

# Retirement Plan for the Firefighters Of the City of Clermont

Actuarial Valuation  
As of October 1, 2023

Determines the Contribution  
For the 2024/25 Fiscal Year



	<u>Page</u>
Discussion	1
 <b><u>Funding Results</u></b>	
Table I-A	Minimum Required Contribution I-1
Table I-B	Sensitivity Analysis I-3
Table I-C	Gain and Loss Analysis I-4
Table I-D	Present Value of Future Benefits I-5
Table I-E	Present Value of Accrued Benefits I-6
Table I-F	Present Value of Vested Benefits I-7
Table I-G	Entry Age Normal Accrued Liability I-8
 <b><u>Accounting Results</u></b>	
GASB 67/68 Supplement as of September 30, 2023	
 <b><u>Assets</u></b>	
Table II-A	Actuarial Value of Assets II-1
Table II-B	Market Value of Assets II-2
Table II-C	Investment Return II-3
Table II-D	Asset Reconciliation II-4
Table II-E	Historical Trust Fund Detail II-5
Table II-F	Other Reconciliations II-6
Table II-G	Historical Chapter 175/185 Contributions II-7
 <b><u>Data</u></b>	
Table III-A	Summary of Participant Data III-1
Table III-B	Data Reconciliation III-2
Table III-C	Active Participant Data III-3
Table III-D	Active Age-Service Distribution III-4
Table III-E	Active Age-Service-Salary Table III-5
Table III-F	Inactive Participant Data III-6
Table III-G	Projected Benefit Payments III-7
 <b><u>Methods &amp; Assumptions</u></b>	
Table IV-A	Summary of Actuarial Methods and Assumptions IV-1
Table IV-B	Changes in Actuarial Methods and Assumptions IV-3
 <b><u>Plan Provisions</u></b>	
Table V-A	Summary of Plan Provisions V-1
Table V-B	Summary of Plan Amendments V-6





April 30, 2024

## Introduction

This report presents the results of the October 1, 2023 actuarial valuation for the Retirement Plan for the Firefighters of the City of Clermont. The report is based on the participant data and asset information provided by the pension plan administrator and, except for a cursory review for reasonableness including a comparison to the data provided for the previous valuation, we have not attempted to verify the accuracy of this information.

The primary purpose of this report is to provide a summary of the funded status of the plan as of October 1, 2023 and to determine the minimum required contribution under Chapter 112, Florida Statutes, for the 2024/25 plan year. In addition, this report provides a projection of the long-term funding requirements of the plan, statistical information concerning the assets held in the trust, statistical information concerning the participant population, and a summary of any recent plan changes.

The liabilities and cost presented in this report are based on numerous assumptions concerning the cost of benefits to be provided in the future, long-term investment returns, and the future demographic experience of the current participants. Anyone referring to this report should remember that the cost developed herein is only an *estimate* of the true cost of providing post-employment pension benefits. No one can predict with certainty whether the true cost will be higher or lower than the cost presented in this report. The calculated cost is entirely dependent upon the assumptions that are described in Table IV-A. If any of the assumptions is changed, then the cost shown in this report will change accordingly. Likewise, if any of the assumptions is not completely realized, then the cost shown in this report will change in the future.

Certain assumptions play a bigger role than others in determining the cost of the post-employment pension benefits. In some cases, relatively small changes in a particular assumption can have a dramatic impact on the anticipated cost of benefits. Although a thorough analysis of the impact of such changes is beyond the scope of this report, Table I-B illustrates the impact that alternative long-term investment returns would have on the normal cost rate.

## Minimum Required Contribution

Table I-A shows the development of the minimum required contribution for the 2024/25 plan year. The minimum required contribution rate is 42.47% of covered payroll, which represents an increase of 4.59% of payroll from the prior valuation.

The normal cost rate is 42.83%, which is 5.86% greater than the normal cost rate that was developed in the prior valuation. Table I-C provides a breakdown of the sources of change in the normal cost rate. Significantly, the rate decreased by 0.34% of payroll due to investment gains and increased by 6.20% of payroll due to demographic experience. The market value of assets earned 7.19% during the 2022/23 plan year, whereas a 7.00% annual investment return was required to maintain a stable contribution rate.



Chapter 112, Florida Statutes, sets forth the rules concerning the minimum required contribution for public pension plans within the state. Essentially, the City must contribute an amount equal to the annual normal cost of the plan plus an adjustment as necessary to reflect interest on any delayed payment of the contribution beyond the valuation date. On this basis, the City's 2024/25 minimum required contribution will be equal to 42.47% multiplied by the total pensionable earnings for the 2024/25 plan year for the active employees who are covered by the plan and reduced by the portion of the Chapter 175/185 contribution that is allowed to be recognized during the 2024/25 plan year. As of the valuation date, all of the Chapter 175/185 contribution is allowed to be used as an offset to the City's minimum required contribution.

Based on the current assets, participant data, and actuarial assumptions and methods that are used to value the plan, the present-day value of the total long-term funding requirement is \$46,756,320. As illustrated in Table I-A, current assets are sufficient to cover \$28,270,653 of this amount, the employer's 2023/24 expected contribution will cover \$2,363,493 of this amount, the employer's 2024/25 expected contribution will cover \$2,795,869 of this amount, and future employee contributions are expected to cover \$1,762,368 of this amount, leaving \$11,563,937 to be covered by future employer funding beyond the 2024/25 fiscal year. Again, demographic and investment experience that differs from that assumed will either increase or decrease the future employer funding requirement.

#### Refund of Participant Contributions

It is our understanding that there are 65 participants who are due a refund of their contributions with interest. We have estimated the accumulated amount of their refunds to be \$57,642 as of October 1, 2023. The vast majority of these individuals are owed less than \$50, with the average amount owed equal to \$887. If possible, we recommend that the accumulated contributions be distributed to these individuals in order to simplify the administration of the plan and to reduce future administrative costs.

#### Advance Employer Contribution

The City has made contributions to the plan in excess of the minimum amount that was required to be contributed pursuant to Chapter 112. In this report, the excess contributions are referred to as an "advance employer contribution." As of October 1, 2023, the advance employer contribution is \$1,081,745, which reflects the advance employer contribution as of October 1, 2022 plus \$394,313 of actual employer contributions in excess of the minimum required contribution for the 2022/23 plan year, as shown in Table II-F.

The City may apply all or any portion of the advance employer contribution towards the minimum required contribution for the 2023/24 plan year or for any later plan year. The minimum required contribution for that plan year will be reduced dollar-for-dollar by the amount of the advance employer contribution that is applied in this manner.

Alternatively, at any time, the City may apply all or any portion of the advance employer contribution as an *extra* contribution in excess of the minimum required contribution. Immediate application of the entire balance of the advance employer contribution as of October 1, 2023 would reduce the minimum required contribution rate for the 2024/25 plan year to 38.98% of payroll.





## Identification and Assessment of Risk

The liabilities and cost presented in this report are based on numerous assumptions concerning the cost of benefits to be provided in the future, long-term investment returns, and the future demographic experience of the current participants. Anyone referring to this report should remember that the cost developed herein is only an *estimate* of the true cost of providing post-employment pension benefits. No one can predict with certainty whether the true cost will be higher or lower than the cost presented in this report. The calculated cost is entirely dependent upon the assumptions that are described in Table IV-A. If any of the assumptions is changed, then the cost shown in this report will change accordingly. Likewise, there is always a risk that, should these assumptions not be realized, the liabilities of the plan, the contributions required to fund the plan, and the funded status of the plan may be significantly different than the amounts shown in this report.

Although a thorough analysis of the risk of not meeting the assumptions is beyond the scope of this report, this discussion is intended to identify the significant risks faced by the plan. In some cases, a more detailed review of the risks, including numerical analysis, may be appropriate to help the plan sponsor and other interested parties assess the specific impact of not realizing certain assumptions. For example, Table I-B illustrates the impact that alternative long-term investment returns would have on the contribution rate. Note that this report is not intended to provide advice on the management or reduction of the identified risks nor is this report intended to provide investment advice.

The most significant risk faced by most defined benefit pension plans is investment risk, i.e. the risk that long-term investment returns will be less than assumed. Other related risks include a risk that, if the investments of the plan decline dramatically over a short period of time (such as occurred with many pension plans in 2008), the plan's assets may not have sufficient time to recover before benefits become due. Even if the assets of the plan grow in accordance with the assumed investment return over time, if benefit payments are expected to be large in the short-term (for example, if the plan provides an actuarial equivalent lump sum payment option and a large number of participants are expected to become entitled to such a lump sum in the near future), the plan's assets may not be sufficient to support such a high level of benefit payments. We have provided a 10-year projection of the expected benefit payments in Table III-G to help the Trustees in formulating an investment policy that is expected to provide an investment return that meets both the short- and long-term cash flow needs of the pension plan.

Another source of risk is demographic experience. This is the risk that participants will receive salary increases that are different than the amount assumed, that participants will retire, become disabled, or terminate their employment at a rate that is different than assumed, and that participants will live longer than assumed, just to cite a few examples of the demographic risk faced by the plan. Although for most pension plans, the demographic risk is not as significant as the investment risk, particularly in light of the fact that the mortality assumption includes a component for future life expectancy increases, the demographic risk can nevertheless be a significant contributing factor to liabilities and contribution rates that become higher than anticipated.

A third source of risk is the risk that the plan sponsor (or other contributing entities) will not make, or will not have the ability to make, the contributions that are required to keep the plan funded at a sufficient level. Material changes in the number of covered employees, covered payroll, and, in some cases, hours worked by active participants can also significantly impact the plan's liabilities and the level of contributions received by the plan.



Finally, an actuarial funding method has been used to allocate the gap between projected liabilities and assets to each year in the future. The contribution rate under some funding methods is higher during the early years of the plan and then is lower during the later years of the plan. Other funding methods provide for lower contribution rates initially, with increasing contribution rates over time.

The Trustees have adopted the aggregate funding method for this plan, which is expected to result in a contribution rate that is level as a percentage of payroll over the working life of the plan's active participants. A brief description of the actuarial funding method is provided in Table IV-A.

### Contents of the Report

Tables I-D through I-G provide a detailed breakdown of various liability amounts by type of benefit and by participant group. Tables II-A through II-F provide information concerning the assets of the trust fund. Tables III-A through III-G provide statistical information concerning the plan's participant population. In particular, Table III-G gives a 10-year projection of the cash that is expected to be required from the trust fund in order to pay benefits to the current group of participants. Finally, Tables IV-A through V-B provide a summary of the actuarial assumptions and methods that are used to value the plan's benefits and of the relevant plan provisions as of October 1, 2023, as well as a summary of the changes that have occurred since the previous valuation report was prepared.

### Certification

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





For the firm,

*Charles T. Carr*

Charles T. Carr  
Consulting Actuary  
Southern Actuarial Services Company, Inc.

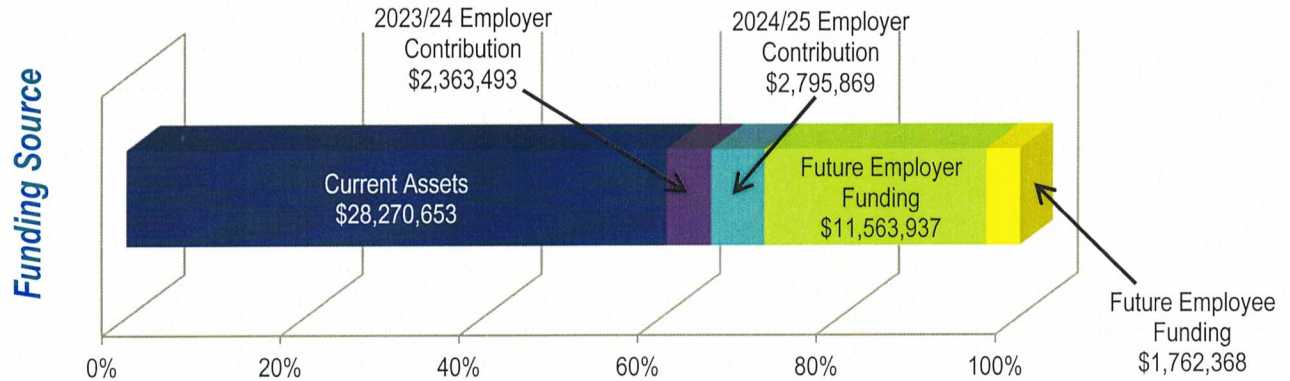
Enrolled Actuary No. 23-04927

*The individual above is a member of the American Academy of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.*



Minimum Required Contribution

Table I-A



**For the 2024/25 Plan Year**

Present Value of Future Benefits	\$43,204,374
Present Value of Future Administrative Expenses	\$756,077
Actuarial Value of Assets	(\$28,270,653)
Present Value of Future Employee Contributions	(\$1,762,368)
Present Value of Future Normal Costs	\$13,927,430
Present Value of Future Payroll	÷ \$32,518,912
Normal Cost Rate	= 42.8287%
Expected Payroll	x \$6,239,422
Normal Cost	\$2,672,264
Adjustment to Reflect Semi-Monthly Employer Contributions	\$95,319
Expected Employer Contribution for the 2023/24 Plan Year	(\$2,363,493)
Remaining Contribution Due/(Credit) for the 2023/24 Plan Year	\$404,090
	x 0.07
One Year's Interest Charge/(Credit) on the Remaining Contribution	\$28,286
Preliminary Employer Contribution for the 2024/25 Plan Year	\$2,795,869
Expected Payroll for the 2024/25 Plan Year	÷ \$6,582,590

**Minimum Required Contribution Rate** **42.47%**

(The actual contribution should be based on the minimum required contribution rate multiplied by the actual payroll for the year.)

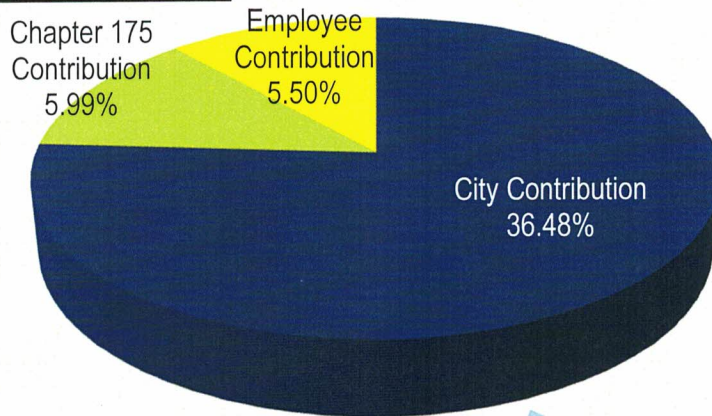
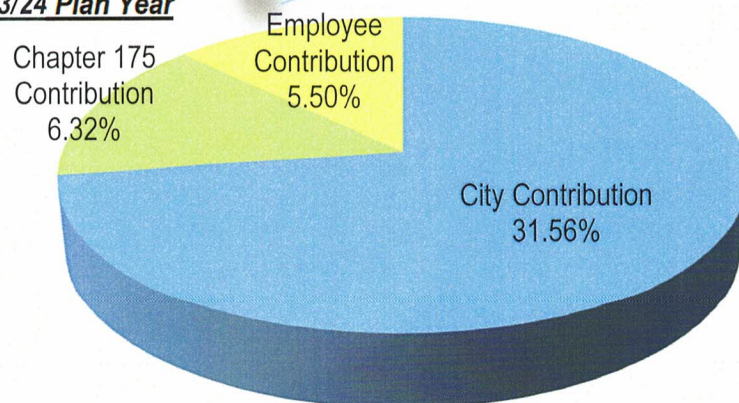




## Minimum Required Contribution

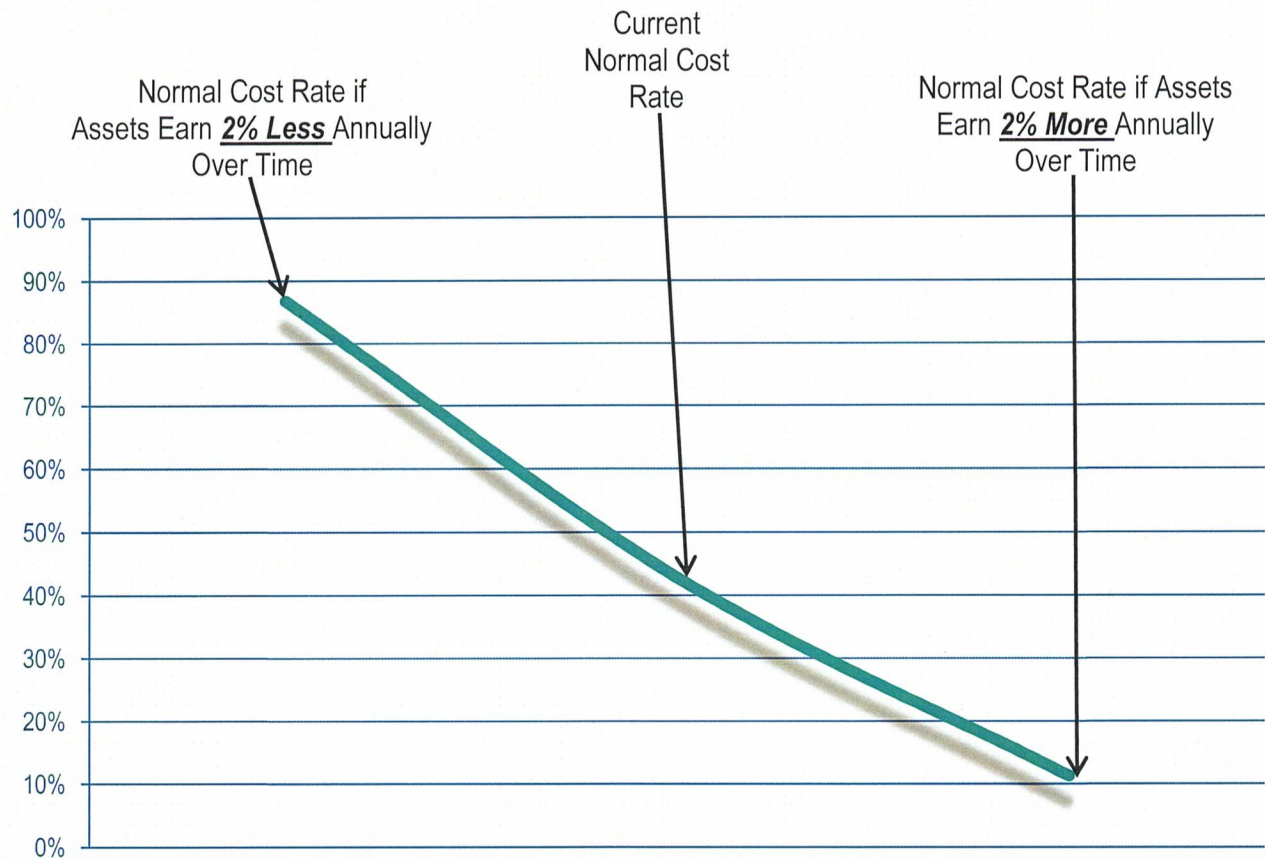
Table I-A  
(continued)

The minimum required contribution rate of 42.47% includes both the City contribution and the allowable Chapter 175 contribution. In addition, employees are required to contribute 5.50% of pensionable earnings. The actual City contribution rate is expected to be approximately 36.48% based on the allowable Chapter 175 contribution for the previous year. The chart below shows the expected contribution rate by source for the 2023/24 plan year based on the expected payroll. A comparative chart shows the contribution rate by source for the previous plan year.

**For the 2024/25 Plan Year****For the 2023/24 Plan Year**

## Sensitivity Analysis

Table I-B



*The line above illustrates the sensitivity of the normal cost rate to changes in the long-term investment return.*





## Gain and Loss Analysis

Table I-C

Previous normal cost rate	36.97%
Increase (decrease) due to investment gains and losses	-0.34%
Increase (decrease) due to demographic experience	6.20%
Increase (decrease) due to plan amendments	0.00%
Increase (decrease) due to actuarial assumption changes	0.00%
Increase (decrease) due to actuarial method changes	0.00%
Current normal cost rate	<u>42.83%</u>



## Present Value of Future Benefits

Table I-D

	Old Assumptions <u>w/o Amendment</u>	Old Assumptions <u>w/ Amendment</u>	New Assumptions <u>w/ Amendment</u>
<u>Actively Employed Participants</u>			
Retirement benefits	\$37,939,992	\$37,939,992	\$37,939,992
Termination benefits	\$1,024,888	\$1,024,888	\$1,024,888
Disability benefits	\$136,786	\$136,786	\$136,786
Death benefits	\$69,490	\$69,490	\$69,490
Refund of employee contributions	\$10,301	\$10,301	\$10,301
Sub-total	<b>\$39,181,457</b>	<b>\$39,181,457</b>	<b>\$39,181,457</b>
<u>Deferred Vested Participants</u>			
Retirement benefits	\$654,306	\$654,306	\$654,306
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	<b>\$654,306</b>	<b>\$654,306</b>	<b>\$654,306</b>
<u>Due a Refund of Contributions</u>	<b>\$57,642</b>	<b>\$57,642</b>	<b>\$57,642</b>
<u>Deferred Beneficiaries</u>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<u>Retired Participants</u>			
Service retirements	\$2,824,189	\$2,824,189	\$2,824,189
Disability retirements	\$486,780	\$486,780	\$486,780
Beneficiaries receiving	\$0	\$0	\$0
DROP participants	\$0	\$0	\$0
Sub-total	<b>\$3,310,969</b>	<b>\$3,310,969</b>	<b>\$3,310,969</b>
<u>Grand Total</u>	<b><u>\$43,204,374</u></b>	<b><u>\$43,204,374</u></b>	<b><u>\$43,204,374</u></b>
Present Value of Future Payroll	\$32,518,912	\$32,518,912	\$32,518,912
Present Value of Future Employee Contribs.	\$1,762,368	\$1,762,368	\$1,762,368
Present Value of Future Employer Contribs.	\$13,927,430	\$13,927,430	\$13,927,430





## Present Value of Accrued Benefits

Table I-E

	Old Assumptions w/o Amendment	Old Assumptions w/ Amendment	New Assumptions w/ Amendment
<u>Actively Employed Participants</u>			
Retirement benefits	\$24,053,832	\$24,053,832	\$24,053,832
Termination benefits	\$546,833	\$546,833	\$546,833
Disability benefits	\$92,764	\$92,764	\$92,764
Death benefits	\$35,847	\$35,847	\$35,847
Refund of employee contributions	\$6,986	\$6,986	\$6,986
Sub-total	<b>\$24,736,262</b>	<b>\$24,736,262</b>	<b>\$24,736,262</b>
<u>Deferred Vested Participants</u>			
Retirement benefits	\$654,306	\$654,306	\$654,306
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	<b>\$654,306</b>	<b>\$654,306</b>	<b>\$654,306</b>
<u>Due a Refund of Contributions</u>	<b>\$57,642</b>	<b>\$57,642</b>	<b>\$57,642</b>
<u>Deferred Beneficiaries</u>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<u>Retired Participants</u>			
Service retirements	\$2,824,189	\$2,824,189	\$2,824,189
Disability retirements	\$486,780	\$486,780	\$486,780
Beneficiaries receiving	\$0	\$0	\$0
DROP participants	\$0	\$0	\$0
Sub-total	<b>\$3,310,969</b>	<b>\$3,310,969</b>	<b>\$3,310,969</b>
<u>Grand Total</u>	<b><u>\$28,759,179</u></b>	<b><u>\$28,759,179</u></b>	<b><u>\$28,759,179</u></b>
<u>Funded Percentage</u>	102.06%	102.06%	102.06%

(Note: Funded percentage is equal to the ratio of the usable portion of the market value of assets divided by the present value of accrued benefits.)



## Present Value of Vested Benefits

Table I-F

	Old Assumptions <u>w/o Amendment</u>	Old Assumptions <u>w/ Amendment</u>	New Assumptions <u>w/ Amendment</u>
<u>Actively Employed Participants</u>			
Retirement benefits	\$22,362,662	\$22,362,662	\$22,362,662
Termination benefits	\$475,993	\$475,993	\$475,993
Disability benefits	\$87,971	\$87,971	\$87,971
Death benefits	\$32,245	\$32,245	\$32,245
Refund of employee contributions	\$37,172	\$37,172	\$37,172
Sub-total	<b>\$22,996,043</b>	<b>\$22,996,043</b>	<b>\$22,996,043</b>
<u>Deferred Vested Participants</u>			
Retirement benefits	\$654,306	\$654,306	\$654,306
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	<b>\$654,306</b>	<b>\$654,306</b>	<b>\$654,306</b>
<u>Due a Refund of Contributions</u>	<b>\$57,642</b>	<b>\$57,642</b>	<b>\$57,642</b>
<u>Deferred Beneficiaries</u>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<u>Retired Participants</u>			
Service retirements	\$2,824,189	\$2,824,189	\$2,824,189
Disability retirements	\$486,780	\$486,780	\$486,780
Beneficiaries receiving	\$0	\$0	\$0
DROP participants	\$0	\$0	\$0
Sub-total	<b>\$3,310,969</b>	<b>\$3,310,969</b>	<b>\$3,310,969</b>
<u>Grand Total</u>	<b><u>\$27,018,960</u></b>	<b><u>\$27,018,960</u></b>	<b><u>\$27,018,960</u></b>





## Entry Age Normal Accrued Liability

Table I-G

	Old Assumptions w/o Amendment	Old Assumptions w/ Amendment	New Assumptions w/ Amendment
<u>Actively Employed Participants</u>			
Retirement benefits	\$27,976,457	\$27,976,457	\$27,976,457
Termination benefits	\$637,970	\$637,970	\$637,970
Disability benefits	\$81,470	\$81,470	\$81,470
Death benefits	\$42,419	\$42,419	\$42,419
Refund of employee contributions	\$6,153	\$6,153	\$6,153
Sub-total	<b>\$28,744,469</b>	<b>\$28,744,469</b>	<b>\$28,744,469</b>
<u>Deferred Vested Participants</u>			
Retirement benefits	\$654,306	\$654,306	\$654,306
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	<b>\$654,306</b>	<b>\$654,306</b>	<b>\$654,306</b>
<u>Due a Refund of Contributions</u>	<b>\$57,642</b>	<b>\$57,642</b>	<b>\$57,642</b>
<u>Deferred Beneficiaries</u>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<u>Retired Participants</u>			
Service retirements	\$2,824,189	\$2,824,189	\$2,824,189
Disability retirements	\$486,780	\$486,780	\$486,780
Beneficiaries receiving	\$0	\$0	\$0
DROP participants	\$0	\$0	\$0
Sub-total	<b>\$3,310,969</b>	<b>\$3,310,969</b>	<b>\$3,310,969</b>
<u>Grand Total</u>	<b><u>\$32,767,386</u></b>	<b><u>\$32,767,386</u></b>	<b><u>\$32,767,386</u></b>



## Actuarial Value of Assets

## Table II-A

Market Value of Assets as of October 1, 2023	\$29,352,398
Minus DROP account balances	\$0
Minus advance employer contributions	(\$1,081,745)
Minus excess Chapter 175/185 contributions	\$0
<b>Actuarial Value of Assets as of October 1, 2023</b>	<b><u>\$28,270,653</u></b>

**Historical Actuarial Value of Assets**

October 1, 2014	\$8,319,434
October 1, 2015	\$8,989,537
October 1, 2016	\$10,744,542
October 1, 2017	\$13,641,834
October 1, 2018	\$16,128,326
October 1, 2019	\$18,965,755
October 1, 2020	\$22,771,575
October 1, 2021	\$29,132,570
October 1, 2022	\$25,308,882
October 1, 2023	\$28,270,653



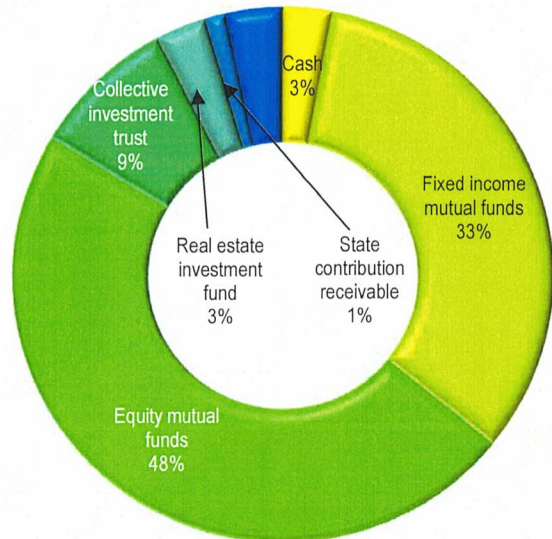


## Market Value of Assets

Table II-B

As of October 1, 2023

<b>Market Value of Assets</b>	<b><u>\$29,352,398</u></b>
Cash	\$918,106
Fixed income mutual funds	\$10,382,371
Equity mutual funds	\$15,078,980
Collective investment trust	\$2,704,116
Real estate investment fund	\$962,008
State contribution receivable	\$394,388
Share plan assets	(\$1,064,133)
Accounts payable	(\$23,438)

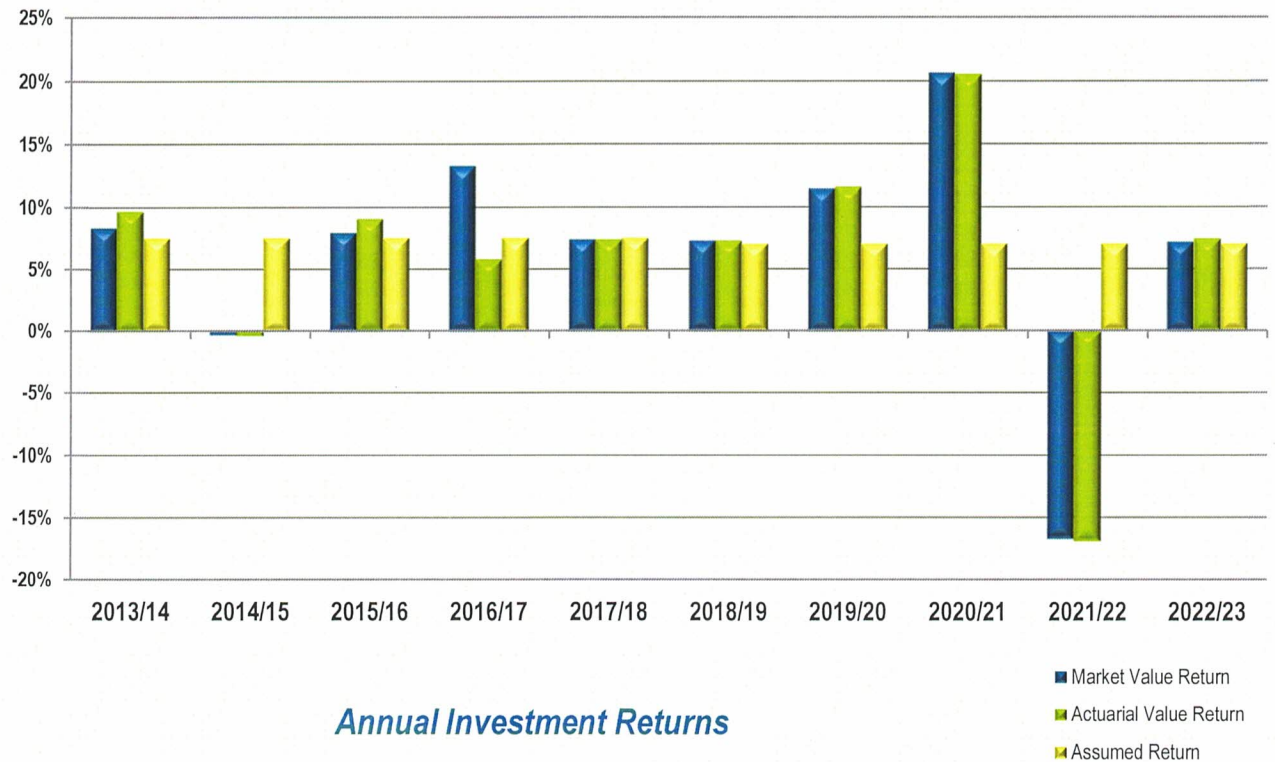
Historical Market Value of Assets

October 1, 2014	\$9,483,819
October 1, 2015	\$10,378,279
October 1, 2016	\$11,977,627
October 1, 2017	\$13,647,332
October 1, 2018	\$16,128,326
October 1, 2019	\$18,988,865
October 1, 2020	\$22,771,575
October 1, 2021	\$29,191,362
October 1, 2022	\$25,996,314
October 1, 2023	\$29,352,398



## Investment Return

Table II-C



## Annual Investment Returns

Plan Year	Market Value Return	Actuarial Value Return	Assumed Return
2013/14	8.37%	9.68%	7.50%
2014/15	-0.33%	-0.38%	7.50%
2015/16	7.98%	9.09%	7.50%
2016/17	13.32%	5.80%	7.50%
2017/18	7.40%	7.41%	7.50%
2018/19	7.32%	7.32%	7.00%
2019/20	11.48%	11.61%	7.00%
2020/21	20.65%	20.52%	7.00%
2021/22	-16.69%	-16.90%	7.00%
2022/23	7.19%	7.43%	7.00%
10yr. Avg.	6.23%	5.73%	7.25%





## Asset Reconciliation

Table II-D

	<u>Market Value</u>	<u>Actuarial Value</u>
<b>As of October 1, 2022</b>	<b>\$25,996,314</b>	<b>\$25,308,882</b>
<i><b>Increases Due To:</b></i>		
Employer Contributions	\$1,025,356	\$1,025,356
Chapter 175/185 Contributions	\$394,388	\$394,388
Employee Contributions	\$353,068	\$353,068
Service Purchase Contributions	\$35,696	\$35,696
Total Contributions	<u>\$1,808,508</u>	<u>\$1,808,508</u>
Interest and Dividends	\$739,579	
Realized Gains (Losses)	\$0	
Unrealized Gains (Losses)	\$1,208,221	
Total Investment Income	<u>\$1,947,800</u>	\$1,920,155
Other Income	\$0	
<b>Total Income</b>	<u><b>\$3,756,308</b></u>	<u><b>\$3,728,663</b></u>
<i><b>Decreases Due To:</b></i>		
Monthly Benefit Payments	(\$283,215)	(\$283,215)
Refund of Employee Contributions	(\$15,031)	(\$15,031)
DROP Credits		\$0
Total Benefit Payments	<u>(\$298,246)</u>	<u>(\$298,246)</u>
Investment Expenses	(\$27,645)	
Administrative Expenses	(\$74,333)	(\$74,333)
Advance Employer Contribution		(\$394,313)
Excess Chapter 175/185 Contribution		\$0
<b>Total Expenses</b>	<u><b>(\$400,224)</b></u>	<u><b>(\$766,892)</b></u>
<b>As of October 1, 2023</b>	<u><b>\$29,352,398</b></u>	<u><b>\$28,270,653</b></u>



## Historical Trust Fund Detail

Table II-E

Income

Plan	Employer	Chapter	Employee	Service		Realized	Unrealized	
Year	Contribs.	Contribs.	Contribs.	Purchase	Interest /	Gains /	Gains /	Other
				Contribs.	Dividends	Losses	Losses	Income
2013/14	\$497,088	\$171,712	\$86,520	\$0	\$0	\$0	\$704,467	\$0
2014/15	\$639,772	\$187,585	\$141,632	\$0	\$0	\$0	-\$32,699	\$0
2015/16	\$276,343	\$215,476	\$279,064	\$0	\$0	\$0	\$858,135	\$0
2016/17	\$619,491	\$178,209	\$238,784	\$0	\$0	\$0	\$1,599,687	\$0
2017/18	\$1,087,587	\$191,170	\$200,118	\$0	\$0	\$0	\$1,063,078	\$0
2018/19	\$1,386,390	\$199,124	\$211,614	\$20,321	\$0	\$0	\$1,239,130	\$0
2019/20	\$1,649,080	\$0	\$220,098	\$0	\$0	\$0	\$2,267,101	\$0
2020/21	\$1,419,947	\$221,613	\$241,273	\$75,000	\$650,936	\$0	\$4,232,766	\$0
2021/22	\$1,259,258	\$540,247	\$324,115	\$0	\$970,823	\$0	-\$5,974,807	\$0
2022/23	\$1,025,356	\$394,388	\$353,068	\$35,696	\$739,579	\$0	\$1,208,221	\$0

Expenses

Plan	Monthly				Transfer to		Advance	Excess
Year	Benefit	Contrib.	Admin.	Invest.	Share	DROP	Employer	Chapter
	Payments	Refunds	Expenses	Expenses	Plan	Credits	Contribs.	Contribs.
2013/14	\$601	\$155	\$24,109	\$0	\$0	\$0	\$53,967	\$0
2014/15	\$601	\$344	\$40,885	\$0	\$0	\$0	\$224,357	\$0
2015/16	\$601	\$723	\$28,346	\$0	\$0	\$0	-\$155,657	\$0
2016/17	\$601	\$3,912	\$49,761	\$0	\$0	\$0	-\$315,396	-\$912,192
2017/18	\$14,242	\$10,878	\$35,839	\$0	\$2,203	\$0	-\$5,498	\$0
2018/19	\$96,189	\$3,516	\$96,335	\$0	\$10,157	\$23,110	\$0	\$0
2019/20	\$288,092	\$0	\$65,477	\$0	\$0	\$0	\$0	\$0
2020/21	\$267,916	\$15,434	\$83,741	\$19,655	\$35,002	\$0	\$58,792	\$0
2021/22	\$190,826	\$0	\$101,784	\$22,074	\$0	\$0	\$628,640	\$0
2022/23	\$283,215	\$15,031	\$74,333	\$27,645	\$0	\$0	\$394,313	\$0

Other Actuarial Adjustments

Note: Information was not available to separate the investment expenses from the investment income prior to October 1, 2020 nor was information available to separate the investment income by source.



## Other Reconciliations

Table II-F

**Advance Employer Contribution**

Advance Employer Contribution as of October 1, 2022	\$687,432
Additional Employer Contribution	\$1,419,744
Minimum Required Contribution	(\$1,025,431)
Net Increase in Advance Employer Contribution	\$394,313
Advance Employer Contribution as of October 1, 2023	<u>\$1,081,745</u>

**Excess Chapter 175/185 Contribution**

Excess Chapter 175/185 Contribution as of October 1, 2022	\$0
Additional Chapter 175/185 Contribution	\$394,388
Allowable Chapter 175/185 Contribution	(\$394,388)
Transfer to Share Plan	\$0
Net Increase in Excess Chapter 175/185 Contribution	\$0
Excess Chapter 175/185 Contribution as of October 1, 2023	<u>\$0</u>

**DROP Account Reconciliation**

DROP Balance as of October 1, 2022	\$0
DROP Benefits Paid	\$0
DROP Investment Return	\$0
DROP Expense Charge	\$0
Net DROP Credit	\$0
DROP Balance as of October 1, 2023	<u>\$0</u>





## Historical Chapter 175/185 Contributions

Table II-G

**Total Accumulated Excess Chapter 175/185 Contribution** **\$0**

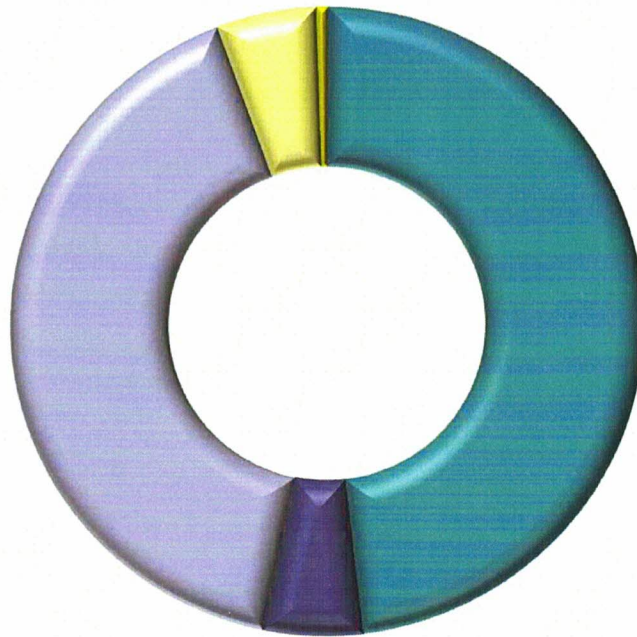
	Chapter 175 Regular <u>Distribution</u>	Chapter 175 Supplemental <u>Distribution</u>	Chapter 185 <u>Distribution</u>	Allowable <u>Amount</u>
1998 Distribution	\$29,264	\$0	\$0	(\$25,316)
1999 Distribution	\$34,044	\$15,978	\$0	(\$36,664)
2000 Distribution	\$32,659	\$19,425	\$0	(\$36,664)
2001 Distribution	\$39,992	\$17,162	\$0	(\$36,664)
2002 Distribution	\$48,913	\$22,170	\$0	(\$67,747)
2003 Distribution	\$58,515	\$27,254	\$0	(\$62,157)
2004 Distribution	\$72,111	\$35,142	\$0	(\$62,157)
2005 Distribution	\$80,458	\$41,648	\$0	(\$62,157)
2006 Distribution	\$93,915	\$48,281	\$0	(\$62,157)
2007 Distribution	\$133,073	\$64,363	\$0	(\$62,157)
2008 Distribution	\$155,350	\$48,391	\$0	(\$62,157)
2009 Distribution	\$165,178	\$9,847	\$0	(\$60,656)
2010 Distribution	\$167,013	\$8,172	\$0	(\$58,981)
2011 Distribution	\$178,611	\$5,998	\$0	(\$56,807)
2012 Distribution	\$183,327	\$5,640	\$0	(\$188,967)
2013 Distribution	\$169,639	\$2,073	\$0	(\$171,712)
2014 Distribution	\$181,292	\$6,293	\$0	(\$187,585)
2015 Distribution	\$215,476	\$0	\$0	(\$215,476)
2016 Distribution	\$178,209	\$0	\$0	(\$178,209)
2017 Distribution	\$193,373	\$0	\$0	(\$191,170)
2018 Distribution	\$209,281	\$0	\$0	(\$199,124)
2019 Distribution	\$0	\$0	\$0	\$0
2020 Distribution	\$221,613	\$0	\$0	(\$186,611)
2021 Distribution	\$540,247	\$0	\$0	(\$540,247)
2022 Distribution	\$394,388	\$0	\$0	(\$394,388)
Interest Adjustment				\$11,706
Transfer to Share Plan				(\$959,554)



## Summary of Participant Data

Table III-A

As of October 1, 2023

Actively Employed Participants

Active Participants	76
DROP Participants	0

Inactive Participants

Deferred Vested Participants	8
Due a Refund of Contributions	65
Deferred Beneficiaries	0

Participants Receiving a Benefit

Service Retirements	8
Disability Retirements	1
Beneficiaries Receiving	0

**Total Participants 158**Number of Participants Included in Prior Valuations

	<i>Active</i>	<i>DROP</i>	<i>Inactive</i>	<i>Retired</i>	<i>Total</i>
October 1, 2014	58	0	62	1	121
October 1, 2015	N/A	N/A	N/A	N/A	N/A
October 1, 2016	57	0	60	1	118
October 1, 2017	N/A	N/A	N/A	N/A	N/A
October 1, 2018	72	0	62	3	137
October 1, 2019	N/A	N/A	N/A	N/A	N/A
October 1, 2020	78	0	68	7	153
October 1, 2021	79	0	69	6	154
October 1, 2022	81	0	72	6	159
October 1, 2023	76	0	73	9	158



## Data Reconciliation

Table III-B

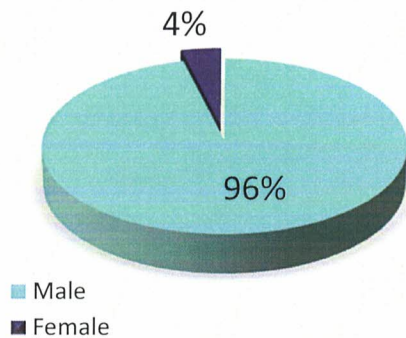
	<u>Active</u>	<u>DROP</u>	<u>Deferred Vested</u>	<u>Due a Refund</u>	<u>Def. Benef.</u>	<u>Service Retiree</u>	<u>Disabled Retiree</u>	<u>Benef. Rec'v.</u>	<u>Total</u>
<u>October 1, 2022</u>	81	0	9	63	0	5	1	0	159
<u>Change in Status</u>									
Re-employed									
Terminated	(5)		1	4					
Retired	(1)		(2)			3			
<u>Participation Ended</u>									
Transferred Out									
Cashed Out				(2)					(2)
Died									
<u>Participation Began</u>									
Newly Hired	1								1
Transferred In									
New Beneficiary									
<u>Other Adjustment</u>									
<u>October 1, 2023</u>	76	0	8	65	0	8	1	0	158



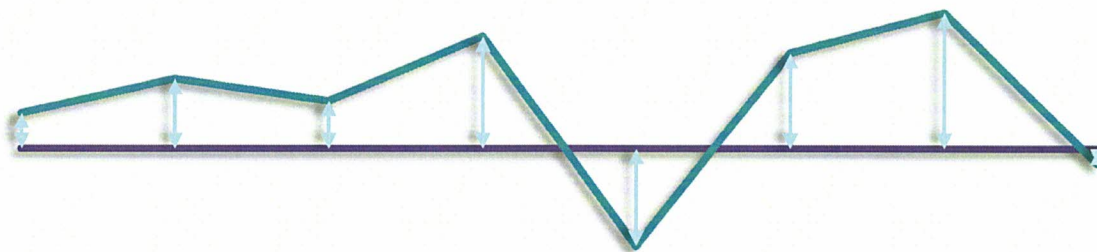


## Active Participant Data

Table III-C

**Gender Mix****As of October 1, 2023**

Average Age	39.4 years
Average Service	11.2 years
Total Annualized Compensation for the Prior Year	\$6,935,388
Total Expected Compensation for the Current Year	\$6,239,422
Average Increase in Compensation for the Prior Year	4.57%
Expected Increase in Compensation for the Current Year	5.50%

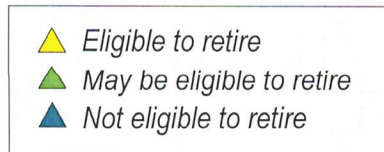
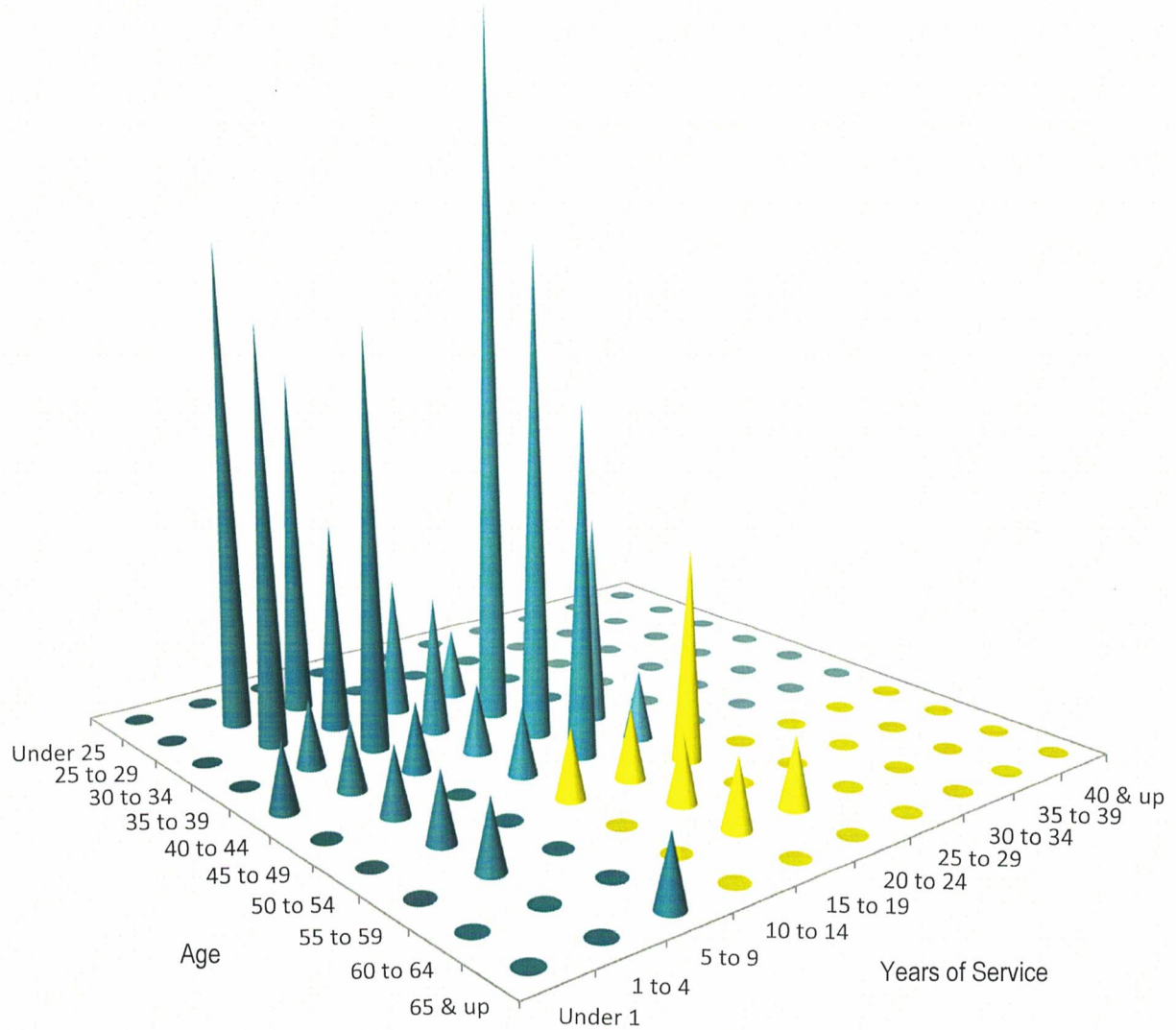
**Actual vs. Expected Salary Increases****Active Participant Statistics From Prior Valuations**

	Average Age	Average Service	Average Salary	Average Expected Salary Increase	Average Actual Salary Increase
October 1, 2014	35.2	7.1	\$52,271	5.50%	-0.51%
October 1, 2015	N/A	N/A	N/A	5.50%	5.31%
October 1, 2016	37.4	9.4	\$66,667	5.50%	7.69%
October 1, 2017	N/A	N/A	N/A	5.50%	9.80%
October 1, 2018	36.9	8.6	\$67,732	5.50%	8.44%
October 1, 2019	N/A	N/A	N/A	5.50%	12.38%
October 1, 2020	37.2	8.2	\$69,285	5.50%	-0.41%
October 1, 2021	37.8	9.0	\$75,702	5.50%	11.36%
October 1, 2022	38.5	9.6	\$85,006	5.50%	13.81%
October 1, 2023	39.4	11.2	\$91,255	5.50%	4.57%



# Active Age-Service Distribution

Table III-D



Active Age-Service-Salary Table

Table III-E

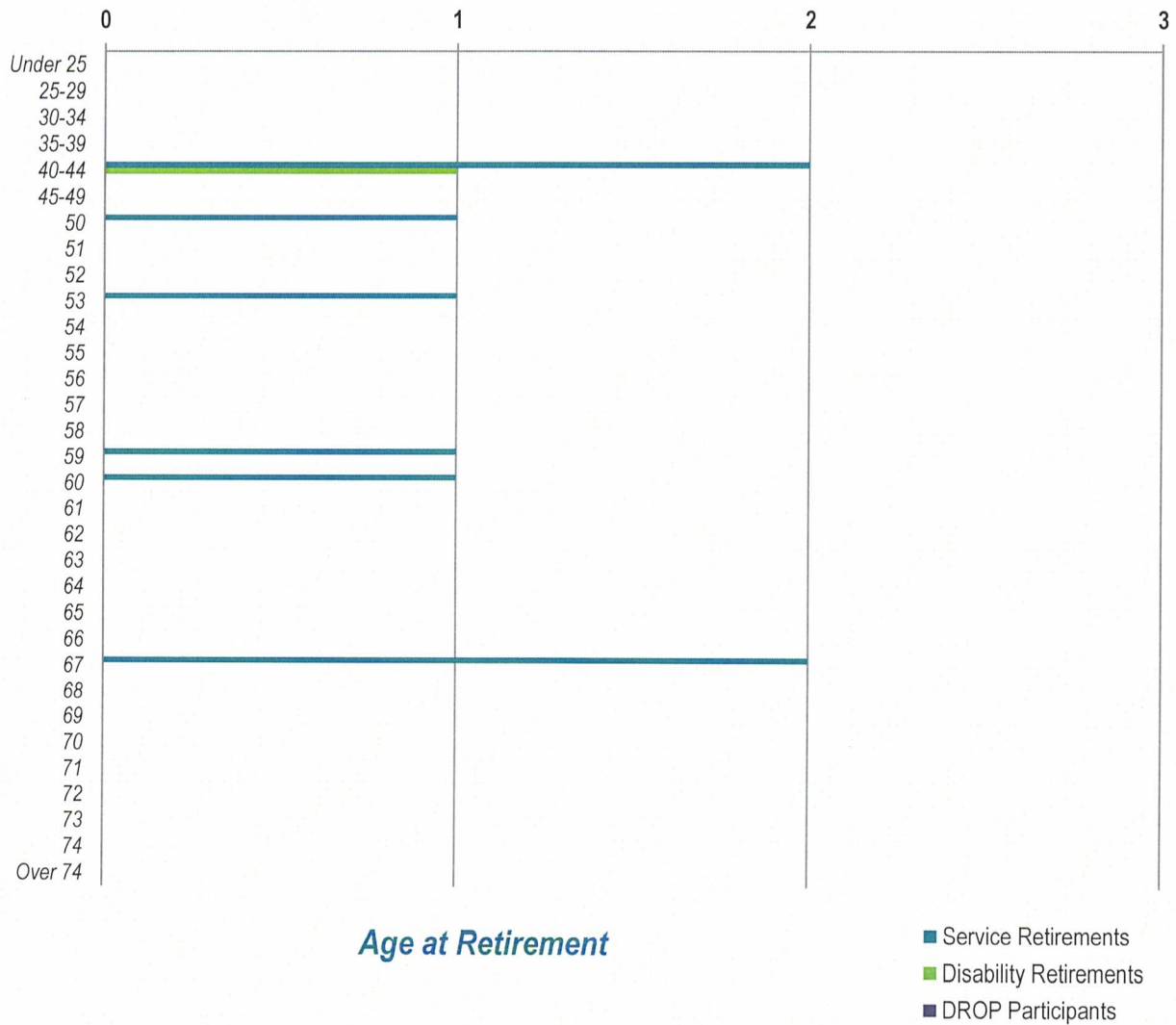
Attained Age	Completed Years of Service										Total
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up	
<b>Under 25</b>	0	0	0	0	0	0	0	0	0	0	0
Avg.Pay	0	0	0	0	0	0	0	0	0	0	0
<b>25 to 29</b>	0	7	5	0	0	0	0	0	0	0	12
Avg.Pay	0	53,196	68,361	0	0	0	0	0	0	0	59,515
<b>30 to 34</b>	0	6	3	2	1	0	0	0	0	0	12
Avg.Pay	0	58,600	75,281	94,617	118,283	0	0	0	0	0	73,747
<b>35 to 39</b>	0	1	6	2	10	0	0	0	0	0	19
Avg.Pay	0	48,404	76,140	84,503	103,844	0	0	0	0	0	90,142
<b>40 to 44</b>	1	1	1	1	7	3	0	0	0	0	14
Avg.Pay	117,941	71,466	77,585	101,438	107,507	110,534	0	0	0	0	103,756
<b>45 to 49</b>	0	1	0	1	5	1	0	0	0	0	8
Avg.Pay	0	69,127	0	98,050	110,181	142,699	0	0	0	0	107,598
<b>50 to 54</b>	0	1	0	1	1	3	0	0	0	0	6
Avg.Pay	0	61,090	0	97,423	111,692	138,578	0	0	0	0	114,323
<b>55 to 59</b>	0	1	0	0	1	0	0	0	0	0	2
Avg.Pay	0	143,549	0	0	103,794	0	0	0	0	0	123,672
<b>60 to 64</b>	0	0	0	0	1	1	0	0	0	0	2
Avg.Pay	0	0	0	0	97,651	154,751	0	0	0	0	126,201
<b>65 &amp; up</b>	0	0	1	0	0	0	0	0	0	0	1
Avg.Pay	0	0	124,512	0	0	0	0	0	0	0	124,512
<b>Total</b>	1	18	16	7	26	8	0	0	0	0	76
Avg.Pay	117,941	62,089	76,662	93,593	106,666	130,598	0	0	0	0	91,255





## Inactive Participant Data

Table III-F

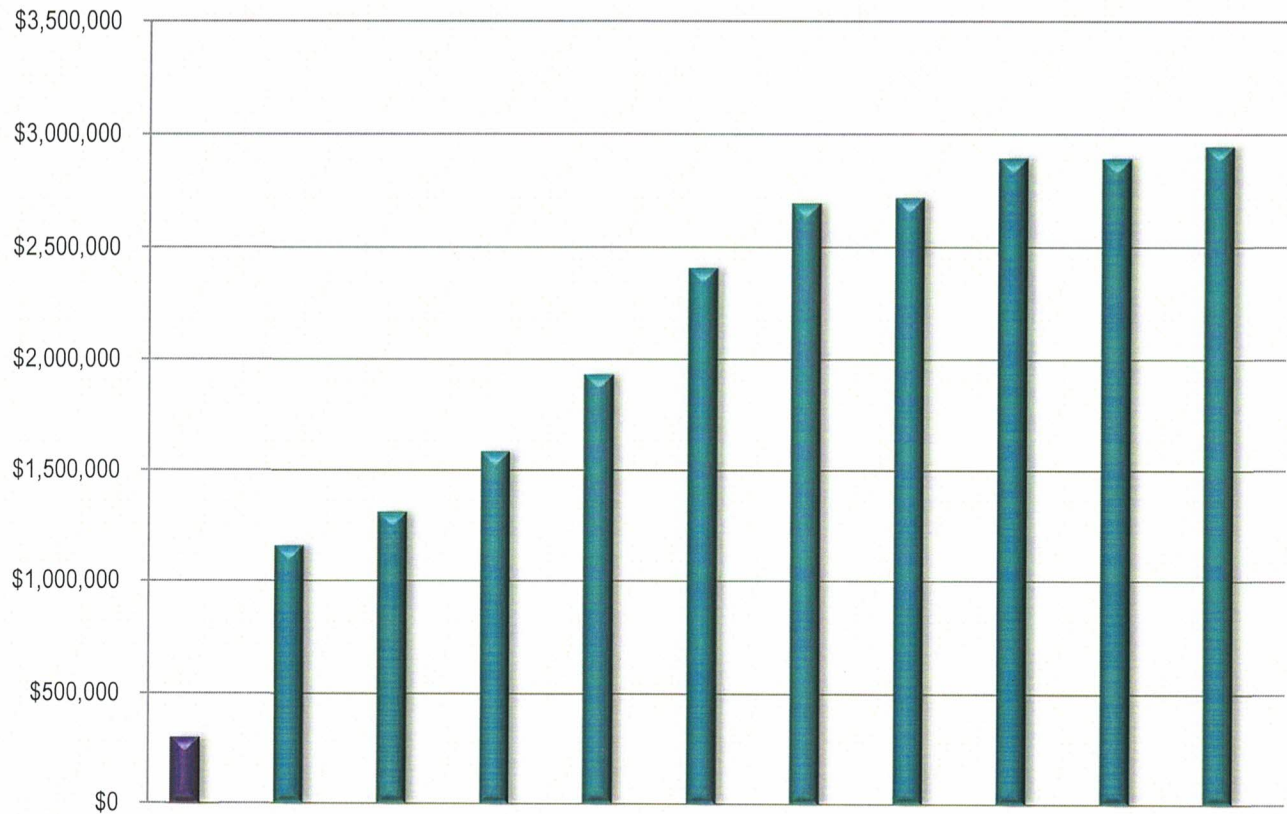
Average Monthly Benefit

Service Retirements	\$2,477.63
Disability Retirements	\$3,647.12
Beneficiaries Receiving	Not applicable
DROP Participants	Not applicable
Deferred Vested Participants	\$774.74
Deferred Beneficiaries	Not applicable



## Projected Benefit Payments

Table III-G

Actual

For the period October 1, 2022 through September 30, 2023

\$298,246

Projected

For the period October 1, 2023 through September 30, 2024

\$1,158,361

For the period October 1, 2024 through September 30, 2025

\$1,310,426

For the period October 1, 2025 through September 30, 2026

\$1,583,848

For the period October 1, 2026 through September 30, 2027

\$1,931,842

For the period October 1, 2027 through September 30, 2028

\$2,407,132

For the period October 1, 2028 through September 30, 2029

\$2,695,906

For the period October 1, 2029 through September 30, 2030

\$2,720,083

For the period October 1, 2030 through September 30, 2031

\$2,893,764

For the period October 1, 2031 through September 30, 2032

\$2,891,935

For the period October 1, 2032 through September 30, 2033

\$2,945,365



## Summary of Actuarial Methods and Assumptions

## Table IV-A

*NOTE: The following assumptions and methods have been selected and approved by the Board of Trustees based in part on the advice of the plan's enrolled actuary in accordance with the authority granted to the Board under the pension ordinances and State law.*

1. **Actuarial Cost Method**

Aggregate cost method. Under this actuarial cost method, a funding cost is developed for the plan as a level percentage of payroll. The level funding percentage is calculated as the excess of the total future benefit liability over accumulated assets and future employee contributions, with this excess spread over the expected future payroll for current active participants. The normal cost is equal to the level funding percentage multiplied by the expected payroll for the year immediately following the valuation date. The actuarial accrued liability is equal to the accumulated assets. Therefore, under the aggregate cost method, no unfunded accrued liability is developed.

2. **Asset Method**

The actuarial value of assets is equal to the market value of assets.

3. **Interest (or Discount) Rate**

7.00% per annum

4. **Salary Increases**

Plan compensation is generally assumed to increase at the rate of 5.50% per annum, unless actual plan compensation is known for a prior plan year.

5. **Decrement**

- Pre-retirement mortality: Sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Employee Mortality Table for public safety employees (Below Median table for males), with full generational improvements in mortality using Scale MP-2018 and with ages set forward one year





## Summary of Actuarial Methods and Assumptions

## Table IV-A

(continued)

- Post-retirement mortality: For non-disabled retirees, sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Healthy Retiree Mortality Table for public safety employees (Below Median table for males), with full generational improvements in mortality using Scale MP-2018 and with ages set forward one year; for disabled retirees, sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Disabled Retiree Mortality Table (80% general employee rates plus 20% public safety employee rates), with full generational improvements in mortality using Scale MP-2018
- Disability: Age-based rates of disability were assumed, ranging from 0.03% at age 20, 0.04% at age 30, 0.07% at age 40, and 0.18% at age 50; 75% of all disabilities are assumed to be service-related.
- Termination: Age-based rates of termination were assumed, ranging from 4.30% at age 20, 3.70% at age 30, 2.80% at age 40, and 0.00% at age 50.
- Retirement: Retirement is assumed to occur at normal retirement age, except that those individuals who are eligible for early retirement at ages 52 through 54 are assumed to retire at the rate of 20% per year.

6. Form of Payment

Future retirees have been assumed to select the 10-year certain and life annuity.

7. Expenses

The total projected benefit liability has been loaded by 1.75% to account for anticipated administrative expenses. In addition, the interest rate set forth in item 3. above is assumed to be net of investment expenses and commissions.



## Changes in Actuarial Methods and Assumptions

## Table IV-B

No assumptions or methods were changed since the completion of the previous valuation.

*The following additional assumption and method changes were made during the past 10 years:*

- (1) Effective October 1, 2020, the mortality basis was changed from the RP-2000 Blue Collar Mortality Table with generational improvements in mortality using Scale BB to selected PUB-2010 Mortality Tables with generational improvements in mortality using Scale MP-2018.*
- (2) Effective October 1, 2018, the interest (or discount) rate was decreased from 7.50% per annum to 7.00% per annum.*
- (3) Effective October 1, 2018, the mortality basis was changed from the RP-2000 Combined Mortality Table to the RP-2000 Blue Collar Mortality Table, both with full generational improvements in mortality using Scale BB.*
- (4) Effective October 1, 2016, the mortality basis was changed from a 2007 projection of the RP-2000 Mortality Table for annuitants to a full generational projection using Scale BB of the RP-2000 Combined Mortality Table as required by State law.*



## Summary of Plan Provisions

## Table V-A

**1. Benefit Formula**

*For the period prior to October 1, 2022 and for those individuals who have earned less than 22 years of service:*  
2.25% of Average Monthly Earnings multiplied by Credited Service earned prior to October 1, 2002 plus  
3.00% of Average Monthly Earnings multiplied by Credited Service earned on and after October 1, 2002

*For the period after September 30, 2022 with respect to those individuals who have earned at least 22 years of service:*

75% of Average Monthly Earnings plus 2.00% of Average Monthly Earnings multiplied by Credited Service earned in excess of 22 years

*(The minimum benefit is equal to 2.75% of Average Monthly Earnings multiplied by Credited Service to a maximum of 100% of Average Monthly Earnings. The benefit formula is applied separately to periods of service as a full-time firefighter and as a volunteer firefighter. In addition, volunteer firefighters receive a minimum monthly benefit equal to \$5.00 for each year of credited service earned as a volunteer.)*

**2. Service Retirement**

Normal retirement: Age 55 with at least 10 years of credited service; or

Any age with at least 20 years of credited service

Early retirement: Age 50 with at least 10 years of credited service

*(Note: In the case of early retirement, the participant's benefit is reduced by 3% for each year by which the participant's early retirement age precedes his normal retirement age.)*

**3. Disability Retirement**

The disability benefit is a monthly 10-year certain and life annuity equal to the larger of the monthly accrued benefit or either 42% of average monthly earnings (for service-based disability) or 25% of average monthly earnings (for non-service disability), but offset as necessary to preclude the total of the participant's worker's compensation, disability benefit, and other City-financed disability or salary continuation benefit (excluding social security benefits) from exceeding his average monthly earnings. The participant must have earned at least 10 years of credited service in order to be eligible for a non-service disability. The participant may convert his disability benefit into any of the optional forms of payment that are otherwise available under the plan.





## Summary of Plan Provisions

## Table V-A

(continued)

**Disability Retirement** (continued)

*(A participant is disabled if he is found to have a mental or physical condition resulting from bodily injury, disease, or a mental disorder that renders him incapable of employment as a firefighter. However, a participant will not be eligible for a disability benefit if his disability is caused by excessive and habitual use of drugs, intoxicants, or narcotics; by injury or disease sustained while serving in the armed forces; by injury or disease sustained while willfully and illegally participating in fights, riots, or civil insurrections, or while committing a crime; by injury or disease sustained after termination of employment; or by an injury or disease sustained while working for another employer and arising from such employment.)*

**4. Deferred Vested Retirement**

A vested participant who terminates employment before becoming eligible for retirement receives a deferred vested retirement benefit payable at the participant's early or normal retirement age. If the benefit is payable prior to normal retirement age, then the benefit is reduced by 3% for each year by which the participant's early retirement age precedes his normal retirement age.

A non-vested participant who terminates employment receives his accumulated contributions.

**5. Vesting**

An employee becomes 100% vested upon the attainment of 10 years of credited service. Alternatively, an employee becomes 50% vested upon the attainment of five years of credited service and becomes an additional 10% vested for each additional whole year of credited service earned in excess of five years.

**6. Pre-Retirement Death Benefit**

If a participant dies prior to retirement in the line of duty, the participant's surviving spouse (or, if there is no surviving spouse or if the surviving spouse later dies, the participant's children under the age of 18 or the participant's unmarried children under the age of 25 if a full-time student) will receive 100% of the participant's monthly salary as of his date of death for the rest of his or her life (or in equal shares until the children are no longer eligible). If such a participant does not have a surviving spouse or eligible child, then the participant's named beneficiary will receive a 10-year certain annuity equal to the greater of the monthly accrued benefit or 42% of the participant's average monthly earnings as of his date of death.



## Summary of Plan Provisions

## Table V-A

(continued)

**Pre-Retirement Death Benefit (continued)**

If a vested participant dies prior to retirement other than in the line of duty, the participant's beneficiary receives a 10-year certain annuity equal to the vested portion of the participant's monthly accrued benefit payable beginning at the participant's early or normal retirement age. At the beneficiary's election and upon approval by the Board of Trustees, an actuarially equivalent benefit is payable at any time following the participant's death. In any event, the pre-retirement death benefit guarantees at least the return of the participant's accumulated contributions.

If a non-vested participant dies prior to retirement other than in the line of duty, the participant's beneficiary receives the participant's accumulated contributions.

**7. Form of Payment**

Actuarially increased single life annuity (*optional*);

10-year certain and life annuity (*normal form of payment*);

Actuarially reduced 50% joint and contingent annuity (*optional*);

Actuarially reduced 66⅔% joint and contingent annuity (*optional*);

Actuarially reduced 75% joint and contingent annuity (*optional*);

Actuarially reduced 100% joint and contingent annuity (*optional*); or

Actuarially equivalent single lump sum distribution (*automatic and only available if the single sum value of the participant's benefit is less than or equal to \$5,000 or if the monthly benefit is less than \$100*)

(*Note: All forms of payment guarantee at least the return of the participant's accumulated contributions. Furthermore, a participant may change his joint annuitant up to two times after retirement subject to an actuarially equivalent adjustment.*)



## Summary of Plan Provisions

## Table V-A

(continued)

**8. Average Monthly Earnings**

Average monthly earnings during the highest five years of compensation out of the 10 years immediately preceding the determination date or career average earnings, if greater. With respect to full-time firefighters, earnings include fixed monthly compensation, plus payments for unused leave accrued prior to February 12, 2014 and overtime (limited to 300 hours per year after February 11, 2014). With respect to volunteer firefighters, earnings include total cash remuneration. Earnings cannot exceed the maximum amount allowed under Internal Revenue Code (IRC) section 401(a)(17).

**9. Credited Service**

The elapsed time from the participant's date of hire until his date of termination, retirement, or death calculated to the nearest number of completed months of service. In the case of a full-time firefighter, prior service as a volunteer firefighter is counted for vesting and eligibility purposes only.

*(Participants as of November 25, 2003 may purchase up to five additional years of credited service with another governmental entity, including prior military service, by paying into the plan the full actuarial cost thereof during the three- to six-month period following November 25, 2003. All other participants may purchase such service credit at any time before their separation from service with the City. In either case, service will not be granted under this plan for which the participant will receive a retirement benefit under another pension plan.)*

**10. Employee Contribution**

Employees must contribute 4.00% of basic salary prior to the first full payroll period that occurs after January 24, 2023 and 5.50% thereafter. Employee contributions are accumulated with interest at the rate of 5.00% per annum.

**11. City Contribution**

The City is required to make periodic contributions at least on a quarterly basis as determined under Chapter 112, Florida Statutes.





## Summary of Plan Provisions

## Table V-A

(continued)

**12. Deferred Retirement Option Plan (DROP)**

A DROP is available to those participants who have attained their normal retirement age, whereby the participant's monthly retirement benefit is accumulated on his behalf in a DROP account while he continues in active employment with the City. Individuals may participate in the DROP for a period of 12 to 60 months and neither earn additional benefits nor make the required employee contribution during the period of their DROP participation. DROP participants are considered to be retired for all other purposes under the plan and are not eligible for disability or pre-retirement death benefits. DROP accounts earn interest at the rate of 6.50% per annum compounded monthly.

**13. Participant Requirement**

All full-time and volunteer firefighters of the City of Clermont automatically become participants in the plan on their date of hire.

**14. Actuarial Equivalence**

Based on 7.00% interest per annum and the unisex mortality table promulgated by the Internal Revenue Service (IRS) for purposes of Internal Revenue Code (IRC) section 417(e)(3)

**15. Plan Effective Date**

The plan was originally effective on October 1, 1979.



## Summary of Plan Amendments

## Table V-B

There were no plan amendments since the completion of the previous valuation.

*The following additional plan amendments were adopted during the past 10 years and were reflected in prior valuation reports:*

- (1) Effective the first full payroll period after January 24, 2023, the employee contribution rate was increased from 4.00% of pensionable earnings to 5.50%. (Ordinance No. 2023-003)*
- (2) Effective with the monies received pursuant to Chapter 175 for 2022, the City is allowed to use 100% of the Chapter 175 distribution as an offset to the otherwise required contribution and participation in the share plan is frozen. (Ordinance No. 2023-003)*
- (3) Effective for retirements on and after October 1, 2022, the benefit formula multiplier for those participants who have earned at least 22 years of service is equal to 75% plus 2.00% for each year of service in excess of 22 years. (Ordinance No. 2023-003)*
- (4) The minimum retirement benefit is equal to 2.75% of average earnings for each year of service to a maximum of 100% of average earnings. (Ordinance No. 2023-003)*
- (5) Ordinance 2018-33 was adopted on September 25, 2018 to be effective that date. This ordinance clarifies several sections of the share plan.*
- (6) Ordinance 2017-08 was adopted on April 11, 2017 to be effective that date. This ordinance clarified that purchased service will count towards vesting; added a line-of-duty death benefit equal to 100% of the participant's monthly salary payable for life to the participant's surviving spouse or, if the participant has no surviving spouse, payable until age 18 (or age 25 if a full-time student) to the participant's surviving dependent children or, if the participant has neither a surviving spouse nor any dependent children, the line-of-duty death benefit is equal to the greater of the participant's accrued benefit or 42% of the member's average monthly earnings; clarifies that a participant may enter the DROP at any time after he has met the eligibility requirements for the DROP; and implements a share plan to receive Chapter 175 contributions in excess of the amount that the City is allowed to use as an offset to the minimum required contribution each year.*
- (7) Ordinance 2014-10 was adopted on March 11, 2014 to be effective that date. This ordinance made several changes to the plan. First, unused sick or annual leave, as well as overtime in excess of 300 hours per year, is excluded from plan compensation after February 11, 2014. Second, for retirements after February 10, 2014, the normal retirement age was reduced to the earlier of age 55 with at 10 years of service or any age with at least 20 years of service. Finally, the employee contribution rate was increased from 1.00% to 4.00% effective February 10, 2014.*

