15.96 | 352,973 | 3.32 | 1,341,822 | 12.64 | 1,341,822 | 352,973 | 1,694,795 |
| 10/1/2004 | 9/30/2006 | 2,017,275 | 17.81 | 352,973 | 3.12 | 1,664,302 | 14.69 | 1,664,302 | 352,973 | 2,017,275 |
| 10/1/2005 ⁴ | 9/30/2007 | 3,483,437 | 29.58 | 512,973 | 4.36 | 2,630,010 | 22.33 | 2,630,010 | 559,679 | 3,530,143 |
| 10/1/2006 ⁵ | 9/30/2008 | 4,227,050 | 34.78 | 559,679 | 4.60 | 3,507,371 | 28.86 | 3,452,721 | 567,623 | 4,180,344 |
| 10/1/2007 | 9/30/2009 | 4,547,620 | 34.99 | 559,679 | 4.31 | 3,987,941 | 30.68 | 3,968,694 | 578,926 | 4,547,620 |
| 10/1/2008 | 9/30/2010 | 5,705,361 | 40.71 | 552,722 | 3.94 | 5,152,639 | 36.77 | 5,152,639 | 552,722 | 5,705,361 |
| 10/1/2009 | 9/30/2011 | 6,462,794 | 44.59 | 552,722 | 3.81 | 5,910,072 | 40.78 | 5,954,543 | 508,251 | 6,462,794 |
| 10/1/2010 ⁶ | 9/30/2012 | 6,542,571 | 48.29 | 527,188 | 3.89 | 6,015,383 | 44.40 | 6,015,383 | 527,188 | 6,542,571 |
| 10/1/2011 | 9/30/2013 | 7,431,759 | 52.85 | 568,388 | 4.04 | 6,863,371 | 48.81 | 6,863,371 | 568,388 | 7,431,759 |
| 10/1/2012 | 9/30/2014 | 8,093,191 | 58.25 | 568,388 | 4.09 | 7,524,803 | 54.16 | 7,472,477 | 620,714 | 8,093,191 |
| 10/1/2013 | 9/30/2015 | 8,833,935 | 66.45 | 639,176 | 4.62 | 8,194,759 | 61.83 | 8,194,759 | 639,176 | 8,833,935 |
| 10/1/2014 | 9/30/2016 | 9,527,596 | 68.06 | 639,176 | 4.39 | 8,888,420 | 63.67 | 8,834,348 | 693,248 | 9,527,596 |
| 10/1/2015 | 9/30/2017 | 9,924,347 | 63.38 | 693,248 | 4.43 | 9,231,099 | 58.95 | 9,199,456 | 724,891 | 9,924,347 |
| 10/1/2016 ⁷ | 9/30/2018 | 10,216,783 | 61.89 | 724,891 | 4.39 | 9,491,892 | 57.50 | 9,431,736 | 785,047 | 10,216,783 |
| 10/1/2017 | 9/30/2019 | 11,065,301 | 62.07 | 785,047 | 4.40 | 10,280,254 | 57.67 | 10,207,194 | 858,107 | 11,065,301 |
| 10/1/2018 | 9/30/2020 | 12,043,798 | 65.12 | 858,107 | 4.64 | 11,185,691 | 60.48 | 11,187,132 | 856,666 | 12,043,798 |
| 10/1/2019 ⁸ | 9/30/2021 | 11,236,053 | 61.71 | 856,666 | 4.54 | 10,379,387 | 57.17 | 10,397,058 | 838,995 | 11,236,053 |
| 10/1/2020 | 9/30/2022 | 11,399,784 | 69.47 | 838,995 | 5.11 | 10,560,789 | 64.36 | 10,479,815 | 919,969 | 11,399,784 |
| 10/1/2021 | 9/30/2023 | 11,739,241 | 78.43 | 919,969 | 5.93 | 10,819,272 | 72.50 | 10,661,348 | 1,077,893 | 11,739,241 |
| 10/1/2022 | 9/30/2024 | 13,052,662 | 90.12 | 1,077,893 | 7.44 | 11,974,769 | 82.68 | 11,845,866 | 1,206,796 | 13,052,662 |
| 10/1/2023 | 9/30/2025 | 15,876,642 | 110.97 | 1,206,796 | 8.43 | 14,669,846 | 102.54 | --- | --- | --- |
| 10/1/2024 | 9/30/2026 | 17,347,322 | 110.77 | 1,206,796 | 7.71 | 16,140,526 | 103.06 | --- | --- | --- |

¹ Rates from 10/1/1994 Valuation were applied to 10/1/1995 payroll

² From 6/20/2001 Actuarial Impact Statement

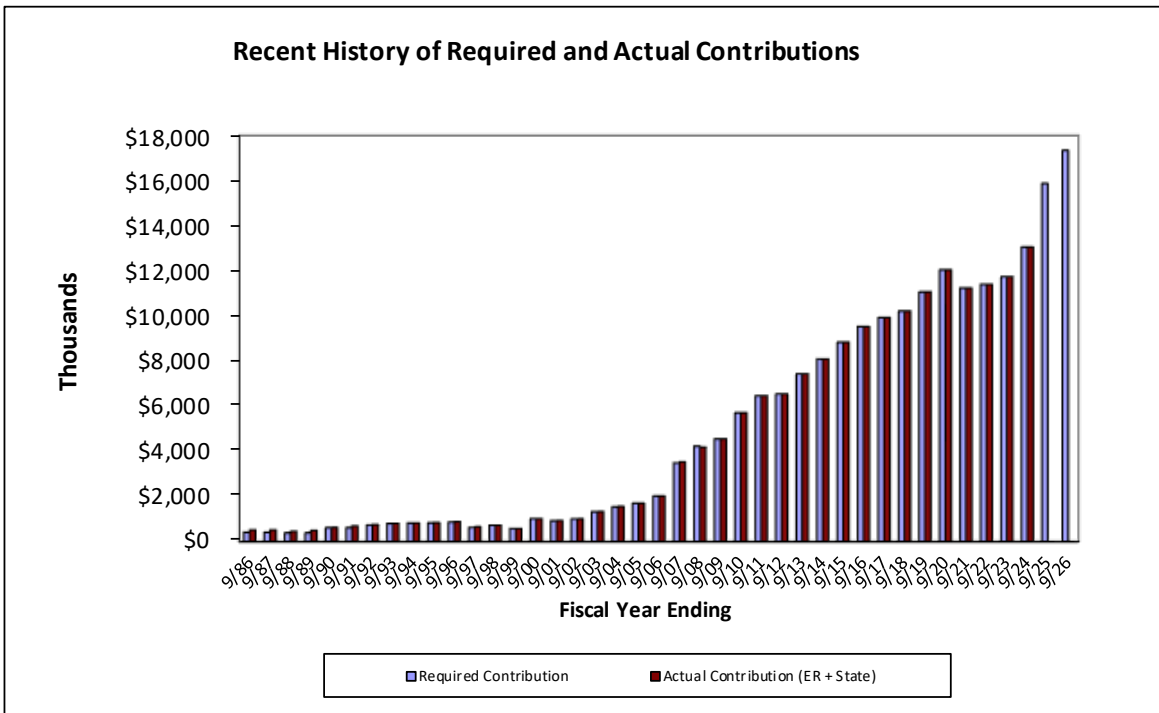
³ From 12/10/2004 Actuarial Impact Statement

⁴ Reflects change in member contribution rate from 10.15% to 9.84%; additional contribution of \$340,454 due to one-time use of State Reserve reflected in net employer contribution and actual total contribution but not shown separately

⁵ From 1/10/2008 Actuarial Impact Statement additional contribution of \$160,000 due to one-time use of State Reserve reflected in net required contribution and actual total contribution but not shown separately

⁶ From 7/27/2011 Actuarial Impact Statement





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 an **Individual Entry-Age Actuarial Cost Method** having the following characteristics:

- (i) the annual normal cost for each individual active member, payable from the date of employment to the date of retirement, is sufficient to accumulate the value of the member's benefit at the time of retirement;
- (ii) each annual normal cost is a constant percentage of the member's year by year projected covered pay.

Actuarial gains/(losses), as they occur, reduce (increase) the Unfunded Actuarial Accrued Liability.

Financing of Unfunded Actuarial Accrued Liabilities - Unfunded Actuarial Accrued Liabilities (full funding credit if assets exceed liabilities) were amortized by level (principal & interest combined) dollar contributions over a reasonable period of future years.

Actuarial Value of Assets - The Actuarial Value of Assets was written down to Market Value as of September 30, 2009.

Effective October 1, 2009, the Actuarial Value of Assets phases in the difference between the expected and actual return on actuarial value of assets at the rate of 20% per year. The Actuarial Value of Assets is 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. Mortality is based on a commonly used fully generational mortality table and projection scale that is mandated by Florida Statutes. The investment return assumption, retirement rates, and salary scale have been updated in accordance with assumption analyses.

Economic Assumptions

The investment return rate assumed in the valuation is 6.55% per year, compounded annually (net after investment expenses), previously 6.72%.

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 6.55% investment return rate translates to an assumed real rate of return over inflation of 4.05%.



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 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.

| Age | % Increase in Salary | | |
|-----|----------------------|-----------------|----------------|
| | Merit and Seniority | Base (Economic) | Total Increase |
| 20 | 5.0% | 2.5% | 7.5% |
| 25 | 5.0% | 2.5% | 7.5% |
| 30 | 4.8% | 2.5% | 7.3% |
| 35 | 3.7% | 2.5% | 6.2% |
| 40 | 1.7% | 2.5% | 4.2% |
| 45 | 1.7% | 2.5% | 4.2% |
| 50 | 1.7% | 2.5% | 4.2% |
| 55 | 1.7% | 2.5% | 4.2% |

Demographic Assumptions

The **mortality tables** are the PUB-2010 Headcount Weighted Safety Below Median Employee Male Table (pre-retirement), the PUB-2010 Headcount Weighted Safety Employee Female Table (pre-retirement), the PUB-2010 Headcount Weighted Safety Below Median Healthy Retiree Male Table (post-retirement) and the PUB-2010 Safety Healthy Retiree Female Table (post-retirement). These tables use ages set forward one year and fully generational mortality improvements to all future years after 2010 using scale MP-2018. These are the same rates used for Special Risk Class members in the July 1, 2023 Actuarial Valuation of the Florida Retirement System (FRS).

FRS Healthy Post-Retirement Mortality for Special Risk Class Members

| Sample Attained Ages (in 2024) | Probability of Dying Next Year | | Future Life Expectancy (years) | |
|--------------------------------|--------------------------------|--------|--------------------------------|-------|
| | Men | Women | Men | Women |
| 50 | 0.42 % | 0.19 % | 32.78 | 36.61 |
| 55 | 0.54 | 0.35 | 28.01 | 31.57 |
| 60 | 0.90 | 0.59 | 23.40 | 26.77 |
| 65 | 1.30 | 0.91 | 19.10 | 22.22 |
| 70 | 2.06 | 1.42 | 15.06 | 17.95 |
| 75 | 3.47 | 2.36 | 11.44 | 14.01 |
| 80 | 6.13 | 4.04 | 8.34 | 10.52 |

This assumption is used to measure the probabilities of each benefit payment being made after retirement.



FRS Healthy Pre-Retirement Mortality for Special Risk Class Members

| Sample Attained Ages (in 2024) | Probability of Dying Next Year | | Future Life Expectancy (years) | |
|--------------------------------------|-----------------------------------|--------|-----------------------------------|-------|
| | Men | Women | Men | Women |
| 50 | 0.16 % | 0.10 % | 35.91 | 39.81 |
| 55 | 0.25 | 0.16 | 30.82 | 34.66 |
| 60 | 0.42 | 0.22 | 25.86 | 29.58 |
| 65 | 0.68 | 0.30 | 21.08 | 24.56 |
| 70 | 1.16 | 0.54 | 16.53 | 19.64 |
| 75 | 2.04 | 1.04 | 12.27 | 14.93 |
| 80 | 6.13 | 4.04 | 8.34 | 10.52 |

This assumption is used to measure the probabilities of active members dying prior to retirement (75% of pre-retirement deaths are assumed to be service-connected).

For disabled retirees, the mortality tables used were 80% of the PUB-2010 Headcount Weighted General Disabled Retiree Male Table and 20% of the Headcount Weighted Safety Disabled Retiree Male Table, and 80% of the PUB-2010 Headcount Weighted General Disabled Retiree Female Table and 20% Headcount Weighted Safety Disabled Retiree Female Table, both with no provision being made for future mortality improvements. These are the same rates used for Special Risk Class members in the July 1, 2023 Actuarial Valuation of the Florida Retirement System (FRS).

FRS Disabled Mortality for Special Risk Class Members

| Sample Attained Ages (in 2024) | 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:

Tier 1 (Hired Before 9/30/2015)

| Service | Age | Retirement Rates |
|----------------|------------|-------------------------|
| 10 | 53 - 55 | 50.00% |
| 10 | 56 + | 100.00% |
| 11 - 19 | 53 - 55 | 70.00% |
| 11 - 19 | 56 + | 100.00% |
| 20 | < 42 | 50.00% |
| 20 | 42 - 45 | 60.00% |
| 20 | 46 - 50 | 70.00% |
| 20 | 51 - 55 | 80.00% |
| 20 | 56 + | 100.00% |
| 21 - 22 | 42 - 54 | 30.00% |
| 21 - 22 | 55 + | 100.00% |
| 23 - 24 | 42 - 54 | 60.00% |
| 23 - 24 | 55 + | 100.00% |
| 25 + | Any Age | 100.00% |

Tier 2 (Hired on or After 9/30/2015)

| Service | Age | Retirement Rates |
|----------------|------------|-------------------------|
| 10 | 55 | 50.00% |
| 10 | 56 + | 100.00% |
| 11 - 19 | 55 | 60.00% |
| 11 - 19 | 56 + | 100.00% |
| 20 | 55 | 60.00% |
| 20 | 56 + | 100.00% |
| 21 - 24 | 55 | 100.00% |
| 25 + | Any Age | 100.00% |

In addition, early retirements are assumed at 2% per year, when eligible.



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 |

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

| | |
|--|---|
| <i>Administrative & Investment Expenses</i> | 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 prior two years' expenses. Assumed administrative expenses are added to the Normal Cost. |
| <i>Benefit Service</i> | Service calculated based on completed months is used to determine the amount of benefit payable. |
| <i>Cost of Living Adjustment</i> | The cost of living adjustment for members who receive future normal retirement benefits is 2.5% starting 5 years after retirement. |
| <i>Decrement Operation</i> | Disability and mortality decrements operate during retirement eligibility. |
| <i>Decrement Timing</i> | Decrement of all types are assumed to occur at the beginning of the year. |
| <i>Eligibility Testing</i> | 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. |
| <i>Forfeitures</i> | 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. |
| <i>Incidence of Contributions</i> | Employer contributions are assumed to be made at the end of each biweekly pay period. 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. |
| <i>Liability Load for Tier 2 Members</i> | Liabilities for Tier 2 members (members who enter the Plan after September 30, 2015) are loaded by 4% to approximate the impact of the 13 th Check. |
| <i>Marriage Assumption</i> | 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. |
| <i>Normal Form of Benefit</i> | A 10-year certain and life annuity is the normal form of benefit. |

Pay Increase Timing

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.

Service Credit Accruals

It is assumed that members accrue one year of service credit per year.

GLOSSARY

| | |
|--|---|
| <i>Actuarial Accrued Liability (AAL)</i> | The difference between the Actuarial Present Value of Future Benefits, and the Actuarial Present Value of Future Normal Costs. |
| <i>Actuarial Assumptions</i> | 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. |
| <i>Actuarial Cost Method</i> | 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. |
| <i>Actuarial Equivalent</i> | Of equal Actuarial Present Value, determined as of a given date and based on a given set of Actuarial Assumptions. |
| <i>Actuarial Present Value (APV)</i> | 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. |
| <i>Actuarial Present Value of Future Benefits (APVFB)</i> | 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. |
| <i>Actuarial Valuation</i> | 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, such as the Funded Ratio and the Actuarially Determined Contribution (ADC). |
| <i>Actuarial Value of Assets</i> | 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). |

| | |
|---|--|
| <i>Amortization Method</i> | 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. |
| <i>Amortization Payment</i> | That portion of the plan contribution or ADC which is designed to pay interest on and to amortize the Unfunded Actuarial Accrued Liability. |
| <i>Amortization Period</i> | The period used in calculating the Amortization Payment. |
| <i>Actuarially Determined Contribution (ADC)</i> | The employer's periodic required contributions, expressed as a dollar amount or a percentage of covered plan compensation, determined under GASB No. 67. The ADC consists of the Employer Normal Cost and Amortization Payment. |
| <i>Closed Amortization Period</i> | 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. |
| <i>Employer Normal Cost</i> | The portion of the Normal Cost to be paid by the employer. This is equal to the Normal Cost less expected member contributions. |
| <i>Equivalent Single Amortization Period</i> | 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. |
| <i>Experience Gain/Loss</i> | A measure of the difference between the normal cost rate from last year and the normal cost rate from this year. |
| <i>Funded Ratio</i> | The ratio of the Actuarial Value of Assets to the Actuarial Accrued Liability. |
| <i>GASB</i> | Governmental Accounting Standards Board. |
| <i>GASB No. 67 and GASB No. 68</i> | 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. |



| | |
|--|---|
| <i>Normal Cost</i> | The annual cost assigned, under the Actuarial Cost Method, to the current plan year. |
| <i>Open Amortization Period</i> | 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. |
| <i>Unfunded Actuarial Accrued Liability</i> | The difference between the Actuarial Accrued Liability and Actuarial Value of Assets. |
| <i>Valuation Date</i> | 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

PENSION FUND INFORMATION

Statement of Plan Assets at Market Value

| Item | September 30 | |
|--|-----------------|-----------------|
| | 2024 | 2023 |
| A. Cash and Cash Equivalents (Operating Cash) | \$ - | \$ - |
| B. Receivables | | |
| 1. Member Contributions | \$ 74,515 | \$ 139,938 |
| 2. Employer Contributions | - | - |
| 3. State Contributions | - | - |
| 4. Investment Income and Other Receivables | 386,960 | 432,516 |
| 5. Total Receivables | \$ 461,475 | \$ 572,454 |
| C. Investments | | |
| 1. Short Term Investments | \$ 5,197,117 | \$ 4,235,378 |
| 2. Domestic Equities | 125,991,873 | 103,791,554 |
| 3. International Equities | 24,470,808 | 19,792,218 |
| 4. Domestic Fixed Income | 62,564,659 | 50,395,299 |
| 5. International Fixed Income | - | - |
| 6. Real Estate | 14,628,821 | 17,621,590 |
| 7. Private Equity | - | - |
| 8. Total Investments | \$ 232,853,278 | \$ 195,836,039 |
| D. Liabilities | | |
| 1. Benefits Payable | \$ (354,245) | \$ - |
| 2. Accrued Expenses and Other Payables | (139,539) | (329,270) |
| 3. Prepaid City Contribution | (128,903) | (157,924) |
| 4. Total Liabilities | \$ (622,687) | \$ (487,194) |
| E. Total Market Value of Assets Available for Benefits | \$ 232,692,066 | \$ 195,921,299 |
| F. Reserves | | |
| 1. State Contribution Reserve | \$ - | \$ - |
| 2. DROP Accounts | (15,160,237) | (15,928,440) |
| 3. Total Reserves | \$ (15,160,237) | \$ (15,928,440) |
| G. Market Value Net of Reserves | \$ 217,531,829 | \$ 179,992,859 |
| H. Allocation of Investments | | |
| 1. Short Term Investments | 2.2% | 2.2% |
| 2. Domestic Equities | 54.1% | 53.0% |
| 3. International Equities | 10.5% | 10.1% |
| 4. Domestic Fixed Income | 26.9% | 25.7% |
| 5. International Fixed Income | 0.0% | 0.0% |
| 6. Real Estate | 6.3% | 9.0% |
| 7. Private Equity | 0.0% | 0.0% |
| 8. Total Investments | 100.0% | 100.0% |

Reconciliation of Plan Assets

| Item | September 30 | |
|--|-----------------|-----------------|
| | 2024 | 2023 |
| A. Market Value of Assets at Beginning of Year | \$ 195,921,299 | \$ 183,038,305 |
| B. Revenues and Expenditures | | |
| 1. Contributions | | |
| a. Member Contributions | \$ 1,488,860 | \$ 1,315,568 |
| b. Employer Contributions | 11,845,866 | 10,661,348 |
| c. State Contributions | 1,206,796 | 1,077,893 |
| d. Purchased Service Credit | - | - |
| e. Total | \$ 14,541,522 | \$ 13,054,809 |
| 2. Investment Income | | |
| a. Interest, Dividends, and Other Income | \$ 4,873,987 | \$ 4,454,294 |
| b. Net Realized Gains/(Losses)* | - | - |
| c. Net Unrealized Gains/(Losses)* | 35,399,779 | 10,988,201 |
| d. Investment Expenses | (797,349) | (674,346) |
| e. Net Investment Income | \$ 39,476,417 | \$ 14,768,149 |
| 3. Benefits and Refunds | | |
| a. Regular Monthly Benefits | \$ (10,688,618) | \$ (9,640,208) |
| b. Refunds | (195,096) | (30,427) |
| c. Lump Sum Benefits Paid | - | - |
| d. DROP Distributions | (6,035,573) | (4,959,467) |
| e. Total | \$ (16,919,287) | \$ (14,630,102) |
| 4. Administrative and Miscellaneous Expenses | \$ (327,885) | \$ (309,862) |
| 5. Transfers | \$ - | \$ - |
| C. Market Value of Assets at End of Year | \$ 232,692,066 | \$ 195,921,299 |
| D. Reserves | | |
| 1. State Contribution Reserve | \$ - | \$ - |
| 2. DROP Accounts | (15,160,237) | (15,928,440) |
| 3. Total Reserves | \$ (15,160,237) | \$ (15,928,440) |
| E. Market Value Net of Reserves | \$ 217,531,829 | \$ 179,992,859 |

* Breakdown between realized and unrealized gains (losses) were not available.



Reconciliation of DROP Accounts

| Year Ended 9/30 | Balance at Beginning of Year | Credits | Interest | Distributions | Adjustments | Balance at End of Year |
|--------------------------------|---|----------------|-----------------|----------------------|--------------------|-----------------------------------|
| 2002 | \$ - | \$ 148,006 | \$ 5,101 | \$ (16,178) | \$ - | \$ 136,929 |
| 2003 | 136,929 | 180,567 | 20,636 | - | - | 338,132 |
| 2004 | 338,132 | 180,567 | 38,421 | - | - | 557,120 |
| 2005 | 557,120 | 180,567 | 57,778 | - | - | 795,465 |
| 2006 | 795,465 | 422,350 | 69,061 | (188,744) | - | 1,098,132 |
| 2007 | 1,098,132 | 479,883 | 101,029 | (1,020,132) | - | 658,912 |
| 2008 | 658,912 | 682,875 | 78,772 | (316,082) | - | 1,104,477 |
| 2009 | 1,104,477 | 904,840 | 137,425 | - | - | 2,146,742 |
| 2010 | 2,146,742 | 1,428,932 | 249,854 | (95,349) | - | 3,730,179 |
| 2011 | 3,730,179 | 1,935,801 | 320,520 | (197,552) | - | 5,788,948 |
| 2012 | 5,788,948 | 2,219,679 | 476,027 | (1,245,018) | - | 7,239,636 |
| 2013 | 7,085,581 * | 2,554,707 | 561,955 | (1,311,925) | - | 8,890,318 |
| 2014 | 8,890,318 | 2,155,050 | 565,597 | (4,336,905) | - | 7,274,060 |
| 2015 | 7,274,060 | 1,910,469 | 515,300 | (1,010,331) | - | 8,689,498 |
| 2016 | 8,689,498 | 1,722,820 | 685,629 | (3,172,610) | - | 7,925,337 |
| 2017 | 7,925,337 | 1,551,907 | 419,662 | (3,891,548) | - | 6,005,358 |
| 2018 | 6,005,358 | 1,771,098 | 377,019 | (3,271,195) | 514,141 | 5,396,421 |
| 2019 | 5,396,421 | 2,005,253 | 322,029 | (3,092,882) | - | 4,630,821 |
| 2020 | 4,630,821 | 2,909,730 | 333,138 | (1,664,957) | - | 6,208,733 |
| 2021 | 6,208,733 | 3,802,363 | 473,999 | (557,133) | - | 9,927,961 |
| 2022 | 9,927,961 | 4,671,530 | 752,626 | (256,886) | - | 15,095,231 |
| 2023 | 15,095,231 | 4,855,780 | 936,896 | (4,959,467) | - | 15,928,440 |
| 2024 | 15,928,440 | 4,267,915 | 999,455 | (6,035,573) | - | 15,160,237 |

* Beginning of Year balance adjusted to match client's reconciliation and financial statements.



Actuarial Value of Assets

| Valuation Date – September 30 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
|--|----------------|----------------|--------------|--------------|-----------|-----------|
| A. Actuarial Value of Assets Beginning of Year* | \$ 210,987,240 | \$ 217,298,036 | | | | |
| B. Market Value End of Year* | 195,921,299 | 232,692,066 | | | | |
| C. Market Value Beginning of Year* | 183,038,305 | 195,921,299 | | | | |
| D. Non-Investment/Administrative Net Cash Flow | (1,885,155) | (2,705,650) | | | | |
| E. Investment Income | | | | | | |
| E1. Actual Market Total: B-C-D | 14,768,149 | 39,476,417 | | | | |
| E2. Assumed Rate of Return | 7.00% | 6.72% | 6.55% | 6.50% | 6.50% | 6.50% |
| E3. Assumed Amount of Return | 15,076,274 | 14,909,539 | | | | |
| E4. Amount Subject to Phase-In: E1-E3 | (308,125) | 24,566,878 | | | | |
| F. Phased-In Recognition of Investment Income | | | | | | |
| F1. Current Year: 0.2 x E4 | (61,625) | 4,913,376 | | | | |
| F2. First Prior Year | (10,139,780) | (61,625) | 4,913,376 | | | |
| F3. Second Prior Year | 4,629,226 | (10,139,780) | (61,625) | 4,913,376 | | |
| F4. Third Prior Year | 30,643 | 4,629,226 | (10,139,780) | (61,625) | 4,913,376 | |
| F5. Fourth Prior Year | (1,338,787) | 30,643 | 4,629,226 | (10,139,780) | (61,625) | 4,913,376 |
| F6. Total Phase-Ins | (6,880,323) | (628,160) | (658,803) | (5,288,029) | 4,851,751 | 4,913,376 |
| G. Actuarial Value of Assets End of Year | | | | | | |
| G1. Preliminary Actuarial Value of Assets End of Year: | | | | | | |
| A+D+E3+F6 | 217,298,036 | 228,873,765 | | | | |
| G2. Upper Corridor Limit: 120%*B | 235,105,559 | 279,230,479 | | | | |
| G3. Lower Corridor Limit: 80%*B | 156,737,039 | 186,153,653 | | | | |
| G4. Actuarial Value of Assets End of Year | 217,298,036 | 228,873,765 | | | | |
| G5. State Contribution Reserve | - | - | | | | |
| G6. DROP Accounts | (15,928,440) | (15,160,237) | | | | |
| G7. Final Actuarial Value of Assets End of Year | 201,369,596 | 213,713,528 | | | | |
| H. Difference between Market & Actuarial Value of Assets | (21,376,737) | 3,818,301 | | | | |
| I. Actuarial Rate of Return | 3.8% | 6.4% | | | | |
| J. Market Value Rate of Return | 7.9% | 19.7% | | | | |
| K. Ratio of Actuarial Value of Assets to Market Value | 110.9% | 98.4% | | | | |

* Before offset of State Contribution Reserve and DROP Accounts.

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.



| Year Ending September 30th | Investment Rate of Return | |
|-------------------------------|---------------------------|-----------------|
| | Market Value * | Actuarial Value |
| 1978 | 7.2 % | 7.2 % |
| 1979 | 8.6 | 8.6 |
| 1980 | 9.7 | 9.7 |
| 1981 | 10.3 | 10.3 |
| 1982 | 11.6 | 11.6 |
| 1983 | 11.3 | 11.3 |
| 1984 | 11.4 | 11.4 |
| 1985 | 9.7 | 9.7 |
| 1986 | 17.8 | 17.8 |
| 1987 | 6.3 | 6.3 |
| 1988 | 8.3 | 8.3 |
| 1989 | 10.7 | 10.7 |
| 1990 | 5.8 | 5.8 |
| 1991 | 13.8 | 13.8 |
| 1992 | 15.0 | 15.0 |
| 1993 | 11.4 | 10.8 |
| 1994 | 3.0 | 2.6 |
| 1995 | 15.8 | 15.2 |
| 1996 | 13.0 | 12.4 |
| 1997 | 27.7 | 12.9 |
| 1998 | 10.3 | 12.9 |
| 1999 | 13.5 | 13.6 |
| 2000 | 11.8 | 14.0 |
| 2001 | (9.8) | 9.2 |
| 2002 | (6.9) | (0.8) |
| 2003 | 14.6 | 3.9 |
| 2004 | 7.9 | 2.8 |
| 2005 | 9.0 | 2.3 |
| 2006 | 6.4 | 5.5 |
| 2007 | 11.9 | 8.9 |
| 2008 | (11.7) | 4.3 |
| 2009 | 1.2 | 3.4 |
| 2010 | 9.9 | 8.7 |
| 2011 | (0.3) | 6.8 |
| 2012 | 21.6 | 9.3 |
| 2013 | 11.3 | 9.8 |
| 2014 | 9.0 | 9.9 |
| 2015 | 0.3 | 7.8 |
| 2016 | 8.8 | 8.9 |
| 2017 | 11.1 | 8.0 |
| 2018 | 7.9 | 7.6 |
| 2019 | 3.3 | 6.5 |
| 2020 | 7.6 | 7.2 |
| 2021 | 20.1 | 9.5 |
| 2022 | (16.2) | 3.9 |
| 2023 | 7.9 | 3.8 |
| 2024 | 19.7 | 6.4 |
| Average Returns: | | |
| Last 5 Years | 6.9 % | 6.1 % |
| Last 10 Years | 6.6 % | 6.9 % |
| All Years | 8.4 % | 8.6 % |

**Net of investment expenses starting in 2006.*

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.

History of Premium Tax Refunds

| Year Received | Amount |
|---------------|---------------------|
| 1973 | \$ 162.73 |
| 1974 | 969.40 |
| 1975 | 5,140.84 |
| 1976 | 11,554.80 |
| 1977 | 29,468.92 |
| 1978 | 29,787.49 |
| 1979 | 32,251.00 |
| 1980 | 39,792.00 |
| 1981 | 45,645.00 |
| 1982 | 60,336.53 |
| 1983 | 72,150.14 |
| 1984 | 83,242.99 |
| 1985 | 103,615.68 |
| 1986 | 124,761.71 |
| 1987 | 152,810.22 |
| 1988 | 172,640.89 |
| 1989 | 184,331.26 |
| 1990 | 198,379.19 |
| 1991 | 205,524.75 |
| 1992 | 215,510.42 |
| 1993 | 222,771.55 |
| 1994 | 235,414.53 |
| 1995 | 257,223.00 |
| 1996 | 281,695.14 |
| 1997 | 311,097.66 |
| 1998 | 307,311.95 |
| 1999 | 295,625.18 |
| 2000 | 264,310.96 |
| 2001 | 280,803.49 |
| 2002 | 323,403.51 |
| 2003 | 374,159.74 |
| 2004 | 497,444.66 |
| 2005 | 503,294.47 |
| 2006 | 512,972.82 |
| 2007 | 559,678.84 |
| 2008 | 567,622.66 |
| 2009 | 578,925.89 |
| 2010 | 552,721.74 |
| 2011 | 508,250.66 |
| 2012 | 527,188.24 |
| 2013 | 568,387.94 |
| 2014 | 620,714.25 |
| 2015 | 639,175.78 |
| 2016 | 693,248.17 |
| 2017 | 724,891.12 |
| 2018 | 785,046.96 |
| 2019 | 858,107.35 |
| 2020 | 856,665.77 |
| 2021 | 838,995.26 |
| 2022 | 919,969.23 |
| 2023 | 1,077,892.99 |
| 2024 | <u>1,206,796.06</u> |
| | \$ 19,519,883.53 |



SECTION D

FINANCIAL ACCOUNTING INFORMATION

| FASB NO. 35 INFORMATION | | |
|---|---------------------|---------------------|
| A. Valuation Date | October 1, 2024 | October 1, 2023 |
| B. Actuarial Present Value of Accumulated Plan Benefits | | |
| 1. Vested Benefits | | |
| a. Members Currently Receiving Payments | \$ 241,449,241 | \$ 227,900,848 |
| b. Terminated Vested Members | 818,453 | 0 |
| c. Other Members | 53,086,206 | 47,957,587 |
| d. Total | <u>295,353,900</u> | <u>275,858,435</u> |
| 2. Non-Vested Benefits | 4,663,725 | 5,720,736 |
| 3. Total Actuarial Present Value of Accumulated Plan Benefits: 1d + 2 | 300,017,625 | 281,579,171 |
| 4. Accumulated Contributions of Active Members | 10,608,796 | 10,470,373 |
| C. Changes in the Actuarial Present Value of Accumulated Plan Benefits | | |
| 1. Total Value at Beginning of Year | 281,579,171 | 260,271,746 |
| 2. Increase (Decrease) During the Period Attributable to: | | |
| a. Plan Amendment | 0 | 98,811 |
| b. Change in Actuarial Assumptions | 6,456,483 | 11,573,869 |
| c. Latest Member Data, Benefits Accumulated and Decrease in the Discount Period | 27,133,600 | 24,161,160 |
| d. Benefits Paid | <u>(15,151,629)</u> | <u>(14,526,415)</u> |
| e. Net Increase | 18,438,454 | 21,307,425 |
| 3. Total Value at End of Period | 300,017,625 | 281,579,171 |
| D. Market Value of Assets | 217,531,829 | 179,992,859 |
| 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, | 2025* | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Total Pension Liability | | | | | | | | | | |
| Service Cost | \$ 4,726,059 | \$ 4,107,829 | \$ 4,082,591 | \$ 4,387,274 | \$ 4,623,944 | \$ 5,139,970 | \$ 4,985,444 | \$ 4,857,819 | \$ 4,599,186 | \$ 4,415,243 |
| Interest | 21,250,921 | 20,619,034 | 19,940,898 | 19,044,653 | 17,986,706 | 17,500,417 | 16,247,834 | 15,162,272 | 14,481,168 | 13,727,142 |
| Benefit Changes | - | 158,088 | - | - | 78,534 | - | 1,620,550 | - | - | - |
| Difference between actual & expected experience | 2,509,625 | 601,316 | 2,212,267 | 1,578,327 | 1,285,718 | (151,036) | 3,218,834 | 4,093,499 | 2,023,747 | 560,558 |
| Assumption Changes | 6,816,948 | 11,949,571 | 5,177,651 | 3,252,600 | 3,049,207 | 3,065,310 | 1,367,814 | 1,265,641 | (1,393,066) | - |
| Benefit Payments | (15,745,549) | (16,724,191) | (14,599,675) | (8,857,041) | (8,758,540) | (9,291,479) | (10,271,348) | (9,924,857) | (9,946,162) | (8,399,112) |
| Refunds | (90,678) | (195,096) | (30,427) | (11,591) | (12,135) | (108,173) | (13,426) | (66,853) | (29,030) | (65,487) |
| Net Change in Total Pension Liability | 19,467,326 | 20,516,551 | 16,783,305 | 19,394,222 | 18,253,434 | 16,155,009 | 17,155,702 | 15,387,521 | 9,735,843 | 10,238,344 |
| Total Pension Liability - Beginning | 319,425,993 | 298,909,442 | 282,126,137 | 262,731,915 | 244,478,481 | 228,323,472 | 211,167,770 | 195,780,249 | 186,044,406 | 175,806,062 |
| Total Pension Liability - Ending (a) | \$ 338,893,319 | \$ 319,425,993 | \$ 298,909,442 | \$ 282,126,137 | \$ 262,731,915 | \$ 244,478,481 | \$ 228,323,472 | \$ 211,167,770 | \$ 195,780,249 | \$ 186,044,406 |
| Plan Fiduciary Net Position | | | | | | | | | | |
| Contributions - Employer | \$ 14,669,846 | \$ 11,845,866 | \$ 10,661,348 | \$ 10,479,815 | \$ 10,397,058 | \$ 11,187,132 | \$ 10,207,194 | \$ 9,431,736 | \$ 9,199,456 | \$ 8,834,348 |
| Contributions - Employer (from State) | 1,206,796 | 1,206,796 | 1,077,893 | 919,969 | 838,995 | 856,666 | 858,107 | 785,047 | 724,891 | 693,248 |
| Contributions - Non-Employer Contributing Entity | - | - | - | - | - | - | - | - | - | - |
| Contributions - Member | 1,412,081 | 1,488,860 | 1,315,568 | 1,372,686 | 1,422,792 | 1,583,622 | 1,679,931 | 1,698,916 | 1,664,869 | 1,510,667 |
| Net Investment Income | 15,245,521 | 39,476,417 | 14,768,149 | (35,941,170) | 36,565,656 | 12,608,583 | 5,221,593 | 11,384,925 | 14,258,027 | 10,187,217 |
| Benefit Payments | (15,745,549) | (16,724,191) | (14,599,675) | (8,857,041) | (8,758,540) | (9,291,479) | (10,271,348) | (9,924,857) | (9,946,162) | (8,399,112) |
| Refunds | (90,678) | (195,096) | (30,427) | (11,591) | (12,135) | (108,173) | (13,426) | (66,853) | (29,030) | (65,487) |
| Administrative Expense | (318,874) | (327,885) | (309,862) | (292,540) | (271,711) | (285,704) | (292,849) | (279,917) | (316,694) | (338,086) |
| Other | - | - | - | - | - | - | - | - | - | - |
| Net Change in Plan Fiduciary Net Position | 16,379,143 | 36,770,767 | 12,882,994 | (32,329,872) | 40,182,115 | 16,550,647 | 7,389,202 | 13,028,997 | 15,555,357 | 12,422,795 |
| Plan Fiduciary Net Position - Beginning | 232,692,066 | 195,921,299 | 183,038,305 | 215,368,177 | 175,186,062 | 158,635,415 | 151,246,213 | 138,217,216 | 122,661,859 | 110,239,064 |
| Plan Fiduciary Net Position - Ending (b) | \$ 249,071,209 | \$ 232,692,066 | \$ 195,921,299 | \$ 183,038,305 | \$ 215,368,177 | \$ 175,186,062 | \$ 158,635,415 | \$ 151,246,213 | \$ 138,217,216 | \$ 122,661,859 |
| Net Pension Liability - Ending (a) - (b) | 89,822,110 | 86,733,927 | 102,988,143 | 99,087,832 | 47,363,738 | 69,292,419 | 69,688,057 | 59,921,557 | 57,563,033 | 63,382,547 |
| Plan Fiduciary Net Position as a Percentage | | | | | | | | | | |
| of Total Pension Liability | 73.50 % | 72.85 % | 65.55 % | 64.88 % | 81.97 % | 71.66 % | 69.48 % | 71.62 % | 70.60 % | 65.93 % |
| Covered Payroll | \$ 15,204,532 | \$ 15,586,846 | \$ 13,587,759 | \$ 14,144,667 | \$ 15,095,331 | \$ 16,444,446 | \$ 17,491,218 | \$ 17,508,583 | \$ 16,985,178 | \$ 15,886,876 |
| Net Pension Liability as a Percentage | | | | | | | | | | |
| of Covered Payroll | 590.76 % | 556.46 % | 757.95 % | 700.53 % | 313.76 % | 421.37 % | 398.42 % | 342.24 % | 338.90 % | 398.96 % |

**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

| <u>FY Ending September 30,</u> | <u>Total Pension Liability</u> | <u>Plan Net Position</u> | <u>Net Pension Liability</u> | <u>Plan Net Position as a % of Total Pension Liability</u> | <u>Covered Payroll</u> | <u>Net Pension Liability as a % of Covered Payroll</u> |
|------------------------------------|--|------------------------------|----------------------------------|--|----------------------------|--|
| 2016 | \$ 186,044,406 | \$ 122,661,859 | \$ 63,382,547 | 65.93% | \$ 15,886,876 | 398.96% |
| 2017 | 195,780,249 | 138,217,216 | 57,563,033 | 70.60% | 16,985,178 | 338.90% |
| 2018 | 211,167,770 | 151,246,213 | 59,921,557 | 71.62% | 17,508,583 | 342.24% |
| 2019 | 228,323,472 | 158,635,415 | 69,688,057 | 69.48% | 17,491,218 | 398.42% |
| 2020 | 244,478,481 | 175,186,062 | 69,292,419 | 71.66% | 16,444,446 | 421.37% |
| 2021 | 262,731,915 | 215,368,177 | 47,363,738 | 81.97% | 15,095,331 | 313.76% |
| 2022 | 282,126,137 | 183,038,305 | 99,087,832 | 64.88% | 14,144,667 | 700.53% |
| 2023 | 298,909,442 | 195,921,299 | 102,988,143 | 65.55% | 13,587,759 | 757.95% |
| 2024 | 319,425,993 | 232,692,066 | 86,733,927 | 72.85% | 15,586,846 | 556.46% |
| 2025* | 338,893,319 | 249,071,209 | 89,822,110 | 73.50% | 15,204,532 | 590.76% |

****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, 2024
Measurement Date: September 30, 2025

Methods and Assumptions Used to Determine Net Pension Liability:

| | |
|---------------------------|---|
| Actuarial Cost Method | Entry Age Normal |
| Inflation | 2.50% |
| Salary Increases | 4.20% to 7.50% depending on age, including inflation |
| Investment Rate of Return | 6.55% |
| Retirement Age | Experience-based table of rates that are specific to the type of eligibility condition. |
| Mortality | The PUB-2010 Headcount Weighted Safety Below Median Employee Male Table (pre-retirement), the PUB-2010 Headcount Weighted Safety Employee Female Table (pre-retirement), the PUB-2010 Headcount Weighted Safety Below Median Healthy Retiree Male Table (post-retirement), and the PUB-2010 Safety Healthy Retiree Female Table (post-retirement). These tables use ages set forward one year and mortality improvements to all future years after 2010 using scale MP-2018. These are the same rates used for Special Risk Class members in the July 1, 2023 Actuarial Valuation of the Florida Retirement System (FRS). |

Other Information:

Notes See Discussion of Valuation Results in the October 1, 2024 Actuarial Valuation Report.

The following assumption change was made:

- The investment return assumption was lowered from 6.72% to 6.55%.



SCHEDULE OF CONTRIBUTIONS

GASB Statement No. 67

| FY Ending September 30, | Actuarially Determined Contribution | Actual Contribution | Contribution Deficiency (Excess) | Covered Payroll | Actual Contribution as a % of Covered Payroll |
|----------------------------|---|------------------------|--|--------------------|---|
| 2016 | \$ 9,527,596 | \$ 9,527,596 | \$ - | \$ 15,886,876 | 59.97% |
| 2017 | 9,924,347 | 9,924,347 | - | 16,985,178 | 58.43% |
| 2018 | 10,216,783 | 10,216,783 | - | 17,508,583 | 58.35% |
| 2019 | 11,065,301 | 11,065,301 | - | 17,491,218 | 63.26% |
| 2020 | 12,043,798 | 12,043,798 | - | 16,444,446 | 73.24% |
| 2021 | 11,236,053 | 11,236,053 | - | 15,095,331 | 74.43% |
| 2022 | 11,399,784 | 11,399,784 | - | 14,144,667 | 80.59% |
| 2023 | 11,739,241 | 11,739,241 | - | 13,587,759 | 86.40% |
| 2024 | 13,052,662 | 13,052,662 | - | 15,586,846 | 83.74% |
| 2025 * | 15,876,642 | 15,876,642 | - | 15,204,532 | 104.42% |

****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, 2023
Notes Actuarially determined contributions 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 | Entry Age Normal |
| Amortization Method | Level Percent of Pay, Closed |
| Remaining Amortization Period | 20 years |
| Asset Valuation Method | 5-year smoothed market |
| Inflation | 2.50% |
| Salary Increases | 4.20% to 7.50% depending on age, including inflation |
| Investment Rate of Return | 6.72% |
| Retirement Age | Experience-based table of rates that are specific to the type of eligibility condition. |
| Mortality | The PUB-2010 Headcount Weighted Safety Below Median Employee Male Table (pre-retirement), the PUB-2010 Headcount Weighted Safety Employee Female Table (pre-retirement), the PUB-2010 Headcount Weighted Safety Below Median Healthy Retiree Male Table (post-retirement), and the PUB-2010 Safety Healthy Retiree Female Table (post-retirement). These tables use ages set forward one year and mortality improvements to all future years after 2010 using scale MP-2018. These are the same rates used for Special Risk Class members in the July 1, 2022 Actuarial Valuation of the Florida Retirement System (FRS). |

Other Information:

Notes See Discussion of Valuation Results in the October 1, 2023 Actuarial Valuation Report.

The following assumption changes were made:

- The investment return assumption has been lowered from 7.00% to 6.72%.
- Retirement rates were updated based on a recent experience study.

The following plan changes were made:

- For members hired or rehired on or after September 30, 2015, the normal retirement eligibility has been changed to the earlier of age 55 with 10 years of service or 25 years of service regardless of age (previously, the earlier of age 55 with 10 years of service or age 52 with 25 years of service). In addition, the employee contribution rate for members hired or rehired on or after September 30, 2015 has increased from 8.0% to 8.5% of salary.



SINGLE DISCOUNT RATE

GASB Statement No. 67

A single discount rate of 6.55% 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 6.55%. 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 (6.55%) 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 6.55%, 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 | Current Single Discount Rate Assumption | 1% Increase |
|---------------|--|--------------|
| 5.55% | 6.55% | 7.55% |
| \$135,431,448 | \$89,822,110 | \$52,977,291 |

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

SECTION E

MISCELLANEOUS INFORMATION

| RECONCILIATION OF MEMBERSHIP DATA | | |
|---|----------------------------|----------------------------|
| | From 10/1/23 To 10/1/24 | From 10/1/22 To 10/1/23 |
| A. Active Members | | |
| 1. Number Included in Last Valuation | 125 | 127 |
| 2. New Members Included in Current Valuation | 22 | 8 |
| 3. Non-Vested Employment Terminations | (7) | (5) |
| 4. Vested Employment Terminations | (1) | 0 |
| 5. DROP Retirement | (4) | (4) |
| 6. Service Retirements | 0 | 0 |
| 7. Disability Retirements | 0 | (1) |
| 8. Deaths | 0 | 0 |
| 9. Other - Transfer/Rehire/Data Correction | 0 | 0 |
| 10. Number Included in This Valuation | 135 | 125 |
| B. Terminated Vested Members | | |
| 1. Number Included in Last Valuation | 0 | 0 |
| 2. Additions from Active Members | 1 | 0 |
| 3. Lump Sum Payments/Refund of Contributions | 0 | 0 |
| 4. Payments Commenced | 0 | 0 |
| 5. Deaths | 0 | 0 |
| 6. Other - Rehire | 0 | 0 |
| 7. Number Included in This Valuation | 1 | 0 |
| C. DROP Plan Members | | |
| 1. Number Included in Last Valuation | 47 | 55 |
| 2. Addition from Active Members | 4 | 4 |
| 3. Retirements | (11) | (12) |
| 4. Deaths Resulting in No Further Payments | 0 | 0 |
| 5. Other | 0 | 0 |
| 6. Number Included in This Valuation | 40 | 47 |
| D. Service Retirees, Disability Retirees and Beneficiaries | | |
| 1. Number Included in Last Valuation | 160 | 151 |
| 2. Additions from Active Members | 0 | 1 |
| 3. Additions from DROP | 11 | 12 |
| 4. Additions from Terminated Vested Members | 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 | (4) |
| 8. Other - beneficiaries of death benefits | 0 | 0 |
| 9. Number Included in This Valuation | 171 | 160 |

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 & Up | |
| 20-24 NO | 5 | - | 1 | - | - | - | - | - | - | - | 6 |
| TOT PAY | 331,367 | - | 85,539 | - | - | - | - | - | - | - | 416,906 |
| AVG PAY | 66,273 | - | 85,539 | - | - | - | - | - | - | - | 69,484 |
| 25-29 NO | 13 | 6 | 3 | 2 | 2 | 1 | - | - | - | - | 27 |
| TOT PAY | 868,440 | 485,899 | 248,839 | 175,492 | 175,527 | 93,620 | - | - | - | - | 2,047,817 |
| AVG PAY | 66,803 | 80,983 | 82,946 | 87,746 | 87,764 | 93,620 | - | - | - | - | 75,845 |
| 30-34 NO | 2 | 2 | - | - | 4 | 11 | 4 | - | - | - | 23 |
| TOT PAY | 144,435 | 160,725 | - | - | 351,510 | 952,969 | 518,416 | - | - | - | 2,128,055 |
| AVG PAY | 72,218 | 80,363 | - | - | 87,878 | 86,634 | 129,604 | - | - | - | 92,524 |
| 35-39 NO | 1 | - | - | 1 | 1 | 13 | 16 | - | - | - | 32 |
| TOT PAY | 66,031 | - | - | 87,047 | 86,588 | 1,299,586 | 2,079,124 | - | - | - | 3,618,376 |
| AVG PAY | 66,031 | - | - | 87,047 | 86,588 | 99,968 | 129,945 | - | - | - | 113,074 |
| 40-44 NO | - | - | - | - | - | 7 | 3 | 17 | - | - | 27 |
| TOT PAY | - | - | - | - | - | 702,238 | 354,379 | 2,396,347 | - | - | 3,452,964 |
| AVG PAY | - | - | - | - | - | 100,320 | 118,126 | 140,962 | - | - | 127,888 |
| 45-49 NO | - | - | - | - | - | 2 | 4 | 8 | 1 | - | 15 |
| TOT PAY | - | - | - | - | - | 228,196 | 552,250 | 1,149,513 | 160,818 | - | 2,090,777 |
| AVG PAY | - | - | - | - | - | 114,098 | 138,063 | 143,689 | 160,818 | - | 139,385 |
| 50-54 NO | 1 | - | - | - | - | - | 1 | 3 | - | - | 5 |
| TOT PAY | 157,594 | - | - | - | - | - | 140,178 | 359,550 | - | - | 657,322 |
| AVG PAY | 157,594 | - | - | - | - | - | 140,178 | 119,850 | - | - | 131,464 |
| 55-59 NO | - | - | - | - | - | - | - | - | - | - | - |
| TOT PAY | - | - | - | - | - | - | - | - | - | - | - |
| AVG PAY | - | - | - | - | - | - | - | - | - | - | - |
| 60-64 NO | - | - | - | - | - | - | - | - | - | - | - |
| TOT PAY | - | - | - | - | - | - | - | - | - | - | - |
| AVG PAY | - | - | - | - | - | - | - | - | - | - | - |
| 65 & Up NO | - | - | - | - | - | - | - | - | - | - | - |
| TOT PAY | - | - | - | - | - | - | - | - | - | - | - |
| AVG PAY | - | - | - | - | - | - | - | - | - | - | - |
| TOT NO | 22 | 8 | 4 | 3 | 7 | 34 | 28 | 28 | 1 | - | 135 |
| TOT AMT | 1,567,867 | 646,624 | 334,378 | 262,539 | 613,625 | 3,276,609 | 3,644,347 | 3,905,410 | 160,818 | - | 14,412,217 |
| AVG AMT | 71,267 | 80,828 | 83,595 | 87,513 | 87,661 | 96,371 | 130,155 | 139,479 | 160,818 | - | 106,757 |



INACTIVE PARTICIPANT DISTRIBUTION

| Age | <u>Terminated Vested</u> | | <u>Disabled</u> | | <u>Retired*</u> | | <u>Beneficiaries</u> | | <u>Grand Total</u> | |
|-------------|--------------------------|----------------|-----------------|----------------|-----------------|----------------|----------------------|----------------|--------------------|----------------|
| | Number | Total Benefits | Number | Total Benefits | Number | Total Benefits | Number | Total Benefits | Number | Total Benefits |
| Under 20 | 0 | - | 0 | - | 0 | - | 0 | - | 0 | 0 |
| 20 - 24 | 0 | - | 0 | - | 0 | - | 0 | - | 0 | 0 |
| 25 - 29 | 0 | - | 0 | - | 0 | - | 0 | - | 0 | 0 |
| 30 - 34 | 0 | - | 0 | - | 0 | - | 0 | - | 0 | 0 |
| 35 - 39 | 0 | - | 0 | - | 0 | - | 0 | - | 0 | 0 |
| 40 - 44 | 1 | 91,001 | 1 | 75,369 | 2 | 208,063 | 0 | - | 4 | 374,433 |
| 45 - 49 | 0 | - | 1 | 71,995 | 21 | 1,966,320 | 0 | - | 22 | 2,038,315 |
| 50 - 54 | 0 | - | 6 | 346,322 | 38 | 3,767,199 | 0 | - | 44 | 4,113,521 |
| 55 - 59 | 0 | - | 1 | 84,279 | 40 | 3,819,246 | 2 | 169,120 | 43 | 4,072,645 |
| 60 - 64 | 0 | - | 0 | - | 25 | 1,771,403 | 0 | - | 25 | 1,771,403 |
| 65 - 69 | 0 | - | 1 | 35,796 | 27 | 1,300,603 | 2 | 57,214 | 30 | 1,393,613 |
| 70 - 74 | 0 | - | 1 | 29,605 | 16 | 885,063 | 0 | - | 17 | 914,668 |
| 75 - 79 | 0 | - | 1 | 43,138 | 12 | 381,605 | 3 | 70,583 | 16 | 495,326 |
| 80 - 84 | 0 | - | 0 | - | 7 | 163,273 | 1 | 16,353 | 8 | 179,626 |
| 85 - 89 | 0 | - | 0 | - | 0 | - | 0 | - | 0 | 0 |
| 90 - 94 | 0 | - | 0 | - | 1 | 18,566 | 2 | 32,163 | 3 | 50,729 |
| 95 - 99 | 0 | - | 0 | - | 0 | - | 0 | - | 0 | 0 |
| 100 & Over | 0 | - | 0 | - | 0 | - | 0 | - | 0 | 0 |
| Total | 1 | 91,001 | 12 | 686,504 | 189 | 14,281,341 | 10 | 345,433 | 212 | 15,404,279 |
| Average Age | | 45 | | 57 | | 61 | | 75 | | 61 |

* Does not include deferred supplemental benefits for DROP members.



SECTION F

SUMMARY OF PLAN PROVISIONS

SUMMARY OF PLAN PROVISIONS

A. Ordinances

The Plan was established under the Code of Ordinances for the City of Sunrise, Florida, Chapter 11, Article II, and was most recently amended under Ordinance No. 124-X-23-A, passed and adopted on its second reading on November 14, 2023. 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

July 1, 1972

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 full-time police officers participate as a condition of employment. The police chief may elect not to participate.

F. Credited Service

Years and completed months of full-time service with the City during which time prescribed employee contributions are made. Under certain conditions, military service is includable. No service is credited for any periods of employment for which the member received a refund of their contributions.

G. Compensation

For Members hired prior to September 30, 2015:

Compensation is the total actual fixed cash compensation including overtime, holiday and other payroll cash incentives and general monthly expense allowances, but excluding lump sum payouts of accrued benefits upon termination of employment, auto and uniform allowances, travel reimbursements and special detail pay. Effective August 9, 2011, overtime pay for hours earned after August 9, 2011 in excess of 300 hours of overtime per year is not included. Effective September 15, 2015, all payments for unused sick and annual leave are excluded.

For Members hired on or after September 30, 2015:

Compensation is the total actual fixed cash compensation including holiday and other payroll cash incentives and general monthly expense allowances, but excluding overtime pay, lump sum payouts of accrued benefits upon termination of employment, auto and uniform allowances, travel reimbursements, special detail pay and all payments for unused sick and annual leave.

H. Final Average Compensation (FAC)

For Members hired prior to September 30, 2015:

The average of Compensation over the highest 3 years of Credited Service.

For Members hired on or after September 30, 2015:

The average of Compensation over the highest 5 consecutive years out of the last 10 years of Credited Service.

I. Normal Retirement

For Members hired prior to September 30, 2015:

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

- (1) age 53 and 10 years of Credited Service, or
- (2) 20 years of Credited Service regardless of age.

Benefit: (a) 3.0% of FAC for each of the first 10 years of Credited Service, plus 4.0% of FAC for the next 10 years of Credited Service, plus 2.0% of FAC for each year of Credited Service thereafter; subject to a maximum benefit equal to 80% of FAC.

(b) Any Police Officer who was actively employed on October 1, 2003, and retires or enters the DROP on or after January 1, 2006 will receive the greater of (a) above and:

4.0% of FAC for each of first 10 years of Credited Service, plus 2.0% of FAC for each year thereafter. 2.0% of FAC will be added to the total percentage for officers who were vested as of January 1, 2006. An additional 2.0% of FAC will be added to the total percentage for officers who are actively employed until age 53 with 10 or more years of Credited Service.

(c) In addition, police officers who terminate and begin receiving Early or Normal Retirement Benefits will receive a monthly supplemental benefit payable for life and ceasing upon the retiree's death according to the following table:

| Termination or DROP Exit Date | Monthly Supplemental Benefit | |
|-------------------------------|-------------------------------|-------------------------------|
| | Until Age 65 | Age 65 and later |
| 8/14/01 – 12/31/05 | \$10.00 * Service (max \$200) | \$6.25 * Service (max \$125) |
| 1/1/06 – 9/30/07 | \$16.25 * Service (max \$325) | \$10.00 * Service (max \$200) |
| 10/1/07 – 1/21/19 | \$25.00 * Service (max \$500) | \$15.00 * Service (max \$300) |
| On or after 1/22/19 | \$35.00 * Service (max \$700) | \$15.00 * Service (max \$300) |

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

COLA: Cost of living increases are paid according to the following table:

| Termination or DROP Entry Date | Annual COLA ¹ | COLA Start Date |
|--------------------------------|--------------------------|--|
| Before 1/1/06 | 0.0% | No COLA is payable |
| 1/1/06 – 9/30/08 | 2.0% | Fifth anniversary of the commencement date |
| On or after 10/1/08 | 2.5% | Fifth anniversary of the commencement date |

¹ The COLA is payable for the lifetime of the retiree and continues to the retiree's survivor upon the retiree's death.

For Members hired on or after September 30, 2015:

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) 25 years of Credited Service regardless of age.

Benefit: 3.0% of FAC for each of the first 20 years of Credited Service, plus 2.0% of FAC for each year of Credited Service thereafter; subject to a maximum benefit equal to 70% of FAC. Benefit is guaranteed to be no less than 2.75% of FAC for each year of Credited Service.

Supplemental Benefit: None

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

COLA: None



J. Early Retirement

For Members hired prior to September 30, 2015:

Eligibility: A member may elect to retire earlier than the Normal Retirement Eligibility upon attainment of age 47 and 10 years of Credited Service.

Benefit: The Normal Retirement Benefit is reduced by 3.0% for each year by which the Early Retirement date precedes the Normal Retirement date. In addition, police officers who terminate and begin receiving Early Retirement Benefits will receive the monthly supplemental benefit.

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

COLA: None

For Members hired on or after September 30, 2015:

Eligibility: A member may elect to retire earlier than the Normal Retirement Eligibility upon attainment of age 50 and 10 years of Credited Service.

Benefit: The Normal Retirement Benefit is reduced by 3.0% for each year by which the Early Retirement date precedes age 55. There is no supplemental benefit.

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

For Members hired prior to September 30, 2015:

Eligibility: Any member who becomes totally and permanently disabled as a result of an act occurring in the performance of service for the City is immediately eligible for a disability benefit.

Benefit: The disability benefit is equal to 75% of the member's salary in effect on the date of disability subject to the offsets described below. However, the offsets shall not reduce the benefit below the greater of the member's accrued benefit or 42% of the member's FAC.

Offsets:

To determine whether there will be an offset against the disability benefit, the first step is to add the following four items for a particular year.

1. Service incurred disability benefit paid from the plan
2. Workers' compensation disability benefit
3. Any salary received in excess of \$50,000 as evidenced by federal tax returns
4. Any net earnings from self-employment in excess of \$50,000

If the sum of these four items is greater than the pre-disability salary, the service disability benefit shall be reduced. The annual reduction shall be equal to 50% of the first \$50,000 of excess plus 100% of the remaining excess, if any.

Normal Form of Benefit:

Payable until death or recovery from disability or until the member reaches Early or Normal Retirement Age and elects to receive Early or Normal Retirement Benefits in lieu of disability benefits. Other options are also available.

COLA: None

For Members hired on or after September 30, 2015:

Eligibility: Any member who becomes totally and permanently disabled as a result of an act occurring in the performance of service for the City is immediately eligible for a disability benefit.

Benefit: The disability benefit is equal to 70% of the member's salary in effect on the date of disability subject to the offsets described below. However, the offsets shall not reduce the benefit below the greater of the member's accrued benefit or 42% of the member's FAC.

Offsets:

To determine whether there will be an offset against the disability benefit, the first step is to add the following four items for a particular year.

1. Service incurred disability benefit paid from the plan
2. Workers' compensation disability benefit
3. Any salary received in excess of \$50,000 as evidenced by federal tax returns
4. Any net earnings from self-employment in excess of \$50,000

If the sum of these four items is greater than the pre-disability salary, the service disability benefit shall be reduced. The annual reduction shall be equal to 50% of the first \$50,000 of excess plus 100% of the remaining excess, if any.

Normal Form
of Benefit: Payable until death or recovery from disability or until the member reaches Early or Normal Retirement Age and elects to receive Early or Normal Retirement Benefits in lieu of disability benefits. Other options are also available.

COLA: None

M. Non-Service Connected Disability

For Members hired prior to September 30, 2015:

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

Benefit: The accrued Normal Retirement Benefit with a minimum equal to 25% of FAC and a maximum equal to 50% of FAC. If employed by the City on or after September 13, 2004 the 50% of FAC maximum is ignored.

Normal Form
of Benefit: Payable until death or recovery from disability or until the member reaches Early or Normal Retirement Age and elects to receive Early or Normal Retirement Benefits in lieu of disability benefits. Other options are also available.

COLA: None

For Members hired on or after September 30, 2015:

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

Benefit: The accrued Normal Retirement Benefit with a minimum equal to 25% of FAC and a maximum equal to 50% of FAC.

Normal Form
of Benefit: Payable until death or recovery from disability or until the member reaches Early or Normal Retirement Age and elects to receive Early or Normal Retirement Benefits in lieu of disability benefits. Other options are also available.

COLA: None



N. Death in the Line of Duty

For Members hired prior to September 30, 2015:

| | |
|-------------------------|--|
| Eligibility: | Any member whose death is determined to be the result of a service incurred injury is eligible for survivor benefits regardless of Credited Service. |
| Benefit: | Beneficiary will receive a benefit equal to the greater of 75% of the member's FAC or the accrued Normal Retirement Benefit. |
| Normal Form of Benefit: | Payable for the life of beneficiary, or if no designated beneficiary, payable for 10 years to the member's estate. |
| COLA: | None |

For Members hired on or after September 30, 2015:

| | |
|-------------------------|--|
| Eligibility: | Any member whose death is determined to be the result of a service incurred injury is eligible for survivor benefits regardless of Credited Service. |
| Benefit: | Beneficiary will receive a benefit equal to the accrued benefit up to 75% of the member's FAC actuarially adjusted for the beneficiary's age. |
| Normal Form of Benefit: | Payable for the life of beneficiary, or if no designated beneficiary, payable for 10 years to the member's estate. |
| COLA: | None |

O. Other Pre-Retirement Death

For Members hired prior to September 30, 2015:

| | |
|--------------|---|
| Eligibility: | Members are eligible for survivor benefits after the completion of 10 or more years of Credited Service. |
| Benefit: | The beneficiary shall be entitled to receive an amount equal to the benefit that would have been payable at early or normal retirement age based upon Credited Service and FAC on the date of death, but payable as if the member had died on the day after commencement of benefits. Benefits will be paid according to the member's written election of an optional form of payment and begin on the member's early or normal retirement date. If there is no designated beneficiary, benefits are paid to the member's estate. |

Normal Form

of Benefit: Payable according to the option elected or, if there was no option elected, 10 years.

COLA: None

The beneficiary of a plan member with less than 10 years of Credited Service at the time of death will receive a refund of the member's regular contributions without interest.

For Members hired on or after September 30, 2015:

Eligibility: Members are eligible for survivor benefits after the completion of 10 or more years of Credited Service.

Benefit: The beneficiary shall be entitled to receive an amount equal to the member's accrued benefit on the date of death, actuarially adjusted for the beneficiary's age commencing on the date the member would have been eligible for Early or Normal Retirement.

Normal Form

of Benefit: Payable according to the option elected or, if there was no option elected, 10 years.

COLA: None

The beneficiary of a plan member with less than 10 years of Credited Service at the time of death will receive a refund of the member's regular contributions without interest.

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 the life annuity and the 50%, 66 2/3%, 75% and 100% Joint and Survivor options with or without the pop-up feature.

R. Vested Termination

For Members hired prior to September 30, 2015:

Eligibility: A member has earned a non-forfeitable right to Plan benefits after the completion of 10 years of Credited Service.



Benefit: The benefit is the member's accrued Normal Retirement Benefit. Benefit begins on the date that would have been the member's Normal Retirement date based on Credited Service at termination. Members can also elect a reduced Early Retirement Benefit any time after age 47.

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

COLA: Cost of living increases are paid according to the following table:

| Termination or DROP Entry Date | Annual COLA¹ | COLA Start Date |
|---------------------------------------|--------------------------------|--|
| Before 1/1/06 | 0.0% | No COLA is payable |
| 1/1/06 – 9/30/08 | 2.0% | Fifth anniversary of the commencement date |
| On or after 10/1/08 | 2.5% | Fifth anniversary of the commencement date |

¹ The COLA is payable for the lifetime of the retiree and continues to the retiree's survivor upon the retiree's death.

For Members hired on or after September 30, 2015:

Eligibility: A member has earned a non-forfeitable right to Plan benefits after the completion of 10 years of Credited Service.

Benefit: The benefit is the member's accrued Normal Retirement Benefit. Benefit begins on the date that would have been the member's Normal Retirement date based on Credited Service at termination. Members can also elect a reduced Early Retirement Benefit any time after age 50.

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

COLA: None

S. Refunds

Eligibility: All members terminating employment with less than 10 years of Credited Service are eligible.

Benefit: Refund of the member's contributions without interest.



T. Member Contributions

9.84% of Compensation for members hired prior to September 30, 2015; and 8.50% of Compensation for members hired on or after September 30, 2015.

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

For Members hired prior to September 30, 2015:

Cost of living increases are payable on Normal Retirement Benefits only, whether paid directly or through the DROP, and are paid according to the following table:

| Termination or DROP Entry Date | Annual COLA¹ | COLA Start Date |
|---|------------------------------------|---|
| Before 1/1/06 | 0.0% | No COLA is payable |
| 1/1/06 – 9/30/08 | 2.0% | Fifth anniversary of the commencement date |
| On or after 10/1/08 | 2.5% | Fifth anniversary of the commencement date ² |

¹ The COLA is payable for the lifetime of the retiree and continues to the retiree's survivor upon the retiree's death.

² For DROP members, the COLA will start on the later of the fifth anniversary of the commencement date or the first of the month following termination of employment and will continue annually on the anniversary of that date.

For Members hired on or after September 30, 2015:

None

X. 13th / 14th Check

For Members hired prior to September 30, 2015:

A 13th and/or 14th Check may be payable during years in which there is a net actuarial gain and cumulative gains since October 1, 2000. Members who terminated employment with immediate eligibility for early or normal retirement on or after August 14, 2001 and retired before December 13, 2004 are eligible for the 13th or 14th Check.



For Members hired on or after September 30, 2015:

A 13th check benefit will be paid to retirees when the Plan is 100% funded. The benefit will be the amount of investment earnings that exceeded the Plan's assumed rate of return for the plan year, but it cannot exceed 100% of the monthly retirement benefits of the eligible retirees.

Y. Deferred Retirement Option Plan

For Members hired prior to September 30, 2015:

| | |
|----------------------------|--|
| Eligibility: | Plan members who have met one of the following criteria are eligible for the DROP: (1) age 53 with 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. The monthly supplemental benefit is payable once DROP participation ends. |
| Maximum DROP Period: | 84 months; for DROP members as of August 9, 2011 who did not elect to extend the maximum DROP participation period, 72 months. |
| Interest Credited: | For members who enter the DROP on or after August 9, 2011, the member's DROP account is credited at a fixed rate of 6% per year. If the member elects a self-directed DROP, the investment return is determined by the self-directed investments. For DROP members as of August 9, 2011 who did not elect to extend the maximum period of DROP participation from 72 months to 84 months, the member's DROP account is credited at the same interest rate, compounded monthly, as the investment earnings assumption for the Pension Plan. |
| Normal Form of Benefit: | Lump Sum, Direct Rollover, or Partial Lump Sum with a Direct Rollover of remaining balance. |

COLA: Cost of living increases are paid to DROP participants according to the following table:

| Termination or DROP Entry Date | Annual COLA ¹ | COLA Start Date |
|--------------------------------|--------------------------|---|
| Before 1/1/06 | 0.0% | No COLA is payable |
| 1/1/06 – 9/30/08 | 2.0% | Fifth anniversary of the commencement date |
| On or after 10/1/08 | 2.5% | Fifth anniversary of the commencement date ² |

¹ The COLA is payable for the lifetime of the retiree and continues to the retiree's survivor upon the retiree's death.

² For DROP members, the COLA will start on the later of the fifth anniversary of the commencement date or the first of the month following termination of employment and will continue annually on the anniversary of that date.

For Members hired on or after September 30, 2015:

Eligibility: Plan members who have met one of the following criteria are eligible for the DROP:

- (1) age 55 with 10 years of Credited Service, or
- (2) age 52 with 25 years of Credited Service.

Members who meet eligibility must submit a written election to participate in the DROP within 6 months of being eligible for Normal Retirement.

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. The monthly supplemental benefit is payable once DROP participation ends.

Maximum
DROP Period: 4 years

Interest
Credited: 0% until the Pension Plan is 100% funded. If the Plan becomes 100% funded the DROP account is credited at the same interest rate, compounded monthly, as the investment earnings assumption for the Pension Plan with a minimum of 0% and a maximum of 4%.

Normal Form
of Benefit: Lump Sum, Direct Rollover, or Partial Lump Sum with a Direct Rollover of remaining balance.

COLA: None



Z. Share Plan

Eligibility: All active plan members (including DROP participants) who have a least 1 full year of Credited Service on the last day of the fiscal year when funds are available to be shared. Share Plan funds are derived from any Chapter 185 revenue received by the City in excess of \$2,137,895 which will be held in reserve and may be used provide benefits. The City and the Fraternal Order of police will negotiate the use of the excess Chapter 185 revenue.

Benefit: Each eligible member's share account will be credited with an equal share of the available funds.

Normal Form of Benefit: A lump sum payment of the Share Plan account balance payable within 60 days following retirement. Non-vested members or any member who terminates employment and elects to take a refund of their employee contributions will forfeit their Share Plan account balance.

COLA: None

AA. Other Ancillary Benefits

There are no ancillary retirement type benefits not required by statutes but which might be deemed a City of Sunrise Police Officers' Retirement System liability if continued beyond the availability of funding by the current funding source.

BB. Changes from Previous Valuation

None